



MATRIX SERVICE COMPANY ANNOUNCES STRONG SECOND QUARTER RESULTS

Highlights:

- **Second quarter earnings \$0.27 per fully diluted share, up 35% from the second quarter of fiscal 2011**
- **Second quarter revenues \$201.0 million, up 14.7% from the second quarter of fiscal 2011**
- **December 31, 2011 backlog increased to \$433.6 million on \$207.9 million of project awards during the second quarter**

TULSA, OK – February 8, 2012 – Matrix Service Company(Nasdaq: MTRX) today reported its financial results for the three and six months ended December 31, 2011.

Second Quarter of Fiscal 2012 Results

Revenues for the second quarter ended December 31, 2011 were \$201.0 million, an increase of \$25.7 million, or 14.7%, from \$175.3 million in the same period a year earlier. Net income for the second quarter of fiscal 2012 was \$7.0 million, or \$0.27 per fully diluted share. In the comparable period a year earlier, net income was \$5.3 million, or \$0.20 per fully diluted share.

Consolidated gross profit was \$23.1 million in the second quarter of fiscal 2012 compared to \$19.8 million in the same period a year earlier. The increase of \$3.3 million was due to higher revenues in the second quarter of fiscal 2012 when compared to the same period a year earlier and slightly higher gross margins, which increased to 11.5% in the second quarter of fiscal 2012 compared to 11.3% in the same period a year earlier. Selling, general and administrative expenses were \$11.9 million, or 5.9% of revenue, in the second quarter of fiscal 2012 compared to \$11.1 million, or 6.4% of revenue, in the second quarter of fiscal 2011.

John R. Hewitt, President and CEO of Matrix Service Company, said “We are pleased with our second quarter results and feel very good about our year. We are seeing strength return to the majority of our markets with increased opportunities in all business lines.”

Six Month Fiscal 2012 Results

Revenues for the six months ended December 31, 2011 were \$370.3 million, an increase of \$43.2 million, or 13.2%, from \$327.1 million in the same period a year earlier. Net income for the six months ended December 31, 2011 was \$10.5 million, or \$0.40 per fully diluted share. In the comparable period a year earlier, net income was \$8.4 million, or \$0.32 per fully diluted share.

Consolidated gross profit was \$41.2 million in the six months ended December 31, 2011 compared to \$35.5 million in the same period a year earlier. The increase of \$5.7 million was due to higher revenues in the six months ended December 31, 2011 when compared to the same period a year earlier and slightly higher gross margins which increased to 11.1% in the first half of fiscal 2012 compared to 10.8% the same period a year earlier. Selling, general and administrative expenses were \$23.4 million, or 6.3% of revenue, in the six months ended December 31, 2011 compared to \$21.7 million, or 6.6% of revenue, in the same period a year earlier.

Backlog

Consolidated backlog increased \$28.5 million, or 7.0%, to \$433.6 million as of December 31, 2011 compared to \$405.1 million as of June 30, 2011. The Company continues to see strong bid flow and booked approximately \$400 million of new work in the six months ended December 31, 2011. Backlog has increased in four consecutive quarters and is at its highest level since the third quarter of fiscal 2009.

Financial Position

At December 31, 2011, Matrix Service's cash balance was \$37.4 million with no borrowings outstanding on its senior credit facility.

Share Buyback

The Company purchased approximately 370,000 shares of Matrix Service common stock in the three months ended December 31, 2011 for \$3.3 million under the Company's stock buyback plan. Through the first six months of fiscal 2012, the Company has purchased approximately 887,000 shares for a total of \$8.1 million. The Company has the authority to purchase an additional 2.1 million shares under the stock buyback plan through the end of calendar 2012. The share buyback was financed with cash on hand.

Earnings Guidance

The Company is increasing its revenue guidance for fiscal 2012 to between \$725.0 million and \$775.0 million from the previously announced range of \$675.0 million to \$725.0 million and is increasing the lower end of its earnings guidance from the previously announced \$0.80 per fully diluted share to \$0.85 per fully diluted share. The upper end of the Company's fiscal 2012 earnings guidance is unchanged at \$0.95 per fully diluted share.

Conference Call Details

In conjunction with the press release, Matrix Service will host a conference call with John R. Hewitt, President and CEO, and Kevin S. Cavanah, Vice President and CFO. The call will take place at 11:00a.m. (Eastern) / 10:00a.m. (Central) on February 9, 2012 and will be simultaneously broadcast live over the Internet which can be accessed at the Company's website at www.matrixservice.com the Investors' page under Conference Calls/Events. 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 conference call will be recorded and will be available for replay within one hour of completion of the live call and can be accessed following the same link as the live call.

About Matrix Service Company

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

The Company is headquartered in Tulsa, Oklahoma, with regional operating facilities located throughout the United States and 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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