

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) **May 2, 2007**

Comfort Systems USA, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction
of incorporation)

1-13011

(Commission
File Number)

76-0526487

(IRS Employer
Identification No.)

**777 Post Oak Boulevard, Suite 500
Houston, Texas**

(Address of principal executive offices)

77056

(Zip Code)

(713) 830-9600

Registrant's telephone number, including area code

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

ITEM 2.02 Results of Operations and Financial Condition

Attached and incorporated herein by reference as Exhibit 99.1 is a copy of a press release of Comfort Systems USA, Inc. (the "Company") dated May 2, 2007 reporting the Company's financial results for the first quarter of 2007.

ITEM 8.01 Other Events

Attached and incorporated herein by reference as Exhibit 99.2 is a copy of a press release of the Company dated May 2, 2007 reporting the Company's declaration of a quarterly dividend on the Company's common stock to shareholders of record as of the close of business on the record date, May 31, 2007.

ITEM 9.01 Financial Statements and Exhibits

The following Exhibits are included herein:

Exhibit 99.1 Press Release of Comfort Systems USA, Inc. dated May 2, 2007 reporting the Company's financial results for the first quarter of 2007.

Exhibit 99.2 Press Release of Comfort Systems USA, Inc. dated May 2, 2007 reporting the Company's declaration of a quarterly dividend on the Company's common stock to shareholders of record as of the close of business on the record date, May 31, 2007.

SIGNATURES

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

COMFORT SYSTEMS USA, INC.

By: /s/ Trent T. McKenna

Date: May 4, 2007

EXHIBIT INDEX

Exhibit Number	Description
99.1	Press Release of Comfort Systems USA, Inc. dated May 2, 2007 reporting the Company's financial results for the first quarter of 2007.
99.2	Press Release of Comfort Systems USA, Inc dated May 2, 2007 reporting the Company's declaration of a quarterly dividend on the Company's common stock to shareholders of record as of the close of business on the record date, May 31, 2007.



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FOR IMMEDIATE RELEASE

COMFORT SYSTEMS USA REPORTS FIRST QUARTER RESULTS

Houston, TX — May 2, 2007 — Comfort Systems USA, Inc. (NYSE: FIX), a leading provider of commercial, industrial and institutional heating, ventilation and air conditioning (“HVAC”) services, today announced net income of \$1,806,000 or \$0.04 per diluted share, for the quarter ended March 31, 2007, as compared to net income of \$4,327,000 or \$0.11 per diluted share, in the first quarter of 2006.

Bill Murdy, Comfort Systems USA’s Chairman and CEO, said, “As we predicted in our recent press release, our multi-family activities struggled in the first quarter as one of our operations that specializes in large multi-family projects posted a significant loss. Despite that loss, we were solidly profitable overall as our core commercial and institutional businesses demonstrated strength and further improvement.”

The Company reported revenues from continuing operations of \$249,640,000 in the current quarter, an increase of 5.6% as compared to \$236,385,000 in 2006. Following a very strong fourth quarter cash flow, the Company reported negative free cash flow of \$15,277,000 in the current quarter which was funded entirely by existing cash balances. Backlog as of March 31, 2007 was \$700,522,000, compared to \$653,753,000 as of December 31, 2006, with \$12,476,000 of the increase resulting from our acquisition in Tucson. Backlog as of March 31, 2006 was \$726,727,000.

Murdy continued, “Total backlog was up significantly as we enjoyed a strong winter booking season. We continue to experience strong underlying industry conditions and the majority of our operations are performing very well. We expect that as we continue to finish struggling projects at the multi-family operation that we mentioned earlier, we will experience some further disappointments, especially in the second quarter. However, we expect multi-family results in the second quarter will improve from the first quarter and that the improvement will continue through the rest of the year.”

Bill Murdy concluded, “Despite the weakness that we experienced this quarter we continue to believe that our 2007 profitability will improve as compared to 2006 results.”

As previously announced, the Company will host a conference call to discuss its financial results and position in more depth on Thursday, May 3, 2007 at 10:00 a.m. Central Time. The call-in number for this conference call is 1-210-234-0015. A replay of the entire call will be available until 6:00 p.m. Central Time, Thursday, May 10, 2007 by calling 1-203-369-3944, and will also be available on our website on the next business day following the call.

Comfort Systems USA^o is a premier provider of business solutions addressing workplace comfort, with 61 locations in 53 cities around the nation. For more information, visit the Company’s website at www.comfortsystemsusa.com.

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based on the current plans and expectations of Comfort Systems USA, Inc. and involve risks and uncertainties that could cause actual future activities and results of operations to be materially different from those set forth in the forward-looking statements. Important factors that could cause actual results to differ include, among others, national or regional weakness in non-residential

construction activity, difficulty in obtaining or increased costs associated with bonding, shortages of labor and specialty building materials, the use of incorrect estimates for bidding a fixed price contract, undertaking contractual commitments that exceed our labor resources, retention of key management, the Company’s backlog failing to translate into actual revenue or profits, errors in the Company’s percentage of completion method of accounting, the result of competition in the Company’s markets, seasonal fluctuations in the demand for HVAC systems, the imposition of past and future liability from environmental, safety, and health regulations including the inherent risk associated with self-insurance, adverse litigation results and other risks detailed in the Company’s reports filed with the Securities and Exchange Commission. Important factors that could cause actual results to differ are discussed under “Item 1A. Company Risk Factors” in the Company’s Annual Report on Form 10-K for the year ended December 31, 2006. These forward-looking statements speak only as of the date of this release. Comfort Systems USA, Inc. expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in Comfort Systems USA, Inc.’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

— Financial tables follow —

Comfort Systems USA, Inc.
Consolidated Statements of Operations
For the Three Months Ended March 31, 2007 and 2006
(in thousands, except per share amounts)
(unaudited)

Three Months Ended
March 31,

2007

2006

Revenues	\$ 249,640	100.0%	\$ 236,385	100.0%
Cost of services	213,126	85.4%	199,617	84.4%
Gross profit	36,514	14.6%	36,768	15.6%
SG&A	34,377	13.8%	29,743	12.6%
Gain on sale of assets	(19)	—	(20)	—
Operating income	2,156	0.9%	7,045	3.0%
Interest income, net	551	0.2%	491	0.2%
Other income	33	—	19	—
Income before income taxes	2,740	1.1%	7,555	3.2%
Income tax expense	934	—	3,021	—
Income from continuing operations	1,806	0.7%	4,534	1.9%
Discontinued operations—				
Operating loss, net of tax	—	—	(207)	—
Net income	\$ 1,806		\$ 4,327	
Income per share:				
Basic—				
Income from continuing operations	\$ 0.04		\$ 0.11	
Discontinued operations—				
Loss from operations	—		—	
Net income	\$ 0.04		\$ 0.11	
Diluted—				
Income from continuing operations	\$ 0.04		\$ 0.11	
Discontinued operations—				
Loss from operations	—		—	
Net income	\$ 0.04		\$ 0.11	
Shares used in computing income per share:				
Basic	40,499		39,857	
Diluted	41,303		40,862	

Note 1: The diluted income per share data presented above reflects the dilutive effect, if any, of stock options and contingently issuable restricted stock which were outstanding during the periods presented.

Supplemental Non-GAAP Information — Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization (“Adjusted EBITDA”) (Unaudited):

	Three Months Ended			
	2007		2006	
		%		%
Net income	\$ 1,806		\$ 4,327	
Discontinued operations	—		207	
Income taxes	934		3,021	
Other income	(33)		(19)	
Interest income, net	(551)		(491)	
Gain on sale of assets	(19)		(20)	
Depreciation and amortization	1,544		1,226	
Adjusted EBITDA	\$ 3,681	1.5%	\$ 8,251	3.5%

Note 1: The Company defines adjusted earnings before interest, taxes, depreciation and amortization (“Adjusted EBITDA”) as net income, excluding discontinued operations, income taxes, other income, interest income, net, gain on sale of assets and depreciation and amortization. Other companies may define Adjusted EBITDA differently. Adjusted EBITDA is presented because it is a financial measure that is frequently requested by third parties. However, Adjusted EBITDA is not considered under generally accepted accounting principles as a primary measure of an entity’s financial results, and accordingly, Adjusted EBITDA should not be considered an alternative to operating income, net income, or cash flows as determined under generally accepted accounting principles and as reported by the Company.

Comfort Systems USA, Inc.
Condensed Consolidated Balance Sheets
(in thousands)

	March 31, 2007 (unaudited)	December 31, 2006
Cash and cash equivalents	\$ 69,038	\$ 90,286
Accounts receivable, net	236,854	234,763
Costs and estimated earnings in excess of billings	22,924	23,680
Assets related to discontinued operations	7	221
Other current assets	27,564	28,326
Total current assets	356,387	377,276
Property and equipment, net	17,086	15,504
Goodwill	65,960	62,954
Other noncurrent assets	6,815	6,031
Total assets	\$ 446,248	\$ 461,765

Current maturities of long-term debt	\$	—	\$	—
Accounts payable		75,971		81,180
Billings in excess of costs and estimated earnings		64,807		65,949
Other current liabilities		59,686		70,886
Liabilities related to discontinued operations		376		450
Total current liabilities		200,840		218,465
Long-term debt		—		—
Other long-term liabilities		1,459		586
Total liabilities		202,299		219,051
Total stockholders' equity		243,949		242,714
Total liabilities and stockholders' equity	\$	446,248	\$	461,765

Selected Cash Flow Data (in thousands) (unaudited):

	Three Months Ended	
	March 31,	
	2007	2006
Cash provided by (used in):		
Operating activities	\$ (12,828)	\$ (20,508)
Investing activities	\$ (6,872)	\$ 22,655
Financing activities	\$ (1,548)	\$ 621
Free cash flow:		
Cash used in operating activities	\$ (12,828)	\$ (20,508)
Taxes paid related to the sale of businesses	—	7,020
Purchases of property and equipment	(2,490)	(2,049)
Proceeds from sales of property and equipment	41	109
Free cash flow	\$ (15,277)	\$ (15,428)

Note 1: Free cash flow is defined as cash flow from operating activities excluding items related to sale of businesses, less customary capital expenditures, plus the proceeds from asset sales. Other companies may define free cash flow differently. Free cash flow is presented because it is a financial measure that is frequently requested by third parties. However, free cash flow is not considered under generally accepted accounting principles as a primary measure of an entity's financial results, and accordingly, free cash flow should not be considered an alternative to operating income, net income, or cash flows as determined under generally accepted accounting principles and as reported by the Company.



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FOR IMMEDIATE RELEASE

COMFORT SYSTEMS USA DECLARES QUARTERLY DIVIDEND

Houston, TX — May 2, 2007 — Comfort Systems USA, Inc. (NYSE: FIX), a leading provider of commercial, industrial and institutional heating, ventilation and air conditioning (“HVAC”) services, today announced that the Board of Directors declared a quarterly dividend of \$.035 per share on Comfort Systems USA, Inc. common stock. The dividend is payable on June 20, 2007 to shareholders of record at the close of business on May 31, 2007.

Comfort Systems USA^o is a premier provider of business solutions addressing workplace comfort, with 61 locations in 53 cities around the nation. For more information, visit the Company’s website at www.comfortsystemsusa.com.

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based on the current plans and expectations of Comfort Systems USA, Inc. and involve risks and uncertainties that could cause actual future activities and results of operations to be materially different from those set forth in the forward-looking statements. Important factors that could cause actual results to differ include, among others, national or regional weakness in non-residential construction activity, difficulty in obtaining or increased costs associated with bonding, shortages of labor and specialty building materials, the use of incorrect estimates for bidding a fixed price contract, undertaking contractual commitments that exceed our labor resources, retention of key management, the Company’s backlog failing to translate into actual revenue or profits, errors in the Company’s percentage of completion method of accounting, the result of competition in the Company’s markets, seasonal fluctuations in the demand for HVAC systems, the imposition of past and future liability from environmental, safety, and health regulations including the inherent risk associated with self-insurance, adverse litigation results and other risks detailed in the Company’s reports filed with the Securities and Exchange Commission. Important factors that could cause actual results to differ are discussed under “Item 1A. Company Risk Factors” in the Company’s Annual Report on Form 10-K for the year ended December 31, 2006. These forward-looking statements speak only as of the date of this release. Comfort Systems USA, Inc. expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in Comfort Systems USA, Inc.’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.
