

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

	Three Months Ended December 31,	
	2015	2014
Net sales:		
Products	\$ 124,969	\$ 128,612
Services	188,844	189,876
	<u>313,813</u>	<u>318,488</u>
Costs and expenses:		
Products	99,192	104,424
Services	154,656	149,292
Selling, general and administrative	58,491	47,554
Research and development	3,482	4,252
Amortization of purchased intangibles	6,455	5,935
Restructuring costs	(386)	(148)
	<u>321,890</u>	<u>311,309</u>
Operating income (loss)	(8,077)	7,179
Other income (expense):		
Interest and dividend income	398	465
Interest expense	(1,338)	(871)
Other income (expense) - net	175	(916)
	<u> </u>	<u> </u>
Income (loss) before income taxes	(8,842)	5,857
Income taxes	<u>(3,428)</u>	<u>695</u>
Net income (loss)	(5,414)	5,162
Less noncontrolling interest in income of VIE	<u>-</u>	<u>10</u>
Net income (loss) attributable to Cubic	<u>\$ (5,414)</u>	<u>\$ 5,152</u>
Net income (loss) per share attributable to Cubic		
Basic	\$ (0.20)	\$ 0.19
Diluted	\$ (0.20)	\$ 0.19
Weighted average shares used in per share calculations:		
Basic	26,964	26,860
Diluted	26,964	26,885

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

	December 31, 2015	September 30, 2015
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 171,363	\$ 218,476
Restricted cash	71,657	69,245
Marketable securities	23,611	30,533
Accounts receivable - net	352,601	358,925
Recoverable income taxes	8,063	753
Inventories - net	74,134	63,700
Deferred income taxes and other current assets	39,405	33,670
Total current assets	<u>740,834</u>	<u>775,302</u>
Long-term contract receivables	42,080	36,809
Long-term capitalized contract costs	71,689	73,017
Property, plant and equipment - net	82,727	74,690
Deferred income taxes	1,533	11,443
Goodwill	257,255	237,899
Purchased intangibles - net	81,262	72,936
Other assets	7,703	18,180
	<u>\$ 1,285,083</u>	<u>\$ 1,300,276</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Short-term borrowings	\$ 110,000	\$ 60,000
Trade accounts payable	23,245	47,170
Customer advances	80,418	77,083
Accrued compensation and other current liabilities	137,748	143,919
Income taxes payable	3,019	4,675
Deferred income taxes	-	13,404
Current portion of long-term debt	511	525
Total current liabilities	<u>354,941</u>	<u>346,776</u>
Long-term debt	126,021	126,180
Other long-term liabilities	62,287	71,032
Shareholders' equity:		
Common stock	26,020	25,560
Retained earnings	813,172	818,642
Accumulated other comprehensive loss	(61,280)	(51,836)
Treasury stock at cost	(36,078)	(36,078)
Total shareholders' equity	<u>741,834</u>	<u>756,288</u>
	<u>\$ 1,285,083</u>	<u>\$ 1,300,276</u>

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

	Three Months Ended December 31,	
	2015	2014
Operating Activities:		
Net income (loss)	\$ (5,414)	\$ 5,162
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	8,948	8,947
Share-based compensation expense	2,118	1,053
Changes in operating assets and liabilities, net of effects from acquisitions	(55,239)	(6,881)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(49,587)	8,281
Investing Activities:		
Acquisition of businesses, net of cash acquired	(29,718)	(83,423)
Purchases of property, plant and equipment	(10,360)	(876)
Purchases of marketable securities	(7,541)	-
Proceeds from sales or maturities of marketable securities	14,176	-
Purchases of other assets	-	(2,352)
NET CASH USED IN INVESTING ACTIVITIES	(33,443)	(86,651)
Financing Activities:		
Proceeds from short-term borrowings	72,600	60,000
Principal payments on short-term borrowings	(22,600)	-
Principal payments on long-term debt	(131)	(138)
Purchase of common stock	(1,658)	(1,582)
Net change in restricted cash	(2,412)	(59)
Contingent consideration payments related to acquisitions of businesses	(1,679)	-
NET CASH PROVIDED BY FINANCING ACTIVITIES	44,120	58,221
Effect of exchange rates on cash	(8,203)	(8,437)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(47,113)	(28,586)
Cash and cash equivalents at the beginning of the period	218,476	215,849
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	\$ 171,363	\$ 187,263
Supplemental disclosure of non-cash investing and financing activities:		
Liability incurred to acquire TeraLogics, net	\$ 5,098	\$ -
Liability incurred to acquire H4 Global, net	\$ 1,568	\$ -
Liability incurred to acquire DTECH, net	\$ -	\$ 14,891