

EXPONENT, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
For the Quarters Ended July 3, 2009 and June 27, 2008
(unaudited)
(in thousands, except per share data)

| | <u>Quarter Ended</u> | | <u>Six Months Ended</u> | |
|--|-------------------------|--------------------------|-------------------------|--------------------------|
| | <u>July 3, 2009</u> | <u>June 27, 2008</u> | <u>July 3, 2009</u> | <u>June 27, 2008</u> |
| <u>Revenues</u> | | | | |
| Revenues before reimbursements | \$ 52,429 | \$ 50,801 | \$ 107,360 | \$ 102,823 |
| Reimbursements | 8,433 | 4,155 | 13,298 | 8,393 |
| Revenues | <u>60,862</u> | <u>54,956</u> | <u>120,658</u> | <u>111,216</u> |
| <u>Operating expenses</u> | | | | |
| Compensation and related expenses | 34,954 | 33,197 | 72,800 | 66,707 |
| Other operating expenses | 5,309 | 5,588 | 10,586 | 11,016 |
| Reimbursable expenses | 8,433 | 4,155 | 13,298 | 8,393 |
| General and administrative expenses | 3,227 | 3,207 | 5,859 | 6,196 |
| | <u>51,923</u> | <u>46,147</u> | <u>102,543</u> | <u>92,312</u> |
| Operating income | 8,939 | 8,809 | 18,115 | 18,904 |
| <u>Other income</u> | | | | |
| Interest income, net | 200 | 463 | 434 | 965 |
| Miscellaneous income, net | 898 | 355 | 1,056 | 290 |
| | <u>1,098</u> | <u>818</u> | <u>1,490</u> | <u>1,255</u> |
| Income before income taxes | 10,037 | 9,627 | 19,605 | 20,159 |
| Income taxes | <u>4,012</u> | <u>3,834</u> | <u>7,822</u> | <u>8,019</u> |
| Net income | <u>\$ 6,025</u> | <u>\$ 5,793</u> | <u>\$ 11,783</u> | <u>\$ 12,140</u> |
| <u>Net income per share:</u> | | | | |
| Basic | \$ 0.43 | \$ 0.38 | \$ 0.83 | \$ 0.81 |
| Diluted | \$ 0.40 | \$ 0.36 | \$ 0.79 | \$ 0.76 |
| <u>Shares used in per share computations:</u> | | | | |
| Basic | 14,167 | 15,086 | 14,129 | 14,966 |
| Diluted | 15,013 | 16,100 | 14,998 | 16,050 |

EXPONENT, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
July 3, 2009 and January 2, 2009
(unaudited)
(in thousands)

| | <u>July 3, 2009</u> | <u>January 2, 2009</u> |
|---|-------------------------|----------------------------|
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 39,109 | \$ 32,598 |
| Short-term investments | 12,953 | 24,772 |
| Accounts receivable, net | 73,405 | 62,208 |
| Prepaid expenses and other assets | 8,529 | 6,275 |
| Deferred income taxes | 4,845 | 4,455 |
| Total current assets | <u>138,841</u> | <u>130,308</u> |
| Property, equipment and leasehold improvements, net | 30,350 | 31,371 |
| Goodwill | 8,607 | 8,607 |
| Other assets | 15,917 | 12,804 |
| | <u>\$ 193,715</u> | <u>\$ 183,090</u> |
| Liabilities and Stockholders' Equity | | |
| Current liabilities: | | |
| Accounts payable and accrued liabilities | \$ 5,369 | \$ 6,536 |
| Accrued payroll and employee benefits | 30,000 | 35,528 |
| Deferred revenues | 7,213 | 6,171 |
| Total current liabilities | <u>42,582</u> | <u>48,235</u> |
| Other liabilities | 7,734 | 4,968 |
| Deferred rent | 1,515 | 1,793 |
| Total liabilities | <u>51,831</u> | <u>54,996</u> |
| Stockholders' equity: | | |
| Common stock | 16 | 16 |
| Additional paid-in capital | 80,876 | 72,734 |
| Accumulated other comprehensive loss | (387) | (345) |
| Retained earnings | 132,788 | 127,127 |
| Treasury stock, at cost | (71,409) | (71,438) |
| Total stockholders' equity | <u>141,884</u> | <u>128,094</u> |
| | <u>\$ 193,715</u> | <u>\$ 183,090</u> |

EXPONENT, INC.
EBITDA and EBITDAS (1)
For the Quarters Ended July 3, 2009 and June 27, 2008
(unaudited)
(in thousands)

| | <u>Quarter Ended</u> | | <u>Six Months Ended</u> | |
|-------------------------------|-------------------------|--------------------------|-------------------------|--------------------------|
| | <u>July 3, 2009</u> | <u>June 27, 2008</u> | <u>July 3, 2009</u> | <u>June 27, 2008</u> |
| Net Income | \$ 6,025 | \$ 5,793 | \$ 11,783 | \$ 12,140 |
| Add back (subtract): | | | | |
| Income taxes | 4,012 | 3,834 | 7,822 | 8,019 |
| Interest income, net | (200) | (463) | (434) | (965) |
| Depreciation and amortization | 1,101 | 984 | 2,179 | 1,925 |
| EBITDA (1) | <u>10,938</u> | <u>10,148</u> | <u>21,350</u> | <u>21,119</u> |
| Stock-based compensation | 1,649 | 1,759 | 4,744 | 4,626 |
| EBITDAS (1) | <u>\$ 12,587</u> | <u>\$ 11,907</u> | <u>\$ 26,094</u> | <u>\$ 25,745</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.