

Quanta Services
2015 Annual Report





Quanta moves forward. In 2015, prevailing market conditions placed challenges in our path, and our financial performance did not keep pace with recent years of record growth. Still, we remained steadfast to our long-term strategies and further solidified our position as the largest, most capable and most adaptable company serving our industry. Propelled by these powerful competitive advantages, we move forward.





Quanta is recognized as the leading integrated solutions provider serving the electric power and oil & gas infrastructure markets. We are focused on our end markets and customers know we have the experience and capabilities to deliver customized solutions on time, on budget and with the utmost levels of quality and safety.

FOCUSED





INFRASTRUCTURE

ELECTRIC POWER

With increasing pressure to replace aging infrastructure, a changing regulatory environment, a shifting power generation mix, flat load growth and a number of other factors, the electric utility industry is ever-changing. More than ever, customers seek cost certainty on their projects. Quanta delivers by leveraging its capabilities to take on more project scope and scale, designing projects on the front end for better constructibility and carrying projects all the way through to final execution.





INFRASTRUCTURE

OIL & GAS

The pipeline construction business is strong with a bright multi-year outlook. We are aligning ourselves with customers who have the resources to move forward on their multi-year capital build programs. Instead of the traditional approach, customers increasingly are interested in forming alliances with Quanta across multiple projects over multiple years to capture efficiencies and best practices. Our industry-leading resources and integrated solutions offerings make Quanta the ideal partner for these agreements.





Quanta companies have served our markets successfully for generations. Our entrepreneurial model frees our field operations leadership to make the right strategic decisions, manage risk, adapt quickly and capitalize on opportunities. Regardless of market cycles, we are confident that we have the best operating model and the best field leadership to excel and solidify our industry-leading position.

CONFIDENT





Key Business Drivers



Aging Infrastructure

Two-thirds of North America's power grid and pipeline infrastructure is near or beyond the end of its useful life. These systems must be repaired, replaced and upgraded, which is a multi-decade undertaking that will require significant investment and drive large projects.



Regulations

Government agencies are taking action to address vulnerabilities and ensure safety and reliability in electric and pipeline infrastructure. They're also adopting regulations to move North America toward a cleaner environment. Recent measures such as FERC Order 1000, various air emissions regulations and the Critical Infrastructure Protection Act should create opportunities for Quanta.



Changing Power Generation Mix

The transition from coal to natural gas-fired and renewable generation helps all aspects of our business. Power grid infrastructure must be reconfigured and new lines built to transmit power from these new generation sources, and a new network of natural gas pipelines must be developed to fuel new power plants.



Unconventional Formations

Development of North America's shale regions and the Canadian oil sands has become an energy game changer. Most of these hydrocarbons are located in areas without adequate energy infrastructure. Significant pipeline and related infrastructure must be built to move hydrocarbons from production areas to end markets.



FERC Order 1000

This mandate from the Federal Energy Regulatory Commission was designed to facilitate better regional power grid planning, increase competition to lower consumer costs and spur development of transmission infrastructure. The order's focus is to move toward a more efficient "electric power highway system." We believe this will drive new transmission project opportunities for Quanta over time.



Operationally Diverse

Many of Quanta's most visible projects highlight our well-known competencies in large electric transmission and mainline pipe. Yet our integrated solutions portfolio encompasses a diverse service offering. We have significant capabilities serving the distribution markets for both electricity and natural gas, as well as many other important services.



Electric Power

Transmission

Distribution

Substation

Engineering

Energized Services

Emergency Restoration

Smart Grid Deployment

EPC Generation

Asset Management

Oil & Gas

Mainline Pipeline

Midstream Gathering

Natural Gas Distribution

Pipeline Integrity

Compression, Metering
& Pumping Stations

Pipeline
Logistics Management

Storage Facilities

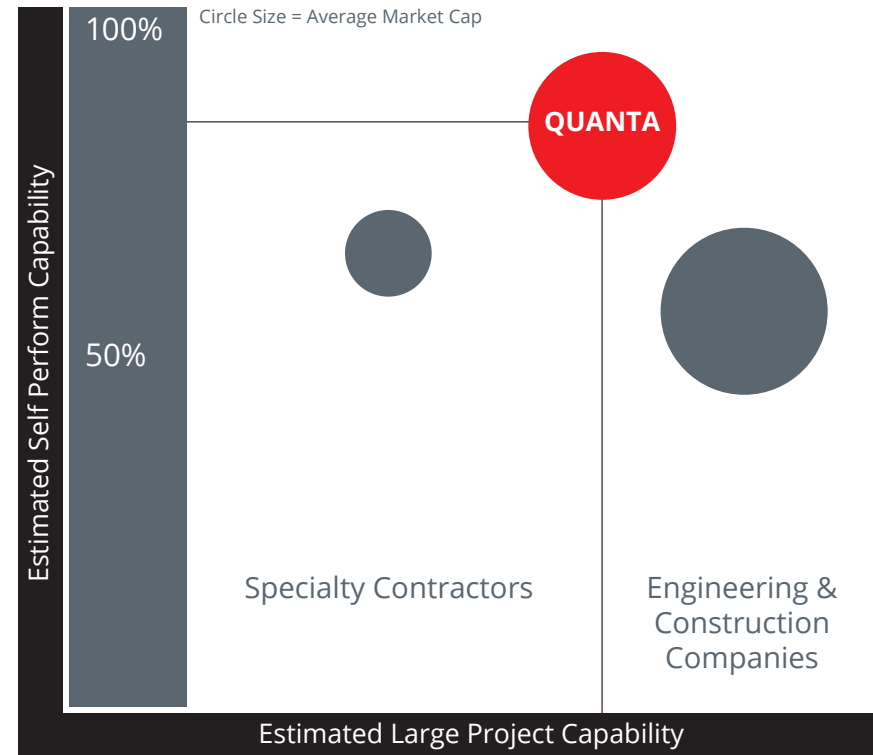
Horizontal
Directional Drilling

Specialty Offshore
Field Services



Differentiated Competitive Position

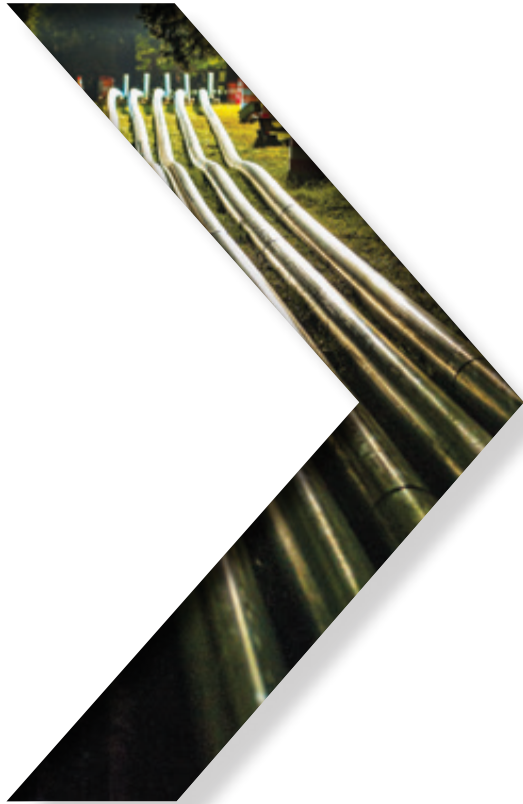
When it comes to performing the full spectrum of activities on large projects and multi-year build programs, Quanta stands alone. Construction is often the largest variable, and therefore the largest risk on capital projects. Our integrated self-perform capabilities mitigate these risks. By applying sophisticated solutions and our superior construction workforce and leadership, we bring efficiency and certainty to every aspect and every stage of the project.





Strategies for Growth

In any market environment, Quanta remains strategically focused on profitable growth. There are three primary elements that protect our industry-leading market position.



Strengthen the Core

Quanta continually strives to strengthen our core operations through initiatives designed to enhance margins. Maintaining an outstanding safety record, and delivering cost efficiency, schedule certainty and quality assurance to our customers further our pursuit of operational excellence, which is the foundation of profitable growth.

Leverage the Core

Leveraging operational excellence, we organically expand our core in a number of ways. We are able to leverage our core capabilities to win new customers, increase our scope with existing customers and expand our presence geographically.

Expand the Core

Acquisitions allow us to supplement our organic efforts and expand our core operations. They bring quality organizations with strong entrepreneurial leadership to Quanta, helping us supplement our leadership positions in existing markets, or allowing us to enter new markets. Strategic investments that align us with our customers and allow Quanta to grow backlog are another way we expand our core.



Quanta employs the largest construction workforce and most experienced and respected field leadership in the industry. Routinely, we are trusted to work on the highest-profile projects out there, because our people have the experience, training and preparation it takes to deliver.

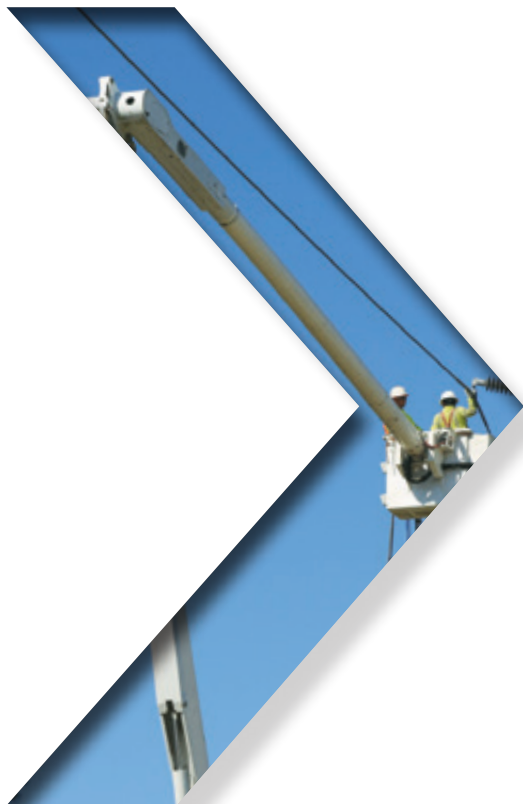
PREPARED





Investing in Our People

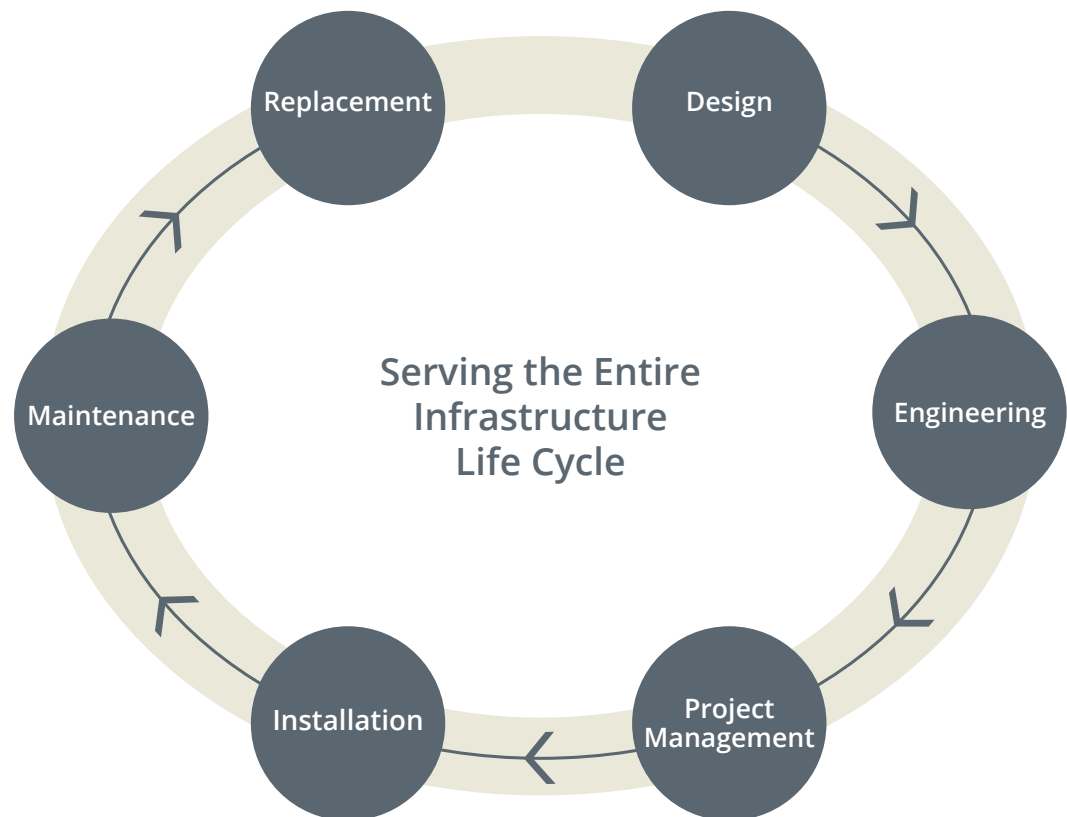
We believe Quanta has the best trained workforce in the industry, and we continue to invest in the future. We built a state-of-the-art training facility on 2,100 acres in LaGrange, Texas and worked with industry, organized labor groups and universities to develop a one-of-a-kind training curriculum that provides hands-on instruction in a simulated, controlled environment.





A More Integrated EPC Model

Customers are looking for ways to reduce their risk. We have answered by taking on more scope. We have moved up the value chain, providing more services so our customers have fewer contractors and fewer uncertainties. Quanta has built an integrated solutions offering across the full life cycle of a project, covering a spectrum of self-perform capabilities that sets us apart from others.





An Expanding Footprint

Quanta's North American base of business is strong, and we continually look for opportunities to expand into new regions across the continent where we can establish a leadership position. We also selectively expand internationally where we see opportunities. For example, we are strategically focused on expanding our Australian operations, and we are gaining traction in Latin America.



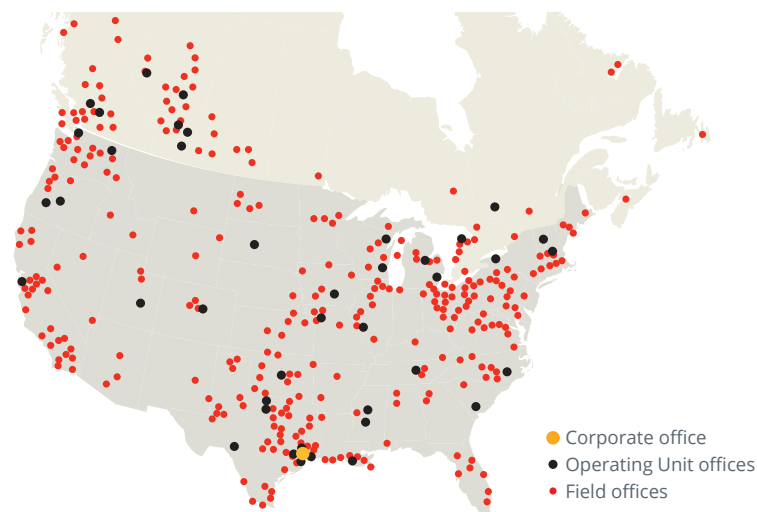
Alaska



Hawaii



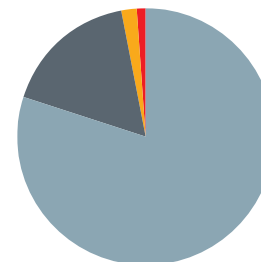
Australia



- Corporate office
- Operating Unit offices
- Field offices

Revenue by Geography

- United States 80%
- Canada 17%
- Australia 2%
- Other 1%



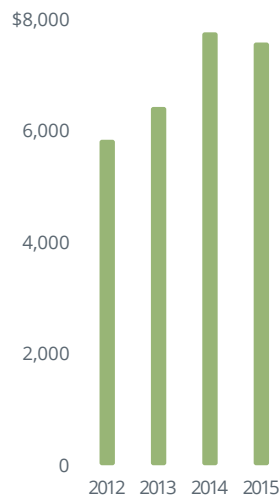


Solid Financials

Despite challenges in 2015, Quanta sustained an enviable financial profile. We generated significant cash flow, maintained a strong balance sheet and ended the year with robust backlog. We believe our financial strength and flexibility is a strategic advantage that positions us to remain opportunistic with the deployment of capital. We will remain disciplined in our approach to capital allocation, allowing us to execute our growth strategies aimed at generating long-term stockholder value.

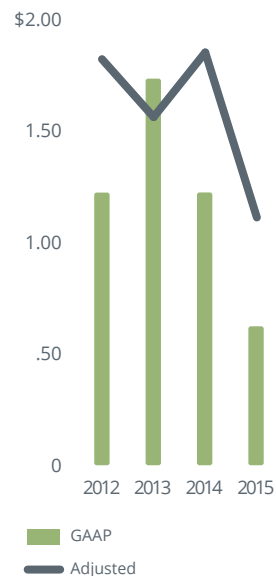
Revenues for Years Ended December 31,

(\$ in millions)



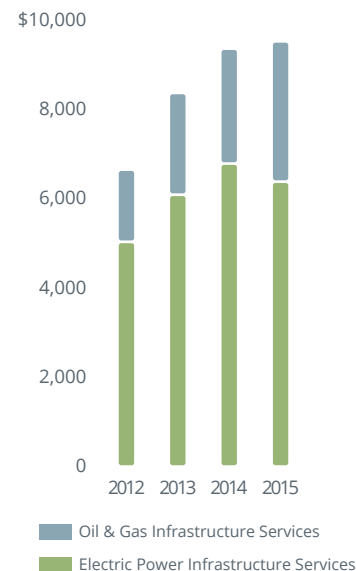
GAAP & Adjusted Diluted Earnings Per Share⁽¹⁾

GAAP & Adjusted Diluted Earnings Per Share from Continuing Operations for Years Ended December 31,



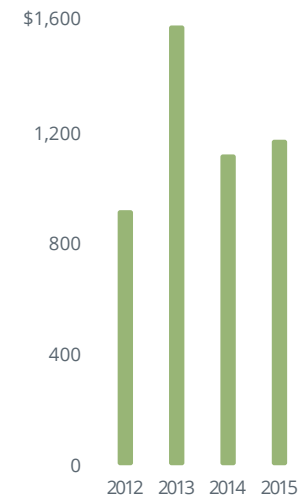
Total Backlog at December 31,

(\$ in millions)



Liquidity for Years Ended December 31,⁽²⁾

(\$ in millions)



⁽¹⁾ A reconciliation of adjusted diluted earnings per share from continuing operations (a non-GAAP measure) is set forth herein.

⁽²⁾ Liquidity includes cash and cash equivalents and availability under our revolving credit facility as described in our Form 10K.



Year after year, project after project, Quanta proves that we know how to get the job done. While we have been busy building the vital infrastructure that powers our society, we have also built a reputation for finishing projects as promised, so our customers can bring their operations online as expected.

PROVEN





Auburn Loop

UGI Energy Services
Northeast Pennsylvania



Quanta was selected to install the Auburn Loop pipeline, which helped expand the capacity of UGI Energy Services' Auburn gathering system. Quanta installed a new nine-mile, 24-inch pipeline running from Susquehanna County to UGI Energy Services' Manning Compressor Station in Wyoming County, Pennsylvania.

Labrador Island Link

Nalcor Energy
Labrador and Newfoundland



When Nalcor needed a 350kV overhead high-voltage direct current line that could withstand the harsh weather and rugged environment in northeastern Canada, they hired Quanta. The line will run from a hydroelectric generating facility in central Labrador to Newfoundland's Avalon Peninsula and will be one of the most robust transmission systems in the province.



Line 78 Pipeline

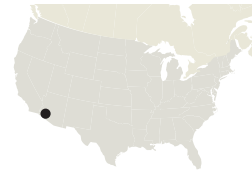
Enbridge Inc.
Illinois



Enbridge needed a new crude oil pipeline to connect its Flanagan Terminal near Pontiac, Illinois, to another terminal in Griffith, Indiana. Quanta handled the project, constructing approximately 79 miles of 36-inch diameter mainline pipe, building the pumping station at the Flanagan Terminal and making modifications to another terminal on the system.

Tehachapi Renewable Transmission

Southern California Edison
Southern California



Southern California Edison (SCE) chose Quanta to build the majority of its Tehachapi Renewable Transmission Project, which will bring renewable energy to SCE's customers and the California transmission grid. In 2015, Quanta completed Segments 6 and 11 of the project, which included the decommissioning of 220kV transmission infrastructure and the installation of new 220kV and 500kV transmission infrastructure through the Angeles National Forest.



Atwell Island West Solar

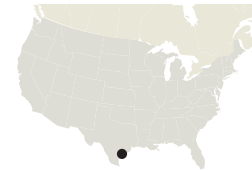
Consolidated Edison
Development
Alpaugh, California



Building upon the success of its Atwell Island project, which Quanta installed in 2012, Consolidated Edison Development hired us to perform the turnkey engineering, procurement and construction for an adjacent project. The newly completed 29.6-megawatt, utility-scale solar installation generates electricity to power 16,000 homes.

South Texas Energized Reconductor

American Electric Power
Lower Rio Grande Valley, Texas



American Electric Power needed to rebuild a transmission line that was currently in use, and the company did not want to interrupt service to its customers. Quanta was hired for the project. We rebuilt 240 miles of 345kV power line while it was in an energized state. This was the longest energized transmission line ever rebuilt.



Rockaway Lateral

Williams
New York City



To meet fast-growing demand for natural gas in our nation's largest city, Williams hired Quanta to build a 3.2-mile pipeline to link an existing offshore mainline with an inland power generation plant. We installed one mile of horizontal directionally drilled pipe and 2.2 miles of conventionally laid pipe and connected to the offshore pipeline via a highly complex dual hot tap and a subsea manifold.

Turner Substation

American Electric Power
Nitro, West Virginia



American Electric Power chose Quanta to replace a fifty-year-old substation in West Virginia. Quanta stripped the existing eight-bay, 138kV Turner substation to the original steel and then rebuilt the substation with all new equipment. This substation serves two major industrial customers, six connecting substations and 70,000 Charleston, West Virginia customers.

RESILIENT





Though our end markets are experiencing some near-term challenges that create uncertainty, we believe uncertainty creates opportunity. We are actively pursuing strategic initiatives that we expect to lay the groundwork for future success.

1



Financial Results

After several years of strong financial performance, what happened in 2015 that challenged the company's financial results?

2



Long-term

How is Quanta differentiating itself in the marketplace and positioning for long-term, profitable growth?

3



Oil Price Environment

How is the low oil price environment affecting demand for Quanta's services?

1

A



Quanta's financial performance in 2015 was disappointing and unusual from a historical perspective. We experienced execution challenges on some projects, severe weather that impacted production, project delays, a challenged commodity and capital markets environment and heightened competitive pressures in the small transmission market. We believe most of these issues are short-term dynamics and are confident in our ability to achieve long-term, profitable growth.

2

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Quanta is the largest energy infrastructure specialty contractor in North America with unmatched scope and scale and broad self-perform capabilities, which enables us to provide comprehensive solutions to our customers. In a tight market for skilled labor, Quanta is an employer of choice with industry-leading safety performance and significant investment in our employees. As our customers' infrastructure development programs get larger and more complex, Quanta has expanded its capabilities to stay ahead of our customers' needs.

3

A



Low oil prices have impacted demand for some of our services; however, many of the services we provide to our customers are for strategic infrastructure needs driven by longer-term trends. For example, adequate mainline pipeline infrastructure has not been built to transport the significant increase in oil and natural gas production over the past five years, which creates significant demand for new mainline pipelines and opportunity for Quanta.

Key Takeaway

While 2015 was challenging for our company and the industry, Quanta is well positioned to capitalize on positive, multi-year industry trends.



Investor Q&A

4



Electric End-market Drivers

What are the end-market drivers that are creating demand for Quanta's electric power infrastructure services?

5



Oil & Gas End-market Drivers

What are the end-market drivers that are creating demand for Quanta's oil and gas infrastructure services?

6



Capital Priorities

What are Quanta's capital allocation priorities going forward?

4

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The North American power grid is aging – some estimate as much as two-thirds of the grid is approaching or beyond the end of its useful life. There is significant need to repair, replace, upgrade and maintain transmission and distribution infrastructure throughout North America. Regulation continues to be put in place to address this issue. Regulation is also changing North America's generation mix toward more natural gas and renewable generation, which requires significant upgrade, new build and enhancement of the power grid. As a result, we believe we are in the early stages of a multi-year investment cycle in electric transmission and distribution infrastructure.

5

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Production of oil and natural gas from North American unconventional formations has grown dramatically over the past five years and is expected to remain at high levels. Much of these resources are in areas that have not been traditional fossil fuel sources and do not have adequate energy infrastructure. In particular, there is significant demand to build mainline pipelines to move hydrocarbons from production areas to end markets. As the largest pipeline construction company in North America, Quanta is well positioned to assist our customers in meeting their development goals.

6

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Our capital deployment priorities are for opportunities that support the achievement of our long-term strategic goals to profitably grow the business and create stockholder value. These priorities include ensuring capital is available to support working capital needs, particularly as projects become larger and more complex, capital expenditures, acquisitions and strategic investments. When we find ourselves in the position to return excess capital to stockholders, we have historically favored stock repurchases.

Key Takeaway

As the leading pure-play company serving the energy infrastructure markets, Quanta is focused on the changing needs of the industry. More than ever before, our customers are seeking comprehensive solutions, safe project execution and cost certainty.



Investor Q&A

7



Acquisitions

What role do acquisitions play in Quanta's strategic plans?

8



Fiber Optic Rationale

What was the strategic rationale for Quanta's sale of its fiber optic licensing operations in 2015?

9



Stock Repurchase

Quanta repurchased a significant amount of its outstanding common stock in the open market during 2015. How is the company doing that and what is the rationale?

7

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Acquisitions will continue to play a strategic role in differentiating Quanta in the marketplace and positioning the company for profitable long-term growth. We seek successful companies with proven entrepreneurial leadership and that bring strategic value to Quanta – for the right price. Acquisitions, coupled with organic growth, enable us to expand our service footprint, enhance our capabilities and strengthen customer relationships.

8

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In August 2015, Quanta sold its fiber optic licensing operations for \$1 billion in cash. The transaction enabled us to enhance our strategic focus on energy infrastructure markets, which we believe will undergo substantial development in the coming years. Further, it allowed us to unlock the significant value of our fiber optic licensing operations, with the sale price representing a multiple of 15 times trailing EBITDA.

9

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In 2015, Quanta returned the largest amount of capital to stockholders in company history. Through two stock repurchase programs Quanta bought nearly \$1.5 billion of its common stock, which reduced our outstanding shares by 28%. These stock repurchases demonstrate Quanta's confidence in our long-term growth prospects and commitment to enhancing stockholder value. The significant net proceeds from the sale of our fiber optic licensing operations, coupled with a strong balance sheet, internal cash flow generation and an attractive equity valuation led us to believe stock repurchases were a preferred use of capital.

Key Takeaway

During 2015, Quanta moved on multiple fronts toward building value for our stockholders. These actions demonstrate strong confidence in our long-term growth prospects and our commitment to enhancing stockholder value.



My Fellow Stockholders

While 2015 was a challenging year for our company and the industry, Quanta is well positioned to capitalize on positive, multi-year industry trends that we believe will increase demand for our infrastructure solutions. We firmly hold our place as the industry leader in the markets we serve, our fundamentals are sound, our customer relationships are better than ever before, and we have a healthy balance sheet. Quanta remains strong.

In 2015, revenues declined 2% and adjusted diluted earnings per share from continuing operations declined 40% compared to 2014. While I am disappointed in these results, we finished the year with strong backlog, primarily driven by more than \$1 billion of mainline project awards. I expect improved profitability and returns in 2016 and believe increasing mainline activity will be a significant growth catalyst going forward.

Many of the challenges we faced in 2015 resulted from factors outside of our control, such as the collapse in oil prices and in particular its effect on the Canadian economy, several severe weather events, and project delays due to a challenging permitting environment, all of which impacted our top line, margins and profitability. However, there were things we should have done better, for example, the unusual occurrence of significant project losses we incurred on the combined cycle gas power plant we are building in Alaska.

As a result of these challenges, our margins underperformed and were below our historical performance levels. We are proactively addressing these challenges by adjusting our cost structure where appropriate, by making headcount reductions and by shifting equipment and facility strategies to adjust to the current market environment. This management team is committed to returning margins to historical levels; however, we are mindful not to compromise our core capabilities.

During my 15 years at Quanta, I have been through several challenging markets and in each situation, whether it was the telecom meltdown in 2001 and 2002 or the financial crisis in 2008 and 2009, Quanta emerged a stronger, better company with an improved competitive position within the industry. I expect the same result as we move through the current industry challenges our company is facing.

Expanding Customer Solutions

As the leading pure-play company serving the energy infrastructure markets, Quanta is focused on serving the changing needs of the industry. Build programs are getting larger, more complex and extending over multiple years. More than ever before, our customers are seeking comprehensive solutions, safe project execution and cost certainty. Years ago Quanta saw these trends coming, and we have built our capabilities to thrive in this environment.

We bring customers a comprehensive, fully integrated and self-performed infrastructure solutions offering that we believe is unmatched in our industry. Customers are able to rely on Quanta as a partner that can bring efficiency, accountability, cost certainty and schedule assurance to their projects.

With our scope and scale, industry leading safety record, consistent project performance, as well as the largest specialized workforce in our industry, we believe Quanta is uniquely positioned to serve the expanding needs of our customers. At the same time, we are further differentiating Quanta as the industry leading infrastructure solutions provider.

Investing In Our People

While our industry is ever-changing, one thing that will never change is Quanta's steadfast commitment to its people and their safety.

The industries we serve are very specialized, where a deeply experienced, well-trained workforce is our greatest asset and our workforce is the heartbeat of who we are as a company. Quanta is the employer of choice in our industry. We have long invested in developing and retaining the largest craft workforce and most adept field leadership in the industry. We bolstered that investment in 2015 by opening our new, world-class 2,100 acre training facility in La Grange, Texas. This facility is the most advanced, hands-on instructional institution of its kind, and demonstrates our commitment to the safety of our people and the quality of workmanship that our customers expect from our organization.

Our customers know when they hire Quanta, they are getting the highest level of skilled resources with an unwavering commitment to safety and quality. In 2015 Quanta employees worked more than 50 million man-hours, and we are recognized as an industry leader in safety performance.



With our scope and scale, industry leading safety record, consistent project performance, as well as the largest specialized workforce in our industry, we believe Quanta is uniquely positioned to serve the expanding needs of our customers.

Steps to Enhance Stockholder Value

During 2015, Quanta moved on multiple fronts toward building value for our stockholders. First, we sold our fiber optic licensing operations for \$1 billion in cash, netting \$848 million in after-tax proceeds. The transaction value represented a 15-times multiple of trailing EBITDA, which validated and unlocked the significant value of these operations and allowed stockholders to capitalize on a strong market valuation for our fiber assets.

Second, Quanta returned the largest amount of capital to stockholders in company history. Through two stock repurchase programs, Quanta bought nearly \$1.5 billion of its common stock in 2015, which reduced our outstanding shares by 28%. These actions demonstrate our strong confidence in Quanta's long-term growth prospects and our commitment to enhancing stockholder value.

Finally, Quanta entered into a new agreement that increased our credit facility from \$1.325 billion to \$1.810 billion, and extended its maturity to December 2020. This new facility gives us greater financial flexibility to pursue large projects, acquisitions and other strategic investments that advance our growth initiatives.

Looking Forward with Optimism

While our business was challenged in 2015 and certain conditions are expected to persist, we expect improved profitability, returns and growth in 2016 and have an optimistic multi-year outlook. The underlying market fundamentals that drive demand for Quanta's infrastructure solutions remain unchanged, and we believe there will be significant long-term opportunities for stockholder value creation.

The North American power grid continues to age and reliability is increasingly threatened. To address these reliability issues and stimulate investment, regulations have been enacted to encourage transmission and distribution spending. Other factors include a changing power generation mix that continues to shift away from coal toward natural gas and renewables, and the adoption of new technologies for a "smarter" power grid, all of which will require substantial expansion and enhancement projects. These trends are spurring significant capital deployment programs by our customers for transmission and distribution infrastructure.

In our oil and gas segment, low and uncertain commodity prices have impacted parts of our business and could create further headwinds. However, the sharp increase in North American oil and natural gas production over the last five years continues to create opportunities. Production has far outpaced the infrastructure needed to transport the resources to end markets, creating strong demand for new pipelines systems. There is uncertainty around the timing of when projects will move from permitting and approvals into construction. However, we have booked record levels of mainline awards and continue to pursue new projects. Thus we are prudently optimistic about Quanta's growth outlook over the next several years.

As we look ahead to 2016 and beyond, we must continue to exceed customer expectations in our core business, delivering projects safely, on time, and on budget. In addition, we expect to continue to be opportunistic and explore new service lines where we can establish a leadership position and grow stockholder value over the long term. Both organic initiatives and our acquisition program will continue to play an important role in achieving our long-term strategic objectives, which are aimed at broadening the solutions we can offer customers, providing growth opportunities and creating operational diversity.

Leadership Transition

On March 14, 2016, I transitioned from chief operating officer to president, chief executive officer and chief operating officer, succeeding Jim O'Neil as part of our leadership succession planning. I am humbled by the trust and confidence that Jim and the board have placed in me with this appointment and am fortunate to transition into this role following Jim's strong direction over the last five years. We have many opportunities to enhance Quanta's leadership position in the industry and to continue to safely and profitably grow our business. As we do, we will remain committed to driving long-term value for our employees, customers and stockholders.

In closing, we view 2015 as a transition year. Many of the challenges we faced last year are behind us, and we expect improved operational performance in 2016. I want to thank our stockholders for your continued support and confidence. I also thank our employees for their hard work and dedication to safely delivering operational excellence, day in and day out. Our employees and entrepreneurial operating model are the foundation of our company and the driver of our future success.



Earl C. (Duke) Austin, Jr.

President, Chief Executive Officer
and Chief Operating Officer

Selected Financial Data

(In thousands, except per share information) As of December 31,

SUMMARY BALANCE SHEET	2015	2014
Current assets	\$ 2,277,519	\$ 2,495,704
Property and equipment, net	1,101,959	1,099,574
Other assets, net	76,333	78,964
Other intangible assets, net	205,074	243,584
Goodwill	1,552,658	1,596,695
Non-current assets of discontinued operations	-	739,062
Total assets	\$ 5,213,543	\$ 6,253,583
Current liabilities	\$ 1,203,744	\$ 1,106,311
Long-term debt and notes payable, net	475,364	72,489
Deferred income taxes	186,491	215,981
Insurance and other non-current liabilities	260,129	227,730
Non-current liabilities of discontinued operations	-	105,532
Total Equity	3,087,815	4,525,540
Total liabilities and equity	\$ 5,213,543	\$ 6,253,583

SUMMARY INCOME STATEMENT	2015	2014
Revenues	\$ 7,572,436	\$ 7,747,229
Operating income	\$ 237,503	\$ 429,060
Net income from continuing operations attributable to common stock	\$ 120,286	\$ 269,224
Diluted earnings per share from continuing operations attributable to common stock	\$ 0.62	\$ 1.22

SUMMARY CASH FLOW DATA	2015	2014
Net cash provided by operating activities of continuing operations	\$ 618,183	\$ 247,742
Capital expenditures, net of proceeds from sales	\$ 183,790	\$ 232,768
Free cash flow ⁽¹⁾	\$ 434,393	\$ 14,974

⁽¹⁾This is a non-GAAP measure provided to enable investors to evaluate performance excluding the effects of certain items management believes impact the comparability of operating results between reporting periods.

Reconciliation of Non-GAAP Financial Measures

(In thousands, except per share information) As of December 31,

	2012	2013	2014	2015
Adjusted diluted earnings per share from continuing operations:				
Net income from continuing operations attributable to common stock (GAAP as reported)	\$ 259,579	\$ 372,057	\$ 269,224	\$ 120,286
Adjustments, net of income taxes:				
Asset impairment charges	-	-	-	44,639
Impact of Alberta tax law change	-	-	-	4,982
Impact of tax benefit from realization of previously unrecognized deferred tax asset	-	-	-	(4,228)
Provision for long-term contract receivable	-	-	62,552	-
Arbitration expense	-	-	25,822	-
Impact of income tax contingency releases	(7,139)	(9,935)	(8,099)	-
Impact of sale of equity ownership in Howard Energy	-	(70,477)	-	-
Acquisition and integration costs	1,961	5,714	11,753	5,592
Adjusted net income from continuing operations attributable to common stock before certain non-cash adjustments	254,401	297,359	361,252	171,271
Non-cash stock based compensation, net income taxes	15,025	20,973	22,844	22,533
Amortization of intangibles, net of income taxes	22,333	16,558	22,409	23,437
Adjusted net income from continuing operations attributable to common stock for adjusted diluted earnings per share from continuing operations	291,759	334,890	406,505	217,241
 Calculation of weighted average shares for adjusted diluted earnings per share from continuing operations attributable to common stock:				
Weighted average shares outstanding for basic earnings per share	212,777	214,929	219,668	195,113
Effect of dilutive stock options	58	49	22	7
Weighted average shares outstanding for adjusted diluted earnings per share	212,835	214,978	219,690	195,120
 Adjusted diluted earnings per share from continuing operations attributable to common stock	\$ 1.37	\$ 1.56	\$ 1.85	\$ 1.11

The non-GAAP measure of adjusted diluted earnings per share from continuing operations is provided to enable investors to evaluate performance excluding the effects of items that management believes impact the comparability of operating results between periods.

Quanta Operating Units

QUANTA SERVICES, INC. 2800 Post Oak Boulevard Suite 2600 Houston, Texas 77056-6175 Tel: 713.629.7600 Fax: 713.629.7676

Operating Unit	Number	Website	Operating Unit	Number	Website
Allteck Line Contractors	866-882-8191	allteck.ca	North Houston Pole Line	713-691-3616	nhplc.com
Arnett & Burgess Pipeliners	403-265-0900	abpipeliners.com	Northstar Energy Services (Canada)	780-539-0700	northstar-inc.com
Banister Pipelines Constructors	780-955-7167	banister.ca	NorthStar Energy Services	281-452-2355	nses.com
Brent Woodward	541-504-5538	brentwoodwardinc.com	NOVA Group	707-265-1100	novagrp.com
Brink Constructors	605-342-6966	brinkred.com	O.J. Pipelines Canada	780-955-3900	ojpipelines.com
Can-Fer Utility Services	972-484-4344	can-fer.com	PAR Electrical Contractors	800-821-7893	parelectric.com
Canadian Utility Construction	604-576-9358	canadianutility.com	Performance Energy Services	985-868-4895	pesllc.com
CONAM Construction	907-278-6600	conamco.com	Phasor Engineering	403-238-3695	phasorengineering.ca
Consolidated Power Projects	08-8291-7800	conpower.com.au	Phoenix Power Group	888-225-6725	phoenixpvg.com
Crux Subsurface	509-892-9409	cruxsub.com	Potelco	800-662-8670	potelco.net
Dacon Corporation	713-558-6600	dashiell.com	Price Gregory International	713-780-7500	pricegregory.com
Dashiell Corporation	713-558-6600	dashiell.com	Probst Electric	435-657-1955	probstelectric.com
EHV Power	888-799-6342	ehvpower.com	Q-Inline Devices	832-634-2800	q-inline.com
Hargrave Power	214-308-6927	hargravepower.com	QPS Engineering	918-858-7620	qpsepc.com
H.L. Chapman Pipeline Construction	512-259-7662	hlchapman.com	Quanta Energized Services	713-629-7600	quantaenergized.com
InfraSource	734-434-2000	infrasourceus.com	Quanta Services Latin America	305-821-1020	quantaservices.com
Intermountain Electric	303-733-7248	imelect.com	Quanta Technology	919-334-3000	quanta-technology.com
Irby Construction Company	800-872-0615	irbyconst.com	RMS Welding Systems	780-955-3907	rmsweldingsystems.com
JCR Utility Construction	603-895-4062	jcrutility.com	Realtime Utility Engineers	800-297-1478	realtimeutilityengineers.com
JET Tank Service	918-543-2555	tankrepairservices.com	Ryan Company	508-742-2500	ryancompany.net
J.W. Didado Electric	330-374-0070	jwdidadoelectric.com	Service Electric Company	423-265-3161	serviceelectricco.com
Longfellow Drilling Services	641-336-2297	parelectric.com	Summit Line Construction	435-657-0721	summitlineconstruction.com
Mears Group	800-632-7727	mears.net	Sumter Utilities	803-469-8585	sumter-utilities.com
M.G. Dyess	601-943-6663	mgdyess.com	T.G. Mercer	817-489-7100	tgmercerc.com
Microline Technology Corporation	231-935-1585	microlinetc.com	Underground Construction Co.	707-746-8800	undergroundconstruction.com
M.J. Electric	906-774-8000	mjelectric.com	Utilimap Corporation	866-732-3460	utilimap.com
Nacap	03-8848-1888	nacap.com.au	Valard Construction	780-436-9876	valard.com
Northern Powerline Constructors	907-344-3436	northernpowerline.com	Winco Powerline Services	503-678-6060	wincoservices.com

Corporate Information

DIRECTORS

Earl C. (Duke) Austin, Jr.
*President, Chief Executive Officer and
Chief Operating Officer, Quanta Services, Inc.*

James R. Ball ^{1,4}
*Private Investor; Former President
and Chief Executive Officer,
Vista Chemical Company*

Doyle N. Beneby
*Chief Executive Officer,
New Generation Power International*

J. Michal Conaway ^{3,4}
Chief Executive Officer, Peregrine Group, LLC

Vincent D. Foster ^{1,4}
*Chief Executive Officer,
Main Street Capital Corporation*

Bernard Fried ^{1,2}
Executive Chairman, OpTerra Energy Group

Louis C. Golm ^{2,3}
*Private Investor; Former President and
Chief Executive Officer, AT&T-Japan*

Worthing F. Jackman ^{1,4}
*Executive Vice President and Chief Financial Officer,
Waste Connections, Inc.*

David M. McClanahan
*Former President and Chief Executive Officer,
CenterPoint Energy, Inc.*

Bruce Ranck
*Chairman of the Board, Quanta Services, Inc.;
Partner, Bayou City Partners;
Former Chief Executive Officer
and President, Browning-Ferris Industries, Inc.*

Margaret B. Shannon ^{2,3}
*Former Vice President and General Counsel,
BJ Services Company*

Pat Wood, III ^{2,3}
*Principal, Wood3 Resources; Former Chairman,
Federal Energy Regulatory Commission*

EXECUTIVE OFFICERS

Earl C. (Duke) Austin, Jr.
*President, Chief Executive Officer,
Chief Operating Officer and Director*

Derrick A. Jensen
Chief Financial Officer

Steven J. Kemps
Executive Vice President and General Counsel

Dale L. Querrey
President – Electric Power

Jesse E. Morris
Executive Vice President – Corporate Development

Randall C. Wisenbaker
*Executive Vice President – Operations and
Health/Safety and Environmental*

Nicholas M. Grindstaff
Vice President – Finance and Treasurer

Dorothy Upperman
Vice President – Tax

- 1 Audit Committee
- 2 Compensation Committee
- 3 Governance and Nominating Committee
- 4 Investment Committee

NEW YORK STOCK EXCHANGE

Last year, our Annual CEO Certification, without qualifications, was timely submitted to the NYSE. Also, we have filed the certifications required under The Sarbanes-Oxley Act of 2002 as exhibits to our Form 10-K.

TRANSFER AGENT

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Ticker Symbol PWR

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