

January 31, 2014

Command Security Corporation Reports Third Quarter 2014 Financial Results

Command Reports Increased Third Quarter Revenues and Earnings

HERNDON, Va., Jan. 31, 2014 (GLOBE NEWSWIRE) -- Command Security Corporation (NYSE:MOC) today reported financial results for its third fiscal quarter ended December 31, 2013.

Revenues for the three months ended December 31, 2013, were \$40,439,437, compared with \$38,930,273 in the same period of the prior year, an increase of 3.9%. Operating income for the three months ended December 31, 2013, increased 51% to \$1,128,834, compared with \$745,301 in the same period of the prior year. Net income for the three months ended December 31, 2013, increased 64% to \$580,720, or \$0.06 per basic and diluted share, compared with \$353,648, or \$0.04 per basic and diluted share in the same period of the prior year.

Revenues for the nine months ended December 31, 2013, were \$118,548,024, compared with \$112,736,873 in the same period of the prior year, an increase of 5.2%. Operating income for the nine months ended December 31, 2013, increased 36% to \$2,657,729, compared with \$1,951,020 in the same period of the prior year. Net income for the nine months ended December 31, 2013, increased 36% to \$1,247,174, or \$0.14 per basic share and \$0.13 per diluted share, compared with \$914,194, or \$0.10 per basic and diluted share in the same period of the prior year.

The increase in revenues for three months ended December 31, 2013, compared with the corresponding period of the prior year was due primarily to the following:

- Increased revenues associated with an expansion of services provided under contracts with a major transportation company;
- Addition of new revenues from New York based medical care facilities; and,
- Continued expansion of aviation related security services at LaGuardia Airport.

The increase in revenues for nine months ended December 31, 2013, compared with the corresponding period of the prior year was due primarily to the following:

- Increased revenues associated with an expansion of services provided under contracts with a major transportation company;
- Addition of new revenues from New York based medical care facilities; and,
- Continued expansion of aviation related security services at New York LaGuardia and Los Angeles LAX airports.
- These increases were partly offset by net reductions in security services revenues with several industrial, commercial and financial services businesses.

The increase in operating income for the three months ended December 31, 2013 as compared to the corresponding period of the prior year, was due primarily to the increase in

revenues and the absence of \$315,000 of restructuring and relocation costs incurred during the three months ended December 31, 2012, and an approximate \$150,000 decrease in other legal costs including employment related claims settlements partly offset by increased consulting costs, temporary labor expenses and information systems related costs. The restructuring and relocation costs in the prior year were incurred in connection with the Company's consolidation of its corporate headquarters personnel and functions to Herndon, VA.

The increase in operating income for the nine months ended December 31, 2013, as compared to the corresponding period of the prior year, was due primarily to the increase in revenues and the absence of \$1,060,000 of restructuring and relocation costs mentioned above, partly offset by an approximate \$165,000 increase in other legal costs including employment related claims settlements and increased consulting costs, temporary labor, recruiting fees and information systems related costs and an approximate \$300,000 increase in legal defense costs associated with ongoing legal issues including continuing litigation with a non-certified union in California. The non-certified union is seeking to be re-recognized by a work group that had previously voted to withdraw recognition.

The increase in net income for the three and nine months ended December 31, 2013, as compared to the corresponding periods of the prior year, was due primarily to the increase in operating income and a slight decrease in the Company's overall effective tax rate during the quarter ended December 31, 2013.

Craig P. Coy, Chief Executive Officer of Command Security, stated, "The third quarter saw the Company continuing to update and revamp our operating model. The operations team has taken great strides in implementing new enterprise system updates and modules. The management team undertook a strategic planning review which is enabling us to focus on the right things at the right time. We will continue to identify organizational and structural improvements to drive efficiencies, customer service and growth."

About Command Security Corporation

Command Security Corporation and its Aviation Safeguards division provide physical security solutions through uniformed security officers, aviation security services and support security services to commercial, financial, industrial, aviation and governmental customers throughout the United States. We safeguard against theft, fraud, fire, intrusion, vandalism and the many other threats that our customers are facing today. By partnering with each customer, we design programs customized to meet their specific security needs and address their particular concerns. We bring years of expertise, including sophisticated systems for hiring, training, supervision and oversight, backed by cutting-edge technology, to every situation that our customers face involving security. Our mission is to enable our customers to operate their businesses without disruption or loss, and to create safe environments for their employees. For more information concerning our company, please refer to our website at www.commandsecurity.com.

Forward-Looking Statements

This announcement by Command Security Corporation (referred to herein as the "Company") contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, Section 21E of the Securities Exchange Act of 1934, and within the

meaning of the Private Securities Litigation Reform Act of 1995 about the Company that are based on management's assumptions, expectations and projections about the Company. Such forward-looking statements by their nature involve a degree of risk and uncertainty. The Company cautions that actual results of the Company could differ materially from those projected in the forward-looking statements as a result of various factors, including but not limited to the factors described under the heading "Risk Factors" in the Company's most recent Annual Report on Form 10-K for the fiscal year ended March 31, 2013, filed with the Securities and Exchange Commission, and such other risks disclosed from time to time in the Company's periodic and other reports filed with the Securities and Exchange Commission. You should consider the areas of risk described above in connection with any forward-looking statements that may be made by the Company. The Company undertakes no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise. You are advised, however, to consult any additional disclosures the Company makes in proxy statements, quarterly reports on Form 10-Q, annual reports on Form 10-K and current reports on Form 8-K filed with the Securities and Exchange Commission, which are publicly available at the Securities and Exchange Commission's website at www.sec.gov/edgar.shtml.

COMMAND SECURITY CORPORATION
CONDENSED STATEMENTS OF INCOME
(Unaudited)

	Three Months Ended		Nine Months Ended	
	December 31,		December 31,	
	2013	2012	2013	2012
Revenues	\$ 40,439,437	\$ 38,930,273	\$ 118,548,024	\$ 112,736,873
Operating income	1,128,834	745,301	2,657,729	1,951,020
Income before income taxes	1,090,720	708,648	2,517,174	1,859,194
Provision for income taxes	510,000	355,000	1,270,000	945,000
Net income	<u>\$ 580,720</u>	<u>\$ 353,648</u>	<u>\$ 1,247,174</u>	<u>\$ 914,194</u>
Net income per common share				
Basic	<u>\$ 0.06</u>	<u>\$ 0.04</u>	<u>\$ 0.14</u>	<u>\$ 0.10</u>
Diluted	<u>\$ 0.06</u>	<u>\$ 0.04</u>	<u>\$ 0.13</u>	<u>\$ 0.10</u>
Weighted average number of common shares outstanding				
Basic	<u>9,263,606</u>	<u>9,475,702</u>	<u>9,178,912</u>	<u>9,602,899</u>
Diluted	<u>9,572,228</u>	<u>9,582,022</u>	<u>9,411,176</u>	<u>9,638,339</u>
Balance Sheet Highlights	December 31,	March 31,		
	2013	2013		
	(Unaudited)	(Audited)		
Cash and cash equivalents	\$ 1,364,069	\$ 8,504		

Accounts receivable	28,734,819	28,460,654
Total current assets	34,063,460	32,401,930
Total assets	39,775,830	38,331,143
Short-term borrowings	8,815,952	8,482,331
Total current liabilities	20,637,811	20,768,032
Total liabilities	21,254,151	21,372,243
Stockholders' equity	18,521,679	16,958,900
Total liabilities and stockholders' equity	39,775,830	38,331,143

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Source: Command Security Corporation