UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

(X) QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period Ended June 30, 2003

OR

( ) TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from_____to_____.

Commission File No. 1-13783

INTEGRATED ELECTRICAL SERVICES, INC.

(Exact name of registrant as specified in its charter)

Delaware	76-0542208
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1800 West Loop South
Suite 500
Houston, Texas 77027-3233
(Address of principal executive offices) (zip code)

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

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [ ]

The number of shares outstanding as of July 29, 2003 of the issuer's common stock was 36,197,715 and of the issuer's restricted voting common stock was 2,605,709.

INTEGRATED ELECTRICAL SERVICES, INC. AND SUBSIDIARIES

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INTEGRATED ELECTRICAL SERVICES, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS, EXCEPT SHARE INFORMATION)

	September 30, 2002 (Audited)	June 30, 2003 (Unaudited)
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 32,779	$ 40,342
Accounts receivable:		
Trade, net of allowance of $6,262 and $5,652 respectively	237,310	245,192
Retainage	62,482	68,090
Related parties	153	121
Costs and estimated earnings in excess of billings on uncompleted contracts	46,314	42,793
Inventories	23,651	20,334
Prepaid expenses and other current assets	35,041	31,859
Total current assets	437,730	448,731
PROPERTY AND EQUIPMENT, net	61,577	55,517
GOODWILL, net	198,220	198,005
OTHER NON-CURRENT ASSETS	24,112	23,746
Total assets	$ 721,639	$ 725,999
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Short-term debt and current maturities of other long-term debt	$ 570	$ 307
Accounts payable and accrued expenses	141,398	140,419
Income taxes payable	--	185
Billings in excess of costs and estimated earnings on uncompleted contracts	51,548	44,756
Total current liabilities	193,516	185,667
OTHER LONG-TERM DEBT, net of current maturities	504	235
SENIOR SUBORDINATED NOTES, net of $3,797 and $3,347 unamortized discount, respectively	247,935	247,929
OTHER NON-CURRENT LIABILITIES	25,252	29,225
Total liabilities	467,207	463,056
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY:		
Preferred stock, $.01 par value, 10,000,000 shares authorized, none issued and outstanding	--	--
Common stock, $.01 par value, 100,000,000 shares authorized, 38,439,984 shares issued	385	385
Restricted voting common stock, $.01 par value, 2,605,709 shares issued, authorized and outstanding	-- 26	26
Treasury stock, at cost, 1,421,068 and 2,260,760 shares, respectively	(9,774)	(13,113)
Additional paid-in capital	428,427	427,690
Retained deficit	(164,632)	(152,045)
Total stockholders' equity	254,432	262,943
Total liabilities and stockholders' equity	$ 721,639	$ 725,999

The accompanying condensed notes to consolidated financial statements are an integral part of these financial statements.

INTEGRATED ELECTRICAL SERVICES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS
(IN THOUSANDS, EXCEPT SHARE INFORMATION)

	Nine Months Ended June 30, 2002	Nine Months Ended June 30, 2003
	(Unaudited)	
Revenues	$ 1,106,479	$ 1,067,051
Cost of services (including depreciation)	936,058	913,181
Gross profit	170,421	153,870
Selling, general and administrative expenses	133,083	114,272
Restructuring charges	5,556	--
Income from operations	31,782	39,598
Other (income)/expense:		
Interest expense	19,766	19,196
(Gain) loss on sale of assets	(157)	204
Other expense (income), net	524	(270)
	20,133	19,130
Income before income taxes and cumulative effect of change in accounting principle	11,649	20,468
Provision for income taxes	3,919	7,881
Cumulative effect of change in accounting principle, net of tax	283,284	--
Net income (loss)	$ (275,554)	$ 12,587
Basic earnings (loss) per share:		
Basic earnings per share before cumulative effect of change in accounting principle	$ 0.19	$ 0.32
Cumulative effect of change in accounting principle	$ (7.10)	$ 0.00
Basic earnings (loss) per share	$ (6.91)	$ 0.32
Diluted earnings (loss) per share:		
Diluted earnings per share before cumulative effect of change in accounting principle	$ 0.19	$ 0.32
Cumulative effect of change in accounting principle	$ (7.10)	$ 0.00
Diluted earnings (loss) per share	$ (6.91)	$ 0.32
Shares used in the computation of earnings (loss) per share (Note 6):		
Basic	39,877,209	39,188,518
Diluted	39,877,209	39,297,446

The accompanying condensed notes to consolidated financial statements are an integral part of these financial statements.

INTEGRATED ELECTRICAL SERVICES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS
(IN THOUSANDS, EXCEPT SHARE INFORMATION)

	Three Months Ended June 30, 2002	Three Months Ended June 30, 2003
	(Unaudited)	
Revenues	$ 374,819	$ 375,339
Cost of services (including depreciation)	316,328	321,930
Gross profit	58,491	53,409
Selling, general and administrative expenses	39,918	38,193
Income from operations	18,573	15,216
Other (income)/expense:		
Interest expense	6,337	6,397
(Gain) loss on sale of assets	(24)	234
Other expense (income), net	47	(215)
	6,360	6,416
Income before income taxes	12,213	8,800
Provision for income taxes	4,736	3,389
Net income	$ 7,477	$ 5,411
Basic earnings per share	$ 0.19	$ 0.14
Diluted earnings per share	$ 0.19	$ 0.14
Shares used in the computation of earnings per share (Note 6):		
Basic	39,936,914	38,789,237
Diluted	40,073,939	39,161,593

The accompanying condensed notes to consolidated financial statements are an integral part of these financial statements.

INTEGRATED ELECTRICAL SERVICES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
(IN THOUSANDS, EXCEPT SHARE INFORMATION)

	Common Stock		Restricted Voting Common Stock		Treasury Stock		Additional Paid-In Capital	Retained Earnings (Deficit)	Total Stockholders' Equity
	Shares	Amount	Shares	Amount	Shares	Amount			
BALANCE, September 30, 2002...........	38,439,984	$ 385	2,605,709	$ 26	(1,421,068)	$ (9,774)	$ 428,427	$ (164,632)	$ 254,432
Issuance of stock (unaudited)........	-	-	-	-	12,399	76	(20)	-	56
Purchase of treasury stock (unaudited)..	-	-	-	-	(1,397,183)	(6,795)	-	-	(6,795)
Receipt of treasury stock (unaudited)..	-	-	-	-	(70,330)	(270)	-	-	(270)
Exercise of stock options (unaudited)	-	-	-	-	366,440	2,101	11	-	2,112
Issuance of stock under employee stock purchase plan (unaudited)...	-	-	-	-	248,982	1,549	(728)	-	821
Net income (unaudited).	-	-	-	-	-	-	-	12,587	12,587
BALANCE, June 30, 2003 (unaudited).....	38,439,984	$ 385	2,605,709	$ 26	(2,260,760)	$(13,113)	$ 427,690	$ (152,045)	$ 262,943

The accompanying condensed notes to consolidated financial statements are an integral part of these financial statements.

INTEGRATED ELECTRICAL SERVICES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(IN THOUSANDS)

	Nine Months Ended June 30, 2002	Nine Months Ended June 30, 2003
	(Unaudited)	
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	$(275,554)	$ 12,587
Adjustments to reconcile net income to net cash provided by operating activities, net of acquisitions and divestitures -		
Cumulative effect of change in accounting principle	283,284	--
Allowance for doubtful accounts	2,385	1,046
Depreciation and amortization	12,707	10,931
Loss (gain) on sale of property and equipment	(157)	204
Non-cash compensation expense	1,422	--
Gain on divestiture	--	(26)
Changes in operating assets and liabilities		
(Increase) decrease in:		
Accounts receivable, net	40,736	156
Inventories	(5,713)	3,216
Costs and estimated earnings in excess of billings on uncompleted contracts	14,266	3,939
Prepaid expenses and other current assets	9,083	3,375
Other noncurrent assets	2,659	1,652
Increase (decrease) in:		
Accounts payable and accrued expenses	(40,254)	5,509
Billings in excess of costs and estimated earnings on uncompleted contracts	7,006	(10,240)
Other current liabilities	(539)	185
Other noncurrent liabilities	(4,058)	4,186
Net cash provided by operating activities	47,273	36,720
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of property and equipment	867	1,787
Additions to property and equipment	(7,545)	(7,304)
Purchase of business, net of cash acquired	--	(2,723)
Sale of business	--	1,084
Investments in securities	(300)	(500)
Additions to note receivable from affiliate	(583)	--
Net cash used in investing activities	(7,561)	(7,656)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Borrowings	74,558	37
Repayments of debt	(86,331)	(16,176)
Proceeds from sale of interest rate swap	1,530	--
Payments of debt issuance costs	--	(679)
Purchase of treasury stock	(523)	(6,795)
Proceeds from exercise of stock options	534	2,112
Net cash used in financing activities	(10,232)	(21,501)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	29,480	7,563
CASH AND CASH EQUIVALENTS, beginning of period	3,475	32,779
CASH AND CASH EQUIVALENTS, end of period	$ 32,955	$ 40,342
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid for		
Interest	$ 13,757	$ 12,321
Income taxes	$ 4,861	$ 599

The accompanying condensed notes to consolidated financial statements are an integral part of these financial statements.

INTEGRATED ELECTRICAL SERVICES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(IN THOUSANDS)

	Three Months Ended June 30, 2002	Three Months Ended June 30, 2003
	(Unaudited)	
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 7,477	$ 5,411
Adjustments to reconcile net income to net cash provided by operating activities, net of acquisitions and divestitures	--	
Allowance for doubtful accounts	1,121	385
Depreciation and amortization	4,133	3,590
Loss (gain) on sale of property and equipment	(24)	234
Changes in operating assets and liabilities		
(Increase) decrease in:		
Accounts receivable, net	4,608	(9,945)
Inventories	89	1,141
Costs and estimated earnings in excess of billings on uncompleted contracts	3,827	2,642
Prepaid expenses and other current assets	(312)	2,703
Other noncurrent assets	4,566	1,229
Increase (decrease) in:		
Accounts payable and accrued expenses	10,854	13,786
Billings in excess of costs and estimated earnings on uncompleted contracts	3,404	(4,258)
Other current liabilities	(74)	(177)
Other noncurrent liabilities	(2,209)	1,188
Net cash provided by operating activities	37,460	17,929
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of property and equipment	456	247
Additions to property and equipment	(1,554)	(1,842)
Net cash used in investing activities	(1,098)	(1,595)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Borrowings	175	10
Repayments of debt	(6,284)	(146)
Payments for debt issuance costs	--	(679)
Purchase of treasury stock	(523)	(3,419)
Proceeds from exercise of stock options	516	2,112
Net cash used in financing activities	(6,116)	(2,122)
NET INCREASE IN CASH AND CASH EQUIVALENTS	30,246	14,212
CASH AND CASH EQUIVALENTS, beginning of period	2,709	26,130
CASH AND CASH EQUIVALENTS, end of period	$ 32,955	$ 40,342
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid for		
Interest	$ 391	$ 261
Income taxes	$ 659	$ 599

The accompanying condensed notes to consolidated financial statements are an integral part of these financial statements.

CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

1. OVERVIEW

Integrated Electrical Services, Inc. (the "Company" or "IES"), a Delaware corporation, was founded in June 1997 to create a leading national provider of electrical services, focusing primarily on the commercial and industrial, residential, low voltage and service and maintenance markets.

The accompanying unaudited condensed historical financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required for complete financial statements, and therefore should be reviewed in conjunction with the financial statements and related notes thereto contained in the Company's annual report for the year ended September 30, 2002, filed on Form 10-K with the Securities and Exchange Commission. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Actual operating results for the nine months ended June 30, 2003, are not necessarily indicative of the results that may be expected for the fiscal year ended September 30, 2003.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

For a description of these policies, refer to Note 2 of the Notes to Consolidated Financial Statements included in the Company's Annual Report on Form 10-K for the year ended September 30, 2002.

SUBSIDIARY GUARANTIES

All of the Company's operating income and cash flows are generated by its wholly owned subsidiaries, which are the subsidiary guarantors of the Company's outstanding 9 3/8% senior subordinated notes due 2009 (the "Senior Subordinated Notes"). The Company is structured as a holding company and substantially all of its assets and operations are held by its subsidiaries. There are currently no significant restrictions on the Company's ability to obtain funds from its subsidiaries by dividend or loan. The separate financial statements of the subsidiary guarantors are not included herein because (i) the subsidiary guarantors are all of the direct and indirect subsidiaries of the Company; (ii) the subsidiary guarantors have fully and unconditionally, jointly and severally guaranteed the Senior Subordinated Notes; and (iii) the aggregate assets, liabilities, earnings and equity of the subsidiary guarantors is substantially equivalent to the assets, liabilities, earnings and equity of the Company on a consolidated basis. As a result, the presentation of separate financial statements and other disclosures concerning the subsidiary guarantors is not deemed material.

USE OF ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires the use of estimates and assumptions by management in determining the reported amounts of assets and liabilities, disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates are primarily used in the Company's revenue recognition of construction in progress, fair value assumptions in analyzing goodwill impairment, allowance for doubtful accounts receivable and self-insured claims liability.

SEASONALITY AND QUARTERLY FLUCTUATIONS

The results of the Company's operations, particularly from residential construction, are seasonal, depending on weather trends, with typically higher revenues generated during the spring and summer and lower revenues during the fall and winter. The commercial and industrial aspect of its business is less subject to seasonal trends, as this work generally is performed inside structures protected from the weather. The Company's service business is generally not affected by seasonality. In addition, the construction industry has historically been highly cyclical. The Company's volume of business may be adversely affected by declines in construction projects resulting from adverse regional or national economic conditions. Quarterly results may also be materially affected by gross margins for both bid and negotiated projects, the timing of new construction projects and any acquisitions. Accordingly, operating results for any fiscal period are not necessarily indicative of results that may be achieved for any subsequent fiscal period.

NEW ACCOUNTING PRONOUNCEMENTS

Effective October 1, 2002, the Company adopted Statement of Financial Accounting Standards (SFAS) No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets." SFAS No. 144 supercedes SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed of." SFAS No. 144 establishes a single accounting model for long-lived assets to be disposed of by sale and requires that those long-lived assets be measured at the lower of carrying amount or fair value less cost to sell, whether reported in continuing operations or in discontinued operations. The adoption had no impact on the Company's financial position or results of operations.

In June 2002, the FASB issued SFAS No. 146, "Accounting for Costs Associated with Exit or Disposal Activities." SFAS No. 146 establishes requirements for recognition of a liability for a cost associated with an exit or disposal activity based with an objective of recording the initial liability at fair value. The Company adopted SFAS No 146 effective January 1, 2003. The adoption had no impact on the Company's financial position or results of operations.

In December 2002, the Financial Accounting Standards Board issued SFAS No. 148, "Accounting for Stock-Based Compensation-Transition and Disclosure," which amends SFAS No. 123, "Accounting for Stock-Based Compensation," by providing alternative methods of transition for a voluntary change to the fair value method of accounting for stock options and other stock-based employee compensation. The Company adopted SFAS 148 on January 1,

2003. The adoption of SFAS 148 did not have a material impact on the Company's financial position or results of operations.

Financial Accounting Standards Board Interpretation No. 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees, including indirect Guarantees of Indebtedness of Others," ("Interpretation 45"), will significantly change current practice in accounting for, and disclosure of, guarantees. Interpretation 45 requires a guarantor to recognize, at inception of a guarantee, a liability for the fair value of the obligation undertaken in issuing the guarantee. Interpretation 45 also expands the disclosures required to be made by a guarantor about its obligations under certain guarantees that it has issued. Interpretation 45's disclosure requirements are effective for financial statements of interim or annual periods ending after December 15, 2002, while the initial recognition and initial measurement provisions are applicable on prospective basis to guarantees issued or modified after December 31, 2002. The types of guarantees that the Company is party to include surety bonds and letter of credit. The Company adopted Interpretation 45 effective January 1, 2003. The adoption does not have a material impact on the Company's results of operations or financial position.

In January 2003, the Financial Accounting Standards Board issued Interpretation No. 46, "Consolidation of Variable Interest Entities," ("Interpretation 46"). The objective of Interpretation 46 is to improve the financial reporting by companies involved with variable interest entities. Until now, one company generally has included another entity in its consolidated financial statements only if it controlled the entity through voting interest. Interpretation 46 changes that by requiring a variable interest entity to be consolidated by a company if that company is subject to a majority of the risk of loss from the variable interest entity's activities or entitled to receive a majority of the entity's residual returns or both. The consolidation requirements of Interpretation 46 apply immediately to variable interest entities created after January 31, 2003. The consolidation requirements apply to older entities in the first fiscal year or interim period beginning after June 15, 2003. Certain of disclosure requirements apply to all financial statements issued after January 31, 2003, regardless of when the variable interest entity was established. The Company has minority interests in two private equity firms, Enertech Capital Partners II, L.P. and EPV Holdings LLC, which may fall under this interpretation. For more information regarding the Company's investments in these entities, see the Company's Annual Report on Form 10-K for the year ended September 30, 2002. The Company does not believe the adoption of this statement will have a material impact on its results of operations or financial position.

STOCK BASED COMPENSATION

The Company accounts for its stock-based compensation arrangements using the intrinsic value method in accordance with the provisions of Accounting Principles Board Opinion No. 25 - "Accounting for Stock Issued to Employees" ("APB 25"), and related interpretations. Under APB 25, if the exercise price of employee stock options equals the market price of the underlying stock on the date of grant, no compensation expense is recognized. The Company's stock options have all been granted with exercise prices at fair value, therefore no compensation expense has been recognized under APB 25. During the nine months ended June 30, 2002, the Company recorded compensation expense of $1,422 in connection with a restricted stock award (See Note 8).

The following table illustrates the effect on net income and earnings per share assuming the compensation costs for IES' stock option and purchase plans had been determined using the fair value method at the grant dates amortized on a pro rata basis over the vesting period as required under SFAS No. 123 - "Accounting for Stock-Based Compensation" for the three and nine months ended June 30, 2002 and 2003 (in thousands, except for per share data):

	Three months ended June 30,		Nine months ended June 30,	
	2002	2003	2002	2003
Net income (loss), as reported............	$ 7,477	$ 5,411	$ (275,554)	$ 12,587
Add: Stock-based employee compensation expense included in reported net income, net of related tax effects.............	---	---	875	---
Deduct: Total stock-based employee compensation expense determined under fair value based method for all awards, net of related tax effects.............	508	302	2,806	1,057
Pro forma net income (loss) for SFAS No.123................................	$ 6,969	$ 5,109	$ (277,485)	$ 11,530
Earnings (loss) per share:				
Basic - as reported....................	$ 0.19	$ 0.14	$ (6.91)	$ 0.32
Basic - pro forma for SFAS No. 123.....	$ 0.17	$ 0.13	$ (6.96)	$ 0.29
Earnings (loss) per share:				
Diluted - as reported..................	$ 0.19	$ 0.14	$ (6.91)	$ 0.32
Diluted - pro forma for SFAS No. 123...	$ 0.17	$ 0.13	$ (6.96)	$ 0.29

2. ACQUISITIONS

On February 27, 2003, the Company completed the acquisition of Riviera Electric LLC accounted for as a purchase. The total consideration paid in this transaction was approximately $2.7 million, comprised entirely of cash, net of cash acquired. The fair value of the tangible net assets acquired exceeded the total consideration paid. As a result, the long-term fixed assets of the acquisition were reduced to zero. The accompanying balance sheets include allocations of the purchase price to the assets acquired and liabilities assumed based on preliminary estimates of fair value and are subject to final adjustment.

The unaudited pro forma data presented below assume that the acquisition had occurred at the beginning of the periods presented.

	Nine Months Ended June 30,		Three Months Ended June 30,	
	2002	2003	2002	2003
Revenues	$ 1,167,677	$ 1,101,716	$ 395,881	$ 375,339
Net income before cumulative effect of change in accounting principle	$ 7,730	$ 13,471	$ 8,892	$ 5,411
Net income (loss)	$ (271,393)	$ 13,471	$ 8,892	$ 5,411
Basic earnings per share before cumulative effect of change in accounting principle	$ 0.19	$ 0.34	$ 0.22	$ 0.14
Cumulative effect of change in accounting principle	$ (7.10)	$ 0.00	$ 0.00	$ 0.00
Basic earnings (loss) per share	$ (6.81)	$ 0.34	$ 0.22	$ 0.14
Diluted earnings per share before cumulative effect of change in accounting principle	$ 0.19	$ 0.34	$ 0.22	$ 0.14
Cumulative effect of change in accounting principle	$ (7.10)	$ 0.00	$ 0.00	$ 0.00
Diluted earnings (loss) per share	$ (6.81)	$ 0.34	$ 0.22	$ 0.14

3. GOODWILL AND OTHER INTANGIBLE ASSETS

Effective October 1, 2001, the Company adopted SFAS No. 142, "Goodwill and Other Intangible Assets," which establishes new accounting and reporting requirements for goodwill and other intangible assets. Under SFAS No. 142, all goodwill amortization ceased effective October 1, 2001. Goodwill attributable to each of the Company's reporting units is tested for impairment by comparing the fair value of each reporting unit with its carrying value. Fair value is determined using discounted cash flows, market multiples and market capitalization. Significant estimates used in the methodologies include estimates of future cash flows, future short-term and long-term growth rates, weighted average cost of capital and estimates of market multiples for each of the reportable units. The Company performs its impairment tests annually during the first fiscal quarter absent any impairment indicators requiring more frequent impairment tests.

Based on the Company's impairment tests performed upon adoption of SFAS No. 142, it recognized a charge of $283.3 million ($7.10 per share) in the first quarter of 2002 to reduce the carrying value of goodwill of its reporting units to its implied fair value. Under SFAS No. 142, the impairment adjustment recognized at adoption of the new rules was reflected as a cumulative effect of change in accounting principle in the statement of operations for the year ended September 30, 2002. The Company performed its annual impairment test on October 1, 2002 and determined that there was no impairment of recorded goodwill.

The carrying amount of goodwill attributable to each reportable operating unit with goodwill balances and changes therein follows (in thousands):

	September 30, 2002	Divestiture	June 30, 2003
Commercial and Industrial	$ 140,695	$ 215	$ 140,480
Residential	57,525	-	57,525
	$ 198,220	$ 215	$ 198,005

4. RESTRUCTURING CHARGES

In October 2001, the Company began implementation of a workforce reduction program. The purpose of this program was to cut costs by reducing the number of administrative staff both in the field and at the home office. The total number of terminated employees was approximately 450. As a result of the program implementation, the Company recorded pre-tax restructuring charges of $5.6 million associated with 45 employees during the nine months ended June 30, 2002. The charges were based on the costs of the workforce reduction program and include severance and other special termination benefits. At June 30, 2003, approximately $1.2 million of these charges have not been paid and are included in accrued expenses.

5. DEBT

Credit Facility

On May 27, 2003, the Company amended its $150.0 million revolving credit facility to a $125.0 million revolving credit facility with a syndicate of lending institutions to be used for working capital, capital expenditures, acquisitions and other corporate purposes that matures May 22, 2006, as amended (the "Credit Facility"). Amounts borrowed under the Credit Facility bear interest at an annual rate equal to either (a) the London interbank offered rate (LIBOR) plus 1.75 percent to 3.50 percent, as determined by the ratio of the Company's total funded debt to EBITDA (as defined in the Credit Facility) or (b) the higher of (i) the bank's prime rate or (ii) the Federal funds rate plus 0.50 percent plus an additional 0.25 percent to 2.00 percent, as determined by the ratio of the Company's total funded debt to EBITDA. Commitment fees of 0.375 percent to 0.50 percent are assessed on any unused borrowing capacity under the Credit Facility. The Company's existing and future subsidiaries guarantee the repayment of all amounts due under the facility, and the facility is secured by the capital stock of those subsidiaries and the accounts receivable of the Company and those subsidiaries. Borrowings under the Credit Facility are limited to 66 2/3% of outstanding receivables (as defined in the agreement). The Credit Facility requires the consent of the lenders for acquisitions exceeding a certain level of cash consideration, prohibits the payment of cash dividends on the common stock, restricts the ability of the Company to repurchase shares of common stock or to retire its Senior Subordinated Notes, restricts the ability of the Company to incur other indebtedness and requires the Company to comply with various affirmative and negative covenants including certain financial covenants. Among other restrictions, the financial covenants include a minimum net worth requirement, a maximum total consolidated funded debt to EBITDA ratio, a maximum senior consolidated debt to EBITDA ratio and a minimum interest coverage ratio. For more information regarding the Covenants to its Credit Facility, as amended, see the Company's filing on Form 8-K dated May 28,

2003. The Company was in compliance with the financial covenants of its Credit Facility, as amended, at June 30, 2003. As of June 30, 2003, the Company had no borrowings outstanding under its Credit Facility, letters of credit outstanding under its Credit Facility of $26.5 million, $0.5 million of other borrowings and available borrowing capacity under its Credit Facility of $98.5 million.

Senior Subordinated Notes

On January 25, 1999 and May 29, 2001, the Company completed offerings of $150.0 million and $125.0 million Senior Subordinated Notes, respectively. The offering completed on May 29, 2001 yielded $117.0 million in proceeds to the Company, net of a $4.2 million discount and $3.9 million in offering costs. The proceeds from the May 29, 2001, offering were used primarily to repay amounts outstanding under the Credit Facility. The Senior Subordinated Notes bear interest at 9 3/8% and mature on February 1, 2009. The Company pays interest on the Senior Subordinated Notes on February 1 and August 1 of each year. The Senior Subordinated Notes are unsecured obligations and are subordinated to all existing and future senior indebtedness. The Senior Subordinated Notes are guaranteed on a senior subordinated basis by all of the Company's subsidiaries. Under the terms of the Senior Subordinated Notes, the Company is required to comply with various affirmative and negative covenants including: (i) restrictions on additional indebtedness, and (ii) restrictions on liens, guarantees and dividends. During the year ended September 30, 2002, the Company retired approximately $27.1 million of these Senior Subordinated Notes.

Debt consists of the following (in thousands):

	September 30, 2002	June 30, 2003
Senior Subordinated Notes, due February 1, 2009, bearing interest at 9.375% with an effective interest rate of 9.50%........	137,885	137,885
Senior Subordinated Notes, due February 1, 2009, bearing interest at 9.375% with an effective interest rate of 10.00%.......	110,000	110,000
Other..	1,074	542
Total debt...	248,959	248,427
Less - short-term debt and current maturities of long-term debt..........	(570)	(307)
Less - unamortized discount on Senior Subordinated Notes.................	(3,797)	(3,347)
Add - fair value of terminated interest rate hedge.......................	3,847	3,391
Total long-term debt...	$ 248,439	$ 248,164

6. EARNINGS (LOSS) PER SHARE

The following table reconciles the numerators and denominators of the basic and diluted earnings (loss) per share for the nine months ended June 30, 2002 and 2003 (in thousands, except share information):

	Nine Months Ended June 30, 2002	Nine Months Ended June 30, 2003
Numerator:		
Net income (loss)	$ (275,554)	$ 12,587
Denominator:		
Weighted average shares outstanding - basic .	39,887,209	39,188,518
Effect of dilutive stock options	--	108,928
Weighted average shares outstanding - diluted	39,887,209	39,297,446
Earnings (loss) per share:		
Basic	$ (6.91)	$ 0.32
Diluted	$ (6.91)	$ 0.32

For the nine months ended June 30, 2002 and 2003, stock options of 6.2 million and 4.6 million, respectively, were excluded from the computation of diluted earnings per share because the options exercise prices were greater than the average market price of the Company's common stock.

The following table reconciles the numerators and denominators of the basic and diluted earnings per share for the three months ended June 30, 2002 and 2003 (in thousands, except share information):

	Three Months Ended June 30, 2002	Three Months Ended June 30, 2003
Numerator:		
Net income	$ 7,477	$ 5,411
Denominator:		
Weighted average shares outstanding - basic .	39,936,914	38,789,237
Effect of dilutive stock options	137,025	372,356
Weighted average shares outstanding - diluted	40,073,939	39,161,593
Earnings per share:		
Basic	$ 0.19	$ 0.14
Diluted	$ 0.19	$ 0.14

For the three months ended June 30, 2002 and 2003, stock options of 4.4 million and 2.9 million, respectively, were excluded from the computation of diluted earnings per share because the options exercise prices were greater than the average market price of the Company's common stock.

7. OPERATING SEGMENTS

The Company follows SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information." Certain information is disclosed, per SFAS No. 131, based on the way management organizes financial information for making operating decisions and assessing performance.

The Company's reportable segments are strategic business units that offer products and services to two distinct customer groups. They are managed separately because each business requires different operating and marketing strategies.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies. The Company evaluates performance based on income from operations of the respective business units prior to unallocated home office expenses. Management allocates costs between segments for selling, general and administrative expenses, goodwill impairment, depreciation expense, capital expenditures and total assets. Those methods used for allocation may change in the future.

Segment information for the nine months ended June 30, 2002 and 2003 is as follows (in thousands):

	Nine Months Ended June 30, 2002			
	Commercial/ Industrial	Residential	Other	Total
Revenues	$ 903,126	$ 203,353	$ -	$1,106,479
Cost of services (including depreciation)	778,589	157,469	-	936,058
Gross profit	124,537	45,884	-	170,421
Selling, general and administrative	87,556	24,886	20,641	133,083
Restructuring charges	-	-	5,556	5,556
Operating income	$ 36,981	$ 20,998	$ (26,197)	$ 31,782
Other data:				
Depreciation expense	$ 10,530	$ 768	$ 1,409	$ 12,707
Capital expenditures	4,807	434	2,304	7,545
Total assets	516,578	99,973	94,687	711,238

	Nine Months Ended June 30, 2003			
	Commercial/ Industrial	Residential	Other	Total
Revenues	$ 862,028	$ 205,023	$ -	$ 1,067,051
Cost of services (including depreciation)	752,128	161,053	-	913,181
Gross profit	109,900	43,970	-	153,870
Selling, general and administrative	75,265	24,949	14,058	114,272
Operating income	$ 34,635	$ 19,021	$ (14,058)	$ 39,598
Other data:				
Depreciation expense	$ 8,546	$ 926	$ 1,459	$ 10,931
Capital expenditures	4,475	548	2,281	7,304
Total assets	507,452	107,505	111,042	725,999

Segment information for the three months ended June 30, 2002 and 2003 is as follows (in thousands):

	Three Months Ended June 30, 2002			
	Commercial/ Industrial	Residential	Other	Total
Revenues	$ 302,152	$ 72,667	$ -	$ 374,819
Cost of services (including depreciation)	261,343	54,985	-	316,328
Gross profit	40,809	17,682	-	58,491
Selling, general and administrative	25,029	8,406	6,483	39,918
Operating income	$ 15,780	$ 9,276	$ (6,483)	$ 18,573
Other data:				
Depreciation expense	$ 3,511	$ 158	$ 464	$ 4,133
Capital expenditures	980	170	404	1,554
Total assets	516,578	99,973	94,687	711,238

	Three Months Ended June 30, 2003			
	Commercial/ Industrial	Residential	Other	Total
Revenues	$ 305,649	$ 69,690	$ -	$ 375,339
Cost of services (including depreciation)	266,999	54,931	-	321,930
Gross profit	38,650	14,759	-	53,409
Selling, general and administrative	25,143	8,090	4,960	38,193
Operating income	$ 13,507	$ 6,669	$ (4,960)	$ 15,216
Other data:				
Depreciation expense	$ 2,650	$ 423	$ 517	$ 3,590
Capital expenditures	1,222	188	432	1,842
Total assets	507,452	107,505	111,042	725,999

The Company does not have significant operations or long-lived assets in countries outside of the United States.

8. 1999 INCENTIVE COMPENSATION PLAN

In November 1999, the Board of Directors adopted the 1999 Incentive Compensation Plan (the "1999 Plan"). The 1999 Plan authorizes the Compensation Committee of the Board of Directors or the Board of Directors to grant employees of the Company awards in the form of options, stock appreciation rights, restricted stock or other stock based awards. The Company has up to 5.5 million shares of Common Stock authorized for issuance under the 1999 Plan.

The Company granted a restricted stock award of 400,000 shares under its 1999 Plan. The market value of the stock on the date of grant for this award was $2.3 million. The award became fully vested and was fully amortized during the nine months ended June 30, 2002. Accordingly, the Company had no amortization expense related to this award during the nine months ended June 30, 2003.

9. COMMITMENTS AND CONTINGENCIES

Subsidiaries of the Company are involved in various legal proceedings that have arisen in the ordinary course of business. While it is not possible to predict the outcome of such proceedings with certainty and it is possible that the results of legal proceedings may materially adversely affect us, in the opinion of the Company, all such proceedings are either adequately covered by insurance or, if not so covered, should not ultimately result in any liability which would have a material adverse effect on the financial position, liquidity or results of operations of the Company. The Company expenses routine legal costs related to such proceedings as incurred.

The Company has committed to invest up to $5.0 million in EnerTech Capital Partners II L.P. ("EnerTech"). EnerTech is a private equity firm specializing in investment opportunities emerging from the deregulation and resulting convergence of the energy, utility and telecommunications industries. Through June 30, 2003, the Company had invested $2.3 million under its commitment to EnerTech.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

INTRODUCTION

The following should be read in conjunction with the response to Part I, Item 1 of this Report. Any capitalized terms used but not defined in this Item have the same meaning given to them in Part I, Item 1.

This report on Form 10-Q includes certain statements that may be deemed to be "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These statements are based on our expectations and involve risks and uncertainties that could cause our actual results to differ materially from those set forth in the statements. Such risks and uncertainties include, but are not limited to, the inherent uncertainties related to estimating future results, fluctuations in operating results because of downturns in levels of construction, incorrect estimates used in entering into fixed price contracts, difficulty in managing the operation and growth of existing and newly acquired businesses, the high level of competition in the construction industry and the effects of seasonality. The foregoing and other factors are discussed in our filings with the SEC including our Annual Report on Form 10-K for the year ended September 30, 2002.

In response to the SEC's Release No. 33-8040, "Cautionary Advice Regarding Disclosure About Critical Accounting Policies," we have identified the accounting principles which we believe are most critical to our reported financial status by considering accounting policies that involve the most complex or subjective decisions or assessments. We identified our most critical accounting policies to be those related to revenue recognition, the assessment of goodwill impairment, our allowance for doubtful accounts receivable and the recording of our self-insurance liabilities. These accounting policies, as well as others, are described in the Notes to the Consolidated Financial Statements of our Annual Report on Form 10-K for the year ended September 30, 2002 and at relevant sections in this discussion and analysis.

We enter into contracts principally on the basis of competitive bids. We frequently negotiate the final terms and prices of those contracts with the customer. Although the terms of our contracts vary considerably, most are made on either a fixed price or unit price basis in which we agree to do the work for a fixed amount for the entire project (fixed price) or for units of work performed (unit price). We also perform services on a cost-plus or time and materials basis. We are generally able to achieve higher margins on fixed price and unit price than on cost-plus contracts. We currently generate, and expect to continue to generate, more than half of our revenues under fixed price contracts. The cost of labor and materials, however, may vary from the costs we originally estimated. Variations from estimated contract costs along with other risks inherent in performing fixed price and unit price contracts may result in actual revenue and gross profit for a project differing from those we originally estimated and could result in losses on projects. Depending on the size of a particular project, variations from estimated project costs could have a significant impact on our operating results for any fiscal quarter or year. We believe our exposure to losses on fixed price contracts is limited in aggregate by the high volume and relatively short duration of the fixed price contracts we undertake. Additionally, we derive a significant amount of our revenues from new construction and from the southern part of the United States. Downturns in new construction activity or in construction in the southern United States could affect our results.

We complete most projects within one year, while we frequently provide service and maintenance work under open-ended, unit price master service agreements which are renewable annually. We recognize revenue on service and time and material work when services are performed. Work performed under a construction contract generally provides that the customers accept completion of progress to date and compensate us for services rendered measured in terms of units installed, hours expended or some other measure of progress. Revenues from construction contracts are recognized on the percentage-of-completion method in accordance with the American Institute of Certified Public Accountants Statement of Position 81-1 "Accounting for Performance of Construction-Type and Certain Production-Type Contracts." Percentage-of-completion for construction contracts is measured principally by the percentage of costs incurred and accrued to date for each contract to the estimated total costs for each contract at completion. We generally consider contracts to be substantially complete upon departure from the work site and acceptance by the customer. Contract costs include all direct material and labor costs and those indirect costs related to contract performance, such as indirect labor, supplies, tools, repairs and depreciation costs. Changes in job performance, job conditions, estimated contract costs and profitability and final contract settlements may result in revisions to costs and income and the effects of these revisions are recognized in the period in which the revisions are determined. Provisions for total estimated losses on uncompleted contracts are made in the period in which such losses are determined.

We evaluate goodwill for potential impairment in accordance with Statement of Financial Accounting Standards (SFAS) No. 142, "Goodwill and Other Intangible Assets." Included in this evaluation are certain assumptions and estimates to determine the fair values of reporting units such as estimates of future cash flows, discount rates, as well as assumptions and estimates related to the valuation of other identified intangible assets. Changes in these assumptions and estimates or significant changes to the market value of our common stock could materially impact our results of operations or financial position.

We provide an allowance for doubtful accounts receivable for unknown collection issues in addition to reserves for specific accounts receivable where collection is considered doubtful. Inherent in the assessment of the allowance for doubtful accounts receivable are certain judgments and estimates including, among others, our customers' access to capital, our customers' willingness to pay, general economic conditions and the ongoing relationships with our customers.

We are self-insured for workers' compensation, auto liability, general liability and employee-related health care claims, subject to large deductibles. Losses up to the deductible amounts are accrued based upon our estimates of the liability for claims incurred and an estimate of claims incurred but not reported. The accruals are derived from actuarial studies, known facts, historical trends and industry averages utilizing the assistance of an actuary to determine the best estimate of the ultimate expected loss. We believe such accruals to be adequate. However, insurance liabilities are difficult to assess and estimate due to unknown factors, including the severity of an injury, the determination of our liability in proportion to other parties, the number of incidents not reported and the effectiveness of our safety program. Therefore, if actual experience differs from than the assumptions used in the actuarial valuation, adjustments to the reserve may be required and would be recorded in the period that the experience becomes known.

RESULTS OF OPERATIONS FOR THE NINE MONTHS ENDED JUNE 30, 2002 COMPARED TO THE NINE MONTHS ENDED JUNE 30, 2003

The following table presents selected unaudited historical financial information for the nine months ended June 30, 2002 and 2003.

	Nine Months Ended June 30,			
	2002	%	2003	%
	(dollars in millions)			
Revenues	$ 1,106.5	100%	$ 1,067.1	100%
Cost of services (including depreciation)	936.1	85%	913.2	86%
Gross profit	170.4	15%	153.9	14%
Selling, general & administrative expenses	133.0	12%	114.3	10%
Restructuring charges	5.6	1%	-	0%
Income from operations	31.8	2%	39.6	4%
Interest and other expense, net	20.1	2%	19.1	2%
Income before income taxes and cumulative effect of change in accounting principle	11.7	0%	20.5	2%
Provision for income taxes	3.9	0%	7.9	1%
Cumulative effect of change in accounting principle, net of tax	283.3	26%	-	0%
Net income (loss)	$ (275.5)	-25%	$ 12.6	1%

REVENUES

	Percent of Total Revenues	
	Nine Months ended June 30,	
	2002	2003
Commercial and Industrial	81%	81%
Residential	19%	19%
Total Company	100%	100%

Total revenues decreased $39.4 million, or 4%, from $1,106.5 million for the nine months ended June 30, 2002, to $1,067.1 million for the nine months ended June 30, 2003. This decrease in revenues is primarily the result of $37.5 million of lost revenues on divested or closed companies that were included in revenues for the nine months ended June 30, 2002, but not during the nine months ended June 30, 2003. This decrease in revenues is additionally impacted by an economic slowdown that began in 2001. This slowdown has led to increased bidding activity across the country for available work during the nine months ended June 30, 2003. Lastly, revenues were impacted by a decrease in revenues from communications work.

Commercial and industrial revenues decreased $41.1 million, or 5%, from $903.1 million for the nine months ended June 30, 2002, to $862.0 million for the nine months ended June 30, 2003. This decrease in revenues is primarily the result of $37.5 million of lost revenues on divested or closed companies that were included in revenues for the nine months ended June 30, 2002, but not during the nine months ended June 30, 2003. This decrease in revenues is additionally impacted by increased bidding activity across the country for available work during the nine months ended June 30, 2003.

Residential revenues increased $1.6 million, or 1%, from $203.4 million for the nine months ended June 30, 2002, to $205.0 million for the nine months ended June 30, 2003, primarily as a result of increased awards of construction contracts in markets we serve.

GROSS PROFIT

	Segment Gross Profit Margins as a Percent of Segment Revenues	
	Nine Months ended June 30,	
	2002	2003
Commercial and Industrial	14%	13%
Residential	23%	21%
Total Company	15%	14%

Gross profit decreased $16.5 million, or 10%, from $170.4 million for the nine months ended June 30, 2002, to $153.9 million for the nine months ended June 30, 2003. Gross profit margin as a percentage of revenues decreased form 15% for the nine months ended June 30, 2002 to 14% for the nine months ended June 30, 2003, primarily as the result of increased competition for available work.

Commercial and industrial gross profit decreased $14.6 million, or 12%, from $124.5 million for the nine months ended June 30, 2002, to $109.9 million for the nine months ended June 30, 2003. Commercial and industrial gross profit margin as a percentage of revenues decreased from 14% for the nine months ended June 30, 2002, to 13% for the nine months ended June 30, 2003. This decrease in gross profit margin as a percentage of revenues was primarily the result of increased bidding activity for available work and lower margins on work in the communications market.

Residential gross profit decreased $1.9 million, or 4%, from $45.9 million for the nine months ended June 30, 2002, to $44.0 million for the nine months ended June 30, 2003. Residential gross profit margin as a percentage of revenues decreased two percentage points from 23% for the nine months ended June 30, 2002 to 21% for the nine months ended June 30, 2003, primarily as the result of increased pricing pressure for available work.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, general and administrative expenses decreased $18.7 million, or 14%, from $133.0 million for the nine months ended June 30, 2002, to $114.3 million for the nine months ended June 30, 2003. Selling, general and administrative expenses as a percentage of revenues decreased two percentage points from 12% for the nine months ended June 30, 2002 to 10% for the nine months ended June 30, 2003. This decrease results from a company wide effort focused on reduction of costs. This effort included a significant reduction of certain administrative field and home office personnel expenses during the nine months ended June 30, 2002.

RESTRUCTURING CHARGE

In October 2001, we began implementation of a workforce reduction program. The purpose of this program was to reduce the number of administrative staff both in the field and in the home office. As a result of the program implementation, we recorded pre-tax restructuring charges of $5.6 million during the nine months ended June 30, 2002. The charges were based on the cost of the workforce reduction program, including severance and other special termination benefits. At June 30, 2003, approximately $1.2 million of these charges have not been paid and are included in accounts payable and accrued expenses.

INCOME FROM OPERATIONS

Income from operations increased $7.8 million, or 25%, from $31.8 million for the nine months ended June 30, 2002, to $39.6 million for the nine months ended June 30, 2003. This increase in income from operations was primarily attributed to decreased selling, general and administrative expenses year over year and restructuring charges of $5.6 million incurred during the nine months ended June 30, 2002, offset by decreased revenues year over year and decreased margins earned on those revenues.

NET INTEREST AND OTHER EXPENSE

Interest and other expense, net decreased from $20.1 million for the nine months ended June 30, 2002, to $19.1 million for the nine months ended June 30, 2003, primarily as a result of decreased interest expense attributable to decreased average borrowings over the period. The decrease is additionally impacted by $0.2 million in other income from our captive insurance program during the nine months ended June 30, 2003 that was not a component of other income for the nine months ended June 30, 2002.

PROVISION FOR INCOME TAXES

During the nine months ended June 30, 2003, we recorded a tax provision of 38.5%. We recorded a tax provision of 33.6% for the nine months ended June 30, 2002. The effective tax rate for the nine months ended June 30, 2002 includes the impact of the projected utilization of certain net operating loss carryforwards.

CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE

In October 2001, we adopted SFAS No. 142,"Goodwill and Other Intangible Assets," which establishes new accounting and reporting requirements for goodwill and other intangible assets. Under SFAS No. 142, all goodwill amortization ceased effective October 1, 2001. Additionally, under SFAS No. 142, the impairment adjustment recognized at adoption of the new rules was reflected as a cumulative effect of change in accounting principle in the statement of operations for the year ended September 30, 2002. We recognized a charge of $283.3 million ($7.10 per share) in the first quarter of 2002 to reduce the carrying value of goodwill of its reporting units to its implied fair value. The Company performed its annual impairment test on October 1, 2002 and determined that there was no impairment of recorded goodwill.

RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED JUNE 30, 2002 COMPARED TO THE THREE MONTHS ENDED JUNE 30, 2003

The following table presents selected unaudited historical financial information for the three months ended June 30, 2002 and 2003.

	Three Months Ended June 30,			
	2002	%	2003	%
	(dollars in millions)			
Revenues	$ 374.8	100%	$ 375.3	100%
Cost of services (including depreciation)	316.3	84%	321.9	86%
Gross profit	58.5	16%	53.4	14%
Selling, general & administrative expenses	39.9	11%	38.2	10%
Income from operations	18.6	5%	15.2	4%
Interest and other expense, net	6.4	2%	6.4	2%
Income before income taxes	12.2	3%	8.8	2%
Provision for income taxes	4.7	1%	3.4	1%
Net income	$ 7.5	2%	$ 5.4	1%

REVENUES

	Percent of Total Revenues	
	Three Months ended June 30,	
	2002	2003
Commercial and Industrial	81%	81%
Residential	19%	19%
Total Company	100%	100%

Total revenues increased $0.5 million, or 0%, from $374.8 million for the three months ended June 30, 2002, to $375.3 million for the three months ended June 30, 2003. This increase in revenues is primarily the result of increased work performed in the commercial and industrial markets, offset by $11.0 million of lost revenues on divested or closed companies that were included in revenues for the three months ended June 30, 2002, but not during the three months ended June 30, 2003.

Commercial and industrial revenues increased $3.5 million, or 1%, from $302.1 million for the three months ended June 30, 2002, to $305.6 million for the three months ended June 30, 2003. This increase in revenues is primarily the result of the timing of industrial work performed, offset by $11.0 million of lost revenues on divested or closed companies that were included in revenues for the three months ended June 30, 2002, but not during the three months ended June 30, 2003.

Residential revenues decreased $3.0 million, or 4%, from $72.7 million for the three months ended June 30, 2002, to $69.7 million for the three months ended June 30, 2003, primarily as a result of decreased multi-family construction activity in the Southeast. This decrease in revenues is additionally impacted by increased bidding activity across the country for available work during the three months ended June 30, 2003.

GROSS PROFIT

	Segment Gross Profit Margins as a Percent of Segment Revenues	
	Three Months ended June 30,	
	2002	2003
Commercial and Industrial	14%	13%
Residential	24%	21%
Total Company	16%	14%

Gross profit decreased $5.1 million, or 9%, from $58.5 million for the three months ended June 30, 2002, to $53.4 million for the three months ended June 30, 2003. Gross profit margin as a percentage of revenues decreased from 16% for the three months ended June 30, 2002, to 14% for the three months ended June 30, 2003. This decrease in gross profit margin as a percentage of revenues was primarily the result of increased bidding activity for available work and lower margins on work across our entire market.

Commercial and industrial gross profit decreased $2.1 million, or 7%, from $40.8 million for the three months ended June 30, 2002, to $38.7 million for the three months ended June 30, 2003. Commercial and industrial gross profit margin as a percentage of revenues decreased from 14% for the three months ended June 30, 2002, to 13% for the three months ended June 30, 2003. This decrease in gross profit margin as a percentage of revenues was primarily the result of increased bidding activity for available work and lower margins on work in the communications market.

Residential gross profit decreased $2.9 million, or 17%, from $17.7 million for the three months ended June 30, 2002, to $14.8 million for the three months ended June 30, 2003. Residential gross profit margin as a percentage of revenues decreased from 24% for the three months ended June 30, 2002, to 21% for the three months ended June 30, 2003. This decrease in gross profit margin as a percentage of revenues was primarily the result of increased bidding activity for available work, decreased multi-family construction activity in the Southeast and lower margins on work in the residential market.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, general and administrative expenses decreased $1.7 million, or 4%, from $39.9 million for the three months ended June 30, 2002, to $38.2 million for the three months ended June 30, 2003. Selling, general and administrative expenses as a percentage of revenues decreased one percentage point from 11% for the three months ended June 30, 2002 to 10% for the three months ended June 30, 2003. This decrease results from a company wide effort focused on reduction of costs.

INCOME FROM OPERATIONS

Income from operations decreased $3.4 million, or 18%, from $18.6 million for the three months ended June 30, 2002, to $15.2 million for the three months ended June 30, 2003. This decrease in income from operations was primarily attributed to decreased revenues year over year and decreased margins earned on those revenues, offset by decreased selling, general and administrative expenses year over year.

NET INTEREST AND OTHER EXPENSE

Interest and other expense, net remained the same at $6.4 million for the three months ended June 30, 2002 and June 30, 2003.

PROVISION FOR INCOME TAXES

During the three months ended June 30, 2003, we recorded a tax provision of 38.5%. We recorded a tax provision of 38.8% for the three months ended June 30, 2002. The higher effective tax rate in the prior period was attributable to the taxable effect of the sale of a business during the three months ended June 30, 2002.

LIQUIDITY AND CAPITAL RESOURCES

As of June 30, 2003, we had cash and cash equivalents of $40.3 million, working capital of $263.1 million, no outstanding borrowings under our credit facility, $26.5 million of letters of credit outstanding, and available capacity under our credit facility of $98.5 million. The amount outstanding under our senior subordinated notes was $247.9 million. All debt obligations are on our balance sheet.

During the nine months ended June 30, 2003, we generated $36.7 million of net cash from operating activities. This net cash provided by operating activities was comprised of net income of $12.6 million, increased by $12.2 million of non-cash charges related primarily to depreciation expense and provision for allowance for doubtful accounts, and further increased by changes in working capital. Working capital changes consisted of a $10.2 million decrease in billings in excess of costs and estimated earnings on uncompleted projects and a $3.9 million decrease in costs and estimated earnings in excess of billings on uncompleted contracts. Working capital changes also included a $3.2 decrease in inventory and a $5.5 million increase in accounts payable and accrued expenses as a result of the timing of payments made, with the balance of the change due to other working capital changes. Net cash used in investing activities was $7.7 million, consisting primarily of $7.3 million used for capital expenditures and $2.7 million used in the acquisition of a business, net of cash acquired; offset by $1.1 million received from divestitures and $1.8 million in proceeds from the sale of fixed assets. Net cash used in financing activities was $21.5 million, resulting primarily from $16.2 million in repayments of debt and repurchases of the senior subordinated notes, $0.7 million in payments made for debt issuance costs, and $6.8 million used in the acquisition of treasury stock, offset by $2.1 million received from the exercise of stock options.

On May 27, 2003, we amended our $150.0 million revolving credit facility to a $125.0 million revolving credit facility with a syndicate of lending institutions to be used for working capital, capital expenditure, acquisitions and other corporate purposes that matures May 22, 2006, as amended. Amounts borrowed under the credit facility bear interest at an annual rate equal to either (a) the London interbank offered rate (LIBOR) plus 1.75 percent to 3.50 percent, as determined by the ratio of our total funded debt to EBITDA (as defined in the credit facility) or (b) the higher of (i) the bank's prime rate or (ii) the Federal funds rate plus 0.50 percent plus an additional 0.25 percent to 2.00 percent, as determined by the ratio of our total funded debt to EBITDA. Commitment fees of 0.375 percent to 0.50 percent are assessed on any unused borrowing capacity under the credit facility. Our existing and future subsidiaries guarantee the repayment of all amounts due under the facility, and the facility is secured by the capital stock of those subsidiaries and the accounts receivable of the company and those subsidiaries. Borrowings under the credit facility are limited to 66 2/3% of outstanding receivables (as defined in the agreement). The credit facility requires the consent of the lenders for acquisitions exceeding a certain level of cash consideration, prohibits the payment of cash dividends on the common stock, restricts our ability to repurchase shares of common stock or to retire senior subordinated notes, restricts our ability to incur other indebtedness and requires us to comply with various affirmative and negative covenants including certain financial covenants. Among other restrictions, the financial covenants include a minimum net worth requirement, a maximum total consolidated funded debt to EBITDA ratio, a maximum senior consolidated debt to EBITDA ratio and a minimum interest coverage ratio. For more information regarding the covenants to our credit facility, as amended, see our filing on Form 8-K dated May 28, 2003. We were in compliance with the financial covenants of our credit facility, as amended, at June 30, 2003. As of July 29, 2003, we had no outstanding borrowings on our credit facility.

On January 25, 1999 and May 29, 2001, we completed our offerings of $150.0 million and $125.0 million senior subordinated notes, respectively. The offering completed on May 29, 2001 yielded $117.0 million in proceeds, net of a $4.2 million discount and $3.9 million in offering costs. The proceeds from the May 29, 2001 offering were used primarily to repay amounts outstanding under our credit facility. The notes bear interest at 9 3/8% and will mature on February 1, 2009. We pay interest on the notes on February 1 and August 1 of each year. The notes are unsecured senior subordinated obligations and are subordinated to all of our existing and future senior indebtedness. The notes are guaranteed on a senior subordinated basis by all of our subsidiaries. Under the terms of the notes, we are required to comply with various affirmative and negative covenants including (1) restrictions on additional indebtedness, and (2) restrictions on liens, guarantees and dividends. During the year ended September 30, 2002, we retired approximately $27.1 million of these senior subordinated notes. At June 30, 2003, we had $247.9 million in outstanding senior subordinated notes.

Effective October 1, 2001, we adopted SFAS No. 142, "Goodwill and Other Intangible Assets," which establishes new accounting and reporting requirements for goodwill and other intangible assets. Under SFAS No. 142, all goodwill amortization ceased effective October 1, 2001. Goodwill attributable to each of our reporting units is tested for impairment by comparing the fair value of each reporting unit with its carrying value. Fair value is determined using discounted cash flows, market multiples and market capitalization. Significant estimates used in the methodologies include estimates of future cash flows, future short-term and long-term growth rates, weighted average cost of capital and estimates of market multiples for each of the reportable units. We will perform our impairment tests annually during the first fiscal quarter absent any impairment indicators requiring more frequent impairment tests.

Based on our impairment tests performed upon adoption of SFAS No. 142, we recognized a charge of $283.3 million ($7.10 per share) in the first quarter of 2002 to reduce the carrying value of goodwill of our reporting units to its implied fair value. Under SFAS No. 142, the impairment adjustment recognized at adoption of the new rules was reflected as a cumulative effect of change in accounting principle in the statement of operations for the year ended

September 30, 2002. We performed our annual impairment test on October 1, 2002 and determined that there was no impairment of recorded goodwill.

We utilized approximately $2.7 million cash, net of cash acquired to purchase Riviera Electric LLC in Denver, Colorado on February 27, 2003.

All of our operating income and cash flows are generated by our wholly owned subsidiaries, which are the subsidiary guarantors of our outstanding senior subordinated notes. The separate financial statements of the subsidiary guarantors are not included herein because (i) the subsidiary guarantors are all of the direct and indirect subsidiaries of the Company; (ii) the subsidiary guarantors have fully and unconditionally, jointly and severally guaranteed the senior subordinated notes; (iii) the aggregate assets, liabilities, earnings and equity of the subsidiary guarantors is substantially equivalent to the assets, liabilities, earnings and equity of the Company on a consolidated basis; and (iv) the presentation of separate financial statements and other disclosures concerning the subsidiary guarantors is not deemed material.

Other Commitments. As is common in our industry, we have entered into certain off balance sheet arrangements that expose us to increased risk. Our significant off balance sheet transactions include liabilities associated with noncancelable operating leases, letter of credit obligations and surety guarantees.

We enter into noncancelable operating leases for many of our vehicle and equipment needs. These leases allow us to retain our cash when we do not own the vehicles or equipment and we pay a monthly lease rental fee. At the end of the lease, we have no further obligation to the lessor. We may determine to cancel or terminate a lease before the end of its term. Typically we are liable to the lessor for various lease cancellation or termination costs and the difference between the then fair market value of the leased asset and the implied book value of the leased asset as calculated in accordance with the lease agreement.

Some of our customers require us to post letters of credit as a means of guaranteeing performance under our contracts and ensuring payment by us to subcontractors and vendors. If our customer has reasonable cause to effect payment under a letter of credit, we would be required to reimburse our creditor for the letter of credit. Depending on the circumstances surrounding a reimbursement to our creditor, we may have a charge to earnings in that period. To date we have not had a situation where a customer has had reasonable cause to effect payment under a letter of credit. At June 30, 2003, $1.8 million of our outstanding letters of credit were to collateralize our customers.

Some of the underwriters of our casualty insurance program require us to post letters of credit as collateral. This is common in the insurance industry. To date we have not had a situation where an underwriter has had reasonable cause to effect payment under a letter of credit. At June 30, 2003, $24.7 million of our outstanding letters of credit were to collateralize our insurance program.

Many of our customers require us to post performance and payment bonds issued by a surety. Those bonds guarantee the customer that we will perform under the terms of a contract and that we will pay subcontractors and vendors. In the event that we fail to perform under a contract or pay subcontractors and vendors, the customer may demand the surety to pay or perform under our bond. Our relationship with our surety is such that we will indemnify the surety for any expenses it incurs in connection with any of the bonds it issues on our behalf. To date, we have not incurred significant expenses to indemnify our surety for expenses it incurred on our behalf. As of June 30, 2003, our cost to complete projects covered by surety bonds was approximately $241 million.

We have committed to invest up to $5.0 million in EnerTech Capital Partners II, L.P. ("EnerTech"). EnerTech is a private equity firm specializing in investment opportunities emerging from deregulation and resulting convergence of the energy, utility and telecommunications industries. Through June 30, 2003, we had invested $2.3 million under our commitment to EnerTech.

Our future contractual obligations include (in thousands):

	Less than one year	2004	2005	2006	2007	Thereafter	Total
Debt and capital lease obligations	$ 307	$ 168	$ 49	$ 14	$ 4	$ 247,885	$ 248,427
Operating lease obligations.......	$ 3,795	$ 9,542	$ 7,354	$ 4,396	$ 2,375	$ 3,682	$ 31,144

Our other commercial commitments expire as follows (in thousands):

	Less than one year	2004	2005	2006	2007	Thereafter	Total
Standby letters of credit.........	$ 26,480	$ --	$ --	$ --	$ --	$ --	$ 26,480
Other commercial commitments......	$ --	$ --	$ --	$ --	$ --	$ 2,700 (1)	$ 2,700

(1) Balance of investment commitment in EnerTech.

Outlook. The following statements are based on current expectations. These statements are forward-looking and actual results may differ materially. Economic conditions across the country are challenging. We continue to focus on collecting receivables and reducing days sales outstanding. To improve our position for continued success, we continue to take steps to reduce costs. We have made significant cuts in administrative overhead at the home office and in the field. Although we have seen signs of improvement in our quarter ended June 30, 2003, the economic outlook for the remainder of fiscal 2003 is still somewhat uncertain. We expect earnings per share in the fourth quarter of fiscal 2003 to range between $0.21 and $0.28 per share. For the year ended September 30, 2003, we expect earnings to range between $0.53 and $0.60 per share.

We expect to generate cash flow from operations. Our cash flows from operations tend to track with the seasonality of our business and historically have improved in the latter part of our fiscal year. We anticipate that our cash flow from operations will provide sufficient cash to enable us to meet our working capital needs, debt service requirements and planned capital expenditures for property and equipment through the next twelve months. Our ability to generate cash flow from operations is dependent on many factors, including demand for our products and services, the availability of work at margins acceptable to us and the ultimate collectibility of our receivables.

SEASONALITY AND QUARTERLY FLUCTUATIONS

Our results of operations, particularly from residential construction, are seasonal, depending on weather trends, with typically higher revenues generated during the spring and summer and lower revenues during the fall and winter. The commercial and industrial aspect of our business is less subject to seasonal trends, as this work generally is performed inside structures protected from the weather. Our service business is generally not affected by seasonality. In addition, the construction industry has historically been highly cyclical. Our volume of business may be adversely affected by declines in construction projects resulting from adverse regional or national economic conditions. Quarterly results may also be materially affected by gross margins for both bid and negotiated projects, the timing of new construction projects and any acquisitions. Accordingly, operating results for any fiscal period are not necessarily indicative of results that may be achieved for any subsequent fiscal period.

NEW ACCOUNTING PRONOUNCEMENTS

Effective October 1, 2002, we adopted Statement of Financial Accounting Standards (SFAS) No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets." SFAS No. 144 supercedes SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed of." SFAS No. 144 establishes a single accounting model for long-lived assets to be disposed of by sale and requires that those long-lived assets be measured at the lower of carrying amount or fair value less cost to sell, whether reported in continuing operations or in discontinued operations. The adoption had no impact on our financial position or results of operations.

In June 2002, the FASB issued SFAS No. 146, "Accounting for Costs Associated with Exit or Disposal Activities." SFAS No. 146 establishes requirements for recognition of a liability for a cost associated with an exit or disposal activity based with an objective of recording the initial liability at fair value. We adopted SFAS No 146 effective January 1, 2003. The adoption had no impact on our financial position or results of operations.

In December 2002, the Financial Accounting Standards Board issued SFAS No. 148, "Accounting for Stock-Based Compensation-Transition and Disclosure," which amends SFAS No. 123, "Accounting for Stock-Based Compensation," by providing alternative methods of transition for a voluntary change to the fair value method of accounting for stock options and other stock-based employee compensation. We adopted SFAS 148 on January 1, 2003. The adoption of SFAS 148 did not have a material impact on our financial position or results of operations.

Financial Accounting Standards Board Interpretation No. 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees, including indirect Guarantees of Indebtedness of Others", ("Interpretation 45"), will significantly change current practice in accounting for, and disclosure of, guarantees. Interpretation 45 requires a guarantor to recognize, at inception of a guarantee, a liability for the fair value of the obligation undertaken in issuing the guarantee. Interpretation 45 also expands the disclosures required to be made by a guarantor about its obligations under certain guarantees that it has issued. Interpretation 45's disclosure requirements are effective for financial statements of interim or annual periods ending after December 15, 2002, while the initial recognition and initial measurement provisions are applicable on prospective basis to guarantees issued or modified after December 31, 2002. The types of guarantees that we are party to include surety bonds and letter of credit. We adopted Interpretation 45 effective January 1, 2003, which did not have a material impact on our results of operations or financial position.

In January 2003, the Financial Accounting Standards Board issued interpretation No. 46, "Consolidation of Variable Interest Entities", ("Interpretation 46"). The objective of Interpretation 46 is to improve the financial reporting by companies involved with variable interest entities. Until now, one company generally has included another entity in its consolidated financial statements only if it controlled the entity through voting interest. Interpretation 46 changes that by requiring a variable interest entity to be consolidated by a company if that company is subject to a majority of the risk of loss from the variable interest entity's activities or entitled to receive a majority of the entity's residual returns or both. The consolidation requirements of Interpretation 46 apply immediately to variable interest entities created after January 31, 2003. The consolidation requirements apply to older entities in the first fiscal year or interim period beginning after June 15, 2003. Certain of disclosure requirements apply to all financial statements issued after January 31, 2003, regardless of when the variable interest entity was established. We have minority interests in two private equity firms, Enertech Capital Partners II, L.P. and EPV Holdings LLC, which may fall under this interpretation. For more information regarding our investments in these entities, see our Annual Report on Form 10-K for the year ended September 30, 2002. We do not believe the adoption of this statement will have a material impact on our results of operations or financial position as we do not have activities with any entities that would fall under this interpretation at this time.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Management is actively involved in monitoring exposure to market risk and continues to develop and utilize appropriate risk management techniques. We are not exposed to any significant market risks from commodity price risk or foreign currency exchange risk. Our exposure to significant market risks includes outstanding borrowings under our floating rate credit facility. Management does not use derivative financial instruments for trading purposes or to speculate on changes in interest rates or commodity prices.

As a result, our exposure to changes in interest rates results from our short-term and long-term debt with both fixed and floating interest rates. The following table presents principal or notional amounts (stated in thousands) and related interest rates by year of maturity for our debt obligations and their indicated fair market value at June 30, 2003:

	2003	2004	2005	2006	2007	Thereafter	Total
Liabilities -Debt:							
Fixed Rate (senior subordinated notes)........................	$ --	$ --	$ --	$ --	$ --	$ 247,885	$ 247,885
Interest Rate...................	9.375%	9.375%	9.375%	9.375%	9.375%	9.375%	9.375%
Fair Value of Debt:							
Fixed Rate							$ 251,603

ITEM 4. CONTROLS AND PROCEDURES

Within 90 days prior to the filing date of this report on Form 10-Q, the Company carried out an evaluation, under the supervision and with the participation of the Company's management, including the Company's principal executive officer and principal financial officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures. The Company's principal executive officer and principal financial officer concluded, based on this evaluation, that the Company's disclosure controls and procedures are effective in alerting them timely to material information relating to the Company required to be included in the Company's periodic SEC filings.

Since the date of the evaluation, there have been no significant changes in the Company's internal controls or in other factors that could significantly affect these controls.

PART II. OTHER INFORMATION

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

A. EXHIBITS

99.1 Certification of Herbert R. Allen, Chief Executive Officer, pursuant to 18 U.S.C. Section 1350, as adopted to Section 906 of The Sarbanes-Oxley Act of 2002.

99.2 Certification of William W. Reynolds, Chief Financial Officer, pursuant to 18 U.S.C. Section 1350, as adopted to Section 906 of The Sarbanes-Oxley Act of 2002.

B. REPORTS ON FORM 8-K

On April 1, 2003, the Company filed a Current Report on Form 8-K in connection with its press release dated April 1, 2003.

On May 12, 2003, the Company filed a Current Report on Form 8-K in connection with its acquisition of Riviera Electric LLC.

On May 28, 2003, the Company filed a Current Report on Form 8-K in connection with its press release dated May 28, 2003.

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, who has signed this report on behalf of the Registrant and as the principal financial officer of the Registrant.

INTEGRATED ELECTRICAL SERVICES, INC.

Date: August 4, 2003

By: /s/ William W. Reynolds

William W. Reynolds
Executive Vice President and
Chief Financial Officer

CERTIFICATION

I, Herbert R. Allen, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Integrated Electrical Services, Inc.;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in the Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

    a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

    b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

    c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):

    a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls;

    b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls;

6. The registrant's other certifying officer and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent

evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: August 4, 2003

/s/ Herbert R. Allen

Herbert R. Allen
Chief Executive Officer

CERTIFICATION

I, William W. Reynolds, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Integrated Electrical Services, Inc.;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in the Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

   a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

   b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

   c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):

   a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls;

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls;

6. The registrant's other certifying officer and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent

evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: August 4, 2003

/s/ William W. Reynolds

William W. Reynolds
Chief Financial Officer

Exhibit 99.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with this Quarterly Report of Integrated Electrical Services, Inc. (the "Company") on Form 10-Q for the period ending June 30, 2003 (the "Report"), I, Herbert R. Allen, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ Herbert R. Allen
- -----------------------------
Herbert R. Allen
Chief Executive Officer
August 4, 2003

Exhibit 99.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with this Quarterly Report of Integrated Electrical Services, Inc. (the "Company") on Form 10-Q for the period ending June 30, 2003 (the "Report"), I, William W. Reynolds, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ William W. Reynolds
- -----------------------------
William W. Reynolds
Chief Financial Officer
August 4, 2003