

NEWS

r e l e a s e

Contact: Richard T. Marabito
Chief Financial Officer
Telephone: (216) 292-3800
Fax: (216) 292-3974

OLYMPIC STEEL REPORTS SECOND QUARTER RESULTS

Cleveland, Ohio -- (August 1, 2002) Olympic Steel, Inc., (Nasdaq: ZEUS), a national steel service center, today announced financial results for the second quarter and six months ended June 30, 2002. Tons sold for the second quarter of 2002 increased 12.6% to 320 thousand from 284 thousand. Net sales increased 13.8% to \$123.7 million from \$108.7 million in the second quarter of 2001. For the first half of 2002, tons sold increased 10.6% to 633 thousand from 573 thousand, and net sales increased 4.4% to \$235.7 million from \$225.8 million.

Net income for the second quarter totaled \$1.4 million or \$.15 per share before the \$3.3 million pre-tax charge associated with the Company's previously announced closure of its tubing operation. Net income for the prior year's second quarter totaled \$224 thousand or \$.02 per share. After considering the plant shutdown charge, the Company reported a net loss of \$618 thousand or \$.06 per share for the second quarter of 2002. \$2.6 million of the charge reflects a non-cash write-down of property and equipment to estimated sales value.

The Company's first half results included a \$2.1 million non-cash, after tax write-off of goodwill in accordance with Statement of Financial Accounting Standard No. 142. Net income for the first six months totaled \$1.6 million, or \$.17 per share before the plant shutdown and goodwill charges, compared to a net loss of \$787 thousand or \$.08 per share for the prior year period. After these charges, net loss totaled \$2.5 million, or \$.26 per share, for the first six months of 2002.

"We are pleased to report a significant increase in tons sold and revenue generated. Before considering the plant shutdown charge, this was our most profitable quarter in over two years," stated Michael D. Siegal, Chairman and Chief Executive Officer. "Management's concentrated focus on aligning and improving our balance sheet to our corporate objectives should allow better returns going forward," concluded Mr. Siegal.

The Company believes the risks associated with the remainder of the year include uncertain customer demand, a continued tight credit and capital market, and a lack of consumer confidence.

A simulcast and replay of Olympic Steel's second quarter conference call may be accessed at the Company's web site. The simulcast will begin at approximately 10:00 a.m. Eastern Time today and a replay of the call will be available through August 9, 2002.

Founded in 1954, Olympic Steel is a North American steel service center that is experienced in the specialized processing and distribution of large volumes of flat-rolled carbon and stainless steel products. Headquartered in Cleveland, Ohio, the company operates 12 distribution and processing facilities and participates in two joint ventures in Michigan. For further information about Olympic Steel, Inc., visit the Company's web site at <http://www.olysteel.com>.

OLYMPICSTEEL
SUMMARY FINANCIAL INFORMATION

(in thousands, except per share and tonnage data)

	<u>Three Months Ended June 30,</u>				<u>Six Months Ended June 30,</u>			
	<u>2002</u>		<u>2001</u>		<u>2002</u>		<u>2001</u>	
<u>SUMMARY</u>	(unaudited)				(unaudited)			
Net sales	\$123,701		\$108,707		\$235,718		\$225,827	
Operating income	93	0.1%	1,845	1.7%	1,721	0.7%	2,318	1.0%
Net income (loss)	\$ (618)		\$ 224		\$ (2,533)		\$ (787)	
Basic and diluted net income (loss) per share	\$ (0.06)		\$ 0.02		\$ (0.26)		\$ (0.08)	
 <u>DETAILS</u>								
Tons sold								
Direct	278,624		251,408		551,814		506,204	
Toll	41,305		32,807		81,672		66,522	
	319,929		284,215		633,486		572,726	
% change	12.6%		(9.7%)		10.6%		(12.5%)	
Net sales	\$123,701		\$108,707		\$235,718		\$225,827	
% change	13.8%		(21.8%)		4.4%		(20.4%)	
Cost of sales	93,422		82,007		178,448		172,683	
Gross margin	30,279	24.5%	26,700	24.6%	57,270	24.3%	53,144	23.5%
Operating expenses								
Warehouse and processing	8,437	6.8%	7,532	6.9%	15,965	6.8%	15,660	6.9%
Administrative and general	6,321	5.1%	6,454	5.9%	12,674	5.4%	13,196	5.8%
Distribution	4,847	3.9%	4,297	4.0%	9,223	3.9%	8,297	3.7%
Selling	3,544	2.9%	3,164	2.9%	6,896	2.9%	6,450	2.9%
Occupancy	1,134	0.9%	1,086	1.0%	2,293	1.0%	2,586	1.1%
Depreciation and amortization	2,603	2.1%	2,322	2.1%	5,198	2.2%	4,637	2.1%
Plant shutdown charge	3,300	2.7%	-	0.0%	3,300	1.4%	-	0.0%
Total operating expenses	30,186	24.4%	24,855	22.9%	55,549	23.6%	50,826	22.5%
Operating income	93	0.1%	1,845	1.7%	1,721	0.7%	2,318	1.0%
Income (loss) from OLP joint venture	502		48		700		(172)	
Income (loss) from TSP joint venture	(1)		11		(7)		8	
Income before financing costs and tax	594		1,904		2,414		2,154	
Interest expense	1,599		973		3,090		2,173	
Receivable securitization expense	-		566		-		1,260	
Financing costs	1,599	1.3%	1,539	1.4%	3,090	1.3%	3,433	1.5%
Income (loss) before taxes	(1,005)	(0.8%)	365	0.3%	(676)	(0.3%)	(1,279)	(0.6%)
Income taxes	(387)	38.5%	141	38.6%	(260)	38.5%	(492)	38.5%
Income (loss) before cumulative effect of change in accounting principle	(618)		224		(416)		(787)	
Cumulative effect of change in accounting principle, net of tax of \$1,298	-		-		2,117		-	
Net income (loss)	\$ (618)		\$ 224		\$ (2,533)		\$ (787)	
Basic and diluted net income (loss) per share	\$ (0.06)		\$ 0.02		\$ (0.26)		\$ (0.08)	
Weighted average shares outstanding	9,635		9,631		9,633		9,545	

It is the Company's policy not to make quarterly or annual sales or earnings projections for external use and not to endorse any analyst's sales or earnings estimates.

OLYMPICSTEEL
SUMMARY OTHER FINANCIAL INFORMATION

(in thousands, except ratios)

	<u>June 30,</u>		<u>December 31,</u>
	<u>2002</u>	<u>2001</u>	<u>2001</u>
	(unaudited)		(audited)
Accounts receivable	\$ 59,983	\$ 51,689	\$ 38,754
Inventories	75,962	80,869	72,287
Net property and equipment	103,092	114,780	111,111
Total assets	255,295	265,922	235,415
Current liabilities	37,407	32,363	32,455
Total debt	99,630	107,539	84,499
Shareholders' equity	118,760	124,133	121,272
Shareholders' equity per share	12.32	12.89	12.59
Debt-to-equity ratio	.84 to 1	.87 to 1	.70 to 1

	<u>Six Months Ended</u>	
	<u>June 30,</u>	
	<u>2002</u>	<u>2001</u>
	(unaudited)	
Change in working capital	\$ 26,377	\$ 40,304
Capital expenditures	1,477	1,792
EBITDA (a)	9,519	6,955

(a) Includes \$2,600 non-cash portion of plant shutdown charge.

The Company's policy not to make quarterly or annual sales or earnings projections for external use and not to endorse any analyst's sales or earnings estimates.

It is the Company's policy not to make quarterly or annual sales or earnings projections for external use and not to endorse any analyst's sales or earnings estimates. Forward-looking statements in this release are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those projected. Readers are cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof. Such risks and uncertainties include, but are not limited to, general business and economic conditions; competitive factors such as the availability and pricing of steel and fluctuations in demand; work stoppages by automotive or steel manufacturers; equipment installation delays or malfunctions; and the Company's ability to realize better returns from achieving its corporate objectives. Please refer to the Company's Securities and Exchange Commission filings for further information.