MATRIX SERVICE COMPANY
INDUSTRIAL SERVICE CONTRACTOR

Matrix Service Announces Results of Third Quarter of Fiscal 2009 Ended February 28, 2009

Matrix Service Provides Update of Fiscal 2009 Earnings Guidance

Third-Quarter Fiscal 2009 Highlights:

- **Revenues were $146.3 million;**
- **Gross margins were 12.3%;**
- **Operating income was $7.0 million;**
- **Fully diluted EPS was $0.16 per share;**
- **Completed two strategic acquisitions; and**
- **Backlog was $452.5 million at February 28, 2009.**

Nine-Month Fiscal 2009 Highlights:

- **Revenues were $509.8 million;**
- **Gross margins improved to 13.9%;**
- **Operating income was $36.2 million; and**
- **Record fully diluted EPS was $0.90 per share.**

TULSA, OK – April 9, 2009 – Matrix Service Co. (Nasdaq: MTRX), a leading industrial services company, today reported its financial results for the third quarter, ended February 28, 2009.

Third Quarter of Fiscal 2009 Results
Net income for the third quarter of fiscal 2009 decreased to $4.2 million, or $0.16 per fully diluted share, versus net income in the third quarter of fiscal 2008 of $6.0 million, or $0.22 per fully diluted share. Consolidated revenues were $146.3 million in third quarter compared to $181.1 million in the third quarter of fiscal 2008. The decline in third quarter consolidated revenues was the result of a decrease in the Construction Services segment of $39.6 million partially offset by an increase in the Repair and Maintenance Services segment of $4.8 million.

Mike Bradley, chief executive officer stated, “The third quarter was more challenging than expected as capital and maintenance spending slowed considerably as clients adjusted to the downturn in the economy and further assessed their spending plans for 2009. We are pleased with the continued focused execution by our operating personnel as evidenced by solid gross margins and outstanding safety performance in a tough environment. Additionally, we advanced our strategy to position the company for further growth and diversification with the completion of two strategic acquisitions during the quarter.”

Revenues for the Construction Services segment were $79.9 million, compared with $119.5 million in the same period a year earlier. The decrease was primarily due to lower Specialty revenues, which decreased to $5.6 million in the same period in fiscal 2009, compared to $24.0 million the year earlier period, lower Aboveground Storage Tank revenues, which decreased to $36.9 million in the third quarter of fiscal 2009, compared to $51.1 million in the year earlier period, and lower Downstream Petroleum revenues, which decreased to $28.3 million in the third quarter in fiscal 2009, compared to $39.7 million in the year earlier period. These were partially offset by higher Electrical and Instrumentation revenues, which improved from $4.7 million in the fiscal 2008 to $9.1 million in the current period.

Revenues for the Repair and Maintenance Services segment were $66.4 million, compared to $61.6 million in the year earlier period. The improvement was due to higher Electrical and Instrumentation revenues, which increased to $7.0 million in the third quarter of fiscal 2009, compared to $3.4 million the year earlier period and higher Downstream Petroleum revenues, which increased to $22.1 million, compared to $19.2 million in the year earlier period.

Consolidated gross profit decreased from $21.0 million in the third quarter of fiscal 2008 to $18.0 million in the third quarter of fiscal 2009. The decrease was due to a 19.2% decline in consolidated revenues, partially offset by an increase in gross margins, which improved to 12.3% from 11.6% in the same period of fiscal 2008. The gross margin improvement was due to higher margins in the Construction Services segment, where the gross margin increased to 11.7% in the current fiscal year up from 9.5% in the prior fiscal year. Repair and Maintenance Services segment gross margins decreased to 13.0% in the current year period compared to 15.7% in the third quarter of fiscal 2008.

Consolidated SG&A expenses were $10.9 million in the third quarter of both fiscal 2009 and fiscal 2008. The $10.9 million represents a reduction of $0.9 million from the second fiscal quarter of 2009 as the Company implemented cost control measures as a result of the current economic environment. SG&A expense as a percentage of revenue increased to 7.5% in fiscal 2009 compared to 6.0% in the same period of the prior fiscal year due to the $34.8 million decline in revenues.

EBITDA(1) was $9.6 million as compare to $12.4 million in the same period last year.
Consolidated backlog at February 28, 2009 was $452.5 million compared to $454.0 million at the end of the second fiscal quarter. Additions during the quarter included awards of $141.2 million and backlog acquired through acquisitions of $38.6 million. Project cancellations of $35.2 million partially offset these increases.

Nine-Month Fiscal 2009 Results
For the nine months ended February 28, 2009, net income grew to $23.8 million, or $0.90 per fully diluted share, up from net income for the same period of fiscal 2008 of $12.5 million, or $0.46 per fully diluted share. Consolidated revenues were $509.8 million in the nine months of fiscal 2009, a decrease of $27.4 million from consolidated revenues of $537.2 million for same period of fiscal 2008. The decline in consolidated revenues was the result of a decrease in the Construction Services segment of $39.9 million, offset partially by an increase of $12.5 million in the Repair and Maintenance Services segment.

Revenues for the Construction Services segment were $294.7 million, compared with $334.6 million in the same period a year earlier. The decrease of $39.9 million was due to lower Specialty revenues, which decreased $42.1 million as the construction of the tanks on a Gulf Coast LNG project was completed in the fourth quarter of fiscal 2008. In addition, Aboveground Storage Tank revenues decreased $11.1 million to $137.8 million in the first nine months of fiscal 2009, compared to $148.9 million the year earlier period, and Downstream Petroleum revenues decreased $9.8 million to $103.0 million in the fiscal 2009 period, compared to $112.8 million in the year earlier period. Partially offsetting this decline was higher Electrical and Instrumentation revenues, which increased $23.1 million to $35.2 million in the first nine months of fiscal 2009, compared to $12.1 million in the year earlier period.

Revenues for the Repair and Maintenance Services segment were $215.1 million in the first nine months of fiscal 2009 compared to $202.6 million in the same period of fiscal 2008. The improvement was due to higher Aboveground Storage Tank revenues, which increased $11.5 million to $136.4 million in the fiscal 2009 period, compared to $124.9 million in the prior fiscal year period and higher Electrical and Instrumentation revenues, which increased $3.0 million to $14.1 million in the fiscal 2009 period, compared to $11.1 million in the prior fiscal year period. These increases were partially offset by lower Downstream Petroleum revenues, which decreased $2.0 million to $64.6 million in the fiscal 2009 period from $66.6 million during the same period in fiscal 2008.

Consolidated gross profit increased from $51.2 million in the first nine months of fiscal 2008 to $71.0 million in the fiscal 2009 period. The improvement of $19.8 million or 38.7% was due to an increase in gross margins, which improved from 9.5% in the fiscal 2008 period to 13.9%. The gross margin improvement was due to higher margins in the Construction Services segment, where the gross margin increased to 12.6% in the current fiscal year up from 5.4% in the prior fiscal year. Repair and Maintenance Services segment gross margins were 15.7% in the current year period compared to 16.3% for the same period in fiscal 2008.

Consolidated SG&A expenses increased $4.0 million, or 13.0%, in the fiscal 2009 period to $34.8 million from $30.8 million for the same period in fiscal 2008. The increase was primarily due to the costs of our expansion into Western Canada and the Gulf Coast Region and higher employee related and facility costs incurred to build the infrastructure and sales force necessary to support our long-term growth plan. SG&A expense as a percentage of revenue increased to 6.8% in the fiscal 2009 period compared to 5.7% in the same period of the prior fiscal year.

EBITDA(1) increased to $44.6 million, from $26.5 million in the same period last year.

Financial Position
During the third quarter, the Company increased its cash balance from $13.5 million at November 30, 2008, to $22.6 million at February 28, 2009. The increase provided by operations, was partially offset cash used for capital expenditures and acquisitions. The Company did not borrow under its $75 million revolving credit facility during the third quarter and has not borrowed under the facility during the first nine months of fiscal 2009. The fiscal 2009 capital expenditure budget of $25 million has been reduced to $12 million.

Earnings Guidance
Mr. Bradley provided the following comments regarding earnings guidance, “We have seen our operating activity in the fourth quarter improve from the levels we saw in the third quarter. As a result, we now expect fully diluted EPS in the range of $1.10 per fully diluted share to $1.25 per fully diluted share. Although the current environment remains challenging, we believe that our strong financial position will allow us to capitalize on opportunities we are currently pursuing.”

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.

1) The Company believes that EBITDA (earnings before net interest, income taxes, depreciation and amortization) is used by the financial community as a method of measuring the Company's performance and of evaluating the market value of companies considered to be in similar businesses. EBITDA should not be considered as an alternative to net income or cash provided by operating activities, as defined by accounting principles generally accepted in the United States ("GAAP"). A reconciliation of EBITDA to net income is included at the end of this release.

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 Oklahoma, Texas, California, Michigan, New Jersey, Pennsylvania, Illinois, Washington, and Delaware 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:

Matrix Service Company
Tom Long, Vice President Finance and CFO
T: +1-918-838-8822
E: telong@matrixservice.com

Investors and Financial Media:
Trúc Nguyen, Managing Director
Grayling
T: +1-646-284-9418
E: truc.nguyen@us.grayling.com