UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K/A

(Amendment No. 1)

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): June 9, 2008

WILLDAN GROUP, INC.

(Exact name of registrant as specified in its charter)

Delaware	**001-33076**	**14-1951112**
(State or other jurisdiction of incorporation)	(Commission File No.)	(I.R.S. Employer Identification Number)

2401 East Katella Avenue, Suite 300, Anaheim, California 92806
(Address of Principal Executive Offices) (Zip Code)

Registrant’s telephone number, including area code: **(800) 424-9144**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

EXPLANATORY NOTE

The purpose of this Report is to amend the Current Report on Form 8-K of Willdan Group, Inc. (“Willdan”) filed with the United States Securities and Exchange Commission on June 9, 2008 related to the acquisition of Intergy Corporation (“Intergy”) pursuant to the terms of a stock purchase agreement, dated as of June 9, 2008, by and among Willdan, Intergy, Mr. Ashish Goel and Mr. Alok (Jay) Bhalla. This Form 8-K/A amends the Form 8-K filed on June 9, 2008 by amending and restating Item 9.01 to include the financial statements and pro forma financial information required by Item 9.01 of Form 8-K.

Item 9.01 Financial Statements and Exhibits

(a) Financial Statements of Business Acquired

(1) Audited financial statements of Intergy, including Intergy’s consolidated balance sheets as of December 31, 2007 and 2006 and the related consolidated statements of income, retained earnings and cash flows for the years ended December 31, 2007 and 2006, are being filed as Exhibit 99.2 to this Form 8-K/A and are incorporated herein by reference.

(2) Unaudited financial statements of Intergy, including the consolidated statements of income and cash flows for the three months ended March 31, 2008 and 2007, are being filed as Exhibit 99.3 to this Form 8-K/A and are incorporated herein by reference.

(b) Pro Forma Financial Information

Unaudited pro forma condensed consolidating statements of operations for Willdan for the six months ended June 27, 2008 and for the year ended December 28, 2007, giving effect to the acquisition of Intergy, and the notes thereto, are being filed as Exhibit 99.4 to this Form 8-K/A and are incorporated herein by reference.

(d) *Exhibits*

Exhibit No.	Description
2.01*	Stock Purchase Agreement, dated as of June 9, 2008, by and among Willdan Group, Inc., Intergy Corporation and the Stockholders of Intergy Corporation
23.1	Consent of Naresh Arora
99.1*	Press release of Willdan Group, Inc., dated June 9, 2008
99.2	Audited Consolidated Balance Sheets of Intergy Corporation as of December 31, 2007 and 2006, and the related Consolidated Statements of Income, Retained Earnings, and Cash Flows for the years then ended, and the notes thereto.
99.3	Unaudited Consolidated Statements of Income and Cash Flows for the three months ended March 31, 2008 and 2007.
99.4	Unaudited Pro Forma Condensed Consolidating Statements of Operations for Willdan Group, Inc. for the six months ended June 27, 2008 and for the year ended December 28, 2007, and the notes thereto.

*Previously filed on Willdan's Current Report on Form 8-K filed with the Securities and Exchange Commission on June 9, 2008.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Willdan Group, Inc.

Date: August 21, 2008

By: /s/ Kimberly D. Gant
Name: Kimberly D. Gant
Title: Chief Financial Office and Senior Vice President

EXHIBIT INDEX

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*Previously filed on Willdan's Current Report on Form 8-K filed with the Securities and Exchange Commission on June 9, 2008

NARESH ARORA
certified public accountant
2350 Mission College Blvd., Suite #1160, Santa Clara, CA 95054
Phone: 408-988-2900 | Fax: 408-988-2907 | naresh@taxguru.com

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (Nos. 333-139127 and 333-152951) of Willdan Group, Inc. of our report dated April 30, 2008 relating to the consolidated financial statements of Intergy Corporation.

Naresh Arora

Nareshkumar H. Arora, Certified Public Accountant

Santa Clara, California
August 20, 2008

Exhibit 99.2

NARESH ARORA
certified public accountant
2350 Mission College Blvd., Suite #1160, Santa Clara, CA 95054
Phone: 408-988-2900 | Fax: 408-988-2907 | naresh@taxguru.com

To the Board of Directors
Intergy Corporation
11875 Dublin Blvd., Suite A-201
Dublin, CA 94566

We have audited the accompanying consolidated balance sheets of Intergy Corporation, and its subsidiary (together referred to as “Intergy”) as of December 31, 2007 and 2006, and the related consolidated statements of income, retained earnings and cash flows for the years then ended. These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, based on our audit, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Intergy Corporation and its subsidiary as of December 31, 2007 and 2006, and the results of their operations and their cash flows for the years then ended in conformity with generally accepted accounting principles.

As described in Note B, the accompanying financial statements of Intergy for the year ended December 31, 2007 have been restated. We therefore withdraw our previous report dated March 5, 2008 on those financial statements, as originally filed.

The Company and its subsidiary, with the consent of its shareholders, have elected under the Internal Revenue Code to be an S corporation. In lieu of corporation income taxes, the shareholders of an S corporation are taxed on their proportionate share of the Company’s taxable income. Therefore, no provision or liability for federal income taxes has been included in these financial statements.

Naresh Arora

Santa Clara, California
April 30, 2008

INTERGY CORPORATION
CONSOLIDATED BALANCE SHEETS

	DECEMBER 31, 2007 (RESTATED)	DECEMBER 31, 2006
ASSETS		
CURRENT ASSETS		
Cash	$ 126,647	$ 85,325
Trade accounts receivable and unbilled revenue, net of allowance for doubtful debts $58,000	2,084,265	365,372
Advances to officers	—	353,575
Prepaid franchise tax	4,979	5,921
TOTAL CURRENT ASSETS	2,215,891	810,193
PROPERTY AND EQUIPMENT, AT COST	52,640	32,195
Less: Accumulated depreciation	(29,588)	(13,121)
PROPERTY AND EQUIPMENT, NET	23,052	19,074
OTHER ASSETS		
Organization expenses, net of accumulated amortization	859	1,798
Deposits	7,046	5,091
TOTAL OTHER ASSETS	7,905	6,889
	$ 2,246,848	$ 836,156
LIABILITIES AND SHAREHOLDERS’ EQUITY		

CURRENT LIABILITIES				
Trade accounts payable and accrued liabilities	$	912,234	$	73,655
Payroll liabilities and pension plan accruals		61,252		15,778
Accrued franchise tax		19,304		9,000
TOTAL CURRENT LIABILITIES		992,791		98,433
SHAREHOLDERS' EQUITY				
Common stock		900		900
Retained earnings		1,253,158		736,823
TOTAL SHAREHOLDERS' EQUITY		1,254,058		737,723
	$	2,246,848	$	836,156

Accompanied notes are an integral part of these financial statements.

INTERGY CORPORATION
CONSOLIDATED STATEMENTS OF INCOME AND RETAINED EARNINGS

		FOR THE YEAR ENDED DECEMBER 31, 2007 (RESTATED)		FOR THE YEAR ENDED DECEMBER 31, 2006
REVENUE:				
Contract revenues	$	7,322,824	$	2,801,105
		7,322,824		2,801,105
LESS: COST OF REVENUES		4,137,959		1,758,256
		4,137,959		1,758,256
GROSS PROFIT		3,184,865		1,042,849
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES		910,715		357,596
NET INCOME FROM OPERATIONS		2,274,151		685,253
OTHER INCOME				
Interest		17,208		3,617
Rent		6,069		—
		23,277		3,617
NET INCOME BEFORE TAXES		2,297,428		688,869
INCOME TAXES				
S Corporation State Franchise Tax		(35,346)		(10,437)
NET INCOME	$	2,262,082	$	678,432
RETAINED EARNINGS, BEGINNING OF YEAR	$	736,823	$	281,841
DISTRIBUTIONS TO SHAREHOLDERS	$	(1,745,747)	$	(223,450)
RETAINED EARNINGS, END OF YEAR	$	1,253,158	$	736,823

Accompanied notes are an integral part of these financial statements.

INTERGY CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS

		FOR THE YEAR ENDED DECEMBER 31, 2007 (RESTATED)		FOR THE YEAR ENDED DECEMBER 31, 2006
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income	$	2,262,082	$	678,432
Adjustments to reconcile net income to net cash provided by operating activities:				

Depreciation and amortization	17,406	10,708
Changes in operating assets and liabilities:		
Trade accounts receivable	(1,718,893)	(209,011)
Advances to officers	353,575	(268,553)
Prepaid CA franchise tax	942	(5,121)
Deposits	(1,955)	(431)
Trade accounts payable and accrued liabilities	838,579	69,094
Payroll liabilities and pension plan accruals	45,475	15,778
Accrued franchise tax	10,304	4,579
NET CASH PROVIDED BY OPERATING ACTIVITIES	1,807,514	295,475
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(20,445)	(21,016)
NET CASH USED IN INVESTING ACTIVITIES	(20,445)	(21,016)
CASH FLOWS FROM FINANCING ACTIVITIES		
Distributions to shareholders	(1,745,747)	(223,450)
NET CASH USED IN FINANCING ACTIVITIES	(1,745,747)	(223,450)
NET INCREASE IN CASH	$ 41,322	$ 51,009
CASH AND EQUIVALENTS, BEGINNING OF YEAR	$ 85,325	$ 34,316
CASH AND EQUIVALENTS, END OF YEAR	$ 126,647	$ 85,325

Accompanied notes are an integral part of these financial statements.

INTERGY CORPORATION

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

Intergy Corporation is a specialized resource conservation firm. Intergy provides innovative and effective solutions for energy efficiency, water conservation, and renewable generation to a rapidly growing list of clients. Their projects include energy and water efficiency hardware retrofits, demonstrations of new technologies, energy efficiency education, local government partnerships, solar and renewable generation, and retro-commissioning. The Company also builds IT applications for the energy efficiency and water conservation industry. Clients include the investor-owned utilities across California, municipal utilities, and other companies and non-profits servicing this market.

The Company was incorporated under the laws of the State of California in 2003.

In September 2007, Pinnacle Consulting Group, Inc. was incorporated in California as a wholly-owned subsidiary of Intergy Corporation.

Principles of Consolidation and Basis of Presentation

The consolidated financial statements include the accounts of the company and its majority-owned subsidiary, Pinnacle Consulting Group, Inc., after elimination of intercompany accounts and transactions.

Method of Accounting

The Company prepares its financial statements for reporting and management purposes on accrual basis of accounting and uses cash method of accounting for recognizing income for tax purposes.

Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenue Recognition

Revenues are primarily derived from engineering services under fixed-fee and time/material arrangements. For fixed-fee contracts the revenue is recognized on the percentage-of-completion method, measured by the proportion of costs incurred to date to estimated total costs for each job. The costs of jobs in process include all direct material and labor costs and those indirect costs related to job performance. Selling, general, and administrative costs are charged to expense as incurred. Provisions for estimated losses on uncompleted jobs are made in the period in which the revisions are determined. The costs of jobs in process are charged to earnings on the percentage-of-completion method used to recognize revenues.

However, the management treats all its fixed fee contracts as time and material type contracts and recognizes revenue when the following criteria are met: (1) persuasive evidence of the customer arrangement exists, (2) fees are fixed and determinable, (3) delivery and acceptance has occurred, and (4) collectibility is deemed probable.

Accounts Receivable and Allowance for Doubtful Accounts

The Company grants credit terms in the normal course of business to its customers. The Company's revenues and resulting accounts receivable are derived primarily from organizations in the energy and water industries.

The allowance for doubtful accounts is based on specifically identified amounts that the Company believes to be uncollectible. If actual collections experience changes, revisions to the allowance may be required. No allowance was recorded for 2006 and 2005.

Cash and cash equivalents

The Company considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

Furniture and Equipment

Furniture and equipment are depreciated over the estimated useful lives of the assets by using straight-line method of depreciation

Income Taxes

The Company with the consent of its stockholders had elected to be treated as an S corporation, for Federal and California State tax purposes. Income of S corporation is taxed at individual stockholders level and therefore no federal income tax provision is being made in corporate books. However, a tax of 1.5% is assessed on taxable income for state reporting purposes.

NOTE B: RESTATEMENT OF PREVIOUSLY ISSUED FINANCIAL STATEMENTS

The Company has restated its financial statements as of and for the year ended December 31, 2007 to record material change in determination of liabilities estimated earlier for rebates due to customers for energy savings.

The following is a summary of the effects of restatement on (i) the Company's consolidated balance sheet as of December 31, 2007 and (ii) the Company's consolidated statement of operations for the year ended December 31, 2007:

Consolidated Balance Sheet as of December 31, 2007

	Previously reported	Adjustments	Restated
ASSETS			
CURRENT ASSETS			
Cash	$ 126,647	$ —	$ 126,647
Trade accounts receivable and unbilled revenue, net of allowance for doubtful debts $58,000	2,084,265	—	2,084,265
Prepaid franchise tax	4,979	—	4,979
TOTAL CURRENT ASSETS	2,215,891	—	2,215,891
PROPERTY AND EQUIPMENT, AT COST	52,640	—	52,640
Less: Accumulated depreciation	(29,588)	—	(29,588)
PROPERTY AND EQUIPMENT, NET	23,052	—	23,052
OTHER ASSETS			
Organization expenses, net of accumulated amortization	859	—	859
Deposits	7,046	—	7,046
	7,905	—	7,905
	$ 2,246,848	$ —	$ 2,246,848
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Trade accounts payable and accrued liabilities	$ 553,858	$ 358,376	$ 912,234

Payroll liabilities and pension plan accruals	66,252	—	61,252
Accrued franchise tax	25,304	(6,000)	19,304
TOTAL CURRENT LIABILITIES	645,414	352,376	992,791
SHAREHOLDERS' EQUITY			
Common stock	900	—	900
Retained earnings	1,600,534	(347,376)	1,253,158
TOTAL SHAREHOLDERS' EQUITY	1,601,434	(347,376)	1,254,058
	$ 2,246,848	$ —	$ 2,246,848

CONSOLIDATED STATEMENTS OF INCOME AND RETAINED EARNINGS FOR YEAR ENDED DECEMBER 31, 2007

	Previously reported	Adjustments	Restated
REVENUE:			
Contract revenues	$ 7,322,824	$ —	$ 7,322,824
	7,322,824	—	7,322,824
LESS: COST OF REVENUES	3,804,583	333,376	4,137,959
GROSS PROFIT	3,518,241	(333,376)	3,184,865
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	890,715	20,000	910,715
NET INCOME FROM OPERATIONS	2,627,526	(353,376)	2,274,151
OTHER INCOME			
Interest	17,208	—	17,208
Rent	6,069	—	6,069
	23,277	—	23,277
NET INCOME BEFORE TAXES	2,650,803	(353,376)	2,297,428
INCOME TAXES			
S Corporation State Franchise Tax	41,346	(6,000)	35,346
NET INCOME	2,609,457	(347,376)	2,262,082
RETAINED EARNINGS, BEGINNING OF YEAR	736,823	—	736,823
DISTRIBUTIONS TO SHAREHOLDERS	(1,745,747)	—	(1,745,747)
RETAINED EARNINGS, END OF YEAR	$ 1,600,534	$ (347,376)	$ 1,253,158

NOTE C – LINE OF CREDIT

The Company has a $95,000 revolving line of credit from Citibank, bearing interest rate at prime plus 3%. Borrowings under the line of credit are secured by substantially all assets of the Company and are also personally guaranteed by company's shareholders. The line of credit was not utilized at December 31, 2007 and 2006.

NOTE D – LEASE COMMITMENTS

The Company leases office facilities under non-cancelable operating lease agreements that expire at various dates through the year 2008. Minimum lease payments are recognized on a straight-line basis over the minimum lease term. The following is a schedule of future minimum lease payments required under the lease:

Year ending December 31,	
2008	6,012

Total rent expense related to the operating leases was $68,921 and $39,192 for the years ended December 31, 2007 and 2006, respectively.

NOTE E – RELATED PARTY TRANSACTIONS

The Company utilizes the services of a company owned by a shareholder. For the years ended December 31, 2007 and 2006, the Company's general and administrative expenses include $92,621 and $200,780, respectively, for services received from related parties.

NOTE F – BUSINESS CONCENTRATIONS

The company is subject to risk arising due to business concentration with respect to the sales and trade receivables since 50% and 61%, respectively, of its total sales for the years ended December 31, 2007 and 2006 and 45% and 43%, respectively, of its total trade receivables as of December 31, 2007 and 2006 are on account of trade with two major customers.

NOTE G – EMPLOYEE RETIRMENT PLAN

On January 1, 2006 the Company adopted a Simple IRA employee salary reduction plan covering substantially all employees. Employees may elect to contribute up to 100% of compensation limited to the amount allowed by tax laws. Company contributions are made solely at the discretion of the Company's Board of Directors. As of December 31, 2007 and 2006, employer contributions accrued for the year are $43,297 and $17,386 respectively.

NOTE H – CONTRACT BACKLOG

Backlog represents the amount of revenue the Company expects to realize from work to be performed on uncompleted contracts in progress at year end and from contractual agreements on which work has not begun.

The following schedule summarizes backlog on contracts at December 31, 2007:

- Intergy Corporation	$	13,479,819
- Pinnacle Consulting Group, Inc.		62,000
Total contract backlog	$	13,541,819

Accompanied notes are an integral part of these financial statements.

Exhibit 99.3

INTERGY CORPORATION & SUBSIDIARY
Statements of Income
For the Three Months Ended March 31, 2008 and March 31, 2007
(unaudited)

	Three Months Ended March 31, 2008	Three Months Ended March 31, 2007
Revenue		
Contract revenue	$ 2,092,115	$ 1,273,706
Expense reimbursements	2,722	26,191
	2,094,837	1,299,897
Direct costs		
Subcontractors	528,376	119,309
Employee salaries	504,540	343,061
Other direct overheads	404,517	66,587
	1,437,433	528,957
Gross profit	657,404	770,940
Selling, general & administrative expenses	183,701	105,961
Income from operations	473,703	664,979
Other income		
Interest	3,111	2,552
Income before tax expense	476,814	667,531
Income tax expense		
CA Franchise Tax	(6,731)	(10,813)
Net income	$ 470,083	$ 656,718

INTERGY CORPORATION & SUBSIDIARY
Statements of Cash Flows
For the Three Months Ended March 31, 2008 and March 31, 2007
(unaudited)

	Three Months Ended March 31, 2008	Three Months Ended March 31, 2007
Cash flows from operating activities		
Net income	$ 470,083	$ 656,718
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation & amortization	4,266	3,172
Changes in assets and liabilities		
Accounts receivable	39,909	(242,745)
Other current assets	1,625	(1,000)
Other assets	(1,010)	—
Accounts payable and other current liabilities	119,178	46,199
Net cash provided by operating activities	634,051	462,344
Cash flows from investing activities		
Purchase of fixed assets	(7,117)	(5,958)
Net cash used by investing activities	(7,117)	(5,958)
Cash flows from financing activities		
Shareholder distributions	—	(34,852)
Net cash used by financing activities	—	(34,852)
Increase in cash	$ 626,934	$ 421,534
Cash at beginning of period	$ 126,647	$ 85,325
Cash at end of period	$ 753,581	$ 506,859

Exhibit 99.4

WILLDAN GROUP, INC. AND SUBSIDIARIES
PRO FORMA CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)

	Fiscal Year ended December 28, 2007			Fiscal Six Months ended June 27, 2008		
	Company Historical (A)	Pro Forma Adjustment (B)	Company Pro forma	Company Historical (A)	Pro Forma Adjustment (B)	Company Pro forma
Contract revenue	$ 78,798,000	$ 7,323,000	$ 86,121,000	$ 35,583,000	$ 4,641,000	$ 40,224,000
Direct costs of contract revenue:						
Salaries and wages	25,769,000	1,665,000	27,434,000	11,082,000	1,068,000	12,150,000
Production expenses	1,568,000	1,981,000	3,549,000	837,000	812,000	1,649,000
Subconsultant services	4,600,000	492,000	5,092,000	2,814,000	1,288,000	4,102,000
Total direct costs of contract revenue	31,937,000	4,138,000	36,075,000	14,733,000	3,168,000	17,901,000
General and administrative expenses:						
Salaries and wages, payroll taxes and employee benefits	25,061,000	283,000	25,344,000	12,369,000	145,000	12,514,000
Facilities	4,546,000	69,000	4,615,000	2,322,000	46,000	2,368,000
Stock-based compensation	209,000	—	209,000	154,000	—	154,000
Depreciation and amortization	1,747,000	688,000	2,435,000	834,000	304,000	1,138,000
Litigation accrual	1,049,000	—	1,049,000	—	—	—
Other	11,727,000	542,000	12,269,000	5,258,000	174,000	5,432,000
Total general and administrative expenses	44,339,000	1,582,000	45,921,000	20,937,000	669,000	21,606,000
Income (loss) from operations	2,522,000	1,603,000	4,125,000	(87,000)	804,000	717,000
Other income (expense):						
Interest expense	499,000	—	499,000	(2,000)	—	(2,000)
Interest income and other, net	666,000	(489,000)	177,000	261,000	(124,000)	137,000
Total other income (expense)	1,165,000	(489,000)	676,000	259,000	(124,000)	135,000
Income before income tax expense	3,687,000	1,114,000	4,801,000	172,000	680,000	852,000
Income tax expense	1,543,000	472,000	2,015,000	111,000	300,000	411,000
Net income	$ 2,144,000	$ 642,000	$ 2,786,000	$ 61,000	$ 380,000	$ 441,000
Net income per share:						
Basic and diluted	$ 0.30		$ 0.39	$ 0.01		$ 0.06
Weighted-average shares outstanding:						
Basic	7,149,000		7,149,000	7,156,000		7,156,000
Diluted	7,150,000		7,150,000	7,157,000		7,157,000

See accompanying note to pro forma condensed consolidated financial statements.

Note to Pro Forma Condensed Consolidated Statements of Operations

Our pro forma condensed consolidated statements of operations for the six months ended June 27, 2008 and the year ended December 28, 2007 is presented as if our acquisition of Intergy Corporation on June 9, 2008 closed as of the first day of each of the respective periods presented.

Prior to January 9, 2008, for federal and state income tax purposes, Intergy Corporation reported as an S Corporation wherein Intergy Corporation elected and the stockholders of Intergy consented to be taxed in a manner similar to partners in a general partnership. Upon completion of the acquisition, Intergy Corporation ceased to qualify as an S Corporation and its earnings are taxed at the C Corporation rates.

Following are explanations of the amounts included in the accompanying pro forma condensed consolidated statements of operations:

(A) Company Historical

Reflects our historical condensed consolidated statements of operations for the six months ended June 27, 2008 and the year ended December 28, 2007.

(B) Pro Forma Adjustment

The pro forma condensed consolidated statements of operations for the six months ended June 27, 2008 and the year ended December 28, 2007 reflect the acquisition of Intergy Corporation which we acquired on June 9, 2008 as if the acquisition closed on the first day of the respective period presented. The pro forma adjustment is computed as follows:

	Fiscal Year 2007			Fiscal Six Months 2008		
	Intergy Historical (1)	Adjustments	Pro Forma Adjustment	Intergy Historical (1)	Adjustment	Pro Forma Adjustment
Contract revenue	$ 7,323,000	$ —	$ 7,323,000	$ 4,641,000	$ —	$ 4,641,000
Direct costs of contract revenue:						

Salaries and wages	1,665,000	—	1,665,000	1,068,000	—	1,068,000
Production expenses	1,981,000	—	1,981,000	812,000	—	812,000
Subconsultant services	492,000	—	492,000	1,288,000	—	1,288,000
Total direct costs of contract revenues	4,138,000	—	4,138,000	3,168,000	—	3,168,000
General and administrative expenses:						
Salaries and wages, payroll taxes and employee benefits	283,000	—	283,000	145,000	—	145,000
Facilities	69,000	—	69,000	46,000	—	46,000
Stock-based compensation	—	—	—	—	—	—
Depreciation and amortization	17,000	671,000 (2)	688,000	10,000	294,000 (2)	304,000
Litigation accrual	—	—	—	—	—	—
Other	542,000	—	542,000	174,000	—	174,000
Total general and administrative expenses	911,000	671,000	1,582,000	375,000	294,000	669,000
Income (loss) from operations	2,274,000	(671,000)	1,603,000	1,098,000	(294,000)	804,000
Other income (expense):						
Interest expense	—	—	—	—	—	—
Interest income and other, net	23,000	(512,000)(3)	(489,000)	4,000	(128,000)(3)	(124,000)
Total other income (expense)	23,000	(512,000)	(489,000)	4,000	(128,000)	(124,000)
Income (loss) before income tax expense	2,297,000	(1,183,000)	1,114,000	1,102,000	(422,000)	680,000
Income tax expense	35,000	437,000 (4)	472,000	18,000	282,000 (4)	300,000
Net income (loss)	$ 2,262,000	$ (1,620,000)	$ 642,000	$ 1,084,000	$ (704,000)	$ 380,000

(1) Reflects Intergy Corporations' condensed statement of operations for the six months ended June 30, 2008, and the year ended December 31, 2007.

(2) Reflects amortization of the preliminary estimated fair values of intangible assets related to the value of Intergy Corporation's existing contracts and customer relationships. For the fiscal six month 2008 period, the amount is comprised of amortization for the period from the first day of the period to the actual closing date of the Intergy acquisition on June 9, 2008. For the fiscal year 2007, the amount is comprised of twelve months of amortization.

(3) Reflects decreased interest income resulting from reduction of the Company's average cash equivalents and liquid investments balances by a total of $10.2 million for the period from the first day of the fiscal six month 2008 period to the actual closing date of the Intergy acquisition on June 9, 2008 and for the entire fiscal year 2007. The $10.2 million is the amount of cash paid by the Company at closing related to the acquisition of Intergy Corporation on June 9, 2008.

(4) Reflects increased income tax expense resulting from Intergy Corporation no longer qualifying as an S Corporation due to the acquisition of Intergy Corporation by the Company, partially offset by decreased income tax expense for the Company as a result of on interest income discussed in (3) above. The pro forma income tax expense adjustment also reflects the income tax expense on the effect of deducting the amortization discussed in (2) above.