

CUBIC CORPORATION
CONSOLIDATED CONDENSED STATEMENTS OF INCOME (UNAUDITED)
(amounts in thousands, except per share data)

	Three Months Ended December 31,	
	2008	2007
Net sales		
Products	\$ 123,077	\$ 112,347
Services	121,774	90,375
	244,851	202,722
Cost and expenses		
Products	94,984	84,190
Services	100,231	74,891
Selling, general and administrative	26,646	24,779
Research and development	1,860	1,774
	223,721	185,634
Operating income	21,130	17,088
Other income (expenses):		
Interest and dividends	570	1,521
Interest expense	(532)	(732)
Other income (expense)	(85)	(306)
Minority interest in loss of subsidiary	-	5
	21,083	17,576
Income before income taxes	21,083	17,576
Income taxes	6,900	6,900
Net income	\$ 14,183	\$ 10,676
Basic and diluted net income per common share	\$ 0.53	\$ 0.40
Average number of common shares outstanding	26,727	26,722

CUBIC CORPORATION
CONSOLIDATED CONDENSED BALANCE SHEETS
(in thousands)

	<u>December 31,</u> 2008 (Unaudited)	<u>September 30,</u> 2008 (See note below)
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 91,276	\$ 112,696
Accounts receivable, net	275,344	268,884
Inventories	42,658	45,118
Deferred income taxes and other current assets	48,567	48,630
Total current assets	<u>457,845</u>	<u>475,328</u>
Long-term contract receivables	12,500	19,930
Property, plant and equipment - net	51,072	53,887
Goodwill	59,266	61,032
Purchased intangibles	17,619	19,060
Deferred income taxes and other non-current assets	11,496	12,015
	<u>\$ 609,798</u>	<u>\$ 641,252</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Trade accounts payable	\$ 21,439	\$ 23,288
Customer advances	64,495	74,963
Other current liabilities	74,094	85,832
Income taxes payable	5,190	6,017
Current portion of long-term debt	5,935	6,045
Total current liabilities	<u>171,153</u>	<u>196,145</u>
Long-term debt	19,124	25,700
Other long-term liabilities	30,105	30,555
Shareholders' equity:		
Common stock	12,485	12,485
Retained earnings	419,051	404,868
Accumulated other comprehensive income	(6,049)	7,570
Treasury stock at cost	(36,071)	(36,071)
	<u>389,416</u>	<u>388,852</u>
	<u>\$ 609,798</u>	<u>\$ 641,252</u>

Note: The balance sheet at September 30, 2008 has been derived from the audited financial statements at that date.

CUBIC CORPORATION**CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS (UNAUDITED)**

(amounts in thousands, except per share data)

	Three Months Ended December 31,	
	<u>2008</u>	<u>2007</u>
Operating Activities:		
Net income	\$ 14,183	\$ 10,676
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	3,460	2,106
Changes in operating assets and liabilities	<u>(13,151)</u>	<u>14,038</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>4,492</u>	<u>26,820</u>
Investing Activities:		
Net additions to property, plant and equipment	(1,448)	(1,828)
Acquisitions net of cash acquired	(6,100)	-
Proceeds from sales of marketable securities	-	66,300
Purchases of marketable securities	<u>-</u>	<u>(39,100)</u>
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	<u>(7,548)</u>	<u>25,372</u>
Financing Activities:		
Principal payments on long-term borrowings	(5,568)	(5,605)
Other	<u>-</u>	<u>43</u>
NET CASH USED IN FINANCING ACTIVITIES	<u>(5,568)</u>	<u>(5,562)</u>
Effect of exchange rates on cash	<u>(12,796)</u>	<u>(1,111)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(21,420)	45,519
Cash and cash equivalents at the beginning of the period	<u>112,696</u>	<u>73,563</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 91,276</u>	<u>\$119,082</u>