

**UNITED STATES
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): **October 10, 2011**

Mistras Group, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001- 34481
(Commission
File Number)

22-3341267
(IRS Employer
Identification No.)

195 Clarksville Road
Princeton Junction, New Jersey
(Address of principal executive offices)

08550
(Zip Code)

Registrant's telephone number, including area code: **(609) 716-4000**

Not Applicable

(Former name or former address, if changed since last report)

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 (see General Instruction A.2 below):

- 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 October 10, 2011, Mistras Group, Inc. (the "Company," "we" or "us") issued a press release announcing the financial results for its first quarter of fiscal year 2012, which ended August 31, 2011. A copy of the press release is attached as Exhibit 99.1 to this report.

Disclosure of Non-GAAP Financial Measures

In the press release attached, the Company uses the term "Adjusted EBITDA," which is not a measurement of financial performance under U.S. generally accepted accounting principles ("GAAP"). "Adjusted EBITDA" is defined as net income plus: interest expense, provision for income taxes, depreciation and amortization, stock-based compensation expense, and, as applicable, certain acquisition related costs and certain one-time and generally non-recurring items (which items are described or listed in the reconciliation table included in the press release).

Our management uses Adjusted EBITDA as a measure of operating performance to assist in comparing performance from period to period on a consistent basis, as a measure for planning and forecasting overall expectations and for evaluating actual results against such expectations. Adjusted EBITDA is also used as a performance evaluation metric which is used to determine incentive compensation for executives and employees.

We believe investors and other users of our financial statements benefit from the presentation of Adjusted EBITDA in evaluating our operating performance because it provides an additional tool to compare our operating performance on a consistent basis and measure underlying trends and results in our business. Adjusted EBITDA removes the impact of certain items that management believes do not directly reflect our core operations. For instance, Adjusted EBITDA generally excludes interest expense, taxes and depreciation and amortization, each of which can vary substantially from company to company depending upon accounting methods and the book value and age of assets, capital structure, capital investment cycles and the method by which assets were acquired. It also eliminates stock-based compensation, which is a non-cash expense and is excluded by management when evaluating the underlying performance of our business operations.

While Adjusted EBITDA is a term and financial measurement commonly used by investors and securities analysts, it has limitations. As a non-GAAP measurement, Adjusted EBITDA has no standard meaning and, therefore, may not be comparable with similar measurements for other companies. Adjusted EBITDA is generally limited as an analytical tool because it excludes charges and expenses we do incur as part of our operations. For example, Adjusted EBITDA excludes income taxes, but we generally incur significant U.S. federal, state and foreign income taxes each year and the provision for income taxes

is a necessary cost. Adjusted EBITDA should not be considered in isolation or as a substitute for analyzing our results as reported under U.S. generally accepted accounting principles.

Item 9.01. Financial Statement and Exhibits

(d) Exhibits

99.1 Press release issued by Mistras Group, Inc. dated October 10, 2011.

2

SIGNATURE

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 hereunto duly authorized.

MISTRAS GROUP, INC.

Date: October 10, 2011

By: /s/ Michael C. Keefe
Name: Michael C. Keefe
Title: Executive Vice President, General Counsel and Secretary

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press release issued by Mistras Group, Inc. dated October 10, 2011.

3

Mistras Group, Inc. Delivers First Quarter Revenue Growth of 34%; Net Income Increases 103%

EPS Increases 83%; Adjusted EBITDA* Increases 42%

PRINCETON JUNCTION, N.J., Oct.10, 2011 (GLOBE NEWSWIRE) — Mistras Group, Inc. (NYSE:MG - News), a leading “one source” global provider of technology-enabled asset protection solutions, today reported financial results for the first quarter of fiscal 2012. Revenue for the first quarter of fiscal 2012 was \$91.4 million, an increase of 34%, over the \$68.4 million reported in the first quarter of fiscal 2011. Net income for the first quarter of fiscal 2012 grew by 103% to \$3.2 million, or \$0.11 per diluted share, versus \$1.6 million, or \$0.06 per diluted share, in the first quarter of fiscal 2011. Adjusted EBITDA*, a non-GAAP measure detailed later in this release, increased 42% to \$12.0 million in the first quarter of fiscal 2012 versus \$8.5 million in the first quarter of fiscal 2011.

Consistent with prior quarters, organic growth contributed the bulk of the revenue gain. In the first quarter of fiscal 2012, the organic growth rate was 19%, while acquisition growth was 12% and the balance of growth was due to foreign currency fluctuations.

Additional Financial Highlights for the first quarter of Fiscal 2012:

- Operating income margins grew by 170 basis points and Adjusted EBITDA* margins grew by 70 basis points compared to the same quarter of fiscal 2011.
- The Company generated \$12.8 million in net cash from operating activities in the first quarter of fiscal 2012 versus \$9.2 million in the same quarter of fiscal 2011, representing an increase of 39%.
- Revenues from the oil and gas market grew by 24% while revenues from all other markets combined grew by more than 40% in the first quarter of fiscal 2012.

Chairman and Chief Executive Officer, Dr. Sotirios J. Vahaviolos stated that, “We were pleased with the continued momentum of our business in the first quarter of fiscal 2012, which is a traditionally slow quarter for us. Once again, organic revenue growth was a significant driver behind our results, rising to 19% in the first quarter. Our unique approach, which provides ‘One Source’ Asset Protection Solutions to our customers, continues to receive broad acceptance in the many target markets that we serve.”

Business Outlook/Guidance for Fiscal Year 2012

The Company’s outlook is for continued double digit growth in revenue and Adjusted EBITDA*. The Company is affirming its previously issued guidance for fiscal 2012 revenues to be in the range of \$375 million to \$390 million and Adjusted EBITDA* to be in the range of \$59 million

to \$64 million. Mistras does not provide specific guidance for individual quarters, but will update its annual guidance at least quarterly.

Earnings Conference Call

In connection with this earnings release, Mistras will hold its quarterly conference call on Tuesday, October 11, 2011 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 1-800-901-5241 and use confirmation code 55375743 when prompted. The International dial-in number is 1-617-786-2963.

About Mistras Group, Inc.

MISTRAS is a leading “one source” global provider of technology-enabled asset protection solutions used to evaluate the structural integrity of critical energy, industrial and public infrastructure. Mission critical services and solutions are delivered globally and provide customers the ability to extend the useful life of their assets, improve productivity & profitability, comply with government safety and environmental regulations and enhance risk management operational decisions.

MISTRAS uniquely combines its industry-leading products and technologies - 24/7 on-line monitoring of critical assets; mechanical integrity (MI) and non-destructive testing (NDT) services; and its proprietary world class data warehousing & analysis software- to provide comprehensive and competitive products, systems and services solutions from a single source provider.

For more information, please visit the company’s website at www.mistrasgroup.com or contact Frank Joyce, Chief Financial Officer at 609-716-4103.

Forward-Looking and Cautionary Statements

Certain statements made in this press release are “forward-looking statements” about Mistras’ financial results and estimates, products and services, business model, strategy, growth opportunities, profitability and competitive position. These forward-looking statements generally use words such as “future,” “possible,” “potential,” “targeted,” “anticipate,” “believe,” “estimate,” “expect,” “intend,” “plan,” “predict,” “project,” “will,” “may,” “should,” “could,” “would” and other similar words and phrases. Such statements are not guarantees of future performance or results, and will not necessarily be accurate indications of the times, or by which, such performance or results will be achieved, if at all. These statements are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in these statements. A list, description and discussion of these and other risks and uncertainties can be found in the “Risk Factors” section of the Company’s Annual Report on Form 10-K filed with the Securities and Exchange Commission on August 12, 2011, as updated by our reports on Form 10-Q and Form 8-K. The forward-looking statements are made as of the date hereof, and Mistras undertakes no obligation to update such statements as a result of new information, future events or otherwise.

The term "Adjusted EBITDA" is a financial measurement not calculated in accordance with U.S. generally accepted accounting principles. The Company believes that investors and other users of the financial statements benefit from the presentation of Adjusted EBITDA because it provides an additional metric to compare the Company's operating performance on a consistent basis and measure underlying trends and results of the Company's business. A reconciliation of this to a financial measurement under GAAP is set forth in a table attached to this press release.

Mistras Group, Inc.
Unaudited Consolidated Balance Sheets
(in thousands, except share data)

	August 31, 2011	May 31, 2011
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 6,491	\$ 10,879
Accounts receivable, net	72,706	78,031
Inventories, net	10,226	9,830
Deferred income taxes	1,282	1,278
Prepaid expenses and other current assets	6,825	6,761
Total current assets	97,530	106,779
Property, plant and equipment, net	52,750	49,168
Intangible assets, net	28,163	27,304
Goodwill	68,970	64,146
Other assets	1,104	1,240
Total assets	\$ 248,517	\$ 248,637
LIABILITIES, PREFERRED STOCK AND EQUITY		
Current Liabilities		
Current portion of long-term debt	\$ 6,551	\$ 7,226
Current portion of capital lease obligations	6,526	5,853
Accounts payable	5,580	6,656
Accrued expenses and other current liabilities	29,020	28,028
Income taxes payable	2,365	2,825
Total current liabilities	50,042	50,588
Long-term debt, net of current portion	9,495	14,625
Obligations under capital leases, net of current portion	11,047	9,623
Deferred income taxes	2,920	2,863
Other long-term liabilities	3,719	3,452
Total liabilities	77,223	81,151
Commitments and contingencies		
Preferred stock, 10,000,000 shares authorized	—	—
Equity		
Common stock, \$0.01 par value, 200,000,000 shares authorized, 27,712,038 and 27,667,122 shares issued and outstanding as of August 31, 2011 and May 31, 2011, respectively	277	277
Additional paid-in capital	181,521	180,594
Accumulated deficit	(10,789)	(14,017)
Accumulated other comprehensive income (loss)	(7)	303
Total Mistras Group, Inc. stockholders' equity	171,002	167,157
Noncontrolling interest	292	329
Total equity	171,294	167,486
Total liabilities, preferred stock and equity	\$ 248,517	\$ 248,637

Mistras Group, Inc.
Unaudited Consolidated Statement of Operations
(in thousands, except per share data)

	Three months ended August 31,	
	2011	2010
Revenues:		
Services	\$ 82,902	\$ 61,252
Products	8,545	7,158
Total revenues	91,447	68,410
Cost of revenues:		
Cost of services	56,887	41,391
Cost of products sold	3,640	3,277
Depreciation related to services	3,323	2,809
Depreciation related to products	177	155
Total cost of revenues	64,027	47,632
Gross profit	27,420	20,778

Selling, general and administrative expenses	19,381	15,479
Research and engineering	589	555
Depreciation and amortization	1,479	1,178
Legal reserve	—	250
Income from operations	5,971	3,316
Other expenses		
Interest expense	661	690
Income before provision for income taxes	5,310	2,626
Provision for income taxes	2,116	1,054
Net income	3,194	1,572
Net loss attributable to noncontrolling interests, net of taxes	34	20
Net income attributable to Mistras Group, Inc.	<u>\$ 3,228</u>	<u>\$ 1,592</u>
Earnings per common share:		
Basic	\$ 0.12	\$ 0.06
Diluted	\$ 0.11	\$ 0.06
Weighted average common shares outstanding:		
Basic	27,677	26,664
Diluted	28,225	26,778

Mistras Group, Inc.
Unaudited Operating Data by Segment
(in thousands)

	<u>Three months ended August 31,</u>	
	<u>2011</u>	<u>2010</u>
Revenues		
Services	\$ 75,689	\$ 55,282
Products and Systems	7,513	5,310
International	9,773	9,040
Corporate and eliminations	(1,528)	(1,222)
	<u>\$ 91,447</u>	<u>\$ 68,410</u>
	<u>Three months ended August 31,</u>	
	<u>2011</u>	<u>2010</u>
Gross profit		
Services	\$ 20,308	\$ 15,001
Products and Systems	3,751	2,569
International	3,431	3,271
Corporate and eliminations	(70)	(63)
	<u>\$ 27,420</u>	<u>\$ 20,778</u>

Mistras Group, Inc.
Unaudited Reconciliation of
Net Income Attributable to Mistras Group, Inc. to EBITDA and Adjusted EBITDA
(in thousands)

	<u>Three months ended August 31,</u>	
	<u>2011</u>	<u>2010</u>
EBITDA and Adjusted EBITDA data		
Net income attributable to Mistras Group, Inc.	\$ 3,228	\$ 1,592
Interest expense	661	690
Provision for income taxes	2,116	1,054
Depreciation and amortization	4,979	4,142
EBITDA	<u>\$ 10,984</u>	<u>\$ 7,478</u>
Legal reserve	—	250
Stock compensation expense	1,002	729
Adjusted EBITDA	<u>\$ 11,986</u>	<u>\$ 8,457</u>