MATRIX SERVICE COMPANY
INDUSTRIAL SERVICE CONTRACTOR

Matrix Service Announce First Quarter Fiscal 2010 Results of $0.17 Per Fully Diluted Share

First Quarter Fiscal 2010 Highlights:
- Revenues were $137.7 million,
- Gross margins were 12.7%,
- Operating income was $7.3 million,
- Fully diluted EPS was $0.17 per share,
- Backlog was $328.1 million as of September 30, 2009, and
- Cash was $56.5 million as of September 30, 2009.

TULSA, OK – November 3, 2009 – Matrix Service Co. (Nasdaq: MTRX), a leading industrial services company, today reported its financial results for the first quarter ended September 30, 2009. In addition, the Company announced the results of the transition period related to the change of the fiscal year end from May 31st to June 30th.

First Quarter of Fiscal 2010 Results
Net income for the first quarter of fiscal 2010 was $4.5 million, or $0.17 per fully diluted share on total revenues of $137.7 million. First quarter operating results included a charge related to a legal matter of $1.2 million or $0.03 per fully diluted share. Total revenues were $186.7 million and net income was $9.5 million or $0.36 per fully diluted share in the comparable period a year earlier.

“As we had anticipated, the market environment in the first quarter was challenging,” said Michael J. Bradley, president and CEO of Matrix Service Company. “I am pleased with the solid execution of the Matrix Service team and our ability to continue to strengthen our financial position during this difficult economy. While the remainder of calendar 2009 remains challenging, we are encouraged by the increasing level of bid activity in both the Repair and Maintenance Services and Construction Services segments of our business. We remain well positioned to execute our growth strategy when market conditions improve.”

Revenues for the Construction Services segment were $77.7 million, compared with $114.8 million in fiscal 2009. The decrease of $37.1 million was mainly due to continued delays in planned projects and a broad based decline in our customers’ capital spending. The economic slowdown impacted all of our markets. Revenues for the Repair and Maintenance Services segment were $60.0 million in fiscal 2010 compared to $71.9 million in fiscal 2009. The decline was also due to the current economy as customers have applied discretion to the scope and timing of maintenance programs.

Consolidated gross profit decreased from $26.7 million in fiscal 2009 to $17.4 million in fiscal 2010. The reduction of $9.3 million was due to the decrease in revenue and lower gross margins. Gross margins decreased from 14.3% in fiscal 2009 to 12.7% in fiscal 2010. The decline was due to lower margins in the Repair and Maintenance Services segment, where the gross margin decreased to 10.5% in the current fiscal quarter versus 16.2% in the prior fiscal quarter. Offset by this decline was an improvement in the Construction Services segment where gross margins increased to 14.3% in the current fiscal quarter compared to 13.1% in fiscal 2009. Gross margins in both segments were negatively affected by a lower volume of business available to recover construction overhead costs. Consolidated SG&A expenses decreased 16.4% to $10.1 million in fiscal 2010 compared to $12.1 million for fiscal 2009. The decline in SG&A expenses is due to our on-going cost reduction efforts related primarily to employee related costs and professional fees.

Consolidated backlog at September 30, 2009 was $328.1 million compared to a backlog of $392.1 million as of June 30, 2009. Contributing to the change were delays of new project awards, decreased spending by our customers and project cancellations, which totaled $12.6 million in the quarter.

Transition Period Results
Net income for the month of June 2009, the fiscal year change transition period, was $1.0 million, or $0.04 per fully diluted share on revenues of $45.8 million. The comparable prior year results were revenues of $60.0 million and net income of $3.7 million, or $0.14 per fully diluted share.

The revenue decline was due to lower Construction Services revenues, which decreased from $36.3 million in June 2008 to $28.5 million in June 2009, and lower Repair and Maintenance Services revenues which decreased from $23.7 million in June 2008 to $17.3 million in June 2009.

Gross profit decreased to $5.1 million in June 2009 compared to $9.8 million a year earlier. The decline in gross profit was due to lower revenues and lower gross margins. Gross margins in both segments were negatively affected by a lower volume of business available to recover construction overhead costs in June 2009.

Consolidated backlog at June 30, 2009 was $392.1 million compared to a backlog of $401.1 million as of May 31, 2009.

Financial Position

In fiscal 2010, the Company's cash balance increased from $34.6 million as of May 31, 2009 to $56.5 million as of September 30, 2009. The Company did not borrow under its $75 million revolving credit facility during the three months September 30, 2009 or the one month ended June 30, 2009.

Earnings Guidance

Matrix Service is reaffirming its earnings guidance range of $0.80 to $1.10 per fully diluted share for fiscal 2010. The achievement of the earnings guidance is dependent on an improving economic environment and a resulting higher demand for the Company's services throughout the remainder of fiscal 2010.

Conference Call Details

In conjunction with the press release, Matrix Service will host a conference call with Michael J. Bradley, president and CEO, and Thomas E. Long, vice president and CFO. The call will take place at 11:00 a.m. (Eastern) / 10:00 a.m. (Central) today and will be simultaneously broadcast live over the Internet at www.matrixservice.com or www.vcall.com. Please allow extra time prior to the call to visit the site and download the streaming media software required to listen to the Internet broadcast. The online archive of the broadcast will be available within one hour of completion of the live call.

About Matrix Service Company

Matrix Service Company provides general industrial construction and repair and maintenance services principally to the petroleum, petrochemical, power, bulk storage terminal, pipeline and industrial gas industries.

The Company is headquartered in Tulsa, Oklahoma, with regional operating facilities located in California, Delaware, Illinois, Michigan, New Jersey, Oklahoma, Pennsylvania, Texas, and Washington in the U.S. and in Alberta, Ontario and New Brunswick in Canada.

This release contains forward-looking statements that are made in reliance upon the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These statements are generally accompanied by words such as "anticipate," "continues," "expect," "forecast," "outlook," "believe," "estimate," "should" and "will" and words of similar effect that convey future meaning, concerning the Company's operations, economic performance and management's best judgment as to what may occur in the future. Future events involve risks and uncertainties that may cause actual results to differ materially from those we currently anticipate. The actual results for the current and future periods and other corporate developments will depend upon a number of economic, competitive and other influences, including those factors discussed in the "Risk Factors" and "Forward Looking Statements" sections and elsewhere in the Company's reports and filings made from time to time with the Securities and Exchange Commission. Many of these risks and uncertainties are beyond the control of the Company, and any one of which, or a combination of which, could materially and adversely affect the results of the Company's operations and its financial condition. We undertake no obligation to update information contained in this release.

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