



NEWS

FOR IMMEDIATE RELEASE

RUSSEL METALS ANNOUNCES 2015 FIRST QUARTER RESULTS

TORONTO, CANADA – May 5, 2015 -- Russel Metals Inc. (RUS - TSX) today announced financial results for first quarter of 2015.

	Three Months Ended March 31,	
	2015	2014
Revenues	\$ 904	\$ 924
EBIT ¹	\$ 37	\$ 54
Net Income	\$ 19	\$ 29
Earnings per Share	\$ 0.30	\$ 0.47
Free Cash Flow	\$ 21	\$ 38
Dividends paid ²	\$ 0.38	\$ 0.35

All amounts are reported in millions of Canadian dollars except per share and dividend figures, which are in Canadian dollars

¹ EBIT and Free Cash Flow are Non GAAP measures. EBIT represents earnings before interest and taxes. Free cash flow represents cash from operating activities before change in working capital less capital expenditures.

² Dividends paid per common share during the period.

First quarter earnings were \$19 million or \$0.30 per share on revenues of \$0.9 billion. These results compare to earnings of \$29 million or \$0.47 per share on revenues of \$0.9 billion in the same quarter last year.

Revenues of \$400 million in our metals service center segment were slightly higher than the 2014 first quarter. Exchange rate gains on the translation of our U.S. operations offset volume declines as tons shipped at our metals service centers decreased by 3%. Gross margin dollars and percentages at our metals service centers in the 2015 first quarter were lower than the same quarter last year reflecting difficult competitive conditions due to soft demand in Western Canada and declining steel prices. Gross margin was 20.0% compared to 21.7% for the 2014 first quarter. The 2015 first quarter metals service center operating profits were \$15 million compared to \$21 million in the 2014 first quarter.

First quarter 2015 revenues in our energy products segment decreased 14% to \$385 million compared to the 2014 first quarter due to the dramatically lower activity in the energy sector

caused by oil price declines. Operating profits decreased \$12 million or 37% in the 2015 first quarter versus the same quarter last year due to decreased volumes and pricing pressure.

Revenues in our steel distributors segment increased by 36% to \$119 million in the 2015 first quarter compared to the 2014 first quarter as product ordered in 2014 was delivered to customers. Operating profits were consistent with the same period in 2014. We expect the high inventory levels in this segment to decrease over the next quarter.

Mr. Brian R. Hedges, President and CEO, commented “Our disciplined business approach gives us the flexibility to rationally adjust our operations in the face of a drop in steel prices, rig counts and oilfield activity. The depth of the change in the price of oil and steel was not foreseen by the industry causing both energy and steel inventories to be overstocked throughout the distribution channel. Based on these economic conditions, our inventory position and operating costs are being proactively managed to ensure that we minimize the impact on the business and maximize our earnings.”

Mr. Hedges continued, “Our clean balance sheet and flexible operating cost structure support our dividend and will allow us to take advantage of acquisition opportunities that will arise in this challenging environment. We are prepared for a sustained trough in commodity pricing and will be strongly positioned when the inevitable recovery begins.”

The Board of Directors approved a quarterly dividend of \$0.38 per common share payable June 15, 2015 to shareholders of record as of May 25, 2015. Based on the share price at March 31, 2015 of \$24.04 our annualized dividend yield was 6.3%.

The Company will be holding an Investor Conference Call on Wednesday May 6, 2015 at 9:00 a.m. ET to review its 2015 first 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 May 20, 2015. You will be required to enter pass code 932136 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; cyclicity 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; product claims from customers, 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; cyber security breach; 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.

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CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS (UNAUDITED)

<i>(in millions of Canadian dollars, except per share data)</i>	Quarters ended March 31	
	2015	2014
Revenues	\$ 903.9	\$ 924.0
Cost of materials	746.5	751.7
Employee expenses	71.9	71.5
Other operating expenses	48.9	47.3
Earnings before interest, finance expense and provision for income taxes	36.6	53.5
Interest expense	9.5	9.0
Other finance expense	0.6	1.8
Earnings before provision for income taxes	26.5	42.7
Provision for income taxes	8.0	13.7
Net earnings for the period	\$ 18.5	\$ 29.0
Basic earnings per common share	\$ 0.30	\$ 0.47
Diluted earnings per common share	\$ 0.30	\$ 0.46

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)

<i>(in millions of Canadian dollars)</i>	Quarters ended March 31	
	2015	2014
Net earnings for the period	\$ 18.5	\$ 29.0
Other comprehensive income		
Items that may be reclassified to earnings		
Unrealized foreign exchange gains on translation of foreign operations	40.7	14.5
Items that may not be reclassified to earnings		
Actuarial losses on pension and similar obligations, net of taxes	(4.7)	(4.1)
Other comprehensive income	36.0	10.4
Total comprehensive income	\$ 54.5	\$ 39.4

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (UNAUDITED)

<i>(in millions of Canadian dollars)</i>	March 31 2015	December 31 2014
ASSETS		
Current		
Cash and cash equivalents	\$ 15.9	\$ 53.4
Accounts receivable	499.9	569.3
Inventories	966.6	930.8
Prepaid expenses	10.6	11.6
Income taxes receivable	6.3	2.8
	1,499.3	1,567.9
Property, Plant and Equipment	255.5	249.8
Deferred Income Tax Assets	6.7	4.9
Financial and Other Assets	6.1	5.9
Goodwill and Intangibles	214.2	214.3
	\$ 1,981.8	\$ 2,042.8
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Bank indebtedness	\$ 32.1	\$ 24.2
Accounts payable and accrued liabilities	415.0	500.4
Income taxes payable	-	14.1
Current portion long-term debt	0.5	0.5
	447.6	539.2
Long-Term Debt	461.8	460.5
Pensions and Benefits	31.9	26.1
Deferred Income Tax Liabilities	17.0	17.0
Provisions and Other Non-Current Liabilities	26.7	35.0
	985.0	1,077.8
Shareholders' Equity		
Common shares	531.7	531.2
Retained earnings	334.4	344.0
Contributed surplus	14.3	14.1
Accumulated other comprehensive income	87.8	47.1
Equity component of convertible debentures	28.6	28.6
Total Shareholders' Equity	996.8	965.0
Total Liabilities and Shareholders' Equity	\$ 1,981.8	\$ 2,042.8

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW (UNAUDITED)

<i>(in millions of Canadian dollars)</i>	Quarters ended March 31	
	2015	2014
Operating activities		
Net earnings for the period	\$ 18.5	\$ 29.0
Depreciation and amortization	8.7	8.6
Deferred income taxes	(0.1)	0.8
Loss on sale of property, plant and equipment	0.1	1.0
Share-based compensation	0.3	0.4
Difference between pension expense and amount funded	(0.6)	-
Debt accretion, amortization and other	1.4	1.2
Change in fair value of contingent consideration	0.6	1.8
Cash from operating activities before non-cash working capital	28.9	42.8
Changes in non-cash working capital items		
Accounts receivable	79.6	(89.9)
Inventories	(12.7)	1.2
Accounts payable and accrued liabilities	(84.7)	47.9
Income tax receivable/payable	(17.3)	9.6
Other	1.0	(3.2)
Change in non-cash working capital	(34.1)	(34.4)
Cash (used in) from operating activities	(5.2)	8.4
Financing activities		
Increase in bank indebtedness	7.7	-
Issue of common shares	0.4	1.7
Dividends on common shares	(23.4)	(21.3)
Repayment of long-term debt	(0.1)	(0.3)
Cash used in financing activities	(15.4)	(19.9)
Investing activities		
Purchase of property, plant and equipment	(8.2)	(4.9)
Proceeds on sale of property, plant and equipment	0.4	0.2
Payment of contingent consideration	(17.5)	(4.1)
Cash used in investing activities	(25.3)	(8.8)
Effect of exchange rates on cash and cash equivalents	8.4	(9.6)
Decrease in cash and cash equivalents	(37.5)	(29.9)
Cash and cash equivalents, beginning of the period	53.4	116.2
Cash and cash equivalents, end of the period	\$ 15.9	\$ 86.3
Supplemental cash flow information:		
Income taxes paid	\$ 25.4	\$ 3.3
Interest paid (net)	\$ 8.7	\$ 8.1

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	Total
Balance, January 1, 2015	\$ 531.2	\$ 344.0	\$ 14.1	\$ 47.1	\$ 28.6	\$ 965.0
Payment of dividends	-	(23.4)	-	-	-	(23.4)
Net earnings for the period	-	18.5	-	-	-	18.5
Other comprehensive income for the period	-	-	-	36.0	-	36.0
Recognition of share-based compensation	-	-	0.3	-	-	0.3
Share options exercised	0.5	-	(0.1)	-	-	0.4
Transfer of net actuarial losses on defined benefit plans	-	(4.7)	-	4.7	-	-
Balance, March 31, 2015	\$ 531.7	\$ 334.4	\$ 14.3	\$ 87.8	\$ 28.6	\$ 996.8

<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
<i>Balance, January 1, 2014</i>	\$ 509.5	\$ 314.6	\$ 16.2	\$ 12.0	\$ 28.7	\$ 1.4	\$ 882.4
Payment of dividends	-	(21.3)	-	-	-	-	(21.3)
Net earnings for the period	-	29.0	-	-	-	-	29.0
Other comprehensive income for the period	-	-	-	10.4	-	-	10.4
Recognition of share-based compensation	-	-	0.4	-	-	-	0.4
Share options exercised	2.1	-	(0.4)	-	-	-	1.7
Transfer of net actuarial losses on defined benefit plans	-	(4.1)	-	4.1	-	-	-
Change in non-controlling interest	-	-	-	-	-	(0.1)	(0.1)
<i>Balance, March 31, 2014</i>	<i>\$ 511.6</i>	<i>\$ 318.2</i>	<i>\$ 16.2</i>	<i>\$ 26.5</i>	<i>\$ 28.7</i>	<i>\$ 1.3</i>	<i>\$ 902.5</i>