



New Leadership  
New Vision  
New Strategy

## Integrated Electrical Services, Inc.

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Michael J. Caliel, President & CEO  
Randy Guba, CFO

D.A. Davidson Sixth Annual Engineering & Construction Conference  
September 20, 2007

NASDAQ: IESC



# Forward-Looking Statements

Certain statements in this presentation 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.

IES undertakes no obligation to publicly update or revise information concerning the company’s restructuring efforts, borrowing availability, or its cash position or any forward-looking statements to reflect events or circumstances that may arise after the date of this presentation. Forward-looking statements are provided 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 us can be found at <http://www.ies-co.com> under “Investor Relations.” Our 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 our website as soon as reasonably practicable after we file them with, or furnish them to, the SEC.



## Who We Are

**We are a national specialty electrical contractor** providing electrical and low-voltage solutions to a diverse customer base, including institutions, corporations, general contractors and developers

**Our services include** design, build, installation and long-term service and maintenance

**Our primary business segments are:**

- Commercial & Industrial
- Residential



# New Leadership



## Michael J. Caliel, President & CEO

- Invensys Process Systems, Honeywell & ASEA Brown Boveri (ABB)
- 26 years experience



## Raymond Guba, CFO

- General Electric & Kraton Polymers
- CPA
- 24 years experience



## Chris Haas, Vice President of Supply Chain Management

- CSX Transportation, International Truck and Engine Corporation & Ford Motor Company
- 13 years experience



## Greg Jackson, Director Financial Reporting

- UHY, LLP, Simmons Company International, CIBC World Markets & PriceWaterhouseCoopers, LLP
- CPA
- 12 years experience



## Edjuan Bailey, Vice President Marketing

- Federal Express and Centex Homes
- 18 years experience

***Electrical, communications, utility installations and upgrade; renovation, replacement and service maintenance work in:***

- Airports
- Community centers
- High-rise apartments and condos
- Hospitals and health care centers
- Hotels
- Manufacturing and processing facilities
- Military installations
- Office buildings
- Refineries, petrochemical and power plants
- Retail stores and centers
- Schools
- Theaters, stadiums, casinos and arenas

## *Electrical installations in:*

### **Housing Market**

- New single family
- Low rise
- Multi family

### **Geography**

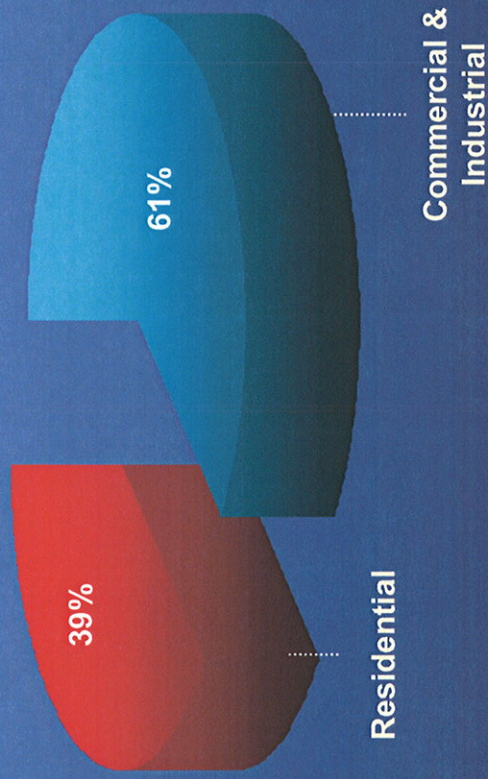
- Local
- Regional
- National homebuilders



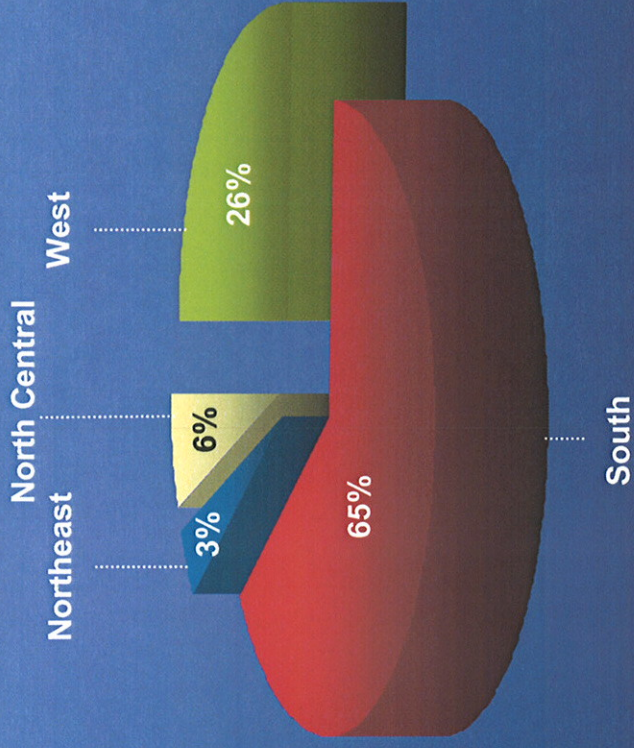


# Segment and Geographic Diversity

## Segments Served



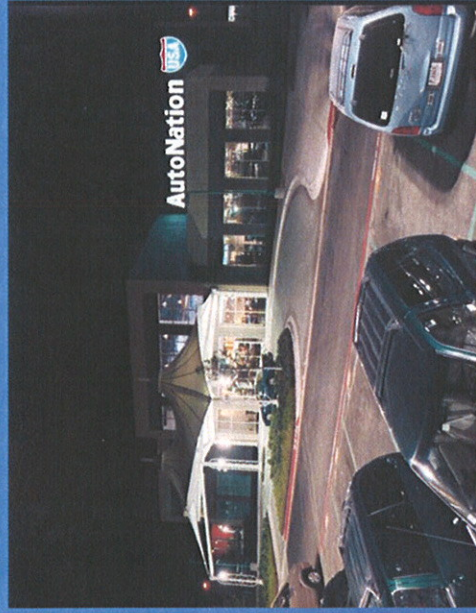
## Business By Area



Historical IES Company data; changes over time



# Diverse Industry Segments - Commercial



NORDSTROM



**COLUMBIA/HCA**  
Healthcare Corporation

**WAL\*MART®**

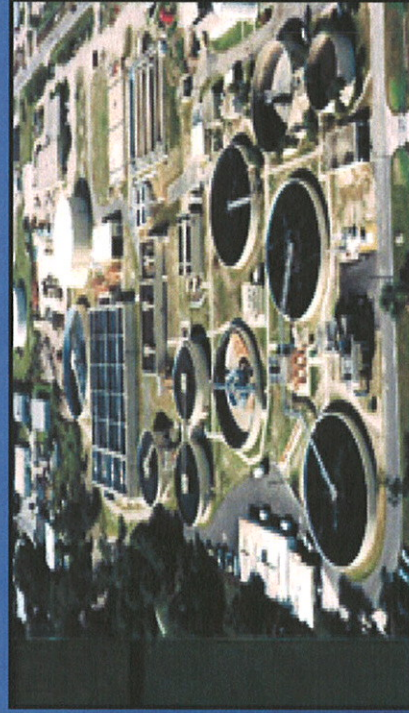
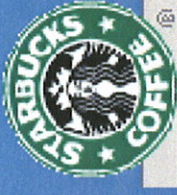
**HYATT®**



# Diverse Industry Segments - Industrial



**BASF**





# Diverse Industry Segments - Residential





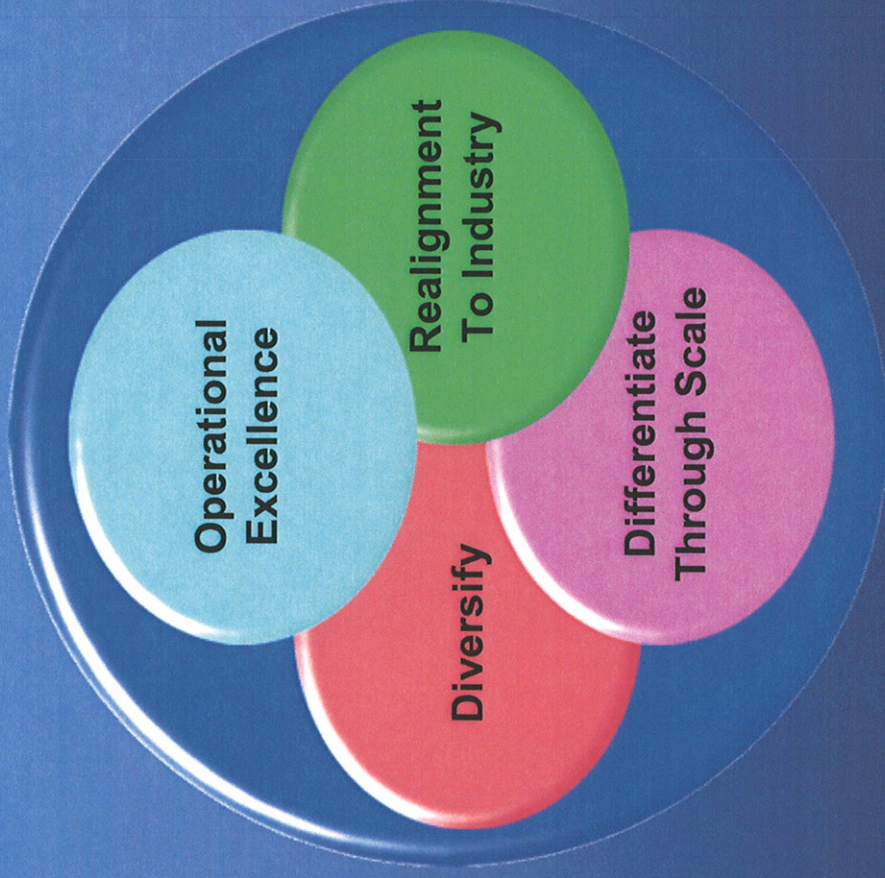
# Competitive Strengths

- National Reach
- Customer Diversity
- Industry and Technical Expertise
- Large Scale Project Execution Capabilities
- Access to Bonding, Capital and Human Resources
- Institutionalized Work Processes
- Experienced Management





# New Strategy

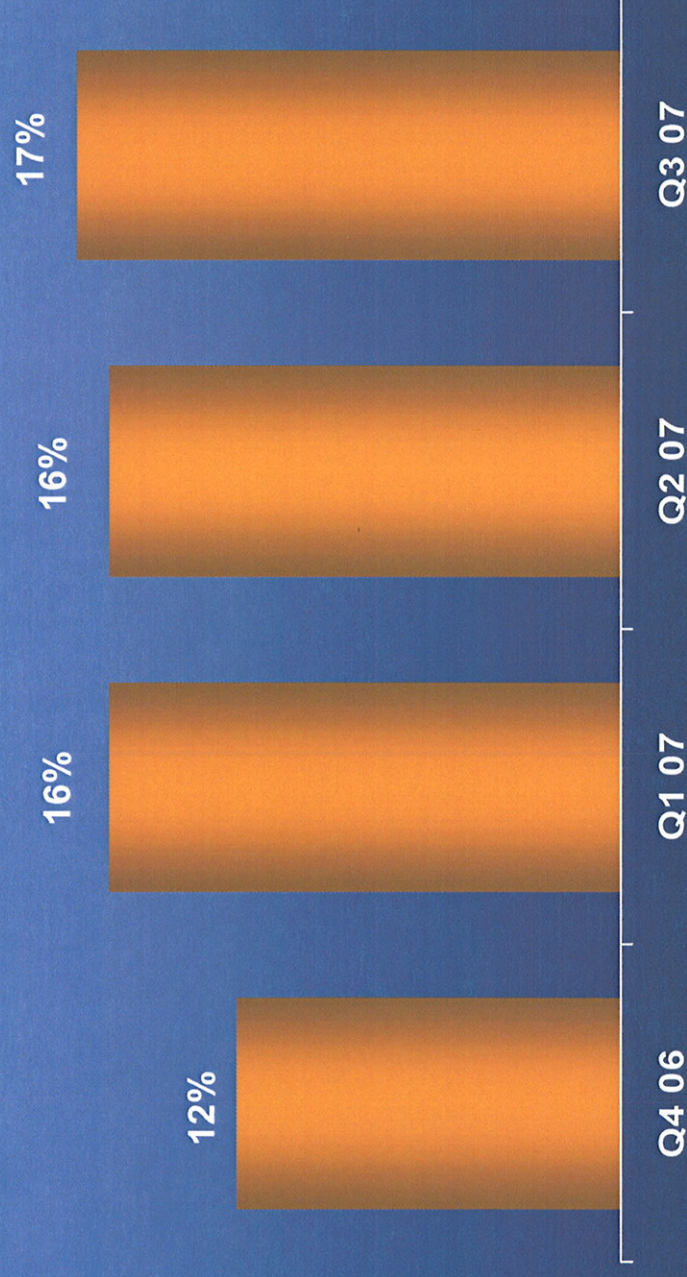


- Organize around markets
- Establish National Account relationships
- Expand into higher value services
- Develop and retain top talent
- Deploy best in class processes
- Create cost advantage through scale

# Driving Results – Margin Improvement

*Deployment of best practices has begun to show improvements*

Gross Margin



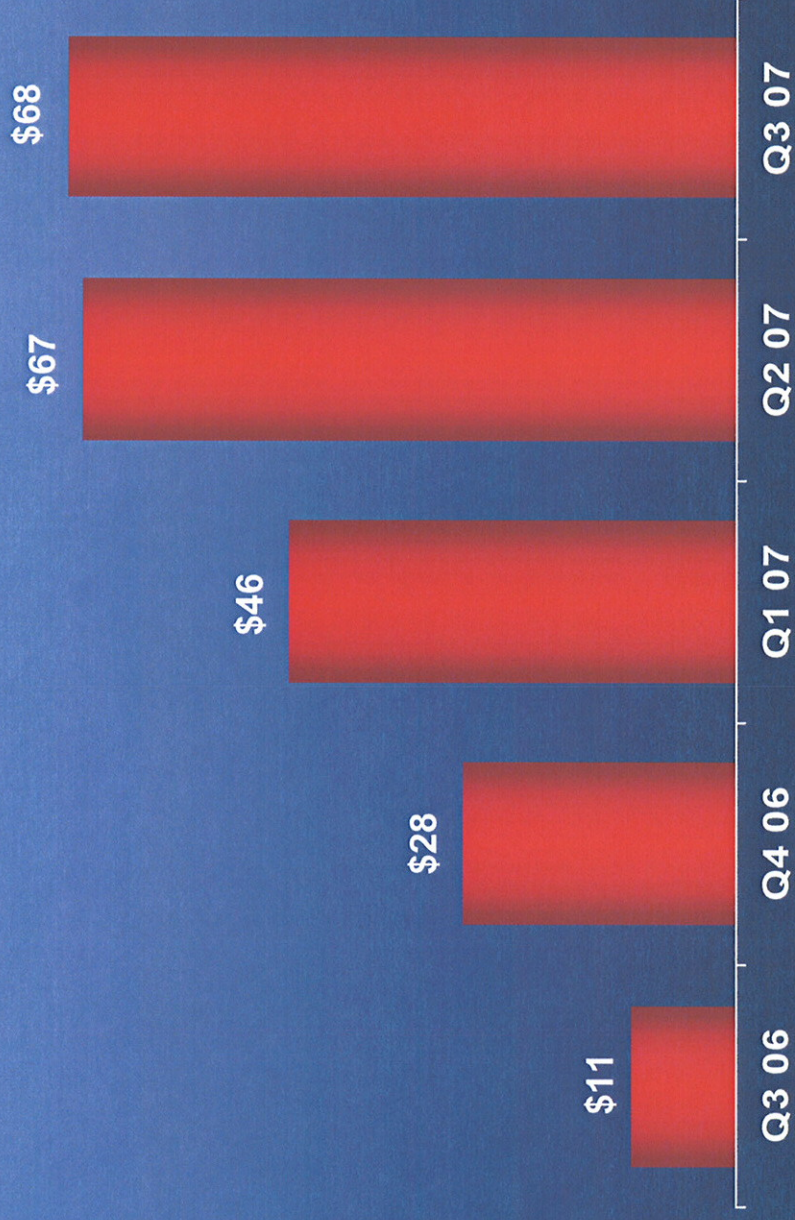


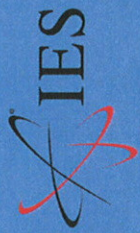
# Driving Results – Cash Management

*Rigorous focus on cash management*

\$ in millions

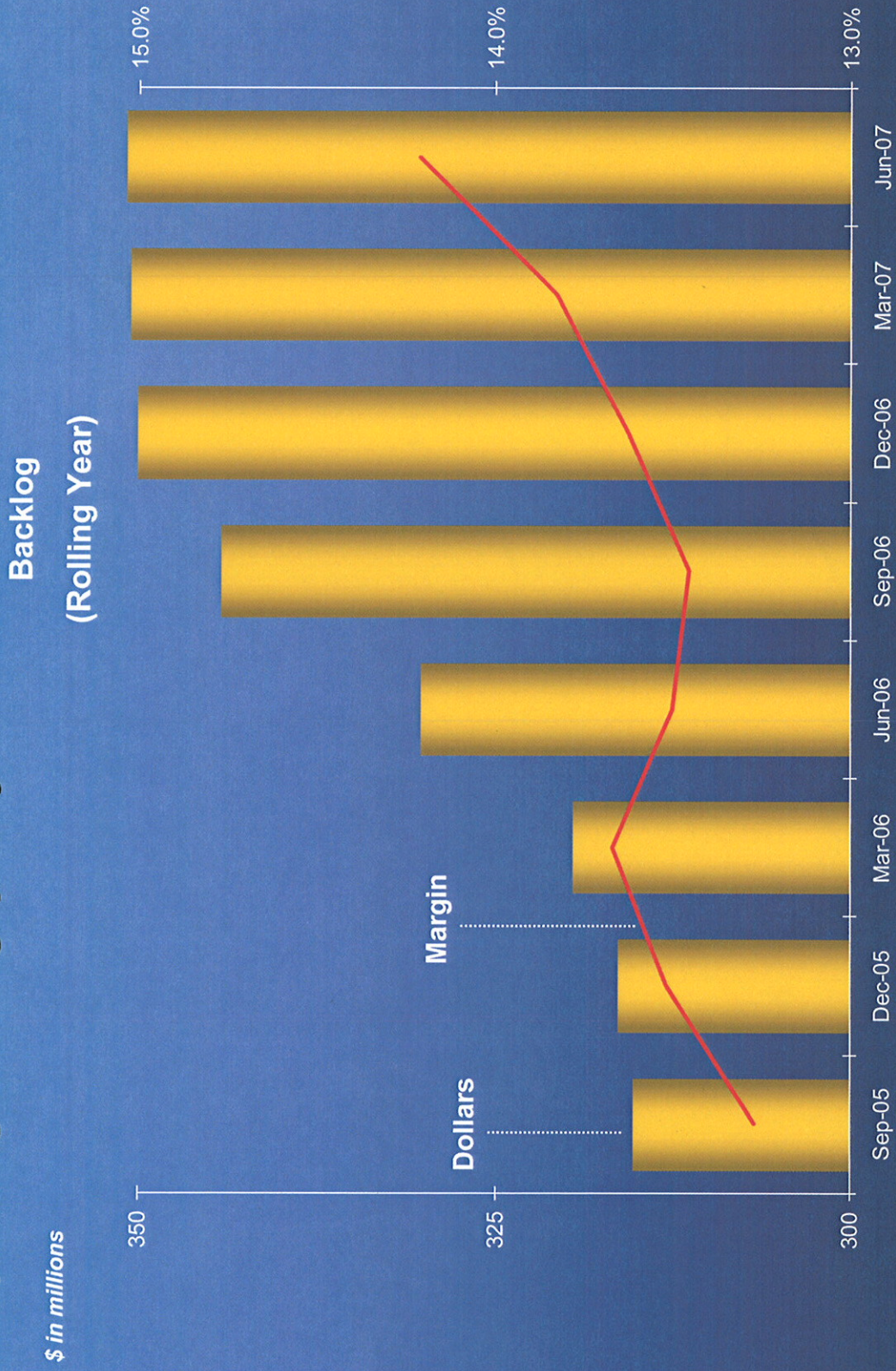
Cash and Cash Equivalents





# Driving Results - Backlog

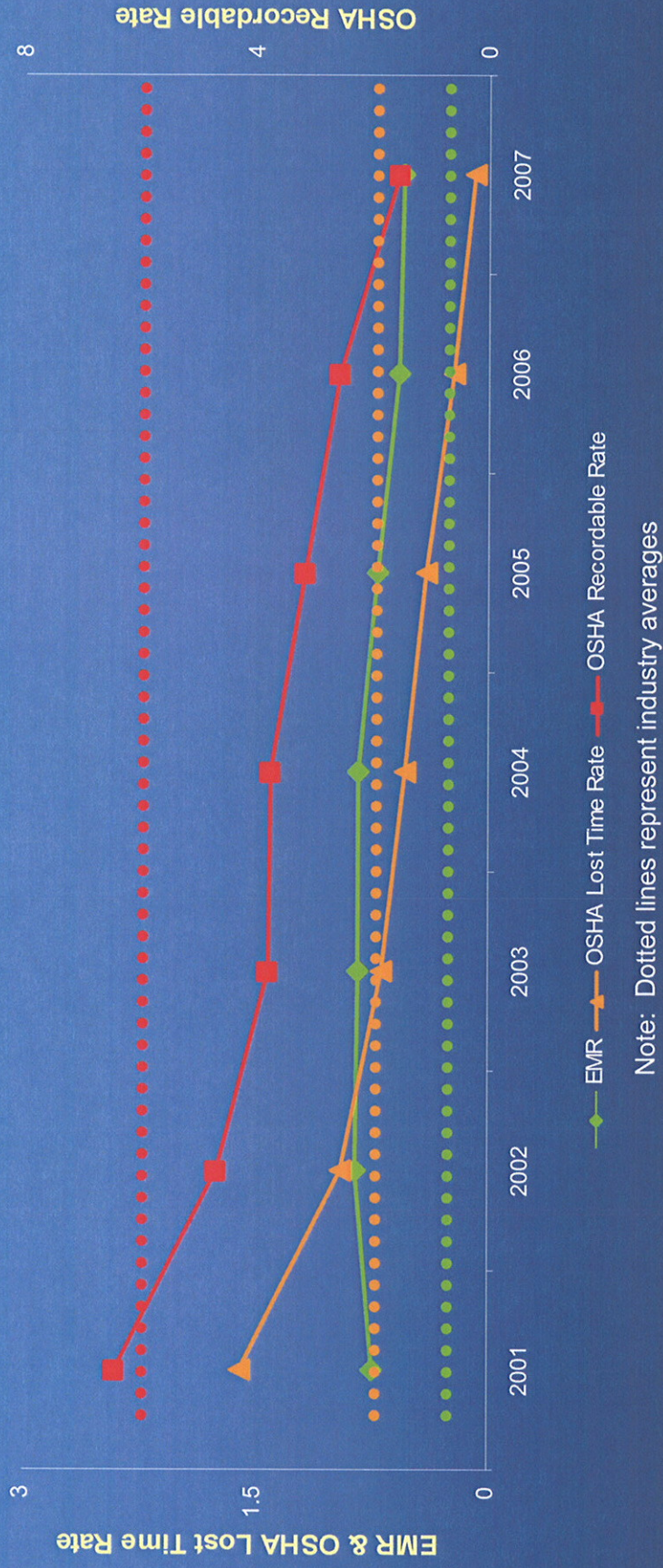
## *Improving backlog quality*





# Driving Results - Safety

## Industry-leading safety record



Source: National Council on Compensation and Insurance, Inc. and U.S. Bureau of Labor Statistics

- New Leadership
- New Vision
- New Strategy
- Driving results to maximize shareholder value



New Leadership  
New Vision  
New Strategy

Integrated Electrical Services, Inc.

## APPENDIX



# FY2007 Third Quarter Results

	Successor Three Months Ended June 30, 2007 (Unaudited)	Successor Two Months Ended June 30, 2006 (Unaudited)	Predecessor One Month Ended April 30, 2006 (Unaudited)
Revenues	\$ 222,631	\$ 166,951	\$ 74,147
Cost of services	184,322	142,643	62,440
Gross profit	38,309	24,308	11,707
Selling, general and administrative expenses	34,113	21,390	9,995
(Gain) loss on asset sales	(91)	(71)	1
Income from operations	4,287	2,989	1,711
Reorganization items	-	436	(40,719)
Interest and other expense, net	1,561	1,515	1,463
Income (loss) from continuing operations before income taxes	2,726	1,038	40,967
Provision (benefit) for income taxes	1,693	8	(4,756)
Net income from continuing operations	1,033	1,030	45,723
Discontinued operations			
Loss from discontinued operations	(29)	(2,940)	(2,210)
Benefit from income taxes	(203)	-	4,804
Net income (loss) from discontinued operations	174	(2,940)	(7,014)
Net income (loss)	1,207	(1,910)	38,709
Basic income (loss) per share:			
Continuing operations	\$ 0.07	\$ 0.07	\$ 3.05
Discontinued operations	0.01	(0.20)	(0.47)
Total	\$ 0.08	\$ (0.13)	\$ 2.59
Diluted income (loss) per share:			
Continuing operations	\$ 0.07	\$ 0.07	\$ 2.97
Discontinued operations	0.01	(0.19)	(0.46)
Total	\$ 0.08	\$ (0.12)	\$ 2.52
Shares used in the computation of earnings loss per share:			
Basic	15,086	14,971	14,971
Diluted	15,163	15,374	15,374



# FY2007 Nine Month Results

	Successor Nine Months Ended June 30, 2007 (Unaudited)	Successor Two Months Ended June 30, 2006 (Unaudited)	Predecessor Seven Months Ended April 30, 2006 (Unaudited)
Revenues	\$ 665,977	\$ 166,951	\$ 516,864
Cost of services	553,969	142,643	436,947
Gross profit	112,008	24,308	79,917
Selling, general and administrative expenses	104,774	21,390	69,772
(Gain) loss on asset sales	(117)	(71)	107
Income from operations	7,351	2,989	10,038
Reorganization items	-	436	(28,608)
Interest and other expense, net	4,743	1,515	15,171
Income (loss) from continuing operations before income taxes	2,608	1,038	23,475
Provision (benefit) for income taxes	2,077	8	758
Net income from continuing operations	531	1,030	22,717
Discontinued operations			
Loss from discontinued operations	(2,204)	(2,940)	(14,929)
Benefit from income taxes	(1,340)	-	-
Net income (loss) from discontinued operations	(864)	(2,940)	(14,929)
Net income (loss)	(333)	(1,910)	7,788
Basic income (loss) per share:			
Continuing operations	\$ 0.04	\$ 0.07	\$ 1.52
Discontinued operations	(0.06)	(0.20)	(1.00)
Total	(0.02)	(0.13)	0.52
Diluted income (loss) per share:			
Continuing operations	\$ 0.04	\$ 0.07	\$ 1.48
Discontinued operations	(0.06)	(0.19)	(0.97)
Total	(0.02)	(0.12)	0.51
Shares used in the computation of earnings loss per share:			
Basic	15,048	14,971	14,971
Diluted	15,063	15,374	15,374



# EBITDA Reconciliation

The company has disclosed in this press release EBITDA (earnings before interest, taxes, depreciation and amortization) and EBITDAR (earnings before interest, taxes, depreciation, amortization and restructuring expenses) amounts that are non-GAAP financial measures. EBITDA and EBITDAR are also measures that are used in determining compliance with the company's senior secured credit facility. Therefore, management believes EBITDA and EBITDAR provide useful information to investors as a measure of comparability to peer companies. However, these calculations may vary from company to company, so IES' computations may not be comparable to 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 and EBITDAR to net income is found in the table below. For further details on the company's financial results, please refer to the company's quarterly report on Form 10-Q, to be filed on August 13, 2007.

(in millions)	Successor		Predecessor	
	Ended June 30, 2007	Two Months Ended June 30, 2006	One Month Ended April 30, 2006	
Continuing Operations:				
Net Income	\$ 1.0	\$ 1.0	\$ 45.7	
Interest Expense	1.8	1.5	1.5	
Provision (Benefit) for Income Taxes	1.7	0.0	(4.8)	
Depreciation and Amortization	2.6	1.4	0.5	
EBITDA for Continuing Operations	\$ 7.0	\$ 3.9	\$ 42.9	
EBITDA for Discontinued Operations	\$ -	\$ (3.0)	\$ (2.2)	
Total EBITDA	\$ 7.0	\$ 0.9	\$ 40.7	
Restructuring Expenses	\$ -	\$ 0.4	\$ (40.7)	
Total EBITDAR*	\$ 7.0	\$ 1.3	\$ -	

(in millions)	Successor		Predecessor	
	Nine Months Ended June 30, 2007	Two Months Ended June 30, 2006	Seven Months Ended April 30, 2006	
Continuing Operations:				
Net Income	\$ 0.5	\$ 1.0	\$ 22.7	
Interest Expense	4.9	1.5	14.9	
Provision (Benefit) for Income Taxes	2.1	0.0	0.8	
Depreciation and Amortization	7.5	1.4	4.0	
EBITDA for Continuing Operations	\$ 15.0	\$ 3.9	\$ 42.4	
EBITDA for Discontinued Operations	\$ (2.5)	\$ (3.0)	\$ (14.8)	
Total EBITDA	\$ 12.5	\$ 0.9	\$ 27.6	
Restructuring Expenses	\$ -	\$ 0.4	\$ (28.6)	
Total EBITDAR*	\$ 12.5	\$ 1.3	\$ (1.0)	



# Additional Financial Data

## Selected Balance Sheet Data

	Successor 6/30/2007	Successor September 30, 2006	Successor 6/30/2006
Cash and Cash Equivalents	\$ 68,943	\$ 28,166	\$ 10,938
Working Capital (Including Cash and Cash Equivalents)	161,384	136,506	152,775
Goodwill	14,289	14,589	14,832
Restricted Cash	20,000	20,000	20,000
Total Assets	361,560	375,515	377,899
Total Debt	45,809	55,765	54,058
Total Stockholders' Equity	157,038	154,643	158,953

## Selected Cash Flow Data

	Three Months Ended 6/30/2007	Two Months Ended 6/30/2006	One Month Ended 4/30/2006
Cash provided by (used in) operating activities	\$ 16,355	\$ (1,786)	\$ (805)
Cash (used in) investing activities	(328)	(197)	(127)
Cash (used in) financing activities	(14,374)	(4,052)	(229)

	Successor Nine Months Ended 6/30/2007	Successor Two Months Ended 6/30/2006	Predecessor Seven Months Ended 4/30/2006
Cash provided by (used in) operating activities	\$ 56,640	\$ (1,786)	\$ 2,781
Cash (used in) investing activities	(895)	(197)	(6,525)
Cash (used in) financing activities	(14,968)	(4,052)	(7,632)