

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

	Nine Months Ended June 30,		Three Months Ended June 30,	
	2015	2014	2015	2014
Net sales:				
Products	\$ 392,884	\$ 405,419	\$ 133,762	\$ 136,649
Services	612,244	596,567	214,044	203,708
	<u>1,005,128</u>	<u>1,001,986</u>	<u>347,806</u>	<u>340,357</u>
Costs and expenses:				
Products	288,926	305,245	94,381	108,301
Services	480,671	480,906	175,334	156,726
Selling, general and administrative	155,603	131,508	55,127	46,489
Research and development	12,830	13,822	5,938	3,949
Amortization of purchased intangibles	21,035	17,056	6,606	5,653
Restructuring costs	5,385	227	127	24
	<u>964,450</u>	<u>948,764</u>	<u>337,513</u>	<u>321,142</u>
Operating income	40,678	53,222	10,293	19,215
Other income (expense):				
Interest and dividend income	1,337	958	434	595
Interest expense	(3,058)	(3,117)	(1,125)	(1,504)
Other income (expense) - net	<u>(1,157)</u>	<u>(1,058)</u>	<u>(257)</u>	<u>(1,098)</u>
Income before income taxes	37,800	50,005	9,345	17,208
Income taxes	<u>34,863</u>	<u>13,240</u>	<u>559</u>	<u>4,992</u>
Net income	2,937	36,765	8,786	12,216
Less noncontrolling interest in income of VIE	<u>29</u>	<u>79</u>	<u>6</u>	<u>10</u>
Net income attributable to Cubic	<u>\$ 2,908</u>	<u>\$ 36,686</u>	<u>\$ 8,780</u>	<u>\$ 12,206</u>
Net income per share attributable to Cubic				
Basic	\$ 0.11	\$ 1.37	\$ 0.33	\$ 0.46
Diluted	\$ 0.11	\$ 1.36	\$ 0.33	\$ 0.45
Dividends per common share	\$ 0.14	\$ 0.12	\$ -	\$ -
Weighted average shares used in per share calculations:				
Basic	26,868	26,786	26,883	26,789
Diluted	26,925	26,901	26,960	26,921

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

	June 30, 2015	September 30, 2014
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 209,305	\$ 215,849
Restricted cash	69,202	69,056
Marketable securities	5,601	1,196
Accounts receivable - net	389,370	394,179
Recoverable income taxes	12,290	16,055
Inventories - net	66,259	38,775
Deferred income taxes and other current assets	37,612	30,277
Total current assets	<u>789,639</u>	<u>765,387</u>
Long-term contract receivables	13,460	15,870
Long-term capitalized contract costs	71,220	76,209
Property, plant and equipment - net	71,377	64,149
Deferred income taxes	2,707	17,849
Goodwill	239,824	184,141
Purchased intangibles - net	80,466	63,618
Other assets	17,855	7,383
	<u>\$ 1,286,548</u>	<u>\$ 1,194,606</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Short-term borrowings	\$ 70,000	\$ -
Trade accounts payable	35,409	31,344
Customer advances	106,448	91,690
Accrued compensation and other current liabilities	133,119	133,367
Income taxes payable	9,979	12,737
Deferred income taxes	4,517	474
Current portion of long-term debt	545	563
Total current liabilities	<u>360,017</u>	<u>270,175</u>
Long-term debt	101,362	101,827
Other long-term liabilities	54,461	40,103
Shareholders' equity:		
Common stock	24,602	20,669
Retained earnings	802,294	803,059
Accumulated other comprehensive loss	(20,362)	(5,372)
Treasury stock at cost	(36,078)	(36,078)
Shareholders' equity related to Cubic	<u>770,456</u>	<u>782,278</u>
Noncontrolling interest in variable interest entity	252	223
Total shareholders' equity	<u>\$ 770,708</u>	<u>\$ 782,501</u>
	<u>\$ 1,286,548</u>	<u>\$ 1,194,606</u>

CUBIC CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

(in thousands)

	Nine Months Ended June 30,		Three Months Ended June 30,	
	2015	2014	2015	2014
Operating Activities:				
Net income	\$ 2,937	\$ 36,765	\$ 8,786	\$ 12,216
Adjustments to reconcile net income to net cash provided by (used in) operating activities:				
Depreciation and amortization	28,717	22,740	8,653	7,511
Share-based compensation expense	6,652	4,370	1,361	1,785
Changes in operating assets and liabilities net of effects from acquisitions	8,186	(27,138)	(33,406)	44,524
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	46,492	36,737	(14,606)	66,036
Investing Activities:				
Acquisition of businesses, net of cash acquired	(90,172)	(83,456)	(712)	(3,773)
Purchases of property, plant and equipment	(15,743)	(13,536)	(13,163)	(2,589)
Purchases of marketable securities	(6,201)	-	(1,611)	-
Proceeds from sales or maturities of marketable securities	1,196	4,055	-	-
Purchases of other assets	(2,993)	-	-	-
NET CASH USED IN INVESTING ACTIVITIES	(113,913)	(92,937)	(15,486)	(6,362)
Financing Activities:				
Proceeds from short-term borrowings	95,000	38,000	25,000	8,000
Principal payments on short-term borrowings	(25,000)	(30,000)	(10,000)	(30,000)
Principal payments on long-term debt	(403)	(431)	(134)	(147)
Proceeds from issuance of common stock	-	113	-	-
Purchases of common stock	(2,652)	-	(929)	-
Dividends paid	(3,627)	(3,215)	-	-
Net change in restricted cash	(146)	353	(45)	(44)
Contingent consideration payments related to acquisitions of businesses	-	(2,368)	-	(1,251)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	63,172	2,452	13,892	(23,442)
Effect of exchange rates on cash	(2,295)	16,697	17,401	5,266
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(6,544)	(37,051)	1,201	41,498
Cash and cash equivalents at the beginning of the period	215,849	203,892	208,104	125,343
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	\$ 209,305	\$ 166,841	\$ 209,305	\$ 166,841
Supplemental disclosure of non-cash investing and financing activities:				
Liability incurred to acquire DTECH, net	\$ 8,898	\$ -	\$ 44	\$ -
Liability incurred to acquire Intific, net	\$ -	\$ 1,173	\$ -	\$ -