



NEWS

FOR IMMEDIATE RELEASE

RUSSEL METALS ANNOUNCES:

- **STRONG THIRD QUARTER RESULTS**
- **RECORD QUARTERLY REVENUES**

TORONTO, CANADA – November 4, 2014 -- Russel Metals Inc. (RUS - TSX) today announced third quarter 2014 earnings of \$33 million or \$0.54 per share on record revenues of \$1 billion reflecting strong volumes in all segments. These results compare to earnings of \$19 million or \$0.31 per share on revenues of \$797 million in the same quarter last year and second quarter 2014 earnings of \$31 million or \$0.50 per share on revenues of \$893 million.

Revenues in our metals service center segment increased 14% to \$417 million in the quarter compared to the 2013 third quarter due to stronger demand and higher steel prices. Gross margins at metals service centers decreased to 20.2% from 20.7% in the same quarter last year reflecting increased competitive pressures. Operating profit as a percentage of revenues of 5.3% was consistent with the same quarter last year as segment operating profits increased 12%.

Revenues in our energy products segment for the third quarter of 2014 increased 41% to \$497 million compared to the 2013 third quarter led by significant increases in our operations servicing oil and gas drilling in Western Canada. Gross margins in our energy products segment improved from the 2013 third quarter to 15.9% from 15.0% primarily due to mix of product sold. Operating profit as a percentage of revenues was 6.6% compared to 4.6% in the same quarter of 2013.

Apex Distribution and Apex Monarch, our recent acquisitions in the energy products segment, both experienced stronger than expected results and therefore we expensed an additional \$4 million in the quarter to provide for an increase in the potential future payments for these

acquisitions under our contractual earnout obligations.

Third quarter 2014 revenues in our steel distributors segment increased by 65% to \$122 million compared to the 2013 third quarter due to international market conditions making imported steel prices more attractive. Operating profits for the third quarter increased to \$12 million from \$5 million for the 2013 third quarter.

Brian R. Hedges, President and CEO, commented “Our operating profits were up 74% in the quarter reflecting continued strength in all three operating segments. Revenues increased by 30% which was the main lever for improved profitability but higher margins and stronger inventory turns also contributed. Our increase in revenues was fueled by organic growth initiatives, acquisitions and increased activity in the energy sector, particularly in Canada.”

Mr. Hedges further commented, “Our Apex acquisitions experienced continued strong performance in the quarter, especially at our Apex Remington operation in the United States. This increase in operating profits required us to record an additional charge of \$4 million or \$0.06 per share for increased future payments for the earnout obligations. For the year to date, this additional charge was \$5 million or \$0.09 per share. Without this charge, our earnings per share would have been \$0.60 in the quarter and \$1.60 year to date.”

The Board of Directors approved a quarterly dividend of \$0.38 per common share payable December 15, 2014 to shareholders of record as of November 26, 2014.

The Company will be holding an Investor Conference Call on Wednesday, November 5, 2014 at 9:00 a.m. ET to review its 2014 third quarter results. The dial-in telephone numbers for the call are 416-764-8688 (Toronto and International callers) and 1-888-390-0546 (U.S. and Canada). Please dial in 10 minutes prior to the call to ensure that you get a line.

A replay of the call will be available at 416-764-8677 (Toronto and International callers) and 1-888-390-0541 (U.S. and Canada) until midnight, Wednesday, November 19, 2014. You will be required to enter pass code 540838 in order to access the call.

Additional supplemental financial information is available in our investor conference call package located on our website at www.russelmetals.com.

Russel Metals is one of the largest metals distribution companies in North America. It carries on business in three metals distribution segments: metals service centers, energy products and steel distributors, under various names including Russel Metals, A.J. Forsyth, Acier Leroux, Acier Loubier, Alberta Industrial Metals, Apex Distribution, Apex Monarch, Apex Remington, Arrow Steel Processors, B&T Steel, Baldwin International, Comco Pipe and Supply, Fedmet Tubulars, JMS Russel Metals, Leroux Steel, McCabe Steel, Mégantic Métal, Métaux Russel, Métaux Russel Produits Spécialisés, Milspec, Norton Metals, Pioneer Pipe, Russel Metals Specialty Products, Russel Metals Williams Bahcall, Siemens Laserworks, Spartan Energy Tubulars, Sunbelt Group, Triumph Tubular & Supply, Wirth Steel and York-Ennis.

Cautionary Statement on Forward-Looking Information

Certain statements contained in this press release 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 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; cyclical nature 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.

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 press release should not be unduly relied upon. These statements speak only as of the date of this press release 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" in our 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.

If you would like to **unsubscribe** from receiving Press Releases, you may do so by emailing info@russelmetals.com; or by calling our Investor Relations Line: 905-816-5178.

For further information, contact:

Marion E. Britton, CPA, CA

Executive Vice President and

Chief Financial Officer

Russel Metals Inc.

(905) 819-7407

E-mail: info@russelmetals.com

Website: www.russelmetals.com

CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS (UNAUDITED)

<i>(in millions of Canadian dollars, except per share data)</i>	Quarters ended September 30		Nine months ended September 30	
	2014	2013	2014	2013
Revenues	\$ 1,038.8	\$ 796.8	\$ 2,856.1	\$ 2,376.7
Cost of materials	854.9	656.5	2,327.7	1,955.2
Employee expenses	73.3	63.2	215.2	184.0
Other operating expenses	47.2	40.6	139.9	119.3
Asset impairment	-	5.2	-	5.2
Earnings before interest, finance expense and provision for income taxes	63.4	31.3	173.3	113.0
Interest expense	9.3	9.1	27.4	27.1
Interest income	-	(0.3)	-	(0.4)
Other finance expense (income)	5.5	(2.8)	10.3	0.3
Earnings before provision for income taxes	48.6	25.3	135.6	86.0
Provision for income taxes	15.6	6.4	43.1	25.5
Net earnings for the period	\$ 33.0	\$ 18.9	\$ 92.5	\$ 60.5
Net earnings attributed to:				
Equity holders	\$ 32.9	\$ 18.9	\$ 92.4	\$ 60.4
Non-controlling interest	0.1	-	0.1	0.1
	\$ 33.0	\$ 18.9	\$ 92.5	\$ 60.5
Basic earnings per common share	\$ 0.54	\$ 0.31	\$ 1.51	\$ 1.00
Diluted earnings per common share	\$ 0.52	\$ 0.31	\$ 1.46	\$ 0.99

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)

<i>(in millions of Canadian dollars)</i>	Quarters ended September 30		Nine months ended September 30	
	2014	2013	2014	2013
Net earnings for the period	\$ 33.0	\$ 18.9	\$ 92.5	\$ 60.5
Other comprehensive income (loss), net of tax				
Items that may be reclassified to earnings				
Unrealized foreign exchange gains (losses) on translation foreign operations	19.4	(7.9)	20.4	11.1
Items that may not be reclassified to earnings				
Actuarial (losses) gains on pension and similar obligations, net of taxes	(3.8)	1.4	(6.5)	6.8
Other comprehensive income (loss)	15.6	(6.5)	13.9	17.9
Total comprehensive income	\$ 48.6	\$ 12.4	\$ 106.4	\$ 78.4

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (UNAUDITED)

<i>(in millions of Canadian dollars)</i>	September 30 2014	December 31 2013
ASSETS		
Current		
Cash and cash equivalents	\$ 27.6	\$ 116.2
Accounts receivable	622.7	456.2
Inventories	872.1	766.3
Prepaid expenses	9.4	5.9
Income taxes receivable	2.7	6.3
Assets held for sale	8.2	-
	1,542.7	1,350.9
Property, Plant and Equipment	254.6	238.9
Deferred Income Tax Assets	1.3	3.0
Pension and Benefits	0.1	0.2
Financial and Other Assets	5.9	6.1
Goodwill and Intangibles	215.2	218.7
	\$ 2,019.8	\$ 1,817.8
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	\$ 513.8	\$ 384.1
Income taxes payable	10.7	0.2
Current portion long-term debt	0.5	1.2
Liabilities associated with assets held for sale	3.8	-
	528.8	385.5
Long-Term Debt	459.7	457.2
Pensions and Benefits	31.4	23.3
Deferred Income Tax Liabilities	16.6	20.5
Provisions and Other Non-Current Liabilities	42.5	48.9
	1,079.0	935.4
Shareholders' Equity		
Common shares	530.1	509.5
Retained earnings	334.4	314.6
Contributed surplus	13.8	16.2
Accumulated other comprehensive income	32.4	12.0
Equity component of convertible debentures	28.7	28.7
Total Shareholders' Equity Attributable to Equity Holders	939.4	881.0
Non-controlling interest	1.4	1.4
Total Shareholders' Equity	940.8	882.4
Total Liabilities and Shareholders' Equity	\$ 2,019.8	\$ 1,817.8

CONDENSED CONSOLIDATED STATEMENTS OF CASHFLOW (UNAUDITED)

<i>(in millions of Canadian dollars)</i>	Quarters ended September 30		Nine months ended September 30	
	2014	2013	2014	2013
Operating activities				
Net earnings for the period	\$ 33.0	\$ 18.9	\$ 92.5	\$ 60.5
Depreciation and amortization	8.8	8.8	26.0	25.2
Deferred income taxes	0.3	(3.5)	(0.2)	(4.1)
(Gain) loss on sale of property, plant and equipment	(0.3)	0.1	0.7	(0.5)
Stock-based compensation	0.4	0.7	1.2	1.9
Difference between pension expense and amount funded	(0.3)	0.2	(0.7)	0.8
Asset impairment	-	5.2	-	5.2
Debt accretion, amortization and other	1.2	1.0	3.6	3.1
Change in fair value of contingent consideration	5.5	(2.8)	10.3	0.3
Cash from operating activities before non-cash working capital	48.6	28.6	133.4	92.4
Changes in non-cash working capital items				
Accounts receivable	(108.5)	(42.4)	(163.7)	1.6
Inventories	(1.4)	35.7	(95.8)	41.7
Accounts payable and accrued liabilities	59.2	(0.8)	113.9	(35.0)
Income tax receivable/payable	8.1	(2.5)	14.8	-
Other	0.8	1.2	(3.6)	(1.2)
Change in non-cash working capital	(41.8)	(8.8)	(134.4)	7.1
Cash from (used in) operating activities	6.8	19.8	(1.0)	99.5
Financing activities				
Decrease in bank borrowings	-	(6.7)	-	(0.3)
Issue of common shares	5.6	0.3	16.9	16.8
Dividends on common shares	(23.3)	(21.3)	(66.1)	(63.9)
Issuance of long-term debt	-	0.8	-	0.8
Repayment of long-term debt	(0.4)	(0.8)	(0.9)	(2.0)
Deferred financing	-	(1.3)	-	(1.3)
Cash used in financing activities	(18.1)	(29.0)	(50.1)	(49.9)
Investing activities				
Purchase of property, plant and equipment	(21.7)	(5.6)	(37.2)	(19.6)
Proceeds on sale of property, plant and equipment	0.5	-	1.1	2.3
Payment of contingent consideration	-	-	(4.1)	-
Purchase of business	(0.7)	(10.5)	(0.7)	(10.5)
Cash used in investing activities	(21.9)	(16.1)	(40.9)	(27.8)
Effect of exchange rates	8.6	3.8	3.4	2.2
(Decrease) increase in cash and cash equivalents	(24.6)	(21.5)	(88.6)	24.0
Cash and cash equivalents, beginning of the period	52.2	160.6	116.2	115.1
Cash and cash equivalents, end of the period	\$ 27.6	\$ 139.1	\$ 27.6	\$ 139.1
Supplemental cash flow information:				
Income taxes paid	\$ 6.8	\$ 12.4	\$ 27.8	\$ 30.4
Interest paid (net)	\$ 8.3	\$ 7.4	\$ 26.3	\$ 25.9

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)

<i>(in millions of Canadian dollars)</i>	Common Shares	Retained Earnings	Contributed Surplus	Accumulated Other Comprehensive Income	Equity Component of Convertible Debentures	Non- Controlling Interest	Total
Balance, January 1, 2014	\$ 509.5	\$ 314.6	\$ 16.2	\$ 12.0	\$ 28.7	\$ 1.4	\$ 882.4
Payment of dividends	-	(66.1)	-	-	-	-	(66.1)
Net earnings for the period	-	92.4	-	-	-	0.1	92.5
Other comprehensive income for the period	-	-	-	13.9	-	-	13.9
Recognition of stock-based compensation	-	-	1.2	-	-	-	1.2
Stock options exercised	20.5	-	(3.6)	-	-	-	16.9
Conversion of debenture	0.1	-	-	-	-	-	0.1
Transfer of net actuarial losses on defined benefit plans	-	(6.5)	-	6.5	-	-	-
Change in non-controlling interest	-	-	-	-	-	(0.1)	(0.1)
Balance, September 30, 2014	\$ 530.1	\$ 334.4	\$ 13.8	\$ 32.4	\$ 28.7	\$ 1.4	\$ 940.8

<i>(in millions of Canadian dollars)</i>	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
Payment of dividends	-	(63.9)	-	-	-	-	(63.9)
Net earnings for the period	-	60.4	-	-	-	0.1	60.5
Other comprehensive income for the period	-	-	-	17.9	-	-	17.9
Recognition of stock-based compensation	-	-	1.9	-	-	-	1.9
Stock options exercised	20.1	-	(3.3)	-	-	-	16.8
Conversion of debentures	0.1	-	-	-	-	-	0.1
Transfer of net actuarial gains on defined benefit plans	-	6.8	-	(6.8)	-	-	-
Change in non-controlling interest	-	-	-	-	-	(0.1)	(0.1)
Balance, September 30, 2013	\$ 508.1	\$ 308.6	\$ 15.9	\$ (0.1)	\$ 28.7	\$ 1.4	\$ 862.6