

NEWS

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OLYMPIC STEEL REPORTS FIRST QUARTER 2003 RESULTS

Cleveland, Ohio -- (May 8, 2003) Olympic Steel, Inc., (Nasdaq: ZEUS), a national steel service center, today announced financial results for the first quarter ended March 31, 2003.

Net sales for the first quarter of 2003 increased 4.2% to \$114.9 million from \$110.2 million. Tons sold decreased 13% to 269 thousand from 309 thousand in the first quarter of 2002. Net loss was \$479 thousand, or \$.05 per share, compared to a net loss of \$1.9 million, or \$.20 per share for last year's first quarter. Operating income totaled \$379 thousand, compared to \$2.3 million for the prior year period. First quarter results in 2002 included losses from the Company's discontinued Tubing operation and the cumulative effect of a change in accounting principle for goodwill.

"Customer demand for flat-rolled steel was unusually weak in the first quarter," stated Michael D. Siegal, Chairman and Chief Executive Officer. "Our results were also impacted by lower gross profits, due to the soft demand coupled with selling higher-priced steel purchased during tight supply conditions in 2002. In response to the challenging market environment, we quickly reduced our inventory by 9%, reduced employment by another 8%, implemented additional cost cutting measures, and refinanced our debt with a lower rate credit facility in the first quarter of 2003. Although business conditions are not expected to improve in the second quarter, we remain committed to aggressively managing our balance sheet, cash flows, and operating expenses," concluded Mr. Siegal.

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>.

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, economic and political conditions; competitive factors such as the availability and pricing of steel and fluctuations in customer demand; layoffs or work stoppages by the Company's, suppliers', or customers' personnel; equipment installation delays or malfunctions; and customer, supplier, and competitor consolidation or insolvency. Please refer to the Company's Securities and Exchange Commission filings for further information.

OLYMPICSTEEL
SELECTED FINANCIAL INFORMATION

(in thousands, except per share data and ratios)

	Three Months Ended		
	March 31,		
	2003	2002	
	(unaudited)		
<u>SUMMARY RESULTS OF OPERATIONS:</u>			
Net sales	\$ 114,880	\$ 110,239	
Operating income	379	2,270	
Income (loss) from continuing operations before income taxes and cumulative effect of a change in accounting principle	(798)	735	
Income (loss) from continuing operations before cumulative effect of a change in accounting principle	(479)	452	
Loss from discontinued operations, net of income taxes	-	(250)	
Cumulative effect of a change in accounting principle, net of income taxes	-	(2,117)	
Net loss	<u>\$ (479)</u>	<u>\$ (1,915)</u>	
Basic and diluted net income (loss) per share:			
Income (loss) from continuing operations	\$ (0.05)	\$ 0.05	
Loss from discontinued operations	-	(0.03)	
Cumulative effect of a change in accounting principle	-	(0.22)	
Net loss per share	<u>\$ (0.05)</u>	<u>\$ (0.20)</u>	
	As of March 31,		December 31
	2003	2002	2002
	(unaudited)		
<u>SUMMARY BALANCE SHEET DATA:</u>			
Accounts receivable, net	\$ 59,167	\$ 55,825	\$ 48,877
Inventories	92,435	70,604	101,837
Net property and equipment	95,331	109,319	97,323
Total assets	258,982	245,153	262,911
Current liabilities	35,666	37,954	43,962
Total debt	109,080	93,332	106,793
Shareholders' equity	115,024	119,331	115,495
Shareholders' equity per share	11.93	12.39	11.98
Debt-to-equity ratio	.95 to 1	.78 to 1	.92 to 1
	Three Months Ended		
	March 31,		
	2003	2002	
	(unaudited)		
<u>OTHER DATA:</u>			
Capital expenditures	95	449	
EBITDA (a)	2,466	4,408	

(a) Defined as operating income plus depreciation.

Certain 2002 amounts have been reclassified to conform to the 2003 presentation.

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OLYMPICSTEEL
RESULTS OF OPERATIONS

(in thousands, except per share and tonnage data)

	Three Months Ended March 31,			
	2003		2002	
	(unaudited)			
Tons sold				
Direct	229,501		268,725	
Toll	39,434		40,367	
	268,935		309,092	
% change	(13.0%)		10.1%	
Net sales	\$ 114,880		\$ 110,239	
% change	4.2%		(2.9%)	
Cost of materials sold	90,987		82,094	
Gross profit	23,893	20.8%	28,145	25.5%
Operating expenses				
Warehouse and processing	7,988	7.0%	8,929	8.1%
Administrative and general	5,808	5.1%	6,188	5.6%
Distribution	3,764	3.3%	4,288	3.9%
Selling	2,754	2.4%	3,293	3.0%
Occupancy	1,113	1.0%	1,039	0.9%
Depreciation	2,087	1.8%	2,138	1.9%
Total operating expenses	23,514	20.5%	25,875	23.5%
Operating income	379	0.3%	2,270	2.1%
Income (loss) from joint ventures	(29)		192	
Income before financing costs and income taxes	350		2,462	
Interest and other expense on debt	1,148	1.0%	1,727	1.6%
Income (loss) from continuing operations before income taxes and cumulative effect of a change in accounting principle	(798)	(0.7%)	735	0.7%
Income tax benefit (provision)	319	40.0%	(283)	38.5%
Income (loss) from continuing operations before cumulative effect of a change in accounting principle	(479)		452	
Discontinued operations:				
Loss from discontinued tube operation, net of income tax benefit of \$156 in 2002	-		(250)	
Income (loss) before cumulative effect of a change in accounting principle	(479)		202	
Cumulative effect of a change in accounting principle, net of income tax benefit of \$1,298 in 2002	-		(2,117)	
Net loss	\$ (479)		\$ (1,915)	
Basic and diluted net income (loss) per share:				
Income (loss) from continuing operations	\$ (0.05)		\$ 0.05	
Loss from discontinued operations	-		(0.03)	
Cumulative effect of a change in accounting principle	-		(0.22)	
Net loss per share	\$ (0.05)		\$ (0.20)	
Weighted average shares outstanding	9,644		9,631	

Certain 2002 amounts have been reclassified to conform to the 2003 presentation.

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