

CASTLE A M & CO

FORM 8-K (Current report filing)

Filed 03/08/11 for the Period Ending 03/02/11

Address	1420 KENSINGTON ROAD SUITE 220 OAK BROOK, IL 60523
Telephone	8474557111
CIK	0000018172
Symbol	CAS
SIC Code	5051 - Metals Service Centers and Offices
Industry	Misc. Fabricated Products
Sector	Basic Materials
Fiscal Year	12/31

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

FORM 8-K

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

Date of Report: **March 2, 2011**
(Date of earliest event reported)

A. M. CASTLE & CO.
(Exact name of registrant as specified in its charter)

Maryland
(State or other jurisdiction of incorporation)

1-5415
(Commission File Number)

36-0879160
(IRS Employer Identification No.)

**3400 North Wolf Road
Franklin Park, Illinois 60131**
(Address of principal executive offices)

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

Not Applicable
(Former name or former address if changed since last report.)

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

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13 e-4(c) under the Exchange Act (17 CFR 240.13 e-4(c))
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Item 2.02 Results of Operations and Financial Condition.

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

The information regarding the results of operations and financial condition of A. M. Castle & Co. (the “Company”) for the fourth quarter ended December 31, 2010, responsive to this Item 2.02, and contained in Exhibit 99.1 filed herewith, is incorporated to this Item 2.02 by reference.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On March 2, 2011, the Human Resources Committee (the “Committee”) of the Board of Directors of the Company approved a new standard form of performance-based stock unit agreement, to be used in conjunction with awards made under the Company’s 2008 Restricted Stock, Stock Option and Equity Compensation Plan. The new form of Performance Share Award Agreement is attached hereto as Exhibit 10.29, and incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit Number	Description
10.29	Form of Performance Share Award Agreement, adopted March 2, 2011
99.1	A. M. Castle & Co. Press Release, dated March 8, 2011

Cautionary Statement on Risks Associated with 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” of our Annual Report on Form 10-K for the fiscal 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.

SIGNATURES

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

March 8, 2011

A. M. CASTLE & CO.

By: /s/ Robert J. Perna

Robert J. Perna
Vice President, General Counsel & Secretary

EXHIBIT INDEX

Exhibit No.	Description	Page Number
10.29	Form of Performance Share Award Agreement, adopted March 2, 2011	EX-1
99.1	A. M. Castle & Co. Press Release, dated March 8, 2011	EX-5

A.M. CASTLE & CO.

PERFORMANCE SHARE AWARD AGREEMENT
(2011-2013 LTCP)A.M. CASTLE & CO.
2008 RESTRICTED STOCK, STOCK OPTION
AND EQUITY COMPENSATION PLAN

GRANTEE:

ADDRESS:

SOCIAL SECURITY NUMBER:

NUMBER OF PERFORMANCE SHARES: _____ (THRESHOLD AWARD)
 _____ (TARGET AWARD)
 _____ (MAXIMUM AWARD)

DATE OF GRANT:

This is an award agreement (the "Award Agreement") between A.M. Castle & Co., a Maryland corporation (the "Corporation"), and the individual named above (the "Grantee"). Subject to the conditions set forth herein, the Corporation hereby grants to the Grantee, as of the Grant Date specified above, the above-stated Target Award of Performance Shares and Maximum Award of Performance Shares, which may be earned in accordance with Section 2, on the terms and conditions contained herein and in the Corporation's 2008 Restricted Stock, Stock Option and Equity Compensation Plan approved by the shareholders April 24, 2008, as may be amended from time to time (the "Plan"). Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to them in the Plan.

1. **Performance Vesting.** Subject to Sections 2, 3 and 4, the Corporation shall deliver to the Grantee one share of Common Stock for each whole Performance Share that is earned in accordance with the following schedule:

Corporation's Performance				
Measures	Weighting	Threshold	Target	Max
Relative Total Shareholder Return	50%			
Modified ROIC	50%			

Performance levels for RTSR shall be measured based on performance over the performance period. Performance levels for Modified ROIC shall be measured based on performance during any one fiscal year during the performance period and shall be based on obtaining the respective Modified ROIC performance goals (threshold, target or maximum) for any one fiscal year during the performance period. If the Modified ROIC returns meet or exceed threshold performance level for any two or more fiscal years during the performance period, then any payout will be based on the highest of the fiscal years in which threshold performance is obtained, and the award opportunity attributable to the Modified ROIC performance measure will be increased by an additional 20 percentage points, not to exceed the maximum performance award otherwise payable under the Modified ROIC measure. If the Corporation's actual performance is between the amounts listed above, the percentage of the Award shall be interpolated on a straight line basis.

2. **Delivery of Shares.** The number of shares of Common Stock that the Grantee earns under Section 1 will be delivered to the Grantee as soon as administratively practicable after the end of the Performance Period; provided, however, that in lieu of shares of Common Stock, the payment may be made in cash or other equity based property or any combination thereof, as the Committee may determine in its sole discretion. Before such delivery, the Committee shall certify in writing the number of Performance Shares that the Grantee have earned. No fractional shares will be delivered pursuant to this Award and fractional shares shall be rounded down.

3. **Employment Termination.** If the Grantee's employment with the Corporation and its subsidiaries terminates before the end of the Performance Period, this Performance Share Award shall be forfeited on the date of such termination.

4. **Transferability.** The Performance Shares shall not be sold, pledged, assigned, hypothecated, transferred or disposed of in any manner, whether by the operation of law or otherwise. Any attempted transfer of the Performance Shares prohibited by this Section 4 shall be null and void.

5. **Adjustments.** The Performance Shares shall be subject to adjustment or substitution in accordance with Section V of the Plan.

6. **Withholding.** The Grantee are responsible for all applicable federal, state and local income and employment taxes (including taxes of any foreign jurisdiction) which the Corporation is required to withhold at any time with respect to the Performance Shares to satisfy its minimum statutory withholding requirements. Such payment shall be made in full at the Grantee's election, in cash or check, by withholding from the Grantee's next normal payroll check, or by the tender of shares of Common Stock payable under this Award. Shares of Common Stock tendered as payment of required withholding shall be valued at the closing price per share of Common Stock on the date such withholding obligation arises.

7. **Miscellaneous**

(a) **Disclaimer of Rights.** Nothing contained herein shall constitute an obligation for continued employment.

(b) **Rights Unsecured.** The Grantee shall have only the Corporation's unfunded, unsecured promise to pay pursuant to the terms of this Award. The Grantee's rights shall be that of an unsecured general creditor of the Corporation and the Grantee shall not have any security interest in any assets of the Corporation.

(c) **No Adjustment for Dividends.** The number of performance shares shall not be adjusted for the payment of any cash dividend on shares of common stock of the Corporation before the issuance of a stock certificate representing the earned Award.

(d) **Offset.** The Corporation may deduct from amounts otherwise payable under this Award all amounts owed by the Grantee to the Corporation and its affiliates to the maximum extent permitted by applicable law.

(e) **Terms of Plan.** The Award is subject to the terms and conditions set forth in the Plan, which are incorporated into and shall be deemed to be a part of this Award, without regard to whether such terms and conditions (including, for example, provisions relating to certain changes in capitalization of the Corporation) are otherwise set forth in this Award. In the event that there is any inconsistency between the provisions of this Award and of the Plan, the provisions of the Plan shall govern.

(f) **Amendment.** This Award Agreement may be amended only by a writing executed by the Corporation and the Grantee that specifically states that it is amending this Award Agreement. Notwithstanding the foregoing, this Award Agreement may be amended solely by the Committee by a writing which specifically states that it is amending this Award Agreement, so long as a copy of such amendment is delivered to the Grantee, and provided that no such amendment adversely affecting the rights of the Grantee hereunder may be made without the Grantee's written consent. Without limiting the foregoing, the Committee reserves the right to change, by written notice to the Grantee, the provisions of the Performance Shares or this Award Agreement in any way it may deem necessary or advisable to carry out the purpose of the grant as a result of any change in applicable laws or regulations or any future law, regulation, ruling or judicial decisions, provided that any such change shall be applicable only to the Performance Shares which are than subject to restrictions as provided herein.

(g) Severability. If any term, provision, covenant or restriction contained herein is held by a court or a federal regulatory agency of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions contained herein shall remain in full force and effect, and shall in no way be affected, impaired or invalidated.

(h) Controlling Law. The Award shall be construed, interpreted and applied in accordance with the law of the State of Illinois, without giving effect to the choice of law provisions thereof. The Grantee agrees to irrevocably submit any dispute arising out of or relating to this Award to the exclusive concurrent jurisdiction of the state and federal courts located in Illinois. The Grantee also irrevocably waives, to the fullest extent permitted by applicable law, any objection the Grantee may now or hereafter have to the laying of venue of any such dispute brought in such court or any defense of inconvenient forum for the maintenance of such dispute, and the Grantee agrees to accept service of legal process from the courts of Illinois.

(i) Code Section 409A Compliance. To the extent applicable, it is intended that this Award and the Plan not be subject to or otherwise comply with the provisions of Code Section 409A, so that the income inclusion provisions of Code Section 409A(a)(1) do not apply. This Award and the Plan shall be interpreted and administered in a manner consistent with this intent, and any provision that would cause the Award or the Plan to fail to satisfy Code Section 409A shall have no force and effect until amended to comply with Code Section 409A (which amendment may be retroactive to the extent permitted by Code Section 409A and may be made by the Corporation without the Grantee's consent).

8. **Definitions.** As used herein, the following terms shall be defined as set forth below:

(a) "Award" means the Performance Share Award to the Grantee as set forth herein, and as may be amended as provided herein.

(b) "Board" means the Corporation's Board of Directors.

(d) "Code" means the Internal Revenue Code of 1986, as amended.

(e) "Committee" means the Human Resources Committee of the Board.

(f) "Common Stock" means the Corporation's \$.01 par value common stock.

(g) "Grant Date" means the date this Award is made to the Grantee, as set forth on the first page of the Award.

(h) "Maximum Award" means that maximum number of Performance Shares awarded to the Grantee as set forth on the first page of the Award, representing Two Hundred Percent (200%) of the Target Award.

(i) "Modified ROIC" shall be calculated as follows:

(a) the sum of the Company's reported net income for the fiscal year plus pre-tax interest expense for such fiscal year; divided by

(b) the sum of the Company's market capitalization as of December 31, 2010 (equal to the product of the 60-day trailing average price of the Company's common stock as of December 31, 2010, multiplied by the total number of shares of the Company's common stock outstanding as of December 31, 2010), plus the book value of the Company's long-term debt as of December 31, 2010.

(j) “ Performance Period ” means the Corporation’s three (3) consecutive fiscal years commencing with the fiscal year beginning _____.

(k) “ Performance Share ” means a restricted stock unit under the Plan that is subject to restrictions based on the attainment of certain performance criteria, as described herein, and represents a bookkeeping entry that records the equivalent of one share of Common Stock.

(l) “ Relative Total Shareholder Return ” means percentile rank of the Company’s Total Shareholder Return (TSR) against an external benchmark established by the Committee in its sole discretion. The composition of the external benchmark may be adjusted by the Committee from time to time throughout the Performance Period based on criteria established by the Committee.

(m) “ Target Award ” means that number of Performance Shares specified as such on the first page of the Award.

(n) “ Threshold Award ” means that threshold number of Performance Shares awarded to the Grantee as set forth on the first page of the Award, representing Fifty Percent (50%) of the Target Award.

(o) “ Total Shareholder Return ” means the stock price appreciation, plus dividends reinvested and plus cash equivalent distributions reinvested over a specific period of time. Total Shareholder Return is expressed as a percentage increase (decrease) over the beginning value of the stock.

The Corporation and the Grantee hereby agree to the terms and conditions of this Award Agreement and have executed it as of the Date of Grant set forth above.

A. M. CASTLE & CO.

By: _____

Its: Vice President, General Counsel & Secretary

Grantee



A. M. CASTLE & CO.

3400 North Wolf Road
Franklin Park, Illinois
60131
(847) 455-7111
(847)455-6930 (Fax)

For Further Information:

—————AT THE COMPANY—————

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Traded: NYSE (CAS)
Member: S&P SmallCap 600 Index

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FOR IMMEDIATE RELEASE
TUESDAY, MARCH 8, 2011

A. M. Castle & Co. Reports Fourth Quarter and Full Year 2010 Results; Announces Record Date and Annual Shareholder Meeting Date

FRANKLIN PARK, IL, MARCH 8th – A. M. Castle & Co. (NYSE: CAS) , a global distributor of specialty metal and plastic products, value-added services and supply chain solutions, today reported financial results for the fourth quarter and full year ended December 31, 2010.

For the fourth quarter 2010, consolidated net sales were \$235.6 million, compared to \$181.3 million in the fourth quarter of 2009, an increase of 30%. The Company reported a fourth quarter net loss of \$1.5 million, or \$0.07 loss per diluted share. During the fourth quarter 2010, three facilities were consolidated into existing operations within the same market in order to reduce costs, improve customer service and increase operating efficiencies which resulted in a \$2.4 million pre-tax charge (\$1.5 million or \$0.07 per diluted share after-tax). These moves are expected to result in an estimated \$2.0 million of annual cost savings beginning in January 2011.

For the year, consolidated net sales were \$943.7 million, compared to 2009 net sales of \$812.6 million. Net loss for the full year 2010 was \$5.6 million, or \$0.25 per diluted share, as compared to a net loss of \$26.9 million, or \$1.18 per diluted share in 2009.

“Sales activity during the fourth quarter of 2010 was stronger than we had anticipated due to increased demand in several of our key end markets. In addition, the pricing and gross profit margin environment improved during the fourth quarter compared to the third quarter of 2010,” stated Michael Goldberg, President and CEO of A.M. Castle.

For the fourth quarter 2010, sales in the Company’s Metals segment were \$210.0 million or \$50.7 million and 31.8% higher than last year. Metals segment tons sold per day for the fourth quarter 2010 were flat sequentially from third quarter and were up 27.8% from the fourth quarter 2009. For the full year 2010, Metals segment sales of \$841.1 million were \$114.9 million or 15.8% higher than \$726.2 million in 2009, while tons sold per day increased 14.8% from 2009.

“A typical seasonal pattern in our business would result in lower fourth quarter tons sold compared to the third quarter, but this year our tons sold stayed even in the fourth quarter, demonstrating the continued recovery in several of our key markets such as oil and gas, mining and heavy equipment, and general industrial products. We had expected to report a net loss in the fourth quarter; however, we ultimately achieved breakeven earnings on a non-GAAP basis, when you exclude the \$2.4 million of facility consolidation charges,” Goldberg continued.

In the Plastics segment, fourth quarter sales of \$25.6 million were \$3.6 million or 16.4% higher than the prior year. For the full year 2010 Plastics segment sales of \$102.6 million were \$16.2 million or 18.8% higher than 2009, reflecting stronger demand across virtually all end-use markets.

“During the fourth quarter of 2010, the Company’s continued focus on working capital management resulted in a \$30.9 million inventory reduction and an \$18.4 million debt reduction sequentially from third quarter 2010 levels. For the full year 2010, the Company achieved a \$40.0 million inventory reduction and a \$20.0 million debt reduction from 2009 levels,” added Goldberg.

The Company’s debt-to-capital ratio was 18.1% and total debt outstanding was \$69.1 million at December 31, 2010 compared to debt-to-capital ratio of 21.9% and total debt outstanding of \$89.2 million at December 31, 2009. Interest expense during the fourth quarter was \$1.1 million, or \$0.6 million lower than the prior year period due to reduced borrowings.

“Our performance in 2010 exceeded our internal goals for operating results and our key initiatives, and we look forward to 2011 with renewed optimism. The Company’s balance sheet is strong, there is solid liquidity, and we believe that our overall sales growth rate in 2011 will be similar to what we achieved in 2010,” said Goldberg.

Webcast Information

Management will hold a conference call at 11:00 a.m. ET today to review the Company's results for the three month and twelve month periods ended December 31, 2010 and to discuss business conditions and outlook. The call can be accessed via the Internet live or as a replay. Those who would like to listen to the call may access the webcast through <http://www.amcastle.com>.

An archived version of the conference call webcast will be accessible for replay on the above website until the next earnings conference call. A replay of the conference call will also be available for seven days by calling 303-590-3030 (international) or 800-406-7325 and citing code 4415365.

Annual Meeting Date, Time and Location

A. M. Castle & Co. will hold its annual meeting of shareholders on April 28, 2011 at 10:00 a.m. Central time. The meeting will be held in Franklin Park, IL, at the Company’s corporate offices.

Holders of common shares of record at the close of business on March 1, 2011 are entitled to notice and to vote at the annual meeting .

About A. M. Castle & Co.

Founded in 1890, A. M. Castle & Co. is a global distributor of specialty metal and plastic products and supply chain services, principally serving the producer durable equipment, oil and gas, commercial aircraft, heavy equipment, industrial goods, construction equipment, retail, marine and automotive sectors of the global economy. Its customer base includes many Fortune 500 companies as well as thousands of medium and smaller-sized firms spread across a variety of industries. Within its metals business, it specializes in the distribution of alloy and stainless steels; nickel alloys; aluminum and carbon. Through its subsidiary, Total Plastics, Inc., the Company also distributes a broad range of value-added industrial plastics. Together, Castle and its affiliated companies operate out of approximately 60 locations throughout North America, Europe and Asia. Its common stock is traded on the New York Stock Exchange under the ticker symbol "CAS".

Regulation G Disclosure

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

The Company believes that the use and presentation of EBITDA, which is defined by the Company as income before provision for income taxes plus depreciation and amortization, and interest expense, less interest income, is widely used by the investment community for evaluation purposes and provides the investors, analysts and other interested parties with additional information in analyzing the Company’s operating results.

Cautionary Statement on Risks Associated with Forward Looking Statements

Information provided and statements contained in this release that are not purely historical are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (“Securities Act”), Section 21E of the Securities Exchange Act of 1934, as amended (“Exchange Act”), and the Private Securities Litigation Reform Act of 1995. Such forward-looking statements only speak as of the date of this release and the Company assumes no obligation to update the information included in this release. Such forward-looking statements include information concerning our possible or assumed future results of operations, including descriptions of our business strategy. 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” of our Annual Report on Form 10-K for the fiscal 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.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Dollars in thousands, except per share data)
Unaudited

	For the Three Months Ended December 31,		For the Twelve Months Ended December 31,	
	2010	2009	2010	2009
Net sales	\$ 235,640	\$ 181,331	\$ 943,706	\$ 812,638
Costs and expenses:				
Cost of materials (exclusive of depreciation and amortization)	171,385	146,435	700,854	611,352
Warehouse, processing and delivery expense	33,315	26,322	123,318	109,627
Sales, general, and administrative expense	28,197	24,666	108,223	106,140
Depreciation and amortization expense	5,155	5,184	20,649	21,291
Impairment of goodwill	-	1,357	-	1,357
Operating loss	(2,412)	(22,633)	(9,338)	(37,129)
Interest expense, net	(1,064)	(1,643)	(4,988)	(6,440)
Loss before income taxes and equity in earnings of joint venture	(3,476)	(24,276)	(14,326)	(43,569)
Income taxes	366	8,430	3,101	16,264
Loss before equity in earnings of joint venture	(3,110)	(15,846)	(11,225)	(27,305)
Equity in earnings of joint venture	1,612	321	5,585	402
Net loss	\$ (1,498)	\$ (15,525)	\$ (5,640)	\$ (26,903)
Basic loss per share	\$ (0.07)	\$ (0.68)	\$ (0.25)	\$ (1.18)
Diluted loss per share	\$ (0.07)	\$ (0.68)	\$ (0.25)	\$ (1.18)
EBITDA *	\$ 4,355	\$ (17,128)	\$ 16,896	\$ (15,436)

*Earnings before interest, taxes, and depreciation and amortization

Reconciliation of EBITDA to net income:

	For the Three Months Ended December 31,		For the Twelve Months Ended December 31,	
	2010	2009	2010	2009
Net income (loss)	\$ (1,498)	\$ (15,525)	\$ (5,640)	\$ (26,903)
Depreciation and amortization expense	5,155	5,184	20,649	21,291
Interest expense, net	1,064	1,643	4,988	6,440
Income taxes	(366)	(8,430)	(3,101)	(16,264)
EBITDA	\$ 4,355	\$ (17,128)	\$ 16,896	\$ (15,436)

CONDENSED CONSOLIDATED BALANCE SHEETS*(Dollars in thousands, except par value data)**Unaudited*

	As of	
	December 31, 2010	December 31, 2009
ASSETS		
Current assets		
Cash and cash equivalents	\$ 36,716	\$ 28,311
Accounts receivable, less allowances of \$3,848 and \$4,195	128,365	105,832
Inventories, principally on last-in, first-out basis (replacement cost higher by \$122,340 and \$116,816)	130,917	170,960
Other current assets	6,832	5,241
Income tax receivable	8,192	18,970
Total current assets	<u>311,022</u>	<u>329,314</u>
Investment in joint venture	27,879	23,468
Goodwill	50,110	50,072
Intangible assets	41,427	48,575
Prepaid pension cost	18,580	19,913
Other assets	3,619	3,906
Property, plant and equipment, at cost		
Land	5,195	5,192
Building	52,277	51,945
Machinery and equipment	182,178	178,545
	<u>239,650</u>	<u>235,682</u>
Less - accumulated depreciation	<u>(162,935)</u>	<u>(152,929)</u>
	<u>76,715</u>	<u>82,753</u>
Total assets	<u><u>\$ 529,352</u></u>	<u><u>\$ 558,001</u></u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$ 71,764	\$ 71,295
Accrued liabilities	31,320	22,419
Income taxes payable	2,357	1,848
Deferred income taxes	2,461	9,706
Current portion of long-term debt	8,012	7,778
Short-term debt	-	13,720
Total current liabilities	<u>115,914</u>	<u>126,766</u>
Long-term debt, less current portion	61,127	67,686
Deferred income taxes	26,754	32,032
Other non-current liabilities	3,390	5,281
Pension and post retirement benefit obligations	8,708	8,028
Commitments and contingencies		
Stockholders' equity		
Preferred stock, \$0.01 par value - 10,000 shares authorized; no shares issued and outstanding at December 31, 2010 and December 31, 2009	-	-
Common stock, \$0.01 par value - 30,000 shares authorized; 23,149 shares issued and 22,986 outstanding at December 31, 2010 and 23,115 shares issued and 22,906 outstanding at December 31, 2009	231	230
Additional paid-in capital	180,519	178,129
Retained earnings	150,747	156,387
Accumulated other comprehensive loss	(15,812)	(13,528)
Treasury stock, at cost - 163 shares at December 31, 2010 and 209 shares at December 31, 2009	<u>(2,226)</u>	<u>(3,010)</u>
Total stockholders' equity	<u>313,459</u>	<u>318,208</u>
Total liabilities and stockholders' equity	<u><u>\$ 529,352</u></u>	<u><u>\$ 558,001</u></u>