

ARGAN, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Operations
(Unaudited)

	Three Months Ended April 30,	
	2009	2008
Net revenues		
Power industry services	\$ 58,035,000	\$ 44,008,000
Nutritional products	2,817,000	2,399,000
Telecommunications infrastructure services	2,258,000	1,999,000
Net revenues	63,110,000	48,406,000
Cost of revenues		
Power industry services	51,375,000	38,576,000
Nutritional products	2,558,000	2,323,000
Telecommunications infrastructure services	1,749,000	1,774,000
Cost of revenues	55,682,000	42,673,000
Gross profit	7,428,000	5,733,000
Selling, general and administrative expenses	3,214,000	4,011,000
Income from operations	4,214,000	1,722,000
Investment income	51,000	504,000
Interest expense	(62,000)	(120,000)
Equity in the earnings of unconsolidated subsidiary	610,000	--
Income from operations before income taxes	4,813,000	2,106,000
Income tax expense	(1,846,000)	(551,000)
Net income	\$ 2,967,000	\$ 1,555,000
Basic income per share	\$ 0.22	\$ 0.14
Diluted income per share	\$ 0.22	\$ 0.14
Weighted average number of shares outstanding		
Basic	13,445,000	11,118,000
Diluted	13,714,000	11,429,000

ARGAN, INC. AND SUBSIDIARIES

Reconciliations to Consolidated EBITDA (Unaudited)

	Three Months Ended April 30,	
	2009	2008
Net income, as reported	\$ 2,967,000	\$ 1,555,000
Interest expense	62,000	120,000
Income tax expense	1,846,000	551,000
Amortization of purchased intangible assets	89,000	772,000
Depreciation and other amortization	147,000	339,000
EBITDA	\$ 5,111,000	\$ 3,337,000

Reconciliations to EBITDA Power Industry Services (Unaudited)

	Three Months Ended April 30,	
	2009	2008
Income before income taxes, as reported	\$ 6,092,000	\$ 3,992,000
Interest expense	56,000	102,000
Amortization of purchased intangible assets	88,000	724,000
Depreciation and other amortization	47,000	48,000
EBITDA	\$ 6,283,000	\$ 4,866,000

Management uses EBITDA, a non-GAAP financial measure, for planning purposes, including the preparation of operating budgets and to determine appropriate levels of operating and capital investments. Management believes that EBITDA provides additional insight for analysts and investors in evaluating the Company's financial and operational performance and in assisting investors in comparing the Company's financial performance to those of other companies in the Company's industry. However, EBITDA is not intended to be an alternative to financial measures prepared in accordance with GAAP and should not be considered in isolation from our GAAP results of operations. Pursuant to the requirements of SEC Regulation G, a reconciliation between the Company's GAAP and non-GAAP financial results is provided above and investors are advised to carefully review and consider this information as well as the GAAP financial results that are presented in the Company's SEC filings.

ARGAN, INC. AND SUBSIDIARIES
Condensed Consolidated Balance Sheets

	April 30, 2009	January 31, 2009
	(Unaudited)	(Note 1)
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 57,887,000	\$ 74,666,000
Accounts receivable, net of allowance for doubtful accounts	22,172,000	12,986,000
Escrowed cash	10,004,000	10,000,000
Costs and estimated earnings in excess of billings	4,713,000	6,325,000
Inventories, net of obsolescence reserve	1,669,000	1,347,000
Prepaid expenses and other current assets	618,000	768,000
Deferred income tax assets	1,073,000	1,660,000
TOTAL CURRENT ASSETS	98,136,000	107,752,000
Property and equipment, net of accumulated depreciation	1,132,000	1,214,000
Goodwill	18,476,000	18,476,000
Intangible assets, net of accumulated amortization	3,566,000	3,655,000
Investment in unconsolidated subsidiary	2,717,000	2,107,000
Deferred income tax assets	1,795,000	1,743,000
Other assets	178,000	217,000
TOTAL ASSETS	\$ 126,000,000	\$ 135,164,000
 LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$ 25,731,000	\$ 31,808,000
Accrued expenses	10,688,000	14,992,000
Billings in excess of cost and estimated earnings	3,445,000	5,102,000
Current portion of long-term debt	2,170,000	2,301,000
TOTAL CURRENT LIABILITIES	42,034,000	54,203,000
Long-term debt	1,333,000	1,833,000
Other liabilities	25,000	22,000
TOTAL LIABILITIES	43,392,000	56,058,000
STOCKHOLDERS' EQUITY		
Preferred stock, par value \$0.10 per share; 500,000 shares authorized; no shares issued and outstanding	--	--
Common stock, par value \$0.15 per share; 30,000,000 shares authorized; 13,468,684 and 13,437,684 shares issued at 4/30/09 and 1/31/09, and 13,465,451 and 13,434,451 shares outstanding at 4/30/09 and 1/31/09, respectively	2,020,000	2,015,000
Warrants outstanding	683,000	738,000
Additional paid-in capital	85,352,000	84,786,000
Accumulated other comprehensive loss	(44,000)	(63,000)
Accumulated deficit	(5,370,000)	(8,337,000)
Treasury stock, at cost; 3,233 shares at 4/30/09 and 1/31/09	(33,000)	(33,000)
TOTAL STOCKHOLDERS' EQUITY	82,608,000	79,106,000
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 126,000,000	\$ 135,164,000

Note 1 - The condensed consolidated balance sheet as of January 31, 2009 has been derived from audited financial statements.