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## Reliance Steel & Aluminum Q4 2008 update

*Tuesday, 25 Nov, 2008*

Reliance Steel & Aluminum Co has announced that it is updating its outlook on current business conditions impacting its fourth quarter ending December 31st 2008.

Mr David H Hannah chairman of the board & CEO of Reliance said that "In our October 16th 2008 third quarter financial results conference call, we stated that we were not comfortable providing earnings guidance for the 2008 fourth quarter because of the widespread uncertainty regarding the economy going forward. We further stated that we expected the business climate to be difficult over the next couple of quarters and that during the course of the quarter, we would communicate any meaningful information regarding our operations as it becomes available. We still are not comfortable providing earnings guidance, but our October results were solidly profitable and stronger than we had anticipated given the state of the economy. October sales were USD 918.2 million, our second highest monthly amount ever, with our tons sold per day down only 1.7% in October from September levels and our average selling price per ton down only 3.8%. Our FIFO gross profit margin deteriorated by 2.2% in October compared to September."

Mr Hannah further commented that "Through the first two weeks of November, the operating environment has worsened from October levels. Mill price decreases have accelerated and have been more substantial than in October, leading us to further reduce prices to our customers and causing our customers to significantly curtail their purchasing as economic uncertainty persists. This has caused further deterioration in our gross profit margins as well as our operating income and net income amounts. However, the lower inventory costs and demand levels have allowed us to significantly reduce our working capital, which, along with our continued profitable operations, is producing a substantial amount of positive cash flow. We reduced our FIFO inventory levels during the month of October by USD 160 million. Also in the month of October, we reduced our borrowings on our credit facility by USD 147 million and through November 18th 2008 we had further reduced our borrowings by USD 68 million. As of November 18th 2008, we had USD 700 million outstanding on our USD 1.1 billion syndicated credit facility. We are comfortable with our current liquidity position."

Reliance Steel & Aluminum Co is the largest metals service center company in North America. Through a network of more than 200 locations in 39 states and Belgium, Canada, China, Mexico, Singapore, South Korea and the United Kingdom, it provides value added metals processing services and distributes a full line of over 100,000 metal products to more than 125,000 customers in a broad range of industries.

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