



NEWS

FOR IMMEDIATE RELEASE

RUSSEL METALS ANNOUNCES 2015 THIRD QUARTER RESULTS

TORONTO, CANADA – October 30, 2015 -- Russel Metals Inc. (RUS - TSX) today announced financial results for the 2015 third quarter.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Revenues	\$ 773	\$ 1,039	\$ 2,439	\$ 2,856
EBIT ¹	\$ 19	\$ 63	\$ 87	\$ 173
Net Income	\$ 13	\$ 33	\$ 48	\$ 93
Earnings per Share	\$ 0.21	\$ 0.54	\$ 0.77	\$ 1.51
Cash from Operations	\$ 104	\$ 7	\$ 178	\$ (1)
Dividends paid ²	\$ 23	\$ 23	\$ 70	\$ 66

All amounts are reported in millions of Canadian dollars except per share, which is in Canadian dollars

¹ EBIT is a non-GAAP measure. EBIT represents earnings before interest and taxes.
² Dividends paid during the period.

Third quarter earnings were \$13 million, or \$0.21 per share on revenues of \$773 million. These results compare to earnings of \$33 million or \$0.54 per share on revenues of \$1 billion in the same quarter 2014. Our third quarter earnings were negatively impacted by workforce reduction costs of \$2 million and additional inventory reserves of \$8 million resulting in a reduction of our earnings per share of \$0.13. We have reduced our manpower by more than 7% on a year to date basis as we continue to actively manage our costs.

Revenues of \$369 million in our metals service center segment were 11% lower than the 2014 third quarter due to weaker demand, primarily in Western Canada from customers supplying the oil and gas industry. Our metals service center selling prices decreased by 2% and tons shipped decreased by 10% compared to the 2014 third quarter. Gross margin was 19.3% compared to 20.2% for the third quarter of 2014 and 18.3% for the second quarter of 2015. Our metals service center operating profits in the 2015 third quarter were \$10 million which was 56% lower than the 2014 third quarter, mainly due to the decreased margins and lower volumes.

Third quarter 2015 revenues in our energy products segment decreased 40% to \$300 million compared to the 2014 third quarter due to reduced drilling activity in the energy sector. Operating profits decreased 67% to \$11 million in the 2015 third quarter versus the same quarter last year as lower segment operating results were exacerbated by workforce reduction costs and increased inventory reserves.

Revenues in our steel distributors segment in the 2015 third quarter of \$103 million were 16% lower than the 2014 third quarter. Gross margins as a percentage of revenues were 7% compared to 15% in the same period in 2014 due to the decline in selling prices as mill pricing dropped and excess inventory in the industry added further margin pressure. Operating profits in the third quarter decreased to \$2 million from \$12 million in the same period in 2014.

We recorded financial income of \$6 million or \$0.09 per share due to the change in fair value of the contingent consideration related to our Apex Distribution and Apex Monarch acquisitions. This change was a result of a projected reduction in future payments related to lower expected profitability caused by the lower oil price and rig counts.

Our revenues for the nine months ended September 30, 2015 were \$2.4 billion down 15% from \$2.8 billion for the same period in 2014. Our 2015 year to date earnings of \$48 million or \$0.77 per share compared to \$92 million or \$1.51 per share for the same period in 2014.

Mr. Brian R. Hedges, President and CEO, commented "The difficult economic conditions in all three segments continued in the third quarter. The further drop in the price of steel at the end of the quarter was greater than anticipated. During the quarter, we focused on reducing inventory levels. Metals service centers are in good shape with \$31 million in inventory reductions in the third quarter and inventory turns of 4.7 times. Steel distributors reduced inventories by \$36 million which is moving in the right direction but turns remain low due to reduced revenues. Energy remains the area with the most challenges due to the collapse in exploration activity and industry-wide over-supply of pipe. Energy inventory levels did improve by \$28 million in the quarter but energy inventories remain an area of concern."

Mr. Hedges further commented, "Cash flows continue to be strong as we have generated \$178 million in cash flow from operations in 2015 which helps to support our dividend. During the quarter, we increased our syndicated credit facility to \$400 million and announced the redemption of our Convertible Debentures. This redemption on November 4, 2015 will be funded by available cash and our upsized credit facility. The redemption will reduce our annual interest cost by approximately \$7 million however, we expect a pre-tax, non-cash charge of \$5 million relating to the redemption in the fourth quarter."

The Board of Directors approved a quarterly dividend of \$0.38 per common share payable December 15, 2015 to shareholders of record as of November 25, 2015.

The Company will be holding an Investor Conference Call on Monday, November 2, 2015 at 9:00 a.m. ET to review its 2015 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 ET Monday November 16, 2015. You will be required to enter pass code 745578 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.

About Russel Metals

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, Apex Western Fiberglass, 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; 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 under the heading "Risks Related to Our Business and the Metals Distribution Industry" in our most recent Annual Information Form and as otherwise disclosed in our filings with securities regulatory authorities which are available on SEDAR at www.sedar.com.

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		Nine months ended	
	2015	September 30 2014	2015	September 30 2014
Revenues	\$ 773.4	\$ 1,038.8	\$ 2,438.6	\$ 2,856.1
Cost of materials	645.7	854.9	2,019.9	2,327.7
Employee expenses	66.1	73.3	199.2	215.2
Other operating expenses	42.6	47.2	132.8	139.9
Earnings before interest, finance expense and provision for income taxes	19.0	63.4	86.7	173.3
Interest expense	9.6	9.3	28.7	27.4
Other finance (income) expense	(5.5)	5.5	(5.5)	10.3
Earnings before provision for income taxes	14.9	48.6	63.5	135.6
Provision for income taxes	2.1	15.6	15.8	43.1
Net earnings for the period	\$ 12.8	\$ 33.0	\$ 47.7	\$ 92.5
Net earnings attributed to:				
Equity holders	\$ 12.8	\$ 32.9	\$ 47.7	\$ 92.4
Non-controlling interest	-	0.1	-	0.1
	\$ 12.8	\$ 33.0	\$ 47.7	\$ 92.5
Basic earnings per common share	\$ 0.21	\$ 0.54	\$ 0.77	\$ 1.51
Diluted earnings per common share	\$ 0.21	\$ 0.52	\$ 0.77	\$ 1.46

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)

<i>(in millions of Canadian dollars)</i>	Quarters ended		Nine months ended	
	2015	September 30 2014	2015	September 30 2014
Net earnings for the period	\$ 12.8	\$ 33.0	\$ 47.7	\$ 92.5
Other comprehensive (loss) income				
Items that may be reclassified to earnings				
Unrealized foreign exchange gains on translation of foreign operations	34.9	19.4	67.8	20.4
Items that may not be reclassified to earnings				
Actuarial losses on pension and similar obligations, net of taxes	(2.9)	(3.8)	(2.5)	(6.5)
Other comprehensive income	32.0	15.6	65.3	13.9
Total comprehensive income	\$ 44.8	\$ 48.6	\$ 113.0	\$ 106.4

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (UNAUDITED)

<i>(in millions of Canadian dollars)</i>	September 30 2015	December 31 2014
ASSETS		
Current		
Cash and cash equivalents	\$ 94.4	\$ 53.4
Accounts receivable	443.6	569.3
Inventories	828.6	930.8
Prepaid expenses	11.0	11.6
Income taxes receivable	8.2	2.8
	1,385.8	1,567.9
Property, Plant and Equipment	265.9	249.8
Deferred Income Tax Assets	3.6	4.9
Financial and Other Assets	7.0	5.9
Goodwill and Intangibles	215.0	214.3
	\$ 1,877.3	\$ 2,042.8
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Bank indebtedness	\$ 13.6	\$ 24.2
Accounts payable and accrued liabilities	316.5	500.4
Income taxes payable	0.4	14.1
Current portion long-term debt	169.6	0.5
	500.1	539.2
Long-Term Debt	295.2	460.5
Pensions and Benefits	27.6	26.1
Deferred Income Tax Liabilities	16.8	17.0
Provisions and Other Non-Current Liabilities	28.6	35.0
	868.3	1,077.8
Shareholders' Equity		
Common shares	531.7	531.2
Retained earnings	318.9	344.0
Contributed surplus	14.9	14.1
Accumulated other comprehensive income	114.9	47.1
Equity component of convertible debentures	28.6	28.6
Total Shareholders' Equity	1,009.0	965.0
Total Liabilities and Shareholders' Equity	\$ 1,877.3	\$ 2,042.8

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW (UNAUDITED)

<i>(in millions of Canadian dollars)</i>	Quarters ended September 30		Nine months ended September 30	
	2015	2014	2015	2014
Operating activities				
Net earnings for the period	\$ 12.8	\$ 33.0	\$ 47.7	\$ 92.5
Depreciation and amortization	8.9	8.8	26.4	26.0
Deferred income taxes	(0.9)	0.3	1.9	(0.2)
(Gain) loss on sale of property, plant and equipment	-	(0.3)	(2.0)	0.7
Share-based compensation	0.3	0.4	0.9	1.2
Difference between pension expense and amount funded	(0.7)	(0.3)	(1.9)	(0.7)
Debt accretion, amortization and other	1.4	1.2	4.1	3.6
Change in fair value of contingent consideration	(5.5)	5.5	(5.5)	10.3
Cash from operating activities before non-cash working capital	16.3	48.6	71.6	133.4
Changes in non-cash working capital items				
Accounts receivable	8.6	(108.5)	146.3	(163.7)
Inventories	113.5	(1.4)	156.5	(95.8)
Accounts payable and accrued liabilities	(37.2)	59.2	(178.7)	113.9
Income tax receivable/payable	1.0	8.1	(18.2)	14.8
Other	1.7	0.8	0.6	(3.6)
Change in non-cash working capital	87.6	(41.8)	106.5	(134.4)
Cash from (used in) operating activities	103.9	6.8	178.1	(1.0)
Financing activities				
Decrease in bank indebtedness	(11.0)	-	(10.6)	-
Issue of common shares	-	5.6	0.4	16.9
Dividends on common shares	(23.4)	(23.3)	(70.3)	(66.1)
Repayment of long-term debt	(0.2)	(0.4)	(0.4)	(0.9)
Deferred financing	(1.0)	-	(1.0)	-
Cash used in financing activities	(35.6)	(18.1)	(81.9)	(50.1)
Investing activities				
Purchase of property, plant and equipment	(10.9)	(21.7)	(29.5)	(37.2)
Proceeds on sale of property, plant and equipment	0.4	0.5	3.2	1.1
Payment of contingent consideration	-	-	(17.5)	(4.1)
Purchase of business	-	(0.7)	(27.3)	(0.7)
Cash used in investing activities	(10.5)	(21.9)	(71.1)	(40.9)
Effect of exchange rates on cash and cash equivalents	9.1	8.6	15.9	3.4
Increase (decrease) in cash and cash equivalents	66.9	(24.6)	41.0	(88.6)
Cash and cash equivalents, beginning of the period	27.5	52.2	53.4	116.2
Cash and cash equivalents, end of the period	\$ 94.4	\$ 27.6	\$ 94.4	\$ 27.6
Supplemental cash flow information:				
Income taxes paid	\$ 2.2	\$ 6.8	\$ 32.7	\$ 27.8
Interest paid (net)	\$ 7.8	\$ 8.3	\$ 27.2	\$ 26.3

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	-	(70.3)	-	-	-	(70.3)
Net earnings for the period	-	47.7	-	-	-	47.7
Other comprehensive income for the period	-	-	-	65.3	-	65.3
Recognition of share-based compensation	-	-	0.9	-	-	0.9
Share options exercised	0.5	-	(0.1)	-	-	0.4
Transfer of net actuarial losses on defined benefit plans	-	(2.5)	-	2.5	-	-
Balance, September 30, 2015	\$ 531.7	\$ 318.9	\$ 14.9	\$ 114.9	\$ 28.6	\$ 1,009.0

<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	-	(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 share-based compensation	-	-	1.2	-	-	-	1.2
Share 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)
<i>Balance, September 30, 2014</i>	<i>\$ 530.1</i>	<i>\$ 334.4</i>	<i>\$ 13.8</i>	<i>\$ 32.4</i>	<i>\$ 28.7</i>	<i>\$ 1.4</i>	<i>\$ 940.8</i>