



ACME METALS POSTS SECOND-QUARTER NET INCOME OF \$3.2 MILLION

RIVERDALE, Ill., July 25 /PRNewswire/ -- Acme Metals Incorporated (NYSE: AMI) today reported second-quarter net income of \$3.2 million, or 27 cents per share, compared with record net income of \$8.8 million, or 75 cents per share, in the same period last year. Second-quarter net interest income was \$1.4 million versus net interest expense of \$2.5 million last year, primarily reflecting increased capitalization of interest expense associated with Acme Steel's Modernization and Expansion Project.

For the first half, net income was \$6.6 million, or 57 cents per share, compared with record first-half 1995 net income of \$16.8 million, or \$1.44 per share. Sales for the second quarter and first half totaled \$127.3 million and \$253.1 million, respectively, versus sales of \$136.2 million and \$267.7 million in the comparable periods a year ago.

The Steel Making Segment posted a second quarter operating loss of \$2.4 million, compared with record operating income of \$10.7 million last year. Acme Metals President and Chief Executive Officer Stephen D. Bennett commented, "While the steel making business experienced some competitive pricing pressure in the quarter, flat-rolled steel shipments remained solid. We spent \$1.7 million of planned training expenses for the Modernization and Expansion Project.

In addition, we incurred costs associated with our annual maintenance shutdown, which was taken in the second quarter in anticipation of the completion of the new steel making facility within the next three months. Traditionally, the Steel Making Segment has taken its annual maintenance shutdown in the third quarter each year."

The Steel Fabricating Segment second-quarter posted operating income of \$6.3 million versus \$5.5 million recorded a year ago. Bennett commented, "Our steel fabricating businesses benefited from lower raw material costs and steady demand across most economic sectors, leading to near-record quarterly income."

The Acme Metals CEO went on to say that the company has begun cold testing various systems and equipment at its new steel making facility, consisting of a continuous thin slab caster and seven-stand hot strip mill, in anticipation of a late third- or early fourth-quarter start up.

Bennett remarked, "Acme's new facility will be the world's first complex to produce MiniGrated(TM) steel, combining the new highly efficient mini-mill casting and rolling technology with Acme's traditional high quality liquid steel produced by our blast furnace and basic oxygen furnace operations. Our strategic investment in this state-of-the-art facility will result in higher quality steels for customers, create opportunities to both expand our share of present markets and enter new markets, as well as enable us to leapfrog the prevalent industry cost structure and technology. As a result, we will take a better product, at a lower cost, to a larger market, and get there 10 days faster. We expect Acme to emerge as one of the strongest competitors in North America."

Acme Metals Incorporated, through its operating subsidiaries, is a fully integrated producer of steel, steel strapping and strapping products, welded steel tubing, and auto and light truck jacks. Its common stock is traded on the New York Stock Exchange under the symbol AMI and on the Toronto Stock Exchange under the symbol AMK.

ACME METALS INCORPORATED
UNAUDITED CONSOLIDATED STATEMENTS OF INCOME
For the Three and Six Months Ended June 30, 1996 and June 25, 1995
(in thousands, except for per share and share amounts)

	Three Months	
	1996	1995
Net Sales	\$ 127,268	\$ 136,171
Cost of products sold	113,011	111,031
Gross profit	14,257	25,140
Training and start-up -- Modernization Project	1,686	-
Selling and administrative expense	8,644	8,868
Operating income	3,927	16,272
Interest expense	(289)	(6,372)
Interest income	1,678	3,843
Other-net	-	(23)
Income before income taxes	5,316	13,720
Income tax provision	2,126	4,939
Net income	\$ 3,190	\$ 8,781
PER COMMON SHARE:		
Net income	\$ 0.27	\$ 0.75
Weighted average shares outstanding	11,622,957	11,671,189

	Six Months	
	1996	1995
Net Sales	\$ 253,133	\$ 267,719
Cost of products sold	224,431	219,466
Gross profit	28,702	48,273
Training and start-up -- Modernization Project	3,151	-
Selling and administrative expense	17,324	17,691
Operating income	8,227	30,582
Interest expense	(937)	(13,712)
Interest income	3,865	7,684
Other-net	(112)	1,738
Income before income taxes	11,043	26,292
Income tax provision	4,417	9,465
Net income	\$ 6,626	\$ 16,827
PER COMMON SHARE:		
Net income	\$ 0.57	\$ 1.44
Weighted average shares outstanding	11,619,816	11,667,874

ACME METALS INCORPORATED
UNAUDITED BUSINESS SEGMENT SALES AND OPERATING INCOME
For the Three and Six Months Ended June 30, 1996 and June 25, 1995
(in thousands, except for Steel Shipments)

	Three Months	
	1996	1995
Net Sales		
Steel Making:		
Sales to unaffiliated customers	\$ 55,877	\$ 61,475
Intersegment sales	30,626	31,999
Total	86,503	93,474
Steel Fabricating:		
Sales to unaffiliated customers	71,391	74,728
Intersegment sales	277	378
Total	71,668	75,106
Eliminations	(30,903)	(32,409)
Total	\$ 127,268	\$ 136,171
Income from Operations		
Steel Making	\$ (2,370)	\$ 10,726
Steel Fabricating	6,297	5,546

Total	\$	3,927	\$	16,272
Depreciation				
Steel Making	\$	2,302	\$	3,250
Steel Fabricating		969		941
Corporate		82		25
Total	\$	3,353	\$	4,216
Capital Expenditures				
Steel Making	\$	52,195	\$	53,759
Steel Fabricating		1,380		647
Corporate		-		81
Total	\$	53,575	\$	54,487
Steel Shipments (in tons)		156,696		159,230

		Six Months	
		1996	1995
Net Sales			
Steel Making:			
Sales to unaffiliated customers	\$	113,591	\$ 121,749
Intersegment sales		59,395	61,558
Total		172,986	183,307
Steel Fabricating:			
Sales to unaffiliated customers		139,542	146,002
Intersegment sales		699	836
		140,241	146,838
Eliminations		(60,094)	(62,426)
Total	\$	253,133	\$ 267,719
Income from Operations			
Steel Making	\$	(2,076)	\$ 18,630
Steel Fabricating		10,303	11,952
Total	\$	8,227	\$ 30,582
Depreciation			
Steel Making	\$	4,643	\$ 6,382
Steel Fabricating		1,932	1,894
Corporate		163	54
Total	\$	6,738	\$ 8,330
Capital Expenditures			
Steel Making	\$	113,425	\$ 97,325
Steel Fabricating		2,332	1,049
Corporate		10	149
Total	\$	115,767	\$ 98,523

Steel Shipments (in tons)	313,117	329,971
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UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS
June 30, 1996 and Dec. 31, 1995
(in thousands)

ASSETS		
Current assets	\$ 212,257	\$ 258,787
Investments and other assets	67,385	116,778
Property, plant and equipment, net	488,080	379,178
Total assets	\$ 767,772	\$ 754,743
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities	\$ 91,302	\$ 108,330
Long term debt	294,598	276,831
Other long term liabilities	10,524	10,143
Postretirement benefits other than pensions	89,786	86,856
Retirement benefits plan	26,402	24,472
Shareholders' equity	255,110	248,111
Total	\$ 767,722	\$ 754,743

ACME METALS INCORPORATED
UNAUDITED SCHEDULE OF INVESTMENT POSITION
June 30, 1996 and December 31, 1995

(in thousands)	1996	1995
Cash and cash equivalents	\$ 73,914	\$ 53,043
Short term investments	23,393	83,756
Restricted cash and investments	-	50,305
Total	\$ 97,307	\$ 187,104

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Six Months Ended June 30, 1996 and June 25, 1995
(in thousands)

	1996	1995
Net cash provided by operating activities	\$ 20,151	\$ 24,625
Purchase of investments	(22,678)	(253,487)
Sale and/or maturities of investments	133,346	261,303
Release of restricted cash	-	34,231
Capital expenditures -- Modernization Project	(112,442)	(60,024)
Capital expenditures	(8,981)	(4,268)
Net cash used for investing		

activities	(10,755)	(22,245)
Issuance of long term debt, net of issuance cost	11,102	--
Other	373	406
Net cash provided by financing activities	11,475	406
Net increase in cash and cash equivalents	20,871	2,786
Cash and cash equivalents at beginning of period	53,043	76,639
Total	\$ 73,914	\$ 79,425

NOTE: During the second quarter of 1996 and 1995 accounts payable relating to the Modernization Project totaled \$13.3 million and \$34.2 million, respectively. Due to the non-cash nature of the capital expenditures, they have been excluded from this statement. At Dec. 31, 1995, accrued capital expenditures related to the Modernization Project totaled \$18.9 million which were liquidated during the first quarter of 1996.