

Russel Metals Inc.

FINANCIAL HIGHLIGHTS

| | <-----6 Months-----> | | <-----Years ended-----> | | | |
|---|----------------------|------------|-------------------------|-----------------------|------------|----------------------|
| | June 2014 | June 2013 | 2013 | 2012 | 2011 | 2010 |
| OPERATING RESULTS (millions) | | | | | | |
| Revenues | \$1,817.3 | \$1,579.9 | \$3,187.8 | \$3,000.1 | \$2,693.3 | \$2,178.0 |
| Net earnings | 59.5 | 41.6 | 83.3 | 97.9 ⁽²⁾ | 118.3 | 57.3 |
| EBIT | 109.9 | 81.7 | 146.0 | 175.3 ⁽²⁾ | 197.5 | 110.8 |
| Adjusted EBIT (Note) | 109.9 | 81.7 | 151.2 ⁽¹⁾ | 175.3 ⁽²⁾ | 197.5 | 111.5 ⁽¹⁾ |
| Adjusted EBIT as a % of revenue | 6.0% | 5.2% | 4.7% | 5.8% | 7.3% | 5.1% |
| Adjusted EBITDA (Note) | 127.1 | 98.1 | 184.8 ⁽¹⁾ | 200.8 | 221.0 | 136.8 ⁽¹⁾ |
| EBITDA as a % of revenue | 7.0% | 6.2% | 5.8% | 6.7% | 8.2% | 6.3% |
| Basic earnings per common share (\$) | \$0.97 | \$0.69 | \$1.37 | \$1.63 ⁽²⁾ | \$1.97 | \$0.96 |
| BALANCE SHEET INFORMATION (millions) | | | | | | |
| Metals | | | | | | |
| Accounts receivable | \$509.9 | \$417.1 | \$455.9 | \$455.6 | \$381.7 | \$300.5 |
| Inventories | 861.5 | 770.5 | 766.3 | 764.0 | 645.6 | 544.1 |
| Prepaid expenses and other assets | 10.3 | 10.3 | 5.9 | 7.1 | 4.3 | 2.9 |
| Accounts payable and accruals | (425.0) | (356.6) | (383.7) | (381.5) | (343.6) | (259.8) |
| Net working capital - Metals | 956.7 | 841.3 | 844.4 | 845.2 | 688.0 | 587.7 |
| Fixed assets | 229.0 | 226.1 | 228.4 | 225.3 | 184.1 | 187.2 |
| Goodwill and intangibles | 215.4 | 190.9 | 218.7 | 192.1 | 24.7 | 24.9 |
| Net assets employed in metals operations | 1,401.1 | 1,258.3 | 1,291.5 | 1,262.6 | 896.8 | 799.8 |
| Other operating assets | 10.6 | 15.7 | 10.1 | 16.0 | 17.1 | 17.6 |
| Net income tax assets (liabilities) | (16.5) | (11.8) | (11.3) | (8.2) | (12.0) | (11.5) |
| Pension and benefit assets (liabilities) | (26.4) | (31.9) | (23.1) | (38.7) | (33.3) | (17.2) |
| Other corporate assets and liabilities | (51.3) | (41.6) | (42.6) | (47.3) | (22.1) | (11.9) |
| Total net assets employed | \$1,317.5 | \$1,188.7 | \$1,224.6 | \$1,184.4 | \$846.5 | \$776.8 |
| CAPITALIZATION (millions) | | | | | | |
| Bank indebtedness, net of (cash) | (\$52.2) | (\$138.8) | (\$116.2) | (\$100.8) | (\$270.7) | (\$323.7) |
| Long-term debt (incl. current portion) | 460.3 | 456.9 | 458.4 | 455.8 | 297.8 | 319.7 |
| Total interest bearing debt, net of (cash) | 408.1 | 318.1 | 342.2 | 355.0 | 27.1 | (4.0) |
| Market capitalization | 2,107.1 | 1,446.8 | 1,913.1 | 1,662.2 | 1,346.8 | 1,373.5 |
| Total firm value | \$2,515.2 | \$1,764.9 | \$2,255.3 | \$2,017.2 | \$1,373.9 | \$1,369.5 |
| OTHER INFORMATION (Notes) | | | | | | |
| Shareholders' equity (millions) | \$909.5 | \$870.6 | \$882.4 | \$829.4 | \$819.4 | \$772.8 |
| Book value per share (\$) | \$14.81 | \$14.30 | \$14.48 | \$13.78 | \$13.64 | \$12.88 |
| Free cash flow (millions) | \$69.2 | \$49.8 | \$91.9 | \$0.0 | \$129.5 | \$85.7 |
| Capital expenditures (millions) | \$15.5 | \$14.0 | \$27.2 | \$0.0 | \$18.1 | \$11.6 |
| Depreciation and amortization (millions) | \$17.2 | \$16.4 | \$33.6 | \$25.5 | \$23.5 | \$25.3 |
| Earnings multiple | 17.7 | 17.2 | 22.9 | 16.9 | 11.4 | 23.9 |
| Firm value as a multiple of EBIT | 11.4 | 10.8 | 14.9 | 11.5 | 7.0 | 12.3 ⁽¹⁾ |
| Firm value as a multiple of EBITDA | 9.9 | 9.0 | 12.2 | 10.0 | 6.2 | 10.0 ⁽¹⁾ |
| Interest bearing debt/EBITDA | 1.8 | 2.3 | 2.5 | 2.3 | 1.3 | 2.3 ⁽¹⁾ |
| Debt as a % of capitalization | 34% | 34% | 34% | 35% | 27% | 29% |
| Market capitalization as a % of book value | 232% | 166% | 217% | 200% | 164% | 178% |
| Return on equity | 13% | 10% | 9% | 12% | 14% | 7% |
| Return on capital employed | 17% | 14% | 12% | 15% | 23% | 14% ⁽¹⁾ |
| COMMON SHARE INFORMATION | | | | | | |
| Ending outstanding common shares | 61,414,260 | 60,866,902 | 60,946,393 | 60,204,636 | 60,071,698 | 59,978,173 |
| Average outstanding common shares | 61,063,797 | 60,668,215 | 60,780,520 | 60,128,534 | 60,043,222 | 59,717,629 |
| Dividend yield | 4.4% | 5.9% | 4.5% | 5.1% | 5.4% | 4.8% |
| Dividend per share | \$1.52 | \$1.40 | \$1.40 | \$1.40 | \$1.20 | \$1.10 |
| Share price - High | \$34.43 | \$29.59 | \$31.62 | \$28.97 | \$27.75 | \$23.94 |
| Share price - Low | \$27.78 | \$23.23 | \$23.23 | \$22.52 | \$18.90 | \$16.25 |
| Share price - Ending | \$34.31 | \$23.77 | \$31.39 | \$27.61 | \$22.42 | \$22.90 |

Notes:

(1) Adjusted EBIT excludes the asset impairment charge in 2013 of \$5.2 million and the inventory reversal of \$1.9 million and plant closure costs of \$2.6 million in 2010.

(2) Restated due to adoption of IAS 19 (Amended 2011)

(3) This chart includes certain financial measures that are not prescribed by Canadian generally accepted accounting principles (GAAP) or have standardized meanings, and thus, may not be comparable to similar measures presented by other companies, for example EBIT and EBITDA and Other Information. Management believes that EBIT and EBITDA may be useful in assessing our operating performance and as an indicator of our ability to service or incur indebtedness, make capital expenditures and finance working capital requirements. EBIT and EBITDA should not be considered in isolation or as an alternative to cash from operating activities or other combined income or cash flow data. EBIT, EBITDA and a number of the ratios provided under Other Information are used by debt and equity analysts to compare our performance against other public companies. This terminology is defined on the inside back cover. See financial statements for GAAP earnings.