

EXPONENT, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
For the Quarters Ended March 31, 2006 and April 1, 2005
(in thousands, except per share data)

	Quarter Ended	
	March 31, 2006	April 1, 2005
Revenues		
Revenues before reimbursements	\$ 39,619	\$ 36,929
Reimbursements	2,408	2,267
Revenues	<u>42,027</u>	<u>39,196</u>
Operating expenses		
Compensation and related expenses	25,496	23,373
Other operating expenses	4,765	4,664
Reimbursable expenses	2,408	2,267
General and administrative expenses	2,697	2,316
Stock-based compensation	1,271	521
	<u>36,637</u>	<u>33,141</u>
Operating income	5,390	6,055
Other income		
Interest income, net	498	234
Miscellaneous income, net	378	114
	<u>876</u>	<u>348</u>
Income before income taxes	6,266	6,403
Income taxes	<u>2,444</u>	<u>2,536</u>
Net income	<u>\$ 3,822</u>	<u>\$ 3,867</u>
Net income per share:		
Basic	\$ 0.46	\$ 0.48
Diluted	\$ 0.43	\$ 0.45
Shares used in per share computations:		
Basic	8,248	8,023
Diluted	8,894	8,673

EXPONENT, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
March 31, 2006 and December 30, 2005
(in thousands)

	March 31, 2006	December 30, 2005
Assets		
Current assets:		
Cash and cash equivalents	\$ 10,196	\$ 13,216
Short-term investments	60,467	55,682
Accounts receivable, net	48,037	46,211
Prepaid expenses and other assets	2,632	2,900
Deferred income taxes	2,471	2,156
Total current assets	<u>123,803</u>	<u>120,165</u>
Property, equipment and leasehold improvements, net	29,826	29,839
Goodwill	8,607	8,607
Other assets	6,436	5,630
	<u>\$ 168,672</u>	<u>\$ 164,241</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 4,799	\$ 4,136
Accrued payroll and employee benefits	15,753	19,910
Deferred revenues	2,425	2,364
Total current liabilities	<u>22,977</u>	<u>26,410</u>
Other liabilities	3,774	3,487
Deferred rent	1,137	1,144
Total liabilities	<u>27,888</u>	<u>31,041</u>
Stockholders' equity:		
Common stock	8	8
Additional paid-in capital	48,718	44,963
Accumulated other comprehensive loss	(86)	(93)
Retained earnings	92,144	88,322
Total stockholders' equity	<u>140,784</u>	<u>133,200</u>
	<u>\$ 168,672</u>	<u>\$ 164,241</u>

EXPONENT, INC.
EBITDAS (1)
For the Quarters Ended March 31, 2006 and April 1, 2005
(in thousands)

	Quarter Ended	
	March 31, 2006	April 1, 2005
Net Income	\$ 3,822	\$ 3,867
Add back (subtract):		
Income taxes	2,444	2,536
Interest income, net	(498)	(234)
Depreciation and amortization	882	818
Stock-based compensation	1,271	521
EBITDAS (1)	\$ 7,921	\$ 7,508

(1) EBITDAS is a non-GAAP financial measure defined by the Company as net income before income taxes, interest income, depreciation and amortization, and stock-based compensation. The Company regards EBITDAS as a useful measure of operating performance and cash flow to compliment operating income, net income and other GAAP financial performance measures. Additionally, management believes that EBITDAS provides meaningful comparisons of past, present and future operating results. Generally, a non-GAAP financial measure is a numerical measure of a company's performance, financial position or cash flow that either excludes or includes amounts that are not normally excluded or included in the most directly comparable measure calculated and presented in accordance with GAAP. This measure, however, should be considered in addition to, and not as a substitute or superior to, operating income, cash flows, or other measures of financial performance prepared in accordance with GAAP.