



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 4TH QTR EPS OF 14 CENTS VS 8 CENTS IN 1995

- Full-Year Revenue up 20% to \$551.0 million
- Full-Year Net Income up 26% to \$11.5 million from '95 Pro Forma Results
- Balance Sheet Strengthens

FINDLAY, OHIO February 13, 1997--OHM Corporation (NYSE:OHM), today announced that fourth-quarter net income climbed 81 percent to \$3.8 million, or 14 cents per share, compared with \$2.1 million, or 8 cents per share, a year earlier. Revenue for the quarter ended December 31, 1996, increased slightly to \$144.6 million from \$142.3 million.

For the full year 1996, OHM reported net income rose 26 percent to \$11.5 million, or 43 cents per share, compared with \$9.1 million, or 40 cents per share in 1995, excluding a 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. With the charge, net income for 1995 was \$6.8 million, or 30 cents per share, on a weighted average number of shares outstanding that was 19 percent less than in 1996. Revenue for 1996 reached \$551.0 million, up 20 percent from the \$457.9 million reported for 1995.

James L. Kirk, Chairman, President, and Chief Executive Officer said, "OHM's gains in net income surpassed increases in revenue which is consistent with our target of annual revenue growth of 10 percent to 20 percent, with slightly faster growth on the bottom line."

(more)

Revenue Gains Primarily from Government Sector

Although 1996 revenue from private-sector work was up 15 percent due primarily to the 1995 acquisition, revenue from government contracts fueled most of the growth with a 22 percent increase and continued to provide about three-fourths of OHM's revenue. Gains in the government sector came principally from existing contracts with the Air Force, Army Corps of Engineers and contracts for work at Department of Energy (DOE) facilities.

"We continue to see stable funding for Department of Defense (DOD) environmental work and significant new bidding opportunities from the DOE as that agency continues to shift its focus from operations to cleanups," Kirk said.

DOE Market Provides Long-Term Growth Potential

"DOE, while still an emerging segment, remains an important element of our growth," Kirk said. "The DOE's environmental management budget is three times larger than the DOD's environmental restoration budget. We hope our success in winning a share of the DOE projects will match our established success in Department of Defense bidding. We see a number of large bidding opportunities in 1997 alone." OHM is one of five teams bidding on the Mound opportunity which the DOE has estimated to have a potential value of \$100 million per year over the next nine years. That award has been delayed while the federal agency seeks further information from bidders.

Backlog

The total potential value of contract backlog was \$1.8 billion at December 31, 1996, down from \$2.0 billion a year earlier. The obligated portion of backlog at year-end was \$375 million, compared with \$434 million at September 30, 1996.

1995 Acquisition Fully Integrated, Strengthened Competitive Position, Balance Sheet

Kirk said, "We have fully integrated the Rust operations acquired in 1995, and while the private sector business, which provided the bulk of Rust's revenues, has not rebounded as strongly as we had hoped, the transaction has made some positive contributions. The added nuclear remediation capabilities have strengthened our position in bidding on Department of Energy contracts where we see the strongest growth in remediation in coming years."

Philip Strawbridge, OHM's Vice President and Chief Financial Officer, added, "Our increased focus on cash flow and the 1995 acquisition of Rust significantly strengthened our balance sheet. This along with the WMX financing guarantee contributed to a decrease in interest expense which improved our net results compared to 1995. We will continue to focus on cash flow and expect additional improvements in this area as we implement our integrated, Oracle-based Project Management and Accounting System. Long-term debt now represents 23 percent of total capital, down from 39 percent at December 31, 1995." The Company reported a \$51 million reduction in long-term debt and a 32 percent reduction in interest expense compared with a year earlier.

(more)

Forward Looking Statements

Statements contained in this press release which are not historical facts are forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are subject to risks and uncertainties which could cause actual results to differ materially from those projected. Such risks and uncertainties include fluctuations in funding of backlog, weather conditions, the Company's ability to win contracts in its target markets, industry-wide market factors, economic conditions, and regulatory enforcement, as well as other risks detailed in the Company's filings with the Securities and Exchange Commission, including its most recent Quarterly Report on Form 10Q. In addition, there is always risk and uncertainty in pursuing and defending litigation, arbitration proceedings and claims in the course of the Company's business.

The Company anticipates that the trial of the litigation between the Company and Citgo Petroleum Corporation and Occidental Petroleum Corporation concerning a cleanup project in the Lake Charles, Louisiana area will be held in the summer or fall of 1997. The litigation between the Company and Occidental Chemical Corporation concerning a clean up project in the Buffalo, New York area is scheduled for trial in the fall of 1997. In the normal course of the Company's business, the Company pursues claims, including litigation and arbitration proceedings, against property owners, subcontractors and other parties concerning various cleanup projects. While the Company has established reserves for certain litigation and claim exposures, and believes that it will prevail on the litigation and the claims referred to above, adverse results in these proceedings could have a material adverse impact on the Company.

OHM is a leading firm managing environmental cleanup projects for government and private industry clients and provides a broad range of services, equipment, and treatment technologies for decontamination and cleanup operations. OHM has over 28 years experience in the environmental remediation business, has completed over 31,000 projects, and pioneered the emergency environmental response segment. 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.

###

OHM Corporation

CONSOLIDATED STATEMENTS OF INCOME

(In Thousands, Except Per Share Data)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	1996	1995	1996	1995
	(Unaudited)			
Revenues	\$144,572	\$142,321	\$550,984	\$457,925
Cost of services	125,740	125,670	478,924	393,149
Gross Profit	18,832	16,651	72,060	64,776
Selling, general and administrative expenses (1)	13,007	11,909	49,250	45,223
Operating Income	5,825	4,742	22,810	19,553
Other (income) expenses:				
Investment income	(12)	(249)	(124)	(849)
Interest expense	1,429	1,886	7,087	10,413
Equity in net earnings of affiliate	(116)	-	(748)	(287)
Miscellaneous, net	(785)	(16)	(296)	(72)
	516	1,621	5,919	9,205
Income Before Income Taxes	5,309	3,121	16,891	10,348
Income taxes	1,499	1,022	5,376	3,541
Net Income	\$3,810	\$2,099	\$11,515	\$6,807
Net Income Per Share	\$0.14	\$0.08	\$0.43	\$0.30
Weighted average number of common and common equivalent shares outstanding	26,989	26,701	26,844	22,525

Note:

-
- (1) Selling, general and administrative expenses for the twelve months ended December 31, 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 twelve months ended December 31, 1995 would have been \$0.40.