

NEWS



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-----

Edward Culliton
VP, Finance & Chief Financial Officer
(847) 349-2508
Email: eculliton@amcastle.com

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

-----AT FRB/WEBER SHANDWICK-----

General Information:	Analyst Contacts:
George Zagoudis	John McNamara (212) 455-8435
(312) 640-6663	Email: jmcnamara@webershandwick.com
Email: gzagoudis@webershandwick.com	

FOR IMMEDIATE RELEASE
WEDNESDAY, FEBRUARY 5, 2003

A. M. CASTLE & CO. ANNOUNCES UNAUDITED FOURTH QUARTER AND ANNUAL 2002 RESULTS

FRANKLIN PARK, ILLINOIS, FEBRUARY 5, 2003 — A. M. CASTLE & CO. (AMEX: CAS), one of North America's largest distributors of highly engineered metals, today announced its unaudited results for the quarter and the year ended December 31, 2002.

For the quarter, sales totalled \$124.3 million and generated a loss of \$5.3 million, or 34 cents per share. Losses from continuing operations totalled \$5.1 million, or 34 cents per share. In the quarter the results included two significant items, first an after-tax charge of \$1.3 million, or 8 cents per share, for expenses associated with the initiation of a three year \$60 million accounts receivable securitization agreement and, second, an after-tax LIFO adjustment of \$0.8 million or 5 cents per share. These results compare to a fourth quarter 2001 loss of \$3.8 million, or 27 cents per share. Losses from continuing operations in the prior year totalled \$3.9 million, or 28 cents per share, including an after-tax LIFO charge net of other inventory adjustments of \$1.1 million, or 7 cents per share. "The fourth quarter seasonal slowdown was very pronounced in both 2002 and 2001 with extensive plant shutdowns at most major customers over both the Thanksgiving and the Christmas/New Years holidays," said G. Thomas McKane, President and CEO.

m o r e.....

**A. M. CASTLE & CO.
ADD ONE**

"For the year sales totalled \$538.1 million and produced a loss of \$10.2 million, or 68 cents per share. Losses from continuing operations totalled \$9.3 million, or 63 cents per share. In addition to the receivable securitization and LIFO charges noted above, 2002 results from continuing operations include after-tax charges for severance costs of \$0.3 million (2 cents per share). These three items totalled 15 cents per share."

"For the last two years we have been taking aggressive actions to improve productivity, lower the Company's cost structure and to strengthen the balance sheet," said McKane. Our breakeven point today is approximately \$600 million, a level \$100 million lower than the pre-recession levels of 2000. Our employment levels have been reduced by 33 percent as part of this effort and our productivity, as measured by lines handled per employee, has increased by 14 percent over the last two years."

Commenting on the balance sheet, Edward F. Culliton, Vice President and CFO, noted that during the year further progress was made in reducing the Company's debt-to-total capital ratio. "At year-end, the ratio stood at 46.2 percent compared with 50.6 percent and 56.0 percent at the end of 2001 and 2000 respectively. The recapitalization program completed during the year, combined with continued progress in improving the utilization of both fixed assets and working capital, have allowed us to make significant progress towards our long-term goal of reducing our debt-to-capital ratio to 40 percent of below."

"We believe the manufacturing recession may have bottomed out," McKane said. "Our metals business is showing some early signs of strengthening in the traditional manufacturing sector. Aerospace markets remain weak, and the oil and gas outlook is uncertain. Our plastics business has recovered very nicely and has exhibited double-digit growth for the last six months."

"We are planning for 2003 sales growth in the mid-single digit range with most of the strengthening in the second half of the year. The full year impact of Metal Express will add a 1-percent growth. The structural cost and productivity changes we have put in place should result in operating profit leverage in the range of 15 percent or more of incremental sales. The accounts receivable securitization fees and severance costs totalling \$1.6 million after-tax are not anticipated to reoccur in 2003. However, the Company is expected to incur an additional \$1.0 million of after tax interest expense."

"We invite interested parties to listen to our conference call scheduled for 11:00 EST today, Wednesday, February 5, 2003. Connection is available through our web site at www.amcastle.com and will be available for 14 days after the call."

m o r e.....

**A. M. CASTLE & CO.
ADD TWO**

In closing, Mr. McKane noted that a more complete analysis of the Company's 2002 operating results would be contained in its Annual Report scheduled to be released in mid-March following completion of the annual audit by Deloitte & Touche.

Founded in 1890, A. M. Castle & Co. provides highly engineered materials and value-added services to a wide range of industrial companies. The company is widely recognized as one of the leading industrial distributors of specialty metals such as carbon, alloy and stainless steels; aluminum; nickel alloy; titanium; and copper and brass. 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 over 50 locations throughout North America. Its common stock is traded on the American and Chicago Stock Exchanges under the ticker symbol "CAS."

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

Financial tables to follow...

A. M. CASTLE & CO.
ADD THREE

CONDENSED STATEMENTS OF OPERATIONS
(Amounts in thousands, except per share data)
(UNAUDITED)

	For the Three Months		For The Twelve Months	
	Ended December 31,	Ended December 31,	Ended December 31,	Ended December 31,
	2002	2001	2002	2001
Net sales	\$124,289	\$121,507	\$538,143	\$593,292
Cost of material sold	<u>(87,527)</u>	<u>(86,814)</u>	<u>(377,997)</u>	<u>(417,113)</u>
Gross material margin	<u>36,762</u>	<u>34,693</u>	<u>160,146</u>	<u>176,179</u>
Plant and delivery expense	(21,049)	(21,320)	(87,902)	(97,567)
Sales, general and administrative expense	(16,999)	(14,859)	(67,720)	(66,808)
Depreciation and amortization	<u>(2,457)</u>	<u>(2,219)</u>	<u>(8,895)</u>	<u>(8,961)</u>
Total other operating expense	<u>(40,505)</u>	<u>(38,398)</u>	<u>(164,517)</u>	<u>(173,336)</u>
Operating (loss) income	\$ (3,743)	\$ (3,705)	\$ (4,371)	\$ 2,843
Equity earnings (loss) of joint ventures	26	(379)	446	(586)
Interest expense, net	(2,122)	(2,014)	(7,459)	(9,395)
Discount on sale of accounts receivable	<u>(2,490)</u>	<u>(364)</u>	<u>(3,429)</u>	<u>(1,274)</u>
Loss from continuing operations before income tax	\$ <u>(8,329)</u>	\$ <u>(6,462)</u>	\$ <u>(14,813)</u>	\$ <u>(8,412)</u>
Income Taxes:				
Federal	2,576	2,078	4,623	2,561
State	<u>611</u>	<u>444</u>	<u>917</u>	<u>474</u>
	<u>3,187</u>	<u>2,522</u>	<u>5,540</u>	<u>3,035</u>
Net loss from continuing operations	\$ (5,142)	\$ (3,940)	\$ (9,273)	\$ (5,377)
Discontinued operations:				
Income (loss) from discontinued operations, net of income tax	—	113	(26)	327
Loss on disposal of subsidiary, net of income tax	<u>(23)</u>	<u>—</u>	<u>(752)</u>	<u>—</u>
Net loss	\$ (5,165)	\$ (3,827)	\$ (10,051)	\$ (5,050)
Preferred dividends	<u>(103)</u>	<u>—</u>	<u>(103)</u>	<u>—</u>
Net loss applicable to common stock	\$ <u>(5,268)</u>	\$ <u>(3,827)</u>	\$ <u>(10,154)</u>	\$ <u>(5,050)</u>
Basic and diluted loss per share from continuing operations	\$ (0.34)	\$ (0.28)	\$ (0.63)	\$ (0.38)
Earnings (loss) per share from discontinued operations...	<u>—</u>	<u>0.01</u>	<u>(0.05)</u>	<u>0.02</u>
Loss per share from continuing and discontinued operations	\$ <u>(0.34)</u>	\$ <u>(0.27)</u>	\$ <u>(0.68)</u>	\$ <u>(0.36)</u>

A. M. CASTLE & CO.
ADD FOUR

CONDENSED BALANCE SHEETS
(Dollars in thousands)

(UNAUDITED)

	December 31, <u>2002</u>	December 31, <u>2001</u>
ASSETS		
Cash and equivalents.....	\$ 918	\$ 1,801
Accounts receivable, less allowances of \$0.7 and \$0.6 million in 2002 and 2001 respectively.....	34,273	19,353
Inventories (principally on last-in, first-out basis).....	131,704	129,521
Income tax receivable.....	9,897	5,120
Other current assets.....	7,930	6,121
Current assets – discontinued subsidiary.....	<u>—</u>	<u>8,941</u>
Total current assets.....	184,722	170,857
Investment in joint ventures.....	7,278	9,206
Goodwill.....	31,947	31,212
Prepaid expenses and other non-current assets.....	47,113	27,981
Fixed assets, net.....	81,535	85,529
Non-current assets – discontinued subsidiary.....	<u>—</u>	<u>2,630</u>
Total assets.....	<u>\$352,595</u>	<u>\$327,415</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Accounts payable.....	\$ 64,192	\$ 47,824
Accrued liabilities.....	16,092	15,397
Deferred income taxes.....	4,351	703
Current portion of long-term debt.....	3,546	2,664
Current liabilities – discontinued subsidiary.....	<u>—</u>	<u>4,118</u>
Total current liabilities.....	<u>88,181</u>	<u>70,706</u>
Long-term debt, less current portion.....	108,801	117,047
Long-term debt – discontinued subsidiary.....	<u>—</u>	<u>141</u>
Deferred income taxes.....	21,101	18,914
Minority interest.....	1,352	1,236
Post retirement benefit obligations.....	<u>2,236</u>	<u>2,137</u>
Total long term liabilities.....	<u>133,490</u>	<u>139,475</u>
Stockholders' equity		
Preferred stock.....	11,239	—
Common stock.....	158	142
Additional paid in capital.....	35,017	27,483
Earnings reinvested in the business.....	85,490	95,644
Accumulated other comprehensive loss.....	(555)	(1,475)
Other—deferred compensation.....	(195)	(401)
Treasury stock, at cost.....	<u>(230)</u>	<u>(4,159)</u>
Total stockholders' equity.....	<u>\$130,924</u>	<u>\$117,234</u>
Total liabilities and stockholders' equity.....	<u>\$352,595</u>	<u>\$327,415</u>

A. M. CASTLE & CO.
ADD FIVE

CONDENSED STATEMENTS OF CASH FLOWS
(Dollars in thousands)
(UNAUDITED)

For the Twelve Months
Ended December 31,
2002 2001

Cash flows from operating activities:		
Net loss	\$ (10,154)	\$ (5,050)
Net loss (income) from discontinued operations	778	(327)
Depreciation and amortization	8,895	8,961
Equity in (earnings) loss of joint ventures	(446)	586
Other	<u>(9,489)</u>	<u>(3,860)</u>
Cash from operating activities before working capital changes	(10,416)	310
Net change in accounts receivables sold	(14,134)	40,000
Decrease in working capital	<u>19,469</u>	<u>16,252</u>
Net cash from operating activities – continuing operations	(5,081)	56,562
Net cash from operating activities – discontinued operations	<u>(1,194)</u>	<u>3,036</u>
Net cash from operating activities	(6,275)	59,598
Cash flows from investing activities:		
Investments and acquisitions	(842)	—
Proceeds from disposition of subsidiary	2,486	—
Advances to joint ventures	(2,068)	(3,400)
Capital expenditures, net of sales proceeds	<u>722</u>	<u>(4,252)</u>
Net cash from investing activities – continuing operations	298	(7,652)
Net cash from investing activities – discontinued operations	<u>98</u>	<u>(559)</u>
Net cash from investing activities	396	(8,211)
Cash flows from financing activities:		
Long-term borrowings, net	(8,065)	(40,474)
Dividends paid	—	(7,009)
Preferred stock	11,239	—
Other	<u>885</u>	<u>134</u>
Net cash from financing activities – continuing operations	4,059	(47,349)
Net cash from financing activities – discontinued operations	<u>937</u>	<u>(3,996)</u>
Net cash from financing activities	4,996	(51,345)
Net (decrease) increase in cash	<u>(883)</u>	<u>42</u>
Cash - beginning of year	\$ <u>1,801</u>	\$ <u>1,759</u>
Cash - end of year	\$ <u>918</u>	\$ <u>1,801</u>