

NEWS

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Olympic Steel Reports 2003 Annual and Fourth Quarter Results

Cleveland, Ohio -- (February 12, 2004) Olympic Steel, Inc., (Nasdaq: ZEUS), a national steel service center, today announced fourth quarter and year end results for 2003.

Net sales for the fourth quarter of 2003 increased 15.7% to \$128.4 million from \$111.0 million in 2002. Tons sold for the fourth quarter of 2003 increased 29.3% to 332 thousand from 257 thousand in the fourth quarter of 2002. Net loss totaled \$2.1 million, or \$.22 per share, compared to a net loss of \$3.4 million, or \$.35 per share, for last year's fourth quarter. The Company's fourth quarter operating expenses included a \$3.6 million, or \$.24 per share, bad debt charge related to receivables, primarily from a customer that filed for bankruptcy protection in December 2003, deemed uncollectible.

Annual tons sold for 2003 increased 2.0% to 1.18 million from 1.16 million in the prior year, and net sales increased 2.9% to \$472.5 million from \$459.4 million in 2002. Net loss for 2003 totaled \$3.3 million, or \$.34 per share, compared to a net loss of \$5.8 million, or \$.60 per share for 2002.

The 2002 fourth quarter results included non-cash, after-tax charges of \$2.3 million or \$.24 per share, and the 2002 annual net loss included non-recurring charges of \$.74 per share. As previously reported, the 2002 non-recurring charges included accelerated depreciation and amortization, the write-off of goodwill, and costs associated with the closure of the Company's tube processing operation.

"While overall disappointing, 2003 was a pivotal year for the steel industry, including Olympic Steel. Starting in recession, many events, including low interest rates, a falling U.S. dollar and low systemic inventories, began to improve business conditions as the year progressed. Additionally, the Presidential removal of Section 201 steel tariffs, increased Chinese consumption of raw materials and metallics, including scrap steel, and increasing domestic demand further improved the overall business and specific climate by the end of the year," stated Michael D. Siegal, Chairman and Chief Executive Officer.

"Due to our 2003 operating cost reduction measures and aggressive inventory management, we believe the Company is well positioned to benefit in 2004," 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 10:00 AM Eastern Time today and a replay of the call will be available through February 16, 2004.

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,	
	2003	2002	2003	2002
<u>SUMMARY RESULTS OF OPERATIONS:</u>	(unaudited)		(audited)	
Net sales	\$ 128,417	\$ 110,967	\$ 472,548	\$ 459,384
Operating income (loss)	(1,850)	(2,247)	166	5,838
Loss from continuing operations before income taxes and cumulative effect of a change in accounting principle	(3,241)	(5,490)	(5,001)	(1,627)
Loss from continuing operations before cumulative effect of a change in accounting principle	(2,112)	(3,376)	(3,260)	(1,001)
Loss from discontinued operations, net of income taxes	-	-	-	(2,641)
Cumulative effect of a change in accounting principle, net of income taxes	-	-	-	(2,117)
Net loss	<u>\$ (2,112)</u>	<u>\$ (3,376)</u>	<u>\$ (3,260)</u>	<u>\$ (5,759)</u>
Basic and diluted net loss per share:				
Loss from continuing operations	\$ (0.22)	\$ (0.35)	\$ (0.34)	\$ (0.10)
Loss from discontinued operations	-	-	-	(0.28)
Cumulative effect of a change in accounting principle	-	-	-	(0.22)
Net loss per share	<u>\$ (0.22)</u>	<u>\$ (0.35)</u>	<u>\$ (0.34)</u>	<u>\$ (0.60)</u>

	As of December 31,	
	2003	2002
	(audited)	
Accounts receivable, net	\$ 56,501	\$ 48,877
Inventories	92,775	101,837
Net property and equipment	89,782	97,323
Total assets	249,002	262,911
Current liabilities	42,574	43,962
Total debt	97,797	106,793
Shareholders' equity	112,236	115,495
Shareholders' equity per share	11.63	11.98
Debt-to-equity ratio	.87 to 1	.92 to 1

	Twelve Months Ended	
	December 31,	
	2003	2002
	(audited)	
<u>OTHER DATA:</u>		
Capital expenditures	836	1,490
EBITDA (a)	8,487	15,935

(a) Defined as operating income plus depreciation.

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

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
RESULTS OF OPERATIONS

(in thousands, except per share and tonnage data)

	<u>Three Months Ended December 31,</u>				<u>Twelve Months Ended December 31,</u>			
	<u>2003</u>		<u>2002</u>		<u>2003</u>		<u>2002</u>	
	(unaudited)				(audited)			
Tons sold								
Direct	279,859		219,987		996,609		1,004,406	
Toll	52,001		36,708		184,659		153,922	
	<u>331,860</u>		<u>256,695</u>		<u>1,181,268</u>		<u>1,158,328</u>	
% change	29.3%		(0.3%)		2.0%		8.6%	
Net sales	\$ 128,417		\$ 110,967		\$ 472,548		\$ 459,384	
% change	15.7%		21.2%		2.9%		13.5%	
Cost of materials sold	<u>101,430</u>		<u>88,272</u>		<u>372,692</u>		<u>349,608</u>	
Gross profit	26,987	21.0%	22,695	20.5%	99,856	21.1%	109,776	23.9%
Operating expenses								
Warehouse and processing	8,920	6.9%	7,897	7.1%	33,127	7.0%	35,686	7.8%
Administrative and general	5,644	4.4%	5,591	5.0%	22,901	4.8%	24,008	5.2%
Distribution	4,573	3.6%	3,967	3.6%	16,538	3.5%	17,319	3.8%
Selling	6,666	5.2%	2,829	2.5%	14,867	3.1%	12,884	2.8%
Occupancy	960	0.7%	917	0.8%	3,936	0.8%	3,944	0.9%
Depreciation	2,074	1.6%	3,741	3.4%	8,321	1.8%	10,097	2.2%
Total operating expenses	<u>28,837</u>	22.5%	<u>24,942</u>	22.5%	<u>99,690</u>	21.1%	<u>103,938</u>	22.6%
Operating income (loss)	(1,850)	(1.4%)	(2,247)	(2.0%)	166	0.0%	5,838	1.3%
Income (loss) from joint ventures	<u>(358)</u>		<u>(56)</u>		<u>(1,012)</u>		<u>606</u>	
Income (loss) before financing costs and income taxes	(2,208)		(2,303)		(846)		6,444	
Interest and other expense on debt	<u>1,033</u>	0.8%	<u>3,187</u>	2.9%	<u>4,155</u>	0.9%	<u>8,071</u>	1.8%
Loss from continuing operations before income taxes and cumulative effect of a change in accounting principle	(3,241)	(2.5%)	(5,490)	(4.9%)	(5,001)	(1.1%)	(1,627)	(0.4%)
Income tax benefit	<u>1,129</u>	34.8%	<u>2,114</u>	38.5%	<u>1,741</u>	34.8%	<u>626</u>	38.5%
Loss from continuing operations before cumulative effect of a change in accounting principle	(2,112)		(3,376)		(3,260)		(1,001)	
Discontinued operations:								
Loss from discontinued tube operation, net of income tax	-		-		-		(1,042)	
Loss on disposition of discontinued tube operation, net of income tax benefit	-		-		-		(1,599)	
Loss before cumulative effect of a change in accounting principle	(2,112)		(3,376)		(3,260)		(3,642)	
Cumulative effect of a change in accounting principle, net of income tax benefit	-		-		-		(2,117)	
Net loss	<u>\$ (2,112)</u>		<u>\$ (3,376)</u>		<u>\$ (3,260)</u>		<u>\$ (5,759)</u>	
Basic and diluted net loss per share:								
Loss from continuing operations	\$ (0.22)		\$ (0.35)		\$ (0.34)		\$ (0.10)	
Loss from discontinued operations	-		-		-		(0.28)	
Cumulative effect of a change in accounting principle	-		-		-		(0.22)	
Net loss per share	<u>\$ (0.22)</u>		<u>\$ (0.35)</u>		<u>\$ (0.34)</u>		<u>\$ (0.60)</u>	
Weighted average shares outstanding	9,648		9,642		9,646		9,637	

Certain 2002 amounts have been reclassified to conform to the 2003 presentation with no effect on net loss.

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