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Ormet Releases Financial Results
For the three months and year ended December 31, 2009

Hannibal, Ohio – March 11, 2010 – Ormet Corporation, an independent U.S. producer of aluminum, announced its results of operations for the three months and year ended December 31, 2009. Results for the three months ended December 31, 2009 were a net loss of $9.8 million compared to a net loss of $1.8 million for the same period of 2008. Net profit for the year ended December 31, 2009 was $32.8 million compared to a net loss of $5.1 million for 2008.

2009 Results of Operations

Three months ended December 31, 2009

Net sales from continuing operations for the three months ended December 31, 2009 were $89.5 million compared to $126.1 million for the same period in 2008. The decrease is primarily attributed to a 33% reduction in operations in the 2009 period compared to the 2008 period and lower metal pricing due to the ending of the tolling agreement with Glencore, which was at above market pricing, in August 2009. Total volume of sow sold was 44,571 metric tonnes (tons) and 66,822 tons for the three month period ended December 31, 2009 and 2008, respectively. A small amount of toll revenue was generated in the fourth quarter of 2009, totaling $4.4 million, a decline of $102.9 million from tolling revenue of $107.3 million during the same period of 2008. Non-toll sow sales increased to $84.6 million on 41,571 tons during the three months of 2009 compared to $16.1 million on 9,631 tons for the same period in 2008. The decline in toll volume and increase in non toll revenue was due to the ending of the tolling agreement with Glencore. The monthly average cash settlement price on the LME including the Midwest premium was $2,122/metric ton and $1,915/metric ton during the fourth quarters of 2009 and 2008, respectively.

The gross profit for the three months ended December 31, 2009 was $0.2 million compared to a gross loss of $0.1 million for the same period in 2008. The $36.6 million sales decline, described above, was offset by a $36.8 million reduction in cost of sales. This cost of sales reduction was a result of the 33% decrease in production (approximately $34.8 million), the effect of lower unit costs for power and anodes of $19.2 million and $9.8 million, respectively. Power unit costs decreased from $50.70/MKh to $24.78/MKh while consumed anode cost declined from $968/ton to $599/ton for the three months ended December 30, 2008 and 2009, respectively. Additional cost increases for the 2009 period, principally for alumina as the 2008 period was dedicated to tolling, totaled $27.0 million

Operating expenses for the three months ended December 31, 2009 totaled $6.2 million, an increase of $8.9 million from the $2.7 million benefit for the same period in 2008. General and administrative expenses were $6.2 million and $5.6 million for the three month period 2009 and 2008, respectively. The increase was due to higher legal and professional fees of $0.6 million. Operating expense in the fourth quarter of 2008 was favorably impacted by a gain on the sale of vacant land at the Burnside alumina facility during that period amounting to $8.3 million.

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For the three months ended December 31, 2009, the Company reported a $6.0 million operating loss compared to an operating profit of $2.7 million in the same period of 2008.

Non operating expenses totaled $3.0 million versus $3.9 million for the three months ended December 31, 2009 and 2008, respectively. This decrease was due to a decrease in debt interest.

Discontinued operation expenses totaled $0.7 million for the three month period ending December 31, 2009 compared to $0.5 million for 2008 due to an increase in the amortization of pension plan losses allocated to discontinued operations.

For the three month period ended December 31, 2009, the Company recorded an alternative minimum tax provision of $0.1 million when there was no tax provision for the same period in 2008.

The average number of shares of common stock issued and outstanding during the three months ended December 31, 2009 was 18,461,952. The resulting net loss from continuing operations for the three month period ended December 31, 2009 was $0.49 per share compared to a net loss from continuing operations for the three month period ended December 31, 2008 of $0.07 per share with an average of 18,461,952 shares outstanding. Net loss per share was $0.52 during the three month periods ended December 31, 2009 compared to a net loss for the three month period ended December 31, 2008 of $0.10 per share.

Year Ended December 31, 2009

Net sales from continuing operations for the year ended December 31, 2009 were $419.3 million related to the sale of 218,423 tons of sow compared to $549.6 million for 260,149 tons for the same period in 2008. The decrease is the result of the reduction in 2009 of smelting operations that began during the second quarter from 6 to 4.6 potlines and eventually to 4 potlines in August 2009 as a result of the Glencore contractual dispute and ending the tolling agreement with Glencore. Non-toll sow revenue for 2009 totaled $150.2 million, a decline of 20% from non-toll sow revenue of $187.8 million from 2008. Non-toll sow volume sold increased during 2009 to 79,339 tons compared to 75,699 tons in the same period of 2008. The monthly average cash settlement price on the LME including the Midwest premium was $1,769/ton and $2,666/ ton during the calendar years 2009 and 2008, respectively. Sow revenue from tolling was $265.0 million for 2009 versus $346.5 million for 2008 reflecting the reduced operations and ending of the Glencore tolling agreement. Miscellaneous non sow sales were $4.1 million and $15.4 million for the years ended December 31, 2009 and 2008, respectively, reflecting the reduced level of operations in 2009 from 2008.

The gross profit for the year ended December 31, 2009 was $42.8 million compared to a gross profit of $27.5 million for the same period in 2008. The revenue decline described above of $130.3 million was offset by a $145.6 million decrease in cost of goods sold. In addition to the 16% reduction of sow volume sold which caused an $80.0 million decrease in cost of sales, a reduction in the electric power rate to $36.36/MKh for 2009 versus $50.61/MKh for 2008 had a favorable effect of $51.6 million, while improvements in power efficiency reduced costs by $6.1 million. Lower cost of anodes consumed and improved anode usage accounted for an additional reduction in cost of goods sold of $7.4 million and $4.8 million, respectively.

Operating expenses for the 2009 totaled $26.2 million, an increase of $10.1 million from $16.1 million for 2008, primarily due to increased legal and professional expenses of $3.8 million related to the arbitration with Glencore, partially offset by a reduction of $2.6 million in loan fee amortization costs. Operating expense in 2008 was also favorably impacted by the gain on the sale of vacant land at the Burnside alumina facility during 2008 of $8.3 million.

For the year ended December 31, 2009, the Company reported a $16.7 million operating profit compared to an operating profit of $11.4 million for the same period of 2008.

Non operating income totaled $19.0 million versus non operating expenses of $15.1 million for the years ended December 31, 2009 and 2008, respectively. The increase in non-operating income was due to the arbitration award, fees and associated interest paid by Glencore of $31.1 million and lower interest expense of $1.6 million. As noted above, legal and professional fees associated with the arbitration were $3.8 million.

For the year ended December 31, 2009, the Company recorded an alternative minimum tax provision of $.1 million. As of December 31, 2009, the Company has approximately $182.3 million of net operating losses (“NOL”) to carry-forward to apply to income tax liabilities in future years. The Company recorded certain valuation reserves and, as a result, no deferred tax assets or deferred tax liabilities are reflected on the balance sheet. As a result of a change of control as defined in Section 382 of the IRC, which took place in May 2007, NOL of $96.4 million are estimated to be subject to an annual Section 382 limitation of approximately $12.6 million, as of December 31, 2009. Unrestricted NOL as of December 31, 2009 are estimated to be approximately $85.9 million.

Discontinued operation expenses totaled $2.8 million for 2009 compared to a cost of $1.4 million for 2008 and reflected an increase in the amortization of pension plan losses allocated to discontinued operations of $1.4 million.

The average number of shares of common stock issued and outstanding during the year ended December 31, 2009 was 18,461,952. The resulting net income from continuing operations for the year ended December 31, 2009 was $1.93 per share compared to net loss from continuing operations for the year ended December 31, 2008 of $0.20 per share with an average of 18,300,270 shares outstanding during the year 2008. Net income per share was $1.78 for 2009 compared to a net loss of $0.28 for 2008.

Liquidity and Capital Resources

The net cash generated by operating activities was $57.2 million for 2009. Net cash was increased by net income and non cash expenses of $28.7 million and a decrease in working capital of $21.6 million (prepaid expenses of $16.6 million due to the adoption of standard terms for electricity consumed, trade accounts receivable and payable totaling $8.0 million, partially offset by an increase in inventory of $3.0 million), and reduced by pension and VEBA funding requirements (net of accrued expenses) totaling $26.8 million. Net cash used in investing activities was $10.1 million and was directly related to the relining of certain “pots” at the aluminum smelter in Ohio totaling $8.9 million. Net cash used from financing activities was $45.2 million, due to the payment of $1.2 million of financing fees and net payments on the bank line of credit of $44.0 million.

The cash balance of the Company at December 31, 2009 increased by $1.8 from the balance at December 31, 2008 to a total of $4.0 million.

On March 2, 2010, the Company announced its new $50 million credit facility and $110 million term loan.   As of March 5, 2010, liquidity reflected $26.0 million in cash and $21.7 million of availability on the new bank credit facility and there was no outstanding loan balance on the credit facility with $5.6 million of outstanding letters of credit remaining issued.

Mike Tanchuk, Ormet’s President and CEO commented that, “We are pleased with our strong 2009 financial performance in an exceedingly difficult economic environment. The results reflected how well we positioned ourselves with our 2008 metal pre-pricing and our reduced smelter operating costs. The last half of 2009's results was negatively impacted by the contract arbitration and ending of the tolling agreement with Glencore. We currently have a portion of 2010 business pre-priced and are watching the market closely."

The complete Ormet 2009 annual disclosure and financial statements will be available on the Company's website. Please visit the Investor section of the website at www.ormet.com.

Cautionary Statement

This Statement contains forward-looking statements that can be identified by use of words such as "anticipates," "believes," "estimates," "expects," "hopes," "targets," "should," "forecast," "outlook," "projects" or other words of similar meaning. All statements that address the Company's expectations or projections about the future, including statements about the Company's strategy for growth, cost reduction goals, expenditures, financial results, liquidity and capital needs, are forward-looking statements. Forward-looking statements are based on the Company's estimates, assumptions and expectations of future events and are subject to a number of risks and uncertainties and may or may not be realized. The Company cannot guarantee its future performance or results of operations. All forward-looking statements in this press release are based on information available to the Company on the date hereof. The Company disclaims any intention or obligation to update or revise any forward-looking statements, except as may be required by law. The Company's business is subject to a number of significant risks and uncertainties. Reference is made to the risk factors and other disclosures contained in the Company's Information and Disclosure Statements for the year ended December 31, 2009, which is available on the Company's website at www.ormet.com. Given the significant uncertainties and risks to which the Company is subject (a) the reader should not place undue reliance on forward-looking statements contained in this press release and (b) the Company's future results could differ materially from the Company's current results and from those anticipated in the Company's forward-looking statements.

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Headquartered in Hannibal, Ohio, Ormet Corporation is a major U.S. producer of aluminum. Ormet employs approximately 1,000 people. For more information, visit the website at www.ormet.com.

Ormet Corporation
Consolidated Financial Statements
December 31, 2009
($000; except per share amounts)

CONSOLIDATED STATEMENT OF OPERATIONS

	Three Months Ended December 31		Year Ended December 31	
	2009	2008	2009	2008
Net sales from continuing operations	$ 89,530	$ 126,094	$ 419,284	$ 549,626
Total cost of sales	89,309	126,145	376,444	522,085
Gross profit (loss)	221	(51)	42,840	27,541
Operating expenses (income)				
General and administrative expenses	6,209	5,557	26,336	24,401
Gain on sale of assets	2	(8,270)	(153)	(8,270)
Operating income (loss)	(5,990)	2,662	16,657	11,410
Non-operating (expenses) income				
Income from arbitration award	-	-	31,096	-
Other income (expense), net	(199)	(241)	844	(502)
Interest expense	(2,783)	(3,657)	(12,961)	(14,571)
Total non-operating income (expenses)	(2,982)	(3,898)	18,979	(15,073)
Income (loss) before income tax	(8,972)	(1,236)	35,636	(3,663)
Income tax expense	80	-	80	-
Income (loss) from continuing operations	(9,052)	(1,236)	35,556	(3,663)
Loss from discontinued operations	(719)	(521)	(2,782)	(1,422)
Net income (loss)	$ (9,771)	$ (1,757)	$ 32,774	$ (5,085)
Shares outstanding:				
Average during period	18,462	18,462	18,462	18,300
As December 31	18,462	18,462	18,462	18,462
Net income (loss) per share from continuing operations	$ (0.49)	$ (0.07)	$ 1.93	$ (0.20)
Net income (loss) per share	$ (0.52)	$ (0.10)	$ 1.78	$ (0.28)

See the audited financial statements which will be available on the Company's website in the Investor's section– www.ormet.com.

Ormet Corporation
Consolidated Financial Statements
December 31, 2009
($000)

Consolidated Balance Sheet

	12/31/2009	12/31/2008
ASSETS		
Cash	$ 4,035	$ 2,156
Trade accounts receivable, net	8,614	13,308
Inventories	83,817	80,791
Prepaid expense and other current assets	1,351	17,781
Total current assets	97,817	114,036
Property and equipment	54,131	58,569
Goodwill	42,284	42,284
Assets held for sale	3,016	3,016
Other assets	1,605	3,725
TOTAL ASSETS	$ 198,853	$ 221,630
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Accounts payable	26,123	22,755
Bank line of credit	4,061	48,079
Accrued compensation	8,623	6,050
Accrued interest	2,635	1,005
Postretirement obligations	8,075	8,340
Other accrued liabilities	9,751	10,067
Total current liabilities	59,268	96,296
Long term debt	52,099	46,144
Other liabilities:		
Pension obligations	176,803	220,841
Postretirement obligations	51,107	56,648
Other liabilities	4,324	5,092
STOCKHOLDERS' DEFICIT	(144,748)	(203,391)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	$ 198,853	$ 221,630

Ormet Corporation
Consolidated Financial Statements
December 31, 2009
($000)

CONSOLIDATED STATEMENT OF CASH FLOWS

	Year Ended December 31, 2009	Year Ended December 31, 2008
Cash flows from operating activities		
Net income (loss)	**$ 32,774**	**$ (5,085)**
Adjustments to reconcile net income (loss) to net cash from:		
Depreciation and amortization	14,618	11,573
Bad debt expense (recovery)	19	(41)
Deferred interest	8,225	7,602
Impairment of fixed assets	-	144
Compensation expense related to options	2,784	2,828
Stock based compensation expense	-	-
Amortization of deferred financing costs	3,254	5,880
Gain on sale of property and equipment	(153)	(8,270)
Net change in:		
Trade accounts receivable	4,675	3,186
Inventory	(3,026)	17,142
Prepaid expenses & other assets	16,581	20,381
Accounts payable	3,368	9,548
Accrued liabilities & other assets	849	(4,950)
Pension and postretirement	(26,759)	(34,046)
Net cash provided (used) in operating activities	57,209	25,892
Cash flows from investing activities		
Proceeds from asset sales	353	9,011
Proceeds from sale of assets held for sale	-	-
Cash paid for intangible assets	-	(36)
Capital spending	(10,460)	(21,065)
Net cash used in investing activities	(10,107)	(12,090)
Cash flows from financing activities		
Repayment of long term loan	-	(13,166)
Proceeds from –long term debt	-	9,722
(Repayment) proceeds on bank line of credit - net	(44,018)	(7,962)
Payment of financing fees	(1,205)	(2,978)
Proceeds from issue of stock w arrants/stock options	-	278
Proceeds from issuance of equity interests	-	-
Net cash provided (used) by financing activities	(45,223)	(14,106)
Net (decrease) increase in cash	1,879	(304)
Cash - beginning of period	2,156	2,460
Cash - end of period	**$ 4,035**	**$ 2,156**

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