

RELIANCE STEEL & ALUMINUM CO
Form 10-Q
May 07, 2010
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 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: 001-13122

RELIANCE STEEL & ALUMINUM CO.

(Exact name of registrant as specified in its charter)

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California
(State or other jurisdiction of
incorporation or organization)

95-1142616
(I.R.S. Employer
Identification No.)

350 South Grand Avenue, Suite 5100

Los Angeles, California 90071

(213) 687-7700

(Address of principal executive offices and telephone number)

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, or a non-accelerated filer. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act:

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 Act). Yes No

As of April 30, 2010, 74,198,897 shares of the registrant's common stock, no par value, were outstanding.

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RELIANCE STEEL & ALUMINUM CO.

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Table of Contents**PART I FINANCIAL INFORMATION****RELIANCE STEEL & ALUMINUM CO.****CONSOLIDATED BALANCE SHEETS****(In thousands, except share amounts)**

	March 31, 2010 (Unaudited)	December 31, 2009
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 52,306	\$ 43,002
Accounts receivable, less allowance for doubtful accounts of \$19,394 at March 31, 2010 and \$21,269 at December 31, 2009	691,983	533,871
Inventories	845,275	719,915
Prepaid expenses and other current assets	35,057	40,096
Income taxes receivable	36,309	54,020
Total current assets	1,660,930	1,390,904
Property, plant and equipment:		
Land	131,172	131,009
Buildings	555,926	543,590
Machinery and equipment	838,906	829,154
Accumulated depreciation	(543,499)	(522,494)
	982,505	981,259
Goodwill	1,082,469	1,081,324
Intangible assets, net	720,582	726,255
Cash surrender value of life insurance policies, net	90,522	92,860
Investments in unconsolidated entities	21,225	20,880
Other assets	13,468	13,295
Total assets	\$ 4,571,701	\$ 4,306,777
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	\$ 299,294	\$ 169,113
Accrued expenses	54,632	55,264
Accrued compensation and retirement costs	63,579	67,012
Accrued insurance costs	39,552	39,134
Current maturities of long-term debt	86,934	86,383
Current maturities of capital lease obligations	663	663
Total current liabilities	544,654	417,569
Long-term debt	928,410	849,375
Capital lease obligations	3,018	3,182
Long-term retirement costs and other long-term liabilities	94,405	92,632
Deferred income taxes	335,466	335,897
Commitments and contingencies		
Reliance shareholders' equity:		

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Preferred stock, no par value:		
Authorized shares	5,000,000	
None issued or outstanding		
Common stock, no par value:		
Authorized shares	100,000,000	
Issued and outstanding shares	74,103,570 at March 31, 2010 and 73,750,771 at December 31, 2009, stated capital	
	600,073	587,612
Retained earnings	2,059,953	2,020,343
Accumulated other comprehensive income (loss)	3,695	(1,523)
Total Reliance shareholders' equity	2,663,721	2,606,432
Noncontrolling interests	2,027	1,690
Total equity	2,665,748	2,608,122
Total liabilities and equity	\$ 4,571,701	\$ 4,306,777

See accompanying notes to unaudited consolidated financial statements.

Table of Contents**RELIANCE STEEL & ALUMINUM CO.****UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS**

(In thousands, except share and per share amounts)

	Three Months Ended March 31,	
	2010	2009
Net sales	\$ 1,454,075	\$ 1,558,535
Costs and expenses:		
Cost of sales (exclusive of depreciation and amortization shown below)	1,075,962	1,204,093
Warehouse, delivery, selling, general and administrative	269,274	276,634
Depreciation and amortization	29,078	29,847
	1,374,314	1,510,574
Operating income	79,761	47,961
Other income (expense):		
Interest	(15,083)	(19,316)
Other income, net	1,127	1,924
Income before income taxes	65,805	30,569
Income tax provision	20,818	10,181
Net income	44,987	20,388
Less: Net income attributable to noncontrolling interests	337	270
Net income attributable to Reliance	\$ 44,650	\$ 20,118
Earnings per share:		
Diluted earnings per common share attributable to Reliance shareholders	\$ 0.60	\$ 0.27
Weighted average shares outstanding diluted	74,184,403	73,323,713
Basic earnings per common share attributable to Reliance shareholders	\$ 0.60	\$ 0.27
Weighted average shares outstanding basic	73,862,445	73,317,140
Cash dividends per share	\$ 0.10	\$ 0.10

See accompanying notes to unaudited consolidated financial statements.

Table of Contents**RELIANCE STEEL & ALUMINUM CO.****UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS**

(In thousands)

	Three Months Ended March 31,	
	2010	2009
Operating activities:		
Net income	\$ 44,987	\$ 20,388
Adjustments to reconcile net income to net cash (used in) provided by operating activities:		
Depreciation and amortization	29,078	29,847
Deferred income tax benefit	(486)	(1,472)
Loss (gain) on sales of property, plant and equipment	101	(117)
Equity in earnings of unconsolidated entities	(665)	(65)
Dividends received from unconsolidated entities	320	
Stock based compensation expense	3,698	3,597
Excess tax benefits from stock based compensation	(2,343)	
Net loss from life insurance policies	582	1,386
Changes in operating assets and liabilities:		
Accounts receivable	(157,568)	160,041
Inventories	(124,973)	194,719
Prepaid expenses and other assets	22,699	(3,671)
Accounts payable and other liabilities	130,305	(90,120)
Net cash (used in) provided by operating activities	(54,265)	314,533
Investing activities:		
Purchases of property, plant and equipment	(23,051)	(15,172)
Proceeds from sales of property, plant and equipment	672	353
Net proceeds from redemption of life insurance policies	1,756	2,463
Net cash used in investing activities	(20,623)	(12,356)
Financing activities:		
Proceeds from borrowings	150,478	102,000
Principal payments on long-term debt and short-term borrowings	(71,237)	(411,625)
Payments to noncontrolling interest holders		(735)
Dividends paid	(7,383)	(7,332)
Excess tax benefit from stock based compensation	2,343	
Exercise of stock options	8,763	62
Issuance of common stock		258
Noncontrolling interest purchase		(2,506)
Net cash provided by (used in) financing activities	82,964	(319,878)
Effect of exchange rate changes on cash	1,228	(651)
Increase (decrease) in cash and cash equivalents	9,304	(18,352)
Cash and cash equivalents at beginning of year	43,002	51,995
Cash and cash equivalents at end of period	\$ 52,306	\$ 33,643
Supplemental cash flow information:		
Interest paid during the period	\$ 2,111	\$ 15,074

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Income taxes paid during the period	\$ 1,692	\$ 19,087
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See accompanying notes to unaudited consolidated financial statements.

Table of Contents**RELIANCE STEEL & ALUMINUM CO.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****(UNAUDITED)****1. Basis of Presentation**

The accompanying unaudited consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles for interim financial information and with the instructions of Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by U.S. generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments, consisting only of normal recurring adjustments necessary for a fair presentation with respect to the interim financial statements, have been included. The results of operations for the three months ended March 31, 2010 are not necessarily indicative of the results for the full year ending December 31, 2010. For further information, refer to the consolidated financial statements and footnotes thereto for the year ended December 31, 2009, included in Reliance Steel & Aluminum Co. s (We , Reliance or the Company) Annual Report on Form 10-K.

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts and the disclosure of contingent amounts in the Company s consolidated financial statements and the accompanying notes. Actual results could differ from those estimates.

The Company s consolidated financial statements include the assets, liabilities and operating results of majority-owned subsidiaries. The ownership of the other interest holders of consolidated subsidiaries is reflected as noncontrolling interests. The Company s investments in unconsolidated subsidiaries are recorded under the equity method of accounting. All significant intercompany accounts and transactions have been eliminated.

2. Impact of Recently Issued Accounting Guidance*Accounting Guidance Recently Adopted*

On January 1, 2010, the Company adopted changes issued by the Financial Accounting Standards Board (FASB) for accounting for variable interest entities. These changes replaced the quantitative-based risks and rewards calculation for determining which reporting entity, if any, has a controlling financial interest in a variable interest entity with an approach focused on identifying which reporting entity has the power to direct the activities of a variable interest entity that most significantly impact the entity s economic performance and (1) the obligation to absorb losses of the entity or (2) the right to receive benefits from the entity. The changes also require additional disclosures about a reporting entity s involvement in variable interest entities, which will enhance the information provided to users of financial statements. The adoption of these changes did not have a material impact on the Company s consolidated results of operations, financial position or cash flows.

3. Goodwill

The change in the carrying amount of goodwill for the three months ended March 31, 2010 is as follows:

	(In thousands)
Balance as of December 31, 2009	\$ 1,081,324
Effect of foreign currency translation	1,145
Balance as of March 31, 2010	\$ 1,082,469

The Company had no accumulated impairment losses related to goodwill as of March 31, 2010.

Table of Contents**RELIANCE STEEL & ALUMINUM CO.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)****(UNAUDITED)****4. Intangible Assets, net**

The following table summarizes the Company's intangible assets, net:

	March 31, 2010		December 31, 2009	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
	(In thousands)			
Intangible assets subject to amortization:				
Covenants not to compete	\$ 6,853	\$ (6,607)	\$ 6,853	\$ (6,558)
Loan fees	23,868	(11,460)	23,868	(10,592)
Customer lists/relationships	346,192	(64,862)	345,035	(58,749)
Software - internal use	8,100	(3,240)	8,100	(3,038)
Other	4,966	(1,429)	4,949	(1,297)
	389,979	(87,598)	388,805	(80,234)
Intangible assets not subject to amortization:				
Trade names	418,201		417,684	
	\$ 808,180	\$ (87,598)	\$ 806,489	\$ (80,234)

The Company recognized amortization expense for intangible assets of approximately \$7.2 million and \$7.0 million for the three months ended March 31, 2010 and 2009, respectively. Based on the current amount of intangibles subject to amortization, the estimated amortization expense for the remaining nine months of 2010 and each of the succeeding five years is as follows:

	(In thousands)
2010	\$ 21,621
2011	28,565
2012	28,024
2013	25,344
2014	23,344
2015	21,780

5. Income Taxes

The Company's effective tax rates for the three months ended March 31, 2010 and 2009 were 31.6% and 33.3%, respectively. Permanent items that impacted the Company's effective tax rates as compared to the U.S. federal statutory rate of 35% were not materially different in amounts during both periods and relate mainly to company-owned life insurance policies and domestic production activities deductions.

Table of Contents**RELIANCE STEEL & ALUMINUM CO.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)****(UNAUDITED)****6. Long-Term Debt**

Long-term debt consists of the following:

	March 31, 2010	December 31, 2009
	(In thousands)	
Unsecured revolving credit facility due November 9, 2012	\$ 194,000	\$ 115,000
Senior unsecured notes due October 15, 2010	78,000	78,000
Senior unsecured notes due from July 1, 2011 to July 2, 2013	135,000	135,000
Senior unsecured notes due November 15, 2016	350,000	350,000
Senior unsecured notes due November 15, 2036	250,000	250,000
Other notes and revolving credit facilities	10,234	9,684
Total	1,017,234	937,684
Less unamortized discount	(1,890)	(1,926)
Less amounts due within one year	(86,934)	(86,383)
Total long-term debt	\$ 928,410	\$ 849,375

Unsecured Revolving Credit Facility

The Company's \$1.1 billion unsecured revolving credit facility has 16 banks as lenders. On September 28, 2009, the Company amended its syndicated credit agreement to adjust certain financial ratio requirements (primarily related to minimum interest coverage ratio and maximum leverage ratio) until June 30, 2010 at which time these ratios adjust back to the pre-amendment levels. With the amendment, the pricing on the revolving credit facility was adjusted to market rates and restrictions were placed on certain uses of cash until June 30, 2010 for acquisitions, dividends, investments, and stock repurchases. Also, with the amendment, the Company extended the maturity date of \$1.02 billion in commitments for 14 extending lenders through November 9, 2012, while the maturity date of \$80.0 million in commitments for non-extending lenders remains at November 9, 2011. Interest on borrowings from extending lenders is at variable rates based on LIBOR plus 3.50% or the bank prime rate plus 2.50% as of March 31, 2010. Interest on borrowings from non-extending lenders is at variable rates based on LIBOR plus 0.45% or the bank prime rate as of March 31, 2010. The revolving credit facility includes a commitment fee on the unused portion, at an annual rate of 0.40% and 0.10% for extending and non-extending lenders, respectively, as of March 31, 2010. The applicable margin over LIBOR rate and base rate borrowings along with commitment fees are subject to adjustment every quarter prospectively based on the Company's leverage ratio.

Weighted average rates on borrowings outstanding on the revolving credit facility were 3.61% and 3.51% as of March 31, 2010 and December 31, 2009, respectively.

As of March 31, 2010, the Company had \$50.5 million of letters of credit outstanding under the revolving credit facility with availability to issue an additional \$74.5 million of letters of credit.

Revolving Credit Facilities - Foreign Operations

The Company also had two separate revolving credit facilities for operations in Canada with a combined credit limit of CAD\$35.0 million as of December 31, 2009. In January 2010, the Canadian credit facilities were combined into one unsecured facility with a reduced credit limit of CAD\$5.0 million. There were no borrowings outstanding on these revolving credit facilities as of March 31, 2010 and December 31, 2009.

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Various other separate revolving credit facilities with a combined credit limit of approximately \$22.3 million are in place for operations in: a) Asia with outstanding balances of \$7.0 million and \$6.6 million as of March 31, 2010 and December 31, 2009, respectively, and b) the United Kingdom with outstanding balances of \$1.7 million and \$1.5 million as of March 31, 2010 and December 31, 2009, respectively.

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RELIANCE STEEL & ALUMINUM CO.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(UNAUDITED)

Senior Unsecured Notes - Private Placements

The Company also has \$213.0 million of outstanding senior unsecured notes issued in private placements of debt as of March 31, 2010. At March 31, 2010, the outstanding senior notes bear interest at a weighted average fixed rate of 5.71% and have a weighted average remaining life of 1.7 years, maturing from October 2010 to July 2013.

Senior Unsecured Notes - Publicly Traded

On November 20, 2006, the Company entered into an Indenture (the Indenture), for the issuance of \$600 million of unsecured debt securities. The total debt issued was comprised of two tranches, (a) \$350 million aggregate principal amount of senior unsecured notes bearing interest at the rate of 6.20% per annum, maturing on November 15, 2016 and (b) \$250 million aggregate principal amount of senior unsecured notes bearing interest at the rate of 6.85% per annum, maturing on November 15, 2036. The notes are senior unsecured obligations of Reliance and rank equally with all other existing and future unsecured and unsubordinated debt obligations of Reliance. The senior unsecured notes include provisions that, in the event of a change in control and a downgrade of the Company's credit rating, require the Company to make an offer to repurchase the notes at a price equal to 101% of their principal amount plus accrued interest.

Covenants

The \$1.1 billion revolving credit facility and the senior unsecured note agreements collectively require the Company to maintain a minimum net worth and interest coverage ratio and a maximum leverage ratio and include a change of control provision, among other things. The Company's interest coverage ratio for the last twelve-month period ended March 31, 2010 was approximately 4.7 times compared to the debt covenant minimum requirement of 2.0 times (interest coverage ratio is calculated as net income attributable to Reliance plus interest expense and provision for income taxes and plus or minus any non-operating non-recurring loss or gain, respectively, divided by interest expense). The Company's leverage ratio as of March 31, 2010 calculated in accordance with the terms of the revolving credit facility was 28.6% compared to the financial covenant maximum amount of 50% (leverage ratio is calculated as total debt, inclusive of capital lease obligations and outstanding letters of credit, divided by Reliance shareholders' equity plus total debt). Beginning June 30, 2010, the minimum interest coverage ratio and maximum leverage ratio requirements adjust back to the pre-amendment levels of 3.0 times and 60%, respectively. The minimum net worth requirement as of March 31, 2010 was \$950.6 million compared to Reliance shareholders' equity balance of \$2.66 billion as of March 31, 2010.

Additionally, all of our wholly-owned domestic subsidiaries, which constitute the substantial majority of our subsidiaries, guarantee the borrowings under the revolving credit facility, the Indenture and the private placement notes. The subsidiary guarantors, together with Reliance, are required collectively to account for at least 80% of the Company's consolidated EBITDA and 80% of consolidated tangible assets. Reliance and the subsidiary guarantors accounted for approximately 99% of our total consolidated EBITDA for the last twelve months and approximately 93% of total consolidated tangible assets as of March 31, 2010.

The Company was in compliance with all debt covenants as of March 31, 2010.

Table of Contents**RELIANCE STEEL & ALUMINUM CO.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)****(UNAUDITED)****7. Total Equity****Common Stock**

During the three months ended March 31, 2010, the Company issued 352,799 shares of common stock in connection with the exercise of stock options for total proceeds of approximately \$8.8 million.

Stock Based Compensation

On February 23, 2010, the Company granted 1,003,400 options to acquire its common stock to key employees with an exercise price equal to the fair market value as of the date of the grant. The stock options vest ratably over a period of four years and expire seven years after the date of grant. The fair value of stock options granted was estimated using the Black-Scholes option-pricing model with the following assumptions: Expected life 4.8 years; Expected volatility 59.7%; Dividend yield 0.9%; Risk-free interest rate 2.4%; Exercise price \$42.81.

Share Repurchase Program

Under the Company's current stock repurchase program 7,883,033 shares of common stock remain available for repurchase as of March 31, 2010. No shares were repurchased in 2010 or 2009. Repurchased shares are redeemed and treated as authorized but unissued shares.

Other Comprehensive Income (Loss)

Other comprehensive income (loss) included the following:

	Three Months Ended March 31, 2010 2009 (In thousands)	
Net income	\$ 44,987	\$ 20,388
Other comprehensive income (loss), net of tax:		
Foreign currency translation gain (loss)	5,093	(5,222)
Unrealized gain on investments, net of tax	122	100
Minimum pension liability, net of tax	3	(19)
Total other comprehensive income (loss), net of tax	5,218	(5,141)
Comprehensive income	50,205	15,247
Comprehensive income attributable to the noncontrolling interests	(337)	(270)
Comprehensive income attributable to Reliance	\$ 49,868	\$ 14,977

Table of Contents**RELIANCE STEEL & ALUMINUM CO.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)****(UNAUDITED)****Accumulated Other Comprehensive Income (Loss)**

Accumulated other comprehensive income (loss) included the following:

	March 31, 2010	December 31, 2009
	(In thousands)	
Foreign currency translation gain	\$ 15,741	\$ 10,648
Unrealized loss on investments, net of tax	(326)	(448)
Minimum pension liability, net of tax	(11,720)	(11,723)
Total accumulated other comprehensive income (loss)	\$ 3,695	\$ (1,523)

Foreign currency translation adjustments are not generally adjusted for income taxes as they relate to indefinite investments in foreign subsidiaries. Unrealized loss on investments and minimum pension liability are net of deferred income tax assets of approximately \$0.3 million and \$7.3 million as of March 31, 2010 and December 31, 2009, respectively.

8. Earnings Per Share

Basic earnings per share exclude any dilutive effects of options, warrants and convertible securities. Diluted earnings per share are calculated including the dilutive effects of options, warrants and convertible securities, if any.

The following table sets forth the computation of basic and diluted earnings per share:

	Three Months Ended March 31,	
	2010	2009
	(In thousands, except for share and per share amounts)	
Numerator:		
Net income attributable to Reliance	\$ 44,650	\$ 20,118
Denominator:		
Denominator for basic earnings per share Weighted average shares	73,862,445	73,317,140
Effect of dilutive securities:		
Stock options	321,958	6,573
Denominator for dilutive earnings per share:		
Adjusted weighted average shares and assumed conversions	74,184,403	73,323,713
Net income per share attributable to Reliance shareholders diluted	\$ 0.60	\$ 0.27

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Net income per share attributable to Reliance shareholders - basic	\$	0.60	\$	0.27
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The computations of earnings per share for the three months ended March 31, 2010 and 2009 do not include 2,137,300 and 3,391,022 weighted average shares reserved for issuance upon exercise of stock options, respectively, because their inclusion would have been anti-dilutive.

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In November 2006, the Company issued senior unsecured notes in the aggregate principal amount of \$600 million at fixed interest rates that are guaranteed by its wholly-owned domestic subsidiaries. The accompanying consolidating financial information has been prepared and presented pursuant to Rule 3-10 of SEC Regulation S-X *Financial Statements of Guarantors and Issuers of Guaranteed Securities Registered or Being Registered*. The guarantees are full and unconditional and joint and several obligations of each of the guarantor subsidiaries. There are no significant restrictions on the ability of the Company to obtain funds from any of the guarantor subsidiaries by dividends or loans. The supplemental consolidating financial information has been presented in lieu of separate financial statements of the guarantors as such separate financial statements are not considered meaningful.

Condensed Unaudited Consolidating Balance Sheet**As of March 31, 2010****(In thousands)**

	Parent	Guarantor Subsidiaries	Non- Guarantor Subsidiaries	Eliminations	Consolidated
Assets					
Cash and cash equivalents	\$ 13,486	\$ 5,930	\$ 32,890	\$	\$ 52,306
Accounts receivable, less allowance for doubtful accounts	61,543	583,441	46,999		691,983
Inventories	38,681	760,701	45,893		845,275
Intercompany receivables	527	18,609	763	(19,899)	
Income taxes receivable	43,262	(9,183)	2,230		36,309
Prepaid expenses and other current assets	1,234	28,885	4,938		35,057
Total current assets	158,733	1,388,383	133,713	(19,899)	1,660,930
Investments in subsidiaries	1,691,171	152,897	612	(1,844,680)	
Property, plant and equipment, net	91,834	839,828	50,843		982,505
Goodwill	23,780	1,002,775	55,914		1,082,469
Intangible assets, net	12,409	644,888	63,285		720,582
Intercompany receivables	1,944,759			(1,944,759)	
Other assets	4,282	119,444	1,489		125,215
Total assets	\$ 3,926,968	\$ 4,148,215	\$ 305,856	\$ (3,809,338)	\$ 4,571,701
Liabilities & Equity					
Accounts payable	\$ 26,980	\$ 266,072	\$ 26,141	\$ (19,899)	\$ 299,294
Accrued compensation and retirement costs	9,678	49,674	4,227		63,579
Other current liabilities	53,498	36,245	4,441		94,184
Current maturities of long-term debt	78,250		8,684		86,934
Current maturities of capital lease obligations		640	23		663

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Total current liabilities	168,406	352,631	43,516	(19,899)	544,654
Long-term debt	928,256	154			928,410
Intercompany borrowings		1,920,638	24,121	(1,944,759)	
Deferred taxes and other long-term liabilities	166,585	263,731	2,573		432,889
Total Reliance shareholders' equity	2,663,721	1,609,839	234,841		