INFORMATION PACKAGE

FOR

INVESTOR CONFERENCE CALL

FEBRUARY 13, 2013

Russel Metals

INFORMATION PACKAGE FOR INVESTOR CONFERENCE CALL
February 13, 2013

I N D E X

CAUTIONARY STATEMENT ON FORWARD-LOOKING INFORMATION

Statements contained in this package or on the related conference call that relate to Russel Metals' beliefs or expectations as to certain future events are not statements of historical fact and are forward-looking statements. Russel Metals cautions readers that there are important factors, risks and uncertainties, including but not limited to economic, competitive and governmental factors affecting Russel Metals' operations, markets, products, services and prices that could cause its actual results, performance or achievements to be materially different from those forecasted or anticipated in such forward-looking statements.

The forward-looking statements in this document reflect management's current beliefs and are based on information currently available to management. The material assumptions applied in making the forward-looking statements in this document include the following: demand from the manufacturing, resource and construction segments of the Canadian economy are stable and these conditions will continue in the foreseeable future; and oil and gas prices, the price of steel and the value of the Canadian dollar relative to the U.S. dollar will be at similar levels with what we experienced at the end of 2012. Although the forward-looking statements contained in this document are based upon what management believes to be reasonable estimates and assumptions, Russel Metals cannot ensure that actual results will not be materially different from those expressed or implied by these forward-looking statements and does not intend to update any forward-looking statement other than required by law.

NOTES

In this Information Package we use certain financial measures that do not comply with Canadian generally accepted accounting principles (GAAP) or have standardized meanings, and thus, may not be comparable to similar measures presented by other issuers, for example EBIT and EBITDA and Other Information in the Financial Summary. 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 prepared in accordance with Canadian GAAP. 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.

Definitions

Adjusted EBIT and EBITDA – EBIT and EBITDA adjusted to exclude inventory write-downs in the amount of $38 million in 2008 and $159 million in 2009 and $35 million of asset impairment in 2009. 2010 excludes inventory reversal of $1.9 million and plant closure costs of $2.6 million.

Basic Earnings Per Common Share - Earnings divided by Average common shares outstanding in period.

Book Value Per Share - Equity value divided by ending common shares outstanding.

Debt as % of Capitalization - Total interest bearing debt excluding cash divided by common shareholders' equity plus interest bearing debt excluding cash.

Dividend Per Share - The current quarterly dividend annualized.

Dividend Yield - The dividend per share divided by the period end common share price.

Earnings Multiple - Period ending common share price divided by basic earnings per common share.

EBIT - Earnings from operations before deduction of interest and income taxes.

EBITDA - Earnings from operations before deduction of interest, income taxes, depreciation and amortization.

Free Cash Flow - Cash from operating activities before change in working capital less inventory write-downs and capital expenditures.

Interest Bearing Debt to EBITDA - Total interest bearing debt excluding cash on hand divided by EBITDA.

Market Capitalization - Outstanding common shares times market price of a common share at period end.

Net Assets Employed - Assets less liabilities excluding debt and cash.

Return on Capital Employed - EBIT for period annualized over net assets employed.

Russel Metals

COMMENTS RE MARKET CONDITIONS FEBRUARY 2013

1. Metals service center demand and pricing stable
   Expect improvement over QTR-4 2012 level

2. OCTG pricing under pressure due to excess pipe from lower drill rig activity

3. Energy results in QTR-1 2013 expected to be stronger due to Apex acquisition

4. Boucherville, Quebec strike settled February 7, 2013

5. No clear direction in markets for 2013

HIGHLIGHTS
2012 FOURTH QUARTER & YEAR END RESULTS

1. QTR-4 2012 - Earnings $20 million, EPS $0.34
   QTR-4 2011 - Earnings $29 million, EPS $0.47
   QTR-3 2012 - Earnings $23 million, EPS $0.37

2. Year ended December 31, 2012 - Earnings $99 million, EPS $1.64
   Year ended December 31, 2011 - Earnings $118 million, EPS $1.97
   2012 includes $0.07 charge for deferred costs, hedging costs and additional interest on redemption of U.S. Senior Notes

3. Free Cash Flow
   (cash from operations before working capital changes less capital expenditures)
   Year ended December 31, 2012 - $99 million or $1.65 per share
   Year ended December 31, 2011 - $130 million or $2.16 per share

4. 2012 year Return on Equity – 12%

5. Cash and cash equivalents (net) - $101 million

Russel Metals Inc.

FINANCIAL HIGHLIGHTS

	<------------------------------------Years ended			------------------------------------>
	2012	2011	2010	2009	2008
OPERATING RESULTS (millions)					
Revenues	**$3,000.1**	$2,693.3	$2,178.0	$1,971.8	$3,366.2
Net earnings (loss)	**98.8**	118.3	57.3	(92.0)	228.5
EBIT	**176.2**	197.5	110.8	(130.2)	355.2
Adjusted EBIT (Note)	**176.2**	197.5	111.5 [1]	63.9 [1]	392.9 [1]
EBIT as a % of revenue	**5.9%**	7.3%	5.1%	3.2%	11.7%
Adjusted EBITDA (Note)	**201.7**	221.0	136.8 [1]	89.6 [1]	416.3 [1]
EBITDA as a % of revenue	**6.7%**	8.2%	6.3%	4.5%	12.4%
Basic earnings (loss) per common share ($)	**$1.64**	$1.97	$0.96	($1.54)	$3.67
BALANCE SHEET INFORMATION (millions)					
Metals					
Accounts receivable	**$455.6**	$381.7	$300.5	$214.2	$425.9
Inventories	**764.0**	645.6	544.1	517.9	925.1
Prepaid expenses and other assets	**7.1**	4.3	2.9	4.6	7.6
Accounts payable and accruals	**(381.5)**	(343.6)	(259.8)	(231.2)	(393.7)
Net working capital - Metals	**845.2**	688.0	587.7	505.5	964.9
Fixed assets	**225.3**	184.1	187.2	213.1	230.4
Goodwill and intangibles	**192.1**	24.7	24.9	28.4	71.8
Net assets employed in metals operations	**1,262.6**	896.8	799.8	747.0	1,267.1
Other operating assets	**16.0**	17.1	17.6	18.9	19.4
Net income tax assets (liabilities)	**(8.2)**	(12.0)	(11.5)	47.7	(30.2)
Pension and benefit assets (liabilities)	**(38.7)**	(33.3)	(17.2)	2.1	0.7
Other corporate assets and liabilities	**(47.3)**	(22.1)	(11.9)	(39.9)	(38.0)
Total net assets employed	**$1,184.4**	$846.5	$776.8	$775.8	$1,219.0
CAPITALIZATION (millions)					
Bank indebtedness, net of (cash)	**($100.8)**	($270.7)	($323.7)	($359.6)	$20.0
Long-term debt (incl. current portion)	**455.8**	297.8	319.7	342.1	218.9
Total interest bearing debt, net of (cash)	**355.0**	27.1	(4.0)	(17.5)	238.9
Market capitalization	**1,662.2**	1,346.8	1,373.5	1,058.5	1,134.2
Total firm value	**$2,017.2**	$1,373.9	$1,369.5	$1,041.0	$1,373.1
OTHER INFORMATION (Notes)					
Shareholders' equity (millions)	**$829.4**	$819.4	$772.8	$793.3	$980.1
Book value per share ($)	**$13.78**	$13.64	$12.88	$13.29	$16.42
Free cash flow (millions)	**$99.4**	$129.5	$85.7	$95.7	$235.9
Capital expenditures (millions)	**$33.7**	$18.1	$11.6	$18.6	$22.2
Depreciation and amortization (millions)	**$25.5**	$23.5	$25.3	$25.7	$23.4
Earnings multiple	**16.8**	11.4	23.9	-	5.2
Firm value as a multiple of EBIT	**11.4**	7.0	12.3 [1]	16.3 [1]	3.9 [1]
Firm value as a multiple of EBITDA	**10.0**	6.2	10.0 [1]	11.6 [1]	3.3 [1]
Interest bearing debt/EBITDA	**2.3**	1.3	2.3 [1]	3.8 [1]	0.5 [1]
Debt as a % of capitalization	**35%**	27%	29%	30%	18%
Market capitalization as a % of book value	**200%**	164%	178%	133%	116%
Return on equity	**12%**	14%	7%	(12%)	23%
Return on capital employed	**15%**	23%	14% [1]	8% [1]	29% [1]
COMMON SHARE INFORMATION					
Ending outstanding common shares	**60,204,636**	60,071,698	59,978,173	59,698,690	59,695,290
Average outstanding common shares	**60,128,534**	60,043,222	59,717,629	59,696,743	62,329,483
Dividend yield	**5.1%**	5.4%	4.8%	5.6%	5.3%
Dividend per share	**$1.40**	$1.20	$1.10	$1.00	$1.00
Share price - High	**$28.97**	$27.75	$23.94	$22.00	$31.36
Share price - Low	**$22.52**	$18.90	$16.25	$9.25	$15.01
Share price - Ending	**$27.61**	$22.42	$22.90	$17.73	$19.00

Notes:

(1) Adjusted EBIT excludes inventory writedowns in the amount of $37.7 million in 2008 and $158.7 million in 2009 and $35.4 million for asset impairment. It excludes the inventory reversal of $1.9 million and plant closure costs of $2.6 million in 2010.

(2) 2012, 2011 and 2010 are reported under IFRS. 2008 and 2009 represent actual results as reported under Canadian GAAP.

CONSOLIDATED STATEMENTS OF EARNINGS

(in millions of Canadian dollars, except per share data)	Quarters ended December 31 **2012**	2011	Years ended December 31 **2012**	2011
Revenues	**$ 765.9**	$ 711.6	**$ 3,000.1**	$ 2,693.3
Cost of materials	**640.1**	585.8	**2,476.8**	2,168.0
Employee expenses	**55.6**	49.7	**215.3**	202.3
Other operating expenses	**33.8**	29.8	**131.8**	125.5
Earnings before interest, finance and income taxes	**36.4**	46.3	**176.2**	197.5
Interest expense	**9.1**	6.8	**34.2**	27.5
Interest income	**(0.2)**	(0.5)	**(1.7)**	(2.0)
Other finance expense	**0.8**	0.9	**5.6**	2.6
Earnings before income taxes	**26.7**	39.1	**138.1**	169.4
Provision for income taxes	**6.3**	10.6	**39.3**	51.1
Net earnings for the period	**$ 20.4**	$ 28.5	**$ 98.8**	$ 118.3
Basic earnings per common share	**$ 0.34**	$ 0.47	**$ 1.64**	$ 1.97
Diluted earnings per common share	**$ 0.34**	$ 0.46	**$ 1.64**	$ 1.92

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(in millions of Canadian dollars)	Quarters ended December 31 **2012**	2011	Years ended December 31 **2012**	2011
Net earnings for the period	**$ 20.4**	$ 28.5	**$ 98.8**	$ 118.3
Other comprehensive income (loss) net of tax				
Unrealized foreign exchange gains (losses) on translation of foreign operations	**4.1**	(7.8)	**(8.5)**	9.1
Unrealized (losses) gains on items designated as net investment hedges	**-**	2.6	**(0.9)**	(2.5)
Losses on derivatives designated as cash flow hedges transferred to net earnings during the year	**-**	0.3	**2.3**	1.1
Actuarial (losses) gains on pension and similar obligations	**3.1**	(13.8)	**(6.0)**	(13.8)
Other comprehensive loss	**7.2**	(18.7)	**(13.1)**	(6.1)
Total comprehensive income	**$ 27.6**	$ 9.8	**$ 85.7**	$ 112.2

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(in millions of Canadian dollars)	**December 31 2012**	December 31 2011
ASSETS		
Current		
Cash and cash equivalents	**$ 115.1**	$ 270.7
Accounts receivable	**456.2**	382.4
Inventories	**764.0**	645.6
Prepaid expenses	**7.1**	4.6
Income taxes receivable	**7.7**	0.5
	1,350.1	1,303.8
Property, Plant and Equipment	**241.8**	201.3
Deferred Income Tax Assets	**4.6**	5.3
Other Assets	**6.5**	3.3
Goodwill and Intangibles	**192.1**	24.7
	$ 1,795.1	$ 1,538.4
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Bank indebtedness	**$ 14.3**	$ -
Accounts payable and accrued liabilities	**396.5**	362.8
Income taxes payable	**-**	17.4
Current portion long-term debt	**2.2**	1.3
	413.0	381.5
Long-Term Debt	**453.6**	296.5
Pensions and Benefits	**38.7**	33.3
Deferred Income Tax Liabilities	**20.5**	0.4
Provisions and Other Non-Current Liabilities	**39.9**	7.3
	965.7	719.0
Shareholders' Equity		
Common shares	**487.9**	485.4
Retained earnings	**324.3**	306.7
Contributed surplus	**17.3**	15.7
Accumulated other comprehensive loss	**(30.2)**	(17.1)
Equity component of convertible debenture	**28.7**	28.7
Total Shareholders' Equity Attributable to Equity Holders	**828.0**	819.4
Non-controlling interest	**1.4**	-
Total Shareholders' Equity	**829.4**	819.4
Total Liabilities and Shareholders' Equity	**$ 1,795.1**	$ 1,538.4

CONSOLIDATED STATEMENTS OF CASHFLOW

(in millions of Canadian dollars)	Quarters ended December 31 **2012**	2011	Years ended December 31 **2012**	2011
Operating activities				
Net earnings for the period	**$ 20.4**	$ 28.5	**$ 98.8**	$ 118.3
Depreciation and amortization	**7.4**	5.8	**25.5**	23.5
Deferred income taxes	**0.3**	(0.3)	**1.3**	(0.2)
(Gain) loss on sale of property, plant and equipment	**(1.2)**	0.1	**(1.2)**	0.1
Stock-based compensation	**0.6**	0.5	**2.1**	2.1
Difference between pension expense and amount funded	**(1.4)**	(1.3)	**(3.1)**	(2.6)
Debt accretion, amortization and other	**1.7**	1.5	**9.7**	6.4
Cash from operating activities before non-cash working capital	**27.8**	34.8	**133.1**	147.6
Changes in non-cash working capital items				
Accounts receivable	**46.8**	11.7	**25.4**	(78.6)
Inventories	**48.4**	2.0	**(28.5)**	(97.5)
Accounts payable and accrued liabilities	**(17.4)**	23.5	**(34.3)**	79.0
Current income taxes receivable/ payable	**0.1**	3.4	**(19.6)**	7.2
Other	**(0.6)**	(0.6)	**(0.1)**	(1.5)
Change in non-cash working capital	**77.3**	40.0	**(57.1)**	(91.4)
Cash from operating activities	**105.1**	74.8	**76.0**	56.2
Financing activities				
Increase in bank borrowings	**14.6**	-	**14.6**	-
Issue of common shares	**0.6**	0.1	**2.0**	1.4
Dividends on common shares	**(21.1)**	(18.1)	**(81.2)**	(69.1)
Issuance of long-term debt	**-**	-	**300.0**	-
Repayment of long-term debt	**(0.3)**	(3.4)	**(142.4)**	(29.3)
Deferred financing	**-**	(0.1)	**(7.0)**	(0.6)
Cash from (used in) financing activities	**(6.2)**	(21.5)	**86.0**	(97.6)
Investing activities				
Purchase of property, plant and equipment	**(7.3)**	(5.2)	**(33.7)**	(18.1)
Proceeds on sale of property, plant and equipment	**1.8**	0.1	**1.8**	0.8
Purchase of business	**(226.4)**	-	**(281.3)**	-
Cash used in investing activities	**(231.9)**	(5.1)	**(313.2)**	(17.3)
Effect of exchange rates on cash and cash equivalents	**1.0**	(1.4)	**(4.4)**	5.7
Increase (decrease) in cash and cash equivalents	**(132.0)**	46.8	**(155.6)**	(53.0)
Cash and cash equivalents, beginning of the period	**247.1**	223.9	**270.7**	323.7
Cash and cash equivalents, end of the year	**$ 115.1**	$ 270.7	**$ 115.1**	$ 270.7
Supplemental cash flow information:				
Income taxes paid	**$ 5.6**	$ 7.9	**$ 60.0**	$ 45.8
Interest paid (net)	**$ 16.1**	$ 0.5	**$ 31.2**	$ 25.5

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(in millions of Canadian dollars)	Common Shares	Retained Earnings	Contributed Surplus	Accumulated Other Comprehensive Loss	Equity Component of Convertible Debentures	Non Controlling Interest	Total
Balance, January 1, 2012	$ 485.4	$ 306.7	$ 15.7	$ (17.1)	$ 28.7	$ -	$ 819.4
Acquired during the year (Note 4)	-	-	-	-	-	1.4	1.4
Payment of dividends	-	(81.2)	-	-	-	-	(81.2)
Net earnings for the year	-	98.8	-	-	-	-	98.8
Other comprehensive loss for the year	-	-	-	(13.1)	-	-	(13.1)
Recognition of stock-based compensation	-	-	1.6	-	-	-	1.6
Stock options exercised	2.5	-	-	-	-	-	2.5
Balance, December 31, 2012	$ 487.9	$ 324.3	$ 17.3	$ (30.2)	$ 28.7	$ 1.4	$ 829.4

(in millions of Canadian dollars)	Common Shares	Retained Earnings	Contributed Surplus	Accumulated Other Comprehensive Loss	Equity Component of Convertible Debentures	Non Controlling Interest	Total
Balance, January 1, 2011	$ 483.7	$ 257.5	$ 13.9	$ (11.0)	$ 28.7	$ -	$ 772.8
Payment of dividends	-	(69.1)	-	-	-	-	(69.1)
Net earnings for the year	-	118.3	-	-	-	-	118.3
Other comprehensive loss for the year	-	-	-	(6.1)	-	-	(6.1)
Recognition of stock-based compensation	-	-	1.8	-	-	-	1.8
Stock options exercised	1.7	-	-	-	-	-	1.7
Balance, December 31, 2011	$ 485.4	$ 306.7	$ 15.7	$ (17.1)	$ 28.7	$ -	$ 819.4

RUSSEL METALS INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2012

This Management's Discussion and Analysis of Financial Condition and Results of Operations of Russel Metals Inc. and its subsidiaries provides information to assist readers of our audited Consolidated Financial Statements for the year ended December 31, 2012, including the notes thereto and should be read in conjunction with these financial statements. All dollar references in our financial statements and in this report are in Canadian dollars unless otherwise stated.

Additional information related to Russel Metals Inc., including our Annual Information Form, may be obtained from SEDAR at www.sedar.com or on our website at www.russelmetals.com.

Unless otherwise stated, the discussion and analysis contained herein are as of February 12, 2013.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this document constitute forward-looking statements or information within the meaning of applicable securities laws. These statements relate to future events or our future performance. All statements other than statements of historical fact may be forward-looking statements. Forward looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. These risks and uncertainties include, among other things: no assurance future financing will be available; dilution; change of control; interest rate risk; foreign exchange risk; volatile metal prices; cyclicality of the metals industry and the industries that purchase our products; significant competition; interruption in sources of metals supply; integrating future acquisitions; collective agreements and work stoppages; environmental liabilities; changes in government regulations; failure of key computer-based systems; loss of key individuals; and the current economic climate. While we believe that the expectations reflected in the forward-looking statements contained herein are reasonable, no assurance can be given that these expectations will prove to be correct, and such forward looking statements included herein should not be unduly relied upon. These statements speak only as of the date hereof. Except as required by law, we do not assume any obligation to update the aforementioned forward-looking statements. Our actual results could differ materially from those anticipated in the aforementioned forward-looking statements, as applicable, including as a result of the risk factors set forth elsewhere herein and in our filings with the securities regulatory authorities which are available on SEDAR at www.sedar.com.

NON-GAAP MEASURES

This Management's Discussion and Analysis of Financial Condition and Results of Operations includes a number of measures that are not prescribed by GAAP and as such may not be comparable to similar measures presented by other companies. We believe these measures are commonly employed to measure performance in our industry and are used by analysts, investors, lenders and other interested parties to evaluate financial performance and our ability to incur and service debt to support our business activities. The measures we use are specifically defined where they are first used in this report.

While we believe that non-GAAP measures are helpful supplemental information, they should not be considered in isolation as an alternative to net income, cash flows generated by operating, investing or financing activities, or other financial statement data presented in accordance with GAAP.

OVERVIEW

We are one of the largest metals distribution companies in North America. We conduct business primarily in three metals distribution segments: metals service centers, energy products, and steel distributors.

2012 was a very active year for us. We raised low cost fixed term debt in the capital markets and subsequently used it to complete three acquisitions. The following summarizes these activities:

(i) On April 19, 2012, we issued $300 million of 6.0% Senior Notes and on May 25, 2012, we redeemed our 6.375% U.S. Senior Notes. The redemption of our 6.375% U.S. Senior Notes prior to maturity resulted in a charge to earnings for deferred costs, hedging costs and additional interest totaling $0.07 per share.

(ii) On May 1, 2012, we completed the acquisition of Siemens Laserworks for consideration of $27 million which added laser processing capacity through its service center facilities located in Saskatoon, Saskatchewan and Edmonton, Alberta.

(iii) On May 28, 2012, we completed the acquisition of Alberta Industrial Metals for consideration of $28 million which increased our service center operations in Red Deer, Alberta and added cut-to-length capacity in Alberta.

(iv) On November 8, 2012, we completed the acquisition of Alberta-based Apex Distribution and related companies for consideration of $268 million. The total purchase price consisted of a cash payment of $227 million and an additional consideration of $41 million which is contingent on future earnings over the next five years ending December 31, 2017. Apex Distribution is focused on the distribution of valves and fittings to the oil and gas industry in Western Canada. This acquisition provides a new distribution channel and a new product focus in what we view as a growing area of the distribution market.

Revenues increased 11%, led by our energy products segment. Gross margin dollars were flat year over year despite the revenue increase due to margin pressure exerted by declining steel prices, which resulted in lower margins as a percentage of revenues. Higher operating expenses in our energy products segment due to increased volumes and our acquisition, as well as higher interest and finance expense reduced our net earnings for 2012 by $19 million compared to 2011.

Our earnings for 2012 were $99 million compared to $118 million in 2011. Earnings per share were $1.64 for 2012 compared to $1.97 for 2011. Our return on equity was 12%.

SUMMARIZED FINANCIAL INFORMATION

The table discloses selected information related to revenues, earnings and common share information over the last eight quarters.

2012

(in millions, except per share data and volumes)	Quarters Ended Mar. 31	June 30	Sept. 30	Dec. 31	Year Ended Dec. 31
Revenues	**$ 802.9**	**$ 718.7**	**$ 712.6**	**$ 765.9**	**$ 3,000.1**
Earnings from operations	**53.1**	**46.4**	**40.3**	**36.4**	**176.2**
Net earnings	**33.1**	**22.8**	**22.5**	**20.4**	**98.8**
Basic earnings per common share	**$ 0.55**	**$ 0.38**	**$ 0.37**	**$ 0.34**	**$ 1.64**
Diluted earnings per common share	**$ 0.53**	**$ 0.38**	**$ 0.37**	**$ 0.34**	**$ 1.64**
Market price of common shares					
High	**$ 27.95**	**$ 27.92**	**$ 28.20**	**$ 28.97**	**$ 28.97**
Low	**$ 22.52**	**$ 23.61**	**$ 23.73**	**$ 25.90**	**$ 22.52**
Shares outstanding end of quarter	**60,102,823**	**60,129,973**	**60,155,948**	**60,204,636**	**60,204,636**
Number of common shares traded	**14,759,969**	**9,475,372**	**10,831,800**	**10,378,377**	**45,445,518**

2011

(in millions, except per share data and volumes)	Quarters Ended Mar. 31	June 30	Sept. 30	Dec. 31	Year Ended Dec. 31
Revenues	$ 657.7	$ 618.6	$ 705.4	$ 711.6	$ 2,693.3
Earnings from operations	54.2	52.1	44.9	46.3	197.5
Net earnings	33.0	31.1	25.7	28.5	118.3
Basic earnings per common share	$ 0.55	$ 0.52	$ 0.43	$ 0.47	$ 1.97
Diluted earnings per common share	$ 0.53	$ 0.50	$ 0.43	$ 0.46	$ 1.92
Market price of common shares					
High	$ 27.70	$ 27.75	$ 24.99	$ 24.28	$ 27.75
Low	$ 21.90	$ 22.35	$ 19.28	$ 18.90	$ 18.90
Shares outstanding end of quarter	60,043,673	60,062,473	60,063,173	60,071,698	60,071,698
Number of common shares traded	13,803,753	9,338,536	9,204,553	9,765,696	42,112,538

RESULTS OF OPERATIONS

The following table provides operating profits before interest, taxes and other income or expense. The corporate expenses included are not allocated to specific operating segments. Gross margins (revenue minus cost of sales) as a percentage of revenues for the operating segments are also shown below. The table shows the segments as they are reported to management and are consistent with the segment reporting in the consolidated financial statements.

(in millions, except percentages)	**2012**	2011	**2012 Change as a % of 2011**
Segment Revenues			
Metals service centers	**$ 1,581.1**	$ 1,517.2	**4%**
Energy products	**1,060.2**	826.2	**28%**
Steel distributors	**351.1**	342.9	**2%**
Other	**7.7**	7.0	
	$ 3,000.1	$ 2,693.3	**11%**
Segment Operating Profits			
Metals service centers	**$ 102.1**	$ 115.2	**(11%)**
Energy products	**63.2**	60.4	**5%**
Steel distributors	**30.3**	38.4	**(21%)**
Corporate expenses	**(19.9)**	(17.0)	**(17%)**
Other	**0.5**	0.5	
Operating profits	**$ 176.2**	$ 197.5	**(11%)**
Segment Gross Margin as a % of Revenues			
Metals service centers	**20.5%**	22.3%	
Energy products	**13.5%**	14.8%	
Steel distributors	**14.0%**	16.9%	
Total operations	**17.4%**	19.5%	
Segment Operating Profit as a % of Revenues			
Metals service centers	**6.5%**	7.6%	
Energy products	**6.0%**	7.3%	
Steel distributors	**8.6%**	11.2%	
Total operations	**5.9%**	7.3%	

METALS SERVICE CENTERS

a) Description of operations

We provide processing and distribution services to a broad base of approximately 39,000 end users through a network of 54 Canadian locations and 12 U.S. locations. Our metals service centers carry a broad line of products in a wide range of sizes, shapes and specifications, including carbon hot rolled and cold finished steel, pipe and tubular products, stainless steel and aluminum. We purchase these products primarily from steel producers in North America and process and package them in accordance with end user specifications. We service all major geographic regions of Canada and the Southeastern and Midwestern regions in the United States. Within Canada, our service centers operate under the names Russel Metals, Métaux Russel, A.J. Forsyth, Acier Leroux, Acier Loubier, Acier Richler, Alberta Industrial Metals, B&T Steel, Leroux Steel, Mégantic Métal, Russel Metals Specialty Products, Métaux Russel Produits Spécialisés, McCabe Steel, Siemens Laserworks and York-Ennis. Our U.S. service centers operate under the names Russel Metals Williams Bahcall, JMS Russel Metals, Norton Metals and Baldwin International.

During the second quarter of 2012 we completed two acquisitions, Siemens Laserworks and Alberta Industrial Metals. These two acquisitions increased our revenues by approximately $28 million in 2012.

b) Factors affecting results

The following is a general discussion of the significant factors affecting our metals service centers results. Specific information on how these factors impacted 2012 and 2011 is found in the section that follows.

Steel prices fluctuate significantly throughout the steel cycle. Mill price reductions during the second half of 2012 put downward pressure on selling prices and gross margins. Steel prices are influenced by overall demand, trade sanctions, iron ore prices, scrap steel prices and product availability. Supply side management, practiced by steel producers in North America, and international supply and demand, which impacts steel imports, affects product availability. Trade sanctions are initiated either by steel mills or by government agencies in North America.

Demand for our product is significantly affected by economic cycles. Revenues and operating profits fluctuate with the level of general business activity in the markets served. We are most impacted by the manufacturing, resource and construction segments of the Canadian economy.

Canadian service centers, which represent the majority of our metals service center operations, have operations in all regions of Canada and are affected by general regional economic conditions. Our large market share and our diverse customer base of approximately 22,000 customers mean that our results tend to mirror the performance of the regional economies of Canada. Our U.S. operations, which have approximately 17,000 customers, are impacted by the local economic conditions in the regions that they serve.

The change in the Canadian dollar in 2012 versus 2011 had no material impact on revenues and profits for our U.S. operations translated to Canadian dollars. Revenues and profits of our U.S. operations reported for 2012 were converted at $0.9994 per US$1 compared to $0.9893 per US$1 for 2011. The exchange rate at December 31, 2012 used to translate the balance sheet was $0.9949 per US$1 versus $1.0170 per US$1 at December 31, 2011.

Our Canadian operations can be affected by the U.S. dollar exchange rate since some products are sourced outside of Canada and are priced in U.S. dollars. Movement in the Canadian dollar has a short-term impact on inventory prices.

c) Metals service centers segment results -- 2012 compared to 2011

Revenues for 2012 increased 4% to $1.6 billion compared to 2011 revenues of $1.5 billion. Tons shipped in metals service centers were approximately 6% higher than those shipped in 2011. Volumes were stronger for the first six months of 2012 resulting in a year over year increase of 14% for that period. The third quarter was flat and the fourth quarter was down 4% compared to 2011 and 7% compared to the third quarter of 2012. Selling price approximated that of 2011 for the first half of 2012 and declined in the second half, resulting in a decline for the year of approximately 2%.

The Metals Service Center Institute reported a decrease of 3% in tons shipped for the industry in 2012 compared to 2011 for Canada and an increase of 2% in tons shipped for the U.S. Our 6% increase in tons shipped indicates that we have captured market share.

Gross margin as a percentage of revenues was 20.5% for 2012 compared to 22.3% for 2011. Gross margin percentage was lower compared to 2011 due to the absence of inventory holding gains experienced in the first half of 2011 and the decline in margins due to falling prices in the second half of 2012.

Our average revenue per invoice for 2012 was approximately $1,806 compared to $1,772 for 2011, reflecting higher average orders in tons. We handled approximately 3,502 transactions per day in 2012 compared to 3,426 per day for 2011, an increase of 2%.

Operating expenses for 2012 decreased $2 million, or by 1%, from 2011 mainly related to lower variable compensation. Operating expenses as a percentage of revenue improved from 15% for 2011 to 14% for 2012.

Our Boucherville, Quebec plant has been on strike since September 2012. Our 2012 earnings were reduced approximately $0.04 per share due to the strike.

Metals service centers operating profits for 2012 decreased by 11% to $102 million from $115 million in 2011. The decrease was due to lower margins compared to 2011 caused by declining steel prices in 2012.

ENERGY PRODUCTS

a) Description of operations

These operations distribute oil country tubular goods (OCTG), line pipe, tubes, valves and fittings, primarily to the energy industry in Western Canada and the United States. Our business units are clustered in Alberta in Canada and Colorado and Texas in the U.S. A large portion of our inventories are located in third party yards ready for distribution to customers throughout North America. In addition, we operate from 53 Canadian and 19 U.S. facilities. We purchase our products either from the pipe division of North American steel mills, independent manufacturers of pipe and pipe accessories, international steel mills or other distributors. Our energy products segment operates under the names Apex Distribution, Apex Remington, Comco Pipe and Supply Company, Fedmet Tubulars, Triumph Tubular & Supply, Pioneer Pipe and Spartan Energy Tubulars.

On November 8, 2012, we acquired 100% of the operations of Apex Distribution which is a supplier of oil field products, primarily valves and fittings, to the Western Canadian oil and gas industry and the Saskatchewan potash industry. The addition of Apex Distribution complements the operations in this segment and provides a new channel of distribution into the Western Canadian oil and gas industry and the U.S. market through Apex Distribution's start-up operation Apex Remington.

b) Factors affecting results

The following is a general discussion of the significant factors affecting our energy products segment results. Specific information on how these factors impacted 2012 and 2011 is found in the section that follows.

The price of natural gas and oil can impact rig count and drilling activities, particularly in Western Canada. Rig activity affects demand for our products. The price of oil returned to historically high levels during 2011 and remained high in 2012 although rig activity in 2012 is below that of 2011. Activity in Western Canada is dependent on Canadian oil prices which are below U.S. oil prices due to a shortage of pipeline capcity. Natural gas prices are at very low levels and thus drilling activity related to gas is well below historical levels. Fracking technology, applied to horizontal drilling, enables producers to economically drill in the oil and gas-rich shale fields and remains the focus of our OCTG sales efforts. Sales of large diameter pipe for use in distribution feeder lines has been a very active area for our U.S. operations in 2012 as new shale fields are developed and their output connected to the existing pipelines.

Prices for pipe products are influenced by overall demand, trade sanctions and product availability. Trade sanctions are initiated either by steel mills or by government agencies in North America. Both the Canadian and U.S. governments have imposed duties on certain Chinese pipe, which remain in effect and reduce imports of these products.

Our Canadian operations can be affected by the U.S. dollar exchange rate since some products are sourced outside of Canada and are priced in U.S. dollars. Movement in the Canadian dollar impacts the cost of inventory and cost of sales.

Drilling related to oil and natural gas in Western Canada historically peaks during the period from October to March.

c) Energy products segment results -- 2012 compared to 2011

Revenues increased 28% for 2012 to $1.0 billion compared to 2011. Our Canadian operations servicing the oil sands and our U.S. operations had increased revenues mainly related to increased tons shipped. Revenues of our U.S. operations increased approximately 52% related to the sale of pipe for large diameter transmission lines. Activities in the oil sands increased 34%, while the addition of Apex Distribution for seven weeks added 8% to sales. Revenues from our Canadian operations servicing oil and gas drilling activity decreased by 12% compared to 2011.

Gross margin as a percentage of revenue was 13.5% for 2012 compared to 14.8% in 2011 due to competitive price pressures and declining steel prices. In addition, we recorded an inventory write-down of $4 million in the fourth quarter of 2012.

Operating expenses were $18 million higher in 2012 compared to 2011, mainly due to higher variable compensation, freight costs for higher volumes and the addition of Apex Distribution. Operating expenses as a percentage of revenues were consistent with 2011.

This segment generated operating profits of $63 million for 2012 compared to $60 million for 2011. The increase related to the earnings of Apex Distribution for seven weeks offset by lower gross margin on increased revenues.

STEEL DISTRIBUTORS

a) Description of operations

Our steel distributors act as master distributors selling steel in large volumes to other steel service centers and equipment manufacturers mainly on an "as is" basis. Our U.S. operation has a cut-to-length facility in Houston, Texas where it processes coil for its customers. Our steel distributors source their steel both domestically and off shore.

The main steel products sourced by this segment are structural beam, plate, coils, pipe and tubing; however, product volumes vary based on the economy and trade actions in North America. Our steel distributors operate under the names Wirth Steel and Sunbelt Group. Arrow Steel, a division of Sunbelt Group, processes coils.

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b) Factors affecting results

The following is a general discussion of the significant factors affecting our steel distributors. Specific information on how these factors impacted 2012 and 2011 is found in the section that follows.

Steel prices are influenced by overall demand, trade sanctions and product availability both domestically and worldwide. Trade sanctions are initiated either by steel mills or government agencies in North America. Trade actions currently exist on plate and pipe from specified countries. Mill capacity by product line in North America and international supply and demand impact steel imports. In addition, these factors significantly affect product availability in North America. Current lead times for deliveries from North American mills are short due to excess capacity reducing demand for imports.

Demand for steel that is sourced off shore fluctuates significantly and is mainly driven by price and product availability in North America. Our steel distributors have a significant number of customers who buy product from them on a periodic basis, which can result in large fluctuations in revenues reported from period to period.

Our Canadian operations source product outside of Canada that is priced in U.S. dollars. Movements in the Canadian dollar can result in some products that we have purchased being subsequently available in the marketplace at a lower cost.

c) *Steel distributors segment results -- 2012 compared to 2011*

Revenues for 2012 were 2% higher than that of 2011 mainly due to higher volumes during the first half of 2012. Increased shipments to the service center industry and large equipment manufacturers during the first half of 2012 resulted in increased demand for our steel distributor operations in Canada and the U.S.

Gross margin as a percentage of revenues was 14.0% for 2012 compared to 16.9% for 2011. The decline related to steel pricing pressures from domestic mill price reductions in the second half of 2012 and elevated gross margins in 2011 due to rising steel prices in the first half of 2011.

Operating expenses were $1.0 million higher for 2012 compared to 2011 due to higher volumes. Operating expenses as a percentage of revenue was consistent with 2011.

Operating profits for 2012 were $30 million compared to $38 million in 2011. The decrease in operating profit from 2011 was mainly a result of lower gross margins.

CORPORATE EXPENSES -- 2012 COMPARED TO 2011

Corporate expenses were $20 million in 2012 compared to $17 million in 2011. Corporate expenses were higher due to increases in the value of deferred and restricted stock units, a result of our increased share price. In addition, as required under IFRS, we expensed legal, consulting and audit services of approximately $1 million related to our three acquisitions.

CONSOLIDATED RESULTS -- 2012 COMPARED TO 2011

Operating profits from operations were $176 million for 2012, compared to $198 million in 2011. Reduced gross margins in metals service centers and steel distributors and higher expenses due to increased volumes in the energy products segment were the primary factors contributing to the decrease.

INTEREST EXPENSE AND INCOME

Net interest expense was $33 million for 2012 compared to $26 million for 2011. We issued $300 million of 6% Senior Notes on April 19, 2012 and a portion of the proceeds was used to redeem the outstanding US$139 million Senior Notes on May 25, 2012. Higher outstanding debt as well as the additional interest between the issue of the new debt and the redemption of the US$139 million Senior Notes resulted in higher interest expense.

OTHER FINANCE INCOME AND EXPENSE

Net finance expense was $5 million for 2012 compared to $3 million for 2011. We recorded a $4 million charge related to deferred costs and hedging costs on the redemption of the U.S. Senior Notes in the second quarter of 2012.

INCOME TAXES

Our income tax provision for 2012 was $39 million. Our effective income tax rate for 2012 was 28.5% compared to 30.2% for 2011. The effective income tax rate decreased due to lower statutory rates. We estimate our normalized effective income tax rate to be 28.5% for 2013. Our normalized effective income tax rate excludes the fair value adjustment on the Apex Distribution contingent consideration which will not have a tax benefit.

NET EARNINGS

Net earnings for 2012 were $99 million compared to $118 million for 2011. Basic earnings per common share for 2012 were $1.64 compared to $1.97 per common share in 2011.

SHARES OUTSTANDING AND DIVIDENDS

The weighted average number of common shares outstanding for 2012 was 60,128,534 compared to 60,043,222 for 2011. The average number of common shares outstanding has increased as a result of stock options being exercised. As at December 31, 2012, we had 60,204,636 common shares outstanding and at February 12, 2013 we had 60,204,907 common shares outstanding.

We paid common share dividends of $81 million or $1.35 per share in 2012 as compared to $69 million or $1.15 per share in 2011.

We have $175 million of 7.75% Convertible Unsecured Subordinated Debentures outstanding which mature on September 30, 2016. Each debenture is convertible into common shares at the option of the holder at any time on or prior to the business day immediately preceding (i) the maturity date, or (ii) the date specified for redemption of the Convertible Debentures, at a conversion price of $25.75 per share being a conversion rate of 38.8350 common shares per $1,000 principal amount of Convertible Debentures. During the year ended December 31, 2012, Convertible Debentures of $10,000 principal were converted into 388 common shares.

During the second quarter of 2012, we issued $300 million 6.0% Senior Notes due April 19, 2022. The indenture for our Senior Notes has restrictions related to quarterly dividends in excess of $0.35 per share. We currently have a basket of approximately $110 million available for restricted payments, which is adjusted for 50% of our net earnings or losses on a quarterly basis. This basket would be available for increased dividend payments.

Under our syndicated bank facility, the payment of dividends is subject to excess borrowing base availability of not less than four times the declared dividend. We do not believe this requirement will restrict our ability to pay dividends as our borrowing base, which is based on percentages of accounts receivable and inventories, has traditionally been in excess of borrowings plus four times the current dividend.

EBITDA

The following table shows the reconciliation of net earnings to EBITDA:

(millions)	**2012**	2011
Net earnings	**$ 98.8**	$ 118.3
Provision for income taxes	**39.3**	51.1
Interest and finance expense, net	**38.1**	28.1
Earnings before interest, finance and income taxes (EBIT)	**176.2**	197.5
Depreciation and amortization	**25.5**	23.5
Earnings before interest, finance, income taxes, depreciation and amortization (EBITDA)	**$ 201.7**	$ 221.0

We believe that EBITDA, a non-GAAP measure, 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. The items excluded in determining EBITDA are significant in assessing our operating results and liquidity. Therefore, EBITDA should not be considered in isolation or as an alternative to cash from operating activities or other combined income or cash flow data prepared in accordance with GAAP.

CAPITAL EXPENDITURES

Capital expenditures were $34 million for 2012 compared to $18 million for 2011. Depreciation expense was $24 million in 2012 and $22 million in 2011.

In the first quarter of 2012, we acquired land adjacent to our Comco Pipe's operation in Edmonton, Alberta for $6 million to allow us to expand our storage of pipe for large projects in the oil sands. In the second quarter of 2012, we purchased a leased facility from our landlord for $4 million.

Capital expenditures mainly relate to the replacement of capital items, the purchase of additional processing equipment across a broad base of our operations and upgrades to our existing facilities and computer systems. Our expectation is for capital expenditures to approximate depreciation expense over the long term; however, due to lower expenditures on processing equipment when volumes were lower, our 2012 expenditures were in excess of depreciation. We are in the process of upgrading four cut-to-length lines to improve our processing capabilities. Expenditures related to these projects commenced during 2012 and will be completed in 2013. These expenditures support our organic growth initiatives

LIQUIDITY

At December 31, 2012, we had cash of $115 million compared to $271 million at December 31, 2011. In addition, at December 31, 2012, we had bank indebtedness of $14 million resulting in net cash of $101 million.

We generated $133 million from operations during 2012 and utilized $57 million in working capital to support our growth as well as $34 million for capital expenditures and $81 million for dividends to shareholders. We also generated $293 million from the issuance of our 6.0% Senior Notes offset by $141 million used to repay our 6.375% U.S. Senior Notes and $281 million used to acquire Apex Distribution, Siemens Laserworks and Alberta Industrial Metals. In 2011, we invested $91 million in working capital to support our growth and $18 million for capital expenditures. In 2011, we repurchased $29 million of our U.S. Senior Notes, and distributed $69 million in dividends to shareholders.

Our metals distribution business experiences significant swings in working capital which impact cash flow. Inventory and accounts receivable represent a large percentage of our total assets employed and vary throughout each cycle. Accounts receivable and inventory comprise our largest liquidity risks. Our customers are impacted by the economic climate and thus it is possible to experience bad debts and increased days outstanding for accounts receivable, which may affect the timing of collections. Total assets were $1.8 billion at December 31, 2012 and $1.5 billion at December 31, 2011. At December 31, 2012, current assets excluding cash represented 73% of our total assets excluding cash, versus 81% at December 31, 2011.

Cash utilized for inventory was $29 million in 2012, mainly related to increased tons in all three segments. Inventories represented 42% of our total assets at December 31, 2012 and 2011.

Inventory by Segment *(millions)*	**Dec. 31 2012**	Sept. 30 2012	June 30 2012	Mar. 31 2012	Dec. 31 2011
Metals service centers	**$ 274**	$ 286	$ 294	$ 300	$ 270
Energy products	**411**	350	341	308	304
Steel distributors	**79**	87	88	84	72
Total	**$ 764**	$ 723	$ 723	$ 692	$ 646

Energy products includes inventories of $85 million relating to the Apex Distribution acquisition. Inventory turns are calculated using annualized quarterly cost of sales dollars, divided by inventory in dollars at the end of the quarter.

	Quarters Ended				
Inventory Turns	**Dec. 31 2012**	Sept. 30 2012	June 30 2012	Mar. 31 2012	Dec. 31 2011
Metals service centers	**3.9**	4.3	4.7	4.5	4.4
Energy products	**3.4**	2.5	1.9	3.1	2.6
Steel distributors	**3.6**	3.1	3.6	4.0	4.8
Total	**3.6**	3.3	3.3	3.8	3.6

At December 31, 2012, our metals service centers had higher tons of inventory priced at a lower average price than at December 31, 2011. Lower revenues in the fourth quarter of 2012 reduced inventory turns.

Our energy products operations had inventory at the end of 2012 slightly higher than 2011; however, higher revenues resulted in improved inventory turns for 2012.

Our steel distributors segment had only a slightly higher level of inventory compared to the end of 2011 but due to the lower revenues in the fourth quarter of 2012 had significantly lower turns.

Accounts receivable utilized cash of $25 million during 2012 due to increased revenues in our energy segment. Accounts receivable represented 25% of our total assets at December 31, 2012 and 2011.

During 2012, we made income tax payments of $60 million compared to $46 million for 2011.

The balances disclosed in our consolidated cash flow statements are adjusted to remove the non-cash component related to foreign exchange rate fluctuations impacting inventory, accounts receivable, accounts payable and income tax balances of our U.S. operations.

FREE CASH FLOW

(millions)	**2012**	2011
Cash from operating activities before non-cash working capital	**$ 133.1**	$ 147.6
Purchase of property, plant and equipment	**(33.7)**	(18.1)
	$ 99.4	$ 129.5

We believe that free cash flow may be useful in assessing our ability to pay dividends, reduce outstanding debt and fund working capital growth. Free cash flow is a non-GAAP measure regularly used by investors and analysts to evaluate companies

CASH, DEBT AND CREDIT FACILITIES

Debt *As at December 31 (millions)*	**2012**	2011
Long-term debt		
6.0% $300 million Senior Notes due April 19, 2022	**$ 293**	$ -
7.75% $175 million Convertible Debentures due September 30, 2016	**158**	154
6.375% U.S. Senior Notes due March 1, 2012 (2011: US$138.9 million)	**-**	140
Finance leases obligations, maturing 2014 to 2017	**5**	4
	456	298
Current portion	**(2)**	(1)
	$ 454	$ 297

During 2012, we issued $300 million of 6.0% Senior Notes for net proceeds of $293 million due on April 19, 2022.

Our Convertible Debentures have been split between debt and equity. The amount allocated to equity represented the valuation of the holders' option to convert the Convertible Debentures into common shares and the fair value adjustments on the cash conversion feature were treated as a derivative prior to the amendment of the Trust Indenture in December 2010. The debt allocated to equity is accreted as a charge through interest expense over the life of the debentures.

Cash and Bank Credit Facilities *As at December 31, 2012 (millions)*	**Russel Metals Facility**	**U.S. Subsidiary Facility**	**Total**
Bank loans	**$ (37)**	**$ -**	**$ (37)**
Cash net of outstanding cheques	**132**	**6**	**138**
Net cash	**95**	**6**	**101**
Letters of credit	**(37)**	**(20)**	**(57)**
	$ 58	**$ (14)**	**$ 44**
Facilities			
Borrowings and letters of credit	**$ 202**	**$ 30**	**$ 232**
Letters of credit	**50**	**-**	**50**
Facilities availability	**$ 252**	**$ 30**	**$ 282**
Available line based on borrowing base	**$ 252**	**$ 30**	**$ 282**

We have a credit facility with a syndicate of Canadian and U.S. banks totaling $252 million which was extended to June 24, 2014 during the second quarter of 2011. In July 2012, we renewed our U.S. subsidiary facility with an expiry of July 2013 and reduced availability to US$30 million.

The syndicated facility consists of availability of $202 million to be utilized for borrowings and letters of credit and $50 million to be utilized only for letters of credit. Letters of credit are issued under the $50 million line first and additional needs are issued under the $202 million line. The borrowings and letters of credit are available on a revolving basis, up to an amount equal to the sum of specified percentages of our eligible accounts receivable and inventories, to a maximum of $252 million. As of December 31, 2012, we were entitled to borrow and issue letters of credit totaling $252 million under this facility. At December 31, 2012, we had borrowings of US$37 million under this facility and at December 31, 2011 we had no borrowings. At December 31, 2012, we had letters of credit of $37 million compared to $44 million at December 31, 2011.

The maximum borrowings including letters of credit under the U.S. subsidiary's facility are US$30 million. At December 31, 2012, this subsidiary had no borrowings and had letters of credit of US$20 million. At December 31, 2011, this subsidiary had no borrowings and had letters of credit of US$20 million.

With our cash, cash equivalents and our bank facilities we have access to approximately $287 million of cash based on our December 31, 2012 balances. The use of our bank facilities has been predominantly to fund working capital requirements, finance acquisitions and trade letters of credit for inventory purchases. These lines may be used to support increased working capital needs when volumes and steel prices increase.

CONTRACTUAL OBLIGATIONS

As at December 31, 2012, we were contractually obligated to make payments under our long-term debt agreements, finance lease obligations and operating leases that come due in the future. The following table sets forth such payments.

Contractual Obligations	Payments due in				
(millions)	**2013**	**2014 and 2015**	**2016 and 2017**	**2018 and thereafter**	**Total**
Debt	**$ -**	**$ -**	**$ 175.0**	**$ 300.0**	**$ 475.0**
Long-term debt interest	**31.6**	**63.2**	**46.2**	**77.3**	**218.3**
Finance lease obligations	**2.4**	**2.1**	**0.6**	**-**	**5.1**
Operating leases	**19.7**	**30.6**	**19.3**	**26.8**	**96.4**
Total	**$ 53.7**	**$ 95.9**	**$ 241.1**	**$ 404.1**	**$ 794.8**

We have disclosed our obligations related to environmental litigation, regulatory actions and remediation in our Annual Information Form. These obligations relate to previously divested or discontinued operations and do not relate to the metals distribution business.

We have obligations related to multiple defined benefit pension plans in Canada, as disclosed in Note 14 of our 2012 consolidated financial statements. During 2012, we contributed $6 million to these plans. We expect to contribute approximately $5 million to these plans during 2013. The defined benefit obligations reported in the financial statements use different assumptions than the going concern actuarial valuations prepared for funding. In addition, the actuarial valuations provide a solvency valuation, which is a valuation assuming the plan is wound up at the valuation date. Our funding obligations reported would increase by $6 million on a solvency basis and thus additional funding could be required based on solvency if the plans were wound up. We estimate the impact of a change in the discount rate on the solvency obligation would be similar to that disclosed in Note 14.

As part of the purchase consideration for Apex Distribution we agreed to pay additional consideration during the next five years based on earnings before interest and taxes and return on net assets. The fair value of this consideration was determined to be $41 million at the date of acquisition. This amount will be reviewed quarterly and adjusted through income for increases or decreases in the liability. Any changes in this amount will not be tax affected. As the fair value includes a discount related to future payments, we estimate the change in fair value on the Apex Distribution acquisition which will be recorded as other finance expense, to be $7 million in 2013.

OFF-BALANCE SHEET ARRANGEMENTS

Our off-balance sheet arrangements consist of the letters of credit disclosed in the bank credit facilities table and operating lease obligations disclosed in the contractual obligations table.

ACCOUNTING ESTIMATES

The preparation of our financial statements requires management to make estimates and judgements that affect the reported amounts. On an ongoing basis, we evaluate our estimates, including those related to bad debts, inventory net realizable value and obsolescence, useful lives of fixed assets, fair values, income taxes, pensions and benefits obligations, guarantees, decommissioning liabilities, contingencies, contingent consideration, litigation and assigned values on net assets acquired. We base our estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Our most significant assets are accounts receivable and inventories.

Accounts Receivable

An allowance for doubtful accounts is maintained for estimated losses resulting from the inability of our customers to make required payments. Assessments are based on aging of receivables, legal issues (bankruptcy status), past collection experience, current financials or credit agency reports and the experience of our credit personnel. Accounts receivable which we determine to be uncollectible are reserved in the period in which the determination is made. If the financial condition of our customers was to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required. Our reserve for bad debts at December 31, 2012 approximates our reserve at December 31, 2011; however, our accounts receivable balance at December 31, 2012 is higher. Bad debt expense for 2012 as a percentage of revenue approximates that of 2011.

Inventories

We review our inventories to ensure that the cost of inventories is not in excess of its estimated net realizable value and for obsolete and slow moving product. Inventory reserves or write-downs are recorded when cost exceeds the estimated selling price less cost to sell and when product is determined to be slow moving or obsolete. During 2012, we increased cost of sales and our inventory write-down reserve by $5 million related to the energy products segment.

Other areas involving significant estimates and judgements include:

Income Taxes

We believe that we have adequately provided for income taxes based on all of the information that is currently available. The calculation of income taxes in many cases requires significant judgement in interpreting tax rules and regulations, which are constantly changing. Our tax filings are also subject to audits, which could materially change the amount of current and future income tax assets and liabilities. Any change would be recorded as a charge or reduction in income tax expense.

Business Combinations

We review the fair value of assets acquired for acquisitions. Where we deem it appropriate we hire outside business valuators to assist in the assessment of the fair value of property, plant, equipment and intangibles of acquired businesses. The assessment of fair values requires significant judgement including the contingent consideration which will be fair valued quarterly.

Employee Benefit Plans

Our actuaries perform a valuation, at least every three years, for each defined benefit plan to determine the actuarial present value of the benefits. The valuation uses management's assumptions for the discount rate, expected long-term rate of return on plan assets, rate of compensation increase, rate of increase in government benefits and expected average remaining years of service of employees.

While we believe that these assumptions are reasonable, differences in actual results or changes in assumptions could materially affect employee benefit obligations and future net benefit plan costs. We account for differences between actual and assumed results by recognizing differences in benefit obligations and plan performance over the working lives of the employees who benefit from the plans.

We had approximately $86 million in plan assets at December 31, 2012, which is an increase of approximately $1 million from December 31, 2011. Due to a change in the discount rate used from 4.5% in 2011 to 4% in 2012, which reflects the current interest rate environment, our accrued benefit obligations increased by $6 million to $125 million at December 31, 2012 as compared to $119 million at December 31, 2011. An actuarial loss on employee future benefit plans of $6 million, net of tax, was charged to other comprehensive income in 2012 and $14 million was charged in 2011. Our projected 2013 pension expense has also increased by approximately $2 million.

FUTURE ACCOUNTING AND REPORTING CHANGES

The following standards are effective for our consolidated financial statements commencing January 1, 2013. The adoption of these standards is not expected to have a significant impact on the Company's financial position or results of operations.

a) IFRS 10, Consolidated Financial Statements, replaces IAS 27 Consolidated and Separate Financial Statements and SIC-12 Consolidation - Special Purpose Entities and introduces a new principle-based definition of control to determine whether an investment needs to be consolidated.

b) IFRS 12, Disclosure of Interests in Other Entities, provides guidance on minimum disclosure requirements when a reporting entity holds an interest in other entities.

c) IFRS 13, Fair Value Measurement, clarifies the definition of fair value, provides guidance on measuring fair value and disclosure requirements related to fair value measurement.

d) IAS 27, (Amended), Separate Financial Statements, was amended to focus solely on accounting and disclosure requirements when an entity presents financial statements, separate from its consolidated financial statements.

e) IAS 28 (Amended), Investments in Associates and Joint Ventures, was republished to set out the requirements for the application of equity method accounting for interests in joint ventures and interests in associates.

f) IAS 1 Presentation of Financial Statements: Other Comprehensive Income, was amended to require entities to group items presented in other comprehensive income based on whether those items will, or will not, be classified to profit or loss in the future.

g) IAS 19 (Amended), Post Employment Benefits, was amended to make improvements to recognition, presentation and disclosures of defined benefit plans in the financial statements. The amendments eliminate the use of the corridor method, streamline the presentation of changes in assets and liabilities and enhance the disclosure requirements.

CONTROLS AND PROCEDURES

Disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported to senior management on a timely basis so that appropriate decisions can be made regarding public disclosure.

The purpose of internal controls over financial reporting as defined by the Canadian Securities Administrators is to provide reasonable assurance that:

(i) financial statements prepared for external purposes are in accordance with the Company's generally accepted accounting principles,
(ii) transactions are recorded as necessary to permit the preparation of financial statements, and records are maintained in reasonable detail,
(iii) receipts and expenditures of the Company are made only in accordance with authorizations of the Company's management and directors, and
(iv) unauthorized acquisitions, uses or dispositions of the Company's assets that could have a material effect on the financial statements will be prevented or detected in order to prevent material error in financial statements.

The President and Chief Executive Officer and the Vice President and Chief Financial Officer have caused management and other employees to design and document our disclosure controls and procedures and our internal controls over financial reporting.

An evaluation of the design and operating effectiveness of the disclosure controls and internal controls over financial reporting was conducted as at December 31, 2012. The design and evaluation of internal controls was completed using the framework and criteria established in "Internal Control - Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on the evaluation, for operations other than those related to Apex Distribution which we acquired on November 8, 2012, we have concluded that our disclosure controls and procedures and our internal controls over financial reporting were effective to provide reasonable assurance that information related to our consolidated results and decisions to be made based on those results were appropriate.

Apex Distribution was a private company prior to our acquisition on November 8, 2012 and does not have documented internal controls and lacks appropriate controls in its computer system to ensure all transactions are recorded in accordance with our generally accepted accounting principles. We will be working with Apex Distribution's management during 2013 to add appropriate manual and computer controls and document the internal control processes.

Summary Financial Information - Apex Distribution

For the period November 8 to December 31, 2012 (millions)		
Revenue	$	66
Earnings before interest and tax		5

As at December 31, 2012 (millions)		
Current assets	$	172
Current liabilities excluding contingent consideration		(49)
Goodwill and intangibles		183
Other non-current assets		15
Deferred income tax liability		(19)
Contingent consideration		(41)
Other non-current liabilities		(1)

The line items that could be affected by this lack of appropriate controls are revenue, earnings before interest and taxes, current assets and current liabilities excluding contingent consideration.

VISION AND STRATEGY

The metals distribution business is a segment of a mature, cyclical industry. The use of service centers by both manufacturers and end users of steel continues to grow. This is evidenced by the growth in the percentage of total steel shipments from steel producers to service centers in the last five years. As the distribution segment's share of steel industry shipments continues to grow, service centers such as ours can grow their business over the course of a cycle.

We strive to deal with the cyclical nature of the business by operating with the lowest possible net assets throughout the course of a cycle. This intensive asset management reduces borrowings and therefore interest expense in declining periods in the economic cycle. This in turn creates higher, more stable returns on net assets over the course of the cycle. Our conservative management approach creates relatively stronger trough earnings but could cause potential peak earnings to be somewhat muted. Management strongly believes that this strategy will result in higher profits throughout a cycle and we will have average earnings over the full range of the cycle in the top deciles of the industry.

Growth from selective acquisitions is also part of our strategy. We focus on investment opportunities in metals businesses that have strong market niches or provide mass to our existing operations. New acquisitions could be either major stand-alone operations or ones that complement our existing operations. During 2012, we completed two acquisitions in the metals service center segment totaling $55 million and one in the energy products segment totaling $268 million. We continue to review opportunities for acquisitions.

We believe that the steel-based pricing cycle will continue to be short and volatile, and a management structure and philosophy that allows the fastest reaction to changes that affect the industry will be the most successful. We will continue to invest in our business systems to enable faster reaction times to changing business conditions. In addition, management believes the high level of service and flexibility provided by service centers will enable this distribution channel to capture an increasing percentage of total metal revenues to end users, allowing for increased growth within the sector.

RISK

The timing and extent of future price changes from steel producers and their impact on us cannot be predicted with any certainty due to the inherent cyclical nature of the steel industry. Demand for our products is returning to pre-2009 levels in all regions other than Ontario and the U.S. We will continue to make structural changes where necessary based on demand levels. Our Apex Distribution acquisition in 2012 increased our exposure to the Western Canadian oil and gas segment. We believe that this continues to be an area of growth; however, our exposure to the cyclicality of oil and gas pricing has increased. Management believes the acquisition of Apex Distribution provides a more stable stream of revenues and earnings for the energy products segment. Our Annual Information Form includes a summary of risks related to our business.

FOURTH QUARTER RESULTS

The following table provides operating profit before interest, taxes and other income or expense in a format consistent with our annual results.

	Quarters Ended December 31,		
(millions, except percentages)	**2012**	2011	2012 change as a % of 2011
Segment Revenues			
Metals service centers	**$ 338.5**	$ 375.1	**(10%)**
Energy products	**344.4**	233.5	**48%**
Steel distributors	**81.3**	101.0	**(20%)**
Other	**1.7**	2.0	
	$ 765.9	$ 711.6	**7%**
Segment Operating Profits			
Metals service centers	**$ 16.9**	$ 21.3	**(21%)**
Energy products	**18.0**	16.9	**7%**
Steel distributors	**6.6**	11.1	**(41%)**
Corporate expenses	**(4.2)**	(3.4)	**(24%)**
Other	**(0.9)**	0.4	
Operating profits	**$ 36.4**	$ 46.3	**(21%)**
Segment Gross Margin as a % of Revenues			
Metals service centers	**20.2%**	20.1%	
Energy products	**13.1%**	14.0%	
Steel distributors	**13.2%**	15.6%	
Total operations	**16.4%**	17.7%	
Segment Operating Profit as a % of Revenues			
Metals service centers	**5.0%**	5.7%	
Energy products	**5.2%**	7.2%	
Steel distributors	**8.0%**	11.0%	
Total operations	**4.5%**	6.5%	

Fourth quarter results for 2012 were lower compared to the third quarter of 2012 and the fourth quarter of 2011. Our earnings per share for the fourth quarter of 2012 were $0.34 compared to fourth quarter of 2011 of $0.47 and third quarter of 2012 of $0.37. Tons shipped in the fourth quarter of 2012 for metals service centers were approximately 9% lower than for the third quarter of 2012 and selling prices were 2% lower than the third quarter of 2012.

OUTLOOK

In 2013, our energy products segment will reflect our acquisition of Apex Distribution and will generate higher revenues and earnings. We believe that 2013 volumes for our other operations will be flat compared to 2012. Steel pricing should increase slightly compared to the end of 2012 resulting in higher gross margins as a percentage of revenues.

RUSSEL METALS INC.
CONSOLIDATED STATEMENTS OF EARNINGS

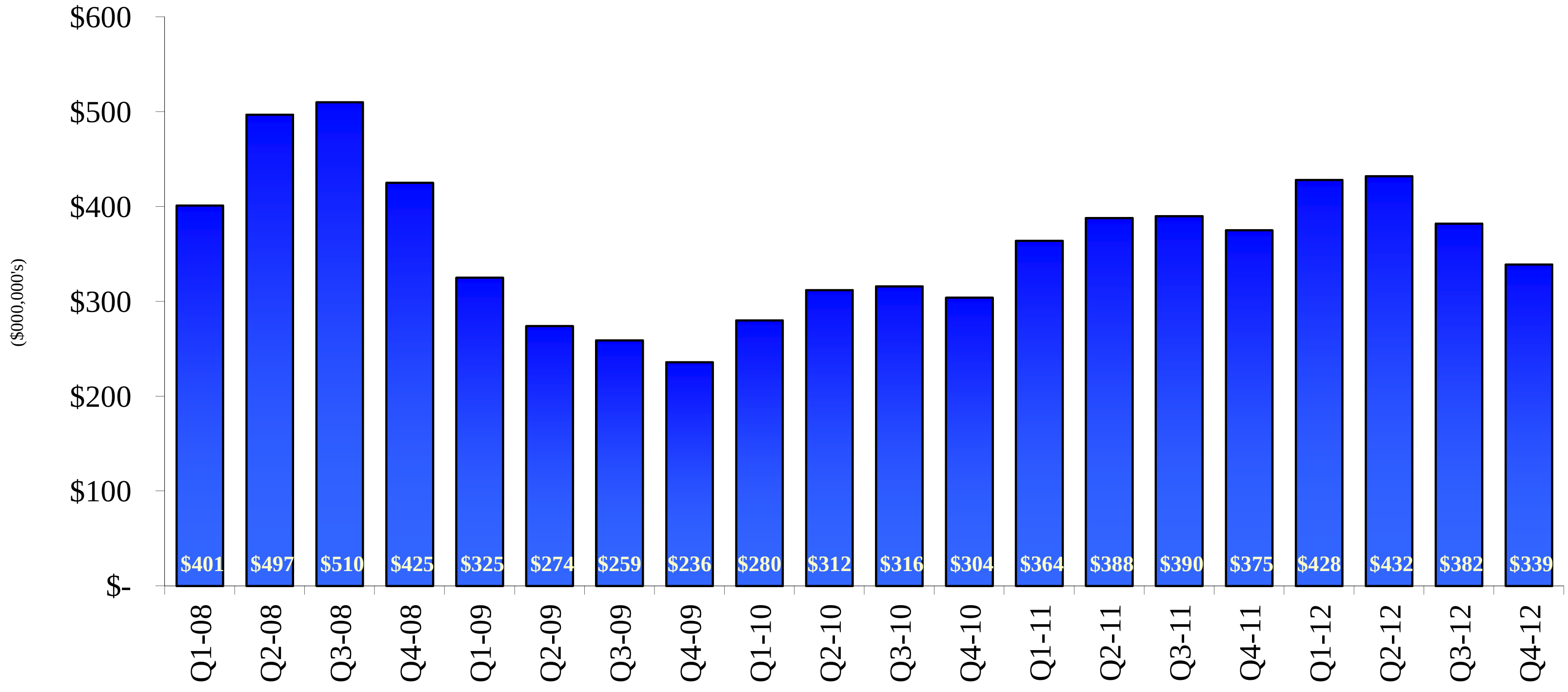
($ millions)	Q4 2012	Q3 2012	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008
METALS SERVICE CENTERS																				
Revenue	338.5	382.3	432.3	428.0	375.1	390.4	387.9	363.8	304.3	315.7	312.2	280.0	235.9	259.1	274.3	325.4	424.7	509.8	497.3	401.2
Cost of goods sold	270.2	305.3	344.0	337.8	299.8	310.1	296.1	272.8	243.4	249.3	241.9	217.1	186.4	201.7	223.4	281.3	345.8	376.9	361.1	312.9
Operating expenses	51.4	54.5	57.7	58.1	54.0	56.1	58.4	54.7	48.0	50.4	50.8	47.8	42.8	44.1	47.0	50.7	59.6	64.8	63.9	56.2
EBIT	**16.9**	**22.5**	**30.6**	**32.1**	**21.3**	**24.2**	**33.4**	**36.3**	**12.9**	**16.0**	**19.5**	**15.1**	**6.7**	**13.3**	**3.9**	**(6.6)**	**19.3**	**68.1**	**72.3**	**32.1**
Depreciation & amortization	5.5	5.5	5.3	4.8	4.9	4.8	4.9	5.0	5.1	5.2	5.1	5.2	5.0	5.4	5.5	5.7	5.3	5.1	4.9	4.9
EBITDA	**22.4**	**28.0**	**35.9**	**36.9**	**26.2**	**29.0**	**38.3**	**41.3**	**18.0**	**21.2**	**24.6**	**20.3**	**11.7**	**18.7**	**9.4**	**(0.9)**	**24.6**	**73.2**	**77.2**	**37.0**
Cost of goods sold	79.8%	79.9%	79.6%	78.9%	79.9%	79.4%	76.3%	75.0%	80.0%	79.0%	77.5%	77.5%	79.0%	77.8%	81.4%	86.4%	81.4%	73.9%	72.6%	78.0%
Operating expenses	15.2%	14.3%	13.3%	13.6%	14.4%	14.4%	15.1%	15.0%	15.8%	16.0%	16.3%	17.1%	18.1%	17.0%	17.1%	15.6%	14.0%	12.7%	12.8%	14.0%
Depreciation & amortization	1.6%	1.4%	1.2%	1.1%	1.3%	1.2%	1.3%	1.4%	1.7%	1.6%	1.6%	1.9%	2.1%	2.1%	2.0%	1.8%	1.2%	1.0%	1.0%	1.2%
EBIT	5.0%	5.9%	7.1%	7.5%	5.7%	6.2%	8.6%	10.0%	4.2%	5.1%	6.2%	5.4%	2.8%	5.1%	1.4%	-2.0%	4.5%	13.4%	14.5%	8.0%
EBITDA	6.6%	7.3%	8.3%	8.6%	7.0%	7.4%	9.9%	11.4%	5.9%	6.7%	7.9%	7.3%	5.0%	7.2%	3.4%	-0.3%	5.8%	14.4%	15.5%	9.2%
ENERGY PRODUCTS																				
Revenue	344.4	249.3	191.7	274.8	233.5	223.3	145.4	224.0	193.1	187.4	129.2	194.6	147.3	115.7	130.1	231.0	297.1	324.8	235.4	213.5
Cost of goods sold	299.3	216.0	165.0	237.1	200.7	191.4	121.9	190.2	163.5	160.8	109.0	171.6	136.8	99.9	114.4	193.9	228.8	231.1	187.1	185.0
Operating expenses	27.1	17.5	16.2	18.8	15.9	16.8	12.9	16.0	13.0	12.1	11.4	11.8	9.1	9.5	9.8	15.9	27.6	33.9	19.8	12.9
EBIT	**18.0**	**15.8**	**10.5**	**18.9**	**16.9**	**15.1**	**10.6**	**17.8**	**16.6**	**14.5**	**8.8**	**11.2**	**1.4**	**6.3**	**5.9**	**21.2**	**40.7**	**59.8**	**28.5**	**15.6**
Depreciation & amortization	1.5	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.5	0.4	0.5	0.4	0.5	0.4	0.4	0.4	0.4
EBITDA	**19.5**	**16.3**	**10.9**	**19.3**	**17.3**	**15.5**	**11.0**	**18.2**	**17.0**	**14.9**	**9.2**	**11.7**	**1.8**	**6.8**	**6.3**	**21.7**	**41.1**	**60.2**	**28.9**	**16.0**
Cost of goods sold	86.9%	86.6%	86.1%	86.3%	86.0%	85.7%	83.8%	84.9%	84.7%	85.8%	84.4%	88.2%	92.9%	86.3%	87.9%	83.9%	77.0%	71.2%	79.5%	86.7%
Operating expenses	7.9%	7.0%	8.5%	6.8%	6.8%	7.5%	8.9%	7.1%	6.7%	6.5%	8.8%	6.1%	6.2%	8.2%	7.5%	6.9%	9.3%	10.4%	8.4%	6.0%
Depreciation & amortization	0.4%	0.2%	0.2%	0.1%	0.2%	0.2%	0.3%	0.2%	0.2%	0.2%	0.3%	0.3%	0.3%	0.4%	0.3%	0.2%	0.1%	0.1%	0.2%	0.2%
EBIT	5.2%	6.3%	5.5%	6.9%	7.2%	6.8%	7.3%	7.9%	8.6%	7.7%	6.8%	5.8%	1.0%	5.4%	4.5%	9.2%	13.7%	18.4%	12.1%	7.3%
EBITDA	5.7%	6.5%	5.7%	7.0%	7.4%	6.9%	7.6%	8.1%	8.8%	8.0%	7.1%	6.0%	1.2%	5.9%	4.8%	9.4%	13.8%	18.5%	12.3%	7.5%
STEEL DISTRIBUTORS																				
Revenue	81.3	78.4	92.0	99.4	101.0	89.5	82.6	69.8	61.1	75.5	61.3	49.9	46.7	57.0	56.0	84.8	118.3	116.8	119.6	96.0
Cost of goods sold	70.6	68.2	79.2	84.1	85.2	76.5	67.1	56.2	52.0	66.0	49.9	42.3	40.5	47.1	46.6	76.9	97.4	89.2	85.3	78.5
Operating expenses	4.1	4.3	4.7	5.6	4.7	4.9	5.1	4.8	4.3	4.5	4.7	3.2	3.8	2.2	4.2	5.2	1.1	6.2	8.7	6.8
EBIT	**6.6**	**5.9**	**8.1**	**9.7**	**11.1**	**8.1**	**10.4**	**8.8**	**4.8**	**5.0**	**6.7**	**4.4**	**2.4**	**7.7**	**5.2**	**2.7**	**19.8**	**21.4**	**25.6**	**10.7**
Depreciation & amortization	0.1	-	-	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.1	0.1	0.1	0.1	0.1	0.1
EBITDA	**6.7**	**5.9**	**8.1**	**9.8**	**11.2**	**8.2**	**10.5**	**8.9**	**4.9**	**5.1**	**6.8**	**4.5**	**2.5**	**7.9**	**5.3**	**2.8**	**19.9**	**21.5**	**25.7**	**10.8**
Cost of goods sold	86.8%	87.0%	86.1%	84.6%	84.4%	85.5%	81.2%	80.5%	85.1%	87.4%	81.4%	84.8%	86.7%	82.6%	83.2%	90.7%	82.3%	76.4%	71.3%	81.8%
Operating expenses	5.0%	5.5%	5.1%	5.6%	4.7%	5.5%	6.2%	6.9%	7.0%	6.0%	7.7%	6.4%	8.1%	3.9%	7.5%	6.1%	0.9%	5.3%	7.3%	7.1%
Depreciation & amortization	0.1%	0.0%	0.0%	0.1%	0.1%	0.1%	0.1%	0.1%	0.2%	0.1%	0.2%	0.2%	0.2%	0.4%	0.2%	0.1%	0.1%	0.1%	0.1%	0.1%
EBIT	8.1%	7.5%	8.8%	9.8%	11.0%	9.1%	12.6%	12.6%	7.9%	6.6%	10.9%	8.8%	5.1%	13.5%	9.3%	3.2%	16.7%	18.3%	21.4%	11.1%
EBITDA	8.2%	7.5%	8.8%	9.9%	11.1%	9.2%	12.7%	12.8%	8.0%	6.8%	11.1%	9.0%	5.4%	13.9%	9.5%	3.3%	16.8%	18.4%	21.5%	11.3%
TBTL																				
Revenue	1.7	2.6	2.7	0.7	2.0	2.2	2.7	0.1	3.0	3.3	3.4	1.4	2.8	2.5	2.1	1.1	2.6	3.5	4.0	1.6
Cost of goods sold	-	-	-	-	0.1	-	(0.2)	0.1	-	-	-	-	-	-	-	-	-	-	-	-
Operating expenses	2.6	1.7	1.5	1.4	1.5	1.6	1.7	1.7	1.3	1.7	1.9	1.9	1.7	1.6	1.7	1.8	2.1	2.1	2.2	2.0
EBIT	**(0.9)**	**0.9**	**1.2**	**(0.7)**	**0.4**	**0.6**	**1.2**	**(1.7)**	**1.7**	**1.6**	**1.5**	**(0.5)**	**1.1**	**0.9**	**0.4**	**(0.7)**	**0.5**	**1.4**	**1.8**	**(0.4)**
Depreciation & amortization	0.2	0.2	0.3	0.2	0.3	0.2	0.3	0.2	0.2	0.2	0.3	0.2	0.3	0.2	0.3	0.2	0.2	0.3	0.2	0.3
EBITDA	**(0.7)**	**1.1**	**1.5**	**(0.5)**	**0.7**	**0.8**	**1.5**	**(1.5)**	**1.9**	**1.8**	**1.8**	**(0.3)**	**1.4**	**1.1**	**0.7**	**(0.5)**	**0.7**	**1.7**	**2.0**	**(0.1)**
CORPORATE																				
Expenses	4.1	4.7	3.9	6.7	3.3	2.8	3.3	6.7	3.7	3.6	3.3	3.6	3.5	2.7	3.2	3.0	2.6	5.8	6.7	5.9
Discontinued Operations																	-	-	-	-
Depreciation & amortization	0.1	0.1	0.1	0.2	0.1	0.3	0.2	0.3	0.4	0.4	0.3	0.3	0.3	0.3	0.2		0.1	-	0.1	-
EBIT	**(4.2)**	**(4.8)**	**(4.0)**	**(6.9)**	**(3.4)**	**(3.1)**	**(3.5)**	**(7.0)**	**(4.1)**	**(4.0)**	**(3.6)**	**(3.9)**	**(3.8)**	**(3.0)**	**(3.4)**	**(3.0)**	**(2.7)**	**(5.8)**	**(6.8)**	**(5.9)**
EBITDA	**(4.1)**	**(4.7)**	**(3.9)**	**(6.7)**	**(3.3)**	**(2.8)**	**(3.3)**	**(6.7)**	**(3.7)**	**(3.6)**	**(3.3)**	**(3.6)**	**(3.5)**	**(2.7)**	**(3.2)**	**(3.0)**	**(2.6)**	**(5.8)**	**(6.7)**	**(5.9)**
Expenses	0.5%	0.7%	0.5%	0.8%	0.5%	0.4%	0.5%	1.0%	0.7%	0.6%	0.7%	0.7%	0.8%	0.6%	0.7%	0.5%	0.3%	0.6%	0.8%	0.8%
Depreciation & amortization	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Operating EBIT	**$ 36.4**	**$ 40.3**	**$ 46.4**	**$ 53.1**	**$ 46.3**	**$ 44.9**	**$ 52.1**	**$ 54.2**	**$ 31.9**	**$ 33.1**	**$ 32.9**	**$ 26.3**	**$ 7.8**	**$ 25.2**	**$ 12.0**	**$ 13.6**	**$ 77.6**	**$ 144.9**	**$ 121.4**	**$ 52.1**
Operating EBITDA	**$ 43.8**	**$ 46.6**	**$ 52.5**	**$ 58.8**	**$ 52.1**	**$ 50.7**	**$ 58.0**	**$ 60.2**	**$ 38.1**	**$ 39.4**	**$ 39.1**	**$ 32.6**	**$ 13.9**	**$ 31.8**	**$ 18.5**	**$ 20.1**	**$ 83.7**	**$ 150.8**	**$ 127.1**	**$ 57.8**
Operating EBIT	4.8%	5.7%	6.5%	6.6%	6.5%	6.4%	8.4%	8.2%	5.7%	5.7%	6.5%	5.0%	1.8%	5.8%	2.6%	2.1%	9.2%	15.2%	14.2%	7.3%
Operating EBITDA	5.7%	6.5%	7.3%	7.3%	7.3%	7.2%	9.4%	9.2%	6.8%	6.8%	7.7%	6.2%	3.2%	7.3%	4.0%	3.1%	9.9%	15.8%	14.8%	8.1%

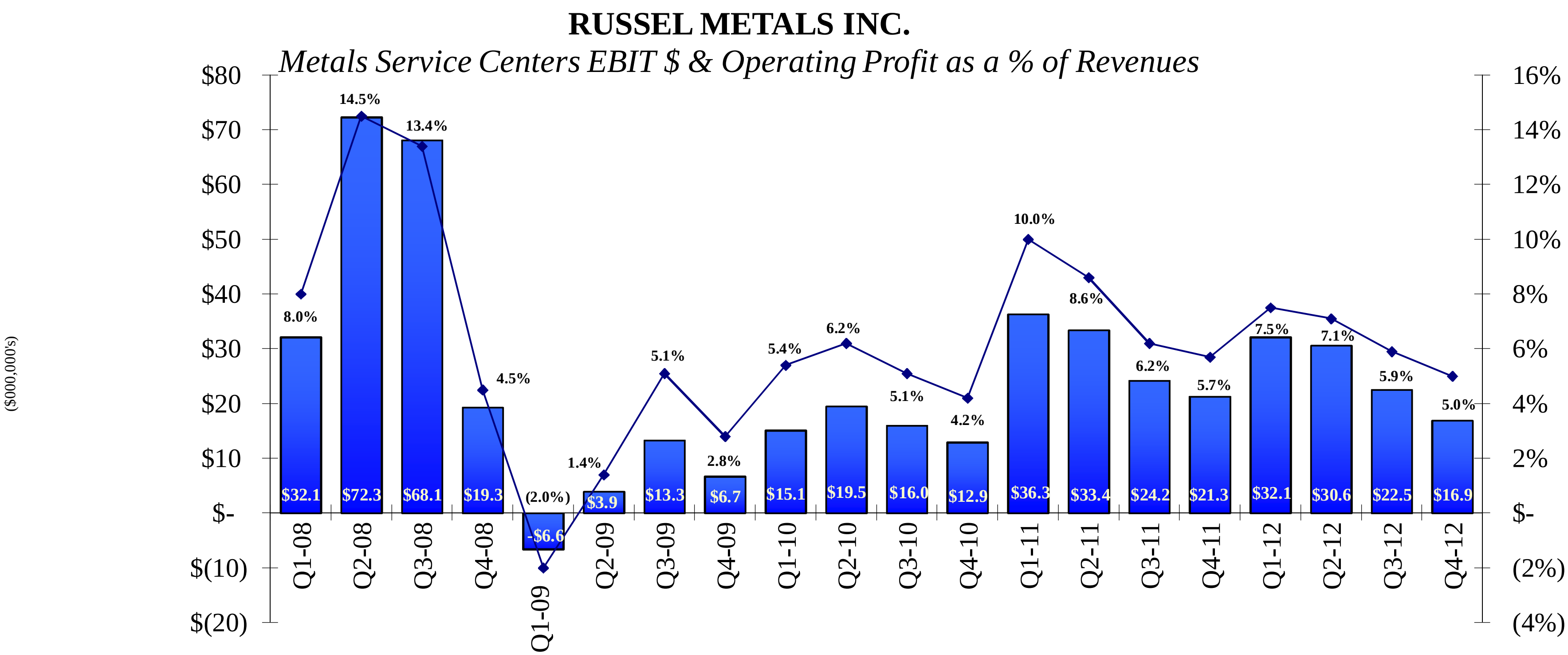
SUMMARY
RUSSEL METALS INC.
CONSOLIDATED STATEMENTS OF EARNINGS

($ millions)	Q4 2012	Q3 2012	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008
Quarter ended:																				
Revenue	765.9	712.6	718.7	802.9	711.6	705.4	618.6	657.7	561.5	581.9	506.1	525.9	432.7	434.3	462.5	642.3	842.7	954.9	856.3	712.3
Cost of goods sold	640.1	589.5	588.2	659.0	585.8	578.0	484.9	519.3	458.9	476.1	400.8	431.0	363.7	348.7	384.4	552.1	672.0	697.2	633.5	576.4
Operating expenses	85.2	78.0	80.1	83.9	76.1	79.4	78.1	77.2	66.6	68.7	68.8	64.7	57.4	57.4	62.7	73.6	90.4	107.0	94.6	77.9
Corp. Expenses	4.2	4.8	4.0	6.9	3.4	3.1	3.5	7.0	4.1	4.0	3.6	3.9	3.8	3.0	3.4	3.0	2.7	5.8	6.8	5.9
Operating EBIT	**36.4**	**40.3**	**46.4**	**53.1**	**46.3**	**44.9**	**52.1**	**54.2**	**31.9**	**33.1**	**32.9**	**26.3**	**7.8**	**25.2**	**12.0**	**13.6**	**77.6**	**144.9**	**121.4**	**52.1**
Depreciation & amortization	7.4	6.3	6.1	5.7	5.8	5.8	5.9	6.0	6.2	6.3	6.2	6.3	6.1	6.6	6.5	6.5	6.1	5.9	5.7	5.7
Operating EBITDA	**43.8**	**46.6**	**52.5**	**58.8**	**52.1**	**50.7**	**58.0**	**60.2**	**38.1**	**39.4**	**39.1**	**32.6**	**13.9**	**31.8**	**18.5**	**20.1**	**83.7**	**150.8**	**127.1**	**57.8**
Finance and other	0.8	-	4.4	0.4	0.9	0.4	0.9	0.4	1.8	0.4	0.2	(1.5)	(1.0)	-	-	-	0.4	2.3	(0.7)	3.2
Gain on sale of asset	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(4.3)	-	-	-	-	-
EBIT	**35.6**	**40.3**	**42.0**	**52.7**	**45.4**	**44.5**	**51.2**	**53.8**	**30.1**	**32.7**	**32.7**	**27.8**	**8.8**	**25.2**	**16.3**	**13.6**	**77.2**	**142.6**	**122.1**	**48.9**
EBITDA	**43.0**	**46.6**	**48.1**	**58.4**	**51.2**	**50.3**	**57.1**	**59.8**	**36.3**	**39.0**	**38.9**	**34.1**	**14.9**	**31.8**	**22.8**	**20.1**	**83.3**	**148.5**	**127.8**	**54.6**
Twelve months ended:																				
Revenue	3,000.1	2,945.8	2,938.6	2,838.5	2,693.3	2,543.2	2,419.7	2,307.2	2,175.4	2,046.6	1,899.0	1,855.4	1,971.8	2,381.8	2,902.4	3,296.2	3,366.2	3,121.9	2,791.3	2,587.8
Cost of goods sold	2,476.8	2,422.5	2,411.0	2,307.7	2,168.0	2,041.1	1,939.2	1,855.1	1,766.8	1,671.6	1,544.2	1,527.8	1,648.9	1,957.2	2,305.7	2,554.8	2,579.1	2,383.7	2,189.2	2,074.4
Operating expenses	347.1	337.2	336.9	334.4	327.8	319.0	309.2	300.0	284.4	274.9	262.6	256.3	264.3	296.2	348.6	383.9	391.1	382.2	344.2	328.0
Operating EBIT	**176.2**	**186.1**	**190.7**	**196.4**	**197.5**	**183.1**	**171.3**	**152.1**	**124.2**	**100.1**	**92.2**	**71.3**	**58.6**	**128.4**	**248.1**	**357.5**	**396.0**	**356.0**	**257.9**	**185.4**
Finance and other	5.6	5.7	6.1	2.6	2.6	3.5	3.5	2.8	0.9	(1.9)	(2.3)	(2.5)	(1.0)	0.4	2.7	2.0	5.2	5.7	5.0	5.7
Gain on sale of asset	-	-	-	-	-	-	-	-	-	-	-	(4.3)	(4.3)	(4.3)	(4.3)	-	-	-	-	-
EBIT	**170.6**	**180.4**	**184.6**	**193.8**	**194.9**	**179.6**	**167.8**	**149.3**	**123.3**	**102.0**	**94.5**	**78.1**	**63.9**	**132.3**	**249.7**	**355.5**	**390.8**	**350.3**	**252.9**	**179.7**
Depreciation & amortization	25.5	23.9	23.4	23.2	23.5	23.9	24.4	24.7	25.0	24.9	25.2	25.5	25.7	25.7	25.0	24.2	23.4	22.9	21.9	21.2
EBITDA	**196.1**	**204.3**	**208.0**	**217.0**	**218.4**	**203.5**	**192.2**	**174.0**	**148.3**	**126.9**	**119.7**	**103.6**	**89.6**	**158.0**	**274.7**	**379.7**	**414.2**	**373.2**	**274.8**	**200.9**

RUSSEL METALS INC.

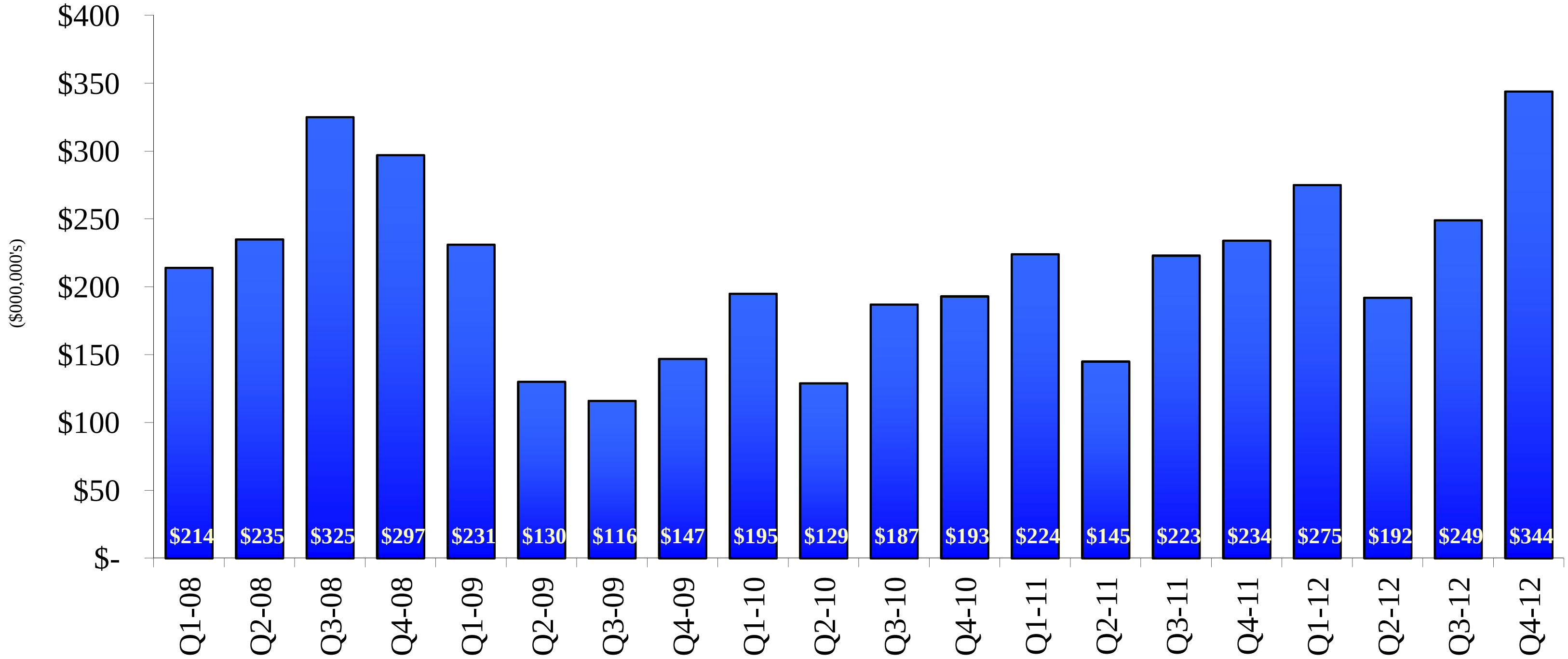
Metals Service Centers Revenues

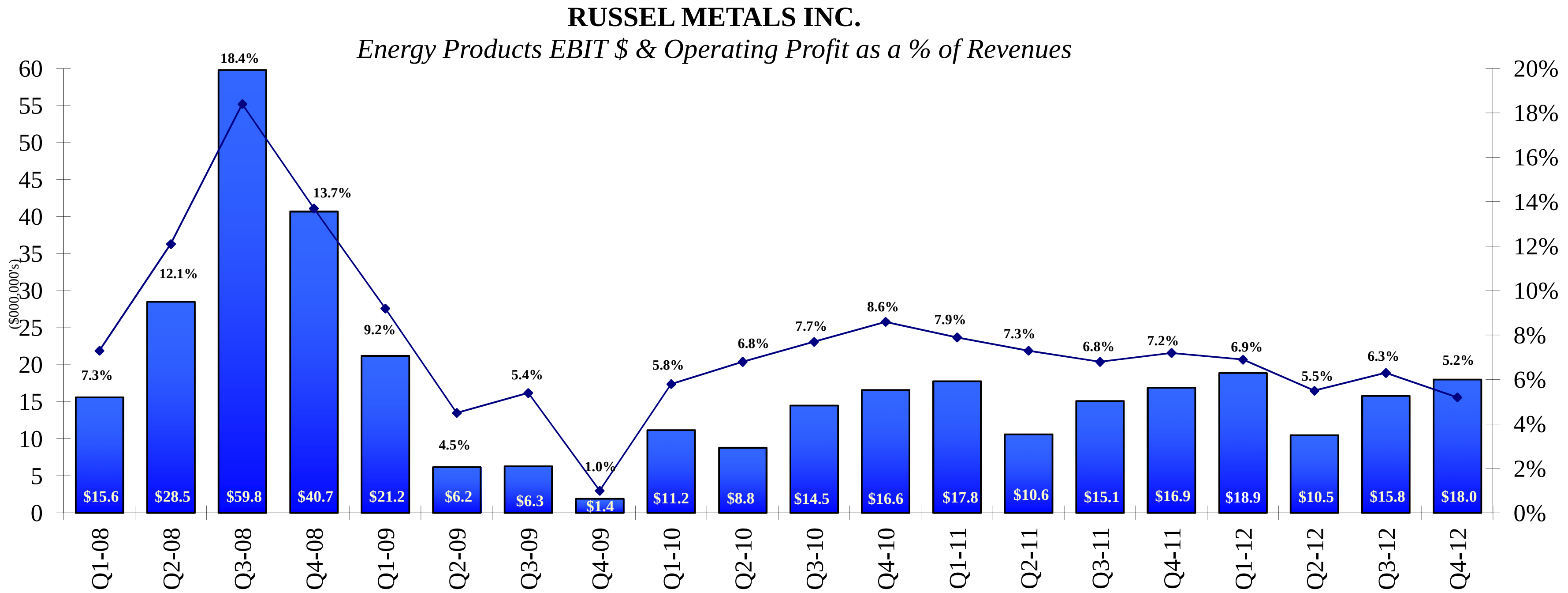




• *excluding inventory write-down of $5.8 Q4-08, $28.8 Q1-09, $1.6 Q2-09 and $2.6 closure reserves Q3-10*

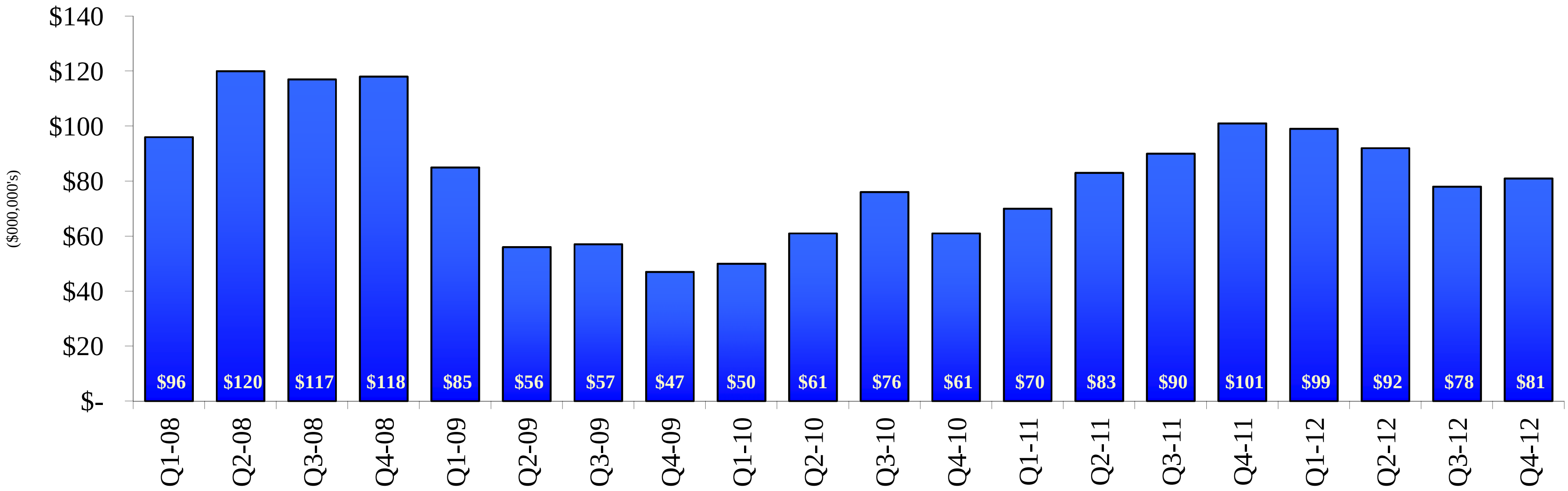
RUSSEL METALS INC.
Energy Products Revenues





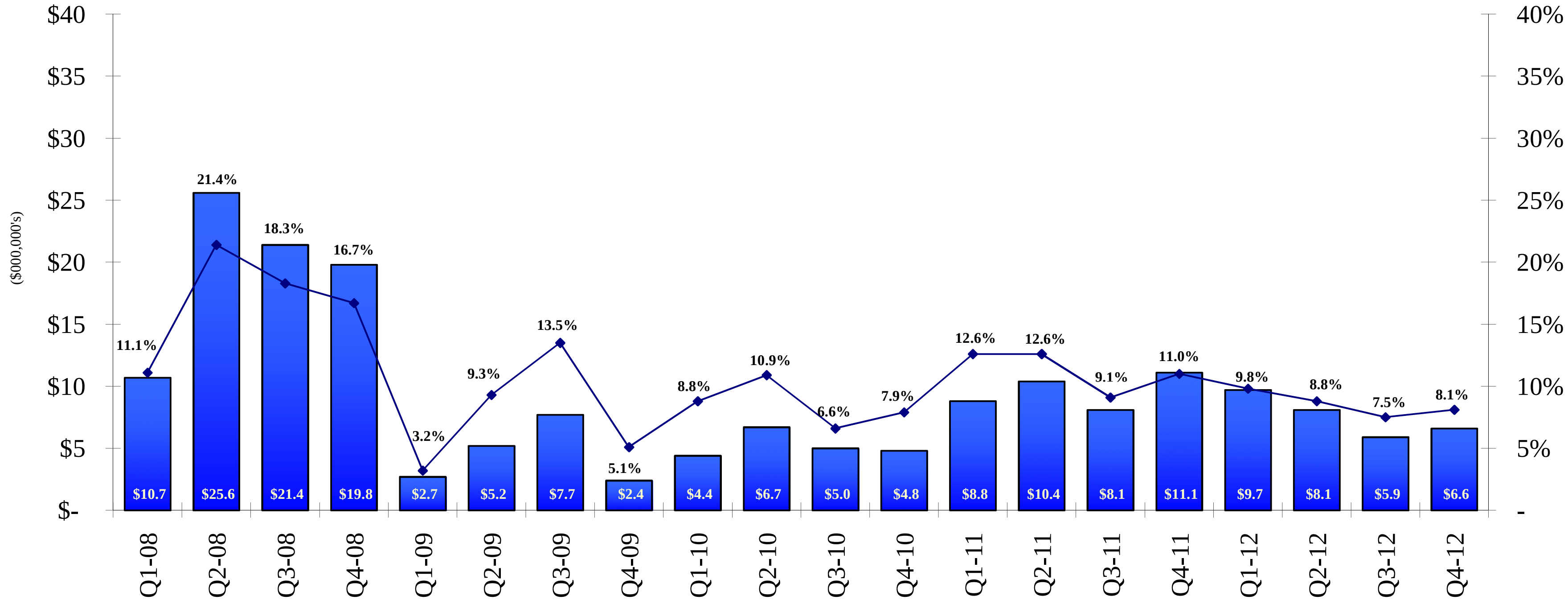
• *excluding inventory write-down (reversal) of $8.1 Q4-08, $16.3 Q1-09, $54.6 Q2-09, $2.6 Q3-09, $8.4 Q4-09 and ($1.9) Q2-10*

RUSSEL METALS INC.
Steel Distributors Revenues



RUSSEL METALS INC.

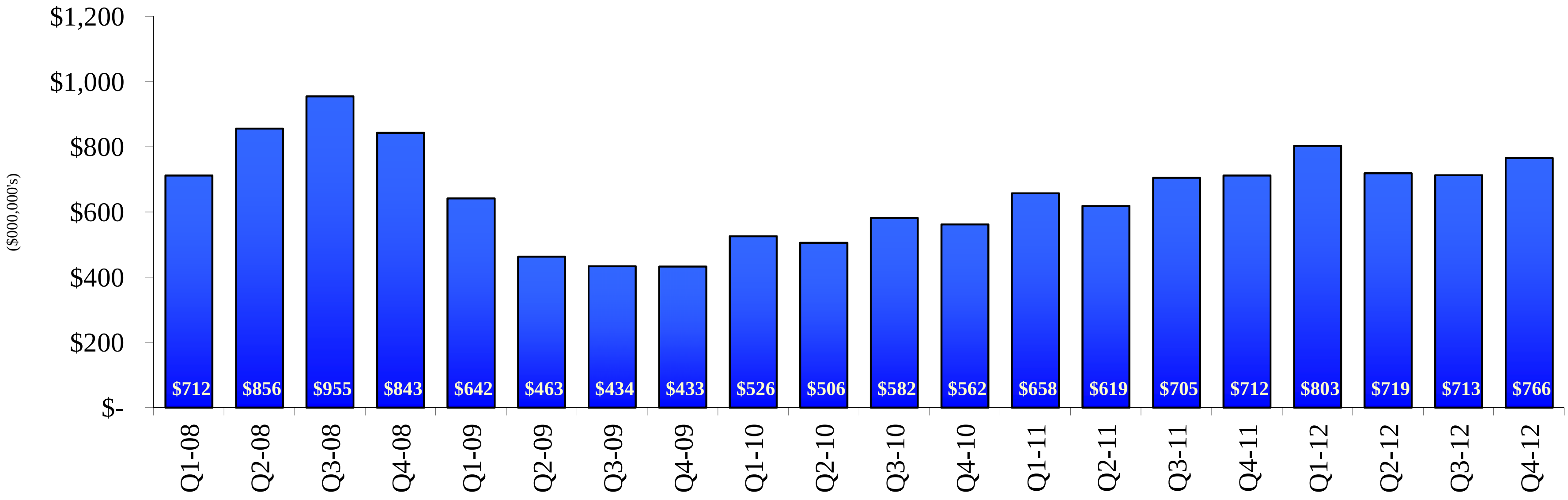
Steel Distributors EBIT $ & Operating Profit as a % of Revenues



• *excluding inventory write-down (up) of $21.7 Q4-08, $49.4 Q1-09 and ($3.0) Q4-09*

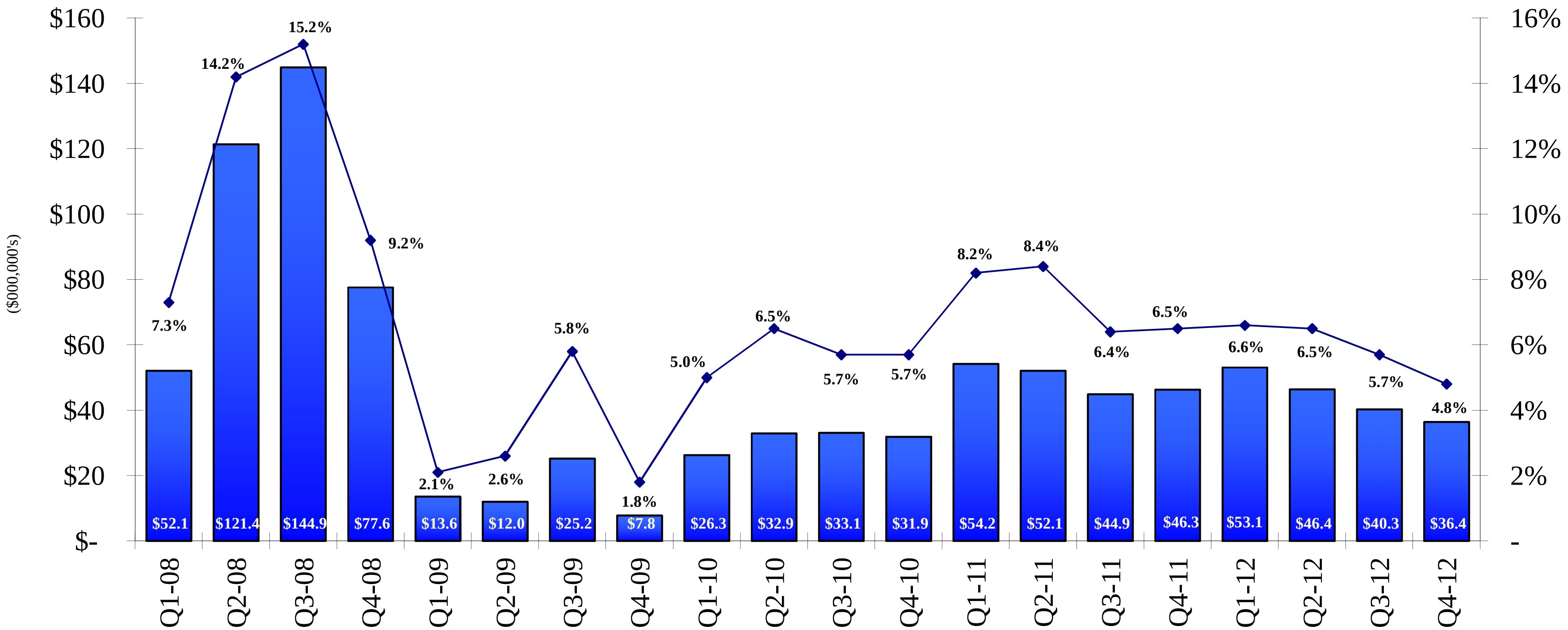
RUSSEL METALS INC.

Total Revenues



RUSSEL METALS INC.

Total Operating EBIT $ & Operating EBIT as a % of Revenues



• *excluding inventory write-down (reversal) of $35.6 Q4-08, $94.5 Q1-09, $56.2 Q2-09, $2.6 Q3-09, $5.4 Q4-09, ($1.9) Q2-10 and $2.6 closure reserves Q3-10*