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## Reliance Steel & Aluminum Q4 2008 Earnings Call Transcript

### Question-and-Answer Session

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#### Operator

Thank you, ladies and gentlemen. The floor is now open for questions. (Operator Instructions). Our first question is coming from Timna Tanners. Your line is live.

#### Timna Tanners - UBS

Thanks. I think that the result as you point out really solid for Q4 let some of us to want to ask a little bit more about how sustainable some of those results might be. I think specifically if I look at the quarter-over-quarter same-store cancelled (ph) and bond selling price compared to say what the MSPi data shows, but just trying to understand maybe if you could just give us a little bit more color on how that would have been sustained?

And then when you talk about the outlook and talk about January and February being kind of sustained with recent levels, that's not quarter-over-quarter, right? That's really just compared to what December levels, if you could just clarify?

#### David Hannah

Well then give me that last part again Timna.

#### Timna Tanners - UBS

Sure. So you make the comment that on the outlook that January-February environment doesn't look to be improving. But I just want to know is that versus the fourth quarter, because you did talk about October being better than the November-December environment or is that compared with the November-December environment?

#### David Hannah

That's really compared with December.

#### Timna Tanners - UBS

Okay.

#### David Hannah

And actually in January, our pound or ton whichever you'd like to talk about, were up about 5.5% compared to our December levels. And February seems to be going along at least so far at about the

same rate as January. So we've seen a 5.5% improvement in tons, a very slight improvement in gross profit margins in January, again over December.

So what we were hoping and we may be hoping against hope is that March turns out to be like October. But as we get closer to March, it looks like that's not going to happen. So as a result, we certainly expect to be profitable in the first quarter. If by chance March did turn out to be like October, then the results could be similar to the fourth quarter. But we don't expect that March is going to turn out that way. So we would expect our results in the first quarter certainly to be profitable, but something less than what the \$0.90 is that we just reported for the fourth quarter.

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