



OHM Corporation

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**FOR IMMEDIATE RELEASE**

**OHM Reports 2<sup>nd</sup> Quarter Results**

- **EPS at 12 Cents, Excluding Charges, vs. 9 Cents**
- **Acquisition Provides Entry into New Market**
- **DOE Outlook Remains Positive**

**FINDLAY, OHIO, July 29, 1997** – OHM Corporation (NYSE:OHM), a leading provider of environmental and other services to government and private industry clients, today announced revenue for its second quarter ended June 30, 1997, was \$129.3 million compared with \$129.2 million in last year's second quarter. Net income, excluding previously announced charges, rose 35 percent to \$3.2 million, or 12 cents per share, from \$2.4 million, or 9 cents, last year. Including the primarily non-cash charges of \$34.8 million, or \$1.28 per share, the Company had a net loss of \$31.6 million, or \$1.16 per share for the quarter. The Company noted that it will realize a net \$12 million in cash in connection with the settlement of certain claims and litigation.

James L. Kirk, Chairman, President and Chief Executive Officer, commented, "During the second quarter we effected a transition for OHM that bodes well for our ability to continue to increase revenue and deliver enhanced shareholder value. In the same period that we made a strategic acquisition to enter the broader government outsourcing marketplace, we had the opportunity to generate cash through the settlement of a number of claims and litigation and to position the Company to liquidate its investment in NSC Corporation."

**Beneco Acquisition Provides Entry to New Market**

During June 1997, OHM announced that it had acquired Beneco Enterprises, Inc., a leading provider of project, program and construction management services to the Department of Defense (DOD) and other government agencies throughout the United States. The acquisition marked OHM's entry into the government outsourcing market for operations, maintenance and construction at federal facilities.

Kirk noted, "The acquisition of Beneco was a big step in leveraging our core competencies into new, high growth service areas, in this case taking advantage of the outsourcing and privatization trend occurring across federal, state and local levels of government. The acquisition satisfied our criteria for a service related business of a recurring nature that was not dependent on regulatory enforcement."

(more)

### **Revenue Trends Continue, DOE Market Potential Strong**

For the quarter, government sector revenue was up 8 percent to \$104.8 million, or 81 percent of total revenue. OHM continues to work steadily on DOD contracts awarded over the past three years. Private sector revenue declined 24 percent due to weak demand, reflecting a lack of regulatory enforcement pending reform and reauthorization of Superfund, as well as OHM's decision to be more selective in this sector.

At the end of the second quarter, OHM had \$1.7 billion in contract backlog, including \$378 million in obligated backlog, which was up slightly from the end of the first quarter. The Company expects backlog to increase in the second half of 1997. Kirk observed, "We currently have outstanding about \$1.2 billion in bids for projects, the majority for DOE facilities, and we expect to submit bids for a significant number of additional opportunities in the second half of the year. Like the DOD several years ago, the DOE market is poised for tremendous expansion in actual site cleanups."

### **Long-term Debt to Total Capital at 25% After Charges**

The \$34.8 million after-tax charges in the second quarter included \$20.4 million related to the settlement and resolution of previously disclosed claims and litigation. The Company will realize a net \$12 million in cash in conjunction with the settlement of certain claims and litigation. In addition, the Company incurred an after-tax charge of \$12.1 million associated with the write-down of its investment in NSC. Finally, the Company took an after-tax charge of \$2.3 million related to the consolidation of certain laboratory and operational functions to reduce costs. At June 30, 1997, long-term debt was \$49.7 million, or 25 percent of total capital compared with \$52.9 million, or 23 percent, at year-end 1996.

### **Six Month Results**

Revenue for the six months ended June 30, 1997, declined 4 percent to \$237.8 million from \$248.1 million in 1996. Net income, excluding the charges, was \$4.6 million, or 17 cents per share, compared with \$3.7 million, or 14 cents, a year ago.

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. Environmental Protection Agency and work at U.S. Department of Energy facilities, as well as private sector clients in the petroleum, chemical, transportation and general manufacturing industries.

### ***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, as well as other risks, are detailed in the Company's filings with the Securities and Exchange Commission. 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 Corporation

## CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(In Thousands, Except Per Share Data)

<b><u>THREE MONTHS ENDED JUNE 30:</u></b>	<u>1997</u>	<u>1996</u>
	(Unaudited)	
Revenue	\$129,313	\$129,177
Gross Profit	17,874	17,560
Claims settlement costs and other (1)	37,877	-
Selling, General and Administrative Expense	11,491	11,943
Operating Income	(31,494)	5,617
Write-down of investment in NSC Corporation (2)	14,949	-
Net Income	<u>(31,609)</u>	<u>2,379</u>
Net Income Per Share	<u>(\$1.16)</u>	<u>\$0.09</u>
Net Income Per Share, excluding charges	<u>\$0.12</u>	
 Weighted Average Number of Common and Common Equivalent Shares Outstanding	 <u>27,164</u>	 <u>26,830</u>
 <b><u>SIX MONTHS ENDED JUNE 30:</u></b>	<u>1997</u>	<u>1996</u>
	(Unaudited)	
Revenue	\$237,811	\$248,140
Gross Profit	31,725	32,590
Claims settlement costs and other (1)	37,877	-
Selling, General and Administrative Expense	21,900	23,119
Operating Income	(28,052)	9,471
Write-down of investment in NSC Corporation (2)	14,949	-
Net Income	<u>(30,171)</u>	<u>3,709</u>
Net Income Per Share	<u>(\$1.11)</u>	<u>\$0.14</u>
Net Income Per Share, excluding charges	<u>\$0.17</u>	
 Weighted Average Number of Common and Common Equivalent Shares Outstanding	 <u>27,127</u>	 <u>26,757</u>

(1) Charge recorded by the Company for the settlement of certain claims and litigation, and the consolidation of certain laboratory and operational functions.

(2) Charge recorded by the Company to write-down its equity investment in NSC Corporation to the expected realizable value given the Company's intention to divest this investment.