

August 7, 2014



HII Technologies, Inc. Announces Second Quarter 2014 Results

Management to Host Conference Call on Thursday, August 14th at 11:00 am ET

HOUSTON, TX -- (Marketwired) -- 08/07/14 -- [HII Technologies, Inc.](http://www.hiitechnologies.com) ("HII Technologies" or "the "Company") (OTCQB: HIIT), an oilfield services company headquartered in Houston, Texas, today announced financial results for the second quarter ended June 30, 2014.

Second Quarter 2014 Highlights:

- Revenues increased 109% to \$6.8 million compared to Q2, 2013 due to strong sales from all three divisions
- Gross Profit increased 112% to \$1.8 million compared to Q2, 2013
- Adjusted EBITDA was \$0.04 million and \$0.57 million for the quarter and six months ended June 30, 2014, respectively
- Water division grew its operations to include new activity in the Barnett Shale
- Signed 7 Master Service Agreements ("MSAs") with new customers

HII Technologies' oilfield services operations are in Texas, Oklahoma, Ohio and West Virginia. The Company is focused on commercializing technologies and providing services in the Water, Safety and Power market segments for exploration and production ("E&P") customers in the domestic United States.

The Company's frac water management services division conducts business through its wholly-owned subsidiaries AES Water Solutions and AquaTex. The water division provides total frac water management solutions associated with the millions of gallons of water typically used during hydraulic fracturing and completions of horizontally drilled oil and gas wells. Frac water management services include water transfer, flow back systems, above-ground tank storage, as well as onsite frac water recycling and evaporation services without the need of trucking or disposal wells. AES Safety Services is the Company's oilfield safety consultancy that provides experienced, trained safety personnel including contract safety engineers during oilfield operations from drilling to completion for E&P customers. Additional services provided under our Safety Services division include training, inspection and environmental remediation services. The Company's oilfield mobile power subsidiary does business as South Texas Power (STP) and operates a fleet of mobile generators, light towers and related equipment for in-field

power rental where remote locations provide little or no existing power infrastructure.

Second Quarter 2014 Results (ending June 30)

	Q2 2014	Q2 2013	CHANGE
Revenues	\$6.8 million	\$3.2 million	+109%
Gross Profit	\$1.8 million	\$0.9 million	+112%
Gross Margin	27.1%	26.8%	+ .3%
Income (loss) from Operations	(\$0.40 million)	(\$0.10 million)	-287%
Adjusted EBITDA ⁽¹⁾	\$0.04 million	\$0.17 million	-79%
Net Income (Loss)	(\$0.64 million)	(\$0.37 million)	-72%

(1) A reconciliation table of the Adjusted EBITDA for second quarter 2014 is provided below

Revenues for the three months ended June 30, 2014 were \$6.8 million, up 109% from \$3.2 million in the comparable 2013 period. This increase was primarily attributable to the continued growth within the water division from AES Water Solutions and AquaTex's frac water management services. Additionally, increased revenues came from the organic growth of AES Safety Services, including its new environmental remediation service line and the organic growth of STP's business in mobile oilfield power. The Water division totaled approximately 58% of the quarterly revenues while the Safety and Power divisions totaled about 30% and 12%, respectively, for the second quarter 2014.

"Activity levels in the second quarter continued to be robust in the markets where we operate despite utilization of some of our frac water transfer and flow back equipment being affected by delays from certain customers. While the revenues generated from the second quarter of 2014 increased by more than 100% from the comparable 2013 period, we anticipate accelerated growth in the second half of this year in all divisions," stated Brent Mulliniks, President of AES Water Solutions. "AquaTex's expansion into new areas of Texas where drilling activity is increasing contributed to the improvement in revenue. Existing customers are continuing to rely on our frac water management systems and new Master Services Agreements (MSAs) are being acquired, which provide for more work from new customers in the Permian Basin and West Texas."

Cost of revenues increased approximately 108% to \$4.9 million in the three months end June 30, 2014, or 73% of revenues, compared to cost of revenues of \$2.4 million, or 73% of revenues for comparable 2013 period. The Company's gross profit and gross margin were \$1.8 million and 27.1%, respectively, in the three months ended June 30, 2014 compared to \$0.9 million and 26.8%, respectively, in the three months ended June 30, 2013.

Operating expenses were approximately \$2.2 million, or 33% of revenues, for the three months ended June 30, 2014 as compared to \$1.0 million, or 30.0% of revenues, in the comparable 2013 period. The increase was primarily attributable to new employees, higher technology testing and development costs and public company expenses. The Company generated an operating loss of \$0.40 million in the three months ended 2014

compared to an operating loss of \$0.10 million in the comparable 2013 period.

For the three months ended June 30, 2014, the Company had non-GAAP adjusted EBITDA of approximately \$0.04 million, (EBITDA defined as earnings before interest, depreciation, amortization, non-cash stock option expenses, and one-time non-operational expense items). A reconciliation table of the adjusted EBITDA is provided below. The net loss for the three months ended June 30 2014 was \$0.64 million compared to \$0.37 million in the comparable 2013 period. HII Technologies had approximately 49.62 million shares outstanding at July 31, 2014.

First Half 2014 Results (ending June 30)

	1H 2014	1H 2013	CHANGE
Revenues	\$14.3 million	\$5.8 million	+144%
Gross Profit	\$4.0 million	\$1.4 million	+183%
Gross Margin	27.7%	23.9%	+16%
Income (loss) from Operations	(\$0.26 million)	(\$0.12 million)	-116%
Adjusted EBITDA ⁽¹⁾	\$0.57 million	\$0.23 million	+141%
Net Income (Loss)	(\$0.67 million)	(\$0.49 million)	-36%

Balance Sheet and Liquidity

Total assets increased from \$10.2 million at December 31, 2013 to \$20.6 million at June 30, 2014. The Company had \$4.1 million outstanding under its existing \$5 million revolving line of credit facility compared to \$2.7 million at December 31, 2013. The Company had approximately \$5.4 million in other indebtedness at June 30, 2014 as compared to \$2.4 million at December 31, 2013. The increase is primarily attributable to conditional sales contracts related to additional equipment purchased.

Cash and cash equivalents were \$1.7 million and total current assets were \$10.7 million at June 30, 2014 compared to \$0.9 million and \$5.0 million at December 31, 2013, respectively. Net cash provided by operations improved \$0.8 million for the six months ended June 30, 2014 as compared to net cash used in operating activities of \$0.4 million for the comparable 2013 period.

From June 21, 2014 through July 8, 2014, the Company sold 4,000 shares of Series A Convertible Preferred Stock at a price of \$1,000 per unit ("Units") for gross proceeds of \$4,000,000. Each share of preferred stock received common stock warrants to purchase 500 shares of common stock with an exercise price of \$1.00 per whole share exercisable for three years after issuance. At June 30, 2014, the Company had received \$1,400,000 in gross proceeds. It received the remaining gross proceeds by July 8, 2014. Approximately \$0.5 million of the proceeds were used to repay outstanding indebtedness under 10% promissory notes while \$0.2 million were paid to registered broker-dealers involved with the Series A Preferred financing. The remaining proceeds will be used for general working capital purposes and to fund future growth opportunities.

Operational Updates

AES Water Solutions & AquaTex

- The water division added 5 new customers during the quarter and grew its operations to include new activity in the Barnett Shale. Additionally, new sales and field management personnel were added during the quarter to accommodate growth in North Texas.

AES Safety Services

- The Safety division benefited early in the quarter from additional spill remediation service revenues carried over from the first quarter of 2014. The Safety Engineering consulting business in Ohio and West Virginia continued to enjoy strong activity.

South Texas Power (STP)

- STP added 2 new key customers and increased revenues during the second quarter from additional rentals business. The Power division initiated some cost cutting measures to improve margins, reduce overhead and developed a long term plan for expansion focused on a total oilfield power management strategy.

"We continued to invest in growth in each of our divisions during the quarter," said Matthew Flemming, CEO of HII Technologies. "The addition of experienced people and recent increases in equipment utilization should continue to fuel organic growth. The Company continues to evaluate new technologies and potential acquisitions in areas where it would be beneficial for the Company's future growth."

For more information and management's discussion and analysis of the quarter results, please see the Company's Quarter Report on Form 10-Q filed August 7, 2014 with the Securities and Exchange Commission.

Investor Conference Call

The Company will host a webcast and conference call with investors at 11:00 am ET on Thursday, August 14th, 2014. CEO Matthew Flemming and President Brent Mulliniks will discuss the company's milestones, growth strategy and financial position.

Date: Thursday, August 14, 2014

Time: 11:00 am ET

Dial-in (US): 1-888-430-8694

Dial-in (International): 1-719-325-2323

Conference ID: 8576336

Webcast: <http://public.viavid.com/index.php?id=110424>

A replay of the call will be available from August 14, 2014 at 6 PM ET until Sept 14, 2014. To access the replay, use 1 877-870-5176 for U.S. callers and 1 858-384-5517 for international callers. The PIN number is 8576336.

About HII Technologies, Inc.

[HII Technologies, Inc.](#) is a Houston, Texas based oilfield services company with

operations in Texas, Oklahoma, Ohio and West Virginia. By focusing on the critical service areas of Water, Safety and Power, the Company is positioned to take advantage of the significant anticipated growth in horizontal drilling and hydraulic fracturing within the United States' active shale and unconventional "tight oil" plays. The Company's frac water management division does business as AquaTex and AES Water Solutions, its onsite oilfield contract safety consultancy does business as AES Safety Services, and its mobile oilfield power subsidiary does business as South Texas Power (STP). The holding company, HII Technologies' objective is to bring proven technologies to these operating divisions to build a long-term competitive advantage for its stakeholders. Read more at www.HIITinc.com, www.AquaTexUSA.com, www.AESWaterSolutions.com, www.AESSafetySolutions.com and www.Oilfield-Generators.com.

Non-GAAP Adjusted EBITDA Reconciliation Table

Following is a reconciliation of income from continuing operations attributable to the Company for the three and six months ended June 30, 2014 as presented in accordance with United States generally accepted accounting principles (GAAP) to EBITDA.

Q2 2014:	Net Loss	(\$640,554)
	Add back:	
	Interest	\$ 176,035
	Taxes	\$ 57,579
	Depreciation	\$ 170,400
	Non-cash stock expense	\$ 188,981
	One-time non-operational items	\$ 84,315
	Adjusted EBITDA	<u>\$ 36,756</u>
1H 2014:	Net Loss	(\$665,405)
	Add back:	
	Interest	\$ 315,845
	Taxes	\$ 77,383
	Depreciation	\$ 293,980
	Non-cash stock expense	\$ 243,420
	One-time non-operational items	\$ 300,926
	Adjusted EBITDA	<u>\$ 566,149</u>

Forward Looking Statements

This press release contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Any statements as to matters that are not of historic fact are forward-looking statements. These forward-looking statements are based on HII's current expectations, estimates and projections about HII, its industry, its management's beliefs and certain assumptions made by management, and include statements regarding estimated capital expenditures, future operational and activity expectations, international growth, and anticipated financial performance in 2014. No assurance can be given that such expectations, estimates or projections will prove to have

been correct. Whenever possible, these "forward-looking statements" are identified by words such as "expects," "believes," "anticipates" and similar phrases.

Readers are cautioned that any such forward-looking statements are not guarantees of future performance and are subject to certain risks, uncertainties and assumptions that are difficult to predict, including, but not limited to: risks that HII will be unable to achieve its financial, capital expenditure and operational projections, including quarterly and annual projections of revenue and/or operating income and risks that HII's expectations regarding future activity levels, customer demand, and pricing stability may not materialize (whether for HII as a whole or for geographic regions and/or business segments individually); risks that fundamentals in the U.S. oil and gas markets may not yield anticipated future growth in HII's businesses, or could further deteriorate or worsen from the recent market declines, and/or that HII could experience further unexpected declines in activity and demand for its hydraulic frac related water transfer business, its safety consultancy business or its generator and related equipment rental service businesses; risks relating to HII's ability to implement technological developments and enhancements; risks relating to compliance with environmental, health and safety laws and regulations, as well as actions by governmental and regulatory authorities; risks that HII may be unable to achieve the benefits expected from acquisition and disposition transactions, and risks associated with integration of the acquired operations into HII's operations; risks, in responding to changing or declining market conditions, that HII may not be able to reduce, and could even experience increases in, the costs of labor, fuel, equipment and supplies employed and used in HII's businesses; risks relating to changes in the demand for or the price of oil and natural gas; risks that HII may not be able to execute its capital expenditure program and/or that any such capital expenditure investments, if made, will not generate adequate returns; and other risks affecting HII's ability to maintain or improve operations, including its ability to maintain prices for services under market pricing pressures, weather risks, and the impact of potential increases in general and administrative expenses.

Because such statements involve risks and uncertainties, many of which are outside of HII's control, HII's actual results and performance may differ materially from the results expressed or implied by such forward-looking statements. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. Other important risk factors that may affect HII's business, results of operations and financial position are discussed in its most recently filed Annual Report on Form 10-K, recent Quarterly Reports on Form 10-Q, recent Current Reports on Form 8-K and in other Securities and Exchange Commission filings. Unless otherwise required by law, HII also disclaims any obligation to update its view of any such risks or uncertainties or to announce publicly the result of any revisions to the forward-looking statements made here. However, readers should review carefully reports and documents that HII files periodically with the Securities and Exchange Commission.

HII TECHNOLOGIES, INC.
CONSOLIDATED BALANCE SHEETS
(unaudited)

	June 30 2014	December 31 2013
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,727,514	\$ 866,035
Accounts receivable, net of allowance of \$79,116 and \$79,116	6,270,933	3,708,012
Stock subscriptions receivable	2,000,000	-
Note receivable	291,790	294,755
Current portion of deferred financing costs	181,772	33,541
Prepaid expense and other current assets	<u>267,017</u>	<u>111,147</u>
Total current assets	10,739,026	5,013,490
Property and equipment, net of accumulated depreciation of \$332,415 and \$133,081	3,179,367	2,076,512
Assets under capital lease, net	3,195,397	-
Deposits	33,960	33,960
Deferred financing costs, net of current portion	16,173	19,949
Intangible assets, net of accumulated amortization of \$40,197 and \$0	556,803	227,000
Goodwill	<u>2,852,107</u>	<u>2,852,107</u>
Total assets	<u>\$ 20,572,833</u>	<u>\$ 10,223,018</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 5,293,984	\$ 3,421,153
Accounts payable and other liabilities, related parties	183,000	158,000
Accrued expenses and other liabilities	1,638,268	703,302
Line of credit	4,082,669	2,678,992
Current portion of capital lease obligation	1,054,280	-
Current portion of notes payable - related parties	515,000	545,926
Current portion of unsecured notes payable	559,655	-
Current portion of secured notes payable	<u>261,997</u>	<u>85,000</u>
Total current liabilities	13,588,853	7,592,373
Long term liabilities:		
Capital lease obligation, net of current portion	1,533,453	-
Notes payable - unsecured	1,000,000	1,000,000
Notes payable - secured	116,355	158,855
Notes payable - related parties net of current portion	<u>328,459</u>	<u>585,958</u>
Total liabilities	<u>16,567,120</u>	<u>9,337,186</u>

Commitments and contingencies	-	-
Stockholders' equity		
Preferred stock, \$.001 par value, 10,000,000 shares authorized, Series A Convertible Preferred stock, \$1,000 stated value, 4,000 shares authorized, 3,410 and 0 shares issued and outstanding	2,786,981	-
Common stock, \$.001 par value, 250,000,000 shares authorized, 49,618,556 and 48,424,712 shares issued and outstanding	49,618	48,424
Additional paid-in-capital	29,118,134	28,121,023
Accumulated deficit	<u>(27,949,020)</u>	<u>(27,283,615)</u>
Total stockholders' equity	<u>4,005,713</u>	<u>885,832</u>
Total liabilities and stockholders' equity	<u>\$ 20,572,833</u>	<u>\$ 10,223,018</u>

See accompanying notes to unaudited consolidated financial statements

HII TECHNOLOGIES, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
For the three and six months ended June 30, 2014 and 2013
(unaudited)

	For the three months ended June 30		For the six months ended June 30	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
REVENUES	\$ 6,752,384	\$ 3,226,437	\$ 14,257,445	\$ 5,836,210
COST OF REVENUES	<u>4,919,973</u>	<u>2,361,309</u>	<u>10,303,201</u>	<u>4,438,790</u>
GROSS PROFIT	<u>1,832,411</u>	<u>865,128</u>	<u>3,954,244</u>	<u>1,397,420</u>
OPERATING EXPENSES:				
Selling, general and administrative	2,228,288	913,467	4,215,358	1,464,198
Bad debt expense	<u>-</u>	<u>54,000</u>	<u>-</u>	<u>54,000</u>
Total operating expenses	<u>2,228,288</u>	<u>967,467</u>	<u>4,215,358</u>	<u>1,518,198</u>
LOSS FROM OPERATIONS	(395,877)	(102,339)	(261,114)	(120,778)

OTHER INCOME (EXPENSE)				
Loss on debt conversion	(11,063)	-	(11,063)	-
Loss on extinguishment of liability	-	(96,297)	-	(96,297)
Interest expense, net	<u>(176,035)</u>	<u>(144,123)</u>	<u>(315,845)</u>	<u>(222,574)</u>
NET LOSS BEFORE INCOME TAXES	(582,975)	(342,759)	(588,022)	(439,649)
PROVISION FOR INCOME TAXES	<u>(57,579)</u>	<u>(30,768)</u>	<u>(77,383)</u>	<u>(48,267)</u>
NET LOSS	<u>\$ (640,554)</u>	<u>\$ (373,527)</u>	<u>\$ (665,405)</u>	<u>\$ (487,916)</u>
DEEMED DIVIDEND	(623,019)	-	(623,019)	-
CUMULATIVE DIVIDEND	(1,343)	-	(1,343)	-
NET LOSS ATTRIBUTABLE TO COMMON SHAREHOLDERS	<u>\$ (1,264,916)</u>	<u>\$ (373,527)</u>	<u>\$ (1,289,767)</u>	<u>\$ (487,916)</u>
Basic and diluted net loss per share	\$ (0.03)	\$ (0.01)	\$ (0.03)	\$ (0.01)
Weighted average shares outstanding-Basic and diluted	49,134,513	44,429,551	48,847,902	44,087,324

See accompanying notes to unaudited consolidated financial statements

HII TECHNOLOGIES, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the six months ended June 30, 2014 and 2013
(unaudited)

	<u>2014</u>	<u>2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (665,405)	\$ (487,916)
Adjustments to reconcile net loss to net cash used in operating activities:		
Amortization of note payable discount	-	72,582

Amortization of deferred finance costs	37,718	-
Stock-based compensation	110,420	269,369
Stock issued for services	133,000	-
Depreciation and amortization	293,980	50,899
Loss on extinguishment of liability	-	96,297
Loss on debt conversion to common shares	11,063	-
Warrants issued for extension of secured note	-	55,154
Bad debt recovery	-	54,000
Loss on asset disposal	10,581	4,029
Changes in:		
Accounts receivable	(2,562,921)	(1,390,746)
Prepaid expense and other current assets	(70,492)	40,323
Other assets	(82,954)	(31,500)
Accounts payable	2,722,656	778,256
Accounts payable and other liabilities - related parties	25,000	(162,248)
Accrued expenses and other liabilities	841,821	229,867
Net cash provided by (used in) operating activities	<u>804,467</u>	<u>(421,634)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Cash received from the sale of property and equipment	-	71,754
Cash paid for purchase of property and equipment	(1,851,292)	(48,702)
Net cash provided by (used in) investing activities	<u>(1,851,292)</u>	<u>23,052</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from exercise of warrants and options	87,500	50,000
Proceeds from sale of preferred shares	1,410,000	-
Proceeds from sale-leaseback transaction	-	87,375
Payments for deferred financing costs	(182,173)	(14,500)
Proceeds from notes payable	130,000	-
Proceeds from line of credit, net	1,403,676	372,400
Payments on notes payable	(283,456)	(354,067)
Payments on capital lease obligation	(657,243)	-
Net cash provided by (used in) financing activities	<u>1,908,304</u>	<u>141,208</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	861,479	(257,374)
CASH AND CASH EQUIVALENTS, beginning of period	<u>866,035</u>	<u>379,336</u>
CASH AND CASH EQUIVALENTS, end of period	<u>\$ 1,727,514</u>	<u>\$ 121,962</u>
Supplemental disclosures:		
Cash paid for income taxes	\$ 36,774	\$ -
Cash paid for interest	237,405	62,846
Noncash investing and financing activities		

Notes issued in consideration for property and equipment	229,032	-
Notes issued in consideration for intangible assets	370,000	-
Notes issued for financing of insurance premium	88,900	-
Cashless exercise of warrants	117	-
Payment on secured note paid directly from line of credit	-	512,600
Deferred financing costs paid directly from line of credit	-	49,200
Common stock issued for lease deposit	-	31,500
Common stock issued for debt	138,303	-
Capital lease obligation incurred in consideration for property and equipment	3,244,976	-
Accrued issuance costs for preferred stock offering	105,000	-
Deemed dividend for preferred stock beneficial conversion feature	623,019	-

See accompanying notes to unaudited consolidated financial statements

Investor Relations Contact

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