August 2, 2012

Quanta Services Reports 2012 Second Quarter Results

Revenues Increase 50% to $1.52 Billion, Diluted Earnings Per Share Increase 107% to $0.31 Raising 2012 Guidance

HOUSTON, Aug. 2, 2012 /PRNewswire/ -- Quanta Services, Inc. (NYSE: PWR) today announced results for the three and six months ended June 30, 2012. Revenues in the second quarter of 2012 were $1.52 billion compared to revenues of $1.01 billion in the second quarter of 2011. Net income attributable to common stock was $65.5 million, or $0.31 per diluted share, in the second quarter of 2012, versus net income attributable to common stock of $31.8 million, or $0.15 per diluted share, in the second quarter of 2011. Adjusted diluted earnings per share (a non-GAAP measure) were $0.36 for the second quarter of 2012 compared to $0.19 for the second quarter of 2011. Adjusted diluted earnings per share are GAAP diluted earnings per share before the impact of non-cash items such as amortization of intangible assets and non-cash compensation expense, all net of tax, as shown in the detailed reconciliation in the attached table.

(Logo: https://photos.prnewswire.com/prnh/20110810/MM50805LOGO)

"Fifty-eight percent revenue growth in the first six months of this year reflects our ability to provide skilled resources to our customers in a tight labor market with increasing demand for our electric power and pipeline services. As a result of this demand, we are raising our guidance for the year," said Jim O'Neil, president and chief executive officer of Quanta Services. "Our pipeline segment showed meaningful improvement in the quarter despite no revenues from large diameter pipeline projects. We expect significant contributions from this segment as several large diameter pipeline projects are awarded and move to construction in 2013."

Revenues for the first six months of 2012 were $2.94 billion compared to revenues of $1.86 billion in the first half of 2011. For the first six months of 2012, net income attributable to common stock was $111.2 million, or $0.52 per diluted share. This compares to net income attributable to common stock of $14.2 million, or $0.07 per diluted share, for the first six months of last year. Adjusted diluted earnings per share were $0.63 for the first six months of 2012 compared to $0.14 for the first six months of 2011. See the attached table for a reconciliation of non-GAAP measures to the reported GAAP measures.

RECENT HIGHLIGHTS

- **Selected by ATCO Electric for Hanna Region Transmission Development Project**

- Earlier this week, Quanta announced that ATCO Electric selected Valard Construction, a Quanta Services company, to install transmission infrastructure for ATCO Electric's Hanna Region Transmission Development Project. Under the terms of the contract, Valard will install approximately 149 miles of 240-kilovolt transmission infrastructure in the Hanna region of southeast Alberta, Canada. Valard crews have mobilized to begin the project, which is expected to be completed in 2013.

- **Expanded Master Agreement with ETT for CREZ Transmission Construction -**In May, Quanta announced the expansion of its master agreement regarding Competitive Renewable Energy Zone (CREZ) projects assigned to Electric Transmission Texas, LLC (ETT) by the Public Utility Commission of Texas. Under the expanded master agreement, Quanta has the exclusive right initially to negotiate the construction of the entire 460 miles of new 345-kilovolt transmission line projects in west Texas. Quanta previously had initial bidding rights to approximately 250 miles of the projects.

OUTLOOK

The overall outlook for Quanta's business is positive, resulting in improved expectations for the full year 2012. However, the company's customers continue to experience regulatory and permitting challenges on projects and economic conditions continue to create some uncertainty. It is difficult for management to predict the timing or extent of the impact that these issues may have on demand for Quanta's services, particularly in the near-term. The following forward-looking statements are based on current expectations, and actual results may differ materially.

Quanta expects revenues for the third quarter of 2012 to range between $1.6 billion and $1.7 billion and diluted earnings per share to be $0.34 to $0.37. Quanta expects adjusted diluted earnings per share (a non-GAAP measure) for the third quarter of 2012 to be $0.39 to $0.42. This non-GAAP measure is estimated on a similar basis as the calculations of historical adjusted diluted earnings per share presented in this release, adjusting for amortization of intangibles and non-cash stock compensation expense, which are forecasted to be approximately $10.4 million and $7.1 million.

Quanta expects revenues for the full year 2012 to range between $5.9 billion and $6.1 billion. Diluted earnings per share for the full year 2012 are estimated to be between $1.15 and $1.25. Quanta expects adjusted diluted earnings per share for the full year 2012 to range from $1.35 to $1.45. Amortization of intangibles and non-cash stock compensation expense are forecasted to be approximately $67.0 million for the full year 2012.

NON-GAAP FINANCIAL MEASURES

The non-GAAP measures in this press release and on Quanta's website are provided to enable investors, analysts and management to evaluate Quanta's performance excluding the effects of certain items that management believes impact the comparability of operating results between reporting periods. In addition, management believes these measures are useful in comparing Quanta's operating results with those of its competitors. These measures should be used as an addition to, and not in lieu of, results prepared in conformity with GAAP. Reconciliations of other GAAP to non-GAAP measures not included in the table attached to this press release can be found on the company's website at www.quantaservices.com in the "Investors & Media" section.

CONFERENCE CALL INFORMATION

Quanta Services has scheduled a conference call for Aug. 2, 2012, at 9:30 a.m. Eastern Time. To participate in the call, dial 480-629-9678 at least 10 minutes before the conference call begins and ask for the Quanta Services conference call. Investors, analysts and the general public will also have the opportunity to listen to the conference call over the Internet by visiting the company's website at www.quantaservices.com. To listen to the call live on the Web, please visit the Quanta Services website at least 15 minutes early to register, download and install any necessary audio software. For those who cannot listen to the live event, an archive will be available shortly after the call on the company's website at www.quantaservices.com. A replay will also be available through Aug. 9, 2012, and may be accessed at 303-590-3030, using the pass code 4555817#. For more information, please contact Kip Rupp, vice president - investor relations at Quanta Services, by calling 713-341-7260 or emailing investors@quantaservices.com.

Quanta Services is a leading specialized contracting services company, delivering infrastructure solutions for the electric power, natural gas and pipeline and telecommunication industries in North American and certain international markets. Quanta's comprehensive services include designing, installing, repairing and maintaining network infrastructure. Additionally, Quanta licenses point-to-point fiber optic telecommunications infrastructure in certain markets and offers related design, procurement, construction and maintenance services. With operations throughout North America and in select international markets, Quanta has the manpower, resources and expertise to complete projects that are local, regional, national or international in scope.

Forward-Looking Statements

This press release (and oral statements regarding the subject matter of this release, including those made on the conference call and webcast announced herein) contains forward-looking statements intended to qualify for the "safe harbor" from liability established by the Private Securities Litigation Reform Act of 1995. Forward-looking statements include, but are not limited to, projected revenues, earnings per share, margins, capital expenditures and other projections of financial and operating results; growth or opportunities in particular markets; the expected value of contracts or intended contracts with customers; the scope, services, term and results of any projects awarded or expected to be awarded for services to be provided by Quanta; potential opportunities that may be indicated by bidding activity or similar discussions with customers; the potential benefits from acquisitions; the business plans or financial condition of our customers; and Quanta's strategies and plans, as well as statements reflecting expectations, intentions, assumptions or beliefs about future events, and other statements that do not relate strictly to historical or current facts. Although Quanta's management believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to be correct. These statements can be affected by inaccurate assumptions and by a variety of risks and uncertainties that are difficult to predict or beyond our control, including, among others, quarterly variations in operating results, including as a result of weather, site conditions, project schedules, regulatory and environmental restrictions, bidding and spending patterns and other factors that may affect the timing of or productivity on projects; adverse economic and financial conditions, including weakness in the capital markets; trends and growth opportunities in relevant markets; delays, reductions in scope or

cancellations of anticipated, pending or existing projects, including as a result of weather, regulatory or environmental processes, project performance issues or capital constraints that may impact our customers; the successful negotiation, execution, performance and completion of anticipated, pending and existing contracts; the ability to obtain awards of projects on which we bid or are otherwise discussing with customers; the ability to attract skilled labor and retain key personnel and qualified employees; potential shortage of skilled employees; dependence on fixed price contracts and the potential to incur losses with respect to these contracts; estimates relating to the use of percentage-of-completion accounting; the ability to generate internal growth; the ability to effectively compete for new projects and market share; the failure of renewable energy initiatives, the economic stimulus package or other existing or potential legislative actions to result in increased demand for Quanta's services; liabilities associated with multi-employer pension plans, including underfunding of liabilities and termination or withdrawal liabilities; the possibility of an increase in the liability associated with Quanta's partial withdrawal in the fourth quarter of 2011 from a multi-employer pension plan, including as a result of successful legal challenges by the pension plan; unexpected costs or liabilities that may arise from lawsuits or indemnity claims related to the services Quanta performs; liabilities for claims that are self-insured or not insured; potential additional risk exposure resulting from any unavailability or cancellation of third party insurance coverage, the exclusion of coverage for certain losses, or potential increases in premiums for coverage deemed beneficial to Quanta; cancellation provisions within contracts and the risk that contracts are not renewed or are replaced on less favorable terms; the potential that participation in joint ventures exposes us to liability and/or harm to our reputation for actions or omissions by our partners; our failure to comply with the terms of our contracts, which may result in unexcused delays, warranty claims, damages or contract terminations; the effect of natural gas, natural gas liquids and oil prices on Quanta's operations and growth opportunities; the future development of natural resources in shale areas; the inability of customers to pay for services; the failure to recover on payment claims against project owners or to obtain adequate compensation for customer-requested change orders; the failure of our customers to comply with regulatory requirements applicable to their projects, including those related to awards of stimulus funds, potentially resulting in project delays or cancellations; budgetary or other constraints that may reduce or eliminate government funding of projects, including stimulus projects, which may result in project delays or cancellations in whole or in part; estimates and assumptions in determining financial results and backlog; the ability to realize backlog; risks associated with operating in international markets, including instability of foreign governments, currency fluctuations, tax and investment strategies and compliance with the laws of foreign jurisdictions as well as the Foreign Corrupt Practices Act; the ability to successfully identify and complete acquisitions, to effectively integrate acquired businesses and their operations, and to realize potential synergies from acquisitions; the potential adverse impact resulting from uncertainty surrounding acquisitions, including the ability to retain key personnel from the acquired businesses and the potential increase in risks already existing in Quanta's operations; the adverse impact of goodwill or other intangible asset impairments; the adverse impact of impairments of investments in third parties; growth outpacing our decentralized management infrastructure; requirements relating to governmental regulation and changes thereto; inability to enforce our intellectual property rights or the obsolescence of such rights; risks associated with the implementation of an information technology solution; the impact of a unionized workforce on operations and the ability to complete future acquisitions; potential liabilities relating to occupational health and safety matters; our dependence on suppliers, subcontractors and equipment manufacturers and their ability to perform their obligations;

risks associated with Quanta's fiber optic licensing business, including regulatory changes and the potential inability to realize a return on capital investments; beliefs and assumptions about the collectability of receivables; the cost of borrowing, availability of credit, fluctuations in the price and trading volume of Quanta's common stock, debt covenant compliance, interest rate fluctuations and other factors affecting financing and investment activities; the ability to access sufficient funding to finance desired growth and operations; the ability to obtain performance bonds; the ability to continue to meet the requirements of the Sarbanes-Oxley Act of 2002; potential exposure to environmental liabilities; rapid technological and structural changes that could reduce the demand for services; the potential impact of incurring additional healthcare costs arising from federal healthcare reform, and other risks detailed in Quanta's Annual Report on Form 10-K for the year ended December 31, 2011 and Quanta's Quarterly Report on Form 10-Q for the quarter ended March 31, 2012 and any other documents that Quanta files with the Securities and Exchange Commission (SEC). Should one or more of these risks materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those expressed or implied in any forward-looking statements. You are cautioned not to place undue reliance on these forward-looking statements, which are current only as of this date. Quanta does not undertake and expressly disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. For a discussion of these risks, uncertainties and assumptions, investors are urged to refer to Quanta's documents filed with the SEC that are available through the company's website at www.quantaservices.com or through the SEC's Electronic Data Gathering and Analysis Retrieval System (EDGAR) at www.sec.gov.

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Quanta Services, Inc.
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Quanta Services, Inc. and Subsidiaries
Consolidated Statements of Operations
For the Three and Six Months Ended June 30, 2012 and 2011
(In thousands, except per share information)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	**2011**	**2012**	**2**
Revenues	$ 1,516,696	$ 1,010,914	$ 2,941,873	$ 1,8
Cost of services (including depreciation)	1,281,289	856,824	2,510,951	1,6
Gross profit	235,407	154,090	430,922	2
Selling, general and administrative expenses	114,711	89,489	221,357	1
Amortization of intangible assets	9,549	6,871	18,943	
Operating income	111,147	57,730	190,622	
Interest expense	(959)	(255)	(1,543)	
Interest income	387	249	795	
Other income (expense), net	(310)	199	(145)	
Income before income taxes	110,265	57,923	189,729	
Provision for income taxes	40,468	23,610	69,938	

Net income	69,797	34,313	119,791	
Less: Net income attributable to noncontrolling interests	4,259	2,512	8,546	
Net income attributable to common stock	$ 65,538	$ 31,801	$ 111,245	$
Earnings per share attributable to common stock:				
Basic earnings per share	$ 0.31	$ 0.15	$ 0.52	$
Diluted earnings per share	$ 0.31	$ 0.15	$ 0.52	$
Weighted average shares used in computing earnings per share:				
Basic	212,987	214,827	212,244	2
Diluted	213,087	215,023	212,342	2

Quanta Services, Inc. and Subsidiaries
Condensed Consolidated Balance Sheets
(In thousands)
(Unaudited)

	June 30, 2012	December 31, 2011
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 172,868	$ 315,349
Accounts receivable, net	1,138,720	1,066,273
Costs and estimated earnings in excess of billings on uncompleted contracts	352,857	206,159
Inventories	57,649	71,416
Prepaid expenses and other current assets	102,407	105,957
Total current assets	1,824,501	1,765,154
PROPERTY AND EQUIPMENT, net	1,016,737	971,696
OTHER ASSETS, net	185,084	153,830
OTHER INTANGIBLE ASSETS, net	206,019	207,224
GOODWILL	1,664,962	1,601,210
Total assets	$ 4,897,303	$ 4,699,114
LIABILITIES AND EQUITY		
CURRENT LIABILITIES:		
Notes payable	$ 33	$ 56
Accounts payable and accrued expenses	635,469	618,925
Billings in excess of costs and estimated earnings on uncompleted contracts	148,469	162,095
Total current liabilities	783,971	781,076
LONG-TERM DEBT	39,000	—
DEFERRED INCOME TAXES AND OTHER NON-CURRENT LIABILITIES	528,178	528,775
Total liabilities	1,351,149	1,309,851
TOTAL STOCKHOLDERS' EQUITY	3,536,534	3,381,952
NONCONTROLLING INTERESTS	9,620	7,311
TOTAL EQUITY	3,546,154	3,389,263
Total liabilities and equity	$ 4,897,303	$ 4,699,114

Quanta Services, Inc. and Subsidiaries
Supplemental Data
(Unaudited)

Segment Results
We report our results under four reporting segments: (1) Electric Power Infrastructure Services, (2) Natural Gas and Pipeline Infrastructu
and (4) Fiber Optic Licensing, as set forth below (in thousands, except percentages).

	Three Months Ended June 30,							
	2012			2011			2012	
Revenues:								
Electric Power	$ 1,014,423	66.9	%	$ 667,082	66.0	%	$ 1,947,744	
Natural Gas and Pipeline	339,928	22.4		209,658	20.7		698,788	
Telecommunications	133,625	8.8		106,422	10.5		239,578	
Fiber Optic Licensing	28,720	1.9		27,752	2.8		55,763	
Consolidated revenues	$ 1,516,696	100.0	%	$ 1,010,914	100.0	%	$ 2,941,873	
Operating income (loss):								
Electric Power	$ 111,161	11.0	%	$ 69,147	10.4	%	$ 220,485	
Natural Gas and Pipeline	15,250	4.5		(1,213)	(0.6)		4,291	
Telecommunications	13,776	10.3		9,028	8.5		22,196	
Fiber Optic Licensing	15,218	53.0		13,182	47.5		28,827	
Corporate and Non-Allocated Costs	(44,258)	N/A		(32,414)	N/A		(85,177)	
Consolidated operating income	$ 111,147	7.3	%	$ 57,730	5.7	%	$ 190,622	

Backlog

Backlog represents the amount of revenue that we expect to realize from work to be performed in the future on uncompleted contracts, including new contractual arrangements on which work has not yet begun. Backlog estimates include amounts under long-term maintenance contracts or master service agreements (MSAs), in addition to construction contracts. We estimate the amount of work to be disclosed as backlog as the estimate of future work to be performed by using recurring historical trends inherent in the current MSAs, factoring in seasonal demand and projecting customer needs based upon ongoing communications with the customer. Generally, our customers are not contractually committed to specific volumes of services under our MSAs, and many of our contracts may be terminated with notice. There can be no assurance as to our customers' requirements or that our estimates are accurate. In addition, many of our MSAs, as well as contracts for fiber optic licensing, are subject to renewal options. For purposes of calculating backlog, we have included future renewal options only to the extent that the renewals can reasonably be expected to occur.

The following table presents our total backlog by reportable segment as ofJune 30, 2012, June 30, 2011 and December 31, 2011 along with an estimate of the backlog amounts

expected to be realized within 12 months of each balance sheet date (in millions):

	Backlog as of					
	June 30, 2012		June 30, 2011		December 31	
	12 Month	Total	12 Month	Total	12 Month	
Electric Power	$ 2,807.1	$ 4,949.9	$ 2,203.5	$ 4,756.2	$ 2,365.5	$
Natural Gas and Pipeline	829.9	1,394.4	522.4	1,160.9	768.2	
Telecommunications	341.4	512.9	349.7	569.0	336.0	
Fiber Optic Licensing	101.4	426.3	98.3	414.7	102.8	
Total	$ 4,079.8	$ 7,283.5	$ 3,173.9	$ 6,900.8	$ 3,572.5	$

Quanta Services, Inc. and Subsidiaries
Reconciliation of Non-GAAP Financial Measures
For the Three and Six Months Ended June 30, 2012 and 2011
(In thousands, except per share information)
(Unaudited)

The non-GAAP measure of adjusted diluted earnings per share is provided to enable investors to evaluate performance excluding the e that management believes impact the comparability of operating results between reporting periods. As to certain of the items below, (i) a intangible assets is impacted by Quanta's acquisition activity, which can cause these amounts to vary from period to period; (ii) non-cas compensation expense may vary due to acquisition activity, factors influencing the estimated fair value of performance-based awards, e forfeiture rates and amounts granted during the period and (iii) acquisition costs vary from period to period depending on the level of Qu acquisition activity ongoing during the period.

	Three Months Ended June 30,		Six Months E June 30	
	2012	2011	2012	
Adjusted diluted earnings per share:				
Net income attributable to common stock (GAAP as reported)	$ 65,538	$ 31,801	$ 111,245	
Adjustments:				
Acquisition costs, net of tax	461	—	901	
Adjusted net income attributable to common stock before certain non-cash adjustments	65,999	31,801	112,146	
Non-cash stock-based compensation, net of tax	4,937	3,632	8,891	
Amortization of intangible assets, net of tax	6,220	4,569	12,363	
Adjusted net income attributable to common stock for adjusted diluted earnings per share	$ 77,156	$ 40,002	$ 133,400	
Calculation of weighted average shares for adjusted diluted earnings per share:				
Weighted average shares outstanding for basic earnings per share	212,987	214,827	212,244	
Effect of dilutive stock options	100	129	98	
Effect of shares held in escrow	—	67	—	
Weighted average shares outstanding for adjusted diluted earnings per share	213,087	215,023	212,342	
Adjusted diluted earnings per share	$ 0.36	$ 0.19	$ 0.63	

SOURCE Quanta Services, Inc.