
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 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) February 2, 2011

MASTECH HOLDINGS, INC.

(Exact Name of Registrant as Specified in Its Charter)

Pennsylvania

(State or Other Jurisdiction of Incorporation)

001-34099

(Commission File Number)

26-2753540

(IRS Employer Identification No.)

1000 Commerce Drive, Suite 500, Pittsburgh, PA

(Address of Principal Executive Offices)

15275

(Zip Code)

(412) 787-2100

(Registrant's Telephone Number, Including Area Code)

N/A

(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))
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Item 2.02. Results of Operations and Financial Condition

On February 2, 2011, Mastech Holdings, Inc. issued a press release announcing its financial results for the fourth quarter and full year ended December 31, 2010. A copy of the press release is furnished herewith as Exhibit 99.1 and is incorporated herein by reference.

The information contained herein and in the accompanying exhibit shall not be deemed filed for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such a filing.

Item 9.01. Financial Statements and Exhibits

(d) The following exhibit is furnished with this Form 8-K:

99.1 Press Release issued by Mastech Holdings, Inc. on February 2, 2011.

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 hereunto duly authorized.

MASTECH HOLDINGS, INC.

By: /s/ John J. Cronin, Jr.

Name: John J. Cronin, Jr.

Title: Chief Financial Officer

February 2, 2011

EXHIBIT INDEX

**Exhibit
No.**

Description

99.1 Press Release From Mastech Holdings, Inc., dated February 2, 2011.



FOR IMMEDIATE RELEASE:

Mastech Holdings, Inc. Reports Fourth Quarter and Full Year 2010 Results

PITTSBURGH, PA – February 2, 2011 - Mastech Holdings, Inc. (NYSE Amex: MHH – News), a national provider of Information Technology and Specialized Healthcare staffing services, announced today its financial results for the fourth quarter and full year ended December 31, 2010.

Fourth Quarter Results:

Revenues for the quarter were \$20.3 million and represented a 30.2% increase over the corresponding quarter last year and a 7.5% sequential improvement over third quarter 2010 results. Gross margins in the 2010 quarter totaled 19.7% compared to 19.2% for the 2009 quarter. Consolidated net income for the fourth quarter 2010 totaled \$304,000 or \$0.08 per diluted share, compared to \$219,000, or \$0.06 per diluted share, in the same period last year. These results were \$0.03 better than third quarter 2010.

Demand for our IT staffing services remained solid during the fourth quarter when considering the normal year-end industry trends. Market conditions in healthcare continue to show some signs of stabilization and we were able to achieve sequential revenue growth for the second consecutive quarter.

Full Year Results:

Revenue for the year totaled \$71.8 million, compared to \$71.1 million in 2009. Gross margins for the full year 2010 were 19.6% compared to 18.9% in 2009. Consolidated net income for 2010 totaled \$663,000 or \$0.18 per diluted share, compared to \$1.4 million or \$0.38 per diluted share in 2009.

During 2010 we grew our billable IT consultant-base by over 20%, increased our gross margins and achieved year-over-year revenue growth for the first time since 2006. Additionally, we expanded our service offerings, made critical investments in our sales and recruitment organizations and enhanced our operational processes and accountability metrics.

Thomas Moran, Chief Executive Officer of Mastech stated, "We are pleased with the results that we delivered for the quarter and the progress that we made during 2010 to strengthen our organization for future growth. During the quarter, we again grew our business in terms of revenues and earnings per share on both a year-over-year and sequential basis."

Commenting on the Company's financial position, Jack Cronin, Chief Financial Officer, stated, "Our balance sheet remains strong with \$6.3 million of cash on hand, no outstanding debt and access to \$8.1 million of credit under our existing revolving credit facility. We believe that we are in an excellent financial position to capitalize on value creation opportunities, as evidenced by our recently announced share buyback program."



In conjunction with its fourth quarter earnings release, Mastech will host a conference call at 9:00 A. M. EST on February 2, 2011 to discuss these results and to answer questions. A live webcast of this conference call will be available on the company's website, www.mastech.com. Simply click on the Investor Relations section and follow the links to the live webcast. The webcast will remain available for replay through February 9, 2011.

About Mastech Holdings, Inc.:

Leveraging the power of 20 years of IT experience, Mastech (NYSE Amex: MHH) provides Information Technology Staffing services in the disciplines which drive today's business operations and Specialized Healthcare Staffing services to hospitals and other healthcare facilities. More information about Mastech can be found at Mastech's website: www.mastech.com.

Forward-Looking Statements:

Certain statements contained in this release are forward-looking statements based on management's expectations, estimates, projections and assumptions. Words such as "expects," "anticipates," "plans," "believes," "scheduled," "estimates" and variations of these words and similar expressions are intended to identify forward-looking statements, which include but are not limited to projections of revenues, earnings, and cash flow. These statements are based on information currently available to the Company and it assumes no obligation to update the forward-looking statements as circumstances change. These statements are not guarantees of future performance and involve certain risks and uncertainties, which are difficult to predict. Therefore, actual future results and trends may differ materially from what is forecast in forward-looking statements due to a variety of factors, including, without limitation, the level of market demand for its services, the highly competitive market for the types of services offered by the company, the impact of competitive factors on profit margins, market conditions that could cause the Company's customers to reduce their spending for its services, and the company's ability to create, acquire and build new lines of business, to attract and retain qualified personnel, reduce costs and conserve cash, and other risks that are described in more detail in the company's filings with the Securities and Exchange Commission including its Form 10-K for the year ended December 31, 2009.

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For more information, contact:

Donna Mascia
Manager, Investor Relations
Mastech Holdings, Inc.
888.330.5497

MASTECH HOLDINGS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Amounts in thousands)
(unaudited)

	December 31, 2010	December 31, 2009
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 6,334	\$ 7,113
Accounts receivable, net	9,721	7,232
Prepaid and other current assets	1,395	401
Deferred income taxes	177	312
Total current assets	17,627	15,058
Equipment, enterprise software and leasehold improvements, net	185	160
Goodwill and intangible assets, net	498	—
Investment in unconsolidated affiliate	5	5
Deferred income taxes	82	87
Total assets	\$ 18,397	\$ 15,310
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 2,695	\$ 1,653
Accrued payroll and related costs	3,023	2,179
Deferred revenue and other liabilities	331	226
Total current liabilities	6,049	4,058
Total liabilities	6,049	4,058
Shareholders' equity:		
Common stock, par value \$0.01 per share	37	36
Additional paid-in capital	9,962	9,530
Retained earnings	2,349	1,686
Total shareholders' equity	12,348	11,252
Total liabilities and shareholders' equity	\$ 18,397	\$ 15,310

MASTECH HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Amounts in thousands, except per share data)
(unaudited)

	<u>Three Months ended December 31,</u>		<u>Years ended December 31,</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Revenues	\$ 20,282	\$ 15,580	\$ 71,788	\$ 71,062
Cost of revenues	16,290	12,582	57,718	57,635
Gross profit	3,992	2,998	14,070	13,427
Selling, general and administrative	3,559	2,690	13,006	11,106
Income from operations	433	308	1,064	2,321
Other income/(expense), net	(8)	(11)	(26)	(49)
Income before income taxes	425	297	1,038	2,272
Income tax expense	121	78	375	875
Net income	<u>\$ 304</u>	<u>\$ 219</u>	<u>\$ 663</u>	<u>\$ 1,397</u>
Earnings per share:				
Basic	<u>\$ 0.08</u>	<u>\$ 0.06</u>	<u>\$ 0.18</u>	<u>\$ 0.39</u>
Diluted	<u>\$ 0.08</u>	<u>\$ 0.06</u>	<u>\$ 0.18</u>	<u>\$ 0.38</u>
Weighted average common shares outstanding:				
Basic	<u>3,691</u>	<u>3,613</u>	<u>3,673</u>	<u>3,608</u>
Diluted	<u>3,758</u>	<u>3,763</u>	<u>3,746</u>	<u>3,706</u>