

NEWS

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Olympic Steel Reports 2002 Annual and Fourth Quarter Results

Cleveland, Ohio -- (March 27, 2003) Olympic Steel, Inc., (Nasdaq: ZEUS), a national steel service center, today announced fourth quarter and year end results for 2002.

Net sales for the fourth quarter of 2002 increased 21.2% to \$111.0 million from \$91.6 million in 2001. Tons sold totaled 257 thousand in the fourth quarter for both 2002 and 2001. Net loss totaled \$3.4 million, or \$.35 per share, compared to a net loss of \$1.9 million, or \$.19 per share, for last year's fourth quarter.

The 2002 fourth quarter results included non-cash, after-tax charges of \$2.3 million or \$.24 per share. The charges consisted of \$1.0 million, or \$.11 per share, of accelerated depreciation of previously capitalized costs associated with suspension of the Company's business system development project, and \$1.3 million, or \$.13 per share, of accelerated financing fee amortization from the early termination of the Company's refinanced credit agreement.

Tons sold for 2002 increased 8.6% to 1.16 million, and net sales increased 13.5% to \$459.4 million from \$404.8 million in 2001. Net loss for 2002 totaled \$5.8 million, or \$.60 per share, compared to a net loss of \$3.6 million, or \$.38 per share for 2001.

The 2002 annual net loss included non-recurring charges of \$.74 per share. In addition to the fourth quarter depreciation and amortization charges, the Company's 2002 results included a \$2.1 million charge, or \$.22 per share, for the non-cash, after-tax write-off of goodwill in accordance with Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets," and \$2.6 million, or \$.28 per share, associated with the closure of its tube processing operation and disposition of its assets.

During the second quarter of 2002, the Company announced its plans to close its unprofitable tube processing operation (Tubing) located in Cleveland, Ohio. In association with the Tubing closure, the Company recorded a one-time charge as a component of operating expenses in the second quarter of 2002. The Company's year-end financial statements have been reclassified to reflect the Tubing closure as a discontinued operation rather than as a component of operating expenses. Additionally, the Company's 2000 and 2001 financial statements were re-audited and reclassified to conform to the 2002 presentation. These reclassifications had no effect on net income or shareholders' equity for any of the periods presented.

"While 2002 was another challenging year for the steel industry, it was also a year of accomplishments for Olympic Steel. Although we are disappointed in the earnings results, we

are encouraged by our achievements despite a very tumultuous marketplace,” stated Michael D. Siegal, Chairman and Chief Executive Officer. “We were pleased to report growth in market share via an 8.6% increase in tons sold during the third consecutive year of declining steel consumption in the United States. We also achieved a 6.1% reduction in recurring operating expenses per ton sold through reducing our employment base, improving productivity, and closing our unprofitable Tubing operation. The year end refinancing of our high-costed credit agreement provides us with a new competitive financing facility, which is expected to significantly reduce the Company’s financing costs in 2003.”

“We are also pleased with our balance sheet and cash flow management during arguably the most challenging three years in the steel industry. During this time, we improved inventory turns from about three and a half times per year to a peak of almost six times during 2002. New accounting rules required that we write-off goodwill from our balance sheet in 2002, leaving us with net worth per share of \$11.98 at year end. We have reduced our debt from a peak of \$155 million to \$107 million at December 31, 2002. While we remain concerned about overall economic conditions and continued weak demand from our customer base, we believe that our focus on gaining market share, combined with our decisive actions have better positioned Olympic Steel for profitability once market conditions improve,” concluded Mr. Siegal.

A simulcast and replay of Olympic Steel’s fourth quarter conference call may be accessed at the Company’s web site. The simulcast will begin at approximately 11:00 a.m. Eastern Time today and a replay of the call will be available through April 4, 2003.

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		Twelve Months Ended	
	December 31,		December 31,	
	2002	2001	2002	2001
<u>SUMMARY INCOME STATEMENT DATA:</u>	(unaudited)		(audited)	
Net sales	\$ 110,967	\$ 91,551	\$ 459,384	\$ 404,803
Operating income (loss)	(2,247)	(778)	5,838	2,871
Loss from continuing operations before income taxes and cumulative effect of a change in accounting principle	(5,490)	(2,752)	(1,627)	(5,022)
Loss from continuing operations before cumulative effect of a change in accounting principle	(3,376)	(1,693)	(1,001)	(3,089)
Loss from discontinued operations, net of income taxes	-	(170)	(2,641)	(559)
Cumulative effect of a change in accounting principle, net of income taxes	-	-	(2,117)	-
Net loss	<u>\$ (3,376)</u>	<u>\$ (1,863)</u>	<u>\$ (5,759)</u>	<u>\$ (3,648)</u>
Basic and diluted net loss per share:				
Loss from continuing operations	\$ (0.35)	\$ (0.17)	\$ (0.10)	\$ (0.32)
Loss from discontinued operations	-	(0.02)	(0.28)	(0.06)
Cumulative effect of a change in accounting principle	-	-	(0.22)	-
Net loss per share	<u>\$ (0.35)</u>	<u>\$ (0.19)</u>	<u>\$ (0.60)</u>	<u>\$ (0.38)</u>

	As of December 31,	
	2002	2001
	(audited)	
<u>SUMMARY BALANCE SHEET DATA:</u>		
Accounts receivable, net	\$ 48,877	\$ 38,725
Inventories	101,837	72,287
Net property and equipment	97,323	111,111
Total assets	262,911	235,386
Current liabilities	43,962	32,455
Total debt	106,793	84,499
Shareholders' equity	115,495	121,243
Shareholders' equity per share	11.98	12.59
Debt-to-equity ratio	.92 to 1	.70 to 1

	Twelve Months Ended	
	December 31,	
	2002	2001
<u>OTHER DATA:</u>	(audited)	
Change in working capital	\$ 33,939	\$ 13,620
Capital expenditures	1,490	2,635
EBITDA	15,935	11,658

Certain 2001 amounts have been reclassified to conform to the 2002 presentation with no effect on net loss to shareholders' equity.

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
INCOME STATEMENT DETAILS

(in thousands, except per share and tonnage data)

	<u>Three Months Ended December 31,</u>				<u>Twelve Months Ended December 31,</u>			
	<u>2002</u>		<u>2001</u>		<u>2002</u>		<u>2001</u>	
	(unaudited)				(audited)			
Tons sold								
Direct	219,987		223,575		1,004,406		935,952	
Toll	36,708		33,819		153,922		131,044	
	<u>256,695</u>		<u>257,394</u>		<u>1,158,328</u>		<u>1,066,996</u>	
% change	(0.3%)		(4.0%)		8.6%		(9.0%)	
Net sales	\$ 110,967		\$ 91,551		\$ 459,384		\$ 404,803	
% change	21.2%		(17.2%)		13.5%		(19.9%)	
Cost of sales	<u>89,568</u>		<u>69,638</u>		<u>355,231</u>		<u>307,136</u>	
Gross margin	21,399	19.3%	21,913	23.9%	104,153	22.7%	97,667	24.1%
Operating expenses								
Warehouse and processing	6,601	5.9%	7,327	8.0%	30,063	6.5%	30,016	7.4%
Administrative and general	5,591	5.0%	5,789	6.3%	24,008	5.2%	24,506	6.1%
Distribution	3,967	3.6%	3,749	4.1%	17,319	3.8%	15,524	3.8%
Selling	2,829	2.5%	2,735	3.0%	12,884	2.8%	11,853	2.9%
Occupancy	917	0.8%	887	1.0%	3,944	0.9%	4,110	1.0%
Depreciation and amortization	<u>3,741</u>	<u>3.4%</u>	<u>2,204</u>	<u>2.4%</u>	<u>10,097</u>	<u>2.2%</u>	<u>8,787</u>	<u>2.2%</u>
Total operating expenses	23,646	21.3%	22,691	24.8%	98,315	21.4%	94,796	23.4%
Operating income (loss)	(2,247)	(2.0%)	(778)	(0.8%)	5,838	1.3%	2,871	0.7%
Income (loss) from joint ventures	<u>(56)</u>		<u>54</u>		<u>606</u>		<u>(160)</u>	
Income (loss) before financing costs and income taxes	(2,303)		(724)		6,444		2,711	
Interest and other expense on debt	3,187		2,028		8,071		6,473	
Receivable securitization expense	-		-		-		1,260	
Total financing costs	3,187	2.9%	2,028	2.2%	8,071	1.8%	7,733	1.9%
Loss from continuing operations before income taxes and cumulative effect of a change in accounting principle	(5,490)	(4.9%)	(2,752)	(3.0%)	(1,627)	(0.4%)	(5,022)	(1.2%)
Income tax benefit	<u>2,114</u>	<u>38.5%</u>	<u>1,059</u>	<u>38.5%</u>	<u>626</u>	<u>38.5%</u>	<u>1,933</u>	<u>38.5%</u>
Loss from continuing operations before cumulative effect of a change in accounting principle	(3,376)		(1,693)		(1,001)		(3,089)	
Discontinued operations:								
Loss from discontinued tube operation, net of income tax benefit of \$653 in 2002, and \$350 in 2001	-		(170)		(1,042)		(559)	
Loss on disposition of discontinued tube operation, net of income tax benefit of \$1,001	-		-		(1,599)		-	
Loss before cumulative effect of a change in accounting principle	(3,376)		(1,863)		(3,642)		(3,648)	
Cumulative effect of a change in accounting principle, net of income tax benefit of \$1,298	-		-		(2,117)		-	
Net loss	<u>\$ (3,376)</u>		<u>\$ (1,863)</u>		<u>\$ (5,759)</u>		<u>\$ (3,648)</u>	
Basic and diluted net loss per share:								
Loss from continuing operations	\$ (0.35)		\$ (0.17)		\$ (0.10)		\$ (0.32)	
Loss from discontinued operations	-		(0.02)		(0.28)		(0.06)	
Cumulative effect of a change in accounting principle	-		-		(0.22)		-	
Net loss per share	<u>\$ (0.35)</u>		<u>\$ (0.19)</u>		<u>\$ (0.60)</u>		<u>\$ (0.38)</u>	
Weighted average shares outstanding	9,642		9,631		9,637		9,588	

Certain 2001 amounts have been reclassified to conform to the 2002 presentation with no effect on net loss.

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