

Mistras Group, Inc.  
Form 10-Q  
October 10, 2012  
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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 10-Q**

(Mark One)

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

For the quarterly period ended August 31, 2012

Or

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

For the transition period to

Commission file number 001- 34481

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## Mistras Group, Inc.

(Exact name of registrant as specified in its charter)

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**Delaware**

(State or other jurisdiction of  
incorporation or organization)

**22-3341267**

(I.R.S. Employer  
Identification No.)

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

**08550**  
(Zip Code)

**(609) 716-4000**

(Registrant's telephone number, including area code)

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Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.  Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).  Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer   
(Do not check if a smaller reporting company)

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).  Yes  No

As of October 1, 2012, the registrant had 28,133,982 shares of common stock outstanding.



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	August 31, 2012	May 31, 2012
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents	\$ 7,329	\$ 8,410
Accounts receivable, net	87,627	104,515
Inventories, net	11,771	12,492
Deferred income taxes	1,860	1,885
Prepaid expenses and other current assets	5,190	6,321
Total current assets	113,777	133,623
Property, plant and equipment, net	62,181	63,527
Intangible assets, net	32,477	34,469
Goodwill	95,691	96,819
Other assets	697	1,378
Total assets	\$ 304,823	\$ 329,816
<b>LIABILITIES, PREFERRED STOCK AND EQUITY</b>		
Current Liabilities		
Current portion of long-term debt	\$ 5,589	\$ 5,971
Current portion of capital lease obligations	6,211	5,951
Accounts payable	7,998	11,944
Accrued expenses and other current liabilities	33,478	39,334
Income taxes payable	813	1,119
Total current liabilities	54,089	64,319
Long-term debt, net of current portion	18,087	34,258
Obligations under capital leases, net of current portion	12,644	13,094
Deferred income taxes	5,490	4,901
Other long-term liabilities	17,778	19,996
Total liabilities	108,088	136,568
Commitments and contingencies		
Preferred stock, 10,000,000 shares authorized		
Equity		
Common stock, \$0.01 par value, 200,000,000 shares authorized, 28,133,982 and 28,025,507 shares issued and outstanding as of August 31, 2012 and May 31, 2012, respectively	281	280
Additional paid-in capital	189,669	188,443
Retained earnings	11,617	7,336
Accumulated other comprehensive loss	(5,078)	(3,047)
Total Mistras Group, Inc. stockholders' equity	196,489	193,012

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Noncontrolling interest		246		236
Total equity		196,735		193,248
Total liabilities, preferred stock and equity	\$	304,823	\$	329,816

The accompanying notes are an integral part of these condensed consolidated financial statements.

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**Mistras Group, Inc. and Subsidiaries**

**Unaudited Consolidated Statements of Operations**

(in thousands, except per share data)

	<b>Three months ended August 31,</b>	
	<b>2012</b>	<b>2011</b>
<b>Revenues:</b>		
Services	\$ 99,225	\$ 82,902
Products	14,162	8,545
<b>Total revenues</b>	<b>113,387</b>	<b>91,447</b>
<b>Cost of revenues:</b>		
Cost of services	70,516	56,887
Cost of products sold	5,010	3,640
Depreciation related to services		