

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 OR 15(d) of
The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported)

October 7, 2015

RESOURCES CONNECTION, INC.

Delaware (State or other jurisdiction of incorporation)	0-32113 (Commission File Number)	33-0832424 (IRS Employer Identification No.)
17101 Armstrong Avenue, Irvine, California (Address of principal executive offices)		92614 (Zip Code)
Registrant's telephone number, including area code		(714) 430-6400

Not applicable
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.02 Results of Operations and Financial Condition.

On October 7, 2015, Resources Connection, Inc. (“Resources” or “the Company”) issued a press release announcing its financial results for the quarterly period ended August 29, 2015. A copy of the press release is attached hereto as Exhibit 99.1.

Within the attached press release, the Company makes reference to certain non-generally accepted accounting principles (“non-GAAP”) financial measures, including consolidated EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin. The Company believes that these non-GAAP measures are useful to our investors because they are financial measures used by management to assess the core performance of our Company. Accordingly, where these non-GAAP measures are provided, it is done so that investors have the same financial data that management uses with the belief that such information will assist the investment community in assessing the underlying performance of the Company on a year-over-year and sequential basis. Whenever such information is presented, the Company has complied with the provisions of the rules under Regulation G and Item 2.02 of Form 8-K. In addition to the reasons described above, specific reasons the Company’s management believes that the presentation of certain non-GAAP financial measures provides useful information to investors regarding the Company’s financial condition, results of operations and cash flows are as follows:

The non-GAAP measures presented in the attached press release are not in accordance with, or an alternative for, GAAP and may be different from non-GAAP measures used by other companies. In addition, these non-GAAP measures are not based on any comprehensive set of accounting rules or principles. The Company believes that non-GAAP measures have limitations in that they do not reflect all of the amounts associated with the Company’s results of operations as determined in accordance with GAAP and that these measures should only be used to evaluate the Company’s results of operations in conjunction with the corresponding GAAP measures.

For its internal budgeting process, the Company’s management uses financial statements that include Consolidated EBITDA, Adjusted EBITDA and EBITDA Margin. The Company’s management also uses the foregoing non-GAAP measures, in addition to other GAAP measures, in reviewing the financial results of the Company.

The information in Item 2.02 of this current report on Form 8-K, as well as Exhibit 99.1 hereto, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, as amended.

Item 9.01 Financial Statements and Exhibits.

(c) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
Exhibit 99.1	Press Release issued October 7, 2015

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 hereunto duly authorized.

RESOURCES CONNECTION, INC.

Date: October 7, 2015

By: /s/ ANTHONY CHERBAK

Anthony Cherbak
President and Chief Executive Officer

EXHIBIT INDEX

Exhibit No.

Description

Exhibit 99.1

Press Release issued October 7, 2015

Resources Connection, Inc. Reports First Quarter Results for Fiscal 2016

- **Company reports revenues of \$148.3 million, up 3.4% over prior year quarter (6.3% constant currency)**
- **Earnings per share increases to \$0.19, up 35.7% from \$0.14 in prior year quarter**
- **Adjusted EBITDA* improves 16.3% to \$15.7 million (10.6% of revenue)**
- **Company returns \$9.2 million in capital to shareholders**

*** Adjusted EBITDA is defined as earnings before interest, income taxes, depreciation, amortization and stock-based compensation**

IRVINE, Calif.--(BUSINESS WIRE)--October 7, 2015--Resources Connection, Inc. (NASDAQ: RECN) today announced financial results for its first fiscal quarter ended August 29, 2015. Resources Connection, Inc. (the "Company") is a multinational professional services firm that provides to clients – through its operating subsidiary, Resources Global Professionals ("RGP") – consulting and business support services in the areas of accounting; finance; corporate governance, risk and compliance; corporate advisory, strategic communications and restructuring; information management; human capital; supply chain management; healthcare solutions; and legal and regulatory.

Revenue for the first quarter of fiscal 2016 increased 3.4% to \$148.3 million compared to the prior year's first quarter of \$143.4 million. On a sequential basis, first quarter revenue was down 0.3% compared to \$148.8 million in the fourth quarter of fiscal 2015.

Using the comparable first quarter fiscal 2015 conversion rates to adjust for the impact of currency fluctuations, fiscal 2016's first quarter revenue would have been \$152.4 million, up 6.3% quarter-over-quarter.

Revenue in the U.S. increased 4.6% quarter-over-quarter and 0.4% sequentially. International revenue decreased 1.4% on a quarter-over-quarter basis and 3.5% sequentially. Adjusting for the impact of currency fluctuations, international revenue increased 13.4% quarter-over-quarter using the comparable first quarter fiscal 2015 conversion rates and declined sequentially 3.2% using the comparable fourth quarter fiscal 2015 conversion rates.

The Company's net income in the first quarter of fiscal 2016 improved 31.5% to \$7.1 million, or \$0.19 per diluted share, compared to the prior year's first quarter net income of \$5.4 million, or \$0.14 per diluted share. Net income in the first quarter of fiscal 2016 includes a \$0.01 per share charge for stock-based compensation expense of approximately \$900,000 related to the accelerated vesting of options held by Donald Murray related to his transition from Executive Chairman to non-employee Chairman during the quarter. Net income in the first quarter of fiscal 2015 included a \$0.02 per share charge for severance related to the Company's European operations.

"Our first quarter results reflect solid improvement in our financial metrics such as revenues and adjusted EBITDA, driven by our United States operations," said Tony Cherbak, president and chief executive officer of RGP. "In addition, our practices in Asia Pacific grew 17.0% quarter-over-quarter (27.7% constant currency), with particular strength in Shanghai, Hong Kong and Singapore; and Europe showed continued signs of stability, growing 1.9% on a constant currency basis."

Gross margin was 38.7% in the first quarter of fiscal 2016 compared to 39.2% in the prior year quarter. The 50 basis point decrease results from higher costs in the Company's self-insured medical plan and an increase in zero margin reimbursable expenses, partially offset by improved bill/pay rate spreads. Sequentially, gross margin decreased 20 basis points from 38.9%, due to a slight reduction in bill rate/pay rate spreads and higher medical costs, partially offset by lower zero margin reimbursable expenses.

Selling, general and administrative expenses ("SG&A") for the first quarter of fiscal 2016 were \$44.0 million (29.7% of revenue) compared to the prior year first quarter amount of \$44.3 million (30.9% of revenue) and the preceding quarter amount of \$42.5 million (28.5% of revenue). The first quarter of fiscal 2016 amount includes approximately \$900,000 of stock-based compensation expense related to the accelerated vesting of options held by Donald Murray; the prior year quarter included approximately \$700,000 of severance charges related to the Company's European operations. Excluding these charges, SG&A was \$43.1 million (29.1% of revenue) in the first quarter of fiscal 2016 and \$43.6 million (30.4% of revenue) in the first quarter of fiscal 2015. The quarter-over-quarter decrease is primarily attributable to lower marketing related costs.

Cash used in operations and Adjusted EBITDA were \$4.6 million and \$15.7 million (10.6% of revenue), respectively, for the first quarter of fiscal 2016 compared to cash used in operations and Adjusted EBITDA of \$8.7 million and \$13.5 million (9.4% of revenue), respectively, for the first quarter of fiscal 2015.

Cherbak added: “Our business model, which provides intellectual capital on demand to our clients, continues to generate cash that allowed the Board to recently announce a 25% increase in our dividend rate to \$0.10 per share, the fifth consecutive year in which we have increased our dividend. Combined with our stock buy-back program, we have a solid foundation of programs to return capital to our shareholders.”

In the first quarter of fiscal 2016, the Company repurchased 395,000 shares of common stock for \$6.2 million and paid a quarterly dividend totaling \$3.0 million (\$0.08 per diluted share) to shareholders. During the quarter, the Company’s Board of Directors authorized a third stock repurchase program with a dollar limit of \$150 million; the Company now has a total of \$160.5 million available for share purchases when combined with the balance remaining from the previous authorization. As of August 29, 2015, the Company’s cash, cash equivalents and short-term investments were \$101.2 million compared to \$112.2 million at fiscal year-end May 30, 2015.

ABOUT RGP

RGP, the operating subsidiary of Resources Connection, Inc. (NASDAQ: RECN), is a multinational professional services firm that helps business leaders execute internal initiatives. Partnering with business leaders, we drive internal change across all parts of a global enterprise – accounting; finance; corporate governance, risk and compliance; corporate advisory, strategic communications and restructuring; information management; human capital; supply chain management; healthcare solutions; and legal and regulatory.

RGP was founded in 1996 within a Big Four accounting firm. Today, we are a publicly traded company with over 3,200 professionals, annually serving over 1,700 clients around the world from 68 practice offices.

Headquartered in Irvine, California, RGP has served 87 of the Fortune 100 companies.

The Company is listed on the NASDAQ Global Select Market, the exchange’s highest tier by listing standards. More information about RGP is available at <http://www.rgp.com>.

RGP will hold a conference call for interested analysts and investors at 5:00 p.m. ET, today, October 7, 2015. This conference call will be available for listening via a webcast on the Company’s website: <http://www.rgp.com>. An audio replay of the conference call will be available through October 14, 2015 at 855-859-2056. The conference ID number for the replay is 32516778. The call will also be archived on the RGP website for 30 days.

Certain statements in this press release are “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,” “remain,” “should” or “will” or the negative of these terms or other comparable terminology. In this press release, such statements include the Company’s expectations regarding its programs for returning capital to shareholders. Such statements and all phases of the Company’s operations are subject to known and unknown risks, uncertainties and other factors that could cause our actual results, levels of activity, performance or achievements and those of our industry to differ materially from those expressed or implied by these forward-looking statements. Risks and uncertainties include seasonality, overall economic conditions and other factors and uncertainties as are identified in our most recent Annual Report on Form 10-K and our other public filings made with the Securities and Exchange Commission (File No. 0-32113). Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also affect our business or operating results. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. The Company does not intend, and undertakes no obligation, to update the forward-looking statements in this press release to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events, unless required by law to do so.

RESOURCES CONNECTION, INC.
CONSOLIDATED STATEMENT OF OPERATIONS
(Amounts in thousands, except per share amounts)

	Three Months Ended	
	August 29, 2015	August 30, 2014
		(Unaudited)
Revenue	\$ 148,340	\$ 143,447
Direct costs of services	90,877	87,222
Gross margin	57,463	56,225
Selling, general and administrative expenses (1)	43,957	44,279
Operating income before amortization and depreciation (1)	13,506	11,946
Amortization of intangible assets	30	424
Depreciation expense	858	854
Operating income (1)	12,618	10,668
Interest income	(32)	(38)
Income before provision for income taxes (1)	12,650	10,706
Provision for income taxes (2)	5,517	5,311
Net income (1), (2)	\$ 7,133	\$ 5,395
Net income per common share:		
Basic (1), (2)	\$ 0.19	\$ 0.14
Diluted (1), (2)	\$ 0.19	\$ 0.14
Weighted average common shares outstanding:		
Basic	37,295	38,180
Diluted	37,847	38,335
Cash dividends declared per common share	\$ 0.10	\$ 0.08

EXPLANATORY NOTES

- (1) SG&A expenses include non-cash compensation expense for employee stock option grants and employee stock purchases of \$2.2 million and \$1.5 million for the three months ended August 29, 2015 and August 30, 2014, respectively. The expense for the first quarter of fiscal 2016 includes approximately \$900,000, or \$0.01 per share, related to the Board of Director's approval of accelerated vesting of 127,500 stock options related to Don Murray's transition from Executive Chairman to non-employee Chairman of the Board.
- (2) The Company's effective tax rate was approximately 44% and approximately 50% for the three months ended August 29, 2015 and August 30, 2014, respectively. For all periods presented, the Company is unable to benefit from, or has limitations on the benefit of, tax losses in certain foreign jurisdictions. To a lesser extent, the accounting treatment under GAAP for the cost associated with incentive stock options and shares purchased through the Employee Stock Purchase Plan have caused volatility in the Company's effective tax rate.

RESOURCES CONNECTION, INC.
RECONCILIATION OF NET INCOME TO ADJUSTED EBITDA
(Amounts in thousands, except Adjusted EBITDA Margin)

	Three Months Ended	
	August 29, 2015	August 30, 2014
		(Unaudited)
Net income	\$ 7,133	\$ 5,395
Adjustments:		
Amortization of intangible assets	30	424
Depreciation expense	858	854
Interest income	(32)	(38)
Provision for income taxes	5,517	5,311
EBITDA	13,506	11,946
Stock-based compensation expense	2,155	1,546
Adjusted EBITDA	\$ 15,661	\$ 13,492
Revenue	\$ 148,340	\$ 143,447
Adjusted EBITDA Margin	10.6 %	9.4 %

EXPLANATORY NOTE

The Company utilizes certain financial measures and key performance indicators that are not defined by, or calculated in accordance with, GAAP to assess our financial and operating performance. A non-GAAP financial measure is defined as a numerical measure of a company's financial performance that (i) excludes amounts, or is subject to adjustments that have the effect of excluding amounts, that are included in the comparable measure calculated and presented in accordance with GAAP in the statement of operations; or (ii) includes amounts, or is subject to adjustments that have the effect of including amounts, that are excluded from the comparable measure so calculated and presented.

EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin are non-GAAP financial measures. EBITDA is calculated as net income before amortization of intangible assets, depreciation expense, interest income and income taxes. Adjusted EBITDA is calculated as EBITDA plus stock-based compensation expense. Adjusted EBITDA Margin is calculated by dividing Adjusted EBITDA by revenue. We believe that EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin provide useful measures to our investors because they are financial measures used by management to assess the core performance of our Company. EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin are not measurements of financial performance or liquidity under GAAP and should not be considered in isolation or construed as substitutes for net income or other cash flow data prepared in accordance with GAAP for purposes of analyzing our profitability or liquidity. These measures should be considered in addition to, and not as a substitute to, net income, earnings per share, cash flows or other measures of financial performance prepared in accordance with GAAP.

RESOURCES CONNECTION, INC.
CONSTANT CURRENCY REVENUE COMPARISON
(Dollars in thousands)
(Unaudited)

Revenue for the Three Months Ended			% Increase August 29, 2015 vs. August 30, 2014 GAAP	% Increase August 29, 2015 vs. August 30, 2014 Constant Currency (1)	% Decrease August 29, 2015 vs. May 30, 2015 GAAP	% Decrease August 29, 2015 vs. May 30, 2015 Constant Currency (2)
August 29, 2015 GAAP	August 30, 2014 GAAP	May 30, 2015 GAAP				
\$ 148,340	\$ 143,447	\$ 148,814	3.4%	6.3%	-0.3%	-0.3%

(1) The percentage change in revenue on a constant currency basis is calculated using the average foreign exchange rates for the first quarter of fiscal 2015 and applying those rates to foreign-denominated revenue in the first quarter of fiscal 2016.

(2) The percentage change in revenue on a constant currency basis is calculated using the average foreign exchange rates for the fourth quarter of fiscal 2015 and applying those rates to foreign-denominated revenue in the first quarter of fiscal 2016.

EXPLANATORY NOTE

In order to provide a more comprehensive view of trends in our business, this table shows revenue data on an as reported basis (GAAP) for the respective periods and relative change in the same periods from the impact on revenue of exchange rate fluctuations between the United States dollar and currencies in countries in which the Company operates.

RESOURCES CONNECTION, INC.
SELECTED BALANCE SHEET, CASH FLOW AND OTHER INFORMATION
(Amounts in thousands, except consultant headcount)

	August 29, 2015	May 30, 2015
	(Unaudited)	
Cash, cash equivalents and short-term investments	\$ 101,220	\$ 112,238
Accounts receivable, less allowances	\$ 94,510	\$ 96,574
Total assets	\$ 404,726	\$ 416,981
Current liabilities	\$ 54,398	\$ 68,946
Total stockholders' equity	\$ 343,106	\$ 340,452
Consultant headcount, end of period	2,501	2,516
Shares outstanding, end of period	37,143	37,273
	Three Months Ended	
	August 29, 2015	August 30, 2014
	(Unaudited)	
Cash flow from operating activities	\$ (4,553)	\$ (8,669)
Cash flow from investing activities	\$ (572)	\$ 8,645
Cash flow from financing activities	\$ (5,694)	\$ (4,859)

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