
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): February 22, 2011

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 8.01. Other Events.

Sale of Key Electric Supply

On February 28, 2011, Integrated Electrical Services, Inc. (the “Company”) closed the sale of Key Electric Supply (“Key Electric”), the Company’s electrical distribution business, to Elliot Electric Supply, Inc. Net proceeds from the transaction will approximate \$6.1 million. Key Electric, located in Houston, Texas, is a distributor of wiring, lighting, electrical distribution, power control and generators for residential and commercial applications.

Centerpoint Settlement

On February 22, 2011, the Company entered into a \$2.85 million settlement in connection with its previously disclosed breach of contract and mechanics’ lien foreclosure actions against Centerpoint Construction, LLC and Tempe Land Company, LLC, the general contractor and owner, respectively, of a condominium and retail development project in Tempe, Arizona. The Company had previously reserved the \$4.0 million long-term receivable related to these actions.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit Number Description

99.1 Press Release, dated February 28, 2011, announcing the divestment of Key Electric Supply.

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: February 28, 2011

/s/ William L. Fiedler

William L. Fiedler

Senior Vice President and General Counsel

EXHIBIT INDEX

Exhibit Number	Description
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99.1	Press Release, dated February 28, 2011, announcing the divestment of Key Electric Supply.
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NEWS RELEASE

FOR IMMEDIATE RELEASE

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

Ken Dennard / Karen Roan
DRG&E / 713-529-6600

INTEGRATED ELECTRICAL SERVICES ANNOUNCES SALE OF NON-STRATEGIC ELECTRICAL DISTRIBUTION BUSINESS

HOUSTON — February 28, 2011 — Integrated Electrical Services, Inc. (NASDAQ: IESC) today announced that it has concluded the sale of Key Electric Supply, its electrical distribution business. Key Electric Supply, located in Houston, Texas, is a distributor of wiring, lighting, electrical distribution, power control and generators for residential and commercial applications.

Michael J. Caliel, IES President and Chief Executive Officer, stated, “As we continue to assess our operations and focus on our electrical and communications businesses, we concluded this was a constructive opportunity to divest another non-core business. As we have stated numerous times, our strategy is to strengthen our core portfolio of electrical and communications businesses that are critical to the future success of the company and ensure the Company is well positioned to make the most of upcoming opportunities. Moreover, we believe the transition of ownership to Elliott Electric Supply, Inc. will be a positive development for both Elliott and Key’s customers and employees.”

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.

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, 2010, 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.

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