

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

	Three Months Ended December 31,	
	<u>2007</u>	<u>2006</u>
	(amounts in thousands, except per share data)	
Net sales		
Products	\$ 112,347	\$ 120,959
Services	90,375	81,976
	<u>202,722</u>	<u>202,935</u>
Cost and expenses		
Products	84,190	99,089
Services	74,891	68,164
Selling, general and administrative	24,779	23,210
Research and development	1,774	781
	<u>185,634</u>	<u>191,244</u>
Operating income	17,088	11,691
Other income (expenses):		
Interest and dividends	1,521	434
Interest expense	(732)	(744)
Other income (expense)	(306)	482
Minority interest in loss of subsidiary	5	262
	<u>5</u>	<u>262</u>
Income before income taxes	17,576	12,125
Income taxes	<u>6,900</u>	<u>3,800</u>
Net income	<u>\$ 10,676</u>	<u>\$ 8,325</u>
Basic and diluted net income per common share	<u>\$ 0.40</u>	<u>\$ 0.31</u>
Average number of common shares outstanding	<u>26,722</u>	<u>26,720</u>

**CUBIC CORPORATION**  
**CONSOLIDATED CONDENSED BALANCE SHEETS**  
(in thousands)

	December 31, 2007 (Unaudited)	September 30, 2007 (See note below)
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 119,082	\$ 73,563
Short-term investments	-	27,200
Accounts receivable, net	267,776	305,672
Inventories	32,456	27,342
Deferred income taxes and other current assets	36,428	39,597
Total current assets	455,742	473,374
Long-term contract receivables	32,100	16,650
Property, plant and equipment - net	56,908	57,251
Goodwill	35,853	36,003
Other assets	14,800	9,287
	\$ 595,403	\$ 592,565
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities:		
Trade accounts payable	\$ 19,166	\$ 27,992
Customer advances	74,508	58,412
Other current liabilities	57,863	69,970
Income taxes payable	727	4,905
Current portion of long-term debt	6,121	6,138
Total current liabilities	158,385	167,417
Long-term debt	26,911	32,699
Other long-term liabilities	20,117	9,678
Shareholders' equity:		
Common stock	12,400	12,357
Retained earnings	383,499	375,299
Accumulated other comprehensive income	30,160	31,184
Treasury stock at cost	(36,069)	(36,069)
	389,990	382,771
	\$ 595,403	\$ 592,565

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