
**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) July 23, 2014

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 July 23, 2014, Mastech Holdings, Inc. (the "Company") issued a press release announcing its financial results for the second quarter ended June 30, 2014. 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 July 23, 2014.

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

Name: John J. Cronin

Title: Chief Financial Officer

July 23, 2014

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release issued by Mastech Holdings, Inc. on July 23, 2014.



FOR IMMEDIATE RELEASE:

Mastech Holdings, Inc. Reports Second Quarter 2014 Results

- **6% Year-Over-Year Revenue Growth;**
- **4% Sequential Decline in Consultants on Billing as an Early Project Termination Impacted Quarterly Performance;**
- **11% Year-Over-Year Increase in Diluted Earnings Per Share from Continuing Operations.**

PITTSBURGH, PA – July 23, 2014 - Mastech Holdings, Inc. (NYSE MKT: MHH), a national provider of Information Technology staffing services, announced today its financial results for the second quarter ended June 30, 2014.

Second Quarter Results:

Revenues from continuing operations for the second quarter of 2014 totaled \$27.7 million, which represented a 6% increase over the corresponding quarter last year. Gross profit from continuing operations in the second quarter of 2014 was \$5.1 million compared to \$5.0 million in the second quarter of 2013. Consolidated net income from continuing operations for the second quarter 2014 totaled \$893,000 or \$0.20 per diluted share, compared to \$765,000 or \$0.18 per diluted share, during the same period last year.

Demand for our IT staffing services remained in-line with activity levels of a quarter ago. However, new assignments declined from last quarter's performance as our ratio of new assignments-to-activity levels fell during the second quarter. Additionally, we had an unexpected project termination during the quarter which resulted in an overall decline in consultants on billing. Gross margins from continuing operations in the second quarter of 2014 were 18.5%, which was higher than gross margins reported in first quarter 2014, but below our 19.0% gross margin performance of a year earlier.

Kevin Horner, Mastech's Chief Executive Officer stated, "We are disappointed with our performance in the second quarter when compared to our historical trend lines. The challenges that we faced in second quarter plainly illustrate a pressing need to accelerate the scale of our recruitment engine. With demand likely to remain at healthy levels during the second half of the year, we will look to aggressively ramp-up our off-shore recruiter hiring."

Commenting on the Company's financial position, Jack Cronin, Chief Financial Officer, stated, "Our financial position at June 30, 2014 remains strong, with no short-term borrowings outstanding and cash balances on hand of \$1.2 million. During the quarter, our Days Sales Outstanding ("DSO") measurement improved by 6-days from last quarter and now stands at 50-days. In July, we expanded and extended for three years our credit facility with PNC Bank, which will continue to provide us the financial flexibility to capitalize on future market opportunities."



In conjunction with its second quarter earnings release, Mastech will host a conference call at 9:00 A. M. ET on July 23, 2014 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 July 30, 2014.

About Mastech Holdings, Inc.:

Leveraging the power of 27 years of IT experience, Mastech (NYSE MKT: MHH) provides Information Technology Staffing services in the disciplines which drive today's business operations. 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, 2013.

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For more information, contact:
Donna Kijowski
Manager, Investor Relations
Mastech Holdings, Inc.
888.330.5497

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

	June 30, 2014	December 31, 2013
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,249	\$ 424
Accounts receivable, net	15,238	15,011
Prepaid and other current assets	1,000	822
Deferred income taxes	161	143
Total current assets	<u>17,648</u>	<u>16,400</u>
Equipment, enterprise software and leasehold improvements, net	267	174
Deferred income taxes	211	248
Deferred financing costs, net	5	19
Non-current deposits	214	210
Total assets	<u>\$18,345</u>	<u>\$ 17,051</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Short-term borrowings	\$ —	\$ 12
Accounts payable	1,981	2,026
Accrued payroll and related costs	4,570	5,202
Deferred revenue and other liabilities	274	351
Total current liabilities	<u>6,825</u>	<u>7,591</u>
Total liabilities	6,825	7,591
Shareholders' equity:		
Common stock, par value \$0.01 per share	51	50
Additional paid-in capital	12,472	11,924
Retained earnings	2,363	601
Accumulated other comprehensive income	37	16
Treasury stock, at cost	<u>(3,403)</u>	<u>(3,131)</u>
Total shareholders' equity	<u>11,520</u>	<u>9,460</u>
Total liabilities and shareholders' equity	<u>\$18,345</u>	<u>\$ 17,051</u>

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

	<u>Three Months ended June 30,</u>		<u>Six Months ended June 30,</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Revenues	\$ 27,656	\$ 26,135	\$ 56,340	\$ 50,135
Cost of revenues	22,550	21,162	46,009	40,791
Gross profit	5,106	4,973	10,331	9,344
Selling, general and administrative expenses	3,687	3,755	7,518	7,243
Income from operations	1,419	1,218	2,813	2,101
Other income/(expense), net	14	5	22	(8)
Income from continuing operations before income taxes	1,433	1,223	2,835	2,093
Income tax expense	540	458	1,073	784
Net income from continuing operations	893	765	1,762	1,309
Net income from discontinued operations	—	24	—	55
Net Income	<u>\$ 893</u>	<u>\$ 789</u>	<u>\$ 1,762</u>	<u>\$ 1,364</u>
Earnings per share:				
Basic:				
Continuing operations	\$ 0.21	\$ 0.18	\$ 0.41	\$ 0.31
Discontinued operations	—	0.01	—	0.01
Total	<u>\$ 0.21</u>	<u>\$ 0.19</u>	<u>\$ 0.41</u>	<u>\$ 0.33</u>
Diluted:				
Continuing operations	\$ 0.20	\$ 0.18	\$ 0.40	\$ 0.31
Discontinued operations	—	0.01	—	0.01
Total	<u>\$ 0.20</u>	<u>\$ 0.18</u>	<u>\$ 0.40</u>	<u>\$ 0.32</u>
Weighted average common shares outstanding:				
Basic	4,317	4,180	4,314	4,179
Diluted	4,458	4,289	4,457	4,284