

STRATEGIC DIAGNOSTICS INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except share and per share data)
(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2010	2009	2010	2009
Revenues	\$ 6,796	\$ 6,853	\$ 13,487	\$13,755
OPERATING EXPENSES:				
Manufacturing	2,764	3,223	5,519	6,320
Research and development	764	820	1,440	1,483
Selling, general and administrative	3,469	3,524	7,184	7,244
Gain on disposal of assets	-	-	(8)	-
Total operating expenses	6,997	7,567	14,135	15,047
Operating loss	(201)	(714)	(648)	(1,292)
Interest income (expense), net	(14)	-	(26)	5
Loss before taxes	(215)	(714)	(674)	(1,287)
Income tax expense	-	20	-	8
Net loss	\$ (215)	\$ (734)	\$ (674)	\$ (1,295)
Basic loss per share	\$ (0.01)	\$ (0.04)	\$ (0.03)	\$ (0.06)
Shares used in computing basic loss per share	20,229,963	20,105,814	20,209,158	20,070,882
Diluted loss per share	\$ (0.01)	\$ (0.04)	\$ (0.03)	\$ (0.06)
Shares used in computing diluted loss per share	20,229,963	20,105,814	20,209,158	20,070,882

STRATEGIC DIAGNOSTICS INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(in thousands, except share and per share data)
(unaudited)

	June 30, 2010	December 31, 2009
ASSETS		
Current Assets :		
Cash and cash equivalents	\$ 7,650	\$ 7,937
Restricted cash	1,250	1,250
Receivables, net	3,907	3,650
Inventories	3,658	3,714
Deferred tax asset	1	1
Other current assets	761	551
Total current assets	17,227	17,103
Property and equipment, net	4,307	4,626
Other assets	85	10
Deferred tax asset	51	51
Intangible assets, net	1,378	1,435
Total assets	\$ 23,048	\$ 23,225
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities :		
Current portion of long-term debt	\$ 400	\$ 400
Accounts payable	449	571
Accrued expenses	1,978	1,386
Deferred revenue	2	75
Total current liabilities	2,829	2,432
Long-term debt	500	700
Stockholders' Equity:		
Preferred stock, \$.01 par value, 20,920,648 shares authorized, no shares issued or outstanding	-	-
Common stock, \$.01 par value, 35,000,000 shares authorized, 20,902,030 and 20,786,515 issued at June 30, 2010 and December 31, 2009, respectively	209	208
Additional paid-in capital	41,294	40,958
Treasury stock, 406,627 common shares at cost at June 30, 2010 and December 31, 2009	(555)	(555)
Accumulated deficit	(20,950)	(20,276)
Cumulative translation adjustments	(279)	(242)
Total stockholders' equity	19,719	20,093
Total liabilities and stockholders' equity	\$ 23,048	\$ 23,225