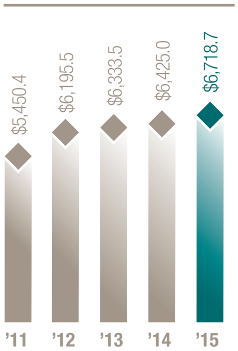
A YEAR OF NEW HEIGHTS

FINANCIAL HIGHLIGHTS

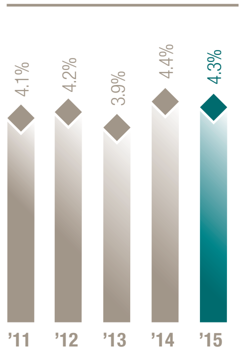
in thousands of dollars, except per share data

	2015	2014	2013	2012	2011
Revenues	**$6,718,726**	$6,424,965	$6,333,527	$6,195,494	$5,450,393
Gross profit	**$944,479**	$907,246	$821,646	$803,979	$724,733
Impairment loss on identifiable intangible assets	**—**	$1,471	—	—	$3,795
Gain on sale of building	**—**	$11,749	—	—	—
Operating income	**$287,082**	$289,878	$240,350	$260,303	$214,119
Net income attributable to EMCOR Group, Inc.	**$172,286**	$168,664	$123,792	$146,584	$130,826
Diluted earnings per share from continuing operations	**$2.72**	$2.59	$2.16	$2.28	$1.82
Equity	**$1,480,056**	$1,429,387	$1,479,626	$1,357,179	$1,245,131
Backlog	**$3,771,163**	$3,633,588	$3,343,706	$3,301,896	$3,223,766

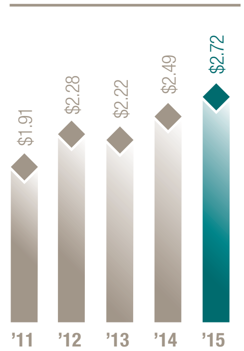
Revenues
in millions



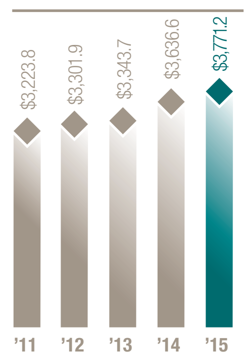
Adjusted Operating Income %*
operating margin (unaudited)



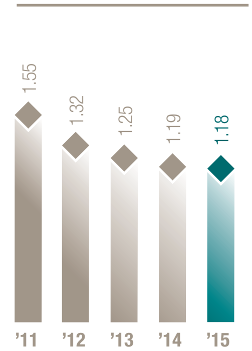
Adjusted Diluted Earnings Per Share (EPS) ** in millions (unaudited)



Backlog
in millions



Safety***
Total Recordable Incident Rate (TRIR)



* Excludes non-cash impairment charges relating to identifiable intangible assets in 2014 and 2011 of $1.5 million and $3.8 million, respectively, a gain on sale of building in 2014 of $11.7 million, and transaction costs relating to acquisitions in 2013 and 2011 of $6.1 million and $4.7 million, respectively. Including the aforementioned adjustments in 2014, 2013, and 2011, operating income as a percentage of revenues was 4.5%, 3.8% and 3.9%, respectively. No adjustments were made to 2015 or 2012. ** Excludes non-cash impairment charges relating to identifiable intangible assets in 2014 and 2011, representing $0.01 per share and $0.03 per share, respectively, a gain on sale of building in 2014 representing $(0.11) per share, and transaction costs relating to acquisitions in 2013 and 2011 representing $0.06 per share in each year. Adjusted diluted EPS from continuing operations for 2014 is based on adjusted net income from continuing operations of $167.1 million (which excludes a non-cash impairment charge and a gain on sale of building). GAAP diluted EPS from continuing operations for 2014 representing net income from continuing operations of $173.4 million was $2.59 per share. Adjusted diluted EPS from continuing operations for 2013 is based on adjusted net income from continuing operations of $151.2 million (which excludes transaction costs relating to an acquisition). GAAP diluted EPS from continuing operations for 2013 representing net income from continuing operations of $146.9 million was $2.16 per share. Adjusted diluted EPS from continuing operations for 2011 is based on adjusted net income from continuing operations of $130.3 million (which excludes a non-cash impairment charge and transaction costs relating to an acquisition). GAAP diluted EPS from continuing operations for 2011 representing net income from continuing operations of $124.2 million was $1.82 per share. No adjustments were made to 2015 or 2012.***The TRIR shows the injuries per 100 workers based on working 40 hours per week for 50 weeks.

AND YET, **THERE'S MUCH MORE TO ACCOMPLISH**

EMCOR Group had record revenues in 2015—a milestone at $6.72 billion. This achievement represents performance at a high level across the company and throughout our operations. And, while we are proud of all the accomplishments that contributed to this record year, we are committed to do more in the future.

Our goal is to build and operate a company that is capable of serving our clients at a consistently high level, that creates value every day for our shareholders, and that supports our skilled and dedicated employees.

EMCOR NATION. *All photos featured throughout this annual report were taken by EMCOR employees and shared via EMCORnation.com — our online forum for giving all employees a peek into the day-to-day activities of their colleagues across the country. EMCORnation is an eye-opening look into what we do…and who we do it for, every single day.*

4

1

2

3

5

TO OUR **SHAREHOLDERS**

Simply put, 2015 was a banner year for EMCOR— one of our best ever. *We achieved record revenues of $6.72 billion and record diluted earnings per share from continuing operations of $2.72. We had strong cash flow from operations of $267 million and returned $104 million to shareholders through stock repurchases and another $21 million in dividends. We returned to organic revenue growth in 2015 led by our Mechanical Construction and Industrial Services segments but also had growth in the UK and our Building Services segment. 2015 was a great year, and we believe we have a strong foundation for more long-term success ahead.*

This brings me to the core of our 2015 success—focused and skilled leadership supported by some of the best skilled tradespeople in the world. What we do matters to our customers as our work is critical in the construction and maintenance of their facilities. Whether it is the general contractor, construction manager or the building, industrial plant or critical facility owner, EMCOR serves as an essential partner to build, power, service and protect our customer's operations. In this age of sustainability, 24/7 on-demand operation, and instantaneous information flows, the mechanical, electrical, and industrial infrastructure we service and build is critical to *our* customers serving *their* customers. We have earned our customers' confidence and expect to continue to deliver for them. Recently, we received a great compliment from a very demanding customer. He stated that, "EMCOR is the gold standard in delivering construction and building services to us. You (EMCOR) execute well and are focused on results but really work hard to stay out of the limelight."

We are experts at supporting customers because at our core we are a values-driven company. At EMCOR, we believe in **"Mission First, People Always."** We know we must accomplish results for our customers and partners by operating with Integrity, Discipline and Transparency. By fulfilling these obligations, we can provide our company with the resources to take care of and develop our people. If we don't deliver results, we cannot provide our employees with the opportunity to have successful and fulfilling careers with us. We take care of our people by fostering an environment of Mutual Respect, Teamwork and an unrelenting and uncompromising Commitment to Safety.

I want to spend some time this year discussing our Commitment to Safety. At EMCOR, we believe that we must strive every day to create an environment of zero accidents. We believe that striving for zero accidents is the only way to develop the mindset that every detail matters and every task must be appropriately

6

7

8

planned. In short, we develop and execute our actions with safety at the forefront. We never compromise on safety training and we never short change an investment in the right equipment. Our employees must be able to perform their tasks in the safest manner possible. It is a way of life for us, and we know that every day we will be faced with more challenges to keep our people safe. What results have we achieved? **Today we are working 20 percent more hours with more than 500 fewer injuries, for a TRIR rate of injury that is 63.5% lower than ten years ago.** We believe this Commitment to Safety helps us attract the best people and also serves as a competitive advantage in winning and executing work.

Looking forward, we start 2016 from a position of strength. We believe we have the best leadership in our markets. These leaders are driven by a simple set of values of **"Mission First, People Always."** Our leaders attract the best skilled tradespeople in the market because they create a safe, productive and efficient work environment. Our leaders look every day for opportunities to grow our business and increase the effectiveness of our services.

To support our successful record of long-term value creation, we have a strong and liquid balance sheet that provides us with the opportunity to grow both organically and through acquisitions. We expect to remain primarily a United States focused company with a strong facilities services business in the UK. We can grow not only through geographic expansion in the United States but also have the ability to continue to expand the breadth and diversity of our services to better serve our customers.

As we pursue that growth, EMCOR will continue to be careful stewards of our cash flow and continue our balanced approach of not only growing our business through organic growth and acquisitions but also returning cash to shareholders through dividends and share repurchases.

Following our record performance in 2015, we eagerly look forward to delivering continued value to you, our shareholders, in the years ahead. Thank you for your support, and we look forward to a safe and successful 2016.

Anthony J. Guzzi
President and CEO

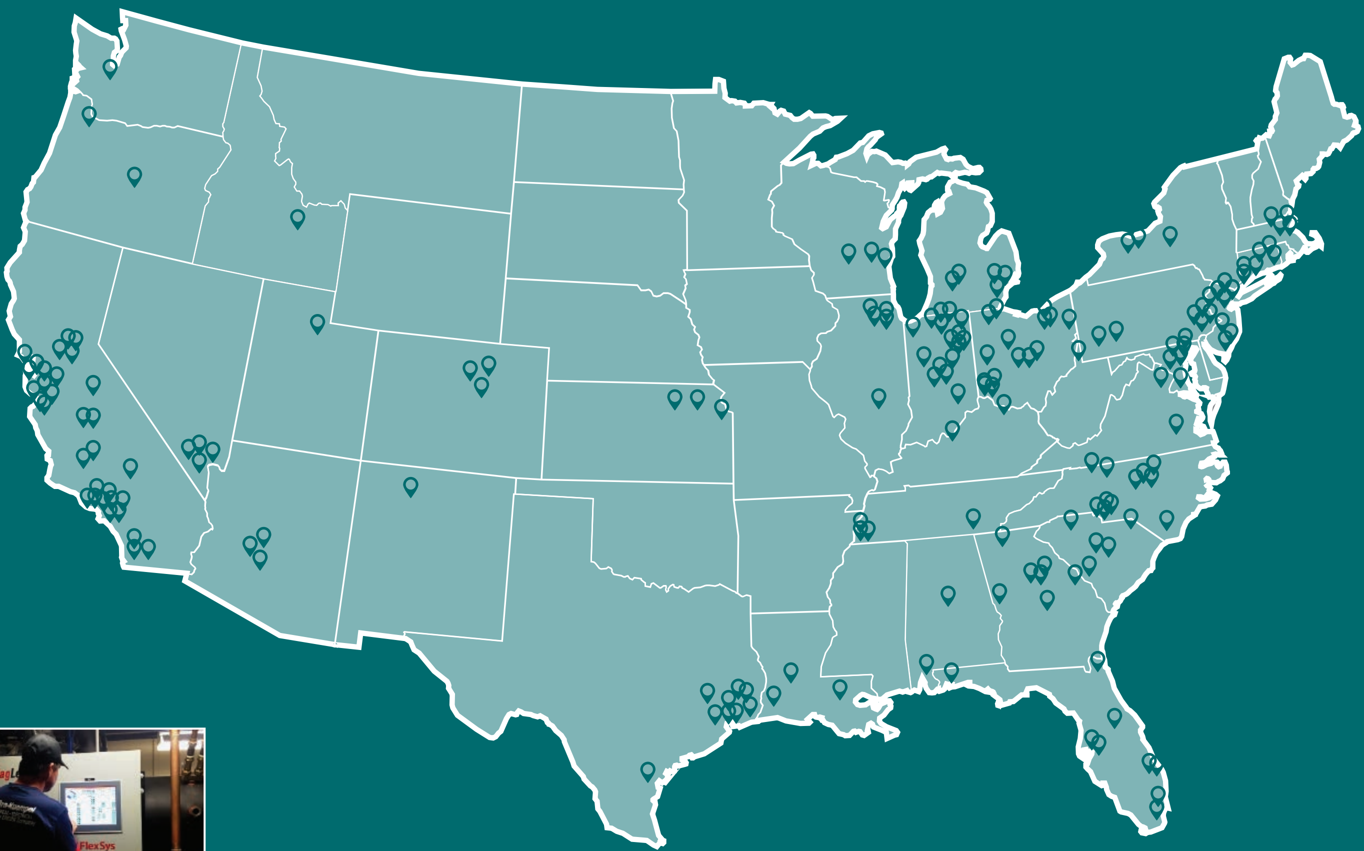
EMCOR Values

MISSIONFIRST **PEOPLE**ALWAYS

INTEGRITY In everything we do. **DISCIPLINE** Execution with precision, efficiency, competence and professionalism. **TRANSPARENCY** Sharing information to facilitate communication.

MUTUAL RESPECT AND TRUST Treating people with dignity and consideration and encouraging openness and cooperation. **COMMITMENT TO SAFETY** Zero accidents. **TEAMWORK** Working together to develop and unleash our full potential to achieve exceptional results for our customers and shareholders.

Through our 170+ locations and network of companies, we **Build, Power, Service, Protect** our clients across the United States and the United Kingdom.



9

10

12

15

11

13

14

16

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

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

For the fiscal year ended December 31, 2015

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

For the transition period from to
Commission file number 1-8267

EMCOR Group, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**11-2125338**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)
301 Merritt Seven Norwalk, Connecticut	**06851-1092**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (203) 849-7800
Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock	**New York Stock Exchange**

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Securities Exchange Act. Yes ☐ No ☒

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 (Section 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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (Section 229.405) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

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.

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 by Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The aggregate market value of the common stock held by non-affiliates of the registrant was approximately $2,245,000,000 as of the last business day of the registrant's most recently completed second fiscal quarter, based upon the closing sale price on the New York Stock Exchange reported for such date. Shares of common stock held by each executive officer and director and by each person who owns 5% or more of the outstanding common stock (based solely on filings of such 5% holders) have been excluded from such calculation as such persons may be deemed to be affiliates. This determination of affiliate status is not necessarily a conclusive determination for other purposes.

Number of shares of the registrant's common stock outstanding as of the close of business on February 22, 2016: 60,659,492 shares.

DOCUMENTS INCORPORATED BY REFERENCE

Part III. Portions of the definitive proxy statement for the 2016 Annual Meeting of Stockholders, which document will be filed with the Securities and Exchange Commission pursuant to Regulation 14A not later than 120 days after the end of the fiscal year to which this Form 10-K relates, are incorporated by reference into Items 10 through 14 of Part III of this Form 10-K.

[This Page Intentionally Left Blank]

TABLE OF CONTENTS

[This Page Intentionally Left Blank]

FORWARD-LOOKING STATEMENTS

Certain information included in this report, or in other materials we have filed or will file with the Securities and Exchange Commission (the "SEC") (as well as information included in oral statements or other written statements made or to be made by us) contains or may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 (the "1995 Act"). Such statements are being made pursuant to the 1995 Act and with the intention of obtaining the benefit of the "Safe Harbor" provisions of the 1995 Act. Forward-looking statements are based on information available to us and our perception of such information as of the date of this report and our current expectations, estimates, forecasts and projections about the industries in which we operate and the beliefs and assumptions of our management. You can identify these statements by the fact that they do not relate strictly to historical or current facts. They contain words such as "anticipate," "estimate," "expect," "project," "intend," "plan," "believe," "may," "can," "could," "might," variations of such wording and other words or phrases of similar meaning in connection with a discussion of our future operating or financial performance, and other aspects of our business, including market share growth, gross profit, project mix, projects with varying profit margins, selling, general and administrative expenses, and trends in our business and other characterizations of future events or circumstances. From time to time, forward-looking statements also are included in our other periodic reports on Forms 10-Q and 8-K, in press releases, in our presentations, on our website and in other material released to the public. Any or all of the forward-looking statements included in this report and in any other reports or public statements made by us are only predictions and are subject to risks, uncertainties and assumptions, including those identified below in the "Risk Factors" section, the "Management's Discussion and Analysis of Financial Condition and Results of Operations" section, and other sections of this report, and in our Forms 10-Q for the three months ended March 31, 2015, June 30, 2015 and September 30, 2015 and in other reports filed by us from time to time with the SEC as well as in press releases, in our presentations, on our website and in other material released to the public. Such risks, uncertainties and assumptions are difficult to predict, beyond our control and may turn out to be inaccurate causing actual results to differ materially from those that might be anticipated from our forward-looking statements. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise. However, any further disclosures made on related subjects in our subsequent reports on Forms 10-K, 10-Q and 8-K should be consulted.

[This Page Intentionally Left Blank]

PART I

ITEM 1. BUSINESS

References to the “Company,” “EMCOR,” “we,” “us,” “our” and similar words refer to EMCOR Group, Inc. and its consolidated subsidiaries unless the context indicates otherwise.

General

We are one of the largest electrical and mechanical construction and facilities services firms in the United States. In addition, we provide a number of building services and industrial services. In 2015, we had revenues of approximately $6.7 billion. Our services are provided to a broad range of commercial, industrial, utility and institutional customers through approximately 70 operating subsidiaries and joint venture entities. Our executive offices are located at 301 Merritt Seven, Norwalk, Connecticut 06851-1092, and our telephone number at those offices is (203) 849-7800.

We specialize principally in providing construction services relating to electrical and mechanical systems in all types of non-residential and certain residential facilities and in providing various services relating to the operation, maintenance and management of facilities, including refineries and petrochemical plants.

Due to a historical pattern of losses in the construction operations of our United Kingdom segment and our negative assessment of construction market conditions in the United Kingdom for the foreseeable future, we announced during the quarter ended June 30, 2013 our decision to withdraw from the construction market in the United Kingdom. During the third quarter of 2014, we ceased construction operations in the United Kingdom. The results of the construction operations of our United Kingdom segment for all periods are presented as discontinued operations.

We design, integrate, install, start-up, operate and maintain various electrical and mechanical systems, including:

- Electric power transmission and distribution systems;
- Premises electrical and lighting systems;
- Low-voltage systems, such as fire alarm, security and process control systems;
- Voice and data communications systems;
- Roadway and transit lighting and fiber optic lines;
- Heating, ventilation, air conditioning, refrigeration and clean-room process ventilation systems;
- Fire protection systems;
- Plumbing, process and high-purity piping systems;
- Controls and filtration systems;
- Water and wastewater treatment systems;
- Central plant heating and cooling systems;
- Crane and rigging services;
- Millwright services; and
- Steel fabrication, erection, and welding services.

Our building services operations, which are provided to a wide range of facilities, including commercial, utility, institutional and governmental facilities, include:

- Commercial and government site-based operations and maintenance;
- Facility maintenance and services, including reception, security and catering services;
- Outage services to utilities and industrial plants;

- Military base operations support services;
- Mobile mechanical maintenance and services;
- Floor care and janitorial services;
- Landscaping, lot sweeping and snow removal;
- Facilities management;
- Vendor management;
- Call center services;
- Installation and support for building systems;
- Program development, management and maintenance for energy systems;
- Technical consulting and diagnostic services;
- Infrastructure and building projects for federal, state and local governmental agencies and bodies; and
- Small modification and retrofit projects.

Our industrial services are provided to refineries and petrochemical plants and include:

- On-site repairs, maintenance and service of heat exchangers, towers, vessels and piping;
- Design, manufacturing, repair and hydro blast cleaning of shell and tube heat exchangers and related equipment;
- Refinery turnaround planning and engineering services;
- Specialty welding services;
- Overhaul and maintenance of critical process units in refineries and petrochemical plants; and
- Specialty technical services for refineries and petrochemical plants.

We provide construction services and building services directly to corporations, municipalities and federal and state governmental entities, owners/developers, and tenants of buildings. We also provide our construction services indirectly by acting as a subcontractor to general contractors, systems suppliers, property managers and other subcontractors. Our industrial services generally are provided directly to refineries and petrochemical plants. Worldwide, as of December 31, 2015, we had approximately 29,000 employees.

Our revenues are derived from many different customers in numerous industries, which have operations in several different geographical areas. Of our 2015 revenues, approximately 94% were generated in the United States and approximately 6% were generated in foreign countries, substantially all in the United Kingdom. In 2015, approximately 33% of revenues were derived from new construction projects, 18% were derived from renovation and retrofit of customer's existing facilities, 35% were derived from our building services operations, and 14% were derived from our industrial services operations.

The broad scope of our operations is more particularly described below. For information regarding the revenues, operating income and total assets of each of our segments with respect to each of the last three years, and our revenues and assets attributable to the United States and the United Kingdom for the last three years, see Note 17 - Segment Information of the notes to consolidated financial statements included in Item 8. Financial Statements and Supplementary Data.

Operations

The electrical and mechanical construction services industry has grown over the years due principally to the increased content, complexity and sophistication of electrical and mechanical systems, as well as the installation of more technologically advanced voice and data communications, lighting, and environmental control systems in all types of facilities in large part due to the integration of digital processing and information technology. For these reasons, buildings need extensive electrical distribution systems. In addition, advanced voice and data communication systems require sophisticated power supplies and extensive low-voltage and fiber-optic communications cabling. Moreover, the need for substantial environmental controls within a building, due to the heightened need for climate control to maintain extensive computer systems at optimal temperatures, and the demand for energy savings and environmental controls in individual spaces have over the years expanded opportunities for our electrical and mechanical services businesses. The demand for these services is typically driven by non-residential construction and renovation activity.

Electrical and mechanical construction services primarily involve the design, integration, installation and start-up, and provision of services relating to: (a) electric power transmission and distribution systems, including power cables, conduits, distribution panels, transformers, generators, uninterruptible power supply systems and related switch gear and controls; (b) premises electrical and lighting systems, including fixtures and controls; (c) low-voltage systems, such as fire alarm, security and process control systems; (d) voice and data communications systems, including fiber-optic and low-voltage cabling; (e) roadway and transit lighting and fiber-optic lines; (f) heating, ventilation, air conditioning, refrigeration and clean-room process ventilation systems; (g) fire protection systems; (h) plumbing, process and high-purity piping systems; (i) controls and filtration systems; (j) water and wastewater treatment systems; (k) central plant heating and cooling systems; (l) cranes and rigging; (m) millwrighting; and (n) steel fabrication, erection and welding.

Electrical and mechanical construction services generally fall into one of two categories: (a) large installation projects with contracts often in the multi-million dollar range that involve construction of manufacturing and commercial buildings and institutional and public works projects or the fit-out of large blocks of space within commercial buildings and (b) smaller installation projects typically involving fit-out, renovation and retrofit work.

Our United States electrical and mechanical construction services operations accounted for about 51% of our 2015 revenues, approximately 65% of which were related to new construction and approximately 35% of which were related to renovation and retrofit projects. Due to a historical pattern of losses in the construction operations of our United Kingdom segment and our negative assessment of construction market conditions in the United Kingdom for the foreseeable future, we announced during the quarter ended June 30, 2013 our decision to withdraw from the construction market in the United Kingdom. During the third quarter of 2014, we ceased construction operations in the United Kingdom. The results of the construction operations of our United Kingdom segment for all periods are presented as discontinued operations. Accordingly, we focus in the United Kingdom principally on building services.

We provide electrical and mechanical construction services for both large and small installation and renovation projects. Our largest projects have included those: (a) for institutional purposes (such as educational and correctional facilities and research laboratories); (b) for manufacturing purposes (such as pharmaceutical plants, steel, pulp and paper mills, chemical, food, automotive and semiconductor manufacturing facilities and power generation); (c) for transportation purposes (such as highways, bridges, airports and transit systems); (d) for commercial purposes (such as office buildings, data centers, convention centers, sports stadiums and shopping malls); (e) for hospitality purposes (such as resorts, hotels and casinos); (f) for water and wastewater purposes; and (g) for healthcare purposes. Our largest projects, which typically range in size from $10.0 million up to and occasionally exceeding $150.0 million and are frequently multi-year projects, represented approximately 27% of our worldwide construction services revenues in 2015.

Our projects of less than $10.0 million accounted for approximately 73% of our worldwide construction services revenues in 2015. These projects are typically completed in less than one year. They usually involve electrical and mechanical construction services when an end-user or owner undertakes construction or modification of a facility to accommodate a specific use. These projects frequently require electrical and mechanical systems to meet special needs such as critical systems power supply, fire protection systems, special environmental controls and high-purity air systems, sophisticated electrical and mechanical systems for data centers, new production lines in manufacturing plants, and office arrangements in existing office buildings. They are not usually dependent upon the new construction market. Demand for these projects and types of services is often prompted by the expiration of leases, changes in technology, or changes in the customer's plant or office layout in the normal course of a customer's business.

We have a broad customer base with many long-standing relationships. We perform construction services pursuant to contracts with owners, such as corporations, municipalities and other governmental entities, general contractors, systems suppliers, construction managers, developers, other subcontractors and tenants of commercial properties. Institutional and public works projects are frequently long-term complex projects that require significant technical and management skills and the financial strength to obtain bid and performance bonds, which are often a condition to bidding for and winning these projects.

We also install and maintain lighting for streets, highways, bridges and tunnels, traffic signals, computerized traffic control systems, and signal and communication systems for mass transit systems in several metropolitan areas. In addition, in the United States, we manufacture and install sheet metal air handling systems for both our own mechanical construction operations and for unrelated mechanical contractors. We also maintain welding and pipe fabrication shops in support of some of our mechanical operations.

Our United States building services segment offers a broad range of services, including operation, maintenance and service of electrical and mechanical systems; commercial and government site-based operations and maintenance; facility maintenance and services, including outage services to utilities and manufacturing facilities; military base operations support services; mobile mechanical maintenance and services; floor care and janitorial services; landscaping, lot sweeping and snow removal; facilities management; vendor management; call center services; installation and support for building systems; program development, management and maintenance with respect to energy systems; technical consulting and diagnostic services; infrastructure and building projects for federal, state and local governmental agencies and bodies; and small modification and retrofit projects.

These building services, which generated approximately 35% of our 2015 revenues, are provided to owners, operators, tenants and managers of all types of facilities both on a contract basis for a specified period of time and on an individual task order basis. Of our 2015 building services revenues, approximately 87% were generated in the United States and approximately 13% were generated in the United Kingdom.

Our building services operations have built upon our traditional electrical and mechanical services operations and our client relationships to expand the scope of services being offered and to develop packages of services for customers on a regional and national basis.

Demand for our building services is often driven by customers' decisions to focus on their core competencies, customers' programs to reduce costs, the increasing technical complexity of their facilities and their mechanical, electrical, voice and data and other systems, and the need for increased reliability, especially in electrical and mechanical systems. These trends have led to outsourcing and privatization programs whereby customers in both the private and public sectors seek to contract out those activities that support, but are not directly associated with, the customer's core business. Clients of our building services business include federal and state governments, utilities, independent power producers, pulp and paper producers, and major corporations engaged in information technology, telecommunications, pharmaceuticals, financial services, publishing and other manufacturing, and large retailers and other businesses with geographically dispersed portfolios throughout the United States.

We currently provide building services in a majority of the states in the United States to commercial, industrial, institutional and governmental customers and as part of our operations are responsible for: (a) the oversight of all or most of the facilities operations of a business, including operation and maintenance; (b) servicing, upgrade and retrofit of HVAC, electrical, plumbing and industrial piping and sheet metal systems in existing facilities; (c) interior and exterior services, including floor care and janitorial services, landscaping, lot sweeping and snow removal; (d) diagnostic and solution engineering for building systems and their components; and (e) maintenance and support services to manufacturers and power producers.

In the Washington D.C. metropolitan area, we provide building services at a number of preeminent buildings, including those that house the Secret Service, The Federal Deposit Insurance Corporation, the National Foreign Affairs Training Center, and the Department of Health and Human Services, as well as other government facilities including the NASA Jet Propulsion Laboratory in Pasadena, California. We also provide building services to a number of military bases, including base operations support services to the Navy National Capital Region and the Army's Fort Huachuca, Arizona, and are also involved in a joint venture providing building services to the Naval Support Activity Mid-South Base in Tennessee. The agreements pursuant to which this division provides services to the federal government are frequently for a base year and a number of option years exercisable at the sole discretion of the government, are often subject to renegotiation by the government in terms of scope of services, and are subject to termination by the government prior to the expiration of the applicable term.

Our United Kingdom subsidiary primarily focuses on building services and currently provides a broad range of services under multi-year agreements to public and private sector customers, including airlines, airports, real estate property managers, manufacturers and governmental agencies.

Our industrial services business is a recognized leader in the refinery turnaround market and has a growing presence in the petrochemical market. In July 2013, we acquired RepconStrickland, Inc. expanding services we provide to our refinery and petrochemical customers and significantly increasing the size of our industrial services business. Our industrial services business: (a) provides after-market maintenance, repair and cleaning services for highly engineered shell and tube heat exchangers for refineries and petrochemical plants both in the field and at our own shops, including tube and shell repairs, bundle repairs, and extraction services, and (b) designs and manufactures new highly engineered shell and tube heat exchangers. We also perform a broad range of turnaround and maintenance services for critical units of refineries so as to upgrade, repair and maintain them. Such services include turnaround and maintenance services relating to: (i) engineering and planning services in advance of complex refinery turnarounds, (ii) overhaul and maintenance of critical process units (including hydrofluoric alkylation units, fluid catalytic cracking units, coking units, heaters, heat exchangers and related mechanical equipment) during refinery and petrochemical plant shut downs, (iii) replacement and new construction capital projects for refineries and petrochemical plants, and (iv) other related specialty technical services such as (a) welding, including pipe welding, and fabrication; heater, boiler, and reformer repairs and replacements; converter repair and revamps; and vessel, exchanger and tower services; (b) tower and column repairs in refineries and petrochemical facilities; (c) installation and repair of refractory materials for critical units in process plants so as to protect equipment from corrosion, erosion, and extreme temperatures; and (d) acid-proofing services to protect critical components at refineries from chemical exposure.

Competition

In our construction services, building services and industrial services businesses, we compete with national, regional and local companies, many of which are small, owner-operated entities that carry on their businesses in a limited geographic area, as well as with certain foreign companies.

We believe that the electrical and mechanical construction services businesses are highly fragmented and our competition includes thousands of small companies across the United States. In the United States, there are a few public companies focused on providing either electrical and/or mechanical construction services, such as Integrated Electrical Services, Inc., Comfort Systems USA, Inc. and Tutor Perini Corporation. A majority of our revenues are derived from projects requiring competitive bids; however, an invitation to bid is often conditioned upon prior experience, technical capability and financial strength. Because we have total assets, annual revenues, access to bank credit and surety bonding and expertise significantly greater than most of our competitors, we believe we have a significant competitive advantage over our competitors in providing electrical and mechanical construction services. Competitive factors in the electrical and mechanical construction services business include: (a) the availability of qualified and/or licensed personnel; (b) reputation for integrity and quality; (c) safety record; (d) cost structure; (e) relationships with customers; (f) geographic diversity; (g) the ability to control project costs; (h) experience in specialized markets; (i) the ability to obtain surety bonding; (j) adequate working capital; (k) access to bank credit; and (l) price. However, there are relatively few significant barriers to entry to several types of our construction services business.

While the building services business is also highly fragmented with most competitors operating in a specific geographic region, a number of large United States based corporations such as AECOM Technology Corporation, Johnson Controls, Inc., Fluor Corp., J&J Worldwide Services, Cushman & Wakefield Inc., CB Richard Ellis, Inc., Jones Lang LaSalle Incorporated, Sodexo, Inc., Aramark Corporation and ABM Industries Incorporated are engaged in this field, as are large original equipment manufacturers such as Carrier Corp. and Trane Inc. In addition, we compete with several regional firms serving all or portions of the markets we target, such as Brickman Valley Crest, Inc., Kellermeyer Bergensons Services, Inc., SMS Assist, LLC and Ferandino & Sons, Inc. Our principal services competitors in the United Kingdom include ISS UK Ltd. and MITIE Group plc. The key competitive factors in the building services business include price, service, quality, technical expertise, geographic scope and the availability of qualified personnel and managers. Due to our size, both financial and geographic, and our technical capability and management experience, we believe we are in a strong competitive position in the building services business. However, there are relatively few barriers to entry to most of our building services businesses.

In our industrial services business, we are a leading North American provider of after-market maintenance and repair services for, and manufacturing of, highly engineered shell and tube heat exchangers and related equipment and a leader in providing specialized services to refineries and petrochemical plants. The market for providing these services and products to refineries and petrochemical plants is highly fragmented and includes large national industrial services providers, as well as numerous regional companies, including JV Industrial Companies Ltd., Matrix Service Company, Starcon, Turner Industries, Team, Inc., Cust-O-Fab, Dunn Heat, and Wyatt Field Service Company. In the manufacture of heat exchangers, we compete with both U.S. and foreign manufacturers. The key competitive factors in the industrial services market include service, quality, ability to respond quickly, technical expertise, price, safety record and availability of qualified personnel. Due to our technical capabilities, safety record and skilled workforce, we believe that we are in a strong competitive position in the industrial services market we serve. Because of the complex tasks associated with turnarounds and the precision required in the manufacture of heat exchangers, we believe that the barriers to entry in this business are significant.

Employees

At December 31, 2015, we employed approximately 29,000 people, approximately 56% of whom are represented by various unions pursuant to more than 375 collective bargaining agreements between our individual subsidiaries and local unions. We believe that our employee relations are generally good. Only two of these collective bargaining agreements are national or regional in scope.

Backlog

Our backlog at December 31, 2015 was $3.77 billion compared to $3.63 billion of backlog at December 31, 2014. Backlog increases with awards of new contracts and decreases as we perform work on existing contracts. Backlog is not a term recognized under United States generally accepted accounting principles; however, it is a common measurement used in our industry. We include a project within our backlog at such time as a contract is awarded and agreement on contract terms has been reached. Backlog includes unrecognized revenues to be realized from uncompleted construction contracts plus unrecognized revenues expected to be realized over the remaining term of services contracts. However, we do not include in backlog contracts for which we are paid on a time and material basis and a fixed amount cannot be determined, and if the remaining term of a services contract exceeds 12 months, the unrecognized revenues attributable to such contract included in backlog are limited to only the next 12 months of revenues provided for in the contract award. Our backlog also includes amounts related to services contracts for which a fixed price contract value is not assigned when a reasonable estimate of total revenues can be made from budgeted amounts agreed to with our customer. Our backlog is comprised of: (a) original contract amounts, (b) change orders for which we have received written confirmations from our customers, (c) pending change orders for which we expect to receive confirmations in the ordinary course of business and (d) claim amounts that we have made against customers for which we have determined we have a legal basis under existing contractual arrangements and as to which we consider recovery to be probable. Such claim amounts were immaterial for all periods presented. Our backlog does not include anticipated revenues from unconsolidated joint ventures or variable interest entities and anticipated revenues from pass-through costs on contracts for which we are acting in the capacity of an agent and which are reported on the net basis. We believe our backlog is firm, although many contracts are subject to cancellation at the election of our customers. Historically, cancellations have not had a material adverse effect on us. We estimate that 79% of our backlog as of December 31, 2015 will be recognized as revenues during 2016.

Available Information

We file annual, quarterly and current reports, proxy statements and other information with the Securities and Exchange Commission, which we refer to as the “SEC”. These filings are available to the public over the internet at the SEC’s website at http://www.sec.gov. You may also read and copy any document we file at the SEC’s Public Reference Room located at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the Public Reference Room.

Our Internet address is www.emcorgroup.com. We make available free of charge through www.emcorgroup.com our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports, as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC. References to our website addressed in this report are provided as a convenience and do not constitute, and should not be viewed as, an incorporation by reference of the information contained on, or available through, the website. Therefore, such information should not be considered part of this report.

Our Board of Directors has an audit committee, a compensation and personnel committee and a nominating and corporate governance committee. Each of these committees has a formal charter. We also have Corporate Governance Guidelines, which include guidelines regarding related party transactions, a Code of Ethics for our Chief Executive Officer and Senior Financial Officers, and a Code of Ethics and Business Conduct for Directors, Officers and Employees. Copies of these charters, guidelines and codes, and any waivers or amendments to such codes which are applicable to our executive officers, senior financial officers or directors, can be obtained free of charge from our website, www.emcorgroup.com.

You may request a copy of the foregoing filings (excluding exhibits), charters, guidelines and codes and any waivers or amendments to such codes which are applicable to our executive officers, senior financial officers or directors, at no cost by writing to us at EMCOR Group, Inc., 301 Merritt Seven, Norwalk, CT 06851-1092, Attention: Corporate Secretary, or by telephoning us at (203) 849-7800.

ITEM 1A. RISK FACTORS

Our business is subject to a variety of risks, including the risks described below as well as adverse business and market conditions and risks associated with foreign operations. The risks and uncertainties described below are not the only ones facing us. Additional risks and uncertainties not known to us or not described below which we have not determined to be material may also impair our business operations. You should carefully consider the risks described below, together with all other information in this report, including information contained in the “Business,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Quantitative and Qualitative Disclosures about Market Risk” sections. If any of the following risks actually occur, our business, financial position, results of operations and/or cash flows could be adversely affected, and we may not be able to achieve our goals. Such events may cause actual results to differ materially from expected and historical results, and the trading price of our common stock could decline.

Economic downturns have led to reductions in demand for our services. Negative conditions in the credit markets may adversely impact our ability to operate our business. The level of demand from our clients for our services has been, in the past, adversely impacted by slowdowns in the industries we service, as well as in the economy in general. When the general level of economic activity has been reduced from historical levels, certain of our ultimate customers have delayed or cancelled projects or capital spending, especially with respect to more profitable private sector work, and such slowdowns adversely affect our ability to grow, reducing our revenues and profitability. A number of economic factors, including financing conditions for the industries we serve, have, in the past, adversely affected our ultimate customers and their ability or willingness to fund expenditures. General concerns about the fundamental soundness of domestic and foreign economies may cause ultimate customers to defer projects even if they have credit available to them. Worsening of financial and macroeconomic conditions could have a significant adverse effect on our revenues and profitability.

Many of our clients depend on the availability of credit to help finance their capital and maintenance projects. At times, tightened availability of credit has negatively impacted the ability of existing and prospective ultimate customers to fund projects we might otherwise perform, particularly those in the more profitable private sector. As a result, our ultimate customers may defer such projects for an unknown, and perhaps lengthy, period. Any such deferrals would inhibit our growth and would adversely affect our results of operations.

In a weak economic environment, particularly in a period of restrictive credit markets, we may experience greater difficulties in collecting payments from, and negotiating change orders and/or claims with, our clients due to, among other reasons, a diminution in our ultimate customers' access to the credit markets. If clients delay in paying or fail to pay a significant amount of our outstanding receivables, or we fail to successfully negotiate a significant portion of our change orders and/or claims with clients, it could have an adverse effect on our liquidity, results of operations and financial position.

Our business has traditionally lagged recoveries in the general economy and, therefore, may not recover as quickly as the economy at large.

Our business is vulnerable to the cyclical nature of the markets in which our clients operate and is dependent upon the timing and funding of new awards. We provide construction and maintenance services to ultimate customers operating in a number of markets which have been, and we expect will continue to be, cyclical and subject to significant fluctuations due to a variety of factors beyond our control, including economic conditions and changes in client spending.

Regardless of economic or market conditions, investment decisions by our ultimate customers may vary by location or as a result of other factors like the availability of labor, relative construction costs or competitive conditions in their industries. Because we are dependent on the timing and funding of new awards, we are therefore vulnerable to changes in our clients' markets and investment decisions.

Our business may be adversely affected by significant delays and reductions in government appropriations. Curtailed spending aimed at reducing federal, state and local budget deficits could result in governmental agencies or departments deferring or canceling projects that we might otherwise have sought to perform. Budgetary constraints and ongoing concerns regarding the U.S. national debt may place downward pressure on spending levels of the U.S. government. Some of our businesses derive a significant portion of their revenues from federal, state and local governmental bodies.

An increase in the prices of certain materials used in our businesses could adversely affect our businesses. We are exposed to market risk of increases in certain commodity prices of materials, such as copper and steel, which are used as components of supplies or materials utilized in all of our operations. We are also exposed to increases in energy prices, particularly as they relate to gasoline prices for our fleet of over 8,500 vehicles. While we believe we can increase our prices to adjust for some price increases in commodities, there can be no assurance that price increases of commodities, if they were to occur, would be recoverable. Additionally, our fixed price contracts do not allow us to adjust our prices and, as a result, increases in material or fuel costs could reduce our profitability with respect to such projects. Fluctuations in energy prices as well as in commodity prices of materials may adversely affect our customers and as a result cause them to curtail the use of our services. Recent declines in the price of oil have caused some of our refinery customers to curtail or delay maintenance or capital projects. Further declines in the price of oil may adversely affect some of our refinery customers causing them to defer maintenance and/or capital projects performed by companies in our United States industrial services segment or delay purchases or repairs of heat exchangers that are manufactured and repaired by some of our companies.

Our industry is highly competitive. Our industry is served by numerous small, owner-operated private companies, a few public companies and several large regional companies. In addition, relatively few barriers prevent entry into most of our businesses. As a result, any organization that has adequate financial resources and access to technical expertise may become a competitor. Competition in our industry depends on numerous factors, including price. Certain of our competitors have lower overhead cost structures and, therefore, are able to provide their services at lower rates than we are currently able to provide. In addition, some of our competitors have greater resources than we do. We cannot be certain that our competitors will not develop the expertise, experience and resources necessary to provide services that are superior in quality and lower in price to ours. Similarly, we cannot be certain that we will be able to maintain or enhance our competitive position within our industries or maintain a customer base at current levels. We may also face competition from the in-house service organizations of existing or prospective customers, particularly with respect to building services. Many of our customers employ personnel who perform some of the same types of building services that we do. We cannot be certain that our existing or prospective customers will continue to outsource building services in the future.

We are a decentralized company, which presents certain risks. While we believe decentralization has enhanced our growth and enabled us to remain responsive to opportunities and to our customers' needs, it necessarily places significant control and decision-making powers in the hands of local management. This presents various risks, including the risk that we may be slower or less able to identify or react to problems affecting a key business than we would in a more centralized environment.

Our business may also be affected by weather conditions. Adverse weather conditions, particularly during the winter season, could impact our construction services operations as those conditions affect our ability to perform efficient work outdoors in certain regions of the United States, adversely affecting the revenues and profitability of those operations. However, the absence of snow in the United States during the winter could cause us to experience reduced revenues and profitability in our United States building services segment, which has meaningful snow removal operations. In addition, cooler than normal temperatures during the summer months could reduce the need for our services, particularly in our businesses that install or service air conditioning units, and result in reduced revenues and profitability during the period such unseasonal weather conditions persist.

Our business may be affected by the work environment. We perform our work under a variety of conditions, including but not limited to, difficult terrain, difficult site conditions and busy urban centers where delivery of materials and availability of labor may be impacted, clean-room environments where strict procedures must be followed, and sites which may have been exposed to harsh and hazardous conditions, especially at chemical plants, refineries and other process facilities. Performing work under these conditions can negatively affect efficiency and, therefore, our profitability.

Our dependence upon fixed price contracts could adversely affect our business. We currently generate, and expect to continue to generate, a significant portion of our revenues from fixed price contracts. We must estimate the total costs of a particular project to bid for fixed price contracts. The actual cost of labor and materials, however, may vary from the costs we originally estimated. These variations, along with other risks, inherent in performing fixed price contracts, may cause actual gross profits from projects to differ from those we originally estimated and could result in reduced profitability or losses on projects. Depending upon the size of a particular project, variations from the estimated contract costs can have a significant impact on our operating results for any fiscal quarter or year.

We could incur additional costs to cover certain guarantees. In some instances, we guarantee completion of a project by a specific date or price, cost savings, achievement of certain performance standards or performance of our services at a certain standard of quality. If we subsequently fail to meet such guarantees, we may be held responsible for costs resulting from such failures. Such a failure could result in our payment of liquidated or other damages. To the extent that any of these events occur, the total costs of a project could exceed the original estimated costs, and we would experience reduced profits or, in some cases, a loss.

Many of our contracts, especially our building services contracts for governmental and non-governmental entities, may be canceled on short notice, and we may be unsuccessful in replacing such contracts if they are canceled or as they are completed or expire. We could experience a decrease in revenues, net income and liquidity if any of the following occur:

- customers cancel a significant number of contracts;
- we fail to win a significant number of our existing contracts upon re-bid;
- we complete a significant number of non-recurring projects and cannot replace them with similar projects; or
- we fail to reduce operating and overhead expenses consistent with any decrease in our revenues.

We may be unsuccessful in generating internal growth. Our ability to generate internal growth will be affected by, among other factors, our ability to:

- expand the range of services offered to customers to address their evolving needs;
- attract new customers; and
- increase the number of projects performed for existing customers.

In addition, existing and potential customers in the past have reduced, and may continue to reduce, the number or size of projects available to us because of general economic conditions or due to their inability to obtain capital or pay for services we provide. Many of the factors affecting our ability to generate internal growth are beyond our control, and we cannot be certain that our strategies will be successful or that we will be able to generate cash flow sufficient to fund our operations and to support internal growth. If we are not successful, we may not be able to achieve internal growth, expand operations or grow our business.

The departure of key personnel could disrupt our business. We depend on the continued efforts of our senior management. The loss of key personnel, or the inability to hire and retain qualified executives, could negatively impact our ability to manage our business.

We may be unable to attract and retain skilled employees. Our ability to grow and maintain productivity and profitability will be limited by our ability to employ, train and retain skilled personnel necessary to meet our requirements. We are dependent upon our project managers and field supervisors who are responsible for managing our projects; and there can be no assurance that any individual will continue in his or her capacity for any particular period of time, and the loss of such qualified employees could have an adverse effect on our business. We cannot be certain that we will be able to maintain an adequate skilled labor force necessary to operate efficiently and to support our business strategy or that labor expenses will not increase as a result of a shortage in the supply of these skilled personnel. Labor shortages or increased labor costs could impair our ability to maintain our business or grow our revenues.

Our unionized workforce could adversely affect our operations, and we participate in many multiemployer union pension plans which could result in substantial liabilities being incurred. As of December 31, 2015, approximately 56% of our employees were covered by collective bargaining agreements. Although the majority of these agreements prohibit strikes and work stoppages, we cannot be certain that strikes or work stoppages will not occur in the future. However, only two of our collective bargaining agreements are national or regional in scope, and not all of our collective bargaining agreements expire at the same time. Strikes or work stoppages would adversely impact our relationships with our customers and could have a material adverse effect on our financial position, results of operations and cash flows. We contribute to over 200 multiemployer union pension plans based upon wages paid to our union employees that could result in our being responsible for a portion of the unfunded liabilities under such plans. Our potential liability for unfunded liabilities could be material. Under the Employee Retirement Income Security Act, we may become liable for our proportionate share of a multiemployer pension plan's underfunding, if we cease to contribute to that pension plan or significantly reduce the employees in respect of which we make contributions to that pension plan. See Note 14 - Retirement Plans of the notes to consolidated financial statements included in Item 8. Financial Statements and Supplementary Data for additional information regarding multiemployer plans.

Fluctuating foreign currency exchange rates impact our financial results. We have operations in the United Kingdom, which in 2015 accounted for 6% of our revenues. Our reported financial position and results of operations are exposed to the effects (both positive and negative) that fluctuating exchange rates have on the process of translating the financial statements of our United Kingdom operations, which are denominated in local currencies, into the U.S. dollar.

Our failure to comply with environmental laws could result in significant liabilities. Our operations are subject to various laws, including environmental laws and regulations, among which many deal with the handling and disposal of asbestos and other hazardous or universal waste products, PCBs and fuel storage. A violation of such laws and regulations may expose us to various claims, including claims by third parties, as well as remediation costs and fines. We own and lease many facilities. Some of these facilities contain fuel storage tanks, which may be above or below ground. If these tanks were to leak, we could be responsible for the cost of remediation as well as potential fines. As a part of our business, we also install fuel storage tanks and are sometimes required to deal with hazardous materials, all of which may expose us to environmental liability.

In addition, new laws and regulations, stricter enforcement of existing laws and regulations, the discovery of previously unknown contamination or leaks, or the imposition of new clean-up requirements could require us to incur significant costs or become the basis for new or increased liabilities that could harm our financial position and results of operations, although certain of these costs might be covered by insurance. In some instances, we have obtained indemnification or covenants from third parties (including predecessors or lessors) for such clean-up and other obligations and liabilities, and we believe such indemnities and covenants are adequate to cover such obligations and liabilities. However, such third-party indemnities or covenants may not cover all of such costs or third-party indemnitors may default on their obligations. In addition, unanticipated obligations or liabilities, or future obligations and liabilities, may have a material adverse effect on our business operations. Further, we cannot be certain that we will be able to identify, or be indemnified for, all potential environmental liabilities relating to any acquired business.

Adverse resolution of litigation and other legal proceedings may harm our operating results or financial position. We are a party to lawsuits and other legal proceedings, most of which occur in the normal course of our business. Litigation and other legal proceedings can be expensive, lengthy and disruptive to normal business operations. An unfavorable resolution of a particular legal proceeding could have a material adverse effect on our business, operating results, financial position and cash flows, and in some cases, on our reputation or our ability to obtain projects from customers, including governmental entities. See Item 3. Legal Proceedings and Note 15 - Commitments and Contingencies of the notes to consolidated financial statements included in Item 8. Financial Statements and Supplementary Data, for more information regarding legal proceedings in which we are involved.

Opportunities within the government sector could lead to increased governmental regulation applicable to us. As a government contractor we are subject to a number of procurement rules and other regulations, any deemed violation of which could lead to fines or penalties or a loss of business. Government agencies routinely audit and investigate government contractors. Government agencies may review a contractor's performance under its contracts, cost structure and compliance with applicable laws, regulations and standards. If government agencies determine through these audits or reviews that costs are improperly allocated to specific contracts, they will not reimburse the contractor for those costs or may require the contractor to refund previously reimbursed costs. If government agencies determine that we are engaged in improper activity, we may be subject to civil and criminal penalties and debarment or suspension from doing business with the government. Government contracts are also subject to renegotiation of terms by the government, termination by the government prior to the expiration of the term, and non-renewal by the government.

A material portion of our business depends on our ability to provide surety bonds. We may be unable to compete for or work on certain projects if we are not able to obtain the necessary surety bonds. Our construction contracts frequently require that we obtain from surety companies and provide to our customers payment and performance bonds as a condition to the award of such contracts. Such surety bonds secure our payment and performance obligations. Under standard terms in the surety market, surety companies issue bonds on a project-by-project basis and can decline to issue bonds at any time or require the posting of collateral as a condition to issuing any bonds. Current or future market conditions, as well as changes in our sureties' assessment of our or their own operating and financial risk, could cause our surety companies to decline to issue, or substantially reduce the amount of, bonds for our work or to increase our bonding costs. These actions can be taken on short notice. If our surety companies were to limit or eliminate our access to bonding, our alternatives would include seeking bonding capacity from other surety companies, increasing business with clients that do not require bonds and posting other forms of collateral for project performance, such as letters of credit, parent company guarantees or cash. We may be unable to secure these alternatives in a timely manner, on acceptable terms, or at all. Accordingly, if we were to experience an interruption or reduction in the availability of bonding, we may be unable to compete for or work on certain projects. Increases in the costs of surety bonds also could adversely impact our profitability.

We are effectively self-insured against many potential liabilities. Although we maintain insurance policies with respect to a broad range of risks, including automobile liability, general liability, workers' compensation and employee group health, these policies do not cover all possible claims and certain of the policies are subject to large deductibles. Accordingly, we are effectively self-insured for a substantial number of actual and potential claims. In addition, if any of our insurance carriers defaulted on its obligations to provide insurance coverage by reason of its insolvency or for other reasons, our exposure to claims would increase and our profits would be adversely affected. Our estimates for unpaid claims and expenses are based on known facts, historical trends and industry averages, utilizing the assistance of an actuary. We reflect these liabilities in our balance sheet as "Other accrued expenses and liabilities" and "Other long-term obligations." The determination of such estimated liabilities and their appropriateness are reviewed and updated at least quarterly. However, these liabilities are difficult to assess and estimate due to many relevant factors, the effects of which are often unknown, including the severity of an injury or damage, the determination of liability in proportion to other parties, the timeliness of reported claims, the effectiveness of our risk management and safety programs and the terms and conditions of our insurance policies. Our accruals are based upon known facts, historical trends and our reasonable estimate of future expenses, and we believe such accruals are adequate. However, unknown or changing trends, risks or circumstances, such as increases in claims, a weakening economy, increases in medical costs, changes in case law or legislation or changes in the nature of the work we perform, could render our current estimates and accruals inadequate. In such case, adjustments to our balance sheet may be required and these increased liabilities would be recorded in the period that the experience becomes known. Insurance carriers may be unwilling, in the future, to provide our current levels of coverage without a significant increase in insurance premiums and/or collateral requirements to cover our obligations to them. Increased collateral requirements may be in the form of additional letters of credit and/or cash, and an increase in collateral requirements could significantly reduce our liquidity. If insurance premiums increase, and/or if insurance claims are higher than our estimates, our profitability could be adversely affected.

Health care reform could adversely affect our operating results. In 2010, the United States government enacted comprehensive health care reform legislation. To date, we have not experienced material costs related to the health care reform legislation; however, it is possible that our operating results and/or cash flows could be adversely affected in the future by increased costs, expanded liability exposure and requirements that change the ways we provide healthcare and other benefits to our employees.

We may incur liabilities or suffer negative financial impact relating to occupational, health and safety matters. Our operations are subject to extensive laws and regulations relating to the maintenance of safe conditions in the workplace. While we have invested, and will continue to invest, substantial resources in our robust occupational, health and safety programs, many of our businesses involve a high degree of operational risk, and there can be no assurance that we will avoid significant exposure. These hazards can cause personal injury and loss of life, severe damage to or destruction of property and equipment and other consequential damages and could lead to suspension of operations, large damage claims and, in extreme cases, criminal liability.

Our customers seek to minimize safety risks on their sites and they frequently review the safety records of contractors during the bidding process. If our safety record were to substantially deteriorate over time, we might become ineligible to bid on certain work and our customers could cancel our contracts and/or not award us future business.

Acquisitions could adversely affect our business and results of operations. As part of our growth strategy, we acquire companies that expand, complement and/or diversify our businesses. Realization of the anticipated benefits of an acquisition will depend, among other things, upon our ability to: (a) effectively conduct due diligence on companies we propose to acquire to identify problems at these companies or (b) recognize incompatibilities or other obstacles to successful integration of the acquired business with our other operations and gain greater efficiencies and scale that will translate into reduced costs in a timely manner. However, there can be no assurance that an acquisition we may make in the future will provide the benefits anticipated when entering into the transaction. Acquisitions we have made and future acquisitions may expose us to operational challenges and risks, including the diversion of management's attention from our existing businesses, the failure to retain key personnel or customers of the acquired business and the assumption of unknown liabilities of the acquired business for which there are inadequate reserves. Our ability to sustain our growth and maintain our competitive position may be affected by our ability to identify and acquire desirable businesses and successfully integrate any business acquired.

Our results of operations could be adversely affected as a result of goodwill and other identifiable intangible asset impairments. When we acquire a business, we record an asset called "goodwill" equal to the excess amount paid for the business, including liabilities assumed, over the fair value of the tangible and identifiable intangible assets of the business acquired. The Financial Accounting Standards Board ("FASB") requires that all business combinations be accounted for using the acquisition method of accounting and that certain identifiable intangible assets acquired in a business combination be recognized as assets apart from goodwill. FASB Accounting Standard Codification ("ASC") Topic 350, "Intangibles-Goodwill and Other" ("ASC 350") provides that goodwill and other identifiable intangible assets that have indefinite useful lives not be amortized, but instead must be tested at least annually for impairment, and identifiable intangible assets that have finite useful lives should continue to be amortized over their useful lives and be tested for impairment whenever facts and circumstances indicate that the carrying values may not be fully recoverable. ASC 350 also provides specific guidance for testing goodwill and other non-amortized identifiable intangible assets for impairment, which we test annually each October 1. ASC 350 requires management to make certain estimates and assumptions to allocate goodwill to reporting units and to determine the fair value of reporting unit net assets and liabilities. Such fair value is determined using discounted estimated future cash flows. Our development of the present value of future cash flow projections is based upon assumptions and estimates by management from a review of our operating results, business plans, anticipated growth rates and margins and the weighted average cost of capital, among others. Much of the information used in assessing fair value is outside the control of management, such as interest rates, and these assumptions and estimates can change in future periods. There can be no assurance that our estimates and assumptions made for purposes of our goodwill and identifiable intangible asset impairment testing will prove to be accurate predictions of the future. If our assumptions regarding business plans or anticipated growth rates and/or margins are not achieved, or there is a rise in interest rates, we may be required to record goodwill and/or identifiable intangible asset impairment charges in future periods, whether in connection with our next annual impairment testing on October 1, 2016 or earlier, if an indicator of an impairment is present prior to the quarter in which the annual goodwill impairment test is to be performed. It is not possible at this time to determine if any such additional impairment charge would result or, if it does, whether such a charge would be material to our results of operations.

We did not record an impairment of our goodwill or identifiable intangible assets for the year ended December 31, 2015.

Amounts included in our backlog may not result in actual revenues or translate into profits. Many contracts are subject to cancellation or suspension on short notice at the discretion of the client, and the contracts in our backlog are subject to changes in the scope of services to be provided as well as adjustments to the costs relating to the contract. We have historically experienced variances in the components of backlog related to project delays or cancellations resulting from weather conditions, external market factors and economic factors beyond our control, and we may experience more delays or cancellations in the future. The risk of contracts in backlog being cancelled or suspended generally increases during periods of widespread slowdowns. Accordingly, there is no assurance that backlog will actually be realized. If our backlog fails to materialize, we could experience a reduction in revenues and a decline in profitability, which could result in a deterioration of our financial position and liquidity.

We account for the majority of our construction projects using the percentage-of-completion method of accounting; therefore, variations of actual results from our assumptions may reduce our profitability. We recognize revenues on construction contracts using the percentage-of-completion method of accounting in accordance with ASC Topic 605-35, "Revenue Recognition-Construction-Type and Production-Type Contracts". See Application of Critical Accounting Policies in Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations. Under the percentage-of-completion method of accounting, we record revenue as work on the contract progresses. The cumulative amount of revenues recorded on a contract at a specified point in time is that percentage of total estimated revenues that costs incurred to date bear to estimated total costs. Accordingly, contract revenues and total cost estimates are reviewed and revised as the work progresses. Adjustments are reflected in contract revenues in the period when such estimates are revised. Estimates are based on management's reasonable assumptions and experience, but are only estimates. Variations of actual results from assumptions on an unusually large project or on a number of average size projects could be material. We are also required to immediately recognize the full amount of the estimated loss on a contract when estimates indicate such a loss. Such adjustments and accrued losses could result in reduced profitability, which could negatively impact our cash flow from operations.

The loss of one or a few customers could have an adverse effect on us. A few clients have in the past and may in the future account for a significant portion of our revenues in any one year or over a period of several consecutive years. Although we have long-standing relationships with many of our significant clients, our clients may unilaterally reduce, fail to renew or terminate their contracts with us at any time. A loss of business from a significant client could have a material adverse effect on our business, financial position, and results of operations.

We are increasingly dependent on sophisticated information technology and infrastructure. We rely on information technology systems and hardware and third party software to run critical accounting, project management and financial information systems. If software vendors decide to discontinue further development, integration or long-term software maintenance support for our information systems, or there is any system or hardware interruption, delay, breach of security, loss of data, we may need to migrate some or all of our accounting, project management and financial information to other systems. In addition, data privacy or security breaches may pose a risk that data, including intellectual property or personal information, may be exposed to unauthorized persons or the public. These disruptions or breaches could result in financial, legal, business or reputational harm to us.

Our failure to comply with anti-bribery statutes such as the Foreign Corrupt Practices Act and the U.K. Bribery Act of 2010 could result in fines, criminal penalties and other sanctions that could have an adverse effect on our business. The U.S. Foreign Corrupt Practices Act (the "FCPA"), the U.K. Bribery Act (the "Bribery Act") and similar anti-bribery laws in other jurisdictions generally prohibit companies and their intermediaries from making improper payments to foreign officials for the purpose of obtaining or retaining business. We conduct a modest amount of business in a few countries that have experienced corruption to some degree. If we were found to be liable for violations under the FCPA, the Bribery Act or similar anti-bribery laws, either due to our own acts or omissions or due to the acts or omissions of others, we could incur substantial legal expense and suffer civil and criminal penalties or other sanctions, which could have a material adverse effect on our business, financial condition and results of operations, as well as our reputation.

Certain provisions of our corporate governance documents could make an acquisition of us, or a substantial interest in us, more difficult. The following provisions of our certificate of incorporation and bylaws, as currently in effect, as well as Delaware law, could discourage potential proposals to acquire us, delay or prevent a change in control of us, or limit the price that investors may be willing to pay in the future for shares of our common stock:

- our certificate of incorporation permits our board of directors to issue "blank check" preferred stock and to adopt amendments to our bylaws;
- our bylaws contain restrictions regarding the right of our stockholders to nominate directors and to submit proposals to be considered at stockholder meetings;
- our certificate of incorporation and bylaws limit the right of our stockholders to call a special meeting of stockholders and to act by written consent; and
- we are subject to provisions of Delaware law, which prohibit us from engaging in any of a broad range of business transactions with an "interested stockholder" for a period of three years following the date such stockholder becomes classified as an interested stockholder.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

Our operations are conducted primarily in leased properties. The following table lists facilities over 50,000 square feet, both leased and owned, and identifies the business segment that is the principal user of each such facility.

	Approximate Square Feet	Lease Expiration Date, Unless Owned
1168 Fesler Street El Cajon, California (b)	67,560	8/31/2020
22302 Hathaway Avenue Hayward, California (b)	105,000	7/31/2021
4462 Corporate Center Drive Los Alamitos, California (a)	57,863	12/31/2019
18111 South Santa Fe Avenue Rancho Dominguez, California (d)	66,246	12/31/2016
940 Remillard Court San Jose, California (c)	119,560	7/31/2024
5101 York Street Denver, Colorado (b)	77,553	2/28/2019
345 Sheridan Boulevard Lakewood, Colorado (a)	63,000	Owned
3100 Woodcreek Drive Downers Grove, Illinois (a)	56,551	7/31/2017
2219 Contractors Drive Fort Wayne, Indiana (b)	175,000	7/31/2023
7614 and 7720 Opportunity Drive Fort Wayne, Indiana (b)	144,695	10/31/2018
2655 Garfield Avenue Highland, Indiana (a)	57,765	6/30/2019
4250 Highway 30 St. Gabriel, Louisiana (d)	90,000	Owned
1750 Swisco Road Sulphur, Louisiana (d)	112,000	Owned
111-01 and 111-21 14th Avenue College Point, New York (a)	73,013	2/28/2024
70 Schmitt Boulevard Farmingdale, New York (b)	76,380	7/31/2026
2102 Tobacco Road Durham, North Carolina (b)	55,944	3/31/2016
2900 Newpark Drive Norton, Ohio (b)	91,831	11/1/2017
1800 Markley Street Norristown, Pennsylvania (c)	93,000	9/30/2021
227 Trade Court Aiken, South Carolina (b)	66,000	9/30/2016
6045 East Shelby Drive Memphis, Tennessee (c)	53,618	4/30/2018
937 Pine Street Beaumont, Texas (d)	78,962	Owned
895 North Main Street Beaumont, Texas (d)	75,000	Owned
410 Flato Road Corpus Christi, Texas (d)	57,000	Owned
5550 Airline Drive and 25 Tidwell Road Houston, Texas (b)	97,936	12/31/2019

	Approximate Square Feet	Lease Expiration Date, Unless Owned
12415 Highway 225 La Porte, Texas (d)	78,000	Owned
2455 West 1500 South Salt Lake City, Utah (a)	58,339	3/31/2018

We believe that our property, plant and equipment are well maintained, in good operating condition and suitable for the purposes for which they are used.

See Note 15 - Commitments and Contingencies of the notes to consolidated financial statements included in Item 8. Financial Statements and Supplementary Data for additional information regarding lease costs. We utilize substantially all of our leased or owned facilities and believe there will be no difficulty either in negotiating the renewal of our real property leases as they expire or in finding alternative space, if necessary.

(a) Principally used by a company engaged in the “United States electrical construction and facilities services” segment.

(b) Principally used by a company engaged in the “United States mechanical construction and facilities services” segment.

(c) Principally used by a company engaged in the “United States building services” segment.

(d) Principally used by a company engaged in the “United States industrial services” segment.

ITEM 3. LEGAL PROCEEDINGS

One of our subsidiaries, USM, Inc. ("USM"), doing business in California provides, among other things, janitorial services to its customers by having those services performed by independent janitorial companies. USM and one of its customers, which owns retail stores (the "Customer"), were co-defendants in a federal class action lawsuit brought by six employees of USM's California janitorial subcontractors. The action captioned Federico Vilchiz Vasquez, Jesus Vilchiz Vasquez, Francisco Domingo Claudio, for themselves and all others similarly situated vs. USM, Inc. dba USM Services, Inc., a Pennsylvania Corporation, et al., was commenced on September 5, 2013 in a Superior Court of California and was removed by USM on November 22, 2013 to the United States District Court for the Northern District of California. The employees alleged in their complaint, among other things, that USM and the Customer, during a period that began before our acquisition of USM, violated a California statute that prohibits USM from entering into a contract with a janitorial subcontractor when it knew or should have known that the contract did not include funds sufficient to allow the janitorial subcontractor to comply with all local, state and federal laws or regulations governing the labor or services to be provided. The employees asserted that the amounts USM paid to its janitorial subcontractors were insufficient to allow those janitorial subcontractors to meet their obligations regarding, among other things, wages due for all hours their employees worked, minimum wages, overtime pay and meal and rest breaks. These employees sought to represent not only themselves, but also all other individuals who provided janitorial services at the Customer's stores in California during the relevant four-year time period. We do not believe USM or the Customer violated the California statute or that the employees could have brought the action as a class action on behalf of other employees of janitorial companies with whom USM subcontracted for the provision of janitorial services to the Customer. The plaintiffs sought a declaratory judgment that USM had violated the California statute, monetary damages, including all unpaid wages and interest thereon, restitution for unpaid wages, and an award of attorneys' fees and costs.

USM and its Customer have settled the claims asserted in the class action pursuant to the terms of a consent decree approved by the federal judge in the United States District Court for the Northern District of California on February 16, 2016, which followed a determination by the Court of the consent decree's fairness, adequacy and reasonableness. Under the terms of the consent decree, USM will (a) pay an aggregate of $1.0 million (i) for monetary relief to the members of the class, (ii) for awards to the class representative plaintiffs, (iii) for California Labor Code Private Attorney General Act payments to the State of California for an immaterial amount, and (iv) for all costs of notice and administration of the claims process, (b) pay to counsel for the class an aggregate of $1.3 million, of which $0.2 million has been allocated for their reimbursable costs and litigation expenses and $1.1 million has been allocated for attorneys' fees, and (c) monitor USM's California subcontractors providing janitorial services to its Customer in accordance with agreed upon procedures designed principally to ensure janitorial employees of those subcontractors are paid no less than minimum wage.

We are involved in several other proceedings in which damages and claims have been asserted against us. Other potential claims may exist that have not yet been asserted against us. We believe that we have a number of valid defenses to such proceedings and claims and intend to vigorously defend ourselves. We do not believe that any such matters will have a material adverse effect on our financial position, results of operations or liquidity. Litigation is subject to many uncertainties and the outcome of litigation is not predictable with assurance. It is possible that some litigation matters for which reserves have not been established could be decided unfavorably to us, and that any such unfavorable decisions could have a material adverse effect on our financial position, results of operations or liquidity. See Note 15 - Commitments and Contingencies of the notes to consolidated financial statements included in Item 8. Financial Statements and Supplementary Data for a discussion regarding certain other legal proceedings.

ITEM 4. MINE SAFETY DISCLOSURES

Information concerning mine safety violations or other regulatory matters required by Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 104 of Regulation S-K (17 CFR 229.104) is included in Exhibit 95 to this Form 10-K.

EXECUTIVE OFFICERS OF THE REGISTRANT

Anthony J. Guzzi, Age 51; President since October 2004 and Chief Executive Officer since January 2011. From October 2004 to January 2011, Mr. Guzzi served as Chief Operating Officer of the Company. From August 2001, until he joined the Company, Mr. Guzzi served as President of the North American Distribution and Aftermarket Division of Carrier Corporation ("Carrier"). Carrier is a manufacturer and distributor of commercial and residential HVAC and refrigeration systems and equipment and a provider of after-market services and components of its own products and those of other manufacturers in both the HVAC and refrigeration industries. Mr. Guzzi is also a member of our Board of Directors.

Sheldon I. Cammaker, Age 76; Vice Chairman since January 2016. From September 1987 to January 2016, Mr. Cammaker was Executive Vice President and General Counsel of the Company, and from May 1997 to January 2016, Mr. Cammaker was also Secretary of the Company. Prior to September 1987, Mr. Cammaker was a senior partner of the New York City law firm of Botein, Hays & Sklar.

R. Kevin Matz, Age 57; Executive Vice President-Shared Services of the Company since December 2007 and Senior Vice President-Shared Services from June 2003 to December 2007. From April 1996 to June 2003, Mr. Matz served as Vice President and Treasurer of the Company and Staff Vice President-Financial Services of the Company from March 1993 to April 1996.

Mark A. Pompa, Age 51; Executive Vice President and Chief Financial Officer of the Company since April 2006. From June 2003 to April 2006, Mr. Pompa was Senior Vice President-Chief Accounting Officer of the Company, and from June 2003 to January 2007, Mr. Pompa was also Treasurer of the Company. From September 1994 to June 2003, Mr. Pompa was Vice President and Controller of the Company.

Maxine L. Mauricio, Age 44; Senior Vice President, General Counsel and Secretary of the Company since January 2016. From January 2012 to December 2015, Ms. Mauricio was Vice President and Deputy General Counsel of the Company, and from May 2002 to December 2011, she served as Assistant General Counsel of the Company. Prior to joining the Company, Ms. Mauricio was an associate at Ropes & Gray LLP.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information. Our common stock trades on the New York Stock Exchange under the symbol "EME".

The following table sets forth high and low sales prices for our common stock for the periods indicated as reported by the New York Stock Exchange:

2015	High	Low
First Quarter	$ 47.20	$ 39.83
Second Quarter	$ 48.84	$ 43.74
Third Quarter	$ 48.89	$ 43.42
Fourth Quarter	$ 52.37	$ 42.85

2014	High	Low
First Quarter	$ 47.81	$ 40.12
Second Quarter	$ 48.00	$ 43.41
Third Quarter	$ 46.04	$ 39.96
Fourth Quarter	$ 45.87	$ 38.68

Holders. As of February 22, 2016, there were approximately 224 stockholders of record and, as of that date, we estimate there were approximately 33,305 beneficial owners holding our common stock in nominee or "street" name.

Dividends. We have paid quarterly dividends since October 25, 2011. We expect that quarterly dividends will be paid in the foreseeable future. Prior to October 25, 2011, no cash dividends had been paid on the Company's common stock. We currently pay a regular dividend of $0.08 per share. Our 2013 Credit Agreement places limitations on the payment of dividends on our common stock. However, we do not believe that the terms of such agreement currently materially limit our ability to pay a quarterly dividend of $0.08 per share for the foreseeable future.

Securities Authorized for Issuance Under Equity Compensation Plans. The following table summarizes, as of December 31, 2015, certain information regarding equity compensation plans that were approved by stockholders and equity compensation plans that were not approved by stockholders. The information in the table and in the notes thereto has been adjusted for stock splits.

	Equity Compensation Plan Information		
	A	B	C
Plan Category	Number of Securities to be Issued upon Exercise of Outstanding Options, Warrants and Rights	Weighted Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans (Excluding Securities Reflected in Column A)
Equity Compensation Plans Approved by Security Holders	1,005,613 (1)	$ 7.14 (1)	1,849,266 (2)
Equity Compensation Plans Not Approved by Security Holders	—	—	—
Total	1,005,613	$ 7.14	1,849,266

(1) Included within this amount are 698,887 restricted stock units awarded to our non-employee directors and employees. The weighted average exercise price would have been $23.42 had the weighted average exercise price calculation excluded such restricted stock units.

(2) Represents shares of our common stock available for future issuance under our 2010 Incentive Plan (the "2010 Plan"), which may be issuable in respect of options and/or stock appreciation rights granted under the 2010 Plan and/or may also be issued pursuant to the award of restricted stock, unrestricted stock and/or awards that are valued in whole or in part by reference to, or are otherwise based on the fair market value of, our common stock.

Purchase of Equity Securities by the Issuer and Affiliated Purchasers

The following table summarizes repurchases of our common stock made during the quarter ended December 31, 2015 by us:

Period	Total Number of Shares Purchased[(1)]	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares That May Yet be Purchased Under the Plan or Programs
October 1, 2015 to October 31, 2015	93,612	$43.76	93,612	$339,396,205
November 1, 2015 to November 30, 2015	524,493	$49.49	524,493	$313,424,535
December 1, 2015 to December 31, 2015	1,207,919	$49.05	1,207,919	$254,139,815

(1) On September 26, 2011, our Board of Directors authorized us to repurchase up to $100.0 million of our outstanding common stock. On December 5, 2013, October 23, 2014 and October 28, 2015, our Board of Directors authorized us to repurchase up to an additional $100.0 million, $250.0 million and $200.0 million of our outstanding common stock, respectively. As of December 31, 2015, there remained available authorization for us to repurchase approximately $254.1 million of our shares. No shares have been repurchased since the programs have been announced other than pursuant to these publicly announced programs. Repurchases may be made from time to time as permitted by securities laws and other legal requirements.

ITEM 6. SELECTED FINANCIAL DATA

The following selected financial data has been derived from our audited financial statements and should be read in conjunction with the consolidated financial statements, the related notes thereto and the report of our independent registered public accounting firm thereon included elsewhere in this and our previously filed annual reports on Form 10-K.

See Note 3 - Acquisitions of Businesses and Note 4 - Disposition of Assets of the notes to consolidated financial statements included in Item 8. Financial Statements and Supplementary Data for a discussion regarding acquisitions and dispositions. During the third quarter of 2014, we ceased construction operations in the United Kingdom. The results of the construction operations of our United Kingdom segment for all periods are presented as discontinued operations. In addition, the results of operations for 2011 reflect discontinued operations accounting due to the disposition in August 2011 of our Canadian subsidiary.

Income Statement Data
(In thousands, except per share data)

	Years Ended December 31,				
	2015	2014	2013	2012	2011
Revenues	$6,718,726	$6,424,965	$6,333,527	$6,195,494	$5,450,393
Gross profit	$ 944,479	$ 907,246	$ 821,646	$ 803,979	$ 724,733
Impairment loss on identifiable intangible assets	$ —	$ 1,471	$ —	$ —	$ 3,795
Gain on sale of building	$ —	$ 11,749	$ —	$ —	$ —
Operating income	$ 287,082	$ 289,878	$ 240,350	$ 260,303	$ 214,119
Net income attributable to EMCOR Group, Inc.	$ 172,286	$ 168,664	$ 123,792	$ 146,584	$ 130,826
Basic earnings (loss) per common share:					
From continuing operations	$ 2.74	$ 2.61	$ 2.19	$ 2.32	$ 1.86
From discontinued operations	(0.00)	(0.07)	(0.34)	(0.12)	0.10
	$ 2.74	$ 2.54	$ 1.85	$ 2.20	$ 1.96
Diluted earnings (loss) per common share:					
From continuing operations	$ 2.72	$ 2.59	$ 2.16	$ 2.28	$ 1.82
From discontinued operations	(0.00)	(0.07)	(0.34)	(0.12)	0.09
	$ 2.72	$ 2.52	$ 1.82	$ 2.16	$ 1.91

Balance Sheet Data
(In thousands)

	As of December 31,				
	2015	2014	2013	2012	2011
Equity (1)	$1,480,056	$1,429,387	$1,479,626	$1,357,179	$1,245,131
Total assets	$3,546,470	$3,388,967	$3,465,915	$3,107,070	$3,014,076
Goodwill	$ 843,170	$ 834,102	$ 834,825	$ 566,588	$ 566,805
Borrowings under revolving credit facility	$ —	$ —	$ —	$ 150,000	$ 150,000
Term loan, including current maturities	$ 315,000	$ 332,500	$ 350,000	$ —	$ —
Other long-term debt, including current maturities	$ 44	$ 57	$ 11	$ 18	$ —
Capital lease obligations, including current maturities	$ 3,869	$ 2,883	$ 4,652	$ 5,881	$ 4,857

(1) During 2015, we repurchased approximately 2.3 million shares of our common stock for approximately $112.3 million. Since the inception of the repurchase programs in 2011 through December 31, 2015, we have repurchased 9.9 million shares of our common stock for approximately $395.9 million. The repurchase of shares results in a reduction of our equity. We have paid quarterly dividends since October 25, 2011. We expect that quarterly dividends will be paid in the foreseeable future. Prior to October 25, 2011, no cash dividends had been paid on the Company's common stock. We currently pay a regular quarterly dividend of $0.08 per share.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

We are one of the largest electrical and mechanical construction and facilities services firms in the United States. In addition, we provide a number of building services and industrial services. Our services are provided to a broad range of commercial, industrial, utility and institutional customers through approximately 70 operating subsidiaries and joint venture entities. Our offices are located in the United States and the United Kingdom.

Operating Segments

We have the following reportable segments which provide services associated with the design, integration, installation, start-up, operation and maintenance of various systems: (a) United States electrical construction and facilities services (involving systems for electrical power transmission and distribution; premises electrical and lighting systems; low-voltage systems, such as fire alarm, security and process control; voice and data communication; roadway and transit lighting; and fiber optic lines); (b) United States mechanical construction and facilities services (involving systems for heating, ventilation, air conditioning, refrigeration and clean-room process ventilation; fire protection; plumbing, process and high-purity piping; controls and filtration; water and wastewater treatment; central plant heating and cooling; cranes and rigging; millwrighting; and steel fabrication, erection and welding); (c) United States building services; (d) United States industrial services; and (e) United Kingdom building services. The "United States building services" and "United Kingdom building services" segments principally consist of those operations which provide a portfolio of services needed to support the operation and maintenance of customers' facilities, including commercial and government site-based operations and maintenance; facility maintenance and services, including reception, security and catering services; outage services to utilities and industrial plants; military base operations support services; mobile maintenance and services; floor care and janitorial services; landscaping, lot sweeping and snow removal; facilities management; vendor management; call center services; installation and support for building systems; program development, management and maintenance for energy systems; technical consulting and diagnostic services; infrastructure and building projects for federal, state and local governmental agencies and bodies; and small modification and retrofit projects, which services are not generally related to customers' construction programs. The segment "United States industrial services" principally consists of those operations which provide industrial maintenance and services, including those for refineries and petrochemical plants, including on-site repairs, maintenance and service of heat exchangers, towers, vessels and piping; design, manufacturing, repair and hydro blast cleaning of shell and tube heat exchangers and related equipment; refinery turnaround planning and engineering services; specialty welding services; overhaul and maintenance of critical process units in refineries and petrochemical plants; and specialty technical services for refineries and petrochemical plants.

We acquired three companies in 2015, each for an immaterial amount. Two of the companies acquired primarily provide mechanical construction services, and their results of operations have been included in our United States mechanical construction and facilities services segment. The results of operations for the other company acquired have been included in our United States building services segment.

We completed the acquisition of RepconStrickland, Inc. ("RSI") during 2013, and its results have been included in our United States industrial services segment since its acquisition. In addition, we completed two other acquisitions during 2013, and their results have been included in our United States mechanical construction and facilities services segment. These acquired businesses expanded our service capabilities into new technical areas.

2015 versus 2014

Overview

The following table presents selected financial data for the fiscal years ended December 31, 2015 and 2014 (in thousands, except percentages and per share data):

	2015	2014
Revenues	$ 6,718,726	$ 6,424,965
Revenues increase from prior year	4.6%	1.4%
Restructuring expenses	$ 824	$ 1,168
Impairment loss on identifiable intangible assets	$ —	$ 1,471
Gain on sale of building	$ —	$ 11,749
Operating income	$ 287,082	$ 289,878
Operating income as a percentage of revenues	4.3%	4.5%
Income from continuing operations	$ 172,567	$ 178,117
Net income attributable to EMCOR Group, Inc.	$ 172,286	$ 168,664
Diluted earnings per common share from continuing operations	$ 2.72	$ 2.59

The results of our operations for 2015 set new Company records in terms of revenues and diluted earnings per share from continuing operations. Our 2015 results included increased revenues from all of our reportable segments. In addition, excluding the impact of the $11.7 million gain on the sale of a building and the $1.5 million impairment loss on identifiable intangible assets in 2014, our operating income (operating income as a percentage of revenues) increased in 2015 compared to 2014. Our overall 2015 operating income and operating margin were favorably impacted by improved operating performance within: (a) our United States mechanical construction and facilities services segment, partially attributable to revenues of $12.1 million recognized as a result of the settlement of a claim on an institutional project located in the southeastern United States, and (b) our United States building services segment, as a result of increased profitability within this segment's mobile mechanical and commercial site-based services operations.

Our operating results for 2015 were negatively impacted by: (a) our United States electrical construction and facilities services segment, (b) our United States industrial services segment and (c) our United Kingdom building services segment. Decreases in both operating income and operating margin within our United States electrical construction and facilities services segment were partially attributable to approximately $10.1 million of losses incurred on several transportation projects. Decreases in both operating income and operating margin within our United States industrial services segment were primarily due to: (a) the negative impact of a nationwide strike by union employees of certain major oil refineries in the first half of 2015, which led to both deferrals and losses of certain turnaround projects that generate relatively high gross profit margins, and (b) a decrease in the billing rates and related gross profit margins within our industrial shop services operations due to competitive market conditions resulting from decreased demand for new heat exchangers as a result of volatility in crude oil prices that led to a curtailment in capital spending.

Two of the companies acquired in 2015, which are reported in our United States mechanical construction and facilities services segment, generated incremental revenues of $12.5 million and less than $0.1 million of operating income, net of $0.3 million of amortization expense associated with identifiable intangible assets. The results of operations for the third company acquired in 2015, which are reported in our United States building services segment, were de minimis.

Discussion and Analysis of Results of Operations

Revenues

As described in more detail below, revenues for 2015 were $6.7 billion compared to $6.4 billion for 2014. The increase in revenues for 2015 was primarily attributable to: (a) increased revenues from both of our domestic construction segments, (b) increased demand for our industrial field services within our United States industrial services segment and (c) increased revenues from our mobile mechanical services operations within our United States building services segment. Revenues increased within our United States industrial services segment despite a nationwide strike by union employees of certain major oil refineries that negatively impacted the first half of 2015.

The following table presents our revenues for each of our operating segments and the approximate percentages that each segment's revenues were of total revenues for the years ended December 31, 2015 and 2014 (in thousands, except for percentages):

	2015	% of Total	2014	% of Total
Revenues from unrelated entities:				
United States electrical construction and facilities services	$ 1,367,142	20%	$ 1,311,988	20%
United States mechanical construction and facilities services	2,312,763	34%	2,201,212	34%
United States building services	1,739,259	26%	1,721,341	27%
United States industrial services	922,085	14%	839,980	13%
Total United States operations	6,341,249	94%	6,074,521	95%
United Kingdom building services	377,477	6%	350,444	5%
Total worldwide operations	$ 6,718,726	100%	$ 6,424,965	100%

Revenues of our United States electrical construction and facilities services segment were $1,367.1 million for the year ended December 31, 2015 compared to revenues of $1,312.0 million for the year ended December 31, 2014. The increase in revenues was primarily attributable to an increase in revenues from commercial, healthcare and manufacturing construction projects, partially offset by a decrease in revenues from institutional construction projects.

Our United States mechanical construction and facilities services segment revenues for the year ended December 31, 2015 were $2,312.8 million, a $111.6 million increase compared to revenues of $2,201.2 million for the year ended December 31, 2014. The increase in revenues was primarily attributable to an increase in revenues from commercial and institutional construction projects, partially offset by a decline in revenues from manufacturing, water and wastewater and transportation construction projects. The results for the year ended December 31, 2015 included $12.5 million of revenues generated by companies acquired in 2015.

Revenues of our United States building services segment were $1,739.3 million and $1,721.3 million in 2015 and 2014, respectively. The increase in revenues was primarily attributable to increased revenues from: (a) our mobile mechanical services operations, in part due to significant activity in the California and New England regions and increased project and retrofit activities, and (b) our energy services operations. These increases were partially offset by decreased revenues from: (a) our government site-based services operations as a result of the completion in 2014 of two large long-term site-based joint venture projects not renewed pursuant to rebid, (b) our commercial site-based services operations as a result of: (i) a decline in add-on project activities, (ii) a decrease in revenues from its snow removal activities, as a result of less snowfall in geographical areas in which many of our contracts are based on a per snow event basis, and (iii) a decrease in revenues from supplier management contracts.

Revenues of our United States industrial services segment for the year ended December 31, 2015 increased by $82.1 million compared to the year ended December 31, 2014. The increase in revenues was primarily due to large capital and maintenance project activity within our industrial field services operations. Revenues increased within this segment despite a nationwide strike by union employees of certain major oil refineries that negatively impacted the first half of 2015.

Our United Kingdom building services segment revenues were $377.5 million in 2015 compared to $350.4 million in 2014. The increase in revenues was due to an increase in activity in the commercial market attributable to several new contract awards as well as increased work under existing contracts. The increase in revenues was partially offset by a decrease of $29.2 million relating to the effect of unfavorable exchange rates for the British pound versus the United States dollar.

Backlog

The following table presents our operating segment backlog from unrelated entities and their respective percentages of total backlog (in thousands, except for percentages):

	December 31, 2015	% of Total	December 31, 2014	% of Total
Backlog:				
United States electrical construction and facilities services	$ 1,145,791	30%	$ 1,176,372	32%
United States mechanical construction and facilities services	1,683,501	45%	1,473,018	41%
United States building services	762,196	20%	732,960	20%
United States industrial services	54,578	1%	101,154	3%
Total United States operations	3,646,066	97%	3,483,504	96%
United Kingdom building services	125,097	3%	150,084	4%
Total worldwide operations	$ 3,771,163	100%	$ 3,633,588	100%

Our backlog at December 31, 2015 was $3.77 billion compared to $3.63 billion at December 31, 2014. This increase in backlog was primarily attributable to an increase in backlog from our United States mechanical construction and facilities services segment and our United States building services segment, partially offset by lower backlog from our other reportable segments. Backlog increases with awards of new contracts and decreases as we perform work on existing contracts. Backlog is not a term recognized under United States generally accepted accounting principles; however, it is a common measurement used in our industry. We include a project within our backlog at such time as a contract is awarded and agreement on contract terms has been reached. Backlog includes unrecognized revenues to be realized from uncompleted construction contracts plus unrecognized revenues expected to be realized over the remaining term of services contracts. However, we do not include in backlog contracts for which we are paid on a time and material basis and a fixed amount cannot be determined, and if the remaining term of a services contract exceeds 12 months, the unrecognized revenues attributable to such contract included in backlog are limited to only the next 12 months of revenues provided for in the contract award. Our backlog also includes amounts related to services contracts for which a fixed price contract value is not assigned when a reasonable estimate of total revenues can be made from budgeted amounts agreed to with our customer. Our backlog is comprised of: (a) original contract amounts, (b) change orders for which we have received written confirmations from our customers, (c) pending change orders for which we expect to receive confirmations in the ordinary course of business and (d) claim amounts that we have made against customers for which we have determined we have a legal basis under existing contractual arrangements and as to which we consider recovery to be probable. Such claim amounts were immaterial for all periods presented. Our backlog does not include anticipated revenues from unconsolidated joint ventures or variable interest entities and anticipated revenues from pass-through costs on contracts for which we are acting in the capacity of an agent and which are reported on the net basis. We believe our backlog is firm, although many contracts are subject to cancellation at the election of our customers. Historically, cancellations have not had a material adverse effect on us.

Cost of sales and Gross profit

The following table presents cost of sales, gross profit (revenues less cost of sales), and gross profit margin (gross profit as a percentage of revenues) for the years ended December 31, 2015 and 2014 (in thousands, except for percentages):

	2015	2014
Cost of sales	$ 5,774,247	$ 5,517,719
Gross profit	$ 944,479	$ 907,246
Gross profit margin	14.1%	14.1%

Our gross profit for the year ended December 31, 2015 was $944.5 million, a $37.2 million increase compared to the gross profit of $907.2 million for the year ended December 31, 2014. Our gross profit margin was 14.1% for both 2015 and 2014. Favorable variances in both gross profit and gross profit margin within: (a) our United States mechanical construction and facilities services segment, which included revenues of $12.1 million recognized as a result of the settlement of a claim on an institutional project located in the southeastern United States, and (b) our United States building services segment were partially offset by decreases in gross profit and gross profit margin within our United Kingdom building services and our United States electrical construction and facilities services segment. Gross profit within our United States industrial services segment slightly increased; however, gross margin within this segment declined due to a decrease in the billing rates and related gross profit margins within our industrial shop services operations due to competitive market conditions resulting from decreased demand for new heat exchangers as a result of volatility in crude oil prices that led to a curtailment in capital spending.

Selling, general and administrative expenses

The following table presents selling, general and administrative expenses and SG&A margin (selling, general and administrative expenses as a percentage of revenues) for the years ended December 31, 2015 and 2014 (in thousands, except for percentages):

	2015	2014
Selling, general and administrative expenses	$ 656,573	$ 626,478
Selling, general and administrative expenses as a percentage of revenues	9.8%	9.8%

Our selling, general and administrative expenses for the year ended December 31, 2015 were $656.6 million, a $30.1 million increase compared to selling, general and administrative expenses of $626.5 million for the year ended December 31, 2014. Selling, general and administrative expenses as a percentage of revenues were 9.8% for both 2015 and 2014. The increase in selling, general and administrative expenses was due to higher employee related costs such as incentive compensation, salaries and medical insurance costs, as well as certain other costs including computer hardware and software expenses, partially offset by a decrease in legal costs. Increased incentive compensation was principally due to higher annual operating results within certain operations than in 2014, which resulted in increased accruals for their incentive compensation plans. The increase in salaries was attributable to an increase in headcount, commensurate with an increase in revenues, as well as cost of living adjustments and merit pay increases.

Restructuring expenses

Restructuring expenses were $0.8 million and $1.2 million for 2015 and 2014, respectively. The 2015 restructuring expenses included $0.9 million of employee severance obligations and the reversal of $0.1 million relating to the termination of leased facilities. The 2014 restructuring expenses included $0.6 million of employee severance obligations and $0.6 million relating to the termination of leased facilities. As of December 31, 2015 and 2014, the balance of restructuring related obligations yet to be paid was $0.1 million and $0.3 million, respectively. The majority of obligations outstanding as of December 31, 2014 was paid during 2015. The obligations outstanding as of December 31, 2015 will be paid during the first half of 2016.

Gain on sale of building

On July 22, 2014, we sold a building and land owned by one of our subsidiaries reported in the United States mechanical construction and facilities services segment. We recognized a gain of approximately $11.7 million on this transaction in the third quarter of 2014, which has been classified as a “Gain on sale of building” in the Consolidated Statements of Operations.

Impairment loss on goodwill and identifiable intangible assets

No impairment of our identifiable intangible assets was recognized for the year ended December 31, 2015. In conjunction with our 2014 annual impairment test on October 1, we recognized a $1.5 million non-cash impairment charge related to subsidiary trade names within the United States mechanical construction and facilities services segment and the United States building services segment. The 2014 impairment primarily resulted from lower forecasted revenues from two companies within these segments. Additionally, no impairment of our goodwill was recognized for the years ended December 31, 2015 and 2014.

Operating income (loss)

The following table presents by segment our operating income (loss) and each segment's operating income (loss) as a percentage of such segment's revenues from unrelated entities for the years ended December 31, 2015 and 2014 (in thousands, except for percentages):

	2015	% of Segment Revenues	2014	% of Segment Revenues
Operating income (loss):				
United States electrical construction and facilities services	$ 82,225	6.0%	$ 90,873	6.9%
United States mechanical construction and facilities services	138,688	6.0%	114,418	5.2%
United States building services	70,532	4.1%	65,885	3.8%
United States industrial services	56,469	6.1%	63,159	7.5%
Total United States operations	347,914	5.5%	334,335	5.5%
United Kingdom building services	11,634	3.1%	15,011	4.3%
Corporate administration	(71,642)	—	(68,578)	—
Restructuring expenses	(824)	—	(1,168)	—
Impairment loss on identifiable intangible assets	—	—	(1,471)	—
Gain on sale of building	—	—	11,749	—
Total worldwide operations	287,082	4.3%	289,878	4.5%
Other corporate items:				
Interest expense	(8,932)		(9,075)	
Interest income	673		842	
Income from continuing operations before income taxes	$ 278,823		$ 281,645	

As described in more detail below, we had operating income of $287.1 million for 2015 compared to operating income of $289.9 million for 2014. Operating margin was 4.3% and 4.5% for 2015 and 2014, respectively. Included within operating income for 2014 was an $11.7 million gain on the sale of a building, resulting in a 0.2% impact on our consolidated operating margin for 2014.

Operating income of our United States electrical construction and facilities services segment for the year ended December 31, 2015 was $82.2 million compared to operating income of $90.9 million for the year ended December 31, 2014. The decrease in operating income for the year ended December 31, 2015 was due to a decrease in gross profit from transportation, institutional and manufacturing construction projects and an increase in selling, general and administrative expenses due to higher employee related costs such as incentive compensation and salaries. The decrease in gross profit from transportation construction projects included approximately $10.1 million of losses incurred on several projects due to productivity issues and delays. The increase in incentive compensation was principally due to higher annual operating results within certain operations than in 2014, which resulted in increased accruals for certain of our incentive compensation plans. The decrease in operating income was partially offset by an increase in gross profit from: (a) commercial construction projects, partially due to profits recognized on contracts in the Mid-Atlantic region and (b) healthcare construction projects. The decrease in operating margin for the year ended December 31, 2015 was attributable to a decrease in gross profit margin, partially as a result of losses recorded on transportation projects, as well as an increase in the ratio of selling, general and administrative expenses to revenues resulting from an increase in incentive compensation due to higher annual operating results within certain operations than in 2014.

Our United States mechanical construction and facilities services segment operating income for the year ended December 31, 2015 was $138.7 million, a $24.3 million increase compared to operating income of $114.4 million for the year ended December 31, 2014. Operating income was favorably impacted by an increase in gross profit from institutional, commercial and manufacturing construction projects, partially offset by an increase in selling, general and administrative expenses. The results for 2015 included revenues of $12.1 million recognized as a result of the settlement of a claim on an institutional project located in the southeastern United States. The results for 2014 included the receipt of $3.0 million from former shareholders of a company we had acquired as a result of the settlement of a claim by us under the acquisition agreement; this payment has been recorded as a reduction of "Cost of sales" in the Consolidated Statements of Operations. The increase in selling, general and administrative expenses was primarily the result of an increase in incentive compensation due to higher annual operating results than in 2014, which resulted in increased accruals for certain of our incentive compensation plans. Companies acquired in 2015 generated operating income of less than $0.1 million, net of amortization expense of $0.3 million attributable to identifiable intangible assets. The increase in operating margin for the year ended December 31, 2015 was attributable to an increase in gross profit margin.

Operating income of our United States building services segment was $70.5 million and $65.9 million in 2015 and 2014, respectively. The increase in operating income was primarily attributable to improved performance from: (a) our mobile mechanical services operations, partially due to increased profitability in projects, retrofits, repair services work and service contracts, and (b) our commercial site-based services operations, partially due to a reduction in legal costs. These increases were partially offset by a decrease in operating income from: (a) our energy services operations as, in 2014, we benefited from the successful completion of a large project and (b) our government site-based services operations as a result of the completion in 2014 of two large long-term site-based joint venture projects not renewed pursuant to rebid. The results for the year ended December 31, 2015 included income of approximately $2.7 million, net of associated legal costs, upon the favorable settlement of a claim by us against the former owner of a company we had previously acquired within our commercial site-based services operations. The increase in operating margin for the year ended December 31, 2015 was attributable to an increase in gross profit margin.

Operating income of our United States industrial services segment for the year ended December 31, 2015 decreased by $6.7 million compared to operating income for the year ended December 31, 2014. The decrease in operating income was primarily attributable to: (a) a decrease in gross profit from our industrial shop services operations due to: (i) a decrease in the billing rates and related gross profit margins due to competitive market conditions resulting from decreased demand for new heat exchangers as a result of volatility in crude oil prices that led to a curtailment in capital spending and (ii) the mix of work, which included fewer repair projects than in 2014, that generate relatively high gross profit margins, (b) the negative impact of a nationwide strike by union employees of certain major oil refineries in the first half of 2015, which led to both deferrals and losses of certain turnaround projects that generate relatively high gross profit margins, and (c) an increase in selling, general and administrative expenses due to higher employee related costs such as salaries and employee benefits, partially as a result of increased headcount. The decrease in operating income was partially offset by large capital and maintenance project activity within our industrial field services operations. The decrease in operating margin for the year ended December 31, 2015 was attributable to a decrease in gross profit margin.

Our United Kingdom building services segment's operating income for the year ended December 31, 2015 was $11.6 million compared to operating income of $15.0 million for the year ended December 31, 2014. The decrease in operating income and operating margin was primarily attributable to the impact of $4.8 million of income recognized in the second quarter of 2014 as a result of a reduction in the estimate of certain accrued contract costs that were no longer expected to be incurred. The overall decrease in gross profit in this segment was partially offset by an increase in gross profit from both new contract awards and increased project activity within the commercial market. This segment recorded a decrease in operating income of $0.9 million relating to the effect of unfavorable exchange rates for the British pound versus the United States dollar.

Our corporate administration operating loss was $71.6 million for 2015 compared to $68.6 million in 2014. The increase in expenses for the year ended December 31, 2015 was primarily due to an increase in certain employment costs, such as incentive compensation and salaries, as well as certain other expenses including legal costs. The increase in incentive compensation was partially due to higher awards earned than in 2014, which resulted in increased accruals for certain of our incentive compensation plans.

Non-operating items

Interest expense was $8.9 million and $9.1 million for 2015 and 2014, respectively. The decrease in interest expense for 2015 compared to 2014 was primarily due to lower borrowings outstanding.

Interest income was $0.7 million and $0.8 million for 2015 and 2014, respectively. The decrease in interest income was primarily related to lower invested cash balances.

For joint ventures that have been accounted for using the consolidation method of accounting, noncontrolling interest represents the allocation of earnings to our joint venture partners who either have a minority-ownership interest in the joint venture or are not at risk for the majority of losses of the joint venture.

Our 2015 income tax provision from continuing operations was $106.3 million compared to $103.5 million for 2014. The actual income tax rates on income from continuing operations before income taxes, less amounts attributable to noncontrolling interests, for the years ended December 31, 2015 and 2014, were 38.1% and 37.4%, respectively. The increase in the 2015 income tax provision compared to 2014 was predominantly due to certain increases in the state tax provision attributable to the mix of earnings and the effect of a change in the United Kingdom statutory tax rate on deferred tax assets.

Discontinued operations

Due to a historical pattern of losses in the construction operations of our United Kingdom segment and our negative assessment of construction market conditions in the United Kingdom for the foreseeable future, we announced during the quarter ended June 30, 2013 our decision to withdraw from the construction market in the United Kingdom. During the third quarter of 2014, we ceased construction operations in the United Kingdom. The results of the construction operations of our United Kingdom segment for all periods are presented in our Consolidated Financial Statements as discontinued operations.

2014 versus 2013

Overview

The following table presents selected financial data for the fiscal years ended December 31, 2014 and 2013 (in thousands, except percentages and per share data):

	2014	2013
Revenues	$ 6,424,965	$ 6,333,527
Revenues increase from prior year	1.4%	2.2%
Restructuring expenses	$ 1,168	$ 647
Impairment loss on identifiable intangible assets	$ 1,471	$ —
Gain on sale of building	$ 11,749	$ —
Operating income	$ 289,878	$ 240,350
Operating income as a percentage of revenues	4.5%	3.8%
Income from continuing operations	$ 178,117	$ 150,423
Net income attributable to EMCOR Group, Inc.	$ 168,664	$ 123,792
Diluted earnings per common share from continuing operations	$ 2.59	$ 2.16

Overall revenues, operating income and operating margin (operating income as a percentage of revenues) increased in 2014 compared to 2013. The increase in revenues is primarily attributable to higher revenues from our United States industrial services segment and our United Kingdom building services segment, partially offset by a decline in revenues from our (a) United States mechanical construction and facilities services segment, (b) United States building services segment and (c) United States electrical construction and facilities services segment. Companies acquired in 2013, which are reported in our United States industrial segment and our United States mechanical construction and facilities services segment, generated incremental revenues of $231.2 million in 2014. This amount reflects acquired companies' revenues in 2014 only for the time period these entities were not owned by EMCOR in the comparable 2013 period.

The increases in operating income were primarily attributable to improved operating performance within all of our reportable segments, except for our United States electrical construction and facilities services segment and our United States building services segment. Operating income margins increased within all of our reportable segments, except for our United States electrical construction and facilities services segment and our United States industrial services segment. In addition, our operating income and operating margin were favorably impacted by an $11.7 million gain on the sale of a building. Companies acquired in 2013, which are reported in our United States industrial segment and our United States mechanical construction and facilities services segment, contributed $9.3 million to operating income, net of $8.2 million of amortization expense associated with identifiable intangible assets. These amounts reflect acquired companies' operating results in 2014 only for the time period these entities were not owned by EMCOR in the comparable 2013 period.

Discussion and Analysis of Results of Operations

Revenues

As described in more detail below, revenues for 2014 were $6.4 billion compared to $6.3 billion for 2013. The increase in revenues for 2014 was primarily attributable to revenues of $231.2 million attributable to companies acquired in 2013 (which reflects acquired companies' revenues in 2014 only for the time period these entities were not owned by EMCOR in the comparable 2013 period) and higher revenues from our United States industrial services segment and our United Kingdom building services segment. This increase was partially offset by lower revenues from our other reportable segments.

The following table presents our revenues for each of our operating segments and the approximate percentages that each segment's revenues were of total revenues for the years ended December 31, 2014 and 2013 (in thousands, except for percentages):

	2014	% of Total	2013	% of Total
Revenues from unrelated entities:				
United States electrical construction and facilities services	$ 1,311,988	20%	$ 1,345,750	21%
United States mechanical construction and facilities services	2,201,212	34%	2,329,834	37%
United States building services	1,721,341	27%	1,794,978	28%
United States industrial services	839,980	13%	519,413	8%
Total United States operations	6,074,521	95%	5,989,975	95%
United Kingdom building services	350,444	5%	343,552	5%
Total worldwide operations	$ 6,424,965	100%	$ 6,333,527	100%

Revenues of our United States electrical construction and facilities services segment were $1,312.0 million for the year ended December 31, 2014 compared to revenues of $1,345.8 million for the year ended December 31, 2013. The decrease in revenues was primarily attributable to a decrease in revenues from institutional and manufacturing construction projects, primarily in the southern California and Washington D.C. markets, as well as a decrease in revenues from water and wastewater construction projects. These decreases were partially offset by higher levels of work from transportation, commercial and healthcare projects.

Our United States mechanical construction and facilities services segment revenues for the year ended December 31, 2014 were $2,201.2 million, a $128.6 million decrease compared to revenues of $2,329.8 million for the year ended December 31, 2013. This decrease in revenues was primarily attributable to a decline in revenues from manufacturing construction projects, partially as the result of the completion in 2013 of several large projects within this market sector, which were not replaced. This decrease was partially offset by: (a) an increase in revenues from commercial, hospitality and institutional construction projects and (b) incremental revenues of $19.2 million generated by companies acquired in 2013. This amount reflects acquired companies' revenues in 2014 only for the time period these entities were not owned by EMCOR in the comparable 2013 period.

Revenues of our United States building services segment were $1,721.3 million and $1,795.0 million in 2014 and 2013, respectively. This decrease in revenues was primarily attributable to decreased revenues from: (a) our commercial site-based services operations, as a result of a decline in revenues from supplier management contracts, including a large contract that was terminated by agreement of both parties, (b) our energy services operations, due to a reduction in large project work, and (c) our government site-based services operations, as a result of the completion of a large long-term site-based joint venture project located in the Pacific Northwest not renewed pursuant to rebid. These decreases were partially offset by an increase in revenues from our mobile mechanical service operations, primarily within the California and New England markets.

Revenues of our United States industrial services segment for the year ended December 31, 2014 increased by $320.6 million compared to the year ended December 31, 2013. For the seven months ended July 31, 2014, RSI generated incremental revenues of $212.0 million. This amount reflects RSI's revenues in 2014 only for the time period RSI was not owned by EMCOR in the comparable 2013 period. The increase in revenues was also attributable to an increased demand for our industrial field services operations, partially offset by a decrease in revenues from our industrial shop services operations.

Our United Kingdom building services segment revenues were $350.4 million in 2014 compared to $343.6 million in 2013. This increase in revenues was due to an increase of $16.9 million relating to the effect of favorable exchange rates for the British pound versus the United States dollar and increased activity within the commercial and healthcare markets, partially offset by decreased activity within the transportation and institutional markets.

Backlog

The following table presents our operating segment backlog from unrelated entities and their respective percentages of total backlog (in thousands, except for percentages):

	December 31, 2014	% of Total	December 31, 2013	% of Total
Backlog:				
United States electrical construction and facilities services	$ 1,176,372	32%	$ 993,919	30%
United States mechanical construction and facilities services	1,473,018	41%	1,325,941	40%
United States building services	732,960	20%	761,855	23%
United States industrial services	101,154	3%	94,187	3%
Total United States operations	3,483,504	96%	3,175,902	95%
United Kingdom building services	150,084	4%	167,804	5%
Total worldwide operations	$ 3,633,588	100%	$ 3,343,706	100%

Our backlog at December 31, 2014 was $3.63 billion compared to $3.34 billion at December 31, 2013. This increase in backlog was primarily attributable to an increase in contracts awarded for work in our: (a) United States electrical construction and facilities services segment and (b) United States mechanical construction and facilities services segment. Backlog increases with awards of new contracts and decreases as we perform work on existing contracts.

Cost of sales and Gross profit

The following table presents cost of sales, gross profit (revenues less cost of sales), and gross profit margin (gross profit as a percentage of revenues) for the years ended December 31, 2014 and 2013 (in thousands, except for percentages):

	2014	2013
Cost of sales	$ 5,517,719	$ 5,511,881
Gross profit	$ 907,246	$ 821,646
Gross profit margin	14.1%	13.0%

Our gross profit for the year ended December 31, 2014 was $907.2 million, an $85.6 million increase compared to the gross profit of $821.6 million for the year ended December 31, 2013. The increase in gross profit was primarily attributable to improved profitability within all of our reportable segments, except for our United States electrical construction and facilities services segment. Gross profit in 2013 within our United States mechanical construction and facilities services segment was negatively impacted by aggregate losses of approximately $24.5 million from one of our subsidiaries at two projects located in the southeastern United States. Companies acquired in 2013 included in our United States industrial services segment and our United States mechanical construction and facilities services segment contributed an aggregate of $35.9 million to gross profit in 2014. This amount reflects acquired companies' gross profit in 2014 only for the time period these entities were not owned by EMCOR in the comparable 2013 period.

Our gross profit margin was 14.1% and 13.0% for 2014 and 2013, respectively. Gross profit margin for 2014 increased within most of our reportable segments. Our consolidated gross profit margin benefited from an increase in revenues from our United States industrial services segment, which historically generates higher gross profit margins than our other reportable segments. Gross profit margin for 2013 was adversely impacted by the two significant project write-downs reported in our United States mechanical construction and facilities services segment, resulting in a 0.4% impact on consolidated gross profit margin.

Selling, general and administrative expenses

The following table presents selling, general and administrative expenses, and selling, general and administrative expenses as a percentage of revenues, for the years ended December 31, 2014 and 2013 (in thousands, except for percentages):

	2014	2013
Selling, general and administrative expenses	$ 626,478	$ 580,649
Selling, general and administrative expenses as a percentage of revenues	9.8%	9.2%

Our selling, general and administrative expenses for the year ended December 31, 2014 were $626.5 million, a $45.8 million increase compared to selling, general and administrative expenses of $580.6 million for the year ended December 31, 2013. Selling, general and administrative expenses as a percentage of revenues were 9.8% and 9.2% for the years ended December 31, 2014 and 2013, respectively. This increase in selling, general and administrative expenses primarily resulted from: (a) $26.6 million of expenses directly related to companies acquired in 2013, including amortization expense of $8.2 million attributable to identifiable intangible assets (which reflect acquired companies' expenses in 2014 only for the time period these entities were not owned by EMCOR in the comparable 2013 period), (b) higher employee related costs such as incentive compensation and employee benefits and (c) higher legal costs, including the unfavorable settlement of a legal matter. In addition, our selling, general and administrative expenses as a percentage of revenues increased due to higher revenues from our United States industrial services segment, which has a higher fixed cost structure than our other reportable segments. Selling, general and administrative expenses for the year ended December 31, 2013 included $6.1 million of transaction costs associated with the acquisition of RSI. Selling, general and administrative expenses for the year ended December 31, 2013 were reduced by $6.8 million of income attributable to the reversal of contingent consideration accruals relating to acquisitions made prior to 2013.

Restructuring expenses

Restructuring expenses were $1.2 million and $0.6 million for 2014 and 2013, respectively. The 2014 restructuring expenses included $0.6 million of employee severance obligations and $0.6 million relating to the termination of leased facilities. The 2013 restructuring expenses included $0.5 million of employee severance obligations and $0.1 million relating to the termination of leased facilities. As of December 31, 2014 and 2013, the balance of restructuring related obligations yet to be paid was $0.3 million and $0.2 million, respectively. The majority of obligations outstanding as of December 31, 2014 and December 31, 2013 were paid during 2015 and 2014, respectively.

Gain on sale of building

On July 22, 2014, we sold a building and land owned by one of our subsidiaries reported in the United States mechanical construction and facilities services segment. We recognized a gain of approximately $11.7 million on this transaction in the third quarter of 2014, which has been classified as a "Gain on sale of building" in the Consolidated Statements of Operations.

Impairment loss on goodwill and identifiable intangible assets

In conjunction with our 2014 annual impairment test on October 1, we recognized a $1.5 million non-cash impairment charge related to subsidiary trade names within the United States mechanical construction and facilities services segment and the United States building services segment. The 2014 impairment primarily resulted from lower forecasted revenues from two companies within these segments. No impairment of our identifiable intangible assets was recognized for the year ended December 31, 2013. Additionally, no impairment of our goodwill was recognized for the years ended December 31, 2014 and 2013.

Operating income (loss)

The following table presents by segment our operating income (loss) and each segment's operating income (loss) as a percentage of such segment's revenues from unrelated entities for the years ended December 31, 2014 and 2013 (in thousands, except for percentages):

	2014	% of Segment Revenues	2013	% of Segment Revenues
Operating income (loss):				
United States electrical construction and facilities services	$ 90,873	6.9%	$ 98,114	7.3%
United States mechanical construction and facilities services	114,418	5.2%	93,765	4.0%
United States building services	65,885	3.8%	67,225	3.7%
United States industrial services	63,159	7.5%	38,763	7.5%
Total United States operations	334,335	5.5%	297,867	5.0%
United Kingdom building services	15,011	4.3%	13,021	3.8%
Corporate administration	(68,578)	—	(69,891)	—
Restructuring expenses	(1,168)	—	(647)	—
Impairment loss on identifiable intangible assets	(1,471)	—	—	—
Gain on sale of building	11,749	—	—	—
Total worldwide operations	289,878	4.5%	240,350	3.8%
Other corporate items:				
Interest expense	(9,075)		(8,769)	
Interest income	842		1,128	
Income from continuing operations before income taxes	$ 281,645		$ 232,709	

As described in more detail below, we had operating income of $289.9 million for 2014 compared to operating income of $240.4 million for 2013. Operating margin was 4.5% and 3.8% for 2014 and 2013, respectively. Included within operating income for 2014 was an $11.7 million gain on the sale of a building, resulting in a 0.2% impact on our consolidated operating margin for 2014. Operating income for 2013 was negatively impacted by aggregate losses of approximately $24.5 million from one of our subsidiaries at two projects located in the southeastern United States, resulting in a 0.4% impact on our consolidated operating margin for 2013.

Operating income of our United States electrical construction and facilities services segment for the year ended December 31, 2014 was $90.9 million compared to operating income of $98.1 million for the year ended December 31, 2013. The decrease in operating income for the year ended December 31, 2014 was primarily the result of a decrease in gross profit attributable to institutional, transportation, manufacturing and water and wastewater construction projects, as well as an increase in selling, general and administrative expenses, mainly attributable to employment costs. This segment was also negatively impacted by project losses incurred from one of our subsidiaries whose operations we are in the process of closing. The decrease in operating margin for the year ended December 31, 2014 was primarily the result of an increase in the ratio of selling, general and administrative expenses to revenues.

Our United States mechanical construction and facilities services segment operating income for the year ended December 31, 2014 was $114.4 million, a $20.7 million increase compared to operating income of $93.8 million for the year ended December 31, 2013. Operating income was favorably impacted by an increase in gross profit from institutional, commercial, healthcare and hospitality construction projects, partially offset by a decrease in gross profit from manufacturing and transportation construction projects. The results for 2014 included the receipt of $3.0 million from former shareholders of a company we had acquired as a result of the settlement of a claim by us under the acquisition agreement; this payment has been recorded as a reduction of "Cost of sales" in the Consolidated Statements of Operations. The results for 2013 included aggregate losses of approximately $24.5 million from one of our subsidiaries at two projects located in the southeastern United States, resulting in a 1.1% impact on this segment’s operating margin, partially offset by $6.7 million of income attributable to the reversal of contingent consideration accruals related to acquisitions made prior to 2013. Companies acquired in 2013 generated operating income of $0.9 million, net of amortization expense of $0.2 million attributable to identifiable intangible assets, for the year ended December 31, 2014. These amounts reflect acquired companies' operating results in 2014 only for the time period these entities were not owned by EMCOR in the comparable 2013 period. The increase in operating margin for the year ended December 31, 2014 was attributable to an increase in gross profit margin.

Operating income of our United States building services segment was $65.9 million and $67.2 million in 2014 and 2013, respectively. The decrease in operating income was primarily attributable to a decrease in operating income from this segment’s: (a) commercial site-based services operations, due to: (i) decreased volume from supplier management contracts and (ii) higher legal costs, including the unfavorable settlement of a legal matter, and (b) energy services operations, due to a reduction of large project work. These decreases were partially offset by an increase in gross profit from this segment's: (a) mobile mechanical services operations, partially due to increased profitability in projects, retrofits and repair services work and (b) government site-based services operations, partially due to the successful close-out of two large long-term joint venture projects and reduced selling, general and administrative expenses. The increase in operating margin for the year ended December 31, 2014 was attributable to an increase in gross profit margin.

Operating income of our United States industrial services segment for the year ended December 31, 2014 increased by $24.4 million compared to operating income for the year ended December 31, 2013. For the seven months ended July 31, 2014, RSI contributed $8.4 million of operating income, net of $8.0 million of amortization expense attributable to identifiable intangible assets. These amounts reflect RSI's operating results in 2014 only for the time period RSI was not owned by EMCOR in the comparable 2013 period. Operating income also benefited from an increase in demand for this segment’s industrial field services. The increase in operating income was partially offset by a reduction in operating income from our industrial shop services operations, which had benefited from exceptionally strong demand during the first quarter of 2013.

Our United Kingdom building services segment’s operating income for the year ended December 31, 2014 was $15.0 million compared to operating income of $13.0 million for the year ended December 31, 2013. This segment recognized income of $4.8 million during the second quarter of 2014, which has been recorded as a reduction of "Cost of sales" in the Consolidated Statements of Operations, as a result of a reduction in the estimate of certain accrued contract costs that were no longer expected to be incurred, which was partially offset by a decrease in income from the commercial and transportation markets. The increase in operating margin for the year ended December 31, 2014 was attributable to an increase in gross profit margin and a decrease in the ratio of selling, general and administrative expenses to revenues.

Our corporate administration operating loss was $68.6 million for 2014 compared to $69.9 million in 2013. Our corporate administration operating loss for 2013 included $6.1 million of transaction costs associated with the acquisition of RSI. The benefit of the absence of these transaction costs for 2014 was partially offset by an increase in certain employment costs, such as incentive compensation and employee benefits. Also, our corporate administration operating loss for 2013 was reduced by the receipt of an insurance recovery of approximately $2.6 million that was received in January 2013 associated with a previously disposed of operation, which is classified as a component of "Cost of sales" in the Consolidated Statements of Operations.

Non-operating items

Interest expense was $9.1 million and $8.8 million for 2014 and 2013, respectively. The $0.3 million increase in interest expense for 2014 compared to 2013 was primarily due to increased borrowings associated with the term loan executed in November 2013.

Interest income was $0.8 million and $1.1 million for 2014 and 2013, respectively. The decrease in interest income was primarily related to lower invested cash balances.

For joint ventures that have been accounted for using the consolidation method of accounting, noncontrolling interest represents the allocation of earnings to our joint venture partners who either have a minority-ownership interest in the joint venture or are not at risk for the majority of losses of the joint venture.

Our 2014 income tax provision from continuing operations was $103.5 million compared to $82.3 million for 2013. The actual income tax rates on income from continuing operations before income taxes, less amounts attributable to noncontrolling interests, for the years ended December 31, 2014 and 2013, were 37.4% and 35.9%, respectively. The increase in the 2014 income tax provision compared to 2013 was primarily due to the effect of increased income before income taxes and the 2013 reversal of previously unrecognized income tax benefits.

Discontinued operations

Due to a historical pattern of losses in the construction operations of our United Kingdom segment and our negative assessment of construction market conditions in the United Kingdom for the foreseeable future, we announced during the quarter ended June 30, 2013 our decision to withdraw from the construction market in the United Kingdom. During the third quarter of 2014, we ceased construction operations in the United Kingdom. The results of the construction operations of our United Kingdom segment for all periods are presented in our Consolidated Financial Statements as discontinued operations.

Liquidity and Capital Resources

The following table presents net cash provided by (used in) operating activities, investing activities and financing activities for the years ended December 31, 2015, 2014 and 2013 (in thousands):

	2015	2014	2013
Net cash provided by operating activities	$ 266,666	$ 246,657	$ 150,069
Net cash used in investing activities	$ (59,808)	$ (21,668)	$ (483,422)
Net cash (used in) provided by financing activities	$ (149,473)	$ (229,950)	$ 167,031
Effect of exchange rate changes on cash and cash equivalents	$ (2,610)	$ (2,796)	$ 832

Our consolidated cash balance increased by approximately $54.8 million from $432.1 million at December 31, 2014 to $486.8 million at December 31, 2015. Net cash provided by operating activities for 2015 was $266.7 million compared to $246.7 million of net cash provided by operating activities for 2014. The increase in cash provided by operating activities was primarily due to: (a) a $70.7 million increase in net over-billings related to the timing of customer billings and payments, (b) a $50.6 million increase in accounts payable and (c) a $40.5 million increase in other working capital changes, partially offset by a $142.7 million increase in accounts receivable. Net cash used in investing activities was $59.8 million for 2015 compared to net cash used in investing activities of $21.7 million for 2014. The increase in cash used in investing activities was primarily due to payments to acquire businesses in 2015. Net cash used in financing activities for 2015 decreased by approximately $80.5 million compared to 2014. The decrease in net cash used in financing activities was primarily due to a decrease in funds used for the repurchase of common stock. Cash flows from discontinued operations were immaterial and are not expected to significantly affect future liquidity.

Our consolidated cash balance decreased by approximately $7.8 million from $439.8 million at December 31, 2013 to $432.1 million at December 31, 2014. Net cash provided by operating activities for 2014 was $246.7 million compared to $150.1 million of net cash provided by operating activities for 2013. The increase in cash provided by operating activities was primarily due to: (a) a $46.1 million increase in net income, (b) a $30.6 million decrease in accounts receivable and (c) a $16.0 million reduction in income taxes paid, partially offset by a $12.2 million decrease in accounts payable. Net cash used in investing activities was $21.7 million for 2014 compared to net cash used in investing activities of $483.4 million for 2013. The decrease in cash used in investing activities was primarily due to the lack of acquisitions in 2014. Net cash used in financing activities for 2014 increased by approximately $397.0 million compared to 2013. The increase in net cash used in financing activities was primarily due to an increase in funds used for the repurchase of common stock of $175.9 million, the repayment of long-term debt, and the payment of regular quarterly dividends to stockholders, partially offset by an increase in proceeds from the exercise of stock options.

The following is a summary of material contractual obligations and other commercial commitments (in millions):

	Payments Due by Period				
Contractual Obligations	**Total**	**Less than 1 year**	**1-3 years**	**3-5 years**	**After 5 years**
Term Loan (including interest currently at 1.67%) (1)	$ 329.4	$ 22.7	$ 306.7	$ —	$ —
Capital lease obligations	4.1	1.5	1.5	1.1	—
Operating leases	239.6	58.9	84.3	50.1	46.3
Open purchase obligations (2)	1,021.2	802.4	199.7	19.1	—
Other long-term obligations, including current portion (3)	363.6	41.5	310.8	11.3	—
Liabilities related to uncertain income tax positions	5.2	4.5	—	—	0.7
Total Contractual Obligations	$ 1,963.1	$ 931.5	$ 903.0	$ 81.6	$ 47.0

	Amount of Commitment Expirations by Period				
Other Commercial Commitments	**Total Amounts Committed**	**Less than 1 year**	**1-3 years**	**3-5 years**	**After 5 years**
Letters of credit	$ 99.2	$ 99.2	$ —	$ —	$ —

(1) On November 25, 2013, we entered into a a $750.0 million revolving credit facility (the “2013 Revolving Credit Facility”) and a $350.0 million term loan (the "Term Loan"), (collectively referred to as the "2013 Credit Agreement"). The proceeds of the Term Loan were used to repay amounts drawn under our previous credit agreement. As of December 31, 2015, the amount outstanding under the Term Loan was $315.0 million.

(2) Represents open purchase orders for material and subcontracting costs related to construction and service contracts. These purchase orders are not reflected in our consolidated balance sheets and should not impact future cash flows, as amounts should be recovered through customer billings.

(3) Represents primarily insurance related liabilities and liabilities for deferred income taxes, incentive compensation and deferred compensation, classified as other long-term liabilities in the consolidated balance sheets. Cash payments for insurance and deferred compensation related liabilities may be payable beyond three years, but it is not practical to estimate these payments; therefore, these liabilities are reflected in the 1-3 years payment period. We provide funding to our post retirement plans based on at least the minimum funding required by applicable regulations. In determining the minimum required funding, we utilize current actuarial assumptions and exchange rates to forecast estimates of amounts that may be payable for up to five years in the future. In our judgment, minimum funding estimates beyond a five year time horizon cannot be reliably estimated, and therefore, have not been included in the table.

Until November 25, 2013, we had a revolving credit agreement (the “2011 Credit Agreement”) as amended, which provided for a revolving credit facility of $750.0 million. The 2011 Credit Agreement was effective November 21, 2011. Effective November 25, 2013, we amended and restated the 2011 Credit Agreement to provide for a $750.0 million revolving credit facility (the “2013 Revolving Credit Facility”) and a $350.0 million term loan (the “Term Loan”) (collectively referred to as the “2013 Credit Agreement) expiring November 25, 2018. The proceeds of the Term Loan were used to repay amounts drawn under the 2011 Credit Agreement. We may increase the 2013 Revolving Credit Facility to $1.05 billion if additional lenders are identified and/or existing lenders are willing to increase their current commitments. We may allocate up to $250.0 million of available capacity under the 2013 Revolving Credit Facility to letters of credit for our account or for the account of our subsidiaries. The 2013 Revolving Credit Agreement is guaranteed by most of our direct and indirect subsidiaries and is secured by substantially all of our assets and most of the assets of most of our subsidiaries. The 2013 Revolving Credit Facility and the Term Loan contain various covenants providing for, among other things, maintenance of certain financial ratios and certain limitations on payment of dividends, common stock repurchases, investments, acquisitions, indebtedness and capital expenditures. We were in compliance with all such covenants as of December 31, 2015 and December 31, 2014. A commitment fee is payable on the average daily unused amount under the 2013 Revolving Credit Facility, which ranges from 0.20% to 0.30%, based on certain financial tests. The fee was 0.20% of the unused amount as of December 31, 2015. Borrowings under the 2013 Revolving Credit Facility and the

Term Loan bear interest at (1) a rate which is the prime commercial lending rate announced by Bank of Montreal from time to time (3.50% at December 31, 2015) plus 0.25% to 0.75%, based on certain financial tests or (2) United States dollar LIBOR (0.42% at December 31, 2015) plus 1.25% to 1.75%, based on certain financial tests. The interest rate in effect at December 31, 2015 was 1.67%. Fees for letters of credit issued under the 2013 Revolving Credit Facility range from 1.25% to 1.75% of the respective face amounts of outstanding letters of credit and are charged based on certain financial tests. We capitalized approximately $3.0 million of debt issuance costs associated with the 2013 Credit Agreement. This amount is being amortized over the life of the agreement and is included as part of interest expense. We are required to make principal payments on the Term Loan in installments on the last day of March, June, September and December of each year, commencing with the calendar quarter ended March 31, 2014, in the amount of $4.4 million, with a final payment of all unpaid principal and interest due and payable on November 25, 2018. As of December 31, 2015 and December 31, 2014, the balance on the Term Loan was $315.0 million and $332.5 million, respectively. As of December 31, 2015 and December 31, 2014, we had approximately $99.0 million and $95.5 million of letters of credit outstanding, respectively. There were no borrowings outstanding under the 2013 Revolving Credit Facility as of December 31, 2015 and December 31, 2014.

The terms of our construction contracts frequently require that we obtain from surety companies ("Surety Companies") and provide to our customers payment and performance bonds ("Surety Bonds") as a condition to the award of such contracts. The Surety Bonds secure our payment and performance obligations under such contracts, and we have agreed to indemnify the Surety Companies for amounts, if any, paid by them in respect of Surety Bonds issued on our behalf. In addition, at the request of labor unions representing certain of our employees, Surety Bonds are sometimes provided to secure obligations for wages and benefits payable to or for such employees. Public sector contracts require Surety Bonds more frequently than private sector contracts, and accordingly, our bonding requirements typically increase as the amount of public sector work increases. As of December 31, 2015, based on our percentage-of-completion of our projects covered by Surety Bonds, our aggregate estimated exposure, assuming defaults on all our then existing contractual obligations, was approximately $1.2 billion, which represents approximately 32% of our total backlog. The Surety Bonds are issued by Surety Companies in return for premiums, which vary depending on the size and type of bond.

From time to time, we discuss with our current and other Surety Bond providers the amounts of Surety Bonds that may be available to us based on our financial strength and the absence of any default by us on any Surety Bond issued on our behalf and believe those amounts are currently adequate for our needs. However, if we experience changes in our bonding relationships or if there are adverse changes in the surety industry, we may seek to satisfy certain customer requests for Surety Bonds by posting other forms of collateral in lieu of Surety Bonds such as letters of credit, parent company guarantees or cash, seeking to convince customers to forego the requirement for Surety Bonds, by increasing our activities in our business segments that rarely require Surety Bonds such as our building and industrial services segments, and/or by refraining from bidding for certain projects that require Surety Bonds. There can be no assurance that we would be able to effectuate alternatives to providing Surety Bonds to our customers or to obtain, on favorable terms, sufficient additional work that does not require Surety Bonds. Accordingly, if we were to experience a reduction in the availability of Surety Bonds, we could experience a material adverse effect on our financial position, results of operations and/or cash flows.

In the ordinary course of business, we, at times, guarantee obligations of our subsidiaries under certain contracts. Generally, we are liable under such an arrangement only if our subsidiary fails to perform its obligations under the contract. Historically, we have not incurred any substantial liabilities as a consequence of these guarantees.

We do not have any other material financial guarantees or off-balance sheet arrangements other than those disclosed herein.

We are a party to lawsuits and other proceedings in which other parties seek to recover from us amounts ranging from a few thousand dollars to over $10.0 million. We do not believe that any such matters will have a material adverse effect on our financial position, results of operations or liquidity.

On September 26, 2011, our Board of Directors authorized us to repurchase up to $100.0 million of our outstanding common stock. On December 5, 2013, October 23, 2014 and October 28, 2015, our Board of Directors authorized us to repurchase up to an additional $100.0 million, $250.0 million and $200.0 million of our outstanding common stock, respectively. During 2015, we repurchased approximately 2.3 million shares of our common stock for approximately $112.3 million. Since the inception of these repurchase programs through December 31, 2015, we have repurchased 9.9 million shares of our common stock for approximately $395.9 million. As of December 31, 2015, there remained authorization for us to repurchase approximately $254.1 million of our shares. The repurchase programs do not obligate the Company to acquire any particular amount of common stock and may be suspended, recommenced or discontinued at any time or from time to time without prior notice. Repurchases may be made from time to time to the extent permitted by securities laws and other legal requirements, including provisions in our credit agreement placing limitations on such repurchases. The repurchase programs have been and will be funded from our operations.

We have paid quarterly dividends since October 25, 2011. We expect that quarterly dividends will be paid in the foreseeable future. Prior to October 25, 2011, no cash dividends had been paid on the Company's common stock. We currently pay a regular quarterly dividend of $0.08 per share. Our 2013 Credit Agreement places limitations on the payment of dividends on our common stock. However, we do not believe that the terms of such agreement currently materially limit our ability to pay a quarterly dividend of $0.08 per share for the foreseeable future. The payment of dividends has been and will be funded from our operations.

Our primary source of liquidity has been, and is expected to continue to be, cash generated by operating activities. We also maintain our 2013 Revolving Credit Facility that may be utilized, among other things, to meet short-term liquidity needs in the event cash generated by operating activities is insufficient or to enable us to seize opportunities to participate in joint ventures or to make acquisitions that may require access to cash on short notice or for any other reason. Negative macroeconomic trends may have an adverse effect on liquidity. During economic downturns, there have been typically fewer small discretionary projects from the private sector, and our competitors have aggressively bid larger long-term infrastructure and public sector contracts. Short-term liquidity is also impacted by the type and length of construction contracts in place and large turnaround activities in our United States industrial services segment that are billed in arrears pursuant to contractual terms that are standard within this industry. Performance of long duration contracts typically requires greater amounts of working capital. While we strive to maintain a net over-billed position with our customers, there can be no assurance that a net over-billed position can be maintained. Our net over-billings, defined as the balance sheet accounts "Billings in excess of costs and estimated earnings on uncompleted contracts" less "Cost and estimated earnings in excess of billings on uncompleted contracts", were $311.5 million and $265.4 million as of December 31, 2015 and 2014, respectively.

Long-term liquidity requirements can be expected to be met initially through cash generated from operating activities and our 2013 Revolving Credit Facility. Based upon our current credit ratings and financial position, we can reasonably expect to be able to incur long-term debt to fund acquisitions. Over the long term, our primary revenue risk factor continues to be the level of demand for non-residential construction services and for building and industrial services, which is influenced by macroeconomic trends including interest rates and governmental economic policy. In addition, our ability to perform work is critical to meeting long-term liquidity requirements.

We believe that our current cash balances and our borrowing capacity available under our 2013 Revolving Credit Facility or other forms of financing available to us through borrowings, combined with cash expected to be generated from operations, will be sufficient to provide our short-term and foreseeable long-term liquidity and meet our expected capital expenditure requirements.

Certain Insurance Matters

As of December 31, 2015 and 2014, we utilized approximately $97.8 million and $94.6 million, respectively, of letters of credit obtained under our 2013 Revolving Credit Facility as collateral for insurance obligations.

New Accounting Pronouncements

We review new accounting standards to determine the expected impact, if any, that the adoption of such standards will have on our financial position and/or results of operations. See Note 2 - Summary of Significant Accounting Policies of the notes to consolidated financial statements included in Item 8. Financial Statements and Supplementary Data for further information regarding new accounting standards, including the anticipated dates of adoption and the effects on our consolidated financial position, results of operations or liquidity.

Application of Critical Accounting Policies

Our consolidated financial statements are based on the application of significant accounting policies, which require management to make significant estimates and assumptions. Our significant accounting policies are described in Note 2 - Summary of Significant Accounting Policies of the notes to consolidated financial statements included in Item 8. Financial Statements and Supplementary Data of this Form 10-K. We believe that some of the more critical judgment areas in the application of accounting policies that affect our financial condition and results of operations are the impact of changes in the estimates and judgments pertaining to: (a) revenue recognition from (i) long-term construction contracts for which the percentage-of-completion method of accounting is used and (ii) services contracts; (b) collectibility or valuation of accounts receivable; (c) insurance liabilities; (d) income taxes; and (e) goodwill and identifiable intangible assets.

Revenue Recognition from Long-term Construction Contracts and Services Contracts

We believe our most critical accounting policy is revenue recognition from long-term construction contracts for which we use the percentage-of-completion method of accounting. Percentage-of-completion accounting is the prescribed method of accounting for long-term contracts in accordance with Accounting Standards Codification ("ASC") Topic 605-35, "Revenue Recognition-Construction-Type and Production-Type Contracts", and, accordingly, is the method used for revenue recognition within our industry. Percentage-of-completion is measured principally by the percentage of costs incurred to date for each contract to the estimated total costs for such contract at completion. Certain of our electrical contracting business units measure percentage-of-completion by the percentage of labor costs incurred to date for each contract to the estimated total labor costs for such contract.

Pre-contract costs from our construction projects are generally expensed as incurred. Application of percentage-of-completion accounting results in the recognition of costs and estimated earnings in excess of billings on uncompleted contracts in our Consolidated Balance Sheets. Costs and estimated earnings in excess of billings on uncompleted contracts reflected in the Consolidated Balance Sheets arise when revenues have been recognized but the amounts cannot be billed under the terms of contracts. Such amounts are recoverable from customers based upon various measures of performance, including achievement of certain milestones, completion of specified units or completion of a contract.

Costs and estimated earnings in excess of billings on uncompleted contracts also include amounts we seek or will seek to collect from customers or others for errors or changes in contract specifications or design, contract change orders in dispute or unapproved as to both scope and price or other customer-related causes of unanticipated additional contract costs (claims and unapproved change orders). Such amounts are recorded at estimated net realizable value and take into account factors that may affect our ability to bill and ultimately collect unbilled revenues. The profit associated with claim amounts is not recognized until the claim has been settled and payment has been received. During 2015, we recognized revenues of $12.1 million as a result of the settlement of a claim within our United States mechanical construction and facilities services segment, which represents the recovery of cost on a project in which we incurred significant losses in a prior year. There were no significant settlements or payment of claims in 2014. As of December 31, 2015 and 2014, costs and estimated earnings in excess of billings on uncompleted contracts included unbilled revenues for unapproved change orders of approximately $18.9 million and $18.8 million, respectively, and claims of approximately $0.9 million and $3.0 million, respectively. In addition, accounts receivable as of December 31, 2015 and 2014 included claims of approximately $0.3 million and $2.3 million, respectively. There are contractually billed amounts and retention related to contracts with unapproved change orders and claims of approximately $52.0 million and $54.0 million as of December 31, 2015 and 2014, respectively. For contracts in claim status, contractually billed amounts will generally not be paid by the customer to us until final resolution of related claims. Due to uncertainties inherent in estimates employed in applying percentage-of-completion accounting, estimates may be revised as project work progresses. Application of percentage-of-completion accounting requires that the impact of revised estimates be reported prospectively in the consolidated financial statements. In addition to revenue recognition for long-term construction contracts, we recognize revenues from the performance of services for maintenance, repair and retrofit work consistent with the performance of the services, which are generally on a pro-rata basis over the life of the contractual arrangement. Expenses related to all services arrangements are recognized as incurred. Revenues related to the engineering, manufacturing and repairing of shell and tube heat exchangers are recognized when the product is shipped and all other revenue recognition criteria have been met. Costs related to this work are included in inventory until the product is shipped. Provisions for the entirety of estimated losses on contracts are made in the period in which such losses are determined. There were no significant losses recognized in 2015 and 2014.

Accounts Receivable

We are required to estimate the collectibility of accounts receivable. A considerable amount of judgment is required in assessing the likelihood of realization of receivables. Relevant assessment factors include the creditworthiness of the customer, our prior collection history with the customer and related aging of past due balances. The provision for doubtful accounts during 2015, 2014 and 2013 amounted to approximately $2.9 million, $2.9 million and $3.5 million, respectively. At December 31, 2015 and 2014, our accounts receivable of $1,359.9 million and $1,234.2 million, respectively, included allowances for doubtful accounts of $11.2 million and $10.4 million, respectively. The increase in our allowance for doubtful accounts was primarily due to an increase in the provision for doubtful accounts, partially offset by the write-off of previously reserved accounts receivable. Specific accounts receivable are evaluated when we believe a customer may not be able to meet its financial obligations due to deterioration of its financial condition or its credit ratings. The allowance for doubtful accounts requirements are based on the best facts available and are re-evaluated and adjusted on a regular basis as additional information is received.

Insurance Liabilities

We have loss payment deductibles for certain workers' compensation, automobile liability, general liability and property claims, have self-insured retentions for certain other casualty claims and are self-insured for employee-related health care claims. Losses are recorded based upon estimates of our liability for claims incurred and for claims incurred but not reported. The liabilities are derived from known facts, historical trends and industry averages utilizing the assistance of an actuary to determine the best estimate for the majority of these obligations. We believe the liabilities recognized on our balance sheets for these obligations are adequate. However, such obligations are difficult to assess and estimate due to numerous factors, including severity of injury, determination of liability in proportion to other parties, timely reporting of occurrences and effectiveness of safety and risk management programs. Therefore, if our actual experience differs from the assumptions and estimates used for recording the liabilities, adjustments may be required and will be recorded in the period that the experience becomes known. Our estimated insurance liabilities for workers' compensation, automobile liability, general liability and property claims increased by $9.2 million for the year ended December 31, 2015 compared to the year ended December 31, 2014, primarily due to higher revenues and an increase in estimated losses as a result of unfavorable claims experience. If our estimated insurance liabilities for workers' compensation, automobile liability, general liability and property claims were to increase by 10%, it would have resulted in $14.4 million of additional expense for the year ended December 31, 2015.

Income Taxes

We had net deferred income tax liabilities at December 31, 2015 and 2014 of $120.6 million and $127.8 million, respectively, primarily resulting from differences between the carrying value and income tax basis of certain identifiable intangible assets and depreciable fixed assets, which will impact our taxable income in future periods. Included within these net deferred income tax liabilities are $121.4 million and $114.2 million of deferred income tax assets as of December 31, 2015 and 2014, respectively. A valuation allowance is required when it is more likely than not that all or a portion of a deferred income tax asset will not be realized. As of December 31, 2015 and 2014, the total valuation allowance on deferred income tax assets, related to state net operating carryforwards, was approximately $0.8 million and $2.0 million, respectively. We have determined that as of December 31, 2015, a valuation allowance was not required on any of the remaining deferred tax assets because of significant deferred tax liabilities, exclusive of the deferred tax liabilities related to indefinite-lived intangible assets, and projected future taxable income.

Goodwill and Identifiable Intangible Assets

As of December 31, 2015, we had $843.2 million and $472.8 million, respectively, of goodwill and net identifiable intangible assets (primarily consisting of our contract backlog, developed technology/vendor network, customer relationships, non-competition agreements and trade names), primarily arising out of the acquisition of companies. As of December 31, 2014, goodwill and net identifiable intangible assets were $834.1 million and $502.1 million, respectively. The changes to goodwill since December 31, 2014 were related to the acquisition of three companies in 2015. The determination of related estimated useful lives for identifiable intangible assets and whether those assets are impaired involves significant judgments based upon short and long-term projections of future performance. These forecasts reflect assumptions regarding the ability to successfully integrate acquired companies, as well as macroeconomic conditions. ASC Topic 350, "Intangibles-Goodwill and Other" ("ASC 350") requires goodwill and other identifiable intangible assets with indefinite useful lives not be amortized, but instead tested at least annually for impairment (which we test each October 1, absent any impairment indicators), and be written down if impaired. ASC 350 requires that goodwill be allocated to its respective reporting unit and that identifiable intangible assets with finite lives be amortized over their useful lives.

We test for impairment of our goodwill at the reporting unit level. Our reporting units are consistent with the reportable segments identified in Note 17, "Segment Information", of the notes to consolidated financial statements included in Item 8. Financial Statements and Supplementary Data. In assessing whether our goodwill is impaired, we utilize the two-step process as prescribed by ASC 350. The first step of this test compares the fair value of the reporting unit, determined based upon discounted estimated future cash flows, to the carrying amount, including goodwill. If the fair value exceeds the carrying amount, no further analysis is required and no impairment loss is recognized. If the carrying amount of the reporting unit exceeds the fair value, the goodwill of the reporting unit is potentially impaired and step two of the goodwill impairment test would need to be performed to measure the amount of an impairment loss, if any. In the second step, the impairment is computed by comparing the implied fair value of the reporting unit's goodwill with the carrying amount of the goodwill. If the carrying amount of the reporting unit's goodwill is greater than the implied fair value of its goodwill, an impairment loss in the amount of the excess is recognized and charged to operations. The weighted average cost of capital used in our annual testing for impairment as of October 1, 2015 was 11.1%, 11.1% and 11.0% for our domestic construction segments, our United States building services segment and our United States industrial services segment, respectively. The perpetual growth rate used for our annual testing was 2.7% for all of our domestic segments. Unfavorable changes in these key assumptions may affect future testing results and cause us to fail step one of the goodwill impairment testing process. For example, keeping all other assumptions constant, a 50 basis point increase in the weighted average costs of capital would cause the estimated fair value of our United Stated industrial services segment to approach its carrying value. A 50 basis point increase in the weighted average costs of capital would not significantly reduce the excess of the estimated fair value compared to the carrying value for any of our other domestic segments. In addition, keeping all other assumptions constant, a 50 basis point reduction in the perpetual growth rate would not significantly reduce the excess of the estimated fair value compared to the carrying value for any of our domestic segments. For the years ended December 31, 2015, 2014 and 2013, no impairment of our goodwill was recognized.

As of December 31, 2015, we had $843.2 million of goodwill on our balance sheet and, of this amount, approximately 45.6% relates to our United States industrial services segment, approximately 27.1% relates to our United States building services segment, approximately 26.8% relates to our United States mechanical construction and facilities services segment and approximately 0.5% relates to our United States electrical construction and facilities services segment. As of the date of our latest impairment test, the carrying values of our United States industrial services, United States building services, United States mechanical construction and facilities services and United States electrical construction and facilities services segments were approximately $725.5 million, $445.1 million, $249.5 million and $62.9 million, respectively. The fair values of our United States industrial services, United States building services, United States mechanical construction and facilities services and United States electrical construction and facilities services segments exceeded their carrying values by approximately $52.5 million, $291.2 million, $773.2 million and $661.7 million, respectively.

We also test for the impairment of trade names that are not subject to amortization by calculating the fair value of such trade names using the "relief from royalty payments" methodology. This approach involves two steps: (a) estimating reasonable royalty rates for each trade name and (b) applying these royalty rates to a net revenue stream and discounting the resulting cash flows to determine fair value. This fair value is then compared with the carrying value of each trade name. If the carrying amount of the trade name is greater than the implied fair value of the trade name, an impairment in the amount of the excess is recognized and charged to operations. For the years ended December 31, 2015 and 2013, no impairment of our trade names was recognized. The annual impairment review of our trade names for the year ended December 31, 2014 resulted in a $1.5 million non-cash impairment charge as a result of a change in the fair value of subsidiary trade names associated with certain prior acquisitions reported within our United States mechanical construction and facilities services segment and our United States building services segment.

In addition, we review for the impairment of other identifiable intangible assets that are being amortized whenever facts and circumstances indicate that their carrying values may not be fully recoverable. This test compares their carrying values to the undiscounted pre-tax cash flows expected to result from the use of the assets. If the assets are impaired, the assets are written down to their fair values, generally determined based on their future discounted cash flows. For the years ended December 31, 2015, 2014 and 2013, no impairment of our other identifiable intangible assets was recognized.

We have certain businesses, particularly within our United States industrial services segment, whose results are highly impacted by the demand for some of our offerings within the industrial and oil and gas markets. Future performance of this segment, along with a continued evaluation of the conditions of its end user markets, will be important to ongoing impairment assessments. Should this segment's actual results suffer a decline or expected future results be revised downward, the risk of goodwill impairment or impairment of other identifiable intangible assets would increase.

Our development of the present value of future cash flow projections used in impairment testing is based upon assumptions and estimates by management from a review of our operating results, business plans, anticipated growth rates and margins and weighted average cost of capital, among others. Those assumptions and estimates can change in future periods, and other factors used in assessing fair value are outside the control of management, such as interest rates. There can be no assurances that estimates and assumptions made for purposes of our goodwill and identifiable intangible asset impairment testing will prove to be accurate predictions of the future. If our assumptions regarding future business performance or anticipated growth rates and/or margins are not achieved, or there is a rise in interest rates, we may be required to record goodwill and/or identifiable intangible asset impairment charges in future periods. It is not possible at this time to determine if any such future impairment charge would result or, if it does, whether such a charge would be material.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We have not used any derivative financial instruments during the years ended December 31, 2015 and 2014, including trading or speculating on changes in interest rates or commodity prices of materials used in our business.

We are exposed to market risk for changes in interest rates for borrowings under the 2013 Credit Agreement, which provides for a revolving credit facility and a term loan. Borrowings under the 2013 Credit Agreement bear interest at variable rates. For further information on borrowing rates and interest rate sensitivity, refer to the Liquidity and Capital Resources discussion in Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations. As of December 31, 2015, there were no borrowings outstanding under the revolving credit facility and the balance on the term loan was $315.0 million. Based on the $315.0 million borrowings outstanding under the 2013 Credit Agreement, if overall interest rates were to increase by 25 basis points, interest expense, net of income taxes, would increase by approximately $0.5 million in the next twelve months. Conversely, if overall interest rates were to decrease by 25 basis points, interest expense, net of income taxes, would decrease by approximately $0.5 million in the next twelve months.

We are also exposed to construction market risk and its potential related impact on accounts receivable or costs and estimated earnings in excess of billings on uncompleted contracts. The amounts recorded may be at risk if our customers' ability to pay these obligations is negatively impacted by economic conditions. We continually monitor the creditworthiness of our customers and maintain on-going discussions with customers regarding contract status with respect to change orders and billing terms. Therefore, we believe we take appropriate action to manage market and other risks, but there is no assurance that we will be able to reasonably identify all risks with respect to collectibility of these assets. See also the previous discussions of Revenue Recognition from Long-term Construction Contracts and Services Contracts and Accounts Receivable under Application of Critical Accounting Policies in Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Amounts invested in our foreign operations are translated into U.S. dollars at the exchange rates in effect at year end. The resulting translation adjustments are recorded as accumulated other comprehensive income (loss), a component of equity, in our

Consolidated Balance Sheets. We believe the exposure to the effects that fluctuating foreign currencies may have on our consolidated results of operations is limited because the foreign operations primarily invoice customers and collect obligations in their respective local currencies. Additionally, expenses associated with these transactions are generally contracted and paid for in their same local currencies.

In addition, we are exposed to market risk of fluctuations in certain commodity prices of materials, such as copper and steel, which are used as components of supplies or materials utilized in our construction and building and industrial services operations. We are also exposed to increases in energy prices, particularly as they relate to gasoline prices for our fleet of over 8,500 vehicles. While we believe we can increase our contract prices to adjust for some price increases in commodities, there can be no assurance that price increases of commodities, if they were to occur, would be recoverable. Additionally, our fixed price contracts do not allow us to adjust our prices and, as a result, increases in material or fuel costs could reduce our profitability with respect to projects in progress.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

EMCOR Group, Inc. and Subsidiaries

CONSOLIDATED BALANCE SHEETS

(In thousands, except share and per share data)

	December 31, 2015	December 31, 2014
ASSETS		
Current assets:		
Cash and cash equivalents	$ 486,831	$ 432,056
Accounts receivable, less allowance for doubtful accounts of $11,175 and $10,424, respectively	1,359,862	1,234,187
Costs and estimated earnings in excess of billings on uncompleted contracts	117,734	103,201
Inventories	37,545	46,854
Prepaid expenses and other	65,447	70,305
Total current assets	2,067,419	1,886,603
Investments, notes and other long-term receivables	8,359	9,122
Property, plant and equipment, net	122,018	122,178
Goodwill	843,170	834,102
Identifiable intangible assets, net	472,834	502,060
Other assets	32,670	34,902
Total assets	$ 3,546,470	$ 3,388,967
LIABILITIES AND EQUITY		
Current liabilities:		
Borrowings under revolving credit facility	$ —	$ —
Current maturities of long-term debt and capital lease obligations	18,848	19,041
Accounts payable	488,251	460,478
Billings in excess of costs and estimated earnings on uncompleted contracts	429,235	368,555
Accrued payroll and benefits	268,033	245,854
Other accrued expenses and liabilities	209,361	189,489
Total current liabilities	1,413,728	1,283,417
Long-term debt and capital lease obligations	300,065	316,399
Other long-term obligations	352,621	359,764
Total liabilities	2,066,414	1,959,580
Equity:		
EMCOR Group, Inc. stockholders' equity:		
Preferred stock, $0.01 par value, 1,000,000 shares authorized, zero issued and outstanding	—	—
Common stock, $0.01 par value, 200,000,000 shares authorized, 61,727,709 and 63,641,070 shares issued, respectively	617	636
Capital surplus	130,369	227,885
Accumulated other comprehensive loss	(76,953)	(83,197)
Retained earnings	1,432,980	1,280,991
Treasury stock, at cost 659,841 shares	(10,302)	(10,302)
Total EMCOR Group, Inc. stockholders' equity	1,476,711	1,416,013
Noncontrolling interests	3,345	13,374
Total equity	1,480,056	1,429,387
Total liabilities and equity	$ 3,546,470	$ 3,388,967

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

EMCOR Group, Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF OPERATIONS
For The Years Ended December 31,
(In thousands, except per share data)

	2015	2014	2013
Revenues	$ 6,718,726	$ 6,424,965	$ 6,333,527
Cost of sales	5,774,247	5,517,719	5,511,881
Gross profit	944,479	907,246	821,646
Selling, general and administrative expenses	656,573	626,478	580,649
Restructuring expenses	824	1,168	647
Impairment loss on identifiable intangible assets	—	1,471	—
Gain on sale of building	—	11,749	—
Operating income	287,082	289,878	240,350
Interest expense	(8,932)	(9,075)	(8,769)
Interest income	673	842	1,128
Income from continuing operations before income taxes	278,823	281,645	232,709
Income tax provision	106,256	103,528	82,286
Income from continuing operations	172,567	178,117	150,423
Loss from discontinued operation, net of income taxes	(60)	(4,690)	(23,069)
Net income including noncontrolling interests	172,507	173,427	127,354
Less: Net income attributable to noncontrolling interests	(221)	(4,763)	(3,562)
Net income attributable to EMCOR Group, Inc.	$ 172,286	$ 168,664	$ 123,792
Basic earnings (loss) per common share:			
From continuing operations attributable to EMCOR Group, Inc. common stockholders	$ 2.74	$ 2.61	$ 2.19
From discontinued operation	(0.00)	(0.07)	(0.34)
Net income attributable to EMCOR Group, Inc. common stockholders	$ 2.74	$ 2.54	$ 1.85
Diluted earnings (loss) per common share:			
From continuing operations attributable to EMCOR Group, Inc. common stockholders	$ 2.72	$ 2.59	$ 2.16
From discontinued operation	(0.00)	(0.07)	(0.34)
Net income attributable to EMCOR Group, Inc. common stockholders	$ 2.72	$ 2.52	$ 1.82
Dividends declared per common share	$ 0.32	$ 0.32	$ 0.18

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

EMCOR Group, Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For The Years Ended December 31,
(In thousands)

	2015	2014	2013
Net income including noncontrolling interests	$ 172,507	$ 173,427	$ 127,354
Other comprehensive income (loss), net of tax:			
Foreign currency translation adjustments	(621)	(957)	(614)
Changes in post retirement plans (1)	6,865	(16,463)	15,877
Other comprehensive income (loss)	6,244	(17,420)	15,263
Comprehensive income	178,751	156,007	142,617
Less: Comprehensive income attributable to noncontrolling interests	(221)	(4,763)	(3,562)
Comprehensive income attributable to EMCOR Group, Inc.	$ 178,530	$ 151,244	$ 139,055

(1) Net of tax (provision) benefit of \$(1.6) million, \$4.2 million and \$(4.3) million for the years ended December 31, 2015, 2014 and 2013, respectively.

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

EMCOR Group, Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS
For The Years Ended December 31,
(In thousands)

	2015	2014	2013
Cash flows - operating activities:			
Net income including noncontrolling interests	$ 172,507	$ 173,427	$ 127,354
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	36,294	36,524	36,310
Amortization of identifiable intangible assets	37,895	37,966	31,028
Provision for doubtful accounts	2,853	2,918	3,533
Deferred income taxes	(10,300)	5,748	11,857
Loss on sale of subsidiary	—	608	—
Gain on sale of building	—	(11,749)	—
Gain on sale of property, plant and equipment	(248)	(4,920)	(903)
Excess tax benefits from share-based compensation	(1,663)	(8,264)	(4,624)
Equity income from unconsolidated entities	(2,883)	(1,440)	(1,048)
Non-cash expense for amortization of debt issuance costs	1,307	1,307	1,497
Non-cash (income) expense from contingent consideration arrangements	(464)	606	(6,793)
Non-cash expense for impairment of identifiable intangible assets	—	1,471	—
Non-cash share-based compensation expense	8,801	8,121	6,943
Non-cash (income) expense from changes in unrecognized income tax benefits	(317)	2,143	(10,539)
Distributions from unconsolidated entities	3,352	1,767	679
Changes in operating assets and liabilities, excluding the effect of businesses acquired:			
(Increase) decrease in accounts receivable	(115,303)	27,409	(3,221)
Decrease (increase) in inventories	9,733	5,269	(865)
(Increase) decrease in costs and estimated earnings in excess of billings on uncompleted contracts	(12,837)	(13,010)	2,807
Increase (decrease) in accounts payable	25,440	(25,122)	(12,904)
Increase (decrease) in billings in excess of costs and estimated earnings on uncompleted contracts	58,614	(11,868)	(2,793)
Increase (decrease) in accrued payroll and benefits and other accrued expenses and liabilities	37,122	32,340	(14,761)
Changes in other assets and liabilities, net	16,763	(14,594)	(13,488)
Net cash provided by operating activities	266,666	246,657	150,069
Cash flows - investing activities:			
Payments for acquisitions of businesses, net of cash acquired	(28,195)	—	(454,671)
Proceeds from sale of subsidiary	—	1,108	—
Proceeds from sale of building	—	11,885	—
Proceeds from sale of property, plant and equipment	3,847	7,239	2,930
Purchase of property, plant and equipment	(35,460)	(38,035)	(35,497)
Investments in and advances to unconsolidated entities and joint ventures	—	(3,865)	(800)
Maturity of short-term investments	—	—	4,616
Net cash used in investing activities	(59,808)	(21,668)	(483,422)
Cash flows - financing activities:			
Proceeds from revolving credit facility	—	—	250,000
Repayments of revolving credit facility	—	—	(400,000)
Borrowings from long-term debt	—	—	350,000
Repayments of long-term debt and debt issuance costs	(17,514)	(17,454)	(3,013)
Repayments of capital lease obligations	(2,737)	(1,715)	(1,692)
Dividends paid to stockholders	(20,095)	(21,293)	(12,080)
Repurchase of common stock	(104,330)	(201,994)	(26,070)
Proceeds from exercise of stock options	3,836	6,858	5,172
Payments to satisfy minimum tax withholding	(3,866)	(1,481)	(927)
Issuance of common stock under employee stock purchase plan	4,223	3,615	2,854
Payments for contingent consideration arrangements	(403)	—	(537)
Distributions to noncontrolling interests	(10,250)	(4,750)	(1,300)
Excess tax benefits from share-based compensation	1,663	8,264	4,624
Net cash (used in) provided by financing activities	(149,473)	(229,950)	167,031
Effect of exchange rate changes on cash and cash equivalents	(2,610)	(2,796)	832
Increase (decrease) in cash and cash equivalents	54,775	(7,757)	(165,490)
Cash and cash equivalents at beginning of year	432,056	439,813	605,303
Cash and cash equivalents at end of period	$ 486,831	$ 432,056	$ 439,813

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

EMCOR Group, Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF EQUITY
For The Years Ended December 31,
(In thousands)

	Total	EMCOR Group, Inc. Stockholders: Common stock	Capital surplus	Accumulated other comprehensive (loss) income (1)	Retained earnings	Treasury stock	Noncontrolling interests
Balance, December 31, 2012	$ 1,357,179	$ 680	$ 416,104	$ (81,040)	$1,022,239	$ (11,903)	$ 11,099
Net income including noncontrolling interests	127,354	—	—	—	123,792	—	3,562
Other comprehensive income	15,263	—	—	15,263	—	—	—
Common stock issued under share-based compensation plans (2)	10,410	3	9,094	—	—	1,313	—
Tax withholding for common stock issued under share-based compensation plans	(927)	—	(927)	—	—	—	—
Common stock issued under employee stock purchase plan	2,854	—	2,854	—	—	—	—
Common stock dividends	(12,080)	—	78	—	(12,158)	—	—
Repurchase of common stock	(26,070)	(7)	(26,063)	—	—	—	—
Distributions to noncontrolling interests	(1,300)	—	—	—	—	—	(1,300)
Share-based compensation expense	6,943	—	6,943	—	—	—	—
Balance, December 31, 2013	$ 1,479,626	$ 676	$ 408,083	$ (65,777)	$1,133,873	$ (10,590)	$ 13,361
Net income including noncontrolling interests	173,427	—	—	—	168,664	—	4,763
Other comprehensive loss	(17,420)	—	—	(17,420)	—	—	—
Common stock issued under share-based compensation plans (2)	15,570	8	15,274	—	—	288	—
Tax withholding for common stock issued under share-based compensation plans	(1,481)	—	(1,481)	—	—	—	—
Common stock issued under employee stock purchase plan	3,615	—	3,615	—	—	—	—
Common stock dividends	(21,293)	—	253	—	(21,546)	—	—
Repurchase of common stock	(206,028)	(48)	(205,980)	—	—	—	—
Distributions to noncontrolling interests	(4,750)	—	—	—	—	—	(4,750)
Share-based compensation expense	8,121	—	8,121	—	—	—	—
Balance, December 31, 2014	$ 1,429,387	$ 636	$ 227,885	$ (83,197)	$1,280,991	$ (10,302)	$ 13,374
Net income including noncontrolling interests	172,507	—	—	—	172,286	—	221
Other comprehensive income	6,244	—	—	6,244	—	—	—
Common stock issued under share-based compensation plans (2)	5,433	5	5,428	—	—	—	—
Tax withholding for common stock issued under share-based compensation plans	(3,866)	—	(3,866)	—	—	—	—
Common stock issued under employee stock purchase plan	4,223	—	4,223	—	—	—	—
Common stock dividends	(20,095)	—	202	—	(20,297)	—	—
Repurchase of common stock	(112,328)	(24)	(112,304)	—	—	—	—
Distributions to noncontrolling interests	(10,250)	—	—	—	—	—	(10,250)
Share-based compensation expense	8,801	—	8,801	—	—	—	—
Balance, December 31, 2015	$ 1,480,056	$ 617	$ 130,369	$ (76,953)	$1,432,980	$ (10,302)	$ 3,345

(1) As of December 31, 2015, represents cumulative foreign currency translation and post retirement liability adjustments of $3.5 million and $(80.5) million, respectively. As of December 31, 2014, represents cumulative foreign currency translation and post retirement liability adjustments of $4.1 million and $(87.3) million, respectively. As of December 31, 2013, represents cumulative foreign currency translation and post retirement liability adjustments of $5.1 million and $(70.9) million, respectively.

(2) Includes the tax benefit associated with share-based compensation of $1.6 million in 2015, $8.6 million in 2014 and $5.2 million in 2013.

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

EMCOR Group, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1- NATURE OF OPERATIONS

References to the "Company," "EMCOR," "we," "us," "our" and similar words refer to EMCOR Group, Inc. and its consolidated subsidiaries unless the context indicates otherwise.

We are one of the largest electrical and mechanical construction and facilities services firms in the United States. In addition, we provide a number of building services and industrial services. We specialize principally in providing construction services relating to electrical and mechanical systems in all types of non-residential and certain residential facilities and in providing various services relating to the operation, maintenance and management of facilities, including refineries and petrochemical plants.

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its majority-owned subsidiaries and joint ventures. Significant intercompany accounts and transactions have been eliminated. All investments over which we exercise significant influence, but do not control (a 20% to 50% ownership interest), are accounted for using the equity method of accounting. Additionally, we participate in a joint venture with another company, and we have consolidated this joint venture as we have determined that through our participation we have a variable interest and are the primary beneficiary as defined by the Financial Accounting Standards Board ("FASB") Accounting Standard Codification ("ASC") Topic 810, "Consolidation".

For joint ventures that have been accounted for using the consolidation method of accounting, noncontrolling interest represents the allocation of earnings to our joint venture partners who either have a minority-ownership interest in the joint venture or are not at risk for the majority of losses of the joint venture.

The results of operations of companies acquired have been included in the results of operations from the date of the respective acquisition.

Principles of Preparation

The preparation of the consolidated financial statements, in conformity with accounting principles generally accepted in the United States, requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could materially differ from those estimates.

During the third quarter of 2014, we ceased construction operations in the United Kingdom. The results of the construction operations of our United Kingdom segment for all periods are presented as discontinued operations. The segment formally named the United Kingdom construction and building services segment has been renamed the United Kingdom building services segment.

Revenue Recognition

Revenues from long-term construction contracts are recognized on the percentage-of-completion method in accordance with ASC Topic 605-35, "Revenue Recognition-Construction-Type and Production-Type Contracts". Percentage-of-completion is measured principally by the percentage of costs incurred to date for each contract to the estimated total costs for such contract at completion. Certain of our electrical contracting business units measure percentage-of-completion by the percentage of labor costs incurred to date for each contract to the estimated total labor costs for such contract. Pre-contract costs from our construction projects are generally expensed as incurred. Revenues from the performance of services for maintenance, repair and retrofit work are recognized consistent with the performance of the services, which are generally on a pro-rata basis over the life of the contractual arrangement. Expenses related to all services arrangements are recognized as incurred. Revenues related to the engineering, manufacturing and repairing of shell and tube heat exchangers are recognized when the product is shipped and all other revenue recognition criteria have been met. Costs related to this work are included in inventory until the product is shipped. In the case of customer change orders for uncompleted long-term construction contracts, estimated recoveries are included for work performed in forecasting ultimate profitability on certain contracts. Due to uncertainties inherent in the estimation process, it is possible that completion costs, including those arising from contract penalty provisions and final contract settlements, will be revised in the near-term. Such revisions to costs and income are recognized in the period in which the revisions are determined. Provisions for the entirety of estimated losses on uncompleted contracts are made in the period in which such losses are determined. There were no significant losses recognized in 2015 and 2014.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Costs and estimated earnings on uncompleted contracts

Costs and estimated earnings in excess of billings on uncompleted contracts arise in the consolidated balance sheets when revenues have been recognized but the amounts cannot be billed under the terms of the contracts. Such amounts are recoverable from customers upon various measures of performance, including achievement of certain milestones, completion of specified units, or completion of a contract. Also included in costs and estimated earnings on uncompleted contracts are amounts we seek or will seek to collect from customers or others for errors or changes in contract specifications or design, contract change orders in dispute or unapproved as to both scope and/or price or other customer-related causes of unanticipated additional contract costs (claims and unapproved change orders). Such amounts are recorded at estimated net realizable value when realization is probable and can be reasonably estimated. No profit is recognized on construction costs incurred in connection with claim amounts. Claims and unapproved change orders made by us involve negotiation and, in certain cases, litigation. In the event litigation costs are incurred by us in connection with claims or unapproved change orders, such litigation costs are expensed as incurred, although we may seek to recover these costs. We believe that we have established legal bases for pursuing recovery of our recorded unapproved change orders and claims, and it is management's intention to pursue and litigate such claims, if necessary, until a determination or settlement is reached. Unapproved change orders and claims also involve the use of estimates, and it is reasonably possible that revisions to the estimated recoverable amounts of recorded claims and unapproved change orders may be made in the near term. If we do not successfully resolve these matters, a net expense (recorded as a reduction in revenues) may be required, in addition to amounts that may have been previously provided for. We record the profit associated with the settlement of claims upon receipt of final payment. During 2015, we recognized revenues of $12.1 million as a result of the settlement of a claim within our United States mechanical construction and facilities services segment, which represents the recovery of cost on a project in which we incurred significant losses in a prior year. There were no significant settlements or payment of claims in 2014. Claims against us are recognized when a loss is considered probable and amounts are reasonably determinable.

Costs and estimated earnings on uncompleted contracts and related amounts billed as of December 31, 2015 and 2014 were as follows (in thousands):

	2015	2014
Costs incurred on uncompleted contracts	$ 7,582,108	$ 7,620,522
Estimated earnings, thereon	862,987	808,549
	8,445,095	8,429,071
Less: billings to date	8,756,596	8,694,425
	$ (311,501)	$ (265,354)

Such amounts were included in the accompanying Consolidated Balance Sheets at December 31, 2015 and 2014 under the following captions (in thousands):

	2015	2014
Costs and estimated earnings in excess of billings on uncompleted contracts	$ 117,734	$ 103,201
Billings in excess of costs and estimated earnings on uncompleted contracts	(429,235)	(368,555)
	$ (311,501)	$ (265,354)

As of December 31, 2015 and 2014, costs and estimated earnings in excess of billings on uncompleted contracts included unbilled revenues for unapproved change orders of approximately $18.9 million and $18.8 million, respectively, and claims of approximately $0.9 million and $3.0 million, respectively. In addition, accounts receivable as of December 31, 2015 and 2014 included claims of approximately $0.3 million and $2.3 million, respectively. There are contractually billed amounts and retention related to contracts with unapproved change orders and claims of $52.0 million and $54.0 million as of December 31, 2015 and 2014, respectively. For contracts in claim status, contractually billed amounts will generally not be paid by the customer to us until final resolution of related claims.

Classification of Contract Amounts

In accordance with industry practice, we classify as current all assets and liabilities relating to the performance of long-term contracts. The term of our contracts ranges from one month to four years and, accordingly, collection or payment of amounts relating to these contracts may extend beyond one year. Accounts receivable at December 31, 2015 and 2014 included $189.2 million and $177.8 million, respectively, of retainage billed under terms of our contracts. We estimate that approximately 85% of

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

this retainage will be collected during 2016. Accounts payable at December 31, 2015 and 2014 included $34.6 million and $35.7 million, respectively, of retainage withheld under terms of the contracts. We estimate that approximately 90% of this retainage will be paid during 2016.

Cash and cash equivalents

For purposes of the consolidated financial statements, we consider all highly liquid instruments with original maturities of three months or less to be cash equivalents. We maintain a centralized cash management system whereby our excess cash balances are invested in high quality, short-term money market instruments, which are considered cash equivalents. We have cash balances in certain of our domestic bank accounts that exceed federally insured limits.

Allowance for Doubtful Accounts

Accounts receivable are recorded at the invoiced amount and do not bear interest. The Company maintains an allowance for doubtful accounts. This allowance is based upon the best estimate of the probable losses in existing accounts receivable. The Company determines the allowances based upon individual accounts when information indicates the customers may have an inability to meet their financial obligations, as well as historical collection and write-off experience. These amounts are re-evaluated and adjusted on a regular basis as additional information is received. Actual write-offs are charged against the allowance when collection efforts have been unsuccessful. At December 31, 2015 and 2014, our accounts receivable of $1,359.9 million and $1,234.2 million, respectively, included allowances for doubtful accounts of $11.2 million and $10.4 million, respectively. The provision for doubtful accounts during 2015, 2014 and 2013 amounted to approximately $2.9 million, $2.9 million and $3.5 million, respectively.

Inventories

Inventories are stated at the lower of cost or market. Cost is determined principally using the average cost method.

Property, plant and equipment

Property, plant and equipment is stated at cost. Depreciation, including amortization of assets under capital leases, is recorded principally using the straight-line method over estimated useful lives of 3 to 10 years for machinery and equipment, 3 to 7 years for vehicles, furniture and fixtures and computer hardware/software and 25 years for buildings. Leasehold improvements are amortized over the shorter of the remaining life of the lease term or the expected service life of the improvement.

The carrying values of property, plant and equipment are reviewed for impairment whenever facts and circumstances indicate that the carrying amount may not be fully recoverable. In performing this review for recoverability, property, plant and equipment is assessed for possible impairment by comparing their carrying values to their undiscounted net pre-tax cash flows expected to result from the use of the asset. Impaired assets are written down to their fair values, generally determined based on their estimated future discounted cash flows. Based on the results of our testing for the years ended December 31, 2015, 2014 and 2013, no impairment of property, plant and equipment was recognized.

Goodwill and Identifiable Intangible Assets

Goodwill and other identifiable intangible assets with indefinite lives that are not being amortized, such as trade names, are tested at least annually for impairment (which we test each October 1, absent any impairment indicators) and are written down if impaired. Identifiable intangible assets with finite lives are amortized over their useful lives and are reviewed for impairment whenever facts and circumstances indicate that their carrying values may not be fully recoverable. See Note 8 - Goodwill and Identifiable Intangible Assets of the notes to consolidated financial statements for additional information.

Insurance Liabilities

Our insurance liabilities are determined actuarially based on claims filed and an estimate of claims incurred but not yet reported. At December 31, 2015 and 2014, the estimated current portion of undiscounted insurance liabilities of $29.9 million and $28.8 million, respectively, were included in “Other accrued expenses and liabilities” in the accompanying Consolidated Balance Sheets. The estimated non-current portion of the undiscounted insurance liabilities included in “Other long-term obligations” at December 31, 2015 and 2014 were $114.3 million and $106.3 million, respectively.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Foreign Operations

The financial statements and transactions of our foreign subsidiaries are maintained in their functional currency and translated into U.S. dollars in accordance with ASC Topic 830, "Foreign Currency Matters". Translation adjustments have been recorded as "Accumulated other comprehensive loss", a separate component of "Equity".

Income Taxes

We account for income taxes in accordance with the provisions of ASC Topic 740, "Income Taxes" ("ASC 740"). ASC 740 requires an asset and liability approach which requires the recognition of deferred income tax assets and deferred income tax liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. Valuation allowances are established when necessary to reduce deferred income tax assets when it is more likely than not that a tax benefit will not be realized.

We account for uncertain tax positions in accordance with the provisions of ASC 740. We recognize accruals of interest related to unrecognized tax benefits as a component of the income tax provision.

Valuation of Share-Based Compensation Plans

We have various types of share-based compensation plans and programs, which are administered by our Board of Directors or its Compensation and Personnel Committee. See Note 13 - Share-Based Compensation Plans of the notes to consolidated financial statements for additional information regarding the share-based compensation plans and programs.

We account for share-based payments in accordance with the provisions of ASC Topic 718, "Compensation-Stock Compensation" ("ASC 718"). ASC 718 requires that all share-based payments issued to acquire goods or services, including grants of employee stock options, be recognized in the statement of operations based on their fair values, net of estimated forfeitures. ASC 718 requires forfeitures to be estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. Compensation expense related to share-based awards is recognized over the requisite service period, which is generally the vesting period. For shares subject to graded vesting, our policy is to apply the straight-line method in recognizing compensation expense. ASC 718 requires the benefits of tax deductions in excess of recognized compensation expense to be reported as a financing cash inflow, rather than as an operating cash inflow in the Consolidated Statements of Cash Flows. This requirement reduces net operating cash flows and increases net financing cash flows.

New Accounting Pronouncements

In November 2015, an accounting pronouncement was issued by the FASB to simplify the presentation of deferred income taxes within the balance sheet. This pronouncement eliminates the requirement that deferred tax assets and liabilities are presented as current or noncurrent based on the nature of the underlying assets and liabilities. Instead, the pronouncement requires all deferred tax assets and liabilities, including valuation allowances, be classified as noncurrent. This pronouncement is effective for fiscal years beginning after December 15, 2016, with early adoption permitted. We intend to adopt this pronouncement on January 1, 2017, and the adoption will not have a material impact on our financial position and/or results of operations.

In September 2015, an accounting pronouncement was issued by the FASB which eliminates the requirement that an acquirer in a business combination account for measurement-period adjustments retrospectively. Instead, an acquirer will recognize a measurement-period adjustment during the period in which it determines the amount of the adjustment. This pronouncement is effective for fiscal years beginning after December 15, 2015, with early adoption permitted. We intend to adopt this pronouncement on January 1, 2016, and the adoption will not have a material impact on our financial position and/or results of operations.

In April 2015, an accounting pronouncement was issued by the FASB to update the guidance related to the presentation of debt issuance costs. This guidance requires debt issuance costs, related to a recognized debt liability, be presented in the balance sheet as a direct deduction from the carrying amount of the related debt liability rather than being presented as an asset. This pronouncement is effective retrospectively for fiscal years beginning after December 15, 2015, with early adoption permitted. We intend to adopt this pronouncement on January 1, 2016, and the adoption will not have a material impact on our financial position and/or results of operations.

On January 1, 2015, we adopted the accounting pronouncement issued by the FASB updating existing guidance on discontinued operations. This guidance raises the threshold for a disposal to qualify as a discontinued operation and requires new disclosures of both discontinued operations and certain other disposals that do not meet the definition of a discontinued operation. This

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

pronouncement is aimed at reducing the frequency of disposals reported as discontinued operations by focusing on strategic shifts that have or will have a major effect on an entity's operations and financial results. We will consider this guidance in conjunction with future disposals, if any.

In May 2014, an accounting pronouncement was issued by the FASB to clarify existing guidance on revenue recognition. This guidance includes the required steps to achieve the core principle that a company should recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. This pronouncement is effective for fiscal years and interim periods beginning after December 15, 2017, with early adoption permitted. The guidance permits the use of one of two retrospective transition methods. We have not yet selected a transition method nor have we determined the effect that the adoption of the pronouncement may have on our financial position and/or results of operations.

NOTE 3 - ACQUISITIONS OF BUSINESSES

On October 19, 2015, October 13, 2015 and June 1, 2015, we acquired three companies, each for an immaterial amount. Two of the companies acquired primarily provide mechanical construction services, and their results of operations have been included in our United States mechanical construction and facilities services segment. The results of operations for the other company acquired have been included in our United States building services segment. The purchase price for the acquisition of these businesses is subject to finalization based on certain contingencies provided for in the purchase agreement. The acquisition of these businesses was accounted for by the acquisition method, and the prices paid for them have been allocated to their respective assets and liabilities, based upon the estimated fair values of their assets and liabilities at the dates of their respective acquisitions.

On July 29, 2013, we completed the acquisition of RepconStrickland, Inc. ("RSI"). This acquisition expands and strengthens our service offerings to new and existing customers and enhances our position within the industrial services and energy market sectors. Under the terms of the transaction, we acquired 100% of RSI's stock for total consideration of $463.6 million. The acquisition was funded with cash on hand and $250.0 million from borrowings under our revolving credit facility. This acquisition was accounted for using the acquisition method of accounting. We acquired working capital of $35.5 million and other net liabilities of $67.1 million, and have ascribed $267.8 million to goodwill and $227.4 million to identifiable intangible assets in connection with the acquisition of RSI, which has been included in our United States industrial services segment. We expect that $49.0 million of acquired goodwill will be deductible for tax purposes.

On December 2, 2013 and May 31, 2013, we acquired two companies, each for an immaterial amount. These companies primarily provide mechanical construction services and have been included in our United States mechanical construction and facilities services segment. The purchase price for the acquisition of these businesses was finalized with an insignificant impact. The acquisition of these businesses was accounted for by the acquisition method, and the prices paid for them have been allocated to their respective assets and liabilities, based upon the estimated fair values of their respective assets and liabilities at the dates of their respective acquisitions. We believe these businesses further expand our service capabilities into new geographical and/or technical areas.

During the years ended December 31, 2015 and December 31, 2013, we recorded net reversals of $0.5 million and $6.8 million, respectively, of liabilities resulting in non-cash income attributable to contingent consideration arrangements relating to prior acquisitions. During the year ended December 31, 2014, we recorded an increase of $0.6 million of liabilities resulting in non-cash expense attributable to contingent consideration arrangements relating to prior acquisitions.

NOTE 4 - DISPOSITION OF ASSETS

In January 2014, we sold a subsidiary reported in our United States building services segment. Proceeds from the sale totaled approximately $1.1 million. Included in net income for the year ended December 31, 2014 was a loss of $0.6 million from this sale, which is classified as a component of “Selling, general and administrative expenses” in the Consolidated Statements of Operations.

On July 22, 2014, we sold a building and land owned by one of our subsidiaries reported in the United States mechanical construction and facilities services segment. We recognized a gain of approximately $11.7 million on this transaction in the third quarter of 2014, which has been classified as a “Gain on sale of building” in the Consolidated Statements of Operations.

Due to a historical pattern of losses in the construction operations of our United Kingdom segment and our negative assessment of construction market conditions in the United Kingdom for the foreseeable future, we announced during the quarter ended June 30, 2013 our decision to withdraw from the construction market in the United Kingdom. During the third quarter of 2014, we ceased construction operations in the United Kingdom. The results of the construction operations of our United Kingdom segment for all periods are presented in our Consolidated Financial Statements as discontinued operations.

The results of the discontinued operation are as follows (in thousands):

	For the twelve months ended December 31,		
	2015	2014	2013
Revenues	$ 3,823	$ 19,297	$ 83,631
Loss from discontinued operation, net of income taxes	$ (60)	$ (4,690)	$ (23,069)
Diluted loss per share from discontinued operation	$ (0.00)	$ (0.07)	$ (0.34)

Included in the Consolidated Balance Sheets at December 31, 2015 and December 31, 2014 are the following major classes of assets and liabilities associated with the discontinued operation (in thousands):

	December 31, 2015	December 31, 2014
Assets of discontinued operation:		
Current assets	$ 2,525	$ 6,265
Non-current assets	$ —	$ 278
Liabilities of discontinued operation:		
Current liabilities	$ 4,407	$ 10,743
Non-current liabilities	$ —	$ 94

At December 31, 2015, the assets and liabilities of the discontinued operation consisted of accounts receivable, contract retentions and contract warranty obligations that are expected to be collected or fulfilled in the ordinary course of business. Additionally at December 31, 2015, there remained $0.5 million of obligations related to employee severance and the termination of leased facilities, which is expected to be paid during the first half of 2016. The settlement of the remaining assets and liabilities may result in additional income and/or expenses. Such income and/or expenses are expected to be immaterial and will be reflected as an additional component of “Loss from discontinued operation” as incurred.

NOTE 5 - EARNINGS PER SHARE

The following tables summarize our calculation of Basic and Diluted Earnings (Loss) per Common Share ("EPS") for the years ended December 31, 2015, 2014 and 2013 (in thousands, except share and per share data):

	2015	2014	2013
Numerator:			
Income from continuing operations attributable to EMCOR Group, Inc. common stockholders	$ 172,346	$ 173,354	$ 146,861
Loss from discontinued operation, net of income taxes	(60)	(4,690)	(23,069)
Net income attributable to EMCOR Group, Inc. common stockholders	$ 172,286	$ 168,664	$ 123,792
Denominator:			
Weighted average shares outstanding used to compute basic earnings (loss) per common share	62,789,120	66,331,886	67,086,299
Effect of dilutive securities—Share-based awards	518,392	730,623	990,542
Shares used to compute diluted earnings (loss) per common share	63,307,512	67,062,509	68,076,841
Basic earnings (loss) per common share:			
From continuing operations attributable to EMCOR Group, Inc. common stockholders	$ 2.74	$ 2.61	$ 2.19
From discontinued operation	(0.00)	(0.07)	(0.34)
Net income attributable to EMCOR Group, Inc. common stockholders	$ 2.74	$ 2.54	$ 1.85
Diluted earnings (loss) per common share:			
From continuing operations attributable to EMCOR Group, Inc. common stockholders	$ 2.72	$ 2.59	$ 2.16
From discontinued operation	(0.00)	(0.07)	(0.34)
Net income attributable to EMCOR Group, Inc. common stockholders	$ 2.72	$ 2.52	$ 1.82

There were no anti-dilutive awards for the years ended December 31, 2015, 2014 and 2013.

NOTE 6 - INVENTORIES

Inventories as of December 31, 2015 and 2014 consist of the following amounts (in thousands):

	2015	2014
Raw materials and construction materials	$ 23,239	$ 23,330
Work in process	14,306	23,524
	$ 37,545	$ 46,854

NOTE 7 - PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment in the accompanying Consolidated Balance Sheets consisted of the following amounts as of December 31, 2015 and 2014 (in thousands):

	2015	2014
Machinery and equipment	$ 123,211	$ 120,528
Vehicles	51,673	45,036
Furniture and fixtures	20,730	20,693
Computer hardware/software	95,993	89,638
Land, buildings and leasehold improvements	88,877	81,206
Construction in progress	5,688	6,926
	386,172	364,027
Accumulated depreciation and amortization	(264,154)	(241,849)
	$ 122,018	$ 122,178

Depreciation and amortization expense related to property, plant and equipment, including capital leases, was $36.3 million, $36.5 million and $36.3 million for the years ended December 31, 2015, 2014 and 2013, respectively.

NOTE 8 - GOODWILL AND IDENTIFIABLE INTANGIBLE ASSETS

Goodwill at December 31, 2015 and 2014 was approximately $843.2 million and $834.1 million, respectively, and reflects the excess of cost over fair market value of net identifiable assets of companies acquired. Goodwill attributable to companies acquired in 2015 has been valued at $9.1 million. No companies were acquired in 2014. ASC Topic 805, “Business Combinations” (“ASC 805”) requires that all business combinations be accounted for using the acquisition method and that certain identifiable intangible assets acquired in a business combination be recognized as assets apart from goodwill. ASC Topic 350, “Intangibles-Goodwill and Other” (“ASC 350”) requires goodwill and other identifiable intangible assets with indefinite useful lives not be amortized, such as trade names, but instead tested at least annually for impairment (which we test each October 1, absent any impairment indicators) and be written down if impaired. ASC 350 requires that goodwill be allocated to its respective reporting unit and that identifiable intangible assets with finite lives be amortized over their useful lives. As of December 31, 2015, approximately 45.6% of our goodwill related to our United States industrial services segment, approximately 27.1% of our goodwill related to our United States building services segment, approximately 26.8% related to our United States mechanical construction and facilities services segment and approximately 0.5% related to our United States electrical construction and facilities services segment.

We test for impairment of goodwill at the reporting unit level. Our reporting units are consistent with the reportable segments identified in Note 17, “Segment Information”, of the notes to consolidated financial statements. In assessing whether our goodwill is impaired, we utilize the two-step process as prescribed by ASC 350. The first step of this test compares the fair value of the reporting unit, determined based upon discounted estimated future cash flows, to the carrying amount, including goodwill. If the fair value exceeds the carrying amount, no further analysis is required and no impairment loss is recognized. If the carrying amount of the reporting unit exceeds the fair value, the goodwill of the reporting unit is potentially impaired and step two of the goodwill impairment test would need to be performed to measure the amount of an impairment loss, if any. In the second step, the impairment is computed by comparing the implied fair value of the reporting unit’s goodwill with the carrying amount of the goodwill. If the carrying amount of the reporting unit’s goodwill is greater than the implied fair value of its goodwill, an impairment loss in the amount of the excess is recognized and charged to operations. The weighted average cost of capital used in our annual testing for

NOTE 8 - GOODWILL AND IDENTIFIABLE INTANGIBLE ASSETS - (Continued)

impairment as of October 1, 2015 was 11.1%, 11.1% and 11.0% for our domestic construction segments, our United States building services segment and our United States industrial services segment, respectively. The perpetual growth rate used for our annual testing was 2.7% for all of our domestic segments. Unfavorable changes in these key assumptions may affect future testing results and cause us to fail step one of the goodwill impairment testing process. For example, keeping all other assumptions constant, a 50 basis point increase in the weighted average costs of capital would cause the estimated fair value of our United Stated industrial services segment to approach its carrying value. A 50 basis point increase in the weighted average costs of capital would not significantly reduce the excess of the estimated fair value compared to the carrying value for any of our other domestic segments. In addition, keeping all other assumptions constant, a 50 basis point reduction in the perpetual growth rate would not significantly reduce the excess of the estimated fair value compared to the carrying value for any of our domestic segments. For the years ended December 31, 2015, 2014 and 2013, no impairment of our goodwill was recognized.

We also test for the impairment of trade names that are not subject to amortization by calculating the fair value of such trade names using the "relief from royalty payments" methodology. This approach involves two steps: (a) estimating reasonable royalty rates for each trade name and (b) applying these royalty rates to a net revenue stream and discounting the resulting cash flows to determine fair value. This fair value is then compared with the carrying value of each trade name. If the carrying amount of the trade name is greater than the implied fair value of the trade name, an impairment in the amount of the excess is recognized and charged to operations. For the years ended December 31, 2015 and 2013, no impairment of our trade names was recognized. The annual impairment review of our trade names for the year ended December 31, 2014 resulted in a $1.5 million non-cash impairment charge as a result of a change in the fair value of subsidiary trade names associated with certain prior acquisitions reported within our United States mechanical construction and facilities services segment and our United States building services segment.

In addition, we review for the impairment of other identifiable intangible assets that are being amortized whenever facts and circumstances indicate that their carrying values may not be fully recoverable. This test compares their carrying values to the undiscounted pre-tax cash flows expected to result from the use of the assets. If the assets are impaired, the assets are written down to their fair values, generally determined based on their future discounted cash flows. For the years ended December 31, 2015, 2014 and 2013, no impairment of our other identifiable intangible assets was recognized.

Our development of the present value of future cash flow projections used in impairment testing is based upon assumptions and estimates by management from a review of our operating results, business plans, anticipated growth rates and margins and weighted average cost of capital, among others. Those assumptions and estimates can change in future periods, and other factors used in assessing fair value are outside the control of management, such as interest rates. There can be no assurances that our estimates and assumptions made for purposes of our goodwill and identifiable intangible asset impairment testing will prove to be accurate predictions of the future. If our assumptions regarding future business performance plans or anticipated growth rates and/or margins are not achieved, or there is a rise in interest rates, we may be required to record goodwill and/or identifiable intangible asset impairment charges in future periods. It is not possible at this time to determine if any such future impairment charge would result or, if it does, whether such a charge would be material.

The changes in the carrying amount of goodwill by reportable segments during the years ended December 31, 2015 and 2014 were as follows (in thousands):

	United States electrical construction and facilities services segment	United States mechanical construction and facilities services segment	United States building services segment	United States industrial services segment	Total
Balance at December 31, 2013	$ 3,823	$ 217,255	$ 229,204	$ 384,543	$ 834,825
Acquisitions, sales and purchase price adjustments	—	—	(819)	96	(723)
Balance at December 31, 2014	3,823	217,255	228,385	384,639	834,102
Acquisitions, sales and purchase price adjustments	—	8,816	252	—	9,068
Balance at December 31, 2015	$ 3,823	$ 226,071	$ 228,637	$ 384,639	$ 843,170

The aggregate goodwill balance as of December 31, 2013 included $210.6 million of accumulated impairment charges, which were comprised of $139.5 million within the United States building services segment and $71.1 million within the United States industrial services segment.

NOTE 8 - GOODWILL AND IDENTIFIABLE INTANGIBLE ASSETS - (Continued)

Identifiable intangible assets as of December 31, 2015 and 2014 consist of the following (in thousands):

	December 31, 2015			
	Gross Carrying Amount	Accumulated Amortization	Accumulated Impairment Charge	Total
Contract backlog	$ 47,745	$ (47,745)	$ —	$ —
Developed technology/Vendor network	95,661	(40,482)	—	55,179
Customer relationships	430,356	(141,695)	(4,834)	283,827
Non-competition agreements	10,220	(9,832)	—	388
Trade names (amortized)	21,248	(12,410)	—	8,838
Trade names (unamortized)	174,039	—	(49,437)	124,602
Total	$ 779,269	$ (252,164)	$ (54,271)	$ 472,834

	December 31, 2014			
	Gross Carrying Amount	Accumulated Amortization	Accumulated Impairment Charge	Total
Contract backlog	$ 47,620	$ (47,620)	$ —	$ —
Developed technology/Vendor network	95,661	(35,347)	—	60,314
Customer relationships	425,873	(112,457)	(4,834)	308,582
Non-competition agreements	9,980	(9,330)	—	650
Trade names (amortized)	21,248	(9,515)	—	11,733
Trade names (unamortized)	170,218	—	(49,437)	120,781
Total	$ 770,600	$ (214,269)	$ (54,271)	$ 502,060

Identifiable intangible assets attributable to companies acquired in 2015 have been valued at $8.7 million. No companies were acquired in 2014. See Note 3 - Acquisitions of Businesses of the notes to consolidated financial statements for additional information. The identifiable intangible amounts are amortized on a straight-line basis. The weighted average amortization periods for the unamortized balances remaining are, in the aggregate, approximately 11 years, which are comprised of the following: 11.5 years for developed technology/vendor network, 11 years for customer relationships, 1.5 years for non-competition agreements and 4 years for trade names.

Amortization expense related to identifiable intangible assets with finite lives was $37.9 million, $38.0 million and $31.0 million for the years ended December 31, 2015, 2014 and 2013, respectively. The following table presents the estimated future amortization expense of identifiable intangible assets in the following years (in thousands):

2016	$ 37,380
2017	35,003
2018	32,835
2019	30,853
2020	30,671
Thereafter	181,490
	$ 348,232

NOTE 9 - DEBT

Credit Facilities

Until November 25, 2013, we had a revolving credit agreement (the “2011 Credit Agreement”) as amended, which provided for a revolving credit facility of $750.0 million. The 2011 Credit Agreement was effective November 21, 2011. Effective November 25, 2013, we amended and restated the 2011 Credit Agreement to provide for a $750.0 million revolving credit facility (the “2013 Revolving Credit Facility”) and a $350.0 million term loan (the “Term Loan”) (collectively referred to as the “2013 Credit Agreement”) expiring November 25, 2018. The proceeds of the Term Loan were used to repay amounts drawn under the 2011 Credit Agreement. We may increase the 2013 Revolving Credit Facility to $1.05 billion if additional lenders are identified and/or existing lenders are willing to increase their current commitments; and we may allocate up to $250.0 million of available capacity under the 2013 Revolving Credit Facility to letters of credit for our account or for the account of our subsidiaries. The 2013 Credit Agreement is guaranteed by most of our direct and indirect subsidiaries and is secured by substantially all of our assets and most of the assets of most of our subsidiaries. The 2013 Revolving Credit Facility and the Term Loan contain various covenants providing for, among other things, maintenance of certain financial ratios and certain limitations on payment of dividends, common stock repurchases, investments, acquisitions, indebtedness and capital expenditures. We were in compliance with all such covenants as of December 31, 2015 and December 31, 2014. A commitment fee is payable on the average daily unused amount under the 2013 Revolving Credit Facility, which ranges from 0.20% to 0.30%, based on certain financial tests. The fee was 0.20% of the unused amount as of December 31, 2015. Borrowings under the 2013 Credit Agreement bear interest at (1) a rate which is the prime commercial lending rate announced by Bank of Montreal from time to time (3.50% at December 31, 2015) plus 0.25% to 0.75%, based on certain financial tests or (2) United States dollar LIBOR (0.42% at December 31, 2015) plus 1.25% to 1.75%, based on certain financial tests. The interest rate in effect at December 31, 2015 was 1.67%. Fees for letters of credit issued under the 2013 Revolving Credit Facility range from 1.25% to 1.75% of the respective face amounts of outstanding letters of credit and are computed based on certain financial tests. We capitalized approximately $3.0 million of debt issuance costs associated with the 2013 Credit Agreement. This amount is being amortized over the life of the agreement and is included as part of interest expense. We are required to make principal payments on the Term Loan in installments on the last day of March, June, September and December of each year, commencing with the calendar quarter ended March 31, 2014, in the amount of $4.4 million, with a final payment of all unpaid principal and interest due and payable on November 25, 2018. As of December 31, 2015 and December 31, 2014, the balance on the Term Loan was $315.0 million and $332.5 million, respectively. As of December 31, 2015 and December 31, 2014, we had approximately $99.0 million and $95.5 million of letters of credit outstanding, respectively. There were no borrowings outstanding under the 2013 Revolving Credit Facility as of December 31, 2015 and December 31, 2014.

Long-term debt in the accompanying Consolidated Balance Sheets consisted of the following amounts as of December 31, 2015 and 2014 (in thousands):

	2015	2014
Term Loan, interest payable at varying amounts through 2018	$ 315,000	$ 332,500
Capitalized Lease Obligations, at weighted average interest rates from 3.0% to 5.8% payable in varying amounts through 2020	3,869	2,883
Other, payable through 2019	44	57
	318,913	335,440
Less: current maturities	18,848	19,041
	$ 300,065	$ 316,399

Capitalized Lease Obligations

See Note 15 - Commitments and Contingencies of the notes to consolidated financial statements for additional information.

NOTE 10 - FAIR VALUE MEASUREMENTS

We use a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy, which gives the highest priority to quoted prices in active markets, is comprised of the following three levels:

Level 1 – Unadjusted quoted market prices in active markets for identical assets and liabilities.

Level 2 – Observable inputs, other than Level 1 inputs. Level 2 inputs would typically include quoted prices in markets that are not active or financial instruments for which all significant inputs are observable, either directly or indirectly.

Level 3 – Prices or valuations that require inputs that are both significant to the measurement and unobservable.

The following tables provide the assets and liabilities carried at fair value measured on a recurring basis as of December 31, 2015 and December 31, 2014 (in thousands):

	Assets at Fair Value as of December 31, 2015			
Asset Category	**Level 1**	**Level 2**	**Level 3**	**Total**
Cash and cash equivalents (1)	$ 486,831	$ —	$ —	$ 486,831
Restricted cash (2)	4,232	—	—	4,232
Deferred compensation plan assets (3)	7,497	—	—	7,497
Total	$ 498,560	$ —	$ —	$ 498,560

	Assets at Fair Value as of December 31, 2014			
Asset Category	**Level 1**	**Level 2**	**Level 3**	**Total**
Cash and cash equivalents (1)	$ 432,056	$ —	$ —	$ 432,056
Restricted cash (2)	6,474	—	—	6,474
Deferred compensation plan assets (3)	3,139	—	—	3,139
Total	$ 441,669	$ —	$ —	$ 441,669

(1) Cash and cash equivalents consist primarily of money market funds with original maturity dates of three months or less, which are Level 1 assets. At December 31, 2015 and 2014, we had $151.4 million and $156.7 million, respectively, in money market funds.
(2) Restricted cash is classified as “Prepaid expenses and other” in our consolidated balance sheets.
(3) Deferred compensation plan assets are classified as “Other assets” in our consolidated balance sheets.

We believe that the carrying values of our financial instruments, which include accounts receivable and other financing commitments, approximate their fair values due primarily to their short-term maturities and low risk of counterparty default. The carrying value of our debt associated with the 2013 Credit Agreement approximates its fair value due to the variable rate on such debt.

NOTE 11 - INCOME TAXES

Our 2015 income tax provision from continuing operations was $106.3 million compared to $103.5 million for 2014 and $82.3 million for 2013. The actual income tax rates on income from continuing operations before income taxes, less amounts attributable to noncontrolling interests, for the years ended December 31, 2015, 2014 and 2013, were 38.1%, 37.4% and 35.9%, respectively. The increase in the 2015 income tax provision compared to 2014 was predominantly due to certain increases in the state tax provision attributable to the mix of earnings and the effect of a change in the United Kingdom statutory tax rate on deferred tax assets. The increase in the 2014 income tax provision compared to 2013 was primarily due to the effect of increased income before income taxes and the 2013 reversal of reserves for previously unrecognized income tax benefits.

As of December 31, 2015 and 2014, the amount of unrecognized income tax benefits was $4.8 million and $5.2 million (of which $3.0 million, if recognized, would favorably affect our effective income tax rate), respectively.

NOTE 11 - INCOME TAXES - (Continued)

As of December 31, 2015 and 2014, we had an accrual of $0.4 million and $0.3 million for the payment of interest related to unrecognized income tax benefits included in the Consolidated Balance Sheets, respectively. During each of the years ended December 31, 2015 and 2014, we recognized approximately $0.1 million in interest expense related to our unrecognized income tax benefits. In addition, we reversed less than $0.1 million and $0.1 million of accrued interest expense related to our unrecognized income tax benefits for the years ended December 31, 2015 and 2014, respectively. As of December 31, 2015 and 2014, we had total income tax reserves included in "Other long-term liabilities" of $5.2 million and $5.5 million, respectively. We record interest expense on unrecognized tax benefits in income tax expense.

A reconciliation of the beginning and end of year unrecognized income tax benefits is as follows (in thousands):

	2015	2014
Balance at beginning of year	$ 5,203	$ 3,116
Additions based on tax positions related to the current year	611	1,053
Additions based on tax positions related to prior years	—	2,816
Reductions for tax positions of prior years	(1,053)	(1,162)
Reductions for expired statute of limitations	—	(620)
Balance at end of year	$ 4,761	$ 5,203

It is reasonably possible that approximately $4.1 million of unrecognized income tax benefits at December 31, 2015, primarily relating to uncertain tax positions attributable to tax return filing positions, may decrease in the next twelve months as a result of estimated settlements with taxing authorities and the expiration of applicable statutes of limitations.

We file income tax returns with the Internal Revenue Service and various state, local and foreign tax agencies. The Company is currently under examination by the Internal Revenue Service and various taxing authorities for the years 2008 through 2014. During the first quarter of 2014, the Internal Revenue Service finalized its audit of our federal income tax returns for the years 2010 through 2011. We agreed to and paid an assessment, for an immaterial amount, proposed by the Internal Revenue Service pursuant to such audit.

The income tax provision in the accompanying Consolidated Statements of Operations for the years ended December 31, 2015, 2014 and 2013 consisted of the following (in thousands):

	2015	2014	2013
Current:			
Federal provision	$ 94,405	$ 80,852	$ 60,449
State and local provisions	21,320	14,532	2,897
Foreign provision	831	2,396	7,083
	116,556	97,780	70,429
Deferred	(10,300)	5,748	11,857
	$ 106,256	$ 103,528	$ 82,286

NOTE 11 - INCOME TAXES - (Continued)

Factors accounting for the variation from U.S. statutory income tax rates from continuing operations for the years ended December 31, 2015, 2014 and 2013 were as follows (in thousands):

	2015	2014	2013
Federal income taxes at the statutory rate	$ 97,588	$ 98,576	$ 81,448
Noncontrolling interests	(77)	(1,667)	(1,247)
State and local income taxes, net of federal tax benefits	12,590	9,944	9,446
State tax reserves	62	(38)	(6,529)
Permanent differences	3,096	2,961	3,226
Domestic manufacturing deduction	(6,604)	(5,008)	(4,778)
Foreign income taxes (including UK statutory rate changes)	(361)	(1,237)	1,183
Federal tax reserves	14	62	263
Other	(52)	(65)	(726)
	$ 106,256	$ 103,528	$ 82,286

The components of the net deferred income tax liability are included in “Prepaid expenses and other” of $36.0 million, “Other assets” of $11.3 million, and “Other long-term obligations” of $167.9 million at December 31, 2015, and the components of net deferred income tax liability are included in “Prepaid expenses and other” of $29.3 million, “Other assets” of $16.6 million, and “Other long-term obligations” of $173.7 million at December 31, 2014 in the accompanying Consolidated Balance Sheets.

The amounts recorded for the years ended December 31, 2015 and 2014 were as follows (in thousands):

	2015	2014
Deferred income tax assets:		
Excess of amounts expensed for financial statement purposes over amounts deducted for income tax purposes:		
Insurance liabilities	$ 58,582	$ 54,351
Pension liability	6,255	10,142
Deferred compensation	28,033	17,886
Other (including liabilities and reserves)	28,562	31,828
Total deferred income tax assets	121,432	114,207
Valuation allowance for deferred tax assets	(805)	(2,024)
Net deferred income tax assets	120,627	112,183
Deferred income tax liabilities:		
Costs capitalized for financial statement purposes and deducted for income tax purposes:		
Goodwill and identifiable intangible assets	(218,715)	(216,126)
Other, primarily depreciation of property, plant and equipment	(22,510)	(23,884)
Total deferred income tax liabilities	(241,225)	(240,010)
Net deferred income tax liabilities	$ (120,598)	$ (127,827)

We file a consolidated federal income tax return including all of our U.S. subsidiaries. As of December 31, 2015 and 2014, the total valuation allowance on net deferred income tax assets was approximately $0.8 million and $2.0 million, respectively, related to state and local net operating losses. The reason for the net decrease in the valuation allowance for 2015 was related to the utilization of state and local net operating loss carryforwards. Although realization is not assured, we believe it is more likely than not that the deferred income tax asset, net of the valuation allowance discussed above, will be realized. The amount of the deferred income tax asset considered realizable, however, could be reduced if estimates of future income are reduced.

NOTE 11 - INCOME TAXES - (Continued)

At December 31, 2015, we had trading losses for United Kingdom income tax purposes of approximately $23.4 million, which have no expiration date. Such losses are subject to review by the United Kingdom taxing authority. Realization of the deferred income tax assets is dependent on our generating sufficient taxable income. We believe that the deferred income tax assets will be realized through projected future income.

Income before income taxes from continuing operations for the years ended December 31, 2015, 2014 and 2013 consisted of the following (in thousands):

	2015	2014	2013
United States	$ 264,867	$ 265,529	$ 219,300
Foreign	13,956	16,116	13,409
	$ 278,823	$ 281,645	$ 232,709

As of December 31, 2015, we had undistributed foreign earnings from our United Kingdom subsidiary of approximately $21.9 million for which we have not recorded a deferred tax liability, as we have provided taxes on a significant portion of such earnings in prior periods and the earnings on which income taxes have not been provided are indefinitely reinvested. As of December 31, 2015, the amount of cash held in the United Kingdom was approximately $46.5 million which, if repatriated, should not result in any federal or state income taxes. As of December 31, 2015, we had undistributed foreign earnings from our Puerto Rico subsidiary of approximately $1.4 million for which we have not recorded a deferred tax liability as such earnings are indefinitely reinvested. As of December 31, 2015, the amount of cash held in Puerto Rico was approximately $3.0 million which, if repatriated, may result in federal and state income taxes of approximately $0.5 million.

NOTE 12 - COMMON STOCK

As of December 31, 2015 and December 31, 2014, there were 61,067,868 and 62,981,229 shares of our common stock outstanding, respectively.

We have paid quarterly dividends since October 25, 2011. In December 2013, our Board of Directors announced its intention to increase the regular quarterly dividend to $0.08 per share commencing with the dividend to be paid in the first quarter of 2014. We currently pay a regular quarterly dividend of $0.08 per share.

On September 26, 2011, our Board of Directors authorized us to repurchase up to $100.0 million of our outstanding common stock. On December 5, 2013, October 23, 2014 and October 28, 2015, our Board of Directors authorized us to repurchase up to an additional $100.0 million, $250.0 million and $200.0 million of our outstanding common stock, respectively. During 2015, we repurchased approximately 2.3 million shares of our common stock for approximately $112.3 million. Since the inception of these repurchase programs through December 31, 2015, we have repurchased 9.9 million shares of our common stock for approximately $395.9 million. As of December 31, 2015, there remained authorization for us to repurchase approximately $254.1 million of our shares. The repurchase programs do not obligate the Company to acquire any particular amount of common stock and may be suspended, recommenced or discontinued at any time or from time to time without prior notice. Repurchases may be made from time to time to the extent permitted by securities laws and other legal requirements, including provisions in our credit agreement placing limitations on such repurchases. The repurchase programs have been and will be funded from our operations.

NOTE 13 - SHARE-BASED COMPENSATION PLANS

We have an incentive plan under which stock options, stock awards, stock units and other share-based compensation may be granted to officers, non-employee directors and key employees of the Company. Under the terms of this plan, 3,250,000 shares were authorized and 1,849,266 shares are available for grant or issuance as of December 31, 2015. Any issuances under this plan are valued at the fair market value of the common stock on the grant date. The vesting and expiration of any stock option grants and the vesting schedule of any stock awards or stock units are determined by the Compensation and Personnel Committee of our Board of Directors at the time of the grant. Additionally, we have outstanding stock options that were issued under other plans, and no further grants may be made under those plans.

NOTE 13 - SHARE-BASED COMPENSATION PLANS - (Continued)

The following table summarizes activity regarding our stock options and awards of shares and stock units since December 31, 2012:

Stock Options			Restricted Stock Units		
	Shares	Weighted Average Price		Shares	Weighted Average Price
Balance, December 31, 2012	1,796,377	$ 17.15	Balance, December 31, 2012	588,907	$ 28.56
Granted	—	—	Granted	192,617	$ 36.26
Expired	—	—	Forfeited	(15,298)	$ 29.38
Exercised	(485,680)	$ 14.55	Vested	(155,423)	$ 27.77
Balance, December 31, 2013	1,310,697	$ 18.12	Balance, December 31, 2013	610,803	$ 31.17
Granted	—	—	Granted	176,418	$ 43.06
Expired	—	—	Forfeited	(500)	$ 43.76
Exercised	(743,923)	$ 13.52	Vested	(152,423)	$ 32.46
Balance, December 31, 2014	566,774	$ 24.15	Balance, December 31, 2014	634,298	$ 34.16
Granted	—	—	Granted	241,274	$ 45.23
Expired	(30,000)	$ 12.09	Forfeited	(3,587)	$ 29.56
Exercised	(230,048)	$ 26.71	Vested	(266,497)	$ 32.17
Balance, December 31, 2015	306,726	$ 23.42	Balance, December 31, 2015	605,488	$ 39.47

We recognized $8.8 million, $8.1 million and $6.9 million of compensation expense for stock units awarded to non-employee directors and employees pursuant to incentive plans for the years ended December 31, 2015, 2014 and 2013, respectively. We have $6.6 million of compensation expense, net of income taxes, which will be recognized over the remaining vesting periods of up to approximately four years. In addition, an aggregate of 93,399 restricted stock units granted to an employee and our non-employee directors vested as of December 31, 2015, but issuance has been deferred for certain periods up to five years or upon retirement.

All outstanding stock options were fully vested as of December 31, 2012; therefore, no compensation expense was recognized for the years ended December 31, 2015, 2014 and 2013.

As a result of stock option exercises, $3.8 million, $6.9 million and $5.2 million of proceeds were received during the years ended December 31, 2015, 2014 and 2013, respectively. The income tax benefit derived in 2015, 2014 and 2013 as a result of such exercises and share-based compensation was $1.6 million, $8.6 million and $5.2 million, respectively, of which $1.7 million, $8.3 million and $4.6 million, respectively, represented excess tax benefits. The total intrinsic value of options (the amounts by which the stock price exceeded the exercise price of the option on the date of exercise) that were exercised during 2015, 2014 and 2013 was $4.6 million, $23.5 million and $12.5 million, respectively.

At December 31, 2015, 2014 and 2013, 306,726 options, 566,774 options and 1,310,697 options were exercisable, respectively. The weighted average exercise price of exercisable options at December 31, 2015, 2014 and 2013 was approximately $23.42, $24.15 and $18.12, respectively. The total aggregate intrinsic value of options outstanding and exercisable as of December 31, 2015, 2014 and 2013 were approximately $7.6 million, $11.5 million and $31.9 million, respectively.

The following table summarizes information about our stock options as of December 31, 2015:

Stock Options Outstanding and Exercisable

Range of Exercise Prices	Number	Weighted Average Remaining Life	Weighted Average Exercise Price
$20.42 - $20.54	110,000	1.41 Years	$20.43
$22.52 - $24.48	140,000	3.31 Years	$23.92
$27.39 - $29.26	56,726	0.54 Years	$27.96

NOTE 13 - SHARE-BASED COMPENSATION PLANS - (Continued)

We have an employee stock purchase plan. Under the terms of this plan, the maximum number of shares of our common stock that may be purchased is 3,000,000 shares. Generally, our corporate employees and non-union employees of our United States subsidiaries are eligible to participate in this plan. Employees covered by collective bargaining agreements generally are not eligible to participate in this plan.

NOTE 14 - RETIREMENT PLANS

Defined Benefit Plans

Our United Kingdom subsidiary has a defined benefit pension plan covering all eligible employees (the "UK Plan"); however, no individual joining the company after October 31, 2001 may participate in the plan. On May 31, 2010, we curtailed the future accrual of benefits for active employees under this plan.

We account for our UK Plan and other defined benefit plans in accordance with ASC 715, "Compensation-Retirement Benefits" ("ASC 715"). ASC 715 requires that (a) the funded status, which is measured as the difference between the fair value of plan assets and the projected benefit obligations, be recorded in our balance sheet with a corresponding adjustment to accumulated other comprehensive income (loss) and (b) gains and losses for the differences between actuarial assumptions and actual results, and unrecognized service costs, be recognized through accumulated other comprehensive income (loss). These amounts will be subsequently recognized as net periodic pension cost.

The change in benefit obligations and assets of the UK Plan for the years ended December 31, 2015 and 2014 consisted of the following components (in thousands):

	2015	2014
Change in pension benefit obligation		
Benefit obligation at beginning of year	$ 332,806	$ 308,877
Interest cost	11,603	14,027
Actuarial (gain) loss	(21,707)	40,906
Benefits paid	(9,604)	(9,915)
Foreign currency exchange rate changes	(17,273)	(21,089)
Benefit obligation at end of year	295,825	332,806
Change in pension plan assets		
Fair value of plan assets at beginning of year	282,095	269,811
Actual return on plan assets	569	34,012
Employer contributions	5,631	6,028
Benefits paid	(9,604)	(9,915)
Foreign currency exchange rate changes	(15,136)	(17,841)
Fair value of plan assets at end of year	263,555	282,095
Funded status at end of year	$ (32,270)	$ (50,711)

The actuarial gain in 2015 and actuarial loss in 2014 resulted from fluctuations in corporate bond yields leading to changes in the discount rate assumptions as disclosed below.

Amounts not yet reflected in net periodic pension cost and included in accumulated other comprehensive loss:

	2015	2014
Unrecognized losses	$ 88,818	$ 102,673

The underfunded status of the UK Plan of $32.3 million and $50.7 million at December 31, 2015 and 2014, respectively, is included in "Other long-term obligations" in the accompanying Consolidated Balance Sheets. No plan assets are expected to be returned to us during the year ended December 31, 2016.

NOTE 14 - RETIREMENT PLANS - (Continued)

The weighted average assumptions used to determine benefit obligations as of December 31, 2015 and 2014 were as follows:

	2015	2014
Discount rate	3.8%	3.6%

The weighted average assumptions used to determine net periodic pension cost for the years ended December 31, 2015, 2014 and 2013 were as follows:

	2015	2014	2013
Discount rate	3.6%	4.6%	4.3%
Annual rate of return on plan assets	6.3%	6.7%	6.7%

The annual rate of return on plan assets has been determined by modeling possible returns using the actuary's portfolio return calculator and the fair value of plan assets. This models the long term expected returns of the various asset classes held in the portfolio and allows for the additional benefits of holding a diversified portfolio. For measurement purposes of the liability, the annual rates of inflation of covered pension benefits assumed for each of 2015 and 2014 was 2.0%.

The components of net periodic pension cost of the UK Plan for the years ended December 31, 2015, 2014 and 2013 were as follows (in thousands):

	2015	2014	2013
Interest cost	$ 11,603	$ 14,027	$ 12,326
Expected return on plan assets	(16,181)	(16,888)	(14,369)
Amortization of unrecognized loss	2,526	2,029	2,560
Net periodic pension cost	$ (2,052)	$ (832)	$ 517

Actuarial gains and losses are amortized using a corridor approach whereby cumulative gains and losses in excess of the greater of 10% of the pension benefit obligation or the fair value of plan assets are amortized over the average life expectancy of plan participants. The amortization period for 2015 was 27 years.

The reclassification adjustment, net of income taxes, for the UK Plan from accumulated other comprehensive loss into net periodic pension cost for the years ended December 31, 2015, 2014 and 2013 was approximately $2.0 million, $1.6 million and $2.0 million, respectively, which was classified as a component of "Cost of sales" and "Selling, general and administrative expenses" in the Consolidated Statements of Operations. The estimated unrecognized loss for the UK Plan that will be amortized from accumulated other comprehensive loss into net periodic pension cost over the next year is approximately $1.8 million, net of income taxes.

UK Plan Assets

The weighted average asset allocations and weighted average target allocations at December 31, 2015 and 2014 were as follows:

Asset Category	Target Asset Allocation	December 31, 2015	December 31, 2014
Equity securities	45.0%	43.3%	43.2%
Debt securities	55.0%	56.3%	56.6%
Cash	—%	0.4%	0.2%
Total	100.0%	100.0%	100.0%

NOTE 14 - RETIREMENT PLANS - (Continued)

Plan assets of our UK Plan are invested in marketable equity and equity like securities through various funds. These funds invest in a diverse range of investments, trading in the United Kingdom, the United States and other international locations, such as Asia Pacific and other European locations. Debt securities are invested in funds that invest in UK corporate bonds and UK government bonds.

The following tables set forth by level, within the fair value hierarchy discussed in Note 10 - Fair Value Measurements, the fair value of assets of the UK Plan as of December 31, 2015 and 2014 (in thousands):

	Assets at Fair Value as of December 31, 2015			
Asset Category	**Level 1**	**Level 2**	**Level 3**	**Total**
Equity and equity like investments	$ —	$ 114,213	$ —	$ 114,213
Corporate bonds	—	114,434	—	114,434
Government bonds	—	34,011	—	34,011
Cash	897	—	—	897
Total	$ 897	$ 262,658	$ —	$ 263,555

	Assets at Fair Value as of December 31, 2014			
Asset Category	**Level 1**	**Level 2**	**Level 3**	**Total**
Equity and equity like investments	$ —	$ 121,739	$ —	$ 121,739
Corporate bonds	—	124,380	—	124,380
Government bonds	—	35,319	—	35,319
Cash	657	—	—	657
Total	$ 657	$ 281,438	$ —	$ 282,095

In regards to the plan assets of our UK Plan, investment amounts have been allocated within the fair value hierarchy across all three levels. The characteristics of the assets that sit within each level are summarized as follows:

Level 1-This asset represents cash.

Level 2-These assets are a combination of the following:

(a) Assets that are not exchange traded but have a unit price that is based on the net asset value of the fund. The unit prices are not quoted but the underlying assets held by the fund are either:

(i) held in a variety of listed investments

(ii) held in UK treasury bonds or corporate bonds with the asset value being based on fixed income streams. Some of the underlying bonds are also listed on regulated markets.

It is the value of the underlying assets that have been used to calculate the unit price of the fund.

(b) Assets that are not exchange traded but have a unit price that is based on the net asset value of the fund. The unit prices are quoted. The underlying assets within these funds comprise cash or assets that are listed on a regulated market (i.e., the values are based on observable market data) and it is these values that are used to calculate the unit price of the fund.

Level 3-Assets that are not exchange traded but have a unit price that is based on the net asset value of the fund. The unit prices are not quoted and are not available on any market.

NOTE 14 - RETIREMENT PLANS - (Continued)

The table below sets forth a summary of changes in the fair value of the UK Plan's Level 3 assets for the years ended December 31, 2015 and 2014 (in thousands):

Equity and Equity Like Investments	2015	2014
Start of year balance	$ —	$ 5,196
Actual return on plan assets, relating to assets still held at reporting date	—	—
Purchases, sales and settlements, net	—	(4,889)
Change due to exchange rate changes	—	(307)
End of year balance	$ —	$ —

The investment policies and strategies for the plan assets are established by the plan trustees (who are independent of the Company) to achieve a reasonable balance between risk, likely return and administration expense, as well as to maintain funds at a level to meet minimum funding requirements. In order to ensure that an appropriate investment strategy is in place, an analysis of the UK Plan's assets and liabilities is completed periodically.

Cash Flows:

Contributions

Our United Kingdom subsidiary expects to contribute approximately $5.4 million to its UK Plan in 2016.

Estimated Future Benefit Payments

The following estimated benefit payments are expected to be paid in the following years (in thousands):

	Pension Benefits
2016	$ 9,509
2017	$ 9,869
2018	$ 10,974
2019	$ 11,717
2020	$ 11,842
Succeeding five years	$ 65,494

The following table shows certain information for the UK Plan where the accumulated benefit obligation is in excess of plan assets as of December 31, 2015 and 2014 (in thousands):

	2015	2014
Projected benefit obligation	$ 295,825	$ 332,806
Accumulated benefit obligation	$ 295,825	$ 332,806
Fair value of plan assets	$ 263,555	$ 282,095

We also sponsor two U.S. defined benefit plans in which participation by new individuals is frozen. The benefit obligation associated with these plans as of December 31, 2015 and 2014 was approximately $7.0 million and $6.7 million, respectively. The estimated fair value of the plan assets as of December 31, 2015 and 2014 was approximately $4.9 million and $5.1 million, respectively. The plan assets are considered Level 1 assets within the fair value hierarchy and are predominantly invested in cash, equities, and equity and bond funds. The pension liability balances as of December 31, 2015 and 2014 are classified as "Other long-term obligations" in the accompanying Consolidated Balance Sheets. The measurement date for these two plans is December 31 of each year. The major assumptions used in the actuarial valuations to determine benefit obligations as of December 31, 2015 and 2014 included discount rates of 4.00% and 3.80% for 2015 and 4.50% and 4.30% for 2014 . Also, included was an expected rate of return of 7.00% for both 2015 and 2014. The reclassification adjustment, net of income taxes, from accumulated other comprehensive loss into net periodic pension cost for the years ended December 31, 2015, 2014 and 2013 was approximately $0.2 million, $0.2 million and $0.3 million, respectively, which was classified as a component of "Selling, general and administrative expenses" in the Consolidated Statements of Operations. The estimated loss for these plans that will be amortized

NOTE 14 - RETIREMENT PLANS - (Continued)

from accumulated other comprehensive loss into net periodic pension cost over the next year is approximately $0.2 million, net of income taxes. The future estimated benefit payments expected to be paid from the plans for the next ten years is approximately $0.4 million per year.

Multiemployer Plans

We participate in over 200 multiemployer pension plans ("MEPPs") that provide retirement benefits to certain union employees in accordance with various collective bargaining agreements ("CBAs"). As one of many participating employers in these MEPPs, we are responsible with the other participating employers for any plan underfunding. Our contributions to a particular MEPP are established by the applicable CBAs; however, our required contributions may increase based on the funded status of an MEPP and legal requirements of the Pension Protection Act of 2006 (the "PPA"), which requires substantially underfunded MEPPs to implement a funding improvement plan ("FIP") or a rehabilitation plan ("RP") to improve their funded status. Factors that could impact the funded status of an MEPP include, without limitation, investment performance, changes in the participant demographics, decline in the number of contributing employers, changes in actuarial assumptions and the utilization of extended amortization provisions.

An FIP or RP requires a particular MEPP to adopt measures to correct its underfunding status. These measures may include, but are not limited to: (a) an increase in our contribution rate as a signatory to the applicable CBA, (b) a reallocation of the contributions already being made by participating employers for various benefits to individuals participating in the MEPP and/or (c) a reduction in the benefits to be paid to future and/or current retirees. In addition, the PPA requires that a 5% surcharge be levied on employer contributions for the first year commencing shortly after the date the employer receives notice that the MEPP is in critical status and a 10% surcharge on each succeeding year until a CBA is in place with terms and conditions consistent with the RP.

We could also be obligated to make payments to MEPPs if we either cease to have an obligation to contribute to the MEPP or significantly reduce our contributions to the MEPP because we reduce our number of employees who are covered by the relevant MEPP for various reasons, including, but not limited to, layoffs or closure of a subsidiary assuming the MEPP has unfunded vested benefits. The amount of such payments (known as a complete or partial withdrawal liability) would equal our proportionate share of the MEPPs' unfunded vested benefits. We believe that certain of the MEPPs in which we participate may have unfunded vested benefits. Due to uncertainty regarding future factors that could trigger withdrawal liability, as well as the absence of specific information regarding the MEPP's current financial situation, we are unable to determine (a) the amount and timing of any future withdrawal liability, if any, and (b) whether our participation in these MEPPs could have a material adverse impact on our financial position, results of operations or liquidity. We did not record any withdrawal liability for the years ended December 31, 2015 and 2014. We recorded a withdrawal liability of approximately $0.1 million for the year ended December 31, 2013.

The following table lists all domestic MEPPs to which our contributions exceeded $2.0 million in 2015. Additionally, this table also lists all domestic MEPPs to which we contributed in 2015 in excess of $0.5 million for MEPPs in the critical status, "red zone" and $1.0 million in the endangered status, "orange or yellow zones", as defined by the PPA (in thousands):

		PPA Zone Status (1)			Contributions				
Pension Fund	**EIN/Pension Plan Number**	**2015**	**2014**	**FIP/RP Status**	**2015**	**2014**	**2013**	**Contributions greater than 5% of total plan contributions (2)**	**Expiration date of CBA**
Plumbers & Pipefitters National Pension Fund	52-6152779 001	Yellow	Yellow	Implemented	$ 12,021	$ 10,425	$ 12,509	No	January 2016 to August 2019
Sheet Metal Workers National Pension Fund	52-6112463 001	Yellow	Yellow	Implemented	10,891	9,977	9,476	No	April 2016 to June 2020
National Electrical Benefit Fund	53-0181657 001	Green	Green	N/A	8,513	7,985	7,986	No	February 2016 to September 2020
Pension, Hospitalization & Benefit Plan of the Electrical Industry-Pension Trust Account	13-6123601 001	Green	Green	N/A	7,543	6,219	6,189	No	May 2016 to January 2018

NOTE 14 - RETIREMENT PLANS - (Continued)

Pension Fund	EIN/Pension Plan Number	PPA Zone Status [1] 2015	PPA Zone Status [1] 2014	FIP/RP Status	Contributions 2015	Contributions 2014	Contributions 2013	Contributions greater than 5% of total plan contributions [2]	Expiration date of CBA
National Automatic Sprinkler Industry Pension Fund	52-6054620 001	Red	Red	Implemented	6,697	6,000	4,226	No	March 2016 to June 2017
Central Pension Fund of the International Union of Operating Engineers and Participating Employers	36-6052390 001	Green	Green	N/A	6,465	6,518	6,296	No	January 2016 to November 2019
Electrical Contractors Association of the City of Chicago Local Union 134, IBEW Joint Pension Trust of Chicago Pension Plan 2	51-6030753 002	Green	Green	N/A	5,759	4,051	2,412	No	May 2016 to June 2016
Plumbers Pipefitters & Mechanical Equipment Service Local Union 392 Pension Plan	31-0655223 001	Red	Red	Implemented	5,554	4,962	4,128	Yes	June 2019
Sheet Metal Workers Pension Plan of Northern California	51-6115939 001	Red	Red	Implemented	4,851	3,467	3,658	No	June 2016 to June 2018
U.A. Local 393 Pension Trust Fund Defined Benefit	94-6359772 002	Green	Green	N/A	4,597	3,585	2,811	Yes	June 2016 to June 2018
Pipefitters Union Local 537 Pension Fund	51-6030859 001	Green	Green	N/A	3,939	2,981	3,690	Yes	January 2016 to August 2017
Northern California Pipe Trades Pension Plan	94-3190386 001	Green	Green	N/A	3,544	3,270	2,258	Yes	June 2016 to June 2018
Eighth District Electrical Pension Fund	84-6100393 001	Green	Green	N/A	3,411	2,695	3,005	Yes	February 2016 to May 2018
Southern California IBEW-NECA Pension Trust Fund	95-6392774 001	Orange	Yellow	Implemented	2,894	2,776	3,215	No	May 2016 to November 2019
Southern California Pipe Trades Retirement Fund	51-6108443 001	Green	Green	N/A	2,743	2,863	5,498	No	June 2016 to August 2019
Electrical Workers Local No. 26 Pension Trust Fund	52-6117919 001	Green	Green	N/A	2,620	2,880	2,878	Yes	June 2016 to July 2018
U.A. Plumbers Local 24 Pension Fund	22-6042823 001	Green	Green	N/A	2,431	1,998	1,330	Yes	April 2016
Sheet Metal Workers Pension Plan of Southern California, Arizona & Nevada	95-6052257 001	Red	Red	Implemented	2,310	1,824	1,271	No	June 2016 to June 2020
San Diego Electrical Pension Plan	95-6101801 001	Red	Green	Pending	2,109	1,878	2,162	Yes	September 2016 to May 2020
U.A. Local 38 Defined Benefit Pension Plan	94-1285319 001	Yellow	Yellow	Implemented	1,526	1,605	1,522	No	June 2016 to June 2017
Boilermaker-Blacksmith National Pension Trust	48-6168020 001	Yellow	Yellow	Implemented	1,367	1,177	1,828	No	April 2017 to September 2018
Plumbing & Pipe Fitting Local 219 Pension Fund	34-6682376 001	Red	Red	Implemented	1,262	1,107	1,142	Yes	May 2017
Building Trades United Pension Trust Fund Milwaukee and Vicinity	51-6049409 001	Yellow	Yellow	Implemented	1,111	1,033	918	No	May 2016

NOTE 14 - RETIREMENT PLANS - (Continued)

Pension Fund	EIN/Pension Plan Number	PPA Zone Status (1) 2015	PPA Zone Status (1) 2014	FIP/RP Status	Contributions 2015	Contributions 2014	Contributions 2013	Contributions greater than 5% of total plan contributions (2)	Expiration date of CBA
Steamfitters Local Union No. 420 Pension Plan	23-2004424 001	Red	Red	Implemented	845	862	831	No	April 2017 to May 2017
U.A. Local 467 Defined Benefit Plan	94-2353807 005	Red	Red	Implemented	844	787	538	No	June 2016 to June 2018
Plumbers & Pipefitters Local 162 Pension Fund	31-6125999 001	Red	Red	Implemented (3)	814	818	770	Yes	May 2019
Other Multiemployer Pension Plans					40,395	44,248	48,724		Various
Total Contributions					$ 147,056	$ 137,991	$ 141,271		

(1) The zone status represents the most recent available information for the respective MEPP, which may be 2014 or earlier for the 2015 year and 2013 or earlier for the 2014 year.

(2) This information was obtained from the respective plans' Form 5500 ("Forms") for the most current available filing. These dates may not correspond with our fiscal year contributions. The above noted percentages of contributions are based upon disclosures contained in the plans' Forms. Those Forms, among other things, disclose the names of individual participating employers whose annual contributions account for more than 5% of the aggregate annual amount contributed by all participating employers for a plan year. Accordingly, if the annual contribution of two or more of our subsidiaries each accounted for less than 5% of such contributions, but in the aggregate accounted for in excess of 5% of such contributions, that greater percentage is not available and accordingly is not disclosed.

(3) For these respective plans, a funding surcharge was currently in effect for 2015.

The nature and diversity of our business may result in volatility in the amount of our contributions to a particular MEPP for any given period. That is because, in any given market, we could be working on a significant project and/or projects, which could result in an increase in our direct labor force and a corresponding increase in our contributions to the MEPP(s) dictated by the applicable CBA. When that particular project(s) finishes and is not replaced, the number of participants in the MEPP(s) who are employed by us would also decrease, as would our level of contributions to the particular MEPP(s). Additionally, the amount of contributions to a particular MEPP could also be affected by the terms of the CBA, which could require at a particular time, an increase in the contribution rate and/or surcharges. Our contributions to various MEPPs did not increase as a result of acquisitions made since 2013.

We also participate in two MEPPs that are located within the United Kingdom for which we have contributed $0.2 million, $0.2 million and $0.3 million for the years ended December 31, 2015, 2014 and 2013, respectively. The information that we have obtained relating to these plans is not as readily available and/or as comparable as the information that has been ascertained in the United States. Based upon the most recently available information, one of the plans is 100% funded, and the other plan is between 65% and less than 80% funded. A recovery plan has been put in place for the plan that is less than 80% funded, which requires higher contribution amounts to be paid by our UK operations.

Additionally, we contribute to certain multiemployer plans that provide post retirement benefits such as health and welfare benefits and/or defined contribution/annuity plans, among others. Our contributions to these plans approximated $108.1 million, $98.3 million and $93.5 million for the years ended December 31, 2015, 2014 and 2013, respectively. Our contributions to other post retirement benefit plans did not increase as a result of acquisitions made since 2013. The amount of contributions to these plans is also subject for the most part to the factors discussed above in conjunction with the MEPPs.

Defined Contribution Plans

We have defined contribution retirement and savings plans that cover eligible employees in the United States. Contributions to these plans are based on a percentage of the employee's base compensation. The expenses recognized for the years ended December 31, 2015, 2014 and 2013 for these plans were $26.5 million, $25.3 million and $22.6 million, respectively. At our discretion, we may make additional supplemental matching contributions to a defined contribution retirement and savings plan. The expenses recognized related to additional supplemental matching for the years ended December 31, 2015, 2014 and 2013 were $4.8 million, $4.3 million and $4.0 million, respectively.

NOTE 14 - RETIREMENT PLANS - (Continued)

Our United Kingdom subsidiary has defined contribution retirement plans. The expense recognized for the years ended December 31, 2015, 2014 and 2013 was $4.0 million, $4.5 million and $4.0 million, respectively.

NOTE 15 - COMMITMENTS AND CONTINGENCIES

Commitments

We lease land, buildings and equipment under various leases. The leases frequently include renewal options and escalation clauses and require us to pay for utilities, taxes, insurance and maintenance expenses.

Future minimum payments, by year and in the aggregate, under capital leases, non-cancelable operating leases and related subleases with initial or remaining terms of one or more years at December 31, 2015, were as follows (in thousands):

	Capital Leases	Operating Leases	Sublease Income
2016	$ 1,459	$ 58,918	$ 558
2017	837	47,670	257
2018	650	36,637	126
2019	1,093	28,199	63
2020	77	21,854	—
Thereafter	—	46,283	—
Total minimum lease payments	4,116	$ 239,561	$ 1,004
Amounts representing interest	(247)		
Present value of net minimum lease payments	$ 3,869		

Rent expense for operating leases and other rental items, including short-term equipment rentals charged to cost of sales for our construction contracts, for the years ended December 31, 2015, 2014 and 2013 was $122.0 million, $118.4 million and $118.6 million, respectively. Rent expense for the years ended December 31, 2015, 2014 and 2013 was reported net of sublease rental income of $1.2 million, $1.3 million and $1.2 million, respectively.

Contractual Guarantees

We have agreements with our executive officers and certain other key management personnel providing for severance benefits for such employees upon termination of their employment under certain circumstances.

From time to time in the ordinary course of business, we guarantee obligations of our subsidiaries under certain contracts. Generally, we are liable under such an arrangement only if our subsidiary fails to perform its obligations under the contract. Historically, we have not incurred any substantial liabilities as a consequence of these guarantees.

The terms of our construction contracts frequently require that we obtain from surety companies (“Surety Companies”) and provide to our customers payment and performance bonds (“Surety Bonds”) as a condition to the award of such contracts. The Surety Bonds secure our payment and performance obligations under such contracts, and we have agreed to indemnify the Surety Companies for amounts, if any, paid by them in respect of Surety Bonds issued on our behalf. In addition, at the request of labor unions representing certain of our employees, Surety Bonds are sometimes provided to secure obligations for wages and benefits payable to or for such employees. Public sector contracts require Surety Bonds more frequently than private sector contracts, and accordingly, our bonding requirements typically increase as the amount of public sector work increases. As of December 31, 2015, based on our percentage-of-completion of our projects covered by Surety Bonds, our aggregate estimated exposure, had there been defaults on all our then existing contractual obligations, was approximately $1.2 billion. The Surety Bonds are issued by Surety Companies in return for premiums, which vary depending on the size and type of bond.

We are subject to regulation with respect to the handling of certain materials used in construction, which are classified as hazardous or toxic by federal, state and local agencies. Our practice is to avoid participation in projects principally involving the remediation or removal of such materials. However, when remediation is required as part of our contract performance, we believe

NOTE 15 - COMMITMENTS AND CONTINGENCIES - (Continued)

we comply with all applicable regulations governing the discharge of material into the environment or otherwise relating to the protection of the environment.

At December 31, 2015, we employed approximately 29,000 people, approximately 56% of whom are represented by various unions pursuant to more than 375 collective bargaining agreements between our individual subsidiaries and local unions. We believe that our employee relations are generally good. Only two of these collective bargaining agreements are national or regional in scope.

Restructuring expenses were $0.8 million, $1.2 million and $0.6 million for 2015, 2014 and 2013, respectively. The 2015 restructuring expenses included $0.9 million of employee severance obligations and a reversal of $0.1 million relating to the termination of leased facilities. The 2014 restructuring expenses included $0.6 million of employee severance obligations and $0.6 million relating to the termination of leased facilities. The 2013 restructuring expenses included $0.5 million of employee severance obligations and $0.1 million relating to the termination of leased facilities. As of December 31, 2015, 2014 and 2013, the balance of our restructuring related obligations yet to be paid was $0.1 million, $0.3 million and $0.2 million, respectively. The majority of obligations outstanding as of December 31, 2014 and 2013 were paid during 2015 and 2014, respectively. The obligations outstanding as of December 31, 2015 will be paid during the first half of 2016.

The changes in restructuring activity by reportable segments during the years ended December 31, 2015 and December 31, 2014 were as follows (in thousands):

	United States electrical construction and facilities services segment	United States mechanical construction and facilities services segment	United States building services segment	Corporate Administration	Total
Balance at December 31, 2013	$ 30	$ 164	$ —	$ —	$ 194
Charges	638	230	—	300	1,168
Payments	(413)	(368)	—	(300)	(1,081)
Balance at December 31, 2014	255	26	—	—	281
Charges	(106)	6	924	—	824
Payments	(149)	(32)	(843)	—	(1,024)
Balance at December 31, 2015	$ —	$ —	$ 81	$ —	$ 81

A summary of restructuring expenses by reportable segments recognized for the year ended December 31, 2015 was as follows (in thousands):

	United States electrical construction and facilities services segment	United States mechanical construction and facilities services segment	United States building services segment	Corporate Administration	Total
Severance	$ —	$ 6	$ 924	$ —	$ 930
Leased facilities	(106)	—	—	—	(106)
Total charges	$ (106)	$ 6	$ 924	$ —	$ 824

Government Contracts

As a government contractor, we are subject to U.S. government audits and investigations relating to our operations, fines, penalties and compensatory and treble damages, and possible suspension or debarment from doing business with the government. Based on currently available information, we believe the outcome of ongoing government disputes and investigations will not have a material impact on our financial position, results of operations or liquidity.

NOTE 15 - COMMITMENTS AND CONTINGENCIES - (Continued)

Legal Matters

One of our subsidiaries was a subcontractor to a mechanical contractor ("Mechanical Contractor") on a construction project where an explosion occurred. An investigation of the matter could not determine who was responsible for the explosion. As a result of the explosion, lawsuits have been commenced against various parties, but, to date, no lawsuits have been commenced against our subsidiary with respect to personal injury or damage to property as a consequence of the explosion. However, the Mechanical Contractor has asserted claims, in the context of an arbitration proceeding against our subsidiary, alleging that our subsidiary is responsible for a portion of the damages for which the Mechanical Contractor may be liable as a result of: (a) personal injury suffered by individuals as a result of the explosion and (b) the Mechanical Contractor's legal fees and associated management costs in defending against any and all such claims. In the most recent filing with the Arbitrator, the Mechanical Contractor has stated claims against our subsidiary for alleged violations of the Connecticut and Massachusetts Unfair and Deceptive Trade Practices Acts in the ongoing arbitration proceeding. Further, the general contractor (as assignee of the Mechanical Contractor) on the construction project, and for whom the Mechanical Contractor worked, has alleged that our subsidiary is responsible for losses asserted by the owner of the project and/or the general contractor because of delays in completion of the project and for damages to the owner's property. We believe, and have been advised by counsel, that we have a number of meritorious defenses to all such matters. We believe that the ultimate outcome of such matters will not have a material adverse effect on our consolidated financial position, results of operations or liquidity. Notwithstanding our assessment of the final impact of this matter, we are not able to estimate with any certainty the amount of loss, if any, which would be associated with an adverse resolution.

One of our subsidiaries, USM, Inc. ("USM"), doing business in California provides, among other things, janitorial services to its customers by having those services performed by independent janitorial companies. USM and one of its customers, which owns retail stores (the "Customer"), were co-defendants in a federal class action lawsuit brought by six employees of USM's California janitorial subcontractors. The action was commenced on September 5, 2013 in a Superior Court of California and was removed by USM on November 22, 2013 to the United States District Court for the Northern District of California. The employees alleged in their complaint, among other things, that USM and the Customer, during a period that began before our acquisition of USM, violated a California statute that prohibits USM from entering into a contract with a janitorial subcontractor when it knew or should have known that the contract did not include funds sufficient to allow the janitorial subcontractor to comply with all local, state and federal laws or regulations governing the labor or services to be provided. The employees asserted that the amounts USM paid to its janitorial subcontractors were insufficient to allow those janitorial subcontractors to meet their obligations regarding, among other things, wages due for all hours their employees worked, minimum wages, overtime pay and meal and rest breaks. These employees sought to represent not only themselves, but also all other individuals who provided janitorial services at the Customer's stores in California during the relevant four-year time period. We do not believe USM or the Customer violated the California statute or that the employees could have brought the action as a class action on behalf of other employees of janitorial companies with whom USM subcontracted for the provision of janitorial services to the Customer. The plaintiffs sought a declaratory judgment that USM had violated the California statute, monetary damages, including all unpaid wages and interest thereon, restitution for unpaid wages, and an award of attorneys' fees and costs.

USM and its Customer have settled claims asserted in the class action pursuant to the terms of a consent decree approved by the federal judge in the United States District Court for the Northern District of California on February 16, 2016, which followed a determination by the Court of the consent decree's fairness, adequacy and reasonableness. Under the terms of the consent decree, USM will (a) pay an aggregate of $1.0 million (i) for monetary relief to the members of the class, (ii) for awards to the class representative plaintiffs, (iii) for California Labor Code Private Attorney General Act payments to the State of California for an immaterial amount, and (iv) for all costs of notice and administration of the claims process, (b) pay to counsel for the class an aggregate of $1.3 million, of which $0.2 million has been allocated for their reimbursable costs and litigation expenses and $1.1 million has been allocated for attorneys' fees, and (c) monitor USM's California subcontractors providing janitorial services to its Customer in accordance with agreed upon procedures designed principally to ensure janitorial employees of those subcontractors are paid no less than minimum wage. The settlement amount was accrued for as of December 31, 2014. During 2015, a payment of $1.0 million was made to a third party claims administrator who was holding the funds pending approval by the Court of the consent decree, and the balance of $1.3 million was paid in February 2016 after final approval by the Court.

We are involved in several other proceedings in which damages and claims have been asserted against us. Other potential claims may exist that have not yet been asserted against us. We believe that we have a number of valid defenses to such proceedings and claims and intend to vigorously defend ourselves. We do not believe that any such matters will have a material adverse effect on our financial position, results of operations or liquidity. Litigation is subject to many uncertainties and the outcome of litigation is not predictable with assurance. It is possible that some litigation matters for which reserves have not been established could be

NOTE 15 - COMMITMENTS AND CONTINGENCIES - (Continued)

decided unfavorably to us, and that any such unfavorable decisions could have a material adverse effect on our financial position, results of operations or liquidity.

NOTE 16 - ADDITIONAL CASH FLOW INFORMATION

The following presents information about cash paid for interest, income taxes and other non-cash financing activities for the years ended December 31, 2015, 2014 and 2013 (in thousands):

	2015	2014	2013
Cash paid during the year for:			
Interest	$ 7,668	$ 7,421	$ 10,568
Income taxes	$ 99,754	$ 88,277	$ 104,324
Non-cash financing activities:			
Assets acquired under capital lease obligations	$ 3,847	$ 93	$ 414

NOTE 17 - SEGMENT INFORMATION

We have the following reportable segments: (a) United States electrical construction and facilities services (involving systems for electrical power transmission and distribution; premises electrical and lighting systems; low-voltage systems, such as fire alarm, security and process control; voice and data communication; roadway and transit lighting; and fiber optic lines); (b) United States mechanical construction and facilities services (involving systems for heating, ventilation, air conditioning, refrigeration and clean-room process ventilation; fire protection; plumbing, process and high-purity piping; controls and filtration; water and wastewater treatment and central plant heating and cooling; cranes and rigging; millwrighting; and steel fabrication, erection and welding); (c) United States building services; (d) United States industrial services; and (e) United Kingdom building services. The “United States building services” and “United Kingdom building services” segments principally consist of those operations which provide a portfolio of services needed to support the operation and maintenance of customers’ facilities, including commercial and government site-based operations and maintenance; facility maintenance and services, including reception, security and catering services; outage services to utilities and industrial plants; military base operations support services; mobile maintenance and services; floor care and janitorial services; landscaping, lot sweeping and snow removal; facilities management; vendor management; call center services; installation and support for building systems; program development, management and maintenance for energy systems; technical consulting and diagnostic services; infrastructure and building projects for federal, state and local governmental agencies and bodies; and small modification and retrofit projects, which services are not generally related to customers’ construction programs. The segment “United States industrial services” principally consists of those operations which provide industrial maintenance and services, including those for refineries and petrochemical plants, including on-site repairs, maintenance and service of heat exchangers, towers, vessels and piping; design, manufacturing, repair and hydro blast cleaning of shell and tube heat exchangers and related equipment; refinery turnaround planning and engineering services; specialty welding services; overhaul and maintenance of critical process units in refineries and petrochemical plants; and specialty technical services for refineries and petrochemical plants.

NOTE 17 - SEGMENT INFORMATION - (Continued)

The following tables present information about industry segments and geographic areas for the years ended December 31, 2015, 2014 and 2013 (in thousands):

	2015	2014	2013
Revenues from unrelated entities:			
United States electrical construction and facilities services	$ 1,367,142	$ 1,311,988	$ 1,345,750
United States mechanical construction and facilities services	2,312,763	2,201,212	2,329,834
United States building services	1,739,259	1,721,341	1,794,978
United States industrial services	922,085	839,980	519,413
Total United States operations	6,341,249	6,074,521	5,989,975
United Kingdom building services	377,477	350,444	343,552
Total worldwide operations	$ 6,718,726	$ 6,424,965	$ 6,333,527
Total revenues:			
United States electrical construction and facilities services	$ 1,378,620	$ 1,326,547	$ 1,371,979
United States mechanical construction and facilities services	2,326,683	2,219,886	2,387,072
United States building services	1,794,086	1,762,697	1,839,129
United States industrial services	923,648	842,040	522,417
Less intersegment revenues	(81,788)	(76,649)	(130,622)
Total United States operations	6,341,249	6,074,521	5,989,975
United Kingdom building services	377,477	350,444	343,552
Total worldwide operations	$ 6,718,726	$ 6,424,965	$ 6,333,527
Operating income (loss):			
United States electrical construction and facilities services	$ 82,225	$ 90,873	$ 98,114
United States mechanical construction and facilities services	138,688	114,418	93,765
United States building services	70,532	65,885	67,225
United States industrial services	56,469	63,159	38,763
Total United States operations	347,914	334,335	297,867
United Kingdom building services	11,634	15,011	13,021
Corporate administration	(71,642)	(68,578)	(69,891)
Restructuring expenses	(824)	(1,168)	(647)
Impairment loss on identifiable intangible assets	—	(1,471)	—
Gain on sale of building	—	11,749	—
Total worldwide operations	287,082	289,878	240,350
Other corporate items:			
Interest expense	(8,932)	(9,075)	(8,769)
Interest income	673	842	1,128
Income from continuing operations before income taxes	$ 278,823	$ 281,645	$ 232,709

NOTE 17 - SEGMENT INFORMATION - (Continued)

	2015	2014	2013
Capital expenditures:			
United States electrical construction and facilities services	$ 6,063	$ 6,671	$ 6,164
United States mechanical construction and facilities services	5,345	8,631	8,866
United States building services	7,233	10,589	7,579
United States industrial services	11,073	9,139	10,281
Total United States operations	29,714	35,030	32,890
United Kingdom building services	5,298	1,935	1,536
Corporate administration	448	1,070	1,071
Total worldwide operations	$ 35,460	$ 38,035	$ 35,497
Depreciation and amortization of Property, plant and equipment:			
United States electrical construction and facilities services	$ 4,676	$ 4,237	$ 3,640
United States mechanical construction and facilities services	7,624	7,600	7,280
United States building services	9,834	10,660	11,288
United States industrial services	9,629	9,839	8,781
Total United States operations	31,763	32,336	30,989
United Kingdom building services	3,603	3,305	4,477
Corporate administration	928	883	844
Total worldwide operations	$ 36,294	$ 36,524	$ 36,310
Costs and estimated earnings in excess of billings on uncompleted contracts:			
United States electrical construction and facilities services	$ 39,116	$ 32,464	$ 28,988
United States mechanical construction and facilities services	46,220	43,443	38,804
United States building services	20,959	18,555	14,957
United States industrial services	3,358	281	5
Total United States operations	109,653	94,743	82,754
United Kingdom building services	8,081	8,458	7,973
Total worldwide operations	$ 117,734	$ 103,201	$ 90,727
Billings in excess of costs and estimated earnings on uncompleted contracts:			
United States electrical construction and facilities services	$ 139,857	$ 114,422	$ 118,458
United States mechanical construction and facilities services	238,463	199,983	205,974
United States building services	44,476	38,059	30,827
United States industrial services	1,170	1,516	805
Total United States operations	423,966	353,980	356,064
United Kingdom building services	5,269	14,575	25,231
Total worldwide operations	$ 429,235	$ 368,555	$ 381,295

NOTE 17 - SEGMENT INFORMATION - (Continued)

	2015	2014	2013
Long-lived assets:			
United States electrical construction and facilities services	$ 20,139	$ 18,792	$ 16,512
United States mechanical construction and facilities services	296,633	288,161	293,790
United States building services	378,367	392,364	406,498
United States industrial services	730,413	750,101	772,209
Total United States operations	1,425,552	1,449,418	1,489,009
United Kingdom building services	10,927	6,899	8,831
Corporate administration	1,543	2,023	1,896
Total worldwide operations	$ 1,438,022	$ 1,458,340	$ 1,499,736
Total assets:			
United States electrical construction and facilities services	$ 372,525	$ 332,150	$ 329,742
United States mechanical construction and facilities services	894,366	793,056	795,256
United States building services	721,653	737,082	756,785
United States industrial services	883,338	954,018	940,916
Total United States operations	2,871,882	2,816,306	2,822,699
United Kingdom building services	133,782	130,340	160,828
Corporate administration	540,806	442,321	482,388
Total worldwide operations	$ 3,546,470	$ 3,388,967	$ 3,465,915

The results of our United States mechanical construction and facilities services segment included revenues of $12.1 million recognized during the fourth quarter of 2015 as a result of the settlement of a claim on an institutional project located in the southeastern United States. Our United Kingdom building services segment recognized income of $4.8 million during the second quarter of 2014, which has been recorded as a reduction of "Cost of sales" in the Consolidated Statements of Operations for the year ended December 31, 2014, as a result of a reduction in the estimate of certain accrued contract costs that were no longer expected to be incurred within its building services operations. Our corporate administration operating loss for the year ended December 31, 2013 was reduced by the receipt of an insurance recovery of approximately $2.6 million that was received in January 2013 associated with a previously disposed of operation, which has been classified as a component of "Cost of sales" in the Consolidated Statements of Operations.

NOTE 18 - SELECTED UNAUDITED QUARTERLY INFORMATION

(In thousands, except per share data)

Quarterly and year-to-date computations of per share amounts are made independently; therefore, the sum of per share amounts for the quarters may not equal per share amounts for the year. The results of the construction operations of our United Kingdom segment for all periods are presented as discontinued operations.

	March 31	June 30	Sept. 30	Dec. 31
2015 Quarterly Results				
Revenues	$ 1,589,187	$ 1,652,585	$ 1,699,128	$ 1,777,826
Gross profit	$ 216,929	$ 239,527	$ 235,402	$ 252,621
Impairment loss on identifiable intangible assets	$ —	$ —	$ —	$ —
Gain on sale of building	$ —	$ —	$ —	$ —
Net income attributable to EMCOR Group, Inc.	$ 32,849	$ 46,849	$ 41,522	$ 51,066
Basic EPS from continuing operations	$ 0.53	$ 0.75	$ 0.66	$ 0.81
Basic EPS from discontinued operation	(0.01)	(0.00)	(0.00)	0.01
	$ 0.52	$ 0.75	$ 0.66	$ 0.82
Diluted EPS from continuing operations	$ 0.52	$ 0.74	$ 0.66	$ 0.80
Diluted EPS from discontinued operation	(0.00)	(0.00)	(0.00)	0.01
	$ 0.52	$ 0.74	$ 0.66	$ 0.81

	March 31	June 30	Sept. 30	Dec. 31
2014 Quarterly Results				
Revenues	$ 1,590,539	$ 1,552,919	$ 1,566,711	$ 1,714,796
Gross profit	$ 216,203	$ 220,241	$ 222,229	$ 248,573
Impairment loss on identifiable intangible assets	$ —	$ —	$ —	$ 1,471
Gain on sale of building	$ —	$ —	$ 11,749	$ —
Net income attributable to EMCOR Group, Inc.	$ 41,261	$ 39,913	$ 45,024	$ 42,466
Basic EPS from continuing operations	$ 0.64	$ 0.61	$ 0.68	$ 0.67
Basic EPS from discontinued operation	(0.03)	(0.02)	(0.01)	(0.01)
	$ 0.61	$ 0.59	$ 0.67	$ 0.66
Diluted EPS from continuing operations	$ 0.64	$ 0.61	$ 0.68	$ 0.66
Diluted EPS from discontinued operation	(0.03)	(0.02)	(0.01)	(0.01)
	$ 0.61	$ 0.59	$ 0.67	$ 0.65

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders of EMCOR Group, Inc. and subsidiaries:

We have audited the accompanying consolidated balance sheets of EMCOR Group, Inc. and subsidiaries as of December 31, 2015 and 2014, and the related consolidated statements of operations, comprehensive income, equity and cash flows for each of the three years in the period ended December 31, 2015. Our audits also included the financial statement schedule listed in the Index at Item 15(a). These financial statements and schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of EMCOR Group, Inc. and subsidiaries at December 31, 2015 and 2014, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 2015, in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), EMCOR Group, Inc. and subsidiaries' internal control over financial reporting as of December 31, 2015, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 Framework) and our report dated February 25, 2016 expressed an unqualified opinion thereon.

Stamford, Connecticut
February 25, 2016

/s/ Ernst & Young LLP

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders of EMCOR Group, Inc. and subsidiaries:

We have audited EMCOR Group, Inc. and subsidiaries' internal control over financial reporting as of December 31, 2015, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 Framework) (the COSO criteria). EMCOR Group, Inc. and subsidiaries' management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, EMCOR Group, Inc. and subsidiaries maintained, in all material respects, effective internal control over financial reporting as of December 31, 2015, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of EMCOR Group, Inc. and subsidiaries as of December 31, 2015 and 2014, and the related consolidated statements of operations, comprehensive income, equity and cash flows for each of the three years in the period ended December 31, 2015 and our report dated February 25, 2016 expressed an unqualified opinion thereon.

Stamford, Connecticut /s/ Ernst & Young LLP
February 25, 2016

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not applicable.

ITEM 9A. CONTROLS AND PROCEDURES

Based on an evaluation of our disclosure controls and procedures (as required by Rules 13a-15(b) of the Securities Exchange Act of 1934), our President and Chief Executive Officer, Anthony J. Guzzi, and our Executive Vice President and Chief Financial Officer, Mark A. Pompa, have concluded that our disclosure controls and procedures (as defined in Rule 13a-15(e) of the Securities Exchange Act of 1934) are effective as of the end of the period covered by this report.

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Securities and Exchange Act of 1934). Our internal control over financial reporting is a process designed with the participation of our principal executive officer and principal financial officer or persons performing similar functions to provide reasonable assurance regarding the reliability of financial reporting and the preparation of our financial statements for external reporting purposes in accordance with U.S. generally accepted accounting principles.

Our internal control over financial reporting includes policies and procedures that: (a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect our transactions and dispositions of assets, (b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of our management and Board of Directors and (c) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on our financial statements.

Because of its inherent limitations, our disclosure controls and procedures may not prevent or detect misstatements. A control system, no matter how well conceived and operated, can only provide reasonable, not absolute, assurance that the objectives of the control system are met. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

As of December 31, 2015, our management conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework established in *Internal Control-Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Based on this evaluation, management has determined that EMCOR's internal control over financial reporting is effective as of December 31, 2015.

The effectiveness of our internal control over financial reporting as of December 31, 2015 has been audited by Ernst & Young LLP, an independent registered public accounting firm, as stated in its report appearing in this Annual Report on Form 10-K, which such report expressed an unqualified opinion on the effectiveness of our internal control over financial reporting as of December 31, 2015.

Changes in Internal Control over Financial Reporting

In addition, our management with the participation of our principal executive officer and principal financial officer or persons performing similar functions has determined that no change in our internal control over financial reporting (as that term is defined in Rules 13(a)-15(f) and 15(d)-15(f) of the Securities Exchange Act of 1934) occurred during the fourth quarter of our fiscal year ended December 31, 2015 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting**.**

ITEM 9B. OTHER INFORMATION

Not applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required by this Item 10 with respect to directors is incorporated herein by reference to the Section of our definitive Proxy Statement for the 2016 Annual Meeting of Stockholders entitled “Election of Directors”, which Proxy Statement is to be filed with the Securities and Exchange Commission pursuant to Regulation 14A not later than 120 days after the end of the fiscal year to which this Form 10-K relates (the “Proxy Statement”). The information required by this Item 10 concerning compliance with Section 16(a) of the Securities Exchange Act of 1934 is incorporated herein by reference to the section of the Proxy Statement entitled “Section 16(a) Beneficial Ownership Reporting Compliance”. The information required by this Item 10 concerning the Audit Committee of our Board of Directors and Audit Committee financial experts is incorporated by reference to the section of the Proxy Statement entitled “Meetings and Committees of the Board of Directors” and “Corporate Governance”. Information regarding our executive officers is contained in Part I of this Form 10-K following Item 4 under the heading “Executive Officers of the Registrant”. We have adopted a Code of Ethics that applies to our Chief Executive Officer and our Senior Financial Officers, which is listed on the Exhibit Index.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this Item 11 is incorporated herein by reference to the sections of the Proxy Statement entitled “Compensation Discussion and Analysis”, “Executive Compensation and Related Information”, “Potential Post Employment Payments”, “Director Compensation”, “Compensation Committee Interlocks and Insider Participation” and “Compensation Committee Report”.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required by this Item 12 (other than the information required by Section 201(d) of Regulation S-K, which is set forth in Part II, Item 5 of this Form 10-K) is incorporated herein by reference to the sections of the Proxy Statement entitled “Security Ownership of Certain Beneficial Owners” and “Security Ownership of Management”.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE

The information required by this Item 13 is incorporated herein by reference to the sections of the Proxy Statement entitled “Compensation Committee Interlocks and Insider Participation” and “Corporate Governance”.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The information required by this Item 14 is incorporated herein by reference to the section of the Proxy Statement entitled “Ratification of Appointment of Independent Auditors”.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a)(1) The following consolidated financial statements of EMCOR Group, Inc. and Subsidiaries are filed as part of this report under Part II, Item 8. Financial Statements and Supplementary Data:

Financial Statements:

Consolidated Balance Sheets - December 31, 2015 and 2014

Consolidated Statements of Operations - Years Ended December 31, 2015, 2014 and 2013

Consolidated Statements Comprehensive Income - Years Ended December 31, 2015, 2014 and 2013

Consolidated Statements of Cash Flows - Years Ended December 31, 2015, 2014 and 2013

Consolidated Statements of Equity - Years Ended December 31, 2015, 2014 and 2013

Notes to Consolidated Financial Statements

Reports of Independent Registered Public Accounting Firm

(a)(2) The following financial statement schedule is included in this Form 10-K report: Schedule II - Valuation and Qualifying Accounts

All other schedules are omitted because they are not required, are inapplicable, or the information is otherwise shown in the consolidated financial statements or notes thereto.

(a)(3) For the list of exhibits, see the Exhibit Index immediately following the signature page hereof, which Exhibit Index is incorporated herein by reference.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: February 25, 2016

EMCOR GROUP, INC.
(Registrant)

BY: /s/ ANTHONY J. GUZZI
Anthony J. Guzzi
President and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities indicated on February 25, 2016.

/s/ ANTHONY J. GUZZI **Anthony J. Guzzi**	President, Chief Executive Officer and Director (Principal Executive Officer)
/s/ MARK A. POMPA **Mark A. Pompa**	Executive Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)
/s/ STEPHEN W. BERSHAD **Stephen W. Bershad**	Chairman of the Board of Directors
/s/ JOHN W. ALTMEYER **John W. Altmeyer**	Director
/s/ DAVID A. B. BROWN **David A. B. Brown**	Director
/s/ LARRY J. BUMP **Larry J. Bump**	Director
/s/ RICHARD F. HAMM, JR. **Richard F. Hamm, Jr.**	Director
/s/ DAVID H. LAIDLEY **David H. Laidley**	Director
/s/ JERRY E. RYAN **Jerry E. Ryan**	Director
/s/ STEVEN B. SCHWARZWAELDER **Steven B. Schwarzwaelder**	Director
/s/ MICHAEL T. YONKER **Michael T. Yonker**	Director

SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS
(In thousands)

Description	Balance at Beginning of Year	Costs and Expenses	Additions Charged to Other [(1)]	Deductions [(2)]	Balance at End of Year
Allowance for doubtful accounts					
Year Ended December 31, 2015	$ 10,424	2,853	—	(2,102)	$ 11,175
Year Ended December 31, 2014	$ 11,890	2,918	—	(4,384)	$ 10,424
Year Ended December 31, 2013	$ 11,472	3,533	12	(3,127)	$ 11,890

(1) Amount principally relates to business acquisitions and divestitures, and the effect of exchange rate changes.

(2) Deductions primarily represent uncollectible balances of accounts receivable written off, net of recoveries.

EXHIBIT INDEX

Exhibit No.	Description	Incorporated By Reference to or Filed Herewith, as Indicated Below
2(a-1)	Purchase Agreement dated as of February 11, 2002 by and among Comfort Systems USA, Inc. and EMCOR-CSI Holding Co.	Exhibit 2.1 to EMCOR Group, Inc.'s ("EMCOR") Report on Form 8-K dated February 14, 2002
2(a-2)	Purchase and Sale Agreement dated as of August 20, 2007 between FR X Ohmstede Holdings LLC and EMCOR Group, Inc.	Exhibit 2.1 to EMCOR's Report on Form 8-K (Date of Report August 20, 2007)
2(a-3)	Purchase and Sale Agreement, dated as of June 17, 2013 by and among Texas Turnaround LLC, a Delaware limited liability company, Altair Strickland Group, Inc., a Texas corporation, Rep Holdings LLC, a Texas limited liability company, ASG Key Employee LLC, a Texas limited liability company, Repcon Key Employee LLC, a Texas limited liability company, Gulfstar MBII, Ltd., a Texas limited partnership, The Trustee of the James T. Robinson and Diana J. Robinson 2010 Irrevocable Trust, The Trustee of the Steven Rothbauer 2012 Descendant's Trust, The Co-Trustees of the Patia Strickland 2012 Descendant's Trust, The Co-Trustees of the Carter Strickland 2012 Descendant's Trust, and The Co-Trustees of the Walton 2012 Grandchildren's Trust (collectively, "Sellers") and EMCOR Group, Inc.	Exhibit 2.1 to EMCOR's Report on Form 8-K (Date of Report June 17, 2013)
3(a-1)	Restated Certificate of Incorporation of EMCOR filed December 15, 1994	Exhibit 3(a-5) to EMCOR's Registration Statement on Form 10 as originally filed March 17, 1995 ("Form 10")
3(a-2)	Amendment dated November 28, 1995 to the Restated Certificate of Incorporation of EMCOR	Exhibit 3(a-2) to EMCOR's Annual Report on Form 10-K for the year ended December 31, 1995 ("1995 Form 10-K")
3(a-3)	Amendment dated February 12, 1998 to the Restated Certificate of Incorporation of EMCOR	Exhibit 3(a-3) to EMCOR's Annual Report on Form 10-K for the year ended December 31, 1997 ("1997 Form 10-K")
3(a-4)	Amendment dated January 27, 2006 to the Restated Certificate of Incorporation of EMCOR	Exhibit 3(a-4) to EMCOR's Annual Report on Form 10-K for the year ended December 31, 2005 ("2005 Form 10-K")
3(a-5)	Amendment dated September 18, 2007 to the Restated Certificate of Incorporation of EMCOR	Exhibit A to EMCOR's Proxy Statement dated August 17, 2007 for Special Meeting of Stockholders held September 18, 2007
3(b)	Amended and Restated By-Laws	Exhibit 3(b) to EMCOR's Annual Report on Form 10-K for the year ended December 31, 1998 ("1998 Form 10-K")
3(c)	Amendment to Article I, Section 6(c) and Section 6(j) of the Amended and Restated By-Laws	Exhibit 3.1 to EMCOR's Report on Form 8-K (Date of Report December 5, 2013)
4(a)	Fourth Amended and Restated Credit Agreement dated as of November 25, 2013 by and among EMCOR Group, Inc. and a subsidiary and Bank of Montreal, as Agent, and the lenders listed on the signature pages thereof (the "Credit Agreement")	Exhibit 4(a) to EMCOR's Annual Report on Form 10-K for the year ended December 31, 2013 ("2013 Form 10-K")
4(b)	Fourth Amended and Restated Security Agreement dated as of November 25, 2013 among EMCOR, certain of its U.S. subsidiaries, and Bank of Montreal, as Agent	Exhibit 4(b) to 2013 Form 10-K
4(c)	Fourth Amended and Restated Pledge Agreement dated as of November 25, 2013 among EMCOR, certain of its U.S. subsidiaries, and Bank of Montreal, as Agent	Exhibit 4(c) to 2013 Form 10-K
4(d)	Third Amended and Restated Guaranty Agreement dated as of November 25, 2013 by certain of EMCOR's U.S. subsidiaries in favor of Bank of Montreal, as Agent	Exhibit 4(d) to 2013 Form 10-K

EXHIBIT INDEX

Exhibit No.	Description	Incorporated By Reference to or Filed Herewith, as Indicated Below
10(a)	Form of Severance Agreement ("Severance Agreement") between EMCOR and each of Sheldon I. Cammaker, R. Kevin Matz and Mark A. Pompa	Exhibit 10.1 to the April 2005 Form 8-K
10(b)	Form of Amendment to Severance Agreement between EMCOR and each of Sheldon I. Cammaker, R. Kevin Matz and Mark A. Pompa	Exhibit 10(c) to EMCOR's Quarterly Report on Form 10-Q for the quarter ended March 31, 2007 ("March 2007 Form 10-Q")
10(c)	Letter Agreement dated October 12, 2004 between Anthony Guzzi and EMCOR (the "Guzzi Letter Agreement")	Exhibit 10.1 to EMCOR's Report on Form 8-K (Date of Report October 12, 2004)
10(d)	Form of Confidentiality Agreement between Anthony Guzzi and EMCOR	Exhibit C to the Guzzi Letter Agreement
10(e)	Form of Indemnification Agreement between EMCOR and each of its officers and directors	Exhibit F to the Guzzi Letter Agreement
10(f-1)	Severance Agreement ("Guzzi Severance Agreement") dated October 25, 2004 between Anthony Guzzi and EMCOR	Exhibit D to the Guzzi Letter Agreement
10(f-2)	Amendment to Guzzi Severance Agreement	Exhibit 10(g-2) to the March 2007 Form 10-Q
10(g-1)	Continuity Agreement dated as of June 22, 1998 between Sheldon I. Cammaker and EMCOR ("Cammaker Continuity Agreement")	Exhibit 10(c) to the June 1998 Form 10-Q
10(g-2)	Amendment dated as of May 4, 1999 to Cammaker Continuity Agreement	Exhibit 10(i) to the June 1999 Form 10-Q
10(g-3)	Amendment dated as of March 1, 2007 to Cammaker Continuity Agreement	Exhibit 10(m-3) to the March 2007 Form 10-Q
10(h-1)	Continuity Agreement dated as of June 22, 1998 between R. Kevin Matz and EMCOR ("Matz Continuity Agreement")	Exhibit 10(f) to the June 1998 Form 10-Q
10(h-2)	Amendment dated as of May 4, 1999 to Matz Continuity Agreement	Exhibit 10(m) to the June 1999 Form 10-Q
10(h-3)	Amendment dated as of January 1, 2002 to Matz Continuity Agreement	Exhibit 10(o-3) to EMCOR's Quarterly Report on Form 10-Q for the quarter ended March 31, 2002 ("March 2002 Form 10-Q")
10(h-4)	Amendment dated as of March 1, 2007 to Matz Continuity Agreement	Exhibit 10(n-4) to the March 2007 Form 10-Q
10(i-1)	Continuity Agreement dated as of June 22, 1998 between Mark A. Pompa and EMCOR ("Pompa Continuity Agreement")	Exhibit 10(g) to the June 1998 Form 10-Q
10(i-2)	Amendment dated as of May 4, 1999 to Pompa Continuity Agreement	Exhibit 10(n) to the June 1999 Form 10-Q
10(i-3)	Amendment dated as of January 1, 2002 to Pompa Continuity Agreement	Exhibit 10(p-3) to the March 2002 Form 10-Q
10(i-4)	Amendment dated as of March 1, 2007 to Pompa Continuity Agreement	Exhibit 10(o-4) to the March 2007 Form 10-Q
10(j-1)	Change of Control Agreement dated as of October 25, 2004 between Anthony Guzzi ("Guzzi") and EMCOR ("Guzzi Continuity Agreement")	Exhibit E to the Guzzi Letter Agreement
10(j-2)	Amendment dated as of March 1, 2007 to Guzzi Continuity Agreement	Exhibit 10(p-2) to the March 2007 Form 10-Q
10(j-3)	Amendment to Continuity Agreements and Severance Agreements with Sheldon I. Cammaker, Anthony J. Guzzi, R. Kevin Matz and Mark A. Pompa	Exhibit 10(q) to EMCOR's Annual Report on Form 10-K for the year ended December 31, 2008 ("2008 Form 10-K")

EXHIBIT INDEX

Exhibit No.	Description	Incorporated By Reference to or Filed Herewith, as Indicated Below
10(k-1)	Amendment dated as of March 29, 2010 to Severance Agreement with Sheldon I. Cammaker, Anthony J. Guzzi, R. Kevin Matz and Mark A. Pompa	Exhibit 10.1 to Form 8-K (Date of Report March 29, 2010) ("March 2010 Form 8-K")
10(k-2)	Third Amendment to Severance Agreement dated June 4, 2015 between EMCOR and Sheldon I. Cammaker	Exhibit 10(k-2) to EMCOR's Quarterly Report on Form 10-Q for the quarter ended June 30, 2015 ("June 2015 Form 10-Q")
10(l-1)	EMCOR Group, Inc. Long-Term Incentive Plan ("LTIP")	Exhibit 10 to Form 8-K (Date of Report December 15, 2005)
10(l-2)	First Amendment to LTIP and updated Schedule A to LTIP	Exhibit 10(s-2) to 2008 Form 10-K
10(l-3)	Second Amendment to LTIP	Exhibit 10.2 to March 2010 Form 8-K
10(l-4)	Third Amendment to LTIP	Exhibit 10(q-4) to EMCOR's Quarterly Report on Form 10-Q for the quarter ended March 31, 2012 ("March 2012 Form 10-Q")
10(l-5)	Fourth Amendment to LTIP	Exhibit 10(l-5) to EMCOR's Quarterly Report on Form 10-Q for the quarter ended June 30, 2013
10(l-6)	Form of Certificate Representing Stock Units issued under LTIP	Exhibit 10(t-2) to EMCOR's Annual Report on Form 10-K for the year ended December 31, 2007 ("2007 Form 10-K")
10(l-7)	Fifth Amendment to LTIP	Filed herewith
10(l-8)	Sixth Amendment to LTIP	Filed herewith
10(m-1)	2003 Non-Employee Directors' Stock Option Plan	Exhibit A to EMCOR's Proxy Statement for its Annual Meeting held on June 12, 2003 ("2003 Proxy Statement")
10(m-2)	First Amendment to 2003 Non-Employee Directors' Plan	Exhibit 10(u-2) to EMCOR's Annual Report on Form 10-K for the year ended December 31, 2006 ("2006 Form 10-K")
10(n)	Key Executive Incentive Bonus Plan, as amended and restated	Exhibit B to EMCOR's Proxy Statement for its Annual Meeting held June 13, 2013
10(o)	Consents on December 15, 2009 to Transfer Stock Options by Non-Employee Directors	Exhibit 10(z) to 2009 Form 10-K
10(p-1)	2007 Incentive Plan	Exhibit B to EMCOR's Proxy Statement for its Annual Meeting held June 20, 2007
10(p-2)	Option Agreement dated December 13, 2007 under 2007 Incentive Plan between Jerry E. Ryan and EMCOR	Exhibit 10(h)(h-2) to 2007 Form 10-K
10(p-3)	Option Agreement dated December 15, 2008 under 2007 Incentive Plan between David Laidley and EMCOR	Exhibit 10.1 to Form 8-K (Date of Report December 15, 2008)
10(p-4)	Form of Option Agreement under 2007 Incentive Plan between EMCOR and each non-employee director electing to receive options as part of annual retainer	Exhibit 10(h)(h-3) to 2007 Form 10-K
10(q-1)	Amended and Restated 2010 Incentive Plan	Exhibit 10(q-1) to EMCOR's Quarterly Report on Form 10-Q for the quarter ended September 30, 2015
10(q-2)	Form of Option Agreement under 2010 Incentive Plan between EMCOR and each non-employee director with respect to grant of options upon re-election at June 11, 2010 Annual Meeting of Stockholders	Exhibit 10(i)(i-2) to EMCOR's Quarterly Report on Form 10-Q for the quarter ended June 30, 2010
10(q-3)	Form of Option Agreement under 2010 Incentive Plan, as amended, between EMCOR and each non-employee director electing to receive options as part of annual retainer	Exhibit 10(q)(q) to 2011 Form 10-K

EXHIBIT INDEX

Exhibit No.	Description	Incorporated By Reference to or Filed Herewith, as Indicated Below
10(r)	EMCOR Group, Inc. Employee Stock Purchase Plan	Exhibit C to EMCOR's Proxy Statement for its Annual Meeting held June 18, 2008
10(s)	Form of Restricted Stock Award Agreement dated January 3, 2012 between EMCOR and each of Larry J. Bump, Albert Fried, Jr., Richard F. Hamm, Jr., David H. Laidley, Frank T. MacInnis, Jerry E. Ryan and Michael T. Yonker	Exhibit 10(m)(m) to 2011 Form 10-K
10(t-1)	Director Award Program Adopted May 13, 2011, as amended and restated December 14, 2011	Exhibit 10(n)(n) to 2011 Form 10-K
10(t-2)	Form of Amended and Restated Restricted Stock Award Agreement dated December 14, 2011 amending and restating restricted stock award agreement dated June 1, 2011 under Director Award Program with each of Stephen W. Bershad, David A.B. Brown, Larry J. Bump, Albert Fried, Jr., Richard F. Hamm, Jr., David H. Laidley, Jerry E. Ryan and Michael T. Yonker	Exhibit 10(o)(o) to 2011 Form 10-K
10(u)	Restricted Stock Unit Agreement dated May 9, 2011 between EMCOR and Anthony J. Guzzi	Exhibit 10(o)(o) to EMCOR's Quarterly Report on Form 10-Q for the quarter ended September 30, 2011
10(v)	Amendment to Option Agreements	Exhibit 10(r)(r) to 2011 Form 10-K
10(w)	Form of Restricted Stock Unit Agreement dated March , 2012 between EMCOR and each of Sheldon I. Cammaker, R. Kevin Matz and Mark A. Pompa	Exhibit 10(o)(o) to the March 31, 2012 Form 10-Q
10(x)	Form of Non-LTIP Stock Unit Certificate	Exhibit 10(p)(p) to the March 31, 2012 Form 10-Q
10(y)	Form of Director Restricted Stock Unit Agreement	Exhibit 10(k)(k) to EMCOR's Quarterly Report on Form 10-Q for the quarter ended June 30, 2012 ("June 2012 Form 10-Q")
10(z)	Director Award Program, as Amended and Restated December 16, 2014	Exhibit 10(z) to EMCOR's Annual Report on Form 10-K for the year ended December 31, 2014
10(a)(a)	EMCOR Group, Inc. Voluntary Deferral Plan	Exhibit 10(e)(e) to 2012 Form 10-K
10(b)(b)	First Amendment to EMCOR Group, Inc. Voluntary Deferral Plan	Exhibit 10(e)(e) to 2013 Form 10-K
10(c)(c)	Form of Executive Restricted Stock Unit Agreement	Exhibit 10(f)(f) to 2012 Form 10-K
10(d)(d)	Restricted Stock Unit Award Agreement dated October 23, 2013 between EMCOR and Stephen W. Bershad	Exhibit 10(g)(g) to 2013 Form 10-K
10(e)(e)	Restricted Stock Unit Award Agreement dated June 11, 2014 between EMCOR and Stephen W. Bershad	Exhibit 10(g)(g) to EMCOR's Quarterly Report on Form 10-Q for the quarter ended June 30, 2014
10(f)(f)	Restricted Stock Unit Award Agreement dated June 11, 2015 between EMCOR and Stephen W. Bershad	Exhibit 10(f)(f) to the June 2015 Form 10-Q
10(g)(g)	Restricted Stock Unit Award Agreement dated October 29, 2015 between EMCOR and Steven B. Schwarzwaelder	Exhibit 10.1 to Form 8-K (Date of Report October 30, 2015)
10(h)(h)	Executive Compensation Recoupment Policy	Filed herewith
11	Computation of Basic EPS and Diluted EPS for the years ended December 31, 2015 and 2014	Note 5 of the Notes to the Consolidated Financial Statements
14	Code of Ethics of EMCOR for Chief Executive Officer and Senior Financial Officers	Exhibit 14 to 2003 Form 10-K
21	List of Significant Subsidiaries	Filed herewith
23.1	Consent of Ernst & Young LLP	Filed herewith

EXHIBIT INDEX

Exhibit No.	Description	Incorporated By Reference to or Filed Herewith, as Indicated Below
31.1	Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 by Anthony J. Guzzi, the President and Chief Executive Officer	Filed herewith
31.2	Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 by Mark A. Pompa, the Executive Vice President and Chief Financial Officer	Filed herewith
32.1	Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 by the President and Chief Executive Officer	Furnished
32.2	Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 by the Executive Vice President and Chief Financial Officer	Furnished
95	Information concerning mine safety violations or other regulatory matters	Filed herewith
101	The following materials from EMCOR Group, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2015, formatted in XBRL (Extensible Business Reporting Language): (i) the Consolidated Balance Sheets, (ii) the Consolidated Statements of Operations, (iii) the Consolidated Statements of Comprehensive Income, (iv) the Consolidated Statements of Cash Flows, (v) the Consolidated Statements of Equity and (vi) the Notes to Consolidated Financial Statements.	Filed

Pursuant to Item 601(b)(4)(iii) of Regulation S-K, upon request of the Securities and Exchange Commission, the Registrant hereby undertakes to furnish a copy of any unfiled instrument which defines the rights of holders of long-term debt of the Registrant's subsidiaries.

EXHIBIT 11

SEE NOTE 5 TO THE ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR INFORMATION RELATING TO THE CALCULATION OF BASIC EPS AND DILUTED EPS.

EXHIBIT 21

LIST OF SIGNIFICANT SUBSIDIARIES

Dyn Specialty Contracting, Inc.
MES Holdings Corporation
EMCOR Construction Services, Inc.
EMCOR International, Inc.
EMCOR Mechanical/Electrical Services (East), Inc.
EMCOR (UK) Limited
EMCOR Group (UK) plc
EMCOR Facilities Services, Inc.
EMCOR-CSI Holding Co.
FR X Ohmstede Acquisitions Co.
RepconStrickland, Inc.

EXHIBIT 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

(1) Registration Statement (Form S-8 No. 333-168503) pertaining to the 2010 Incentive Plan of EMCOR Group, Inc.,

(2) Registration Statement (Form S-8 No. 333-152764) pertaining to the EMCOR Group, Inc. Employee Stock Purchase Plan,

(3) Registration Statement (Form S-8 No. 333-147015) pertaining to the 2007 Incentive Plan of EMCOR Group, Inc.,

(4) Registration Statement (Form S-8 No. 333-112940) pertaining to the EMCOR Group, Inc. Stock Option Agreements dated as of January 4, 1999, May 5, 1999, January 3, 2000, January 2, 2001, December 14, 2001, January 2, 2002, June 19, 2002, October 25, 2002, January 2, 2003, February 27, 2003, and January 2, 2004, the EMCOR Group, Inc. 2003 Non-Employee Directors' Stock Option Plan and the EMCOR Group, Inc. 2003 Management Stock Incentive Plan, and

(5) Registration Statement (Form S-8 No. 333-186926) pertaining to the EMCOR Group, Inc Voluntary Deferral Plan;

of our reports dated February 25, 2016, with respect to the consolidated financial statements and schedule of EMCOR Group, Inc. and subsidiaries, and the effectiveness of internal control over financial reporting of EMCOR Group, Inc. and subsidiaries, included in this Annual Report (Form 10-K) of EMCOR Group Inc. for the year ended December 31, 2015.

Stamford, Connecticut
February 25, 2016

/s/ Ernst & Young LLP

EXHIBIT 31.1

CERTIFICATION

I, Anthony J. Guzzi, certify that:

1. I have reviewed this annual report on Form 10-K of EMCOR Group, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)), and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 25, 2016

/s/ ANTHONY J. GUZZI

Anthony J. Guzzi
President and
Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION

I, Mark A. Pompa, certify that:

1. I have reviewed this annual report on Form 10-K of EMCOR Group, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)), and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 25, 2016

/s/ MARK A. POMPA

Mark A. Pompa
Executive Vice President
and Chief Financial Officer

EXHIBIT 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of EMCOR Group, Inc. (the "Company") on Form 10-K for the period ended December 31, 2015 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Anthony J. Guzzi, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 25, 2016

/s/ ANTHONY J. GUZZI

Anthony J. Guzzi
President and
Chief Executive Officer

EXHIBIT 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of EMCOR Group, Inc. (the "Company") on Form 10-K for the period ended December 31, 2015 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Mark A. Pompa, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 25, 2016

/s/ MARK A. POMPA

Mark A. Pompa
Executive Vice President
and Chief Financial Officer

BOARD OF **DIRECTORS**

Stephen W. Bershad
Chairman of the Board of EMCOR Group, Inc., Chairman of the Board of GSI Group, Inc., and Former Chairman of the Board and Chief Executive Officer of Axsys Technologies, Inc.

John W. Altmeyer
President and Chief Executive Officer of Carlisle Construction Materials

David A.B. Brown
Chairman of the Board of Layne Christensen Company

Larry J. Bump
Former Chairman of the Board of Willbros Group, Inc.

Anthony J. Guzzi
President and Chief Executive Officer of EMCOR Group, Inc.

Richard F. Hamm, Jr.
Vice President, Chief Financial Officer and General Counsel of Lakewood-Amedex Inc. and Managing Member of Siesta Properties LLC

David H. Laidley
Chairman Emeritus and Former Chairman of Deloitte LLP (Canada)

Jerry E. Ryan
Former Chairman of the Board and Chief Executive Officer of Fintube Limited Partnership

Steven B. Schwarzwaelder
Former Director of McKinsey & Company

Michael T. "Tim" Yonker
Former President and Chief Executive Officer of Portec, Inc.

CORPORATE **OFFICERS**

Anthony J. Guzzi
President and Chief Executive Officer

Mark A. Pompa
Executive Vice President and Chief Financial Officer

R. Kevin Matz
Executive Vice President, Shared Services

Maxine Lum Mauricio, Esq.
Senior Vice President and General Counsel

Sheldon I. Cammaker, Esq.
Vice Chairman

David Copley
Vice President, Safety and Quality Management

Joseph D. Corris
Vice President and Controller

Paul Desmarais
Vice President, Taxation

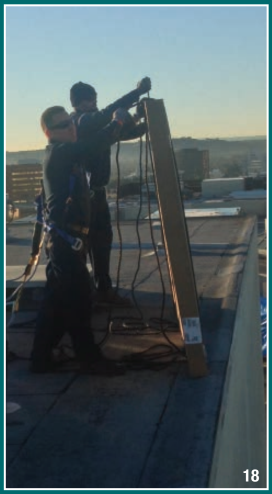
Steven H. Fried
Vice President, Compliance

Lisa H. Haight
Vice President, Human Resources

Mava K. Heffler
Vice President, Marketing and Communications

Joseph A. Serino
Vice President and Treasurer

Anthony R. Triano
Vice President, Integrated Services



EMCOR is motivated to meet our clients' needs and challenges in the years ahead. Whether helping customers build high-rises in America's great cities, keeping the country's oil refineries operating like well-oiled machines, maintaining critical facility systems, supporting military bases, or clearing snow at prime retail locations, we strive to increase our day-to-day value to our customers, while optimizing their facilities.

NETWORK OF OPERATIONS

Corporate Headquarters

EMCOR Group, Inc., Norwalk, CT

Business Headquarters

EMCOR Construction Services, Norwalk, CT

EMCOR Building Services, Chicago, IL

- EMCOR Facilities Services, Cincinnati, OH
- EMCOR Mechanical Services, Chicago, IL
- EMCOR Government Services, Arlington, VA
- EMCOR Customer Solutions Center, Phoenix, AZ

EMCOR Industrial Services, Beaumont, TX

EMCOR Group (UK) plc, London, England

UNITED STATES

West

Air Systems
San Jose, CA

Allan Automatic Sprinkler of So. Cal., Division of Shambaugh & Son
Brea, CA

Contra Costa Electric
Martinez, CA

Design Air
Renton, WA

Dynalectric Companies
Lakewood, CO
Los Angeles, CA
Portland, OR
San Diego, CA

EMCOR Services Hillcrest
Bakersfield, CA

EMCOR Services Integrated Solutions
Hayward, CA

Intermech
Richland, WA

KDC Systems
Los Alamitos, CA

Marelich Mechanical
Hayward, CA

EMCOR Services Mesa Energy Systems
Irvine, CA

Performance Mechanical
Pittsburg, CA

Trautman & Shreve
Denver, CO

University Mechanical & Engineering Contractors
Anaheim, CA
El Cajon, CA

Wasatch Electric
Salt Lake City, UT

Southwest

AltairStrickland
La Porte, TX

EMCOR Services Arizona
Phoenix, AZ

Diamond Refractory Services
Houston, TX

Dynalectric Company of Nevada
Las Vegas, NV

Gowan
Houston, TX

Hansen Mechanical Contractors
Las Vegas, NV

EMCOR Services Nevada
Las Vegas, NV

Ohmstede
Beaumont, TX

Repcon
Corpus Christi, TX

Systems Commissioning
Houston, TX

Tiger Tower Services
Conroe, TX

University Mechanical & Engineering Contractors
Tempe, AZ

Midwest

Advanced Systems Group
Fort Wayne, IN

Central Mechanical Construction
Manhattan, KS

EMCOR Construction Services (IN) A division of Shambaugh & Son
Indianapolis, IN

DeBra-Kuempel
Cincinnati, OH

Dynalectric Company Michigan, division of Shambaugh & Son
Madison Heights, MI

Dynalectric Company of Ohio, division of DeBra-Kuempel
Columbus, OH

The Fagan Company
Kansas City, KS

Gibson Electric & Technology Solutions
Downers Grove, IL

Havel
Fort Wayne, IN

EMCOR Hyre Electric Co. of Indiana
Highland, IN

Illingworth-Kilgust Mechanical
West Allis, WI
Madison, WI

Precision Controls of Indianapolis
Indianapolis, IN

S.A. Comunale
Barberton, OH

Shambaugh & Son
Fort Wayne, IN

EMCOR Services Integrated Solutions
West Allis, WI

EMCOR Services Team Mechanical
Buffalo Grove, IL

Viox Services
Cincinnati, OH

Northeast

EMCOR Services Betlem
Rochester, NY

Building Technology Engineers (BTE)
Stoneham, MA

F&G Mechanical
Secaucus, NJ

EMCOR Services Fluidics
Philadelphia, PA

Food Tech
Rockland, MA

Forest Electric
New York, NY
Edison, NJ

Heritage Mechanical Services
Farmingdale, NY

EMCOR Services Integrated Solutions
Philadelphia, PA

J.C. Higgins
Stoughton, MA

Meadowlands Fire Protection
Secaucus, NJ

EMCOR Services New England Mechanical
Vernon, CT

EMCOR Services New York/New Jersey
Astoria, NY
Pompton Plains, NJ

EMCOR Services Northeast
Stoughton, MA

Penguin
New York, NY

S.A. Comunale
Atlantic City, NJ

EMCOR Services Scalise Industries
Lawrence, PA

Tucker Mechanical
Meriden, CT

USM
Norristown, PA

Welsbach Electric
College Point, NY

Welsbach Electric of L.I.
Plainview, NY

Southeast

Bahnson
Clemmons, NC

Bahnson Environmental Specialties

Bahnson Mechanical Systems
Charlotte, NC

Concor Networks
Linthicum, MD

EMCOR Services Aircond
Smyrna, GA

EMCOR Services Combustioneer
Rockville, MD

EMCOR Services Integrated Solutions
Smyrna, GA

Dynalectric Companies
Dulles, VA
Miramar, FL

Harry Pepper & Associates
Jacksonville, FL

Intermech
Winston-Salem, NC

Lowrie Electric
Bartlett, TN

EMCOR Services LT Mechanical
Charlotte, NC

EMCOR Services MSI Mechanical Services
Orlando, FL

PPM
Society Hill, SC

The Poole and Kent Corporation
Baltimore, MD

Poole & Kent Company of Florida
Miami, FL

R.S. Harritan & Company
Richmond, VA

Southern Industrial Constructors
Raleigh, NC

Turnaround Welding Services
Livingston, LA

EMCOR Services Walker-J-Walker
Memphis, TN

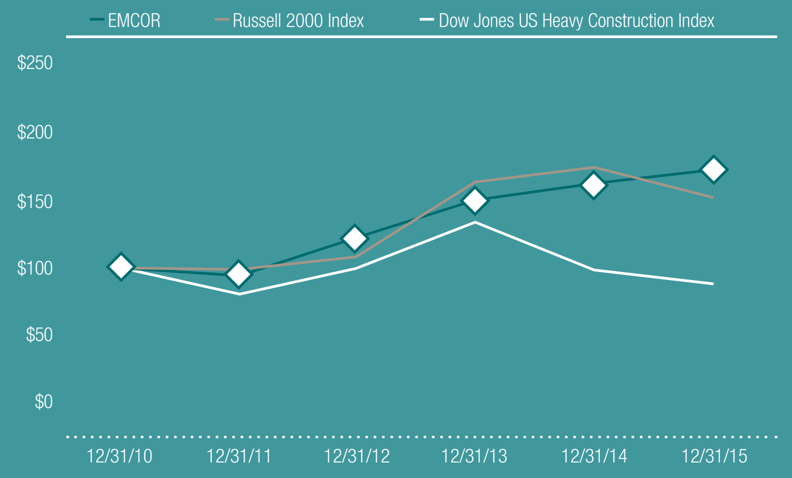
UNITED KINGDOM

EMCOR Group (UK) plc
Barnsley
Birmingham
Bristol
Bury St. Edmunds
Eastleigh
Hatfield
Leeds
Manchester
Surrey

As of January 2016

COMPARATIVE FIVE-YEAR TOTAL RETURNS

The graph assumes that $100 was invested on January 1, 2011 in common stock of EMCOR Group, Inc., and in each of the indices and assumes reinvestment of all dividends.



OTHER INFORMATION

Common Stock Transfer Agent and Registrar
Computershare Shareowner Services

By Regular Mail
P.O. BOX 30170
College Station, TX 77842

By Overnight Delivery
211 Quality Circle, Suite 210
College Station, TX 77845

Toll Free: 866 202 6634
Toll: +1 (201) 680 6578

Independent Auditors
Ernst & Young LLP
300 First Stamford Place
Stamford, CT 06902

New York Stock Exchange Information
The Common Stock of EMCOR Group, Inc. is traded on the New York Stock Exchange under the symbol “EME”.

The Company’s Annual Report on Form 10-K as filed with the U.S. Securities and Exchange Commission may be viewed at emcorgroup.com and additional copies are available without charge upon written request to:

Investor Relations
EMCOR Group, Inc.
301 Merritt Seven
Norwalk, Connecticut 06851


19


20

EMCOR **NATION**


21

The success of EMCORnation has been astounding. Now in its fourth year, employees nationwide have embraced the notion of sharing their work lives, and this connection has boosted awareness of our varied responsibilities—while bringing us all closer as a company. Employees are able to vote for their favorite EMCORnation pics, with winners being awarded special recognition on a quarterly basis.

1. Juan H., *Dynalectric Florida,* We installed the electrical infrastructure for the Port of Miami tunnel – 1,444 lighting fixtures, 200,000+ feet of conduit, over 1,000,000 feet of wire.

2. Janet S., *Harry Pepper & Associates,* Performing a mass excavation and culvert removal at this dike restoration project.

3. Eddie W., *Southern Industrial Constructors,* Loading the mainframe of a 25,000-lb. 500 space center Computerized Numerical Control (CNC) in Duluth.

4. Amanda M., *Poole and Kent,* A plumber apprentice hoisting a steel weld riser at this high-rise project in Baltimore, MD.

5. Mark B., *F&G Mechanical,* Our team working on a major mixed-use project in Jersey City, NJ.

6. Tommie J., *Ohmstede,* Enjoying some crawfish at a safety lunch at our Lake Charles Plant in Sulphur, LA.

7. Eric J., *Poole & Kent Company of Florida,* Bottom slab pour of a digester tank. We poured six tank slabs at 850 cubic yards each, and each pour took 8-9 hours.

8. Drew S., *EMCOR Services Mesa Energy Systems,* Overseeing a helicopter lift for the replacement of nine 40-ton AC units.

9. Shawn M., *DeBra-Kuempel,* For this community college in Lexington, KY we maintain the chiller as part of their service contract.

10. Amanda M., *The Poole and Kent Corporation,* Finished toilet room manifolds at our in-house plumbing fabrication shop – awaiting delivery.

11. Helen P., *Dynalectric San Diego,* My father and I at San Diego's Petco Park working our first project together – replacing all overhead field lights.

12. Dean B., *EMCOR UK,* We provide all the soft services to this top-tier building in the heart of Birmingham's business district.

13. Peter M., *Contra Costa Electric,* Lineman in a High Sierra snowstorm discovers the downed fiber control lines to the powerhouse substation.

14. Paul B., *F&G Mechanical,* Replacing drycooler coils on a Jersey City rooftop – here's a view of Manhattan across the Hudson.

15. Rick F., *S.A. Comunale,* Our third-year apprentice welding a condensate line.

16. Aminah R., *EMCOR Facilities Services,* One of our EMCOR vans at a job site in Florida where we perform maintenance services.

17. P.J. P., *Dynalectric San Diego,* Crane Operator uses a boom truck to position this temporary power switchgear.

18. Don B., *EMCOR Services Mesa Energy Systems,* Fully safety geared up, we're roping up a condenser coil to the highest rooftop on this site.

19. Dana H., *Performance Mechanical Inc.,* During a TSV Servomotor Remediation project for this gas and energy client, this is our view each day.

20. Jennifer R., *University Mechanical and Engineering Contractors,* Setting a new air-handling unit at this medical center.

21. Daniel S., *Poole & Kent Company of Florida,* Constructing a new waste pump station to handle the rapid population growth of the City of Miami.

22. Christia L., *EMCOR Services Mesa Energy Systems,* Busy on the strip in Las Vegas replacing a major HVAC unit.

23. Janet S., *Harry Pepper & Associates,* Pre-construction canal crossing to provide an access road to the lake levee and existing culverts before excavation.

24. Nichole E., *The Fagan Company,* We installed new boilers, flue and piping at a local hotel and water park.

25. Eddie W., *Southern Industrial Constructors,* Loading out a 90,000-lb. boiler feed pump in New York to be transported to Houston, TX.

26. Janet S., *Harry Pepper & Associates,* Sheet piles are placed to block the water to allow excavation and removal, and new culverts can be installed.

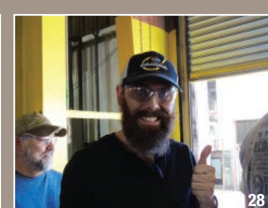
27. Steve B., *Air Systems Inc.,* Performing a leak check and repair at one of the largest substations in Fremont, CA – with 500,000-volt transmission lines.

28. Tommie J., *Ohmstede,* An event at our Lake Charles Plant in Sulphur, LA to celebrate six months with no accidents or injuries.

29. Janet S., *Harry Pepper & Associates,* Sunrise over Lake Okeechobee during a dike restoration project.

30. Scott R., *Advanced Systems Group,* For this new fire panel, we reworked the system, organized the wiring and completed a new installation.

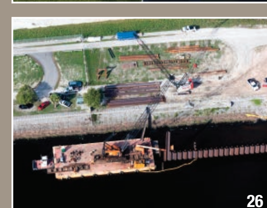

25


28


29

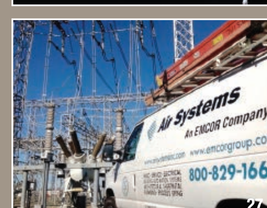

22


23


26


30


24



27

Build. Power. Service. Protect.

EMCOR Group, Inc.
301 Merritt Seven
Norwalk, CT 06851

203.849.7800
emcorgroup.com