

EXPONENT, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
For the Quarters and Years Ended January 1, 2010 and January 2, 2009
(in thousands, except per share data)

	<u>Quarter Ended</u>		<u>Year Ended</u>	
	<u>January 1, 2010 (13 Weeks)</u>	<u>January 2, 2009 (14 Weeks)</u>	<u>January 1, 2010 (52 Weeks)</u>	<u>January 2, 2009 (53 Weeks)</u>
<u>Revenues</u>				
Revenues before reimbursements	\$ 47,688	\$ 51,620	\$ 205,714	\$ 206,194
Reimbursements	4,291	7,272	22,168	22,644
Revenues	<u>51,979</u>	<u>58,892</u>	<u>227,882</u>	<u>228,838</u>
<u>Operating expenses</u>				
Compensation and related expenses	32,736	33,665	140,107	133,469
Other operating expenses	5,423	5,978	21,340	22,614
Reimbursable expenses	4,291	7,272	22,168	22,644
General and administrative expenses	2,767	3,847	11,005	13,389
	<u>45,217</u>	<u>50,762</u>	<u>194,620</u>	<u>192,116</u>
Operating income	6,762	8,130	33,262	36,722
<u>Other income</u>				
Interest income, net	87	345	614	1,707
Miscellaneous income, net	880	(182)	3,145	65
	<u>967</u>	<u>163</u>	<u>3,759</u>	<u>1,772</u>
Income before income taxes	7,729	8,293	37,021	38,494
Income taxes	<u>3,218</u>	<u>3,215</u>	<u>14,894</u>	<u>15,334</u>
Net income	<u>\$ 4,511</u>	<u>\$ 5,078</u>	<u>\$ 22,127</u>	<u>\$ 23,160</u>
<u>Net income per share:</u>				
Basic	\$ 0.32	\$ 0.36	\$ 1.56	\$ 1.57
Diluted	\$ 0.30	\$ 0.34	\$ 1.47	\$ 1.47
<u>Shares used in per share computations:</u>				
Basic	14,245	14,210	14,186	14,710
Diluted	14,986	15,135	15,030	15,724

EXPONENT, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
January 1, 2010 and January 2, 2009
(in thousands)

	<u>January 1, 2010</u>	<u>January 2, 2009</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 67,895	\$ 32,598
Short-term investments	7,490	24,772
Accounts receivable, net	62,662	62,208
Prepaid expenses and other assets	5,789	6,275
Deferred income taxes	4,494	4,455
Total current assets	<u>148,330</u>	<u>130,308</u>
Property, equipment and leasehold improvements, net	29,115	31,371
Goodwill	8,607	8,607
Other assets	20,429	12,804
	<u>\$ 206,481</u>	<u>\$ 183,090</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 4,498	\$ 6,536
Accrued payroll and employee benefits	35,822	35,528
Deferred revenues	4,757	6,171
Total current liabilities	<u>45,077</u>	<u>48,235</u>
Other liabilities	9,910	4,968
Deferred rent	1,423	1,793
Total liabilities	<u>56,410</u>	<u>54,996</u>
Stockholders' equity:		
Common stock	16	16
Additional paid-in capital	83,808	72,734
Accumulated other comprehensive loss	(367)	(345)
Retained earnings	139,606	127,127
Treasury stock, at cost	(72,992)	(71,438)
Total stockholders' equity	<u>150,071</u>	<u>128,094</u>
	<u>\$ 206,481</u>	<u>\$ 183,090</u>

EXPONENT, INC.
EBITDA and EBITDAS (1)
For the Quarters and Years Ended January 1, 2010 and January 2, 2009
(in thousands)

	<u>Quarter Ended</u>		<u>Year Ended</u>	
	<u>January 1, 2010 (13 Weeks)</u>	<u>January 2, 2009 (14 Weeks)</u>	<u>January 1, 2010 (52 Weeks)</u>	<u>January 2, 2009 (53 Weeks)</u>
Net Income	\$ 4,511	\$ 5,078	\$ 22,127	\$ 23,160
Add back (subtract):				
Income taxes	3,218	3,215	14,894	15,334
Interest income, net	(87)	(345)	(614)	(1,707)
Depreciation and amortization	1,080	1,125	4,352	4,109
EBITDA (1)	<u>8,722</u>	<u>9,073</u>	<u>40,759</u>	<u>40,896</u>
Stock-based compensation	1,494	1,476	7,931	7,828
EBITDAS (1)	<u>\$ 10,216</u>	<u>\$ 10,549</u>	<u>\$ 48,690</u>	<u>\$ 48,724</u>

(1) EBITDA is a non-GAAP financial measure defined by the Company as net income before income taxes, interest income, depreciation and amortization. EBITDAS is a non-GAAP financial measure defined by the Company as EBITDA before stock-based compensation. The Company regards EBITDA and EBITDAS as useful measures of operating performance and cash flow to compliment operating income, net income and other GAAP financial performance measures. Additionally, management believes that EBITDA and EBITDAS provide 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. These measures, 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.