

OLYMPIC STEEL REPORTS 2007 SECOND QUARTER SALES AND EARNINGS RESULTS

Cleveland, Ohio -- (August 3, 2007) Olympic Steel, Inc., (Nasdaq: ZEUS), a national steel service center, today announced its financial results for the second quarter of 2007.

Net sales for the second quarter of 2007 totaled \$277.4 million, an 8.3% increase from the \$256.2 million for the second quarter a year ago. Second quarter 2007 net income totaled \$9.4 million, or \$0.88 per diluted share, compared to net income of \$8.4 million, or \$0.79 per diluted share for last year's second quarter. Tons sold decreased 1.9% to 336 thousand from 343 thousand in the second quarter of 2006.

Net sales for the first half of 2007 increased 8.4% to \$536.8 million, compared to last year's first half net sales of \$495.0 million. Net income for the first half of 2007 totaled \$14.7 million or \$1.37 per diluted share, compared to \$16.4 million, or \$1.54 per diluted share for last year's first half. Tons sold in the first half decreased 4.9% to 648 thousand from 681 thousand in the first half of 2006, better than the Metals Service Center Institute statistics of a 8.7% decline in year-over-year flat rolled shipments for the first half of 2007.

Olympic Steel's Board of Directors approved a regular quarterly cash dividend of \$.04 per share to be paid to shareholders of record as of September 3, 2007, and distributed on September 17, 2007. This represents an increase of \$.01 per share from the previous regular quarterly dividends paid by the Company.

Commenting on the results, Chairman and Chief Executive Officer Michael D. Siegal, stated, "We are pleased to report improved sales and earnings performance over both the first quarter of 2007 and the second quarter of 2006. Aside from the slowness in domestic automotive steel consumption and in sales to other service centers, where we experienced our entire decline in 2007 volume, we remain optimistic about the steel industry and the opportunities for Olympic Steel to create additional value for our shareholders during the remainder of the year. Carbon imports remain low, and service center inventories were reduced for the eighth consecutive month in June 2007, leading to a potentially improving sales and earnings environment when demand is restored from the current seasonal summer slowdown. With the strength of our balance sheet and our 0.25 to 1 debt-to-equity ratio, we are increasing investments in new equipment, facilities and information technology. In the first half of 2007, we have spent \$5.5 million on capital projects in process, including a new stretcher leveler for our Minneapolis Coil facility, an expansion to our Iowa facility, the implementation of a new information system, and the purchase of several new laser, plasma and machining centers to support our growth in value-add processing and gross margin expansion," concluded Mr. Siegal.

A simulcast of Olympic Steel's 2007 second quarter earnings conference call may be accessed via the Investor Relations section of the Company's website at www.olysteel.com. The simulcast will begin at 10:00 a.m. Eastern Time today and a replay of the call will be available for 14 days thereafter.

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 16 facilities. For further information, visit the Company's web site at <http://www.olysteel.com>.

It is the Company's policy 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. Forward-looking statements are typically identified by words or phrases such as "may," "will," "should," "expect," "anticipate," "intend," "plan," "believe," "estimate," "potential," or "continue," as well as the negative of these terms or other similar expressions. 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.

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, industry inventory levels, and rapid fluctuations in customer demand and pricing; the cyclicity and volatility within the steel industry; the ability of customers (especially in the automotive industry) to maintain their credit availability; layoffs or work stoppages by the Company's, suppliers' or customers' personnel; the availability and cost of transportation and logistical services; equipment installation delays or malfunctions; the successes of the Company's capital investments, efforts and initiatives to increase sales volumes, improve cash flows and reduce debt, maintain or improve inventory turnover, and reduce costs; the timing and outcome of efforts and ability to liquidate OLP's remaining assets; the adequacy of our existing information technology and business system software and the success of implementing our new information system; customer, supplier, and competitor consolidation or insolvency; the post-acquisition integration of PS&W; and the Company's ability to pay regular quarterly cash dividends. Further information on these and other risks and uncertainties is provided under Item 1A "Risk Factors" of the Company's Annual Report on Form 10-K and Quarterly Reports on Form 10-Q, which disclosure is incorporated herein by reference, and elsewhere in reports that the Company files or furnishes with the SEC. This release speaks only as of its date and the Company undertakes no obligation to publicly update forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent required by law. You are advised, however, to consult any further disclosures the Company makes on related subjects in its reports filed with or furnished to the SEC.

OLYMPICSTEEL
SELECTED FINANCIAL INFORMATION

(in thousands, except per share data and ratios)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2007	2006	2007	2006
<u>SUMMARY RESULTS OF OPERATIONS:</u>	(unaudited)		(unaudited)	
Net sales	\$ 277,413	\$ 256,155	\$ 536,818	\$ 495,026
Operating income	15,871	16,042	25,281	28,876
Income before income taxes	15,018	13,667	23,401	26,240
Net income	<u>\$ 9,446</u>	<u>\$ 8,371</u>	<u>\$ 14,698</u>	<u>\$ 16,352</u>
Earnings per share:				
Net income per share - basic	\$ 0.89	\$ 0.80	\$ 1.40	\$ 1.58
Net income per share - diluted	\$ 0.88	\$ 0.79	\$ 1.37	\$ 1.54

	June 30,		December 31,
	2007		2006
	(unaudited)		(unaudited)
<u>SUMMARY BALANCE SHEET DATA:</u>			
Accounts receivable, net	\$ 120,600	\$ 108,196	\$ 85,883
Inventories	197,021	172,379	210,738
Net property and equipment	88,516	87,552	87,359
Total assets	437,416	386,641	405,320
Current liabilities	108,438	112,926	92,340
Total debt	64,296	44,479	68,328
Shareholders' equity	253,118	220,119	234,237
Shareholders' equity per share	23.65	21.11	22.46
Debt-to-equity ratio	.25 to 1	.20 to 1	.29 to 1

	Six Months Ended	
	June 30,	
	2007	2006
	(unaudited)	
<u>OTHER DATA:</u>		
Capital expenditures	5,509	8,127
Cash dividends per share	\$ 0.06	\$ 0.06

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.

OLYMPIC STEEL
RESULTS OF OPERATIONS

(in thousands, except per share and tonnage data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2007	2006	2007	2006
	(unaudited)		(unaudited)	
Tons sold				
Direct	296,849	287,810	570,175	569,615
Toll	39,276	54,775	77,539	111,139
	336,125	342,585	647,714	680,754
% change	(1.9%)	7.5%	(4.9%)	0.3%
Net sales	\$ 277,413	\$ 256,155	\$ 536,818	\$ 495,026
% change	8.3%	6.1%	8.4%	(5.9%)
Costs and expenses				
Cost of materials sold (exclusive of depreciation shown below)	221,729	202,795	433,760	394,508
Warehouse and processing	14,272	13,657	27,947	25,294
Administrative and general	11,271	9,743	21,535	19,047
Distribution	6,464	6,953	12,773	13,201
Selling	4,185	3,597	7,966	7,033
Occupancy	1,451	1,272	3,204	2,963
Depreciation	2,170	2,096	4,352	4,104
Total costs and expenses	261,542	240,113	511,537	466,150
Operating income	15,871	16,042	25,281	28,876
Loss from joint ventures	-	(30)	-	(137)
Loss from disposition of joint venture	-	(2,000)	-	(2,000)
Income before financing costs and income taxes	15,871	14,012	25,281	26,739
Interest and other expense on debt	853	345	1,880	499
Income before income taxes	15,018	13,667	23,401	26,240
Income tax provision	5,572	5,296	8,703	9,888
Net income	<u>\$ 9,446</u>	<u>\$ 8,371</u>	<u>\$ 14,698</u>	<u>\$ 16,352</u>
Earnings per share:				
Net income per share - basic	<u>\$ 0.89</u>	<u>\$ 0.80</u>	<u>\$ 1.40</u>	<u>\$ 1.58</u>
Weighted average shares outstanding - basic	<u>10,603</u>	<u>10,416</u>	<u>10,527</u>	<u>10,338</u>
Net income per share - diluted	<u>\$ 0.88</u>	<u>\$ 0.79</u>	<u>\$ 1.37</u>	<u>\$ 1.54</u>
Weighted average shares outstanding - diluted	<u>10,753</u>	<u>10,661</u>	<u>10,716</u>	<u>10,615</u>

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