Russel Metals

INFORMATION PACKAGE

FOR

INVESTOR CONFERENCE CALL

MAY 3, 2013

Russel Metals

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I N D E X

CAUTIONARY STATEMENT ON FORWARD-LOOKING INFORMATION

Statements contained in this press release 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 remains at current levels 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 during the latter half of 2012 and the first quarter of 2013. 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
MAY 2013

1. Manufacturing economy stalled as MSCI shipments down 13% for Canada, 7% for US. Russel Metals service centers down 10%.

2. Demand down year over year, first time since 2009. Up from Q4 2012.

3. Pricing stable due to lower levels.

4. Drilling activity lower than last year.

HIGHLIGHTS
2013 FIRST QUARTER RESULTS

1. QTR-1 2013 - Earnings $21.7 million, EPS $0.36
   QTR-1 2012 - Earnings $32.9 million, EPS $0.55
   QTR-4 2012 - Earnings $20.4 million, EPS $0.34

2. Free Cash Flow
   (cash from operations before working capital changes less capital expenditures)
   QTR-1 2013 - $25.8 million or $0.42 per share
   QTR-1 2012 - $29.0 million or $0.48 per share

3. Return on Equity – 10%

4. Cash and cash equivalents, net of bank debt - $113 million

Russel Metals Inc.

FINANCIAL HIGHLIGHTS

	<---------3 Months--------->			<----------------Years ended---------------->				
	Q1 2013	Q1 2012		2012		2011	2010	
OPERATING RESULTS (millions)								
Revenues	**$821.8**	$802.9		$3,000.1		$2,693.3	$2,178.0	
Net earnings (loss)	**21.7**	32.9	(3)	97.9	(3)	118.3	57.3	
EBIT	**41.5**	52.8	(3)	175.3	(3)	197.5	110.8	
Adjusted EBIT (Note)	**41.5**	52.8	(3)	175.3	(3)	197.5	111.5	(1)
EBIT as a % of revenue	**5.0%**	6.6%		5.8%		7.3%	5.1%	
Adjusted EBITDA (Note)	**49.7**	58.5		200.8		221.0	136.8	(1)
EBITDA as a % of revenue	**6.0%**	7.3%		6.7%		8.2%	6.3%	
Basic earnings per common share ($)	**$0.36**	$0.55		$1.63	(3)	$1.97	$0.96	
BALANCE SHEET INFORMATION (millions)								
Metals								
Accounts receivable	**$472.4**	$451.6		$455.6		$381.7	$300.5	
Inventories	**772.3**	692.1		764.0		645.6	544.1	
Prepaid expenses and other assets	**8.7**	4.4		7.1		4.3	2.9	
Accounts payable and accruals	**(390.3)**	(363.0)		(381.5)		(343.6)	(259.8)	
Net working capital - Metals	**863.1**	785.1		845.2		688.0	587.7	
Fixed assets	**225.4**	189.9		225.3		184.1	187.2	
Goodwill and intangibles	**191.8**	24.3		192.1		24.7	24.9	
Net assets employed in metals operations	**1,280.3**	999.3		1,262.6		896.8	799.8	
Other operating assets	**15.5**	16.3		16.0		17.1	17.6	
Net income tax assets (liabilities)	**(8.1)**	1.2		(8.2)		(12.0)	(11.5)	
Pension and benefit assets (liabilities)	**(38.0)**	(36.1)		(38.7)		(33.3)	(17.2)	
Other corporate assets and liabilities	**(52.8)**	(16.1)		(47.3)		(22.1)	(11.9)	
Total net assets employed	**$1,196.9**	$964.6		$1,184.4		$846.5	$776.8	
CAPITALIZATION (millions)								
Bank indebtedness, net of (cash)	**($113.0)**	($160.3)		($100.8)		($270.7)	($323.7)	
Long-term debt (incl. current portion)	**456.6**	295.9		455.8		297.8	319.7	
Total interest bearing debt, net of (cash)	**343.6**	135.6		355.0		27.1	(4.0)	
Market capitalization	**1,755.2**	1,609.6		1,662.2		1,346.8	1,373.5	
Total firm value	**$2,098.8**	$1,745.2		$2,017.2		$1,373.9	$1,369.5	
OTHER INFORMATION (Notes)								
Shareholders' equity (millions)	**$853.3**	$829.0		$829.4		$819.4	$772.8	
Book value per share ($)	**$14.03**	$13.79		$13.78		$13.64	$12.88	
Free cash flow (millions)	**$25.8**	$29.0		$99.4		$129.5	$85.7	
Capital expenditures (millions)	**$6.6**	$11.9		$33.7		$18.1	$11.6	
Depreciation and amortization (millions)	**$8.2**	$5.7		$25.5		$23.5	$25.3	
Earnings multiple	**20.0**	12.2		16.9		11.4	23.9	
Firm value as a multiple of EBIT	**12.6**	8.3		11.5		7.0	12.3	(1)
Firm value as a multiple of EBITDA	**10.6**	7.5		10.0		6.2	10.0	(1)
Interest bearing debt/EBITDA	**2.3**	1.3		2.3		1.3	2.3	(1)
Debt as a % of capitalization	**35%**	26%		35%		27%	29%	
Market capitalization as a % of book value	**206%**	194%		200%		164%	178%	
Return on equity	**10%**	16%		12%		14%	7%	
Return on capital employed	**14%**	22%		15%		23%	14%	(1)
COMMON SHARE INFORMATION								
Ending outstanding common shares	**60,818,240**	60,102,823		60,204,636		60,071,698	59,978,173	
Average outstanding common shares	**60,490,430**	60,080,755		60,128,534		60,043,222	59,717,629	
Dividend yield	**4.9%**	5.2%		5.1%		5.4%	4.8%	
Dividend per share	$1.40	$1.40		$1.40		$1.20	$1.10	
Share price - High	$29.59	$27.95		$28.97		$27.75	$23.94	
Share price - Low	$27.86	$22.52		$22.52		$18.90	$16.25	
Share price - Ending	$28.86	$26.78		$27.61		$22.42	$22.90	

Notes:

(1) Adjusted EBIT excludes the inventory reversal of $1.9 million and plant closure costs of $2.6 million in 2010.

(2) As reported under IFRS

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

CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS *(UNAUDITED)*

(in millions of Canadian dollars, except per share data)	Quarters ended March 31 2013	2012 (restated)
Revenues	**$ 821.8**	$ 802.9
Cost of materials	**677.9**	659.0
Employee expenses	**62.5**	58.2
Other operating expenses	**39.9**	32.9
Earnings before interest, finance and provision for income taxes	**41.5**	52.8
Interest expense	**8.8**	6.7
Interest income	**(0.1)**	(0.4)
Other finance expense	**1.6**	0.4
Earnings before provision for income taxes	**31.2**	46.1
Provision for income taxes	**9.5**	13.2
Net earnings for the period	**$ 21.7**	$ 32.9
Net earnings attributed to:		
Equity holders	**$ 21.6**	$ 32.9
Non-controlling interest	**0.1**	-
	$ 21.7	$ 32.9
Basic earnings per common share	**$ 0.36**	$ 0.55
Diluted earnings per common share	**$ 0.36**	$ 0.53

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME *(UNAUDITED)*

(in millions of Canadian dollars)	Quarters ended March 31 2013	2012 (restated)
Net earnings for the period	**$ 21.7**	$ 32.9
Other comprehensive income (loss), net of tax		
Items that may be reclassified to earnings		
Unrealized foreign exchange gains (losses) on translation of foreign operations	**6.9**	(6.7)
Unrealized gains on items designated as net investment hedges	**-**	2.1
Losses on derivatives designated as cash flow hedges transferred to net earnings in the current period	**-**	0.3
Total items that may be reclassified to earnings	**6.9**	(4.3)
Items that may not be reclassified to earnings		
Actuarial gains (losses) on pension and similar obligations	**0.5**	(2.0)
Other comprehensive income (loss)	**7.4**	(6.3)
Total comprehensive income	**$ 29.1**	$ 26.6

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION *(UNAUDITED)*

(in millions of Canadian dollars)	**March 31 2013**	December 31 2012 (restated)
ASSETS		
Current		
Cash	**$ 137.8**	$ 115.1
Accounts receivable	**472.4**	456.2
Inventories	**772.3**	764.0
Prepaid expenses	**8.7**	7.1
Income taxes receivable	**9.4**	7.7
	1,400.6	1,350.1
Property, Plant and Equipment	**241.7**	241.8
Deferred Income Tax Assets	**3.9**	4.6
Financial and Other Assets	**6.5**	6.5
Goodwill and Intangibles	**191.8**	192.1
	$ 1,844.5	$ 1,795.1
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Bank indebtedness	**$ 24.8**	$ 14.3
Accounts payable and accrued liabilities	**409.3**	396.5
Income taxes payable	**1.3**	-
Current portion long-term debt	**2.1**	2.2
	437.5	413.0
Long-Term Debt	**454.5**	453.6
Pensions and Benefits	**38.0**	38.7
Deferred Income Tax Liabilities	**20.1**	20.5
Provisions and Other Non-Current Liabilities	**41.1**	39.9
	991.2	965.7
Shareholders' Equity		
Common shares	**506.4**	487.9
Retained earnings	**306.1**	305.3
Contributed surplus	**14.9**	17.3
Accumulated other comprehensive loss	**(4.3)**	(11.2)
Equity component of convertible debenture	**28.7**	28.7
Total Shareholders' Equity Attributable to Equity Holders	**851.8**	828.0
Non-controlling interest	**1.5**	1.4
Total Shareholders' Equity	**853.3**	829.4
Total Liabilities and Shareholders' Equity	**$ 1,844.5**	$ 1,795.1

CONDENSED CONSOLIDATED STATEMENTS OF CASHFLOW *(UNAUDITED)*

(in millions of Canadian dollars)	Quarters ended March 31 **2013**	2012 (restated)
Operating activities		
Net earnings for the period	**$ 21.7**	$ 32.9
Depreciation and amortization	**8.2**	5.7
Deferred income taxes	**(0.6)**	0.6
Gain on sale of property, plant and equipment	**(0.2)**	-
Stock-based compensation	**0.6**	0.5
Difference between pension expense and amount funded	**0.1**	(0.2)
Debt accretion, amortization and other	**2.6**	1.4
Cash from operating activities before non-cash working capital	**32.4**	40.9
Changes in non-cash working capital items		
Accounts receivable	**(14.1)**	(71.0)
Inventories	**(3.8)**	(49.7)
Accounts payable and accrued liabilities	**11.1**	13.5
Income tax receivable/payable	**0.3**	(11.5)
Other	**(1.1)**	0.1
Change in non-cash working capital	**(7.6)**	(118.6)
Cash from (used in) operating activities	**24.8**	(77.7)
Financing activities		
Increase in bank borrowings	**10.0**	-
Issue of common shares	**15.5**	0.5
Dividends on common shares	**(21.3)**	(18.0)
Repayment of long-term debt	**(0.3)**	(0.3)
Cash from (used in) financing activities	**3.9**	(17.8)
Investing activities		
Purchase of property, plant and equipment	**(6.6)**	(11.9)
Proceeds on sale of property, plant and equipment	**0.4**	-
Cash used in investing activities	**(6.2)**	(11.9)
Effect of exchange rates on cash and cash equivalents	**0.2**	(3.0)
Increase (decrease) in cash and cash equivalents	**22.7**	(110.4)
Cash and cash equivalents, beginning of the period	**115.1**	270.7
Cash and cash equivalents, end of the period	**$ 137.8**	$ 160.3

Supplemental cash flow information:		
Income taxes paid	**$ 10.5**	$ 26.4
Interest paid (net)	**$ 1.1**	$ 5.0

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY *(UNAUDITED)*

(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, 2013	$ 487.9	$ 305.3	$ 17.3	$ (11.2)	$ 28.7	$ 1.4	$ 829.4
Payment of dividends	-	(21.3)	-	-	-	-	(21.3)
Net earnings for the period	-	21.6	-	-	-	0.1	21.7
Other comprehensive income (loss) for the period	-	-	-	7.4	-	-	7.4
Recognition of stock-based compensation	-	-	(2.4)	-	-	-	(2.4)
Stock options exercised	18.5	-	-	-	-	-	18.5
Transfer of net actuarial gains (losses) on defined benefit plans	-	0.5	-	(0.5)	-	-	-
Balance, March 31, 2013	$ 506.4	$ 306.1	$ 14.9	$ (4.3)	$ 28.7	$ 1.5	$ 853.3

(in millions of Canadian dollars)	Common Shares	Retained Earnings (restated)	Contributed Surplus	Accumulated Other Comprehensive Loss (restated)	Equity Component of Convertible Debentures	Non-Controlling Interest	Total (restated)
Balance, January 1, 2012	$ 485.4	$ 306.7	$ 15.7	$ (17.1)	$ 28.7	$ -	$ 819.4
Payment of dividends	-	(18.0)	-	-	-	-	(18.0)
Net earnings for the period	-	32.9	-	-	-	-	32.9
Other comprehensive income (loss) for the period	-	-	-	(6.3)	-	-	(6.3)
Recognition of stock-based compensation	-	-	0.4	-	-	-	0.4
Stock options exercised	0.6	-	-	-	-	-	0.6
Transfer of net actuarial gains (losses) on defined benefit plans	-	(2.0)	-	2.0	-	-	-
Balance, March 31, 2012	$ 486.0	$ 319.6	$ 16.1	$ (21.4)	$ 28.7	$ -	$ 829.0

(in millions of Canadian dollars)	Common Shares	Retained Earnings (restated)	Contributed Surplus	Accumulated Other Comprehensive Loss (restated)	Equity Component of Convertible Debentures	Non-Controlling Interest	Total (restated)
Balance, January 1, 2012	$ 485.4	$ 306.7	$ 15.7	$ (17.1)	$ 28.7	$ -	$ 819.4
Acquired during the period	-	-	-	-	-	1.4	1.4
Payment of dividends	-	(81.2)	-	-	-	-	(81.2)
Net earnings for the period	-	97.9	-	-	-	-	97.9
Other comprehensive income (loss) for the period	-	-	-	(12.2)	-	-	(12.2)
Recognition of stock-based compensation	-	-	1.6	-	-	-	1.6
Stock options exercised	2.5	-	-	-	-	-	2.5
Transfer of net actuarial gains (losses) on defined benefit plans	-	(18.1)		18.1	-	-	-
Balance, December 31, 2012	$ 487.9	$ 305.3	$ 17.3	$ (11.2)	$ 28.7	$ 1.4	$ 829.4

RUSSEL METALS INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2013

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, and should be read in conjunction with, the interim condensed consolidated financial statements for the three months ended March 31, 2013 including the notes thereto, and the Management's Discussion and Analysis and the audited consolidated financial statements for the year ended December 31, 2012, including the notes thereto. In the opinion of management, such interim condensed consolidated financial statements contain all adjustments necessary for a fair presentation of the results for such periods. The results of operations for the periods shown are not necessarily indicative of what our results will be for the full year. All dollar references 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 May 2, 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.

Our basic earnings per share were $0.36 for the quarter ended March 31, 2013 compared to $0.55 for the first quarter of 2012.

Our decline in earnings was driven by a decline in revenues at our metals service centers segment of 16% and at our steel distributors segment of 26% in the first quarter of 2013 compared to the first quarter of 2012. Our energy products segment activity increased due to the acquisition of Apex Distribution.

RESULTS OF OPERATIONS

The following table provides revenues, 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 and operating profits as a percentage of revenues are also shown. The table shows the segments as they are reported to management and are consistent with the segment reporting in the condensed consolidated financial statements.

	Quarters Ended March 31		
(millions, except percentages)	**2013**	2012 (restated)	2013 change as a % of 2012
Segment Revenues			
Metals service centers	**$ 359.0**	$ 428.0	(16%)
Energy products	**389.2**	274.8	42%
Steel distributors	**73.6**	99.4	(26%)
Other	**-**	0.7	
	$ 821.8	$ 802.9	2%
Segment Operating Profits			
Metals service centers	**$ 18.0**	$ 32.1	(44%)
Energy products	**24.5**	18.9	30%
Steel distributors	**4.8**	9.7	(50%)
Corporate expenses	**(4.3)**	(7.2)	40%
Other	**(1.5)**	(0.7)	
Operating profits	**$ 41.5**	$ 52.8	(21%)
Segment Gross Margin as a % of Revenues			
Metals service centers	**20.9%**	21.1%	
Energy products	**15.3%**	13.7%	
Steel distributors	**12.6%**	15.4%	
Total operations	**17.5%**	17.9%	
Segment Operating Profits as a % of Revenues			
Metals service centers	**5.0%**	7.5%	
Energy products	**6.3%**	6.9%	
Steel distributors	**6.7%**	9.8%	
Total operations	**4.9%**	6.6%	

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.

b) Factors affecting results

The following is a general discussion of the significant factors affecting our metals service centers results. More specific information on how these factors impacted the first quarter of 2013 and 2012 is found in the section that follows.

Steel prices fluctuate significantly throughout the steel cycle. Mill price reductions put downward pressure on selling prices and gross margins. Steel prices were stable throughout the first quarter of 2013; however, they were at levels approximately 8% below the first quarter of 2012. 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 specific regional economic conditions. Our large market share and 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 slight decline of the Canadian dollar in the first quarter of 2013 versus the same period in 2012 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 the three months ended March 31, 2013 were converted at $1.0089 per US$1 compared to $1.0012 per US$1 for the same period of 2012. The exchange rate at March 31, 2013 used to translate the balance sheet was $1.0156 per US$1 versus $0.9949 per US$1 at December 31, 2012.

Our Canadian operations are 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 -- Three Months Ended March 31, 2013 Compared to March 31, 2012

Revenues for the three months ended March 31, 2013, decreased 16% to $359 million compared to the same period in 2012. Tons shipped in the metals service centers segment in the first quarter of 2013 were approximately 10% lower than the first quarter of 2012 and 9% higher than the fourth quarter of 2012. The average selling price of metal for the three months ended March 31, 2013 was approximately 8% lower than the average selling price for the three months ended March 31, 2012 and 3% lower than the fourth quarter of 2012. The reduction in tons shipped was a result of the economy stalling in 2013.

Gross margin dollars for the first quarter of 2013 were $14 million lower than the first quarter of 2012 primarily due to volume declines. Gross margins as a percentage of revenues increased compared to the fourth quarter of 2012 when declining steel prices reduced them to 20.2%. Gross margin as a percentage of revenues decreased to 20.9% for the three months ended March 31, 2013 compared to 21.1% in the first quarter of 2012. Rising steel prices in the first quarter of 2012 resulted in higher gross margins than we experienced in the first quarter of 2013 when prices were more stable.

Operating expenses in the first quarter of 2013 were lower by $1 million or 2% than in the first quarter of 2012, mainly related to lower variable compensation.

Metals service centers operating profit for the three months ended March 31, 2013 of $18 million compares to $32 million for the same period in 2012 and reflects the lower volumes.

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 pipe 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 mainly to support our valve and fitting operations. We purchase our products from the pipe division of North American steel mills, independent manufacturers of pipe, valve and fittings, 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.

b) Factors affecting results

The following is a general discussion of the factors affecting our energy products segment operations. More specific information on how these factors impacted the first quarter of 2013 and 2012 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 was high during 2012 but softened in the first quarter of 2013 resulting in lower 2013 rig activity. Activity in Western Canada is dependent on Canadian oil prices which are below U.S. oil prices due to a shortage of pipeline capacity. Natural gas prices are at low levels and consequently drilling activity related to gas remained 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 an active area for our U.S. operations 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. Pricing of valves and fittings are not as sensitive to steel prices.

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 -- Three Months Ended March 31, 2013 Compared to March 31, 2012*

Energy products segment revenues increased 42% to $389 million for the first quarter of 2013 compared to the same period in 2012 due to the acquisition of Apex Distribution. Revenues in our energy products segment on a same store basis approximated revenues in the same period last year. Revenues from our Canadian operations servicing oil and gas drilling activity decreased 5% compared to the first quarter of 2012. The other operations were up slightly to offset this decrease. Revenues in the first quarter of 2013 on a same store basis were consistent with revenues in the fourth quarter of 2012.

Gross margin as a percentage of revenues for the three months ended March 31, 2013 was 15.3% compared to 13.7% for the same period in 2012 due to higher margins at the Apex Distribution operations than the other energy products operations. Margins excluding Apex Distribution were 11.4% for the 2013 first quarter due to lower North American pipe prices in a highly competitive market.

Operating expenses as a percentage of revenues were 9.0% versus 6.9% in the first quarter of 2012 which reflect the higher operating expenses in the Apex Distribution operations.

This segment generated an operating profit of $25 million for the three months ended March 31, 2013, compared to $19 million for the same period in 2012. Operating profits were up due to the contribution of Apex Distribution, while our other operations all had lower operating profits compared to 2012.

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.

b) *Factors affecting results*

The following is a general discussion of the factors affecting our steel distributors. More specific information on how these factors impacted the first quarter of 2013 and 2012 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 -- Three Months Ended March 31, 2013 Compared to March 31, 2012*

Steel distributors revenues decreased 26% to $74 million for the three months ended March 31, 2013 compared to the three months ended March 31, 2012 due to lower demand and short lead times and availability from North American mills.

Gross margin as a percentage of revenues was 12.6% for the three months ended March 31, 2013 compared to 15.4% for the three months ended March 31, 2012. The decline related to lower steel pricing due to weaker demand for steel.

Operating expenses were $1 million lower for the first quarter of 2013 compared to the first quarter of 2012, mainly related to lower variable compensation.

Operating profit for the three months ended March 31, 2013 was $5 million, compared to $10 million for the, three months ended March 31, 2012 reflecting lower demand and gross margins in the current quarter compared to a year ago.

Corporate Expenses -- Three Months Ended March 31, 2013 Compared to March 31, 2012

Corporate expenses were $4 million for the three months ended March 31, 2012 compared to $7 million in the first quarter of 2012. Corporate expenses for the first quarter were lower mainly due to lower variable compensation related to lower earnings.

Consolidated Results -- Three Months Ended March 31, 2013 Compared to March 31, 2012

Operating profits were $42 million for the first quarter of 2013 versus $53 million for the first quarter of 2012 due to weak economic activity.

INTEREST EXPENSE AND INCOME

Net interest expense was $9 million for the three months ended March 31, 2013 compared to $6 million for the three months ended March 31, 2012 and $9 million for the fourth quarter of 2012. The increase relates to debt issued in April 2012.

OTHER FINANCE EXPENSE

Other finance expense was $2 million in the first quarter of 2013 due to the imputed interest cost associated with the contingent consideration related to our Apex Distribution acquisition.

INCOME TAXES

We recorded a provision for income taxes of $10 million for the first quarter of 2013 compared to $13 million for the first quarter of 2012. Our effective income tax rate for the three months ended March 31, 2013 was 30.4%. The effective income tax rate in 2013 is higher due to the finance expense which does not have a tax benefit. We estimate our normalized effective income tax rate, excluding the finance expense, to be 28.5% for 2013.

NET EARNINGS

Net earnings for the first quarter of 2013 were $22 million compared to $33 million in the first quarter of 2012. Basic earnings per share for the first quarter of 2013 were $0.36 per share compared to $0.55 per share for the first quarter of 2012.

SHARES OUTSTANDING AND DIVIDENDS

The weighted average number of common shares outstanding for first quarter of 2013 was 60,490,430 compared to 60,080,755 for the first quarter of 2012. As at March 31, 2013 and May 2, 2013, we had 60,818,240 and 60,821,152 common shares outstanding respectively. The number of common shares outstanding increased as a result of options exercised.

We paid common share dividends of $21 million or $0.35 per share in the first quarter of 2013 as compared to $18 million or $0.30 per share in the first quarter of 2012.

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

We have $300 million of 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 $137 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 a dividend 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 and adjusted EBITDA:

(millions)	Quarters Ended March 31 2013	2012
Net earnings for the period	**$ 21.7**	$ 32.9
Provision for income taxes	**9.5**	13.2
Interest and finance expense, net	**10.3**	6.7
Earnings before interest, finance and income taxes (EBIT)	**41.5**	52.8
Depreciation and amortization	**8.2**	5.7
Earnings before interest, finance, income taxes, depreciation and amortization (EBITDA)	**$ 49.7**	$ 58.5

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 $7 million for the first quarter of 2013 compared to $12 million in the first quarter of 2012. Depreciation expense of $7 million for the first quarter of 2013 compared to $6 million in the first quarter of 2012. The increase in depreciation expense was due to acquisitions made in 2012. Our expectation is for capital expenditures to approximate depreciation expense over the long term.

LIQUIDITY

At March 31, 2013, we had cash of $138 million compared to $115 million at December 31, 2012. In addition, at March 31, 2013, we had bank indebtedness of $25 million compared to indebtedness of $14 million at December 31, 2012 resulting in an increase of $12 million to a net cash position of $113 million.

We generated $32 million from operations in the first quarter of 2013 and utilized $8 million in working capital to support our growth as well as $7 million for capital expenditures and $21 million for 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 additional bad debts and increased days outstanding for accounts receivable, which may affect the timing of collections. Total assets were $1.8 billion at March 31, 2013 and December 31, 2012. At March 31, 2013, current assets excluding cash represented 74% of our total assets excluding cash, versus 73% at December 31, 2012.

Cash utilized for inventory was $4 million in the first quarter of 2013. Inventories represented 42% of our total assets at March 31, 2013 and December 31, 2012.

Inventory by Segment	**Mar. 31 2013**	Dec. 31 2012	Sept. 30 2012	June 30 2012	Mar. 31 2012
Metals service centers	**$ 268**	$ 274	$ 286	$ 294	$ 300
Energy products	**420**	411	350	341	308
Steel distributors	**84**	79	87	88	84
Total operations	**$ 772**	$ 764	$ 723	$ 723	$ 692

	Quarters Ended				
Inventory Turns by Segment	**Mar. 31 2013**	Dec. 31 2012	Sept. 30 2012	June 30 2012	Mar. 31 2012
Metals service centers	**4.2**	3.9	4.3	4.7	4.5
Energy products	**3.1**	3.4	2.5	1.9	3.1
Steel distributors	**3.1**	3.6	3.1	3.6	4.0
Total operations	**3.5**	3.6	3.3	3.3	3.8

At March 31, 2013, our metals service centers had slightly lower inventory tons compared to December 31, 2012.

Our energy products operations had inventory at the end of the first quarter of 2013, 2% higher than December 31, 2012.

Our steel distributors segment had slightly higher inventory levels compared to December 31, 2012 and the same level as March 31, 2012; however, turns declined due to lower revenues.

Accounts receivable utilized cash of $14 million in the first quarter of 2013 due to increased revenues in our energy segment. Accounts receivable represented 26% of our total assets at March 31, 2013 compared to 25% of our total assets at December 31, 2012.

During the first quarter of 2013, we made income tax payments of $10 million compared to payments of $26 million for the three months ended March 31, 2012.

The balances disclosed in our condensed 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

	Quarters Ended March 31	
(millions)	**2013**	2012
Cash from operating activities before non-cash working capital	**$ 32.4**	$ 40.9
Purchase of property, plant and equipment	**(6.6)**	(11.9)
	$ 25.8	$ 29.0

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

(millions)	**Mar. 31, 2013**	Dec. 31, 2012
Long-Term Debt		
6.0% $300 million Senior Notes due April 19, 2022	**$ 293**	$ 293
7.75% $175 million Convertible Debentures due September 30, 2016	**159**	158
Finance lease obligations, maturing 2014 to 2017	**4**	5
	456	456
Current portion	**(2)**	(2)
	$ 454	$ 454

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. 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 March 31, 2013 (millions)	Russel Metals Facility	U.S. Subsidiary Facility	Total
Bank loans	$ (19)	$ (9)	$ (28)
Cash net of outstanding cheques	139	2	141
Net cash (borrowings)	120	(7)	113
Letters of credit	(12)	(3)	(15)
	$ 108	$ (10)	$ 98
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.

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 March 31, 2013, we were entitled to borrow and issue letters of credit totaling $252 million under this facility. At March 31, 2013 and December 31, 2012, we had borrowings of US$19 million and US$37 million respectively under this facility. At March 31, 2013, we had letters of credit of $12 million compared to $37 million at December 31, 2012.

The maximum borrowings, including letters of credit, under the U.S. subsidiary's facility are US$30 million. At March 31, 2013, this subsidiary had US$9 million in borrowings and had letters of credit of US$3 million. At December 31, 2012, 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 $342 million of cash based on our March 31, 2013 balances. The use of our bank facilities has been predominantly to fund working capital requirements, 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 March 31, 2013, we were contractually obligated to make payments as per the following table:

Contractual Obligations	Payments due in				
(millions)	**2013**	**2014 and 2015**	**2016 and 2017**	**2018 and thereafter**	**Total**
Accounts payable	**$ 409.3**	**$ -**	**$ -**	**$ -**	**$ 409.3**
Bank loans	**24.8**	**-**	**-**	**-**	**24.8**
Debt	**-**	**-**	**175.0**	**300.0**	**475.0**
Long-term debt interest	**31.8**	**63.4**	**49.6**	**81.9**	**226.7**
Finance lease obligations	**1.8**	**2.0**	**1.0**	**-**	**4.8**
Operating leases	**14.8**	**30.6**	**19.3**	**26.8**	**91.5**
Total	**$ 482.5**	**$ 96.0**	**$ 244.9**	**$ 408.7**	**$ 1,232.1**

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 $43 million at March 31, 2013. The obligation was increased by $2 million in the first quarter of 2013 related to the discount. This amount will be reviewed quarterly and adjusted through income for increases or decreases in the liability. 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 total for 2013.

We have obligations related to multiple defined benefit pension plans in Canada, as disclosed in Note 14 of our 2012 consolidated financial statements. During the first quarter of 2013, we contributed $1 million to these plans. We expect to contribute approximately $4 million during the remainder of the year. 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 would 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.

We have disclosed our obligations related to environmental litigations, 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.

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 March 31, 2013 approximates our reserve at December 31, 2012; however, our accounts receivable balance is higher. Bad debt expense for the first quarter of 2013 as a percentage of revenue approximates that of 2012.

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. The inventory reserve level at March 31, 2013 was $2 million higher than the level at December 31, 2012.

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 is 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 interest rate, 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 immediately in other comprehensive income.

We had approximately $86 million in plan assets at March 31, 2013, which approximates December 31, 2012 plan assets. The interest rate for the quarter ended March 31, 2013 was 4% which is consistent with the interest rate at December 31, 2012.

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. 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 (COSO). In accordance with National Instrument 52-109 we have limited our scope for reporting on disclosure controls and procedures and internal controls over financial reporting during the first year of acquiring Apex Distribution.

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 are working with Apex Distribution's management to add appropriate manual and computer controls and document the internal control processes.

No changes were made in our disclosure controls or our internal control over financial reporting at the non-Apex Distribution operations during the first quarter of 2013 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Summary Financial Information - Apex Distribution

For the quarter ended March 31, 2013 (millions)	
Revenue	$ 118
Earnings before interest and taxes	11

As at March 31, 2013 (millions)	
Current assets	$ 172
Current liabilities excluding contingent consideration	(47)
Goodwill and intangibles	182
Other non-current assets	15
Deferred income tax liability	(18)
Contingent consideration	(43)
Other non-current liabilities	(2)

The line items that could be affected by this lack of appropriate controls at Apex Distribution operations 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. 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 metals service center regions other than Ontario and the U.S. Demand has increased year over year since 2009 other than in the first quarter of 2013 where it declined by approximately 10%. 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.

OUTLOOK

The first quarter of 2013 represents the first quarter over quarter decline in demand since 2009. Our metals service centers continue to capture market share at these lower levels, but the economic recovery appears to have stalled. We believe the uncertainty associated with the Western Canada energy market has impacted the overall Canadian economy. We believe an approval of the XL pipeline through the U.S. should kick-start a recovery in Western Canada. At this time we expect to see more of the same for the second quarter.

RUSSEL METALS INC.
CONSOLIDATED STATEMENTS OF EARNINGS

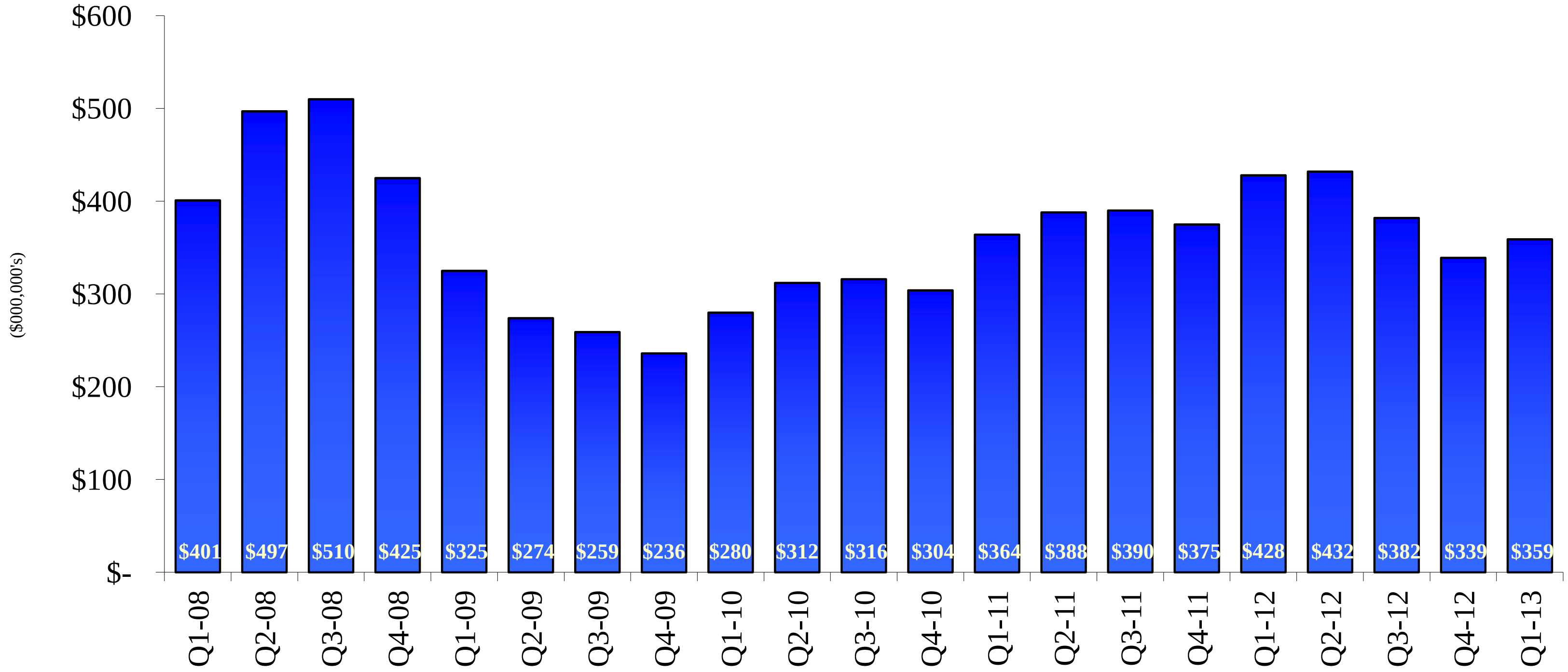
($ millions)	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008
METALS SERVICE CENTERS																					
Revenue	359.0	338.5	382.3	432.3	428.0	375.1	390.4	387.9	363.8	304.3	315.7	312.2	280.0	235.9	259.1	274.3	325.4	424.7	509.8	497.3	401.2
Cost of goods sold	284.1	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	56.9	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	**18.0**	**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	5.7	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	**23.7**	**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	79.1%	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	15.8%	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%	1.6%	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%	5.0%	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%	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	389.2	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	329.5	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	35.2	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	**24.5**	**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	2.3	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	**26.8**	**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	84.7%	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	9.0%	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	0.6%	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	6.3%	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	6.9%	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	73.6	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	64.3	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	4.5	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	**4.8**	**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	**4.8**	**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	87.4%	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	6.1%	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	0.0%	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	6.5%	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	6.5%	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	1.5	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	**(1.5)**	**(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	0.2	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	**(1.3)**	**(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	4.3	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
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	**(4.3)**	**(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	**(4.3)**	**(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%	0.5%	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%	0.0%	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	**$ 41.5**	**$ 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	**$ 49.7**	**$ 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	5.0%	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	6.0%	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%

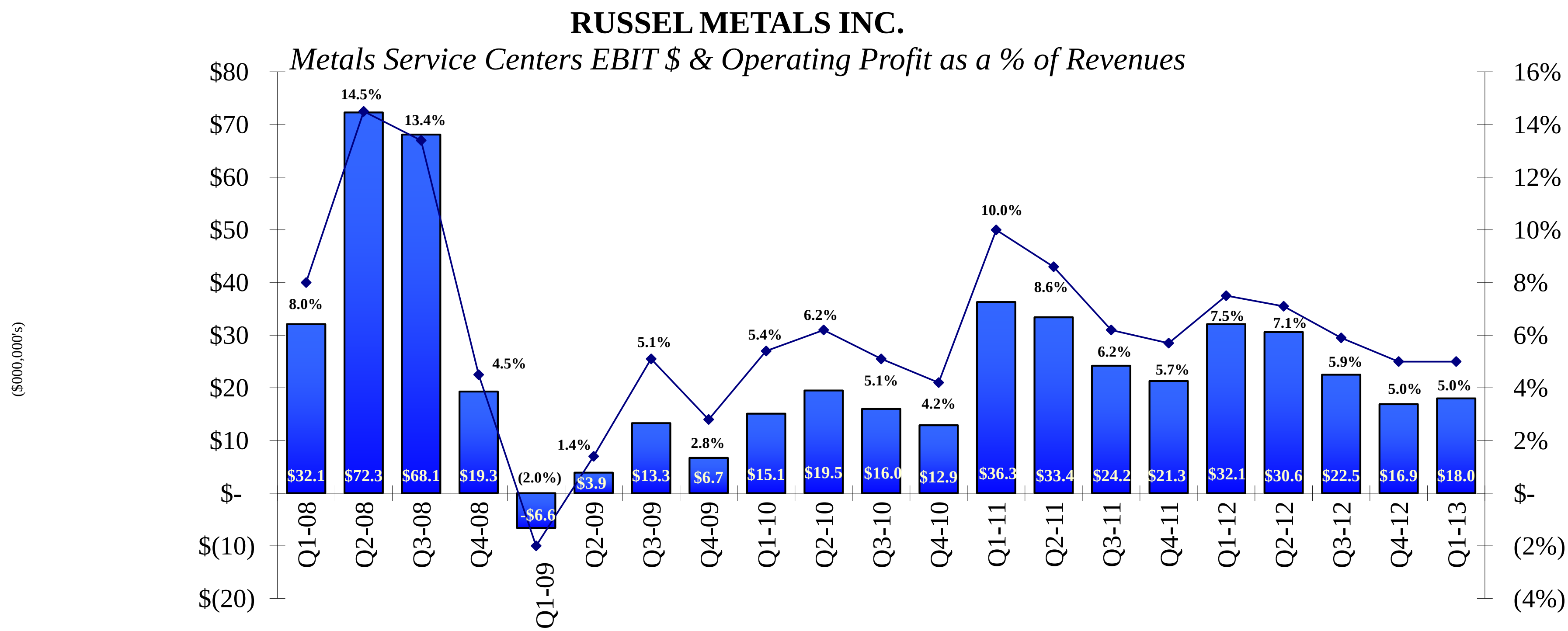
SUMMARY
RUSSEL METALS INC.
CONSOLIDATED STATEMENTS OF EARNINGS

($ millions)	Q1 2013	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	821.8	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	677.9	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	98.1	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	4.3	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	**41.5**	**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	8.2	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	**49.7**	**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**
Gain on sale of asset	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(4.3)	-	-	-	-	-
EBIT	**41.5**	**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**	**16.3**	**13.6**	**77.6**	**144.9**	**121.4**	**52.1**
EBITDA	**49.7**	**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**	**22.8**	**20.1**	**83.7**	**150.8**	**127.1**	**57.8**
Twelve months ended:																					
Revenue	3,019.0	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	2,495.7	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	358.7	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	**164.6**	**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**
Gain on sale of asset	-	-	-	-	-	-	-	-	-	-	-	-	(4.3)	(4.3)	(4.3)	(4.3)	-	-	-	-	-
EBIT	**164.6**	**176.2**	**186.1**	**190.7**	**196.4**	**197.5**	**183.1**	**171.3**	**152.1**	**124.2**	**100.1**	**92.2**	**75.6**	**62.9**	**132.7**	**252.4**	**357.5**	**396.0**	**356.0**	**257.9**	**185.4**
Depreciation & amortization	28.0	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	**192.6**	**201.7**	**210.0**	**214.1**	**219.6**	**221.0**	**207.0**	**195.7**	**176.8**	**149.2**	**125.0**	**117.4**	**101.1**	**88.6**	**158.4**	**277.4**	**381.7**	**419.4**	**378.9**	**279.8**	**206.6**

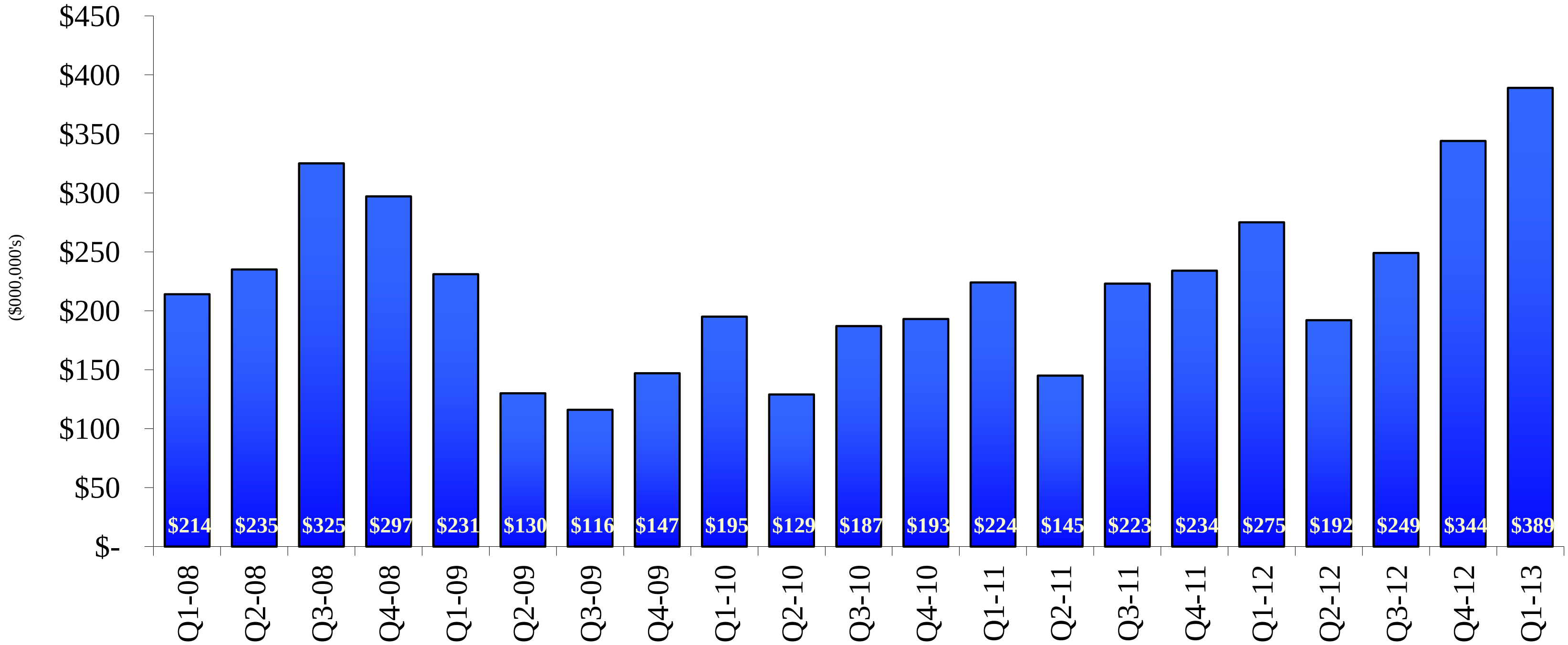
RUSSEL METALS INC.

Metals Service Centers Revenues



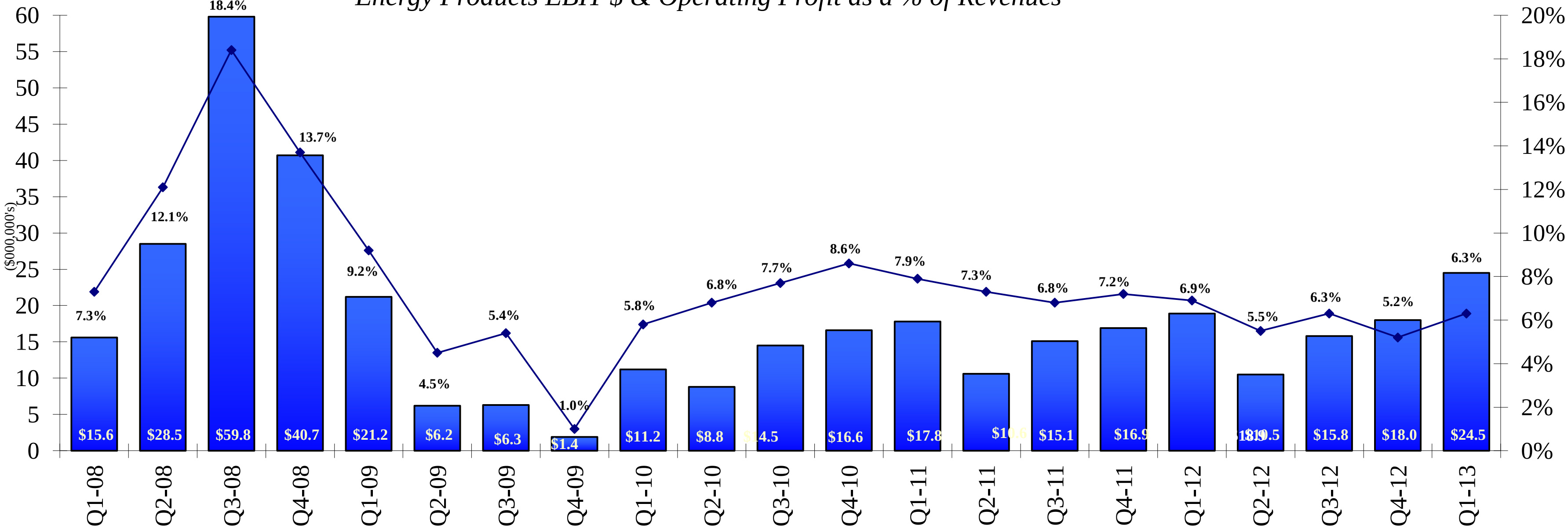

RUSSEL METALS INC.
Metals Service Centers EBIT $ & Operating Profit as a % of Revenues
($000,000's)
$80
$70
$60
$50
$40
$30
$20
$10
$-
$(10)
$(20)
16%
14%
12%
10%
8%
6%
4%
2%
$-
(2%)
(4%)
Q1-08
Q2-08
Q3-08
Q4-08
Q1-09
Q2-09
Q3-09
Q4-09
Q1-10
Q2-10
Q3-10
Q4-10
Q1-11
Q2-11
Q3-11
Q4-11
Q1-12
Q2-12
Q3-12
Q4-12
Q1-13
$32.1
$72.3
$68.1
$19.3
-$6.6
$3.9
$13.3
$6.7
$15.1
$19.5
$16.0
$12.9
$36.3
$33.4
$24.2
$21.3
$32.1
$30.6
$22.5
$16.9
$18.0
8.0%
14.5%
13.4%
4.5%
(2.0%)
1.4%
5.1%
2.8%
5.4%
6.2%
5.1%
4.2%
10.0%
8.6%
6.2%
5.7%
7.5%
7.1%
5.9%
5.0%
5.0%

RUSSEL METALS INC.
Energy Products Revenues

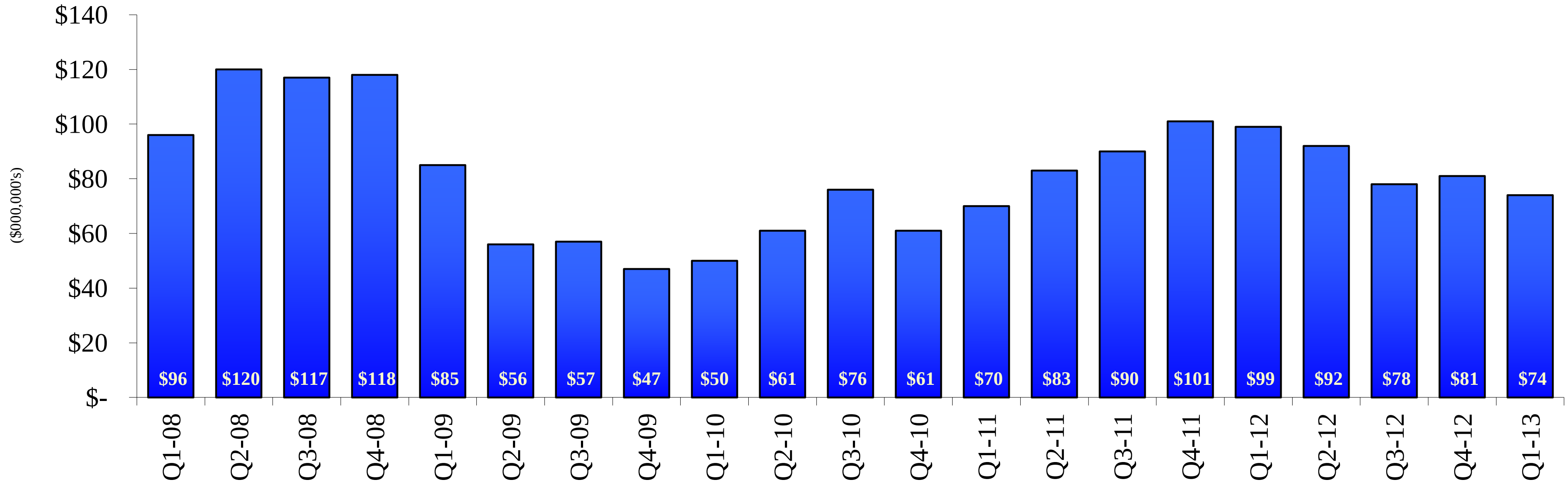


RUSSEL METALS INC.

Energy Products EBIT $ & Operating Profit as a % of Revenues

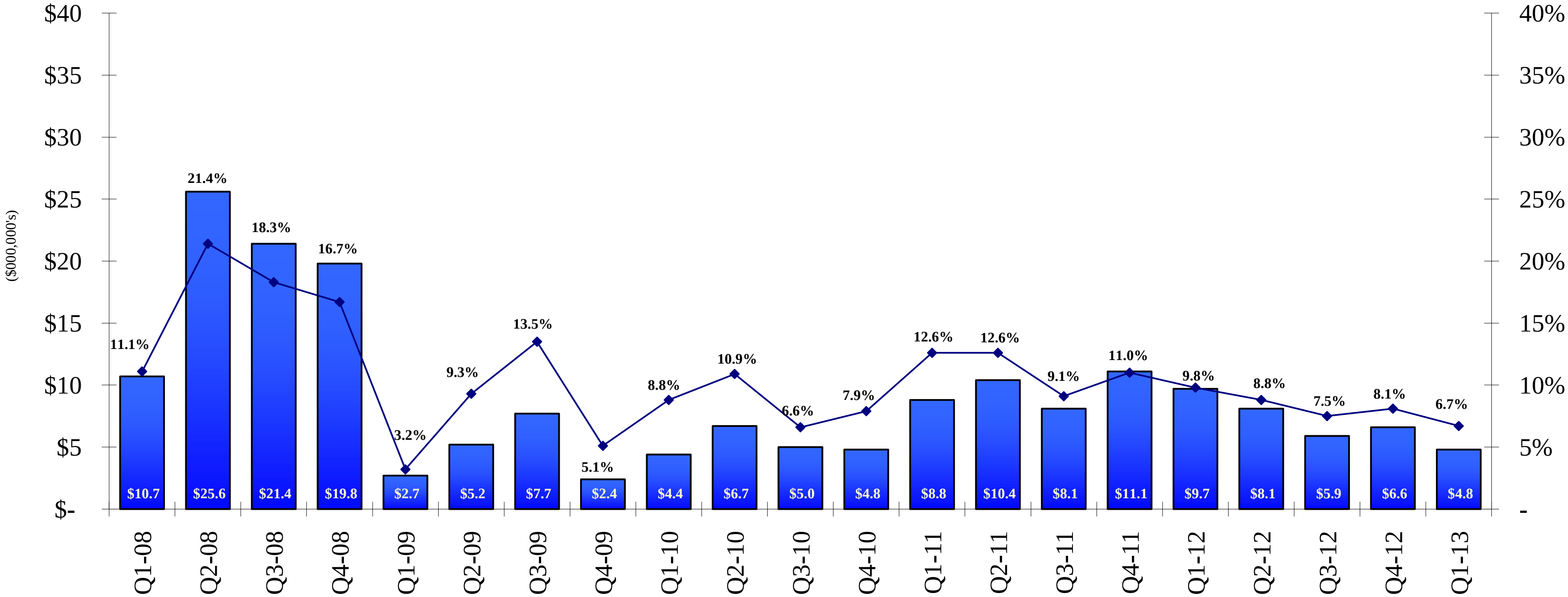


RUSSEL METALS INC.
Steel Distributors Revenues



RUSSEL METALS INC.

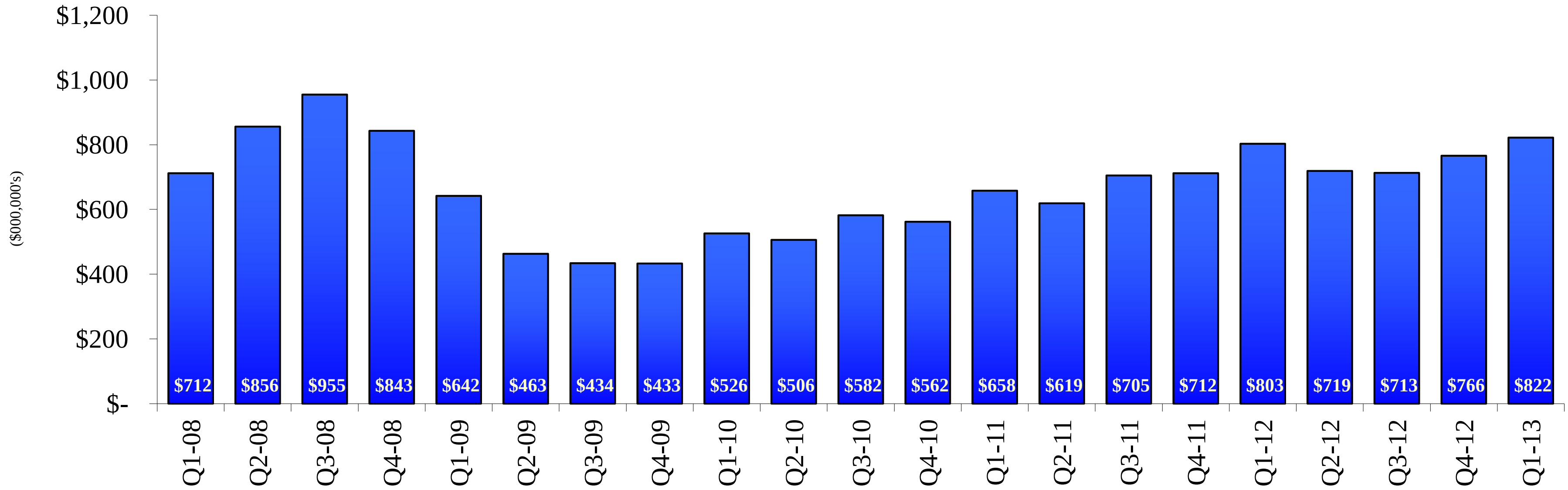
Steel Distributors EBIT $ & Operating Profit as a % of Revenues



• *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