



Matrix Service Company Announces Results for the First Quarter Ended September 30, 2011

TULSA, OK – November 2, 2011 – Matrix Service Company (Nasdaq: MTRX) today reported its financial results for the first quarter ended September 30, 2011.

Revenues for the first quarter ended September 30, 2011 were \$169.3 million, an increase of \$17.5 million, or 11.5%, from consolidated revenues of \$151.8 million in the same period a year earlier. Net income for the first quarter of fiscal 2012 was \$3.5 million, or \$0.13 per fully diluted share. In the comparable period a year earlier, net income was \$3.1 million, or \$0.12 per fully diluted share.

Consolidated gross profit was \$18.1 million in the first quarter of fiscal 2012 compared to \$15.7 million in the same period a year earlier. The increase of \$2.4 million was due to higher revenues and improved gross margins which increased to 10.7% in the first quarter of fiscal 2012 compared to 10.3% the same period a year earlier. Selling, general and administrative expenses were \$11.5 million, or 6.8% of revenue, in the first quarter of fiscal 2012 compared to \$10.6 million, or 7.0% of revenue, in the first quarter of fiscal 2011.

John R. Hewitt, President and CEO of Matrix Service Company, said “The first quarter results were in line with our expectations. We are currently seeing considerable bid activity and our key markets have steadily increased our backlog. Overall, I am very pleased with the performance of the Company and the strong outlook for the balance of the fiscal year.”

Backlog

Consolidated backlog increased \$21.5 million, or 5.3%, to \$426.6 million as of September 30, 2011 compared to \$405.1 million as of June 30, 2011. The Company continues to see strong bid flow and booked \$190.8 million of new work in the first quarter of fiscal 2012. Backlog has increased in three consecutive quarters and is at its highest level since the third quarter of fiscal 2009.

Financial Position

At September 30, 2011, Matrix Service’s cash balance was \$38.7 million. The Company did not borrow under its revolving credit facility during the three months ended September 30, 2011.

Share Buyback

The Company purchased approximately 517,000 shares of Matrix Service common stock in the first quarter of fiscal 2012 for \$4.9 million and an additional 167,000 shares in early October 2011 for \$1.5 million. Under the Company’s stock buyback plan, the Company has the authority to purchase an additional 2.3 million shares through the end of calendar 2012. The share buyback was financed with cash on hand.

Earnings Guidance

The Company is increasing the lower end of its revenue guidance for fiscal 2012 from the previously announced \$650 million to \$675 million and is increasing the lower end of its earnings guidance from the previously announced \$0.75 per fully diluted share to \$0.80 per fully diluted share. The upper end of our fiscal 2012 revenue and earnings guidance is unchanged at \$725 million and \$0.95 per fully diluted share, respectively.

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 11:00 a.m. (Eastern) / 10:00 a.m. (Central) on November 3, 2011 and will be simultaneously broadcast live over the Internet which can be accessed at the Company’s website at www.matrixservice.com**Error!** Hyperlink reference not valid. on 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.

For more information, please contact:

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