

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 (Date of earliest event reported) October 28, 2008

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

<u>Maryland</u> (State or other jurisdiction of incorporation)	<u>1-5415</u> (Commission File Number)	<u>36-0879160</u> (IRS Employer Identification No.)
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<u>3400 N. Wolf Road, Franklin Park, Illinois</u> (Address of principal executive offices)	<u>60131</u> (Zip Code)
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Registrant's telephone number including area code 847/455-7111

(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))

Item 2.02 Results of Operations and Financial Conditions.

On October 28, 2008, A. M. Castle & Co. issued a news release reporting its 2008 third quarter financial results. A copy of the news release is attached hereto as Exhibit 99.1 to this report and is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(c) Exhibits.

Exhibit Number	Description
99.1	A. M. Castle & Co. Press Release Dated October 28, 2008

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.

A. M. Castle & Co.

/s/ Sherry L. Holland
Sherry L. Holland
Vice President, General Counsel and Secretary

Date October 28, 2008



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**—————

Scott F. Stephens
Vice President-Finance & CFO
(847) 349-2577
Email: sstephens@amcastle.com

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

—————**AT ASHTON PARTNERS**—————

Analyst Contacts:
Katie Pyra
(312) 553-6717
Email: kpyra@ashtonpartners.com

**FOR IMMEDIATE RELEASE
TUESDAY, OCTOBER 28, 2008**

A. M. Castle & Co. Reports Third Quarter 2008 Results

FRANKLIN PARK, IL, OCTOBER 28th – **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 fiscal third quarter ended September 30, 2008.

For the third quarter, consolidated net sales were a record \$388.9 million, an increase of \$38.6 million, or 11.0% from the third quarter of 2007. Net income for the quarter was \$11.5 million, or \$0.50 per diluted share as compared to \$12.9 million, or \$0.57 per diluted share in the prior year.

For the first nine-months of 2008, consolidated net sales were a record \$1,179.5 million, an increase of \$81.2 million, or 7.4% from the same period last year. Net income for the first-nine months of 2008 was \$36.5 million, or \$1.62 per diluted share as compared to \$44.5 million, or \$2.14 per diluted share in the prior year.

Metals segment sales were \$360.1 million in the third quarter of 2008, which was \$39.3 million or 12.3% higher than the third quarter of 2007. Average tons sold per day in the Metals business increased 2.6% over the third quarter of 2007.

“We were pleased with overall sales in our Metals segment, as higher volumes combined with higher average prices to produce 12.3% sales growth compared to the prior year,” stated Michael Goldberg, President and CEO of A.M. Castle. “However, we suspect that the

unprecedented volatility throughout the global markets affected our volume in the third quarter, which decreased by 11% compared to the second quarter of 2008, which is more than the typical seasonal decline. We achieved a significant gross margin improvement in the third quarter as compared to the second quarter, as a result of the actions we took to remediate the significant level of surcharges experienced earlier this year. Consolidated gross margins improved to 26.0% of sales in the third quarter compared to 25.2% in the second quarter of this year,” added Goldberg.

Plastics segment sales were \$28.8 million in the quarter, a decrease of \$0.7 million or 2.4% from the third quarter of last year. The strongest markets for the plastics business were transportation and life sciences, while the boat manufacturing market continued to weaken throughout the quarter.

“We continue to make significant progress on our Oracle ERP project. During the quarter, we completed several initiatives in our aerospace business, which implemented the new ERP system in the second quarter of this year. These initiatives have allowed the aerospace business to function much more efficiently. We plan to convert our Canadian operations to the new system in early 2009 and the balance of the business currently on the Castle legacy system is scheduled to transition to Oracle approximately 90 days later,” Goldberg said.

The Company’s debt to capital ratio was 26.6% at September 30, 2008, which was consistent with 25.4% at June 30, 2008. The increase in the Company’s debt to capital ratio from 18.3% at December 31, 2007 primarily reflects the acquisition of Metals UK Group in January 2008. The Company has in place a revolving credit facility of \$230 million, including approximately \$150 million of available borrowings at September 30, 2008. Management believes that seasonal working capital declines and working capital management efforts will result in reductions of debt throughout the remainder of 2008. Inventory DSI (days sales in inventory) for the nine months ended September 30, 2008 was 125 days compared to an average of 132 days in 2007.

“Overall, we are confident that our strategy to provide specialty metal products and value-added services to high-growth end markets will continue to deliver value to our shareholders. However, the recent credit crisis and financial market turmoil creates an added layer of uncertainty, so we plan to be very cautious with our inventory planning and capital commitments. Our ERP system implementation and global expansion efforts will remain key areas of focus, as will our efforts to improve our inventory turns and gross margins, and reduce expense levels,” Goldberg added.

The Company also announced a cash dividend of \$0.06 per share payable November 20, 2008 to shareholders of record at close of business on November 6, 2008.

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 period ended September 30, 2008. 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 the next seven days by calling 303-590-3000 (international) or 800-405-2236 and citing code 11121248.

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 sector of the 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 operates over 65 locations throughout North America, Europe and Asia. Its common stock is traded on the New York Stock Exchange under the ticker symbol "CAS".

Safe Harbor Statement / Regulation G Disclosure

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 Exchange Commission. The financial statements included in this release contain a non-GAAP disclosure, EBITDA, which consists of income before provision for income taxes plus depreciation and amortization, and interest expense, less interest income. EBITDA is presented as a supplemental disclosure because this measure is widely used by the investment community for

evaluation purposes and provides the reader with additional information in analyzing the Company's operating results. EBITDA should not be considered as an alternative to net income or any other item calculated in accordance with U.S. GAAP, or as an indicator of operating performance. Our definition of EBITDA used here may differ from that used by other companies. A reconciliation of EBITDA to net income is provided per U.S. Securities and Exchange Commission requirements.

CONSOLIDATED STATEMENTS OF INCOME*(Dollars in thousands, except per share data)**Unaudited*

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2008	2007	2008	2007
Net sales	\$ 388,898	\$ 350,319	\$ 1,179,492	\$ 1,098,278
Costs and expenses:				
Cost of materials (exclusive of depreciation and amortization)	287,773	253,121	876,313	792,834
Warehouse, processing and delivery expense	40,547	35,136	119,163	104,999
Sales, general, and administrative expense	38,372	34,852	110,022	105,193
Depreciation and amortization expense	5,574	4,903	17,452	14,776
Operating income	16,632	22,307	56,542	80,476
Interest expense, net	(2,781)	(2,746)	(7,040)	(11,170)
Income before income taxes and equity in earnings of joint venture	13,851	19,561	49,502	69,306
Income taxes	(5,720)	(8,073)	(21,019)	(27,944)
Income before equity in earnings of joint venture	8,131	11,488	28,483	41,362
Equity in earnings of joint venture	3,347	1,422	8,060	3,745
Net income	11,478	12,910	36,543	45,107
Preferred stock dividends	-	-	-	(593)
Net income applicable to common stock	\$ 11,478	\$ 12,910	\$ 36,543	\$ 44,514
Basic earnings per share	\$ 0.51	\$ 0.58	\$ 1.63	\$ 2.22
Diluted earnings per share	\$ 0.50	\$ 0.57	\$ 1.62	\$ 2.14
EBITDA *	\$ 25,553	\$ 28,632	\$ 82,054	\$ 98,997

**Earnings before interest, taxes, and depreciation and amortization*

Reconciliation of EBITDA to net income:	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2008	2007	2008	2007
Net income	\$ 11,478	\$ 12,910	\$ 36,543	\$ 45,107
Depreciation and amortization expense	5,574	4,903	17,452	14,776
Interest expense, net	2,781	2,746	7,040	11,170
Income taxes	5,720	8,073	21,019	27,944
EBITDA	\$ 25,553	\$ 28,632	\$ 82,054	\$ 98,997

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

Current assets

	As of	
	September 30, 2008	December 31, 2007
Cash and cash equivalents	\$ 17,696	\$ 22,970
Accounts receivable, less allowances of \$3,146 at September 30, 2008 and \$3,220 at December 31, 2007	204,148	146,675
Inventories, principally on last-in, first-out basis (replacement cost higher by \$180,953 at September 30, 2008 and \$142,118 at December 31, 2007)	272,457	207,284
Other current assets	<u>11,856</u>	<u>13,462</u>
Total current assets	506,157	390,391
Investment in joint venture	23,437	17,419
Goodwill	112,308	101,540
Intangible assets	58,384	59,602
Prepaid pension cost	28,987	25,426
Other assets	6,229	7,516
Property, plant and equipment, at cost		
Land	5,192	5,196
Building	50,186	48,727
Machinery and equipment (includes construction in progress)	<u>170,450</u>	<u>155,950</u>
	225,828	209,873
Less - accumulated depreciation	<u>(139,483)</u>	<u>(134,763)</u>
	86,345	75,110
Total assets	<u>\$ 821,847</u>	<u>\$ 677,004</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities

Accounts payable	\$ 155,791	\$ 109,055
Accrued liabilities	34,796	33,143
Income taxes payable	4,563	2,497
Deferred income taxes - current	5,015	7,298
Current portion of long-term debt	7,196	7,037
Short-term debt	<u>53,197</u>	<u>18,739</u>
Total current liabilities	260,558	177,769
Long-term debt, less current portion	90,100	60,712
Deferred income taxes	39,759	37,760
Other non-current liabilities	17,043	15,688

Commitments and contingencies

Stockholders' equity

Common stock, \$0.01 par value - 30,000,000 shares authorized; 22,850,106 shares issued and 22,645,807 outstanding at September 30, 2008 and 22,330,946 shares issued and 22,097,869 outstanding at December 31, 2007	228	223
Additional paid-in capital	178,774	179,707
Retained earnings	239,635	207,134
Accumulated other comprehensive (loss) income	(1,330)	1,498
Treasury stock, at cost - 204,299 shares at September 30, 2008 and 233,077 shares at December 31, 2007	<u>(2,920)</u>	<u>(3,487)</u>
Total stockholders' equity	414,387	385,075
Total liabilities and stockholders' equity	<u>\$ 821,847</u>	<u>\$ 677,004</u>