

[21003001]



" We anticipate that steel market conditions will exhibit a further moderate decline in the fourth quarter as the automotive sector remains weak and customers continue to adjust inventories , " said Bethlehem Chairman Walter F. Williams .

[21003019]

He noted , however , that the company 's order entry has increased from the low levels of the early summer , following the end of labor negotiations .

[21003020]

Armo , hampered by lower volume in its specialty steel business , said third-quarter net income dropped 8 % to \$ 33 million , or 35 cents a share , from \$ 36 million , or 39 cents a share in the year-ago quarter .

[21003021]

Sales dropped to \$ 441.1 million from \$ 820.4 million , because the company no longer consolidates its Eastern Steel division , which is now a joint venture with Kawasaki Steel Corp .

[21003022]

Along with reduced volume , analysts said the nation 's fifth largest steelmaker was hurt by holding higher-cost inventory when raw material costs of such key products as nickel dropped .

[21003023]

Operating profit dropped 46 % in its specialty flat-rolled steel segment .

[21003024]

Moreover , the company said higher sales and shipments to service centers from its Armo Steel Co. joint venture failed to offset weakness in the automotive market , higher production costs and a poorer product mix .

[21003025]

Armo shares closed unchanged at \$ 10.625 in composite trading on the New York Stock Exchange .

[21003027]

Sales increased in the quarter ended Sept. 30 to \$ 747.8 million from \$ 623.5 million a year ago .

[21003028]

The latest period includes gains of \$ 9.1 million from early retirement of debt and tax loss carry-forward .

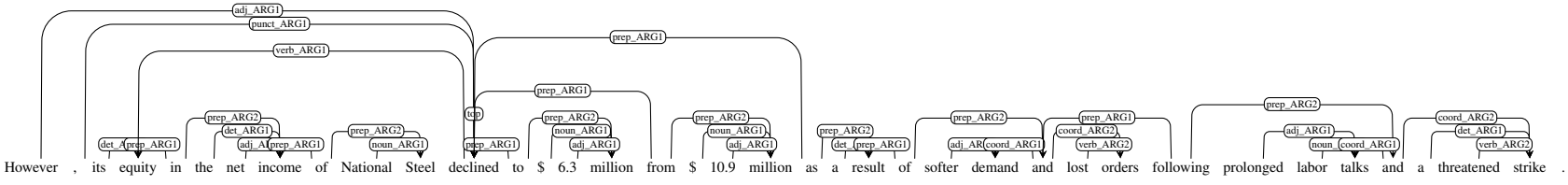
[21003029]

Last year 's results were hurt by \$ 41.3 million in restructuring charges .

[21003030]

National Intergroup stock closed at \$ 15 , unchanged in composite trading on the New York Stock Exchange .

[21003032]



[21003033]

