



NEWS

FOR IMMEDIATE RELEASE

RUSSEL METALS ANNOUNCES STRONGER SECOND QUARTER 2010 NET EARNINGS

TORONTO, CANADA – August 11, 2010 -- Russel Metals Inc. (RUS – TSX) today announced second quarter earnings of \$19 million or \$0.31 per share, an improvement from the results reported for the first quarter of 2010 of \$0.28 per share. These results were stronger than both the comparable adjusted net earnings for the second quarter of 2009 of \$0.10 per share and the reported loss of \$0.41 per share.

Our strong results in the second quarter of 2010, resulted in year to date earnings of \$35 million or \$0.59 per share. Revenues for the six months to June 30, 2010 were \$1.0 billion.

Consolidated revenues for the second quarter of 2010 were \$506 million, up 9% from the second quarter of 2009. Our volumes increased from both the first quarter of 2010 and the second quarter of 2009. The improved operating results compared to the first quarter of 2010 were primarily generated by stronger gross margins on higher average selling prices.

Metals service centers volumes increased 14% from the comparable quarter in 2009 and 4% from the first quarter of 2010 resulting in revenues for the quarter of \$312 million. Improved gross margin dollars due to higher selling prices resulted in an operating profit of \$19 million for the second quarter of 2010 compared to \$2 million in the second quarter of 2009 and \$15 million in the first quarter of 2010.

Energy tubular products revenues were \$129 million in the second quarter of 2010, a decline from the first quarter of 2010 due to seasonality and consistent with the second quarter of 2009. Operating profits were \$11 million for the second quarter of 2010 and were consistent with the first quarter of 2010 due to improved selling prices offsetting the lower volumes.

Revenues for our steel distributors operations increased to \$61 million, the highest level in the past year. Demand from our customers and rising selling prices contributed to the increased revenue and operating profit. Operating profits for the second quarter of 2010 were \$7 million, up from \$4 million in the first quarter of 2010.

Brian R. Hedges, President and CEO, stated “Our second quarter continued to improve from the first quarter. Improved volumes, margins and higher selling prices all contributed to stronger results. We will be challenged to maintain this momentum, particularly in our service center operations in the summer months, but anticipate an improvement in the fall. We continue to look at potential acquisitions, green fields and operational savings.”

The Board of Directors approved a quarterly dividend of \$0.25 per common share payable September 15, 2010 to shareholders of record as of August 30, 2010.

The Company will be holding an Investor Conference Call on Thursday, August 12, 2010 at 9:00 a.m. ET to review its second quarter results for 2010. The dial-in telephone numbers for the call are **416-695-6617** (Toronto and International callers) and **1-800-355-4959** (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 **416-695-5800** (Toronto and International callers) and **1-800-408-3053** (U.S. and Canada) until midnight, Thursday, August 26, 2010. You will be required to enter pass code **8424727** 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 distribution segments: metals service centers, energy tubular products and steel distributors, under various names including Russel Metals, A.J. Forsyth, Acier Leroux, Acier Loubier, Acier Richler, 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, Spartan Steel Products, Sunbelt Group, Triumph Tubular & Supply, Wirth Steel and York-Ennis.

Statements contained in this press release or on the related conference call that relate to Russel Metals' beliefs or expectations as to certain future events are not statements of historical fact and are

forward-looking statements. Russel Metals cautions readers that there are important factors, risks and uncertainties, including but not limited to economic, competitive and governmental factors affecting Russel Metals' operations, markets, products, services and prices that could cause its actual results, performance or achievements to be materially different from those forecasted or anticipated in such forward-looking statements.

The forward-looking statements in this document reflect management's current beliefs and are based on information currently available to management. The material assumptions applied in making the forward-looking statements in this document include the following: demand from the manufacturing, resource and construction segments of the Canadian economy and oil and gas prices have all been significantly negatively impacted by the economic conditions and these conditions will improve at a slow pace through out 2010; the price of steel which saw improvement during the second quarter of 2010 will decline due to lack of demand; and the value of the Canadian dollar relative to the U.S. dollar will be range bound consistent with the first half of 2010. Although the forward-looking statements contained in this document are based upon what management believes to be reasonable estimates and assumptions, Russel Metals cannot ensure that actual results will not be materially different from those expressed or implied by these forward-looking statements.

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CONSOLIDATED BALANCE SHEETS (UNAUDITED)

<i>(millions)</i>	June 30 2010	December 31 2009
ASSETS		
Current		
Cash and cash equivalents	\$ 283.8	\$ 359.6
Accounts receivable	279.9	217.8
Inventories	538.3	517.9
Prepaid expenses and other assets	5.1	4.9
Income taxes	46.7	53.0
	1,153.8	1,153.2
Property, Plant and Equipment	224.1	231.9
Future Income Tax Assets	5.5	5.9
Pensions and Benefits	7.9	8.0
Other Assets	3.9	8.3
Goodwill and Intangibles	28.3	28.4
	\$ 1,423.5	\$ 1,435.7
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	\$ 268.3	\$ 252.3
Income taxes payable	1.4	1.4
Current portion long-term debt	1.3	1.3
	271.0	255.0
Derivatives	-	30.9
Long-Term Debt	335.7	340.8
Pensions and Benefits	6.0	5.9
Future Income Tax Liabilities	10.0	9.9
	622.7	642.5
Shareholders' Equity		
Common shares	478.9	478.9
Retained earnings	320.7	315.3
Contributed surplus	12.5	11.4
Accumulated other comprehensive income (loss)	(22.9)	(24.0)
Equity component of convertible debenture	11.6	11.6
	800.8	793.2
	\$ 1,423.5	\$ 1,435.7

CONSOLIDATED STATEMENTS OF EARNINGS (LOSS) (UNAUDITED)

<i>(millions, except per share data)</i>	Quarters ended June 30		Six months ended June 30	
	2010	2009	2010	2009
Revenues	\$ 506.1	\$ 462.5	\$ 1,032.0	\$ 1,104.8
Cost of sales	398.9	440.7	829.9	1,087.3
Gross margin	107.2	21.8	202.1	17.5
Operating expenses	72.4	66.0	141.0	142.6
Earnings (loss) before the following	34.8	(44.2)	61.1	(125.1)
Other income (expense)	(0.2)	4.3	1.3	4.3
Interest expense, net	(6.5)	(4.4)	(13.2)	(9.2)
Earnings (loss) before income taxes	28.1	(44.3)	49.2	(130.0)
(Provision for) recovery of income taxes	(9.4)	19.7	(14.0)	50.4
Net earnings (loss) for the period	\$ 18.7	\$ (24.6)	\$ 35.2	\$ (79.6)
Basic earnings (loss) per common share	\$ 0.31	\$ (0.41)	\$ 0.59	\$ (1.33)
Diluted earnings (loss) per common share	\$ 0.31	\$ (0.41)	\$ 0.59	\$ (1.33)

CONSOLIDATED STATEMENTS OF RETAINED EARNINGS (UNAUDITED)

<i>(millions)</i>	Quarters ended June 30		Six months ended June 30	
	2010	2009	2010	2009
Retained earnings, beginning of the period	\$ 316.9	\$ 397.1	\$ 315.3	\$ 467.0
Net earnings (loss) for the period	18.7	(24.6)	35.2	(79.6)
Dividends on common shares	(14.9)	(14.9)	(29.8)	(29.8)
Retained earnings, end of the period	\$ 320.7	\$ 357.6	\$ 320.7	\$ 357.6

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (UNAUDITED)

<i>(millions)</i>	Quarters Ended June 30		Six months Ended June 30	
	2010	2009	2010	2009
Net earnings (loss) for the period	\$ 18.7	\$ (24.6)	\$ 35.2	\$ (79.6)
Other comprehensive income (loss)				
Unrealized foreign exchange gains (losses) on translation of self-sustaining U.S. operations	15.0	(34.9)	4.8	(21.3)
Unrealized gains (losses) on items designated as net investment hedges	(6.4)	5.3	(0.8)	3.4
Unrealized gains (losses) on items designated as cash flow hedges	-	3.0	(2.5)	5.2
Losses (gains) on derivatives designated as cash flow hedges transferred to net income in the current period	0.3	(1.7)	(0.4)	(4.7)
Other comprehensive income (loss)	8.9	(28.3)	1.1	(17.4)
Comprehensive income (loss)	\$ 27.6	\$ (52.9)	\$ 36.3	\$ (97.0)

CONSOLIDATED STATEMENTS OF ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS) (UNAUDITED)

<i>(millions)</i>	Quarters Ended June 30		Six months Ended June 30	
	2010	2009	2010	2009
Accumulated net unrealized foreign currency translation gains and losses				
Balance, beginning of period	\$ (40.2)	\$ 50.5	\$ (30.0)	\$ 36.9
Unrealized foreign exchange gains (losses) on translation of self-sustaining U.S. operations	15.0	(34.9)	4.8	(21.3)
Balance, end of period	(25.2)	15.6	(25.2)	15.6
Accumulated net unrealized gains (losses) on cash flow and net investment hedges				
Balance, beginning of period	8.4	(9.3)	6.0	(12.0)
Transitional adjustment	-	-	-	5.4
Unrealized gains (losses) on items designated as net investment hedges	(6.4)	5.3	(0.8)	3.4
Unrealized gains (losses) on items designated as cash flow hedges	-	3.0	(2.5)	5.2
Losses (gains) on derivatives designated as cash flow hedges transferred to net income in the current period	0.3	(1.7)	(0.4)	(4.7)
Balance, end of period	2.3	(2.7)	2.3	(2.7)
Accumulated other comprehensive income (loss)	\$ (22.9)	\$ 12.9	\$ (22.9)	\$ 12.9

CONSOLIDATED CASH FLOW STATEMENTS (UNAUDITED)

<i>(millions)</i>	Quarters ended June 30		Six months ended June 30	
	2010	2009	2010	2009
Operating activities				
Net earnings (loss) for the period	\$ 18.7	\$ (24.6)	\$ 35.2	\$ (79.6)
Depreciation and amortization	6.2	6.5	12.5	13.0
Future income taxes	1.2	1.9	3.0	4.0
Gain on investment and sale of long-lived assets	-	(4.3)	(1.5)	(4.5)
Stock-based compensation	0.7	0.5	1.1	0.9
Difference between pension expense and amount funded	-	(0.2)	0.2	(0.3)
Other	0.9	0.1	1.3	0.4
Cash from (used in) operating activities before non-cash working capital	27.7	(20.1)	51.8	(66.1)
Changes in non-cash working capital items				
Accounts receivable	14.9	77.0	(60.8)	182.2
Inventories	(65.4)	155.3	(18.7)	264.8
Accounts payable and accrued liabilities	6.9	(115.4)	15.1	(172.2)
Current income taxes	4.7	(16.2)	11.2	(84.9)
Other	(0.7)	0.8	(0.2)	1.9
Change in non-cash working capital	(39.6)	101.5	(53.4)	191.8
Cash (used in) from operating activities	(11.9)	81.4	(1.6)	125.7
Financing activities				
Increase (decrease) in bank borrowings	-	7.0	-	(17.9)
Dividends on common shares	(14.9)	(14.9)	(29.8)	(29.8)
Repayment of long-term debt	(8.1)	(0.3)	(8.5)	(0.7)
Deferred financing	(0.7)	(2.3)	(0.7)	(2.3)
Swap termination	-	-	(35.2)	-
Cash used in financing activities	(23.7)	(10.5)	(74.2)	(50.7)
Investing activities				
Purchase of property, plant and equipment	(2.1)	(2.9)	(3.4)	(6.7)
Proceeds on sale of property, plant and equipment	0.3	5.0	0.3	5.6
Proceeds on sale of investment	6.0	-	6.0	-
Cash from (used in) investing activities	4.2	2.1	2.9	(1.1)
Effect of exchange rates on cash and cash equivalents	4.1	(6.4)	(2.9)	(5.1)
(Decrease) increase in cash and cash equivalents	(27.3)	66.6	(75.8)	68.8
Cash and cash equivalents, beginning of the period	311.1	47.1	359.6	44.9
Cash and cash equivalents, end of the period	\$ 283.8	\$ 113.7	\$ 283.8	\$ 113.7