



Universal Compression Reports First Quarter Results For Fiscal 2002 Results

July 30, 2001

EBITDA Up 196% From Prior Year and 36% Over Prior Quarter

HOUSTON, July 30 /PRNewswire/ -- Universal Compression Holdings, Inc. (NYSE: UCO), a leading provider of natural gas compression services, today reported net income of \$10.5 million, or \$0.37 per diluted share, on revenues of \$140.3 million for its first fiscal 2002 quarter ended June 30, 2001. The Company reported a loss of \$252,000 before non-recurring charges and extraordinary items, on revenue of \$34.8 million, in the first quarter of fiscal 2001. Included in net income for the quarter ended June 30, 2001 is an increase of \$0.04 per diluted share from the adoption of the Financial Accounting Standards Board ("FASB") Statement 142, Goodwill and Other Intangible Assets. EBITDA for the first quarter of fiscal 2002 was \$46.8 million, an increase of 196 percent compared to \$15.8 million in the prior year period.

The Company's results improved significantly over the previous quarter ended March 31, 2001. Sequentially, EBITDA (net income plus income taxes, interest expense, leasing expense, management fees, depreciation and amortization excluding non-recurring items and extraordinary gains or losses) for the first quarter of fiscal 2002 increased 36 percent and net income, excluding special charges in the previous quarter, increased 80 percent. Net income, before taking into account the adoption of FASB Statement 142, increased 58 percent compared to the quarter ended March 31, 2001.

"The Company's improved financial performance is bolstered by a continuing healthy demand for compression services, which is driven primarily by the consumption of natural gas," said Stephen A. Snider, Universal's President and Chief Executive Officer. "We expect further improvement in our results throughout fiscal 2002 due to our ongoing capital expenditure program, contributions from newly acquired operations and projected efficiency enhancements from operations."

Segment Information

Rental revenue for the first quarter of fiscal 2002 was \$76.0 million, an increase of 31 percent from the previous quarter and 189 percent higher than the prior year period. The Company's rental compressor fleet totaled 2.0 million horsepower at June 30, 2001, compared to 1.9 million horsepower at March 31, 2001 and 708,000 horsepower at June 30, 2000. The Company's average horsepower utilization increased to 89 percent for the quarter from 87 percent in the quarter ended March 31, 2001 and 84 percent in the prior year period. International rental revenue for the quarter was \$14.0 million, an increase of 44 percent from the previous quarter and 242 percent higher than the prior year period. At June 30, 2001, the Company had approximately 319,000 horsepower under contract internationally.

Fabrication revenue for the quarter was \$32.2 million, up 13 percent from the quarter ended March 31, 2001 and an increase of 321 percent from the prior year period. Fabrication backlog was \$46.9 million at June 30, 2001, up from \$34 million at March 31, 2001 and \$18.4 million at June 30, 2000. Parts sales and service revenue for the quarter was \$32.2 million, an increase of 156 percent from the previous quarter, and was \$609,000 in the prior year period.

"We have increased our core rental compression segment, now over 2.1 million horsepower, and added complementary fabrication and service-related operations. In July 2001, we expanded into the pipeline compression market with acquisitions of KCI and Louisiana Compressor Maintenance," said Snider. "Looking ahead, we will continue to selectively seek growth opportunities, while striving to improve segment profit margins through the rationalization of acquired businesses. Through the implementation of growth strategies, our goal is to enhance financial results for our shareholders and offer a broad range of high quality compression services and products for natural gas field and pipeline markets."

Conference Call

Universal will host a conference call today at 10:00 am Central Time, 11:00 am Eastern Time to discuss the quarter's results and other corporate matters. The conference call will be broadcast over the Internet to provide interested persons the opportunity to listen to it live. The call will also be archived for one week to provide an opportunity to those unable to listen to the live broadcast. Both the live broadcast and replay of the archived version are free of charge to the user.

Persons wishing to listen to the conference call live may do so by logging on to www.vcall.com at least 15 minutes prior to the start of the call, find the listing for the Company's call under "Today's Vcalls" and click the "Listen Info" icon on the right, and then click "Real Audio" next to the date and time of the call. A replay of the call will remain available at the site through August 6, 2001.

Universal, headquartered in Houston, Texas, is a leading natural gas compression services company, providing a full range of rental, sales, operations, maintenance and fabrication services to the domestic and international natural gas industry.

Statements about Universal's outlook and all other statements in this release other than historical facts are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements rely on a number of assumptions concerning future events and are subject to a number of uncertainties and factors, many of which are outside Universal's control, which could cause actual results to differ materially from such statements. While Universal believes that the assumptions concerning future events are reasonable, it cautions that there are inherent difficulties in predicting certain important factors that could impact the future performance or results of its business. Among the important factors that could cause actual results to differ materially from those indicated by such forward-looking statements are integration of recent acquisitions and the demand for Universal's products and services. These and other risk factors are discussed in Universal's filings with the Securities and Exchange Commission, copies of which are available to the public. Universal expressly disclaims any intention or obligation to revise or update any forward-looking statements whether as a result of new information, future events, or otherwise.

For Additional Information on Universal Compression by fax at no cost,
Dial 1-800-PRO-INFO, Code UCO

UNIVERSAL COMPRESSION HOLDINGS, INC.
UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share amounts)

	Three Months Ended		
	June 30, 2001	March 31, 2001	June 30, 2000
Revenue:			
Rentals	\$75,950	\$58,108	\$26,274
Fabrication	32,234	28,471	7,661
Parts sales and service	32,177	12,559	609
Other	(47)	(4)	216
Total revenue	140,314	99,134	34,760
Costs and expenses:			
Cost of sales - rental	27,565	21,213	8,970
Cost of sales - fabrication	28,038	24,019	6,140
Cost of sales - parts sales and service	25,237	10,335	408
Depreciation and amortization	11,380	11,588	7,498
Selling, general and administrative	12,676	9,121	3,455
Operating lease	12,593	8,220	689
Interest expense	5,532	4,623	8,004
Non-recurring charges	-	1,640	7,059
Total costs and expenses	123,021	90,759	42,223
Income (loss) before income taxes and extraordinary items	17,293	8,375	(7,463)
Income taxes (benefit)	6,748	3,482	(2,799)
Income (loss) before extraordinary items	\$10,545	\$4,893	\$(4,664)
Extraordinary loss, net of income tax benefit	-	(3,239)	(6,264)
Net income (loss)	\$10,545	\$1,654	\$(10,928)
Weighted average common and common equivalent shares outstanding:			
Basic	28,481	22,264	8,817
Diluted	28,811	22,653	8,817
Earnings per share - basic:			
Income before extraordinary items	\$0.37	\$0.22	\$(0.53)
Extraordinary loss	-	(0.15)	(0.71)
Net income (loss)	\$0.37	\$0.07	\$(1.24)
Earnings per share - diluted:			

Income before			
extraordinary items	\$0.37	\$0.22	\$(0.53)
Extraordinary loss	-	(0.14)	(0.71)
Net income (loss)	\$0.37	\$0.07	\$(1.24)

UNIVERSAL COMPRESSION HOLDINGS, INC.
UNAUDITED SUPPLEMENTAL INFORMATION
(In thousands)

	Three Months Ended		
	June 30, 2001	March 31, 2001	June 30, 2000
Revenue:			
Domestic rentals	\$61,919	\$48,369	\$22,175
International rentals	14,031	9,739	4,099
Fabrication	32,234	28,471	7,661
Parts sales and service	32,177	12,559	609
Other	(47)	(4)	216
Total	\$140,314	\$99,134	\$34,760
Gross Profit:			
Domestic rentals	\$38,749	\$30,177	\$14,245
International rentals	9,636	6,718	3,059
Fabrication	4,196	4,452	1,522
Parts sales and service	6,940	2,224	201
Other	(47)	(4)	216
Total	\$59,474	\$43,567	\$19,243
Selling, General and Administrative	\$12,676	\$9,121	\$3,455
% of Revenue	9%	9%	10%
EBITDA, as adjusted	\$46,798	\$34,446	\$15,788
% of Revenue	33%	35%	45%
Profit Margin:			
Domestic rentals	63%	62%	64%
International rentals	69%	69%	75%
Fabrication	13%	16%	20%
Parts sales and service	22%	18%	33%
Total	42%	44%	55%

EBITDA, as adjusted, is defined as net income plus income taxes, interest expense, leasing expense, management fees, depreciation and amortization, excluding non-recurring items and extraordinary gains and losses.

	June 30, 2001	March 31, 2001
Debt	\$224,532	\$215,107
Operating Leases	\$567,500	\$527,500
Shareholders' Equity	\$664,337	\$652,574

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