

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

**FORM 8-K**

**Current Report**

**Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): August 9, 2010

**Integrated Electrical Services, Inc.**

(Exact name of registrant as specified in Charter)

**Delaware**  
(State or Other Jurisdiction  
of Incorporation)

**001-13783**  
(Commission  
File Number)

**76-0542208**  
(I.R.S. Employer  
Identification Number)

**1800 West Loop South, Suite 500**  
**Houston, Texas 77027**  
(Address of Principal Executive Offices)

Registrant's telephone number, including area code: **(713) 860-1500**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2 (b))
  - Pre-Commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4 (c))
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**Item 2.02. Results of Operations and Financial Condition.**

On August 9, 2010, Integrated Electrical Services, Inc. (the “Company”) issued a press release announcing its results of operations for the fiscal 2010 third quarter, a copy of which is furnished with this report as Exhibit 99.1 and is incorporated herein by reference. On August 10, 2010, the Company conducted an earnings conference call and webcast discussing the results of operations for the fiscal 2010 third quarter, which had an accompanying slide presentation. The slide presentation is furnished with this report as Exhibit 99.2 and is incorporated herein by reference.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits.

**Exhibit Number Description**

99.1	Press release dated August 9, 2010
99.2	Slide presentation which accompanied the August 10, 2010 earnings conference call and webcast

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## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

### INTEGRATED ELECTRICAL SERVICES, INC.

Date: August 10, 2010

/s/ William L. Fiedler

William L. Fiedler

*Senior Vice President and General Counsel*

## EXHIBIT INDEX

<b>Exhibit Number</b>	<b>Description</b>
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99.1	Press release dated August 9, 2010
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99.2	Slide presentation which accompanied the August 10, 2010 earnings conference call and webcast
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## **NEWS RELEASE**

**FOR IMMEDIATE RELEASE**

Contacts: Terry Freeman, CFO  
Integrated Electrical Services, Inc.  
713-860-1500

Ken Dennard / ksdennard@drg-e.com  
Karen Roan / kcroan@drg-e.com  
DRG&E / 713-529-6600

### **INTEGRATED ELECTRICAL SERVICES REPORTS FISCAL 2010 THIRD QUARTER RESULTS**

HOUSTON — AUGUST 9, 2010 — Integrated Electrical Services, Inc. (NASDAQ: IESC) today announced financial results for its fiscal 2010 third quarter ended June 30, 2010.

Revenues for the third quarter of fiscal 2010 were \$121.4 million compared to revenues of \$172.2 million for the third quarter of fiscal 2009. Loss from operations in the third quarter of fiscal 2010 was \$5.9 million, including significant charges of \$0.3 million relating to severance costs, compared to income from operations in the third quarter of 2009 of \$4.4 million, including restructuring and significant charges of \$1.5 million. Net loss, including significant charges, in the third quarter of fiscal 2010 was \$6.6 million, or \$0.45 loss per share, compared to net income, including restructuring and significant charges, for the third quarter of fiscal 2009 of \$1.3 million, or \$0.09 earnings per diluted share.

Gross profit for the third quarter of fiscal 2010 was \$15.1 million, a gross margin of 12.4 percent, compared to gross profit of \$31.6 million, a gross margin of 18.4 percent, in the third quarter of fiscal 2009. Sales, general and administrative (“SG&A”) expenses for the third quarter of fiscal 2010 were \$21.1 million, including significant charges of \$0.3 million relating to severance costs, compared to \$26.8 million, including significant charges of \$0.9 million, in the third quarter of fiscal 2009. SG&A expenses as a percentage of revenues were 17.4 percent in the third quarter of fiscal 2010 compared to 15.6 percent in the third quarter of fiscal 2009.

Michael J. Caliel, IES President and Chief Executive Officer, stated, “While current economic conditions remain challenging and negatively impacted our end markets, we are nevertheless disappointed in our third quarter results. We continued to face ongoing weakness in many of our end markets and resulting volume pressure. The overall construction sector remains weak, and each of our business segments experienced declines in construction activity, along with margin pressure, as many customers continued to reduce, delay and cancel proposed projects.

“While we continue to be disciplined regarding the work we pursue, we are encouraged by another positive move in our backlog of approximately \$259 million. This is our third quarter of sequential backlog growth, and we continue to be pleased with our pipeline of opportunities. Further, as a result of our previous investments in business development and sales resources, along with our refined market strategy, we secured a number of significant new project awards in key targeted markets, including refining, renewable energy, government, health care and data centers. We believe these awards demonstrate measurable progress in differentiating our Company and our resources and expertise in the core markets we serve.

“As we have stated before, during these challenging times in our end markets, we continue to reduce our costs and maximize liquidity. We amended and extended our credit facility, enhancing our liquidity profile, and improved our surety arrangement by reducing cost for bonding. We continue to drive down our cost base to ensure it is aligned with current volumes. To that end, we believe we are navigating effectively through this downturn and, as a result of the steps we have taken to restructure our operations, have a solid foundation in place and a business with a significant amount of operating leverage. Accordingly, we believe we are positioned well for an economic recovery as it occurs,” concluded Caliel.

#### **SEGMENT DATA**

In October 2009, the Company combined its Industrial segment into its Commercial segment and now reports its operations in two business segments, Commercial & Industrial and Residential. Revenues for the Commercial & Industrial segment for the third quarter of fiscal 2010 were \$89.9 million at a gross margin of 9.7 percent. This compares to revenues of \$134.5 million at a gross margin of

16.5 percent for the third quarter of fiscal 2009. Revenues for the Residential segment for the third quarter of fiscal 2010 were \$31.5 million at a gross margin of 20.1 percent compared to revenues of \$37.7 million at a gross margin of 25.0 percent in the third quarter of fiscal 2009.

## **BACKLOG**

As of June 30, 2010, backlog was approximately \$259 million compared to \$251 million as of March 31, 2010 and to \$289 million as of June 30, 2009. Backlog represents the dollar amount of revenues the Company expects to realize in the future as a result of performing work on multi-period projects that are under contract regardless of duration. Backlog is not a measure defined by generally accepted accounting principles, and the Company's methodology for determining backlog may not be comparable to the methodology of other companies. The Company does not include single family housing or time and material work in backlog.

## **DEBT AND LIQUIDITY**

As of June 30, 2010, IES had total liquidity of \$40.3 million. Working capital was \$93.5 million and long-term debt was \$10.6 million. As of August 6, 2010, the Company had total liquidity of \$46.3 million.

## **EBITDA RECONCILIATION**

The Company has disclosed in this press release EBITDA (earnings before interest, taxes, depreciation and amortization) which is a non-GAAP financial measure. EBITDA is a measure that is used in determining compliance with the Company's secured credit facility. EBITDA calculations may vary from company to company, so IES' computations may not be comparable to those of other companies. In addition, IES has certain assets established as part of applying fresh-start accounting that will be amortized in the future. A reconciliation of EBITDA to net income is found in the table below. For further details on the Company's financial results, please refer to the Company's annual report on Form 10-K for the fiscal year ended September 30, 2009, filed on December 14, 2009.

## **CONFERENCE CALL**

Integrated Electrical Services has scheduled a conference call for Tuesday, August 10, 2010 at 9:30 a.m. Eastern time. To participate in the conference call, dial (480) 629-9835 at least 10 minutes before the call begins and ask for the Integrated Electrical Services conference call. A brief slide presentation will accompany the call and can be viewed by accessing the web cast on the Company's web site. A replay of the call will be available approximately two hours after the live broadcast ends and will be accessible until August 17, 2010. To access the replay, dial (303) 590-3030 using a pass code of 4342293#.

Investors, analysts and the general public will also have the opportunity to listen to the conference call over the Internet by visiting [www.ies-co.com](http://www.ies-co.com). To listen to the live call on the web, please visit the Company's web site at least fifteen minutes before the call begins to register, download and install any necessary audio software. For those who cannot listen to the live web cast, an archive will be available shortly after the call.

Integrated Electrical Services, Inc. is a leading national provider of electrical and communications contracting solutions for the commercial, industrial and residential markets. From office buildings to wind farms to housing developments, IES designs, builds and maintains electrical and communications systems for a diverse array of customers, projects and locations. For more information about IES, please visit [www.ies-co.com](http://www.ies-co.com).

*Certain statements in this release, including statements regarding the restructuring plan and total estimated charges and cost reductions associated with this plan, are "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, all of which are based upon various estimates and assumptions that the Company believes to be reasonable as of the date hereof. These statements involve risks and uncertainties that could cause the Company's actual future outcomes to differ materially from those set forth in such statements. Such risks and uncertainties include, but are not limited to, the inherent uncertainties relating to estimating future operating results and the Company's ability to generate sales and operating income; potential defaults under credit facility and term loan; cross defaults under surety agreements; potential depression of stock price triggered by the potential sale of controlling interest or the entire company as a result of controlling stockholder's decision to pursue a disposition of its interest in the company; fluctuations in operating results because of downturns in levels of construction; delayed project start dates and project cancellations resulting from adverse credit and capital market conditions that affect the cost and availability of construction financing; delayed payments resulting from financial and credit difficulties affecting customers and owners; inability to collect moneys owed because of the depressed value of projects and the ineffectiveness of liens; inaccurate estimates used in entering into contracts; inaccuracies in estimating revenue and percentage of completion on projects; the high level of competition in the construction industry, both from third parties and former employees; weather related delays; accidents resulting from the physical hazards associated with the Company's work; difficulty in reducing SG&A to match*

lowered revenues; loss of key personnel; litigation risks and uncertainties; difficulties incorporating new accounting, control and operating procedures and centralization of back office functions; and failure to recognize revenue from work that is yet to be performed on uncompleted contracts and/or from work that has been contracted but not started due to changes in contractual commitments.

You should understand that the foregoing, as well as other risk factors discussed in this document and in the Company's annual report on Form 10-K for the year ended September 30, 2009, could cause future outcomes to differ materially from those expressed in such forward-looking statements. The Company undertakes no obligation to publicly update or revise information concerning its restructuring efforts, borrowing availability, or cash position or any forward-looking statements to reflect events or circumstances that may arise after the date of this release.

Forward-looking statements are provided in this press release pursuant to the safe harbor established under the private Securities Litigation Reform Act of 1995 and should be evaluated in the context of the estimates, assumptions, uncertainties, and risks described herein.

General information about Integrated Electrical Services, Inc. can be found at <http://www.ies-co.com> under "Investor Relations." The Company's annual report on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K, as well as any amendments to those reports, are available free of charge through the Company's website as soon as reasonably practicable after they are filed with, or furnished to, the SEC.

**INTEGRATED ELECTRICAL SERVICES INC., AND SUBSIDIARIES**  
(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

	Three Months Ended June 30, 2010 (Unaudited)	Three Months Ended June 30, 2009 (Unaudited)	Nine Months Ended June 30, 2010 (Unaudited)	Nine Months Ended June 30, 2009 (Unaudited)
Revenues	\$ 121,405	\$ 172,185	\$ 349,272	\$ 512,618
Cost of services	106,328	140,563	300,675	423,095
Gross profit	15,077	31,622	48,597	89,523
Selling, general and administrative expenses	21,098	26,838	66,075	82,668
(Gain) loss on asset sales	(113)	(221)	(165)	(399)
Restructuring charges	-	633	763	3,774
Income (loss) from operations	(5,908)	4,372	(18,076)	3,480
Interest and other expense, net	747	1,534	2,489	2,878
Loss from operations before income taxes	(6,655)	2,838	(20,565)	602
Provision (benefit) for income taxes	(98)	1,541	28	613
Net loss	(6,557)	1,297	(20,593)	(11)
Loss per share:				
Basic	\$ (0.45)	\$ 0.09	\$ (1.43)	\$ (0.00)
Diluted	\$ (0.45)	\$ 0.09	\$ (1.43)	\$ (0.00)
Shares used in the computation of loss per share:				
Basic	14,425	14,339	14,404	14,327
Diluted	14,425	14,403	14,404	14,327

**RESTRUCTURING AND SIGNIFICANT CHARGES**  
(DOLLARS IN THOUSANDS)

	Three Months Ended June 30, 2010 (Unaudited)	Three Months Ended June 30, 2009 (Unaudited)	Nine Months Ended June 30, 2010 (Unaudited)	Nine Months Ended June 30, 2009 (Unaudited)
Restructuring & Significant Charges:				
Restructuring costs	\$ -	\$ 633	\$ 763	\$ 3,774
Legal settlements	-	443	-	739
Severance	304	460	1,183	460
Bad debt expense	-	-	3,714	-
Total charges, pre-tax	\$ 304	\$ 1,536	\$ 5,660	\$ 4,973
Effective Tax Rate	0.4%	49.4%	-0.7%	90.2%
Total charges, net of tax	303	777	5,700	487

**INTEGRATED ELECTRICAL SERVICES INC., AND SUBSIDIARIES**  
**(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)**

<b>Selected Balance Sheet Data:</b>	<b>June 30, 2010</b>	<b>September 30, 2009</b>	<b>June 30, 2009</b>
Cash and Cash Equivalents	\$ 30,725	\$ 64,174	\$ 60,544
Working Capital (including cash and cash equivalents)	93,540	121,564	128,006
Goodwill	3,981	3,981	4,827
Total Assets	201,226	268,425	299,885
Total Debt	11,898	28,687	29,536
Total Stockholders' Equity	112,841	132,548	143,668

**Selected Cash Flow Data:**

	<b>Nine Months Ended June 30, 2010</b>	<b>Nine Months Ended June 30, 2009</b>
Cash provided (used) in operating activities	\$ (16,366)	\$ 6,900
Cash provided (used) in investing activities	103	(5,978)
Cash provided (used) in financing activities	(17,186)	(5,087)

**INTEGRATED ELECTRICAL SERVICES INC., AND SUBSIDIARIES**  
**EBITDA**  
**(DOLLARS IN MILLIONS)**

	<b>Three Months Ended June 30, 2010</b>	<b>Three Months Ended June 30, 2009</b>	<b>Nine Months Ended June 30, 2010</b>	<b>Nine Months Ended June 30, 2009</b>
Net Income (Loss) *	\$ (66)	\$ 1.3	\$ (20.6)	\$ (0.0)
Interest Expense, net	0.7	1.3	2.7	3.1
Provision (Benefit) for Income Taxes	(0.1)	1.5	0.0	0.6
Depreciation and Amortization	1.3	1.5	4.0	6.0
EBITDA	<u>\$ (4.7)</u>	<u>\$ 5.6</u>	<u>\$ (13.9)</u>	<u>\$ 9.7</u>

\* Includes restructuring and significant charges

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**Integrated Electrical Services, Inc.**  
3rd Quarter Results  
August 10, 2010

Michael J. Caliel, President & CEO  
Terry Freeman, SVP & CFO  
Karen Roan, DRG&E



# Safe Harbor

- *Certain statements in this release, including statements regarding the restructuring plan and total estimated charges and cost reductions associated with this plan, are "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, all of which are based upon various estimates and assumptions that the Company believes to be reasonable as of the date hereof. These statements involve risks and uncertainties that could cause the Company's actual future outcomes to differ materially from those set forth in such statements. Such risks and uncertainties include, but are not limited to, the inherent uncertainties relating to estimating future operating results and the Company's ability to generate sales and operating income; potential defaults under credit facility and term loan; cross defaults under surety agreements; potential depression of stock price triggered by the potential sale of controlling interest or the entire company as a result of controlling stockholder's decision to pursue a disposition of its interest in the company; fluctuations in operating results because of downturns in levels of construction; delayed project start dates and project cancellations resulting from adverse credit and capital market conditions that affect the cost and availability of construction financing; delayed payments resulting from financial and credit difficulties affecting customers and owners; inability to collect moneys owed because of the depressed value of projects and the ineffectiveness of liens; inaccurate estimates used in entering into contracts; inaccuracies in estimating revenue and percentage of completion on projects; the high level of competition in the construction industry, both from third parties and former employees; weather related delays; accidents resulting from the physical hazards associated with the Company's work; difficulty in reducing SG&A to match lowered revenues; loss of key personnel; litigation risks and uncertainties; difficulties incorporating new accounting, control and operating procedures and centralization of back office functions; and failure to recognize revenue from work that is yet to be performed on uncompleted contracts and/or from work that has been contracted but not started due to changes in contractual commitments.*
- *You should understand that the foregoing, as well as other risk factors discussed in this document and in the Company's annual report on Form 10-K for the year ended September 30, 2009, could cause future outcomes to differ materially from those expressed in such forward-looking statements. The Company undertakes no obligation to publicly update or revise information concerning its restructuring efforts, borrowing availability, or cash position or any forward-looking statements to reflect events or circumstances that may arise after the date of this release.*
- *Forward-looking statements are provided in this press release pursuant to the safe harbor established under the private Securities Litigation Reform Act of 1995 and should be evaluated in the context of the estimates, assumptions, uncertainties, and risks described herein.*
- *General information about Integrated Electrical Services, Inc. can be found at <http://www.ies-co.com> under "Investor Relations." The Company's annual report on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K, as well as any amendments to those reports, are available free of charge through the Company's website as soon as reasonably practicable after they are filed with, or furnished to, the SEC.*

## Q3 Highlights

- Challenging economic conditions continue
  - Ongoing weakness in end markets
  - Projects delayed, deferred, or canceled
  - 3<sup>rd</sup> quarter results disappointing
- Backlog up 3% from Q2
  - 3<sup>rd</sup> consecutive quarter of backlog growth
- Significant new project awards in targeted markets
- Continued aggressive cost and liquidity management

# Financial Highlights

(\$ Thousands)

	Three Months Ended June 30, 2010		Three Months Ended June 30, 2009		Nine Months Ended June 30, 2010		Nine Months Ended June 30, 2009	
Revenues	\$	121,405	\$	172,185	\$	349,272	\$	512,618
Gross profit		15,077		31,622		48,597		89,523
%		12.4%		18.4%		13.9%		17.5%
SG&A		21,098		26,838		66,075		82,668
%		17.4%		15.6%		18.9%		16.1%
Restructuring charges		-		633		763		3,774
Operating Income (Loss)		(5,908)		4,372		(18,076)		3,480
%		-4.9%		2.5%		-5.2%		0.7%
Net Income (loss)		(6,557)		1,297		(20,593)		(11)
Diluted Earnings per Share	\$	(0.45)	\$	0.09	\$	(1.43)	\$	(0.00)

# Commercial & Industrial

(\$ Thousands)

	Three Months Ended June 30, 2010	Three Months Ended June 30, 2009	Nine Months Ended June 30, 2010	Nine Months Ended June 30, 2009
Revenues	89,916	134,451	260,723	395,636
Gross profit	8,740	22,188	29,156	62,073
%	9.7%	16.5%	11.2%	15.7%
Selling, general and administrative	11,475	14,443	36,001	44,121
%	12.8%	10.7%	13.8%	11.2%
Restructuring charge	-	438	714	1,125
Operating Income (Loss)	(2,667)	7,546	(7,442)	17,257
%	-3.0%	5.6%	-2.9%	4.4%

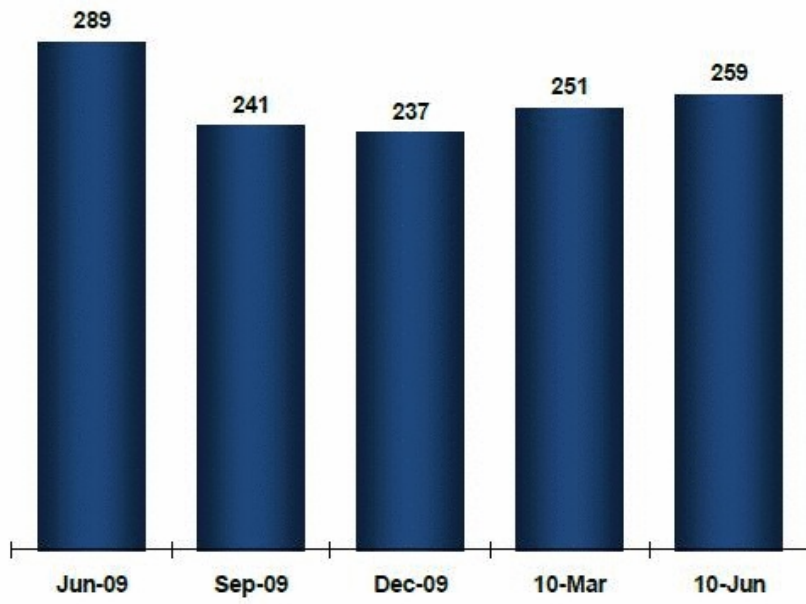
# Residential

(\$ Thousands)

	Three Months Ended June 30, 2010	Three Months Ended June 30, 2009	Nine Months Ended June 30, 2010	Nine Months Ended June 30, 2009
Revenues	31,489	37,734	88,549	116,982
Gross profit	6,337	9,434	19,441	27,450
%	20.1%	25.0%	22.0%	23.5%
Selling, general and administrative	6,086	8,042	18,635	25,703
%	19.3%	21.3%	21.0%	22.0%
Restructuring charge	-	260	-	1,981
Operating Income (Loss)	222	1,117	780	(263)
%	0.7%	3.0%	0.9%	-0.2%

# Backlog

(\$ Millions)



## Q3 Balance Sheet Highlights

(\$ Thousands)

	June 30 2010	Sept. 30 2009
Cash	30,725	64,174
Current Assets	162,618	221,270
Current Liabilities	69,078	99,706
Working Capital	93,540	121,564
Total Debt	11,898	28,687
Total Equity	112,841	132,548
Backlog	259,285	240,548
Liquidity	40,313	76,695



## Summary

- Key project awards in targeted markets
- Continue to deliver exceptional safety performance
- Aggressively managing costs and liquidity – on pace to beat \$85-90MM SG&A target for FY 2010
- Significant operating leverage as market recovers