

STRATEGIC DIAGNOSTICS INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands, except share and per share data)
(unaudited)

	Three Months Ended March 31,	
	2010	2009
Revenues	\$ 6,691	\$ 6,902
OPERATING EXPENSES:		
Manufacturing	2,755	3,097
Research and development	676	663
Selling, general and administrative	3,715	3,720
Gain on disposal of assets	(8)	-
Total operating expenses	7,138	7,480
Operating loss	(447)	(578)
Interest income (expense), net	(12)	5
Loss before taxes	(459)	(573)
Income tax expense (benefit)	-	(12)
Net loss	(459)	(561)
Basic loss per share	\$ (0.02)	\$ (0.03)
Shares used in computing basic loss per share	20,187,890	20,035,174
Diluted loss per share	\$ (0.02)	\$ (0.03)
Shares used in computing diluted loss per share	20,187,890	20,035,174

STRATEGIC DIAGNOSTICS INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(in thousands, except share and per share data)
(unaudited)

	March 31, 2010	December 31, 2009
ASSETS		
Current Assets :		
Cash and cash equivalents	\$ 8,066	\$ 7,937
Restricted cash	1,250	1,250
Receivables, net	3,301	3,650
Inventories	3,710	3,714
Deferred tax asset	1	1
Other current assets	1,015	551
Total current assets	17,343	17,103
Property and equipment, net	4,399	4,626
Other assets	105	10
Deferred tax asset	51	51
Intangible assets, net	1,406	1,435
Total assets	\$ 23,304	\$ 23,225
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities :		
Current portion of long-term debt	\$ 400	\$ 400
Accounts payable	399	571
Accrued expenses	2,087	1,386
Deferred revenue	84	75
Total current liabilities	2,970	2,432
Long-term debt	600	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, 20,806,247 and 20,786,515 issued at March 31, 2010 and December 31, 2009, respectively	208	208
Additional paid-in capital	41,091	40,958
Treasury stock, 406,627 common shares at cost at March 31, 2010 and December 31, 2009	(555)	(555)
Accumulated deficit	(20,735)	(20,276)
Cumulative translation adjustments	(275)	(242)
Total stockholders' equity	19,734	20,093
Total liabilities and stockholders' equity	\$ 23,304	\$ 23,225