Form 10-Q

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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

For the quarterly period ended June 30, 1996

OR

( ) 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 1-8325

MYR GROUP INC.
(Exact name of registrant as specified in its charter)

Delaware	36-3158643
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

2550 W. Golf Road, Suite 200 Rolling Meadows, Illinois 60008
(Address of principal executive offices)
(Zip Code)
(847) 290-1891
Registrant's telephone number, include area code

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 and 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 X No

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY

PROCEEDINGS DURING THE PRECEDING FIVE YEARS:

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court.

Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of July 22, 1996: 3,232,046

MYR GROUP INC.

I N D E X

Part I, Item 1
Financial
Information

MYR Group Inc.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Dollars in thousands)

	June 30 1996 (Unaudied)	Dec. 31 1995 *
ASSETS		
Current assets:		
Cash and cash equivalents	$ 849	$ 703
Contract receivables including retainage	41,764	51,114
Costs and estimated earnings in excess of billings on uncompleted contracts	18,078	14,851
Deferred income taxes	4,602	4,602
Other current assets	1,836	1,594
Total current assets	67,129	72,864
Property and equipment:	60,614	61,625
Less accumulated depreciation	38,325	38,481
	22,289	23,144
Intangible assets	2,519	2,681
Other assets	3,408	3,145
Total assets	$ 95,345	$ 101,834
LIABILITIES		
Current liabilities:		
Current maturities of long-term debt	$ 10,964	$ 9,178
Accounts payable	6,317	13,886
Billings in excess of costs and estimated earnings on uncompleted contracts	4,433	5,042
Accrued insurance	13,021	13,053
Other current liabilities	16,645	16,215
Total current liabilities	51,380	57,374
Deferred income taxes	2,861	2,861
Other liabilities	396	391
Long-term debt:		
Revolver and other debt	3,000	3,021
Term loan	3,750	5,000
Industrial revenue bond	890	890
Subordinated convertible debentures	5,679	5,679
Total long-term debt	13,319	14,590
SHAREHOLDERS' EQUITY		
Common stock and additional paid-in capital	9,293	9,248
Retained earnings	20,081	19,326
Treasury stock	(1,276)	(1,548)
Unearned stock awards	(301)	0
Shareholders' notes receivable	(408)	(408)
Total shareholders' equity	27,389	26,618
Total liabilities and shareholders' equity	$ 95,345	$ 101,834

*Condensed from audited financial statements

The "Notes to Condensed Consolidated Financial Statements" are an integral part of this statement.

MYR Group Inc.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Dollars in thousands except per share amounts)
(Unaudited)

Periods Ended June 30	Three Months 1996	Three Months 1995	Six Months 1996	Six Months 1995
Contract revenue	$ 69,052	$ 64,015	$ 133,428	$120,066
Contract cost	61,024	56,677	118,970	106,075
Gross profit	8,028	7,338	14,458	13,991
Selling, general and administrative expenses	5,597	5,224	11,315	10,937
Income from operations	2,431	2,114	3,143	3,054
Other income (expense)				
Interest income	4	13	35	10
Interest expense	(467)	(430)	(877)	(895)
Gain on sale of property and equipment	261	80	392	107
Miscellaneous	(113)	(102)	(276)	(206)
Income from continuing operations before income taxes	2,116	1,675	2,392	2,095
Income tax expense	847	670	957	838
Income from continuing operations	1,269	1,005	1,435	1,257
Loss from discontinued operations	(360)	-	(360)	-
Net income	$ 909	$ 1,005	$ 1,075	$ 1,257
Earnings per share - Primary				
Income from continuing operations	$ .37	$ .30	$ .42	$ .38
Loss from discontinued operations	(.11)	-	(.11)	-
Net Income	.26	.30	.31	.38
Earnings per share - Fully Diluted:				
Income from continuing operations	.33	.26	.38	.34
Loss from discontinued operations	(.09)	-	(.09)	-
Net Income	.24	.26	.29	.34
Dividends per common share	.050	.047	.100	.088
Weighted average common shares and common share equivalents outstanding				
Primary	3,439	3,372	3,423	3,368
Fully Diluted	4,057	3,972	4,050	3,968

The "Notes to Condensed Consolidated Financial Statements" are an integral part of this statement.

MYR Group Inc.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Dollars in thousands)
(Unaudited)

Six Months Ended June 30	1996	1995
CASH FLOWS FROM OPERATIONS		

Income from continuing operations	$ 1,435	$ 1,257
Adjustments to reconcile income from continuing operations to cash flows from continuing operations		
Depreciation and amortization	3,100	2,856
Amortization of intangibles	162	158
Gain from disposition of assets	(392)	(107)
Changes in current assets and liabilities	(2,163)	480
Cash flows from continuing operations	2,142	4,644
Cash flows from discontinued operations	(360)	-
cash flows from operations	1,782	4,644
CASH FLOWS FROM INVESTMENTS		
Expenditures for property and equipment	(2,396)	(1,734)
Proceeds from disposition of assets	546	200
Cash used in acquisition, net of cash acquired	-	(12,995)
Cash flows from investments	(1,850)	(14,529)
CASH FLOWS FROM FINANCING		
Proceeds (repayments) of long term debt	516	(15,068)
Proceeds from issuance of debt	-	19,500
Proceeds from exercise of stock options	13	5
Increase (decrease) in deferred compensation	5	(15)
Dividends paid	(320)	(277)
Cash flows from financing	214	4,145
Increase (decrease) in cash and cash equivalents	146	(5,740)
Cash and cash equivalents at beginning of year	703	6,115
Cash and cash equivalents at end of period	$ 849	$ 375

The "Notes to Condensed Consolidated Financial Statements" are an integral part of this statement.

MYR Group Inc.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1 - Basis of Presentation

The condensed consolidated balance sheets, statements of operations and statements of cash flows include the accounts of the Company and its subsidiaries. All material intercompany balances and transactions have been eliminated.

The financial information included herein is unaudited; however, such information reflects all adjustments (consisting solely of normal recurring adjustments) which are, in the opinion of management, necessary for a fair presentation of results for the interim period.

The results of operations for the six month period ended June 30, 1996 are not necessarily indicative of the results to be expected for the full year.

In December 1995, the Company effected a four-for-three stock split in the form of a stock dividend. The $838,000 par value of the additional shares issued was transferred from additional paid-in capital to common stock. Amounts relating to number of shares and amounts per share have been adjusted for 1995 to reflect the stock split.

2 - Acquisition

On January 3, 1995, the Company completed the acquisition of all the stock of Harlan Electric Company (``Harlan''), pursuant to an Agreement and Plan of Merger dated October 5, 1994. Harlan and its wholly-owned subsidiaries, Sturgeon Electric Company, Inc. and Power Piping Company, are engaged primarily in the installation and maintenance of electrical equipment and lighting systems for commercial, industrial and electrical utility customers and in the erection and maintenance of high and low pressure piping systems for electrical utilities and steel industry customers.

All the shares of Harlan were exchanged for $13,612,000 in cash and $5,679,000 of 7% convertible subordinates notes. The principal of each note will be due in three equal installments on January 3, 2000, 2001 and 2002, with interest payable semiannually each year. The notes are convertible into 600,000 shares of the Company's common stock at a price per share of $9.4659. The Company also refinanced $8,756,000 of Harlan debt. The transaction was financed through cash on hand and borrowings under a new $25,000,000 revolving and term credit facility with Harris Trust and Savings Bank and Comerica Bank. The transaction has been accounted for using the purchase method of accounting.

3 - Discontinued Operations

As part of the sale in 1988 of its former engineering subsidiary, the Company retained certain rights and obligations in connection with the OMU lawsuits (as defined in Note 4). In 1996, the Company recorded additional amounts, primarily legal expenses related to the OMU lawsuits, which resulted in additional losses of $360,000 (net of income tax benefits of $240,000). The additional provision includes anticipated cost for the trial and appeal since it now appears there is no opportunity for the Company to settle its dispute with the insurance carrier.

4 - Contingencies

The Company has been involved in two lawsuits as a result of errors in the design of four transmission towers by the Company's former engineering subsidiary for City Utilities Commission of Owensboro, Kentucky (OMU). The engineering subsidiary has been sold but the Company retained the rights and obligations related to these lawsuits as part of the sale agreement.

One lawsuit (the Kentucky lawsuit) alleged that the engineering subsidiary negligently designed and engineered the towers, and that OMU incurred damages as a result of the redesign and replacement of the four towers. During 1993, OMU agreed to a settlement of the case pursuant to which it accepted payment of $1,300,000 from the Company.

The other lawsuit (the New York lawsuit) concerns the insurance coverage of the engineering subsidiary related to the design errors. The Company notified its primary and excess umbrella insurance carriers at the time of the discovery of the design errors. The Company's excess umbrella carrier denied insurance coverage for the damages above the primary carrier's policy limits and filed an action against the Company seeking a declaratory judgment that the umbrella insurance coverage did not apply to the loss on several theories. The Company counterclaimed against the umbrella carrier and, in addition, in a third party action, brought suit against three former insurance brokers which had procured the insurance for the Company. The Company is seeking to recover $550,000 of unreimbursed costs it incurred in the disassembly, redesign and replacement of the towers, the amount of payments it made to OMU, the legal and related expenses it incurred in the Kentucky lawsuit, legal and related expenses it has and will incur in the New York lawsuit, and interest.

The approximately $550,000 of unreimbursed costs as well as the $1,300,000 paid to OMU during 1993 is recorded on the Company's books as a non-current asset. Management is of the opinion that the amounts so recorded will be recovered in the New York lawsuit from its excess umbrella insurance carrier and its brokers, individually or collectively.

The Company is also involved in various other legal matters which arise in the ordinary course of business, none of which is expected to have a material adverse effect.

5 - Earnings Per Share

Primary earnings per share are based on the weighted average number of common shares and common share equivalents outstanding during the period. Stock options are considered to be common share equivalents. Fully diluted earnings per share also reflects the potential dilution which would result from the conversion of the convertible subordinated notes.

6 - Changes in Accounting Policy

In October 1995, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards (SFAS) No. 123, ``Accounting for Stock-Based Compensation,'' which will be effective for the Company beginning January 1, 1996. SFAS No. 123 requires expanded disclosures of stock-based compensative arrangements with employees and encourages (but does not require) compensation cost to be measured based on the fair value of the equity instrument awarded. Companies are permitted, however, to continue to apply APB Opinion No. 25, which recognizes compensation cost based on the intrinsic value of the equity instrument awarded. The Company will continue to apply APB Opinion No. 25 to its stock based compensation awards to employees and will disclose the required pro forma effect on net income and earnings per share on an annual basis.

7 - Supplemental Quarterly Financial Information (Unaudited)
(Dollars in thousands, except per share amounts)

			1996		
	Mar. 31	June 30	Sept. 30	Dec. 31	Year
Contract revenue	64,376	69,052			133,428
Gross profit	6,430	8,028			14,458
Income from continuing operations	166	1,269			1,435
Net income	166	909			1,075
Earnings per share - Primary:					
Income from continuing operations	0.05	0.37			0.42
Net Income	0.05	0.26			0.31
Earnings per share - Fully diluted:					
Income from continuing operations	0.05	0.33			0.38
Net Income	0.05	0.24			0.29
Dividends paid per share	0.050	0.050			0.100
Market Price:					
High	11.00	11.75			11.75
Low	10.00	10.25			10.00

			1995		
	Mar. 31	June 30	Sept. 30	Dec. 31	Year
Contract revenue	56,051	64,015	66,638	80,261	266,965
Gross profit	6,653	7,338	7,968	7,588	29,547
Income from continuing operations	252	1,005	1,248	924	3,429
Net income	252	1,005	1,248	924	3,429
Net income per share:					
Primary	0.08	0.30	0.37	0.27	1.01
Fully diluted	0.08	0.26	0.32	0.25	0.91

Dividends paid per share	0.041	0.047	0.047	0.047	0.182
Market Price:					
High	9.66	10.31	11.91	11.81	11.91
Low	7.79	8.53	9.19	10.00	7.97

Part I Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations for the Three and Six Months Ending June 30, 1996 (Dollars in thousands)

Results of Operations

Continuing Operations

Revenue for the three and six month periods was $69,052 and $133,428, compared to $64,015 and $120,066 in 1995. This is an increase of 7.9% and 11.1% for the three and six month periods, primarily due to an increase in our line construction revenues, offset by decreases in our commercial/industrial revenues. The line construction revenue increase was a result of our electric utility alliances and storm work. The commercial/industrial revenues are down from the prior year levels due to cut backs in the semi-conductor industry's capital spending plans and a slow start in work for our mining business clients.

Gross profit for the three and six month periods was $8,028 and $14,458, compared to $7,338 and $13,991 in 1995. Gross profit as a percentage of revenue was 11.6% and 10.8% for the three and six month periods, respectively, compared to 11.5% and 11.7% in 1995. The 1996 six month percentage was lower than the current quarter and prior year primarily due to less productive winter working conditions in the first quarter of 1996.

Revenue and gross profit comparisons from quarter to quarter and comparable quarters of different periods may be impacted by variables beyond the control of the Company due to the nature of the Company's work as an outside electrical contractor. Such variables include unusual or unseasonable weather and delays in receipt of construction materials which are typically results in lower revenues and lower margins in the first quarter when compared to other quarters. As a general rule, the better construction weather in the second, third and fourth quarters usually results in higher revenues and margins from those quarters. Competitive bidding pressures may cause these general trends to vary. Additionally, since the company's revenues are derived principally from providing construction labor services, insurance costs, particularly for workers compensation, are a significant factor in the Company's contract cost structure. Fluctuations in insurance reserves for claims under the retrospective rated insurance programs can have significant impact on gross margins, either upward or downward, in the period in which such insurance reserve adjustments are made.

Selling, general and administrative expenses for the three and six month periods were $5,597 and $11,315, compared to $5,224 and $10,937 in 1995. This represents 8.1% and 8.5% of consolidated revenues for the three and six month periods of 1996, compared to 8.2% and 9.1% for 1995. The increase in 1996 over 1995 relates to additional personnel related costs for expanded operations.

Net interest expense for the three and six month periods was $464 and $867, compared to $417 and $860 in 1995.

Gain on sale of property and equipment for the three and six month periods was $261 and $392, compared to $80 and $107 in 1995. The increase was due to the increased number of units sold in conjunction with upgrading our fleet.

Net other expense for the three and six month periods was $113 and $276, compared to $102 and $206 in 1995. Other expense primarily includes the amortization of non-competition agreements and goodwill, cash discounts and bank fees.

Income tax expense for the three and six month periods was $847 and $957, compared to $670 and $838 in 1995. As a percentage of income, the effective rate was 40% in 1996 and 1995.

The Company's backlog at June 30, 1996 was $89,600, compared to $69,100 at December 31, 1995, and $69,400 at June 30, 1995. Substantially all the current backlog will be completed within twelve months and approximately 95% is expected to be completed by December 31, 1996.

Discontinued Operations

During 1988, the Company sold two subsidiaries. As part of the sale of the engineering subsidiary, the Company retained certain rights and obligations in connection with two lawsuits. In the three and six month periods, the Company recorded additional amounts, primarily legal expenses related to these lawsuits, which resulted in an additional loss from discontinued operations of $360 ($600 pre-tax). The additional provision includes anticipated cost for the trial and appeal since it now appears there is no opportunity for the Company to settle its dispute with the insurance carrier.

Liquidity and Capital Resources

Cash flows provided from operations for the six months amounted to $1,782, net proceeds from short term borrowing amounted to $516, and proceeds from the disposition of property and equipment amounted to $546. The cash flows were primarily used for net capital expenditures of $2,396 and dividend payments of $320. The Company's financial condition continues to be strong at June 30, 1996 with working capital of $15,749, compared to $15,490 at December 31, 1995. The Company's current ratio was 1.31:1 at June 30, 1996, compared to 1.27:1 at December 31, 1995.

As of June 30, 1996, the Company had $11,150 outstanding under a $15,000 revolving credit facility and $6,250 outstanding under a term loan. On July 23, 1996, the Company entered into an additional line of credit agreement with its bank for up to $5,000 to support its growth in operating revenues. The Company has outstanding letters of credit with Banks totaling $12,956. The Company anticipates that its credit facility, cash balances and internally generated cash flows will continue to be sufficient to fund operations, capital expenditures and debt service requirements. The Company is also confident that its financial condition will allow it to meet long-term capital requirements.

Capital expenditures for the six months were $2,396, compared to $1,734 in 1995. Capital expenditures during these periods were used for normal property and equipment additions, replacements and upgrades. Proceeds from the disposal of property and equipment for the six months were $546 and $200 in 1995. The Company plans to spend approximately $5,000 on capital improvements during 1996.

PART II

Item 1. Legal Proceedings

The trial date of April 15, 1996 was reset by the Court to September 24, 1996 for the previously reported National Union Fire Insurance Company of Pittsburgh, Pennsylvania v. The L. E. Myers Co. Group, The L. E. Myers Co. and LEMCO Engineers, Inc., 84 Cib. 7481, United States District Court, Southern District of New York (See Note 4 to the Financial Statements).

Item 4. Submission of Matters to a Vote of Security Holders

The annual meeting of stockholders of the Company was held on May 15, 1996. The stockholders elected William G. Brown and John M. Harlan as Class I directors for a term expiring at the 1999 annual meeting of stockholders. The stockholders approved an amendment to the Company's Certificate of Incorporation increasing the number of authorized shares of common stock, $1.00 par value, from 6,000,000 to 10,000,000 shares. The vote on the amendment was 2,768,735 shares in favor, 60,205 against and 13,921 abstain. The stockholders also approved the adoption of the Company's 1996 Non-Employee Director Stock Ownership Plan. The vote on the approval of the plan was 2,710,434 shares in favor, 102,182 against and 11,836 abstain. The stockholders also approved an amendment and restatement of the Company's 1989, 1990, 1992 and 1995 Stock Option Plans. The vote on the approval of the plan was 2,710,434 shares in favor, 102,182 against and 11,836 abstain.

Item 6. Exhibits and Reports on Form 8-K

a. Exhibits filed herewith are listed in the Exhibit Index filed as a part hereof and incorporated herein by reference.

b. No reports on Form 8-K were filed by the Company for the second quarter of 1996.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

MYR Group Inc.

Date: July 30, 1996

By: /s/
Elliott C. Robbins, Sr. Vice President,
Treasurer, and Chief Financial Officer
(duly authorized representative of registrant
and principal financial officer)

MYR Group Inc.
Quarterly Report on Form 10Q
for the Quarter Ended June 30, 1996

Exhibit Index

Number	Description	Page (or Reference)
3.1	Certificate of Amendment	13
10.1	1996 Nonemployee Director Stock Ownership Plan	14-17
11	Computation of Net Income Per Share	18
27	Financial Data Schedules	19

Exhibit 3.1

CERTIFICATE OF AMENDMENT
OF
AMENDED AND RESTATED CERTIFICATE OF INCORPORATION
OF
MYR GROUP INC.

MYR Group Inc., a corporation organized and existing under the laws of the State of Delaware, hereby certifies as follows:

FIRST: That the first paragraph of ARTICLE FOURTH of the Amended and Restated Certificate of Incorporation of the Company is amended to read in its entirety as follows:

``FOURTH: The number of shares of all classes of stock which the corporation shall have authority to issue is eleven million (11,000,000), of which ten million (10,000,000) shares of par value of $1.00 each are to be a class designated as Common Stock and one million (1,000,000) shares of par value of $1.00 each are to be of a class designated Preferred Stock. The Preferred Stock is issuable in series.''

SECOND: That such amendment has been duly adopted by the Board of Directors and approved by the holders of a majority of the corporation's shares of in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, MYR Group Inc. has caused its corporate seal to be hereunto affixed and this certificate to be signed by its Senior Vice President this 23rd day of May, 1996.

MYR Group Inc.

(Seal)

By /s/ Elliott C. Robbins
Elliott C. Robbins
Senior Vice President

Attest:

/s/ Byron D. Nelson
Byron D. Nelson
Secretary

MYR GROUP INC. 1996 NONEMPLOYEE DIRECTOR STOCK OWNERSHIP PLAN   Exhibit 10.1

ARTICLE I - Purpose of the Plan

The purpose of the MYR Group Inc. Nonemployee Director Stock Ownership Plan is to further the growth, development, and financial success of the Company by strengthening the Company's ability to attract and retain the services of experienced and knowledgeable Nonemployee Directors by enabling them to participate in the Company's growth and by linking the personal interests of Nonemployee Directors to those of the Company's shareholders.

ARTICLE II - Certain Definitions

Unless the context clearly indicates otherwise, the following terms shall have the following meanings:

2.1 "Award" means a grant of Restricted Stock under the Plan.
2.2 "Board" means the Board of Directors of MYR Group Inc.
2.3 "Change of Control" shall have the meaning set forth in Section 7.2.
2.4 "Code" means the Internal Revenue Code of 1986, as amended from time to time.
2.5 "Company" means MYR Group Inc.
2.6 "Disability" means total disability within the meaning of Section 22(e)(3) of the Code.
2.7 "Employee" means any full time worker, paid hourly or by salary, in the employment of the Company or any of its subsidiaries.
2.8 "Exchange Act" means the Securities Exchange Act of 1934, as amended.
2.9 "Nonemployee Director" means any individual who is a member of the Board of the Company, but who is not otherwise an Employee of the Company.
2.10 "Participant" means a Nonemployee Director who has been awarded stock under the Plan.
2.11 "Plan" means the MYR Group Inc. 1996 Nonemployee Director Stock Ownership Plan.
2.12 "Restricted Stock" or "Restricted Shares" means shares of common stock of the Company granted to a Nonemployee Director under the Plan.
2.13 "Retirement" means cessation of membership on the Board of the Company for any reason other than death, disability or for cause.
2.14 "Stock" or "Shares" means common stock of the Company.

ARTICLE III - Administration

3.1 Administration of Plan. The Plan shall be administered by the Board, subject to the restrictions set forth in the Plan.

3.2 Authority of the Board. The Board shall have the full power, discretion, and authority to interpret and administer the Plan in a manner which is consistent with the Plan's provisions. Any action taken by the Board with respect to the administration of the Plan which would result in any Nonemployee Director ceasing to be a "disinterested person" within the meaning of Rule 16b-3 under the Exchange Act shall be null and void.

3.3 Effect of Board Determinations. All determinations and decisions made by the Board pursuant to the provisions of the Plan and all related orders or resolutions of the Board shall be final, conclusive, and binding on all persons, including the Company, its shareholders, Employees, Participants and their estates and beneficiaries.

ARTICLE IV - Eligibility

4.1 Persons eligible to participate in the Plan shall be limited to the Nonemployee Directors of the Company.

ARTICLE V - Shares Subject to the Plan

5.1 Number of Shares. Subject to adjustment as provided herein, the total number of Shares available for Award under the Plan may not exceed 50,000. If any Shares awarded under the Plan shall be forfeited, such Shares shall again become available for future Awards under the Plan.

5.2 Adjustments in Authorized Shares. In the event of any merger, reorganization, consolidation, recapitalization, liquidation, stock dividend, split up, Share combination, or other change in the corporate structure of the Company affecting the Shares, the Board may make such adjustments to outstanding Awards to prevent dilution or enlargement of rights.

ARTICLE VI - Restricted Stock

6.1 Awards of Restricted Stock. Each Nonemployee Director shall have the right to elect to receive all or part of his or her annual retainer fee which would otherwise be payable quarterly in cash, in Shares of Restricted Stock. The Restricted Shares will be awarded pursuant an election made by the Participant in writing and filed with the Secretary of the Company prior to December 31 of the year prior to the year for which such election is made. The number of Restricted Shares will be awarded pursuant to such election on the date of the annual meeting of stockholders in the year for which such election has been made. The number of Restricted Shares so awarded shall be determined by dividing the amount of the retainer to be paid in Restricted Shares by the average of the closing sales prices of the Company's common stock on the New York Stock Exchange (as reported in The Wall Street Journal, Midwest Edition) on each of the ten trading days immediately preceding the date of the award and rounding to the nearest whole number. A Participant's election shall remain in effect for the year for which such election has been made and may not be changed by the Participant.

6.2 Transferability and Custody. The Restricted Shares awarded to a Nonemployee Director may not be sold, pledged, assigned, transferred, gifted or otherwise alienated or hypothecated until such time as the restrictions with respect to such Shares have lapsed as provided herein. At the time Restricted Shares are awarded to a Participant, stock certificates representing the Restricted Stock shall be issued in the name of the Participant. Thereupon the Participant shall become a stockholder of the Company with respect to such Restricted Stock and shall be entitled to vote the shares and be entitled to receive all dividends. If all or part of a dividend is paid in Stock, the Stock shall be held by the Company subject to the same restrictions as the Restricted Stock that is the basis for the dividend. All stock certificates representing Restricted Shares shall be held in custody by the Company for the account of the Participant, together with stock powers executed by the Participant in favor of the Company.

6.3 Other Restrictions. The Company may impose such other restrictions on Shares granted pursuant to the Plan as it may deem necessary or advisable including, without limitation, imprinting a legend on the certificates and restrictions to achieve compliance with Securities laws and stock exchange requirements.

6.4 Lapse of Restrictions. The restrictions provided in Sections 6.2 and 6.3 shall remain in effect until, and shall lapse only upon, the earlier of (a) five years from the date of the Award or (b) the termination of a Participant's service as a Director by reason of death, Disability, or Retirement from the Board. Upon lapse of the restrictions, the certificates representing the Shares shall thereafter be delivered to the Participant, or in the case of Participant's death or Disability, to the Participant's personal representative or to the person to whom such shares are transferred by will or by the applicable laws of descent and distribution.

6.5 Termination for Cause. In the event the Participant's service as a Director is terminated on account of (a) fraud or intentional misrepresentation, or (b) embezzlement, misappropriation, or conversion of assets or opportunities of the Company, all Restricted Shares awarded to such Participant prior to the date of termination shall be immediately forfeited.

6.6 Withholding of Taxes. The Company shall have the right to collect cash from Participants in an amount necessary to satisfy any Federal, state or local withholding tax requirements.

ARTICLE VII - Change in Control

7.1 Effect of Change of Control. Notwithstanding the provisions of Article VI herein, upon the occurrence of an event of Change of Control:

(a) the Restrictions imposed on the Restricted Stock shall lapse, and the Restricted Stock shall vest in the Participant, and

(b) within ten (10) business days after the occurrence of a Change of Control, the certificates representing the Restricted Stock so vested, without any restriction or legend thereon, shall be delivered to the Participant.

7.2 The term "Change of Control" shall mean the occurrence of any of the following events:

(a) The acquisition, by a person or group of persons acting in concert, of a beneficial ownership interest in the Company, resulting in the total beneficial ownership of such persons or group of persons (excluding C. M. Brennan III so long as he is a director of the Company) equaling or exceeding 30% of the outstanding common stock of the Company; provided, however, that no such person or group of persons shall be deemed to beneficially own (I) any common stock acquired directly from the Company or (ii) any common stock held by the Company or any of its subsidiaries or any employee benefit plan (or any related trust) of the Company or its subsidiaries. The Change in Control shall be deemed to occur on the date the beneficial ownership of the acquiring person or group of persons first equals or exceeds 30% of the outstanding common stock of the Company.

(b) A change, within any period of thirty-six (36) months or less, in the composition of the Board such that at the end of such period a majority of the directors who are then serving were not serving at the beginning of such period, unless at the end of such period the majority of the directors in office were nominated upon the recommendation of a majority of the Board at the beginning of such period. The Change in Control shall be deemed to occur on the date the last director necessary to result in a Change in Control takes office or resigns from office, as applicable.

(c) Approval by stockholders of the Company of a merger, consolidation or other reorganization having substantially the same effect, or the sale of all or substantially all the consolidated assets of the Company in each case, with respect to which the persons or group of persons (excluding C. M. Brennan III so long as he is a director of the Company) who were the respective beneficial owners of the common stock or warrants immediately prior to such even do not, following such event, beneficially own, directly or indirectly, more than 30% of, respectively the then outstanding voting securities of the Company resulting from such event or the Company purchasing or receiving assets pursuant to such event. The Change in Control shall be deemed to occur on the date on which the transaction is approved by the Company's stockholders.

ARTICLE VII - Amendment, Modification and Termination

8.1 Amendment, Modification and Termination. Subject to the terms set forth in this Section 8.1, the Board may terminate, amend, or modify the Plan at any time and from time to time; provided, however, that the provisions set forth in the Plan regarding the amount, the price or the timing of Awards to Nonemployee Directors may not be amended, other than to comport with changes in the Code, the Employee Retirement Income Security Act, or the rule thereunder. The Plan shall terminate when all of the Shares subject to it have been awarded according to the provisions of the Plan. However, in no event shall an award be made under the Plan on or after December 31, 2005.

Without the approval of the voting stockholders of the Company as may be required by the rules of Section 16 of the Exchange Act, by any national securities exchange or system on which the Shares are then listed or reported, or by a regulatory body having jurisdiction with respect thereto, no such termination, amendment or modification may:

(a) Materially increase the total number of Shares which may be available for grants of Awards under the Plan, except as provided in Section 5.2 herein; or

(b) Materially modify the requirements with respect to eligibility to participate in the Plan; or

(c) Materially increase the benefits accruing to Nonemployee Directors under the Plan.

8.2 Awards Previously Granted. Unless required by law, no termination, amendment or modification of the Plan shall materially affect, in an adverse manner, any Award previously granted under the Plan, without the consent of the Nonemployee Director holding the Award.

ARTICLE IX - No Right of Nomination

9.1 Nothing in the Plan shall be deemed to create any obligation on the part of the Board to nominate any Participant for reelection by the Company's stockholders.

ARTICLE X - Requirements of Law

10.1 The granting of Awards under the Plan and the issuance of stock certificates shall be subject to all applicable laws, rules, and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required.

ARTICLE XI - Effective Date

11.1 The Plan shall become deemed to be effective as of March 20, 1996, the date which the Plan was adopted by the Board, upon approval by the holders of a majority of the shares of common stock at a meeting of stockholders of the Company.

MYR Group Inc.

Exhibit 11

SCHEDULE OF COMPUTATION OF NET INCOME PER SHARE
(In thousands, except per share data)

Period Ended June 30	Three Months 1996	Three Months 1995	Six Months 1996	Six Months 1995
Primary income per share				
Net income	$ 909	$ 1,005	$ 1,075	$ 1,257
Weighted average number of common shares outstanding during the period	3,198	3,173	3,191	3,173
Add - common equivalent shares (determined using the "treasury stock" method) representing shares issuable upon exercise of the common stock equivalents	241	199	232	195
Weighted average number of shares for income per common share	3,439	3,372	3,423	3,368
Income per common share - primary	$ 0.26	$ 0.30	$ 0.31	$ 0.38
Fully diluted income per share				
Net income	$ 909	$ 1,005	$ 1,075	$ 1,257
Add interest on subordinated convertible debentures, net of tax	59	58	119	116
	$ 968	$ 1,063	$ 1,194	$ 1,373
Weighted average number of common shares outstanding during the period	3,198	3,173	3,191	3,173
Add				
-Common equivalent shares (determined using the "treasury stock" method) representing shares issuable upon exercise of the common stock equivalents	259	199	259	195
-Shares assumed converted from subordinated convertible debentures	600	600	600	600
	4,057	3,972	4,050	3,968
Income per common share - fully diluted	$ .24	$ .26	$ .29	$ .34

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