

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

	Three Months Ended	
	December 31,	
	2009	2008
Net sales		
Products	\$ 132,785	\$ 123,077
Services	117,899	121,774
	250,684	244,851
Cost and expenses		
Products	94,855	94,984
Services	103,337	100,231
Selling, general and administrative	28,683	25,206
Research and development	1,737	1,860
Amortization of purchased intangibles	1,698	1,440
	230,310	223,721
Operating income	20,374	21,130
Other income (expenses):		
Interest and dividends	346	570
Interest expense	(450)	(532)
Other income (expense)	593	(85)
	20,863	21,083
Income before income taxes	20,863	21,083
Income taxes	7,200	6,900
	13,663	14,183
Net income	\$ 13,663	\$ 14,183
Basic and diluted net income per common share	\$ 0.51	\$ 0.53
Average number of common shares outstanding	26,732	26,727

CUBIC CORPORATION
CONSOLIDATED CONDENSED BALANCE SHEETS
(in thousands)

	<u>December 31,</u> 2009 (Unaudited)	<u>September 30,</u> 2009 (See note below)
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 234,132	\$ 244,074
Short-term investments	24,070	8,127
Accounts receivable - net	206,333	231,461
Inventories - net	54,510	49,107
Deferred income taxes and other current assets	46,569	52,089
Total current assets	<u>565,614</u>	<u>584,858</u>
Long-term contract receivables	9,300	13,400
Property, plant and equipment - net	48,327	48,895
Goodwill	59,529	59,433
Purchased intangibles	26,952	28,618
Other assets	20,680	21,111
	<u>\$ 730,402</u>	<u>\$ 756,315</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Trade accounts payable	\$ 19,476	\$ 28,626
Customer advances	121,197	123,458
Other current liabilities	84,423	109,536
Income taxes payable	3,053	3,491
Current portion of long-term debt	4,561	4,554
Total current liabilities	<u>232,710</u>	<u>269,665</u>
Long-term debt	16,409	20,570
Other long-term liabilities	46,048	45,235
Shareholders' equity:		
Common stock	12,530	12,530
Retained earnings	469,406	455,743
Accumulated other comprehensive income (loss)	(10,630)	(11,357)
Treasury stock at cost	(36,071)	(36,071)
	<u>435,235</u>	<u>420,845</u>
	<u>\$ 730,402</u>	<u>\$ 756,315</u>

Note: The balance sheet at September 30, 2009 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>2009</u>	<u>2008</u>
Operating Activities:		
Net income	\$ 13,663	\$ 14,183
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	3,562	3,460
Changes in operating assets and liabilities	<u>(5,881)</u>	<u>(13,151)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>11,344</u>	<u>4,492</u>
Investing Activities:		
Acquisitions net of cash acquired	(850)	(6,100)
Net additions to property, plant and equipment	(1,171)	(1,448)
Proceeds from sales of short-term investments	76	-
Purchases of short-term investments	<u>(16,019)</u>	<u>-</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(17,964)</u>	<u>(7,548)</u>
Financing Activities:		
Principal payments on long-term borrowings	<u>(4,214)</u>	<u>(5,568)</u>
NET CASH USED IN FINANCING ACTIVITIES	<u>(4,214)</u>	<u>(5,568)</u>
Effect of exchange rates on cash	<u>892</u>	<u>(12,796)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(9,942)	(21,420)
Cash and cash equivalents at the beginning of the period	<u>244,074</u>	<u>112,696</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 234,132</u>	<u>\$ 91,276</u>