

DYCOM INDUSTRIES INC

FORM 8-K (Current report filing)

Filed 05/23/12 for the Period Ending 05/22/12

Address 11770 U.S. HIGHWAY 1
SUITE 101
PALM BEACH GARDENS, FL 33408
Telephone 5616277171
CIK 0000067215
Symbol DY
SIC Code 1623 - Water, Sewer, Pipeline, and Communications and Power Line Construction
Industry Construction Services
Sector Capital Goods
Fiscal Year 07/31

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): May 22, 2012

DYCOM INDUSTRIES, INC.

(Exact name of Registrant as specified in its charter)

Florida

(State or other jurisdiction of incorporation)

001-10613

(Commission file number)

59-1277135

(I.R.S. employer identification no.)

**11770 U.S. Highway One, Suite 101, Palm Beach
Gardens, Florida 33408**

(Address of principal executive offices) (Zip Code)

(561) 627-7171

(Registrant's telephone number, including area code)

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:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-
-
-

Item 2.02 Results of Operations and Financial Condition.

On May 22, 2012, Dycow Industries, Inc. (the "Company") issued a press release reporting fiscal 2012 third quarter results. Additionally, on May 23, 2012, the Company made available related materials to be discussed during the Company's webcast and conference call referred to in such press release. A copy of the press release and related conference call materials are furnished as Exhibits 99.1 and 99.2, respectively, to this Current Report on Form 8-K and are incorporated herein by reference.

The press release and related materials contain the financial measures of Adjusted EBITDA, Non-GAAP net income, Non-GAAP earnings per common share, and certain amounts relating to organic revenue, which are non-GAAP financial measures within the meaning of Regulation G promulgated by the Securities and Exchange Commission. Adjusted EBITDA, defined by the Company as earnings before interest, taxes, depreciation and amortization, gain on sale of fixed assets, stock-based compensation expense, loss on debt extinguishment, acquisition related costs, and charges for a wage and hour class action settlement, is not a recognized term under generally accepted accounting principles ("GAAP") and does not purport to be an alternative to net income, operating cash flows, or a measure of earnings. Non-GAAP net income and Non-GAAP earnings per share are not recognized terms under GAAP and do not purport to be alternatives to GAAP net income and GAAP earnings per share. Organic revenue is not a recognized term under GAAP and does not purport to be an alternative to GAAP contract revenue. Because all companies do not use identical calculations, the presentation of these non-GAAP financial measures may not be comparable to other similarly titled measures of other companies. The Company believes these non-GAAP financial measures provide information that is useful to the Company's investors. The Company believes that this information is helpful in understanding period-over-period operating results separate and apart from items that may, or could, have a disproportionate impact on the Company's results of operations in any particular period. Additionally, the Company uses these non-GAAP financial measures to evaluate its past performance and prospects for future performance.

The information in the preceding paragraphs, as well as Exhibits 99.1 and 99.2, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act"), or otherwise subject to the liabilities of that section. It may only be incorporated by reference into another filing under the Exchange Act or the Securities Act of 1933 (the "Securities Act") if such subsequent filing specifically references this Current Report on Form 8-K.

Item 7.01 Regulation FD Disclosure.

On May 22, 2012, the Company issued a press release reporting fiscal 2012 third quarter results. Additionally, on May 23, 2012, the Company made available related materials to be discussed during the Company's webcast and conference call referred to in such press release. A copy of the press release and related conference call materials are furnished as Exhibits 99.1 and 99.2, respectively, to this Current Report on Form 8-K and are incorporated herein by reference.

The press release and related materials contain the financial measures of Adjusted EBITDA, Non-GAAP net income, Non-GAAP earnings per common share, and certain amounts relating to organic revenue, which are non-GAAP financial measures within the meaning of Regulation G promulgated by the Securities and Exchange Commission. Adjusted EBITDA, defined by the Company as earnings before interest, taxes, depreciation and amortization, gain on sale of fixed assets, stock-based compensation expense, loss on debt extinguishment, acquisition related costs, and charges for a wage and hour class action settlement, is not a recognized term under generally accepted accounting principles ("GAAP") and does not purport to be an alternative to net income, operating cash flows, or a measure of earnings. Non-GAAP net income and Non-GAAP earnings per share are not recognized terms under GAAP and do not purport to be alternatives to GAAP net income and GAAP earnings per share. Organic revenue is not a recognized term under GAAP and does not purport to be an alternative to GAAP contract revenue. Because all companies do not use identical calculations, the presentation of these non-GAAP financial measures may not be comparable to other similarly titled measures of other companies. The Company believes these non-GAAP financial measures provide information that is useful to the Company's investors. The Company believes that this information is helpful in understanding period-over-period operating results separate and apart from items that may, or could, have a disproportionate impact on the Company's results of operations in any particular period. Additionally, the Company uses these non-GAAP financial measures to evaluate its past performance and prospects for future performance.

The information in the preceding paragraphs, as well as Exhibits 99.1 and 99.2, shall not be deemed "filed" for purposes of Section 18 of the Exchange Act, or otherwise subject to the liabilities of that section. It may only be incorporated by reference into another filing under the Exchange Act or Securities Act if such subsequent filing specifically references this Current Report on Form 8-K.

Forward Looking Statements

This Current Report on Form 8-K contains forward-looking statements as contemplated by the 1995 Private Securities Litigation Reform Act, including statements with respect to the Company's fiscal 2012 results. These statements are based on management's current expectations, estimates and projections. Forward-looking statements are subject to risks and uncertainties that may cause actual results in the future to differ materially from the results projected or implied in any forward-looking statements contained in this Current Report on Form 8-K. Such risks and uncertainties include: business and economic conditions in the telecommunications industry affecting our customers, the adequacy of our insurance and other reserves and allowances for doubtful accounts, whether the carrying value of our assets may be impaired, the impact of any future acquisitions, the anticipated outcome of other contingent events, including litigation, liquidity needs and the availability of financing, as well as other risks detailed in the Company's other filings with the Securities and Exchange Commission. These filings are available on a web site maintained by the Securities and Exchange Commission at <http://www.sec.gov>. The Company does not undertake to update forward looking statements except as required by law.

Item 9.01 Financial Statement and Exhibits.

(d) Exhibits

99.1 Press release dated May 22, 2012 by Dycom Industries, Inc. announcing fiscal 2012 third quarter results.

99.2 Slide presentation relating to the webcast and conference call held on May 23, 2012 regarding the Company's fiscal 2012 third quarter results.

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.

Dated: May 23, 2012

DYCOM INDUSTRIES, INC.
(Registrant)

By: /s/ Richard B. Vilsoet

Name: Richard B. Vilsoet

Title: Vice President, General Counsel and Corporate Secretary



11770 U.S. Highway 1, Suite 101, Palm Beach Gardens, FL 33408

Phone: (561) 627-7171

NEWS RELEASE**FOR IMMEDIATE RELEASE**Contact: Steven E. Nielsen, President and CEO
H. Andrew DeFerrari, Senior Vice President and CFO
(561) 627-7171

May 22, 2012

DYCOM INDUSTRIES, INC. ANNOUNCES FISCAL 2012 THIRD QUARTER RESULTS

Palm Beach Gardens, Florida, May 22, 2012 – Dycom Industries, Inc. (NYSE: DY) announced today its results for the third quarter ended April 28, 2012.

The Company reported:

- Contract revenues of \$296.1 million for the quarter ended April 28, 2012, compared to \$252.4 million for the quarter ended April 30, 2011, an increase of 17.3%;
- Adjusted EBITDA (Non-GAAP) of \$29.9 million for the quarter ended April 28, 2012, compared to \$23.8 million for the quarter ended April 30, 2011; and
- Net income on a GAAP basis of \$9.6 million, or \$0.28 per common share diluted, for the quarter ended April 28, 2012, compared to \$1.5 million, or \$0.04 per common share diluted, for the quarter ended April 30, 2011. On a Non-GAAP basis, net income for the quarter ended April 30, 2011 was \$3.4 million, or \$0.10 per common share diluted. Non-GAAP net income for the three months ended April 30, 2011 excludes a \$2.6 million pre-tax loss on debt extinguishment associated with the Company's redemption of \$48.4 million of its 8.125% senior subordinated notes due 2015, and a \$0.6 million pre-tax charge in cost of earned revenues related to a wage and hour class action litigation settlement.

The Company also reported:

- Contract revenues of \$883.1 million for the nine months ended April 28, 2012, compared to \$732.1 million for the nine months ended April 30, 2011, an increase of 18.1% after adjusting for revenues in each period from businesses acquired during the second quarter of fiscal 2011;
 - Adjusted EBITDA (Non-GAAP) of \$95.0 million for the nine months ended April 28, 2012, compared to \$70.4 million for the nine months April 30, 2011; and
 - Net income on a GAAP basis of \$26.1 million, or \$0.76 per common share diluted, for the nine months ended April 28, 2012, compared to \$3.1 million, or \$0.09 per common share diluted, for the nine months ended April 30, 2011. On a Non-GAAP basis, net income for the nine months ended April 30, 2011 was \$8.9 million, or \$0.25 per common share diluted. Non-GAAP net income for the nine months ended April 30, 2011 excludes a \$8.3 million pre-tax loss on debt extinguishment associated with the Company's tender offer and redemption of its 8.125% senior subordinated notes due 2015, a \$0.6 million pre-tax charge in cost of earned revenues related to a wage and hour class action litigation settlement, and \$0.2 million in pre-tax acquisition related costs.
-

The Company has defined Adjusted EBITDA (Non-GAAP) as earnings before interest, taxes, depreciation and amortization, gain on sale of fixed assets, stock-based compensation expense, loss on debt extinguishment, acquisition related costs, and charges for a wage and hour class action settlement. See the accompanying tables which present a reconciliation of GAAP to Non-GAAP financial information.

A conference call to review the Company's results will be hosted at 9 a.m. (ET), Wednesday, May 23, 2012; call 800-230-1085 (United States) or 612-288-0329 (International) ten minutes before the conference call begins and ask for the "Dycom Results" conference call. A live webcast of the conference call, along with related materials, will be available at <http://www.dycomind.com> under the heading "Events." The conference call materials will be available at approximately 8 a.m. (ET) on May 23, 2012. If you are unable to attend the conference call at the scheduled time, a replay of the live webcast and the conference call materials will be available at <http://www.dycomind.com> until Friday, June 22, 2012.

Dycom is a leading provider of specialty contracting services. These services, which are provided throughout the United States and in Canada, include engineering, construction, maintenance and installation services to telecommunications providers, underground facility locating services to various utilities, including telecommunications providers, and other construction and maintenance services to electric and gas utilities and others.

The Company reports its financial results in accordance with U.S. generally accepted accounting principles (GAAP). The Company believes that the presentation of certain Non-GAAP financial measures in this press release provides information that is useful to investors because it allows for a more direct comparison of the Company's performance for the period with the Company's performance in the comparable prior-year period. The Company cautions that Non-GAAP financial measures should be considered in addition to, but not as a substitute for, the Company's reported GAAP results.

Fiscal 2012 third quarter results are preliminary and are unaudited. This press release may contain forward-looking statements as contemplated by the 1995 Private Securities Litigation Reform Act. These statements are based on management's current expectations, estimates and projections. Forward-looking statements are subject to risks and uncertainties that may cause actual results in the future to differ materially from the results projected or implied in any forward-looking statements contained in this press release. Such risks and uncertainties include business and economic conditions and trends in the telecommunications industry affecting our customers, the adequacy of our insurance and other reserves and allowances for doubtful accounts, whether the carrying value of our assets may be impaired, the future impact of any acquisitions or dispositions, the anticipated outcome of other contingent events, including litigation, liquidity and other financial needs, the availability of financing, and the other risks detailed in our filings with the Securities and Exchange Commission. The Company does not undertake to update forward-looking statements.

---Tables Follow---

NYSE: "DY"

DYCOM INDUSTRIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
April 28, 2012 and July 30, 2011
Unaudited

	April 28, 2012	July 30, 2011
(Dollars in thousands)		
ASSETS		
CURRENT ASSETS:		
Cash and equivalents	\$ 66,710	\$ 44,766
Accounts receivable, net	121,638	138,552
Costs and estimated earnings in excess of billings	105,874	90,855
Inventories	29,795	20,558
Deferred tax assets, net	15,653	15,957
Income taxes receivable	867	8,685
Other current assets	12,278	10,938
Total current assets	352,815	330,311
PROPERTY AND EQUIPMENT, NET	155,036	149,439
GOODWILL	174,849	174,849
INTANGIBLE ASSETS, NET	51,364	56,279
OTHER	12,981	13,877
TOTAL NON-CURRENT ASSETS	394,230	394,444
TOTAL ASSETS	\$ 747,045	\$ 724,755
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$ 33,287	\$ 39,399
Current portion of debt	121	232
Billings in excess of costs and estimated earnings	979	749
Accrued insurance claims	25,123	26,092
Other accrued liabilities	51,294	52,041
Total current liabilities	110,804	118,513
LONG-TERM DEBT	187,500	187,574
ACCRUED INSURANCE CLAIMS	22,546	23,344
DEFERRED TAX LIABILITIES, NET NON-CURRENT	44,011	39,923
OTHER LIABILITIES	3,798	3,550
Total liabilities	368,659	372,904
Total Stockholders' Equity	378,386	351,851
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 747,045	\$ 724,755

DYCOM INDUSTRIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
Unaudited

	Three Months Ended April 28, 2012	Three Months Ended April 30, 2011	Nine Months Ended April 28, 2012	Nine Months Ended April 30, 2011
	(Dollars in thousands, except per share amounts)			
Contract revenues	\$ 296,103	\$ 252,363	\$ 883,085	\$ 732,150
Costs of earned revenues, excluding depreciation and amortization	241,386	207,045	716,812	597,987
General and administrative expenses (1)	26,956	23,678	76,589	68,338
Depreciation and amortization	15,561	15,491	47,047	46,894
Total	283,903	246,214	840,448	713,219
Interest expense, net	(4,178)	(4,395)	(12,528)	(11,813)
Loss on debt extinguishment	-	(2,557)	-	(8,296)
Other income, net	7,627	3,500	12,943	7,464
Income before income taxes	15,649	2,697	43,052	6,286
Provision for income taxes	6,004	1,208	16,956	3,144
Net income	\$ 9,645	\$ 1,489	\$ 26,096	\$ 3,142
Earnings per common share:				
Basic earnings per common share	\$ 0.29	\$ 0.04	\$ 0.78	\$ 0.09
Diluted earnings per common share	\$ 0.28	\$ 0.04	\$ 0.76	\$ 0.09
Shares used in computing income per common share:				
Basic	33,741,255	34,706,822	33,669,974	35,800,175
Diluted	34,682,891	35,323,667	34,516,902	36,130,585

(1) Includes stock-based compensation expense of \$1.9 million and \$4.9 million for the three and nine months ended April 28, 2012, respectively, and \$1.3 million and \$3.1 million for the three and nine months ended April 30, 2011, respectively.

DYCOM INDUSTRIES, INC. AND SUBSIDIARIES
RECONCILIATION OF GAAP TO NON-GAAP INFORMATION
Unaudited

	Three Months Ended April 28, 2012	Three Months Ended April 30, 2011	Nine Months Ended April 28, 2012	Nine Months Ended April 30, 2011
(Dollars in thousands, except per share amounts)				
Pre-Tax Reconciling Items decreasing net income				
Loss on debt extinguishment	\$ -	\$ (2,557)	\$ -	\$ (8,296)
Charge for a wage and hour class action litigation settlement	-	(600)	-	(600)
Acquisition related costs	-	-	-	(223)
Total Reconciling Items	<u>\$ -</u>	<u>\$ (3,157)</u>	<u>\$ -</u>	<u>\$ (9,119)</u>
GAAP net income	\$ 9,645	\$ 1,489	\$ 26,096	\$ 3,142
Adjustment for Reconciling Items above, net of tax	-	1,901	-	5,777
Non-GAAP net income	<u>\$ 9,645</u>	<u>\$ 3,390</u>	<u>\$ 26,096</u>	<u>\$ 8,919</u>
Earnings per common share:				
Basic earnings per common share - GAAP	\$ 0.29	\$ 0.04	\$ 0.78	\$ 0.09
Adjustment for Reconciling Items above, net of tax	-	0.05	-	0.16
Basic earnings per common share - Non-GAAP	<u>\$ 0.29</u>	<u>\$ 0.10</u>	<u>\$ 0.78</u>	<u>\$ 0.25</u>
Diluted earnings per common share - GAAP	\$ 0.28	\$ 0.04	\$ 0.76	\$ 0.09
Adjustment for Reconciling Items above, net of tax	-	0.05	-	0.16
Diluted earnings per common share - Non-GAAP	<u>\$ 0.28</u>	<u>\$ 0.10</u>	<u>\$ 0.76</u>	<u>\$ 0.25</u>
Earnings per share amounts may not add due to rounding.				
Shares used in computing GAAP and Non-GAAP earnings per common share and adjustment for Reconciling Items above:				
Basic	<u>33,741,255</u>	<u>34,706,822</u>	<u>33,669,974</u>	<u>35,800,175</u>
Diluted	<u>34,682,891</u>	<u>35,323,667</u>	<u>34,516,902</u>	<u>36,130,585</u>

NYSE: "DY"

DYCOM INDUSTRIES, INC. AND SUBSIDIARIES
RECONCILIATION OF GAAP TO NON-GAAP INFORMATION
Unaudited
(continued)

The below table presents the Non-GAAP financial measure of Adjusted EBITDA for the three and nine months ended April 28, 2012 and April 30, 2011 and a reconciliation of Adjusted EBITDA to net income, the most directly comparable GAAP measure.

	Three Months Ended April 28, 2012	Three Months Ended April 30, 2011	Nine Months Ended April 28, 2012	Nine Months Ended April 30, 2011
	(Dollars in thousands)			
Reconciliation of Net income to Adjusted EBITDA (Non-GAAP):				
Net income	\$ 9,645	\$ 1,489	\$ 26,096	\$ 3,142
Interest expense, net	4,178	4,395	12,528	11,813
Provision for income taxes	6,004	1,208	16,956	3,144
Depreciation and amortization expense	15,561	15,491	47,047	46,894
Earnings Before Interest, Taxes, Depreciation & Amortization ("EBITDA")	35,388	22,583	102,627	64,993
Gain on sale of fixed assets	(7,439)	(3,300)	(12,578)	(6,810)
Stock-based compensation expense	1,933	1,314	4,901	3,086
Loss on debt extinguishment	-	2,557	-	8,296
Charge for a wage and hour class action litigation settlement	-	600	-	600
Acquisition related costs	-	-	-	223
Adjusted EBITDA (Non-GAAP)	<u>\$ 29,882</u>	<u>\$ 23,754</u>	<u>\$ 94,950</u>	<u>\$ 70,388</u>

NYSE: "DY"

DYCOM INDUSTRIES, INC. AND SUBSIDIARIES
RECONCILIATION OF GAAP TO NON-GAAP INFORMATION
Unaudited
(continued)

The below table presents the reconciliation of contract revenues adjusted for revenues from businesses acquired in the second quarter of fiscal 2011, and the change from the comparable prior year period.

	Contract Revenues - GAAP	Revenues from businesses acquired in the second quarter of fiscal 2011	Contract Revenues - Non-GAAP	% Growth - GAAP	% Growth - Non-GAAP
	(Dollars in thousands)				
Nine Months Ended April 28, 2012	\$ 883,085	\$ (41,779)	\$ 841,306	20.6%	18.1%
Nine Months Ended April 30, 2011	\$ 732,150	\$ (19,646)	\$ 712,504		



***Fiscal 2012
3rd Quarter Presentation***

May 23, 2012





Participants



Steven E. Nielsen
President & Chief Executive Officer

Timothy R. Estes
Chief Operating Officer

H. Andrew DeFerrari
Chief Financial Officer

Richard B. Vilsoet
General Counsel



Forward-Looking Statements and Non-GAAP Information



Fiscal 2012 third quarter results are unaudited. This presentation contains “forward-looking statements” which are statements relating to future events, future financial performance, strategies, expectations, and competitive environment. All statements, other than statements of historical facts, contained in this presentation, including statements regarding our future financial position, future revenue, prospects, plans and objectives of management, are forward-looking statements. Words such as “believe,” “expect,” “anticipate,” “estimate,” “intend,” “forecast,” “may,” “should,” “could,” “project,” “looking ahead” and similar expressions, as well as statements in future tense, identify forward-looking statements. You should not read forward looking statements as a guarantee of future performance or results. They will not necessarily be accurate indications of whether or at what time such performance or results will be achieved. Forward-looking statements are based on information available at the time those statements are made and/or management’s good faith belief at that time with respect to future events. Such statements are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in or suggested by the forward-looking statements. Important factors that could cause such differences include, but are not limited to factors described under Item 1A, “Risk Factors” of the Company’s Annual Report on Form 10-K for the year ended July 30, 2011, and other risks outlined in the Company’s periodic filings with the Securities and Exchange Commission (“SEC”). The forward-looking statements in this presentation are expressly qualified in their entirety by this cautionary statement. Except as required by law, the Company may not update forward-looking statements even though its situation may change in the future.

This presentation includes certain “Non-GAAP” financial measures as defined by SEC rules. We believe that the presentation of certain Non-GAAP financial measures provides information that is useful to investors because it allows for a more direct comparison of our performance for the period with our performance in the comparable prior-year periods. As required by the SEC, we have provided a reconciliation of those measures to the most directly comparable GAAP measures on the Regulation G slides included as slides 11 through 14 of this presentation. We caution that Non-GAAP financial measures should be considered in addition to, but not as a substitute for, our reported GAAP results.



Q3-2012 Overview



- Contract revenue of \$296.1 million grew 17.3% compared to \$252.4 million in the prior year quarter
- Adjusted EBITDA grew 25.8% year-over-year to \$29.9 million in Q3-12
- GAAP net income of \$0.28 per share diluted compared to Non-GAAP net income of \$0.10 per share diluted in Q3-11
- Repurchased 495,500 common shares at an average price of \$22.08 per share

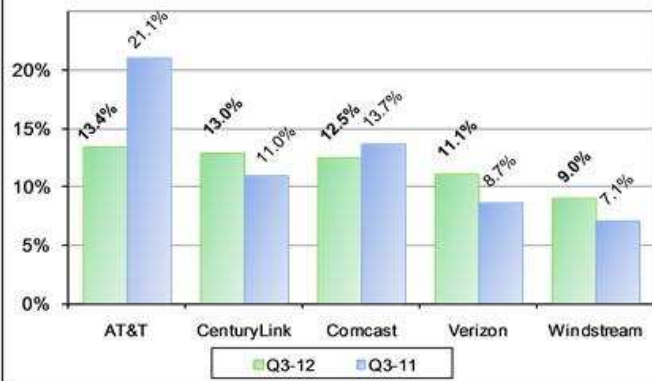
Note: Non-GAAP net income per share diluted of \$0.10 in Q3-11 is adjusted for the after-tax impact of a \$0.6 million litigation settlement charge, and loss on debt extinguishment of \$2.6 million. See "Regulation G Disclosure" slides 11-14 for a reconciliation of GAAP to Non-GAAP financial measures.



Revenue Summary

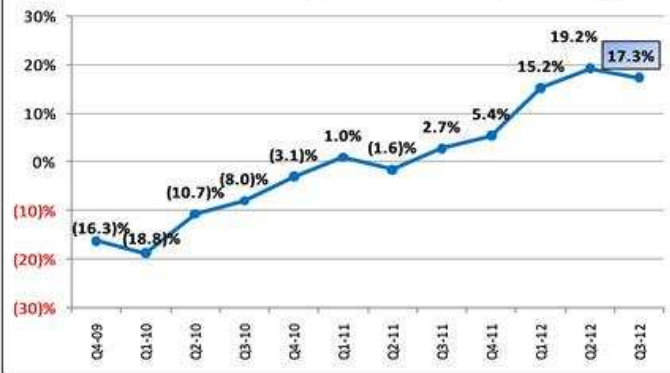


Revenue % by Customer - Top 5 in Q3-12



- Top 5 customers represented 59.0% of revenue in Q3-12 compared to 61.6% of revenue in Q3-11
 - CenturyLink, Dycom's second largest customer, grew over 38% year over year
 - Verizon and Windstream, Dycom's fourth and fifth largest customers, both grew 49% year over year

Non-GAAP Organic Growth (Decline)



- Revenue growth of 17.3%, fifth consecutive quarter of organic growth
 - Revenue from Top 5 customers up 12.3%
 - Combined revenue from other customers up 25.4%

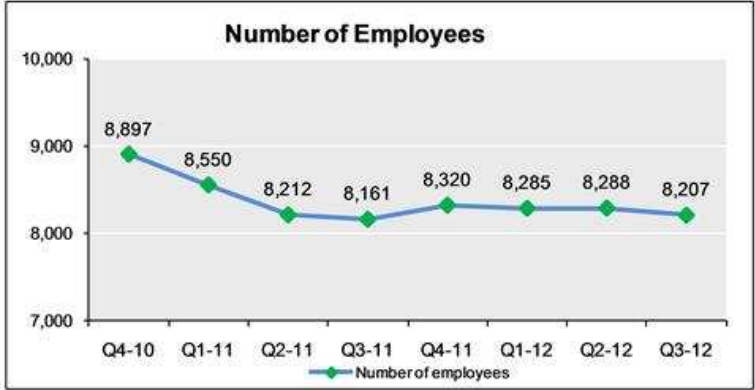
* For comparison purposes, revenues from CenturyLink, Inc. and Qwest Communications International, Inc. have been combined for each period presented. Additionally, revenues from Windstream Corporation and Kentucky Data Link, Inc. have been combined for each period presented.

Note: See "Regulation G Disclosure" slides 11 -14 for a reconciliation of GAAP to Non-GAAP financial measures.





Backlog and Awards



Current Awards and Extensions

Customers	Description	Area	Approximate Term (in years)
Comcast	Cable Installation Services	New Jersey, Pennsylvania, Texas	4
Windstream	Construction and Maintenance Services	Georgia	2
Time Warner Cable	Construction and Maintenance Services	California	2
Verizon	Engineering Services	Florida, Virginia, Texas	3
Various	Rural broadband	Georgia, North Carolina, Tennessee, Vermont	1

Third Quarter Backlog at \$1.744 billion



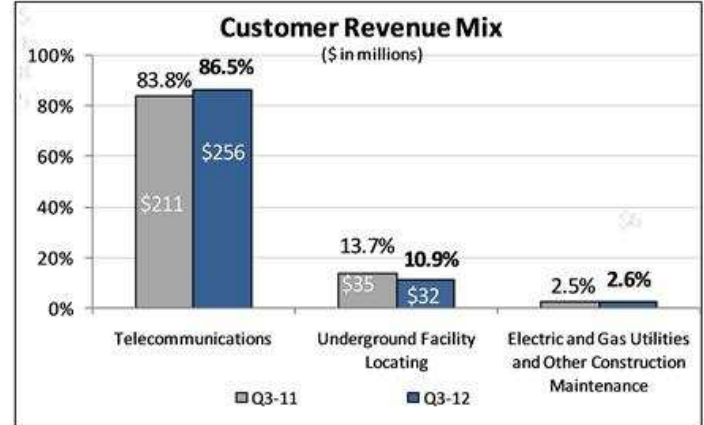
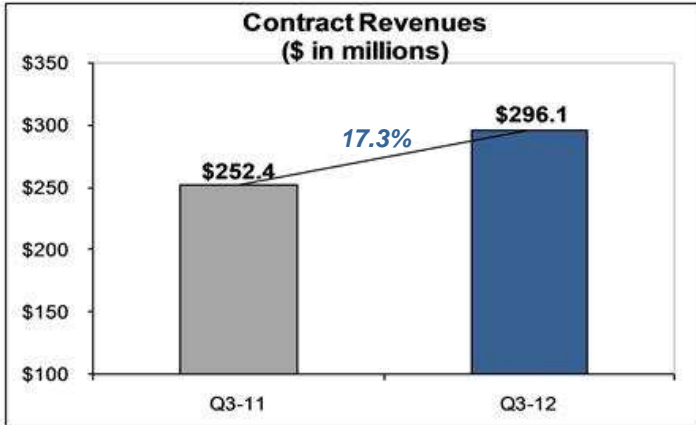


Summary Results

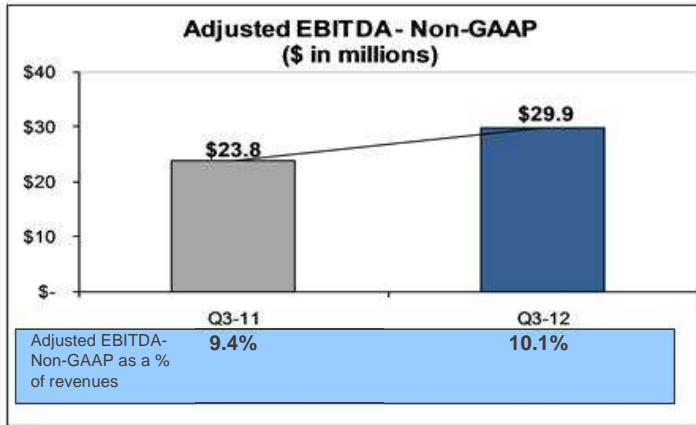
Revenue growth of 17.3%, highest 3rd quarter organic growth in 8 years



Revenue from Telecommunications customers 86.5% of total



Adjusted EBITDA growth of 25.8% from improved performance



EPS of \$0.28 per common share diluted as compared to Non-GAAP EPS of \$0.10 in the prior year quarter

	Q3-11 (Non-GAAP)	Q3-12
Net Income	\$ 3.4	\$ 9.6
Fully Diluted EPS	\$0.10	\$0.28

(\$ in millions, except per share data)

Note: See "Regulation G Disclosure" slides 11-14 for a reconciliation of GAAP to Non-GAAP financial measures.





Selected Information



	Q3-12	Q3-11	Change (a)
	(\$ in millions)(b)		
Contract Revenues	\$ 296.1	\$ 252.4	\$ 43.7
Cost of Earned Revenues (Non-GAAP Q3-11)	\$ 241.4 81.5%	\$ 206.4 81.8%	\$ 34.9 (0.3)%
General & Administrative	\$ 27.0 9.1%	\$ 23.7 9.4%	\$ 3.3 (0.3)%
Depreciation & Amortization	\$ 15.6 5.3%	\$ 15.5 6.1%	\$ 0.1 (0.9)%
Interest Expense, net	\$ 4.2 1.4%	\$ 4.4 1.7%	\$ (0.2) (0.3)%
Other Income, net	\$ 7.6 2.6%	\$ 3.5 1.4%	\$ 4.1 1.2%
Net Income - (Non-GAAP Q3-11)	\$ 9.6 3.3%	\$ 3.4 1.3%	\$ 6.3 1.9%
Adjusted EBITDA - Non-GAAP	\$ 29.9 10.1%	\$ 23.8 9.4%	\$ 6.1 0.7%

Revenue growth of 17.3%

- Growth within existing contracts
- Rural broadband projects

Adjusted EBITDA % increased 68 basis points as a % of revenue to \$29.9 million

- Improved operating leverage
- Maintained cost discipline

Other income, net increased to \$7.6 million from higher asset sales and favorable pricing

(a) Amounts may not foot due to rounding.

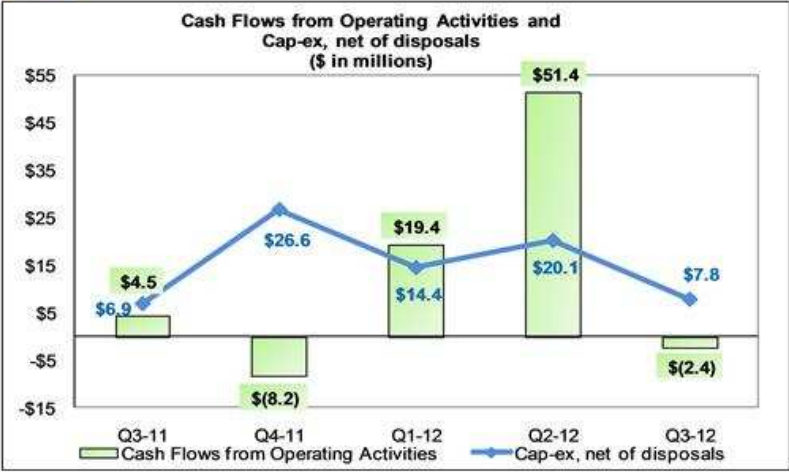
(b) Percentages disclosed under the financial amounts for Q3-12 and Q3-11 represent the percentage of contract revenues for the applicable period.

Note: See "Regulation G Disclosure" slides 11-14 for a reconciliation of GAAP to Non-GAAP financial measures.





Cash Flow and Liquidity



Operating cash flows and targeted capital spending support growth

- Cash flow supported growth in operations during the quarter
- Capital expenditures, net of disposals, of \$7.8 million

	July 30, 2011	April 28, 2012
	(\$ in millions)	
Cash and equivalents	\$ 44.8	\$ 66.7
Debt:		
7.125% Senior Subordinated Notes, due January 2021	\$ 187.5	\$ 187.5
Senior Credit Agreement, due June 2015	\$ -	\$ -
Capital Leases	\$ 0.3	\$ 0.1
Letters of Credit outstanding	\$ 39.9	\$ 39.1
Availability on \$225 million Senior Credit Agreement	\$ 156.9	\$ 185.9

Balance Sheet Strength

- Ample liquidity from cash on hand of \$66.7 million and \$185.9 million of availability under Senior Credit Agreement
- Repurchased 495,500 shares of common stock at an average price of \$22.08 per share





Summary



- End market opportunities driving organic growth
 - } Industry participants aggressively extending or deploying fiber networks to provide wireless backhaul services
 - } Broadband stimulus funding meaningfully increasing network construction for rural service providers
 - } Cable operators deploying fiber to small and medium businesses
 - } Wireless carriers upgrading from 3G to 4G technologies
 - } Telephone companies deploying FTTX to enable video offerings
- Increased market share has expanded the portion of revenues that is recurring



Looking Ahead



- Revenue which grows in the high-single digits as a percentage of the prior year's quarterly revenue, after adjusting for storm work
- Margins and earnings which reflect operating efficiencies at higher revenue levels
- Strong cash flows dedicated, as projected returns direct, to supporting organic growth, accretive acquisition opportunities and share repurchases
- Confident that solid operating trends will continue for a sustained period

Q4 - 2012:

- Revenue which grows high-single digit to low-double digits as a percentage of Q4-11 quarterly revenue, after excluding Q4-11 storm work of \$14.1 million
- Gross margins in-line year over year
- General and administrative expenses sequentially in-line
- Depreciation and amortization which is flat on a sequential basis
- Other income which decreases approximately \$2.0 million from Q4-11



Appendix: Regulation G Disclosure



Reconciliation of GAAP to Non-GAAP Measures

	Three Months Ended April 28, 2012	Three Months Ended April 30, 2011	Nine Months Ended April 28, 2012	Nine Months Ended April 30, 2011
	(Dollars in thousands)			
Reconciliation of Net income to Adjusted EBITDA:				
Net income	\$ 9,645	\$ 1,489	\$ 26,096	\$ 3,142
Interest expense, net	4,178	4,395	12,528	11,813
Provision for income taxes	6,004	1,208	16,956	3,144
Depreciation and amortization expense	15,561	15,491	47,047	46,894
Earnings Before Interest, Taxes, Depreciation & Amortization ("EBITDA")	35,388	22,583	102,627	64,993
Gain on sale of fixed assets	(7,439)	(3,300)	(12,578)	(6,810)
Stock-based compensation expense	1,933	1,314	4,901	3,086
Loss on debt extinguishment	-	2,557	-	8,296
Charge for a wage and hour class action litigation settlement	-	600	-	600
Acquisition related costs	-	-	-	223
Adjusted EBITDA (Non-GAAP)	<u>\$ 29,882</u>	<u>\$ 23,754</u>	<u>\$ 94,950</u>	<u>\$ 70,388</u>

The above table presents the Non-GAAP financial measure of Adjusted EBITDA for the three and nine months ended April 28, 2012 and April 30, 2011 and a reconciliation of Adjusted EBITDA to the most directly comparable GAAP measure. Adjusted EBITDA is a Non-GAAP financial measure within the meaning of Regulation G promulgated by the Securities and Exchange Commission. The Company defines Adjusted EBITDA as earnings before interest, taxes, depreciation and amortization, gain on sale of fixed assets, stock-based compensation expense, loss on debt extinguishment acquisition-related costs, and charges for a wage and hour class action settlement. The Company believes this Non-GAAP financial measure provides information that is useful to the Company's investors. The Company believes that this information is helpful in understanding period-over-period operating results separate and apart from items that may, or could, have a disproportionate positive or negative impact on the Company's results of operations in any particular period. Additionally, the Company uses this Non-GAAP financial measure to evaluate its past performance and prospects for future performance. Adjusted EBITDA is not a recognized term under GAAP and does not purport to be an alternative to net income, operating cash flows, or a measure of earnings. Because all companies do not use identical calculations, this presentation of Non-GAAP financial measures may not be comparable to other similarly titled measures of other companies.



Appendix: Regulation G Disclosure



Reconciliation of GAAP to Non-GAAP Measures (\$ in millions)

The table below reconciles GAAP revenue growth to Non-GAAP organic revenue growth (revenue growth excluding revenues from storm restoration services and businesses acquired).

	GAAP		NON-GAAP		Revenue Growth (Decline) % (a)	
	Contract Revenues	NON-GAAP ADJUSTMENTS	Contract Revenues		GAAP	NON-GAAP (Organic)
Q3-12	\$ 296.1	\$ -	\$ 296.1		17.3% (b)	17.3% (b)
Q2-12	\$ 267.4	\$ (13.6) (c)	\$ 253.8		22.5%	19.2%
Q1-12	\$ 319.6	\$ (18.2) (c)	\$ 301.4		22.2%	15.2%
Q4-11	\$ 303.7	\$ (28.2) (c)	\$ 275.5		7.9%	5.4%
Q3-11	\$ 252.4	\$ (14.4) (c)	\$ 238.0		8.9%	2.7%
Q2-11	\$ 218.2	\$ (5.3) (c)	\$ 212.9		0.9%	(1.6)%
Q1-11	\$ 261.6	\$ -	\$ 261.6		1.0% (b)	1.0% (b)
Q4-10	\$ 281.5	\$ (20.1) (c)	\$ 261.4		4.4%	(3.1)%
Q3-10	\$ 231.6	\$ -	\$ 231.6		(10.1)%	(8.0)%
Q2-10	\$ 216.3	\$ -	\$ 216.3		(11.9)%	(10.7)%
Q1-10	\$ 259.1	\$ -	\$ 259.1		(22.4)%	(18.8)%
Q4-09	\$ 269.7	\$ -	\$ 269.7		(16.3)%	(16.3)%
Q3-09	\$ 257.7	\$ (5.9) (c)	\$ 251.8			
Q2-09	\$ 245.5	\$ (3.3) (c)	\$ 242.2			
Q1-09	\$ 334.0	\$ (15.0) (c)	\$ 318.9			
Q4-08	\$ 322.1	\$ -	\$ 322.1			

(a) Year-over-year growth (decline) percentage is calculated as follows: (i) revenues in the quarterly period less (ii) revenues in the comparative prior year quarter period; divided by (ii) revenues in the comparative prior year quarter period.

(b) For Q3-12, GAAP and Non-GAAP revenue growth percentages are the same as revenues from business acquired in 2011 were included for the full quarter in each period and there were no other Non-GAAP adjustments in either period. For Q1-11, GAAP and Non-GAAP revenue growth percentages are the same as there were no Non-GAAP adjustments in either period.

(c) Non-GAAP adjustments in Q2-12, Q3-11 and Q2-11 reflect revenues from businesses acquired during Q2-11. Non-GAAP adjustments in Q1-12 reflect storm restoration revenues (\$3.7 million) and revenues from businesses acquired during Q2-11 (\$14.5 million). Non-GAAP adjustments in Q4-11 reflect storm restoration revenues (\$14.1 million) and revenues from businesses acquired during Q2-11 (\$14.1 million). Non-GAAP adjustments in Q4-10 result from the Company's 52/53 week fiscal year. The Q4-10 Non-GAAP adjustments reflect the impact of the additional week in Q4-10 and are calculated by dividing contract revenues by 14 weeks. The result, representing one week of contract revenues, is subtracted from the GAAP-contract revenues to calculate 13 weeks of revenue for Q4-10 on a Non-GAAP basis for comparison purposes. Non-GAAP adjustments in Q3-09, Q2-09, and Q1-09 reflect storm restoration revenues recognized during those periods.

Amounts may not foot due to rounding.





Appendix: Regulation G Disclosure



Reconciliation of GAAP to Non-GAAP Measures (\$ in 000's, except per share amounts)

	Three Months Ended April 28, 2012			Three Months Ended April 30, 2011		
	GAAP	Reconciling Items	Non-GAAP	GAAP	Reconciling Items	Non-GAAP
Contract revenues	\$ 296,103	\$ -	\$ 296,103	\$ 252,363	\$ -	\$ 252,363
Cost of earned revenues, excluding depreciation and amortization	241,386	-	241,386	207,045	(600) (a)	206,445
General and administrative expenses	26,956	-	26,956	23,678	-	23,678
Depreciation and amortization	15,561	-	15,561	15,491	-	15,491
Interest expense, net	(4,178)	-	(4,178)	(4,395)	-	(4,395)
Loss on debt extinguishment	-	-	-	(2,557)	2,557 (b)	-
Other income, net	7,627	-	7,627	3,500	-	3,500
Income before income taxes	15,649	-	15,649	2,697	3,157	5,854
Provision for income taxes (d)	6,004	-	6,004	1,208	1,256 (c)	2,464
Net income	<u>\$ 9,645</u>	<u>\$ -</u>	<u>\$ 9,645</u>	<u>\$ 1,489</u>	<u>\$ 1,901</u>	<u>\$ 3,390</u>
Diluted income per share	<u>\$ 0.28</u>	<u>\$ -</u>	<u>\$ 0.28</u>	<u>\$ 0.04</u>	<u>\$ 0.05</u>	<u>\$ 0.10</u>
Shares used in computing Diluted EPS:	<u>34,682,891</u>		<u>34,682,891</u>	<u>35,323,667</u>		<u>35,323,667</u>

Amounts may not foot due to rounding.

The items reconciling "GAAP" to "Non-GAAP" financial measures are specifically described below:

(a) Charge for a wage and hour class action litigation settlement.

(b) Loss on debt extinguishment associated with the redemption of \$48.4 million in aggregate principal amount of the Company's 8.125% senior subordinated notes due 2015.

(c) Provision for income taxes includes the tax effect of the other reconciling items identified herein.

(d) The provision for income taxes, divided by income before income taxes, represents the effective tax rate. On a GAAP basis, this rate was 38.4% and 44.8% for the three months ended April 28, 2012 and April 30, 2011, respectively. On a Non-GAAP basis, this rate was 42.1% for the three months ended April 30, 2011.





Appendix: Regulation G Disclosure



Reconciliation of GAAP to Non-GAAP Measures

(\$ in 000's, except per share amounts)

	Nine Months Ended April 28, 2012			Nine Months Ended April 30, 2011		
	GAAP	Reconciling Items	Non-GAAP	GAAP	Reconciling Items	Non-GAAP
Contract revenues	\$ 883,085	\$ -	\$ 883,085	\$ 732,150	\$ -	\$ 732,150
Cost of earned revenues, excluding depreciation and amortization	716,812	-	716,812	597,987	(600) (a)	597,387
General and administrative expenses	76,589	-	76,589	68,338	(223) (b)	68,115
Depreciation and amortization	47,047	-	47,047	46,894	-	46,894
Interest expense, net	(12,528)	-	(12,528)	(11,813)	-	(11,813)
Loss on debt extinguishment	-	-	-	(8,296)	8,296 (c)	-
Other income, net	12,943	-	12,943	7,464	-	7,464
Income before income taxes	43,052	-	43,052	6,286	9,119	15,405
Provision for income taxes (e)	16,956	-	16,956	3,144	3,342 (d)	6,486
Net income	\$ 26,096	\$ -	\$ 26,096	\$ 3,142	\$ 5,777	\$ 8,919
Diluted income per share	\$ 0.76	\$ -	\$ 0.76	\$ 0.09	\$ 0.16	\$ 0.25
Shares used in computing Diluted EPS:	34,516,902		34,516,902	36,130,585		36,130,585

Amounts may not foot due to rounding.

The items reconciling "GAAP" to "Non-GAAP" financial measures are specifically described below:

(a) Charge for a wage and hour class action litigation settlement.

(b) Acquisition related costs.

(c) Loss on debt extinguishment associated with the tender offer and redemption of \$135.4 million in aggregate principal amount of the Company's 8.125% senior subordinated notes due 2015.

(d) Provision for income taxes includes the tax effect of the other reconciling items identified herein.

(e) The provision for income taxes, divided by income before income taxes, represents the effective tax rate. On a GAAP basis, this rate was 39.4% and 50.0% for the nine months ended April 28, 2012 and April 30, 2011, respectively. On a Non-GAAP basis, this rate was 42.1% for the nine months ended April 30, 2011.





***Fiscal 2012
3rd Quarter Presentation***

May 23, 2012



