

EXPONENT, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
For the Quarters Ended December 31, 2004 and January 2, 2004
(in thousands, except per share data)

	<u>Quarters Ended</u>		<u>Year Ended</u>	
	<u>December 31, 2004</u>	<u>January 2, 2004</u>	<u>December 31, 2004</u>	<u>January 2, 2004</u>
Revenues				
Revenues before reimbursements	\$ 32,049	\$ 30,714	\$ 138,718	\$ 125,943
Reimbursements	3,010	3,568	12,791	13,733
Revenues	35,059	34,282	151,509	139,676
Operating expenses				
Compensation and related expenses	21,420	20,409	90,760	82,297
Other operating expenses	4,884	4,463	18,801	17,897
Reimbursable expenses	3,010	3,568	12,791	13,733
General and administrative expenses	2,819	2,378	9,833	8,847
	32,133	30,818	132,185	122,774
Operating income	2,926	3,464	19,324	16,902
Other income				
Interest income, net	172	75	471	134
Miscellaneous income, net	231	182	608	660
	403	257	1,079	794
Income before income taxes	3,329	3,721	20,403	17,696
Income taxes	1,363	1,546	8,363	7,530
Net income	<u>\$ 1,966</u>	<u>\$ 2,175</u>	<u>\$ 12,040</u>	<u>\$ 10,166</u>
Net income per share:				
Basic	\$ 0.25	\$ 0.30	\$ 1.56	\$ 1.41
Diluted	\$ 0.23	\$ 0.27	\$ 1.41	\$ 1.27
Shares used in per share computations:				
Basic	8,008	7,246	7,707	7,196
Diluted	8,737	8,173	8,531	7,996

EXPONENT, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
December 31, 2004 and January 2, 2004
(in thousands)

	December 31, 2004	January 2, 2004
Assets		
Current assets:		
Cash and cash equivalents	\$ 16,480	\$ 19,490
Short-term investments	43,566	22,108
Accounts receivable, net	38,586	35,844
Prepaid expenses and other assets	2,674	2,255
Deferred income taxes	2,154	2,052
Total current assets	<u>103,460</u>	<u>81,749</u>
Property, equipment and leasehold improvements, net	30,211	30,793
Goodwill	8,607	8,607
Deferred income taxes	130	-
Other assets	1,673	693
	<u>\$ 144,081</u>	<u>\$ 121,842</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 4,330	\$ 4,838
Accrued payroll and employee benefits	18,528	16,528
Deferred revenues	1,681	2,864
Total current liabilities	<u>24,539</u>	<u>24,230</u>
Other liabilities	1,471	169
Deferred income taxes	-	1,211
Deferred rent	1,087	1,031
Total liabilities	<u>27,097</u>	<u>26,641</u>
Stockholders' equity:		
Common stock	8	8
Additional paid-in capital	42,295	36,380
Deferred stock-based compensation	(907)	(69)
Accumulated other comprehensive income (loss)	63	94
Retained earnings	75,525	64,237
Treasury shares, at cost	-	(5,449)
Total stockholders' equity	<u>116,984</u>	<u>95,201</u>
	<u>\$ 144,081</u>	<u>\$ 121,842</u>