



A. M. CASTLE & CO.

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-----AT THE COMPANY-----

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Traded: AMEX, CSE (CAS)
Member: S&P SmallCap 600 Index

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**FOR IMMEDIATE RELEASE
TUESDAY, AUGUST 2, 2005**

A. M. CASTLE & CO. REPORTS SECOND QUARTER RESULTS; RECORD EARNINGS LEVELS CONTINUE, 2005 OUTLOOK REMAINS STRONG

FRANKLIN PARK, IL, AUGUST 2ND – A.M. Castle & Co., one of North America’s leading metals and plastics distributors, today reported results for the quarter and year-to-date ended June 30, 2005.

Sales for the second quarter of 2005 were \$251.0 million, 33% higher than the prior year. Earnings per share (basic) for the quarter were \$0.80, up \$0.44 from the second quarter of 2004. Year-to-date 2005 sales were \$497.2 million, an increase of 37% versus the prior year. Earnings for the year-to-date period in 2005 were \$1.55 per share (basic), compared to \$0.50 in 2004.

“We are very pleased with our results for both the quarter and the year to date,” stated G. Thomas McKane, A.M. Castle’s Chairman and CEO. “The hard work of many people over the last several years to restructure this Company is paying off handsomely. In particular, we have reduced our sales breakeven point, improved productivity and positioned the Company well to capitalize on a recovery in the durable goods manufacturing sector.”

Sales in the Company’s metals segment grew 34% for the second quarter while sales in the plastics segment grew 31%. Excluding the impact of material price increases, sales for the quarter grew 8% in the metals segment, 14% in the plastics segment and 9% on a consolidated basis.

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For the trailing 12-months ended June 30, 2005, the Company reported the following financial metrics:

- Net sales of \$894.4 million, up 42% versus the prior 12-month period
- Earnings per share (basic) of \$2.05, compared to a loss of \$0.02 in the prior 12 months
- Return on average shareholders' equity of 23%

“Our solid performance during the past year has improved the Company’s financial strength,” noted Larry Boik, the Company’s CFO. “We have reduced total debt as reported by over \$11 million, lowering our ratio of debt-to-total capital to 36.5%. Including amounts outstanding under our accounts receivable purchase facility, our June 30, 2005 debt-to-total capital ratio was 41.6% versus 47.7% one year ago.”

Market Outlook

“Demand in our primary metal markets remains firm, with activity in the construction and mining equipment, aerospace, and oil and gas markets continuing particularly strong,” reported Steve Hooks, COO of the Company’s Castle Metals business. “We currently see nothing, beyond the normal seasonal slowdowns, that would change the underlying demand levels during the third and fourth quarter,” continued Hooks. “While there has been some erosion of price levels in selected carbon products, price levels in aluminum, stainless and nickel steels increased during the quarter. Overall metal price levels at the end of June 2005 were slightly ahead of prices at the end of 2004 for our mix of products.”

Credit Facility

On July 29, 2005 the Company obtained an \$82 million secured revolving line of credit from a syndicate of banks led by Bank of America. This new facility replaces the receivable purchase facility which had been used to fund working capital since late 2002. The initial interest rate under the new revolving facility is LIBOR plus 1.375%. “The size of this revolver clearly gives us great flexibility to grow the Company going forward, and the interest rate associated with this line is a clear indication of our balance sheet strength,” commented McKane.

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Webcast Information

In closing, Mr. McKane invited interested parties to listen to its conference call scheduled for 11:00 a.m. (EDT) today, Tuesday, August 2, 2005. Connection is available at <http://www.amcastle.com> and will be available for 14 days following the call.

About A.M. Castle & Co.

Founded in 1890, A. M. Castle & Co. is a specialty metals and plastics distribution company serving the North American market, principally within the producer durable equipment sector. Its customer base includes many Fortune 500 companies as well as thousands of medium and smaller-sized firms spread across a wide spectrum of industries. Within its core metals business, it specializes in the distribution of carbon, alloy and stainless steels; nickel alloy; aluminum; copper and brass. Through its subsidiary, Total Plastics, Inc., the Company also distributes a broad range of value-added industrial plastics. Together, Castle operates over 50 locations throughout North America. Its common stock is traded on the American and Chicago Stock Exchange under the ticker symbol "CAS".

Safe Harbor Statement / Regulation G Disclosure

This release may contain forward-looking statements relating to future financial results. Actual results may differ materially as a result of factors over which the Company has no control. These risk factors and additional information are included in the Company's reports on file with the Securities Exchange Commission.

The financial statements included in this release contain a non-GAAP disclosure, EBITDA, which consists of income before provision for income taxes plus depreciation and amortization, and interest expense (including discount on accounts receivable sold), less interest income. EBITDA is presented as a supplemental disclosure because this measure is widely used by the investment community for evaluation purposes and provides the reader with additional information in analyzing the Company's operating results. EBITDA should not be considered as an alternative to net income or any other item calculated in accordance with U.S. GAAP, or as an indicator of operating performance. Our definition of EBITDA used here may differ from that used by other companies. A reconciliation of EBITDA to net income is provided per U.S. Securities and Exchange Commission requirements.

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CONSOLIDATED STATEMENTS OF INCOME

(Dollars in thousands, except per share data)

Unaudited

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2005	2004	2005	2004
Net sales	\$ 250,967	\$ 188,221	\$ 497,170	\$ 363,854
Cost of material sold	(175,449)	(131,865)	(348,749)	(256,346)
Gross material margin	75,518	56,356	148,421	107,508
Plant and delivery expense	(27,347)	(23,405)	(53,715)	(47,001)
Sales, general, and administrative expense	(23,717)	(19,315)	(46,672)	(38,771)
Depreciation and amortization expense	(2,274)	(2,244)	(4,547)	(4,491)
Total operating expense	(53,338)	(44,964)	(104,934)	(90,263)
Operating income	22,180	11,392	43,487	17,245
Interest expense, net	(2,027)	(2,218)	(4,110)	(4,532)
Discount on sale of accounts receivable	(464)	(234)	(1,000)	(517)
Income before income tax and equity in joint venture	19,689	8,940	38,377	12,196
Income taxes				
Federal	(5,776)	(2,231)	(11,224)	(2,836)
State	(789)	(552)	(2,076)	(729)
Foreign	(759)	(828)	(1,509)	(1,382)
	(7,324)	(3,611)	(14,809)	(4,947)
Net income before equity in joint venture	12,365	5,329	23,568	7,249
Equity earnings of joint venture	1,016	1,104	2,525	1,739
Income taxes - joint venture	(399)	(435)	(993)	(685)
Net income	12,982	5,998	25,100	8,303
Preferred dividends	(240)	(240)	(480)	(480)
Net income applicable to common stock	\$ 12,742	\$ 5,758	\$ 24,620	\$ 7,823
Basic earnings per share	\$ 0.80	\$ 0.36	\$ 1.55	\$ 0.50
Diluted earnings per share	\$ 0.73	\$ 0.35	\$ 1.41	\$ 0.47
EBITDA *	\$ 25,470	\$ 14,740	\$ 50,559	\$ 23,475

*Earnings before interest, discount on sale of accounts receivable, taxes, depreciation and amortization

Reconciliation of EBITDA to net income:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2005	2004	2005	2004
Net income	\$ 12,982	\$ 5,998	\$ 25,100	\$ 8,303
Depreciation and amortization	2,274	2,244	4,547	4,491
Interest, net	2,027	2,218	4,110	4,532
Discount on accounts receivable sold	464	234	1,000	517
Provision from income taxes	7,324	3,611	14,809	4,947
Provision from income taxes - joint venture	399	435	993	685
EBITDA	\$ 25,470	\$ 14,740	\$ 50,559	\$ 23,475

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CONSOLIDATED BALANCE SHEETS

(Dollars in thousands)

Unaudited*

As of		
June 30 2005*	Dec. 31 2004	June 30 2004*

ASSETS

Current assets

Cash and equivalents

\$ 5,265 \$ 3,106 \$ 4,503

Accounts receivable, less allowances of \$2,023 in June 2005,
\$1,760 in December 2004, and \$449 in June 2004

102,268 80,323 91,714

Inventories (principally on last-in first-out basis)

(latest cost higher by approximately \$94,300 in June 2005,
\$92,500 in December 2004, and \$65,100 in June 2004)

129,645 135,588 105,224

Income tax receivable

289 169 408

Assets held for sale

995 995 1,059

Advances to joint venture and other current assets

7,419 7,325 8,658

Total current assets

245,881 227,506 211,566

Investment in joint venture

9,671 8,463 5,973

Goodwill

32,188 32,201 31,925

Pension assets

41,604 42,262 42,169

Advances to joint venture and other assets

7,026 7,586 7,464

Property, plant and equipment, at cost

Land

4,770 4,771 4,766

Building

45,587 45,514 47,131

Machinery and equipment

126,346 124,641 119,883

176,703 174,926 171,780

Less - accumulated depreciation

(114,147) (109,928) (105,133)

62,556 64,998 66,647

Total assets

\$ 398,926 \$ 383,016 \$ 365,744

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities

Accounts payable

\$ 86,740 \$ 93,342 \$ 87,299

Accrued liabilities and deferred gains

25,183 23,016 21,652

Current and deferred income taxes

9,114 4,349 2,377

Current portion of long-term debt

16,390 11,607 13,057

Total current liabilities

137,427 132,314 124,385

Long-term debt, less current portion

73,491 89,771 89,187

Deferred income taxes

20,809 19,668 20,147

Deferred gain on sale of assets

6,038 6,465 6,902

Minority interest

1,655 1,644 1,262

Postretirement benefits obligations

2,992 2,905 2,758

Stockholders' equity

Preferred stock, no par value - 10,000,000 shares
authorized; 12,000 shares issued and outstanding

11,239 11,239 11,239

Common stock, \$0.01 par value - authorized 30,000,000
shares; issued and outstanding 15,926,769 at June 2005,
15,806,366 at December 2004, and 15,793,937 at June 2004

159 159 159

Additional paid in capital

36,911 35,082 35,009

Earnings reinvested in the business

107,020 82,400 74,300

Accumulated other comprehensive income

1,430 1,616 663

Other - deferred compensation

- (2) (22)

Treasury stock, at cost - 202,524 shares at June 2005, 62,065
shares at December 2004, and 59,260 shares at June 2004

(245) (245) (245)

Total stockholders' equity

156,514 130,249 121,103

Total liabilities and stockholders' equity

\$ 398,926 \$ 383,016 \$ 365,744

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CONDENSED STATEMENTS OF CASH FLOWS

(Dollars in thousands)

Unaudited

For the Six Months Ended June 30	
2005	2004

Cash flows from operating activities:		
Net income	\$ 25,100	\$ 8,303
Adjustments to reconcile net income to net cash from operating activities		
Depreciation and amortization	4,547	4,491
Amortization of deferred gain	(427)	(402)
Equity in earnings from joint venture	(2,525)	(1,739)
Deferred income taxes	1,586	1,603
Non-cash pension loss and postretirement benefits	1,124	210
Deferred stock compensation	1,652	-
Other	148	698
Cash from operating activities before working capital changes	<u>31,205</u>	<u>13,164</u>
Increase (decrease) from changes in:		
Accounts receivable sold (purchased)	5,000	(5,000)
Accounts receivable	(27,121)	(31,373)
Inventory	5,711	13,650
Accounts payable and accrued liabilities	(4,276)	21,217
Other current assets	(96)	(1,763)
Income taxes payable	<u>4,213</u>	<u>2,433</u>
Net cash from operating activities	<u>14,636</u>	<u>12,327</u>
Cash flows from investing activities:		
Investments and acquisitions	-	(1,744)
Dividends from joint venture	1,334	207
Capital expenditures	<u>(2,204)</u>	<u>(2,372)</u>
Net cash from investing activities	<u>(870)</u>	<u>(3,909)</u>
Cash flows from financing activities:		
Repayment of long-term debt	(11,346)	(5,826)
Preferred stock dividend	(480)	(480)
Other	<u>177</u>	<u>(94)</u>
Net cash from financing activities	<u>(11,649)</u>	<u>(6,400)</u>
Effect of exchange rate changes on cash	42	30
Net increase in cash	2,159	2,048
Cash - beginning of year	<u>\$ 3,106</u>	<u>\$ 2,455</u>
Cash - end of period	<u>\$ 5,265</u>	<u>\$ 4,503</u>