

NEWS

R E L E A S E

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OLYMPIC STEEL REPORTS RECORD RESULTS FOR 2004 FOURTH QUARTER AND FULL YEAR

Cleveland, Ohio -- (February 22, 2005) Olympic Steel, Inc., (Nasdaq: ZEUS), a national steel service center, today announced record sales and earnings results for the fourth quarter and the year ended December 31, 2004.

Net sales for the fourth quarter of 2004 increased 87.1% to \$240.2 million from \$128.4 million in the fourth quarter a year ago. Tons sold decreased 8.8% to 303 thousand from 332 thousand in the fourth quarter of 2003. Fourth quarter 2004 net income totaled \$12.2 million, or \$1.17 per diluted share, compared to a net loss of \$2.1 million, or \$(0.22) per diluted share for last year's fourth quarter. Fourth quarter results were impacted by \$(.03) per share for an increase in the Company's bad debt reserve for a Tier 1 automotive supplier's bankruptcy filing in early February 2005.

Annual 2004 net sales increased 89.2% to \$894.2 million from \$472.5 million in the prior year. Tons sold increased 14.7% to 1.36 million from 1.18 million in 2003. Net income for 2004 was \$60.1 million or \$5.88 per diluted share, compared to a net loss of \$3.3 million, or \$(0.34) per diluted share in 2003.

"We are pleased to report record net sales and earnings," stated Michael D. Siegal, Chairman and Chief Executive Officer. "Our tons sold in the fourth quarter were lower, particularly to the service center sector, as a result of higher inventories in that spot market sector. We expect this inventory overhang to diminish during the first quarter of 2005, as imports are decreasing and end use consumers of steel have remained extremely busy."

"We are also pleased that our strong balance sheet and cash management efforts resulted in a small reduction of debt during 2004, while our working capital employed increased by \$78 million. In addition, we are highly confident that the extraordinary effort by many will have Olympic Steel in full 404 Sarbanes-Oxley compliance."

"With continuing strong end use demand, high steel-making raw material and energy costs, and a weak U.S. dollar, our outlook remains favorable for 2005. We are optimistic about our ability to meet our customers' anticipated increased needs for steel and value added services. We will install two new laser-processing machines in Cleveland during the first quarter of 2005, and two others in our Central Region later this year," concluded Mr. Siegal.

Founded in 1954, Olympic Steel is a leading U.S. steel service center focused on the direct sale and distribution of large volumes of processed carbon, coated and stainless flat-rolled sheet, coil and plate steel products. Headquartered in Cleveland, Ohio, the Company operates 12 facilities and participates in two joint ventures. For further information, 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 and global business, economic and political conditions; competitive factors such as the availability and pricing of steel and fluctuations in customer demand; the ability of customers to maintain their credit availability in periods of escalating steel prices; layoffs or work stoppages by the Company's suppliers', or customers' personnel; equipment installation delays or malfunctions; the successes of the Company's efforts and initiatives to increase sales volumes, improve cash flows and reduce debt, maintain or improve inventory turns, and reduce costs; the successes of the Company's joint ventures; 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		Twelve Months Ended	
	December 31,		December 31,	
	2004	2003	2004	2003
<u>SUMMARY RESULTS OF OPERATIONS:</u>	(unaudited)		(audited)	
Net sales	\$ 240,209	\$ 128,417	\$ 894,157	\$ 472,548
Operating income (loss)	20,644	(1,850)	102,807	166
Income (loss) before income taxes	20,014	(3,241)	98,893	(5,001)
Net income (loss)	<u>\$ 12,159</u>	<u>\$ (2,112)</u>	<u>\$ 60,078</u>	<u>\$ (3,260)</u>
Earnings per share:				
Net income (loss) per share - basic	\$ 1.22	\$ (0.22)	\$ 6.12	\$ (0.34)
Net income (loss) per share - diluted	\$ 1.17	\$ (0.22)	\$ 5.88	\$ (0.34)

	December 31,	
	2004	2003
	(audited)	
<u>SUMMARY BALANCE SHEET DATA:</u>		
Accounts receivable, net	\$ 93,336	\$ 56,501
Inventories	186,124	92,775
Net property and equipment	83,571	89,782
Total assets	374,146	249,002
Current liabilities	95,688	42,574
Total debt	96,022	97,797
Shareholders' equity	176,525	112,236
Shareholders' equity per share	17.58	11.63
Debt-to-equity ratio	.54 to 1	.87 to 1

	Twelve Months Ended	
	December 31,	
	2004	2003
<u>OTHER DATA:</u>	(audited)	
Capital expenditures	\$ 2,029	\$ 836
EBITDA (a)	111,503	8,487

(a) Defined as operating income plus depreciation plus an asset impairment charge in 2004.

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OLYMPIC STEEL
RESULTS OF OPERATIONS

(in thousands, except per share and tonnage data)

	Three Months Ended December 31,				Twelve Months Ended December 31,			
	2004		2003		2004		2003	
	(audited)		(audited)		(audited)		(audited)	
Tons sold								
Direct	264,766		279,859		1,170,932		996,609	
Toll	37,747		52,001		184,224		184,659	
	<u>302,513</u>		<u>331,860</u>		<u>1,355,156</u>		<u>1,181,268</u>	
% change	(8.8%)		29.3%		14.7%		2.0%	
Net sales	\$ 240,209		\$ 128,417		\$ 894,157		\$ 472,548	
% change	87.1%		15.7%		89.2%		2.9%	
Cost of materials sold	<u>187,418</u>		<u>101,430</u>		<u>651,787</u>		<u>372,692</u>	
Gross profit	52,791	22.0%	26,987	21.0%	242,370	27.1%	99,856	21.1%
Operating expenses								
Warehouse and processing	10,131	4.2%	8,920	6.9%	42,582	4.8%	33,127	7.0%
Administrative and general	10,080	4.2%	5,644	4.4%	44,820	5.0%	22,901	4.8%
Distribution	4,511	1.9%	4,573	3.6%	18,775	2.1%	16,538	3.5%
Selling	4,381	1.8%	6,666	5.2%	19,792	2.2%	14,867	3.1%
Occupancy	981	0.4%	960	0.7%	4,898	0.5%	3,936	0.8%
Depreciation	2,063	0.9%	2,074	1.6%	8,209	0.9%	8,321	1.8%
Asset impairment charge	-	0.0%	-	0.0%	487	0.1%	-	0.0%
Total operating expenses	<u>32,147</u>	13.4%	<u>28,837</u>	22.5%	<u>139,563</u>	15.6%	<u>99,690</u>	21.1%
Operating income (loss)	20,644	8.6%	(1,850)	(1.4%)	102,807	11.5%	166	0.0%
Income (loss) from joint ventures	<u>511</u>		<u>(358)</u>		<u>741</u>		<u>(1,012)</u>	
Income (loss) before financing costs and income taxes	21,155		(2,208)		103,548		(846)	
Interest and other expense on debt	<u>1,141</u>	0.5%	<u>1,033</u>	0.8%	<u>4,655</u>	0.5%	<u>4,155</u>	0.9%
Income (loss) before income taxes	20,014	8.3%	(3,241)	(2.5%)	98,893	11.1%	(5,001)	(1.1%)
Income tax provision (benefit)	<u>7,855</u>	39.2%	<u>(1,129)</u>	34.8%	<u>38,815</u>	39.2%	<u>(1,741)</u>	34.8%
Net income (loss)	<u>\$ 12,159</u>		<u>\$ (2,112)</u>		<u>\$ 60,078</u>		<u>\$ (3,260)</u>	
Earnings per share:								
Net income (loss) per share - basic	<u>\$ 1.22</u>		<u>\$ (0.22)</u>		<u>\$ 6.12</u>		<u>\$ (0.34)</u>	
Weighted average shares outstanding - basic	<u>9,997</u>		<u>9,648</u>		<u>9,816</u>		<u>9,646</u>	
Net income (loss) per share - diluted	<u>\$ 1.17</u>		<u>\$ (0.22)</u>		<u>\$ 5.88</u>		<u>\$ (0.34)</u>	
Weighted average shares outstanding - diluted	<u>10,394</u>		<u>9,648</u>		<u>10,222</u>		<u>9,646</u>	

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