Russel Metals

INFORMATION PACKAGE

FOR

INVESTOR CONFERENCE CALL

FEBRUARY 20, 2014

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INVESTOR CONFERENCE CALL
February 20, 2014

I N D E X

CAUTIONARY STATEMENT ON FORWARD-LOOKING INFORMATION

Certain statements made on this conference call constitute forward-looking statements or information within the meaning of applicable securities laws, including statements as to our outlook, future events or our future performance. All statements, other than statements of historical fact, are forward-looking statements. Forward-looking statements are necessarily based on estimates and assumptions that, while considered reasonable by us, inherently 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.

Our actual results could differ materially from those anticipated in our forward-looking statements including as a result of the risk factors described below, in our MD&A and in our Annual Information Form.

While we believe that the expectations reflected in our forward-looking statements are reasonable, no assurance can be given that these expectations will prove to be correct, and our forward-looking statements included in this call should not be unduly relied upon. These statements speak only as of the date of this call and, except as required by law, we do not assume any obligation to update our forward-looking statements.

Risk Factors - Such risks and uncertainties include, but are not limited to: the current economic climate; volatility in metal prices; volatility in oil and natural gas prices; cyclicality of the metals industry and the industries that purchase our products; lack of credit availability that may limit the ability of our customers to obtain credit or expand their businesses; significant competition that could reduce our market share; any interruption in sources of metals supply; the integration of future acquisitions, including successfully adapting to a public company control environment and retaining key acquisition management personnel; failure to renegotiate any of our collective agreements and work stoppages; disruption in our customer or suppliers' operations due to labour disruptions or the existence of events or circumstances that cause a force majeure; environmental liabilities; environmental concerns or changes in government regulations in general, and those related to oil sands production, shale fracking or oil distribution in particular; changes in government regulations relating to workplace safety and worker health; currency exchange risk, particularly between the Canadian and U.S. dollar; the failure of our key computer-based systems, including our enterprise resource and planning systems; the failure to implement new technologies; the loss of key individuals; the inability to access affordable financing, capital or insurance; interest rate risk; dilution; and change of control.

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 the 2013 asset impairment, 2010 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 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.

COMMENTS RE MARKET CONDITIONS
FEBRUARY 2014

1. Service Center demand improving. Russel Metals capturing market share.
   Q4 MSCI industry shipments year over year, unchanged for Canada, up 7% for U.S.
   Q4 Russel Metals service centers up 7% for Canada, up 17% for U.S.

2. Pricing stable to up slightly.

3. Drilling activity consistent with 2013.

HIGHLIGHTS
2013 FOURTH QUARTER & YEAR END RESULTS

1. QTR-4 2013 - Earnings $23 million, EPS $0.37
   QTR-4 2012 - Earnings $20 million, EPS $0.34
   QTR-3 2013 – Earnings $19 million, EPS $0.31

2. Year ended December 31, 2013 – Earnings $83 million, EPS $1.37
   Year ended December 31, 2012 – Earnings $98 million, EPS $1.63

3. Free Cash Flow
   (cash from operations before working capital changes less capital expenditures)
   Year ended December 31, 2013 - $92 million or $1.51 per share
   Year ended December 31, 2012 - $99 million or $1.65 per share

4. Return on Equity – 9%

5. Cash and cash equivalents, net of bank debt - $116 million

Russel Metals Inc.

FINANCIAL HIGHLIGHTS

	<----------------------------Years ended----------------------------			
	2013	2012	2011	2010
OPERATING RESULTS (millions)				
Revenues	**$3,187.8**	$3,000.1	$2,693.3	$2,178.0
Net earnings	**83.3**	97.9 (2)	118.3	57.3
EBIT	**146.0**	175.3 (2)	197.5	110.8
Adjusted EBIT (Note)	**151.2** (1)	175.3 (2)	197.5	111.5 (1)
Adjusted EBIT as a % of revenue	**4.7%**	5.8%	7.3%	5.1%
Adjusted EBITDA (Note)	**184.8** (1)	200.8	221.0	136.8 (1)
EBITDA as a % of revenue	**5.8%**	6.7%	8.2%	6.3%
Basic earnings per common share ($)	**$1.37**	$1.63 (2)	$1.97	$0.96
BALANCE SHEET INFORMATION (millions)				
Metals				
Accounts receivable	**$455.9**	$455.6	$381.7	$300.5
Inventories	**766.3**	764.0	645.6	544.1
Prepaid expenses and other assets	**5.9**	7.1	4.3	2.9
Accounts payable and accruals	**(383.7)**	(381.5)	(343.6)	(259.8)
Net working capital - Metals	**844.4**	845.2	688.0	587.7
Fixed assets	**228.4**	225.3	184.1	187.2
Goodwill and intangibles	**218.7**	192.1	24.7	24.9
Net assets employed in metals operations	**1,291.5**	1,262.6	896.8	799.8
Other operating assets	**10.1**	16.0	17.1	17.6
Net income tax assets (liabilities)	**(11.3)**	(8.2)	(12.0)	(11.5)
Pension and benefit assets (liabilities)	**(23.1)**	(38.7)	(33.3)	(17.2)
Other corporate assets and liabilities	**(42.6)**	(47.3)	(22.1)	(11.9)
Total net assets employed	**$1,224.6**	$1,184.4	$846.5	$776.8
CAPITALIZATION (millions)				
Bank indebtedness, net of (cash)	**($116.2)**	($100.8)	($270.7)	($323.7)
Long-term debt (incl. current portion)	**458.4**	455.8	297.8	319.7
Total interest bearing debt, net of (cash)	**342.2**	355.0	27.1	(4.0)
Market capitalization	**1,913.1**	1,662.2	1,346.8	1,373.5
Total firm value	**$2,255.3**	$2,017.2	$1,373.9	$1,369.5
OTHER INFORMATION (Notes)				
Shareholders' equity (millions)	**$882.4**	$829.4	$819.4	$772.8
Book value per share ($)	**$14.48**	$13.78	$13.64	$12.88
Free cash flow (millions)	**$91.9**	$99.4	$129.5	$85.7
Capital expenditures (millions)	**$27.2**	$33.7	$18.1	$11.6
Depreciation and amortization (millions)	**$33.6**	$25.5	$23.5	$25.3
Earnings multiple	**22.9**	16.9	11.4	23.9
Firm value as a multiple of EBIT	**14.9**	11.5	7.0	12.3 (1)
Firm value as a multiple of EBITDA	**12.2**	10.0	6.2	10.0 (1)
Interest bearing debt/EBITDA	**2.5**	2.3	1.3	2.3 (1)
Debt as a % of capitalization	**34%**	35%	27%	29%
Market capitalization as a % of book value	**217%**	200%	164%	178%
Return on equity	**9%**	12%	14%	7%
Return on capital employed	**12%**	15%	23%	14% (1)
COMMON SHARE INFORMATION				
Ending outstanding common shares	**60,946,393**	60,204,636	60,071,698	59,978,173
Average outstanding common shares	**60,780,520**	60,128,534	60,043,222	59,717,629
Dividend yield	**4.5%**	5.1%	5.4%	4.8%
Dividend per share	**$1.40**	$1.40	$1.20	$1.10
Share price - High	**$31.62**	$28.97	$27.75	$23.94
Share price - Low	**$23.23**	$22.52	$18.90	$16.25
Share price - Ending	**$31.39**	$27.61	$22.42	$22.90

Notes:

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

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

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

CONSOLIDATED STATEMENTS OF EARNINGS

(in millions of Canadian dollars, except per share data)	Quarters ended December 31 **2013**	Quarters ended December 31 2012 (restated)	Years ended December 31 **2013**	Years ended December 31 2012 (restated)
Revenues	**$ 811.1**	$ 765.9	**$ 3,187.8**	$ 3,000.1
Cost of materials	**669.4**	640.1	**2,624.6**	2,476.8
Employee expenses	**64.8**	55.6	**248.8**	216.5
Other operating expenses	**43.9**	33.8	**163.2**	131.8
Asset impairment	**-**	-	**5.2**	-
Earnings before interest, finance expense and provision for income taxes	**33.0**	36.4	**146.0**	175.0
Interest expense	**8.9**	9.1	**36.0**	34.2
Interest income	**-**	(0.2)	**(0.4)**	(1.7)
Other finance (income) expense	**(5.0)**	0.8	**(4.7)**	5.6
Earnings before provision for income taxes	**29.1**	26.7	**115.1**	136.9
Provision for income taxes	**6.3**	6.3	**31.8**	39.0
Net earnings for the period	**$ 22.8**	$ 20.4	**$ 83.3**	$ 97.9
Net earnings attributed to:				
Equity holders	**$ 22.8**	$ 20.4	**$ 83.2**	$ 97.9
Non-controlling interest	**-**	-	**0.1**	-
	$ 22.8	$ 20.4	**$ 83.3**	$ 97.9
Basic earnings per common share	**$ 0.37**	$ 0.34	**$ 1.37**	$ 1.63
Diluted earnings per common share	**$ 0.37**	$ 0.34	**$ 1.37**	$ 1.62

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(in millions of Canadian dollars)	Quarters ended December 31 **2013**	Quarters ended December 31 2012 (restated)	Years ended December 31 **2013**	Years ended December 31 2012 (restated)
Net earnings for the period	**$ 22.8**	$ 20.4	**$ 83.3**	$ 97.9
Other comprehensive income (loss) net of tax				
Items that may be reclassified to earnings				
Unrealized foreign exchange gains (losses) on translation of foreign operations	**12.1**	4.1	**23.2**	(8.5)
Unrealized losses on items designated as net investment hedges	**-**	-	**-**	(0.9)
Losses on derivatives designated as cash flow hedges transferred to net earnings during the year	**-**	-	**-**	2.3
Total items that may be reclassified to earnings	**12.1**	4.1	**23.2**	(7.1)
Items that may not be reclassified to earnings				
Actuarial gains (losses) on pension and similar obligations	**4.5**	3.1	**11.3**	(5.1)
Other comprehensive income (loss)	**16.6**	7.2	**34.5**	(12.2)
Total comprehensive income	**$ 39.4**	$ 27.6	**$ 117.8**	$ 85.7

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(in millions of Canadian dollars)	**December 31 2013**	December 31 2012 (restated)
ASSETS		
Current		
Cash and cash equivalents	**$ 116.2**	$ 115.1
Accounts receivable	**456.2**	456.2
Inventories	**766.3**	764.0
Prepaid expenses	**5.9**	7.1
Income taxes receivable	**6.3**	7.7
	1,350.9	1,350.1
Property, Plant and Equipment	**238.9**	241.8
Deferred Income Tax Assets	**3.0**	4.6
Pension and Benefits Assets	**0.2**	-
Financial and Other Assets	**6.1**	6.5
Goodwill and Intangibles	**218.7**	192.1
	$ 1,817.8	$ 1,795.1
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Bank indebtedness	**$ -**	$ 14.3
Accounts payable and accrued liabilities	**384.1**	396.5
Income taxes payable	**0.2**	-
Current portion long-term debt	**1.2**	2.2
	385.5	413.0
Long-Term Debt	**457.2**	453.6
Pensions and Benefits	**23.3**	38.7
Deferred Income Tax Liabilities	**20.5**	20.5
Provisions and Other Non-Current Liabilities	**48.9**	39.9
	935.4	965.7
Shareholders' Equity		
Common shares	**509.5**	487.9
Retained earnings	**314.6**	305.3
Contributed surplus	**16.2**	17.3
Accumulated other comprehensive loss	**12.0**	(11.2)
Equity component of convertible debenture	**28.7**	28.7
Total Shareholders' Equity Attributable to Equity Holders	**881.0**	828.0
Non-controlling interest	**1.4**	1.4
Total Shareholders' Equity	**882.4**	829.4
Total Liabilities and Shareholders' Equity	**$ 1,817.8**	$ 1,795.1

CONSOLIDATED STATEMENTS OF CASHFLOW

(in millions of Canadian dollars)	**Quarters ended December 31** **2013**	2012 (restated)	**Years ended December 31** **2013**	2012 (restated)
Operating activities				
Net earnings for the period	**$ 22.8**	$ 20.4	**$ 83.3**	$ 97.9
Depreciation and amortization	**8.4**	7.4	**33.6**	25.5
Deferred income taxes	**(0.3)**	0.3	**(4.4)**	1.3
Gain on sale of property, plant and equipment	**0.1**	(1.2)	**(0.4)**	(1.2)
Stock-based compensation	**0.5**	0.6	**2.4**	2.1
Difference between pension expense and amount funded	**(0.9)**	(1.4)	**(0.1)**	(2.2)
Asset impairment	**-**	-	**5.2**	-
Debt accretion, amortization and other	**1.2**	1.7	**4.3**	9.2
Change in fair value of contingent consideration	**(5.0)**	-	**(4.7)**	0.5
Cash from operating activities before non-cash working capital	**26.8**	27.8	**119.2**	133.1
Changes in non-cash working capital items				
Accounts receivable	**17.1**	46.8	**18.7**	25.4
Inventories	**(19.4)**	48.4	**22.3**	(28.5)
Accounts payable and accrued liabilities	**13.1**	(17.4)	**(21.9)**	(34.3)
Income taxes receivable/ payable	**2.2**	0.1	**2.2**	(19.6)
Other	**2.4**	(0.6)	**1.2**	(0.1)
Change in non-cash working capital	**15.4**	77.3	**22.5**	(57.1)
Cash from operating activities	**42.2**	105.1	**141.7**	76.0
Financing activities				
Increase in bank borrowings	**(14.0)**	14.6	**(14.3)**	14.6
Issue of common shares	**1.2**	0.6	**18.0**	2.0
Dividends on common shares	**(21.3)**	(21.1)	**(85.2)**	(81.2)
Issuance of long-term debt	**0.2**	-	**1.0**	300.0
Repayment of long-term debt	**(0.8)**	(0.3)	**(2.8)**	(142.4)
Deferred financing	**-**	-	**(1.3)**	(7.0)
Cash from (used in) financing activities	**(34.7)**	(6.2)	**(84.6)**	86.0
Investing activities				
Purchase of property, plant and equipment	**(7.6)**	(7.3)	**(27.2)**	(33.7)
Proceeds on sale of property, plant and equipment	**0.3**	1.8	**2.6**	1.8
Purchase of business	**(32.1)**	(226.4)	**(42.6)**	(281.3)
Cash used in investing activities	**(39.4)**	(231.9)	**(67.2)**	(313.2)
Effect of exchange rates on cash and cash equivalents	**9.0**	1.0	**11.2**	(4.4)
Increase (decrease) in cash and cash equivalents	**(22.9)**	(132.0)	**1.1**	(155.6)
Cash and cash equivalents, beginning of the period	**139.1**	247.1	**115.1**	270.7
Cash and cash equivalents, end of the year	**$ 116.2**	$ 115.1	**$ 116.2**	$ 115.1
Supplemental cash flow information:				
Income taxes paid	**$ 4.3**	$ 5.6	**$ 34.7**	$ 60.0
Interest paid (net)	**$ 10.1**	$ 16.1	**$ 36.0**	$ 31.2

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(in millions of Canadian dollars)	Common Shares	Retained Earnings	Contributed Surplus	Accumulated Other Comprehensive Income (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
Changed during the year	-	-	-	-	-	(0.1)	(0.1)
Payment of dividends	-	(85.2)	-	-	-	-	(85.2)
Net earnings for the year	-	83.2	-	-	-	0.1	83.3
Other comprehensive income for the year	-	-	-	34.5	-	-	34.5
Recognition of stock-based compensation	-	-	(1.1)	-	-	-	(1.1)
Stock options exercised	21.5	-	-	-	-	-	21.5
Conversion of debenture	0.1	-	-	-	-	-	0.1
Transfer of net actuarial gains on defined benefit plans	-	11.3	-	(11.3)	-	-	-
Balance, December 31, 2013	**$ 509.5**	**$ 314.6**	**$ 16.2**	**$ 12.0**	**$ 28.7**	**$ 1.4**	**$ 882.4**

(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	$ 293.7	$ 15.7	$ (4.1)	$ 28.7	$ -	$ 819.4
Acquired during the year	-	-	-	-	-	1.4	1.4
Payment of dividends	-	(81.2)	-	-	-	-	(81.2)
Net earnings for the year	-	97.9	-	-	-	-	97.9
Other comprehensive loss for the year	-	-	-	(12.2)	-	-	(12.2)
Recognition of stock-based compensation	-	-	1.6	-	-	-	1.6
Stock options exercised	2.5	-	-	-	-	-	2.5
Transfer of net actuarial losses on defined benefit plans	-	(5.1)	-	5.1	-	-	-
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 YEAR ENDED DECEMBER 31, 2013

This Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") of Russel Metals Inc. and its subsidiaries provides information to assist readers of our audited Consolidated Financial Statements for the year ended December 31, 2013, 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 in this MD&A are as of February 19, 2014.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this MD&A constitute forward-looking statements or information within the meaning of applicable securities laws, including statements as to our future capital expenditures, our outlook, the availability of future financing and our ability to pay dividends. Forward-looking statements relate to future events or our future performance. All statements, other than statements of historical fact, are 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. Forward-looking statements are necessarily based on estimates and assumptions that, while considered reasonable by us, inherently 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, including the factors described below.

We are subject to a number of risks and uncertainties which could have a material adverse effect on our future profitability and financial position, including the risks and uncertainties listed below, which are important factors in our business and the metals distribution industry. Such risks and uncertainties include, but are not limited to: the current economic climate; volatility in metal prices; volatility in oil and natural gas prices; cyclicality of the metals industry and the industries that purchase our products; lack of credit availability that may limit the ability of our customers to obtain credit or expand their businesses; significant competition that could reduce our market share; the interruption in sources of metals supply; the integration of future acquisitions, including successfully adapting to a public company control environment and retaining key acquisition management personnel; failure to renegotiate any of our collective agreements and work stoppages; disruption in our customer or suppliers' operations due to labour disruptions or the existence of events or circumstances that cause a force majeure; environmental liabilities; environmental concerns or changes in government regulations in general, and those related to oil sands production, shale fracking or oil distribution in particular; changes in government regulations relating to workplace safety and worker health; currency exchange risk, particularly between the Canadian and U.S. dollar; the failure of our key computer-based systems, including our enterprise resource and planning systems; the failure to implement new technologies; the loss of key individuals; the inability to access affordable financing, capital or insurance; interest rate risk; dilution; and change of control.

While we believe that the expectations reflected in our forward-looking statements are reasonable, no assurance can be given that these expectations will prove to be correct, and our forward-looking statements included in this MD&A should not be unduly relied upon. These statements speak only as of the date of this MD&A and, except as required by law, we do not assume any obligation to update our forward-looking statements. Our actual results could differ materially from those anticipated in our forward-looking statements including as a result of the risk factors described above and under the heading "Risk" later in this MD&A, and in our filings with securities regulatory authorities which are available on SEDAR at www.sedar.com. Specific reference is made to our most recent Annual Information Form for a further discussion of some of the factors underlying our forward-looking statements.

NON-GAAP MEASURES

This MD&A includes a number of measures that are not prescribed by Canadian generally accepted accounting principles ("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.

We were again active in 2013 completing three acquisitions to complement our Apex Distribution operation in the energy products segment. The following summarizes these activities:

(i) On December 2, 2013, we completed the acquisition of Monarch Supply, a oilfield supply operation located in Drayton Valley, Alberta for a purchase price consisting of a cash payment of $32 million and future cash payments contingent on future earnings over the next five years ending December 31, 2018 estimated at $10 million.

(ii) On September 14, 2013, we completed the acquisition of Northern Valve Services, a valve service center with a store in Fort St. John, British Columbia.

(iii) On September 12, 2013, we completed the acquisition of Keystone Oilfield, an oilfield supply company with stores operating in Virden, Manitoba and Moosomin and Wawaota, Saskatchewan.

The purchase price for Northern Valve Services and Keystone Oilfield totaled $11 million.

Our 2013 revenues increased 6%, mainly due to the acquisition of Apex Distribution in November 2012 which generated revenues of $455 million in 2013. On a same store basis we experienced declining volumes and lower selling prices resulting in a decline in revenue. Gross margin dollars are up year over year due to revenue increases in our energy products segment. Operating expenses in our energy products segment increased due to volumes and our acquisitions in 2012 and 2013.

Earnings were negatively impacted by an asset impairment charge of $5 million at our Thunder Bay Terminal operation and inventory write-downs of $19 million at our energy products operations. We recorded finance income of $4 million related to a fair value adjustment reducing the Apex Distribution contingent consideration liability. This income included $10 million relating to a decrease in the expected payments offset by imputed interest on expected payments.

Our earnings for 2013 were $83 million compared to $98 million in 2012. Earnings per share were $1.37 for 2013 compared to $1.63 for 2012. Our return on equity was 9%.

SUMMARIZED FINANCIAL INFORMATION

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

2013

(in millions, except per share data and volumes)	**Quarters Ended** Mar. 31	June 30	Sept. 30	Dec. 31	**Year Ended Dec. 31**
Revenues	**$ 821.8**	**$ 758.1**	**$ 796.8**	**$ 811.1**	**$ 3,187.8**
Earnings from operations	**41.5**	**40.2**	**36.5**	**33.0**	**151.2**
Net earnings	**21.7**	**19.9**	**18.9**	**22.8**	**83.3**
Basic earnings per common share	**$ 0.36**	**$ 0.33**	**$ 0.31**	**$ 0.37**	**$ 1.37**
Diluted earnings per common share	**$ 0.36**	**$ 0.33**	**$ 0.31**	**$ 0.37**	**$ 1.37**
Market price of common shares					
High	**$ 29.59**	**$ 29.47**	**$ 28.25**	**$ 31.62**	**$ 31.62**
Low	**$ 27.86**	**$ 23.23**	**$ 23.91**	**$ 25.81**	**$ 23.23**
Shares outstanding end of quarter	**60,818,240**	**60,866,902**	**60,890,252**	**60,946,393**	**60,946,393**
Number of common shares traded	**9,940,048**	**12,806,749**	**7,978,646**	**9,523,684**	**40,249,127**

2012

(in millions, except per share data and volumes)	Quarters Ended (restated) 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	52.8	46.0	40.2	36.0	175.0
Net earnings	32.9	22.5	22.4	20.1	97.9
Basic earnings per common share	$ 0.55	$ 0.37	$ 0.37	$ 0.34	$ 1.63
Diluted earnings per common share	$ 0.53	$ 0.37	$ 0.37	$ 0.34	$ 1.62
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

RESULTS OF OPERATIONS

The following table provides operating profits before interest, other finance income or expense, asset impairment and income taxes. 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 our consolidated financial statements.

(in millions, except percentages)	**2013**	2012 (restated)	2013 Change as a % of 2012
Segment Revenues			
Metals service centers	**$ 1,455.6**	$ 1,581.1	**(8%)**
Energy products	**1,442.8**	1,060.2	**36%**
Steel distributors	**283.2**	351.1	**(19%)**
Other	**6.2**	7.7	
	$ 3,187.8	$ 3,000.1	**6%**
Segment Operating Profits			
Metals service centers	**$ 71.7**	$ 102.1	**(30%)**
Energy products	**79.3**	63.2	**25%**
Steel distributors	**19.0**	30.3	**(37%)**
Corporate expenses	**(17.8)**	(21.1)	**(16%)**
Other	**(1.0)**	0.5	
Operating profits	**$ 151.2**	$ 175.0	**(14%)**
Segment Gross Margin as a % of Revenues			
Metals service centers	**20.5%**	20.5%	
Energy products	**15.4%**	13.5%	
Steel distributors	**12.5%**	14.0%	
Total operations	**17.7%**	17.4%	
Segment Operating Profit as a % of Revenues			
Metals service centers	**4.9%**	6.5%	
Energy products	**5.5%**	6.0%	
Steel distributors	**6.7%**	8.6%	
Total operations	**4.7%**	5.8%	

Note: 2012 restatement relates to adoption of a new Employee Benefits standard. See Note 2 of our 2013 financial statements.

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 53 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 2013 and 2012 is found in the section that follows.

Steel prices fluctuate significantly throughout the steel cycle. Steel prices are influenced by overall demand, trade sanctions, iron ore prices, scrap steel prices and product availability. Steel prices declined slightly during the first half of 2013 and stabilized in the third quarter of 2013. 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 North American 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 2013 versus 2012 resulted in a less than 1% increase in revenues and profits for our U.S. operations translated to Canadian dollars. Revenues and profits of our U.S. operations reported for 2013 were converted at $1.0301 per US$1 compared to $0.9994 per US$1 for 2012. The exchange rate at December 31, 2013 used to translate the balance sheet was $1.0636 per US$1 versus $0.9949 per US$1 at December 31, 2012.

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 -- 2013 compared to 2012

Revenues for 2013 decreased 8% to $1.5 billion compared to 2012 revenues of $1.6 billion. The average selling price of metal for 2013 was approximately 7% lower than the average selling price for 2012. The lower average selling price was a result of the general economic slowdown which started in 2012 and lower metal prices. Tons shipped in metals service centers approximated the tons shipped in 2012. Tons shipped in 2013 compared to 2012 increased 3% in our U.S. metal service centers and decreased by 2% in our Canadian metals service centers. The Metals Service Center Institute reported an increase in tons shipped for the industry of less than 1% in the U.S. for 2013; however, for Canada they reported a decrease of 6%.

Gross margin dollars for 2013 were $25 million lower than 2012 due to lower selling prices. Gross margin as a percentage of revenues was 20.5% for 2013 and 2012.

Our average revenue per invoice for 2013 was approximately $1,635 compared to $1,806 for 2012, reflecting lower selling prices. We handled approximately 3,562 transactions per day in 2013 compared to 3,502 per day for 2012, an increase of 2%.

Operating expenses for 2013 increased $6 million or 3%, from 2012 mainly related to the effect of the decline in the Canadian dollar on the conversion of our U.S. operations and higher depreciation of $2 million due to investments in processing equipment. Operating expenses as a percentage of revenue increased from 14% for 2012 to 16% for 2013 due to lower revenues, but tons shipped compared to 2012 were consistent.

Metals service centers operating profits for 2013 decreased by 30% to $72 million from $102 million in 2012. The decrease was due to lower gross margin dollars and higher operating expenses.

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. A significant portion of our business units are clustered in Alberta, Canada, and in the U.S., in Colorado and Texas. 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 59 Canadian and 18 U.S. facilities mainly to support our valve and fitting operations. The majority of these facilities are oil field stores which form the Apex Distribution network. We purchase our products from the pipe division of North American steel mills, independent manufacturers of pipe, valves and fittings, international steel mills or other distributors. Our energy products segment operates under the names Apex Distribution, Apex Monarch, 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 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 softened during 2013 compared to the levels in 2012. Rig activity for 2013 approximated that of 2012. Activity in Western Canada is dependent on Canadian oil prices which are below U.S. oil prices due to additional refining requirements and a shortage of pipeline capacity. 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 oil and gas-rich shale fields and remains the focus of our OCTG sales efforts. The change to horizontal drilling as well as the reduction in gas drilling has required us to write-down inventory traditionally used in these areas. Sales of larger diameter pipe for use in mid-stream distribution feeder lines was a very active area for our U.S. operations in 2012 and early 2013 as new shale fields were developed and their output connected to 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. The U.S. government has also initiated a review of pipe from India, South Korea and number of other countries. Pricing of valves and fittings are not as sensitive to steel price fluctuations.

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 -- 2013 compared to 2012

Revenues increased to $1.4 billion for 2013, an increase of 36%, compared to 2012 primarily due to the Apex Distribution acquisition. On a same store basis revenues have decreased 7%, related to decreases at our Canadian operation servicing the oil sands and our U.S. line pipe operation, offset by increases at our operations servicing oil drilling activity in Canada.

Gross margin as a percentage of revenue was 15.4% for 2013 compared to 13.5% in 2012 due to higher margins at the Apex Distribution operations.

Operating expenses on a same store basis were consistent with 2012. Apex Distribution has higher operating expenses as a percentage of revenues.

Operating profits increased to $79 million for 2013 compared to $63 million for 2012, related to strong earnings from Apex Distribution offset by lower earnings at our other energy products operations triggered by inventory write-downs.

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 significant factors affecting our steel distributors. More specific information on how these factors impacted 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. Steel imports are affected both by mill capacity by product line in North America, as well as international supply and demand. In addition, these factors significantly affect product availability in North America. During 2013, lead times for deliveries from North American mills remained short due to excess capacity which reduced demand for imports and increased price risk leading to decreased activity at steel distributors.

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 and may be subject to movement in the Canadian dollar.

c) Steel distributors segment results -- 2013 compared to 2012

Steel distributors revenues decreased 19% to $283 million for 2013 compared to 2012 due to short lead times and availability from North American mills coupled with lower demand and cautious inventory stocking positions in the service center industry and at equipment manufacturers.

Gross margin as a percentage of revenues was 12.5% for 2013 compared to 14.0% for 2012. This decline related to compressed margins due to weaker demand for steel and lower prices in 2013.

Operating expenses for 2013 were $2 million lower than 2012 as a result of lower variable compensation.

Operating profits for 2013 were $19 million compared to $30 million in 2012. This decrease was mainly due to lower demand and lower gross margins.

CORPORATE EXPENSES -- 2013 COMPARED TO 2012

Corporate expenses were $17 million in 2013 compared to $21 million in 2012. Corporate expenses were lower mainly due to lower variable compensation as a result of lower earnings, and lower legal and consulting fees related to smaller acquisitions in 2013 compared to 2012.

CONSOLIDATED RESULTS -- 2013 COMPARED TO 2012

Operating profits from operations were $151 million in 2013 compared to $175 million in 2012 due to a reduction in selling prices at metals service centers, lower volumes at steel distributors and inventory losses at certain of our energy products operations. These decreases were offset by the positive contribution of Apex Distribution.

ASSET IMPAIRMENT

Our revenues and operating profits described as other in our reporting includes the operations of a bulk handling terminal in Thunder Bay, Ontario. This operation transfers coal, potash and other bulk products from rail to ship for movement on the Great Lakes. During 2013, volumes handled continued to deteriorate and expenses increased due to increased property taxes that we are currently challenging, resulting in operating losses. These changes were key indicators that led us to review the carrying value of these long-lived assets for impairment during the 2013 third quarter. This review resulted in a write-down of $5 million in the terminal's property, plant and equipment.

INTEREST EXPENSE AND INCOME

Net interest expense was $36 million for 2013 compared to $33 million for 2012, reflecting the higher debt outstanding after the issuance of our Canadian Senior Notes in April 2012 and utilization of available cash for our acquisitions.

OTHER FINANCE INCOME AND EXPENSE

Other finance income was $5 million for 2013 compared to an expense of $6 million for 2012. In 2013, we recorded income from a change in fair value of $4 million associated with the expected contingent consideration related to the Apex Distribution acquisition. This fair value adjustment is comprised of a reduction in the expected payment of $10 million offset by imputed interest on the expected future payments. The 2012 other finance expense primarily related to costs associated with the redemption of our U.S. Notes in 2012.

INCOME TAXES

We recorded a provision for income taxes of $32 million in 2013 compared to $39 million for 2012. Our effective income tax rate for 2012 was 27.6% compared to 28.4% for 2012. The effective income tax rate was lower due to the change in fair value of the contingent consideration related to the Apex Distribution acquisition which was not tax effected.

NET EARNINGS

Net earnings for 2013 were $83 million compared to $98 million in 2012. Basic earnings per share for 2013 were $1.37 per share compared to $1.63 per share in 2012.

SHARES OUTSTANDING AND DIVIDENDS

The weighted average number of common shares outstanding for 2013 was 60,780,520 compared to 60,128,534 for 2012. The weighted average number of common shares outstanding has increased as a result of the exercise of options. Common shares outstanding at December 31, 2013 were 60,946,393 and at February 12, 2014 were 60,949,528.

We paid common share dividends of $85 million or $1.40 per share in 2013 compared to $81 million or $1.35 per share in 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. During the year ended December 31, 2013, Convertible Debentures having a principal amount of $132,000 were converted into 5,124 common shares.

We issued $300 million 6.0% Senior Notes due April 19, 2022. The indenture for our Senior Notes has restrictions related to the payment of quarterly dividends in excess of $0.35 per share. We currently have a basket of approximately $157 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 our borrowings plus four times the current dividend. In addition, we believe we would be able to finance our short-term cash requirements with alternate financing structures and pay the dividend.

EBITDA

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

(millions)	**2013**	2012 (restated)
Net earnings	**$ 83.3**	$ 97.9
Provision for income taxes	**31.8**	39.0
Interest and finance expense, net	**30.9**	38.1
Asset impairment charges	**5.2**	-
Adjusted earnings before interest, finance and income taxes	**151.2**	175.0
Depreciation and amortization	**33.6**	25.5
Adjusted earnings before interest, finance, income taxes, depreciation and amortization (adjusted EBITDA)	**$ 184.8**	$ 200.5

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 adjusted EBITDA are significant in assessing our operating results and liquidity. Therefore, adjusted 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.

Depreciation and amortization increased due to increased fixed assets and customer intangibles, primarily as a result of the acquisition of Apex Distribution.

CAPITAL EXPENDITURES

Capital expenditures were $27 million in 2013 compared to $34 million in 2012. Depreciation expense was $27 million in 2013 compared to $24 million in 2012. The increase in depreciation expense relates to acquisitions made in 2012 and additional processing equipment acquired. We expect capital expenditures to exceed depreciation in the short term due to the purchase of additional processing equipment, the relocation and expansion of service center locations and an upgrade of our computer systems.

LIQUIDITY

At December 31, 2013, we had cash of $116 million compared to $115 million at December 31, 2012.

We generated $119 million from operations during 2013 and $22 million from reduced working capital. We utilized $27 million investing in capital expenditures, utilized $43 million to complete three energy products segment acquisitions and returned $85 million to shareholders through dividends.

We experience 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, 2013 and 2012. At December 31, 2013 and 2012 current assets excluding cash represented 73% of our total assets excluding cash.

Reductions in inventory generated cash of $22 million in 2013. Inventories reported at December 31, 2013 are higher due to acquisitions and the decline in the Canadian dollar increasing the value of inventories located in the U.S. when translated to Canadian dollars. Inventories represented 42% of our total assets at December 31, 2013 and 2012.

Inventory by Segment *(millions)*	**Dec. 31 2013**	Sept. 30 2013	June 30 2013	Mar. 31 2013	Dec. 31 2012
Metals service centers	**$ 259**	$ 247	$ 255	$ 268	$ 274
Energy products	**433**	420	427	420	411
Steel distributors	**74**	67	88	84	79
Total	**$ 766**	$ 734	$ 770	$ 772	$ 764

	Quarters Ended				
Inventory Turns	**Dec. 31 2013**	Sept. 30 2013	June 30 2013	Mar. 31 2013	Dec. 31 2012
Metals service centers	**4.3**	4.7	4.7	4.2	3.9
Energy products	**3.0**	2.9	2.5	3.1	3.4
Steel distributors	**3.3**	3.9	2.6	3.1	3.6
Total	**3.5**	3.6	3.2	3.5	3.6

At December 31, 2013, our metals service centers inventories were approximately 4% lower based on tons and were priced at lower values compared to December 31, 2012. This segment had reduced inventory levels due to price uncertainty.

Our energy products operations had inventory at the end of 2013 higher than 2012 to support the anticipated stronger first quarter in 2014.

Our steel distributors segment had lower inventory levels at lower values compared to the end of 2012. Lower revenues compared to fourth quarter 2012 reduced turns.

Accounts receivable generated cash of $19 million due to strong collections at year end and represented 25% of our total assets at December 31, 2013 and 2012.

During 2013, we made income tax payments of $35 million compared to $60 million for 2012.

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)	**2013**	2012
Cash from operating activities before non-cash working capital	**$ 119.2**	$ 133.1
Purchase of property, plant and equipment	**(27.2)**	(33.7)
	$ 92.0	$ 99.4

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)	**2013**	2012
Long-term debt		
6.0% $300 million Senior Notes due April 19, 2022	**$ 294**	$ 293
7.75% $175 million Convertible Debentures due September 30, 2016	**161**	158
Finance leases obligations, maturing 2014 to 2017	**3**	5
	458	456
Current portion	**(1)**	(2)
	$ 457	$ 454

Our Convertible Debentures have been split between debt and equity. The debt allocated to equity is accreted as a charge through interest expense over the life of the debentures. The amount allocated to equity represented the valuation of the holders' option to convert the Convertible Debentures into common shares. Based on current share prices we would expect the Convertible Debentures to be converted to equity at redemption or maturity which would result in 6,790,602 common shares being issued.

Cash and Bank Credit Facilities

As at December 31, 2013 (millions)	Russel Metals Facility	U.S. Subsidiary Facility	Total
Bank loans	$ -	$ -	$ -
Cash net of outstanding cheques	115	1	116
Net cash	115	1	116
Letters of credit	(24)	(4)	(28)
	$ 91	$ (3)	$ 88
Facilities			
Borrowings and letters of credit	$ 275	$ 21	$ 296
Letters of credit	50	-	50
Facilities availability	$ 325	$ 21	$ 346
Available line based on borrowing base	$ 325	$ 21	$ 346

We have a credit facility with a syndicate of Canadian and U.S. banks totaling $325 million which was amended and extended to June 24, 2017 during 2013. The new syndicated facility consists of availability of $275 million under Tranche I to be utilized for borrowings and letters of credit, and $50 million under Tranche II to be utilized only for letters of credit. Letters of credit are issued under Tranche II first and additional needs are issued under Tranche I. 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 $325 million. As of December 31, 2013, we were entitled to borrow and issue letters of credit totaling $325 million under this facility. At December 31, 2013, we had no borrowings and $24 million of letters of credit outstanding. At December 31, 2012 we had borrowings of $37 million and letters of credit of $37 million.

In July 2013, we renewed our U.S. subsidiary facility with an expiry of July 2014. The maximum borrowings under this facility, including letters of credit, are US$20 million. At December 31, 2013, our U.S. subsidiary had no borrowings under this facility and had letters of credit of US$4 million. At December 31, 2012, this subsidiary had no borrowings under this facility and had letters of credit of US$21 million.

With our cash, cash equivalents and our bank facilities we have access to approximately $409 million of cash based on our December 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 December 31, 2013, we were contractually obligated to make payments as per the following table:

Contractual Obligations	Payments due in				
(millions)	2014	2015 and 2016	2017 and 2018	2019 and thereafter	Total
Accounts payable	$ 384.0	$ -	$ -	$ -	$ 384.0
Debt	-	174.8	-	300.0	474.8
Long-term debt interest	31.6	63.2	36.0	63.9	194.7
Finance lease obligations	1.5	1.5	0.4	-	3.4
Operating leases	21.4	35.1	22.5	32.6	111.6
Total	$ 438.5	$ 274.6	$ 58.9	$ 396.5	$ 1,168.5

As part of the purchase consideration for Apex Distribution we agreed to pay additional consideration during the five years ending 2017 based on earnings before interest and taxes and return on net assets. The fair value of this consideration was $38 million at December 31, 2013. The obligation was decreased by $4 million in 2013 related to the change in fair value. The change in fair value is comprised of a reduction of the expected payout of $10 million offset by an increase due to imputed interest of $5 million. The amount will be reviewed quarterly and adjusted through income for increases or decreases in the liability.

We have obligations related to multiple defined benefit pension plans in Canada, as disclosed in Note 15 of our 2013 consolidated financial statements. During 2013, we contributed $6 million to these plans. We expect to contribute approximately $9 million to these plans during 2014. 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 15 of our 2013 consolidated financial statements.

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. During the second quarter of 2013, an agreement was reached with the purchasers of one of these businesses whereby $2 million was paid into escrow to fund remediation activities in return for an indemnification for any remediation expense beyond that amount. These escrow funds were fully depleted during the 2013 third quarter.

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, asset impairment, 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, 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, 2013 approximates our reserve at December 31, 2012. Bad debt expense for 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. Our inventory reserve level at December 31, 2013 was $6 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, intangibles and contingent consideration of acquired businesses. The assessment of fair values for contingent consideration requires significant judgement and 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 cost. 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 $93 million in plan assets at December 31, 2013, which is an increase of approximately $7 million from December 31, 2012. Due to a change in the discount rate used, our accrued benefit obligation decreased by $9 million to $116 million at December 31, 2013 compared to $125 million at December 31, 2012. The rate increased from 4% in 2012 to 4.75% in 2013 which reflects the current interest rate environment. An actuarial gain on employee future benefit plans of $11 million, net of tax, was credited to other comprehensive income in 2013 compared to a $5 million loss in 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 Executive 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, 2013. The design and evaluation of internal controls utilized the framework and criteria established in "Internal Control - Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Based on our evaluation, 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 on those results were appropriate.

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 has grown over the last decade.

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 peak earnings to be somewhat muted. Management 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. In 2013, we made three acquisition to add to our Apex Distribution 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 the total metal market allowing for increased growth within the sector.

RISK

The timing and extent of future price changes from steel producers and their impact on the market cannot be predicted with any certainty due to the inherent cyclical nature of the steel industry and current low capacity utilization numbers for North American steel producers.

Our Apex Distribution acquisition in 2012 and our three acquisitions in 2013 were all similar and increase our exposure to the Western Canadian oil and gas segment. We believe that this continues to be an area of growth long term; 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.

For additional information on risk, see the "Forward-looking Statements" at the beginning of this document and our Annual Information Form which includes a description of each of these 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)	**2013**	2012	2013 change as a % of 2012
Segment Revenues			
Metals service centers	**$ 351.9**	$ 338.5	4%
Energy products	**387.3**	344.4	12%
Steel distributors	**70.4**	81.3	(13%)
Other	**1.5**	1.7	
	$ 811.1	$ 765.9	6%
Segment Operating Profits			
Metals service centers	**$ 13.4**	$ 16.9	(21%)
Energy products	**21.5**	18.0	19%
Steel distributors	**4.3**	6.6	(35%)
Corporate expenses	**(5.5)**	(4.6)	(20%)
Other	**(0.7)**	(0.9)	
Operating profits	**$ 33.0**	$ 36.0	(8%)
Segment Gross Margin as a % of Revenues			
Metals service centers	**20.2%**	20.2%	
Energy products	**15.5%**	13.3%	
Steel distributors	**12.4%**	13.2%	
Total operations	**17.5%**	16.4%	
Segment Operating Profit as a % of Revenues			
Metals service centers	**3.8%**	5.0%	
Energy products	**5.6%**	5.2%	
Steel distributors	**6.1%**	8.0%	
Total operations	**4.1%**	4.7%	

Operating profits of $33 million for the fourth quarter 2013 were lower compared to the third quarter of 2013 and the fourth quarter of 2012. Tons shipped in the fourth quarter of 2013 for metals service centers were approximately 9% higher than for the fourth quarter of 2012 and selling prices were 5% lower than the fourth quarter of 2012. The energy products segment was positively impacted by Apex Distribution acquired on November 7, 2012 contributing to the full quarter in 2013. Steel distributors continued to experience lower volumes and prices consistent with the remainder of 2013. Net realizable value and obsolescence reserves of $9 million were recorded in the energy segment in the fourth quarter of 2013.

During the fourth quarter of 2013 we recorded finance income of $5 million related to contingent consideration on the Apex Distribution acquisition. Our earnings per share for the fourth quarter of 2013 were $0.37 compared to fourth quarter of 2012 of $0.34 and third quarter of 2013 of $0.31.

OUTLOOK

We believe all of our segments will continue to experience uneven demand as the economy struggles to recover further but the overall tone should improve. We believe steel prices will increase but will fluctuate with demand. We believe the signs of improvement in various manufacturing and construction markets will continue and give an overall positive direction to our results.

RUSSEL METALS INC.
CONSOLIDATED STATEMENTS OF EARNINGS

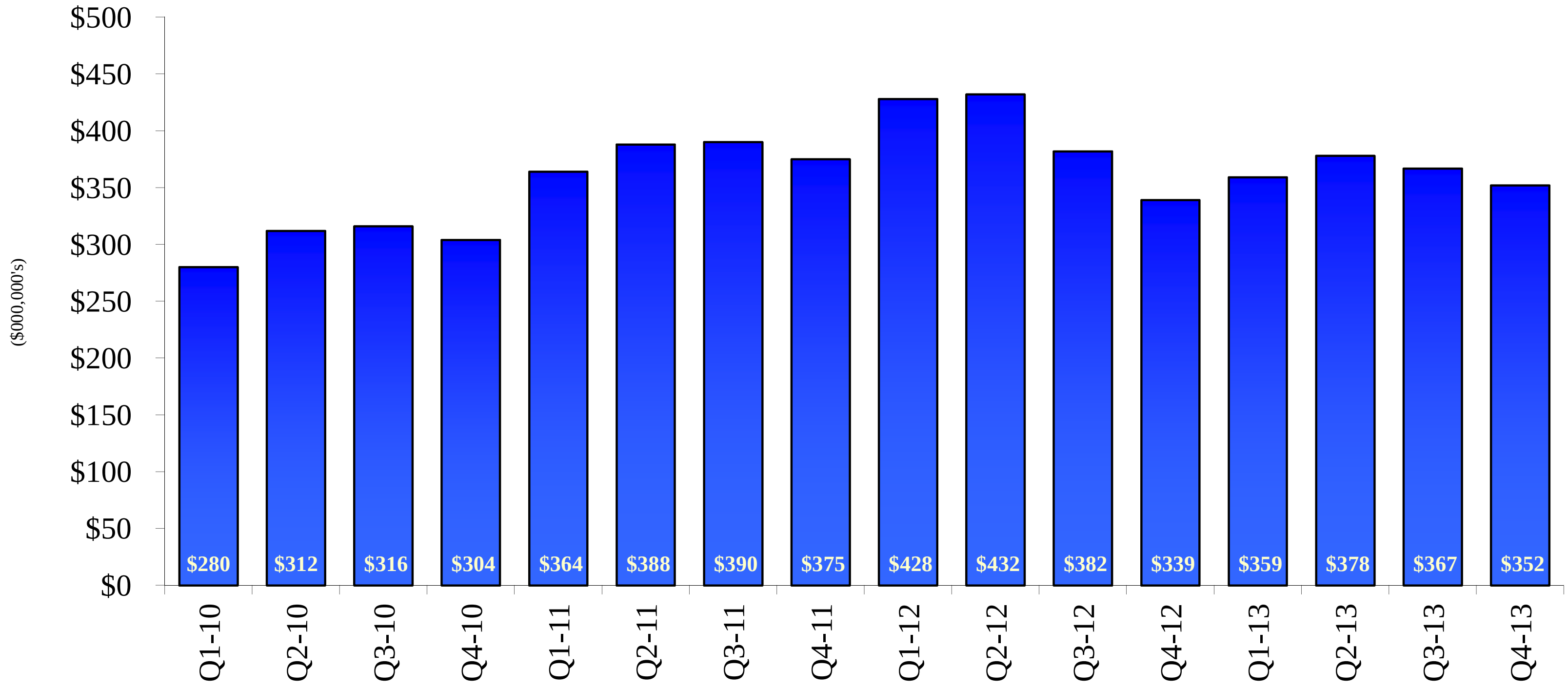
($ millions)	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010
METALS SERVICE CENTERS																
Revenue	351.9	366.9	377.8	359.0	338.5	382.3	432.3	428.0	375.1	390.4	387.9	363.8	304.3	315.7	312.2	280.0
Cost of goods sold	280.7	290.9	300.9	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
Operating expenses	57.8	56.2	56.4	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
EBIT	**13.4**	**19.8**	**20.5**	**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**
Depreciation & amortization	5.6	5.8	5.4	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
EBITDA	**19.0**	**25.6**	**25.9**	**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**
Cost of goods sold	79.8%	79.3%	79.6%	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%
Operating expenses	16.4%	15.3%	14.9%	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%
Depreciation & amortization	1.6%	1.6%	1.4%	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%
EBIT	3.8%	5.4%	5.4%	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%
EBITDA	5.4%	7.0%	6.9%	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%
ENERGY PRODUCTS																
Revenue	387.3	353.4	312.9	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
Cost of goods sold	327.1	300.4	263.3	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
Operating expenses	38.7	36.7	32.6	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
EBIT	**21.5**	**16.3**	**17.0**	**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**
Depreciation & amortization	2.5	2.4	2.2	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
EBITDA	**24.0**	**18.7**	**19.2**	**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**
Cost of goods sold	84.5%	85.0%	84.1%	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%
Operating expenses	10.0%	10.4%	10.4%	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%
Depreciation & amortization	0.6%	0.7%	0.7%	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%
EBIT	5.6%	4.6%	5.4%	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%
EBITDA	6.2%	5.3%	6.1%	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%
STEEL DISTRIBUTORS																
Revenue	70.4	74.1	65.1	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
Cost of goods sold	61.7	65.3	56.5	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
Operating expenses	4.4	3.9	3.6	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
EBIT	**4.3**	**4.9**	**5.0**	**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**
Depreciation & amortization	0.1	0.1	0.1		0.1	-	-	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
EBITDA	**4.4**	**5.0**	**5.1**	**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**
Cost of goods sold	87.6%	88.1%	86.8%	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%
Operating expenses	6.3%	5.3%	5.5%	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%
Depreciation & amortization	0.1%	0.1%	0.2%	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%
EBIT	6.1%	6.6%	7.7%	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%
EBITDA	6.2%	6.7%	7.8%	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%
TBTL																
Revenue	1.5	2.4	2.3		1.7	2.6	2.7	0.7	2.0	2.2	2.7	0.1	3.0	3.3	3.4	1.4
Cost of goods sold	(0.2)	0.1	-	-	-	-	-	-	0.1	-	(0.2)	0.1	-	-	-	-
Operating expenses	2.4	1.6	1.8	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
EBIT	**(0.7)**	**0.7**	**0.5**	**(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)**
Depreciation & amortization	0.1	0.2	0.3	0.2	0.2	0.2	0.3	0.2	0.3	0.2	0.3	0.2	0.2	0.2	0.3	0.2
EBITDA	**(0.6)**	**0.9**	**0.8**	**(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)**
CORPORATE																
Expenses	5.3	5.0	2.6	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
Depreciation & amortization	0.2	0.2	0.2		0.1	0.1	0.1	0.2	0.1	0.3	0.2	0.3	0.4	0.4	0.3	0.3
EBIT	**(5.5)**	**(5.2)**	**(2.8)**	**(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)**
EBITDA	**(5.3)**	**(5.0)**	**(2.6)**	**(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)**
Expenses	0.7%	0.6%	0.3%	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%
Depreciation & amortization	0.0%	0.0%	0.0%	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%
Operating EBIT	**$ 33.0**	**$ 36.5**	**$ 40.2**	**$ 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**
Operating EBITDA	**$ 41.5**	**$ 45.2**	**$ 48.4**	**$ 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**
Operating EBIT	4.1%	4.6%	5.3%	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%
Operating EBITDA	5.1%	5.7%	6.4%	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%

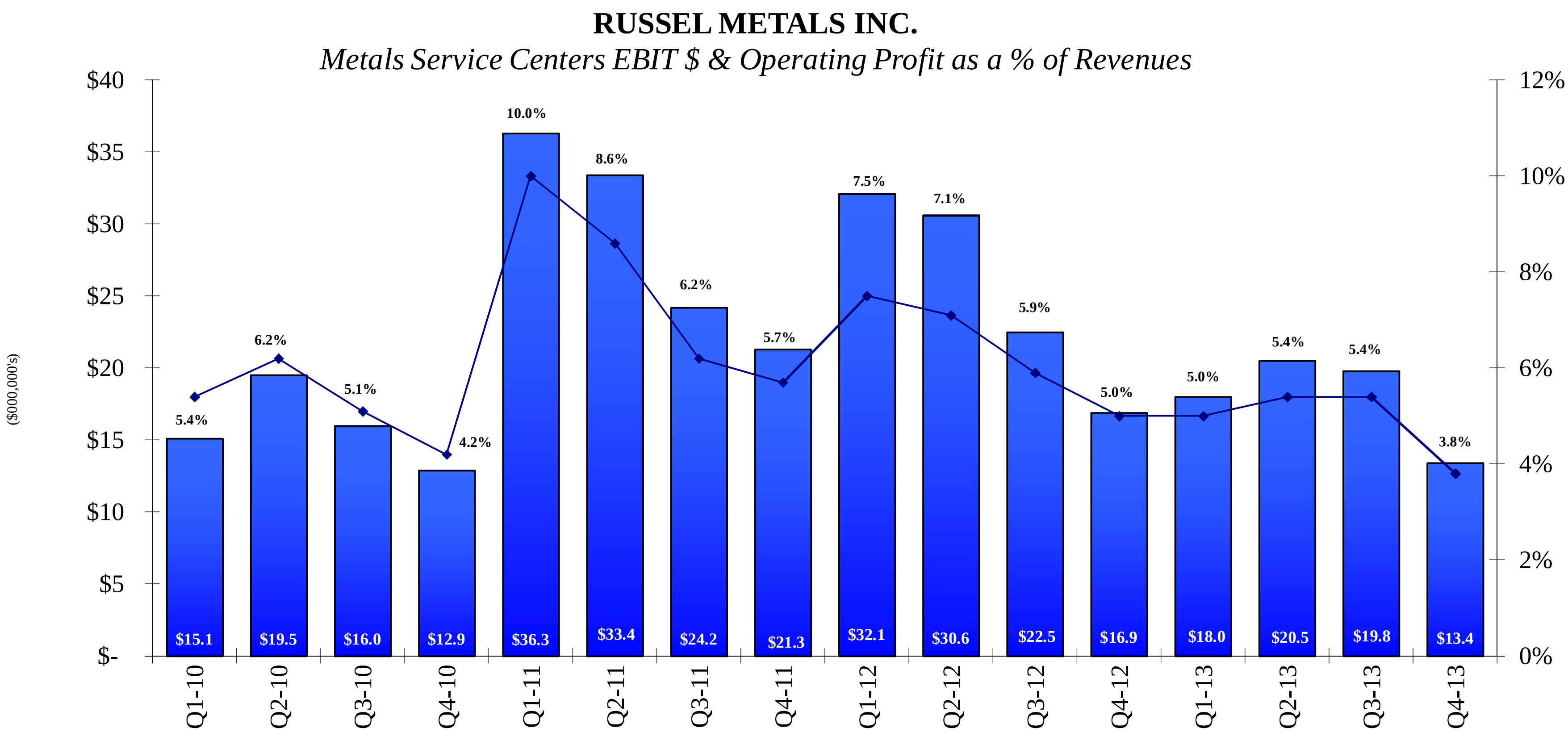
SUMMARY
RUSSEL METALS INC.
CONSOLIDATED STATEMENTS OF EARNINGS

($ millions)	Q4 2013	Q3 2013	Q2 2013	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
Quarter ended:																
Revenue	811.1	796.8	758.1	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
Cost of goods sold	669.4	656.7	620.7	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
Operating expenses	103.2	98.4	94.4	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
Corp. Expenses	5.5	5.2	2.8	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
Operating EBIT	**33.0**	**36.5**	**40.2**	**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**
Depreciation & amortization	8.5	8.7	8.2	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
Operating EBITDA	**41.5**	**45.2**	**48.4**	**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**
Gain on sale of asset	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EBIT	**33.0**	**36.5**	**40.2**	**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**
EBITDA	**41.5**	**45.2**	**48.4**	**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**
Twelve months ended:																
Revenue	3,187.8	3,142.6	3,058.4	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
Cost of goods sold	2,624.6	2,595.4	2,528.2	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
Operating expenses	412.0	392.6	371.8	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
Operating EBIT	**151.2**	**154.6**	**158.4**	**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**
Gain on sale of asset	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(4.3)
EBIT	**151.2**	**154.6**	**158.4**	**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**
Depreciation & amortization	33.6	32.5	30.1	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
EBITDA	**184.8**	**187.1**	**188.5**	**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**

RUSSEL METALS INC.

Metals Service Centers Revenues

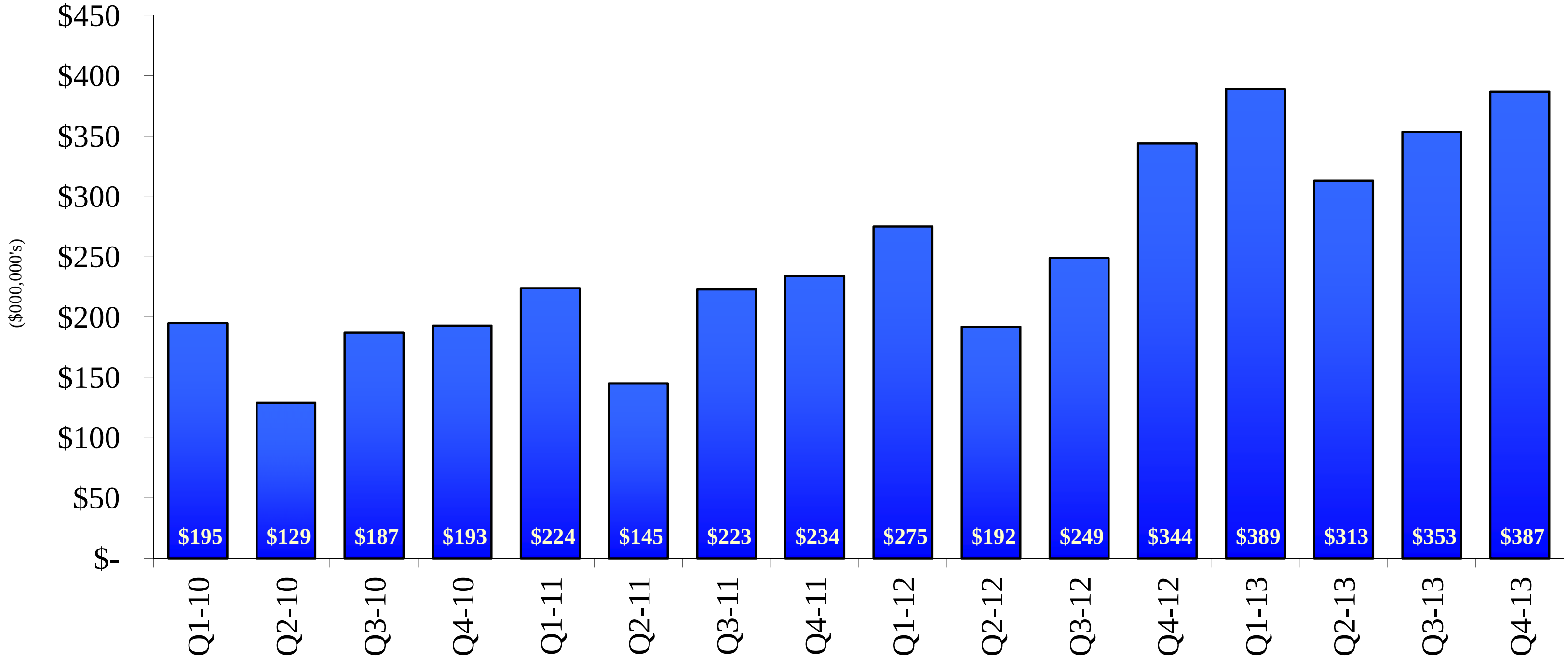




• *excluding $2.6 closure reserves Q3-10*

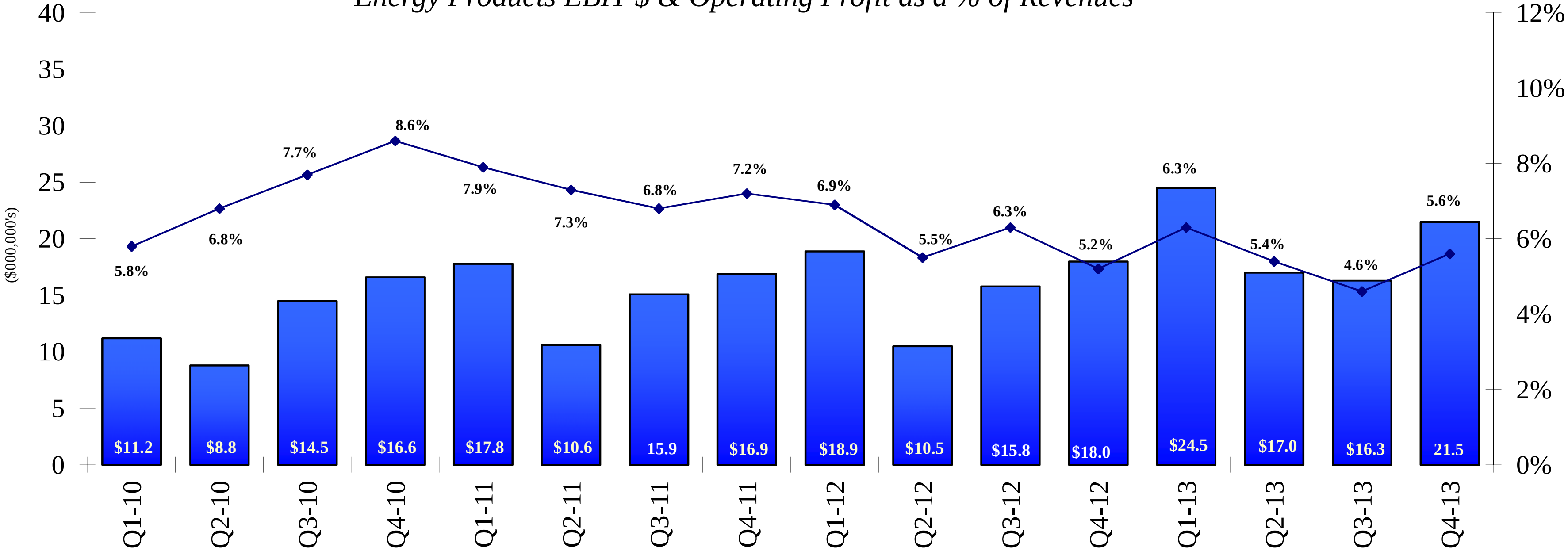
RUSSEL METALS INC.

Energy Products Revenues



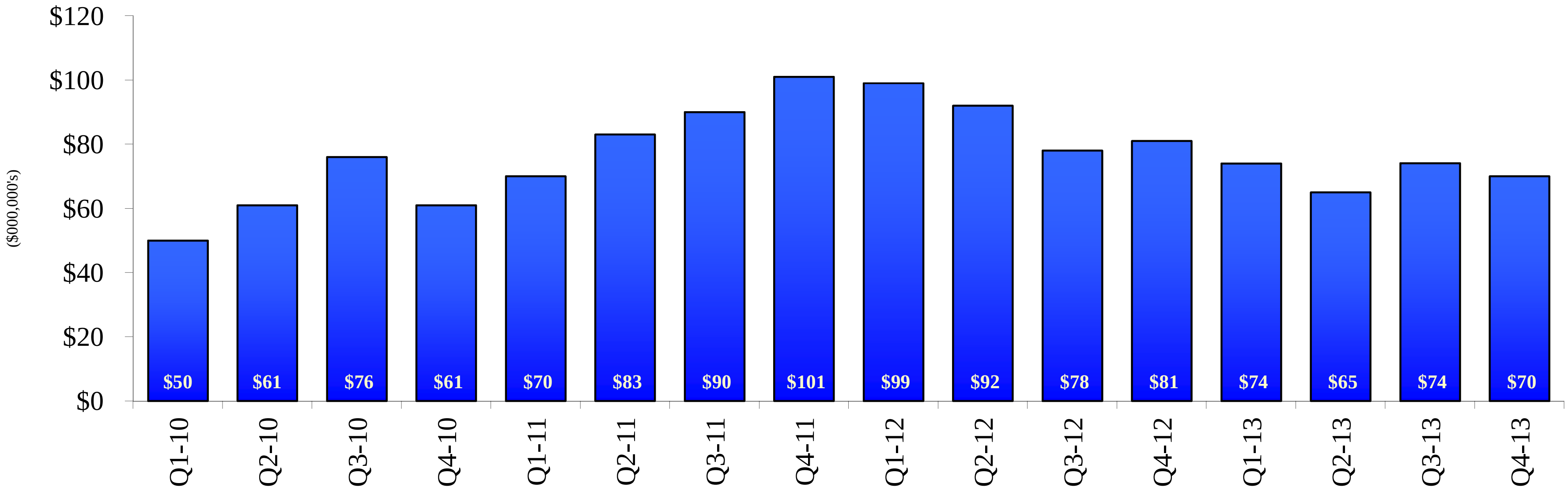
RUSSEL METALS INC.

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



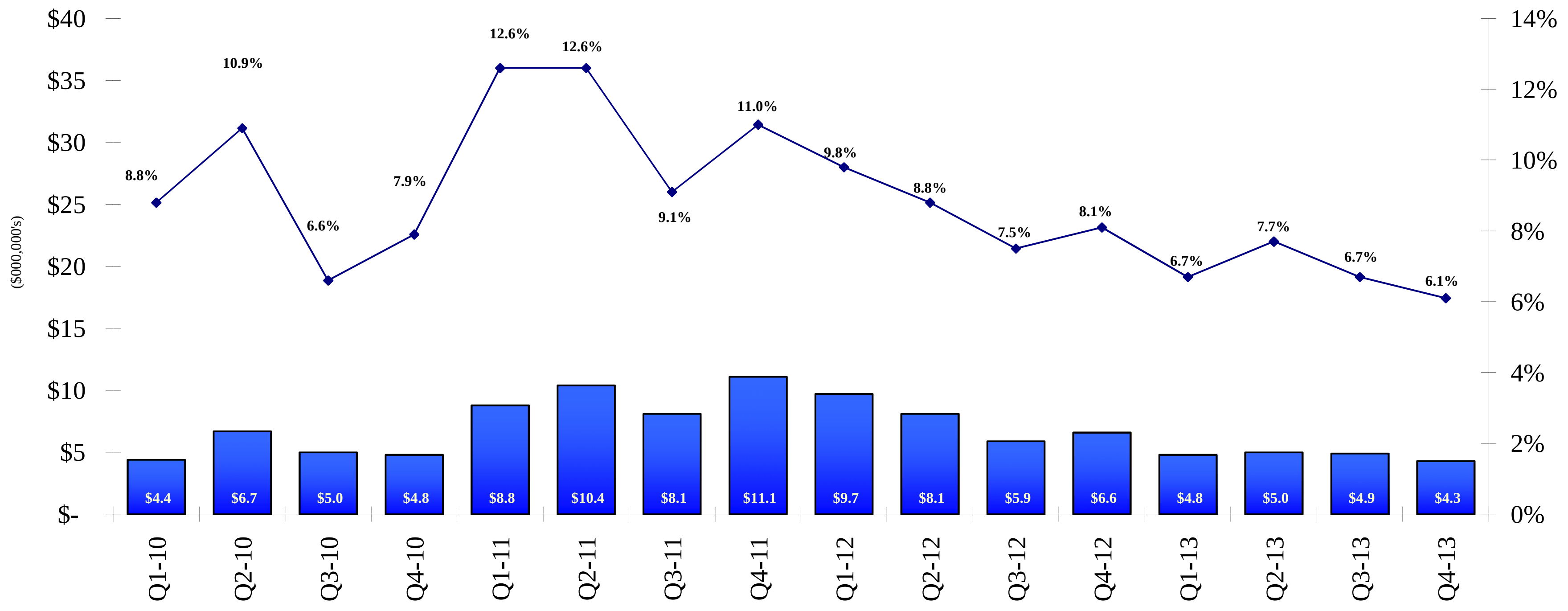
• *excluding inventory write-down (reversal) of ($1.9) Q2-10*

RUSSEL METALS INC.
Steel Distributors Revenues



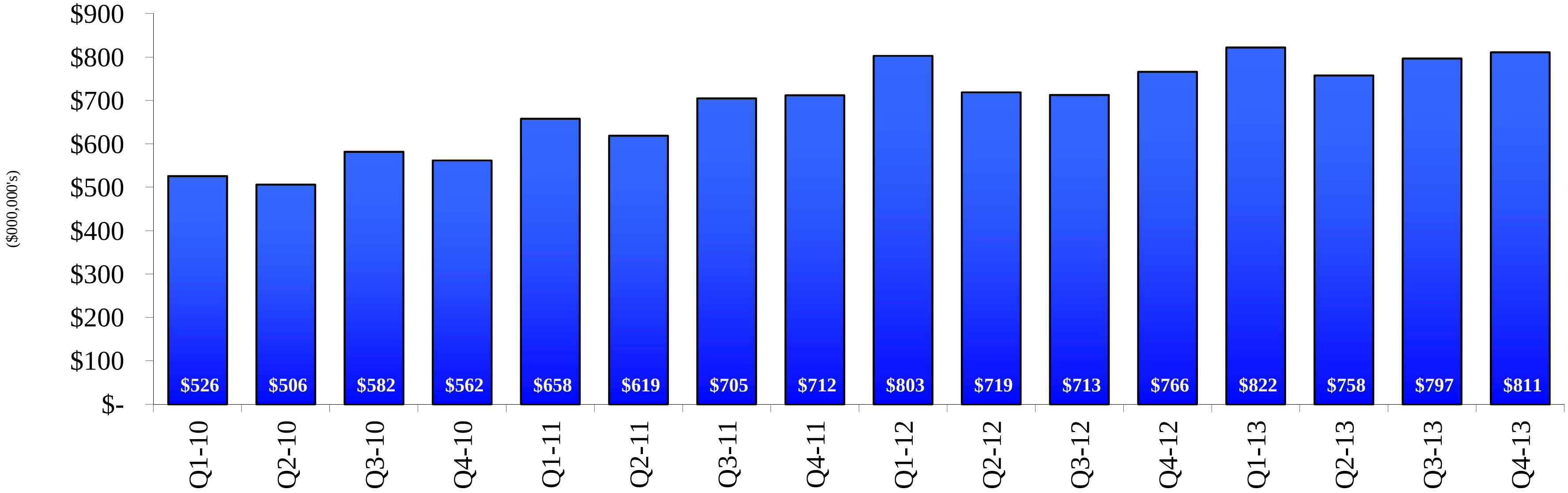
RUSSEL METALS INC.

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



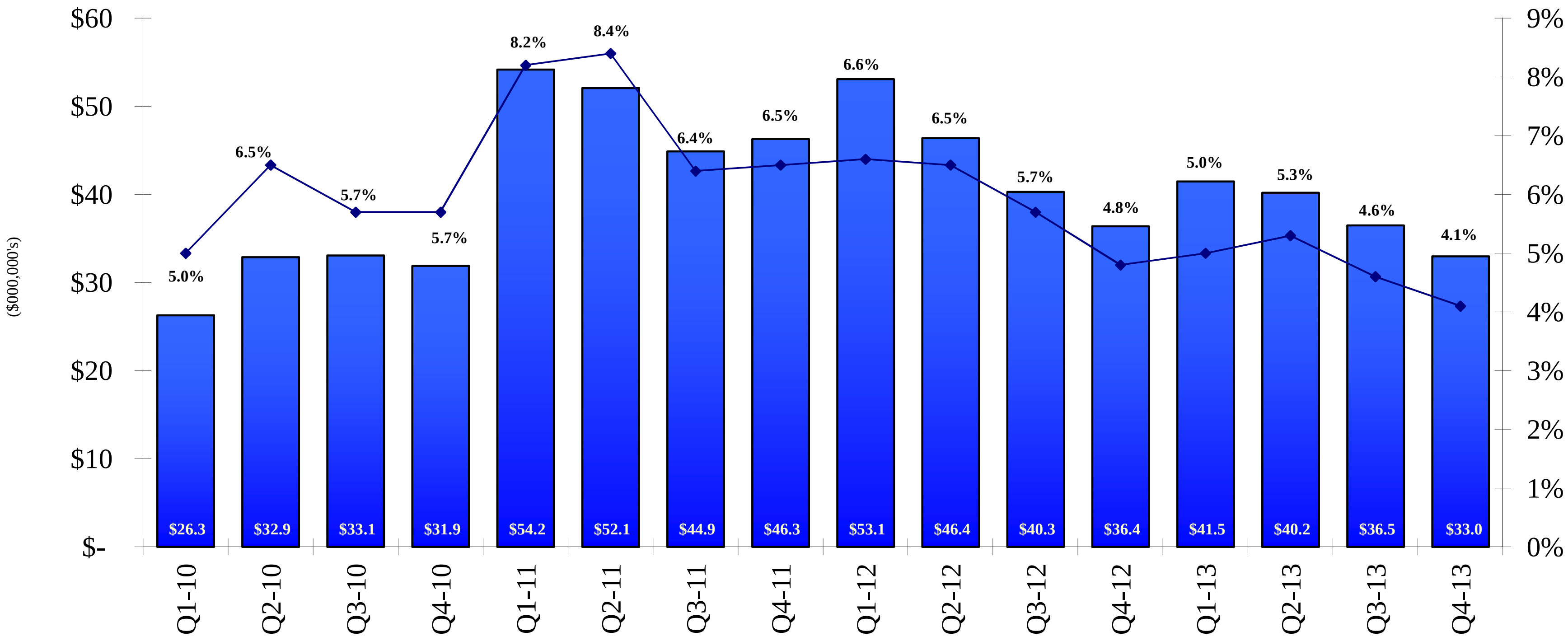
RUSSEL METALS INC.

Total Revenues



RUSSEL METALS INC.

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



• *excluding inventory write-down (reversal) of ($1.9) Q2-10 and $2.6 closure reserves Q3-10*