



**NEWS**

**FOR IMMEDIATE RELEASE**

**RUSSEL METALS ANNOUNCES ACTIONS TO REDUCE OPERATING EXPENSES**

TORONTO, CANADA -- February 23, 2009 -- Russel Metals Inc. today announced that it has put in place cost containment measures to significantly reduce annual operating expenses in the current economic environment.

Starting at the top, the Board of Directors have taken a 10% reduction in their cash compensation, retroactive to January 1, 2009. In addition, the salaries of the CEO, COO, CFO and other Corporate employees are being reduced by 10%. Our operations have implemented lay offs, reduced working hours or taken salary reductions to align costs with demand. We anticipate headcount reductions of approximately 500 employees throughout our organization by the end of the first quarter of 2009 from peak levels of approximately 3,000. These actions are expected to result in an aggregate net decrease in operating costs of more than \$25 million in 2009.

Brian Hedges, EVP & COO stated "Our compensation plans also have a very strong variable component which is performance based and this is expected to result in significant additional expense reductions in the current year, based on current activity levels. Operating expenses will be reduced by up to an additional \$70 million across the Company if certain performance thresholds, which are closely tied to earnings, are not met. The Company's Management has taken these actions because the decline in steel prices, energy prices and demand experienced during the last two months has exceeded anything previously experienced. The Company has experienced demand declines in the first two months of 2009 similar to the 40% declines announced for January by the Metals Service Center Institute."

Russel Metals is one of the largest metals distribution companies in North America. It carries on business in three distribution segments: metals service centers, energy tubular products and steel distributors, under various names including Russel Metals, A.J. Forsyth, Acier Leroux, Acier

Loubier, Acier Richler, Arrow Steel Processors, B&T Steel, Baldwin International, Comco Pipe and Supply, Fedmet Tubulars, JMS Russel Metals, Leroux Steel, McCabe Steel, Mégantic Métal, Métaux Russel, Métaux Russel Produits Spécialisés, Milspec Industries, Norton Metals, Pioneer Pipe, Russel Metals Specialty Products, Russel Metals Williams Bahcall, Spartan Steel Products, Sunbelt Group, Triumph Tubular & Supply, Wirth Steel and York-Ennis.

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