

**EXPONENT, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF INCOME**  
**For the Quarters Ended October 2, 2009 and September 26, 2008**  
**(unaudited)**  
**(in thousands, except per share data)**

	<u>Quarter Ended</u>		<u>Nine Months Ended</u>	
	<u>October 2, 2009</u>	<u>September 26, 2008</u>	<u>October 2, 2009</u>	<u>September 26, 2008</u>
<b><u>Revenues</u></b>				
Revenues before reimbursements	\$ 50,666	\$ 51,751	\$ 158,026	\$ 154,574
Reimbursements	4,579	6,979	17,877	15,372
Revenues	<u>55,245</u>	<u>58,730</u>	<u>175,903</u>	<u>169,946</u>
<b><u>Operating expenses</u></b>				
Compensation and related expenses	34,571	33,097	107,371	99,804
Other operating expenses	5,331	5,620	15,917	16,636
Reimbursable expenses	4,579	6,979	17,877	15,372
General and administrative expenses	2,379	3,346	8,238	9,542
	<u>46,860</u>	<u>49,042</u>	<u>149,403</u>	<u>141,354</u>
Operating income	8,385	9,688	26,500	28,592
<b><u>Other income</u></b>				
Interest income, net	93	397	527	1,362
Miscellaneous income, net	1,209	(43)	2,265	247
	<u>1,302</u>	<u>354</u>	<u>2,792</u>	<u>1,609</u>
Income before income taxes	9,687	10,042	29,292	30,201
<b>Income taxes</b>	<u>3,854</u>	<u>4,100</u>	<u>11,676</u>	<u>12,119</u>
Net income	<u>\$ 5,833</u>	<u>\$ 5,942</u>	<u>\$ 17,616</u>	<u>\$ 18,082</u>
<b><u>Net income per share:</u></b>				
Basic	\$ 0.41	\$ 0.40	\$ 1.24	\$ 1.21
Diluted	\$ 0.39	\$ 0.38	\$ 1.17	\$ 1.13
<b><u>Shares used in per share computations:</u></b>				
Basic	14,241	14,736	14,167	14,890
Diluted	15,028	15,709	15,029	15,937

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

	<b>October 2, 2009</b>	<b>January 2, 2009</b>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 48,513	\$ 32,598
Short-term investments	8,757	24,772
Accounts receivable, net	68,669	62,208
Prepaid expenses and other assets	7,979	6,275
Deferred income taxes	5,085	4,455
Total current assets	139,003	130,308
Property, equipment and leasehold improvements, net	29,841	31,371
Goodwill	8,607	8,607
Other assets	18,483	12,804
	<u>\$ 195,934</u>	<u>\$ 183,090</u>
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 5,148	\$ 6,536
Accrued payroll and employee benefits	28,864	35,528
Deferred revenues	5,123	6,171
Total current liabilities	39,135	48,235
Other liabilities	9,056	4,968
Deferred rent	1,459	1,793
Total liabilities	49,650	54,996
Stockholders' equity:		
Common stock	16	16
Additional paid-in capital	82,763	72,734
Accumulated other comprehensive loss	(296)	(345)
Retained earnings	136,121	127,127
Treasury stock, at cost	(72,320)	(71,438)
Total stockholders' equity	146,284	128,094
	<u>\$ 195,934</u>	<u>\$ 183,090</u>

**EXPONENT, INC.**  
**EBITDA and EBITDAS (1)**  
**For the Quarters Ended October 2, 2009 and September 26, 2008**  
**(unaudited)**  
**(in thousands)**

	Quarter Ended		Nine Months Ended	
	October 2, 2009	September 26, 2008	October 2, 2009	September 26, 2008
Net Income	\$ 5,833	\$ 5,942	\$ 17,616	\$ 18,082
Add back (subtract):				
Income taxes	3,854	4,100	11,676	12,119
Interest income, net	(93)	(397)	(527)	(1,362)
Depreciation and amortization	1,093	1,059	3,272	2,984
<b>EBITDA (1)</b>	<u>10,687</u>	<u>10,704</u>	<u>32,037</u>	<u>31,823</u>
Stock-based compensation	1,693	1,726	6,437	6,352
<b>EBITDAS (1)</b>	<u>\$ 12,380</u>	<u>\$ 12,430</u>	<u>\$ 38,474</u>	<u>\$ 38,175</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.