



MG Delivers 19.3% Q1 Revenue Growth. Announces FY2010 Guidance

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MG Delivers 19.3% Q1 Revenue Growth. Announces FY2010 Guidance Mistras Group, Inc. (NYSE: MG - News) today reported financial results for the first quarter of fiscal 2010, which ended August 31, 2009. Revenues were \$56.1 million, a 19.3% increase compared to the first quarter of fiscal 2009. Adjusted EBITDA for the quarter was \$7.0 million, which was nearly identical to our results in the first quarter of fiscal 2009. Net income attributable to Mistras Group, Inc. was \$0.8 million as compared to \$1.5 million during the first quarter of fiscal 2009. Excluding any pro forma effects of the new shares sold in our initial public offering effective October 14, 2009, fully diluted earnings per share was \$0.04 versus \$0.06 reported in the first quarter of fiscal 2009.

Key highlights for the quarter included:

- * Growth in Services segment revenues of 27.7%
- * Consolidated income from operations of \$2.8 million
- * New enterprise-wide PCMS software sales and several multi-year service contracts obtained during the quarter
- * Two acquisitions completed providing additional skilled service technicians and complementary technologies

"Customer acceptance of our unique and comprehensive asset protection solutions provided us with solid first quarter growth. Our strong Services growth was driven by several new multi-year contracts, continued growth in our mechanical integrity services, and acquisitions."

"This revenue growth was offset by decreases in our Products and Systems and International segments, which together represent approximately 20% of our total revenues. While the economy had a greater impact in these segments, we see considerable proposal activity and have multiple revenue opportunities, especially given our strategy for international expansion and additional market growth created by our development of new technologies and customer solutions," said Chairman and Chief Executive Officer, Dr. Sotirios J. Vahaviolos.

First Quarter Performance

As reported, Mistras' revenues were \$56.1 million for the first quarter of fiscal 2010, up \$9.1 million, or 19.3%, compared to the first quarter of fiscal 2009. Overall organic growth was approximately 11%, acquisitions contributed approximately 12%, and foreign exchange impacts reduced the total growth by approximately 4%. All of the increase was attributable to growth in our Services segment.

For the first quarter of fiscal 2010, Mistras' income from operations was \$2.8 million and net income attributable to Mistras Group, Inc. was \$0.8 million. These results include \$0.5 million in non-recurring items, including a \$0.8 million write-off of the remaining accounts receivable associated with a large customer bankruptcy, and a \$0.3 million benefit associated with a reduction in the amount we were required to pay in final settlement of a class action law suit.

Segment results

On an operating segment basis, our Services segment increased revenues 27.7% to \$45.7 million as a result of new multi-year contracts, as well as growth from existing customers and acquisitions. The increase was split evenly between organic and acquisitions. Gross profit was \$12.5 million, or 27.4% of revenue compared to \$10.6 million, or 29.7% of revenue in the same quarter last fiscal year.

Revenues in the Products and Systems segment were \$3.6 million compared to \$4.0 million for the first quarter of fiscal 2009. The economy and lower capital spending are the reasons for this decline; however, proposal activity was good and we did sell a large imaging system for use in the aerospace industry. Gross profit was \$1.7 million, or 46.6% of revenue compared to \$2.0 million, or 48.6% of revenue in the same quarter last fiscal year.

On a local currency basis, our International segment generated 11.8% growth; however, adverse foreign exchange fluctuations of

\$1.7 million caused a US dollar revenue decrease of \$0.7 million, or 8.0% for the first quarter of fiscal 2010 compared to the first quarter of fiscal 2009. Gross profit was \$3.0 million, or 39.3% of revenue compared to \$4.1 million, or 48.7% of revenue in the same quarter last fiscal year.

Initial Public Offering and Related Transactions

Public trading of the our common stock began on October 8, 2009, on the New York Stock Exchange under the ticker symbol MG. Mistras completed its initial public stock offering of 10,000,000 shares of common stock at a public offering price of \$12.50 per share. We sold 6,700,000 shares and 3,300,000 shares were sold by certain selling stockholders including the underwriters' over-allotment option of 1,300,000 shares.

As a result of the offering, we received net proceeds of approximately \$77.9 million, after deducting underwriting discounts and commissions of \$5.9 million. Concurrent with the closing of the offering on October 14, 2009, we used \$66.6 million of the net proceeds to prepay in full amounts outstanding under our term loan, revolving credit facility and accrued interest thereon, of \$25.0 million, \$41.5 million and \$0.1 million respectively. We anticipate using the remaining net proceeds from our IPO for additional offering related expenses that have not yet been paid, working capital and other general corporate purposes, which may include the acquisition of businesses. We do not, however, have agreements or binding commitments for any specific acquisitions at this time. Pending such uses, the IPO net proceeds have been invested in short-term money market funds.

As of October 27, 2009, the Company has \$55.0 million available under our revolving credit facility. In connection with the debt repayment, the Company will write off approximately \$0.2 million of deferred debt fees associated with the prepayment of the term loan during the second quarter of fiscal 2010.

Guidance

The company's outlook for fiscal 2010 for revenues is \$250 million to \$280 million. We estimate our adjusted EBITDA in fiscal 2010 will range from \$39 million to \$45 million.

"While there is still a great deal of economic uncertainty, we are being cautious as to our outlook, but we are seeing many opportunities for continued profitable growth. As always, our focus is on our revenue growth and enhanced earnings. We believe our major customers are looking to us for the value added proposition of increased productivity from our asset protection solutions" said Chairman and Chief Executive Officer, Dr. Sotirios J. Vahaviolos.

Earnings Conference Call

In connection with this earnings release, Mistras will hold its quarterly conference call on Wednesday, October 28 at 9:00 a.m. (Eastern). The call will be broadcast over the Web and can be accessed on Mistras' Website, www.mistrasgroup.com. Individuals in the U.S. wishing to participate in the conference call by phone may call 866-543-6408 and use confirmation code 59732933 when prompted. (The International number is 617-213-8899.)

About Mistras Group

Mistras is a leading global provider of technology-enabled asset protection solutions used to evaluate the structural integrity of critical energy, industrial and public infrastructure. Mistras combines industry-leading products and technologies, expertise in mechanical integrity (MI) and non-destructive testing (NDT) services and proprietary data analysis software to deliver a comprehensive portfolio of customized solutions, ranging from routine inspections to complex, plant-wide asset integrity assessments and management. These mission critical solutions enhance customers' ability to extend the useful life of their assets, increase productivity, minimize repair costs, comply with governmental safety and environmental regulations, manage risk and avoid catastrophic disasters. Given the role Mistras' services play in ensuring the safe and efficient operation of infrastructure, Mistras has historically provided a majority of its services to its customers on a regular, recurring basis. Mistras serves a global customer base of companies with asset-intensive infrastructure, including companies in the oil and gas, fossil and nuclear power, public infrastructure, chemicals, aerospace and defense, transportation, primary metals and metalworking, pharmaceuticals and food processing industries.

For more information, please visit the company's website at www.mistrasgroup.com.