



January 11, 2001

## **Resources Connection, Inc. Reports Second Quarter Results**

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Costa Mesa, Calif., Jan. 11, 2001 -- Resources Connection, Inc. (NASDAQ: RECN), a professional services firm that provides accounting and finance, human capital and information technology services on a project basis, today announced financial results for its second fiscal quarter ended November 30, 2000.

Total revenues increased 58% to \$45.0 million for the second quarter of fiscal 2001 from \$28.6 million in the second quarter of fiscal 2000. Net income totaled \$2.8 million, or \$0.16 per diluted share, for the second quarter of fiscal 2001 versus \$1.3 million, or \$0.08 per diluted share, in the comparable period in fiscal 2000.

For the first six months of fiscal 2001, revenues increased 56% to \$84.2 million from \$54.1 million for the comparable period in the prior year. Net income totaled \$5.0 million, or \$0.30 per diluted share, for the six months ended November 30, 2000 versus \$2.8 million, or \$0.18 per diluted share, in the comparable period in fiscal 2000.

"Our business continues to expand rapidly and profitably," stated Donald Murray, chairman, president and chief executive officer. "The marketplace seems to realize that the hybrid professional services model we have created helps companies to complete their internal consulting projects cost effectively. Our success in attracting professional associates who deliver our services is the main driver of growth, and I am pleased that the total number of professional associates employed by us at the end of the quarter had grown to 1,229, an increase of 16.4% since the start of our current fiscal year."

"As our associate base continues to expand, we can offer our clients a wider range of skills," Murray said. "With this foundation, the value proposition we present to clients improves. Our gross margin percentage for the second quarter of fiscal 2001 was 42.3%, compared to 41.8% in the year ago quarter."

Resources Connection completed an initial public offering of its common stock on December 15, 2000. The offering of 6.5 million shares included 5 million shares of common stock newly issued by the company and 1.5 million shares of common stock sold by existing shareholders. 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 company that provides accounting and finance, human capital and information technology services on a project basis. Headquartered in Costa Mesa, California, the company operates from 40 domestic offices and three international offices. More information about the company is available 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. These 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 November 30		Six Months Ended November 30	
	<u>2000</u>	<u>1999</u>	<u>2000</u>	<u>1999</u>
	(unaudited)		(unaudited)	
Revenue	\$45,046	\$28,581	\$84,201	\$54,114
Direct costs of services	<u>25,987</u>	<u>16,626</u>	<u>48,736</u>	<u>31,117</u>
Gross profit	19,059	11,955	35,465	22,997
Selling, general and administrative expenses	12,493	8,050	23,213	14,863
Amortization of intangible assets	565	577	1,143	1,088
Depreciation expense	216	49	408	100
Interest expense	<u>1,140</u>	<u>1,186</u>	<u>2,349</u>	<u>2,340</u>
Income before provision for income taxes	4,645	2,093	8,352	4,606
Provision for income taxes	<u>1,858</u>	<u>835</u>	<u>3,341</u>	<u>1,841</u>
Net income	<u>\$2,787</u>	<u>\$1,258</u>	<u>\$5,011</u>	<u>\$2,765</u>
<b>Diluted net income per share</b>	<b><u>\$ 0.16</u></b>	<b><u>\$ 0.08</u></b>	<b><u>\$ 0.30</u></b>	<b><u>\$ 0.18</u></b>
Diluted shares	<u>16,981</u>	<u>15,630</u>	<u>16,900</u>	<u>15,630</u>

**November 30, 2000**

**May 31, 2000**

(unaudited)

SELECTED BALANCE SHEET INFORMATION:

Cash and cash equivalents	\$3,932	\$4,490
Accounts receivable, less allowances	\$21,807	\$18,166
Total assets	\$72,583	\$70,106
Current liabilities	\$14,693	\$17,039
Notes payable and other indebtedness, less current portion	\$35,085	\$35,503
Total stockholders' equity	\$22,425	\$17,185