



NEWS RELEASE

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BAYOU STEEL CORPORATION

FOR IMMEDIATE RELEASE

BAYOU STEEL CORPORATION REPORTS **FIRST QUARTER FISCAL 2005 RESULTS**

LaPlace, Louisiana (March 7, 2005) --- Bayou Steel Corporation today reported its financial results for the first quarter (ending December 31, 2004) of fiscal 2005.

Bayou Steel emerged from bankruptcy pursuant to a plan of reorganization that became effective on February 18, 2004. For accounting purposes, financial statements for periods after February 18, 2004, related to the Company that emerged from bankruptcy (the "Company"), are not directly comparable to periods prior to February 18, 2004 (the "Predecessor Company"). Among other changes, there have been substantial reductions in debt and revaluations of assets and other liabilities.

The Company reported net income of \$4.2 million or \$2.01 per fully diluted share for the first quarter of fiscal 2005. The Predecessor Company reported a net loss of \$0.6 million or \$0.04 per fully diluted share.

Sales for the first quarter of fiscal 2005 were \$63.1 million on shipments of 113,080 tons. This was sharply higher than the \$51.7 million in sales on shipments of 151,184 tons for the prior comparable quarter for fiscal 2004. The average selling price for the quarter increased from \$339 per ton to \$552 per ton or 63% compared to the prior year comparable quarter. The selling price increase has generally been related to the sharply escalating prices for scrap and the increasing prices for alloys and fuel, which the Company has been successful in passing through to its customers.

Jerry M. Pitts, President and CEO of the Company, commented, "Earnings in the first quarter of fiscal year 2005 have increased significantly as compared to the prior year quarter. Despite a decline in shipments, the strong selling prices contributed to the growth of sales and earnings. This favorable turnaround is largely the result of increased demand for our products, particularly in 2004, which allowed us to raise our product prices at a higher rate than the unprecedented increases in the cost of scrap. Although Bayou Steel experienced significant increases in the cost of other major commodity items, including electricity, natural gas, and alloys, our margins have significantly improved as our increased product pricing has outpaced that of scrap and other cost related items. Given the challenges of the last four years in the steel industry, it is especially pleasing to see a healthy market."

Mr. Pitts continued, "In December, we underwent a much needed shutdown in the plants to conduct equipment maintenance that was partially deferred due to limited funds during the Company's bankruptcy. Since the start-up, our production and efficiencies have increased in both our Louisiana and Tennessee plants. This will enable us to better capitalize on current great market conditions. In December, we opened a remote scrap processing location. After a ramp-up period, we expect this facility to provide the Louisiana plant with additional scrap metal. Lastly, we increased Tennessee's capacity utilization by 15% as we were able to purchase billets economically in the fall. Besides these positive actions, our market fundamentals remain healthy. We expect continued healthy price levels and volumes for our products. All of this encourages us going forward."

Bayou Steel invites you to visit its web site, www.bayousteel.com, to view its fiscal 2004 Annual Report.

This release contains various "forward-looking" statements which represent the Company's expectations or beliefs 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.

BAYOU STEEL CORPORATION
FINANCIAL HIGHLIGHTS
(Unaudited)

	Successor Company	Predecessor Company
	Quarter Ending December 31, 2004	Quarter Ending December 31, 2003
INCOME STATEMENT:		
Net Sales	\$ 63,117,361	\$ 51,693,892
Depreciation	193,888	2,157,569
Reorganization Expense.....		921,771
Gross Profit	9,400,279	2,277,685
Operating Income (Loss)	7,489,243	(425,996)
Interest and Other Expense on Debt	918,000	243,314
Income (Loss) before Taxes.....	6,856,435	(554,863)
Net Income (Loss)	4,182,426	(554,863)
Net Income (Loss) per Share - Basic	2.09	(0.04)
Net Income (Loss) per Share - Diluted	2.01	(0.04)
EBITDA ⁽¹⁾	7,683,131	1,731,573
	Successor Company	
	December 31, 2004	
Working Capital.....	\$ 53,228,652	
Notes Due 2011	30,000,000	
Credit Facility	14,640,933	
Post-Reorganization Obligations	1,013,941	
Stockholders' Equity.....	\$ 27,672,929	

(1) The Company defines EBITDA as Operating Income plus Depreciation. Includes Reorganization Expenses in all periods presented.