



# NEWS RELEASE

Financial: Richard J. Gonzalez, CFO-BSC  
Phone: (985) 652-4900 Fax: (985) 652-0485  
E-Mail Address: [fna@bayousteel.com](mailto:fna@bayousteel.com)  
Web Page: <http://www.bayousteel.com>  
PO Box 5000, LaPlace LA 70069-1156

## BAYOU STEEL CORPORATION

### *FOR IMMEDIATE RELEASE*

#### **BAYOU STEEL CORPORATION REPORTS** **SECOND QUARTER RESULTS**

LaPlace, Louisiana (April 25, 2002) -- Bayou Steel Corporation (AMEX:BYX) reported a loss of \$5.9 million on sales of \$35.4 million for the second quarter of fiscal 2002. For the six months ended March 31, 2002, the Company reported a loss of \$10.7 million on sales of \$65.2 million. The quarterly and six month results compare favorably with a loss of \$10.5 million on sales of \$38.7 million, and \$19.2 million on sales of \$73.6 million, respectively, in the prior fiscal year.

President and Chief Operating Officer Jerry Pitts said, "We have substantially improved our performance over the same three and six month periods of fiscal 2001 despite a decline in sales. Although the progress made over last year is encouraging, we continue to be hammered by a dismal market as our selling prices declined over the last six months, the result of realizing the full effect of a November price decrease. We have been able to build on the improvements of our first quarter as shipments and production were up and we continued to benefit from our aggressive cost reduction programs."

Pitts added, "Compared to last year, we have made vast improvements decreasing losses by \$4.6 million or 44% on a quarterly comparison and \$8.5 million or 44% on a year to date basis." As a result of the aggressive cost reduction programs implemented by the Company to stem losses, the Company reduced costs by \$2.6 million during the quarter and \$3.9 million in the first six months of fiscal 2002 compared to the same periods last year with a stabilization in fuel prices accounting for an additional \$4.1 million and \$6.1 million in reductions over the same respective periods. "Despite the decline in sales, we improved our operating results. This is truly a testament to the hard work of our nearly 500 employees and, for that, we are grateful," stated Pitts.

Addressing liquidity, Pitts added, "We are utilizing our credit facility to supplement the cash provided by operations. As of March 31, we had \$32 million available under our credit facility. We continue to make more efficient use of our working capital and to minimize capital expenditures. Our sole short-term priority is to achieve positive cash flow."

"We believe that we have seen the bottom of the market. Looking ahead, we cannot predict the extent or speed of the economic recovery nor can we foresee the total impact of the recent tariffs on certain imported steel. Increased production, spurred by the recent improvement in customer demand and a recent \$15 per ton price increase, will bring opportunities to better utilize our facilities and improve our cost structure. We are concerned that in the shorter term scrap prices will also rise and offset the benefit of the price increase. Our focus is not on an improving market, rather it is on continued cost improvement and market related strategies," Pitts concluded.

This release contains various "forward-looking" statements which represent the Company's expectation or belief concerning future events. The Company cautions that a number of important factors could, individually or in the aggregate, cause actual results to differ materially from those included in the forward-looking statements. Any

forward looking statements contained in this document speak only as of the date hereof, and the Company disclaims any intent or obligation to update such forward looking statements.

Bayou Steel Corporation manufactures light structural and merchant bar products in LaPlace, Louisiana and Harriman, Tennessee. The Company also operates three stocking locations along the inland waterway system near Pittsburgh, Chicago, and Tulsa.

### **FINANCIAL HIGHLIGHTS**

**(In Thousands, Except Per Share Data, Shipments and Selling Price)**

	<b>(Unaudited)</b>		<b>(Unaudited)</b>	
	<b>Three Months Ended</b>		<b>Six Months Ended</b>	
	<b>March 31,</b>		<b>March 31,</b>	
	<b>2002</b>	<b>2001</b>	<b>2002</b>	<b>2001</b>
Net sales	\$ 35,415	\$ 38,671	\$ 65,173	\$ 73,574
Gross margin	(1,511)	(6,261)	(1,807)	(10,743)
Operating loss	(3,164)	(7,929)	(5,119)	(14,066)
Net loss	\$ (5,945)	\$ (10,549)	\$ (10,748)	\$ (19,200)
Net loss per share	(0.46)	(0.82)	(0.83)	(1.49)
Shipment tons	134,468	139,059	241,262	260,559
Average selling price per ton	\$ 259	\$ 274	\$ 266	\$ 278

	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>March 31,</b>	<b>September 30,</b>
	<b>2002</b>	<b>2001</b>
Working Capital	\$ 56,042	\$ 63,393
Debt to Equity	2.3 to 1	1.9 to 1
Liquidity <sup>(1)</sup>	\$ 32,000	\$ 41,000

<sup>(1)</sup> Liquidity is defined as cash plus availability under the line of credit facility.