OHM

CORPORATION

1989

ANNUAL

REPORT

About The Cover

ANALYTICAL SERVICES. OHM's Analytical Services Group employs highly automated equipment to provide sophisticated chemical analyses and data management services to accurately measure and safely manage toxic chemicals and hazardous waste. These services are delivered through a nationwide network of six laboratories.

REMEDIATION SERVICES. OHM has assembled a broad array of chemical, physical and biological treatment technologies to address contaminated soil and groundwater problems. Some of the technologies provided by OHM include mobile incineration and bioremediation. Shown here is OHM's mobile infrared incinerator at the Twin Cities Army Ammunitions plant. At this site, 2,450 tons of PCB-contaminated soil were decontaminated.

MOBILE TREATABILITY SERVICES. Pictured is the inside of OHM's mobile treatability unit, used to evaluate various methods for remediating contaminated water and soil on-site. From the mobile unit, treatment performance is evaluated under diverse conditions to assess the method's technical and economic feasibility.

ASBESTOS ABATEMENT SERVICES. OHM's subsidiary, National Surface Cleaning, Inc., is a leading provider of asbestos abatement services at large commercial facilities and public buildings in New England, New Jersey and New York. During 1989, these services were extended to large industrial facility decontamination and decommissioning projects.

RESOURCE RECOVERY SERVICES. Pictured is OHM's fixed-base resource recovery facility, which treats solid and liquid organic and inorganic wastes. As the cost of traditional disposal methods increases and stricter treatment and disposal regulations are enforced, OHM has positioned itself to meet client needs to minimize, treat and dispose of hazardous wastes.

OHM Corporation
1989 Annual Report On Form 10-K

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Financial Highlights
(In Thousands, Except Per Share Data)

Years Ended December 31	**1989**	1988	1987	1986	1985
Gross Revenues	**$220,247**	$171,024	$137,027	$101,420	$82,790
Net Revenues	**166,530**	131,913	98,432	76,289	67,062
Operating Income	**12,157**	17,289	5,637	9,367	10,441
Income Before Extraordinary Credit	**1,692**	7,885	2,418	2,509	5,401
Net Income	**1,692**	7,885	2,418	2,785	7,014
Net Income Per Share	**0.14**	0.64	0.20	0.23	0.61
Total Assets	**179,944**	168,439	122,409	114,394	58,312
Stockholders' Equity	**48,699**	51,079	36,970	34,677	28,933

To Our Stockholders:

The past year was one of transition for the environmental services industry with a new administration in Washington. For the Company, it was a year of building on opportunities with new contracts and geographic expansion that have positioned us for growth and improved financial performance during the coming decade and beyond.

From a financial standpoint, however, operating results for 1989 were disappointing. While OHM's net revenues reached a record $166,530,000, a 26% increase over 1988, our net income for 1989 declined to $1,692,000, or $0.14 per share, compared to net income for 1988 of $7,885,000, or $0.64 per share.

Of the total growth in net revenues of $34,617,000 for 1989, 50% came from the Company's asbestos abatement subsidiary acquired in June 1988; 27% from the Company's fixed-base hazardous waste treatment and recycling facility acquired in December 1988; and 28% from increased activity in the Remediation Services Group. While we experienced significant growth in net revenues, our earnings were substantially less than those reported in 1988.

The primary reason for the earnings decline was an increase in overhead expenses associated with the expansion of our remediation capabilities, a decline in our Analytical Services Group revenues and increased interest expense to finance the acquisitions completed in 1988. The expansion of our remediation capabilities was undertaken in preparation for the increased business we expect to result from stricter enforcement of existing regulations by the EPA and state and local environmental authorities, as well as continued growth in grassroots support for a clean environment.

Net revenues from the Company's analytical services business declined in 1989. The EPA's relative inactivity during the first six months of the new administration led to a decrease in government business. While our analytical business does not depend on government contracts, the excess capacity of existing analytical services firms put pressure on pricing and volumes throughout the market for analytical services.

Volumes were also impacted by the gradual loss of a portion of the analytical business received from a major waste management client which started its own laboratory to satisfy a portion of its analytical needs. However, we are pleased to report that during the fourth quarter, the Analytical Services Group returned to profitability, completely offsetting its previous nine-month net loss. Additionally, the Analytical Services Group has entered into new contracts with several petroleum, chemical and waste management companies, which are expected to more than replace the volumes lost in 1989.

Over the years, our uncompromising commitment to quality has led to the development of quality assurance/quality control protocols that are now standards for the analytical services industry. While costly, the benefits of these commitments were realized this year. Although a number of other commercial testing laboratories were the subject of a regulatory investigation with respect to the integrity and defensibility of their analytical data, OHM's laboratories were not.

The Bush administration appears to be more supportive of environmental issues than the previous administration. Already we have seen regulatory initiatives that will positively affect the industry and our business. For example, the EPA's 90-Day Superfund Study, commissioned by its new Administrator, William Reilly, indicates that new emphasis should be placed on timely removal and remedial actions, permanent treatment of hazardous wastes and increased enforcement activities. Because corporate action to solve environmental problems is principally driven by enforcement and public awareness, additional enforcement activity at both federal and state levels is likely to increase opportunities for the environmental services industry, particularly for remediation services.

Several business opportunities which transpired in 1989 also position OHM for significant expansion:

- *Conrail-OHM Joint Venture:* Concord Resources Group, the Company's joint venture with Conrail, is perhaps the most exciting development in 1989 with long-term potential for growth. The purpose of the venture is to site, design, construct and operate state-of-the-art, fixed-base treatment and disposal facilities for solid and hazardous wastes. The joint venture combines Conrail's financial strength and extensive rail transportation capabilities in the densely populated corridors of the Northeast and Midwest with OHM's 20 years of experience in the environmental services industry.

- *U.S. Army Corps of Engineers Contracts:* The U.S. Army Corps of Engineers awarded OHM's Remediation Services Group two contracts with a total potential value of $100,000,000 over five years. Under the contracts, the Company will provide rapid response and site-specific remediation services on a nationwide basis for other federal agencies, including the Department of Defense, the Department of Energy and the EPA.

- *EPA Emergency Response Cleanup Services (ERCS) Contracts Extension:* The EPA extended OHM's Remediation Services Group ERCS contracts for Zones I and II for one year. The combined total potential value of these contracts for the year is $45,400,000. The EPA has praised the effectiveness of these contracts in providing practical, environmental solutions as opposed to other study-oriented programs.

The following projects are examples of the benefits derived from investments made over the past two years in enhanced engineering and project management capabilities. These capabilities enable the Company to perform larger, longer term, more technically complex projects.

- *NPL Site Cleanup:* A $14,000,000 contract for the remediation of a National Priorities List (NPL) site in New Jersey was awarded to the Company's Remediation Services Group in late 1989. The project will take an estimated sixteen months to complete and will require many services offered by the Company, including facility, tank and piping decontamination, asbestos removal, and lagoon sediment removal. The project will also involve the design, construction and operation of a water treatment system.

- *Canadian Department of National Defense Incineration Project:* Another significant milestone for the Company was the awarding of a C$10,600,000 contract for the Company's mobile infrared incinerator, which will be used to complete the first PCB destruction project for the Canadian government. OHM launched the project on behalf of the Canadian Department of National Defense in Goose Bay, Labrador, in August.

Earlier in the year, the Company's Remediation Services Group also performed on-site, infrared incineration of 2,450 tons of PCB-contaminated soil for the Twin Cities Army Ammunition Plant in New Brighton, Minnesota. The mobile incinerator was the first of its kind to receive an EPA national operating permit under the Toxic Substances Control Act in 1988.

From an operational standpoint, OHM continued to strengthen its position through geographic expansion in 1989. We expanded our asbestos abatement services into New York and New Jersey and strengthened our presence in Connecticut. We also established a remediation presence in four new locations across the United States and a second office in Canada. Additionally, we focused on the Southeastern and Southwestern markets and created two new Remediation Services Group Regions in these important markets.

As OHM Corporation marked its 20th year of operation in 1989, we celebrated our emergence as a full-service environmental solutions company. Today, we offer more services than ever before, including engineering, analytical and data management, remediation and resource recovery.

OHM enters 1990 with nearly twice the backlog value of remediation projects; three times the backlog value of asbestos abatement projects; and an analytical services unearned contract value that is seventy-five percent greater than at the beginning of 1989. We believe the significant investments the Company has made during 1989 and over the past several years have created a solid foundation for future growth and improved financial performance in the years ahead.

James L. Kirk

James L. Kirk
Chairman of the Board,
President and
Chief Executive Officer

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 or 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

FOR THE FISCAL YEAR ENDED	COMMISSION FILE NUMBER
December 31, 1989	0-15894

OHM CORPORATION

(Exact name of registrant as specified in its charter)

DELAWARE	34-1503050
(State of Incorporation)	(I.R.S. Employer Identification Number)

16406 U.S. ROUTE 224 EAST, FINDLAY, OH	45840
(Address of principal executive offices)	(Zip Code)

(419) 423-3529
Registrant's telephone number, including area code

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, $0.10 par value	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:
8% Convertible Subordinated Debentures due October 1, 2006

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 aggregate market value of the voting stock held by non-affiliates of the registrant on January 31, 1990 was $80,333,740.

The number of shares of common stock outstanding on March 15, 1990 was 12,002,015 shares.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the definitive Proxy Statement for the 1990 Annual Meeting of Stockholders to be held on May 10, 1990 are incorporated by reference into Part III.

PART I

Item 1. Business

General

OHM Corporation (the "Company") provides a comprehensive range of environmental assessment, analytical, asbestos abatement, data management, design, remediation, and waste treatment services to manage the risks of hazardous wastes. In February 1989, the Company amended its Certificate of Incorporation to change its name from "Environmental Treatment and Technologies Corp." to "OHM Corporation."

The Company was organized in 1986, as a result of the affiliation of two predecessor companies. In 1969, O.H. Materials Corp., widely known as "OHM," was formed and eventually became a leader in the field of environmental remediation response. Through the years, OHM gained significant experience in dealing with environmentally hazardous materials, and in 1986 merged with Environmental Testing and Certification Corp. ("ETC"), a company formed in 1981 which was recognized for its analytical and data management capabilities.

The Company's services fall into four general areas which are more fully described in the following section; the

- *Analytical and Data Management Services Group* provides scientific chemical analyses and data management tools to identify, evaluate and manage environmental risks associated with hazardous wastes.
- *Remediation Services Group* applies a broad array of chemical, physical and biological treatment technologies to design and implement practical solutions to contaminated groundwater, soil and facilities through remedial action programs.
- *Asbestos Abatement Services Group* provides services to abate the hazards associated with asbestos insulation and asbestos containing materials from commercial and public buildings as well as industrial facilities.
- *Resource Management Group* applies technologies to minimize, treat and recycle hazardous wastes.

Through its 36 locations across the United States and in Canada, the Company provides these services to a broad base of clients in both the private and public sectors. The Company's staff, in excess of 1,900, includes professionals in diverse engineering and scientific fields. The Company has developed and applied a broad array of specialized treatment technologies to a wide range of complex environmental problems. Some of these applications have been performed with equipment specially designed and constructed at the Company's fabrication facility located at its corporate headquarters in Findlay, Ohio.

Services

Analytical and Data Management Services

The Company's analytical and data management group provides not only scientific analysis of hazardous wastes, but also advanced and specialized data management capabilities essential to risk assessment. These services are delivered through a network of six fixed-base laboratories located across the United States. Each laboratory is equipped with advanced analytical instrumentation. Generally, analytical procedures are performed in accordance with the Environmental Protection Agency ("EPA") and required state protocols. Two of the laboratories participate in contract laboratory programs administered by the EPA.

The Company extends its analytical services to field locations through its fleet of nine mobile laboratories, all designed and built at the Company's fabrication facility. These mobile laboratories are equipped to meet the requirements of remediation projects where continuous monitoring and analysis are required on-site.

The Company has one of the most advanced analytical data bases in the environmental services industry. Analytical results, taken from both customer information and the Company's laboratories, are stored in this data base for use by the Company's customers. Custom designed computer programs allow clients to organize their historical information, update their data base, generate reports and perform analysis to monitor and manage their hazardous waste problems.

Remediation Services

Designing, developing and implementing an optimum solution to environmental hazards requires an interdisciplinary approach that combines practical field experience with remediation processes and technical skills in fields such as chemistry, microbiology, hydrogeology, thermal technology, geotechnical engineering and chemical and process engineering.

Risk Assessment, Engineering and Design

The Company employs some of the leading scientific and engineering professionals in the environmental services field. These professionals enhance the Company's ability to effectively participate in larger, more technically complex remediation projects from the risk assessment and design phase through field implementation. These services are delivered through engineering and technical centers at six locations across the United States.

Technology Development and Commercialization

The Company is committed to the commercialization and practical field application of new technologies for the treatment of hazardous wastes. New or enhanced technologies and remediation techniques are evaluated through engineering and laboratory feasibility studies. The Company also develops prototype units in its fabrication facility to test new technologies under actual field conditions.

The Company's focus is on permanent solutions to environmental problems through physical, biological, chemical or thermal destruction and the volume reduction and stabilization of contaminants to minimize wastes and long-term liabilities.

In 1989, the Company successfully completed its second commercial application of mobile, infrared incineration technology to remove PCB contamination from soils for the Twin Cities Army Ammunitions Plant in New Brighton, Minnesota. The Company is currently under contract to conduct the first PCB destruction program for the Canadian Department of National Defense using its mobile infrared incinerator. The mobile incinerator was the first of its kind to receive an EPA national operating permit in 1988 under the Toxic Substances Control Act ("TSCA").

The Company has successfully applied bioremediation technologies for more than a decade. This technology is used primarily for the treatment of hazardous wastes which contain organic contaminants. The Company is applying bioremediation to a growing number of ground water projects.

On-Site Remediation

The Company has 20 years of experience in the environmental services industry, performing thousands of remediation projects on both a planned and emergency basis. The Company is positioned to deliver remediation services to its clients, both public and private, through its 23 remediation centers located in the industrial corridors of the United States and in Canada.

Common on-site remediation services provided by the Company include:

- Treatment, stabilization or removal of contaminants at waste disposal sites;
- Decontamination of industrial facilities;
- Contaminated ground water assessment, characterization and treatment;
- Surface impoundment restoration, including volume reduction, stabilization and closure of contaminated lagoons;
- Management of underground storage tanks;
- Design, engineering, fabrication, installation and operation of on-site treatment equipment;
- Specialized hazardous waste site safety and industrial hygiene services; and
- Emergency response to virtually any kind of industrial or transportation-related accident involving hazardous materials or wastes.

Asbestos Abatement Services

The Company, through its wholly-owned subsidiaries National Surface Cleaning, Inc. ("NSC") and National Service Cleaning Corporation of Connecticut ("NCC"), provides asbestos abatement and decontamination services to private and public sector clients. These services are performed primarily in the northeastern United States, principally through its three asbestos abatement service centers located in Massachusetts, Connecticut, and New Jersey. These services abate, primarily through removal, the hazards associated with asbestos insulation and asbestos containing materials in large commercial and public buildings, including schools, and in connection with large industrial facility decontamination and decommissioning projects.

Resource Management Services

Congress has made it a national policy to reduce or eliminate the generation of hazardous wastes and to treat, store, or dispose of hazardous wastes in a manner that will minimize the present and future threat to human health and the environment. The legislation establishing this policy and the long-term liabilities associated with improper management of hazardous wastes provide an impetus for industry to use treatment, recycling and other technologies to manage hazardous wastes.

The Company's Resource Management Group is committed to the commercialization and practical application of technologies to minimize, treat or recycle those hazardous wastes which continue to be generated.

The Company's fixed-base waste treatment and recycling facility located near Atlanta, Georgia is permitted to treat a wide range of solids and liquids including both organic and inorganic constituents. Treatment technologies at this facility include chemical-based fuels blending, neutralization, detoxification and chemical fixation. In addition to its fixed base facility, the Company employs mobile treatment equipment that recycles waste solvents at clients' facilities. The process produces high quality reusable solvents while minimizing waste residues.

Concord Resources Group

In 1989 the Company formed Concord Resources Group ("CRG"), a joint venture with Consolidated Rail Corporation, ("Conrail"). The purpose of CRG is to establish significant participation in the solid and hazardous waste resource recovery, treatment and disposal markets. These markets are expected to provide substantial future revenue and earnings opportunities as regulatory compliance demands technically sophisticated, environmentally secure solutions to the nation's waste disposal problems.

CRG will seek to identify locations for new site development, manage the site investigation and permitting process, and design, construct, and operate facilities incorporating technically advanced resource recovery, treatment and disposal systems. These facilities are expected to incorporate advanced technologies which can be applied to eliminating the potential long-term environmental consequences of solid and hazardous waste. CRG will consider acquiring existing solid and hazardous waste disposal facilities, if their operating history and relations with regulatory agencies and the community meet the venture's high standards, and if their locations are consistent with the development of the venture's resource recovery, treatment and disposal network. CRG also intends to own and operate facilities convenient to Conrail's transportation network which will consolidate wastes for shipment to its treatment and disposal sites.

The joint venture hopes to capitalize on the financial strengths of Conrail and the Company's 20 years of environmental services experience to develop facilities. CRG will also seek to utilize Conrail's strategically positioned transportation network which serves the densely populated northeastern and midwestern regions of the United States for the transportation of waste materials to such facilities.

The joint venture is being funded with $10 million of equity, with contributions of $5 million each to be made by Conrail and the Company. At December 31, 1989, a total of $750,000 had been contributed to the joint venture by the Company. A $100 million revolving credit and term loan facility is provided by Conrail to the venture. The credit facility is without recourse against the venture partners.

Market and Customers

The Company provides its services to a broad base of clients in both the private and public sectors. In the private sector, the Company's customers consist principally of large chemical, petroleum, manufacturing, transportation, electronics, waste disposal and other industrial companies. The Company also works with a variety of engineering and consulting firms which manage projects requiring the Company's services. The Company has worked for many of the Fortune 500, including 67 of the Fortune 100, industrial companies.

While environmental laws and regulations continue to be the principal driving force in the market for environmental services, there is also a growing acceptance of environmental responsibilities and recognition of potential liabilities among the nation's leading businesses. The Company believes that public pressure will force companies to make financial commitments to remediate existing environmental hazards and reduce future hazards through better management of wastes as they are produced. In addition, a growing number of financial institutions are requiring environmental assessments of properties before they will provide financing.

In the public sector, the market for the Company's services consists of the EPA, the Department of Defense ("DOD"), the Department of Energy ("DOE") and numerous state and local governmental agencies. The Company acts as a prime contractor to the EPA under two Emergency Response Cleanup Service ("ERCS") contracts for ERCS Zones I and II pursuant to which the Company performs environmental services for the EPA, on both an emergency and planned basis, in 21 northeastern and mid-Atlantic states as well as the District of Columbia, Puerto Rico and the Virgin Islands. The Company's ERCS contracts originally awarded in the summer of 1987 had initial one year terms which are renewable for three additional one year terms at the option of the EPA. The ERCS contracts are subject to termination by the EPA at its convenience and the loss of the EPA's business could have a material adverse effect on the Company. During the first three years of these contracts, the EPA has committed $100,500,000. If renewed, the potential combined additional value of the contracts would be $53,100,000. Revenues under the ERCS contracts during 1989 amounted to 16.6% of the Company's gross revenues.

The Company is also a contractor to the United States Army Corps of Engineers ("USACE") under two contracts awarded in the third quarter of 1989. The purpose of the Contracts is for the Company to provide rapid response and site-specific remediation services to environmental problems on a nationwide basis for other federal government agencies including the DOD, the DOE, and the EPA. The contracts are for an initial one-year term and are renewable annually for four additional years at the option of the USACE. The combined potential revenue of the contracts is $100,000,000 over the next five years. In 1989, the USACE obligated $1,400,000 under these contracts.

Seasonality

In recent years, the Company's business has been somewhat seasonal in nature. The Company's planned industrial remediation business has declined in the winter months as customers located in the industrialized northeastern and midwestern areas of the United States defer the commencement of new remediation projects until the spring and summer months when such activities may be performed under more favorable weather conditions. This slowdown in planned industrial remediation activity may be offset by an increase in weather related emergency activity. However, such activity is not predictable. As such, in recent years, the Company's financial performance has been stronger in the second and third quarters as compared to the first and fourth quarters.

Management believes that the seasonal nature of its planned remediation activity may be lessened as the Company performs more work in the moderate climates of the southeastern and southwestern areas of the United States where the Company is focusing on new business development. In addition, management believes that as the Company acquires a substantially larger and more diverse backlog of projects it will allow the Company to better manage its resources and plan the performance of projects around seasonal factors.

Competition

There are numerous companies of various size, geographic presence and capabilities which participate in the environmental services industry. Consequently, the markets for each of the Company's services are competitive. Presently, however, competition is fragmented both with respect to services and geographic presence. Few companies offer a national, integrated approach to environmental services. However, the Company believes that it is one of the largest providers of analytical and remediation services on a nationwide basis. The Company believes that the environmental services industry is still developing and expanding and, as a result, many small and large firms will continue to be attracted to this industry. Generally, the key competitive factors for the Company's services include experience, technical expertise, reputation, price, quality, reliability, geographic location and response time.

With respect to risk assessment, engineering and design services, the Company competes with numerous larger engineering and consulting firms with nationwide service capabilities. With respect to fixed-base treatment services, the Company competes against a number of other larger facilities which offer a broader array of treatment technologies, disposal or incineration of hazardous wastes, as well as against firms providing on-site treatment or recycling services.

Insurance

The Company's 1989 liability program consisted of primary comprehensive general liability coverage in the amount of $1,000,000, primary automobile coverage in the amount of $1,000,000, asbestos abatement/removal liability coverage in the amount of $6,000,000 and environmental impairment liability coverage (coverage for sudden and non-sudden environmental damage) in the amount of $1,000,000 per claim, $2,000,000 annual aggregate. The Company self-insures the primary portion of its general, automobile and asbestos abatement/removal liability coverages through its wholly-owned insurance company, Capital National Insurance Company. Also, during 1989, the Company had $10,000,000 umbrella coverage in excess of its primary comprehensive general and automobile liability coverage limits. The Company's 1989 general liability policy was written on an occurrence basis. The Company also maintains environmental impairment liability coverage (coverage for sudden and non-sudden environmental damage) with respect to its fixed-base treatment facility in the amount of $3,000,000 per claim, $3,000,000 annual aggregate. For 1990, the Company has been able to renew or replace all of its existing liability coverage policies on an occurrence basis and on terms comparable to its 1989 program. The present insurance situation does not reflect any record of unfavorable claim experience. The Company provides for losses when identified and evaluated. The Company's historical claim losses have been insignificant.

Employees

The Company had approximately 1,925 employees at December 31, 1989. The Company's subsidiary, NSC, is a party to collective bargaining agreements with the International Association of Heat and Frost Insulators and Asbestos Workers Local No. 6 of Boston, Massachusetts and vicinity and the Massachusetts Laborer's District Council of the Laborers' International Union of North America, AFL-CIO. The Company and its subsidiaries other than NSC are not a party to any collective bargaining agreement. The Company considers relations with its employees to be good.

Patents and Service Marks

The Company currently owns several patents. Although the Company considers its patents to be important, they are not a material factor in its business.

Regulation

The environmental services business, including the remediation services segment of the industry, has benefited enormously from the extensive federal and state regulation of environmental matters. On the other hand, the Company's environmental services are also subject to extensive federal and state legislation as well as regulation by the EPA and applicable state and local regulatory agencies. All facets of the Company's business are conducted in the context of a rapidly developing and changing statutory and regulatory framework and an aggressive enforcement and regulatory posture. The full impact of these laws and regulations on the Company's business is difficult to predict, principally due to the complexity of the relatively new legislation, new and changing regulations, and the impact of political and economic pressures.

The Resource Conservation and Recovery Act of 1976 ("RCRA"), as amended, and the EPA's implementing regulations establish a comprehensive, cradle to grave system, regulating the treatment, storage and disposal of hazardous wastes. RCRA applies to hazardous waste generators and transporters, as well as persons engaged in treatment, storage or disposal. Before releasing waste for off-site transport, all major generators of hazardous waste must prepare shipments in accordance with detailed regulations and deliver a manifest identifying the material and stating its destination. The transporter must deliver the hazardous waste in accordance with the manifest and only to a treatment, storage or disposal facility having either interim status or a final permit from the EPA. The Hazardous and Solid Waste Amendments of 1984 ("HSWA") reauthorized and strengthened RCRA, imposed an expansion of wastes considered hazardous, established minimum technology requirements for landfills and surface impoundments, and imposed restrictions on the land disposal of certain wastes.

The purposes of the HSWA land disposal ban is to minimize or eliminate reliance on land disposal of certain wastes. Land disposal standards for sequential categories of RCRA wastes have been phased in over a four-year period beginning in November 1986 and require that certain treatment standards be met prior to land disposal of certain wastes.

In June of 1989, the Company's fixed-base treatment facility was granted a Hazardous Waste Facility Part B permit under RCRA by the State of Georgia Department of Natural Resources, Environmental Protection Division.

Other major federal legislation affecting the environmental services business includes the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), as amended by the Superfund Amendments and Reauthorization Act of 1986 (collectively the "Superfund Act"). This legislation creates an $8.5 billion fund to be administered by the EPA to pay for cleaning up hazardous waste sites and enforcing Federal environmental laws. The Superfund Act also authorizes the EPA to coordinate responses to environmental emergencies and establishes liability for cleanup costs and environmental damages on owners and operators of treatment facilities and disposal sites as well as persons who generated, transported or arranged for the disposal or transportation of wastes to such facilities. These provisions may be enforced by lawsuits initiated by either the government or private citizens.

The Company's operations are also subject to other federal laws protecting the environment, including the TSCA permit requirements for wastewater discharges pursuant to the National Pollutant Discharge Elimination System under the Clean Water Act, and for air pollution control under the Clean Air Act. The Company's asbestos abatement services are regulated under the Asbestos Hazard Emergency Response Act of 1986, the Clean Air Act as well as under various state and local laws and regulations. In addition, the Company is subject to the Federal Occupational Safety and Health Act and rules and regulations thereunder, which impose requirements for employee safety and health.

The Company, as well as other participants in the hazardous materials management business, faces certain demands and risks due to the relatively new federal regulatory system under RCRA and the Superfund Act as well as under various state regulatory systems. RCRA, the Superfund Act and regulations promulgated thereunder, make hazardous materials management and hazardous waste disposal costly and closely regulated. While the Company believes that this legislation presents a favorable opportunity for its remediation, treatment, analytical and technical capabilities, the Company must, at the same time, comply with RCRA, the Superfund Act and various other federal and state laws as well as the regulations promulgated under such laws.

The Company, through its on-site treatment capabilities and the use of subcontractors, attempts to minimize its transportation of hazardous substances and wastes. However, there are infrequent occasions, especially in connection with its emergency response activities, when the Company does transport limited amounts of hazardous substances and waste. Such transportation activities are closely regulated by the United States Department of Transportation, the Interstate Commerce Commission and transportation regulatory bodies in each state. The applicable regulations include licensing requirements, truck safety requirements, weight limitations and, in some areas, rate limitations and operating conditions. Trucking permits are generally renewed annually, at which time inspection and payment of fees are usually required.

Backlog

The Company's revenues are derived from contracts that provide for an agreed upon dollar volume of services (fixed price contracts), fixed rates for labor and equipment (time and materials contracts) or units of service (unit price contracts). Additionally, some of the Company's revenues are generated either in emergency response activities or under environmental service agreements requiring services that cannot be predicted in advance. At December 31, 1989, the Company had 199 environmental service agreements in place with industrial customers and 23 with governmental customers. Under these agreements, which generally have terms of one to five years, the Company agrees to provide its services to customers upon request at stipulated prices. The Company does not believe that backlog is necessarily indicative of revenues to be earned by the Company in subsequent periods.

At December 31, 1989, the unearned portion of the Company's existing contracts and unfilled orders approximated $103,299,000, an 80% increase from $57,415,000 at December 31, 1988. The backlog value for remediation services increased 74% to $90,929,000 from $52,267,000; for asbestos abatement services, it increased 223% to $10,670,000 from $3,300,000; and for analytical services it declined 8% to $1,700,000 from $1,848,000. The Company's backlog at December 31, 1989, is expected to be earned in the current calendar year.

In addition, not included in the above backlog, the Analytical Services Group has 19 contracts with large chemical, petroleum, waste management and other industrial clients. While these contracts do not guarantee a dollar value of revenue, management believes that these contracts have a potential unearned value of $14,100,000 at December 31, 1989, a 76% increase from $8,000,000 at December 31, 1988. Also excluded from backlog at December 31, 1989, is the unobligated potential value of $98,600,000 over a five year period of the USACE contracts awarded to the Company's Remediation Services Group during 1989.

Item 2. Properties

The Company currently owns property in five states and leases property in fourteen states. The property owned by the Company includes approximately 26 acres in Findlay, Ohio upon which are located the Company's 31,200 square foot corporate headquarters, a laboratory and technical facility of 39,600 square feet, a support services facility of 20,000 square feet, as well as its fabrication, maintenance and remediation service center facilities.

The Company owns a remediation service center in Covington, Georgia (approximately ten acres of land and an 8,200 square foot building), office and asbestos abatement service centers in Methuen, Massachusetts (approximately nine acres of land and a 36,200 square foot building) and Hartford, Connecticut (approximately one acre of land and a 5,400 square foot building), a remediation service center and laboratory facility in Clermont, Florida (approximately five acres of land and a 6,500 square foot building) and a remediation service center in Baton Rouge, Louisiana (approximately ten acres of land and a 52,500 square foot building). The Company's fixed-base treatment and storage facility is located near Atlanta, Georgia on approximately sixteen acres of land and a 25,000 square foot facility owned by the Company.

The Company operates 29 other offices, laboratories and remediation and asbetos abatement service centers in the following states and provinces: California, Florida, Illinois, Georgia, Maryland, Massachusetts, Michigan, Minnesota, Missouri, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, Texas, Virginia, and Ontario, Canada, and Quebec, Canada. All of these service centers and laboratory facilities are leased. The service centers and laboratory facilities range in size from 400 square feet to 25,000 square feet. Under these leases, the Company is required to pay base rentals, real estate taxes, utilities and other operating expenses. Annualized rental payments for the remediation service centers, laboratories and regional office properties are approximately $2,487,000.

The Company's main laboratory facility is located in Edison, New Jersey, in approximately 54,000 square feet of leased space with annual rentals of $565,000. The lease expires July 31, 1991, and is extendable to 1996 through the exercise of a five-year option. It is the Company's present intention to exercise its option and extend the lease through 1996.

Item 3. Legal Proceedings

The Company is subject to a number of claims and lawsuits in the ordinary course of its business. In the opinion of management all such pending claims, the outcome of which is not clearly determinable at the present time, are either adequately covered by insurance or, if not insured, will not in the aggregate have a material adverse effect on the Company.

Item 4. Submission of Matters to a Vote of Security Holders

Not applicable.

EXECUTIVE OFFICERS OF THE REGISTRANT

The executive officers of the Company are listed below:

Name	Age	Positions
James L. Kirk	40	Chairman of the Board, President and Chief Executive Officer
Joseph R. Kirk	38	Executive Vice President and a Director
Ira O. Kane	42	Executive Vice President and a Director
Pamela K.M. Beall	33	Treasurer and Assistant Secretary
Daniel P. Buettin	37	Controller
Jurgen H. Exner	48	Senior Vice President, Technical Development
Fred H. Halvorsen	48	Vice President, Health and Safety
D. Lee Hamilton	52	Executive Vice President, Business Development and Marketing
Paul T. Kaufmann	53	Executive Vice President, Western Region
Jeffrey J. Kirk	42	Vice President, Human Resources
Frank A. McBride	40	Vice President, Northeast Region
Gene J. Ostrow	35	Vice President and Chief Financial Officer
Randall M. Walters	36	Vice President, General Counsel and Secretary

James L. Kirk — Chairman of the Board, President and Chief Executive Officer. Mr. Kirk was elected President and Chief Executive Officer of the Company on July 1, 1986 and, in addition, was elected Chairman of the Board in January 1987. Mr. Kirk was elected Chairman of the Board and Chief Executive Officer of OHM in April 1985. Mr. Kirk is a founder of OHM and has served in various capacities as an officer and director of OHM.

Joseph R. Kirk — Executive Vice President and Director. Mr. Kirk served as Vice Chairman of OHM from April 1985 until July 1986 and continues to serve as Executive Vice President of OHM. Mr. Kirk served as Chairman of the Board of OHM from March 1981 until April 1985. He is a founder of OHM and has served in various capacities as an officer and director of OHM.

Ira O. Kane — Executive Vice President and Director. Mr. Kane served as President and Chief Operating Officer of OHM from April 1985 until May 1989. Since that time Mr. Kane has served as President of ETC and OHM Resource Recovery Corp., both of which are wholly-owned subsidiaries of the Company. He joined OHM in January 1984 as Vice President and General Counsel.

Pamela K.M. Beall — Treasurer and Assistant Secretary. Ms. Beall was elected Treasurer and Assistant Secretary of OHM in September 1985, having joined OHM in June 1985 as Director of Finance. Prior to her employment with OHM, she was employed by United States Steel Corporation from February 1985 to June 1985, where she was General Manager, Treasury Services. Ms. Beall was employed by Marathon Oil Company from June 1978 through January 1985, during which time she served in a variety of positions in the areas of auditing, risk management and cash management.

Daniel P. Buettin — Controller. Mr. Buettin joined the Company as Controller effective January 29, 1987. Prior to joining the Company, Mr. Buettin was a Senior Manager with Arthur Andersen & Co. where he was employed from September 1983 to January 1987 and from June 1975 to July 1980. From August 1980 to August 1983, Mr. Buettin served as Controller and Assistant Secretary for Shelly and Sands, Inc., a general contracting company.

Jurgen H. Exner — Senior Vice President, Technical Development. Dr. Exner joined the Company as Senior Vice President, Technical Development effective August 3, 1988. Prior to joining the Company, Dr. Exner served in a variety of positions, including Vice President, Technology, of International Technology Corporation from 1983 until 1988.

Fred H. Halvorsen — Vice President, Health and Safety. Dr. Halvorsen joined OHM in July 1984 as Director of Health and Safety and assumed his current position effective May 19, 1987. Prior to joining OHM, Dr. Halvorsen was a Commander in the United States Coast Guard where he served as a hazardous materials specialist.

D. Lee Hamilton — Executive Vice President, Business Development and Marketing. Mr. Hamilton joined the Company as Executive Vice President, Marketing and Business Development on May 30, 1989. Prior to joining the Company, Mr. Hamilton was employed by Exxon Corporation for over 31 years. His most recent assignment was Vice President, Marketing for Exxon Company, International.

Paul T. Kaufmann — Executive Vice President, Western Region. Mr. Kaufmann joined OHM as an Executive Vice President, effective June 20, 1988. Prior to joining OHM, Mr. Kaufmann served as President of Thortec International from December 1987 to June 1988. From 1980 until 1987, Mr. Kaufmann served as Executive Vice President of International Technology Corporation.

Jeffrey J. Kirk — Vice President, Human Resources. Mr. Kirk joined the Company effective April 5, 1988 as Vice President, Human Resources. Prior to joining the Company, Mr. Kirk served as Director of Human Resources for Tenneco, Inc. from 1985 until 1988. From 1976 to 1985, Mr. Kirk held a series of positions including Vice President of Human Resources for the Prestolite Battery Division of Allied Corporation.

Frank A. McBride — Vice President, Northeast Region. Mr. McBride joined OHM in May, 1987 as Vice President, Northeast Region. Prior to joining the Company, Mr. McBride was Vice President, Product Management, for US Sprint where he was employed from January 1984 to January 1987.

Gene J. Ostrow — Vice President and Chief Financial Officer. Mr. Ostrow joined OHM in February 1986 as Vice President and Chief Financial Officer. Prior to joining OHM, Mr. Ostrow was a Senior Manager with Peat, Marwick, Mitchell & Co. where he was employed from October 1984 to January 1986 and from July 1976 to October 1980. From April 1982 to September 1984, Mr. Ostrow served as Vice President, Finance and Director of Winsource, Inc., an office automation systems company. From November 1980 to March 1982, Mr. Ostrow served as Vice President, Finance and Treasurer for Coradian Corporation, a telecommunications company.

Randall M. Walters — Vice President, General Counsel and Secretary. Mr. Walters joined the Company as Vice President, General Counsel and Secretary effective January 29, 1987. Prior to joining the Company, Mr. Walters was associated with the law firm of Jones, Day, Reavis & Pogue from December 1984 to January 1987 and was previously associated with the law firm of Vinson & Elkins, Houston, Texas.

PART II

Item 5. Market for the Registrant's Common Stock and Related Stockholder Matters

The following are the market prices for the Company's common stock for each of the quarters ended in 1989 and 1988 (1)(2):

1989	**High**	**Low**
Fourth Quarter	**14 3/8**	**10 5/8**
Third Quarter	**14 3/4**	**12 3/8**
Second Quarter	**13 3/4**	**10 1/8**
First Quarter	**14 1/8**	**10 3/4**

1988	**High**	**Low**
Fourth Quarter	17 1/2	12 3/8
Third Quarter	16 1/4	11 3/4
Second Quarter	15 7/8	10 7/8
First Quarter	15 3/4	10 1/8

(1) The above table reflects, for the periods indicated, the high and low closing sale prices of the common stock of the Company on the New York Stock Exchange as reported by The Wall Street Journal. On February 13, 1989, the symbol under which the Company's common stock is traded on the New York Stock Exchange was changed from ETT to OHM. As of December 31, 1989, the Company had approximately 983 stockholders of record.

(2) The Company has not declared any cash dividends on its common stock and does not intend to pay cash dividends in the foreseeable future.

Item 6. Selected Financial Data

a) Five Year Summary of Results of Operations for each of the five years ended December 31 (In thousands, except per share data):

Years Ended December 31	1989	1988	1987	1986	1985
Gross revenues	**$220,247**	$171,024	$137,027	$101,420	$82,790
Less direct subcontract costs	**53,717**	39,111	38,595	25,131	15,728
Net revenues	**166,530**	131,913	98,432	76,289	67,062
Cost of services	**122,489**	91,996	71,553	49,968	40,732
Gross Profit	**44,041**	39,917	26,879	26,321	26,330
Selling, general and administrative expenses	**31,884**	22,628	21,242	16,954	15,889
Operating Income	**12,157**	17,289	5,637	9,367	10,441
Other (income) expenses:					
Investment income	**(238)**	(922)	(1,657)	(1,109)	(1,241)
Interest expense	**8,258**	5,297	4,637	2,220	1,562
Nonrecurring affiliation costs	**—**	—	—	2,239	—
Miscellaneous, net	**1,319**	196	(1,151)	25	34
	9,339	4,571	1,829	3,375	355
Income Before Income Taxes and Extraordinary Credit	**2,818**	12,718	3,808	5,992	10,086
Income taxes	**1,126**	4,833	1,390	3,483	4,685
Income Before Extraordinary Credit	**1,692**	7,885	2,418	2,509	5,401
Extraordinary credit	**—**	—	—	276	1,613
Net Income	**$ 1,692**	$ 7,885	$ 2,418	$ 2,785	$ 7,014
Net income per share:					
Before extraordinary credit	**$ 0.14**	$ 0.64	$ 0.20	$ 0.21	$ 0.47
Extraordinary credit	**—**	—	—	0.02	0.14
	$ 0.14	$ 0.64	$ 0.20	$ 0.23	$ 0.61
Weighted average number of common and common equivalent shares outstanding	**12,312**	12,312	12,021	11,891	11,448

(b) Five Year Summary of Financial Position as of December 31 (In thousands):

	1989	1988	1987	1986	1985
Working Capital	**$ 42,974**	$ 45,115	$ 43,122	$ 52,807	$19,543
Total Assets	**179,944**	168,439	122,409	114,394	58,312
Noncurrent Liabilities	**86,034**	75,631	59,108	59,593	10,579
Stockholders' Equity	**48,699**	51,079	36,970	34,677	28,933

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

(a) Results of Operations

1989 versus 1988

Net revenues for the year ended December 31, 1989 increased 26.2% to $166,530,000 from $131,913,000 for the same period in 1988, while gross revenues increased 28.8% to $220,247,000 from $171,024,000 for the same period in 1988. The Company operates in one industry segment and provides a comprehensive range of environmental services to its clients. The Company often competes for contracts which utilize one of its services; however, the Company also markets its services on an integrated basis in which a combination of its services may be provided to its clients.

The increases in net and gross revenues for 1989 were primarily attributable to the Company's remediation and asbestos abatement services groups which both experienced growth in demand as a result of market penetration and geographic expansion. Net and gross revenues from the Company's remediation services group increased 13.8% and 18.6%, respectively, in 1989, while net and gross revenues from the Company's asbestos abatement services group increased 124.7% and 123.0%, respectively, in 1989. The company established its asbestos abatement services group through the acquisition of National Surface Cleaning, Inc. ("NSC") in June 1988. The increases in net and gross revenues for 1989 also resulted from the Company's resource management services group through the acquisition of SolidTek Systems, Inc. (subsequently renamed OHM Resource Recovery Corp. and hereinafter referred to as "RRC") in December 1988. These increases were offset by an 8.2% decline in net revenues for 1989 from the Company's analytical services group. This decrease in analytical services net revenues was due primarily to a significant loss in revenues derived from the group's largest client which constructed its own analytical laboratory in late 1988 as well as from an overall softening of demand in this market. The following tables set forth the Company's net revenues and gross revenues by client type:

	(In Thousands, Except Percentages)			
	1989		1988	
Net Revenues:				
Government, ERCS	$ 18,502	11.1%	$ 16,828	12.8%
Other Government	16,064	9.7	9,396	7.1
Industrial	131,964	79.2	105,689	80.1
Total Net Revenues	$166,530	100.0%	$131,913	100.0%

	(In Thousands, Except Percentages)			
	1989		1988	
Gross Revenues:				
Government, ERCS	$ 36,624	16.6%	$ 34,943	20.4%
Other Government	24,892	11.3	11,981	7.0
Industrial	158,731	72.1	124,100	72.6
Total Gross Revenues	$220,247	100.0%	$171,024	100.0%

Direct subcontract costs for the year ended December 31, 1989 increased $14,606,000 or 37.3% from the same period in 1988. This increase in direct subcontract costs was primarily due to an increase in gross revenues of 28.8% as well as a greater number of projects performed during 1989 which had significant subcontract activities.

Commencing in 1989, the Company reclassified certain indirect project costs, which were previously included in the consolidated statements of income under the caption "selling, general and administrative expenses" to "cost of services" for all periods presented. The Company believes that the presentation of these indirect project costs in cost of services more accurately reflects the gross profit amounts earned on its projects. Cost of services as a percentage of net revenues was 73.6% for the year ended December 31, 1989 compared to 69.7% for the same period in 1988. Gross profit as a percentage of net revenues was 26.4% for the year ended December 31, 1989 compared to 30.3% for the same period in 1988. The decrease in gross profit as a percentage of net revenues was primarily attributable to increased indirect costs which resulted from the Company's expansion of its engineering and technical service capabilities within the remediation services group and from the use of more union labor on asbestos abatement service projects during 1989. The decline in net revenues from the Company's analytical services group also contributed to the decline in gross profit as a percentage of net revenues.

Selling, general and administrative ("SGA") expenses for the year ended December 31, 1989 increased $9,256,000 or 40.9% to $31,884,000 from $22,628,000 for the same period in 1988. SGA expenses increased to 19.1% of net revenues in 1989 compared to 17.2% in 1988. The increase in SGA expenses was primarily due to the costs incurred in conncetion with the formation of the Company's engineering and technical groups within the Company's remediation services group, costs associated with the acquisition and the geographic expansion of the Company's asbestos abatement services in June 1988, and the acquisition of RRC in December 1988. Also, the Company incurred certain nonrecurring legal expenses to protect certain proprietary technology in 1989.

Operating income was $12,157,000 or 7.3% of net revenues for the year ended December 31, 1989 compared to $17,289,000 or 13.1% of net revenues for the same period in 1988, primarily as a result of the factors discussed above.

Other (income) expenses were $9,339,000 for the year ended December 31, 1989 compared to $4,571,000 for the same period in 1988. Investment income decreased $684,000 as a result of a decline in the average balance of cash and cash equivalents during 1989. Interest expense increased $2,961,000 or 55.9% to $8,258,000 due primarily to the increase in borrowings under the Company's revolving credit facilities to finance the acquisitions made by the Company in 1988, purchases of treasury stock and for working capital needs in 1989. Miscellaneous expenses increased $1,123,000 due primarily from the net change in dispositions of property and equipment of $442,000 and increases in goodwill amortization of $421,000, and pension expense of $167,000.

Net income for the year ended December 31, 1989 decreased to $1,692,000 or $0.14 per share compared to $7,885,000 or $0.64 per share for the same period in 1988. The effective income tax rate increased to 40.0% in 1989 from 38.0% in 1988 due primarily to the increase in goodwill amortization in 1989. Net income as a percentage of net revenues decreased to 1.0% in 1989 compared to 6.0% in 1988.

1988 versus 1987

Net revenues for the year ended December 31, 1988 increased 34.0% to $131,913,000 from $98,432,000 for the same period in 1987, while gross revenues increased 24.8% to $171,024,000 from $137,027,000 for the same period in 1988. The increases in net and gross revenues were attributable to the Company's remediation, asbestos abatement and analytical services groups.

The increase in net revenues from the Company's remediation and analytical services groups was primarily attributable to an overall expanding market for these services which resulted from additional engineering and technical service capabilities. Net and gross revenues from the Company's remediation services group increased 27.3% and 16.3%, respectively, in 1988, while net revenues from the Company's analytical services group increased 7.8% in 1988. The increased activity for the asbestos abatement services group resulted primarily from the Company's acquisition of NSC in June 1988. The following table sets forth the Company's net revenues and gross revenues by client type:

	(In Thousands, Except Percentages)			
	1988		1987	
Net Revenues:				
Government, ERCS	$ 16,828	12.8%	$ 13,600	13.8%
Other Government	9,396	7.1	6,297	6.4
Industrial	105,689	80.1	78,535	79.8
Total Net Revenues	$131,913	100.0%	$ 98,432	100.0%
Gross Revenues:				
Government, ERCS	$ 34,943	20.4%	$ 26,200	19.1%
Other Government	11,981	7.0	10,837	7.9
Industrial	124,100	72.6	99,990	73.0
Total Gross Revenues	$171,024	100.0%	$137,027	100.0%

Direct subcontract costs for the year ended December 31, 1988 increased $516,000 or 1.3% from the same period in 1987.

Cost of services as a percentage of net revenues was 69.7% for the year ended December 31, 1988 compared to 72.7% for the same period in 1987. Gross profit as a percentage of net revenues was 30.3% for the year ended December 31, 1988 compared to 27.3% for the same period in 1987. The increase in gross profit as a percentage of net revenues was primarily attributable to the acquisition of NSC and improvement in the analytical services group gross margins.

SGA expenses for the year ended December 31, 1988 increased $1,386,000 or 6.5% to $22,628,000 from $21,242,000 for the same period in 1987. However, SGA expenses decreased to 17.2% of net revenues in 1988 compared to 21.6% in 1987. The increase in SGA expenses was primarily due to the acquisition of NSC.

Operating income was $17,289,000 or 13.1% of net revenues for the year ended December 31, 1988 compared to $5,637,000 or 5.7% of net revenues for the same period in 1987, primarily as a result of the factors discussed above.

Other (income) expenses were $4,571,000 for the year ended December 31, 1988 compared to $1,829,000 for the same period in 1987. The net change of $2,742,000 was primarily attributable to a decrease of $308,000 in gains realized on the disposition of property and equipment in 1988 from $1,441,000 in 1987. Investment income decreased $735,000 or 44.4% to $922,000 as a result of reductions in cash and cash equivalent balances during 1988. Cash and cash equivalents decreased as a result of acquisitions, capital expenditures and growth in working capital requirements. Interest expense increased $660,000 or 14.2% to $5,297,000 primarily as a result of borrowings from the Company's revolving credit and term loan to finance the acquisition of NSC.

Net income for the year ended December 31, 1987 increased to $7,885,000 or $0.64 per share compared to $2,418,000 or $0.20 per share for the same period in 1988. The effective income tax rate was 38.0% in 1988 compared to 36.5% in 1987. Net income as a percentage of net revenues increased to 6.0% in 1988 compared to 2.5% in 1987.

(b) Liquidity and Capital Resources

Working capital at December 31, 1989 was $42,974,000 compared to $45,115,000 at December 31, 1988. Working capital decreased primarily due to an increase in current liabilities of $2,234,000 in 1989. The current working capital ratio was 2.2/1 at December 31, 1989, compared to 2.3/1 at December 31, 1988.

Cash and cash equivalents were $7,460,000 at December 31, 1989 compared to $3,877,000 at December 31, 1988. Cash and cash equivalents provided by operating activities before changes in current assets and liabilities for the year ended December 31, 1989 were $15,479,000. Financing activities, primarily net borrowings under the Company's revolving credit facilities and the sale of certain accounts receivable, provided $40,400,000 of cash and cash equivalents for the year ended December 31, 1989. During 1989, the Company acquired 399,800 shares of its common stock in the open market at a cost of $5,024,000. Cash and cash equivalents were primarily used for net capital expenditures of $14,420,000 for property and equipment and net cash expenditures for other noncurrent assets, primarily related to the acquisition of NSC and RRC, of $8,225,000 during 1989.

On June 1, 1989, the Company entered into an $80,000,000 revolving credit agreement with a consortium of banks for letters of credit and cash borrowings. Cash advances may not exceed $30,000,000 under the terms of this agreement. In early November 1989, this agreement was amended to increase the total amount of this facility by $57,500,000 to $137,500,000. Also, on June 1, 1989, the Company entered into a $30,000,000 non-recourse revolving accounts receivable purchase facility pursuant to which it sold certain billed and unbilled accounts receivables. The proceeds from the sale were primarily used to repay the amounts borrowed under the Company's revolving credit and term loan facility.

The Company believes that its cash flow from operations, combined with the financing agreements discussed above, will be sufficient throughout the next twelve months to finance the capital expenditure and working capital needs of its existing business operations.

In assessing the Company's liquidity and capital resources, the impact of Statement of Financial Accounting Standards No. 96, "Accounting for Income Taxes" has been considered. Although the requirement for implementation of the standard in 1992 has been delayed, the Company may elect to implement the standard in 1991 or 1992. The Company believes that implementation will not have an adverse impact on results of operations.

(c) Inflation

Historically, inflation has not been a significant factor to the Company or to the cost of its operations. The Company has been able to raise prices in the past to compensate for cost increases.

Item 8. Financial Statements and Supplementary Data

The consolidated financial statements and supplementary quarterly financial data of the Company and its subsidiaries for the years ended December 31, 1989, 1988, and 1987, are set forth on pages 14 through 24.

OHM CORPORATION
CONSOLIDATED BALANCE SHEETS
(In Thousands)

December 31	1989	1988
ASSETS		
Current assets:		
Cash and cash equivalents	**$ 7,460**	$ 3,877
Marketable securities	**449**	318
Accounts receivable	**45,124**	54,376
Costs and estimated earnings on contracts in process in excess of billings	**13,531**	10,496
Inventories	**6,066**	4,385
Prepaid expenses and other assets	**4,878**	4,905
Refundable income taxes	**1,749**	807
	79,257	79,164
Property and equipment, net	**67,177**	61,700
Other noncurrent assets:		
Investment in unconsolidated subsidiary	**750**	—
Debt issuance costs	**1,805**	1,912
Intangible assets relating to acquired businesses, net	**29,182**	23,761
Other assets	**1,773**	1,902
	33,510	27,575
Total Assets	**$179,944**	$168,439
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	**$ 20,604**	$ 18,083
Billings on contracts in process in excess of costs and estimated earnings	**226**	798
Accrued compensation and related taxes	**6,420**	4,572
Federal, state and local income taxes	**284**	782
Deferred income taxes	**2,681**	1,421
Other accrued liabilities	**5,882**	7,000
Current portion of noncurrent liabilities	**186**	1,393
	36,283	34,049
Noncurrent liabilities:		
Long-term debt	**85,501**	75,126
Capital leases	**66**	205
Pension agreement	**467**	300
	86,034	75,631
Deferred income taxes	**8,928**	7,680
Stockholders' equity:		
Preferred stock	**—**	—
Common stock, $.10 par value	**1,239**	1,239
Additional paid-in capital	**29,027**	30,120
Retained earnings	**23,217**	21,515
	53,483	52,874
Treasury stock at cost	**(4,784)**	(1,795)
	48,699	51,079
Total Liabilities and Stockholders' Equity	**$179,944**	$168,439

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

OHM CORPORATION
CONSOLIDATED STATEMENTS OF INCOME

(In Thousands, Except Per Share Data)

Years Ended December 31	**1989**	1988	1987
Gross revenues	**$220,247**	$171,024	$137,027
Less direct subcontract costs	**53,717**	39,111	38,595
Net Revenues	**166,530**	131,913	98,432
Cost of services	**122,489**	91,996	71,553
Gross Profit	**44,041**	39,917	26,879
Selling, general and administrative expenses	**31,884**	22,628	21,242
Operating Income	**12,157**	17,289	5,637
Other (income) expenses:			
Investment income	**(238)**	(922)	(1,657)
Interest expense	**8,258**	5,297	4,637
Miscellaneous, net	**1,319**	196	(1,151)
	9,339	4,571	1,829
Income Before Income Taxes	**2,818**	12,718	3,808
Income taxes	**1,126**	4,833	1,390
Net Income	**$ 1,692**	$ 7,885	$ 2,418
Net income per share	**$ 0.14**	$ 0.64	$ 0.20
Weighted average number of common and common equivalent shares outstanding	**12,312**	12,312	12,021

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

OHM Corporation
Consolidated Statements Of Changes In Stockholders' Equity
(In Thousands, Except Share Data)

	Common Stock		Additional			
	Number of Shares	Amount	Paid-In Capital	Retained Earnings	Treasury Stock	Other Changes
Balance at December 31, 1986	11,824,098	$1,182	$22,773	$11,074	$ —	$(352)
Stock options exercised	58,960	6	1,189			
Recovery of valuation allowance on investments						352
Deferred translation adjustments				56		
Purchase of 167,000 shares of treasury stock					(1,728)	
Net income				2,418		
Balance at December 31, 1987	11,883,058	1,188	23,962	13,548	(1,728)	—
Stock options exercised, 24,076 shares reissued from treasury	88,949	9	1,105		252	
Issuance of common stock	422,748	42	5,053			
Deferred translation adjustments				82		
Purchase of 28,900 shares of treasury stock					(319)	
Net income				7,885		
Balance at December 31, 1988	12,394,755	1,239	30,120	21,515	(1,795)	—
Stock options and warrants exercised, 175,550 shares reissued from treasury			(1,140)		2,035	
Issuance of common stock	3,334	—	47			
Deferred translation adjustments				10		
Purchase of 399,800 shares of treasury stock					(5,024)	
Net income				1,692		
Balance at December 31, 1989	12,398,089	$1,239	$29,027	$23,217	$(4,784)	$ —

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

OHM CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands)

Years Ended December 31	1989	1988	1987
Cash flows from operating activities:			
Net income	**$ 1,692**	$ 7,885	$ 2,418
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	**8,809**	7,524	5,366
Amortization of other noncurrent assets	**2,290**	1,229	610
Deferred income taxes	**2,508**	2,121	626
Loss (gain) on sale of property and equipment	**134**	(308)	(1,441)
Unrealized loss (gain) on marketable securities	**(131)**	(305)	548
Loss (gain) on sale of marketable securities	**—**	10	(659)
Deferred translation adjustments and other	**177**	82	56
Net cash flow provided by operating activities before changes in current assets and liabilities, net of effect of companies acquired	**15,479**	18,238	7,524
Changes in current assets and liabilities, net of effect of companies acquired:			
Accounts receivable	**(20,748)**	(17,120)	(5,586)
Costs and estimated earnings on contracts in process in excess of billings	**(3,035)**	(4,096)	(6,400)
Inventories	**(1,681)**	(682)	(1,256)
Prepaid expenses and other assets	**27**	(2,422)	836
Refundable income taxes	**(942)**	1,536	(1,461)
Accounts payable	**2,521**	(1,166)	7,395
Billings on contracts in process in excess of costs and estimated earnings	**(572)**	570	228
Accrued compensation and related taxes	**1,848**	1,070	206
Federal, state and local income taxes	**(498)**	2,074	(614)
Other accrued liabilities	**(1,118)**	(421)	(1,464)
Net cash flow used in operating activities	**(8,719)**	(2,419)	(592)
Cash flows from investing activities:			
Purchases of property and equipment	**(14,572)**	(13,093)	(24,563)
Proceeds from sale of property and equipment	**152**	361	1,981
Increase in other noncurrent assets	**(2,888)**	(91)	(1,819)
Purchases of marketable securities	**—**	—	(3,140)
Proceeds from sale of marketable securities	**—**	2,569	7,850
Payments for companies acquired	**(5,337)**	(17,830)	—
Net cash used in investing activities	**(22,645)**	(28,084)	(19,691)
Cash flows from financing activities:			
Proceeds from sale of accounts receivable	**30,000**	—	—
Proceeds from issuance of long-term debt	**—**	—	918
Payments on long-term debt and capital leases	**(1,371)**	(965)	(1,573)
Proceeds from borrowing under revolving credit and term loan	**97,400**	55,760	—
Payments on revolving credit and term loan	**(87,000)**	(38,160)	—
Proceeds from issuance of common stock	**47**	1,114	1,195
Reissuance of treasury stock	**895**	252	—
Purchases of treasury stock	**(5,024)**	(319)	(1,728)
Net cash provided by (used in) financing activities	**34,947**	17,682	(1,188)
Net increase (decrease) in cash and cash equivalents	**3,583**	(12,821)	(21,471)
Cash and cash equivalents at beginning of year	**3,877**	16,698	38,169
Cash and cash equivalents at end of year	**$ 7,460**	$ 3,877	$16,698

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

OHM Corporation
Notes To Consolidated Financial Statements

December 31, 1989

Note 1 — Summary of Significant Accounting Policies

Basis of Presentation and Principles of Consolidation The accompanying consolidated financial statements include the accounts of OHM Corporation (the "Company") and its wholly-owned subsidiaries. All material intercompany transactions and balances have been eliminated in consolidation. Investment in an unconsolidated subsidiary is accounted for using the equity method.

Revenue and Cost Recognition The Company primarily derives its revenues from providing environmental services under time and materials, fixed price and unit price contracts. The Company records revenues and related income from its fixed and unit price contracts in process using the percentage-of-completion method of accounting. Anticipated losses on these contracts are recorded when identified. Revenues from time and materials type contracts are recorded based on performance and efforts expended. Contract costs include all direct labor, material, per diem, subcontract and other direct and indirect project costs related to contract performance. Certain indirect project costs, which were previously included in the consolidated statements of income under the caption "selling, general and administrative expenses," have been reclassified to "cost of services" for all periods presented. Revenues derived from non-contract activities are recorded as the services are performed.

Direct Subcontract Costs The Company incurs a substantial amount of direct subcontract costs which are passed through to its clients. These costs result from the use of subcontractors on projects principally for transportation and disposal of hazardous wastes, and in some cases, for analytical and remediation services where contracts or other business conditions require the use of subcontractors. The Company believes that net revenues, excluding direct subcontract costs, more accurately reflect the amounts earned for activities performed by the Company. Accordingly, the Company reports direct subcontract costs as a reduction of gross revenues to arrive at net revenues.

Marketable Securities Marketable securities are stated at the lower of cost or market value at the balance sheet date. At December 31, 1989 and 1988, the aggregate cost of marketable securities was $561,000. At December 31, 1989 and 1988, marketable securities included gross unrealized losses of $112,000 and $243,000, respectively. The cost of the securities sold is based on the average cost of all shares of each security held at time of sale.

Inventories Inventories are comprised primarily of operating supplies and are stated at the lower of cost or market. Cost is determined using the first-in, first out (FIFO) method.

Property and Equipment Property and equipment are carried at cost and include expenditures which substantially increase the useful lives of the assets. Maintenance, repairs, and minor renewals are expensed as incurred. Depreciation and amortization, including amortization of capital leases, are provided on a specific item basis net of salvage value over the estimated useful lives of the respective assets, using primarily the straight-line method.

Intangible Assets Intangible assets consist principally of goodwill and other intangible assets resulting primarily from acquisitions accounted for using the purchase method of accounting. Goodwill is amortized using the straight-line method principally over twenty-five years. Amortization of goodwill is included in miscellaneous expense and was $796,000, $375,000, and $17,000 for the years ended December 31, 1989, 1988, and 1987, respectively. Other intangible assets relating to acquired businesses consist principally of permitting and licensing costs, proprietary processes, noncompetition agreements, and other deferred costs, and are amortized on a straight-line basis over five to twenty-five years. The accumulated amortization of intangible assets relating to acquired businesses was $2,408,000 and $913,000 at December 31, 1989 and 1988, respectively.

Capital Leases Certain lease transactions are accounted for as installment purchases. Such costs are amortized over the asset's economic life using the straight-line method and are included in depreciation and amortization expense.

Income Taxes Deferred income taxes are recognized for income and expense items that are reported for financial reporting purposes in different years than for income tax purposes. The Company accounts for investment tax credits using the flow-through method. The Company has not implemented the provisions of Financial Accounting Standards Board Statement No. 96, "Accounting for Income Taxes." When implemented, the Company believes that this pronouncement will not have an adverse impact on its results of operations.

Statement of Cash Flows The Company considers all short-term deposits and highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. Supplemental cash flow information is summarized as follows:

Years Ended December 31	1989	1988	1987
		(In Thousands)	
Cash paid for:			
Interest	**$8,045**	$5,302	$4,751
Income taxes	**1,267**	2,141	2,054
Non-cash investing and financing activities:			
Issuance of common stock for companies acquired	**—**	5,250	—
Retirement of common stock	**—**	154	—

Net Income Per Share Net income per share amounts are based on the weighted average common and common equivalent shares outstanding during the respective periods. Shares of common stock issuable upon conversion of the 8% Convertible Subordinated Debentures due 2006 are not considered to be common stock equivalents and were antidilutive in each of the years presented; therefore, they were excluded from the calculations of net income per share.

Reclassification Certain amounts presented for the years ended December 31, 1988 and 1987 have been reclassified to conform to the 1989 presentation.

Note 2 — Acquisitions

Effective June 1, 1988, the Company acquired National Surface Cleaning, Inc., ("NSC") which provides asbestos abatement and decontamination services. The purchase price consisted of $16,750,000 in cash, 428,134 shares of the Company's common stock with a market value of $5,250,000, acquisition related costs of $692,000, and a warrant to purchase 250,000 shares of the Company's common stock at $15.00, exercisable until July 11, 1993. As a result of NSC's income from operations for the year ended December 31, 1988, the Company made an additional payment of $5,337,000 in 1989. The acquisition was recorded using the purchase method of accounting. The Company's consolidated financial statements for the year ended December 31, 1988, include the results of operations of NSC from June 1, 1988.

Effective December 31, 1988, the Company acquired SolidTek Systems, Inc. (subsequently renamed OHM Resource Recovery Corp. and hereinafter referred to as "RRC"), which provides hazardous waste treatment and recycling services, for a cost of approximately $1,179,000. The Company has agreed to make additional payments commencing in 1990 contingent upon the achievement of future earnings and other contractual conditions. The acquisition was recorded as of December 31, 1988, using the purchase method of accounting.

Note 3 — Accounts Receivable

Accounts receivable are summarized as follows:

December 31	1989	1988
	(In Thousands)	
Accounts billed and due currently	**$24,970**	$44,443
Unbilled receivables	**20,302**	8,947
Retained	**1,400**	2,565
	46,672	55,955
Allowance for doubtful accounts	**(1,548)**	(1,579)
	$45,124	$54,376

Unbilled receivables represent revenues on completed contracts and non-contract services performed for which billings have not been presented to customers. Unbilled receivables include amounts relating to contracts with a federal government agency which require services performed by the Company's subcontractors to be paid prior to billing. The unbilled and retained receivables at December 31, 1989, are expected to be collected within one year.

On June 1, 1989, the Company entered into a $30,000,000 non-recourse revolving accounts receivable purchase facility for an initial period up to three years which is extendable annually at the option of the purchaser for an additional year. Under the terms of the agreement, the Company may sell new billed and unbilled accounts receivable as collections or other eligibility factors reduce previously sold accounts. The Company is obligated to pay fees which approximate the purchaser's cost of issuing a like amount of commercial paper. The amount of such fees are included in interest expense and were $1,771,000 in 1989. During 1989, the average cost of such fees was approximately 10.0%. Obligations arising under this agreement are collateralized by certain unsold billed and unbilled accounts receivable of the Company and totaled $50,111,000 at December 31, 1989. At December 31, 1989, $30,000,000 in billed accounts receivable were sold under this agreement.

Note 4 — Cost and Earnings on Contracts in Process

The consolidated balance sheets include the following amounts:

December 31	1989	1988
	(In Thousands)	
Costs incurred on contracts in process	**$32,136**	$39,607
Estimated earnings	**7,424**	11,358
	39,560	50,965
Less billings to date	**(26,255)**	(41,267)
	$13,305	$ 9,698
Costs and estimated earnings on contracts in process in excess of billings	**$13,531**	$10,496
Billings on contracts in process in excess of costs and estimated earnings	**(226)**	(798)
	$13,305	$ 9,698

Note 5 — Prepaid Expenses and Other Assets

Prepaid expenses and other assets are summarized as follows:

December 31	1989	1988
	(In Thousands)	
Prepaid insurance	**$1,709**	$1,761
Employee and other non-trade receivables	**1,490**	1,594
Other	**1,679**	1,550
	$4,878	$4,905

Note 6 — Property and Equipment

Property and equipment is summarized as follows:

December 31	1989	1988
	(In Thousands)	
Land	**$ 2,248**	$ 1,688
Buildings and improvements	**22,000**	18,780
Machinery and equipment	**69,956**	60,141
Construction in progress	**3,371**	3,273
	97,575	83,882
Less accumulated depreciation and amortization	**(30,398)**	(22,182)
	$67,177	$61,700

Note 7 — Investment in Unconsolidated Subsidiary

On April 11, 1989, the Company and Consolidated Rail Corporation ("Conrail") formed Concord Resources Group ("CRG"), a joint venture to site, design, develop and operate a network of state-of-the-art fixed base recovery, treatment and disposal facilities for solid and hazardous waste. The joint venture will be funded with $10,000,000 of equity, with contributions of $5,000,000 each to be made by the Company and Conrail. The Company contributed $750,000 to CRG in 1989. Pursuant to the agreement of general partnership, the first $2,000,000 of net losses of CRG will be allocated to Conrail. In the event net losses are allocated to Conrail, then prior to allocation of net income among the partners on an equal percentage basis, Conrail shall be allocated an amount of net income equal to 115% of the amount of such net losses previously allocated. For financial reporting purposes, the Company recognized no income or loss on its investment in 1989. The Company provided professional consulting and other services to CRG totaling $847,000 in 1989. The total amount of unpaid charges due from CRG was $244,000 at December 31, 1989.

Note 8 — Other Accrued Liabilities

Other accrued liabilities are summarized as follows:

December 31	1989	1988
	(In Thousands)	
Accrued purchase price for acquired companies	**$ —**	$1,048
Accrued legal and professional services	**992**	1,358
Accrued remediation and disposal costs	**1,202**	1,959
Accrued interest	**1,579**	1,163
Reserves for self-insurance	**554**	280
Other	**1,555**	1,192
	$5,882	$7,000

Note 9 — Long-Term Debt

The long-term debt of the Company is summarized below:

December 31	1989	1988
	(In Thousands)	
8% Convertible Subordinated Debentures due October 1, 2006	**$57,500**	$57,500
Revolving Credit and Term Loan Facility	**28,000**	17,600
New Jersey Economic Development Authority Bond	**—**	89
Installment purchase contract	**—**	125
Non-interest bearing note	**—**	579
Other	**7**	184
	85,507	76,077
Less current portion	**(6)**	(951)
	$85,501	$75,126

The convertible subordinated debentures are convertible into 41.67 shares of common stock per $1,000 unit with interest payable semiannually on April 1 and October 1, and are redeemable at the option of the Company after October 1, 1989. The convertible subordinated debentures require annual mandatory sinking fund payments of 7.5% of the principal amount which commence on October 1, 1996, and continue through October 1, 2005. The amortization of debt issuance costs related to the convertible subordinated debentures was $107,000, $108,000, and $107,000, for each of the years ended December 31, 1989, 1988, and 1987, respectively.

On June 1, 1989, the Company entered into an $80,000,000 unsecured revolving credit agreement with a consortium of banks for letters of credit and cash borrowings which was subsequently amended to $137,500,000 on November 8, 1989. The agreement has an initial three-year term which at the option of the consortium of banks may be extended annually for an additional year. Under the terms of the agreement, cash advances may not exceed $30,000,000 and bear interest at rates bid by participating banks, or at the Company's option, rates which do not exceed the prime rate. Cash advances under this agreement are due June 1, 1992 or such date that the agreement may be extended to annually.

The aggregate maturity of long-term debt for the five years ending December 31 are: 1990, $1,000; 1991, $0; 1992, $28,000,000; 1993, $0; 1994, $0; 1995 and thereafter, $57,500,000.

The Company had $55,228,000 and $1,870,000 of standby letters of credit outstanding under the revolving credit and term loan facilities at December 31, 1989 and 1988, respectively. In addition, the Company had lines of credit with several banks amounting to $25,000,000 at December 31, 1988, for the purpose of issuing standby letters of credit. The Company had $18,417,000 of letters of credit outstanding under these facilities at December 31, 1988.

Note 10 — Leases

The Company leases data processing and certain office equipment under capital lease agreements. Included in property and equipment are the following amounts for equipment leases that have been capitalized:

December 31	**1989**	1988
	(In Thousands)	
Machinery and equipment	**$1,751**	$2,077
Less accumulated depreciation and amortization	**(917)**	(882)
	$ 834	$1,195

Future minimum lease payments under noncancellable operating leases and the present value of future minimum capital lease payments are as follows:

	Capital Leases	Operating Leases
	(In Thousands)	
Years ending December 31:		
1990	**$196**	$2,446
1991	**67**	1,768
1992	**5**	857
1993	**—**	533
1994	**—**	234
Total minimum lease payments	**268**	$5,838
Amount representing interest	**(22)**	
Present value of minimum lease payments	**246**	
Less current portion	**(180)**	
	$ 66	

Rental expense under operating leases totaled $2,338,000, $1,872,000, and $1,533,000 for the years ended December 31, 1989, 1988, and 1987, respectively.

Note 11 — Income Taxes

The provision for income taxes consists of the following:

Years Ended December 31	**1989**	1988	1987
		(In Thousands)	
Current:			
Federal	**$ (948)**	$2,334	$ 788
State	**(434)**	378	(24)
	(1,382)	2,712	764
Deferred:			
Federal	**2,132**	1,902	537
State	**376**	219	89
	2,508	2,121	626
	$1,126	$4,833	$1,390

For the years ended December 31, 1989, 1988, and 1987, the Company credited $17,000, $156,000, and $215,000, respectively, to additional paid-in capital for tax savings associated with the exercise of certain stock options by employees of the Company.

The reasons for differences between the provisions for income taxes and the amount computed by applying the statutory federal income tax rate to income before income taxes are as follows:

Years Ended December 31	**1989**	1988	1987
Federal Statutory Rate	**34.0%**	34.0%	40.0%
Add (deduct):			
State income taxes, net of federal benefit	**(1.3)**	3.1	1.0
Goodwill amortization	**9.6**	1.0	0.2
Investment tax credit, net	**(0.7)**	(0.1)	(0.6)
Corporate dividend exclusion	**—**	(0.2)	(7.0)
Other	**(1.6)**	0.2	2.9
	40.0%	38.0%	36.5%

Deferred income tax expense, resulting from timing differences in reporting revenue and expense for income tax and financial reporting purposes, is summarized as follows:

Years Ended December 31	**1989**	1988	1987
		(In Thousands)	
Unbilled receivables	**$1,229**	$ 525	$ (284)
Depreciation and amortization	**1,906**	2,316	1,750
Allowance for doubtful accounts and other reserves	**(175)**	(324)	(898)
Alternative minimum tax credit	**(105)**	(351)	(211)
Other	**(347)**	(45)	269
	$2,508	$2,121	$ 626

At December 31, 1989, for tax reporting purposes, the Company had unused net operating loss carryforwards available to be used against its income of approximately $1,653,000 which will expire in 2004, and unused alternative minimum tax credit carryovers of approximately $959,000. At December 31, 1989, for financial and tax reporting purposes, the Company had unused net operating loss carryforwards available to be used against RRC's income of approximately $2,693,000 which will expire in 2001 through 2003. In addition, for tax reporting purposes, the Company had unused investment tax credits and net operating loss carryforwards available to be used against Environmental Testing and Certification Corp.'s ("ETC") income of approximately $531,000 and $4,154,000, respectively, which will expire in 1996 through 2001.

Note 12 — Related Party Transactions

The Company has a policy whereby transactions with directors, executive officers, and related parties require the approval of a disinterested majority of the Board of Directors.

The Company rents certain buildings and aircraft from an affiliated partnership. Rental expenses for these facilities and aircraft totaled $97,000, $139,000, and $131,000 for the years ended December 31, 1989, 1988, and 1987, respectively.

On July 27, 1987, the Company entered into a five-year management consulting services and non-solicitation agreement with a former director of the Company. The Company paid $450,000 in advance, which is being amortized over the term of the agreement. The unamortized cost was $225,000 and $315,000 at December 31, 1989 and 1988, respectively.

Note 13 — Agreements with Former Stockholders

During the periods from 1981 to 1985, the Company repurchased the equity interests held by former stockholder-officers of the Company and entered into noncompetition agreements with them. On July 1, 1986, the Company prepaid the remaining amounts due under these noncompetition agreements. The total expense incurred to prepay the noncompetition agreements was $452,000, which was recorded in 1986. The assets related to these arrangements are being amortized over their respective terms. These assets, included in other noncurrent assets, amounted to $151,000 and $286,000 at December 31, 1989 and 1988, respectively. In addition, the Company executed a pension agreement with a former stockholder-officer for an annual pension of $80,000 commencing in June, 1990.

Note 14 — Capital Stock

The Company had 50,000,000 shares of $0.10 par value common stock authorized at December 31, 1989 and 1988. The total number of shares of common stock issued at December 31, 1989 and 1988, were 12,398,089 and 12,394,755, respectively. The total number of shares of common stock outstanding at December 31, 1989 and 1988, were 12,002,015 and 12,222,931, respectively. The total number of shares of common stock held in treasury at December 31, 1989 and 1988, were 396,074 and 171,824, respectively.

The Company has authorized 1,000,000 shares of preferred stock at a $10.00 par value. No shares of this stock have been issued at December 31, 1989. The rights and preferences of the preferred stock will be fixed by the Board of Directors at the time the shares are issued. The stock, when issued, will have dividend and liquidation preferences over those of the common stockholders. The Company has a warrant outstanding to purchase 250,000 common shares at $15.00 and is exercisable until July 11, 1993. This warrant was issued in connection with the acquisition of NSC.

Note 15 — Stock Option Plan

In 1986, the Company adopted and the stockholders approved the 1986 Stock Option Plan (the "1986 Plan") which provides for the granting of stock options to directors, officers, and key employees at prices not less than the fair market value of the Company's common stock on the date of grant. A total of 1,850,000 shares of the Company's common stock have been reserved for issuance under the 1986 Plan. Substantially all options under the 1986 Plan are exercisable in cumulative annual installments ranging up to 20 percent commencing on the date of grant and expiring ten years thereafter. At December 31, 1989, 269,454 shares were available for grants of additional options under the 1986 Plan.

The following summarizes stock option activity in 1989:

	1986 Plan	
	Number of Shares	Option Price Range Per Share
Outstanding at December 31, 1988	1,357,524	\$10.75 to \$25.25
Granted	213,500	\$11.00 to \$13.00
Exercised	(25,550)	\$11.00 to \$11.00
Canceled	(128,464)	\$11.00 to \$15.38
Outstanding at December 31, 1989	1,417,010	\$10.75 to \$25.25
Exercisable at December 31, 1989	776,578	\$10.75 to \$25.25

Note 16 — Retirement and Profit-Sharing Plans

On May 11, 1988, the stockholders of the Company approved the adoption of the Company's Retirement Savings Plan (the "Plan") effective as of April 1, 1988. The Plan allows each of its eligible employees to make contributions, up to a certain limit, to the Plan on a tax-deferred basis under Section 401(k) of the Internal Revenue Code of 1986, as amended. The Company may, at its discretion, make matching contributions to the Plan out of its profits for the plan year. The Company may also, at its discretion, make profit-sharing contributions to the Plan out of its profits for the plan year. There were no contributions made to the Plan for the years ended December 31, 1989 and 1988.

Prior to the adoption of the Plan, the Company operated separate profit-sharing plans for two of its subsidiaries. Substantially all full-time employees of O.H. Materials Corp. ("OHM") were covered under its profit-sharing plan. Contributions to this plan were at the discretion of the Board of Directors and no contributions were made for the years ended December 31, 1989, 1988, and 1987. ETC had a defined contribution retirement plan covering substantially all full-time employees of ETC. ETC's contributions to this plan were \$0, \$0, and \$308,000 for the years ended December 31, 1989, 1988, and 1987, respectively. During 1988, both the OHM Plan and ETC Plan were terminated.

The Company's subsidiary, NSC, has certain union employees which are covered by union sponsored, collectively bargained, multi-employer retirement plans. Contributions to these plans were \$329,000 and \$162,000 for the years ended December 31, 1989 and 1988, respectively.

Note 17 — Litigation and Contingencies

The Company is a defendant in certain legal actions. In the opinion of management, the outcome of these actions, which are not clearly determinable at the present time, will not have a material adverse impact upon the Company's financial condition.

The Company is self-insured for certain asbestos abatement liability risks and for the initial \$1,000,000 for certain comprehensive general and automobile liability risks through its wholly-owned insurance company subsidiary. The Company is insured through commercial sources for certain environmental impairment risks as well as for certain general and automobile liability umbrella coverages. The present situation does not reflect any record of unfavorable claim experience. The Company provides for losses when identified and evaluated. The Company's historical claim losses have been insignificant.

Note 18 — Major Customers

Revenues from federal government agencies accounted for 19%, 22%, and 25% of gross revenues for the years ended December 31, 1989, 1988, and 1987, respectively. The Company derived 12% of its gross revenues for the year ended December 31, 1987, from one customer, a major petroleum company and its affiliates. There were no state or local government agencies or other industrial customers which accounted for more than 10% of gross revenues.

Note 19 — Quarterly Financial Data (Unaudited)

The following is an analysis of certain items in the consolidated statements of operations by quarter for 1989 and 1988:

	(In Thousands, Except Per Share Data)			
1989	**First Quarter**	**Second Quarter**	**Third Quarter**	**Fourth Quarter**
Gross revenues	**$41,852**	**$49,211**	**$63,387**	**$65,797**
Net revenues	**32,899**	**36,480**	**48,956**	**48,195**
Gross Profit	**5,606**	**11,071**	**15,142**	**12,222**
Selling, general and administrative expenses	**6,796**	**8,027**	**8,123**	**8,938**
Operating income (loss)	**(1,190)**	**3,044**	**7,019**	**3,284**
Net income (loss)	**(1,645)**	**335**	**2,849**	**153**
Net income (loss) per share	**(0.13)**	**0.03**	**0.23**	**0.01**
1988				
Gross revenues	$35,373	$36,622	$49,782	$49,247
Net revenues	26,263	29,286	38,612	37,752
Gross profit	7,209	9,341	12,591	10,776
Selling, general and administrative expenses	5,211	5,196	5,679	6,542
Operating income	1,998	4,145	6,912	4,234
Net income	950	1,960	3,491	1,484
Net income per share	0.08	0.16	0.28	0.12

REPORT OF INDEPENDENT AUDITORS

Board of Directors and Stockholders
OHM Corporation

We have audited the consolidated financial statements of OHM Corporation and subsidiaries listed in the accompanying index to financial statements (Item 14(a)). 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 audits.

We conducted our audits 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 audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements listed in the accompanying index to financial statements (Item 14(a)) present fairly, in all material respects, the consolidated financial position of OHM Corporation and subsidiaries at December 31, 1989 and 1988, and the consolidated results of operations and cash flows for each of the three years in the period ended December 31, 1989, in conformity with generally accepted accounting principles.

Ernst & Young

Columbus, Ohio
February 7, 1990

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosures

Not applicable.

PART III

Item 10. Directors and Executive Officers of the Registrant

The information required by this item, in addition to that set forth above in Part I under the Caption "Executive Officers of the Registrant", is set forth in the section entitled "Election of Directors" contained on pages 1 through 3 of the Company's definitive Proxy Statement to be filed with the Securities and Exchange Commission ("the Proxy Statement") in connection with the Company's 1990 Annual Meeting of Stockholders, and such information is incorporated herein by reference.

Item 11. Executive Compensation

Remuneration of directors and officers and information related thereto is included on page 5 of the Proxy Statement under the caption "Executive Compensation", and said information is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management

Security ownership of management and certain beneficial owners and information related thereto is included on pages 4 and 5 of the Proxy Statement under the caption "Voting Securities and Principal Holders Thereof", and said information is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions

Transactions with management and related parties and information related thereto is included on pages 7 and 8 of the Proxy Statement under the caption "Certain Relationships and Related Transactions", and said information is incorporated herein by reference.

PART IV

Item 14. Exhibits, Financial Statement Schedules and Reports on Form 8-K

(a)(1) The following consolidated financial statements of the Company and its subsidiaries for the years ended December 31, 1989, 1988, and 1987, are included in this Annual Report on Form 10-K for the year ended December 31, 1989:

(a)(2) The following consolidated financial statement information and schedules of the Company and its subsidiaries are included in this Annual Report on Form 10-K:

All other schedules for which provision is made in the applicable accounting regulations of the Securities and Exchange Commission are not required under the related instructions or are not applicable, and therefore have been omitted.

(a)(3) Exhibits

The following Exhibits are included in this Annual Report on Form 10-K:

Exhibit Number	Exhibit Description
3(a)	Amendment to Certificate of Incorporation of the Registrant dated February 10, 1989 [incorporated by reference to Exhibit 3(a) to the Registrant's Annual Report on Form 10-K for the year ended December 31, 1988].
3(b)	Certificate of Incorporation of the Registrant together with all amendments thereto [incorporated by reference to Exhibit 3(c) to the Registrant's Annual Report on Form 10-K for the year ended December 31, 1988].
3(c)	By-Laws of the Registrant [incorporated by reference to Exhibit D to Appendix 1 to the Prospectus/Proxy Statement filed as part of Registrant's Registration Statement on Form S-4, File No. 33-3057].
4(a)	Indenture dated as of October 1, 1986 between Registrant and United States Trust Company of New York, Trustee, relating to the Registrant's 8% Convertible Subordinated Debentures due October 1, 2006 [incorporated by reference to Exhibit 4(a) to Registrant's Annual Report on Form 10-K for the year ended December 31, 1986, File No. 0-15894].
4(b)	Specimen Debenture Certificate [incorporated by reference to Exhibit 4(b) to Registrant's Amendment No. 1 to Form S-1, Registration Statement No. 33-8296].
4(c)	Specimen Common Stock Certificate [incorporated by reference to Exhibit 4(c) to the Registrant's Annual Report on Form 10-K for the year ended December 31, 1988].
10(a)	Key Executive Employment and Severance Agreement dated as of July 1, 1986 between the Registrant and James L. Kirk [incorporated by reference to Exhibit 10(c) to Registrant's Form S-1, Registration Statement No. 33-8296].
10(b)	OHM Corporation 1986 Stock Option Plan, as amended [incorporated by reference to Exhibit 10(b) to the Registrant's Annual Report on Form 10-K for the year ended December 31, 1988].
10(c)	OHM Corporation Retirement Savings Plan [incorporated by reference to Exhibit 10 to Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 1988].
10(d)	OHM Corporation Retirement Savings Plan Trust Agreement between Registrant and Mellon Bank N.A., as trustee [incorporated by reference to Exhibit 10(h) to the Registrant's Annual Report on Form 10-K for the year ended December 31, 1988].
10(e)	Form of Indemnification Agreements entered into between Registrant and its Directors and Executive Officers [incorporated by reference to Exhibit 10(n) to Registrant's Form S-1, Registration Statement No. 33-8296].
10(f)	Form of Employment Agreements providing certain severance benefits in the event of a change of control entered into between Registrant and certain of its executive officers [incorporated by reference to Exhibit 10(g) to the Registrant's Annual Report on Form 10-K for the year ended December 31, 1988].
10(g)	Asbestos Removal Workers Agreement between National Surface Cleaning, Inc., and the International Association of Heat and Frost Insulators and Asbestos Workers Local No. 6 of Boston, Massachusetts and vicinity dated August 1, 1988 [incorporated by reference to Exhibit 10(i) to the Registrant's Annual Report on Form 10-K for the year ended December 31, 1988].

10(h) Building and Site Construction Agreement between Massachusetts Laborers' District Council of the Laborers' International Union of North America, AFL-CIO and Associated General Contractors of Massachusetts, Inc. and Building Trades Employers' Association of Boston and Eastern Massachusetts, Inc., dated June 1, 1985 [incorporated by reference to Exhibit 10(j) to the Registrant's Annual Report on Form 10-K for the year ended December 31, 1988].

10(i) Revolving Credit Agreement dated as of June 1, 1989, as amended, among OHM Corporation, its subsidiaries named therein, the banks named therein, and Citibank, N.A., as Agent for the banks and as issuing bank.

10(j) Trade Receivables Purchase and Sale Agreement dated as of June 1, 1989, among O.H. Materials Corp. as Seller and CXC Incorporated as Purchaser and Citicorp North America, Inc. as Agent.

10(k) Agreement to Form Joint Venture between Consolidated Rail Corporation and OHM Corporation, dated April 10, 1989.

10(l) Agreement of General Partnership between PD Land Services, Inc. and OHM Environmental Resource Management Corp., dated April 10, 1989.

11 Statement Re Computation of Per Share Earnings.

22 Subsidiaries of the Registrant.

24 Consent of Ernst & Young.

25 Powers of Attorney of certain directors and officers of the Company.

(a)(4) There were no reports on Form 8-K filed during the three months ended December 31, 1989.

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.

OHM CORPORATION

By /s/ JAMES L. KIRK

James L. Kirk—Chairman of the Board, President and Chief Executive Officer

March 27, 1990

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

	Date
/s/ JAMES L. KIRK James L. Kirk—Chairman of the Board, President and Chief Executive Officer	March 27, 1990
/s/ GENE J. OSTROW Gene J. Ostrow—Vice President and Chief Financial Officer (Principal Financial Officer)	March 27, 1990
/s/ DANIEL P. BUETTIN Daniel P. Buettin—Controller (Principal Accounting Officer)	March 27, 1990
* IRA O. KANE Ira O. Kane—Director, Executive Vice President	March 27, 1990
* JOSEPH R. KIRK Joseph R. Kirk—Director	March 27, 1990
* DAN W. LUFKIN Dan W. Lufkin—Director	March 27, 1990
* RICHARD W. POGUE Richard W. Pogue—Director	March 27, 1990
* CHARLES W. SCHMIDT Charles W. Schmidt—Director	March 27, 1990
* WILLIAM E. SWALES William E. Swales—Director	March 27, 1990

***The undersigned, by signing his name hereto, does sign and execute this report pursuant to Powers of Attorney executed on behalf of the above-named officers and directors and contemporaneously herewith filed with the Securities and Exchange Commission.**

By: /s/ JAMES L. KIRK — March 27, 1990

James L. Kirk, Attorney-In-Fact

OHM CORPORATION

SCHEDULE IV – INDEBTEDNESS OF AND TO RELATED PARTIES – NOT CURRENT

(In Thousands)

Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I
	Indebtedness of				Indebtedness to			
Name of Person	Balance at Beginning	Additions	Deductions	Balance at End	Balance at Beginning	Additions	Deductions	Balance at End
Year Ended December 31, 1989:								
R.W. Kirk	**$ –**	**$ –**	**$ –**	**$ –**	**$300**	**$167**	**–**	**$467**
Year Ended December 31, 1988:								
R.W. Kirk	$ –	$ –	$ –	$ –	$300	$ –	$ –	$300
Year Ended December 31, 1987:								
R.W. Kirk	$ –	$ –	$ –	$ –	$300	$ –	$ –	$300

OHM CORPORATION

SCHEDULE V – PROPERTY, PLANT AND EQUIPMENT

(In Thousands)

Column A	Column B	Column C	Column D	Column E	Column F
Classification	Balance at Beginning of Period	Additions at Cost	Retirements	Other Charges -Add (Deduct) -Describe	Balance at End of Period
Year Ended December 31, 1989:					
Land	**$ 1,688**	**$ 559 (2)**	**$ 4**	**$ 5 (3)**	**$ 2,248**
Buildings and improvements	**18,780**	**3,688 (2)**	**39**	**(429)(3)**	**22,000**
Machinery and equipment	**60,141**	**11,566 (5)**	**879**	**(872)(3)**	**69,956**
Construction-in-progress	**3,273**	**7,913**	**—**	**(7,815)(1)**	**3,371**
Total	**$83,882**	**$23,726**	**$ 922**	**$ (9,111)**	**$97,575**
Year Ended December 31, 1988:					
Land	$ 254	$ —	$ —	$ 1,434 (4)	$ 1,688
Buildings and improvements	14,481	2,566	6	1,739 (4)	18,780
Machinery and equipment	45,480	12,395 (5)	1,271	3,537 (4)	60,141
Construction-in-progress	4,591	—	—	(1,318)(1)	3,273
Total	$64,806	$14,961	$ 1,277	$ 5,392	$83,882
Year Ended December 31, 1987:					
Land	$ 236	$ 18	$ —	$ —	$ 254
Buildings and improvements	12,029	2,478	26	—	14,481
Machinery and equipment	31,603	19,766 (5)	5,111	(778) (3)	45,480
Construction-in-progress	1,512	—	—	3,079 (1)	4,591
Total	$45,380	$22,262	$ 5,137	$ 2,301	$64,806

(1) Primarily reflects net change of construction-in-progress for the respective periods.

(2) Pertains primarily to construction and expansion of facilities located in Atlanta, Georgia, Methuen, Massachusetts, and Hartford, Connecticut.

(3) Represents adjustment of net cost of acquired companies' assets to their respective appraised fair values.

(4) Represents property, plant and equipment of companies acquired in transactions recorded using the purchase method of accounting.

(5) Represents general capital expenditures made in conjunction with the Company's expansion into geographic areas and technologies.

OHM CORPORATION
SCHEDULE VI – ACCUMULATED DEPRECIATION, DEPLETION AND AMORTIZATION OF PROPERTY, PLANT AND EQUIPMENT

(In Thousands)

Column A	Column B	Column C	Column D	Column E	Column F
Description	Balance at Beginning of Period	(1) Additions Charged to Costs and Expenses	Retirements	Other Charges -Add (Deduct) -Describe	Balance at End of Period
Year Ended December 31, 1989:					
Buildings and improvements	**$ 1,709**	**$ 703**	**$ 1**	**$ –**	**$ 2,411**
Machinery and equipment	**20,473**	**8,106**	**635**	**43**	**27,987**
Total	**$22,182**	**$8,809**	**$ 636**	**$ 43**	**$30,398**
Year Ended December 31, 1988:					
Buildings and improvements	$ 1,185	$ 527	$ 3	$ –	$ 1,709
Machinery and equipment	14,441	6,997	965	–	20,473
Total	$15,626	$7,524	$ 968	$ –	$22,182
Year Ended December 31, 1987:					
Buildings and improvements	$ 793	$ 414	$ 22	$ –	$ 1,185
Machinery and equipment	14,064	4,952	4,575	–	14,441
Total	$14,857	$5,366	$ 4,597	$ –	$15,626

(1) The annual provisions for depreciation have been computed principally in accordance with the following ranges of rates:

Buildings and improvements	3% to 10%
Machinery and equipment	8% to 15%

OHM CORPORATION
SCHEDULE VIII – VALUATION AND QUALIFYING ACCOUNTS
(In Thousands)

Column A	Column B	Column C		Column D	Column E
Description	Balance at Beginning of Period	Charged to Costs and Expenses	(2) Charged to Other Accounts -Describe	(1) Deductions-Describe	Balance at End of Period
Year Ended December 31, 1989:					
Allowance for doubtful accounts	**$1,579**	**$430**	**$ —**	**$461**	**$1,548**
Year Ended December 31, 1988:					
Allowance for doubtful accounts	$1,627	$385	$437	$870	$1,579
Year Ended December 31, 1987:					
Allowance for doubtful accounts	$1,140	$594	$ 28	$135	$1,627

(1) Uncollectible accounts written off, net of charge-offs.

(2) Uncollectible accounts of acquired companies.

OHM CORPORATION
SCHEDULE X – SUPPLEMENTARY INCOME STATEMENT INFORMATION
(In Thousands)

Column A	Column B		
Item	Charged to Costs and Expenses		
	Year Ended December 31,		
	1989	1988	1987
Maintenance and repairs	**$2,978**	$2,423	$2,267
Depreciation and amortization of intangible assets	**$2,290**	$1,229	$ 610

(1) Amounts for taxes, other than payroll and income taxes, royalties and advertising costs are not presented, as such amounts are less than 1% of gross revenues.

Directors And Officers Of OHM Corporation

Directors

James L. Kirk
Chairman of the Board
President and Chief
Executive Officer

Joseph R. Kirk
Executive Vice President

Ira O. Kane
Executive Vice President

Dan W. Lufkin
Director, Columbia Pictures
Industries, Inc.
and Culbro Corporation

Richard W. Pogue
Managing Partner of
Jones, Day, Reavis & Pogue

Director, AmeriTrust
Corporation, Durlan
Industries, Ltd., M.A. Hanna
Company and the Ohio Bell
Telephone Company

Charles W. Schmidt
Senior Vice President and
Group Executive of Raytheon
Company

Director, The Boston
Company, Boston Safe Deposit
and Trust Company,
Massachusetts Financial
Services Family of Mutual
Funds, and Dennison
Manufacturing Company

William E. Swales
Vice Chairman-Energy,
USX Corporation

Director, USX Corporation,
PNC Financial Corporation
and Pittsburgh National Bank

Other Officers

Pamela K.M. Beall
Treasurer and Assistant
Secretary

Daniel P. Buettin
Controller

Dr. Jurgen H. Exner
Senior Vice President,
Technical Development

Dr. Fred H. Halvorsen
Vice President,
Health and Safety

D. Lee Hamilton
Executive Vice President,
Business Development and
Marketing

Paul T. Kaufmann
Executive Vice President,
Remediation Services

Jeffrey J. Kirk
Vice President,
Human Resources

Frank A. McBride
Vice President
Northeast Region

Gene J. Ostrow
Vice President and Chief
Financial Officer

Randall M. Walters
Vice President,
General Counsel and Secretary

Board Committees

1 Audit Committee
William E. Swales
Chairman
Richard W. Pogue
Charles W. Schmidt

2 Compensation Committee
Richard W. Pogue
Chairman
Charles W. Schmidt
William E. Swales

3 Executive Committee
James L. Kirk
Chairman
Dan W. Lufkin
William E. Swales

4 Stock Option Committee
Richard W. Pogue
Chairman
Dan W. Lufkin
William E. Swales

Stockholder Information

Annual Meeting
The Annual Meeting of
Shareholders of OHM Corporation
will be held May 10, 1990,
at the Company's Headquarters,
16406 U.S. Route 224 East,
Findlay, Ohio.

Stockholder Relations Contact
Pamela K.M. Beall
Treasurer and Assistant Secretary
OHM Corporation
16406 U.S. Route 224 East
P.O. Box 551
Findlay, Ohio 45839-0551

Common Stock
NYSE Symbol: OHM

8% Convertible Subordinated
Debentures due 2006
NASDAQ Symbol: OHMCG

Transfer Agent and Registrar
Midlantic National Bank
499 Thornall Street
Edison, New Jersey 08818

Corporate Offices
OHM Corporation
16406 U.S. Route 224 East
P.O. Box 551
Findlay, Ohio 45839-0551
419-423-3529

OHM Corporation

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