



OHM Corporation

NEWS RELEASE

16406 U.S. Route 224 East ■ P.O. Box 551 ■ Findlay, Ohio 45839-0551

FINANCIAL CONTACT: Pamela K.M. Beall
Vice President and Treasurer
419-425-6002

MEDIA CONTACT: Cheryl Rectorschek
Corporate Communications
202-452-1540

FOR IMMEDIATE RELEASE

OHM CORPORATION REPORTS 3RD QTR EARNINGS UP 25% TO 15 CENTS VS 12 CENTS

- Q3 Revenue Increases 16.5% to \$158.3 Million
- DOE Key to Future Growth
- Balance Sheet Improves

FINDLAY, OHIO October 31, 1996--OHM Corporation (NYSE:OHM), a leading hazardous and nuclear waste remediation firm, today announced that third-quarter net income climbed 25 percent to \$4.0 million, or 15 cents per share, compared with \$3.2 million, or 12 cents per share, for the prior year's third-quarter. Revenue for the quarter ended September 30, 1996, increased 16.5 percent to \$158.3 million from \$135.9 million for the third quarter of 1995.

For the nine months ended September 30, 1996, OHM reported net income of \$7.7 million, or 29 cents per share, compared with \$4.7 million, or 22 cents per share, in 1995. Excluding a 1995 pre-tax charge of \$3.9 million for costs related to the second-quarter acquisition of the hazardous and nuclear waste remediation business of Rust International Inc., earnings for the nine months ended September 30, 1995, would have been 34 cents per share. Revenue for the nine months reached \$406.4 million, up 29 percent from the \$315.6 million reported in 1995.

Net Gains Outpace Revenue Increases

"As we expected, increases in our bottom line have outpaced increases in revenue, and we have improved our net results for the quarter compared with a year ago," said James L. Kirk, Chairman, President and Chief Executive Officer. "Our goal is continued revenue growth in the 10-to-20 percent range, with slightly higher bottom-line increases," he added.

(more)

Revenue Gains Primarily from Government Sector

Although revenue from private-sector work rose modestly, by 2 percent, a 22 percent increase in third-quarter revenues from government projects accounted for the bulk of the revenue gains. As expected, the largest gains came from work under existing contracts with the U.S. Army Corps of Engineers, the U.S. Air Force and work at Department of Energy facilities.

DOE Market Potential Key to Growth Outlook

One key to the Company's growth will be its success winning work at Department of Energy facilities as that market shifts from a management and operations focus to a cleanup and completion focus. Kirk said he anticipates increased bidding opportunities for Department of Energy projects throughout 1997.

While the DOE market for cleanup services has been slower to unfold than the Department of Defense, the potential size of the DOE market is estimated to be \$200-\$350 billion over 50-75 years. The Company hopes to duplicate in the DOE market its earlier success in the DOD market.

Contract Backlog

The total potential value of contract backlog was \$1.9 billion at September 30, 1996, down from \$2.1 billion a year ago. The obligated portion of backlog stood at \$434 million at September 30, 1996, up 11 percent from \$392 million at June 30, 1996.

Balance Sheet Improves

The Company reported a \$26 million year-to-date reduction in long-term debt and a 33.6 percent decrease in interest expense. Long-term debt now represents 32 percent of total capital, down from 39 percent at December 31, 1995.

Except for the historical information contained herein, the matters discussed in this news release are forward looking statements that involve risks and uncertainties, including, but not limited to, projected financial results, funding of backlog, the Company's ability to win contracts in its target markets, industry-wide market factors, and regulatory enforcement.

With 27 years experience and the completion of approximately 30,000 projects, OHM provides a broad range of treatment technologies to clean up hazardous and nuclear waste sites through more than 30 offices nationwide. The Company's public sector client base includes the U.S. Army Corps of Engineers, the U.S. Departments of the Navy and the Air Force, the U.S. EPA and work at U.S. Department of Energy facilities, as well as private sector clients in the petroleum, chemical, transportation and general manufacturing industries.

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OHM Corporation
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(In Thousands, Except Per Share Data)

<u>THREE MONTHS ENDED SEPTEMBER 30:</u>	<u>1996</u>	<u>1995</u>
	(Unaudited)	
Revenue	\$158,272	\$135,886
Gross Profit	20,638	19,071
Selling, General and Administrative Expense	13,124	12,348
Operating Income	7,514	6,723
Net Income	<u>3,996</u>	<u>3,187</u>
Net Income Per Share	<u>\$0.15</u>	<u>\$0.12</u>
Weighted Average Number of Common and Common Equivalent Shares Outstanding	<u>26,862</u>	<u>27,064</u>
<u>NINE MONTHS ENDED SEPTEMBER 30:</u>	<u>1996</u>	<u>1995</u>
	(Unaudited)	
Revenue	\$406,412	\$315,604
Gross Profit	53,228	48,125
Selling, General and Administrative Expense (1)	36,243	33,314
Operating Income	16,985	14,811
Net Income	<u>7,705</u>	<u>4,708</u>
Net Income Per Share	<u>\$0.29</u>	<u>\$0.22</u>
Weighted Average Number of Common and Common Equivalent Shares Outstanding	<u>26,787</u>	<u>21,126</u>

Note:

(1) Selling, general and administrative expenses for the nine months ended September 30, 1995, include a \$3,854,000 pre-tax charge for integration costs related to the Company's acquisition of the hazardous and nuclear waste remediation services business units of Rust International Inc. Without such charge, the Company's earnings per share for the nine months ended September 30, 1995 would have been \$0.34.