SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(MARK ONE)

/X/ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE QUARTERLY PERIOD ENDED NOVEMBER 30, 2000

OR

/ / TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE TRANSITION PERIOD FROM TO

COMMISSION FILE NUMBER 333-45000

RESOURCES CONNECTION, INC.
(Exact name of registrant as specified in its charter)

DELAWARE	33-0832424
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
695 TOWN CENTER DRIVE, SUITE 600 COSTA MESA, CALIFORNIA	92626
(Address of Principal Executive Offices)	(Zip Code)

Registrant's Telephone Number, Including Area Code: (714) 430-6400

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) had been subject to such filing requirements for the past 90 days. Yes ___ No X

Indicate the number of shares outstanding of each of the issuer's classes of common stock as of January 22, 2001: 20,594,400 shares of Common Stock, $.01 par value per share

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ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS

RESOURCES CONNECTION, INC.

CONSOLIDATED BALANCE SHEETS

	Pro forma as Adjusted November 30, 2000 (unaudited)	November 30, 2000 (unaudited)	May 31, 2000
ASSETS			
Current assets:			
Cash and cash equivalents	$19,916,562	$ 3,931,611	$ 4,490,187
Trade accounts receivable, net of allowance for doubtful accounts of $1,648,713 and $1,586,215 as of November 30, 2000 and May 31, 2000, respectively	21,806,815	21,806,815	18,166,413
Deferred income taxes	1,325,209	1,325,209	1,300,210
Prepaid expenses and other current assets	968,670	664,670	745,621
Total current assets	44,017,256	27,728,305	24,702,431
Intangible assets, net	39,549,436	40,309,436	41,582,699
Property and equipment, net	3,829,422	3,829,422	3,196,185
Other assets	858,923	858,923	624,778
Total assets	$88,255,037	$72,726,086	$70,106,093
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities:			
Accounts payable and accrued expenses	$ 2,025,964	$ 2,025,964	$ 2,519,289
Accrued salaries and related obligations	8,374,413	8,374,413	7,450,190
Other liabilities	713,973	713,973	800,938
Current portion of term loan		3,581,144	6,268,158
Total current liabilities	11,114,350	14,695,494	17,038,575
Deferred income taxes	522,361	522,361	379,589
Term loan		8,287,792	10,231,842
Subordinated notes payable		26,796,113	25,270,750
Total liabilities	11,636,711	50,301,760	52,920,756
Commitments and contingencies			
Stockholders' equity:			
Preferred stock, $0.01 par value, 5,000,000 shares authorized; zero shares issued and outstanding			
Common stock, $0.01 par value, 35,000,000 shares authorized; 20,630,000 shares outstanding on a pro forma basis as of November 30, 2000 and 15,630,000 shares issued and outstanding as of November 30, 2000 and May 31, 2000	206,300	156,300	156,300
Additional paid-in capital	66,476,765	11,876,765	10,221,589
Deferred stock compensation	(1,761,985)	(1,761,985)	(499,074)
Accumulated other comprehensive loss	(31,591)	(31,591)	(31,548)
Notes receivable from stockholders	(164,000)	(164,000)	
Retained earnings	11,893,173	12,349,173	7,338,070
Treasury stock, at cost, 35,600 shares at November 30, 2000 and zero shares at May 31, 2000	(336)	(336)	
Total stockholders' equity	76,618,326	22,424,326	17,185,337
Total liabilities and stockholders' equity	$88,255,037	$72,726,086	$70,106,093

The accompanying notes are an integral part of these financial statements.

RESOURCES CONNECTION, INC.

CONSOLIDATED STATEMENTS OF INCOME

	Three Months Ended November 30,		Six Months Ended November 30,	
	2000	1999	2000	1999
	(unaudited)		(unaudited)	
Revenue	$45,045,766	$28,581,721	$84,201,115	$54,114,947
Direct cost of services, primarily payroll and related taxes for professional services employees	25,986,912	16,625,981	48,736,538	31,117,023
Gross profit	19,058,854	11,955,740	35,464,577	22,997,924
Selling, general and administrative expenses	12,492,359	8,047,416	23,212,194	14,861,710
Amortization of intangible assets	565,091	578,290	1,143,216	1,088,183
Depreciation expense	216,300	51,662	407,861	103,325
Income from operations	5,785,104	3,278,372	10,701,306	6,944,706
Interest expense, net	1,140,351	1,182,804	2,349,344	2,338,159
Income before provision for income taxes	4,644,753	2,095,568	8,351,962	4,606,547
Provision for income taxes	1,857,975	835,809	3,340,859	1,840,185
Net income	$ 2,786,778	$ 1,259,759	$ 5,011,103	$ 2,766,362
Net income per common share:				
Basic	$ 0.18	$ 0.08	$ 0.32	$ 0.18
Diluted	$ 0.16	$ 0.08	$ 0.30	$ 0.18
Weighted average common shares outstanding:				
Basic	15,622,202	15,630,000	15,626,102	15,630,000
Diluted	16,973,090	15,630,000	16,895,976	15,630,000

The accompanying notes are an integral part of these financial statements.

RESOURCES CONNECTION, INC.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

	Six Months Ended November 30, 2000 (Unaudited)	Six Months Ended November 30, 1999 (Unaudited)
COMMON STOCK--SHARES:		
Balance at beginning of period	15,630,000	15,630,000
Activity during period		
Balance at end of period	15,630,000	15,630,000
COMMON STOCK--PAR VALUE:		
Balance at beginning of period	$ 156,300	$ 156,300
Activity during period		
Balance at end of period	$ 156,300	$ 156,300
ADDITIONAL PAID-IN CAPITAL:		
Balance at beginning of period	$10,221,589	$ 9,698,754
Deferred stock compensation	1,437,502	
Treasury share issuance	217,674	
Balance at end of period	$11,876,765	$ 9,698,754
DEFERRED STOCK COMPENSATION:		
Balance at beginning of period	$ (499,074)	$ (36,879)
Issuance of restricted stock	(1,437,502)	
Amortization of deferred stock compensation	174,591	
Balance at end of period	$(1,761,985)	$ (36,879)
ACCUMULATED OTHER COMPREHENSIVE LOSS:		
Balance at beginning of period	$ (31,548)	$ -
Translation adjustments	(43)	
Balance at end of period	$ (31,591)	$ -
NOTES RECEIVABLE FROM STOCKHOLDERS:		
Balance at beginning of period	$ -	$ -
Treasury share issuance	(164,000)	
Balance at end of period	$ (164,000)	$ -
RETAINED EARNINGS:		
Balance at beginning of period	$ 7,338,070	$ 792,193
Net income	5,011,103	2,766,361
Balance at end of period	$12,349,173	$ 3,558,554
TREASURY STOCK--SHARES:		
Balance at beginning of period	-	-
Repurchase of shares	(89,600)	
Treasury share issuance	54,000	
Balance at end of period	(35,600)	-
TREASURY STOCK--COST:		
Balance at beginning of period	$ -	$ -
Repurchase of shares	(44,412)	
Treasury share issuance	44,076	
Balance at end of period	$ (336)	$ -
COMPREHENSIVE INCOME:		
Net income	$ 5,011,103	$ 2,766,361
Translation adjustments	(31,591)	
Total comprehensive income	$ 4,979,512	$ 2,766,361

The accompanying notes are an integral part of these financial statements.

RESOURCES CONNECTION, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Six Months Ended November 30, 2000	1999
	(unaudited)	
Cash flows from operating activities		
Net income	$ 5,011,103	$ 2,766,362
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	1,551,077	1,191,508
Amortization of debt issuance costs	130,047	147,999
Amortization of deferred stock compensation	174,591	
Bad debt expense	872,338	425,000
Changes in operating assets and liabilities:		
Trade accounts receivable	(4,512,740)	(2,765,397)
Prepaid expenses and other current assets	198,421	489,549
Other assets	(234,188)	(126,582)
Accounts payable and accrued expenses	(493,325)	(694,627)
Accrued salaries and related obligations	924,223	1,721,350
Other liabilities	(86,965)	9,933
Accrued interest payable portion of notes payable	1,525,363	1,382,895
Net cash provided by operating activities	5,059,945	4,547,990
Cash flows from investing activities		
Additions to intangible assets, resulting from the purchase of Resources Connection LLC		(27,496)
Purchases of property and equipment	(1,040,795)	(611,856)
Net cash used in investing activities	(1,040,795)	(639,352)
Cash flows from financing activities		
Proceeds from issuance of treasury stock	97,750	
Purchases of treasury stock	(44,412)	
Payments on term loan	(4,631,064)	(750,000)
Repayments on revolving loan		(2,100,000)
Net cash used in financing activities	(4,577,726)	(2,850,000)
Net (decrease) increase in cash	(558,576)	1,058,638
Cash and cash equivalents at beginning of period	4,490,187	875,836
Cash and cash equivalents at end of period	$ 3,931,611	$ 1,934,474

The accompanying notes are an integral part of these financial statements.

RESOURCES CONNECTION, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
Six months ended November 30, 2000 and 1999

1. Description of the Company and its Business

Resources Connection, Inc., formerly RC Transaction Corp.,was incorporated on November 16, 1998. The Company provides professional services to a variety of industries and enterprises through its subsidiary, Resources Connection LLC ("LLC"), and foreign subsidiaries (collectively the "Company"). Prior to its acquisition of LLC on April 1, 1999, Resources Connection, Inc. had no substantial operations. LLC, which commenced operations in June 1996, provides clients with experienced professionals who specialize in accounting, finance, tax, information technology and human resources on a project-by-project basis. The Company operates in the United States, Canada, Hong Kong and Taiwan. The Company is a Delaware corporation. LLC is a Delaware organized limited liability company.

The Company's fiscal year consists of 52 or 53 weeks, ending on the Saturday nearest the last day of May in each year. For convenience, all references herein to years or periods are to years or periods ended May 31 or November 30. The six months ended November 30, 2000 and 1999 consist of 26 weeks, respectively.

2. Summary of Significant Accounting Policies

Interim Financial Information

The financial information for the three and six month periods ended November 30, 2000 and 1999 is unaudited but includes all adjustments (consisting only of normal recurring adjustments) which the Company considers necessary for a fair presentation of the financial position at such date and the operating results and cash flows for those periods. Certain information and note disclosures normally included in annual financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to Securities and Exchange Commission, or "SEC", rules or regulations; however, the Company believes the disclosures made are adequate to make the information presented not misleading.

The results of operations for the interim periods presented are not necessarily indicative of the results of operations to be expected for the fiscal year. These condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended May 31, 2000, which are included in the Company's Registration Statement on Form S-1 (File No. 333-45000) which was declared effective by the SEC on December 14, 2000.

Treasury Stock Transactions

Between August 26, 2000 and November 25, 2000, pursuant to the terms of the 1998 Employee Stock Purchase Plan, the Company reacquired 89,600 shares of its common stock from former employees. The Company subsequently resold 54,000 shares of Common Stock for an aggregate purchase price of approximately $262,000 to certain employees of the Company, of which $164,000 was financed by the Company in exchange for promissory notes from the employees, bearing interest at 4.0% and due June 30, 2003.

Per Share Information

The Company follows Statement of Financial Accounting Standards ("SFAS") No. 128, "Earnings Per Share," which establishes standards for the computation, presentation and disclosure requirements for basic and diluted earnings per share for entities with publicly held common shares and potential common shares. Basic earnings per share is computed by dividing net income by the weighted average number of common shares outstanding. In computing diluted earnings per share, the weighted average number of shares outstanding is adjusted to reflect the effect of potentially dilutive securities. The weighted average effect of the treasury stock transactions decreased common shares outstanding by 7,798 and 3,898 for the three and six month periods ended November 30, 2000, respectively.

Potential common shares totaling 397,500 were not included in the diluted earnings per share amounts for the period ended November 30, 2000 as their effect would have been anti-dilutive. For the three and six month periods ended November 30, 2000, potentially dilutive securities consisted solely of stock options and resulted in potential common shares of 1,350,888 and 1,269,874, respectively.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although management believes these estimates and assumptions are adequate, actual results could differ from the estimates and assumptions used.

3. Supplemental Disclosure Of Cash Flow Information

For the six month periods ended November 30:

	2000	1999
Interest paid	$ 749,000	$1,016,000
Income taxes paid	$3,718,000	$1,658,000
Noncash financing activities:		
Deferred stock compensation	$1,438,000	$ -

4. Recent Accounting Pronouncements

In June 1998, the Financial Accounting Standards Board, or FASB, issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," which was later amended by both SFAS No. 137, "Accounting for Derivative Instruments and Hedging Activities-- Deferral of the Effective Date of FASB Statement No. 133" and by SFAS No. 138, "Accounting for Derivative Instruments and Hedging Activities - an amendment of SFAS No. 133." SFAS No. 133 established standards for the accounting and reporting for derivative instruments, including certain derivative instruments embedded in other contracts, and hedging activities. The statement generally requires recognition of gains and losses on hedging instruments, based on changes in fair value or the earnings effect of a forecasted transaction. SFAS No. 133, as amended by SFAS No. 137 and SFAS No. 138, is effective for all fiscal quarters of fiscal years beginning after June 15, 2000. Management does not believe that SFAS No. 133, SFAS No. 137 or SFAS No. 138 will have a material impact on the Company's consolidated financial statements.

In March 2000, the FASB issued Interpretation No. 44, or FIN 44, entitled "Accounting for Certain Transactions Involving Stock Compensation," which is an interpretation of Accounting Principles Board No. 25, or APB 25. This interpretation clarifies:

- the definition of an employee for purposes of applying APB 25;
- the criteria for determining whether a plan qualifies as a noncompensatory plan;
- the accounting consequences of various modifications to the terms of a previously fixed stock option or award; and
- the accounting for an exchange of stock compensation awards in a business combination.

This interpretation is effective July 1, 2000. Management does not believe that the adoption of FIN 44 will have a material impact on the Company's consolidated financial statements.

5. Subsequent Event

On December 14, 2000, the SEC declared the Company's Registration Statement effective. On December 20, 2000, the Company received the proceeds from its initial public offering of 5,000,000 shares of the Company's common stock at $12 per share. The net proceeds of the offering (after underwriting discounts, commissions and other transaction related expenses) were $54.7 million. Net proceeds of approximately $38.8 million were used to retire the Company's term loan and subordinated debt balances and accrued interest. Selling shareholders sold 2,475,000 shares of the Company's common stock (including the exercise of the underwriters' overallotment of 975,000 shares), but the Company did not receive any of the proceeds from the sale of those shares. After completion of the offering, the Company has 20,594,400 shares of common stock outstanding.

The pro forma balance sheet reflects the transactions of December 20, 2000 as though those events had taken place on November 30, 2000. These transactions included: the Company's receipt of the net proceeds from its initial public offering (after underwriting discounts, commissions and other transaction related expenses) of approximately $54.7 million; the retirement of the balance due as of November 30, 2000 of $38.7 million of the Company's term loan and subordinated debt; and the elimination of the net remaining balance of unamortized debt issuance costs of approximately $456,000 (net of income tax effect). The elimination of the unamortized debt issuance costs will be treated as an extraordinary item for the three month period ending February 28, 2001.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our financial statements and related notes. This discussion and analysis contains "forward-looking statements", within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Such forward-looking statements may be identified by words such as "anticipates," "believes," "can," "continue," "could," "estimates," "expects," "intends," "may," "plans," "potential," "predicts," "should," or "will" or the negative of these terms or other comparable terminology. These statements, and all phases of our operations are subject to known and unknown risks, uncertainties and other factors, some of which are identified herein and in our Form S-1 (File No. 333-45000), as amended. Readers are cautioned not to place undue relevance on these forward-looking statements. Our actual results, levels of activity, performance or achievements and those of our industry may be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. We undertake no obligation to update the forward-looking statements in this filing. References in this filing to "Resources Connection", the "Company", "we", "us", and "our" refer to Resources Connection, Inc. and its subsidiaries.

Overview

Resources Connection is a professional services firm that provides experienced accounting and finance, human resources management and information technology professionals to clients on a project-by-project basis. We assist our clients with discrete projects requiring specialized professional expertise in accounting and finance, such as mergers and acquisitions due diligence, financial analyses (e.g., product costing and margin analyses) and tax-related projects. In addition, we provide human resources management services, such as compensation program design and implementation, and information technology services, such as transitions of management information systems. We also assist our clients with periodic needs such as budgeting and forecasting, audit preparation and public reporting.

We began operations in June 1996 as a division of Deloitte & Touche LLP, or Deloitte & Touche, and operated as a wholly-owned subsidiary of Deloitte & Touche from January 1997 until April 1999. In November 1998, our management formed RC Transaction Corp., renamed Resources Connection, Inc., to raise capital for an intended management-led buyout. In April 1999, we completed a management-led buyout in partnership with our investor Evercore Partners, Inc., four of its affiliates and six other investors.

Growth in revenue, to date, has generally been the result of establishing offices in major markets throughout the United States. We established nine offices during fiscal 1997, our initial fiscal year, all in the Western United States. In fiscal 1998, we established nine additional offices, which extended our geographic reach to the Midwest and Eastern United States. For the year ended May 31, 1999, we opened ten more offices and established a new service line in information technology. In fiscal 2000, we established four more domestic offices, established a new service line in human resources management and also began operations in Toronto, Canada; Taipei, Taiwan; and Hong Kong, People's Republic of China. Our new service lines were introduced in a limited number of our offices. During the first six months of fiscal 2001, we have established eight additional domestic offices. As a result, as of November 30, 2000, we served our clients through 40 offices in the United States and three international offices.

Three Months Ended November 30, 2000 Compared to Three Months Ended November 30, 1999

Revenue. Revenue increased $16.4 million, or 57.6%, to $45.0 million for the three months ended November 30, 2000 from $28.6 million for the three months ended November 30, 1999. The increase in total revenue was primarily due to the growth in total billable hours resulting from an increase in the number of associates on assignment from 857 at the end of the second quarter of fiscal 2000 to 1,229 at the end of the second quarter of fiscal 2001, and a 13% increase in the average billing rate per hour. Despite the change in rates, the majority of the increase in revenue is attributable to the increase in the number of associates. During the second quarter of fiscal 2001, we opened five new offices.

Direct Cost of Services. Direct cost of services increased $9.4 million, or 56.3%, to $26.0 million for the three months ended November 30, 2000 from $16.6 million for the three months ended November 30, 1999. This increase was the result of the growth in the number of associates on assignment from 857 at the end of the second quarter of fiscal 2000 to 1,229 at the end of the second quarter of fiscal 2001. The average pay rate per hour was unchanged between the two periods. The direct cost of services decreased as a percentage of revenue from 58.2% for the three months ended November 30, 1999 to 57.7% for the three months ended November 30, 2000. The net decrease reflects the incremental increase in billing rate per hour compared to pay rate per hour, offset by the impact of our enriched benefit programs for associates.

Selling, General and Administrative Expenses. Selling, general and administrative expenses increased $4.5 million, or 55.2%, to $12.5 million for the three months ended November 30, 2000 from $8.0 million for the three months ended November 30, 1999. This increase was attributable to the increase in the cost of operating and staffing the five new offices opened in the second quarter of fiscal 2001 and the growth at offices opened prior to the second quarter of fiscal 2001. Management and administrative headcount increased from 192 at the end of the second quarter of fiscal 2000 to 267 at the end of the second quarter of fiscal 2001. Selling, general and administrative expenses decreased as a percentage of revenue from 28.2% for the three months ended November 30, 1999 to 27.7% for the three months ended November 30, 2000. This percentage decrease results primarily from improved operating leverage experienced in offices opened more than one year.

Amortization and Depreciation Expense. Amortization of intangible assets declined slightly from $578,000 for the three months ended November 30, 1999 to $565,000 for the three months ended November 30, 2000. There were no significant changes in the balance of intangible assets between the two periods.

Depreciation expense increased from $52,000 for the three months ended November 30, 1999 to $216,000 for the three months ended November 30, 2000. This increase reflects the impact of the completed moves out of our former parent's office space into our own space, continuing growth in our number of offices and our investment in information technology.

Interest Expense. Interest expense decreased from $1,183,000 for the three months ended November 30, 1999 to $1,140,000 for the three months ended November 30, 2000. The decrease in interest expense reflects lower interest due after payments on the term loan, offset by an increase in the average interest rate incurred on the term loan from 8.5% for the three months ended November 30, 1999 to 9.8% for the three months ended November 30, 2000 and a higher balance due on the subordinated debt. Between November 30, 1999 and November 30, 2000, the term loan was reduced from $17.3 million to $11.9 million, while the subordinated debt increased from $23.8 million to $26.8 million as we deferred interest payments due on the subordinated debt.

Income Taxes. The provision for income taxes increased from $836,000 for the three months ended November 30, 1999 to $1.9 million for the three months ended November 30, 2000. The effective tax rate was approximately 40.0% for both quarters, which differs from the federal statutory rate primarily due to state taxes, net of federal benefit. No adjustment is anticipated in the rate in the near future.

Six Months Ended November 30, 2000 Compared to Six Months Ended November 30, 1999

Revenue. Revenue increased $30.1 million, or 55.6%, to $84.2 million for the six months ended November 30, 2000 from $54.1 million for the six months ended November 30, 1999. The increase in total revenue was primarily due to the growth in total billable hours resulting from an increase in the number of associates on assignment from 857 at the end of the second quarter of fiscal 2000 to 1,229 at the end of the second quarter of fiscal 2001 and a 12% increase in the average billing rate per hour. The majority of the increase in revenue is attributable to the increase in the number of associates. During the first six months of fiscal 2001, we opened eight new offices.

Direct Cost of Services. Direct cost of services increased $17.6 million, or 56.6%, to $48.7 million for the six months ended November 30, 2000 from $31.1 million for the six months ended November 30, 1999. This increase was the result of the growth in the number of associates on assignment from 857 at the end of the second quarter of fiscal 2000 to 1,229 at the end of the second quarter of fiscal 2001 and an increase in the average pay rate per hour of 2.9%. Substantially all of the increase in direct cost of services is attributable to the increase in the number of associates. The direct cost of services increased as a percentage of revenue from 57.5% for the six months ended November 30, 1999 to 57.9% for the six months ended November 30, 2000. The net increase reflects the impact of our enriched benefit programs for associates, offset by incremental increase in billing rate per hour compared to pay rate per hour.

Selling, General and Administrative Expenses. Selling, general and administrative expenses increased $8.3 million, or 56.2%, to $23.2 million for the six months ended November 30, 2000 from $14.9 million for the six months ended November 30, 1999. This increase was attributable to the increase in the cost of operating and staffing the eight new offices opened in the first half of fiscal 2001 and the growth at offices opened prior to fiscal 2001. Management and administrative headcount increased from 192 at the end of the second quarter of fiscal 2000 to 267 at the end of the second quarter of fiscal 2001. Selling, general and administrative expenses increased slightly as a percentage of revenue from 27.5% for the six months ended November 30, 1999 to 27.6% for the six months ended November 30, 2000.

Amortization and Depreciation Expense. Amortization of intangible assets was relatively unchanged at $1.1 million for both the six months ended November 30, 1999 and for the six months ended November 30, 2000, reflecting a consistent aggregate balance and amortization period for the intangible assets.

Depreciation expense increased from $103,000 for the six months ended November 30, 1999 to $408,000 for the six months ended November 30, 2000. This increase reflects the impact of the completed moves out of our former parent's office space into our own space, continuing growth in our number of offices and our investment in information technology.

Interest Expense. Interest expense was relatively unchanged at $2.3 million for both the six months ended November 30, 1999 and for the six months ended November 30, 2000. Although our term loan balance decreased during the six months ended November 30, 2000, the favorable impact on interest expense was offset by an increase in the average interest rate incurred on the term loan from 8.4% for the six months ended November 30, 1999 to 9.8% for the six months ended November 30, 2000 and a higher balance due on the subordinated debt. Between November 30, 1999 and November 30, 2000, the term loan was reduced from $17.3 million to $11.9 million, while the subordinated debt increased from $23.8 million to $26.8 million as we deferred interest payments due on the subordinated debt.

Income Taxes. The provision for income taxes increased from $1.8 million for the six months ended November 30, 1999 to $3.3 million for the six months ended November 30, 2000. The effective tax rate was approximately 40.0% for both periods, which differs from the federal statutory rate primarily due to state taxes, net of federal benefit.

Comparability of quarterly results. Our quarterly results have fluctuated in the past and we believe they will continue to do so in the future. Factors that could affect our quarterly operating results include:

- our ability to attract new clients and retain current clients;
- the mix of client projects;
- the announcement or introduction of new services by us or any of our competitors;
- the expansion of the professional services offered by us or any of our competitors into new locations both nationally and internationally;
- the entry of new competitors into any of our markets;
- the number of holidays in a quarter, particularly the day of the week on which they occur;
- changes in the pricing of our professional services or those of our competitors;
- the amount and timing of operating costs and capital expenditures relating to management and expansion of our business; and
- the timing of acquisitions and related costs, such as compensation charges which fluctuate based on the market price of our common stock.

Due to these and other factors, we believe that quarter-to-quarter comparisons of our results of operations are not meaningful indicators of future performance.

Liquidity and Capital Resources

Our primary sources of liquidity are our existing cash and cash equivalents, cash provided by our operations and, to the extent necessary, available commitments under our revolving line of credit. We have generated positive cash flows from operations since inception, and we continued to do so during the six month period ended November 30, 2000. Subsequent to the end of the quarter, we completed our initial public offering of stock which generated $54.7 million of cash (after underwriting discounts, commissions and other transaction related expenses).

In April 1999, in connection with the acquisition of Resources Connection LLC, we entered into a $28.0 million credit agreement with Bankers Trust Company, now Deutsche Bank Securities Inc., U.S. Bank National Association and BankBoston, N.A., which provided for an $18.0 million term loan facility and a $10.0 million revolving credit facility. The credit agreement expires on October 1, 2003. As of November 30, 2000, the amount outstanding on the term loan was $11.9 million and we had no outstanding borrowings under the revolving credit facility. Borrowings under the credit agreement are secured by all of our assets. Our interest rate options under our credit agreement are prime rate plus .5%-1.5% and a Eurodollar-based rate plus 1.5%-2.5%. As of November 30, 2000, the term loan bore interest at 9.7%. Interest is payable on both the term loan and revolving credit facility at various intervals no less frequent than quarterly. On December 20, 2000, the Company used approximately $11.9 million of the net proceeds from its initial public offering to retire the term loan.

In April 1999, we issued $22.0 million of 12% subordinated promissory notes to certain investors. The notes were subordinate to our bank facilities. Interest accrued on the notes at 12% and was payable on a quarterly basis; however, we could elect and did elect to defer payment of the interest and to add the balance due to the outstanding principal balance. As of November 30, 2000, the outstanding balance was $26.8 million. On December 20, 2000, the Company used approximately $26.9 million of the net proceeds from its initial public offering to retire the then outstanding balance of the subordinated promissory notes.

Net cash provided by operating activities totaled $5.1 million for the six months ended November 30, 2000 and $4.5 million for the six months ended November 30, 1999. Cash provided by operations resulted primarily from the net earnings of the company partially offset by growth in working capital. Working capital included $3.9 million in cash and cash equivalents at November 30, 2000.

Net cash used in investing activities totaled $1.0 million for the first six months of fiscal 2001 compared to $639,000 for the first six months of fiscal 2000. Cash used in investing activities was the result of purchases of property and equipment for existing offices and newly opened offices.

Net cash used in financing activities totaled $4.6 million for the six months ended November 30, 2000 and $2.9 million for the six months ended November 30, 1999. The increase in cash used in financing activities reflects the larger debt payments required in fiscal 2001 by our term debt agreement.

Our ongoing operations and anticipated growth in the geographic markets we serve will require us to continue making investments in capital equipment, primarily technology hardware and software. In addition, we may consider making certain strategic acquisitions. We anticipate that our current cash, net proceeds (after underwriting commissions and expenses and repayment of the term loan and subordinated promissory notes) from the initial public offering completed subsequent to this quarter, existing availability under our revolving line of credit and the ongoing cash flows from our operations will be adequate to meet our working capital and capital expenditure needs for at least the next 12 months. Our longer term plans for expanding our business anticipate that these sources of liquidity will be sufficient for the foreseeable future. If we require additional capital resources to grow our business in addition to the proceeds received in the offering completed in December 2000, either internally or through acquisition, we may seek to sell additional equity securities or to secure additional debt financing. The sale of additional equity securities or the addition of new debt financing could result in additional dilution to our stockholders. We may not be able to obtain financing arrangements in amounts or on terms acceptable to us in the future. In the event we are unable to obtain additional financing when needed, we may be compelled to delay or curtail our plans to develop our business which could have a material adverse affect on our operations, market position and competitiveness.

Recent Accounting Pronouncements

In June 1998, the Financial Accounting Standards Board, or FASB, issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," which was later amended by both SFAS No. 137, "Accounting for Derivative Instruments and Hedging Activities-- Deferral of the Effective Date of FASB Statement No. 133" and by SFAS No. 138, "Accounting for Derivative Instruments and Hedging Activities - an amendment of SFAS No. 133." SFAS No. 133 established standards for the accounting and reporting for derivative instruments, including certain derivative instruments embedded in other contracts, and hedging activities. The statement generally requires recognition of gains and losses on hedging instruments, based on changes in fair value or the earnings effect of a forecasted transaction. SFAS No. 133, as amended by SFAS No. 137 and SFAS No. 138, is effective for all fiscal quarters of fiscal years beginning after June 15, 2000. Management does not believe that SFAS No. 133, SFAS No. 137 or SFAS No. 138 will have a material impact on the Company's consolidated financial statements.

In March 2000, the FASB issued Interpretation No. 44, or FIN 44, entitled "Accounting for Certain Transactions Involving Stock Compensation," which is an interpretation of Accounting Principles Board No. 25, or APB 25. This interpretation clarifies:

- the definition of an employee for purposes of applying APB 25;
- the criteria for determining whether a plan qualifies as a noncompensatory plan;
- the accounting consequences of various modifications to the terms of a previously fixed stock option or award; and
- the accounting for an exchange of stock compensation awards in a business combination.

This interpretation is effective July 1, 2000. Management does not believe that the adoption of FIN 44 will have a material impact on the Company's consolidated financial statements.

Factors Affecting Future Operating Results

Important factors that could cause actual results to differ materially from the forward-looking statements include the following:

RISKS RELATED TO OUR BUSINESS

We must provide our clients with highly qualified and experienced associates, and the loss of a significant number of our associates, or an inability to attract and retain new associates, could adversely affect our business and operating results.

Our business involves the delivery of professional services, and our success depends on our ability to provide our clients with highly qualified and experienced associates who possess the skills and experience necessary to satisfy their needs. Such professionals are in great demand, particularly in certain geographic areas, and are likely to remain a limited resource for the foreseeable future. Our ability to attract and retain associates with the requisite experience and skills depends on several factors including, but not limited to, our ability to:

- provide our associates with full-time employment;
- obtain the type of challenging and high-quality projects which our associates seek;
- pay competitive compensation and provide competitive benefits; and
- provide our associates with flexibility as to hours worked and assignment of client engagements.

We cannot assure you that we will be successful in accomplishing each of these items and, even if we are, that we will be successful in attracting and retaining the number of highly qualified and experienced associates necessary to maintain and grow our business.

The market for professional services is highly competitive, and if we are unable to compete effectively against our competitors our business and operating results could be adversely affected.

We operate in a competitive, fragmented market, and we compete for clients and associates with a variety of organizations that offer similar services. The competition is likely to increase in the future due to the expected growth of the market and the relatively few barriers to entry. Our principal competitors include:

- consulting firms;
- employees loaned by the Big Five accounting firms;
- traditional and Internet-based staffing firms; and
- the in-house resources of our clients.

We cannot assure you that we will be able to compete effectively against existing or future competitors. Many of our competitors have significantly greater financial resources, greater revenues and greater name recognition, which may afford them an advantage in attracting and retaining clients and associates. In addition, our competitors may be able to respond more quickly to changes in companies' needs and developments in the professional services industry.

An economic downturn or change in the use of outsourced professional services associates could adversely affect our business.

We have not been in business during an economic downturn and our business may be significantly affected if there is an economic downturn in the future. If the general level of economic activity slows, our clients may delay or cancel plans that involve professional services, particularly outsourced professional services. Consequently, the demand for our associates could decline, resulting in a loss of revenues. In addition, the use of professional services associates on a project-by-project basis could decline for non-economic reasons. In the event of a non-economic reduction in the demand for our associates, our financial results could suffer.

Our business depends upon our ability to secure new projects from clients and, therefore, we could be adversely affected if we fail to do so.

We do not have long-term agreements with our clients for the provision of services. The success of our business is dependent on our ability to secure new projects from clients. For example, if we are unable to secure new client projects because of improvements in our competitors' service offerings or because of an economic downturn decreasing the demand for outsourced professional services, our business is likely to be materially adversely affected.

We may be unable to adequately protect our intellectual property rights, including our brand name. If we fail to adequately protect our intellectual property rights, the value of such rights may diminish and our results of operations and financial condition may be adversely affected.

We believe that establishing, maintaining and enhancing the Resources Connection brand name is essential to our business. We have filed an application for a United States trademark registration for "Resources Connection" and an application for service mark registration of our name and logo. We may be unable to secure either registration. We are aware of other companies using the name "Resources Connection" or some variation thereof. There could be potential trade name or trademark infringement claims brought against us by the users of these similar names or trademarks, and those users may have trademark rights that are senior to ours. If an infringement suit were to be brought against us, the cost of defending such a suit could be substantial. If the suit were successful, we could be forced to cease using the service mark "Resources Connection." Even if an infringement claim is not brought against us, it is also possible that our competitors or others will adopt service names similar to ours or that our clients will be confused by another company using a name or trademark similar to ours, thereby impeding our ability to build brand identity. We cannot assure you that our business would not be adversely affected if confusion did occur or if we are required to change our name.

Our clients may be confused by the presence of competitors and other companies which have names similar to our name.

We are aware of other companies using the name "Resources Connection" or some variation thereof. Some of these companies provide outsourced services, or are otherwise engaged in businesses that could be similar to ours. One company has a web address which is nearly identical to ours, "www.resourceconnection.com". The existence of these companies may confuse our clients, thereby impeding our ability to build our brand identity.

We may be legally liable for damages resulting from the performance of projects by our associates or for our clients' mistreatment of our associates.

Many of our engagements with our clients involve projects that are critical to our clients' businesses. If we fail to meet our contractual obligations, we could be subject to legal liability or damage to our reputation, which could adversely affect our business, operating results and financial condition. It is likely, because of the nature of our business, that we will be sued in the future. Claims brought against us could have a serious negative effect on our reputation and on our business, financial condition and results of operations.

Because we are in the business of placing our associates in the workplaces of other companies, we are subject to possible claims by our associates alleging discrimination, sexual harassment, negligence and other similar activities by our clients. The cost of defending such claims, even if groundless, could be substantial and the associated negative publicity could adversely affect our ability to attract and retain associates and clients.

We may not be able to grow our business, manage our growth or sustain our current business.

We have grown rapidly since our inception in 1996 by opening new offices and by increasing the volume of services we provide through existing offices. There can be no assurance that we will continue to be able to maintain or expand our market presence in our current locations or to successfully enter other markets or locations. Our ability to successfully grow our business will depend upon a number of factors, including our ability to:

- grow our client base;
- expand profitably into new cities;
- provide additional professional services lines;
- maintain margins in the face of pricing pressures; and
- manage costs.

Even if we are able to continue our growth, the growth will result in new and increased responsibilities for our management as well as increased demands on our internal systems, procedures and controls, and our administrative, financial, marketing and other resources. These new responsibilities and demands may adversely affect our business, financial condition and results of operation.

An increase in our international activities will expose us to additional operational challenges that we might not otherwise face.

As we increase our international activities, we will have to confront and manage a number of risks and expenses that we would not otherwise face if we conducted our operations solely in the United States. If any of these risks or expenses occur, there could be a material negative effect on our operating results. These risks and expenses include:

- difficulties in staffing and managing foreign offices as a result of, among other things, distance, language and cultural differences;
- expenses associated with customizing our professional services for clients in foreign countries;
- foreign currency exchange rate fluctuations, when we sell our professional services in denominations other than U.S. dollars;
- protectionist laws and business practices that favor local companies;
- political and economic instability in some international markets;
- multiple, conflicting and changing government laws and regulations;
- trade barriers;
- reduced protection for intellectual property rights in some countries; and
- potentially adverse tax consequences.

We may acquire companies in the future, and these acquisitions could disrupt our business.

Although we are not currently evaluating any potential acquisition candidates, we may acquire companies in the future. Entering into an acquisition entails many risks, any of which could harm our business, including:

- diversion of management's attention from other business concerns;
- failure to integrate the acquired company with our existing business;
- failure to motivate, or loss of, key employees from either our existing business or the acquired business;
- potential impairment of relationships with our employees and clients;
- additional operating expenses not offset by additional revenue;
- incurrence of significant non-recurring charges;
- incurrence of additional debt with restrictive covenants or other limitations;
- dilution of our stock as a result of issuing equity securities; and
- assumption of liabilities of the acquired company.

We have a limited operating history as an independent company.

We commenced operations in June 1996 as a division of Deloitte & Touche. From January 1997 through April 1999, we operated as a wholly-owned subsidiary of Deloitte & Touche. In April 1999, we were sold by Deloitte & Touche. Therefore, our business as an independent company has a limited operating history. Consequently, the financial information contained herein may not be indicative of our future financial condition and performance.

The loss of our association with Deloitte & Touche could reduce our ability to attract and retain associates and clients and will require us to enhance our infrastructure and local networks.

Our association with Deloitte & Touche, from our inception in June 1996 until April 1999, helped establish us as a high-quality professional services company and contributed to our ability to open, integrate, and establish a presence in new office locations. Apart from certain transition assistance, since April 1999 our contact with Deloitte & Touche has been reduced to the services we provide it. The loss of our association with Deloitte & Touche may adversely affect our business and our ability to attract new clients, keep existing clients and hire and retain qualified associates. We face the challenges of developing a presence in areas where we establish new offices and integrating new office locations so that they are fully operational and functional without the infrastructure previously provided by Deloitte & Touche.

The terms of our transition services agreement between Resources Connection and Deloitte & Touche may not have been on terms indicative of those available from an independent party.

As part of the management-led buyout in April 1999, we entered into a transition services agreement with Deloitte & Touche pursuant to which Deloitte & Touche agreed to provide certain services to us at negotiated rates until none of our offices remained in Deloitte & Touche office space which occurred on August 31, 2000. The negotiated rates we agreed to pay to Deloitte & Touche under the transition services agreement may not be indicative of the rates that an independent third party would have charged us for providing the same services. Specifically, an independent third party may have charged us rates more or less favorable than those charged by Deloitte & Touche. If the terms of the transition services agreement, particularly the rates charged by Deloitte & Touche, were more favorable to us than those available from a third party, our general and administrative expenses will likely increase.

Our business could suffer if we lose the services of a key member of our management.

Our future success depends upon the continued employment of Donald B. Murray, our chief executive officer, and Stephen J. Giusto, our chief financial officer. The departure of Mr. Murray, Mr. Giusto or any of the other key members of our senior management team could significantly disrupt our operations. Key members of our senior management team include Karen M. Ferguson and Brent M. Longnecker, both of whom are executive vice presidents, John D. Bower, our vice president, finance, and Kate W. Duchene, our chief legal officer and executive vice president of human relations. We do not have employment agreements with Mr. Bower or Ms. Duchene.

Deloitte & Touche has agreed not to compete with us and we may be adversely affected when the noncompete expires.

In connection with the management buy-out, Deloitte & Touche agreed not to compete with us in a manner which replicates our business model for a period ending on the earlier of April 1, 2003 or the date that Deloitte & Touche enters into a significant business combination. The noncompete does not prohibit Deloitte & Touche from using their personnel in a loaned staff capacity or from allowing their personnel to work on a less than full time basis in accordance with the human resources policies of Deloitte & Touche. When the noncompete expires, we may be adversely affected if Deloitte & Touche chooses to compete in a manner previously prohibited by the noncompete.

Our quarterly financial results may be subject to significant fluctuations.

Our results of operations could vary significantly from quarter to quarter. Factors that could affect our quarterly operating results include:

- the number of holidays in a quarter, particularly the day of the week on which they occur, over which we have no control;
- the amount and timing of operating costs and capital expenditures relating to management and expansion of our business; and
- the timing of acquisitions and related costs, such as compensation charges which fluctuate based on the market price of our common stock.

Due to these and other factors, we believe that quarter-to-quarter comparisons of our results of operations are not meaningful indicators of future performance. It is possible that in some future periods, our results of operations may be below the expectations of investors. If this occurs, the price of our common stock could decline.

We may be subject to laws and regulations that impose difficult and costly compliance requirements and subject us to potential liability and the loss of clients.

In connection with providing services to clients in certain regulated industries, such as the gaming and energy industries, we are subject to industry-specific regulations, including licensing and reporting requirements. Complying with these requirements is costly and, if we fail to comply, we could be prevented from rendering services to clients in those industries in the future.

ITEM 3.
QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our exposure to market risk is currently confined to our cash and cash equivalents that have maturities of less than three months. An interest rate swap agreement entered into with a credit-worthy counterparty to fix the interest rate on $ 11.9 million of our term debt at 8.96% expired with the full repayment of the term loan balance on December 20, 2000. At the end of the second quarter of fiscal 2001, we had no outstanding borrowings under the revolving credit facility. Because of the short term maturities of our cash and cash equivalents, we do not believe that a decrease in market rates would have any significant negative impact on the realized value of our investments.

PART II
OTHER INFORMATION

Item 1. Legal Proceedings

We are not a party to any material legal proceedings.

Item 2. Changes in Securities and Use of Proceeds

On August 31, 2000, the Company's Certificate of Incorporation was amended to provide for the reclassification of each share of the Company's Class A Common Stock into one share of the Company's Common Stock. On December 20, 2000, upon the close of the Company's initial public offering, each outstanding share of the Company's Class B Common Stock and Class C Common Stock was converted into one share of the Company's Common Stock and the Company's Certificate of Incorporation was restated to remove all references to Class B Common Stock and Class C Common Stock.

During the three months ended November 30, 2000, we issued and sold the following unregistered securities:

(a) Between August 26, 2000 and November 25, 2000, pursuant to the terms of the 1998 Employee Stock Purchase Plan, we reacquired 89,600 shares of our common stock from former employees. We subsequently resold 54,000 shares of Common Stock for an aggregate purchase price of approximately $262,000 to certain employees of the Company, of which $164,000 was financed by the Company in exchange for promissory notes from the employees, bearing interest at 4.0% and due on June 30, 2003. Our issuance of shares of Common Stock was exempt from registration pursuant to Rule 701 of the General Regulations under the Securities Act of 1933, as amended.

(b) Between August 30, 2000 and November 30, 2000, the Company issued options to purchase 387,500 shares of its Common Stock at a weighted average exercise price of $12.00 per share.

On November 27, 2000, the Company commenced an initial public offering of 7,475,000 shares of its Common Stock, $.01 par value (including an underwriters overallotment of 975,000 shares). On December 20, 2000, the Company completed its initial public offering with respect to 6,500,000 of the shares. On January 8, 2001, the Company completed its initial public offering with respect to the remaining 975,000 shares. The shares of Common Stock sold in the offering were registered under the Securities Act of 1933, as amended, on a Registration Statement on Form S-1, No. 333-45000, that was declared effective by the Securities and Exchange Commission on December 14, 2000. On December 15, 2000, our Common Stock commenced trading on The Nasdaq Stock Market's National Market. The managing underwriters in the offering were Credit Suisse First Boston Corporation, Deutsche Bank Securities Inc. and Robert W. Baird & Co. Incorporated. All 7,475,000 shares of Common Stock registered under the Registration Statement were sold at a price of $12.00 per share.

The Company issued and sold 5,000,000 of the aggregate 7,475,000 shares sold in the offering. The aggregate price of the shares registered and sold by the Company was $60.0 million. In connection with the offering, the Company paid an aggregate of approximately $4.2 million in underwriting discounts and commissions to the underwriters and paid other estimated expenses of approximately $1.1 million. After deducting the underwriting discounts and commissions and the estimated offering expenses described above, the Company received net proceeds from the offering of approximately $54.7 million. The Company used approximately $11.9 million of the net proceeds from the offering to repay its senior debt obligations outstanding pursuant to its existing credit agreement. The Company used approximately $26.9 million of the net proceeds from the offering to redeem the balance due on its subordinated notes, bearing 12% interest and having a maturity date of April 15, 2004. The Company plans to use the remaining approximately $15.9 million of the net proceeds from the offering for working capital and general corporate purposes. The Company has invested the remaining approximately $15.9 million net proceeds from the offering in United States government securities and other short-term, investment-grade, interest-bearing instruments. None of the Company's net proceeds of the offering were paid directly or indirectly to any director, officer, general partner of the Company or their associates, persons owning 10% or more of any class of equity securities of the Company, or an affiliate of the Company.

Certain stockholders of the Company issued and sold the remaining 2,475,000 of the aggregate 7,475,000 shares sold in the offering. The aggregate price of the shares registered and sold by the selling stockholders was $29.7 million. The selling stockholders paid an aggregate of approximately $2.1 million in underwriting discounts and commissions to the underwriters in connection with the offering. After deducting the underwriting discounts and commissions described above, the selling stockholders received net proceeds from the offering of approximately $27.6 million.

Our credit agreement currently prohibits us from declaring or paying any dividends or other distributions on any shares of our capital stock other than dividends payable solely in shares of capital or the stock of our subsidiaries. With limited exceptions, the covenants in our credit agreement limit our aggregate capital expenditures during each fiscal year. The aggregate amount of capital expenditures permitted by our credit agreement during fiscal 2001 is $3.0 million.

Item 3. Defaults upon Senior Securities

None.

Item 4. Submission of Matters To a Vote of Security Holders

During the quarter ended November 30, 2000, the Company solicited the consent of stockholders for the following matters. On August 31, 2000, in an action by written consent by a majority of the stockholders, the stockholders of the Company approved an amendment to the Company's Certificate of Incorporation providing for (i) the reclassification of each issued and outstanding share of the Company's Class A Common Stock into one share of the Company's Common Stock and (ii) the conversion of each share of Class B Common Stock and Class C Common Stock into one share of Common Stock immediately after the consummation of the Company's initial public offering. Pursuant to the consent by a majority of the stockholders, the stockholders also approved the Company's Second Restated Certificate of Incorporation (which became effective immediately after the consummation of the initial public offering).

Item 5. Other Information

None.

Item 6. Exhibits and Reports on Form 8-K

a) Exhibits

3.1 Second Restated Certificate of Incorporation*

3.2 Amended and Restated Bylaws (incorporated by reference to Exhibit 3.4 to Company's Registration Statement on Form S-1 No. 333-45000)

10.1 Second Amendment and Consent, dated November 29, 2000, by and among Resources Connection, Inc., Resources Connection LLC, the lenders party to the Credit Agreement among the parties dated April 1, 1999, Bankers Trust Company, as administrative agent and lead arranger, U.S. Bank National Association, as documentation agent, and BankBoston, N.A., as syndication agent*

10.2 Resources Connection, Inc. Employee Stock Purchase Plan (incorporated by reference to Exhibit 10.11 to Company's Registration Statement on Form S-1 No. 333-45000)

* Filed herewith.

b) Reports on Form 8-K

None

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

RESOURCES CONNECTION, INC.

Date: January 26, 2001

/s/ DONALD B. MURRAY*

Donald B. Murray*
PRESIDENT AND CHIEF EXECUTIVE OFFICER

Date: January 26, 2001

/s/ STEPHEN J. GIUSTO

Stephen J. Giusto
CHIEF FINANCIAL OFFICER, EXECUTIVE VICE PRESIDENT OF CORPORATE DEVELOPMENT AND SECRETARY
(PRINCIPAL ACCOUNTING OFFICER)

* Signing on behalf of the registrant and as an authorized officer.

EXHIBIT 3.1

SECOND RESTATED CERTIFICATE OF INCORPORATION OF RESOURCES CONNECTION, INC.

Resources Connection, Inc. (the "Corporation"), a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware (the "DGCL"), hereby certifies as follows:

FIRST: The name of the Corporation is Resources Connection, Inc. A Certificate of Incorporation of the Corporation was originally filed by the Corporation with the Secretary of State of the State of Delaware on November 16, 1998. The Corporation was originally incorporated under the name RC Transaction Corp. A Restated Certificate of Incorporation was filed with the Secretary of State of Delaware on April 7, 2000 (as amended, the "Certificate of Incorporation") providing for a 10:1 stock split of all shares of stock of the Corporation. A Certificate of Amendment of Restated Certificate of Incorporation was filed with the Secretary of State of Delaware on August 31, 2000, changing the name of the Corporation from RC Transaction Corp. to Resources Connection, Inc. and changing the name of the Class A Common Stock of the Corporation to "Common Stock".

SECOND: This Second Restated Certificate of Incorporation restates, amends and supersedes the Certificate of Incorporation of the Corporation as originally filed and thereafter amended and restated, was duly adopted in accordance with the provisions of Sections 242 and 245 of the DGCL, and was approved by written consent of the stockholders of the Corporation given in accordance with the provisions of Section 228 of the DGCL (prompt notice of such action having been given to those stockholders who did not consent in writing).

THIRD: This Second Restated Certificate of Incorporation shall become effective on December 20, 2000, immediately after the consummation of the Corporation's initial public offering of shares of its Common Stock and the simultaneous conversion of all shares of the Corporation's Class B Common Stock and the Corporation's Class C Common Stock to shares of the Corporation's Common Stock. At such time, the text of the Certificate of Incorporation will be amended, restated and superseded to read in its entirety as follows:

ARTICLE I.

NAME

The name of this Corporation is Resources Connection, Inc.

ARTICLE II.

REGISTERED AGENT

The address of the registered office of the Corporation in the State of Delaware is The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, City of

Wilmington, County of New Castle.

ARTICLE III.

PURPOSE

The purpose of this Corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of the State of Delaware.

ARTICLE IV.

CAPITAL STOCK

A. This Corporation is authorized to issue two classes of stock to be designated, respectively, "Common Stock" and "Preferred Stock." The total number of shares which the Corporation is authorized to issue is forty million (40,000,000) shares, consisting of thirty-five million (35,000,000) shares of Common Stock, par value $.01 per share, and five million (5,000,000) shares of Preferred Stock, $.01 par value per share.

B. The Preferred Stock may be issued from time to time in one or more series. The Board of Directors is hereby authorized, by filing a certificate pursuant to the DGCL, to fix or alter from time to time the designation, powers, preferences and rights of the shares of each such series and the qualifications, limitations or restrictions of any wholly unissued series of Preferred Stock, and to establish from time to time the number of shares constituting any such series or any of them; and to increase or decrease the number of shares of any series subsequent to the issuance thereof, but not below the number of shares thereof then outstanding. In case the number of shares of any series shall be decreased in accordance with the foregoing sentence, the shares constituting such decrease shall resume the status that they had prior to the adoption of the resolution originally fixing the number of shares of such series.

ARTICLE V.

MANAGEMENT AND BYLAWS

For the management of the business and for the conduct of the affairs of the Corporation, and in further definition, limitation and regulation of the powers of the Corporation, of its directors and of its stockholders or any class thereof, as the case may be, it is further provided that:

A. Management. The management of the business and the conduct of the affairs of the Corporation shall be vested in its Board of Directors. The number of directors which shall constitute the whole Board of Directors shall be fixed exclusively by one or more resolutions adopted by the Board of Directors.

1. Election and Tenure of Directors.

a. Subject to the rights of the holders of any series of Preferred Stock to elect additional directors under specified circumstances, following the closing of the initial public offering pursuant to an effective registration statement under the Securities Act of 1933, as amended (the "1993 Act"), covering the offer and sale of Common Stock to the public (the "Initial Public Offering"), the directors shall be divided into three classes designated as Class I, Class II and Class III, respectively. Directors shall be assigned to each class in accordance with a resolution or resolutions adopted by the Board of Directors. At the first annual meeting of stockholders following the closing of the Initial Public Offering, the term of office of the Class I directors shall expire and Class I directors shall be elected for a full term of three years. At the second annual meeting of stockholders following the Initial Public Offering, the term of office of the Class II directors shall expire and Class II directors shall be elected for a full term of three years. At the third annual meeting of stockholders following the Initial Public Offering, the term of office of the Class III directors shall expire and Class III directors shall be elected for a full term of three years. At each succeeding annual meeting of stockholders, directors shall be elected for a full term of three years to succeed the directors of the class whose terms expire at such annual meeting.

b. In the event that the Corporation is unable to have a classified Board of Directors under applicable law, Section A.1.a. of this Article V shall not apply and all directors shall be elected at each annual meeting of stockholders to hold office until the next annual meeting.

c. No stockholder entitled to vote at an election for directors may cumulate votes to which such stockholder is entitled.

Notwithstanding the foregoing provisions of this section, each director shall serve until his successor is duly elected and qualified or until his death, resignation or removal. No decrease in the number of directors constituting the Board of Directors shall shorten the term of any incumbent director.

2. Vacancies.

a. Subject to the rights of the holders of any series of Preferred Stock, any vacancies on the Board of Directors resulting from death, resignation, disqualification, removal or other causes and any newly created directorships resulting from any increase in the number of directors, shall, unless the Board of Directors determines by resolution that any such vacancies or newly created directorships shall be filled by the stockholders, be filled only by the affirmative vote of a majority of the directors then in office, even though less than a quorum of the Board of Directors. Any director elected in accordance with the preceding sentence shall hold office for the remainder of the full term of the director for which the vacancy was created or occurred and until such director's successor shall have been elected and qualified.

b. If at the time of filling any vacancy or any newly created directorship, the directors then in office shall constitute less than a majority of the whole board (as constituted immediately prior to any such increase), the Delaware Court of Chancery may, upon application of any stockholder or stockholders holding at least ten percent (10%) of the total number of the shares at the time outstanding having the right to vote for such directors, summarily order an election to be held to fill any such vacancies or newly created directorships, or to replace the directors chosen by the directors then in offices as aforesaid, which election shall be governed by Section 211 of the DGCL.

3. Removal of Directors. The Board of Directors or any individual director may be removed from office at any time with or without cause by the affirmative vote of the holders of at least a majority of the outstanding shares entitled to vote on such removal.

B. Bylaws.

1. Bylaw Amendments. Subject to paragraph (h) of Section 44 of the Bylaws, the Bylaws may be altered or amended or new Bylaws adopted by the affirmative vote of at least sixty-six and two-thirds percent (66-2/3%) of the voting power of all of the then-outstanding shares of the voting stock of the Corporation entitled to vote. The Board of Directors shall also have the power to adopt, amend, or repeal Bylaws.

2. Written Ballot. The directors of the Corporation need not be elected by written ballot unless the Bylaws so provide.

3. Action Without Meeting. No action shall be taken by the stockholders of the Corporation except at an annual or special meeting of stockholders called in accordance with the Bylaws.

4. Stockholder Nominations. Advance notice of stockholder nominations for the election of directors and of business to be brought by stockholders before any meeting of the stockholders of the Corporation shall be given in the manner provided in the Bylaws of the Corporation.

ARTICLE VI.

LIMITATION OF LIABILITY

A. The liability of the directors for monetary damages shall be eliminated to the fullest extent under applicable law.

B. Any repeal or modification of this Article VI shall be prospective and shall not affect the rights under this Article VI in effect at the time of the alleged occurrence of any act or omission to act giving rise to liability or indemnification.

ARTICLE VII.

AMENDMENTS AND REPEAL

A. The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, in the manner now or hereafter prescribed by statute, except as provided in paragraph B. of this Article VII, and all rights conferred upon the stockholders herein are granted subject to this reservation.

B. Notwithstanding any other provisions of this Certificate of Incorporation or any provision of law which might otherwise permit a lesser vote or no vote, but in addition to any affirmative vote of the holders of any particular class or series of the Voting Stock required by law, this Certificate of Incorporation or any Preferred Stock Designation, the affirmative vote of the holders of at least sixty-six and two-thirds percent (66-2/3%) of the voting power of all of the then-outstanding shares of the voting stock, voting together as a single class, shall be required to alter, amend or repeal Articles V, VI, and VII.

IN WITNESS WHEREOF, the undersigned has caused this Second Restated Certificate of Incorporation to be duly executed on behalf of the Corporation on December 14, 2000.

RESOURCES CONNECTION, INC.

By:___________________________________

Stephen Giusto
Chief Financial Officer and Secretary

EXHIBIT 10.1

SECOND AMENDMENT AND CONSENT

SECOND AMENDMENT AND CONSENT (this "Amendment"), dated as of November 29, 2000, among RESOURCES CONNECTION INC. (f/k/a RC Transaction Corp.), a Delaware corporation ("Holdings"), RESOURCES CONNECTION LLC (f/k/a Re:sources Connection LLC), a Delaware limited liability company (the "Borrower"), the lenders party to the Credit Agreement referred to below (the "Lenders"), BANKERS TRUST COMPANY, as Administrative Agent and Lead Arranger (the "Administrative Agent"), U.S. BANK NATIONAL ASSOCIATION, as Documentation Agent (the "Documentation Agent"), and BANKBOSTON, N.A., as Syndication Agent (the "Syndication Agent" and, together with the Administrative Agent and the Documentation Agent, the "Agents" and each, an "Agent"). All capitalized terms used herein and not otherwise defined herein shall have the respective meanings provided such terms in the Credit Agreement referred to below.

W I T N E S S E T H:

WHEREAS, Holdings, the Borrower, the Lenders and the Agents are parties to a Credit Agreement, dated as of April 1, 1999 (as amended, modified or supplemented through, but not including, the date hereof, the "Credit Agreement"); and

WHEREAS, the parties hereto wish to amend certain provisions under the Credit Agreement as herein provided;

NOW, THEREFORE, it is agreed:

1. Section 1.08(a) of the Credit Agreement is hereby amended by deleting the text "Applicable Base Rate Margin" appearing therein and inserting the text "Applicable Margin" in lieu thereof.

2. Section 1.08(b) of the Credit Agreement is hereby amended by deleting the text "Applicable Eurodollar Rate Margin" appearing therein and inserting the text "Applicable Margin" in lieu thereof.

3. Section 2.05(a) of the Credit Agreement is hereby amended by deleting the text "Applicable Base Rate Margin for Revolving Loans" each place such text appears therein and inserting the text "Applicable Margin for Revolving Loans maintained as Base Rate Loans" in lieu thereof in each such place.

4. Section 3.01(b) of the Credit Agreement is hereby amended by deleting the text "Applicable Eurodollar Rate Margin then in effect with respect to Revolving Loans" appearing in said Section and inserting the text "Applicable Margin then in effect with respect to Revolving Loans maintained as Eurodollar Loans" in lieu thereof.

5. Section 7.07 of the Credit Agreement is hereby amended by deleting the text "(a)," appearing in said Section.

6. Section 8.01(a) of the Credit Agreement is hereby amended by deleting the text appearing in said Section in its entirety and inserting the text "[Intentionally Deleted]" in lieu thereof.

7. Section 9.07(a) of the Credit Agreement is hereby amended by (x) deleting the amounts "$1,500,000", "$1,000,000", "$1,000,000" and "$1,000,000" appearing opposite the dates "May 31, 2001", "May 31, 2002", "May 31, 2003" and "May 31, 2004", respectively, in said Section and inserting the amount "$3,000,000" opposite each of said dates in lieu thereof and (y) deleting the proviso at the end of said Section in its entirety.

8. Section 11.01 of the Credit Agreement is hereby amended by (x) deleting the definitions of "Applicable Base Rate Margin" and "Applicable Eurodollar Rate Margin" appearing in said Section and (y) inserting the following new definitions in said Section in the appropriate alphabetical order:

"Applicable Margin" shall mean, from and after any Start Date to and including the corresponding End Date, the respective percentage per annum set forth below under the respective column below and opposite the respective Level (i.e., Level 1, Level 2, Level 3, Level 4 or Level 5, as the case may be) indicated to have been achieved on the applicable Test Date for such Start Date (as shown on the respective officer's certificate delivered pursuant to Section 8.01(f) or the first proviso below):

Level	Leverage Ratio	Term Loans, Revolving Loans and Swingline Loans maintained as Base Rate Loans	Term Loans and Revolving Loans maintained as Eurodollar Loans
1	Less than 1:00:1.00	0.50%	1.50%
2	Greater than or equal to 1.00:1.00 but less than 1.50:1.00	0.75%	1.75%
3	Greater than or equal to 1.50:1.00 but less than 2.00:1.00	1.00%	2.00%
4	Greater than or equal to 2.00:1.00 but less than 2.25:1.00	1.25%	2.25%

5	Greater than or equal to 2.25:1.00	1.50%	2.50%

provided, however, that if Holdings fails to deliver the financial statements required to be delivered pursuant to Section 8.01(b) or (c) (accompanied by the officer's certificate required to be delivered pursuant to Section 8.01(f) showing the applicable Leverage Ratio on the relevant Test Date) on or prior to 30 days after the respective date required by such Sections, then Level 5 pricing shall apply until such time, if any, as the financial statements required as set forth above and the accompanying officer's certificate have been delivered showing the pricing for the respective Margin Reduction Period is at a level which is less than Level 5 (it being understood that, in the case of any late delivery of such financial statements and officer's certificate by more than 30 days after such delivery is required pursuant to said Sections, any reduction in the Applicable Margin shall apply only from and after the date of the delivery of the complying financial statements and officer's certificate); and provided further, (i) for the period from the Initial Borrowing Date to, but not including, the Second Amendment Effective Date, (x) in the case of Term Loans, Revolving Loans and Swingline Loans that are maintained as Base Rate Loans, "Applicable Margin" shall mean a percentage per annum equal to 2.00% and (y) in the case of Term Loans or Revolving Loans maintained as Eurodollar Loans, "Applicable Margin" shall mean a percentage per annum equal to 3.00%, (ii) for the period from the Second Amendment Effective Date to, but not including, the first Start Date after the Second Amendment Effective Date, Level 1 pricing shall apply, and (iii) Level 5 pricing shall apply at any time when any Default or Event of Default is in existence (it being understood, however, that if a Default that occurs as a result of Holdings' failure to deliver the financial statements required by Sections 8.01(b) and (c) (and related officer's certificate required by Section 8.01(f)) on or prior to the respective date required by such Sections, such Default shall not result in an increase to Level 5 pricing unless such financial statements (and related officer's certificate) are not delivered on or prior to 30 days after the respective date required by such Sections, in which case such increased pricing shall apply after such 30th day).

"End Date" shall mean, for any Margin Reduction Period, the last day of such Margin Reduction Period.

"Margin Reduction Period" shall mean each period which shall commence on the date upon which the respective officer's certificate is delivered pursuant to Section 8.01(f) (together with the related financial statements pursuant to Section 8.01(b) or (c), as the case may be) and which shall end on the earlier of (i) the date of actual delivery of the next officer's certificate pursuant to Section 8.01(f) (and related financial statements) or (ii) 30 days after the latest date on which such next officer's certificate (and related financial statements) is required to be so delivered; it being understood that the first Margin Reduction Period shall commence with the delivery of Holdings' officer's certificate (and related financial statements) in respect of its fiscal quarter ending on November 26, 2000.

"Second Amendment" shall mean the Second Amendment to this Agreement, dated as of November 14, 2000.

"Second Amendment Effective Date" shall have the meaning provided in the Second Amendment.

"Start Date" shall mean, with respect to any Margin Reduction Period, the first day of such Margin Reduction Period.

"Test Date" shall mean, with respect to any Start Date, the last day of the most recent fiscal quarter of Holding ended immediately prior to such Start Date.

9. Notwithstanding anything to the contrary contained in Section 3.03(d) of the Credit Agreement, in the event that Holdings consummates a Qualified IPO on or prior to December 31, 2000, the Total Revolving Loan Commitment shall not be reduced in accordance with such Section 3.03(d) as a result of such Qualified IPO, so long as no Default or Event of Default exists at the time of such Qualified IPO or would result therefrom.

10. This Amendment shall become effective on the date (the "Second Amendment Effective Date") when Holdings, the Borrower and each of the Lenders shall have signed a counterpart hereof (whether the same or different counterparts) and shall have delivered (including by way of facsimile transmission) the same to the Administrative Agent at the Notice Office.

11. In order to induce the Lenders to enter into this Amendment, each of Holdings and the Borrower hereby represents and warrants that:

(a) no Default or Event of Default exists on the Second Amendment Effective Date, both before and after giving effect to this Amendment; and

(b) on the Second Amendment Effective Date, both before and after giving effect to this Amendment, all representations and warranties contained in the Credit Agreement and in the other Credit Documents are true and correct in all material respects as though such representations and warranties were made on the Second Amendment Effective Date.

12. This Amendment may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which counterparts when executed and delivered shall be an original, but all of which shall together constitute one and the same instrument. A complete set of counterparts shall be delivered to the Borrower and the Administrative Agent.

13. THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAW OF THE STATE OF NEW YORK.

14. From and after the Second Amendment Effective Date, all references in the Credit Agreement and each of the other Credit Documents to the Credit Agreement shall be deemed to be references to the Credit Agreement as modified hereby.

15. This Amendment is limited as specified and shall not constitute a modification, acceptance or waiver of any other provision of the Credit Agreement or any other Credit Document.

*   *   *

IN WITNESS WHEREOF, each of the parties hereto has caused a counterpart of this Amendment to be duly executed and delivered as of the date first above written.

RESOURCES CONNECTION INC.

By:________________________________
Name:
Title:

RESOURCES CONNECTION LLC

By:________________________________
Name:
Title:

BANKERS TRUST COMPANY, Individually and
as Administrative Agent

By:_________________________________
Name:
Title:

U.S. BANK NATIONAL ASSOCIATION,
Individually and as Documentation Agent

By:_________________________________
Name:
Title:

FLEET NATIONAL BANK (f/k/a
BANKBOSTON, N.A.), Individually and as
Syndication Agent

By:_________________________________
Name:
Title: