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

FORM 10-Q

(MARK ONE)

☑ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended February 26, 2011

OR

o **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: 0-32113

RESOURCES CONNECTION, INC.
(Exact Name of Registrant as Specified in Its Charter)

DELAWARE **(State or Other Jurisdiction of Incorporation or Organization)**	**33-0832424** **(I.R.S. Employer Identification No.)**

17101 Armstrong Avenue, Irvine, California 92614
(Address of Principal Executive Offices and Zip Code)

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

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) has been subject to such filing requirements for the past 90 days. Yes ☑ No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☑ No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☑	Accelerated filer o	Non-accelerated filer o (Do not check if a smaller reporting company)	Smaller reporting company o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes o No ☑

As of March 28, 2011, 46,352,657 shares of the registrant's common stock, $0.01 par value per share, were outstanding.

RESOURCES CONNECTION, INC.

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PART I. FINANCIAL INFORMATION

ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS

RESOURCES CONNECTION, INC.

CONSOLIDATED BALANCE SHEETS
(Unaudited)
(Amounts in thousands, except par value per share)

	February 26, 2011	May 29, 2010
ASSETS		
Current assets:		
Cash and cash equivalents	$ 145,645	$ 130,659
Short-term investments	5,249	10,246
Trade accounts receivable, net of allowance for doubtful accounts of $4,958 and $5,193 as of February 26, 2011 and May 29, 2010, respectively	85,195	73,936
Prepaid expenses and other current assets	4,917	4,698
Income taxes receivable	7,542	4,575
Deferred income taxes	7,107	7,107
Total current assets	255,655	231,221
Goodwill	175,730	172,632
Intangible assets, net	9,017	12,425
Property and equipment, net	26,858	29,354
Deferred income taxes	16,979	25,846
Other assets	1,681	1,722
Total assets	$ 485,920	$ 473,200
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	$ 18,447	$ 14,606
Accrued salaries and related obligations	40,161	37,949
Other current liabilities	7,378	5,194
Total current liabilities	65,986	57,749
Other long-term liabilities, including estimated contingent consideration of $37,140 and $59,792 as of February 26, 2011 and May 29, 2010	39,611	62,210
Total liabilities	105,597	119,959
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, $0.01 par value, 5,000 shares authorized; zero shares issued and outstanding		
Common stock, $0.01 par value, 70,000 shares authorized; 54,979 and 54,267 shares issued; and 46,350 and 46,265 outstanding as of February 26, 2011 and May 29, 2010, respectively	550	543
Additional paid-in capital	322,268	306,413
Accumulated other comprehensive gain (loss)	1,899	(4,584)
Retained earnings	245,467	232,034
Treasury stock at cost, 8,629 shares and 8,002 shares at February 26, 2011 and May 29, 2010, respectively	(189,861)	(181,165)
Total stockholders' equity	380,323	353,241
Total liabilities and stockholders' equity	$ 485,920	$ 473,200

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

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RESOURCES CONNECTION, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)
(Amounts in thousands, except per share amounts)

	Three Months Ended		Nine Months Ended	
	February 26, 2011	February 27, 2010	February 26, 2011	February 27, 2010
Revenue	$ 137,607	$ 125,304	$ 399,849	$ 365,093
Direct cost of services, primarily payroll and related taxes for professional services employees	86,672	76,949	244,882	225,245
Gross profit	50,935	48,355	154,967	139,848
Selling, general and administrative expenses	45,277	44,101	128,884	139,981
Contingent consideration adjustment	(239)	788	(22,652)	788
Amortization of intangible assets	1,224	1,360	3,824	2,191
Depreciation expense	1,761	2,152	5,476	6,523
Income (loss) from operations	2,912	(46)	39,435	(9,635)
Interest income	(124)	(178)	(366)	(524)
Income (loss) before provision for income taxes	3,036	132	39,801	(9,111)
Provision for income taxes	2,283	5,097	20,347	4,952
Net income (loss)	$ 753	$ (4,965)	$ 19,454	$ (14,063)
Net income (loss) per common share:				
Basic	$ 0.02	$ (0.11)	$ 0.42	$ (0.31)
Diluted	$ 0.02	$ (0.11)	$ 0.42	$ (0.31)
Weighted average common shares outstanding:				
Basic	46,226	46,394	46,179	45,745
Diluted	46,938	46,394	46,544	45,745
Cash dividends declared per share	$ 0.04	$ —	$ 0.12	$ —

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

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RESOURCES CONNECTION, INC.

CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
(Unaudited)
(Amounts in thousands)

	Nine Months Ended February 26, 2011
COMMON STOCK—SHARES:	
Balance at beginning of period	54,267
Exercise of stock options	347
Issuance of common stock under Employee Stock Purchase Plan	365
Balance at end of period	54,979
COMMON STOCK—PAR VALUE:	
Balance at beginning of period	$ 543
Exercise of stock options	3
Issuance of common stock under Employee Stock Purchase Plan	4
Balance at end of period	$ 550
ADDITIONAL PAID-IN CAPITAL:	
Balance at beginning of period	$ 306,413
Exercise of stock options	4,113
Stock-based compensation expense related to employee stock options and employee stock purchases	7,826
Tax shortfall from employee stock option plans	(232)
Issuance of common stock under Employee Stock Purchase Plan	4,148
Balance at end of period	$ 322,268
ACCUMULATED OTHER COMPREHENSIVE GAIN (LOSS):	
Balance at beginning of period	$ (4,584)
Currency translation adjustment	6,483
Balance at end of period	$ 1,899
RETAINED EARNINGS:	
Balance at beginning of period	$ 232,034
Cash dividends ($0.12 per share)	(5,538)
Issuance of restricted stock out of treasury stock to board of director members	(483)
Net income	19,454
Balance at end of period	$ 245,467
TREASURY STOCK—SHARES:	
Balance at beginning of period	8,002
Issuance of restricted stock out of treasury stock to board of director members	(21)
Purchase of shares	648
Balance at end of period	8,629
TREASURY STOCK—COST:	
Balance at beginning of period	$ (181,165)
Issuance of restricted stock out of treasury stock to board of director members	483
Purchase of shares	(9,179)
Balance at end of period	$ (189,861)
COMPREHENSIVE INCOME:	
Net income	$ 19,454
Currency translation adjustment	6,483
Total comprehensive income	$ 25,937

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

RESOURCES CONNECTION, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(Amounts in thousands)

	Nine Months Ended	
	February 26, 2011	February 27, 2010
Cash flows from operating activities:		
Net income (loss)	$ 19,454	$ (14,063)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	9,300	8,714
Stock-based compensation expense related to employee stock options and employee stock purchases	7,826	12,611
Contingent consideration adjustment	(22,652)	788
Excess tax benefits from stock-based compensation	(477)	(395)
Loss on disposal of fixed assets	71	117
Deferred income tax expense (benefit)	8,928	(2,513)
Changes in operating assets and liabilities, net of effect of acquisitions:		
Trade accounts receivable	(8,644)	1,922
Prepaid expenses and other current assets	28	187
Income taxes	(2,933)	4,649
Other assets	106	81
Accounts payable and accrued expenses	1,264	1,414
Accrued salaries and related obligations	1,015	(12,544)
Other liabilities	1,794	234
Net cash provided by operating activities	15,080	1,202
Cash flows from investing activities:		
Redemption of short-term investments	26,487	40,996
Purchase of short-term investments	(21,490)	(33,752)
Acquisition of Sitrick Brincko Group, net of cash acquired	—	(28,541)
Purchases of property and equipment	(2,690)	(1,972)
Net cash provided by (used in) investing activities	2,307	(23,269)
Cash flows from financing activities:		
Proceeds from exercise of stock options	4,116	2,939
Proceeds from issuance of common stock under Employee Stock Purchase Plan	4,152	5,279
Purchase of common stock	(9,179)	(5,856)
Cash dividends paid	(3,688)	—
Excess tax benefits from stock-based compensation	477	395
Net cash (used in) provided by financing activities	(4,122)	2,757
Effect of exchange rate changes on cash	1,721	828
Net increase (decrease) in cash and cash equivalents	14,986	(18,482)
Cash and cash equivalents at beginning of period	130,659	143,247
Cash and cash equivalents at end of period	$ 145,645	$ 124,765

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

RESOURCES CONNECTION, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Three and nine months ended February 26, 2011 and February 27, 2010

1. Description of the Company and its Business

Resources Connection, Inc. (“Resources Connection”) was incorporated on November 16, 1998. Resources Connection is a multinational professional services firm; its operating entities provide services primarily under the name Resources Global Professionals (“Resources Global” or “the Company”). The Company provides clients with experienced professionals specializing in accounting, finance, risk management and internal audit, corporate advisory, strategic communications and restructuring, information management, human capital, supply chain management, actuarial and legal and regulatory services in support of client-led projects and initiatives. The Company has offices in the United States (“U.S.”), Asia, Australia, Canada, Europe and Mexico. Resources Connection is a Delaware corporation.

The Company’s fiscal year consists of 52 or 53 weeks, ending on the last Saturday in May. The third quarters of fiscal 2011 and 2010 consisted of 13 weeks each.

2. Summary of Significant Accounting Policies

Interim Financial Information

The financial information as of and for the three and nine months ended February 26, 2011 and February 27, 2010 is unaudited but includes all adjustments (consisting only of normal recurring adjustments) that the Company considers necessary for a fair statement of its financial position at such dates and the operating results and cash flows for those periods. The year-end balance sheet data was derived from audited financial statements, and certain information and note disclosures normally included in annual financial statements prepared in accordance with generally accepted accounting principles in the United States (“GAAP”) have been condensed or omitted pursuant to Securities and Exchange Commission (“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 29, 2010, which are included in the Company’s Annual Report on Form 10-K for the year then ended (File No. 0-32113).

Contingent Consideration

The Company estimates and records the acquisition date estimated fair value of contingent consideration as part of purchase price consideration for acquisitions occurring subsequent to May 30, 2009. Additionally, each reporting period, the Company estimates changes in the fair value of contingent consideration and any change in fair value is recognized in the Consolidated Statement of Operations. The estimate of the fair value of contingent consideration requires very subjective assumptions to be made of future operating results, discount rates and probabilities assigned to various potential operating result scenarios. Future revisions to these assumptions could materially change the estimate of the fair value of contingent consideration and, therefore, materially affect the Company’s future financial results. See Note 5 — *Acquisitions* for discussion of adjustments to the fair value of contingent consideration.

Under the terms of the acquisition agreements for Sitrick Brincko Group, up to 20% of the contingent consideration is payable to employees of the acquired business at the end of the measurement period to the extent certain growth targets are achieved. The Company records the estimated amount of the contractual obligation to pay the employee portion of the contingent consideration as compensation expense over the service period as it is deemed probable that the growth targets will be achieved. The estimate of the amount of the employee portion of contingent consideration requires very subjective assumptions to be made of future operating results. Future revisions to these assumptions could materially change the estimate of the amount of the employee portion of contingent consideration and, therefore, materially affect the Company’s future financial results. The Company determined that the growth targets were not achieved during the nine months ended February 26, 2011 and, therefore, recorded no estimate of the employee portion of the contingent consideration earned during the period.

Cash, Cash Equivalents and Short-Term Investments

The Company considers cash on hand, deposits in banks, and short-term investments purchased with an original maturity date of three months or less to be cash and cash equivalents. The carrying amounts reflected in the consolidated balance sheets for cash and cash equivalents approximate the fair values due to the short maturities of these instruments.

Client Reimbursements of “Out-of-Pocket” Expenses

The Company recognizes all reimbursements received from clients for “out-of-pocket” expenses as revenue and all such expenses as direct cost of services. Reimbursements received from clients were $3.1 million and $2.1 million for the three months ended February 26, 2011 and February 27, 2010, respectively, and $9.1 million and $6.2 million for the nine months ended February 26, 2011 and February 27, 2010, respectively.

Stock-Based Compensation

The Company recognizes compensation expense for all share-based payment awards made to employees and directors, including employee stock options and employee stock purchases made via the Company’s Employee Stock Purchase Plan (the “ESPP”), based on estimated fair value at the date of grant (options) or date of purchase (ESPP).

The Company estimates the fair value of share-based payment awards on the date of grant using an option-pricing model. The value of the portion of the award that is ultimately expected to vest is recognized as an expense over the requisite service periods. Stock options vest over four years and restricted stock award vesting is determined on an individual grant basis under the Company’s 2004 Performance Incentive Plan. The Company determines the estimated value of stock options using the Black-Scholes valuation model. The Company recognizes stock-based compensation expense on a straight-line basis over the service period for options that are expected to vest and records adjustments to compensation expense at the end of the service period if actual forfeitures differ from original estimates.

See Note 10 — *Stock-Based Compensation Plans* for further information on stock-based compensation.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure and recording of contingent assets and liabilities, such as contingent consideration and recovery of deferred tax assets, 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 reasonable, actual results could differ significantly from the estimates and assumptions used.

3. Stockholders’ Equity

In July 2007, the board of directors approved a stock repurchase program, authorizing the repurchase, at the discretion of the Company’s senior executives, of the Company’s common stock for an aggregate dollar limit not to exceed $150 million. The Company purchased approximately 90,000 and 648,000 shares of its common stock at an average price of $20.38 and $14.18 per share for approximately $1.8 million and $9.2 million during the three and nine months ended February 26, 2011, respectively. As of February 26, 2011, approximately $17.4 million remains available under the repurchase program.

4. Net Income Per Share

Basic earnings per share (“EPS”) is calculated by dividing net income by the weighted average number of common shares outstanding during the period. Diluted EPS is based upon the weighted average number of common and common equivalent shares outstanding during the period, calculated using the treasury stock method for stock options. Under the treasury stock method, exercise proceeds include the amount the employee must pay for exercising stock options, the amount of compensation cost for future services that the Company has not yet recognized and the amount of tax benefits that would be recorded in additional paid-in capital when the award becomes deductible. Common equivalent shares are excluded from the computation in periods in which they have an anti-dilutive effect. The Company incurred a net loss for the three and nine months ended February 27, 2010; as a result, all common equivalent shares for those periods have been excluded from computing diluted earnings per share as their effect is anti-dilutive. Stock options for which the exercise price exceeds the average market price over the period are also anti-dilutive and are excluded from the calculation.

The following table summarizes the calculation of net income per share for the periods indicated (in thousands, except per share amounts):

	Three Months Ended		Nine Months Ended	
	February 26, 2011	February 27, 2010	February 26, 2011	February 27, 2010
Net income (loss)	$ 753	$ (4,965)	$ 19,454	$ (14,063)
Basic:				
Weighted average shares	46,226	46,394	46,179	45,745
Diluted:				
Weighted average shares	46,226	46,394	46,179	45,745
Potentially dilutive shares	712	—	365	—
Total dilutive shares	46,938	46,394	46,544	45,745
Net income (loss) per share:				
Basic	$ 0.02	$ (0.11)	$ 0.42	$ (0.31)
Diluted	$ 0.02	$ (0.11)	$ 0.42	$ (0.31)

The potentially dilutive shares presented above do not include the anti-dilutive effect of approximately 4.8 million and 5.2 million potential common shares for the three months ended February 26, 2011 and February 27, 2010, respectively and approximately 6.3 million and 5.6 million potential common shares for the nine months ended February 26, 2011 and February 27, 2010, respectively.

5. Acquisitions

Acquisition of Sitrick Brincko Group

On November 20, 2009, the Company acquired certain assets of Sitrick And Company (“Sitrick Co”), a strategic communications firm, and Brincko Associates, Inc. (“Brincko”), a corporate advisory and restructuring firm, through the purchase of all of the outstanding membership interests in Sitrick Brincko Group, a Delaware limited liability company, formed for the purpose of the acquisition, pursuant to a Membership Interest Purchase Agreement by and among the Company, Sitrick Co, Michael S. Sitrick, an individual, Brincko and John P. Brincko, an individual. Prior to the acquisition date, Mr. Sitrick and Nancy Sitrick were the sole shareholders of Sitrick Co and Mr. Brincko was the sole shareholder of Brincko. Also on November 20, 2009, the Company acquired the personal goodwill of Mr. Sitrick pursuant to a Goodwill Purchase Agreement by and between the Company and Mr. Sitrick (collectively with the Membership Interest Purchase Agreement, the “Acquisition Agreements”). Sitrick Brincko Group is now a wholly-owned subsidiary of the Company. By combining the specialized skill sets of the Sitrick Brincko Group with the Company’s existing consultant capabilities, geographic footprint and client base, the Company believes it will increase its ability to assist clients during challenging periods, particularly in the areas of management consulting corporate advisory, strategic communications and restructuring services. This expected synergy gives rise to goodwill being recorded as part of the purchase price of Sitrick Brincko Group.

The Company paid cash aggregating approximately $28.8 million and issued an aggregate of 822,060 shares of restricted common stock valued at approximately $16.1 million to Sitrick Co, Brincko and Mr. Sitrick (collectively, the “Sellers”) in connection with the acquisition. In addition, contingent consideration will be payable to the Sellers in a lump sum following the fourth anniversary of the acquisition only if the average earnings before interest, taxes, depreciation and amortization (“EBITDA”) of Sitrick Brincko Group exceed $11.3 million, calculated from each of the four one-year periods following the acquisition date. At the end of the four-year earn-out period, the Company will determine if the average annual EBITDA exceeded $11.3 million; if so, the contingent consideration payable is determined by multiplying the average annual EBITDA by 3.15 (representing the agreed upon multiple to be paid by the Company as specified in the Acquisition Agreements). If Sitrick Brincko Group’s annual average EBITDA during the four-year earn-out period exceeds $11.3 million, the Company may, in its sole discretion, pay up to 50% of any earn-out payment in restricted stock of the Company.

Under accounting rules for business combinations, obligations that are contingently payable to the Sellers based upon the occurrence of one or more future events are to be estimated and recorded as a discounted liability on the Company’s balance sheet even though the consideration is based on future events. The Company estimated at November 28, 2009 the fair value of the obligation to pay contingent consideration based on a number of different projections of the average EBITDA during the four-year earn-out measurement period and then assigned a probability weight to each scenario. The resultant probability-weighted average EBITDA amounts were then multiplied by 3.15 (the agreed upon multiple to be paid by the Company as specified in the Acquisition Agreements). Because the contingent consideration is not subject to a ceiling and future EBITDA of Sitrick Brincko Group is theoretically unlimited, the range of the undiscounted amounts the Company could be obligated to pay as contingent consideration under the earn-out arrangement is between $0 and an unlimited amount.

Each reporting period, the Company reviews its estimates of the fair value of contingent consideration and any change in the estimate will be recognized in the Company's Consolidated Statements of Operations. Sitrick Brincko Group's EBITDA for the first annual measurement period was $8.9 million, approximately $2.4 million below the required base. During the three months ended November 27, 2010, the Company determined that based upon the first year actual results and updated probability weighted assessment of various projected EBITDA scenarios for the three years remaining in the earn-out period, that the estimated current fair value of the contingent consideration payable to Sitrick and Brincko was $46.2 million (inclusive of the portion potentially payable to employees discussed below), representing a non-cash decrease of $23.7 million from the previous estimate and reflected in the Company's Consolidated Statements of Operations. On an after tax basis, the fair value adjustment recorded in the second quarter of fiscal 2011 increased net income by $14.0 million or $0.30 per share. During the quarter ended February 26, 2011, the Company recorded a reduction in the estimated fair value of the contingent consideration liability of $239,000, resulting from an increase in the risk-free interest rate, which is used in determining the appropriate discount factor for time value of money purposes.

The estimate of the fair value of contingent consideration requires very subjective assumptions to be made of various potential operating result scenarios and discount rates. Future revisions to these assumptions could materially change the estimate of the fair value of contingent consideration and therefore materially affect the Company's future financial results. A future increase in the estimated contingent consideration liability is an additional expense in the Consolidated Statement of Operations or a future decrease in the estimated contingent liability is a reduction in expense in the Consolidated Statement of Operations.

In addition, under the terms of the Acquisition Agreements, up to 20% of the fair value of contingent consideration (currently estimated to be $46.2 million) is payable to the employees of Sitrick Brincko Group at the end of the measurement period to the extent certain EBITDA growth targets for Sitrick Brincko Group are met. The Company records the estimated amount of the contractual obligation to pay the employee portion of contingent consideration as compensation expense over the service period as it is deemed probable that the growth targets will be achieved. For the nine months ended February 26, 2011, the Company determined that the growth targets were not achieved and recorded no estimate of the employee portion of the contingent consideration earned during the period. The estimate of the amount of the employee portion of contingent consideration payable requires very subjective assumptions to be made of future operating results. Future revisions to these assumptions could materially change the estimate of the amount of the employee portion of contingent consideration and, therefore, materially affect the Company's future financial results.

Sitrick Brincko Group contributed approximately $18.8 million to revenue and approximately $2.4 million to pre-tax earnings for the nine months ended February 26, 2011, compared to approximately $5.6 million to revenue and approximately $330,000 to pre-tax earnings for the nine months ended February 27, 2010 (Sitrick Brincko Group was acquired November 20, 2009). Pre-tax earnings include approximately $2.9 million and $1.0 million of amortization expense in the nine month periods ended February 26, 2011 and February 27, 2010, respectively, for amortizable intangible assets of Sitrick Brincko Group.

In accordance with GAAP, the Company allocated the purchase price at the acquisition date based on the fair value of the assets acquired and liabilities assumed, with the residual recorded as goodwill. As a result of the contingent consideration, the Company recorded a deferred tax asset on the temporary difference between the book and tax treatment of the contingent consideration. The original total intangible assets acquired include approximately $64.5 million of goodwill, $23.7 million of long-term deferred tax asset, $5.6 million for customer relationships, $1.2 million for trade names, $3.0 million for non-competition agreements and $250,000 for customer backlog. From the acquisition date, the backlog was amortized over 13 months, the customer relationships over two years, and the trade names and non-competition agreements over five years. The goodwill related to this transaction is expected to be deductible for tax purposes over 15 years, except any contingent consideration payable at the end of the four-year earn-out will be deductible for tax purposes from the date of payment over 15 years.

The following table summarizes the consideration transferred to acquire Sitrick Brincko Group and the amounts of the identified assets acquired and liabilities assumed, after adjustment, at the acquisition date:

Fair Value of Consideration Transferred (in thousands, except share amounts):

Cash	$	28,750
Common stock — 822,060 shares @ $19.63 (closing price on acquisition date)		16,137
Estimated contingent consideration, net of amount allocable to Sitrick Brincko Group employees		57,820
Total	$	102,707

Recognized amounts of identifiable assets acquired and liabilities assumed (in thousands):

Cash and cash equivalents	$ 302
Accounts receivable	6,232
Prepaid expenses and other current assets	281
Intangible assets	10,050
Property and equipment, net	120
Other assets	124
Total identifiable assets	17,109
Accounts payable and accrued expenses	199
Accrued salaries and related obligations	1,638
Other current liabilities	755
Total liabilities assumed	2,592
Net identifiable assets acquired	14,517
Goodwill ($64,490) and deferred tax assets ($23,700)	88,190
Net assets acquired	$ 102,707

Contingent consideration related to acquisitions in fiscal 2009

The purchase agreements for acquisitions completed by the Company in fiscal 2009 require possible contingent consideration payments. For Kompetensslussen X-tern Personalfunktion AB, a Sweden-based provider of human capital services, the Company was required to make earn-out payments based on the achievement of certain financial results for calendar year 2010. During the third quarter of fiscal 2011, the Company determined that the revenue and gross margin criteria were met for the first tier earn-out payment and recorded a liability of approximately 3.4 million Swedish Krona (SEK), or approximately $535,000, in “accounts payable and accrued expenses” with a corresponding increase in “goodwill” in the Company’s Consolidated Balance Sheet. Subsequent to February 26, 2011, the Company paid the earn-out 50% in cash and 50% in restricted stock (approximately 14,500 shares). The criterion for the second tier earn-out payment of up to 3.0 million SEK was not met. For Xperianz, an Ohio-based provider of professional services acquired on May 12, 2009, the Company is required to pay up to $1.1 million in additional cash in fiscal years 2011 and 2012, provided certain revenue and gross margin milestones are met. The Company currently believes it is unlikely these milestones will be achieved and no liability is recorded in these financial statements for the Xperianz earn-out.

6. Goodwill and Intangible Assets

The following table presents details of the Company’s intangible assets, estimated lives and related accumulated amortization (amounts in thousands):

	As of February 26, 2011			As of May 29, 2010		
	Gross	**Accumulated Amortization**	**Net**	**Gross**	**Accumulated Amortization**	**Net**
Customer relationships (2 — 7 years)	$ 18,372	$ (12,775)	$ 5,597	$ 17,684	$ (9,372)	$ 8,312
Consultant and customer database (1 — 5 years)	2,367	(2,173)	194	2,305	(2,051)	254
Non-compete agreements (1 — 5 years)	3,238	(988)	2,250	3,207	(504)	2,703
Trade name and trademark (5 years)	1,281	(305)	976	1,281	(125)	1,156
Total	$ 25,258	$ (16,241)	$ 9,017	$ 24,477	$ (12,052)	$ 12,425

The Company recorded amortization expense of $1.2 million and $1.4 million for the three months ended February 26, 2011 and February 27, 2010, respectively, and $3.8 million and $2.2 million for the nine months ended February 26, 2011 and February 27, 2010, respectively. Estimated intangible asset amortization expense (based on existing intangible assets) for the years ending May 28, 2011, May 26, 2012, May 25, 2013, May 31, 2014 and May 30, 2015 is $5.0 million, $3.4 million, $1.8 million, $1.7 million and $0.9 million, respectively. These estimates do not incorporate the impact that currency fluctuations may cause when translating the financial results of the Company’s international operations, that have amortizable intangible assets, into U.S. dollars.

Goodwill and other intangible assets with indefinite lives are not subject to amortization but are tested for impairment annually or whenever events or changes in circumstances indicate that the asset might be impaired. The Company performed its annual goodwill impairment analysis as of May 29, 2010, and concluded that no impairment was indicated at that date. The Company will continue to test for impairment at least annually. The Company performs its impairment analysis by comparing its market capitalization to its book value throughout the fiscal year. For application of this methodology, the Company determined that it operates as a single reporting unit resulting from the combination of its practice offices. There were no indicators of impairment as of February 26, 2011. The following table summarizes the activity in the Company's goodwill balance (amounts in thousands):

	For the Nine Months Ended	
	February 26, 2011	February 27, 2010
Goodwill, beginning of year	$ 172,632	$ 111,084
Acquisitions	535	64,051
Impact of foreign currency exchange rate changes	2,563	(823)
Goodwill, end of period	$ 175,730	$ 174,312

7. Selling, General and Administrative Expenses

During the first quarter of fiscal 2010, the Company announced the resignation of two senior executives from the Company. In connection with those resignations, the Company incurred $4.8 million in severance costs and $2.2 million of compensation expense related to the acceleration of vesting of certain stock option grants. These charges are included in selling, general and administrative expenses in the Consolidated Statements of Operations for the nine months ended February 27, 2010.

8. Provision for Income Taxes

The Company's provision for income taxes was $2.3 million (effective tax rate of 75.2%) and $5.1 million (effective tax rate of 3,861.4%) for the three months ended February 26, 2011 and February 27, 2010, respectively.

The provision for taxes in the third quarter of fiscal 2011 and 2010 results from taxes on income in the United States and certain other foreign jurisdictions, no benefit for losses in jurisdictions in which a full valuation allowance on operating loss carryforwards had previously been established and a lower benefit for losses in certain foreign jurisdictions with tax rates lower than the U.S. statutory rates. In addition, the inability to benefit losses in jurisdictions with a full valuation allowance and the unpredictability of the timing and amount of eligible disqualifying incentive stock options ("ISO") exercises impacts the Company's effective tax rate. Under current accounting rules, the Company cannot recognize a tax benefit for the stock compensation expense related to certain ISO unless and until the holder exercises his or her option and then sells the shares within a certain period of time. Also, the Company can only recognize a potential tax benefit for employees' acquisition and subsequent sale of shares purchased through the ESPP if the sale occurs within a certain defined period. Further, tax benefits associated with ISO grants fully vested at the date of adoption of current accounting rules for stock based compensation will be recognized as additions to paid-in capital when and if those options are exercised and not as a reduction to the Company's tax provision. The Company recognized a benefit of approximately $1.1 million and $953,000 related to stock-based compensation for nonqualified stock options expensed and for eligible disqualifying ISO exercises during the third quarter of fiscal 2011 and 2010, respectively.

9. Segment Reporting

The Company discloses information regarding operations outside of the U.S. The Company operates as one segment. The accounting policies for the domestic and international operations are the same as those described in Note 2— *Summary of Significant Accounting Policies* in the Notes to Consolidated Financial Statements included in the Company's 2010 Annual Report on Form 10-K for the fiscal year ended May 29, 2010. Summarized financial information regarding the Company's domestic and international operations is shown in the following table (amounts in thousands):

	Revenue for the Three Months Ended		Revenue for the Nine Months Ended		Long-Lived Assets (1) as of	
	February 26, 2011	February 27, 2010	February 26, 2011	February 27, 2010	February 26, 2011	May 29, 2010
United States	$ 99,910	$ 94,888	$ 296,946	$ 270,315	$ 180,461	$ 184,524
The Netherlands	8,616	9,561	24,488	32,529	27,224	25,615
Other	29,081	20,855	78,415	62,249	3,920	4,272
Total	$ 137,607	$ 125,304	$ 399,849	$ 365,093	$ 211,605	$ 214,411

(1) Long-lived assets are comprised of goodwill, intangible assets, building and land, computers, equipment, software, furniture and leasehold improvements.

10. Stock-Based Compensation Plans

Stock Options and Restricted Stock

As of February 26, 2011, the Company had outstanding grants under the following share-based compensation plans:

- 2004 Performance Incentive Plan ("2004 Plan") — The 2004 Plan serves as the successor to the 1999 Long Term Incentive Plan ("1999 Plan"). At inception, a total of 7,500,000 new shares of common stock were made available for awards under the 2004 Plan to employees and non-employee directors. Awards under the 2004 Plan may include, but are not limited to, stock options and restricted stock grants. Stock options generally vest in equal annual installments over four years and terminate ten years from the dates of grant. Restricted stock award vesting is determined on an individual grant basis. As of February 26, 2011, 2,298,000 shares were available for future award grants under the 2004 Plan.

- The 1999 Plan was terminated in 2004, except as to the outstanding options. Such options vest in equal annual installments over four years and terminate ten years from the dates of grant. Outstanding awards under the 1999 Plan that expire or terminate without having become vested or exercised roll over to the 2004 Plan.

The following table summarizes the stock option activity for the nine months ended February 26, 2011 (number of options and intrinsic value in thousands):

	Number of Shares Subject to Options	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value
Outstanding at May 29, 2010	8,486	$ 20.51	6.26	$ 7,487
Granted, at fair market value	129	$ 15.55		
Exercised	(325)	$ 12.28		
Forfeited	(526)	$ 22.27		
Outstanding at February 26, 2011	7,764	$ 20.65	5.67	$ 12,582
Exercisable at February 26, 2011	6,061	$ 21.60	4.92	$ 10,088

Subsequent to the end of the third quarter of fiscal 2011, the Company made its annual grant to employees on March 7, 2011, granting employee stock options for 979,075 shares at an exercise price of $19.26 and restricted stock grants of 4,899 shares.

Stock-Based Compensation Expense

The Company's income (loss) before provision for income taxes included compensation expense for the three months ended February 26, 2011 and February 27, 2010 of $2.6 million and $3.2 million, respectively, and for the nine months ended February 26, 2011 and February 27, 2010, of $7.8 million and $12.6 million, respectively, related to stock-based compensation arrangements (including employee stock options, restricted stock grants and employee stock purchases made via the ESPP). Included in the $12.6 million of stock-based compensation expense for the nine months ended February 27, 2010 is the acceleration of an additional $2.2 million of compensation expense related to the resignation of two senior executives during the first quarter of fiscal 2010. There were no capitalized share-based compensation costs for the nine months ended February 26, 2011 and February 27, 2010.

The weighted average estimated value per share of employee stock options granted during the three months ended February 26, 2011 was $6.92 using the Black-Scholes model with the following assumptions:

	Three Months Ended February 26, 2011
Expected volatility	43.0%
Risk-free interest rate	2.1%
Expected dividends	1.0%
Expected life	5.2 years

Gross excess tax benefits resulting from the exercise of stock options are reflected as financing cash flows in the Company's Statements of Cash Flows. For the nine months ended February 26, 2011 and February 27, 2010, gross excess tax benefits totaled $477,000 and $395,000, respectively.

The aggregate intrinsic value in the table above represents the total pretax intrinsic value, which is the difference between the Company's closing stock price on the last trading day of the third quarter of fiscal 2011 and the exercise price times the number of shares that would have been received by the option holders if they had exercised their "in the money" options on February 26, 2011. This amount will change based on the fair market value of the Company's common stock. The aggregate intrinsic value of stock options exercised for the nine months ended February 26, 2011 and February 27, 2010 was $1.9 million and $2.0 million, respectively. As of February 26, 2011, there was $11.2 million of unrecognized compensation cost related to stock-based compensation arrangements. That cost is expected to be recognized over a weighted-average period of 30 months.

Net cash proceeds from stock option exercises and issuance of common stock under the ESPP for the nine months ended February 26, 2011 and February 27, 2010 were $8.3 million and $8.2 million, respectively. The Company's policy is to issue shares from its authorized shares upon the exercise of stock options.

Employee Stock Purchase Plan

The Company's stockholders approved the ESPP in October 2000. Under the terms of the ESPP, as amended on October 17, 2008, a total of 4,400,000 shares of common stock may be issued. The ESPP allows for qualified employees (as defined in the ESPP) to participate in the purchase of designated shares of the Company's common stock at a price equal to 85% of the lesser of the fair market value of common stock at the beginning or end of each semi-annual stock purchase period. The Company issued 365,000 and 370,000 shares of common stock pursuant to this plan for the nine months ended February 26, 2011 and the year ended May 29, 2010, respectively. There were 1,627,000 shares of common stock available for issuance under the ESPP as of February 26, 2011.

11. Accrued Dividend Payable and Supplemental Cash Flow Information

The Company's board of directors announced July 20, 2010 that it had authorized the establishment of a regular quarterly dividend of $0.04 per common share. During the nine months ended February 26, 2011, the board of directors declared cash dividends totaling $0.12 per share. The board of directors' most recent dividend declaration on January 20, 2011 was paid in cash on March 18, 2011 to shareholders of record at the close of business on February 18, 2011. The accrual for the dividend payable of approximately $1.8 million as of February 26, 2011 is included in "accounts payable and accrued expenses" in the Consolidated Balance Sheet. The Statement of Cash Flows for the nine months ended February 26, 2011 does not include the dividend payment declared on January 20, 2011 under the caption "Cash flows from financing activities" as it was paid after the end of the third quarter of fiscal 2011.

As described in Note 5— *Acquisitions*, the Company determined during the third quarter of fiscal 2011 that the revenue and gross margin criteria related to the Kompetensslussen acquisition (acquired on December 1, 2008) were met for the first tier earn-out payment and, accordingly, recorded a liability of approximately $535,000, in "accounts payable and accrued expenses" with a corresponding increase in "goodwill" in the Company's Consolidated Balance Sheet. Subsequent to February 26, 2011, the Company paid the earn-out 50% in cash and 50% in restricted stock (approximately 14,500 shares). The Statement of Cash Flows for the nine months ended February 26, 2011 does not include the cash portion of the earn-out payment under the caption "Cash flows from investing activities" as it was paid after the end of the third quarter of fiscal 2011.

12. Recent Accounting Pronouncements

Recent accounting pronouncements issued by the Financial Accounting Standards Board (including its Emerging Issues Task Force), the American Institute of Certified Public Accountants and the SEC did not, or are not expected to, have a material effect on the Company's results of operations or financial position.

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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, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These statements relate to expectations concerning matters that are not historical facts. 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. These statements, and all phases of our operations, are subject to known and unknown risks, uncertainties and other factors, some of which are identified in Part II Item 1A Risk Factors below and in our report on Form 10-K for the year ended May 29, 2010 (File No. 0-32113). Readers are cautioned not to place undue reliance 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," "Resources Global Professionals," "Resources Global," the "Company," "we," "us," and "our" refer to Resources Connection, Inc. and its subsidiaries.

Overview

Resources Global is a multinational professional services firm that provides clients with experienced professionals specializing in finance, accounting, risk management and internal audit, corporate advisory, strategic communications and restructuring, information management, human capital, supply chain management, actuarial and legal and regulatory services in support of client-led projects and initiatives. We assist our clients with discrete projects requiring specialized expertise in:

- finance and accounting services, such as financial analyses (e.g., product costing and margin analyses), budgeting and forecasting, audit preparation, public-entity reporting, tax-related projects, merger and acquisition due diligence, initial public offering assistance and assistance in the preparation or restatement of financial statements;
- information management services, such as financial system/enterprise resource planning implementation and post implementation optimization;
- corporate advisory, strategic communications and restructuring services;
- risk management and internal audit services (provided via our subsidiary Resources Audit Solutions), including compliance reviews, internal audit co-sourcing and assisting clients with their compliance efforts under the Sarbanes-Oxley Act of 2002 ("Sarbanes");
- supply chain management services, such as strategic sourcing efforts, contracts negotiations and purchasing strategy;
- actuarial services for pension and life insurance companies;
- human capital services, such as change management and compensation program design and implementation; and
- legal and regulatory services, such as providing attorneys, paralegals and contract managers to assist clients (including law firms) with project-based or peak period needs.

We were founded in June 1996 as a division of Deloitte & Touche and operated as Resources Connection, LLC, 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 the management-led buyout in partnership with several investors. In December 2000, we completed our initial public offering of common stock and began trading on the NASDAQ Stock Market. We currently trade on the NASDAQ Global Select Market. In January 2005, we announced the change of our operating entity name to Resources Global Professionals to better reflect the Company's multinational capabilities.

We operated solely in the United States ("U.S.") until fiscal year 2000, when we began to expand geographically to meet the demand for project professional services across the world and opened our first three international offices. Our most significant international transaction was the acquisition of our Netherlands practice in fiscal year 2004. As of February 26, 2011, the Company served clients through 53 offices in the United States and 29 offices abroad.

Critical Accounting Policies

The following discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with generally accepted accounting principles in the United States ("GAAP"). The preparation of these financial statements requires us to make estimates and judgments 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.

The following represents a summary of our critical accounting policies, defined as those policies that we believe: (a) are the most important to the portrayal of our financial condition and results of operations and (b) involve inherently uncertain issues that require management's most difficult, subjective or complex judgments.

Valuation of long-lived assets — We assess the potential impairment of long-lived tangible and intangible assets periodically or whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Our goodwill and certain other intangible assets are not subject to periodic amortization. These assets are considered to have an indefinite life and their carrying values are required to be assessed by us for impairment at least annually. Depending on future market values of our stock, our operating performance and other factors, these assessments could potentially result in impairment reductions of these intangible assets in the future and this adjustment may materially affect the Company's future financial results.

Contingent consideration — The Company estimates and records the acquisition date fair value of contingent consideration as part of purchase price consideration for acquisitions occurring subsequent to May 30, 2009. In addition, each reporting period, the Company estimates changes in the fair value of contingent consideration and any change in fair value is recognized in the Company's Consolidated Statements of Operations. The estimate of the fair value of contingent consideration requires very subjective assumptions to be made of future operating results, discount rates and probabilities assigned to various potential operating result scenarios. Future revisions to these assumptions could materially change the estimate of the fair value of contingent consideration and therefore materially affect the Company's future financial results.

Under the terms of the Acquisition Agreements for Sitrick Brincko Group, the Sellers have the opportunity to receive contingent consideration subsequent to the fourth anniversary of the acquisition, provided that Sitrick Brincko Group's average annual EBITDA over a period of four years following the acquisition date exceeds $11.3 million. The range of the undiscounted amounts the Company could be obligated to pay as contingent consideration under the earn-out arrangement is between $0 and an unlimited amount. The Company determined the fair value of the obligation to pay contingent consideration based on probability-weighted projections of the average EBITDA during the four year earn-out measurement period. The resultant probability-weighted average EBITDA amounts were then multiplied by 3.15 (representing the agreed upon multiple to be paid by the Company as specified in the acquisition agreements) and then discounted using an original discount rate of 1.9%. Each reporting period, the Company estimates changes in the fair value of contingent consideration and any change in fair value is recognized in the Company's Consolidated Statements of Operations.

In addition, under the terms of the Acquisition Agreements for Sitrick Brincko Group, up to 20% of the contingent consideration is payable to employees of the acquired business at the end of the measurement period to the extent certain growth targets are achieved. The Company records the estimated amount of the contractual obligation to pay the employee portion of the contingent consideration as compensation expense over the service period as it is deemed probable that the growth targets will be achieved. The estimate of the amount of the employee portion of contingent consideration requires very subjective assumptions to be made of future operating results. Future revisions to these assumptions could materially change our estimate of the amount of the employee portion of contingent consideration and therefore materially affect the Company's future financial results.

Allowance for doubtful accounts — We maintain an allowance for doubtful accounts for estimated losses resulting from our clients failing to make required payments for services rendered. We estimate this allowance based upon our knowledge of the financial condition of our clients (which may not include knowledge of all significant events), review of historical receivable and reserve trends and other pertinent information. While such losses have historically been within our expectations and the provisions established, we cannot guarantee that we will continue to experience the same credit loss rates that we have in the past. A significant change in the liquidity or financial position of our clients could cause unfavorable trends in receivable collections and additional allowances may be required. These additional allowances could materially affect the Company's future financial results.

Income taxes — In order to prepare our Consolidated Financial Statements, we are required to make estimates of income taxes, if applicable, in each jurisdiction in which we operate. The process incorporates an assessment of any current tax exposure together with temporary differences resulting from different treatment of transactions for tax and financial statement purposes. These differences result in deferred tax assets and liabilities that are included in our Consolidated Balance Sheets. The recovery of deferred tax assets from future taxable income must be assessed and, to the extent recovery is not likely, we will establish a valuation allowance. An increase in the valuation allowance results in recording additional tax expense and any such adjustment may materially affect the Company's future financial result. If the ultimate tax liability differs from the amount of tax expense we have reflected in the Consolidated Statements of Operations, an adjustment of tax expense may need to be recorded and this adjustment may materially affect the Company's future financial results.

Revenue recognition — We primarily charge our clients on an hourly basis for the professional services of our consultants. We recognize revenue once services have been rendered and invoice the majority of our clients in the United States on a weekly basis. Some of our clients served by our international operations are billed on a monthly basis. Our clients are contractually obligated to pay us for all hours billed. To a much lesser extent, we also earn revenue if a client hires one of our consultants. This type of contractually non-refundable revenue is recognized at the time our client completes the hiring process.

Stock-based compensation — Under our 2004 Performance Incentive Plan, officers, employees, and outside directors have received or may receive grants of restricted stock, stock units, options to purchase common stock or other stock or stock-based awards. Under our Employee Stock Purchase Plan (the "ESPP"), eligible officers and employees may purchase our common stock in accordance with the terms of the plan.

The Company estimates a value for employee stock options on the date of grant using an option-pricing model. We have elected to use the Black-Scholes option-pricing model which takes into account assumptions regarding a number of highly complex and subjective variables. These variables include the expected stock price volatility over the term of the awards and actual and projected employee stock option exercise behaviors. Additional variables to be considered are the expected term, expected dividends and risk-free interest rate over the expected term of our employee stock options. In addition, because stock-based compensation expense recognized in the Consolidated Statements of Operations is based on awards ultimately expected to vest, it is reduced for estimated forfeitures. Forfeitures must be estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. Forfeitures are estimated based on historical experience. If facts and circumstances change and we employ different assumptions in future periods, the compensation expense recorded may differ materially from the amount recorded in the current period.

The Company uses its historical volatility over the expected life of the stock option award to estimate the expected volatility of the price of its common stock. The risk-free interest rate assumption is based upon observed interest rates appropriate for the term of our employee stock options. On July 20, 2010, the Company's board of directors announced the commencement of a quarterly dividend of $0.04 per common share, subject to quarterly Board approval. Consequently, effective with option grants in the first quarter of fiscal 2011, the impact of expected dividends is now incorporated in determining the estimated value per share of employee stock option grants using the Black-Scholes model. The Company's historical expected life of stock option grants is 5.2 years for non-officers and 7.0 years for officers.

We base our estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities. Actual results may differ from these estimates under different assumptions or conditions.

Results of Operations

The following tables set forth, for the periods indicated, our Consolidated Statements of Operations data. These historical results are not necessarily indicative of future results.

	For the Three Months Ended		For the Nine Months Ended	
	February 26, 2011	February 27, 2010	February 26, 2011	February 27, 2010
	(Amounts in thousands)		(Amounts in thousands)	
Revenue	$ 137,607	$ 125,304	$ 399,849	$ 365,093
Direct cost of services	86,672	76,949	244,882	225,245
Gross profit	50,935	48,355	154,967	139,848
Selling, general and administrative expenses	45,277	44,101	128,884	139,981
Contingent consideration adjustment	(239)	788	(22,652)	788
Amortization of intangible assets	1,224	1,360	3,824	2,191
Depreciation expense	1,761	2,152	5,476	6,523
Income (loss) from operations	2,912	(46)	39,435	(9,635)
Interest income	(124)	(178)	(366)	(524)
Income (loss) before provision for income taxes	3,036	132	39,801	(9,111)
Provision for income taxes	2,283	5,097	20,347	4,952
Net income (loss)	$ 753	$ (4,965)	$ 19,454	$ (14,063)

We also assess the results of our operations using EBITDA as well as Adjusted EBITDA. EBITDA is defined as earnings (loss) before interest, taxes, depreciation and amortization. We define Adjusted EBITDA as EBITDA plus stock-based compensation expense and fair value adjustments to contingent consideration. These measures assist management in assessing our core operating performance. The following table presents EBITDA and Adjusted EBITDA results for the three and nine months ended February 26, 2011 and February 27, 2010 and includes a reconciliation of such measures to net income (loss), the most directly comparable GAAP financial measure:

	For the Three Months Ended		For the Nine Months Ended	
	February 26, 2011	February 27, 2010	February 26, 2011	February 27, 2010
	(Amounts in thousands, except margin per cent)		(Amounts in thousands, except margin per cent)	
Net income (loss)	$ 753	$ (4,965)	$ 19,454	$ (14,063)
Adjustments:				
Amortization of intangible assets	1,224	1,360	3,824	2,191
Depreciation expense	1,761	2,152	5,476	6,523
Interest income	(124)	(178)	(366)	(524)
Provision for income taxes	2,283	5,097	20,347	4,952
EBITDA	5,897	3,466	48,735	(921)
Stock-based compensation expense	2,557	3,186	7,826	12,611
Contingent consideration adjustment	(239)	788	(22,652)	788
Adjusted EBITDA	$ 8,215	$ 7,440	$ 33,909	$ 12,478
Revenue	$ 137,607	$ 125,304	$ 399,849	$ 365,093
Adjusted EBITDA margin	6.0%	5.9%	8.5%	3.4%

The financial measures and key performance indicators we use to assess our financial and operating performance above are not defined by, or calculated in accordance with, GAAP. 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.

Adjusted EBITDA is a non-GAAP financial measure. Adjusted EBITDA Margin is calculated by dividing Adjusted EBITDA by revenue. We believe that Adjusted EBITDA and Adjusted EBITDA Margin provide useful information to our investors because they are financial measures used by management to assess the core performance of the Company. 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 for, net income, earnings per share, cash flows or other measures of financial performance prepared in conformity with GAAP.

Further, Adjusted EBITDA has the following limitations:

- Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future and Adjusted EBITDA does not reflect any cash requirements for such replacements;
- Equity based compensation is an element of our long-term incentive compensation program, although we exclude it as an expense when evaluating our ongoing operating performance for a particular period; and
- Other companies in our industry may calculate Adjusted EBITDA differently than we do, limiting its usefulness as a comparative measure.

Because of these limitations, Adjusted EBITDA should not be considered a substitute for performance measures calculated in accordance with GAAP.

Three Months Ended February 26, 2011 Compared to Three Months Ended February 27, 2010

Computations of percentage change period over period are based upon our results, as rounded and presented herein.

Revenue. Revenue increased $12.3 million, or 9.8%, to $137.6 million for the three months ended February 26, 2011 from $125.3 million for the three months ended February 27, 2010. Revenue increased 9.8%, quarter over quarter, stemming from revenue increases in all geographies compared to the third quarter of fiscal 2010. We believe the increase is partially attributable to the improving economic environment and that we have improved the awareness of our service offerings with clients and prospective clients through our completed and on-going engagements in our various service lines.

The number of hours worked in the third quarter of fiscal 2011 increased about 11.8% compared with the prior year third quarter while average bill rates declined 2.3%. The number of consultants on assignment as of February 26, 2011 was 2,266 compared to 2,057 consultants engaged as of February 27, 2010.

On a sequential quarter basis, fiscal 2011 third quarter revenues decreased from $138.5 million to $137.6 million and bill rates declined 0.8% but hours increased 0.4%. The Company's sequential revenue increased in Asia Pacific (8.0%) and Europe (1.7%) but was down in North America (1.7%). The revenue in the United States was impacted by increased vacation time taken by our consultants during the holiday season as compared to the second quarter. The direct cost of services percentage of revenue ("direct cost of services percentage") increased from 60.5% in the second quarter to 63.0% in the third quarter, partially attributable to the increase in payroll tax expense at the beginning of the calendar year in the United States, a decrease in the bill rate/pay rate ratio in the third quarter (bill rates declined 0.8% while pay rates remained the same), and higher healthcare costs. The Company believes the direct cost of services percentage will decrease in the fourth quarter due to the absence of significant paid holidays and the declining impact of payroll taxes later in the quarter. The ratio of selling, general and administrative expenses ("S,G & A") to revenue increased from 30.8% to 32.9%, for the quarters ended November 27, 2010 and February 26, 2011, respectively, primarily due to the reset of payroll taxes at the beginning of the calendar year, the relaunch of the Company's branding campaign (including magazine and radio advertising and airport displays) and to a lesser extent increases in compensation and healthcare costs.

We operated 82 (29 abroad) and 85 (30 abroad) offices as of February 26, 2011 and February 27, 2010, respectively. Determining future demand levels for our services is difficult given that our clients do not sign long-term contracts with us. In addition, it is inherently difficult to predict economic trends and their impact on our operations and our future results cannot be reliably predicted by considering past trends.

Revenue for the Company's practice areas across the globe consisted of the following (in thousands):

	Revenue for the Three Months Ended			% of Total	
	February 26, 2011	February 27, 2010	% Change	February 26, 2011	February 27, 2010
North America	$ 103,991	$ 97,479	6.7%	75.6%	77.8%
Europe	24,144	21,952	10.0%	17.5%	17.5%
Asia Pacific	9,472	5,873	61.3%	6.9%	4.7%
Total	$ 137,607	$ 125,304	9.8%	100.0%	100.0%

Our financial results are subject to fluctuations in the exchange rates of foreign currencies in relation to the United States dollar. Revenues denominated in foreign currencies are translated into United States dollars at the monthly average exchange rates in effect during the quarter. Thus, as the value of the United States dollar fluctuates relative to the currencies in our non-U.S. based operations, our revenue can be impacted. Using the comparable fiscal 2010 conversion rates, international revenues would have been lower than reported under GAAP by $200,000 in the third quarter of fiscal 2011.

We believe our revenues in the near-term will continue to be impacted by the global economic environment which has reduced our clients' demand for the services we provide.

Direct Cost of Services. Direct cost of services increased $9.8 million, or 12.7%, to $86.7 million for the three months ended February 26, 2011 from $76.9 million for the three months ended February 27, 2010. Direct cost of services increased because the number of hours worked rose 11.8% in the third quarter of fiscal 2011 as compared to the same period of fiscal 2010. The average pay rate per hour to our consultants was about the same. The direct cost of services percentage was 63.0% and 61.4% for the three months ended February 26, 2011 and February 27, 2010, respectively. The increase in the direct cost of services percentage between the quarters resulted from the unfavorable change in the bill rate/pay rate ratio and an increase in the amount of zero gross margin client reimbursements.

Our target direct cost of services percentage is 60% for all of our offices.

Selling, General and Administrative Expenses. S, G & A as a percentage of revenue was 32.9% and 35.2% for the quarters ended February 26, 2011 and February 27, 2010, respectively. S, G &A increased $1.2 million, or 2.7%, to $45.3 million for the three months ended February 26, 2011 from $44.1 million for the three months ended February 27, 2010.

The increase quarter-over-quarter is primarily related to the relaunch of our branding campaign in the third quarter of fiscal 2011 and increases in bonuses due to the Company's improved revenue results year-over-year. Management and administrative headcount decreased from 732 at the end of the third quarter of fiscal 2010 to 720 at the end of the third quarter of fiscal 2011 with corresponding decreases in salary and stock-based compensation costs.

Employee Portion of Contingent Consideration and Contingent Consideration Adjustment. The Company recorded a $239,000 adjustment to its estimate of contingent consideration payable for the three months ended February 26, 2011 in recognition of the change in the estimated fair value (from a change in the discount rate applied in the calculation) of the estimated contingent consideration payable in November 2013. The Company did not record any additional employee portion of contingent consideration expense as it was not probable that certain growth targets were achieved this quarter. As further described in "Critical Accounting Policies — Contingent Consideration" above, estimates related to these two contingent amounts were recorded beginning in fiscal 2010 as a result of management's evaluation of the amount of contingent consideration owed to employees related to the Sitrick Brincko Group acquisition (in the case of the employee portion of contingent consideration) and the change in the estimated value of contingent consideration attributable to the time value of money (accretion) and changes in the discount rate applied in the calculation (in the case of contingent consideration expense).

The estimate of both the employee portion of contingent consideration and contingent consideration due Sitrick and Brincko require very subjective assumptions to be made of various potential operating result scenarios and future revision to these assumptions could materially change the estimate of the amount of either liability and therefore materially affect the Company's future financial results and financial condition.

Amortization and Depreciation Expense. Amortization of intangible assets decreased to $1.2 million for the three months ended February 26, 2011 from $1.4 million for the three months ended February 27, 2010. The decrease is the result of amortization related to identifiable intangible assets acquired in the November 2009 purchase of Sitrick Brincko Group. Those assets include: $5.6 million for customer relationships, $1.2 million for trade names, $3.0 million for non-competition agreements and $250,000 for customer backlog. The backlog was amortized over 13 months (now fully amortized), the customer relationships over two years, and the trade names and non-competition agreements over five years. Based upon identified intangible assets recorded at February 26, 2011, the Company anticipates amortization expense related to identified intangible assets to approximate $5.0 million during the fiscal year ending May 28, 2011.

Depreciation expense was $1.8 million for the three months ended February 26, 2011 compared to $2.2 million for the three months ended February 27, 2010. Depreciation decreased as a number of assets were fully depreciated during fiscal 2010 and the Company has slowed the amount invested in property and equipment beginning in fiscal 2010 as compared to previous fiscal years.

Interest Income. Interest income was $124,000 in the third quarter of fiscal 2011 compared to $178,000 in the third quarter of fiscal 2010. The decrease in interest income in the third quarter of fiscal 2011 is the result of lower interest rates as compared to the prior year's third quarter.

The Company has invested available cash in certificates of deposit, money market investments and commercial paper that have been classified as cash equivalents due to the short maturities of these investments. As of February 26, 2011, the Company also has $5.2 million of investments in commercial paper and certificates of deposit with maturity dates between three months and one year from the balance sheet date classified as short-term investments and considered "held-to-maturity" securities.

Income Taxes. The Company's provision for income taxes was $2.3 million (effective tax rate of 75.2%) and $5.1 million (effective tax rate of 3,861.4%) for the three months ended February 26, 2011 and February 27, 2010, respectively.

The provision for taxes in the third quarter of fiscal 2011 and 2010 results from taxes on income in the United States and certain other foreign jurisdictions, no benefit for losses in jurisdictions in which a full valuation allowance on operating loss carryforwards had previously been established and a lower benefit for losses in certain foreign jurisdictions with tax rates lower than the U.S. statutory rates. In addition, the inability to benefit losses in jurisdictions with a full valuation allowance and the unpredictability of the timing and amount of eligible disqualifying incentive stock options ("ISO") exercises impacts the Company's effective tax rate.

Periodically, the Company reviews the components of both book and taxable income to analyze the adequacy of the tax provision. There can be no assurance, because of the lower benefit from the U.S. statutory rate for losses in certain foreign jurisdictions, the limitation on the benefit for losses in jurisdictions in which a full valuation allowance for operating loss carryforwards has previously been established, and the unpredictability of timing and the amount of eligible disqualifying ISO exercises, that the Company's effective tax rate will remain constant in the future.

The Company cannot recognize a tax benefit for certain ISO grants unless and until the holder exercises his or her option and then sells the shares within a certain period of time. In addition, the Company can only recognize a potential tax benefit for employees' acquisition and subsequent sale of shares purchased through the ESPP if the sale occurs within a certain defined period. As a result, the Company's provision for income taxes is likely to fluctuate for the foreseeable future. Further, those tax benefits associated with ISO grants fully vested at the date of adoption of the current accounting rules governing stock awards will be recognized as additions to paid-in capital when and if those options are exercised and not as a reduction to the Company's tax provision. The Company recognized a benefit of approximately $1.1 million and $953,000 related to stock-based compensation for nonqualified stock options expensed and for eligible disqualifying ISO exercises during the third quarter of fiscal 2011 and 2010, respectively. The proportion of expense related to non-qualified stock option grants (for which the Company may recognize a tax benefit in the same quarter as the related compensation expense in most instances) increased during fiscal 2011 as compared to expense related to ESPPs. However, the timing and amount of eligible disqualifying ISO exercises cannot be predicted. The Company predominantly grants nonqualified stock options to employees in the United States.

Nine Months Ended February 26, 2011 Compared to Nine Months Ended February 27, 2010

Computations of percentage change period over period are based upon our results, as rounded and presented herein.

Revenue. Revenue increased $34.7 million, or 9.5%, to $399.8 million for the nine months ended February 26, 2011 from $365.1 million for the nine months ended February 27, 2010.

The number of hours worked in the first nine months of fiscal 2011 increased about 9.7% compared with the prior year first nine months while average bill rates were down slightly by 0.8%.

Revenue for the Company's practice areas across the globe consisted of the following (in thousands):

	Revenue for the Nine Months Ended			% of Total	
	February 26, 2011	February 27, 2010	% Change	February 26, 2011	February 27, 2010
North America	$ 308,739	$ 277,906	11.1%	77.2%	76.1%
Europe	65,643	68,651	(4.4)%	16.4%	18.8%
Asia Pacific	25,467	18,536	37.4%	6.4%	5.1%
Total	$ 399,849	$ 365,093	9.5%	100.0%	100.0%

Our financial results are subject to fluctuations in the exchange rates of foreign currencies in relation to the United States dollar. Revenues denominated in foreign currencies are translated into United States dollars at the monthly average exchange rates in effect during the period. Thus, as the value of the United States dollar fluctuates relative to the currencies in our non-U.S. based operations, our revenue can be impacted. Using the comparable fiscal 2010 conversion rates, international revenues would have been higher than reported under GAAP by $1.5 million for the first nine months of fiscal 2011.

Direct Cost of Services. Direct cost of services increased $19.7 million, or 8.7%, to $244.9 million for the nine months ended February 26, 2011 from $225.2 million for the nine months ended February 27, 2010. Direct cost of services increased because the number of hours worked rose 9.7% in the first nine months of fiscal 2011 as compared to the same period of fiscal 2010 and the amount of zero gross margin client reimbursements increased between the two periods, offset by increased leverage on benefits. The average pay rate per hour to our consultants between the two periods was about the same. The direct cost of services percentage was 61.3% and 61.7% for the nine months ended February 26, 2011 and February 27, 2010, respectively. The improvement in the direct cost of services percentage between the periods resulted from the blended impact of higher margin work performed for Sitrick Brincko Group clients and fewer claims under the Company's self-insured healthcare plans, offset by an increase in the pay rate to bill rate ratio for other Resources Global operations and an increase in the amount of zero gross margin client reimbursements.

Selling, General and Administrative Expenses. S, G & A as a percentage of revenue were 32.2% and 38.3% for the nine months ended February 26, 2011 and February 27, 2010, respectively. S, G &A decreased $11.1 million, or 7.9%, to $128.9 million for the nine months ended February 26, 2011 from $140.0 million for the nine months ended February 27, 2010.

The nine months ended February 27, 2010 included $7.0 million of expenses related to the resignation of two senior executives during the quarter, including the acceleration of recognition of compensation expense for employee stock option grants of $2.2 million. The remaining $4.1 million decrease year-over-year is primarily related to management and administrative headcount driven reductions in salary, benefits, stock based compensation and related costs. These reductions were offset by the addition of S, G &A related to operations of the Sitrick Brincko Group, acquired on November 20, 2009 and included in results since the acquisition and the relaunch of the Company's branding campaign in the third quarter of fiscal 2011.

Employee Portion of Contingent Consideration and Contingent Consideration Adjustment. The contingent consideration adjustment recorded for the nine months ended February 26, 2011 was $22.7 million. The adjustment reflects the reduction in the estimated fair value of contingent consideration payable in the Sitrick Brincko Group acquisition.

Each reporting period, the Company estimates changes in the estimated fair value of contingent consideration and any change in the estimate are recognized in the Company's Consolidated Statements of Operations. Sitrick Brincko Group's EBITDA for the first annual measurement period (ended November 27, 2010) was $8.9 million, approximately $2.4 million below the required base. Based upon the first year actual results and the Company's updated probability weighted assessment of various projected EBITDA scenarios for the three years remaining in the earn-out period, the Company estimated the current fair value of the contingent consideration payable to Sitrick and Brincko as of November 27, 2010 to be $46.2 million, representing a non-cash decrease of $23.7 million in the estimated liability from our previous estimate and reflected as an increase in pretax income in our Consolidated Statements of Operations. In the first and third quarters of fiscal 2011, the Company recorded fair value adjustments of approximately $1.0 million(including the reduction in the estimated fair value of the contingent consideration liability of $239,000 for the three months ended February 26, 2011), which recognized the time value of money (accretion) and changes in the discount rate applied in the calculation. On an after tax basis, the fair value of all contingent consideration adjustments increased net income by $13.4 million or $0.29 per share. The Company did not record any additional employee portion of contingent consideration expense as it was not probable that certain growth targets were achieved during the nine months ended February 26, 2011.

Amortization and Depreciation Expense. Amortization of intangible assets increased to $3.8 million for the nine months ended February 26, 2011 from $2.2 million for the nine months ended February 27, 2010. The increase is the result of amortization related to identifiable intangible assets acquired in the November 2009 purchase of Sitrick Brincko Group.

Depreciation expense was $5.5 million for the nine months ended February 26, 2011 compared to $6.5 million for the nine months ended February 27, 2010. Depreciation decreased as a number of assets were fully depreciated during fiscal 2010 and the Company has slowed the amount invested in property and equipment beginning in fiscal 2010 as compared to previous fiscal years.

Interest Income. Interest income was $366,000 in the first nine months of fiscal 2011 compared to $524,000 in the first nine months of fiscal 2010. The decrease in interest income in the first nine months of fiscal 2011 is the result of declining interest rates as compared to the prior year's first nine months.

Income Taxes. The Company provided for income taxes of $20.3 million for the nine months ended February 26, 2011 versus $5.0 million for the nine months ended February 27, 2010. The effective tax rate was 51.0% for the nine months ended February 26, 2011 and (54.4%) for the nine months ended February 27, 2010.

The provision increased because of the tax effect related to a reduction of the tax deductible goodwill deferred tax asset associated with the Company's adjustment of the fair value of contingent consideration and due to the Company's pre-tax income position in the first nine months of fiscal 2011 as compared to the pretax loss in the first nine months of fiscal 2010. The Company also recorded tax charges of $769,000 and $3.9 million to establish valuation allowances on certain foreign deferred tax assets in the first nine months of fiscal 2011 and 2010, respectively. The provision for taxes in fiscal 2011 results from taxes on income from operations in the United States and certain other foreign jurisdictions, a lower benefit for losses in certain foreign jurisdictions with tax rates lower than the U.S. statutory rates, and no benefit for losses in jurisdictions in which a full valuation allowance on operating loss carryforwards had previously been established.

Comparability of Quarterly Results. Our quarterly results have fluctuated in the past and we believe they will continue to do so in the future. Certain factors that could affect our quarterly operating results are described in Part II, Item 1A — Risk Factors. Due to these and other factors, we believe that quarter-to-quarter comparisons of our results of operations may not be meaningful indicators of future performance.

Liquidity and Capital Resources

Our primary source of liquidity is cash provided by our operations and, historically, to a lesser extent, stock option exercises. On an annual basis, we have generated positive cash flows from operations since inception. Our ability to continue to increase positive cash flow from operations in the future will be, at least in part, dependent on improvement in global economic conditions.

The Company has a $3.0 million unsecured revolving credit facility with Bank of America (the “Credit Agreement”). The Credit Agreement allows the Company to choose the interest rate applicable to advances. The interest rate options are Bank of America’s prime rate and a London Inter-Bank Offered Rate (“LIBOR”) plus 2.25%. Interest, if any, is payable monthly. The Credit Agreement expires November 29, 2011. As of February 26, 2011, the Company had approximately $1.4 million available under the terms of the Credit Agreement as Bank of America has issued approximately $1.6 million of outstanding letters of credit in favor of third parties related to operating leases. As of February 26, 2011, the Company was in compliance with all covenants included in the Credit Agreement.

Operating activities provided $15.1 million in cash for the nine months ended February 26, 2011 compared to $1.2 million for the nine months ended February 27, 2010. Cash provided by operations in the first nine months of fiscal 2011 resulted from net income of $19.5 million and non-cash items of $3.0 million, offset by net unfavorable cash changes in operating assets and liabilities of $7.4 million. In the first nine months of fiscal 2010, cash used in operations resulted from net loss of $14.1 million and unfavorable net cash changes in operating assets and liabilities of $4.1 million, offset by favorable non-cash items of $19.3 million. The primary cause of the favorable change in operating cash flows between the two years was the Company’s net profit in the first nine months of fiscal 2011 and the increase in the amounts accrued for salary and related expenses between the two years; these favorable factors are offset by the increase in accounts receivable during fiscal 2011 because of increasing revenue in the current year. Non-cash items include expense for stock-based compensation, the contingent consideration adjustment and the associated change in deferred tax assets; these charges do not reflect an actual cash outflow from the Company but are an estimate of the fair value of the services provided by employees and directors in exchange for stock option grants and purchase of stock through the Company’s ESPP and the change recognized in the estimated fair value of contingent consideration (and associated tax benefit). As of February 26, 2011, the Company had $150.9 million of cash, cash equivalents and short-term investments.

Net cash provided by investing activities was $2.3 million for the first nine months of fiscal 2011 compared to net cash used in investing activities of $23.3 million in the comparable prior year period. Cash used to purchase short-term investments net of cash received from the redemption of short-term investments (primarily commercial paper), resulted in net proceeds of $5.0 million in the first nine months of fiscal 2011 compared to $7.2 million in the first nine months of fiscal 2010. The prior year nine months also included $28.5 million used in the acquisition of Sitrick Brincko Group.

Net cash used in financing activities totaled $4.1 million for the nine months ended February 26, 2011, compared to a source of cash of $2.8 million for the nine months ended February 27, 2010. Proceeds from the exercise of employee stock options and issuance of shares via the Company's ESPP were about the same ($8.3 million versus $8.2 million) in the first nine months of fiscal 2011 compared to the same period of fiscal 2010. Also, the Company used $9.2 million in the first nine months of fiscal 2011 to purchase 647,400 shares of its common stock on the open market versus $5.9 million in the prior fiscal year to purchase 308,900 shares. The Company also paid dividends on its common stock of $3.7 million in the first nine months of fiscal 2011; there were no dividends paid in fiscal 2010.

Subsequent to the end of fiscal 2010, the Company's board of directors announced it had authorized the establishment of a quarterly cash dividend, subject to quarterly approval by the board, of $0.04 per common share. The dividend of approximately $1.8 million, paid on March 18, 2011, is accrued in the Company's Consolidated Balance Sheet as of February 26, 2011.

Our ongoing operations and anticipated growth in the geographic markets we currently serve will require us to continue to make investments in capital equipment, primarily technology hardware and software. In addition, we may consider making strategic acquisitions. We anticipate that our current cash 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. If we require additional capital resources to grow our business, either internally or through acquisition, we may seek to sell additional equity securities or to secure debt financing. The sale of additional equity securities or certain forms of 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 or to pay dividends on our capital stock, which could have a material adverse effect on our operations, market position and competitiveness.

Recent Accounting Pronouncements

Information regarding recent accounting pronouncements is contained in Note 12 to the Consolidated Financial Statements for the three and nine months ended February 26, 2011 and February 27, 2010.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest Rate Risk. At February 26, 2011, the Company had approximately $150.9 million of cash and cash equivalents and short-term investments. Securities that the Company has the ability and positive intent to hold to maturity are carried at amortized cost. These securities consist of commercial paper. Cost approximates fair value for these securities. The earnings on these investments are subject to changes in interest rates; however, assuming a constant balance available for investment, a 10% decline in interest rates would reduce our interest income but would not have a material impact on our consolidated financial position or results of operations.

Foreign Currency Exchange Rate Risk. For the quarter ended February 26, 2011, approximately 27.4% of the Company's revenues were generated outside of the United States. As a result, our operating results are subject to fluctuations in the exchange rates of foreign currencies in relation to the United States dollar. Revenues and expenses denominated in foreign currencies are translated into United States dollars at the monthly average exchange rates during the period. Thus, as the value of the United States dollar fluctuates relative to the currencies in our non-U.S. based operations, our reported results may vary.

Assets and liabilities of our non-U.S. based operations are translated into United States dollars at the exchange rate effective at the end of each monthly reporting period. Approximately 83.1% of our balances of cash, cash equivalents and short-term investments as of February 26, 2011 were denominated in U.S. dollars. The remainder of our cash was comprised primarily of cash balances translated from Japanese Yen, Hong Kong Dollars, Canadian Dollars or Euros. The difference resulting from the translation each period of assets and liabilities of our non-U.S. based operations are recorded in stockholders' equity as a component of accumulated other comprehensive gains. Although we intend to monitor our exposure to foreign currency fluctuations, we do not currently use financial hedging techniques to mitigate risks associated with foreign currency fluctuations and we cannot assure you that exchange rate fluctuations will not adversely affect our financial results in the future.

ITEM 4. CONTROLS AND PROCEDURES

As required by Rule 13a-15(b) under the Securities and Exchange Act of 1934, as amended (the "Exchange Act"), the Company carried out an evaluation, under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as such term is defined in Rule 13a-15(e) under the Exchange Act) as of February 26, 2011. Based on that evaluation, the Company's Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective as of February 26, 2011. There was no change in the Company's internal control over financial reporting, as such term is defined in Rule 13a-15(f) promulgated under the Exchange Act, during the Company's quarter ended February 26, 2011 that materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

We are not a party to any material legal proceedings.

Item 1A. Risk Factors

There have been no material changes in our risk factors from those disclosed in Item 1A of our Annual Report on Form 10-K for the fiscal year ended May 29, 2010, which was filed with the Securities and Exchange Commission on July 27, 2010. For convenience, our updated risk factors are included below in this Item 1A. The order in which the risks appear is not intended as an indication of their relative weight or importance.

A future economic downturn or change in the use of outsourced professional services consultants could adversely affect our business.

Beginning in fiscal 2008, the United States economy deteriorated significantly, resulting in a reduction in our revenue as clients delayed, down-sized or cancelled initiatives that required the use of professional services. In addition, during fiscal 2009, many European and Asia Pacific countries reported significant contraction in their economies. While economic conditions in most parts of the world have steadily improved over the past twelve months, a future deterioration of the United States or international economies or a less robust economic recovery, coupled with tight credit markets, could result in a reduction in the demand for our services and adversely affect our business in the future. In addition, the use of professional services consultants on a project-by-project basis could decline for non-economic reasons. In the event of a reduction in the demand for our consultants, our financial results would suffer.

A deterioration in the current economic recovery or a future economic downturn in regions in which we operate in may also affect our allowance for doubtful accounts. Our estimate of losses resulting from our clients' failure to make required payments for services rendered has historically been within our expectations and the provisions established. However, we cannot guarantee that we will continue to experience the same credit loss rates that we have in the past. A significant change in the liquidity or financial position of our clients could cause unfavorable trends in receivable collections and cash flows and additional allowances may be required. These additional allowances could materially affect the Company's future financial results.

In addition, we are required to periodically, but at least annually, assess the recoverability of certain assets, including deferred tax assets and goodwill. Softening of the United States economy and international economies could adversely affect our evaluation of the recoverability of deferred tax assets, requiring us to record additional tax valuation allowances. Our assessment of impairment of goodwill is currently based upon comparing our market capitalization to our net book value. Therefore, a significant downturn in the future market value of our stock could potentially result in impairment reductions of goodwill and such an adjustment could materially affect the Company's future financial results and financial condition.

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 consultants 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;
- local, regional, national and international accounting firms;
- independent contractors;
- 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 consultants and in offering pricing concessions. Some of our competitors in certain markets do not provide medical and other benefits to their consultants, thereby allowing them to potentially charge lower rates to clients. In addition, our competitors may be able to respond more quickly to changes in companies' needs and developments in the professional services industry.

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 a change in government regulatory requirements, or because of an economic downturn decreasing the demand for outsourced professional services, our business is likely to be materially adversely affected. New impediments to our ability to secure projects from clients may develop over time, such as the increasing use by large clients of in-house procurement groups that manage their relationship with service providers.

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

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. While we are currently not subject to a legal claim filed by a client, it remains possible, because of the nature of our business, that we may be involved in litigation 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 consultants in the workplaces of other companies, we are subject to possible claims by our consultants alleging discrimination, sexual harassment, negligence and other similar activities by our clients. We may also be subject to similar claims from our clients based on activities by our consultants. 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 consultants and clients.

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

Historically, we have grown by opening new offices and by increasing the volume of services provided through existing offices. During the recent economic slow-down, our revenue declined for five consecutive quarters through the first quarter of fiscal 2010. Since then we have experienced a modest growth rate. There can be no assurance that we will be able to maintain or expand our market presence in our current locations or to successfully enter other markets or locations. Our ability to continue to grow our business will depend upon an improving global economy and a number of factors, including our ability to:

- grow our client base;
- expand profitably into new cities;
- provide additional professional services offerings;
- hire qualified and experienced consultants;
- maintain margins in the face of pricing pressures;
- manage costs; and
- maintain or grow revenues and increase other service offerings from existing clients.

Even if we are able to resume more rapid growth in our revenue, 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. For instance, a limited number of clients are requesting that certain engagements be of a fixed fee nature rather than our traditional hourly time and materials approach, thus shifting a portion of the burden of financial risk and monitoring to us. Failure to adequately respond to these new responsibilities and demands may adversely affect our business, financial condition and results of operation.

The 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 face if we conducted our operations solely in the United States. Any of these risks or expenses could cause 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;
- less flexible labor laws and regulations;
- 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 United States' 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 have acquired, and may continue to acquire, companies, and these acquisitions could disrupt our business.

We have acquired several companies and we may continue to 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;
- addition of significant amounts of intangible assets, including goodwill, that are subject to periodic assessment of impairment, primarily through comparison of market value of our stock to our net book value, with such impairment potentially resulting in a material impact on our future financial results and financial condition;
- dilution of our stock as a result of issuing equity securities; and
- assumption of liabilities of the acquired company.

Additionally, in accordance with GAAP, we estimate and record the acquisition date fair value of contingent consideration as part of purchase price consideration for acquisitions occurring subsequent to May 30, 2009. Each reporting period, we will estimate changes in the fair value of contingent consideration and any change in fair value will be recognized in our consolidated statement of operations. Our estimate of the fair value of contingent consideration requires very subjective assumptions to be made of future operating results, discount rates and probabilities assigned to various potential operating result scenarios. Future revisions to these assumptions could materially change our estimate of the fair value of contingent consideration and therefore materially affect the Company's future financial results and financial condition.

Under the terms of our acquisition agreements for Sitrick Brincko Group, up to 20% of the contingent consideration is payable to employees of the acquired business at the end of the measurement period to the extent certain growth targets are achieved. We will record the estimated amount of the contractual obligation to pay the employee portion of the contingent consideration as compensation expense over the service period as it is deemed probable that growth targets will be achieved. Our estimate of the amount of the employee portion of contingent consideration requires very subjective assumptions to be made of future operating results. Future revisions to these assumptions could materially change our estimate of the amount of the employee portion of contingent consideration and therefore materially affect the Company's future financial results and financial condition.

We must provide our clients with highly qualified and experienced consultants, and the loss of a significant number of our consultants, or an inability to attract and retain new consultants, 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 consultants who possess the skills and experience necessary to satisfy their needs. At various times, such professionals can be in great demand, particularly in certain geographic areas. Our ability to attract and retain consultants with the requisite experience and skills depends on several factors including, but not limited to, our ability to:

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

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

Decreased effectiveness of equity compensation could adversely affect our ability to attract and retain employees.

We have historically used stock options as a key component of our employee compensation program in order to align employees' interests with the interests of our stockholders, encourage employee retention and provide competitive compensation packages. The requirement to expense stock-based compensation beginning in fiscal 2007 may limit our use of stock options and other stock-based awards to attract and retain employees because of the possible impact on our results of operations. This treatment could make it more difficult to attract, retain and motivate employees. In addition, a significant portion of our options outstanding are priced at more than the current per share market valuation of our stock, further reducing existing option grants as an incentive to retain employees.

Our computer hardware and software and telecommunications systems are susceptible to damage and interruption.

The management of our business is aided by the uninterrupted operation of our computer and telecommunication systems. These systems are vulnerable to security breaches, natural disasters, computer viruses, or other interruptions or damage stemming from power outages, equipment failure or unintended usage by employees. System-wide or local failures of these systems could have a material adverse effect on our business, financial condition, results of operations or cash flows.

Our cash and short-term investments are subject to economic risk.

The Company invests its cash, cash equivalents and short-term investments in United States treasuries and government agencies, bank deposits, money market funds, commercial paper and certificates of deposit. Certain of these investments are subject to general credit, liquidity, market and interest rate risks. In the event these risks caused a decline in value of any of the Company's investments, it could adversely affect the Company's financial condition.

Our business could suffer if we lose the services of one or more key members of our senior management.

Our future success depends upon the continued employment of our senior management team. The departure of one or more key members of our senior management team, including management of Sitrick Brincko Group, could significantly disrupt our operations.

Our quarterly financial results may be subject to significant fluctuations that may increase the volatility of our stock price.

Our results of operations could vary significantly from quarter to quarter. 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;
- changes in the demand for our services by our clients;
- the entry of new competitors into any of our markets;
- the number of consultants eligible for our offered benefits as the average length of employment with the Company increases;
- the amount of vacation hours used by consultants or 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;
- variation in foreign exchange rates from one quarter to the next used to translate the financial results of our international operations;
- the amount and timing of operating costs and capital expenditures relating to management and expansion of our business;
- changes in the estimates of contingent consideration and the employee portion of contingent consideration;
- the timing of acquisitions and related costs, such as compensation charges that fluctuate based on the market price of our common stock; and
- the periodic fourth quarter consisting of 14 weeks, which last occurred during the fiscal year ended May 31, 2008.

Due to these 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.

If our internal control over financial reporting does not comply with the requirements of Sarbanes, our business and stock price could be adversely affected.

Section 404 of Sarbanes requires us to evaluate periodically the effectiveness of our internal control over financial reporting, and to include a management report assessing the effectiveness of our internal controls as of the end of each fiscal year. Our management report on internal controls is contained in our Annual Report on Form 10-K for the year ended May 29, 2010. Section 404 also requires our independent registered public accountant to report on our internal control over financial reporting.

Our management does not expect that our internal control over financial reporting will prevent all errors or acts of fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, involving us have been, or will be, detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple errors or mistakes. Controls can also be circumvented by individual acts of a person, or by collusion among two or more people, or by management override of controls. The design of any system of controls is based in part on certain assumptions about the likelihood of future events, and we cannot assure you that any design will succeed in achieving its stated goals under all potential future conditions. Over time, controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with policies and procedures. Because of the inherent limitations in a cost-effective control system, misstatements due to errors or fraudulent acts may occur and not be detected.

Although our management has determined, and our independent registered public accountant has attested, that our internal control over financial reporting was effective as of May 29, 2010, we cannot assure you that we or our independent registered public accountant will not identify a material weakness in our internal controls in the future. A material weakness in our internal control over financial reporting may require management and our independent registered public accountant to evaluate our internal controls as ineffective. If our internal control over financial reporting is not considered adequate, we may experience a loss of public confidence, which could have an adverse effect on our business and our stock price. Additionally, if our internal control over financial reporting otherwise fails to comply with the requirements of Sarbanes, our business and stock price could be adversely affected.

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. Additionally, changes in these requirements, or in other laws applicable to us, in the future could increase our costs of compliance.

In addition, we may face challenges from certain state regulatory bodies governing the provision of certain professional services, like legal services or audit services. The imposition of such regulations could require additional financial and operational burdens on our business.

It may be difficult for a third party to acquire the Company, and this could depress our stock price.

Delaware corporate law and our amended and restated certificate of incorporation and bylaws contain provisions that could delay, defer or prevent a change of control of the Company or our management. These provisions could also discourage proxy contests and make it difficult for you and other stockholders to elect directors and take other corporate actions. As a result, these provisions could limit the price that future investors are willing to pay for your shares. These provisions:

- authorize our board of directors to establish one or more series of undesignated preferred stock, the terms of which can be determined by the board of directors at the time of issuance;
- divide our board of directors into three classes of directors, with each class serving a staggered three-year term. Because the classification of the board of directors generally increases the difficulty of replacing a majority of the directors, it may tend to discourage a third party from making a tender offer or otherwise attempting to obtain control of us and may make it difficult to change the composition of the board of directors;

- prohibit cumulative voting in the election of directors which, if not prohibited, could allow a minority stockholder holding a sufficient percentage of a class of shares to ensure the election of one or more directors;

- require that any action required or permitted to be taken by our stockholders must be effected at a duly called annual or special meeting of stockholders and may not be effected by any consent in writing;

- state that special meetings of our stockholders may be called only by the chairman of the board of directors, by our chief executive officer, by the board of directors after a resolution is adopted by a majority of the total number of authorized directors, or by the holders of not less than 10% of our outstanding voting stock;

- establish advance notice requirements for submitting nominations for election to the board of directors and for proposing matters that can be acted upon by stockholders at a meeting;

- provide that certain provisions of our certificate of incorporation and bylaws can be amended only by supermajority vote (a 662/3% majority) of the outstanding shares. In addition, our board of directors can amend our bylaws by majority vote of the members of our board of directors;

- allow our directors, not our stockholders, to fill vacancies on our board of directors; and

- provide that the authorized number of directors may be changed only by resolution of the board of directors.

The Company's board of directors has adopted a stockholder rights plan, which is described further in Note 11 — *Stockholders' Equity* — of the Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended May 29, 2010. The existence of this rights plan may also have the effect of delaying, deferring or preventing a change of control of the Company or our management by deterring acquisitions of our stock not approved by our board of directors.

We are required to recognize compensation expense related to employee stock options and our employee stock purchase plan. There is no assurance that the expense that we are required to recognize measures accurately the value of our share-based payment awards and the recognition of this expense could cause the trading price of our common stock to decline.

We measure and recognize compensation expense for all stock-based compensation based on estimated values. Thus, our operating results contain a non-cash charge for stock-based compensation expense related to employee stock options and our employee stock purchase plan. In general, accounting guidance requires the use of an option-pricing model to determine the value of share-based payment awards. This determination of value is affected by our stock price as well as assumptions regarding a number of highly complex and subjective variables. These variables include, but are not limited to, our expected stock price volatility over the term of the awards, and actual and projected employee stock option exercise behaviors. Option-pricing models were developed for use in estimating the value of traded options that have no vesting restrictions and are fully transferable. Because our employee stock options have certain characteristics that are significantly different from traded options, and because changes in the subjective assumptions can materially affect the estimated value, in management's opinion the existing valuation models may not provide an accurate measure of the value of our employee stock options. Although the value of employee stock options is determined using an option-pricing model, that value may not be indicative of the fair value observed in a willing buyer/willing seller market transaction.

As a result of the adoption of the required accounting for stock-based compensation, our earnings are lower than they would have been. There also is variability in our net income due to the timing of the exercise of options that trigger disqualifying dispositions which impact our tax provision. This will continue to be the case for future periods. We cannot predict the effect that this adverse impact on our reported operating results will have on the trading price of our common stock.

We may be unable to or elect not to pay our quarterly dividend payment.

On July 20, 2010, our board of directors announced the establishment of a quarterly dividend, subject to quarterly board of directors approval, of $0.04 per share. During the nine months ended February 26, 2011, the board of directors declared cash dividends totaling $0.12 per share. The payment of, or continuation of, the quarterly dividend will be at the discretion of our board of directors and will be dependent upon our financial condition, results of operations, capital requirements, general business conditions, potential future contractual restrictions contained in credit agreements and other agreements and other factors deemed relevant by our board of directors. We can give no assurance that dividends will be declared and paid in the future. The failure to pay the quarterly dividend or the discontinuance of the quarterly dividend could adversely affect the trading price of our common stock.

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 Global Professionals brand name is essential to our business. We have applied for United States and foreign registrations on this service mark. We have previously obtained United States registrations on our Resources Connection service mark and puzzle piece logo, Registration No. 2,516,522 registered December 11, 2001; No. 2,524,226 registered January 1, 2002; and No. 2,613,873, registered September 3, 2002, as well as certain foreign registrations. We had been aware from time to time of other companies using the name “Resources Connection” or some variation thereof and this contributed to our decision to adopt the operating company name of Resources Global Professionals. We obtained United States registration on our Resources Global Professionals service mark, Registration No. 3,298,841 registered September 25, 2007. However, our rights to this service mark are not currently protected in some of our foreign registrations, and there is no guarantee that any of our pending applications for such registration (or any appeals thereof or future applications) will be successful. Although we are not aware of other companies using the name “Resources Global Professionals” at this time, there could be potential trade name or service mark infringement claims brought against us by the users of these similar names and marks and those users may have service mark rights that are senior to ours. If these claims were successful, we could be forced to cease using the service mark “Resources Global Professionals” 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, service mark 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 were required to change our name.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

In July 2007, our board of directors approved a new stock repurchase program, authorizing the purchase, at the discretion of our Company’s senior executives, of our common stock for an aggregate dollar limit not to exceed $150 million. The table below provides information regarding our stock purchases made during the third quarter of fiscal 2011 under our stock repurchase program.

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Program	Approximate Dollar Value of Shares that May Yet be Purchased Under the Program
November 28, 2010 — December 25, 2010	—	$ —	—	**$ 19,202,641**
December 26, 2010 — January 22, 2011	—	$ —	—	**$ 19,202,641**
January 23, 2011 — February 26, 2011	89,819	$ 20.38	89,819	**$ 17,372,451**
Total November 28, 2010 — February 26, 2011	89,819	$ 20.38	89,819	**$ 17,372,451**

Item 6. Exhibits

The exhibits listed in the Exhibits Index (following the signatures page of this Report) are filed with, or incorporated by reference in, this Report.

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: April 7, 2011	/s/ Donald B. Murray Donald B. Murray Executive Chairman and Chief Executive Officer (Principal Executive Officer)
Date: April 7, 2011	/s/ Nathan W. Franke Nathan W. Franke Chief Financial Officer and Executive Vice President (Principal Financial Officer)

EXHIBIT INDEX

Exhibit No.	Description
10.21*+	Resources Connection, Inc. Directors' Compensation Policy.
31.1*	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32*	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS*‡	XBRL Instance
101.SCH*‡	XBRL Taxonomy Extension Schema
101.CAL*‡	XBRL Taxonomy Extension Calculation
101.DEF*‡	XBRL Taxonomy Extension Definition
101.LAB*‡	XBRL Taxonomy Extension Labels
101.PRE*‡	XBRL Taxonomy Extension Presentation

* Filed herewith.

\+ Indicates a management contract or compensatory plan or arrangement.

‡ Pursuant to applicable securities laws and regulations, the Company is deemed to have complied with the reporting obligation relating to the submission of interactive data files in such exhibits and is not subject to liability under any anti-fraud provisions or other liability provisions of the federal securities laws as long as the Company has made a good faith attempt to comply with the submission requirements and promptly amends the interactive data files after becoming aware that the interactive data files fail to comply with the submission requirements. In addition, users of this data are advised that, pursuant to Rule 406T of Regulation S-T, these interactive data files are deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933 or Section 18 of the Securities Exchange Act of 1934 and otherwise are not subject to liability under these sections.

Exhibit 10.21

RESOURCES CONNECTION, INC.

DIRECTORS' COMPENSATION POLICY

January 20, 2011

Directors of Resources Connection, Inc., a Delaware corporation (the "Company"), who are not employed by the Company or one of its subsidiaries ("non-employee directors") are entitled to the compensation set forth below for their service as a member of the Board of Directors (the "Board") of the Company. This policy is effective beginning January 20, 2011, and supersedes all prior policies concerning compensation of the Company's non-employee directors as to their service from and after that time. The Board has the right to amend this policy from time to time.

Cash Compensation		
Annual Retainer	$	50,000
Additional Lead Director Retainer	$	15,000
Additional Committee Chair Retainers:		
Audit Committee Chair	$	20,000
Compensation Committee Chair	$	15,000
Corporate Governance and Nominating Committee Chair	$	10,000
Additional Committee Retainers:		
Audit Committee	$	5,000
Compensation Committee	$	5,000
Corporate Governance and Nominating Committee	$	2,500
Equity Compensation		
Annual Equity Award	$	60,000
New Director Award	*Pro rata portion of Annual Equity Award*	

<u>Cash Compensation</u>

Each non-employee director will be entitled to a cash retainer while serving on the Board in the amount set forth above (the "Annual Retainer"). A non-employee director who serves as the Lead Director of the Board will be entitled to an additional cash retainer while serving in that position in the amount set forth above (the "Additional Lead Director Retainer"). A non-employee director who serves as the Chair of the Audit Committee, the Compensation Committee or the Corporate Governance and Nominating Committee of the Board will be entitled to an additional cash retainer while serving in that position in the applicable amount set forth above (an "Additional Committee Chair Retainer"). A non-employee director who serves as a member of the Audit Committee, the Compensation Committee or the Corporate Governance and Nominating Committee of the Board will be entitled to an additional cash retainer while serving as a member of that committee in the applicable amount set forth above (an "Additional Committee Member Retainer").

The amounts of the Annual Retainer, Additional Lead Director Retainer, Additional Committee Chair Retainers and Additional Committee Member Retainers reflected above are expressed as annualized amounts. These retainers will be paid on an annual basis. New directors will receive a *pro rata* portion of the Annual Retainer with the proration based on the number of calendar days in the calendar year that the director served as a non-employee director or held the particular position, as the case may be.

Equity Awards

Annual Restricted Stock Awards for Continuing Board Members

The initial Annual Restricted Stock Award will be made on February 1, 2011. Subsequently, on the first trading day of each calendar year, commencing with January 1, 2012, each non-employee director then in office will automatically be granted an award of restricted stock with respect to shares of the Company's common stock. The number of shares subject to such restricted stock award will be determined by dividing the Annual Equity Award grant value set forth above by the per-share closing price of the Company's common stock on the date of grant (rounded down to the nearest whole share).

Initial Restricted Stock Awards for New Directors

As noted above, each new non-employee director appointed or elected on or after January 20, 2011, will receive a *pro rata* portion of the Annual Retainer with the proration based on the number of calendar days in the calendar year that the director served as a non-employee director or held the particular position, as the case may be.

The number of shares subject to such restricted stock award will be determined by dividing the Annual Restricted Stock Award grant value set forth above by the per-share-closing price of the Company's common stock on the date of grant (rounded down to the nearest whole share).

An employee or former employee of the Company or one of its subsidiaries who ceases or has ceased to be so employed and becomes a non-employee director will not be eligible for an initial restricted stock award grant, but will be eligible for cash compensation and annual equity awards on the same basis as other non-employee directors.

Provisions Applicable to All Non-Employee Director Restricted Stock Awards

Each restricted stock award will be made under and subject to the terms and conditions of the Company's 2004 Performance Incentive Plan, as amended (the "2004 Plan"), or any successor equity compensation plan approved by the Company's stockholders and in effect at the time of grant, and will be evidenced by, and subject to the terms and conditions of, an award agreement in the form approved by the Board to evidence such type of grant pursuant to this policy. Each award will vest in equal annual installments over the four-year period following the grant date. Non-employee directors are also entitled to cash dividend and stockholder voting rights with respect to outstanding and unvested restricted stock awards granted under the 2004 Plan.

Restricted stock awards granted under the 2004 Plan are generally forfeited as to the unvested portion of the award upon the non-employee director's termination of service as a director of the Company for any reason. However, in the event the non-employee director ceases to serve as a director due to his or her mandatory retirement as may be required pursuant to the Company's mandatory retirement policy as then in effect for members of the Board, each restricted stock award that is outstanding and otherwise unvested immediately prior to such retirement will generally become immediately vested and nonforfeitable upon the non-employee director's termination of service as a director as a result of such retirement. Restricted stock awards, to the extent then outstanding and unvested, will become fully vested and nonforfeitable in the event of a Change in Control Event (as such term is defined in the 2004 Plan).

Expense Reimbursement

All non-employee directors will be entitled to reimbursement from the Company for their reasonable travel (including airfare and ground transportation), lodging and meal expenses incident to meetings of the Board or committees thereof or in connection with other Board-related business. The Company will make reimbursement to a non-employee director within a reasonable amount of time following submission by the non-employee director of reasonable written substantiation for the expenses.

RESOURCES CONNECTION, INC.
2004 PERFORMANCE INCENTIVE PLAN
NON-EMPLOYEE DIRECTOR RESTRICTED STOCK AWARD PROGRAM

1. Establishment; Purpose. This Non-Employee Director Restricted Stock Award Program (this "**Program**") is adopted under the Resources Connection, Inc. 2004 Performance Incentive Plan, as amended (the "**Plan**"). The purpose of this Program is to promote the success of the Corporation and the interests of its stockholders by providing members of the Board who are not officers or employees of the Corporation or any of its Subsidiaries ("**Non-Employee Directors**") an opportunity to acquire an ownership interest in the Corporation and more closely aligning the interests of Non-Employee Directors and stockholders. Except as otherwise expressly provided herein, the provisions of the Plan shall govern all awards made pursuant to this Program. Capitalized terms are defined in the Plan if not defined herein.

2. Participation. Awards under this Program shall be made only to Non-Employee Directors, shall be evidenced by award agreements substantially in the form attached hereto as Exhibit A and shall be further subject to such other terms and conditions set forth therein. The Administrator may require a Non-Employee Director to execute the award agreement evidencing his or her award grant under this Program as a condition to the effectiveness of such grant.

3. Annual Restricted Stock Awards.

3.1 *Initial Award for New Directors*. Upon first being appointed or elected to the Board after the date on which the Board approves this Program, each Non-Employee Director who has not previously served on the Board shall be granted automatically (without any action by the Board or the Administrator) a restricted stock award, the date of grant of which will be the date such Non-Employee Director is first appointed or elected to the Board. The number of shares subject to each such restricted stock award will be determined by dividing the *pro rata* portion of the Annual Non-Employee Director Award of $60,000 by the per-share closing price of the Common Stock on the date of grant (rounded down to the nearest whole share).

3.2 *Subsequent Annual Awards*. For each calendar year during the term of the Plan commencing in 2011, each Non-Employee Director shall be granted automatically (without any action by the Board or Administrator) a restricted stock award, the date of grant of which will be such first trading day in January of such calendar year. The number of shares subject to each such restricted stock award will be determined by dividing $60,000 by the per-share closing price of the Common Stock on the date of grant (rounded down to the nearest whole share). An individual who was previously a member of the Board, who then ceased to be a member of the Board for any reason, and who then again becomes a Non-Employee Director shall thereupon again become eligible to be granted a restricted stock award under this Section 3.2.

3.3 *Transfer Restrictions*. Restricted stock awards granted pursuant to this Section 3 shall be subject to the transfer restrictions set forth in Section 5.7 of the Plan. For purposes of clarity, the Administrator has not approved any transfer exceptions with respect to the restricted stock in accordance with Section 5.7.2 of the Plan.

4. Vesting. Each restricted stock award granted under Section 3 above and all rights or obligations under this Program with respect to a particular restricted stock award shall be subject to earlier termination as provided below. Subject to Sections 5, 6 and 7 hereof, each restricted stock award granted under Section 3 shall vest, and restrictions shall lapse, with respect to 25% of the total number of shares subject thereto (subject to adjustment under Section 6) on each of the first, second, third and fourth anniversaries of the date of grant of the restricted stock award.

5. Termination of Directorship. If a Non-Employee Director's services as a member of the Board terminate for any reason, whether with or without cause, voluntarily or involuntarily (the date of such termination is referred to as the Non-Employee Director's "**Severance Date**"), then any restricted stock award granted to the Non-Employee Director pursuant to Section 3 above and outstanding on the Non-Employee Director's Severance Date shall terminate on that date to the extent not previously vested (except in the event of mandatory retirement as provided below). If any unvested shares of restricted stock are terminated hereunder, such restricted stock shall automatically terminate and be cancelled as of the Severance Date without payment of any consideration by the Corporation and without any other action by the Non-Employee Director, or the Non-Employee Director's beneficiary or personal representative, as the case may be.

In the event that a Non-Employee Director ceases to be a member of the Board due to his or her mandatory retirement as required under the Corporation's mandatory retirement policy as then in effect for members of the Board, each restricted stock award granted to such Non-Employee Director under Section 3 above that is outstanding and otherwise unvested immediately prior to such retirement shall become fully vested and nonforfeitable upon the Non-Employee Director's Severance Date as a result of such mandatory retirement.

Notwithstanding the preceding provisions of this Section 5, if a Non-Employee Director ceases to be a member of the Board (regardless of the reason) but, immediately thereafter, is employed by the Corporation or one of its Subsidiaries, then his or her Severance Date shall not occur until the first date that he or she is not a member of the Board and is not employed by the Corporation or one of its Subsidiaries.

6. Adjustments. Shares of restricted stock subject to awards granted under this Program shall be subject to adjustment as provided in Section 7.1 of the Plan, but only to the extent that such adjustment is consistent with adjustments to shares of restricted stock held by persons other than executive officers or directors of the Corporation (to the extent that persons other than executive officers or directors of the Corporation then hold shares of restricted stock). The grant levels reflected in Section 3 above shall be automatically adjusted upon the record date for any stock split, reverse stock split, or stock dividend to give effect to such change in capitalization unless otherwise provided by the Board in the circumstances, and may be adjusted in the discretion of the Board in any other circumstances contemplated by Section 7.1 of the Plan.

7. Acceleration and Possible Early Termination. Upon the occurrence of a Change in Control Event (as such term is defined in the Plan), each restricted stock award granted under Section 3 above, to the extent such award is then outstanding, shall become immediately vested and nonforfeitable in full. Each such award shall be subject to adjustment and termination pursuant to Section 7 of the Plan in connection with such event.

8. Maximum Number of Shares; Amendment; Administration. If restricted stock award grants otherwise required pursuant to this Program would otherwise exceed any applicable share limit under Section 4.2 of the Plan, such grants shall be made pro-rata to directors entitled to such grants. The Board may from time to time amend this Program without stockholder approval; provided that no such amendment shall materially and adversely affect the rights of a Non-Employee Director as to a restricted stock award granted under this Program before the adoption of such amendment. This Program does not limit the Board's authority to make other, discretionary award grants to Non-Employee Directors pursuant to the Plan. The Plan Administrator's power and authority to construe and interpret the Plan and awards thereunder pursuant to Section 3.1 of the Plan shall extend to this Program and awards granted hereunder. As provided in Section 3.2 of the Plan, any action taken by, or inaction of, the Administrator relating or pursuant to this Program and within its authority or under applicable law shall be within the absolute discretion of that entity or body and shall be conclusive and binding upon all persons.

EXHIBIT A

RESOURCES CONNECTION, INC.
2004 PERFORMANCE INCENTIVE PLAN
NON-EMPLOYEE DIRECTOR RESTRICTED STOCK AWARD PROGRAM
DIRECTOR RESTRICTED STOCK AWARD AGREEMENT

THIS DIRECTOR RESTRICTED STOCK AWARD AGREEMENT (this "**Award Agreement**") is dated as of **[__________**, 20_____**]** (the "**Award Date**") by and between Resources Connection, Inc., a Delaware corporation (the "**Corporation**"), and **[__________]** (the "**Director**").

W I T N E S S E T H

WHEREAS, pursuant to the Non-Employee Director Restricted Stock Award Program (the "**Program**"), adopted under the Resources Connection, Inc. 2004 Performance Incentive Plan, as amended (the "**Plan**"), the Corporation hereby grants to the Director, effective as of the date hereof, a restricted stock award (the "**Award**"), upon the terms and conditions set forth herein and in the Program and the Plan.

NOW THEREFORE, in consideration of services rendered and to be rendered by the Director, and the mutual promises made herein and the mutual benefits to be derived therefrom, the parties agree as follows:

1. Defined Terms. Capitalized terms used herein and not otherwise defined herein shall have the meaning assigned to such terms in the Plan.

2. Grant. Subject to the terms of this Award Agreement and of the Program, the Corporation hereby grants to the Director an Award with respect to an aggregate of **[_____]** restricted shares of Common Stock of the Corporation (the "**Restricted Stock**").

3. Vesting. Subject to the terms of the Program and Section 8 below, the Award shall vest, and restrictions (other than those set forth in Section 8.1 of the Plan) shall lapse, in percentage installments as set forth in Section 4 of the Program. The Board reserves the right to accelerate the vesting of the Restricted Stock in such circumstances as it, in its sole discretion, deems appropriate and any such acceleration shall be effective only when set forth in a written instrument executed by an officer of the Corporation.

4. Continuance of Service. The vesting schedule set forth in Section 4 of the Program requires continued service through each applicable vesting date as a condition to the vesting of the applicable installment of the Award and the rights and benefits under this Award Agreement. Service for only a portion of the vesting period, even if a substantial portion, will not entitle the Director to any proportionate vesting or avoid or mitigate a termination of rights and benefits upon or following a termination of services as provided in Section 8 below or under the terms of the Program or the Plan.

Nothing contained in this Award Agreement, the Program or the Plan constitutes a service commitment by the Corporation, confers upon the Director any right to remain in service to the Corporation or any of its Subsidiaries, interferes in any way with the right of the Corporation or any of its Subsidiaries at any time to terminate such services, or affects the right of the Corporation or any of its Subsidiaries to increase or decrease the Director's other compensation or benefits. Nothing in this paragraph, however, is intended to adversely affect any independent contractual right of the Director without his or her consent thereto.

5. Dividend and Voting Rights. After the Award Date, the Director shall be entitled to cash dividends and voting rights with respect to the shares of Restricted Stock subject to the Award even though such shares are not vested, provided that such rights shall terminate immediately as to any shares of Restricted Stock that are forfeited pursuant to the terms of the Program or Section 8 below.

6. Restrictions on Transfer. Prior to the time that they have become vested pursuant to Section 3 hereof, the terms of the Program or Section 7 of the Plan, neither the Restricted Stock, nor any interest therein, amount payable in respect thereof, or Restricted Property (as defined in Section 9 hereof) may be sold, assigned, transferred, pledged or otherwise disposed of, alienated or encumbered, either voluntarily or involuntarily. The transfer restrictions in the preceding sentence shall not apply to (a) transfers to the Corporation, or (b) transfers by will or the laws of descent and distribution.

7. Stock Certificates.

(a) Book Entry Form. The Corporation shall issue the shares of Restricted Stock subject to the Award either: (a) in certificate form as provided in Section 7(b) below; or (b) in book entry form, registered in the name of the Director with notations regarding the applicable restrictions on transfer imposed under this Award Agreement.

(b) Certificates to be Held by Corporation; Legend. Any certificates representing shares of Restricted Stock that may be delivered to the Director by the Corporation prior to vesting shall be redelivered to the Corporation to be held by the Corporation until the restrictions on such shares shall have lapsed and the shares shall thereby have become vested or the shares represented thereby have been forfeited hereunder. Such certificates shall bear the following legend and any other legends the Corporation may determine to be necessary or advisable to comply with all applicable laws, rules, and regulations:

"The ownership of this certificate and the shares of stock evidenced hereby and any interest therein are subject to substantial restrictions on transfer under an Agreement entered into between the registered owner and Resources Connection, Inc. A copy of such Agreement is on file in the office of the Secretary of Resources Connection, Inc."

(c) Delivery of Certificates Upon Vesting. Promptly after the vesting of any shares of Restricted Stock pursuant to Section 3 hereof, the terms of the Program or Section 7 of the Plan and the satisfaction of any and all related tax withholding obligations pursuant to Section 10, the Corporation shall, as applicable, either remove the notations on any shares of Restricted Stock issued in book entry form which have vested or deliver to the Director a certificate or certificates evidencing the number of shares of Restricted Stock which have vested (or, in either case, such lesser number of shares as may result after giving effect to Section 10). The Director (or the beneficiary or personal representative of the Director in the event of the Director's death or disability, as the case may be) shall deliver to the Corporation any representations or other documents or assurances as the Corporation or its counsel may determine to be necessary or advisable in order to ensure compliance with all applicable laws, rules, and regulations with respect to the grant of the Award and the delivery of shares of Common Stock in respect thereof. The shares so delivered shall no longer be restricted shares hereunder.

(d) Stock Power; Power of Attorney. Concurrently with the execution and delivery of this Award Agreement, the Director shall deliver to the Corporation an executed stock power in the form attached hereto as Appendix A, in blank, with respect to such shares. The Corporation shall not deliver any share certificates in accordance with this Award Agreement unless and until the Corporation shall have received such stock power executed by the Director. The Director, by acceptance of the Award, shall be deemed to appoint, and does so appoint by execution of this Award Agreement, the Corporation and each of its authorized representatives as the Director's attorney(s)-in-fact to effect any transfer of unvested forfeited shares (or shares otherwise reacquired by the Corporation hereunder) to the Corporation as may be required pursuant to the Plan, the Program or this Award Agreement and to execute such documents as the Corporation or such representatives deem necessary or advisable in connection with any such transfer.

8. Effect of Termination of Services. Subject to Sections 5 and 7 of the Program, if the Director ceases to provide services to the Corporation or a Subsidiary (the date of such termination of service is referred to as the Director's "**Severance Date**"), the Director's shares of Restricted Stock (and related Restricted Property as defined in Section 9 hereof) shall be forfeited to the Corporation to the extent such shares have not become vested pursuant to Section 3 hereof, the terms of the Program or Section 7 of the Plan upon the Severance Date (regardless of the reason for such termination of service, whether with or without cause, voluntarily or involuntarily, or due to death or disability). Upon the occurrence of any forfeiture of shares of Restricted Stock hereunder, such unvested, forfeited shares and related Restricted Property shall be automatically transferred to the Corporation as of the Severance Date, without any other action by the Director (or the Director's beneficiary or personal representative in the event of the Director's death or disability, as applicable). No consideration shall be paid by the Corporation with respect to such transfer. The Corporation may exercise its powers under Section 7(d) hereof and take any other action necessary or advisable to evidence such transfer. The Director (or the Director's beneficiary or personal representative in the event of the Director's death or disability, as applicable) shall deliver any additional documents of transfer that the Corporation may request to confirm the transfer of such unvested, forfeited shares and related Restricted Property to the Corporation.

9. Adjustments Upon Specified Events. Upon the occurrence of certain events relating to the Corporation's stock contemplated by Sections 6 and 7 of the Program, the Administrator shall make adjustments in accordance with such sections in the number and kind of securities that may become vested under the Award. If any adjustment shall be made under Section 6 or Section 7 of the Program or an event described in Section 7.2 of the Plan shall occur and the shares of Restricted Stock are not fully vested upon such event or prior thereto, the restrictions applicable to such shares of Restricted Stock shall continue in effect with respect to any consideration, property or other securities (the "**Restricted Property**" and, for the purposes of this Award Agreement, "Restricted Stock" shall include "Restricted Property", unless the context otherwise requires) received in respect of such Restricted Stock. Such Restricted Property shall vest at such times and in such proportion as the shares of Restricted Stock to which the Restricted Property is attributable vest, or would have vested pursuant to the terms hereof if such shares of Restricted Stock had remained outstanding. To the extent that the Restricted Property includes any cash (other than regular cash dividends), such cash shall be invested, pursuant to policies established by the Administrator, in interest bearing, FDIC-insured (subject to applicable insurance limits) deposits of a depository institution selected by the Administrator, the earnings on which shall be added to and become a part of the Restricted Property.

10. Tax Withholding. Subject to Section 8.1 of the Plan, upon any vesting of the Restricted Stock, the Corporation shall have the right to automatically withhold and reacquire the appropriate number of whole shares of Restricted Stock, valued at their then fair market value (with the "fair market value" of such shares determined in accordance with the applicable provisions of the Plan), to satisfy any withholding obligations of the Corporation or its Subsidiaries with respect to such vesting at the minimum applicable withholding rates. In the event that the Corporation cannot satisfy such withholding obligations by withholding and reacquiring shares of Restricted Stock, or in the event that the Director makes or has made an election pursuant to Section 83(b) of the Code or the occurrence of any other withholding event with respect to the Award, the Corporation (or a Subsidiary) shall be entitled to require a cash payment by or on behalf of the Director and/or to deduct from other compensation payable to the Director any sums required by federal, state or local tax law to be withheld with respect to such vesting of any Restricted Stock or such Section 83(b) election.

11. Notices. Any notice to be given under the terms of this Award Agreement shall be in writing and addressed to the Corporation at its principal office to the attention of the Secretary, and to the Director at the Director's last address reflected on the Corporation's records. Any notice shall be delivered in person or shall be enclosed in a properly sealed envelope, addressed as aforesaid, registered or certified, and deposited (postage and registry or certification fee prepaid) in a post office or branch post office regularly maintained by the United States Government. Any such notice shall be given only when received, but if the Director is no longer an Eligible Person, shall be deemed to have been duly given five business days after the date mailed in accordance with the foregoing provisions of this Section 11.

12. Plan; Program. The Award and all rights of the Director under this Award Agreement are subject to the terms and conditions of the provisions of the Program and the Plan, incorporated herein by reference. The Director agrees to be bound by the terms of the Program, the Plan and this Award Agreement. In the event of a conflict or inconsistency between the terms and conditions of this Award Agreement and of the Program or the Plan, the terms and conditions of the Program or the Plan, as applicable, shall govern. The Director acknowledges having read and understanding the Program, the Plan, the Prospectus for the Plan, and this Award Agreement. Unless otherwise expressly provided in other sections of this Award Agreement, provisions of the Program or the Plan that confer discretionary authority on the Board or the Administrator do not (and shall not be deemed to) create any rights in the Director unless such rights are expressly set forth herein or are otherwise in the sole discretion of the Board or the Administrator so conferred by appropriate action of the Board or the Administrator under the Program or the Plan after the date hereof.

13. Entire Agreement. This Award Agreement, the Program and the Plan together constitute the entire agreement and supersede all prior understandings and agreements, written or oral, of the parties hereto with respect to the subject matter hereof. The Program may be amended pursuant to Section 8 of the Program. The Plan may be amended pursuant to Section 8.6 of the Plan. This Award Agreement may be amended by the Board from time to time. Any such amendment must be in writing and signed by the Corporation. Any such amendment that materially and adversely affects the Director's rights under this Award Agreement requires the consent of the Director in order to be effective with respect to the Award. The Corporation may, however, unilaterally waive any provision hereof in writing to the extent such waiver does not adversely affect the interests of the Director hereunder, but no such waiver shall operate as or be construed to be a subsequent waiver of the same provision or a waiver of any other provision hereof.

14. Counterparts. This Award Agreement may be executed simultaneously in any number of counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

15. Section Headings. The section headings of this Award Agreement are for convenience of reference only and shall not be deemed to alter or affect any provision hereof.

16. Governing Law. This Award Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Delaware without regard to conflict of law principles thereunder.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Corporation has caused this Award Agreement to be executed on its behalf by a duly authorized officer and the Director has hereunto set his or her hand as of the date and year first above written.

RESOURCES CONNECTION, INC.,
a Delaware corporation

By: ______________________________

Print Name: ______________________________

Its: ______________________________

DIRECTOR

____
Signature

____
Print Name

CONSENT OF SPOUSE

In consideration of the execution of the foregoing Director Restricted Stock Award Agreement by Resources Connection, Inc., I, __________, the spouse of the Director therein named, do hereby join with my spouse in executing the foregoing Director Restricted Stock Award Agreement and do hereby agree to be bound by all of the terms and provisions thereof and of the Program and the Plan.

Dated: __________, 20__

____
Signature of Spouse

____
Print Name

APPENDIX A

STOCK POWER

FOR VALUE RECEIVED and pursuant to that certain Director Restricted Stock Award Agreement between Resources Connection, Inc., a Delaware corporation (the “Corporation”), and the individual named below (the “Individual”) dated as of ___________, 20_____, the Individual, hereby sells, assigns and transfers to the Corporation, an aggregate _____ shares of Common Stock of the Corporation, standing in the Individual’s name on the books of the Corporation and represented by stock certificate number(s) ______________________ to which this instrument is attached, and hereby irrevocably constitutes and appoints ___________ ______________________ as his or her attorney in fact and agent to transfer such shares on the books of the Corporation, with full power of substitution in the premises.

Dated ___________, ________

____
Signature

____
Print Name

(Instruction: Please do not fill in any blanks other than the signature line. The purpose of the assignment is to enable the Corporation to exercise its sale/purchase option set forth in the Director Restricted Stock Award Agreement without requiring additional signatures on the part of the Individual.)

EXHIBIT 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Donald B. Murray, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Resources Connection, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 7, 2011

/s/ Donald B. Murray

Donald B. Murray
Executive Chairman and Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Nathan W. Franke, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Resources Connection, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 7, 2011

/s/ Nathan W. Franke

Nathan W. Franke
Chief Financial Officer and Executive Vice President

EXHIBIT 32

WRITTEN STATEMENT
PURSUANT TO
18 U.S.C. SECTION 1350

The undersigned, Donald B. Murray, the Chief Executive Officer of Resources Connection, Inc., and Nathan W. Franke, Chief Financial Officer of Resources Connection, Inc. (the “Company”), pursuant to 18 U.S.C. §1350, hereby certify that, to the best of their knowledge:

(i) the Report on Form 10-Q of the Company for the quarter ended February 26, 2011 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: April 7, 2011

/s/ Donald B. Murray
Donald B. Murray
Executive Chairman and Chief Executive Officer
(Principal Executive Officer)

/s/ Nathan W. Franke
Nathan W. Franke
Chief Financial Officer and Executive Vice President
(Principal Financial Officer)

The foregoing certification accompanies the Report on Form 10-Q pursuant to 18 U.S.C. Section 1350. It is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and it is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.