

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

	Nine Months Ended June 30,		Three Months Ended June 30,	
	2008	2007	2008	2007
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Net sales:				
Products	\$ 360,362	\$ 391,563	\$ 130,266	\$ 138,120
Services	285,532	275,162	102,626	95,629
	<u>645,894</u>	<u>666,725</u>	<u>232,892</u>	<u>233,749</u>
Costs and expenses:				
Products	280,258	318,031	104,661	111,226
Services	240,695	227,874	86,922	79,461
Selling, general and administrative	75,740	72,169	26,865	25,252
Research and development	6,752	2,601	2,969	1,250
	<u>603,445</u>	<u>620,675</u>	<u>221,417</u>	<u>217,189</u>
Operating income	42,449	46,050	11,475	16,560
Other income (expense):				
Interest and dividends	5,047	1,791	2,254	893
Interest expense	(2,227)	(2,202)	(836)	(726)
Other income	334	1,195	6	665
Minority interest in loss of subsidiary	(103)	579	(221)	185
	<u>45,500</u>	<u>47,413</u>	<u>12,678</u>	<u>17,577</u>
Income before income taxes	45,500	47,413	12,678	17,577
Income taxes	<u>16,700</u>	<u>16,700</u>	<u>4,200</u>	<u>6,400</u>
Net income	<u>\$ 28,800</u>	<u>\$ 30,713</u>	<u>\$ 8,478</u>	<u>\$ 11,177</u>
Basic and diluted net income per common share	<u>\$ 1.08</u>	<u>\$ 1.15</u>	<u>\$ 0.32</u>	<u>\$ 0.42</u>
Dividends per common share	<u>\$ 0.09</u>	<u>\$ 0.09</u>	<u>\$ -</u>	<u>\$ -</u>
Average number of common shares outstanding	<u>26,725</u>	<u>26,720</u>	<u>26,728</u>	<u>26,720</u>

CUBIC CORPORATION
CONSOLIDATED CONDENSED BALANCE SHEETS
(in thousands)

	<u>June 30,</u> 2008 (Unaudited)	<u>September 30,</u> 2007 (See note below)
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 146,591	\$ 73,563
Short-term investments	-	27,200
Accounts receivable, net	258,326	305,672
Inventories	50,476	27,342
Deferred income taxes and other current assets	34,038	39,597
Total current assets	<u>489,431</u>	<u>473,374</u>
Long-term contract receivables	38,355	16,650
Property, plant and equipment - net	55,319	57,251
Goodwill	35,353	36,003
Other assets	15,641	9,287
	<u>\$ 634,099</u>	<u>\$ 592,565</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Trade accounts payable	\$ 26,844	\$ 27,992
Customer advances	80,378	58,412
Other current liabilities	70,230	69,970
Income taxes payable	1,544	4,905
Current portion of long-term debt	6,120	6,138
Total current liabilities	<u>185,116</u>	<u>167,417</u>
Long-term debt	26,559	32,699
Other long-term liabilities	16,596	9,678
Shareholders' equity:		
Common stock	12,485	12,357
Retained earnings	399,218	375,299
Accumulated other comprehensive income	30,196	31,184
Treasury stock at cost	(36,071)	(36,069)
	<u>405,828</u>	<u>382,771</u>
	<u>\$ 634,099</u>	<u>\$ 592,565</u>

Note: The balance sheet at September 30, 2007 has been derived from the audited financial statements at that date.

CUBIC CORPORATION
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS (UNAUDITED)
(in thousands)

	Nine Months Ended		Three Months Ended	
	June 30,		June 30,	
	2008	2007	2008	2007
Operating Activities:				
Net income	\$ 28,800	\$ 30,713	\$ 8,478	\$ 11,177
Adjustments to reconcile net income to net cash provided by (used in) operating activities:				
Depreciation and amortization	6,139	6,782	2,035	2,262
Changes in operating assets and liabilities	26,647	32,351	26,019	18,742
NET CASH PROVIDED BY OPERATING ACTIVITIES	61,586	69,846	36,532	32,181
Investing Activities:				
Net additions to property, plant and equipment	(6,799)	(6,756)	(1,935)	(3,430)
Proceeds from sales of marketable securities	76,300	181,028	10,000	88,874
Purchases of marketable securities	(49,100)	(193,340)	(10,000)	(101,634)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	20,401	(19,068)	(1,935)	(16,190)
Financing Activities:				
Change in short-term borrowings, net	-	(10,000)	-	-
Principal payments on long-term borrowings	(5,950)	(5,937)	(173)	(173)
Purchases of treasury stock	(2)	-	(2)	-
Dividends paid	(2,405)	(2,405)	(2,405)	(2,405)
Other	128	-	-	-
NET CASH USED IN FINANCING ACTIVITIES	(8,229)	(18,342)	(2,580)	(2,578)
Effect of exchange rates on cash	(730)	1,634	(683)	669
NET INCREASE IN CASH AND CASH EQUIVALENTS	73,028	34,070	31,334	14,082
Cash and cash equivalents at the beginning of the period	73,563	42,380	115,257	62,368
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	\$ 146,591	\$ 76,450	\$ 146,591	\$ 76,450