

UNITED STATES
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: December 15, 1999

Commission File No. 001-13783

INTEGRATED ELECTRICAL SERVICES, INC.

(Exact name of registrant as specified in its charter)

DELAWARE
(State or other jurisdiction of
incorporation or organization)

76-0542208

(I.R.S. Employer Identification No.)

515 Post Oak Boulevard
Suite 450
Houston, Texas 77027-9408
(Address of principal executive offices) (zip code)

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

ITEM 2. ACQUISITION OR DISPOSITION OF ASSETS

On October 18, 1999, Integrated Electrical Services, Inc. (the "Company") consummated the acquisition of all of the issued and outstanding capital stock of Britt Rice Electric, Inc. and Britt Rice Company and certain assets held by Britt Rice individually, (collectively, "BRE"). BRE performs electrical contracting services primarily in Bryan, College Station and Dallas, Texas. The consideration paid by the Company for BRE was determined through negotiations between representatives of the Company and BRE and consisted of an aggregate of 577,386 shares of common stock of the Company and approximately \$9.0 million in cash. The cash portion of the consideration paid for BRE was funded through borrowings under the Company's existing \$175.0 million line of credit facility. The Company intends to continue using the assets of BRE in the electrical contracting business.

ITEM 7. FINANCIAL STATEMENTS, PRO FORMA FINANCIAL INFORMATION AND EXHIBITS

(A) FINANCIAL STATEMENTS OF BUSINESS ACQUIRED

INDEPENDENT AUDITORS' REPORT

Britt Rice Electric, Inc. and
Britt Rice Company
College Station, Texas

We have audited the accompanying balance sheet of Britt Rice Electric, Inc. (a corporation) and Britt Rice Company (a proprietorship) as of December 31, 1998, and the related statements of income and retained earnings and capital and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Britt Rice Electric, Inc. and Britt Rice Company as of December 31, 1998, and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on pages 13-29 is presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

DULOCK & COMPANY, P.C.
February 26, 1999

BRITT RICE ELECTRIC, INC. AND
BRITT RICE COMPANY
BALANCE SHEET
DECEMBER 31, 1998

	BRITT RICE ELECTRIC, INC.	BRITT RICE COMPANY	ELIMINATIONS	COMBINED
ASSETS				
Current Assets				
Cash	\$ 559,914	\$ 151,158	\$ --	\$ 711,072
Certificates of deposit - money market	2,363,212	270,074	--	2,633,286
Contracts receivable				
Completed contracts	1,122,187	314,651	--	1,436,838
Earned estimates	2,022,989	65,838	--	2,088,827
Retainage	817,892	12,314	--	830,206
Accounts receivable				
Britt Rice Electric, Inc.	--	710,379	(710,379)	--
Other	57,599	--	--	57,599
Inventory - materials & supplies	456,666	--	--	456,666
Costs and estimated earnings in excess of billings on uncompleted contracts	106,962	--	--	106,962
Prepaid expense	42,775	--	--	42,775
Total Current Assets	7,550,196	1,524,414	(710,379)	8,364,231
Property and Equipment - at Cost				
Machinery and equipment	244,729	83,696	--	328,425
Trucks and vehicles	989,576	239,274	--	1,228,850
Office equipment	322,807	96,625	--	419,432
	1,557,112	419,595	--	1,976,707
Less - accumulated depreciation	1,026,409	414,171	--	1,440,580
	530,703	5,424	--	536,127
Other Assets				
Organization cost - net of amortization	--	--	--	--
	--	--	--	--
Total Assets	\$ 8,080,899	\$ 1,529,838	\$ (710,379)	\$ 8,900,358

The accompanying notes are a part of the financial statements.

BRITT RICE ELECTRIC, INC. AND
BRITT RICE COMPANY
BALANCE SHEET (CONTINUED)
DECEMBER 31, 1998

	BRITT RICE ELECTRIC, INC.	BRITT RICE COMPANY	ELIMINATIONS	COMBINED
	-----	-----	-----	-----
LIABILITIES				
Current Liabilities				
Notes payable - amount due in one year	\$ 23,352	\$ --	\$ --	\$ 23,352
Accounts payable				
Trade	1,121,159	181,950	--	1,303,109
Britt Rice Company	710,379	--	(710,379)	--
Unbilled amounts due subcontractors and overbilling on contracts	781,925	799	--	782,724
Accrued liabilities				
Payroll tax	2,742	51	--	2,793
Sales tax	10,594	4,091	--	14,685
Vacation	78,925	7,513	--	86,438
Federal income tax payable	(1,637)	--	--	(1,637)
Total Current Liabilities	2,727,439	194,404	(710,379)	2,211,464
Long-Term Debt				
Notes payable	--	--	--	--
Deferred federal income tax	--	--	--	--
Total Liabilities	2,727,439	194,404	(710,379)	2,211,464
STOCKHOLDER'S EQUITY AND CAPITAL				
Common stock - no par - 1,000,000 shares authorized - 10,000 shares issued and outstanding	1,000	--	--	1,000
Retained earnings	5,352,460	--	--	5,352,460
Capital - Britt Rice	--	1,335,434	--	1,335,434
	-----	-----	-----	-----
	5,353,460	1,335,434	--	6,688,894
	-----	-----	-----	-----
Total Liabilities and Stockholders' Equity and Capital	\$ 8,080,899	\$1,529,838	\$ (710,379)	\$ 8,900,358
	=====	=====	=====	=====

The accompanying notes are a part of the financial statements.

BRITT RICE ELECTRIC, INC. AND
BRITT RICE COMPANY
STATEMENT OF RETAINED EARNINGS AND CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 1998

	BRITT RICE ELECTRIC, INC. -----	BRITT RICE COMPANY -----	COMBINED -----
Balance - January 1	\$ 3,510,268	\$ 1,384,913	\$ 4,895,181
Net income	2,732,837	208,486	2,941,323
Distributions - Withdrawals	(890,645) -----	(257,965) -----	(1,148,610) -----
Balance - December 31	\$ 5,352,460 =====	\$ 1,335,434 =====	\$ 6,687,894 =====

The accompanying notes are a part of the financial statements.

BRITT RICE ELECTRIC, INC. AND
BRITT RICE COMPANY
STATEMENT OF INCOME
FOR THE YEAR ENDED DECEMBER 31, 1998

	BRITT RICE ELECTRIC, INC. -----	BRITT RICE COMPANY -----	COMBINED -----
Earned Revenues	\$ 23,182,240	\$ 2,704,766	\$ 25,887,006
Cost of Earned Revenues	19,716,429 -----	2,423,251 -----	22,139,680 -----
Gross Profit on Contracts	3,465,811	281,515	3,747,326
Operating Expenses	902,384 -----	90,715 -----	993,099 -----
Income from Operations	2,563,427	190,800	2,754,227
Other Income			
Interest	74,228	14,300	88,528
Other	95,182 -----	3,386 -----	98,568 -----
	169,410 -----	17,686 -----	187,096 -----
Net Income Before Federal Income Tax	2,732,837	208,486	2,941,323
Federal Income Tax Current	-- -----	-- -----	-- -----
Net Income	\$ 2,732,837 =====	\$ 208,486 =====	\$ 2,941,323 =====

The accompanying notes are a part of the financial statements.

BRITT RICE ELECTRIC, INC. AND
BRITT RICE COMPANY
SCHEDULE OF COST OF EARNED REVENUES
FOR THE YEAR ENDED DECEMBER 31, 1998

	BRITT RICE ELECTRIC, INC. -----	BRITT RICE COMPANY -----	COMBINED -----
Cost of Earned Revenues			
Materials	\$ 8,980,336	\$ 548,016	\$ 9,528,352
Salaries	6,270,213	549,058	6,819,271
Sub-contracts	2,343,421	1,130,291	3,473,712
Insurance - bonds - liability - workmen's compensation - general - group	323,358	58,449	381,807
Tax - payroll	506,691	43,299	549,990
Truck and equipment expense	171,426	19,924	191,350
Rent	106,852	6,240	113,092
Supplies	183,596	26,151	209,747
Depreciation	148,428	7,455	155,883
Equipment rental	452,702	15,620	468,322
Contract labor	158,578	--	158,578
Permits and fees	4,599	16,023	20,622
Employee benefits	853	1,128	1,981
Travel	56,669	--	56,669
Other	8,707	1,597	10,304
	-----	-----	-----
Total	\$ 19,716,429 =====	\$ 2,423,251 =====	\$ 22,139,680 =====

The accompanying notes are a part of the financial statements.

BRITT RICE ELECTRIC, INC. AND
BRITT RICE COMPANY
SCHEDULE OF OPERATING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 1998

	BRITT RICE ELECTRIC, INC. -----	BRITT RICE COMPANY -----	COMBINED -----
Operating Expenses			
Salaries - office - general	\$ 269,894	\$ 43,890	\$ 313,784
Insurance - group - general	19,200	4,800	24,000
Legal and accounting	23,000	6,570	29,570
Office supplies - printing - postage	41,299	2,420	43,719
Advertising	52,998	585	53,583
Dues and subscriptions	7,063	--	7,063
Business promotion & entertainment	19,636	3,048	22,684
Tax			
Payroll	22,094	3,509	25,603
Franchise	82,775	--	82,775
Ad valorem and other	22,054	822	22,876
Contributions	1,600	--	1,600
Interest	3,328	--	3,328
Depreciation	31,444	10,695	42,139
Rent	26,713	1,560	28,273
Repairs - maintenance - general	8,280	2,020	10,300
Maintenance agreements	4,414	--	4,414
Telephone	57,348	4,897	62,245
Utilities	27,712	--	27,712
Freight	3,589	72	3,661
Bad debts	57,378	4,110	61,488
Travel expense	--	--	--
Radio & communications	27,849	176	28,025
Employee benefits	396	--	396
Profit sharing - 401 K	22,038	1,422	23,460
Apprenticeship school	--	--	--
Computer support & data processing	67,986	--	67,986
Other	2,296	119	2,415
	-----	-----	-----
Total	\$ 902,384	\$ 90,715	\$ 993,099
	=====	=====	=====

The accompanying notes are a part of the financial statements.

BRITT RICE ELECTRIC, INC. AND
BRITT RICE COMPANY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 1998

	BRITT RICE ELECTRIC, INC.	BRITT RICE COMPANY	ELIMINATIONS	COMBINED
	-----	-----	-----	-----
Cash Flows From Operating Activities				
Net income	\$ 2,732,837	\$ 208,486	\$ --	\$ 2,941,323
Adjustments to reconcile net income to net cash provided by operations:				
Depreciation	179,872	18,150	--	198,022
Contracts receivable - (increase) decrease	(1,528,175)	(55,523)	--	(1,583,698)
Accounts receivable - payable				
Intercompany (increase) decrease	100,000	(100,000)	--	--
Other - (increase) decrease	(57,599)	--	--	(57,599)
Inventory - (increase) decrease	(456,666)	--	--	(456,666)
Costs and estimated earnings in excess of billings on uncompleted contracts - (increase) decrease	(99,479)	--	--	(99,479)
Prepaid expense - (increase) decrease	(42,275)	--	--	(42,275)
Accounts payable - trade - increase (decrease)	269,678	87,276	--	356,954
Unbilled amounts due subcontractors and overbilling on contracts - increase (decrease)	129,125	799	--	129,924
Accrued liabilities - increase (decrease)	75,867	8,146	--	84,013
Federal income tax payable - (decrease)	(1,637)	--	--	(1,637)
	-----	-----	-----	-----
Net Cash Provided by Operating Activities	1,301,548	167,334	--	1,468,882
	-----	-----	-----	-----
Cash Flows From Investing Activities				
Purchase of machinery and equipment	(18,583)	(1,086)	--	(19,669)
Purchase of trucks and vehicles	(177,308)	(1,939)	--	(179,247)
Purchase of office equipment	(7,854)	(10,695)	--	(18,549)
Book value of trucks & machinery & equipment sold or traded	--	--	--	--
Britt Rice - distributions - withdrawals	(890,645)	(257,965)	--	(1,148,610)
	-----	-----	-----	-----
Net Cash Used By Investing Activities	(1,094,390)	(271,685)	--	(1,366,075)
	-----	-----	-----	-----
Cash Flows From Financing Activities				
New borrowings				
Short-term	50,688	--	--	50,688
Long-term	12,664	--	--	12,664
Debt reduction				
Short-term	(75,330)	--	--	(75,330)
Long-term	(12,664)	--	--	(12,664)
	-----	-----	-----	-----
Net Cash Used by Financing Activities	(24,642)	--	--	(24,642)
	-----	-----	-----	-----
Net Increase (decrease) in cash - Certificates of Deposit - Money Market	182,516	(104,351)	--	78,165
Cash - January 1	2,740,610	525,583	--	3,266,193
	-----	-----	-----	-----
Cash - December 31	\$ 2,923,126	\$ 421,232	\$ --	\$ 3,344,358
	=====	=====	=====	=====
Supplemental Disclosures				
Interest paid	\$ 3,328	\$ --	\$ --	\$ 3,328
	=====	=====	=====	=====
Federal income tax paid	\$ --	\$ --	\$ --	\$ --
	=====	=====	=====	=====

The accompanying notes are a part of the financial statements.

BRITT RICE ELECTRIC, INC. AND
BRITT RICE COMPANY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

1. Summary of Significant Accounting Policies

The following is a summary of certain significant accounting policies followed in the preparation of these financial statements. The policies conform to generally accepted accounting principles and have been consistently applied.

Basis for Recording Income

Profits on long term contracts are recorded on the basis of the company's estimates of the percentage of completion of individual contracts, commencing when progress reaches a point where experience is sufficient to estimate final results with reasonable accuracy. That portion of the total contract price is accrued which is allocable, on the basis of the company's estimates of the percentage of completion, to contract expenditures incurred and work performed.

As these long term contracts extend over one or more years revisions in cost and profit estimates during the course of the work are reflected in the accounting period in which the facts which require the revision become known.

Profits on short term contracts are recorded on the substantial completion of each contract.

At the time a loss on a contract becomes known, the entire amount of the estimated ultimate loss on both short term and long term contract is recorded.

Property and Equipment

Property and equipment is recorded at cost and depreciated over their estimated useful lives using the accelerated methods of depreciation for both financial reporting purposes and for federal income tax purposes. Upon sale or retirement, the cost and related accumulated depreciation are eliminated from the respective accounts and the resulting gain or loss is included in current income.

Repairs and maintenance charges which do not increase the useful lives of the assets are charged to income as incurred.

2. Notes Payable

The following is a summary of note payable at December 31, 1998:

BRITT RICE ELECTRIC, INC. AND
BRITT RICE COMPANY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 1998

	PRINCIPAL AMOUNT DUE		TOTAL
	IN ONE YEAR	IN MORE THAN ONE YEAR	
Norwest Bank - Texas, N.A. - Bryan, Texas - original amount \$165,000 line of credit - dated March 27, 1998 - fifteen - month note - due July 9, 1999 - interest rate 7.0 percent - unsecured	\$ 23,352	\$ --	\$ 23,352
Total	\$ 23,352	\$ --	\$ 23,352
	=====	=====	=====

3. Federal Income Tax

The stockholders of Britt Rice Electric, Inc. have elected under Section 1372 (a) of the Internal Revenue Code to be taxed as a small business corporation. This election permits the undistributed taxable income of a "small business corporation" to be taxed to the stockholders rather than the corporation. Therefore, Britt Rice Electric Inc. does not owe any federal income tax at December 31, 1998.

Britt Rice Company is a proprietorship and Britt Rice includes the income of the company with his other income and expense on his federal income tax return form 1040. The federal income tax for the company has been paid and all additional federal income tax is recorded on Britt Rice's personal financial statement.

The following is a reconciliation of income for financial statement and taxable income for the year ended December 31, 1998.

	FINANCIAL	TAX
Income before federal income tax	\$2,941,323	\$2,941,323
Depreciation	--	--
Meals and entertainment - 50% non-deductible	11,342	11,342
Taxable Income	\$2,952,665	\$2,952,665
	=====	=====

BRITT RICE ELECTRIC, INC. AND
BRITT RICE COMPANY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 1998

4. Depreciation

Depreciation is deducted in the statement of income as follows:

	METHOD -----	LIFE -----	AMOUNT -----
Machinery and equipment	MACRS	7 years	\$ 32,673
Trucks and vehicles	MACRS	5 years	123,210
Office equipment	MACRS	5-7 years	42,139 -----
Total			\$198,022 =====

5. Contingent Liabilities

The company is contingently liable on the following lease agreements at December 31, 1998:

	DATE OF LEASE -----	NUMBER OF MONTHS -----	ANNUAL AMOUNT -----
Office and warehouse			
College Station	3-1-98	36	\$ 90,795
College Station	3-1-98	36	7,800
Dallas	9-1-92	120	42,770 -----
Total			\$141,365 =====

ITEM 7. (B) PRO FORMA FINANCIAL INFORMATION

INTEGRATED ELECTRICAL SERVICES, INC.

UNAUDITED PRO FORMA FINANCIAL STATEMENTS
BASIS OF PRESENTATION

The unaudited pro forma balance sheet reflects the acquisition by Integrated Electrical Services, Inc. ("IES"), of BRE as if it had occurred on September 30, 1999. The unaudited pro forma statements of operations for the year ended September 30, 1998, presents the statement of operations data to give effect to the 78 electrical and cabling contracting and maintenance companies and related entities (including the 16 companies acquired concurrent with IES' initial public offering) acquired through September 30, 1999 (the "Previously Closed Acquisitions"), BRE and the related pro forma adjustments as if they had occurred on October 1, 1997. The unaudited pro forma statement of operations for the year ended September 30, 1999, presents the statement of operations data to give effect to the Previously Closed Acquisitions, BRE and the related pro forma adjustments as if they had occurred on October 1, 1998.

IES has analyzed the savings that it expects to realize from reductions in salaries, bonuses and certain benefits to the owners. To the extent the owners of the Acquisitions have contractually agreed to changes in salary, bonuses, benefits and lease payments, these changes have been reflected in the unaudited pro forma combined statement of operations.

Certain pro forma adjustments are based on preliminary estimates, available information and certain assumptions that Company management deems appropriate and may be revised as additional information becomes available. The pro forma financial data do not purport to represent what IES's combined financial position or results of operations would actually have been if such transactions in fact had occurred on these dates and are not necessarily representative of IES's combined financial position or results of operations for any future period. Since the acquired entities were not under common control or management prior to their acquisitions by IES, historical combined results may not be comparable to, or indicative of, future performance. The unaudited pro forma combined financial statements should be read in conjunction with the historical consolidated financial statements and notes thereto included in the company's Annual Report for the year ended September 30, 1998 filed on Form 10-K. See also "Risk Factors" included elsewhere therein.

INTEGRATED ELECTRICAL SERVICES, INC.

UNAUDITED PRO FORMA BALANCE SHEET
 SEPTEMBER 30, 1999
 (IN THOUSANDS)

	IES AND SUBSIDIARIES	BRE	PRO FORMA ADJUSTMENTS	PRO FORMA TOTAL
	-----	-----	-----	-----
ASSETS				
CURRENT ASSETS:				
Cash.....	\$ 2,931	\$ 1,400	\$ --	\$ 4,331
Receivables, net.....	270,726	6,162	--	276,888
Inventories, net.....	12,793	378	--	13,171
Cost and estimated earnings in excess of billings on uncompleted contracts.....	40,592	--	--	40,592
Prepaid expenses and other current assets.....	7,640	46	--	7,686
	-----	-----	-----	-----
Total current assets.....	334,682	7,986	--	342,668
RECEIVABLES FROM RELATED PARTIES.....	--	--	--	--
GOODWILL, NET.....	467,385	--	10,270	477,655
PROPERTY AND EQUIPMENT, NET.....	47,368	477	--	47,845
OTHER NONCURRENT ASSETS.....	9,057	--	--	9,057
	-----	-----	-----	-----
Total assets.....	\$ 858,492	\$ 8,463	\$10,270	\$ 877,225
	=====	=====	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY				
CURRENT LIABILITIES:				
Short-term debt and current maturities of long-term debt.....	\$ 1,444	\$ --	\$ --	\$ 1,444
Accounts payable and accrued expense.....	116,121	2,369	--	118,490
Billings in excess of costs and estimated earnings on uncompleted contracts.....	37,507	755	--	38,262
Income taxes payable.....	3,971	--	--	3,971
Other current liabilities.....	67	(2)	--	65
	-----	-----	-----	-----
Total current liabilities.....	159,110	3,122	--	162,232
	-----	-----	-----	-----
LONG-TERM BANK DEBT.....	76,980	--	--	76,980
OTHER LONG-TERM DEBT, net of current maturities	1,120	--	9,100	10,220
SENIOR SUBORDINATED NOTES, net of \$1,170 discount.....	148,849	--	--	148,849
OTHER NON-CURRENT LIABILITIES.....	5,267	--	--	5,267
	-----	-----	-----	-----
Total liabilities.....	391,326	3,122	9,100	403,548
STOCKHOLDERS' EQUITY:				
Preferred stock.....	--	--	--	--
Common stock.....	360	1	5	366
Restricted common stock.....	27	--	--	27
Treasury stock.....	--	--	--	--
Additional paid-in capital.....	407,926	--	6,505	414,431
Retained earnings.....	58,853	5,340	(5,340)	58,853
	-----	-----	-----	-----
Total stockholders' equity.....	467,166	5,341	1,170	473,677
	-----	-----	-----	-----
Total liabilities and stockholders' equity.....	\$ 858,492	\$ 8,463	\$10,270	\$ 877,225
	=====	=====	=====	=====

INTEGRATED ELECTRICAL SERVICES, INC.

UNAUDITED PRO FORMA STATEMENT OF OPERATIONS
 FOR THE YEAR ENDED SEPTEMBER 30, 1998
 (IN THOUSANDS, EXCEPT SHARE INFORMATION)

	IES AND SUBSIDIARIES	PREVIOUSLY CLOSED ACQUISITIONS	BRE	PRO FORMA ADJUSTMENTS	PRO FORMA TOTAL
REVENUES.....	\$ 386,721	\$ 771,373	\$ 24,510	\$ --	\$1,182,604
COST OF SERVICES.....	306,052	617,831	19,741	--	943,624
GROSS PROFIT.....	80,669	153,542	4,769	--	238,980
SELLING, GENERAL, AND ADMINISTRATIVE EXPENSES.....	47,390	119,657	1,059	(41,762) a	126,344
NON-CASH, NON-RECURRING COMPENSATION CHARGE.....	17,036	--	--	(17,036) b	--
GOODWILL AMORTIZATION.....	3,212	--	--	9,040 c	12,252
INCOME FROM OPERATIONS.....	13,031	33,885	3,710	49,758	100,384
OTHER INCOME (EXPENSE):					
Interest expense.....	(1,161)	(1,602)	--	(2,166) d	(4,929)
Interest income.....	433	1,517	67	(2,326) d	(309)
Other, net.....	335	939	49	(462) c	861
OTHER INCOME (EXPENSE), NET.....	(393)	854	116	(4,954)	(4,377)
INCOME BEFORE INCOME TAXES.....	12,638	34,739	3,826	44,804	96,007
PROVISION FOR INCOME TAXES.....	12,690	14,080	--	14,546 e	41,316
NET INCOME (LOSS).....	\$ (52)	\$ 20,659	\$ 3,826	\$ 30,258	\$ 54,691
EARNING (LOSS) PER SHARE -					
BASIC -	\$ 0.00				\$ 1.39
DILUTED -	\$ 0.00				\$ 1.38
SHARES USED IN THE COMPUTATION OF EARNINGS (LOSS) PER SHARE					
BASIC -	19,753,060				39,218,933
DILUTED -	19,753,060				39,618,766

INTEGRATED ELECTRICAL SERVICES, INC.

UNAUDITED PRO FORMA STATEMENT OF OPERATIONS
 FOR THE YEAR ENDED SEPTEMBER 30, 1999
 (IN THOUSANDS, EXCEPT SHARE INFORMATION)

	IES AND SUBSIDIARIES	PREVIOUSLY CLOSED ACQUISITIONS	BRITT RICE ELECTRIC, INC.	PRO FORMA ADJUSTMENTS	PRO FORMA TOTAL
REVENUES.....	\$ 1,035,888	\$ 233,195	\$ 28,551	\$ --	\$1,297,634
COST OF SERVICES.....	816,715	186,846	22,883	(402) a	1,026,042
GROSS PROFIT.....	219,173	46,349	5,668	402	271,592
SELLING, GENERAL, AND ADMINISTRATIVE EXPENSES.....	113,871	38,823	2,040	(8,231) a	146,503
GOODWILL AMORTIZATION.....	9,305	--	--	2,947 c	12,252
INCOME FROM OPERATIONS.....	95,997	7,526	3,628	5,686	112,837
OTHER INCOME (EXPENSE):					
Interest expense.....	(14,089)	(999)	--	362 d	(14,726)
Interest income.....	944	388	104	(492) d	944
Other, net.....	603	648	(51)	--	1,200
OTHER INCOME (EXPENSE), NET.....	(12,542)	37	53	(130)	(12,582)
INCOME BEFORE INCOME TAXES.....	83,455	7,563	3,681	5,556	100,255
PROVISION FOR INCOME TAXES.....	35,348	2,976	--	4,627 e	42,951
NET INCOME (LOSS).....	\$ 48,107	\$ 4,587	\$ 3,681	\$ 929	\$ 57,304
EARNING (LOSS) PER SHARE -					
BASIC -	\$ 1.41				\$ 1.46
DILUTED -	\$ 1.39				\$ 1.45
SHARES USED IN THE COMPUTATION OF EARNINGS (LOSS) PER SHARE					
BASIC -	34,200,532				39,218,933
DILUTED -	34,632,506				39,650,907

INTEGRATED ELECTRICAL SERVICES, INC.

NOTES TO UNAUDITED PRO FORMA FINANCIAL STATEMENTS

1. UNAUDITED PRO FORMA BALANCE SHEET:

The Unaudited Pro Forma Balance Sheet gives effect to the acquisition of BRE which was acquired for total consideration of \$15.5 million, including \$9.0 million in cash and 0.6 million shares of common stock.

2. UNAUDITED PRO FORMA STATEMENT OF OPERATIONS:

The Unaudited Pro Forma Statement of Operations for the year ended September 30, 1998 for IES and Subsidiaries reflects the historical results of Houston-Stafford Electric, Inc. ("Houston-Stafford") as the accounting acquirer (restated for the effect of an acquisition accounted for as a pooling-of-interest combined) the other Founding Companies beginning February 1, 1998, and the Acquired Companies beginning on their respective dates of acquisition.

Pro Forma Adjustments consist of the following:

- (a) Reflects the reduction in salaries, bonuses and benefits and lease payments to the owners of the Acquisitions. These reductions in salaries, bonuses and benefits and lease payments have been agreed to in accordance with the terms of employment agreements executed as part of the acquisitions. Such employment agreements are for five years, contain restrictions related to competition and provide severance for termination of employment in certain circumstances.
- (b) Includes the reversal of the \$17.0 million non-cash, non-recurring compensation charge in connection with the acquisition of the Founding Companies.
- (c) Reflects the amortization of goodwill recorded as a result of these acquisitions over a 40-year estimated life, as well as a reduction in historical minority interest expense attributable to minority interests that were acquired as part of the related acquisitions.
- (d) Reflects the reduction of additional interest expense and income on borrowings which will be repaid and collected, respectively, subsequent to the acquisition and the reduction of certain non-recurring other income.
- (e) Reflects the incremental provision for federal and state income taxes at a 38.5% overall tax rate, before non-deductible goodwill and other permanent items, related to the other statements of operations adjustments and for income taxes on the pretax income of acquired companies that have historically elected S Corporation tax status.

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ITEM 7.

(C) EXHIBITS

23.1 Consent of Dulock and Company, P.C.

SIGNATURES

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

INTEGRATED ELECTRICAL SERVICES, INC.

By: /s/ STANLEY H. FLORANCE

STANLEY H. FLORANCE
SENIOR VICE PRESIDENT AND
CHIEF FINANCIAL OFFICER

Dated: December 15, 1999

Exhibit Index

Exhibit No. -----	Description -----
23.1	Consent of DuLock and Company, P.C.

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation of our report, dated February 26, 1999, on the financial statements of Britt Rice Electric, Inc. included in this Form 8-K, into Integrated Electrical Services, Inc.'s previously filed Registration Statements on Form S-8 (File Nos. 333-67113, 333-45447, 333-45449 and 333-91041) and previously filed Post Effective Amendment No. 5 to Form S-1 on Form S-4 (File No. 333-50031).

DULOCK AND COMPANY, P.C.
WACO, Texas
December 14, 1999