



Quanta Services, Inc. and Subsidiaries
Non-GAAP Financial Measures and Certain Other Data
For the Three and Twelve Months Ended December 31, 2014 and 2013
(In thousands)
(Unaudited)

The following table presents the non-GAAP financial measures of EBITA, EBITDA and Adjusted EBITDA for the three and twelve months ended December 31, 2014 and 2013. Management believes that EBITA, or earnings before interest, taxes and amortization, EBITDA and Adjusted EBITDA, which is earnings before interest, taxes, depreciation, amortization and certain other items as described below, provide useful information to investors, analysts and management in evaluating Quanta's operating results period to period or in comparison with the results of Quanta's competitors. These measures should not be considered as an alternative to cash flow from operating activities or as a measure of liquidity or as an alternative to net income or other measures of performance that are derived in accordance with GAAP.

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2014	2013	2014	2013
Reconciliation of EBITA, EBITDA and Adjusted EBITDA:				
Net income from continuing operations attributable to common stock	\$ 67,203	\$ 166,697	\$ 297,341	\$ 401,921
Interest expense	1,334	1,188	4,765	2,668
Interest income	(695)	(1,150)	(3,741)	(3,380)
Provision for income taxes	36,068	91,329	157,408	217,940
Amortization of intangible assets	9,509	10,109	35,907	27,515
Equity in earnings of unconsolidated affiliates, excluding gain on sale of investment	-	-	332	-
EBITA	\$ 113,419	\$ 268,173	\$ 492,012	\$ 646,664
Depreciation expense	42,421	35,317	158,110	134,110
EBITDA	\$ 155,840	\$ 303,490	\$ 650,122	\$ 780,774
Acquisition and integration costs	7,481	3,968	14,754	8,145
Non-cash stock-based compensation	10,576	8,129	39,030	35,876
Provision for long-term contract receivable	49,918	-	102,460	-
Arbitration expense	-	-	38,848	-
Gain on sale of Howard Energy	-	(112,744)	-	(112,744)
Adjusted EBITDA	\$ 223,815	\$ 202,843	\$ 845,214	\$ 712,051

Definition of Days Sales Outstanding:

Days Sales Outstanding is calculated by using the sum of current accounts receivable, net of allowance (which include retainage and unbilled balances), plus costs and estimated earnings in excess of billings on uncompleted contracts less billings in excess of costs and estimated earnings on uncompleted contracts, divided by average revenues per day during the quarter.