

---

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

---

**FORM 8-K**

---

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934**

**Date of Report: August 7, 2016**

(Date of earliest event reported)

**A. M. CASTLE & CO.**

(Exact name of registrant as specified in its charter)

**Maryland**

(State or other jurisdiction of  
incorporation)

**1-5415**

(Commission File Number)

**36-0879160**

(IRS Employer Identification No.)

**1420 Kensington Road, Suite 220  
Oak Brook, IL 60523**

(Address of principal executive offices)

Registrant's telephone number including area code: **(847) 455-7111**

**Not Applicable**

(Former name or former address if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13 e-4(c) under the Exchange Act (17 CFR 240.13 e-4(c))

**Item 1.01 Entry into a Material Definitive Agreement.**

On August 7, 2016, A.M. Castle & Co. (the “Company”) entered into a Unit Purchase Agreement (the “Purchase Agreement”) with Duferco Steel, Inc. (“Buyer”), the Company’s joint venture partner, pursuant to which the Company agreed to sell its 50% interest in Depot Metal, LLC (a/k/a Kreher Steel) (“Kreher”) to Buyer for a purchase price of \$31,550,000. Following the transactions contemplated by the Purchase Agreement, Buyer will be the sole owner of Kreher. The transaction is expected to close on or before August 22, 2016.

The Purchase Agreement contains customary representations, warranties, conditions, and covenants of the Company and the Buyer. The Purchase Agreement also contains a three-year non-solicitation of customers and employees covenant from Seller in favor of Buyer.

The above description of the Purchase Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the Purchase Agreement filed herewith as Exhibit 10.1.

**Item 2.02 Results of Operations and Financial Condition.**

*In accordance with General Instruction B.2 to Form 8-K, the following information shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such a filing.*

The information regarding the results of operations and financial condition of the Company for the second quarter ended June 30, 2016, responsive to this Item 2.02, and contained in Exhibit 99.1 filed herewith, is incorporated by reference herein.

**Item 7.01 Regulation FD Disclosure.**

*In accordance with General Instruction B.2 to Form 8-K, the following information shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such a filing.*

The Company will present via live web cast its 2016 second quarter financial results on Tuesday, August 9, 2016, at 11:00 a.m. ET.

The call can be accessed via the internet live or as a replay. Those who would like to listen to the call may access the webcast through a link on the investor relations page of the Company's website at <http://www.amcastle.com/investors> or by calling (800) 708-4540 or (847) 619-6397 and citing code 4301 9550#.

An archived version of the conference call webcast will be available for replay at the link above approximately three hours following its conclusion, and will remain available until the next earnings conference call.

**Item 9.01 Financial Statements and Exhibits.**

(d) The following exhibits are filed herewith.

<b>Exhibit Number</b>	<b>Description</b>
10.1	Unit Purchase Agreement, dated August 7, 2016, by and between A.M. Castle & Co. and Duferco Steel, Inc.
99.1	Press Release, dated August 9, 2016.

### ***Cautionary Statement on Risks Associated with Forward Looking Statements***

Information provided and statements contained in this release that are not purely historical are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (“Securities Act”), Section 21E of the Securities Exchange Act of 1934, as amended (“Exchange Act”), and the Private Securities Litigation Reform Act of 1995. Such forward-looking statements only speak as of the date of this release and the Company assumes no obligation to update the information included in this release. Such forward-looking statements include information concerning our possible or assumed future results of operations, including descriptions of our business strategy, and the cost savings and other benefits that we expect to achieve from our facility closures and organizational changes. These statements often include words such as “believe,” “expect,” “anticipate,” “intend,” “predict,” “plan,” “should,” or similar expressions. These statements are not guarantees of performance or results, and they involve risks, uncertainties, and assumptions. Although we believe that these forward-looking statements are based on reasonable assumptions, there are many factors that could affect our actual financial results or results of operations and could cause actual results to differ materially from those in the forward-looking statements, including our ability to effectively manage our operational initiatives and restructuring activities, the impact of volatility of metals prices, the cyclical and seasonal aspects of our business, our ability to effectively manage inventory levels, our ability to successfully complete the remaining steps in our strategic refinancing process, and the impact of our substantial level of indebtedness, as well as including those risk factors identified in Item 1A “Risk Factors” of our Annual Report on Form 10-K for the fiscal year ended December 31, 2015, as amended, and our Quarterly Report on Form 10-Q, to be filed shortly. All future written and oral forward-looking statements by us or persons acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to above. Except as required by the federal securities laws, we do not have any obligations or intention to release publicly any revisions to any forward-looking statements to reflect events or circumstances in the future, to reflect the occurrence of unanticipated events or for any other reason.

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**A.M. CASTLE & CO.**

August 9, 2016

By: /s/ Marec E. Edgar

Marec E. Edgar

Executive Vice President, General Counsel,  
Secretary & Chief Administrative Officer

## EXHIBIT INDEX

<b>Exhibit No.</b>	<b>Description</b>
10.1	Unit Purchase Agreement, dated August 7, 2016, by and between A.M. Castle & Co. and Duferco Steel, Inc.
99.1	Press Release, dated August 9, 2016.

## UNIT PURCHASE AGREEMENT

THIS UNIT PURCHASE AGREEMENT (this “Agreement”) is made and entered into as of August 7, 2016, by and between A.M. Castle & Co., a Maryland corporation (“Seller”), and Duferco Steel, Inc., a Delaware corporation (“Buyer”).

WHEREAS, Seller and Buyer are parties to that certain Operating Agreement, effective as of March 1, 2012 (the “Operating Agreement”), of Depot Metal, LLC, a Delaware limited liability company (the “Company”);

WHEREAS, Seller owns, beneficially and of record, 500 Units (as defined in the Operating Agreement) of the Company (the “Units”); and

WHEREAS, upon the terms and subject to the conditions of this Agreement, Seller desires to sell to Buyer, and Buyer desires to purchase from Seller, all of the Units.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Purchase and Sale.

(a) Upon the terms, and subject to the conditions of this agreement, on the Closing Date, Seller shall sell, assign and transfer to Buyer (or Buyer’s nominee), and Buyer (or Buyer’s nominee) shall purchase and accept from Seller, all right, title and interest of Seller in and to the Units free and clear of all Liens.

(b) The parties agree that, effective as of the Closing, any and all existing Company equityholder or joint venture agreements between Buyer and Seller shall be terminated and of no further force and effect, including, without limitation, the Operating Agreement and the Joint Venture Agreement, dated May 1, 1995 (as amended, the “Joint Venture Agreement”), by and between Seller and Buyer; provided (i) Sections 7.01 and 7.04 of the Operating Agreement shall continue to apply to Seller with respect to the activities of the Company prior to Closing and (ii) Buyer shall cause the Company to provide to Seller such financial information about the Company as may be reasonably requested by Seller or its accountants in order to allow Seller to prepare its financial statements and tax returns relating to the fiscal year ended December 31, 2016.

2. Purchase Price and Payment. At the Closing, Buyer shall (or shall cause its nominee to) pay to Seller an amount in cash (the “Purchase Price”) equal to Thirty-One Million Five Hundred Fifty Thousand Dollars (\$31,550,000). The Purchase Price shall be made by Buyer (or on its behalf) to Seller in cash by wire transfer of immediately available funds to the account specified on Schedule A attached hereto (or such other account as may be specified by Seller not less than two Business Days prior to Closing).

3. Seller Representations and Warranties. Seller represents and warrants to Buyer that the following statements contained in this Section 3 are true, correct and complete as of the date hereof and as of the Closing:

(a) Due Authorization and Power. Seller is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation and has all requisite power, legal right and authority to execute and deliver this Agreement and the Ancillary Agreements, to perform its obligations hereunder and thereunder and to carry out the transactions contemplated hereby and thereby.

(b) Binding Agreement. The execution and delivery of this Agreement and the Ancillary Agreements by Seller, the performance by Seller of its obligations hereunder and thereunder and the consummation by Seller of the transactions contemplated hereby and thereby have been duly authorized by all requisite action on the part of Seller. This Agreement has been, and upon their execution the Ancillary Agreements will be, duly executed and delivered by Seller and (assuming due, authorization, execution and delivery by Buyer) this Agreement constitutes, and when executed and delivered, the Ancillary Agreements to be executed and delivered by Seller pursuant hereto will constitute, valid and legally binding agreements of Seller, enforceable in accordance with their respective terms.

(c) Title. Seller owns legal and valid title to the Units, free and clear of any and all Liens, except for those contained in the Operating Agreement. Other than the Units, Seller does not own any other equity interests in the Company. Other than the Operating Agreement, Seller is not a party to any voting trust, proxy, or other agreement or understanding with respect to the voting of any equity interests of the Company. Other than the Operating Agreement, there are no agreements, arrangements, commitments or undertakings between Seller and any Person or entity restricting or otherwise relating to voting, redemption or dividend rights or the sale, purchase or other disposition of the equity interests of the Company. Subject to Buyer's consent to the transactions contemplated hereunder, Seller has the power and authority to sell, transfer, assign and deliver the Units as provided in this Agreement and, upon the consummation of the transactions contemplated by this Agreement, Buyer shall have good and valid title to the Units, free and clear of any and all Liens.

(d) No Violation. Neither the execution and delivery by Seller of this Agreement or the Ancillary Agreements nor the consummation by Seller of the transactions contemplated hereby and thereby (i) will violate, conflict with or result in the breach of any provision of the certificate of incorporation or by-laws (or similar organizational documents) of Seller, (ii) will violate any Law applicable to Seller, (iii) will require any authorization, consent or approval by, or filing with or notice to, any Governmental Entity or any other Person or (iv) will conflict with, result in any breach of, constitute a default (or event which with the giving of notice or lapse of time, or both, would become a default) under, require any consent under, or give to others any rights of termination, amendment, acceleration, suspension, revocation or cancellation of, or result in the creation of any Lien on any of the Units pursuant to, any note, bond, mortgage or indenture, contract, agreement, lease, sublease, license, permit, franchise or other instrument or arrangement to which Seller is a party, except, in the case of this clause (iv), to the extent that such conflicts, breaches, defaults or other matters would not adversely affect the ability of Seller to carry out its obligations under, and to consummate the transactions contemplated by, this Agreement and the Ancillary Agreements.

(e) No Litigation. As of the date hereof, there is no Action by or against Seller pending before any Governmental Entity that would affect the legality, validity or enforceability of this Agreement, any Ancillary Agreement or the consummation of the transactions contemplated hereby or thereby.

(f) Solvency. Seller is not, and upon the consummation of the transactions contemplated hereby, Seller will not become Insolvent. There is no Action pending or, to Seller's knowledge, threatened by Seller or any third party to declare Seller bankrupt (whether voluntarily or involuntarily). To Seller's knowledge after due inquiry, the transactions contemplated hereby are not subject to being recovered, overturned or unwound as a voidable preference or fraudulent conveyance on the part of Seller.

(g) No Brokers. Seller has not used the services of any broker or finder in connection with the transactions contemplated by this Agreement.

4. Buyer Representations and Warranties. Buyer represents and warrants to Seller that the following statements contained in this Section 4 are true, correct and complete as of the date hereof and as of the Closing:

(a) Due Authorization and Power. Buyer is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation and has all requisite power, legal right and authority to execute and deliver this Agreement and Ancillary Agreements, to perform its obligations hereunder and thereunder and to carry out the transactions contemplated hereby and thereby.

(b) Binding Agreement. The execution and delivery of this Agreement and the Ancillary Agreements by Buyer, the performance by Buyer of its obligations hereunder and thereunder and the consummation by Buyer of the transactions contemplated hereby and thereby have been duly authorized by all requisite action on the part of Buyer. This Agreement has been, and upon their execution the Ancillary Agreements will be, duly executed and delivered by Buyer and (assuming due, authorization, execution and delivery by Seller) this Agreement constitutes, and when executed and delivered, the Ancillary Agreements to be executed and delivered by Buyer pursuant hereto will constitute, valid and legally binding agreements of Buyer, enforceable in accordance with their respective terms.

(c) No Violation. Neither the execution and delivery by Buyer of this Agreement or the Ancillary Agreements nor the consummation by Buyer of the transactions contemplated hereby and thereby (i) will violate, conflict with or result in the breach of any provision of the certificate of incorporation or by-laws (or similar organizational documents) of Buyer, (ii) will violate any Law applicable to Buyer, (iii) will require any authorization, consent or approval by, or filing with or notice to, any Governmental Entity or any other Person or (iv) will conflict with, result in any breach of, constitute a default (or event which with the giving of notice or lapse of time, or both, would become a default) under, require any consent under, or give to others any rights of termination, amendment, acceleration, suspension, revocation or cancellation of, or result in the creation of any Lien on any of the units of the Company held by Buyer pursuant to, any note, bond, mortgage or indenture, contract, agreement, lease, sublease, license, permit, franchise or other instrument or arrangement to which Buyer is a party, except, in the case of this clause (iv), to the extent that such conflicts, breaches, defaults or other matters would not adversely affect the ability of Buyer to carry out its obligations under, and to consummate the transactions contemplated by, this Agreement and the Ancillary Agreements.



(d) No Litigation. As of the date hereof, there is no Action by or against Buyer pending before any Governmental Entity that would affect the legality, validity or enforceability of this Agreement, any Ancillary Agreement or the consummation of the transactions contemplated hereby or thereby.

(e) Solvency. Buyer is not, and upon the consummation of the transactions contemplated hereby, Buyer will not become Insolvent. There is no Action pending or, to Buyer's knowledge, threatened by Buyer or any third party to declare Buyer bankrupt (whether voluntarily or involuntarily). To Buyer's knowledge after due inquiry, the transactions contemplated hereby are not subject to being recovered, overturned or unwound as a voidable preference or fraudulent conveyance on the part of Buyer.

(f) No Brokers. Buyer has not used the services of any broker or finder in connection with the transactions contemplated by this Agreement.

5. The Closing.

(a) Closing Date. The closing with respect to the transactions contemplated hereby (the "Closing") shall take place remotely by conference call and electronic (i.e., email/PDF) or facsimile delivery and exchange of documents and signatures, or through such other means as mutually agreed by the parties in writing, on or before August 22, 2016 or such other date as may be mutually agreed to by the parties (the "Closing Date"). All proceedings to be taken and all documents to be executed and delivered by all parties at the Closing shall be deemed to have been taken and executed simultaneously and no proceedings shall be deemed to have been taken nor documents executed or delivered until all have been taken, executed and delivered.

(b) Effective Time. The Closing shall be deemed effective as of 12:01 a.m., Chicago time, on the Closing Date.

(c) Items to be Delivered at Closing. At the Closing, the parties shall take the following actions and make the following deliveries:

(i) Instruments of Conveyance. Seller shall deliver to Buyer (or a nominee designated by Buyer) duly executed unit powers representing the assignment, transfer and conveyance of the Units in form and substance reasonably satisfactory to Buyer and its counsel.

(ii) Resignations. Seller shall deliver to Buyer resignations, in the form of Exhibit A, of all directors and officers of the Company and its subsidiaries which have been designated by Seller, effective upon the Closing.

(iii) FIRPTA. Seller shall deliver to Buyer a customary certificate pursuant to Section 1445 of the Internal Revenue Code certifying that Seller is not a foreign person.

(iv) Seller Resolutions. Seller shall deliver to Buyer a true and complete copy, certified by the Secretary or an Assistant Secretary of Seller, of the resolutions duly and validly adopted by the Board of Directors of Seller evidencing its authorization of the execution and delivery of this Agreement and the Ancillary Agreements to which it is a party and the consummation of the transactions contemplated hereby and thereby.

(v) Buyer Resolutions. Buyer shall deliver to Seller a true and complete copy, certified by the Secretary or an Assistant Secretary of Buyer, of the resolutions duly and validly adopted by the Board of Directors of Buyer evidencing its authorization of the execution and delivery of this Agreement and the Ancillary Agreements to which it is a party and the consummation of the transactions contemplated hereby and thereby.

(vi) Payment of Purchase Price. Buyer shall deliver the Purchase Price to Seller as contemplated by Section 2.

6. Covenants.

(a) Cooperation by Seller. Prior to the Closing, Seller shall use commercially reasonable efforts to obtain all material consents, authorizations and approvals, and timely submit any notices or filings, required under any applicable Laws, Governmental Orders or contracts from or to any Governmental Entity or other Person in connection with the sale of the Units by Seller to Buyer, in each case, if any. Seller shall not under any circumstances be required to make any payments required or sought by any third party for any such consent or otherwise in connection with its obligations under this Section 6(a) or Section 1.

(b) Cooperation by Buyer. Prior to the Closing, Buyer shall use commercially reasonable efforts to obtain all approvals, and timely submit any notices or filings, required under any applicable Laws or Governmental Orders in connection with the purchase of the Units by Buyer from Seller, in each case, if any. Buyer acknowledges and agrees that certain consents, authorizations and approvals to the transactions contemplated by this Agreement may be required from parties to contracts to which the Company is a party and such consents, authorizations and approvals have not been obtained. Prior to the Closing, Buyer shall assist Seller in obtaining such consents, authorizations and approvals on behalf of the Company; provided that the failure of the Company to obtain any such consent, authorization or approval shall not delay or prevent the Closing (including by application of Section 8(a)). For the avoidance of doubt, other than consents, authorizations or approvals that relate solely to Seller, Buyer agrees that (i) neither Seller nor any of its respective Affiliates or representatives shall have any liability whatsoever to Buyer or any of its respective Affiliates arising out of or relating to the failure to obtain any consents, authorizations or approvals required from parties to contracts to which the Company is a party in connection with the transactions contemplated by this Agreement or because of the default, acceleration or termination of any such contract, lease, license or other agreement as a result thereof and (ii) no representation, warranty or covenant of Seller contained herein shall be breached or deemed breached as a result of the failure to obtain any consent, authorization or approval required from parties to contracts to which the Company is a party or as a result of any such default, acceleration or termination or any lawsuit, action, claim, proceeding or investigation commenced or threatened by or on behalf of any Person arising out of or relating to the failure to obtain any consent, authorization or approval or any such default, acceleration or termination.

(c) Further Assurances Covenant. From time to time after the Closing Date, upon request of the other party and without further consideration, each party shall execute and deliver to the requesting party such documents and take such reasonable action

as the requesting party reasonably requests to consummate more effectively the intent and purposes of the parties under this Agreement and the transactions contemplated hereby.

(d) Tax Returns. The parties agree that the transactions contemplated by this Agreement shall be deemed to be effective as set forth in Section 5(b) and agree that the transactions contemplated by this Agreement shall be treated for all purposes, including for any federal, state or local tax purposes, as occurring at the date and time specified therein. Buyer and Seller agree that the items of income, gain, loss, deduction and credit of the Company shall be allocated to the period before the Closing and the period after the Closing based on a “closing of the books” method as of the Closing Date. Seller shall deliver to Buyer a copy of the statement required under Treasury Regulations § 1.751-1(a)(3) setting forth in reasonable detail a calculation of the amount of any gain or loss attributable to Code § 751 property, and the amount of any gain or loss attributable to capital gain or loss on the sale of the partnership interest in the Company. Buyer and Seller agree to file all federal income tax returns consistent with such statement and to make no elections or take any actions inconsistent with such statement, unless otherwise required by Law. Buyer and Seller shall each pay one half of any all sales, use, transfer, real property transfer, recording, stock transfer, value-added and other similar Taxes and fees imposed on the transactions contemplated by this agreement. For all taxable periods (or portions thereof) ending on or before the Closing Date, Buyer and Seller agree that the provisions of Section 9.02 of the Operating Agreement shall continue to apply as if Seller had remained a Member of the Company, except that Buyer, and not Seller, shall be considered the “Tax Matters Partner,” and Buyer and the Company shall take all actions necessary (including signing a power of attorney) to enable Buyer to act as “Tax Matters Partner” under section 9.02 of the Operating Agreement.

(e) Confidentiality. Seller agrees to, and shall cause its agents, representatives, Affiliates, employees, officers and directors to: (i) treat and hold as confidential (and not disclose or provide access to any Person to) all information relating to trade secrets, processes, patent applications, product development, price, customer and supplier lists, pricing and marketing plans, policies and strategies, details of client and consultant contracts, operations methods, product development techniques, business acquisition plans, new personnel acquisition plans and all other confidential or proprietary information with respect to the Company and each of its subsidiaries, (ii) in the event that Seller or any such agent, representative, Affiliate, employee, officer or director becomes legally compelled to disclose any such information, provide the Buyer with prompt written notice of such requirement so that Buyer, the Company or any of its subsidiaries, at their expense, may seek a protective order or other remedy or waive compliance with this Section 6© and (iii) in the event that such protective order or other remedy is not obtained, furnish only that portion of such confidential information which is legally required to be provided and exercise its best efforts to obtain assurances that confidential treatment will be accorded such information; provided, however, that this sentence shall not apply to any information which (i) is or becomes generally available to the public other than as a result of a disclosure by Seller or its Representatives in violation of this Agreement or other obligation of confidentiality or (ii) becomes available to Seller on a nonconfidential basis from a Person (other than the Company, any of its subsidiaries or Buyer) who, to Seller’s knowledge, is not prohibited from disclosing such information to Seller by a legal, contractual or fiduciary obligation to the Company, any of its subsidiaries or Buyer. Seller shall deliver to Buyer or destroy (with a certificate of such destruction delivered to Buyer) all confidential information (including all copies or reproductions thereof in whatever form or medium,

including electronic copies) relating to the Company or any of its subsidiaries, except that one copy of all such information may be kept in Seller's legal department or by Seller's legal counsel for compliance purposes and copies maintained in accordance with Seller's record retention policy. Seller agrees and acknowledges that each such copy shall remain subject to the obligations of this Section 6©. Seller agrees and acknowledges that remedies at law for any breach of its obligations under this Section 6© are inadequate and that in addition thereto Buyer shall be entitled to seek equitable relief, including injunction and specific performance, in the event of any such breach.

(f) No Solicit of Customers.

(i) Subject to clauses (ii) and (iii) of this Section 6(f), Seller agrees that, for a period of three years following the Closing, Seller will not in any way, directly or indirectly through any of its now existing subsidiaries, call upon or solicit, solely with respect to the Business, or otherwise do, or attempt to do, business (solely with respect to the Business) with, any customers of the Company or any of its subsidiaries listed on Schedule B hereto (collectively, the "Customer Restrictive Covenants"), provided, however, that for purposes of this Section 6(f) "Business" shall mean solely the business of the Company as conducted as of the date hereof.

(ii) Notwithstanding anything in this Agreement to the contrary, (A) Seller and its subsidiaries, directly or indirectly, may acquire (and subsequently own, operate and otherwise engage in), without violation or breach of this Agreement or any provision herein, any business, a portion of which is engaged in the Business; provided that the portion which engages in the Business constitutes no more than thirty-five percent (35%) of the gross revenues and gross profits of the overall business acquired; and (B) the Customer Restrictive Covenants shall not apply to (I) any business operated by Seller or any of its subsidiaries as of the date hereof (including any business operated within the prior twelve (12) month period) or any reasonable extensions or expansions of any such business following the date hereof, which shall include, without limitation, any customers of Seller or any of its subsidiaries with respect to such business (even if such customers are set forth on Schedule B) or (II) any acquirer of Seller or any of its subsidiaries.

(iii) For avoidance of doubt, the parties hereto acknowledge and agree that the Customer Restrictive Covenants shall terminate immediately and cease to apply to or bind Seller or any subsidiary of Seller (or business or division of Seller or any subsidiary of Seller) upon the consummation of the acquisition of Seller or any such subsidiary (or business or division of Seller or any subsidiary of Seller) (or all or substantially all of its assets) by a third party that is not an Affiliate of Seller. In addition, the Customer Restrictive Covenants shall terminate immediately in the event of a change in control (as defined in the United States Securities Exchange Act of 1934 and the rules and regulations thereunder) of Seller or any direct or indirect owner of a majority of the equity interests of Seller.

(g) No Solicit of Employees. In addition, Seller agrees that, for a period of three years following the Closing, Seller will not in any way, directly or indirectly, solicit or attempt to solicit any officers or employees of the Company or any of its subsidiaries, or induce or attempt to induce any of them to leave the employ of the Company or any of its Subsidiaries or violate the terms of their contracts, or any employment arrangements, with the Company or any of its subsidiaries; provided, however, that the foregoing will not prohibit a general solicitation to the public of general advertising; provided, further, that Seller agrees that for a period of three years following the Closing, neither Seller nor any of its subsidiaries

shall hire any officers or employees of the Company or any of its subsidiaries who are salesmen, senior management or directors of the Company or any of its subsidiaries.

(h) In the event that this Agreement is terminated due to the failure of Buyer to obtain the approval described in Section 8(a)(iii) on or prior to August 22, 2016, Buyer and Seller agree to commence a mutually agreed upon sales process as promptly as practicable after such termination, which process shall include the prompt engagement of a mutually-agreed upon, nationally-recognized investment banker for the purpose of commencing an auction process, and agree to work in good faith to market the Company to a third party for purposes of consummating a sale of the Company, whether by sale of all or substantially all of the assets, sale of equity interests, merger or other business combination, in each case on terms and conditions as shall be mutually agreed to by Buyer and Seller.

7. Release and Waiver.

(a) Effective as of the Closing without any further action by either party hereto, Seller hereby releases and forever discharges the Company, Buyer and each of their respective Affiliates and past and present officers and directors (collectively, the “Buyer Releasees”) from any and all claims, demands, actions, arbitrations, audits, hearings, investigations, litigations, suits (whether civil, criminal, administrative, investigative or informal), causes of action, orders, obligations, contracts, agreements, debts and liabilities whatsoever, whether known or unknown, suspected or unsuspected, contingent or otherwise, both at law and in equity, of any kind, character or nature whatsoever (“Claims”) which Seller now has or has ever had against the Buyer Releasees with respect to the Units; provided, however, that the foregoing release and discharge shall not (i) relieve Buyer of its obligations or liabilities to Seller pursuant to this Agreement, (ii) be deemed to constitute a waiver of the availability of insurance to cover Claims, (iii) relieve the Company, or any of its subsidiaries or related companies, of their obligations under their organizational or other documents, including, without limitation, the Operating Agreement, and specifically with respect to indemnification of any Members, Managers, employees or agents of the Company and its subsidiaries, (iv) relieve Buyer for any Claims of actual fraud by Buyer or any of its Representatives. Seller understands and agrees that, except as specified in clauses (i), (ii), (iii) or (iv) above, it is expressly waiving all Claims against the Buyer Releasees covered by this release and discharge, including, without limitation, those Claims that it may not know of or suspect to exist, which if known, may have materially affected the decision to provide this release and discharge.

(b) Effective as of the Closing without any further action by either party hereto, Buyer, for itself and on behalf of each of its respective Affiliates (including the Company and its subsidiaries) and each of their respective past and present employees, officers, managers and directors, hereby releases and forever discharges Seller and each of its Affiliates and past and present officers and directors (collectively, the “Seller Releasees”) from any and all Claims which Buyer and each of its Affiliates (including the Company and its subsidiaries) and each of their respective past and present officers, employees, managers and directors now has or has ever had against the Seller Releasees; provided, however, that the foregoing release and discharge shall not (i) relieve Seller of its obligations or liabilities to Buyer pursuant to this Agreement, (ii) be deemed to constitute a waiver of the availability of insurance to cover Claims or (iii) relieve Seller for any Claims of actual fraud by Seller or any of its Representatives. Buyer understands and agrees that, except as specified in (i),

(ii) or (iii) above, it is expressly waiving all Claims against the Seller Releases covered by this release and discharge, including, without limitation, those Claims that he may not know of or suspect to exist, which if known, may have materially affected the decision to provide this release and discharge.

8. Closing Conditions.

(a) The obligations of Buyer to consummate the transactions contemplated by this Agreement shall be subject to the satisfaction at or prior to the Closing of all of the following conditions, any or all of which may be waived, in whole or in part, by Buyer to the extent permitted by applicable law:

(i) Representations, Warranties and Covenants of Seller. Seller shall have complied in all material respects with its agreements and covenants contained herein to be complied with on or prior to the Closing Date, and all the representations and warranties of Seller contained in Section 3 shall be true in all respects on and as of the Closing Date. Buyer shall have received a certificate executed by Seller, dated as of the Closing Date, certifying as to the fulfillment of the conditions set forth in this Section 8(a).

(ii) No Prohibitions. No Law or Governmental Order shall be in effect which prohibits Buyer from consummating the transactions contemplated by this Agreement.

(iii) Corporate Formality. The board of directors of Dufenco International Trading Holding S.A., the parent company of Buyer, shall have taken the necessary corporate action to formally approve the transactions contemplated by this Agreement.

(iv) Closing Deliveries. Seller shall have delivered, or cause to be delivered, to Buyer the documents identified in Section 5©(i), (ii), (iii) and (iv).

(b) The obligation of Seller to consummate the transactions contemplated by this Agreement shall be subject to the satisfaction at or prior to the Closing of all of the following conditions, any or all of which may be waived, in whole or in part, by Seller to the extent permitted by applicable law:

(i) Representations, Warranties and Covenants of Buyer. Buyer shall have complied in all material respects with its agreements and covenants contained herein to be complied with on or prior to the Closing Date, and the representations and warranties of Buyer contained in Section 4 shall be true in all respects on and as of the Closing Date. Seller shall have received a certificate executed by Buyer, dated as of the Closing Date, certifying as to the fulfillment of the conditions set forth in this Section 8(b).

(ii) No Prohibitions. No Law or Governmental Order shall be in effect which prohibits Seller from consummating the transactions contemplated by this Agreement.

(iii) Corporate Formality. The board of directors of Seller shall have taken the necessary corporate action to formally approve the transactions contemplated by this Agreement.

(iv) Closing Deliveries. Buyer shall have delivered, or cause to be delivered, to Seller the items identified in Section 5©(v) and (vi).

9. Termination.

(a) This Agreement may be terminated only as follows:

(i) by the mutual written consent of Seller and Buyer at any time prior to the Closing;

(ii) Buyer may terminate this Agreement by giving written notice to Seller at any time prior to the Closing (i) in the event Seller has breached any material representation and warranty, covenant or agreement contained in this Agreement which has prevented the satisfaction of any condition in Section 8 to the obligations of Buyer at the Closing, Buyer has notified Seller of the breach and the breach has continued without cure for a period of ten (10) days after the notice of such breach or (ii) if the Closing shall not have occurred on or before August 22, 2016 by reason of the failure to satisfy any condition precedent under Section 8 (unless the failure results primarily from Buyer breaching any representation and warranty, covenant or agreement contained in this Agreement); and

(iii) Seller may terminate this Agreement by giving written notice to Buyer at any time prior to the Closing (i) in the event Buyer has breached any material representation and warranty, covenant or agreement contained in this Agreement which has prevented the satisfaction of any condition in Section 8 to the obligations of Seller at the Closing, Seller has notified Buyer of the breach and the breach has continued without cure for a period of ten (10) days after the notice of such breach or (ii) if the Closing shall not have occurred on or before August 22, 2016 by reason of the failure to satisfy any condition precedent under Section 8 (unless the failure results primarily from Seller breaching any representation and warranty, covenant or agreement contained in this Agreement).

(b) The termination of this Agreement pursuant to this Section 9 shall terminate all rights and obligations of the parties hereunder and no party shall have any liability to the other party hereunder, except that Sections 6(h) and 11 and this Section 9(b) shall survive such termination, and provided that nothing herein shall relieve any party from liability for any breach of any covenant or agreement in this Agreement prior to such termination in any manner that shall have proximately contributed to the occurrence of the failure of the Closing to occur.

10. Definitions. For purposes of this Agreement, the term:

“Action” means any claim, action, suit, arbitration, inquiry, proceeding or investigation by or before any Governmental Entity.

“Affiliate” of any Person means any person directly or indirectly controlling, controlled by, or under common control with that Person and any officer, director or controlling person of that Person.

“Agreement” shall have the meaning set forth in the preamble of this Agreement.

“Ancillary Agreements” means the instrument of transfer specified in Section 5©(i) and the FIRPTA certificate specified in Section 5©(iii).

“Business” shall have the meaning set forth in Section 6(f).

“Business Day” shall mean any day other than a Saturday, Sunday, or other day on which banking institutions in the State of Illinois are authorized by Law to close and any day on which banks in Lugano, Switzerland are open for the transaction of normal banking business.

“Buyer” shall have the meaning set forth in the preamble of this Agreement.

“Buyer Releasees” shall have the meaning set forth in Section 7(a).

“Claims” shall have the meaning set forth in Section 7(a).

“Closing” shall have the meaning set forth in Section 5(a).

“Closing Date” shall have the meaning set forth in Section 5(a).

“Company” shall have the meaning set forth in the recitals to this Agreement.

“Governmental Entity” shall mean any legislature, agency, bureau, branch, department, division, commission, court, tribunal, magistrate, justice, multi-national organization, quasi-governmental body, regulatory or administrative authority, or other similarly recognized organization or body of any federal, state, county, municipal, local, or foreign government or other similar recognized organization or body exercising similar powers or authority, including any stock exchange authority.

“Governmental Order” means any order, writ, judgment, injunction, decree, stipulation, determination, ruling, charge or award entered by or with any Governmental Entity.

“Insolvent” means a Person can no longer meet its financial obligations with its [lenders](#) or creditors as its debts become due.

“Joint Venture Agreement” shall have the meaning set forth in Section 1(b).

“Law” shall mean any federal, state, local, foreign or other statute, law, ordinance, rule, regulation, code, plan or Governmental Order.

“Lien” means any security interest, pledge, hypothecation, mortgage, lien (including environmental and tax liens), violation, charge (whether fixed or floating), lease, license, encumbrance, servient easement, assignment, adverse claim, reversion, reverter, preferential arrangement, third party interest (including title transfer and/or retention arrangements having similar effect), option, warrant, purchase right, contract, commitment, equity, claim, demand, restrictive covenant, condition or restriction of any kind, including any restriction on the use, voting, transfer, receipt of income or other exercise of any attributes of ownership.

“Operating Agreement” shall have the meaning set forth in the recitals to this Agreement.

“Person” shall mean any individual, corporation, partnership, association or any other entity or organization.



“Purchase Price” shall have the meaning set forth in Section 2.

“Representatives” of a Person means such Person’s Affiliates and its and their directors, officers, employees, agents or advisors.

“Seller” shall have the meaning set forth in the preamble of this Agreement.

“Seller Releasees” shall have the meaning set forth in Section 7(b).

“Units” shall have the meaning set forth in the recitals to this Agreement.

11. Miscellaneous.

(a) Survival. The representations and warranties of the parties contained in this Agreement shall survive the Closing indefinitely. All covenants and agreements contained herein shall remain in full force and effect for a period of 12 months following the Closing, except for those covenants and agreements that by their terms are to be performed in whole or in part after the Closing, which shall remain in full force and effect for a period of 12 months following the date by which such covenant or agreement is required to be performed.

(b) Expenses. Except as otherwise specified in this Agreement, all costs and expenses, including, fees and disbursements of counsel, financial advisors and accountants, incurred in connection with this Agreement and the transactions contemplated by this Agreement shall be borne by the party incurring such costs and expenses, whether or not the Closing shall have occurred.

(c) Announcements. Neither party to this Agreement shall make, or cause to be made, any press release or public announcement in respect of this Agreement or the transactions contemplated by this Agreement or otherwise communicate with any news media without the prior written consent of the other party unless otherwise required by Law or applicable stock exchange regulation (which shall include the filing of an 8-K or press release), and the parties to this Agreement shall cooperate as to the timing and contents of any such press release, public announcement or communication.

(d) Notices. All notices, requests, demands and other communications to be given pursuant to the terms of this Agreement shall be in writing and shall be deemed to have been duly given on the date of delivery if personally delivered, on the date of transmission if sent by facsimile, one day after being deposited with a recognized overnight courier, or three days after being mailed first class, postage prepaid, in each case to the parties at the addresses listed below:

(i) If to Seller:  
A.M. Castle & Co.  
1420 Kensington Road, Suite 220  
Oakbrook, Illinois 60523  
Telephone: (847) 349-2501  
Facsimile: (847) 241-8189  
Attention: Steven Scheinkman

with a copy to (which copy shall not constitute notice hereunder):

A.M. Castle & Co.  
1420 Kensington Road, Suite 220  
Oakbrook, Illinois 60523  
Telephone: (847) 349-2516  
Facsimile: (630) 995-9458  
Attention: General Counsel

and

Winston & Strawn LLP  
35 W. Wacker Drive  
Chicago, Illinois 60601  
Telephone: (312) 558-5243  
Facsimile: (312) 558-5700  
Attention: Timothy D. Kincaid

(ii) If to Buyer:

Duferco Steel, Inc.  
100 Matawan Rd., Suite 400  
Matawan, New Jersey 07747  
Telephone: (732) 242-1521  
Facsimile: (732) 242-1021  
Attention: John O' Brien, EVP Finance CFO

with a copy to (which copy shall not constitute notice hereunder):

DUFERCO SA  
Via Bagutti 9  
6900 Lugano  
Switzerland  
Telephone: +41 91 822 5728 (Direct)  
Facsimile: +41 91 822 57 00  
Attention: Graham Donnell

and

Greenberg Traurig, LLP  
200 Park Avenue  
New York, New York 10166  
Telephone: (212) 801-9219  
Facsimile: (212) 801-6400  
Attention: Kenneth A. Gerasimovich

(e) Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any Law or public policy, all other terms and provisions of this Agreement shall nevertheless remain in full force and effect for so

long as the economic or legal substance of the transactions contemplated by this Agreement is not affected in any manner materially adverse to either party hereto. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner in order that the transactions contemplated by this Agreement are consummated as originally contemplated to the greatest extent possible.

(f) Counterparts. This Agreement may be executed in counterparts (including by means of electronic or facsimile transmissions), each of which shall be deemed an original, but both of which, together, shall constitute one and the same instrument.

(g) Governing Law; Submission to Jurisdiction. This Agreement shall be governed by, and construed in accordance with, the Laws of the State of Delaware, without regard to any choice of law principles, including all matters of construction, validity and performance, and shall be binding upon the successors and assigns of the parties hereto. All Actions arising out of or relating to this Agreement shall be heard and determined exclusively in any federal court sitting in the New Castle County, Delaware; provided, however, that if such federal court does not have jurisdiction over such Action, such Action shall be heard and determined exclusively in any Delaware state court sitting in New Castle County, Delaware. Consistent with the preceding sentence, the parties hereto hereby (a) submit to the exclusive jurisdiction of any federal or state court sitting in New Castle County, Delaware, for the purpose of any Action arising out of or relating to this Agreement brought by any party hereto and (b) irrevocably waive, and agree not to assert by way of motion, defense, or otherwise, in any such Action, any claim that it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that the Action is brought in an inconvenient forum, that the venue of the Action is improper, or that this Agreement or the transactions contemplated by this Agreement may not be enforced in or by any of the above-named courts.

(h) Waiver of Jury Trial. EACH OF the parties hereto hereby waives to the fullest extent permitted by applicable law any right it may have to a trial by jury with respect to any litigation directly or indirectly arising out of, under or in connection with this Agreement or the transactions contemplated by this Agreement. EACH OF the parties hereto hereby (a) certifies that no representative, agent or attorney of the other party has represented, expressly or otherwise, that such other party would not, in the event of litigation, seek to enforce the foregoing waiver and (b) acknowledges that it has been induced to enter into this Agreement and the transactions contemplated by this Agreement, as applicable, by, among other things, the mutual waivers and certifications in this Section 11(H).

(i) Headings. Headings are for convenience only and shall not affect the interpretation of this Agreement.

(j) Entire Agreement. This Agreement is intended by the parties as a final expression of their agreement and intended to be a complete and exclusive statement of the agreement and understanding of the parties hereto in respect of the subject matter contained herein. This Agreement sets forth the entire understanding of the parties, and supersedes all prior agreements, arrangements and communications, whether oral or written, with respect to the specific subject matter hereof.

(k) No Waiver; Amendments in Writing. No waiver of or consent to any departure from any provision of this Agreement shall be effective unless signed in writing by the party entitled to the benefit thereof, provided that notice of any such waiver shall be given to each party hereto. Except as otherwise provided herein, no amendment, modification or termination of any provision of this Agreement shall be effective unless signed in writing by or on behalf of the parties hereto.

(l) Binding Effect; Assignment. All of the terms of this Agreement shall be binding upon, inure to the benefit of and be enforceable by and against Seller and Buyer and their respective successors and authorized assigns. Nothing in this Agreement, express or implied, is intended to confer upon any other Person any rights or remedies under or by reason of this Agreement except as expressly indicated herein. Neither Seller nor Buyer shall assign any of its respective rights or obligations under this Agreement to any other Person without the prior written consent of the other party and any attempted assignment without such consent shall be void; provided that Buyer may assign the right to purchase the Units to a nominee, but no such assignment shall relieve Buyer from its obligations under this Agreement.

[signature page follows]

IN WITNESS WHEREOF, the parties hereto have caused this Unit Purchase Agreement to be duly executed as of the date first written above.

A.M. CASTLE & CO.

By: /s/ Marec Edgar  
Name: Marec Edgar  
Title: Executive Vice President, General Counsel,  
Secretary and Chief Administrative Officer

DUFERCO STEEL, INC.

By: /s/ John O'Brien  
Name: John O'Brien  
Title: EV Finance CFO



# A.M. CASTLE & CO.

1420 Kensington Road  
Suite 220  
Oak Brook, IL 60523  
P: (847) 455-7111  
F: (847) 241-8171

## For Further Information:

### -At ALPHA IR-

Analyst Contact

Chris Hodges or Chris Donovan

(312) 445-2870

Email: CAS@alpha-ir.com

Traded: NYSE (CAS)

## FOR IMMEDIATE RELEASE

TUESDAY, AUGUST 9, 2016

### A. M. CASTLE & CO. REPORTS SECOND QUARTER 2016 RESULTS

*Realized sequential quarterly and year-over-year improvement in key financial performance metrics*

**OAK BROOK, IL, August 9th - A. M. Castle & Co. (NYSE:CAS)** (the "Company" or "Castle"), a global distributor of specialty metal and supply chain solutions, today reported financial results for the second quarter ended June 30, 2016.

#### Highlights:

- Gross material margin improved year-over-year, sequentially and each month of the quarter;
- Excluding closed Houston and Edmonton branches, sales tons per day increased by 5% from the first quarter 2016 and roughly 1% from the second quarter 2015;
- Operating expenses were \$44.3 million in the second quarter 2016, compared to \$70.2 million in the second quarter 2015 and \$57.0 million in the first quarter 2016. Excluding restructuring expenses, operating expenses decreased to \$42.3 million in the second quarter 2016, compared to \$54.6 million in the second quarter 2015 (a decrease in cash operating expenses of 24.1% on a per ton basis) and \$45.2 million in the first quarter 2016;
- Announced sale of 50% equity ownership in Kreher Steel Company, LLC ("Kreher") to joint venture partner;
- Made early payment of \$5.5 million in settlement of the remaining principal balance of Senior Secured Notes due December 15, 2016.

President and CEO Steve Scheinkman commented, "The second quarter marked the completion of our strategic restructuring plan announced in April of last year. The financial performance recorded in the second quarter demonstrates the emergence of a leaner, more focused A.M. Castle that built momentum during each month of the quarter. In the period, we realized both year-over-year and sequential quarter improvement in key financial performance metrics, including tons sold per day and operating expenses, both in absolute terms and cost per ton. Excluding tons sold by our Houston and Edmonton facilities, which we closed in February 2016 as a result of our strategic decision to reduce our exposure to the oil and gas market, tons sold per day increased by 5% compared to the first quarter of this year and roughly 1% compared to second quarter 2015."

Scheinkman continued, "According to leading industry publications, the service center industry experienced an increase in tons shipped per day from the first quarter of 2016 of less than 1% and a decline in tons shipped per day of approximately 5% compared to the prior year second quarter. Even without improvement in market demand and replacement cost of the majority of our products, we achieved sequential and year-over-year growth in sales tons and gross material margins as a result of the aggressive organizational actions we have taken over the last year to restructure our branch network costs, better align our sales force with customers' needs, increase our transactional business, and improve our capital structure. We believe these results bode well for our ability to further improve our financial performance as market demand and pricing improves."

#### Second Quarter 2016 Results

Net sales in the second quarter 2016 were \$130.7 million, a decrease of \$35.6 million, or 21.4%, compared to the second quarter 2015. The decrease in net sales was mainly attributable to a 6.4% decrease in tons sold per day compared to the same period last

year, coupled with a 13.9% decrease in average selling prices. Impacting the decrease in net tons sold per day were sales attributable to the Company's Houston and Edmonton operations, which were closed in February 2016. Excluding the tons sold from the Houston and Edmonton operations in the second quarter 2015, tons sold per day increased roughly 1% in the second quarter 2016 compared to the second quarter 2015.

Loss from continuing operations in the second quarter 2016 was \$21.3 million, or a loss from continuing operations of \$0.77 per diluted common share, compared to a loss from continuing operations of \$47.1 million, or a loss from continuing operations of \$2.00 per diluted common share, in the second quarter 2015 and \$44.8 million, or a loss from continuing operations of \$1.90 per diluted common share, in the first quarter 2016. Adjusted non-GAAP loss from continuing operations for the second quarter 2016 was \$17.7 million compared to adjusted non-GAAP loss from continuing operations of \$11.5 million in the second quarter 2015. Adjusted non-GAAP loss from continuing operations was \$26.1 million in the first quarter 2016. Negative EBITDA from continuing operations in the second quarter 2016 was \$6.9 million, compared to negative EBITDA from continuing operations of \$45.7 million in the second quarter 2015 and \$30.4 million in the first quarter 2016. The Company had negative adjusted EBITDA from continuing operations of \$3.4 million in the second quarter 2016 compared with negative adjusted EBITDA from continuing operations of \$10.1 million in the second quarter 2015 and \$11.6 million in the first quarter 2016.

Total restructuring activity recorded during the second quarter 2016 resulted in expense of \$2.0 million compared to expense from restructuring activity of \$15.6 million in the prior year period. Restructuring activity in the second quarter 2016 consisted mainly of moving costs associated with plant consolidations related to the April 2015 strategic restructuring plan and lease termination costs associated with the closure of the Houston and Edmonton facilities.

Gross material margin, calculated as net sales less cost of materials (exclusive of depreciation and amortization) divided by net sales, was 25.3% in the second quarter 2016 compared to 8.5% in the second quarter 2015. The gross material margin in the second quarter 2015 was negatively impacted by \$22.3 million of inventory scrapping expenses associated with restructuring activity in that quarter. Excluding those expenses recognized in cost of material, adjusted gross material margin in the second quarter 2015 was 21.9%. Gross material margin in the first quarter 2016 was 18.4% and adjusted gross material margin, which excludes the \$27.1 million sale of inventory at the Company's Houston and Edmonton facilities and a \$0.5 million charge to cost of material for inventory scrapped related to restructuring activities, was 22.3%.

Along with the lower cost structure implemented by the Company through its April 2015 strategic restructuring plan, the closure of its Houston and Edmonton facilities had a favorable impact on operating expenses in the second quarter 2016. Operating expenses were \$44.3 million in the second quarter 2016, compared to \$70.2 million in the second quarter 2015 and \$57.0 million in the first quarter 2016. Excluding restructuring expenses, operating expenses were \$42.3 million in the second quarter 2016, compared to \$54.6 million in the second quarter 2015 and \$45.2 million in the first quarter 2016.

Executive Vice President and CFO, Pat Anderson, commented, "The lower cost structure we envisioned when announcing our strategic restructuring activities in April of last year has now largely been achieved as evidenced by the substantial decrease in year-over-year operating expenses, as well as improved gross material margin. We believe this, along with our improved capital structure resulting from our refinancing efforts, has positioned us well for profitable growth in the coming years."

Net cash used in operating activities of continuing operations was \$19.2 million during the six months ended June 30, 2016, compared to \$19.8 million during the six months ended June 30, 2015. Net cash from investing activities of \$54.5 million during the six months ended June 30, 2016 is attributable to cash proceeds from the sale of Total Plastics Inc. ("TPI") in the first quarter 2016. The proceeds from the sale of TPI were used to pay down the Company's long-term debt, which, along with the \$8.7 million payment of debt restructuring costs, resulted in net cash used in financing activities of \$29.2 million during the first six months of 2016. The Company had \$46.0 million of borrowings outstanding under its revolving credit facility at June 30, 2016, and \$14.0 million of additional unrestricted borrowing capacity available under its revolving credit facility. The Company had \$66.1 million in borrowings under the revolving credit facility at December 31, 2015. The Company's net debt-to-capital ratio was 94.6% at June 30, 2016, compared to 84.1% at December 31, 2015. Total long-term debt outstanding, net of unamortized discount, unamortized debt issuance costs and the derivative liability for the embedded conversion feature of the Company's convertible notes, was \$280.4 million at June 30, 2016 and \$317.6 million at December 31, 2015. Refer to the "Total Long-Term Debt" table below for details related to the Company's outstanding debt obligations.

On August 8, 2016, the Company announced it has entered into an agreement for the sale of its 50% equity interest in Kreher to its joint venture partner for proceeds of approximately \$31.6 million, subject to formal corporate approval by both joint venture partners' boards of directors. "We intend to use the proceeds from the sale of Kreher to further pay down our long-term debt. We also recently made an early payment of \$5.5 million to settle the remaining principal balance of our 12.75% Senior Secured Notes due December 15, 2016," said Anderson.

Scheinkman concluded, "While we are pleased with the improvement in our financial performance in the quarter, we know we still have more work to do and we continue to aggressively pursue opportunities for further improvement. Although the third

quarter is historically one of our slower periods due to normal seasonality in the summer months, we enter the second half of the year more confident that the positive financial trends we saw in the second quarter will position us well to expand our customer base and grow our business over the long term."

### **Webcast Information**

Management will hold a conference call at 11:00 a.m. ET today to review the Company's results for the second quarter ended June 30, 2016 and discuss market conditions and business outlook. The call can be accessed via the internet live or as a replay. Those who would like to listen to the call may access the webcast through a link on the investor relations page of the Company's website at <http://www.castlemetals.com/investors> or by calling (800) 708-4540 or (847) 619-6397 and citing code 4301 9550#.

An archived version of the conference call webcast will be available for replay at the link above approximately three hours following its conclusion, and will remain available until the next earnings conference call.

### **About A. M. Castle & Co.**

Founded in 1890, A. M. Castle & Co. is a global distributor of specialty metal and supply chain services, principally serving the producer durable equipment, commercial aircraft, heavy equipment, industrial goods, construction equipment, and retail sectors of the global economy. Its customer base includes many Fortune 500 companies as well as thousands of medium and smaller-sized firms spread across a variety of industries. It specializes in the distribution of alloy and stainless steels; nickel alloys; aluminum and carbon. Together, Castle and its affiliated companies operate out of 21 metals service centers located throughout North America, Europe and Asia. Its common stock is traded on the New York Stock Exchange under the ticker symbol "CAS".

### **Non-GAAP Financial Measures**

This release and the financial statements included in this release include non-GAAP financial measures. The non-GAAP financial information should be considered supplemental to, and not as a substitute for, or superior to, financial measures calculated in accordance with GAAP. However, we believe that non-GAAP reporting, giving effect to the adjustments shown in the reconciliation contained in this release and in the attached financial statements, provides meaningful information and therefore we use it to supplement our GAAP reporting and guidance. Management often uses this information to assess and measure the performance of our business. We have chosen to provide this supplemental information to investors, analysts and other interested parties to enable them to perform additional analysis of operating results, to illustrate the results of operations giving effect to the non-GAAP adjustments shown in the reconciliations and to assist with period-over-period comparisons of such operations. The exclusion of the charges indicated herein from the non-GAAP financial measures presented does not indicate an expectation by the Company that similar charges will not be incurred in subsequent periods.

In addition, the Company believes that the use and presentation of EBITDA, which is defined by the Company as income (loss) from continuing operations before provision for income taxes plus depreciation and amortization, and interest expense, less interest income, is widely used by the investment community for evaluation purposes and provides investors, analysts and other interested parties with additional information in analyzing the Company's operating results. Adjusted non-GAAP net income (loss), adjusted non-GAAP income (loss) from continuing operations, adjusted EBITDA, and adjusted gross material margin which are defined as reported net income (loss), reported income (loss) from continuing operations, EBITDA and gross margin adjusted for non-cash items and items which are not considered by management to be indicative of the underlying results, are presented as the Company believes the information is important to provide investors, analysts and other interested parties additional information about the Company's financial performance. Operating expenses, excluding restructuring expense (income), is presented as management believes it provides useful information to investors, analysts and other interested parties regarding the ongoing expenses of the Company. Management uses EBITDA, adjusted non-GAAP net income (loss), adjusted non-GAAP net income (loss) from continuing operations, adjusted EBITDA, operating expenses excluding restructuring expense (income) and adjusted gross material margin to evaluate the performance of the business.

### **Cautionary Statement on Risks Associated with Forward Looking Statements**

Information provided and statements contained in this release that are not purely historical are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended ("Securities Act"), Section 21E of the Securities Exchange Act of 1934, as amended ("Exchange Act"), and the Private Securities Litigation Reform Act of 1995. Such forward-looking statements only speak as of the date of this release and the Company assumes no obligation to update the information included in this release. Such forward-looking statements include information concerning our possible or assumed future results of operations, including descriptions of our business strategy, and the cost savings and other benefits that we expect to achieve from our facility closures and organizational changes. These statements often include words such as "believe," "expect," "anticipate," "intend," "predict," "plan," "should," or similar expressions. These statements are not guarantees of performance or results, and they involve risks, uncertainties, and assumptions. Although we believe that these forward-looking statements are based on reasonable



assumptions, there are many factors that could affect our actual financial results or results of operations and could cause actual results to differ materially from those in the forward-looking statements, including our ability to effectively manage our operational initiatives and restructuring activities, the impact of volatility of metals prices, the cyclical and seasonal aspects of our business, our ability to effectively manage inventory levels, our ability to successfully complete the remaining steps in our strategic refinancing process, and the impact of our substantial level of indebtedness, as well as including those risk factors identified in Item 1A “Risk Factors” of our Annual Report on Form 10-K for the fiscal year ended December 31, 2015, as amended and our Quarterly Report on Form 10-Q, to be filed shortly. All future written and oral forward-looking statements by us or persons acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to above. Except as required by the federal securities laws, we do not have any obligations or intention to release publicly any revisions to any forward-looking statements to reflect events or circumstances in the future, to reflect the occurrence of unanticipated events or for any other reason.

**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**

(Dollars in thousands, except per share data)

Unaudited

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2016	2015	2016	2015
Net sales	\$ 130,692	\$ 166,328	\$ 294,540	\$ 354,868
Costs and expenses:				
Cost of materials (exclusive of depreciation and amortization)	97,644	152,179	231,402	296,534
Warehouse, processing and delivery expense	20,808	27,342	44,211	50,933
Sales, general, and administrative expense	17,229	21,347	34,666	42,315
Restructuring expense	2,044	15,618	13,762	16,449
Depreciation and amortization expense	4,260	5,887	8,653	11,781
Total costs and expenses	141,985	222,373	332,694	418,012
Operating loss	(11,293)	(56,045)	(38,154)	(63,144)
Interest expense, net	9,599	10,025	19,968	20,189
Unrealized gain on embedded debt conversion option	(1,284)	—	(1,284)	—
Debt restructuring (gain) loss, net	(513)	—	6,562	—
Other (income) expense, net	(2,808)	(3,963)	(1,663)	2,262
Loss from continuing operations before income taxes and equity in (losses) earnings of joint venture	(16,287)	(62,107)	(61,737)	(85,595)
Income tax expense (benefit)	531	(14,561)	196	(21,512)
Loss from continuing operations before equity in (losses) earnings of joint venture	(16,818)	(47,546)	(61,933)	(64,083)
Equity in (losses) earnings of joint venture	(4,452)	451	(4,141)	1,326
Loss from continuing operations	(21,270)	(47,095)	(66,074)	(62,757)
Income from discontinued operations, net of income taxes	—	843	7,934	1,378
Net loss	\$ (21,270)	\$ (46,252)	\$ (58,140)	\$ (61,379)
Basic (loss) earnings per common share:				
Continuing operations	(0.77)	(2.00)	\$ (2.57)	\$ (2.67)
Discontinued operations	—	0.04	0.31	0.06
Net basic loss per common share	\$ (0.77)	\$ (1.96)	\$ (2.26)	\$ (2.61)
Diluted (loss) earnings per common share:				
Continuing operations	(0.77)	(2.00)	\$ (2.57)	\$ (2.67)
Discontinued operations	—	0.04	0.31	0.06
Net diluted loss per common share	\$ (0.77)	\$ (1.96)	\$ (2.26)	\$ (2.61)
Negative EBITDA from continuing operations <sup>(a)</sup>	\$ (6,880)	\$ (45,744)	\$ (37,257)	\$ (52,299)
Adjusted negative EBITDA from continuing operations <sup>(b)</sup>	\$ (3,359)	\$ (10,143)	\$ (14,988)	\$ (17,092)

(a) A non-GAAP financial measure, which represents earnings (loss) from continuing operations before interest, taxes, and depreciation and amortization. See reconciliation to loss from continuing operations below.

(b) A non-GAAP financial measure, which represents negative EBITDA as defined above, adjusted for certain non-GAAP adjustments. Refer to "Reconciliation of Adjusted Non-GAAP Net Loss to Reported Net Loss" table for additional details on these non-GAAP adjustments.

**Reconciliation of EBITDA and of Adjusted EBITDA to Reported Net Loss:**

(Dollars in thousands)

Unaudited

	Three Months Ended		Three Months Ended	Six Months Ended	
	June 30,		March 31,	June 30,	
	2016	2015	2016	2016	2015
Net loss, as reported	\$ (21,270)	\$ (46,252)	\$ (36,870)	\$ (58,140)	\$ (61,379)
Less: Income from discontinued operations, net of taxes	—	843	7,934	7,934	1,378
Loss from continuing operations	(21,270)	(47,095)	(44,804)	(66,074)	(62,757)
Depreciation and amortization expense	4,260	5,887	4,393	8,653	11,781
Interest expense, net	9,599	10,025	10,369	19,968	20,189
Income tax expense (benefit)	531	(14,561)	(335)	196	(21,512)
Negative EBITDA from continuing operations	(6,880)	(45,744)	(30,377)	(37,257)	(52,299)
Non-GAAP adjustments <sup>(a)</sup>	3,521	35,601	18,728	22,269	35,207
Adjusted negative EBITDA from continuing operations	\$ (3,359)	\$ (10,143)	\$ (11,649)	\$ (14,988)	\$ (17,092)

(a) Refer to "Reconciliation of Adjusted Non-GAAP Net Loss to Reported Net Loss" table for additional details on these amounts.

**Reconciliation of Adjusted Non-GAAP Net Loss to Reported Net Loss:**

(Dollars in thousands, except per share data)

Unaudited

	Three Months Ended		Three Months Ended	Six Months Ended	
	June 30,		March 31,	June 30,	
	2016	2015	2016	2016	2015
Net loss, as reported	\$ (21,270)	\$ (46,252)	\$ (36,870)	\$ (58,140)	\$ (61,379)
Non-GAAP adjustments:					
Restructuring activity <sup>(a)</sup>	2,044	37,953	12,170	14,214	38,784
Debt restructuring (gain) loss	(513)	—	7,075	6,562	—
Foreign exchange (gain) loss on intercompany loans	(1,024)	(2,389)	(62)	(1,086)	1,434
Foreign exchange (gain) loss on intercompany loans of joint venture	(4)	108	(192)	(175)	783
Impairment of equity investment in joint venture <sup>(b)</sup>	4,636	—	—	4,636	—
Unrealized gain on commodity hedges	(334)	(71)	(263)	(598)	(172)
Gain on sale of property, plant and equipment	—	—	—	—	(5,622)
Unrealized gain on embedded debt conversion option	(1,284)	—	—	(1,284)	—
Non-GAAP adjustments	3,521	35,601	18,728	22,269	35,207
Tax effect of adjustments	—	36	—	—	36
Adjusted non-GAAP net loss	\$ (17,749)	\$ (10,615)	\$ (18,142)	\$ (35,871)	\$ (26,136)
Less: Income from discontinued operations, net of taxes	—	843	7,934	7,934	1,378
Adjusted non-GAAP loss from continuing operations	\$ (17,749)	\$ (11,458)	\$ (26,076)	\$ (43,805)	\$ (27,514)

(a) Restructuring activity includes amounts recorded to restructuring expense. For the six months ended June 30, 2016, amount includes \$452 in inventory write-down charges recorded to cost of materials in the Condensed Consolidated Statements of Operations. For the three and six months ended June 30, 2015, amount includes \$22,335 for both periods presented in inventory write-down charges, recorded to cost of materials in the Condensed Consolidated Statements of Operations. The three months ended March 31, 2016 includes \$452 in inventory write-down charges, recorded to cost of materials in the Condensed Consolidated Statements of Operations.

(b) The Company has determined that its 50% investment in its Kreher joint venture was impaired as of June 30, 2016. The Company has recorded a charge of \$4,636 in equity in earnings (losses) of joint venture in the Condensed Consolidated Statements of Operations to reflect the loss associated with the write-down of the asset to its estimated fair value.

**Reconciliation of Gross Material Margin and Adjusted Gross Material Margin:**

(Dollars in thousands)

Unaudited

	Three Months Ended		Three Months Ended	Six Months Ended	
	June 30,		March 31,	June 30,	
	2016	2015	2016	2016	2015
Net sales, as reported	\$ 130,692	\$ 166,328	\$ 163,848	\$ 294,540	\$ 354,868
Sale of Houston and Edmonton inventory	—	—	(27,107)	(27,107)	—
Adjusted net sales	\$ 130,692	\$ 166,328	\$ 136,741	\$ 267,433	\$ 354,868
Cost of materials, as reported (exclusive of depreciation and amortization)	\$ 97,644	\$ 152,179	\$ 133,758	\$ 231,402	\$ 296,534
Sale of Houston and Edmonton inventory	—	—	(27,107)	(27,107)	—
Restructuring activity in cost of materials	—	(22,335)	(452)	(452)	(22,335)
Adjusted cost of materials (exclusive of depreciation and amortization)	\$ 97,644	\$ 129,844	\$ 106,199	\$ 203,843	\$ 274,199
Gross margin (calculated as net sales, as reported, less cost of materials, as reported)	\$ 33,048	\$ 14,149	\$ 30,090	\$ 63,138	\$ 58,334
Gross material margin (calculated as gross margin divided by net sales, as reported)	25.3%	8.5%	18.4%	21.4%	16.4%
Adjusted gross margin (calculated as adjusted net sales less adjusted cost of materials)	\$ 33,048	\$ 36,484	\$ 30,542	\$ 63,590	\$ 80,669
Adjusted gross material margin (calculated as adjusted gross margin divided by adjusted net sales)	25.3%	21.9%	22.3%	23.8%	22.7%

**CONDENSED CONSOLIDATED BALANCE SHEETS**
*(In thousands, except par value data)*
*Unaudited*
**As of**

<b>June 30,</b>	<b>December 31,</b>
<b>2016</b>	<b>2015</b>

**ASSETS**
**Current assets:**

Cash and cash equivalents	\$ 11,855	\$ 11,100
Accounts receivable, less allowances of \$2,575 and \$2,380, respectively	79,025	73,191
Inventories	189,384	216,090
Prepaid expenses and other current assets	13,353	10,424
Income tax receivable	295	346
Current assets of discontinued operations	—	37,140
Total current assets	293,912	348,291
Investment in joint venture	31,550	35,690
Intangible assets, net	7,179	10,250
Prepaid pension cost	9,722	8,422
Deferred income taxes	470	378
Other noncurrent assets	5,634	6,109
<b>Property, plant and equipment:</b>		
Land	2,072	2,519
Buildings	37,459	39,778
Machinery and equipment	128,779	153,955
Property, plant and equipment, at cost	168,310	196,252
Accumulated depreciation	(114,225)	(131,691)
Property, plant and equipment, net	54,085	64,561
Noncurrent assets of discontinued operations	—	19,805
<b>Total assets</b>	<b>\$ 402,552</b>	<b>\$ 493,506</b>

**LIABILITIES AND STOCKHOLDERS' EQUITY**
**Current liabilities:**

Accounts payable	\$ 47,732	\$ 45,606
Accrued and other current liabilities	30,040	28,078
Income tax payable	36	33
Current portion of long-term debt	5,683	7,012
Current liabilities of discontinued operations	—	11,158
Total current liabilities	83,491	91,887
Long-term debt, less current portion	274,688	310,614
Deferred income taxes	—	4,169
Build-to-suit liability	13,000	13,237
Other noncurrent liabilities	9,314	7,935
Pension and postretirement benefit obligations	18,568	18,676

**Commitments and contingencies**
**Stockholders' equity:**

Preferred stock, \$0.01 par value—9,988 shares authorized (including 400 Series B Junior Preferred, \$0.00 par value); no shares issued and outstanding at June 30, 2016 and December 31, 2015	—	—
Common stock, \$0.01 par value—60,000 shares authorized; 32,464 shares issued and 32,370 outstanding at June 30, 2016 and 23,888 shares issued and 23,794 outstanding at December 31, 2015	324	238
Additional paid-in capital	243,953	226,844
Accumulated deficit	(203,449)	(145,309)
Accumulated other comprehensive loss	(36,373)	(33,821)
Treasury stock, at cost—94 shares at June 30, 2016 and December 31, 2015	(964)	(964)
Total stockholders' equity	3,491	46,988
<b>Total liabilities and stockholders' equity</b>	<b>\$ 402,552</b>	<b>\$ 493,506</b>

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**
**Six Months Ended**
*(Dollars in thousands)*
**June 30,**
*Unaudited*

	<b>2016</b>	<b>2015</b>
<b>Operating activities:</b>		
Net loss	\$ (58,140)	\$ (61,379)
Less: Income from discontinued operations, net of income taxes	7,934	1,378
Loss from continuing operations	(66,074)	(62,757)
Adjustments to reconcile net loss from continuing operations to net cash used in operating activities of continuing operations:		
Depreciation and amortization	8,653	11,781
Amortization of deferred gain	(79)	—
Amortization of deferred financing costs and debt discount	3,633	4,242
Debt restructuring loss	6,562	—
Loss from lease termination	4,452	—
Unrealized gain on embedded debt conversion option	(1,284)	—
Loss (gain) on sale of property, plant and equipment	1,650	(5,681)
Unrealized gain on commodity hedges	(598)	(172)
Unrealized foreign currency transaction (gain) loss	(88)	1,433
Equity in losses (earnings) of joint venture	4,141	(1,326)
Dividends from joint venture	—	315
Pension curtailment	—	3,080
Deferred income taxes	—	(22,276)
Share-based compensation expense	566	(4)
Other, net	—	(9)
Changes in assets and liabilities:		
Accounts receivable	(6,118)	13,420
Inventories	26,729	35,227
Prepaid expenses and other current assets	(1,769)	(2,197)
Other noncurrent assets	(3,026)	(1,988)
Prepaid pension costs	(264)	1,240
Accounts payable	1,937	(8,124)
Income tax payable and receivable	51	113
Accrued and other current liabilities	498	14,151
Pension and postretirement benefit obligations and other noncurrent liabilities	1,201	(315)
Net cash used in operating activities of continuing operations	(19,227)	(19,847)
Net cash (used in) from operating activities of discontinued operations	(5,219)	4,773
<b>Net cash used in operating activities</b>	<b>(24,446)</b>	<b>(15,074)</b>
<b>Investing activities:</b>		
Capital expenditures	(1,912)	(2,550)
Proceeds from sale of property, plant and equipment	2,836	7,644
Net cash from investing activities of continuing operations	924	5,094
Net cash from (used in) investing activities of discontinued operations	53,570	(745)
<b>Net cash from investing activities</b>	<b>54,494</b>	<b>4,349</b>
<b>Financing activities:</b>		
Proceeds from long-term debt	426,861	464,700
Repayments of long-term debt	(447,185)	(450,795)
Payment of debt restructuring costs	(8,677)	—
Payments of build-to-suit liability	(237)	—
<b>Net cash (used in) from financing activities</b>	<b>(29,238)</b>	<b>13,905</b>
Effect of exchange rate changes on cash and cash equivalents	(55)	(138)
Net change in cash and cash equivalents	755	3,042
Cash and cash equivalents—beginning of year	11,100	8,454
Cash and cash equivalents—end of period	<u>\$ 11,855</u>	<u>\$ 11,496</u>

**Total Long-Term Debt:***(Dollars in thousands)**Unaudited*

As of

	<b>June 30, 2016</b>	<b>December 31, 2015</b>
<b>LONG-TERM DEBT</b>		
12.75% Senior Secured Notes due December 15, 2016	\$ 5,481	\$ 6,681
7.0% Convertible Notes due December 15, 2017	41	57,500
12.75% Senior Secured Notes due December 15, 2018	204,519	203,319
Revolving Credit Facility due December 10, 2019	46,000	66,100
5.0% Convertible Notes due December 31, 2019	22,323	—
Other, primarily capital leases	202	428
Plus: derivative liability for embedded conversion feature	9,569	—
Less: unamortized discount	(4,828)	(12,255)
Less: unamortized debt issuance costs	(2,936)	(4,147)
Total long-term debt	<u>\$ 280,371</u>	<u>\$ 317,626</u>
Less: current portion	5,683	7,012
Total long-term portion	<u><u>\$ 274,688</u></u>	<u><u>\$ 310,614</u></u>

**Reconciliation of Total Long-Term Debt to Net Debt and Net Debt-to-Capital:***(Dollars in thousands)**Unaudited*

As of

	<b>June 30, 2016</b>	<b>December 31, 2015</b>
Total long-term debt	\$ 280,371	\$ 317,626
Less: Cash and cash equivalents	11,855	11,100
<b>NET DEBT</b>	<u><u>\$ 268,516</u></u>	<u><u>\$ 306,526</u></u>
Stockholders' equity	\$ 3,491	\$ 46,988
Total long-term debt	280,371	317,626
<b>CAPITAL</b>	<u><u>\$ 283,862</u></u>	<u><u>\$ 364,614</u></u>
<b>NET DEBT-TO-CAPITAL</b>	<u><u>94.6%</u></u>	<u><u>84.1%</u></u>