



March 28, 2001

Resources Connection, Inc. Reports Third Quarter Results

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Costa Mesa, Calif., March 28, 2001 -- Resources Connection, Inc. (Nasdaq: RECN), an international professional services firm that provides accounting and finance, human capital and information technology services on a project basis, today announced financial results for its third fiscal quarter ended February 28, 2001.

Total revenues increased 49% to \$49.8 million for the third quarter of fiscal 2001, from \$33.4 million for the comparable quarter in fiscal 2000. Income before extraordinary charge for the quarter ended February 28, 2001, increased 182% to \$4.1 million, or \$0.19 per diluted share, compared to net income of \$1.5 million or \$0.09 per diluted share in the third quarter of fiscal 2000.

Year-to-date revenues for the nine-month period ended February 2001 were \$134.0 million, an increase of 53% over the year-to-date revenues of \$87.5 million for the nine-month period ended February 2000. Income before extraordinary charge for the nine-month period ended February 2001, increased 116% to \$9.2 million or \$0.50 per share, versus net income of \$4.2 million for the nine-month period ended February 2000, or \$0.27 per diluted share.

Resources Connection recorded an extraordinary charge of \$572,000, net of tax, to write off unamortized loan origination costs from the company's senior and subordinated debt obligations that were repaid with proceeds from the company's December 15, 2000, initial public offering of stock. The effect of the extraordinary charge was to reduce earnings per share by \$0.02 in the third quarter of fiscal 2001.

"Despite the apparent deterioration of the economy, Resources Connection enjoyed a strong third quarter," said Donald B. Murray, chairman, president and chief executive officer. "The key driver of our business grew rapidly during this last quarter. The total number of associates employed by us at the end of the quarter was 1,300, which is growth of 5.8% over the previous quarter and 23.0% year to date. However, we are continuing to monitor developments in the economy and their impact on our business."

"Our third quarter included the holidays which puts pressure on gross margins," Murray said. "Nevertheless, despite a typically slow holiday period, gross margin for the quarter was still in excess of our 40% target. Gross margin was consistent at 40.9% in the third quarter of fiscal 2001 compared to 40.8% in fiscal 2000."

Resources Connection completed an initial public offering of its common stock on December 15, 2000. The offering (including the exercise of the underwriters' over-allotment) of 7.5 million shares included 5 million shares of common stock newly issued by the company and 2.5 million shares of common stock sold by existing stockholders. The company used a portion of the net proceeds to retire its long-term debt of \$38.8 million. Credit Suisse First Boston and Deutsche Banc Alex. Brown acted as co-lead underwriters for the offering. The stock is listed on the Nasdaq under the symbol RECN.

Resources Connection, Inc. is an international professional services firm that provides accounting and finance, human capital and information technology services on a project basis. Headquartered in Costa Mesa, California, the company operates from 41 domestic offices and three international offices. More information about the company is available at <http://www.resourcesconnection.com/>.

Resources Connection will hold a conference call for interested analysts and investors at 5:00 pm EST today, March 28, 2001. This conference call will be available for listening via a webcast on the Company's Internet web site, at <http://www.resourcesconnection.com/>.

Certain statements in this press release are "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Such forward-looking statements may be identified by words such as "anticipates," "believes," "can," "continue," "could," "estimates," "expects," "intends," "may," "plans," "potential," "predicts," "should," or "will" or the negative of these terms or other comparable terminology. Such statements and all phases of

Resources Connection's operations are subject to known and unknown risks, uncertainties and other factors, some of which are identified in Resources Connection's Form S-1 (File No. 333-45000), as amended. Readers are cautioned not to place undue relevance on these forward-looking statements, which speak only as of the date hereof. Resources Connection's, and its industry's, actual results, levels of activity, performance or achievements may be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. The Company undertakes no obligation to update the forward-looking statements in this press release.

RESOURCES CONNECTION, INC.

SUMMARY OF OPERATIONS

(in thousands, except per share amounts)

	Quarter Ended February 28		Nine Months Ended February 28	
	2001	2000	2001	2000
	(unaudited)		(unaudited)	
Revenue	\$49,830	\$33,384	\$134,031	\$87,498
Direct costs of services	<u>29,457</u>	<u>19,765</u>	<u>78,194</u>	<u>50,882</u>
Gross profit	20,373	13,619	55,837	36,616
Selling, general and administrative expenses	12,680	9,365	35,892	24,228
Amortization of intangible assets	565	572	1,708	1,660
Depreciation expense	227	31	635	131
Interest expense (income), net	<u>(3)</u>	<u>1,199</u>	<u>2,346</u>	<u>3,539</u>
Income before provision for income taxes and extraordinary charge	6,904	2,452	15,256	7,058
Provision for income taxes	<u>2,762</u>	<u>981</u>	<u>6,103</u>	<u>2,822</u>
Income before extraordinary charge	4,142	1,471	9,153	4,236
Extraordinary charge, net of tax effect of \$381	<u>572</u>	<u>--</u>	<u>572</u>	<u>--</u>
Net income	<u>\$3,570</u>	<u>\$1,471</u>	<u>\$8,581</u>	<u>\$4,236</u>
Diluted income per share before extraordinary charge	<u>\$0.19</u>	<u>\$0.09</u>	<u>\$0.50</u>	<u>\$0.27</u>
Diluted net income per share	<u>\$ 0.17</u>	<u>\$ 0.09</u>	<u>\$ 0.47</u>	<u>\$ 0.27</u>
Diluted shares	<u>21,306</u>	<u>15,713</u>	<u>18,350</u>	<u>15,658</u>

February 28, 2001

May 31, 2000

(unaudited)

SELECTED BALANCE SHEET INFORMATION:

Cash and cash equivalents	\$26,340	\$4,490
Accounts receivable, less allowances	\$25,236	\$18,166
Total assets	\$97,199	\$70,106
Current liabilities	\$16,326	\$17,039
Notes payable and other indebtedness, less current portion	\$ -	\$35,503
Total stockholders' equity	\$80,351	\$17,185