



Acme Metals Announces Fourth Quarter and Year End Results

RIVERDALE, Ill., Jan. 24 /PRNewswire/ -- Acme Metals Incorporated (NYSE: AMI; Toronto: AMK.) reported a fourth quarter net loss of \$6.8 million, or 59 cents per share, compared with net income of \$6.2 million, or 53 cents per share reported in the same period last year. The Steel Making segment reported an operating loss of \$11.4 million versus operating income of \$5.1 million last year while the Steel Fabricating segment reported \$4.3 million in operating income this quarter versus \$3.9 million last year. Sales for the quarter just ended were \$119.9 million down 9 percent from sales of \$131.7 million during the comparable period in 1995.

For the year, Acme had net income of \$2.7 million, or 23 cents per share, compared with \$28.2 million or \$2.44 per share in 1995. The Steel Making segment reported a 1996 loss of \$14.9 million versus operating income of \$28.5 million in the prior year. The Steel Fabricating segment reported operating income of \$20.0 million this year versus \$20.4 million last year. Sales for 1996 were \$498.2 million down 5 percent from sales of \$521.6 million in 1995 primarily due to lower average selling prices for steel and tubing products.

Acme Metals President and Chief Executive Officer Stephen D. Bennett commented, "Our Steel Fabricating segment posted another solid quarter and full year of operating results. Our Steel Making segment was adversely affected in the fourth quarter and full year by anticipated training and startup costs, and inefficient operations related to commissioning the new thin slab caster and hot strip mill complex."

The company began to record depreciation and previously capitalized interest expense mid-fourth quarter in connection with the startup of the new facility. Acme's new facility is the world's first to produce MiniGrated(TM) steel, combining highly efficient mini-mill casting and rolling technologies with Acme's traditional high quality, low cost liquid steel produced via the blast furnace/basic oxygen furnace technology.

Bennett went on to say, "We are continuing with the commissioning and fine tuning of the new equipment. The transition from our existing operations to the new facility will continue until the planned shuttering of the existing equipment in mid-1997."

Acme Metals, Inc., 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 OPERATIONS
 FOR THE THREE AND TWELVE MONTHS ENDED DEC. 29, 1996 AND DEC. 31, 1995
 (In thousands, except for weighted average
 shares outstanding and per share amounts)

	THREE MONTHS		TWELVE MONTHS	
	1996	1995	1996	1995
Net Sales	\$ 119,935	\$ 131,689	\$ 498,242	\$ 521,619
Cost of products sold	114,517	113,425	447,777	437,171
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Gross profit	5,418	18,264	50,465	84,448
Training and Pre- Start-Up a - Modernization Project	3,502	-	9,933	-
Selling and administrative expense	8,985	9,291	35,496	35,636
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Operating income (loss)	(7,069)	8,973	5,036	48,812
Interest expense	(4,967)	(2,651)	(6,193)	(20,801)
Interest income	733	3,130	5,620	14,278
Other - net	587	178	630	1,846 (2)
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Income (loss) before income taxes	(10,716)	9,630	5,093	44,135
Income tax provision (credit)	(3,898)	3,467	2,426	15,889
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Net Income	\$ (6,818)	\$ 6,163	\$ 2,667	\$ 28,246
PER COMMON SHARE:				
Net income	\$ (0.59)	\$ 0.53	\$ 0.23	\$ 2.44
Weighted average shares outstanding	11,645,692	11,600,516	11,632,551	11,595,886

(2) Includes \$1.6 million gain on sale of coal producing properties.

UNAUDITED BUSINESS SEGMENT SALES AND OPERATING RESULTS
 FOR THE THREE AND TWELVE MONTHS, ENDED DEC. 29, 1996 AND DEC. 31, 1995
 (In thousands, except for Steel Shipments)

	THREE MONTHS		TWELVE MONTHS	
	1996	1995	1996	1995
Net Sales:				
Steel Making:				
Sales to unaffiliated customers	\$ 52,930	\$ 59,361	\$ 222,642	\$ 234,903
Intersegment sales	27,152	34,811	112,700	121,929
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	80,082	94,172	335,342	356,832
Steel Fabricating:				
Sales to unaffiliated customers	67,005	72,328	275,600	286,716
Intersegment sales	363	485	1,553	1,703
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	67,368	72,813	277,153	288,419
Eliminations	(27,515)	(35,296)	(114,253)	(123,632)
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Total	\$ 119,935	\$ 131,689	\$ 498,242	\$ 521,619
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Income from Operations:				
Steel Making	\$ (11,376)	\$ 5,105	\$ (14,921)	\$ 28,461
Steel Fabricating	4,307	3,868	19,957	20,351

SOURCE Acme Metals Incorporated

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