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**OHM CORPORATION REPORTS SOLID 3RD-QTR GAINS IN BASE BUSINESS;  
RESULTS FROM NEWLY ACQUIRED RUST BUSINESS FALLS SHORT OF  
EXPECTATIONS**

FINDLAY, OHIO, November 1, 1995--OHM Corporation (NYSE:OHM), a leading hazardous waste remediation firm, today reported third quarter net income rose 22 percent to \$3.2 million, or 12 cents per share on about 69 percent more shares outstanding, compared with last year's net income of \$2.6 million or 16 cents per share. Gross revenues for the quarter ended September 30, 1995 reached \$135.9 million, a 49 percent increase over the \$91.3 million reported for the year-ago quarter.

For the nine months ended September 30, 1995 pro forma net income was \$7.1 million, or 34 cents per share on 31 percent more shares outstanding, a 30 percent increase over last year's \$5.5 million or 34 cents per share. Pro forma results exclude a \$3.9 million pretax charge for costs related to the second-quarter acquisition of the hazardous and nuclear waste remediation business of Rust International Inc. Reported net income for the first nine months of 1995 was \$4.7 million or 22 cents per share. Gross revenues for the nine months were up 21 percent to \$315.6 million, compared with \$261.0 million in 1994.

"Our base business is performing consistent with our expectations, however, the recently acquired Rust remediation business is significantly below forecasted levels," said James L. Kirk, Chairman, President and Chief Executive Officer. "The revenue shortfall and increased operating costs from the acquired Rust units has impacted our operating results. We are working with senior management of WMX Technologies, Inc. to secure additional remediation and other opportunities to make up for the significant shortfall in revenues while intensifying our sales and marketing efforts and implementing cost reductions."

## **STRONG GOVERNMENT SECTOR**

“Activity remains strong in the government sector, the primary source of business for OHM’s base operations,” Kirk said. “Growth in our government business has been significant with an increase in gross revenues of 71 percent for the quarter and 61 percent for the nine months ended September 30, 1995 as compared with the year-ago periods. We continue to benefit from firm delivery orders, largely from the Department of Defense Base Realignment and Closure Program, which totaled \$280 million for the first nine months of 1995 compared with \$191 million in the 1994 period.”

“The long-range outlook for our government business continues to be highly favorable,” he said. “Recently we received contract awards from government clients with potential revenues in excess of \$170 million over the next several years. In addition, government agencies’ environmental program funding levels reflect Congress’ mandate to shift spending from studies to actual remediation work. We’re also seeing signs of accelerated activity in cleanups at Department of Energy sites, the result of Congressional prodding to move ahead with actual remediation,” Kirk added. “OHM has identified approximately \$700 million in remediation contract opportunities at DOE sites over the next year.”

## **PRIVATE SECTOR AND SUPERFUND SECTORS SHOW SIGNS OF IMPROVEMENT**

During the last quarter, we have seen a significant increase in stand alone private sector and Superfund bidding opportunities. We believe that the private sector market hit bottom in early 1995 and has stabilized through the rest of the year. Pending resolution of Superfund issues, 1996 should be a solid year for OHM in the private sector and larger Superfund projects market.

## **RECENT CONTRACT AWARDS**

The most recent contract award continues our expansion into the DOE and provides OHM a potential value of \$17 million of revenues over the next five years, with \$7.3 million coming in the initial two-year term of the contract and the balance during 3 one-year options. The cost-plus-fixed-fee contract, awarded to OHM by primary DOE contractor Lockheed Martin, calls for decontamination, decommissioning and waste management services in laboratories, hot cells and other buildings at an atomic laboratory in the Northeast.

Previously announced third-quarter contracts include:

- remediation for the Baltimore Total Environmental Restoration Contract for the U.S. Army Corps of Engineers, with an estimated potential value exceeding \$100 million over the next 10 years

- a \$33 million contract for construction of a 47-acre repository cell to hold 2.7 million cubic yards of uranium mill tailings at the Monticello Mill Site in Monticello, Utah, for the DOE
- a \$29 million contract for remediation work at the Portland Cement Superfund site for the state of Utah

### **OBLIGATED BACKLOG AT RECORD LEVEL**

The obligated portion of contract backlog, representing firm commitments and delivery orders under government term contracts, rose to a record \$482 million at September 30, up 89 percent from \$255 million a year earlier, and 27 percent from \$380 million at June 30, 1995. The increase from June is attributed to delivery orders under government term contracts and contract awards. The increase from the prior year also includes the acquired backlog from the Rust transaction. Total contract backlog, including term contracts, stood at \$2.1 billion at September 30, 1995 compared to \$1.8 billion at September 30, 1994.

### **ADDITIONAL BIDDING OPPORTUNITIES**

“We continue to see strength in bidding opportunities with the Department of Defense and are optimistic that significant opportunities will continue to arise for Department of Energy contracts,” Kirk said. “In addition, if the Superfund reauthorization program clears Congress, private sector cleanup opportunities should increase.”

OHM currently has \$335 million in federal government term contract proposals outstanding and expects to bid on more than \$1.0 billion in the coming 6-12 months. “Our goal remains to win 25 percent to 33 percent of the dollar amount bid on these contracts,” Kirk said, “although our recent win rate has been slightly better than that range.”

With 26 years’ experience and the completion of approximately 30,000 projects, OHM provides a broad range of treatment technologies to clean up hazardous waste sites through its more than 30 offices nationwide. The Company’s client base includes firms in the petroleum, chemical, transportation and general manufacturing industries as well as public sector clients including 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.

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**OHM Corporation**  
**CONSOLIDATED STATEMENTS OF INCOME**

(In Thousands, Except Per Share Data)

**THREE MONTHS ENDED SEPTEMBER 30:**

	1995	1994
	(Unaudited)	
Gross Revenues	\$135,886	\$91,308
Net Revenues	92,941	69,333
Gross Profit	19,071	15,033
Selling, General and Administrative Expense	12,348	8,419
Operating Income	6,723	6,614
Net Income	3,187	2,615
Net Income Per Share	\$0.12	\$0.16
Weighted Average Number of Common and Common Equivalent Shares Outstanding	27,045	16,045

**NINE MONTHS ENDED SEPTEMBER 30:**

	1995		
	Reported	Pro Forma <sup>(1)</sup>	1994
	(Unaudited)		(Unaudited)
Gross Revenues	\$315,604	\$315,604	\$261,025
Net Revenues	220,104	220,104	186,171
Gross Profit	48,125	48,125	39,108
Selling, General and Administrative Expense	33,314	29,460	24,022
Operating Income	14,811	18,665	15,086
Net Income	4,708	7,136	5,489
Net Income Per Share	\$0.22	\$0.34	\$0.34
Weighted Average Number of Common and Common Equivalent Shares Outstanding	21,119	21,119	16,176

**Note:**

(1) Pro Forma amounts for the nine months ended September 30, 1995, exclude the effects of 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.