UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

☑ **Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For Quarterly Period Ended September 30, 2010

or,

☐ **Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the transition period from ____________ to ____________

Commission File Number 1-5415

A. M. Castle & Co.
(Exact name of registrant as specified in its charter)

Maryland	36-0879160
(State or Other Jurisdiction of incorporation of organization)	(I.R.S. Employer Identification No.)
3400 North Wolf Road, Franklin Park, Illinois	60131
(Address of Principal Executive Offices)	(Zip Code)

Registrant's telephone, including area code 847/455-7111

None
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).
Yes ☐ No ☐

Indicate by check mark whether the registrant is a large accelerated filer; an accelerated filer; a non-accelerated filer; or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (check one):

Large Accelerated Filer ☐ Accelerated Filer ☑ Non-Accelerated Filer ☐ Smaller Reporting Company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes ☐ No ☑

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at October 29, 2010
Common Stock, $0.01 Par Value	22,954,459 shares

A. M. CASTLE & CO.

Table of Contents

Part I. FINANCIAL INFORMATION

Item 1. Financial Statements (unaudited)

Amounts in thousands, except par value and per share data

CONDENSED CONSOLIDATED BALANCE SHEETS

	As of September 30, 2010	As of December 31, 2009
ASSETS		
Current assets		
Cash and cash equivalents	$ 28,175	$ 28,311
Accounts receivable, less allowances of $4,500 and $4,195	139,771	105,832
Inventories, principally on last-in, first-out basis (replacement cost higher by $122,144 and $116,816)	161,780	170,960
Other current assets	8,060	5,241
Income tax receivable	9,980	18,970
Total current assets	347,766	329,314
Investment in joint venture	26,724	23,468
Goodwill	50,084	50,072
Intangible assets	43,214	48,575
Prepaid pension cost	21,050	19,913
Other assets	3,436	3,906
Property, plant and equipment, at cost		
Land	5,193	5,192
Building	52,047	51,945
Machinery and equipment	182,742	178,545
	239,982	235,682
Less — accumulated depreciation	(162,366)	(152,929)
	77,616	82,753
Total assets	$ 569,890	$ 558,001
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	$ 89,256	$ 71,295
Accrued liabilities	30,332	22,419
Income taxes payable	1,221	1,848
Deferred income taxes	4,409	9,706
Current portion of long-term debt	7,647	7,778
Short-term debt	11,500	13,720
Total current liabilities	144,365	126,766
Long-term debt, less current portion	68,437	67,686
Deferred income taxes	29,362	32,032
Other non-current liabilities	3,200	5,281
Pension and post retirement benefit obligations	8,366	8,028
Commitments and contingencies		
Stockholders' equity		
Preferred stock, $0.01 par value - 10,000 shares authorized; no shares issued and outstanding at September 30, 2010 and December 31, 2009	—	—
Common stock, $0.01 par value - 30,000 shares authorized; 23,124 shares issued and 22,954 outstanding at September 30, 2010 and 23,115 shares issued and 22,906 outstanding at December 31, 2009	231	230
Additional paid-in capital	179,569	178,129
Retained earnings	152,245	156,387
Accumulated other comprehensive loss	(13,577)	(13,528)
Treasury stock, at cost — 170 shares at September 30, 2010 and 209 shares at December 31, 2009	(2,308)	(3,010)
Total stockholders' equity	316,160	318,208
Total liabilities and stockholders' equity	$ 569,890	$ 558,001

The accompanying notes are an integral part of these statements.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	For the Three Months Ended September 30, 2010	For the Three Months Ended September 30, 2009	For the Nine Months Ended September 30, 2010	For the Nine Months Ended September 30, 2009
Net sales	$ 244,938	$ 183,960	$ 708,066	$ 631,307
Costs and expenses:				
Cost of materials (exclusive of depreciation and amortization)	181,911	137,671	529,469	464,917
Warehouse, processing and delivery expense	30,923	26,160	90,003	83,305
Sales, general, and administrative expense	27,276	23,625	80,026	81,474
Depreciation and amortization expense	4,993	5,149	15,494	16,107
Operating loss	(165)	(8,645)	(6,926)	(14,496)
Interest expense, net	(1,379)	(1,539)	(3,924)	(4,797)
Loss before income taxes and equity in earnings of joint venture	(1,544)	(10,184)	(10,850)	(19,293)
Income taxes	(43)	3,607	2,735	7,834
Loss before equity in earnings of joint venture	(1,587)	(6,577)	(8,115)	(11,459)
Equity in earnings of joint venture	1,659	240	3,973	81
Net income (loss)	$ 72	$ (6,337)	$ (4,142)	$ (11,378)
Basic earnings (loss) per share	$ —	$ (0.28)	$ (0.18)	$ (0.50)
Diluted earnings (loss) per share	$ —	$ (0.28)	$ (0.18)	$ (0.50)
Dividends per common share	$ —	$ —	$ —	$ 0.06

The accompanying notes are an integral part of these statements.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Nine Months Ended September 30, 2010	2009
Operating activities:		
Net loss	$ (4,142)	$ (11,378)
Adjustments to reconcile net loss to net cash from operating activities:		
Depreciation and amortization	15,494	16,107
Amortization of deferred gain	(664)	(670)
Loss on sale of fixed assets	108	—
Equity in earnings of joint venture	(3,973)	(81)
Dividends from joint venture	804	485
Deferred tax (benefit) provision	(7,963)	9,248
Share-based compensation expense	1,714	1,079
Excess tax (benefits) deficiencies from share-based payment arrangements	(172)	95
Increase (decrease) from changes, net of acquisitions, in:		
Accounts receivable	(34,021)	52,552
Inventories	8,806	49,624
Other current assets	(2,603)	180
Other assets	2,428	(2,440)
Prepaid pension costs	(786)	(562)
Accounts payable	15,290	(47,917)
Accrued liabilities	6,432	(4,772)
Income taxes payable and receivable	8,475	(29,576)
Postretirement benefit obligations and other liabilities	376	(865)
Net cash from operating activities	5,603	31,109
Investing activities:		
Capital expenditures	(5,061)	(6,202)
Proceeds from sale of fixed assets	—	19
Insurance proceeds	—	1,093
Net cash used in investing activities	(5,061)	(5,090)
Financing activities:		
Short-term (repayments) borrowings, net	(2,220)	(19,276)
Net borrowings on long-term revolving lines of credit	1,746	—
Repayments of long-term debt	(607)	(1,755)
Common stock dividends	—	(1,361)
Excess tax benefits (deficiencies) from share-based payment arrangements	172	(95)
Exercise of stock options and other	279	—
Net cash used in financing activities	(630)	(22,487)
Effect of exchange rate changes on cash and cash equivalents	(48)	1,301
Net (decrease) increase in cash and cash equivalents	(136)	4,833
Cash and cash equivalents — beginning of year	28,311	15,277
Cash and cash equivalents — end of period	$ 28,175	$ 20,110

The accompanying notes are an integral part of these statements .

A. M. Castle & Co.
Notes to Condensed Consolidated Financial Statements
(Unaudited — Amounts in thousands except per share data)

(1) Condensed Consolidated Financial Statements

The condensed consolidated financial statements included herein have been prepared by A. M. Castle & Co. and subsidiaries (the “Company”), without audit, pursuant to the rules and regulations of the U.S. Securities and Exchange Commission (“SEC”). The Condensed Consolidated Balance Sheet at December 31, 2009 is derived from the audited financial statements at that date. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) have been condensed or omitted pursuant to the rules and regulations of the SEC. In the opinion of management, the unaudited statements, included herein, contain all adjustments (consisting of only normal recurring adjustments) necessary for a fair presentation of financial results for the interim periods. It is suggested that these condensed consolidated financial statements be read in conjunction with the consolidated financial statements and the notes thereto included in the Company’s latest Annual Report on Form 10-K. The 2010 interim results reported herein may not necessarily be indicative of the results of the Company’s operations for the full year.

Non-cash investing activities for the nine months ended September 30, 2010 and 2009 consisted of $140 and $93 of capital expenditures financed by accounts payable, respectively.

(2) New Accounting Standards

Standards Adopted

Effective January 1, 2010, the Company adopted Accounting Standards Update (“ASU”) 2009-17, “Improvements to Financial Reporting by Enterprises Involved With Variable Interest Entities” (“ASU 2009-17”). The revised guidance amends the consolidation guidance that applies to a variable interest entity (“VIE”). The adoption of the ASU did not have an impact on the Company’s financial position, results of operations and cash flows.

(3) Earnings Per Share

Diluted earnings per share is computed by dividing net income by the weighted average number of shares of common stock plus common stock equivalents. Common stock equivalents consist of stock options, non-vested shares, restricted stock units, and other share-based payment awards, which have been included in the calculation of weighted average shares outstanding using the treasury stock method. The following table is a reconciliation of the basic and diluted earnings per share calculations for the three and nine months ended September 30, 2010 and 2009:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2010	2009	2010	2009
Numerator:				
Net income (loss)	$ 72	$ (6,337)	$ (4,142)	$ (11,378)
Denominator:				
Denominator for basic income (loss) per share:				
Weighted average common shares outstanding	22,731	22,908	22,707	22,846
Effect of dilutive securities:				
Outstanding common stock equivalents	405	—	—	—
Denominator for diluted earnings per share	23,136	22,908	22,707	22,846
Basic earnings (loss) per share	$ —	$ (0.28)	$ (0.18)	$ (0.50)
Diluted earnings (loss) per share	$ —	$ (0.28)	$ (0.18)	$ (0.50)
Excluded outstanding shared-based awards having an anti-dilutive effect	70	239	499	239

For the three and nine months ended September 30, 2010 and 2009, the undistributed losses attributed to participating securities, which represent certain non-vested shares granted by the Company, were approximately one percent of total income (loss).

(4) Debt

Short-term and long-term debt consisted of the following:

	September 30, 2010	December 31, 2009
SHORT-TERM DEBT		
U.S. Revolver A (a)	$ 4,000	$ 5,000
Trade acceptances (b)	7,500	8,720
Total short-term debt	11,500	13,720
LONG-TERM DEBT		
6.76% insurance company loan due in scheduled installments from 2007 through 2015	50,026	50,026
U.S. Revolver B (a)	25,291	24,246
Other, primarily capital leases	767	1,192
Total long-term debt	76,084	75,464
Less current portion	(7,647)	(7,778)
Total long-term portion	68,437	67,686
TOTAL SHORT-TERM AND LONG-TERM DEBT	$ 87,584	$ 89,184

(a) The Company's amended and Restated Credit Agreement (the "2008 Senior Credit Facility") provides a $230,000 five-year secured revolver consisting of (i) a $170,000 revolving "A" loan (the "U.S. Revolver A"), (ii) a $50,000 multicurrency revolving "B" loan (the "U.S. Revolver B"), and (iii) a Canadian dollar $9,784 revolving loan (corresponding to $10,000 in U.S. dollars as of the amendment closing date; availability expressed in U.S. dollars changes based on movement in the exchange rate between the Canadian dollar and U.S. dollar). The maturity date of the 2008 Senior Credit Facility is January 2, 2013.

The Company has classified U.S. Revolver A as short-term based on its ability and intent to repay amounts outstanding under this instrument within the next 12 months. U.S. Revolver B is classified as long-term as the Company's cash projections indicate that amounts outstanding (which are denominated in British pounds) under this instrument are not expected to be repaid within the next 12 months. The Company had availability of $80,247 under its U.S. Revolver A and $24,709 under its U.S. Revolver B as of September 30, 2010. The Company's Canadian subsidiary had availability of approximately $9,499 in U.S dollars. The weighted average interest rate for borrowings under the U.S. Revolver A and U.S. Revolver B for the nine months ended September 30, 2010 was 2.70% and 1.57%, respectively. The weighted average interest rate under the Canadian Revolver for the nine months ended September 30, 2010 was 0.22% and primarily represents unused credit line fees.

(b) The trade acceptance purchase agreement which was a 364-day facility expired by its terms on August 27, 2010. At September 30, 2010, the Company had $7,500 in outstanding trade acceptances with varying maturity dates ranging up to 120 days. The outstanding trade acceptances will be paid on their respective maturity dates. The weighted average interest rate was 1.14% for the nine months ended September 30, 2010.

The fair value of the Company's fixed rate debt as of September 30, 2010, including current maturities, was estimated to be between $49,300 and $50,700 compared to a carrying value of $50,026. The fair value of the fixed rate debt was determined using a market approach, which estimates fair value based on companies with similar credit quality and size of debt issuances. As of September 30, 2010, the estimated fair value of the Company's debt outstanding under its revolving credit facility is $26,336, assuming the total amount of debt outstanding at the end of the period was outstanding until the maturity of the Company's facility in January 2013. Although borrowings could be materially greater or less than the current amount of borrowings outstanding at the end of the period, it is not practical to estimate the amounts that may be outstanding during future periods since there is no predetermined borrowing or repayment schedule. The estimated fair value of the Company's debt outstanding under its revolving credit facility is lower than the carrying value of $29,291 since the terms of this facility are more favorable than those that might be expected to be available in the current lending environment.

As of September 30, 2010, the Company remained in compliance with the covenants of its financing agreements, which require it to maintain certain funded debt-to-capital and working capital-to-debt ratios and a minimum adjusted consolidated net worth as defined within the agreements.

(5) Segment Reporting

The Company distributes and performs processing on both metals and plastics. Although the distribution processes are similar, the customer markets, supplier bases and types of products are different. Additionally, the Company's Chief Executive Officer, the chief operating decision-maker, reviews and manages these two businesses separately. As such, these businesses are considered reportable segments and are reported accordingly.

In its Metals segment, the Company's marketing strategy focuses on distributing highly engineered specialty grades and alloys of metals as well as providing specialized processing services designed to meet very precise specifications. Core products include alloy, aluminum, stainless, nickel, titanium and carbon. Inventories of these products assume many forms such as plate, sheet, round bar, hexagon bar, square and flat bar, tubing and coil. Depending on the size of the facility and the nature of the markets it serves, service centers are equipped as needed with bar saws, plate saws, oxygen and plasma arc flame cutting machinery, water-jet cutting, stress relieving and annealing furnaces, surface grinding equipment and sheet shearing equipment. This segment also performs various specialized fabrications for its customers through pre-qualified subcontractors that thermally process, turn, polish and straighten alloy and carbon bar.

The Company's Plastics segment consists exclusively of a wholly-owned subsidiary that operates as Total Plastics, Inc. ("TPI") headquartered in Kalamazoo, Michigan. The Plastics segment stocks and distributes a wide variety of plastics in forms that include plate, rod, tube, clear sheet, tape, gaskets and fittings. Processing activities within this segment include cut to length, cut to shape, bending and forming according to customer specifications. The Plastics segment's diverse customer base consists of companies in the retail (point-of-purchase), marine, office furniture and fixtures, transportation and general manufacturing industries. TPI has locations throughout the upper northeast and midwest regions of the U.S. and one facility in Florida from which it services a wide variety of users of industrial plastics.

The accounting policies of all segments are the same as described in *Note 1* , "Basis of Presentation and Significant Accounting Policies" in the Company's Annual Report on Form 10-K for the year ended December 31, 2009. Management evaluates the performance of its business segments based on operating income.

Segment information for the three months ended September 30, 2010 and 2009 is as follows:

	Net Sales	Operating Income (Loss)	Capital Expenditures	Depreciation & Amortization
2010				
Metals segment	$ 218,057	$ 1,119	$ 1,528	$ 4,702
Plastics segment	26,881	1,097	279	291
Other	—	(2,381)	—	—
Consolidated	$ 244,938	$ (165)	$ 1,807	$ 4,993
2009				
Metals segment	$ 161,772	$ (7,963)	$ 1,190	$ 4,818
Plastics segment	22,188	710	90	331
Other	—	(1,392)	—	—
Consolidated	$ 183,960	$ (8,645)	$ 1,280	$ 5,149

"Other" — Operating loss includes the costs of executive, legal and finance departments, which are shared by both the Metals and Plastics segments.

Segment information for the nine months ended September 30, 2010 and 2009 is as follows:

	Net Sales	Operating (Loss) Income	Capital Expenditures	Depreciation & Amortization
2010				
Metals segment	$ 631,020	$ (4,239)	$ 4,553	$ 14,540
Plastics segment	77,046	2,700	508	954
Other	—	(5,387)	—	—
Consolidated	$ 708,066	$ (6,926)	$ 5,061	$ 15,494
2009				
Metals segment	$ 566,930	$ (11,008)	$ 5,974	$ 15,089
Plastics segment	64,377	84	228	1,018
Other	—	(3,572)	—	—
Consolidated	$ 631,307	$ (14,496)	$ 6,202	$ 16,107

"Other" — Operating loss includes the costs of executive, legal and finance departments, which are shared by both the Metals and Plastics segments. For the nine months ended September 30, 2009, an insurance settlement gain of $1,308 was included in the operating loss.

Segment information for total assets is as follows:

	September 30, 2010	December 31, 2009
Metals segment	$ 493,424	$ 488,090
Plastics segment	49,742	46,443
Other	26,724	23,468
Consolidated	$ 569,890	$ 558,001

"Other" — Total assets consist of the Company's investment in joint venture.

(6) Goodwill and Intangible Assets

The changes in carrying amounts of goodwill during the nine months ended September 30, 2010 were as follows:

	Metals Segment	Plastics Segment	Total
Balance as of January 1, 2010			
Goodwill	$ 97,316	$ 12,973	$ 110,289
Accumulated impairment losses	(60,217)	—	(60,217)
Balance as of January 1, 2010	37,099	12,973	50,072
Currency valuation	12	—	12
Balance as of September 30, 2010			
Goodwill	97,328	12,973	110,301
Accumulated impairment losses	(60,217)	—	(60,217)
Balance as of September 30, 2010	$ 37,111	$ 12,973	$ 50,084

As discussed in *Note 8,* "Goodwill and Intangible Assets", in the Company's Annual Report on Form 10-K for the year ended December 31, 2009, the Company recorded a goodwill impairment charge of $1,357 for the year ended December 31, 2009. The Company's annual test for goodwill impairment is completed as of January 1 st each year. Based on the January 1, 2010 test, the Company determined that there was no impairment of goodwill.

The following summarizes the components of intangible assets:

	September 30, 2010		December 31, 2009	
	Gross Carrying Amount	**Accumulated Amortization**	**Gross Carrying Amount**	**Accumulated Amortization**
Customer relationships	$ 69,490	$ 26,388	$ 69,549	$ 21,435
Non-compete agreements	2,907	2,795	2,938	2,477
Trade name	378	378	378	378
Total	$ 72,775	$ 29,561	$ 72,865	$ 24,290

The weighted-average amortization period for the intangible assets is 10.5 years, 10.8 years for customer relationships and 3 years for non-compete agreements. Substantially all of the Company's intangible assets were acquired as part of the acquisitions of Transtar on September 5, 2006 and Metals U.K. on January 3, 2008, respectively. For the three-month periods ended September 30, 2010 and 2009, amortization expense was $1,769 and $1,869, respectively. For the nine-month periods ended September 30, 2010 and 2009, amortization expense was $5,300 and $5,662, respectively.

The following is a summary of the estimated annual amortization expense for 2010 and each of the next 4 years:

2010	$ 7,092
2011	6,622
2012	6,143
2013	6,143
2014	6,143

(7) Inventories

Over eighty percent of the Company's inventories are stated at the lower of LIFO cost or market. Final inventory determination under the LIFO method is made at the end of each fiscal year based on the actual inventory levels and costs at that time. Interim LIFO determinations, including those at September 30, 2010, are based on management's estimates of future inventory levels and costs. The Company values its LIFO increments using the cost of its latest purchases during the periods reported.

Current replacement cost of inventories exceeded book value by $122,144 and $116,816 at September 30, 2010 and December 31, 2009, respectively. Income taxes would become payable on any realization of this excess from reductions in the level of inventories.

(8) Share-based Compensation

The Company accounts for its share-based compensation arrangements by recognizing compensation expense for the fair value of the share awards granted ratably over their vesting period. The consolidated compensation cost recorded for the Company's share-based compensation arrangements was $694 and $369 for the three months ended September 30, 2010 and 2009, respectively, and $1,714 and $1,079 for the nine months ended September 30, 2010 and 2009, respectively. The total income tax benefit recognized in the condensed consolidated statements of operations for share-based compensation arrangements was $236 and $144 for the three months ended September 30, 2010 and 2009, respectively and $593 and $421 for the nine months ended September 30, 2010 and 2009, respectively. All compensation expense related to share-based compensation arrangements is recorded in sales, general and administrative expense. The unrecognized compensation cost as of September 30, 2010 associated with all share-based payment arrangements is $4,622 and the weighted average period over which it is to be expensed is 1.5 years.

Long-Term Compensation and Incentive Plans

On March 18, 2010, the Human Resources Committee (the "Committee") of the Board of Directors of the Company approved equity awards under the Company's 2010 Long-Term Compensation Plan ("2010 LTC Plan") for executive officers and other select personnel. The 2010 LTC Plan awards included restricted stock units ("RSUs"), performance share units, and stock options. All 2010 LTC Plan awards are subject to the terms of the Company's 2008 Restricted Stock, Stock Option and Equity Compensation Plan, amended and restated as of March 5, 2009. In addition to the 2010 LTC Plan, the Company maintains 2008 and 2009 Long-term Incentive Plans ("LTI Plans") for executive officers and other select personnel under which they may receive share-based awards.

Unless covered by a specific change-in-control or severance agreement, participants to whom RSUs, performance shares and other non-vested shares have been granted must be employed by the Company on the vesting date or at the end of the performance period, respectively, or the award will be forfeited. However, for stock option awards, unless a participant is covered by a specific change-in-control or severance agreement options are forfeited in the event of the termination of employment other than by reason of disability or a retirement.

Compensation expense is recognized based on management's estimate of the total number of share-based awards expected to vest at the end of the service period.

Restricted Share Units and Non-Vested Shares

The RSUs granted under the 2010 LTC Plan will cliff vest on December 31, 2012. Each RSU that becomes vested entitles the participant to receive one share of the Company's common stock. The number of shares delivered may be reduced by the number of shares required to be withheld for federal and state withholding tax requirements (determined at the market price of Company shares at the time of payout). The Company's 2009 LTI Plan also included issuance of approximately 187 non-vested share awards which cliff vest on December 31, 2011. Approximately 157 shares associated with the 2009 LTI Plan are outstanding as of September 30, 2010. The remaining outstanding non-vested share balance primarily consists of shares issued to the Board of Directors during the second quarter of 2010. The Director shares vest during the second quarter of 2011.

The fair value of the RSUs and non-vested shares is established using the market price of the Company's stock on the date of grant.

A summary of the RSU and non-vested share activity is as follows:

	Shares		Units	
	Shares	Weighted-Average Grant Date Fair Value	Units	Weighted-Average Grant Date Fair Value
Outstanding at January 1, 2010	262	$ 10.76	—	—
Granted	39	$ 18.06	150	$ 12.07
Forfeited	(20)	$ 6.37	(7)	$ 12.07
Vested	(54)	$ 11.19	—	
Outstanding at September 30, 2010	227	$ 13.24	143	$ 12.07
Expected to vest at September 30, 2010	215	$ 13.49	126	$ 12.07

The unrecognized compensation cost as of September 30, 2010 associated with RSU and non-vested share awards is $2,115.

Performance Shares

Under the 2010 LTC Plan, the potential award for the performance shares granted is dependent on the Company's relative total shareholder return ("RTSR"), which represents a market condition, over a three-year performance period, beginning January 1, 2010 and ending December 31, 2012. RTSR is measured against a group of peer companies either in the metals industry or in the industrial products distribution industry (the "RTSR Peer Group"). The 2010 LTC Plan provides with respect to performance shares for (1) a threshold level up to which the threshold level of performance shares will vest, a target performance level at which the target number of performance shares will vest, a maximum performance level at or above which the maximum number of performance shares will vest, and pro rata vesting between the threshold and maximum performance levels and (2) minimum and maximum vesting opportunities ranging from one-half up to two times the target number. The threshold, target and maximum performance levels for RTSR are the 25th, 50th and 75th percentile, respectively, relative to RTSR Peer Group performance. The number of performance shares, if any, that vest based on the performance achieved during the three-year performance period, will vest at the end of the three-year performance period. Compensation expense for performance awards containing a market condition is recognized regardless of whether the market condition is achieved to the extent the requisite service period condition is met. Each performance share that becomes vested entitles the participant to receive one share of the Company's common stock. The number of shares delivered may be reduced by the number of shares required to be withheld for federal and state withholding tax requirements (determined at the market price of Company shares at the time of payout).

The grant date fair value of $12.26 for each performance share awarded under the 2010 LTC Plan was estimated using a Monte Carlo simulation with the following assumptions:

	2010
Expected volatility	61.6%
Risk-free interest rate	1.45%
Expected life (in years)	2.80
Expected dividend yield	—

Final award vesting and distribution of performance awards granted under the 2009 and 2008 LTI Plans are determined based on the Company's actual performance versus the target goals for a three-year consecutive period (as defined in the 2008 and 2009 Plans). Partial performance awards can be earned for performance less than the target goal, but in excess of minimum goals; and award distributions twice the target can be achieved if the maximum goals are met or exceeded. The performance goals are three-year cumulative net income and average return on total capital for the same three-year period. Compensation expense recognized is based on management's expectation of future performance compared to the pre-established performance goals. If the performance goals are not expected to be met, no compensation expense is recognized and any previously recognized compensation expense is reversed. The grant date fair-value of performance awards under the 2008 and 2009 LTI Plans was established using the market price of the Company's stock on the date of grant.

The status of performance shares that have been awarded as part of the active LTC and LTI Plans is summarized below as of September 30, 2010:

Plan Year	Grant Date Fair Value	Estimated Number of Performance Shares to be Issued	Maximum Number of Performance Shares that could Potentially be Issued
2010 LTC Plan	$12.26	149	286
2009 LTI Plan	$5.66	—	627
2008 LTI Plan	$22.90 - $28.17	—	320

As of September 30, 2010, the Company exceeded the threshold level at which shares would vest for the 2010 LTC Plan.

The unrecognized compensation cost as of September 30, 2010 associated with the 2010 LTC Plan performance shares is $1,247.

Stock Options

The stock options issued under the 2010 LTC Plan vest and become exercisable three years from the date of the grant. The term of the options is eight years. The exercise price of the options is $12.79 per share (which is based on the average closing price of the Company's common stock for the 10 trading days preceding the date on which the options were granted).

The grant date fair value of $5.71 per share was estimated using the Black-Scholes option-pricing model with the following assumptions:

	2010
Expected volatility	58.5%
Risk-free interest rate	2.3%
Expected life (in years)	5.5
Expected dividend yield	1.2%

A summary of the stock option activity is as follows:

	Shares	Weighted Average Exercise Price
Stock options outstanding at January 1, 2010	239	$ 11.37
Granted	303	$ 12.79
Exercised	(27)	$ 10.52
Forfeited	(14)	$ 12.79
Expired	(2)	$ 10.00
Stock options outstanding at September 30, 2010	499	$ 12.24
Stock options vested or expected to vest as of September 30, 2010	465	$ 12.20

The total intrinsic value of options outstanding at September 30, 2010 is $875. As of September 30, 2010, stock options outstanding had a weighted average remaining contractual life of 5.8 years. The unrecognized compensation cost as of September 30, 2010 associated with stock options is $1,260.

Deferred Compensation Plan

As of September 30, 2010, a total of 31 common share equivalent units are included in the director stock equivalent unit accounts.

(9) Comprehensive Income (Loss)

Comprehensive income (loss) includes net income (loss) and all other non-owner changes to equity that are not reported in net income (loss). The Company's comprehensive income for the three months ended September 30, 2010 and 2009 is as follows:

	September 30,	
	2010	2009
Net income (loss)	$ 72	$ (6,337)
Foreign currency translation gain	1,176	1,200
Pension cost amortization, net of tax	72	60
Total comprehensive income (loss)	$ 1,320	$ (5,077)

The Company's comprehensive loss for the nine months ended September 30, 2010 and 2009 is as follows:

	September 30,	
	2010	2009
Net loss	$ (4,142)	$ (11,378)
Foreign currency translation (loss) gain	(263)	3,401
Pension cost amortization, net of tax	214	179
Total comprehensive loss	$ (4,191)	$ (7,798)

The components of accumulated other comprehensive loss is as follows:

	September 30, 2010	December 31, 2009
Foreign currency translation losses	$ (3,477)	$ (3,214)
Unrecognized pension and postretirement benefit costs, net of tax	(10,100)	(10,314)
Total accumulated other comprehensive loss	$ (13,577)	$ (13,528)

(10) Employee Benefit Plans

Components of the net periodic pension and postretirement benefit cost for the three months ended are as follows:

	For the Three Months Ended September 30, 2010	2009
Service cost	$ 200	$ 197
Interest cost	1,919	1,934
Expected return on assets	(2,335)	(2,253)
Amortization of prior service cost	65	72
Amortization of actuarial loss	55	34
Net periodic pension and postretirement benefit	$ (96)	$ (16)

Components of the net periodic pension and postretirement benefit cost for the nine months ended are as follows:

	For the Nine Months Ended September 30, 2010	2009
Service cost	$ 600	$ 590
Interest cost	5,757	5,801
Expected return on assets	(7,005)	(6,758)
Amortization of prior service cost	195	215
Amortization of actuarial loss	165	102
Net periodic pension and postretirement benefit	$ (288)	$ (50)

As of September 30, 2010, the Company had not made any cash contributions to its pension plans for this fiscal year and does not anticipate making any significant cash contributions to its pension plans in 2010.

During April 2010, the Company's 401(k) matching contribution on eligible employee contributions that was previously suspended during April 2009 was reinstated.

(11) Joint Venture

Kreher Steel Co., LLC is a 50% owned joint venture of the Company. It is a metals distributor of bulk quantities of alloy, special bar quality and stainless steel bars, headquartered in Melrose Park, Illinois.

The following information summarizes financial data for this joint venture for the three months ended September 30, 2010 and 2009 *:*

	For the Three Months Ended September 30,	
	2010	2009
Net sales	$ 50,233	$ 25,310
Cost of materials	41,605	21,909
Income before taxes	3,901	110
Net income	3,318	480

The following information summarizes financial data for this joint venture for the nine months ended September 30, 2010 and 2009 *:*

	For the Nine Months Ended September 30,	
	2010	2009
Net sales	$ 135,840	$ 78,871
Cost of materials	112,891	68,483
Income (loss) before taxes	9,249	(288)
Net income	7,946	162

(12) Commitments and Contingent Liabilities

At September 30, 2010, the Company had $3,098 of irrevocable letters of credit outstanding which primarily consisted of $2,448 for compliance with the insurance reserve requirements of its workers' compensation insurance carriers.

The Company is a defendant in several lawsuits arising from the operation of its business. These lawsuits are incidental and occur in the normal course of the Company's business affairs. It is the opinion of management, based on current knowledge, that no uninsured liability will result from the outcome of this litigation that would have a material adverse effect on the consolidated results of operations, financial condition or cash flows of the Company.

(13) Income Taxes

The Company or its subsidiaries files income tax returns in the U.S., 30 states and seven foreign jurisdictions. The tax years 2007 through 2009 remain open to examination by the major taxing jurisdictions to which the Company or its subsidiaries is subject.

During 2009, the Company filed changes of accounting for its 2008 and 2009 federal income tax returns related to its LIFO inventory accounting method for tax. As a result of these changes, there was a net change of $8,200 in the Company's income tax receivable / payable accounts and a corresponding net change in the deferred income tax asset / liability accounts.

During the nine months ended September 30, 2009, the Internal Revenue Service ("IRS") completed the examination of the Company's 2005 and 2006 U.S. federal income tax returns. The Company settled with the IRS on various tax matters. As a result of the settlement, the Company's tax benefit for the nine-month period ended September 30, 2009 included a $368 discrete benefit.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Amounts in millions except per share data

Disclosure Regarding Forward-Looking Statements

Information provided and statements contained in this report 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 report and the Company assumes no obligation to update the information included in this report. Such forward-looking statements include information concerning our possible or assumed future results of operations, including descriptions of our business strategy. These statements often include words such as "believe," "expect," "anticipate," "intend," "predict," "plan," 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 those risk factors identified in Item 1A "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2009. 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 for our ongoing obligations to disclose material information 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 or to reflect the occurrence of unanticipated events.

The following discussion should be read in conjunction with the Company's condensed consolidated financial statements and related notes thereto in ITEM 1 "Condensed Consolidated Financial Statements (unaudited)".

Executive Overview

Economic Trends and Current Business Conditions

A. M. Castle & Co. and subsidiaries (the "Company") experienced higher demand from its customer base in the third quarter of 2010 in both the Metals and Plastics segments, reflecting the increases in the overall global economy compared to the third quarter of 2009.

Metals segment sales increased 34.7% from the third quarter of 2009. Average tons sold per day increased 30.5%, which was primarily driven by alloy bar, carbon bar and tubing volume increases. Key end-use markets that experienced increased demand in the third quarter include oil and gas, general equipment and heavy industrial equipment.

The Company's Plastics segment reported a sales increase of 21.2% compared to the third quarter of 2009, due to increased pricing and higher sales volume reflecting continued strength in virtually all end-use markets.

Effective October 1, 2010, a four-year contract was ratified by warehouse employees in Chicago, Cleveland and Kansas City represented by the United Steelworker's Union. The impact of the new contract is not expected to have a material impact on the Company's results of operations.

Management uses the Purchaser's Managers Index ("PMI") provided by the Institute of Supply Management (website is www.ism.ws) as an external indicator for tracking the demand outlook and possible trends in its general manufacturing markets. The table below shows PMI trends from the first quarter of 2008 through the third quarter of 2010. Generally speaking, an index above 50.0 indicates growth in the manufacturing sector of the U.S. economy, while readings under 50.0 indicate contraction. Based on the data below, the index rose above 50.0 during the third quarter of 2009.

YEAR	Qtr 1	Qtr 2	Qtr 3	Qtr 4
2008	49.2	49.5	47.8	36.1
2009	35.9	42.6	51.5	54.6
2010	58.2	58.8	55.4	

Material pricing and demand in both the Metals and Plastics segments of the Company's business have historically proven to be difficult to predict with any degree of accuracy. A favorable PMI trend suggests that demand for some of the Company's products and services, in particular those that are sold to the general manufacturing customer base in the U.S., could potentially be at a higher level in the near-term. The Company believes that its revenue trends typically correlate to the changes in PMI on a six to twelve month lag basis.

Results of Operations: Third Quarter 2010 Comparisons to Third Quarter 2009

Consolidated results by business segment are summarized in the following table for the quarter ended September 30, 2010 and 2009.

			Fav/(Unfav)	
	2010	*2009*	*$ Change*	*% Change*
Net Sales				
Metals	$ 218.0	$ 161.8	$ 56.2	34.7%
Plastics	26.9	22.2	4.7	21.2%
Total Net Sales	$ 244.9	$ 184.0	$ 60.9	33.1%
Cost of Materials				
Metals	$ 163.6	$ 122.5	$ (41.1)	(33.6)%
% of Metals Sales	*75.0 %*	*75.7 %*		
Plastics	18.3	15.2	(3.1)	(20.4)%
% of Plastics Sales	*68.0 %*	*68.5 %*		
Total Cost of Materials	$ 181.9	$ 137.7	$ (44.2)	(32.1)%
% of Total Sales	*74.3 %*	*74.8 %*		
Operating Costs and Expenses				
Metals	$ 53.3	$ 47.3	$ (6.0)	(12.7)%
Plastics	7.5	6.3	(1.2)	(19.0)%
Other	2.4	1.4	(1.0)	(71.4)%
Total Operating Costs & Expenses	$ 63.2	$ 55.0	$ (8.2)	(14.9)%
% of Total Sales	*25.8 %*	*30.0 %*		
Operating Income (Loss)				
Metals	$ 1.1	$ (8.0)	$ 9.1	113.8%
% of Metals Sales	*0.5 %*	*(4.9)%*		
Plastics	1.1	0.7	0.4	57.1%
% of Plastics Sales	*4.1 %*	*3.2 %*		
Other	(2.4)	(1.4)	(1.0)	(71.4)%
Total Operating Loss	$ (0.2)	$ (8.7)	$ 8.5	97.7%
% of Total Sales	*(0.1)%*	*(4.7)%*		

"Other" includes the costs of executive, legal and finance departments which are shared by both segments of the Company.

Net Sales:

Consolidated net sales were $244.9 million, an increase of $60.9 million, or 33.1%, compared to the third quarter of 2009. Higher net sales in the third quarter of 2010 were primarily the result of higher shipping volumes in the metals and plastics markets. Metals segment sales during the third quarter of 2010 of $218.0 million were $56.2 million, or 34.7%, higher than the same period last year. Average tons sold per day increased 30.5% compared to the prior year quarter. The increase in sales volume was driven primarily by alloy bar, carbon bar and tubing products. Key end-use markets that experienced increased demand in the third quarter include oil and gas, general equipment and heavy industrial equipment. Carbon and alloy plate volumes were unchanged from prior year as demand from the crane and mining industries has been flat. Aluminum sales volume was slightly higher compared to the same period last year as the aerospace market has shown some improvement in certain commercial platforms offset by weakness in business jets and regional jets.

Plastics segment sales during the third quarter of 2010 of $26.9 million were $4.7 million, or 21.2% higher than the third quarter of 2009 due to increased pricing and higher sales volume reflecting continued strength in virtually all end-use markets.

Cost of Materials:

Cost of materials (exclusive of depreciation and amortization) during the third quarter of 2010 were $181.9 million, an increase of $44.2 million, or 32.1%, compared to the third quarter of 2009. Material costs for the Metals segment for the third quarter of 2010 were $163.6 million or 75.0% as a percent of net sales compared to $122.5 million or 75.7% as a percent of sales for the third quarter of 2009. Material costs as a percentage of net sales were lower in the third quarter of 2010 than 2009 as the improved demand environment has firmed pricing levels. Cost of materials in the Metals segment increased in the third quarter of 2010 compared to 2009 by $41.1 million primarily due to the increase in sales volume. The Metals segment recorded LIFO expense of $2.0 million in third quarter of 2010 compared to a LIFO credit of $0.5 million during the same prior year period. Material costs for the Plastics segment were 68.0% as a percent of net sales for the third quarter of 2010 as compared to 68.5% for the same period last year, primarily due to pricing pressures easing during the third quarter of 2010.

Operating Expenses and Operating Loss:

On a consolidated basis, operating costs and expenses increased $8.2 million, or 14.9%, compared to the third quarter of 2009. Operating costs and expenses were $63.2 million, or 25.8% of net sales, compared to $55.0 million, or 30.0% of net sales during the third quarter of 2009. Compared to the third quarter of 2009, warehouse, processing and delivery costs increased $4.8 million, sales, general and administrative costs increased by $3.6 million and depreciation and amortization expense decreased by $0.2 million. The cost increases primarily relate to higher shipping volumes, as third quarter 2010 tons sold per day increased 30.5% compared to the same period last year. Other factors contributing to higher costs in 2010 include 401(k) benefit reinstatement and the elimination of furloughs and work restrictions that existed in the third quarter of 2009.

Consolidated operating loss for the third quarter of 2010 was $0.2 million compared to operating loss of $8.7 million for the same period last year. The Company's third quarter 2010 operating loss as a percent of net sales decreased to (0.1)% from (4.7)% in the third quarter of 2009.

Other Income and Expense, Income Taxes and Net Income (Loss):

Interest expense was $1.4 million in the third quarter of 2010, a decrease of $0.1 million versus the same period in 2009 as a result of reduced borrowings.

For the quarters ended September 30, 2010 and 2009, the Company recorded a deminimis tax expense and a $3.6 million tax benefit, respectively. The effective tax rate for the quarters ended September 30, 2010 and 2009 were (2.8%) and 35.4%, respectively. The decrease in the effective tax rate compared to the third quarter of 2009 was primarily the result of higher earnings of the Company's joint venture.

Equity in earnings of the Company's joint venture was $1.7 million in the third quarter of 2010, compared to $0.2 million for the same period last year. The increase is a result of higher demand in virtually all end-use markets, most notably the automotive and energy sectors, and higher pricing for Kreher's products compared to the same period last year.

Consolidated net income for the third quarter of 2010 was $0.1 million, or $0.00 per diluted share, versus net loss of $6.3 million, or $0.28 per diluted share, for the same period in 2009.

Results of Operations: Nine Months 2010 Comparisons to Nine Months 2009

Consolidated results by business segment are summarized in the following table for the nine months ended September 30, 2010 and 2009.

			Fav/(Unfav)	
	2010	*2009*	*$ Change*	*% Change*
Net Sales				
Metals	$ 631.0	$ 566.9	$ 64.1	11.3%
Plastics	77.1	64.4	12.7	19.7%
Total Net Sales	$ 708.1	$ 631.3	$ 76.8	12.2%
Cost of Materials				
Metals	$ 477.0	$ 420.8	$ (56.2)	(13.4)%
% of Metals Sales	*75.6 %*	*74.2 %*		
Plastics	52.5	44.1	(8.4)	(19.0)%
% of Plastics Sales	*68.1 %*	*68.5 %*		
Total Cost of Materials	$ 529.5	$ 464.9	$ (64.6)	(13.9)%
% of Total Net Sales	*74.8 %*	*73.6 %*		
Operating Costs and Expenses				
Metals	$ 158.2	$ 157.1	$ (1.1)	(0.7)%
Plastics	21.9	20.2	(1.7)	(8.4)%
Other	5.4	3.6	(1.8)	(50.0)%
Total Operating Costs & Expenses	$ 185.5	$ 180.9	$ (4.6)	(2.5)%
% of Total Net Sales	*26.2 %*	*28.7 %*		
Operating (Loss) Income				
Metals	$ (4.2)	$ (11.0)	$ 6.8	61.8%
% of Metals Sales	*(0.7)%*	*(1.9)%*		
Plastics	2.7	0.1	2.6	2600%
% of Plastics Sales	*3.5 %*	*0.2 %*		
Other	(5.4)	(3.6)	(1.8)	(50.0)%
Total Operating Loss	$ (6.9)	$ (14.5)	$ 7.6	52.4%
% of Total Net Sales	*(1.0)%*	*(2.3)%*		

"Other" includes the costs of executive, legal and finance departments which are shared by both segments of the Company.

Net Sales:

Consolidated net sales were $708.1 million, an increase of $76.8 million, or 12.2%, compared to the same period last year. Higher net sales were primarily the result of higher shipping volumes in the metals and plastics markets. Metals segment sales during the first nine months of 2010 of $631.0 million were $64.1 million, or 11.3%, higher than the same period last year. Average tons sold per day increased 11.0% compared to the prior year period. The increase in demand experienced in the first nine months of 2010 was driven primarily by alloy and carbon bar, and tubing products. Key end-use markets that experienced increased demand in the first nine months of 2010 include oil and gas, general equipment and heavy industrial equipment.

Plastics segment sales during the first nine months of 2010 of $77.1 million were $12.7 million, or 19.7% higher than the same period last year. The Plastics business also experienced increased sales volume during the nine months ended September 30, 2010 reflecting strength in the office furniture, safety products, life sciences applications and automotive end-use markets.

Cost of Materials:

Cost of materials (exclusive of depreciation and amortization) during the first nine months of 2010 were $529.5 million, an increase of $64.6 million, or 13.9%, compared to the same period last year. Material costs for the Metals segment for the first nine months of 2010 were $477.0 million or 75.6% as a percent of net sales compared to $420.8 million or 74.2% as a percent of net sales for the first nine months of 2009. The increase in cost of materials as a percentage of net sales in the first nine months of 2010 over 2009 relates primarily to higher LIFO expenses in 2010 due to inventory mix. The Metals segment recorded LIFO expense of $7.0 million in 2010 compared to a LIFO credit of $25.7 million during the prior year period. Material costs for the Plastics segment were 68.1% and 68.5% as a percent of net sales for the first nine months of 2010 and 2009, respectively.

Operating Expenses and Operating Loss:

On a consolidated basis, year-to-date operating costs and expenses increased $4.6 million, or 2.5%, compared to the same period last year. Operating costs and expenses were $185.5 million, or 26.2% as a percent of sales, compared to $180.9 million, or 28.7% as a percent of sales last year. In response to the declining demand for its products resulting from continued challenges in the global economy and the metals and plastics markets, the Company implemented numerous initiatives during the first nine months of 2009 to align its cost structure with activity levels. The cost reduction actions primarily focused on payroll related costs, the Company's largest operating expense category, resulting in reduced work weeks and furloughs, suspension of the Company's 401(k) matching contributions and executive salary reductions of at least 10 percent. Full workweeks and 401(k) matching contributions were reinstated in January and April 2010, respectively.

The increase in operating expenses for the first nine months of 2010 compared to 2009 primarily relates to an increase of $6.7 million in warehouse, processing and delivery costs, which was partially offset by a decrease of $1.5 million in sales, general and administrative costs and a $0.6 million decrease in depreciation and amortization expense. The warehouse, processing and delivery cost increases primarily relate to higher shipping volumes as tons sold per day increased 11.0% compared to the same period last year. The decrease in sales, general and administrative costs reflect the impacts of the lower payroll costs associated with the cost reduction initiatives implemented in 2009.

Consolidated operating loss for the nine months ended September 30, 2010 was $6.9 million compared to operating loss of $14.5 million for the same period last year.

Other Income and Expense, Income Taxes and Net Loss:

Interest expense was $3.9 million for the nine months ended September 30, 2010, a decrease of $0.9 million versus the same period in 2009 as a result of reduced borrowings.

For the nine-month periods ended September 30, 2010 and 2009, the Company recorded a $2.7 million tax benefit and a $7.8 million tax benefit, respectively. The $2.7 million tax benefit for the nine-month period ended September 30, 2010 included a $0.1 million benefit from favorable discrete items and a $2.6 million tax benefit from operations due to pre-tax losses incurred for the first nine months of 2010. The effective tax rate for the nine months ended September 30, 2010 and 2009 were 25.2% and 40.6%, respectively. The decrease in the 2010 effective tax rate was primarily the result of the impact of increased earnings of the Company's joint venture and by the increased benefit due to the higher effective tax rate on U.S. source losses than on the Company's foreign source income. During the nine months ended September 30, 2009, the Internal Revenue Service ("IRS") completed the examination of the Company's 2005 and 2006 U.S. federal income tax returns. The Company settled with the IRS on various tax matters. The Company paid $4.1 million in tax due to the IRS which was primarily related to temporary differences associated with the Company's inventory costing methodology. As a result of the settlement, the Company recorded a $0.4 million discrete benefit during the nine months ended September 30, 2009.

Equity in earnings of the Company's joint venture was $4.0 million for the nine months ended 2010, compared to $0.1 million for the same period last year. The increase is a result of higher demand in virtually all end-use markets, most notably the automotive and energy sectors, and higher pricing for Kreher's products compared to the same period last year.

Consolidated net loss for the first nine months of 2010 was $4.1 million, or $0.18 per diluted share, versus net loss of $11.4 million, or $0.50 per diluted share, for the same period in 2009.

Accounting Policies:

Effective January 1, 2010, the Company adopted new consolidation guidance that applies to variable interest entities.

See *Note 2* to the condensed consolidated financial statements for more information regarding the Company's adoption of standards updates. There have been no changes in critical accounting policies from those described in the Company's Annual Report on Form 10-K for the year ended December 31, 2009.

Liquidity and Capital Resources

The Company's principal sources of liquidity are earnings from operations, management of working capital and available borrowing capacity to fund working capital needs and growth initiatives.

In the first nine months of 2009, the Company focused on reducing working capital, primarily inventory levels, in response to decreased demand for the Company's products, which resulted in net cash flow from operations of $31.1 million. During the first nine months of 2010, the Company increased working capital levels to support increased sales activity, which resulted in net cash flow from operations of $5.6 million.

During the nine months ended September 30, 2010, net sales exceeded cash receipts from customers, resulting in a cash outflow of $34.0 million for the nine months ended September 30, 2010 compared to a $52.6 million cash inflow for the nine months ended September 30, 2009. Net sales increased 12.2% from the first nine months of 2010. Average receivable days outstanding was 49.2 days for the nine months ended September 30, 2010 as compared to 55.1 days for first nine months of 2009, reflecting faster collections.

During the nine months ended September 30, 2010, sales of inventory exceeded inventory purchases, resulting in a cash inflow of $8.8 million for the nine months ended September 30, 2010 compared to a $49.6 million cash inflow for the nine months ended September 30, 2009. Average days sales in inventory was 144.8 days for the nine months ended September 30, 2010 versus 191.2 days for the first nine months of 2009. Average inventory days outstanding stayed consistent during the third quarter 2010 as compared to the second quarter of 2010.

During the nine months ended September 30, 2010, purchases exceeded cash paid for inventories and other goods and services, resulting in a cash inflow of $21.7 million during the nine months ended September 30, 2010 compared to a cash outflow of $52.7 million for the same period last year.

On November 5, 2009 the Company filed a universal shelf registration statement with the Securities and Exchange Commission, which was declared effective on November 23, 2009. The registration statement gives the Company the flexibility to offer and sell from time to time in the future up to $100 million of equity, debt or other types of securities as described in the registration statement, or any combination of such securities. If securities are issued, the Company may use the proceeds for general corporate purposes, including acquisitions, capital expenditures, working capital and repayment of debt.

Available revolving credit capacity is primarily used to fund working capital needs. Taking into consideration the most recent borrowing base calculation as of September 30, 2010, which reflects trade receivables, inventory, letters of credit and other outstanding secured indebtedness, available credit capacity consisted of the following:

Debt type	Outstanding Borrowings as of September 30, 2010	Availability as of September 30, 2010	Weighted Average Interest Rate for the nine months ended September 30, 2010
U.S. Revolver A	$ 4.0	$ 80.2	2.70%
U.S. Revolver B	25.3	24.7	1.57%
Canadian facility	—	9.5	0.22%
Trade acceptances (a)	7.5	n/a	1.14%

(a) The trade acceptance purchase agreement which was a 364-day facility expired by its terms on August 27, 2010. The outstanding trade acceptances will be paid on their respective maturity dates. Liquidity will not be materially impacted as the Company has sufficient borrowing availability under its revolver as noted above.

As of September 30, 2010, the Company had $11.5 million of short-term debt which includes trade acceptances of $7.5 million and $4.0 million related to the U.S. Revolver A. The Company has classified U.S. Revolver A as short-term based on its ability and intent to repay amounts outstanding under this instrument within the next 12 months.

Management believes the Company will be able to generate sufficient cash from operations and planned working capital improvements (principally from reduced inventories) to fund its ongoing capital expenditure programs and meet its debt obligations. In addition, the Company has available borrowing capacity, as discussed above.

Capital expenditures for the nine months ended September 30, 2010 were $5.1 million, a decrease of $1.1 million compared to the same period last year. Management believes that annual capital expenditures will approximate $8.0 to 10.0 million in 2010.

The Company's principal payments on long-term debt, including the current portion of long-term debt, required during the next five years and thereafter are summarized below *:*

2010	$ 7.6
2011	7.7
2012	8.2
2013	33.9
2014	9.1
2015 and beyond	9.6
Total debt	$ 76.1

As of September 30, 2010 the Company remained in compliance with the covenants of its credit agreements, which require it to maintain certain funded debt-to-capital and working capital-to-debt ratios, and a minimum adjusted consolidated net worth, as defined in the Company's credit agreements and outlined in the table below:

Covenant Description	Requirement per Credit Agreement	Actual at September 30, 2010
Funded debt-to-capital ratio	less than 0.55	0.18
Working capital-to-debt ratio	greater than 1.0	3.59
Minimum adjusted consolidated net worth	$261.6	$ 326.3

As of September 30, 2010, the Company had $3.1 million of irrevocable letters of credit outstanding, which primarily consisted of $2.4 million for compliance with the insurance reserve requirements of its workers' compensation insurance carriers.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

The Company is exposed to interest rate, commodity price and foreign exchange rate risks that arise in the normal course of business. There have been no significant or material changes to such risks since December 31, 2009. Refer to Item 7a in the Company's Annual Report on Form 10-K filed for the year ended December 31, 2009 for further discussion of such risks.

Item 4. Controls and Procedures

(a) Evaluation of Disclosure Controls and Procedures

A review and evaluation was performed by the Company's management, including the Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) of the Securities Exchange Act of 1934) as of the end of the period covered by this report.

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting as such term is defined in the Securities Exchange Act of 1934 rule 240.13a-15(f). The Company's internal control over financial reporting is a process designed under the supervision of the Company's Chief Executive Officer and Chief Financial Officer to provide reasonable assurance regarding the preparation of financial statements for external purposes in accordance with U.S. generally accepted accounting principles.

In its Annual Report on Form 10-K for the year ended December 31, 2009, the Company reported that, based upon their review and evaluation, the Company's disclosure controls and procedures were effective as of December 31, 2009.

As part of its evaluation of the effectiveness of the design and operation of the Company's disclosure controls and procedures as of the end of the period covered by this report, and in accordance with the framework published by the Committee of Sponsoring Organizations of the Treadway Commission, referred to as the *Internal Control — Integrated Framework,* the Company's management has concluded that our internal control over financial reporting was effective as of the end of the period covered by this report.

(b) Changes in Internal Control over Financial Reporting

There were no significant changes in the Company's internal controls over financial reporting during the three months ended September 30, 2010 that were identified in connection with the evaluation referred to in paragraph (a) above that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Part II. OTHER INFORMATION

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Directors of the Company who are not employees may elect to defer receipt of up to 100% of his or her cash retainer and meeting fees. A director who defers board compensation may select either an interest or a stock equivalent investment option for amounts in the director's deferred compensation account. Disbursement of the stock equivalent unit account may be in shares of Company common stock or in cash as designated by the director. If payment from the stock equivalent unit account is made in shares of the Company's common stock, the number of shares to be distributed will equal the number of full stock equivalent units held in the director's account. On July 26, 2010, receipt of approximately 486 shares was deferred as payment for the board compensation. The shares were acquired at a price of $15.43 per share, which represented the closing price of the Company's common stock on the day as of which such fees would otherwise have been paid to the director. Exemption from registration of the shares is claimed by the company under Section 4(2) of the Securities Act of 1933, as amended.

Item 6. Exhibits

Exhibit No.	Description
3.2	By-Laws of the Company, as amended on October 28, 2010
10.24*	Form of amended and restated Change in Control Agreement for executive officers other than the CEO. Filed as Exhibit 10.24 to Form 8-K filed September 21, 2010. Commission File No. 1-5415
31.1	CEO Certification Pursuant to Section 302 of the Sarbanes Oxley Act of 2002
31.2	CFO Certification Pursuant to Section 302 of the Sarbanes Oxley Act of 2002
32.1	CEO and CFO Certification Pursuant to Section 906 of the Sarbanes Oxley Act of 2002

***** This agreement is considered a compensatory plan or arrangement.

SIGNATURE

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 thereunto duly authorized.

A. M. Castle & Co.
(Registrant)

Date: November 5, 2010

By: /s/ Patrick R. Anderson
Patrick R. Anderson
Vice President — Controller and Chief Accounting Officer
(Mr. Anderson has been authorized to sign on behalf of the Registrant.)

Exhibit Index

The following exhibits are filed herewith or incorporated herein by reference:

Exhibit No.	Description	Page
3.2	By-Laws of the Company, as amended on October 28, 2010	E-1
10.24*	Form of amended and restated Change in Control Agreement for executive officers other than the CEO. Filed as Exhibit 10.24 to Form 8-K filed September 21, 2010. Commission File No. 1-5415	
31.1	CEO Certification Pursuant to Section 302 of the Sarbanes Oxley Act of 2002	E-16
31.2	CFO Certification Pursuant to Section 302 of the Sarbanes Oxley Act of 2002	E-17
32.1	CEO and CFO Certification Pursuant to Section 906 of the Sarbanes Oxley Act of 2002	E-18

* This agreement is considered a compensatory plan or arrangement.

Exhibit 3.2

BY-LAWS
OF
A. M. CASTLE & CO.

As amended on October 28, 2010

ARTICLE I
OFFICES

Section 1. The principal office of the corporation shall be at such place or places as the Board of Directors may from time to time determine.

Section 2. The corporation may also have offices at such other places both within and without the State of Maryland as the Board of Directors may from time to time determine or the business of the corporation may require.

ARTICLE II
MEETINGS OF STOCKHOLDERS

Section 1. All meetings of the stockholders for the election of directors shall be held at the office of the corporation at 3400 North Wolf Road, Franklin Park, Illinois or such other place as the Board of Directors may from time to time determine. Meetings of stockholders for any other purpose may be held at such time and place, within or without the State of Maryland, as shall be stated in the notice of the meeting or in a duly executed waiver of notice thereof.

Section 2. Annual meetings of stockholders shall be held on the fourth Thursday of April, if not a legal holiday, and if a legal holiday, then on the next succeeding business day, at 10:00 a.m., at which time the stockholders shall elect by a plurality vote a Board of Directors, and transact such other business as may be properly brought before the meeting.

Section 3. Written notice of the annual meeting, stating the time and place thereof, shall be given to each stockholder entitled to vote thereat, and to each stockholder not entitled to vote thereat who is entitled to notice thereof, at least 10 days and not more than 90 days before the date of the meeting either by mail or by presenting it to such stockholder personally or by leaving it at his residence or usual place of business or by any other means authorized by Maryland law. If mailed, such notice. shall be deemed to be given when deposited in the U.S. mail addressed to the stockholder at his post office address as it appears on the records of the corporation, with postage thereon prepaid.

Section 4. Special meetings of the stockholders, for any purpose or purposes, unless otherwise prescribed by statute or by the corporation's charter, may be called by the chairman of the board or the president and shall be called by the president or the secretary at the request in writing of a majority of the Board of Directors, or at the request in writing of stockholders entitled to cast at least a majority of all the votes entitled to be cast at the meeting. Such request shall state the purpose or purposes of the proposed meeting. The secretary shall inform such stockholders of the reasonably estimated cost of preparing and mailing notice of the meeting and, upon payment to the corporation by such stockholders of such costs, the secretary shall give notice of the meeting as provided in Section 5. Unless requested by stockholders entitled to cast a majority of all the votes entitled to be cast at such meeting, a special meeting need not be called to consider any matter which is substantially the same as a matter voted on at any special meeting of the stockholders held during the preceding twelve months.

Section 5. Written notice of a special meeting of stockholders, stating the time, place and purpose thereof, shall be given to each stockholder entitled to vote thereat, and to each stockholder not entitled to vote thereat who is entitled to notice thereof, at least 10 days and not more than 90 days before the date fixed for the meeting either by mail or by presenting it to such stockholder personally or by leaving it at his residence or usual place of business or by any other means authorized by Maryland law. If mailed, such notice shall be deemed to be given when deposited in the U.S. mail addressed to the stockholder at his post office address as it appears on the records of the corporation, with postage thereon prepaid.

Section 6. Any business of the corporation may be transacted at an annual meeting of stockholders without being specifically stated in the notice, except such business as is required by any statute to be stated in such notice. Business transacted at any special meeting of stockholders shall be limited to the purposes stated in the notice.

Section 7. The holders of stock entitled to cast a majority of all the votes entitled to be cast thereat, present in person or represented by proxy, shall constitute a quorum at all meetings of the stockholders for the transaction of business except as otherwise provided by statute or by the corporation’s charter. If, however, such quorum shall not be present or represented at any meeting of the stockholders, the chairman of the meeting or the stockholders entitled to vote thereat, present in person or represented by proxy, shall have the power to adjourn the meeting from time to time to a date not more than 120 days after the original record date, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally notified.

Section 8. When a quorum is present at any meeting, a plurality of the votes cast shall decide any election of directors and a majority of the votes cast shall decide any other question brought before such meeting, unless the question is one upon which by express provision of statute or of the corporation’s charter a different vote is required, in which case such express provision shall govern and control the decision of such question.

Section 9. Except as otherwise provided in the corporation's charter, each stockholder shall, at every meeting of the stockholders, be entitled to one vote in person or by proxy for each share of the corporation's stock having voting power held by such stockholder. Any such proxy or evidence of other authorization to vote for a stockholder shall be filed with the secretary of the corporation before or at the time of the meeting. No proxy shall be valid after eleven months from the date of its execution, unless the proxy provides for a longer period.

Section 10. Whenever the vote of stockholders at a meeting thereof is required or permitted to be taken in connection with any action, such action may be taken without a meeting if all the stockholders entitled to vote upon the action shall consent in writing to such action being taken and all the stockholders entitled to notice of the meeting but not entitled to vote upon the action shall waive in writing any right to dissent.

Section 11. (a) (1) Nominations of persons for election to the Board of Directors and the proposal of business to be considered by the stockholders may be made at an annual meeting of stockholders (i) pursuant to the Corporation's notice of meeting, (ii) by or at the direction of the Board of Directors or (iii) by any stockholder of the Corporation who was a stockholder of record both at the time of giving of notice provided for in this Section 11 (a) and at the time of the annual meeting, who is entitled to vote at the meeting and who complied with the notice procedures set forth in this Section 11(a).

(2) For nominations or other business to be properly brought before an annual meeting by a stockholder pursuant to clause (iii) of paragraph (a)(1) of this Section 11, the stockholder must have given timely notice thereof in writing to the secretary of the Corporation and such other business must otherwise be a proper matter for action by stockholders. To be timely, a stockholder's notice shall be delivered to the secretary at the principal executive offices of the Corporation not later than the close of business on the 90^{th} day nor earlier than the close of business on the 120^{th} day prior to the first anniversary of the preceding year's annual meeting; provided, however, that in the event that the date of the annual meeting is advanced by more than 30 days or delayed by more than 60 days from such anniversary date or if the Corporation has not previously held an annual meeting, notice by the stockholder to be timely must be so delivered not earlier than the close of business on the 120^{th} day prior to such annual meeting and not later than the close of business on the later of the 90^{th} day prior to such annual meeting or the tenth day following the day on which public announcement of the date of such meeting is first made by the Corporation. In no event shall the public announcement of a postponement or adjournment of an annual meeting to a later date or time commence a new time period for the giving of a stockholder's notice as described above. Such stockholder's notice shall set forth (i) as to each person whom the stockholder proposes to nominate for election or reelection as a director all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors in

an election contest, or is otherwise required, in each case pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (the “Exchange Act”) (including such person’s written consent to being named in the proxy statement as a nominee and to serving as a director if elected); (ii) as to any other business that the stockholder proposes to bring before the meeting, a brief description of the business desired to be brought before the meeting, the reasons for conduction such business at the meeting and any material interest in such business of such stockholder and of the beneficial owner, if any, on whose behalf the proposal is made; and (iii) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made, (x) the name and address of such stockholder, as they appear on the Corporation’s books, and of such beneficial owner and (y) the number of shares of each class of stock of the Corporation which are owned beneficially and of record by such stockholder and such beneficial owner.

(3) Notwithstanding anything in the second sentence of paragraph (a)(2) of this Section 11 to the contrary, in the event that the number of directors to be elected to the Board of Directors is increased and there is no public announcement by the Corporation naming all of the nominees for director or specifying the size of the increased Board of Directors at least 100 days prior to the first anniversary of the preceding year’s annual meeting, a stockholder’s notice required by this Section 11 (a) shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be delivered to the secretary at the principal executive offices of the Corporation not later than the close of business on the tenth day following the day on which such public announcement is first made by the Corporation.

(b) Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the Corporation’s notice of meeting. Nominations of persons for election to the Board of Directors may be made at a special meeting of stockholders at which directors are to be elected (i) pursuant to the Corporation’s notice of meeting, (ii) by or at the direction of the Board of Directors or (iii) provided that the Board of Directors has determined that directors shall be elected at such special meeting, by any stockholder of the Corporation who is a stockholder of record both at the time of giving of notice provided for in this Section 11(b) and at the time of the special meeting, who is entitled to vote at the meeting and who complied with the notice procedures set forth in this Section 11(b). In the event the Corporation calls a special meeting of stockholders for the purpose of electing one or more directors to the Board of Directors, any such stockholder may nominate a person or persons (as the case may be) for election to such position as specified in the Corporation’s notice of meeting, if the stockholder’s notice containing the information required by paragraph (a)(2) of this Section 11 shall be delivered to the secretary at the principal executive offices of the Corporation not earlier than the close of business on the 120 th day prior to such special meeting and not later than the close of business on the later of the 90 th day prior to such special meeting or the tenth day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the Board of Directors to be elected at such meeting. In no event shall the public announcement of a postponement or adjournment of a special meeting to a later date or time commence a new time period for the giving of a stockholder’s notice as described above.

(c) (1) Only such persons who are nominated in accordance with the procedures set forth in this Section 11 shall be eligible to serve as directors and only such business shall be conducted at a meeting of stockholders as shall have been brought before the meeting in accordance with the procedures set forth in this Section 11. The chairman of the meeting shall have the power and duty to determine whether a nomination or any business proposed to be brought before the meeting was made or proposed, as the case may be, in accordance with the procedures set forth in this Section 11 and, if any proposed nomination or business is not in compliance with this Section 11, to declare that such nomination or proposal shall be disregarded.

(2) For purposes of this Section 11, "public announcement" shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Exchange Act.

(3) Notwithstanding the foregoing provisions of this Section 11, a stockholder shall also comply with all applicable requirements of state law and of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in this Section 11. Nothing in this Section 11 shall be deemed to affect any rights of stockholders to request inclusion of proposals in, nor any rights of the Corporation to omit a proposal from, the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act.

ARTICLE III
DIRECTORS

Section 1. Beginning at such time as the corporation has more than one stockholder, the number of directors which shall constitute the whole Board of Directors shall be not less than eight (8) nor more than twelve (12). At any regular meeting or at any special meeting called for that purpose, a majority of the entire Board of Directors may increase or decrease the number of directors, from time to time, within the limits above specified, provided that the number thereof shall never be less than the minimum number required by the Maryland General Corporation Law, and further provided that the tenure of office of a director shall not be affected by any decrease in the number of directors. The directors shall be elected at the annual meeting of stockholders, except as provided in Section 2 of this Article III, and each director elected shall hold office until his successor is elected and qualifies. Directors need not be stockholders.

Section 2. Vacancies and newly created directorships resulting from any increase in the authorized number of directors may be filled by a majority of the directors then in office, though less than a quorum, and the directors so chosen shall hold office until the next annual meeting of stockholders and until their successors are duly elected and qualify. Any Director or Directors may be removed from office at any time at a meeting called expressly for that purpose, but only by the affirmative vote of the holders of at least two-thirds of all the votes entitled to be cast by the stockholders generally in the election of Directors.

Section 3. The business of the corporation shall be managed by its Board of Directors which may exercise all such powers of the corporation and do all such lawful acts and things as are not by statute or by the corporation's charter or by these by-laws expressly directed or required to be exercised or done by the stockholders.

MEETINGS OF THE BOARD OF DIRECTORS

Section 4. The Board of Directors of the corporation may hold meetings, both regular and special, either within or without the State of Maryland.

Section 5. The annual meeting of each newly elected Board of Directors shall be held immediately after the adjournment of the annual meeting of stockholders and at the place where such annual meeting shall have been held, and no notice of such meeting shall be necessary to the newly elected directors.

Section 6. Regular meetings of the Board of Directors may be held without notice at such time and at such place as shall from time to time be determined by the Board of Directors.

Section 7. Special meetings of the Board of Directors may be called by the chairman of the board or the president on two days' notice to each director, by mail, courier, facsimile or telegram. Special meetings shall be called by the president or secretary in like manner and on like notice on the written request of a director.

Section 8. At all meetings of the Board of Directors, a majority of directors shall constitute a quorum for the transaction of business and the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the Board of Directors, except as may be otherwise specifically provided by statute or by the corporation's charter. If a quorum shall not be present at any meeting of the Board of Directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

Section 9. Unless otherwise restricted by the corporation's charter or these by-laws, any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting, if prior to such action a written consent thereto is signed by all members of the Board of Directors or of such committee, as the case may be, and such written consent is filed with the minutes of proceedings of the Board of Directors or such committee.

Section 10. At any meeting of the Board of Directors or any committee thereof at which all of the directors or members of the committee shall be present, any business may be transacted, regardless of whether such business falls within the purpose or purposes for which such meeting may have been called, and regardless of the fact that no notice whatever was given of the holding of such meeting.

Section 11. Members of the Board of Directors or any committee thereof may participate in a meeting by means of a conference telephone or similar communications equipment if all persons participating in the meeting can hear each other at the same time. Participation in a meeting by these means shall constitute presence in person at the meeting.

COMMITTEES OF DIRECTORS

Section 12. The Board of Directors may, by resolution passed by a majority of the whole Board of Directors, designate one or more committees, each committee to consist of one or more directors of the corporation, which, to the extent permitted by applicable law and provided in the resolution, shall have and may exercise the powers of the Board of Directors in the management of the business and affairs of the corporation and may authorize the seal of the corporation to be affixed to all papers which may require it. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the Board of Directors. At any meeting of a committee, a majority of the committee members shall constitute a quorum for the transaction of business and the act of a majority of the members of the committee present at any meeting at which there is a quorum shall be the act of the committee, except as may be otherwise specifically provided by statute or by the corporation’s charter. If a quorum shall not be present at any meeting of a committee, the committee members present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

Section 13. Each committee shall keep regular minutes of its meetings and report the same to the Board of Directors when required.

COMPENSATION OF DIRECTORS

Section 14. The directors may be paid their expenses, if any, of attendance at each meeting of the Board of Directors or any committee thereof and may be paid a fixed sum for attendance at each meeting of the Board of Directors or any committee thereof or receive stated compensation as director. No such payment shall preclude any director from serving the corporation in any other capacity and receiving compensation therefor.

Section 15. The Board of Directors may appoint such retired members of the Board of Directors to the nonvoting position of director emeritus and/or honorary chairman as it shall deem appropriate who shall thereafter hold their offices or agencies, as the case may be, for such term and shall exercise such powers and perform such duties as shall be determined from time to time by the Board of Directors.

Section 16. Directors emeritus and honorary chairmen may be paid their expenses of attendance at such meetings of the Board of Directors or any committee thereof as they attend and such allowances or expenses as may be incurred while performing duties or responsibilities as directed by the Board of Directors.

ARTICLE IV
NOTICES

Section 1. Notices to stockholders shall be in writing and delivered as provided in Article II of these by-laws. Notices to directors shall be in writing and delivered personally or by mail, facsimile, courier or telegram. Notice by mail shall be deemed to be given when deposited in the U.S. mail addressed to the person at his post office address as it appears on the records of the corporation, with postage thereon prepaid.

Section 2. Whenever any notice is required to be given under the provisions of any statute or of the corporation's charter or of these by-laws, a waiver thereof in writing, signed by the person or persons entitled to such notice either before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Neither the business to be transacted at nor the purpose of any meeting need be set forth in the waiver of notice, unless specifically required by statute. The attendance of any person at any meeting shall constitute a waiver of notice of such meeting, except where such person attends solely for the express purpose of objecting to the transaction of any business at the meeting on the ground that meeting is not lawfully called or convened.

ARTICLE V
OFFICERS

Section 1. The officers of the corporation shall be elected by the Board of Directors and shall be a chairman of the board, a president, one or more vice presidents, a secretary, a treasurer, a controller and, if deemed advisable by the Board of Directors, a secretary-legal counsel. Two or more offices except president and vice president may be held by the same person except that where the offices of president and secretary are held by the same person, such person shall not hold any other office.

Section 2. The Board of Directors, at its first meeting after each annual meeting of stockholders, shall elect a chairman of the board, a president, one or more vice presidents, a secretary, a treasurer, a controller and, if it deems advisable, an assistant secretary/law.

Section 3. The Board of Directors may appoint such other officers, including, without limitation, one or more assistant secretaries, assistant secretaries, assistant treasurers, assistant controllers and such agents as it shall deem necessary who shall hold their offices or agencies, as the case may be, for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board of Directors.

Section 4. The salaries of all officers and agents of the corporation shall be fixed by the Board of Directors and no officer shall be prevented from receiving such salary or other compensation by reason of the fact that he is also a director.

Section 5. The officers of the corporation shall hold office until their successors are chosen and qualify or until their death, resignation or removal. Any officer elected or appointed by the Board of Directors may be removed at any time by the affirmative vote of a majority of the Board of Directors then in office. Any vacancy occurring in any office of the corporation shall be filled by the Board of Directors.

THE CHAIRMAN OF THE BOARD

Section 6. The chairman of the board shall preside at all meetings of the Board of Directors and shall have such other duties and powers as may be assigned to him by the Board of Directors from time to time.

THE PRESIDENT

Section 7. The president shall be the chief executive officer of the corporation and shall exercise general supervision over the business and fiscal affairs and policy of the corporation, and shall have such other duties and powers as may be assigned to him by the Board of Directors from time to time. He shall preside at all meetings of the stockholders and, in the absence, death or other inability to act of the chairman of the board, he shall have and exercise the powers and duties of the chairman of the board

THE VICE-PRESIDENTS

Section 8. The vice-president, or if there is more than one, the vice-presidents, in the order determined by the Board of Directors, shall, in the absence or disability of the president, perform the duties and exercise the powers of the president and shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

THE SECRETARY AND ASSISTANT SECRETARIES

Section 9. The secretary shall attend all meetings of the Board of Directors and all meetings of the stockholders and record all the proceedings of the meetings of the corporation and of the Board of Directors in a book to be kept for that purpose and shall perform like duties for the committees thereof when required. He shall give, or cause to be given, notice of all meetings of the stockholders and special meetings of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors, the chairman of the board or the president, under whose supervision he shall be. He shall have custody of the corporate seal of the corporation and he, or an assistant secretary, shall have authority to affix the same to any instrument requiring it, and when so affixed it may be attested by his signature or by the signature of such assistant secretary. The Board of Directors may give general authority to any other officer to affix the seal of the corporation and to attest the affixing by his signature.

Section 10. The assistant secretary, or if there is more than one, the assistant secretaries, in the order determined by the Board of Directors, shall, in the absence or disability of the secretary, perform the duties and exercise the powers of the secretary and shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

Section 11. The assistant secretary shall, in addition to the duties of assistant secretary described above, give legal advice and assistance as called upon to do so by any officer of the corporation and shall generally oversee and supervise the legal affairs of the corporation as the Board of Directors may from time to time prescribe.

THE TREASURER AND ASSISTANT TREASURERS

Section 12. The treasurer shall have the custody of the corporate funds and securities and shall deposit all monies and other valuable effects in the name and to the credit of the corporation, in such depositories as may be designated by the Board of Directors; he shall review the disbursement of funds of the corporation in the manner specified by the Board of Directors, making certain that there are proper vouchers supporting such disbursements, and shall render to the chairman of the board, the president and the Board of Directors, whenever required, an accurate account of all his transactions as treasurer; he shall give the corporation a bond, if required by the Board of Directors, in a sum and with one or more sureties satisfactory to the Board of Directors, for the faithful performance of the duties of his office and for the restoration to this corporation in case of his death, resignation, retirement or removal from office, of all papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the corporation.

Section 13. In the absence or disability of the treasurer, the duties and powers of the treasurer shall be performed and exercised by such assistant treasurer elected or appointed by the Board of Directors as shall be determined by the Board of Directors.

THE CONTROLLER AND ASSISTANT CONTROLLERS

Section 14. The controller shall have the custody of the books and accounting records belonging to the corporation; he shall disburse the funds of the corporation in the manner specified by the Board of Directors, preparing proper vouchers for such disbursements and shall render to the chairman of the board, the president and to the Board of Directors, whenever required, an accurate account of all his transactions as controller and a statement of the financial condition of the corporation; he shall give the corporation a bond, if required by the Board of Directors, in a sum and with one or more sureties satisfactory to the Board of Directors, for the faithful performance of the duties of his office and for the restoration to the corporation, in the case of his death, resignation, retirement or removal from office, of all books, papers, vouchers and other property of whatever kind in his possession or under his control belonging to the corporation.

Section 15. In the absence or disability of the controller, the duties and powers of the controller shall be performed and exercised by such assistant controller elected or appointed by the Board of Directors as shall be determined by the Board of Directors.

ARTICLE VI
CERTIFICATES OF STOCK

Section 1. Every holder of stock in the corporation shall be entitled to have a certificate, signed by, or in the name of the corporation by, the chairman of the board or the president or a vice-president and by the treasurer or an assistant treasurer, or the secretary or an assistant secretary of the corporation, certifying the number of shares of each class of stock owned by him in the corporation.

Section 2. If a certificate is countersigned (a) by a transfer agent other than the corporation or its employee or (b) by a registrar other than the corporation or its employee, any other signature on the certificate may be a facsimile. In case any officer or officers who have signed, or whose facsimile signature or signatures have been used on, any such certificate or certificates shall cease to be such officer or officers of the corporation, whether because of death, resignation or otherwise, before such certificate or certificates have been delivered by the corporation, such certificate or certificates may nevertheless be adopted by the corporation and be issued and delivered as though the person or persons who signed such certificate or certificates or whose facsimile signature or signatures have been used thereon had not ceased to be such officer or officers of the corporation.

LOST CERTIFICATES

Section 3. The Board of Directors may direct a new certificate or certificates to be issued in place of any certificate or certificates theretofore issued by the corporation alleged to have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost, stolen or destroyed. When authorizing such issue of a new certificate or certificates, the Board of Directors may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost, stolen or destroyed certificate or certificates, or his legal representative, to advertise the same in such manner as it shall require and/or to give the corporation a bond in such sum as it may direct as indemnity against any claim that may be made against the corporation with respect to the certificate alleged to have been lost, stolen or destroyed.

TRANSFERS OF STOCK

Section 4. Upon surrender to the corporation or any transfer agent of the corporation of a certificate for stock duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, the corporation shall issue a new certificate to the person entitled thereto, cancel the old certificate and record the transaction upon its books.

Section 5. Notwithstanding the foregoing, transfers of shares of stock shall be subject in all respects to the corporation's charter.

CLOSING OF TRANSFER BOOKS; RECORD DATES

Section 6. The Board of Directors may close the stock transfer books of the corporation for a period not more than 20 days, and not less than 10 days, preceding the date of any meeting of stockholders or for a period not more than 20 days preceding the date for payment of any dividend or the date for the allotment of rights or the date when any change or conversion or exchange of stock shall go into effect or in connection with obtaining the consent of stockholders for any purpose.

Section 7. In lieu of closing the stock transfer books as described above, the Board of Directors may fix in advance a date, not more than 90 days, and not less than 10 days, preceding the date of any meeting of stockholders, and not more than 90 days preceding the date for payment of any dividend or the date for the allotment of rights or the date when any change or conversion or exchange of stock shall go into effect or in connection with obtaining the consent of stockholders for any purpose, as a record date for the determination of the stockholders entitled to notice of, and to vote at, any such meeting, and any adjournment thereof, or entitled to receive payment of any such dividend, or to any such allotment of rights, or to exercise the rights in respect of any such change, conversion or exchange of capital stock, or to give such consent, and in such case such stockholders and only such stockholders as shall be stockholders of record on the date so fixed, shall be entitled to such notice of, and to vote at, such meeting and any adjournments thereof, or to receive payment of such dividend, or to receive such allotment of rights, or to exercise such rights, or to give such consent, as the case may be, notwithstanding any transfer of any stock on the books of the corporation after any such record date fixed as described above.

Section 8. If no record date is fixed and the stock transfer books are not closed for the determination of stockholders, (a) the record date for the determination of stockholders entitled to notice of or to vote at a meeting of stockholders shall be the close of business on the day on which the notice of meeting is mailed or the 30th day before the meeting, whichever is the closer date to the meeting; and (b) the record date for the determination of stockholders entitled to receive payment of a dividend or an allotment of any other rights shall be the close of business on the day on which the resolution of the directors declaring the dividend or allotment of rights is adopted.

Section 9. When a determination of stockholders entitled to vote at any meeting of stockholders has been made as provided in this section, such determination shall apply to any adjournment thereof, except when (a) the determination has been made through the closing of the transfer books and the stated period of closing has expired or (b) the meeting is adjourned to a date more than 120 days after the record date fixed for the original meeting, in either of which cases a new record date shall be determined as set forth herein.

REGISTERED STOCKHOLDERS

Section 10. The corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of any share of stock to receive dividends, and to vote as such owner, and shall not be bound to recognize any equitable or other claim to or interest in such share on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of the State of Maryland.

ARTICLE VII
GENERAL PROVISIONS

DIVIDENDS

Section 1. Dividends and other distributions upon the stock of the corporation, subject to any provisions of any statute and the corporation’s charter, may be authorized and declared by the Board of Directors at any regular or special meeting. Dividends and other distributions may be paid in cash, in property, or in shares of stock of the corporation, subject to the provisions of any statute and the corporation’s charter.

CORPORATE OBLIGATIONS

Section 2. All contracts, deeds, mortgages, leases or instruments shall be signed by the chairman of the board or by the president (or, in their absence or inability to act, by such officers as may be designated by the Board of Directors) and by the secretary or an assistant secretary; provided, however, that the Board of Directors may authorize any other officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of, and on behalf of, the corporation, and such authority may be general or confined to specific instances.

Section 3. All checks, drafts or other orders for the payment of money, bonds, notes or other evidences of indebtedness issued in the name of the corporation shall be signed by such officer or officers or agent or agents of the corporation, and in such manner, as shall from time to time be determined by resolution of the Board of Directors.

FISCAL YEAR

Section 4. The fiscal year of the corporation shall begin on the first day of January in each year.

SEAL

Section 5. The corporate seal shall have inscribed thereon the name of the corporation, the year of its incorporation and the words “Incorporated Maryland.” The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise. Whenever the corporation is permitted or required to affix its seal to a document, it shall be sufficient to meet the requirements of any law, rule or regulation relating to a seal to place the word “(SEAL)” adjacent to the signature of the person authorized to execute the document on behalf of the corporation.

ARTICLE VIII
INDEMNIFICATION

Section 1. Any person who is a present or former director, officer or employee of the corporation and who is made a party to any proceeding (which term shall include any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative) by reason of such person’s service in such capacity or as a director, officer, partner, trustee or employee of any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise which he served as such at the request of the corporation shall (to the fullest extent permitted by Maryland law in effect from time to time) be indemnified by the corporation against all judgments, penalties, fines, settlements and reasonable expenses actually incurred by him in connection with such proceeding, unless it shall be established that (a) the act or omission of such person was material to the matter giving rise to the proceeding and was committed in bad faith or was the result of active and deliberate dishonesty or (b) such person actually received an improper personal benefit in money, property or services or (c) in the case of any criminal proceeding, such person had reasonable cause to believe that the act or omission was unlawful. The corporation may, with the approval of the Board of Directors, provide such indemnification to a person who served a predecessor of the corporation in any of the capacities described above and to any agent of the corporation or a predecessor of the corporation.

Section 2. Except as provided in Section 1 above, the termination of any proceeding by judgment, order or settlement shall not create a presumption that a director, officer or employee did not meet the applicable standard of conduct. The termination of any proceeding by conviction or upon a plea of *nolo contendere* or its equivalent shall create a rebuttable presumption that a director, officer or employee did not meet the applicable standard of conduct.

Section 3. Except where a person has been successful, on the merits or otherwise, in the defense of any proceeding described above, any indemnification hereunder shall be made only after: (a) the Board of Directors (acting by a majority vote of a quorum consisting of directors not, at the time, parties to such proceeding or, if such a quorum cannot be obtained, then by a majority vote of a duly designated committee of the board consisting solely of two or more directors not, at the time, parties to such proceeding) determines that such person has met the applicable standard of conduct; (b) special legal counsel (selected by the Board of Directors or a committee of the board by vote as set forth in clause (a) or as otherwise permitted by Maryland law) determines that such person has met such standard of conduct; or (c) the stockholders determine that such person has met such standard of conduct.

Section 4. Reasonable expenses incurred by a person who is a party to a proceeding may be paid or reimbursed by the corporation in advance of the final disposition of the proceeding upon receipt by the corporation of: (a) a written affirmation by the person of the person's good faith belief that the standard of conduct has been met; and (b) a written undertaking by or on behalf of the person to repay the amount if it is ultimately determined that the standard of conduct has not been met.

Section 5. The indemnification and advancement of expenses provided or authorized hereunder shall not be deemed exclusive of any other rights to which any person may be entitled under the corporation's charter, these by-laws, a resolution of stockholders or directors, an agreement or otherwise, both as to action in an official capacity and as to action in another capacity while holding such office. Indemnification provided hereunder shall, in the case of death of a director, officer or employee, inure to the benefit of his heirs, executors or other lawful representatives.

Section 6. Neither the amendment nor the repeal of this Article, nor the adoption or amendment of any other provisions of these by-laws or of the corporation's charter inconsistent with this Article, shall apply to or affect in any respect the applicability of this Article with respect to any act or failure to act which occurred prior to such amendment, repeal or adoption.

ARTICLE IX
AMENDMENTS

Section I. The Board of Directors shall have the exclusive power to make, alter or repeal these by-laws. These by-laws may be altered or repealed at any regular meeting of the Board of Directors or at any special meeting of the Board of Directors if notice of such alteration or repeal is contained in the notice of such special meeting.

CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Michael H. Goldberg, certify that:

1. I have reviewed this quarterly report on Form 10-Q of A. M. Castle & Co.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;

4. The Company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures [as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)] and internal control over financial reporting [as defined in Exchange Act Rules 13a-15(f) and 15-d-15(f)] for the Company and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any changes in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal quarter (the Company's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and

5. The Company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Date: November 5, 2010

/s/ Michael H. Goldberg
Michael H. Goldberg
President and Chief Executive Officer

CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Scott F. Stephens certify that:

1. I have reviewed this quarterly report on Form 10-Q of A. M. Castle & Co.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;

4. The Company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures [as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)] and internal control over financial reporting [as defined in Exchange Act Rules 13a-15(f) and 15-d-15(f)] for the Company and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any changes in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal quarter (the Company's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and

5. The Company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Date: November 5, 2010

/s/ Scott F. Stephens
Scott F. Stephens
Vice President and Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of A. M. Castle & Co. (the “Company”) on Form 10-Q for the period ended September 30, 2010 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), Michael H. Goldberg, President and Chief Executive Officer (Principal Executive Officer) and Scott F. Stephens, Vice President and Chief Financial Officer (Principal Financial Officer) of the Company, do each hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of his knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ Michael H. Goldberg
Michael H. Goldberg
President and Chief Executive Officer
November 5, 2010

/s/ Scott F. Stephens
Scott F. Stephens
Vice President and Chief Financial Officer
November 5, 2010

This certification accompanies the Report pursuant to § 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section. This certification shall also not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent that the Company specifically incorporates it by reference.