



ACME METALS POSTS FIRST-QUARTER NET INCOME OF \$3.4 MILLION

TORONTO, Ontario, April 25 /PRNewswire/ -- Acme Metals Incorporated (Nasdaq-NNM: ACME) today reported quarterly net income of \$3.4 million, or 30 cents per share. This compares with record first-quarter 1995 income of \$8.0 million, or 69 cents per share, which included a \$1 million, or 9 cents per share, non-operating gain from the sale of certain coal-producing properties. Net interest income was \$1.5 million versus net interest expense \$3.5 million in the same period last year, mainly reflecting increased capitalization of interest expense associated with Acme Steel's Modernization and Expansion Project. First-quarter net sales were \$125.9 million compared with last year's \$131.5 million.

At the company's annual meeting in Toronto, Acme Metals President and Chief Executive Officer Stephen D. Bennett told shareholders, "Our first-quarter operating performance reinforces the appropriateness and timeliness of our Modernization and Expansion Project."

Bennett went on to say, "Our Steel Making Segment margins were adversely affected by lower average selling prices and increased operating costs, including sharply higher natural gas prices, as well as approximately \$1.5 million in planned employee training-related costs for the new facility. On a positive note, market demand for our flat-rolled steel products remains solid and newly announced price increases are being implemented. In our Steel Fabricating Segment, margins narrowed in the quarter, mainly reflecting higher material costs and somewhat lower shipments."

Bennett also told shareholders, "We're very pleased that 20 months into construction, our new facility remains within our cost expectations and on schedule to start up in the second half of this year."

The new facility consists of a continuous thin slab caster and seven-stand hot strip mill that will be the world's first complex to produce MiniGrated(TM) steel, combining mini-mill efficiencies with Acme's traditional high quality liquid steel. This state-of-the-art technology will result in higher quality steels for customers, create opportunities to expand Acme's share of present markets as well as enter new markets, and ideally position Acme for enhanced long-term growth and profitability as low cost, superior quality North American

steel producer.

Acme Metals Incorporated, through its operating subsidiaries, is a fully integrated producer of steel, steel strapping and strapping products, welded steel tube, and auto and light truck jacks. Its common stock, currently traded on Nasdaq's National Market System under the symbol ACME, is expected to begin trading on the New York Stock Exchange under the symbol AMI in mid-May 1996. Acme Metals common shares will continue to trade on the Toronto Stock Exchange under the symbol AMK.

ACME METALS INCORPORATED

UNAUDITED CONSOLIDATED STATEMENTS OF INCOME

For the Three Months Ended March 31, 1996 and March 26, 1995 (in thousands expected for weighted average shares outstanding and per share amounts)

	First Quarter	
	1996	1995
Net sales	\$ 125,865	\$ 131,548
Cost of products sold	111,420	108,416
Gross profit	14,445	23,132
Training and start-up-Modernization Projects	1,465	--
Selling and administrative expense	8,680	8,822
Operating Income	4,300	14,310
Interest expense	(648)	(7,340)
Interest income	2,187	3,841
Other net	(112)	1,761 (A)
Income before income taxes	5,727	12,572
Income Tax provision	2,291	4,526
Net income	3,436	8,046
PER COMMON SHARE:		
Net income	\$ 0.30	\$ 0.69
Weighted average shares outstanding	11,607,211	11,643,406

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

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS

March 31, 1996 and Dec. 31, 1995

(in Thousands)

ASSETS	1996	1995
Current assets	\$ 259,574	\$ 258,787
Investments and other assets	67,362	116,778
Property, plant and equipment, net	437,891	379,178
Total assets	\$ 764,827	\$ 754,743
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities	\$ 109,297	\$ 108,330
Long term debt	279,980	276,831
Other long term activities	10,171	10,143
Post-retirement benefits other than pensions	88,267	86,856
Retirement benefit plans	25,566	24,472
Shareholders' equity	251,546	248,111

\$ 764,827 \$ 754,743

UNAUDITED SCHEDULE OF INVESTMENT POSITION
March 31, 1996 and Dec. 31, 1995
(in thousands)

	1996	1995
Cash and cash equivalents	\$ 100,010	\$ 53,043
Short term investments	43,229	83,756
Restricted cash and investments	--	50,305
	\$ 143,239	\$ 187,104

UNAUDITED BUSINESS SEGMENT SALES AND OPERATING INCOME
For the Three Months Ended March 31, 1996 and March 26, 1995
(in thousands except for steel shipments)

	1996	1995
Net sales		
Steel Making		
Sales to unaffiliated customers	\$ 57,714	\$ 60,274
intersegment sales	28,769	29,559
	86,483	89,833
Steel Fabricating		
Sales to unaffiliated customers	68,151	71,302
Intersegment Sales	422	430
	68,573	71,732
Eliminations	(29,191)	(30,017)
Total	\$ 125,865	\$ 131,548
Income from Operations		
Steel Making	\$ 294	\$ 7,904
Steel Fabricating	4,006	6,406
Total	\$ 4,300	\$ 14,310
Depreciation		
Steel Making	\$ 2,341	\$ 3,132
Steel Fabricating	963	953
Corporate	81	29
Total	\$ 3,385	\$ 4,114
Capital Expenditures		
Steel Making	\$ 61,230	\$ 43,566
Steel Fabricating	952	402
Corporate	10	68
Total	\$ 62,192	\$ 44,036
Steel Shipments (in tons)	\$ 156,421	\$ 170,741

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Three Months Ended March 31, 1996 And March 26, 1995.

	1996	1995
(in thousands)		
Net cash provided by operating activities	\$ 2,993	\$ 11,720
Purchase of investments	(19,033)	(135,240)
Sales and/or maturities of investments	109,865	108,607
Release of restricted cash	--	40,198
Capital expenditures-Modernization		

Project	(43,295)	(2,008)
Capital expenditures	(3,562)	(1,845)
Net cash provided by investment activities	43,975	9,712
Other	(1)	439
Net cash (used) provided by financing activities	(1)	439
Net increase in cash and cash equivalents	46,967	21,871
Cash and cash equivalents at beginning period	53,043	76,639
Cash and cash equivalents at end of period	\$ 100,010	\$ 98,510

Note: During the first quarters of 1996 and 1995 accounts payable relating to the Modernization Project totaled \$34.3 million and \$40.2 million, respectively. Due to the non-cash 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 was liquidated during the first quarter of 1996.