



OHM Corporation

NEWS RELEASE

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FOR IMMEDIATE RELEASE

OHM CORPORATION REPORTS 1ST QUARTER RESULTS

- **EPS at 5 cents; In Line with Estimates**
- **Decrease in S,G&A and Interest Expense Offset Lower Revenue**
- **Bidding Activity Strong; Approximately \$1.3 Billion in Proposals Pending**
- **Target Remains Revenue Growth of 10-20%**

FINDLAY, OHIO, May 6, 1997—OHM Corporation (NYSE:OHM), today announced that first quarter net income increased eight percent to \$1.4 million, or five cents per share, from \$1.3 million, or five cents per share, in the same quarter a year ago. Revenue for the period was \$108.5 million compared with \$119.0 million a year ago, as a modest increase in government sector revenue was offset by a substantial decline in private sector revenue.

James L. Kirk, chairman, president and chief executive officer, said, "With our Department of Defense activities continuing at a steady pace and the potential for significant expansion of our Department of Energy activities during the course of the year, we are being selective in the price-driven private sector, which is suffering from inconsistent regulatory enforcement. While that decision is having an impact on near-term results, we believe growth will resume in the second half of the 1997, and our goal remains 10 to 20 percent annual revenue growth, with faster expansion of the bottom line."

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Kirk added, "We are continuing, however, to investigate services and business lines by which we can assist our customers and enhance overall return to shareholders. Our parameters for such opportunities are straightforward. We are seeking service-related arenas that leverage one or more of our core competencies and are driven by recurring, profitable business, with demonstrated growth potential, higher margins and lower dependence on regulatory enforcement."

Department of Energy Market Potential

Through the end of April, OHM has outstanding approximately \$1.3 billion in bids for projects, the majority of which is for work at Department of Energy (DOE) facilities. The Company expects to bid on a significant number of additional opportunities in the second quarter.

"Like the Department of Defense several years ago, the DOE market is poised for tremendous expansion in actual site cleanups. OHM, which has a track record of successful performance for the DOE and a leadership position in the cleanup industry, is actively pursuing bidding opportunities. We have every reason to believe we will achieve our long-standing goal of winning 25 to 30 percent of the contract value on which we bid," said Kirk.

The Company stated that it has received notification from the DOE that it has been selected to continue negotiations for the cleanup of the Mound site in Miamisburg, Ohio. The DOE has estimated that this program could have a potential value of \$100 million per year over the next nine years. The final award is expected to be determined in June.

Revenue Trends Reflect Market Conditions

The nine percent decline in revenue for the quarter was predominantly due to the weakness in the private sector. In the government sector, the Company recorded revenue of \$92.4 million vs. \$90.6 million a year ago. Government revenue now represents 85 percent of the Company's business.

Decrease in S,G&A and Interest Expense Offset Lower Revenue

For the quarter, the Company saw a modest improvement in the gross profit percentage to 12.8 percent from 12.6 percent which reflected a higher gross profit percentage in its government sector revenue. The net income gain reflected a reduction in selling, general and administrative expenses and a 30 percent decline in interest expense. The Company's balance sheet remains strong with long-term debt to total capital at 23 percent, unchanged from December 31, 1996.

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Contract Backlog

The total potential value of contract backlog was \$1.7 billion at March 31, 1997, down from \$1.8 billion at year-end. The obligated portion of contract backlog was \$372 million compared with \$375 million at December 31, 1996. The decline in contract backlog reflects the successful conversion of backlog to revenue. The Company expects contract backlog to rise in the second half of 1997 as contract opportunities are awarded.

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. 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 undertakes no obligation to publicly revise these forward-looking statements to reflect events or circumstances that arise after the date of this release.

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.

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

<u>THREE MONTHS ENDED MARCH 31:</u>	<u>1997</u>	<u>1996</u>
	(Unaudited)	
Revenue	\$108,498	\$118,963
Gross Profit	13,851	15,030
Selling, General and Administrative Expense	10,409	11,176
Operating Income	3,442	3,854
Net Income	<u>1,438</u>	<u>1,330</u>
Net Income Per Share	<u>\$0.05</u>	<u>\$0.05</u>
 Weighted Average Number of Common and Common Equivalent Shares Outstanding	 <u>27,090</u>	 <u>26,695</u>

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**CITY OF MONROE, MICHIGAN
WEST HIGH SERVICE BOOSTER PUMP STATION
MAY 12, 1997**

BID RESULTS

Siteworks Construction	\$ 586,922
Kirk Bros. Co.	\$ 597,000
Detroit Ironworks	\$ 628,413