



## ACME METALS ANNOUNCES THIRD QUARTER RESULTS

RIVERDALE, Illinois, October 24, 1996 -- Acme Metals Incorporated reported a third quarter net income of \$2.9 million, or 25 cents per share, compared with net income of \$5.3 million, or 45 cents per share reported in the same period last year. The Steel Making segment reported an operating loss of \$1.5 million versus generating income of \$4.7 million last year while the Steel Fabricating segment reported \$5.3 million in operating income this quarter versus \$4.5 million last year. Sales for the quarter just ended were \$125 million up 2% from sales of \$122 million during the comparable period in 1995.

For the first nine months, Acme had net income of \$9.5 million, or 82 cents per share, compared with \$22.1 million or \$1.90 per share in 1995. The Steel Making segment reported a year-to-date loss of \$3.5 million versus operating income of \$23.4 million in the first nine months of last year while the Steel Fabricating segment reported operating income of \$15.7 million this year versus \$16.5 million in the comparable period last year. Sales for the first nine months of 1996 were \$378 million, down 3% from sales of \$390 million during the comparable period in 1995 primarily due to lower average selling prices for steel and tubing products.

Reported third quarter and year-to-date operating income include costs of \$3.3 million and \$6.4 million, respectively, of training and start-up costs related to the Modernization and Expansion Project at the Company's steel making subsidiary in Riverdale, Illinois.

Acme Metals' President and Chief Executive Officer Stephen D. Bennett commented, "We are pleased that, excluding the \$3.3 million training and start-

up costs, our Steel Making Segment recorded an operating profit of \$1.8 million in the quarter and that our Fabricating Segment again posted a solid performance with operating income for the Fabricating Segment improving 18% from last year's comparable period." The Acme Metals CEO went on to say that the Company is continuing its hot commissioning at its new steel making facility. The Company announced earlier this month that a test coil had been produced through its continuous thin slab caster and seven-stand hot strip mill currently being commissioned in Riverdale, a Chicago suburb. Acme's new facility is the world's first complex to produce MiniGrated™ steel, combining highly efficient mini-mill casting and rolling technology with the traditional high quality liquid steel produced via the blast furnace/basic oxygen furnace technology.

In the earlier announcement of this milestone the Acme Metals CEO said "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	\$ 125,174	\$ 122,211
Cost of products sold	108,829	104,300
Gross profit	16,345	17,911
Training and start-up Modernization Project	3,280	-
Selling and administrative expense	9,187	8,654
Operating income	3,878	9,257
Interest expense	(289)	(4,438)
Interest income	1,022	3,464
Other-net	155	(70)
Income before income taxes	4,766	8,213
Income tax provision	1,907	2,957
Net income	\$ 2,859	\$ 5,256
PER COMMON SHARE:		
Net income	\$ 0.25	\$ 0.45

Weighted average shares outstanding	11,631,654	11,610,259
-------------------------------------	------------	------------

	Nine Months	
	1996	1995
Net Sales	\$ 378,307	\$ 389,930
Cost of products sold	333,260	323,746
Gross profit	45,047	66,184
Training and start-up Modernization Project	6,431	-
Selling and administrative expense	26,511	26,345
Operating income	12,105	39,839
Interest expense	(1,226)	(18,150)
Interest income	4,887	11,148

Other-net	43	1,668(1)
Income before income taxes	15,809	34,505
Income tax provision	6,324	12,422
Net income	\$ 9,485	\$ 22,083
PER COMMON SHARE:		
Net income	\$ 0.82	\$ 1.90

Weighted average shares outstanding 11,617,902 11,604,437

**ACME METALS INCORPORATED**  
**UNAUDITED BUSINESS SEGMENT SALES AND OPERATING INCOME**  
**For the Three and Nine Months Ended September 29, 1996 and September 24, 1995**  
**(in thousands, except for Steel Shipments)**

	Three Months	
	1996	1995
Net Sales		
Steel Making:		
Sales to unaffiliated customers	\$ 56,121	\$ 53,794
Intersegment sales	26,153	25,559
Total	82,274	79,353
Steel Fabricating:		
Sales to unaffiliated customers	69,053	68,417
Intersegment sales	491	351
Total	69,544	68,768
Eliminations	(26,644)	(25,910)
Total	\$ 125,174	\$ 122,211
Income from Operations		
Steel Making	\$ (1,469)	\$ 4,727
Steel Fabricating	5,347	4,530
Total	\$ 3,878	\$ 9,257
Depreciation		
Steel Making	\$ 2,275	\$ 2,064
Steel Fabricating	881	965

Corporate	79	32
Total	\$ 3,235	\$ 3,061
Capital Expenditures		
Steel Making	\$ 41,081	\$ 68,155
Steel Fabricating	2,079	1,919
Corporate	14	1,183
Total	\$ 43,174	\$ 71,257
Steel Shipments (in tons)	146,192	125,653

Nine Months  
1996      1995

Net Sales		
Steel Making:		
Sales to unaffiliated customers	\$ 169,712	\$ 175,542
Intersegment sales	85,548	87,118
Total	255,260	262,660
Steel Fabricating:	208,595	214,388
Sales to unaffiliated customers	1,190	1,218
Intersegment sales	209,785	215,606
Eliminations	(86,738)	(88,336)
Total	\$ 378,307	\$ 389,930
Income from Operations		
Steel Making	\$ (3,545)	\$ 23,357
Steel Fabricating	15,650	16,482
Total	\$ 12,105	\$ 39,839
Depreciation		
Steel Making	\$ 6,918	\$ 8,446
Steel Fabricating	2,813	2,859
Corporate	242	86
Total	\$ 9,973	\$ 11,391
Capital Expenditures		
Steel Making	\$ 154,506	\$ 165,480

Steel Fabricating	4,411	2,968
Corporate	24	1,332
Total	\$ 158,941	\$ 169,780
Steel Shipments (in tons)	459,309	455,624

**UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS**  
**June 30, 1996 and Dec. 31, 1995**  
(in thousands)

ASSETS	1996	1995
Current assets	\$ 182,153	\$ 258,787
Investments and other assets	66,811	116,778
Property, plant and equipment, net	527,851	379,178
Total assets	\$ 776,815	\$ 754,743

LIABILITIES AND SHAREHOLDERS' EQUITY

Current liabilities	\$ 82,848	\$ 108,330
Long term debt	306,591	276,831
Other long term liabilities	10,855	10,143
Postretirement benefits other than pensions	91,425	86,856
Retirement benefits plan	27,188	24,472
Shareholders' equity	257,908	248,111
Total	\$ 776,815	\$ 754,743

**ACME METALS INCORPORATED**  
**UNAUDITED SCHEDULE OF INVESTMENT POSITION**  
**September 29, 1996 and December 31, 1995**  
(in thousands)

	1996	1995
Cash and cash equivalents	\$ 43,241	\$ 53,043
Short term investments	13,739	83,756
Restricted cash and investments	-	50,305
Total	\$ 56,980	\$ 187,104

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**For the Nine Months Ended September 29, 1996 and September 24, 1995**  
**(in thousands)**

	1996	1995
Net cash provided by operating activities	\$ 26,569	\$ 32,763
Purchase of investments	(24,669)	(346,058)
Sale and/or maturities of investments	144,991	441,870
Release of restricted cash	-	7,619
Capital expenditures --		
Investment in joint venture	(1,750)	(500)
Modernization Project	(155,725)	(141,179)
Capital expenditures	(19,007)	(13,363)
Net cash used for investing activities	(56,160)	(51,611)
Issuance of long term debt, net of issuance cost	19,477	--
Other	312	382
Net cash provided by financing activities	19,789	382
Net decrease in cash and cash equivalents	(9,802)	(18,466)
Cash and cash equivalents at beginning of period	53,043	76,639
Cash Equivalents at end of period	43,241	58,173

NOTE: During the third quarter of 1996 and 1995 accounts payable relating to the Modernization Project totaled \$3.1 million and \$15.2 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.