MATRIX SERVICE COMPANY
INDUSTRIAL SERVICE CONTRACTOR

Matrix Service Announces Results for the Third Quarter of Fiscal 2010 Ended March 31, 2010

Third Quarter Fiscal 2010 Highlights:
--Revenues were $122.0 million
--Gross margins were 10.9%
--Fully diluted EPS was $0.00
--Backlog was $302.4 million
--Cash was $53.3 million

Nine Month Fiscal 2010 Highlights:
--Revenues were $410.1 million
--Gross margins were 12.0%
--Fully diluted EPS was $0.34

TULSA, OK ¡V May 7, 2010 ¡V Matrix Service Co. (Nasdaq: MTRX), a leading industrial services company, today reported its financial results for the three and nine months ended March 31, 2010.
Third Quarter of Fiscal 2010 Results
Net income for the third quarter of fiscal 2010 was $0.1 million, or $0.00 per fully diluted share on total revenues of $122.0 million. Third quarter operating results included non-routine charges of $0.10 per fully diluted share related to write-offs of $2.9 million on acquired claim receivables, a charge of $0.7 million related to a legal matter and a charge of $0.6 million related to collection costs on claims acquired in a recent acquisition. Total revenues were $146.3 million and net income was $4.2 million, or $0.16 per fully diluted share, in the comparable period a year earlier.

Michael J. Bradley, president and CEO of Matrix Service Company said, "Although our markets and customers are continuing to experience the effects of the recession, our financial position is strong and has not limited our ability to pursue new awards, or to execute projects safely and effectively. We believe our long-term growth strategy and cost structure have positioned us to capitalize on opportunities that we see emerging when our core markets improve."

Revenues for the Construction Services segment were $76.3 million, compared with $79.9 million in fiscal 2009. The decrease of $3.6 million was primarily due to continued delays in project awards and a decline in our customers¡¦ capital spending. Revenues for the Repair and Maintenance Services segment were $45.7 million in fiscal 2010 compared to $66.4 million in fiscal 2009; the decline was due to a lower volume of recurring repair and maintenance work.

Consolidated gross profit decreased from $18.0 million in fiscal 2009 to $13.3 million in fiscal 2010. The decrease of $4.7 million was due to lower business volume, lower direct gross margins and a non-routine charge relating to a legal matter of $0.7 million, which decreased gross margins to 10.9% in fiscal 2010 compared to 12.3% a year earlier. Consolidated SG&A expenses were $13.2 million in fiscal 2010 compared to $10.9 million for fiscal 2009. The change in SG&A expenses is due to write-offs of $2.9 million on acquired claim receivables and a charge of $0.6 million related to collection costs on claims acquired in a recent acquisition, partially offset by cost reductions.
Nine Month Fiscal 2010 Results

Net income for fiscal 2010 was $9.1 million, or $0.34 per fully diluted share, on total revenues of $410.1 million. Fiscal 2010 operating results included non-routine charges of $0.15 per fully diluted share related to write-offs of $2.9 million on acquired claim receivables, a charge of $2.0 million related to a legal matter and a charge of $1.5 million related to collection costs on claims acquired in a recent acquisition. Total revenues were $509.8 million and net income was $23.8 million, or $0.90 per fully diluted share, in fiscal 2009.

Revenues for the Construction Services segment were $234.6 million compared with $294.7 million in fiscal 2009. The decrease of $60.1 million was primarily due to continued delays in project awards and a decline in our customers¡¦ capital spending. Revenues for the Repair and Maintenance Services segment were $175.5 million in fiscal 2010 compared to $215.1 million in fiscal 2009. The decline was due to lower volume of recurring repair and maintenance work.
Consolidated gross profit decreased from $71.0 million in fiscal 2009 to $49.2 million in fiscal 2010. The reduction of $21.8 million was due to lower business volume, lower direct gross margins and a non-routine charge related to a legal matter of $2.0 million, which decreased gross margins to 12.0% in fiscal 2010 compared to 13.9% in fiscal 2009. Consolidated SG&A expenses were $34.7 million in fiscal 2010 compared to $34.8 million for fiscal 2009. The change in SG&A expenses is due to write-offs of $2.9 million on acquired claim receivables and a charge of $1.5 million related to collection costs on claims

acquired in a recent acquisition which were fully offset by cost reductions.

Backlog
Consolidated backlog as of March 31, 2010 was $302.4 million compared to $323.7 million as of December 31, 2009.

Financial Position
At March 31, 2010, the Company¡¦s cash balance was $53.3 million. The Company did not borrow under its $75.0 million revolving credit facility during the nine months ended March 31, 2010.
Earnings Guidance
The Company now expects fiscal 2010 earnings to be in a range of $0.55 to $0.65 per fully diluted share. This guidance excludes the impact of non-routine charges (1) and is consistent with guidance included in the press release issued by the Company on April 23, 2010.

(1) To supplement our financial results presented on a GAAP basis, we used the Non-GAAP measure indicated in the table below, which excludes certain non-routine accounting entries related to acquired claim receivables and certain other legal matters that we believe are helpful in understanding our past and future financial performance. Our Non-GAAP financial measure is not meant to be considered in isolation or as a substitute for comparable GAAP measures and should be read only in conjunction with our consolidated financial statements prepared in accordance with GAAP. Our management regularly uses our supplemental Non-GAAP financial measure internally to understand, manage, and evaluate our business and to make operating decisions.

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 engineering, 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 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.

For more information, please contact:

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