

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

Form S-3
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

RELIANCE STEEL & ALUMINUM CO.

(Exact Name of Registrant as Specified in Its Charter)

California
*(State or Other Jurisdiction of
Incorporation or Organization)*

95-1142616
*(I.R.S. Employer
Identification Number)*

350 South Grand Avenue, Suite 5100
Los Angeles, California 90071
(213) 687-7700

(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

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Approximate date of commencement of proposed sale to the public: From time to time after the effective date of this Registration Statement.
If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box.

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

(Do not check if a smaller reporting company)

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered(1)	Proposed Maximum Offering Price per Share(1)	Proposed Maximum Aggregate Offering Price(1)	Amount of Registration Fee(2)
Common stock, no par value	—	—	—	—

(1) Not applicable pursuant to Form S-3 General Instructions II (E). An indeterminate aggregate initial offering price and number of shares of common stock is being registered for sale at indeterminate prices.

(2) In accordance with Rules 456(b) and 457(r), the Registrant is deferring payment of all of the registration fee.

The information in this preliminary prospectus is not complete and may be changed. We may not deliver these securities until the final prospectus is delivered. This preliminary prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED JULY 17, 2008

PROSPECTUS

6,750,000 Shares



Reliance Steel & Aluminum Co.

Common Stock

We are offering 6,750,000 shares of our common stock.

Our common stock is traded on the New York Stock Exchange under the symbol "RS". The last reported sale price of our common stock on the New York Stock Exchange on July 16, 2008 was \$71.79 per share.

	<u>Per share</u>	<u>Total</u>
Public offering price	\$	\$
Underwriting discounts and commissions	\$	\$
Proceeds to us, before expenses	\$	\$

We have granted the underwriters an option for a period of 30 days to purchase up to 1,012,500 additional shares of common stock to cover over-allotments, if any.

Investing in our common stock involves risks. See "Risk Factors" beginning on page 9.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed on the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

JPMorgan

UBS Investment Bank

Banc of America Securities LLC

**Citi
Wachovia Securities**

**KeyBanc Capital Markets
Wells Fargo Securities**

You should rely only on the information contained in, or incorporated by reference into, this prospectus. We have not authorized anyone to provide you with information different from that contained in, or incorporated by reference into, this prospectus. We are offering to sell, and seeking offers to buy, shares of our common stock only in jurisdictions where offers and sales are permitted. The information contained in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or of any sale of our common stock.

TABLE OF CONTENTS

	<u>Page</u>
Prospectus Summary	1
Risk Factors	9
Forward-Looking Statements	17
Use of Proceeds	19
Price Range of Common Stock	19
Dividend Policy	20
Capitalization	21
Unaudited Pro Forma Financial Information	23
The PNA Transactions	30
Description of Capital Stock	32
Material U.S. Federal Tax Considerations for Non-U.S. Holders of Common Stock	34
Underwriting	36
Experts	42
Change in Independent Registered Public Accounting Firm	42
Legal Matters	42
Where You Can Find More Information	42
Documents Incorporated By Reference	43

Unless otherwise indicated or required by the context, the terms “we,” “our,” and “us” refer to Reliance Steel & Aluminum Co. and all of its subsidiaries that are consolidated in conformity with U.S. generally accepted accounting principles and “Reliance” refers to Reliance Steel & Aluminum Co.

As used herein, references to the “PNA Transactions” include the acquisition of PNA Group Holding Corporation (“PNA”) and the related repayment or refinancing of PNA indebtedness, assuming that all PNA Notes (as defined below) are validly tendered and not validly withdrawn pursuant to the tender offers therefor described below, with (i) the net proceeds of this offering, (ii) borrowings under a planned new \$250.0 million term loan facility for which we have received commitments from a syndicate of lenders and (iii) borrowings under our existing revolving credit facility. Unless otherwise indicated, we have assumed that the total consideration paid by us for the PNA Notes is paid, together with accrued and unpaid interest, on August 4, 2008.

PROSPECTUS SUMMARY

This summary highlights information from this prospectus and the documents incorporated by reference herein and may not contain all of the information that is important to you. Accordingly, we encourage you to read this entire prospectus carefully, including the documents that are incorporated herein by reference. You may obtain a copy of the documents that we have incorporated by reference without charge by following the instructions in the section entitled "Where You Can Find More Information" beginning on page 42 of this prospectus.

Reliance Steel & Aluminum Co.

We are the largest metals service center company in North America (the United States and Canada). We operate more than 180 facilities in 37 states, Belgium, Canada, China, South Korea and the United Kingdom. We provide various metals processing services and distribute a full line of more than 100,000 metal products, including aluminum, brass, carbon steel, copper, stainless steel, titanium and specialty steel products to more than 125,000 customers in a broad range of industries. Most of our metals service centers process and distribute a focused product mix rather than carry our full line of products, enabling us and our customers to benefit from the knowledge and experience of local personnel who specialize in particular products. We believe that the highly diversified business we have developed makes us less vulnerable to regional- or industry-specific economic volatility than most of our metals service center competitors.

We have grown our business over time through both acquisitions and internal investments. We have purchased and successfully integrated over 40 businesses since our initial public offering in September 1994. We intend to continue to grow our company and improve our operating results through strategic acquisitions and expansion of our existing operations.

In 2007, we generated net sales of \$7.26 billion and net income of \$408.0 million, the highest annual results in our history. In the first quarter of 2008, we generated net sales of \$1.91 billion and net income of \$107.4 million.

Recent Developments

Preliminary Results for the Six Months Ended June 30, 2008

On July 17, 2008, we announced our unaudited financial results for the six months ended June 30, 2008. The following financial information is preliminary and may be subject to adjustments in connection with the preparation and filing of our unaudited consolidated financial statements in our Quarterly Report on Form 10-Q for the quarter ended June 30, 2008. The preliminary financial information should be read in conjunction with our financial statements, related notes and other financial information in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the year ended December 31, 2007 and in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2008, incorporated by reference in this prospectus.

For the first six months of 2008, we recorded the best six month results in our history in net sales, net income and earnings per diluted share. We reported net sales of \$4.0 billion for the six months ended June 30, 2008, an increase of 7.1% over net sales of \$3.74 billion for the first six months of 2007. Net income amounted to \$264.0 million, an increase of 12.6% over net income of \$234.5 million for the first six months of 2007 and earnings per diluted share were \$3.58 compared to \$3.06 for the first six months of 2007.

Pending Acquisition of PNA

On June 16, 2008, we reached an agreement to acquire the outstanding capital stock of PNA Group Holding Corporation, a leading steel service center group, for an aggregate purchase price of approximately \$1.1 billion, including outstanding PNA indebtedness. Through its subsidiaries, PNA processes and distributes primarily carbon steel plate, bar, structural and flat-rolled products. PNA has 23 steel service centers throughout the United States, as well as five joint ventures that operate a total of seven steel service centers in the United States and Mexico. The PNA operations will complement and expand our product offerings and further enhance the customer, product and geographic diversification of our business. We expect to consummate the acquisition of PNA shortly after the closing of this offering, subject to the satisfaction or waiver of customary closing conditions.

We intend to fund the purchase price for the acquisition of PNA and the related repayment or refinancing of PNA indebtedness with the net proceeds of this offering, along with (i) borrowings under a planned new \$250.0 million unsecured senior term loan facility for which we have received commitments from a syndicate of lenders and (ii) borrowings under our existing revolving credit facility. See “Use of Proceeds.”

On July 1, 2008, we launched cash tender offers to purchase any and all of the \$250.0 million aggregate principal amount of 10.75% Senior Notes due 2016 (the “Fixed Rate Notes”) and any and all of the \$170.0 million aggregate principal amount of Senior Floating Rate Toggle Notes due 2013 (the “Floating Rate Notes” and, together with the Fixed Rate Notes, the “PNA Notes”) issued by subsidiaries of PNA and related consent solicitations to amend the indentures governing the PNA Notes to eliminate substantially all of the restrictive covenants and certain events of default. As of July 15, 2008, all of the outstanding PNA Notes had been tendered and not withdrawn and withdrawal rights in the tender offers have expired. Accordingly, the requisite consents to approve the amendments have been received. However, because all of the PNA Notes have been validly tendered, we expect to surrender the PNA Notes to the trustee for retirement following acceptance of such PNA Notes for payment, making it unnecessary for the indentures to be amended pursuant to the consent solicitations. The tender offers are scheduled to expire on August 1, 2008 and settle on August 4, 2008. The tender offers and the consent solicitations are conditioned on the closing of our acquisition of PNA.

New Unsecured Senior Term Loan Facility

We plan to enter into a credit agreement for a \$250.0 million unsecured senior term loan facility for which we have received commitments from a syndicate of lenders. The term loan is expected to mature on November 9, 2011 and be subject to quarterly amortization of principal in equal installments. The term loan is expected to bear interest at a variable rate equal to, at our option, (i) LIBOR plus an applicable margin ranging from 1.25% to 2.25% (which margin is to be determined based upon our total leverage ratio, as will be defined in our credit agreement) or (ii) the base rate (defined as the higher of (a) the bank prime rate and (b) the federal funds rate plus 0.50%). The term loan is expected to be repayable at our option in whole or in part at any time without penalty, subject to reimbursement of the lenders’ breakage and redeployment costs in the case of prepayment of LIBOR borrowings. The term loan is expected to close prior to our acquisition of PNA and be subject to customary closing conditions, which do not include the consummation of the acquisition of PNA.

Sources and Uses of Funds

The following table illustrates the estimated sources and uses of funds relating to the PNA Transactions. The actual amounts set forth in the table are subject to adjustment and may differ at the time of the consummation of the

PNA Transactions, depending on a number of factors, including the amounts of PNA debt and our existing debt, and the differences from our estimate of fees and expenses.

<u>Sources</u>	<u>Uses</u>	
	(In millions)	
Revolving Credit Facility ⁽¹⁾	\$ 410.9	Consideration for PNA shares \$ 315.0
New Term Loan Facility	250.0	Repurchase of PNA Notes ⁽¹⁾ 474.8
Common Stock offered hereby ⁽²⁾	464.0	Repayment of other PNA debt 330.0
		Estimated fees and expenses 5.1
Total	\$1,124.9	Total \$1,124.9

⁽¹⁾ Excludes accrued and unpaid interest. Assuming that the consideration for the PNA Notes is paid on August 4, 2008, an aggregate of \$15.2 million of accrued and unpaid interest will also be payable to holders of the PNA Notes. Such amount is expected to be borrowed under the revolving credit facility, but is not reflected in the table.

⁽²⁾ Based upon the sale of 6,750,000 shares of our common stock offered hereby at an assumed public offering price of \$71.79 per share (the last reported sales price for our common stock on the New York Stock Exchange on July 16, 2008), less underwriting discounts and commissions, but before other offering expenses. Assumes no exercise of the underwriters' over-allotment option.

Industry Overview

Metals service centers acquire products, including carbon steel, aluminum, stainless steel and other metals, typically from metals producers and process those products to meet customer specifications, using techniques such as blanking, leveling (or cutting-to-length), sawing, shape cutting, shearing and slitting. These processing services typically save metals service center customers time and labor and reduce their overall manufacturing costs. Many end-users are not able or willing to invest in the necessary technology, equipment and inventory to process the metals for their own manufacturing operations. Metals service centers purchase, process and deliver metals to end-users in a more efficient and cost-effective manner than the end-user could typically achieve by dealing directly with metals producers. In addition, metals producers often prefer to sell their products through metals service centers, as they prefer to deal in larger order quantities, with longer lead times and to carry limited inventory. According to the periodical *Purchasing*, in 2007 metals service centers comprised the largest single customer group for the output of North American metals producers, buying and reselling approximately 40% of all aluminum, brass, bronze, carbon steel, copper, stainless and specialty steels and superalloys produced in the United States and Canada. *Purchasing* reported that the 2007 North American (the United States and Canada) metals distribution industry annual revenue was a record \$143 billion, up from \$127 billion in 2006.

The metals service center industry has historically been highly fragmented and intensely competitive within localized areas or regions. Many metals service center companies operate single, stand-alone metals service centers, and competition is based primarily on price, inventory availability, timely delivery, customer service, quality and processing capabilities. According to *Purchasing*, the number of intermediate steel processors and metals service center facilities in North America had decreased from approximately 7,000 locations in 1980 to approximately 3,500 locations, operated by approximately 1,200 parent companies in 2007. This consolidation trend has occurred because economies of scale generally accrue to the benefit of larger metals service centers in the form of enhanced purchasing power relative to suppliers, consistent access to metals supply, access to larger customers with national and global operations and improved access to capital.

Metals service centers are generally less susceptible to market cycles than metals producers, as a metals service center's cost base is typically more variable in nature than the cost base of a metals producer. In addition, metals service centers are generally able to pass on all or part of metal cost increases to their customers. We believe that metals service centers with the most rapid inventory turns and small order sizes from their customers are generally the least vulnerable to changing metals prices. During periods of weakening demand for metals and declining metals prices, metals service centers' working capital requirements generally decline, resulting in a near term positive impact on their cash flow.

Following the economic recession from 2001 to 2003, the metals service center industry experienced a broad-based significant upturn beginning in 2004, benefitting from higher metals prices and rising end-user demand. Due

to several factors, including the continuing consolidation of metals producers, a reduction in metal production capacity in North America, increased global demand for metal products and increasing raw material costs, the pricing environment for most products offered by metals service centers has continued to be favorable. Carbon steel prices in the United States have risen materially in 2008 due to higher prices for key inputs, such as iron ore, coking coal, ferrous scrap and energy, strong global demand, higher transport costs and a weak U.S. dollar. Stainless steel and aluminum prices have been volatile over the last few years but have remained well above historical averages due to factors similar to those influencing carbon steel pricing.

Our Competitive Strengths

Market Leadership. According to *Purchasing*, we are the largest metals service center company in North America (the United States and Canada). We operate more than 180 facilities strategically positioned in close proximity to our customers. We have built our market-leading position and loyal customer base through our focused acquisition strategy, dependable customer service and reputation for integrity. We benefit from our scale and high purchasing volumes, as we are well positioned to negotiate favorable terms and pricing from our suppliers. As the supply of certain metals has tightened in recent years, our strong relationships with our suppliers have allowed us to continue to source product effectively and to serve our customers reliably. We have developed a growing international presence in selected product markets to support the globalization of certain of our larger customers.

Highly Diversified by Customer Base, Products, End-Markets and Geographies. Our diversified business model reduces our exposure to end-market volatility and enhances our ability to generate strong financial performance through economic cycles. We processed and distributed more than 100,000 metal products to over 125,000 customers in 2007 in a broad range of industries, including non-residential construction, general manufacturing, aerospace, truck trailer, rail car, oil and gas, semiconductor and electronics. Our direct exposure to the residential construction and automobile sectors continues to be limited. In 2007, no single customer accounted for more than 1.0% of our sales and approximately 85% of our sales were from repeat customers. We offer a broad array of value-added services and products, with no product category representing more than 11% of total revenue in 2007. Few metals service centers offer the full range of processing services and metals that we provide. We are also geographically diversified, generating revenue from locations throughout the United States and our growing international operations.

Our Decentralized Business Model. We maintain a decentralized operational structure comprised of discrete, highly focused businesses that benefit from our established supplier relationships and are able to provide responsive service to our customers. Unlike many of our large competitors, the majority of our purchasing and pricing decisions are made locally by service center management, enabling our metals service centers to react quickly to market trends and customer needs and regularly achieve rapid inventory turns. Our decentralized model enables us to fill smaller orders efficiently. Our average order size was \$1,350 in 2007. We shipped almost half of the orders we received within 24 hours of order placement in 2007. Our focus on prompt service and effective inventory management, small order sizes and lack of exposure from long-term contracts have generally enabled us to pass through price increases from our suppliers to our customers. Oftentimes, during periods of increasing metals prices, we have been able to increase our prices to our customers before we receive the higher cost metal in our inventory, providing a temporary increase in our gross profit margin. In most cases we have kept the locally established brand of the businesses we have acquired intact. We have found that we can enhance the performance of these businesses by leveraging our supplier relationships, as well as our corporate infrastructure, operational and financial management expertise and experience to ensure a continuing focus on profitability and working capital optimization.

Experienced and Proven Management Team. Our senior management team has on average over 20 years of metals industry experience and is supported by considerable management talent, including our senior operating personnel and facility operators. We seek to acquire businesses with experienced management teams to ensure strong leadership throughout our organization. Our executive management team has successfully implemented our acquisition, integration and organic growth strategies establishing us as a market leader. We have executed an effective acquisition strategy, invested in organic growth opportunities, and maintained financial discipline, as reflected in our effective working capital management and strong gross profit margins and financial condition.

Our Strategy

We intend to continue to grow and enhance our market-leading position by pursuing the following strategies:

Growth Through Accretive Strategic Acquisitions. We are a skilled and experienced acquirer, having purchased and successfully integrated more than 40 businesses since our initial public offering in September 1994. We significantly increased our product portfolio and increased the size of our company with our acquisitions of the Earle M. Jorgensen Company and Yarde Metals, Inc. in 2006 and expect to further expand our market presence and product offerings with our proposed acquisition of PNA. In addition, we have increased our international presence through acquisitions, including an entry into the United Kingdom market, and entry into, and further penetration of, the Canadian market. The metals service center industry remains highly fragmented and intensely competitive within localized areas, providing significant opportunities for further acquisitions. We employ a disciplined acquisition strategy in which we generally expect each acquisition to achieve targeted return thresholds, be immediately accretive to earnings, generate positive free cash flow and diversify our product, customer or geographic position. We also seek to acquire companies led by excellent management teams, whom we incentivize with compensation programs that focus on unit profitability as well as overall corporate performance. We implement measures designed to improve the operating efficiency and profit margins of our acquired businesses by leveraging our consolidated resources and best practices.

Organic Growth Through Expansion and Development. We continue to evaluate opportunities to expand and invest in our business. Our internal growth activities since 2006 have been at historically high levels for us and have included the opening of new facilities, adding to our processing capabilities and relocating existing operations to larger, more efficient facilities. Many of our internal growth initiatives are customer driven. We have often responded to customer expansions into new markets by opening facilities in those markets and we expect to continue to do so.

Focus on Continual Improvement of Operating Performance at our Service Centers. We are focused on profitability and working capital management. We have an established track record of raising the profit margins of most of the companies we have acquired by leveraging our consolidated resources and marketplace insight and strong customer and supplier relationships, as well as by applying locally developed knowledge and best practices across our operating facilities. We believe that our approach to managing our businesses enables us to benefit from focused local management teams who specialize in their respective markets and are valued by customers for their integrity, quality and service. We focus on fulfilling small order sizes on a transactional basis rather than large contractual orders. Our metals service centers fulfilled over 5,375,000 orders during 2007 at an average price of approximately \$1,350 per order. This strategy enables us to maximize profitability and provide quick turnaround for our customers.

Maintain Financial Strength and Flexibility. We expect to continue to maintain a strong balance sheet. We believe that ready access to capital on favorable terms and the ability to capitalize on acquisition opportunities at all points in business and economic cycles is important to our continued success. Our financial strength generally results in our enjoying lower financing costs than many of our competitors and acquisition targets. Financial strength also benefits us in our commercial relationships with customers and suppliers.

Our Corporate Information

Our executive offices are located at 350 South Grand Avenue, Suite 5100, Los Angeles, California 90071, and our telephone number at that location is (213) 687-7700. Our website can be accessed at www.rsac.com. Information contained on, or accessible through, our website does not constitute part of this prospectus, except as otherwise expressly provided herein.

The Offering

Common Stock Offered	6,750,000 shares
Common Stock to be Outstanding After this Offering	79,980,947 shares
Over-allotment Option Granted to the Underwriters	We have granted the underwriters a 30-day option to purchase a maximum of 1,012,500 shares of our common stock at the price to the public set forth on the cover page of this prospectus, less underwriting discounts and commissions, to cover over-allotments, if any.
Use of Proceeds	We intend to use all of the net proceeds from this offering to fund a portion of the consideration for the proposed PNA Transactions. See “Use of Proceeds.”
Dividend Policy	We currently expect to pay a quarterly cash dividend of \$0.10 per share.
Risk Factors	You should carefully read and consider the information set forth under “Risk Factors” together with all the information set forth and incorporated by reference in this prospectus before deciding to invest in our common stock.
Trading Symbol	Our common stock is listed on the New York Stock Exchange and trades under the symbol “RS”.

The number of shares of our common stock to be outstanding immediately after this offering is based on 73,230,947 shares outstanding as of June 30, 2008, and excludes:

- 1,012,500 shares issuable upon exercise of the underwriters’ over-allotment option;
- 3,512,539 shares subject to outstanding options at a weighted average exercise price of \$40.84 per share; and
- 6,381,433 additional shares reserved as of June 30, 2008 for future issuance under our equity incentive plans.

Unless otherwise indicated, all information in this prospectus assumes:

- no exercise of the underwriters’ over-allotment option; and
- a two-for-one stock split effected in July 2006 in the form of a stock dividend.

Summary Consolidated Financial Information

Our summary consolidated financial information and unaudited pro forma financial information shown below should be read together with our consolidated financial statements and respective footnotes and our “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our Annual Report on Form 10-K and Quarterly Report on Form 10-Q incorporated by reference herein. The summary consolidated income statement data for the years ended December 31, 2005, 2006 and 2007 and the consolidated balance sheet data as of December 31, 2006 and 2007 have been derived from our audited consolidated financial statements incorporated by reference into this prospectus. The summary consolidated income statement data for the three months ended March 31, 2007 and 2008 and the balance sheet data as of March 31, 2007 and 2008 have been derived from our unaudited consolidated financial statements incorporated by reference into this prospectus and include all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of the results for the interim periods. The unaudited pro forma financial information is derived from our Unaudited Pro Forma Financial Information included herein. The unaudited pro forma balance sheet data as of March 31, 2008 gives effect to the PNA Transactions as if they had occurred on March 31, 2008. The unaudited pro forma statements of income data assume the PNA Transactions were effected on January 1, 2008 and January 1, 2007 for the pro forma statements of income data for the three months ended March 31, 2008 and the year ended December 31, 2007, respectively.

The summary historical financial information and unaudited pro forma financial information included in this prospectus are not necessarily indicative of our financial results for the full year 2008 or any future period. The summary unaudited pro forma financial information is not necessarily indicative of the financial position or results of operations that would have been realized had the proposed PNA Transactions occurred on or as of the dates indicated above, nor do they represent a forecast of the consolidated position of Reliance at any future date or the consolidated results of operations of Reliance for any future period.

	Year Ended December 31,			Three Months Ended March 31,			
	Pro Forma 2007	2007	2006	2005	Pro Forma 2008	2008	2007
	(In thousands, except share and per share data)						
Income Statement Data:							
Net sales	\$ 8,888,148	\$ 7,255,679	\$ 5,742,608	\$ 3,367,051	\$ 2,382,207	\$ 1,908,170	\$ 1,841,890
Cost of sales	6,772,004	5,418,161	4,231,386	2,449,000	1,799,972	1,415,891	1,369,438
Gross profit	2,116,144	1,837,518	1,511,222	918,051	582,235	492,279	472,452
Operating expenses ⁽¹⁾	1,294,020	1,102,005	876,977	550,411	353,038	299,784	271,609
Operating profit	822,124	735,513	634,245	367,640	229,197	192,495	200,843
Other income (expense):							
Interest expense	(101,590)	(78,710)	(61,692)	(25,222)	(22,333)	(16,613)	(20,110)
Other income (expense), net	12,489	9,931	5,768	3,671	271	(387)	374
Amortization expense	(23,284)	(12,007)	(6,883)	(4,125)	(6,029)	(3,209)	(2,304)
Minority interest ⁽²⁾	(2,708)	(334)	(306)	(8,752)	(838)	(64)	(90)
Income before income taxes	707,031	654,393	571,132	333,212	200,268	172,222	178,713
Provision for income taxes	(266,261)	(246,438)	(216,625)	(127,775)	(75,406)	(64,827)	(67,017)
Net income	<u>\$ 440,770</u>	<u>\$ 407,955</u>	<u>\$ 354,507</u>	<u>\$ 205,437</u>	<u>\$ 124,862</u>	<u>\$ 107,395</u>	<u>\$ 111,696</u>
Earnings per share:							
Income from continuing operations — diluted ⁽³⁾	<u>\$ 5.32</u>	<u>\$ 5.36</u>	<u>\$ 4.82</u>	<u>\$ 3.10</u>	<u>\$ 1.55</u>	<u>\$ 1.46</u>	<u>\$ 1.46</u>
Weighted average shares outstanding — diluted ⁽³⁾	<u>82,814,616</u>	<u>76,064,616</u>	<u>73,599,681</u>	<u>66,194,724</u>	<u>80,298,014</u>	<u>73,548,014</u>	<u>76,452,752</u>
Income from continuing operations — basic ⁽³⁾	<u>\$ 5.35</u>	<u>\$ 5.39</u>	<u>\$ 4.85</u>	<u>\$ 3.12</u>	<u>\$ 1.57</u>	<u>\$ 1.47</u>	<u>\$ 1.47</u>
Weighted average shares outstanding — basic ⁽³⁾	<u>82,372,799</u>	<u>75,622,799</u>	<u>73,134,102</u>	<u>65,870,068</u>	<u>79,607,477</u>	<u>72,857,477</u>	<u>75,862,219</u>

	Year Ended December 31,			Three Months Ended March 31,		
	2007	2006	2005	Pro Forma 2008	2008	2007
	(In thousands, except share and per share data)					
Other Data:						
EBITDA ⁽⁴⁾	\$ 812,976	\$ 695,298	\$ 405,065		\$ 210,200	\$ 217,274
Cash flow from operations	638,964	190,964	272,219		107,196	70,769
Capital expenditures	124,127	108,742	53,740		35,973	24,730
Balance Sheet Data:						
Working capital	\$1,121,539	\$1,124,650	\$ 513,529	\$1,678,847	\$1,168,458	\$1,255,382
Total assets	3,983,477	3,614,173	1,769,070	5,560,860	4,165,271	4,075,325
Long-term debt ⁽⁵⁾	1,013,260	1,088,051	306,790	1,740,583	1,079,696	1,271,810
Shareholders' equity	2,106,249	1,746,398	1,029,865	2,557,156	2,093,168	1,864,258
Reconciliation of EBITDA:						
Net cash provided by operating activities	\$ 638,964	\$ 190,964	\$ 272,219		\$ 107,196	\$ 70,769
Provision for income taxes	246,438	216,625	127,775		64,827	67,017
Interest expense	78,710	61,692	25,222		16,613	20,110
Other non-cash adjustments ⁽⁶⁾	(12,035)	(4,497)	(11,169)		(23)	1,435
Changes in operating assets and liabilities (excluding effect of businesses acquired)	(139,101)	230,514	(8,982)		21,587	57,943
EBITDA ⁽⁴⁾	<u>\$ 812,976</u>	<u>\$ 695,298</u>	<u>\$ 405,065</u>		<u>\$ 210,200</u>	<u>\$ 217,274</u>

(1) Operating expenses include warehouse, delivery, selling, general and administrative expenses and depreciation expense.

(2) The portion of earnings of American Steel, L.L.C. attributable to our 49.5% partner is included in minority interest through December 31, 2005. On January 3, 2006, we acquired our partner's interest, increasing our ownership to 100%.

(3) All share and per share information has been retrospectively adjusted to reflect the two-for-one stock split effected in the form of a 100% stock dividend that was effective July 19, 2006. Pro forma amounts reflect the sale of 6,750,000 shares of our common stock in this offering.

(4) EBITDA is defined as the sum of income before interest expense, income taxes, depreciation expense and amortization of intangibles. We use EBITDA as a liquidity performance measure and believe EBITDA is useful in evaluating our liquidity because the calculation generally eliminates the effects of financing costs and income taxes and the accounting effects of capital spending and acquisitions, which are assessed and evaluated through other operating performance measures. EBITDA is also commonly used as a measure of operating and liquidity performance for companies in our industry and is frequently used by analysts, investors, lenders, rating agencies and other interested parties to evaluate a company's financial performance and its ability to incur and service debt. EBITDA is not a recognized measurement under U.S. generally accepted accounting principles and, therefore, represents a non-GAAP financial measure. EBITDA should not be considered in isolation or as a substitute for consolidated statements of income and cash flows data prepared in accordance with U.S. generally accepted accounting principles as it excludes components that are significant in understanding and assessing our results of operations and cash flows. EBITDA as presented is not necessarily comparable with similarly titled measures for other companies.

(5) Includes the long-term portion of capital lease obligations.

(6) Other non-cash adjustments include all adjustments to reconcile net income to net cash provided by operating activities except depreciation and amortization and changes in operating assets and liabilities.

RISK FACTORS

The purchase of our common stock involves risks. You should carefully consider the following risks before making a decision to invest in our common stock. If any of the events or circumstances described below actually occur, our business, financial condition and results of operations could suffer, the trading price of our common stock could decline and you may lose part or all of your investment.

Risks Related to the PNA Transactions

If we fail to consummate the proposed acquisition of PNA, our reputation and earnings per share could be negatively affected and the trading price of our common stock could also be adversely affected.

We expect that this offering, the net proceeds of which we intend to use to fund a portion of the cost of the PNA Transactions, will be consummated prior to the completion of the proposed acquisition of PNA. The consummation of the proposed acquisition of PNA is subject to closing conditions and performance of each party's obligations under the Stock Purchase Agreement. We expect to complete the proposed acquisition of PNA in early August 2008, but we cannot assure you that the transaction will be completed on the anticipated schedule or at all. In particular, there are a number of conditions to our closing the acquisition of PNA, such as the satisfaction of regulatory requirements, including expiration or early termination of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976.

In the event that we complete this offering but fail to complete the proposed acquisition of PNA, we will have issued a substantial number of additional shares of common stock, but we will not realize the anticipated benefits of the proposed acquisition of PNA. As a result, our earnings per share would likely decline because we would not have acquired any incremental sources of earnings to offset the increase in the number of our outstanding shares. If the proposed acquisition of PNA is not completed, we would have an estimated \$464.0 million of net proceeds from this offering, after deducting underwriting discounts and commissions but before other offering expenses, that we would expect to use to repay a portion of our outstanding indebtedness, as described under "Use of Proceeds," and for general corporate purposes, including future acquisitions.

We may not realize the anticipated benefits of the proposed acquisition of PNA.

Whether we will be able to achieve the anticipated benefits of the proposed acquisition of PNA is subject to many uncertainties typically associated with any acquisition we undertake, including those described elsewhere in this prospectus, and general competitive factors in our business. If we fail to achieve such anticipated benefits, we would be likely to miss other market opportunities, and management's attention would be distracted, all of which could negatively affect our business and our financial results.

The closing of the acquisition of PNA is not conditioned on our ability to secure adequate financing to fund the purchase price and repayment or refinancing of PNA debt.

The Stock Purchase Agreement relating to the acquisition of PNA does not contain a financing condition. After the application of the net proceeds from this offering, we will require substantial additional funds to consummate the acquisition of PNA and related repayment or refinancing of PNA debt. Although we have commitments in place, these commitments contain conditions that, if not satisfied, would permit the providers of such financing to decline to deliver their funds. If we are unable to close the acquisition of PNA due to any breach on our part, including failure to obtain financing, we may be exposed to material contractual and other claims for failure to close as a result of a breach by us. A payment related to a claim for breach could have a material adverse effect on our financial condition and results of operations. For a more detailed discussion of the proposed acquisition of PNA, please see "Prospectus Summary — Recent Developments." For a more detailed description of the Stock Purchase Agreement, please see "The PNA Transactions — PNA Acquisition Agreement."

We may not obtain the proposed \$250.0 million senior term loan facility, borrowings from which we intend to use to fund a portion of the purchase price of PNA and related repayment or refinancing of PNA debt.

Although we have received written commitments from a syndicate of lenders to enter into a credit agreement for a \$250.0 million unsecured senior term loan facility, those commitments contain conditions that, if not satisfied, would permit the providers of such financing to decline to deliver their funds. Such conditions include confirmation that there shall have occurred no material adverse effect to our business since December 31, 2007, that all representations and warranties contained in the credit agreement shall be true and correct in all material respects at the time of the closing and that no event of default or incipient event of default shall have occurred and be continuing or would result from the making of the term loan. If we do not receive the expected funds under the term loan, we expect to draw additional amounts under our revolving credit facility in order to replace such funds as required to consummate the acquisition of PNA and related repayment or refinancing of PNA debt. In such event, we will have reduced liquidity and may be required to forego certain opportunities, including acquisitions, that we might have otherwise pursued.

Risks Related to our Business and Industry

The costs that we pay for metals fluctuate due to a number of factors beyond our control, and such fluctuations could adversely affect our operating results, particularly if we cannot pass on higher metal prices to our customers.

We purchase large quantities of carbon, alloy and stainless steel, aluminum and other metals, which we sell to a variety of end-users. The costs to us for these metals and the prices that we charge customers for our products may change depending on many factors outside of our control, including general economic conditions (both domestic and international), competition, production levels, customer demand levels, import duties and other trade restrictions, currency fluctuations and surcharges imposed by our suppliers. We attempt to pass cost increases on to our customers with higher selling prices but we may not always be able to do so. In particular, in recent periods we have experienced increased metal costs, particularly for carbon steel products, which we have been able to pass on to our customers in the form of increased prices. However, there can be no assurance that we will be able to do so in future periods.

We maintain substantial inventories of metal to accommodate the short lead times and delivery requirements of our customers. Our customers typically purchase products from us pursuant to purchase orders and typically do not enter into long-term purchase agreements or arrangements with us. Accordingly, we purchase metal in quantities we believe to be appropriate to satisfy the anticipated needs of our customers based on information derived from customers, market conditions, historic usage and industry research. Commitments for metal purchases are generally at prevailing market prices in effect at the time orders are placed or at the time of shipment. During periods of rising prices for metal, we may be negatively impacted by delays between the time of increases in the cost of metals to us and increases in the prices that we charge for our products if we are unable to pass these increased costs on to our customers immediately. In addition, when metal prices decline, customer demand for lower prices could result in lower sale prices for our products and, as we use existing inventory that we purchased at higher metal prices, lower margins. Consequently, during periods in which we use this existing inventory, the effects of changing metal prices could adversely affect our operating results.

The prices of metals are subject to fluctuations in the supply and demand for metals worldwide and changes in the worldwide balance of supply and demand could negatively impact our revenues, gross profit and net income.

Metal prices are volatile due to, among other things, fluctuations in foreign and domestic production capacity, raw material availability, metals consumption and foreign currency rates. For example, in the past few years, China has significantly increased both its consumption and production of metals and metal products. Initially, China's large and growing demand for metals significantly affected the metals industry by diverting supply to China and contributing to the global increases in metal prices. With China's increased production of metals, it has become a net exporter of certain metals. While this development can affect global pricing, it has yet to have a significant impact

on U.S. pricing or the pricing for our products. Any future downturn in China's general economic condition or increases in its export of metals could cause a reduction in metal prices globally, which could adversely affect our revenues, gross profit and net income. Additionally, significant currency fluctuations in the United States or abroad could negatively impact our cost of metals and the pricing of our products. The decline in the value of the U.S. dollar relative to foreign currencies in recent years has resulted in increased prices for metals and metal products in the United States as imported metals have become relatively more expensive. In addition, when prices for metal products in the United States are lower than in foreign markets, or when the U.S. dollar has weakened such as we are currently experiencing, metals may be sold in foreign markets rather than in the United States, reducing the availability of metal products in the United States which has permitted domestic mills to increase their prices. If, in the future, the U.S. dollar increases in value relative to foreign currencies, the U.S. market may be more attractive to foreign producers, resulting in increased supply that could cause decreased metal prices and adversely affect our revenues, gross profit and net income.

We operate in an industry that is cyclical and any downturn in general economic conditions or in our customers' specific industries could negatively impact our revenues, gross profit and net income.

The metals service center industry is cyclical and impacted by both market demand and metals supply. Periods of economic slowdown or recession in the United States or other countries, or the public perception that these may occur, could decrease the demand for our products and adversely affect our pricing. For example, the general slowing of the economy in 2001, 2002 and 2003 adversely impacted our sales volume and pricing. While we have been experiencing significantly improved pricing and healthy demand levels since 2004, this trend may not continue. Public perception currently reflects pessimistic economic expectations in the United States and the economy has experienced weakness in certain segments. Changing economic conditions could depress or delay demand for our products, which could adversely affect our revenues, gross profit and net income.

We sell many products to industries that are cyclical, such as the non-residential construction, semiconductor, energy and transportation industries, including aerospace. The demand for our products is directly related to, and quickly impacted by, demand for the finished goods manufactured by our customers in these industries, which may change as a result of changes in the general United States or worldwide economy, domestic exchange rates, raw material prices, energy prices or other factors beyond our control. If we are unable to accurately project the product needs of our customers over varying lead times or if there is a limited availability of products through allocation by the mills or otherwise, we may not have sufficient inventory to be able to provide products desired by our customers on a timely basis. In addition, if we are not able to diversify our customer base and/or increase sales of products to customers in other industries when one or more of the cyclical industries that we serve are experiencing a decline, our revenues, gross profit and net income may be adversely affected.

We compete with a large number of companies in the metals service center industry, and, if we are unable to compete effectively, our revenues, gross profit and net income may decline.

We compete with a large number of other general-line distributors and specialty distributors in the metals service center industry. Competition is based principally on price, inventory availability, timely delivery, customer service, quality and processing capabilities. Competition in the various markets in which we participate comes from companies of various sizes, some of which have more established brand names in the local markets that we serve. Accordingly, these competitors may be better able to withstand adverse changes in conditions within our customers' industries and may have greater operating and financial flexibility than we have. To compete for customer sales, we may lower prices or offer increased services at a higher cost, which could reduce our revenues, gross profit and net income.

If we were to lose any of our primary suppliers or otherwise be unable to obtain sufficient amounts of necessary metals on a timely basis, we may not be able to meet our customers' needs and may suffer reduced sales.

We have few long-term contracts to purchase metals. Therefore, our primary suppliers of carbon steel, alloy steel, stainless steel, aluminum or other metals could curtail or discontinue their delivery of these metals to us in the quantities we need with little or no notice. Our ability to meet our customers' needs and provide value-added

inventory management services depends on our ability to maintain an uninterrupted supply of high quality metal from our suppliers. If our suppliers experience production problems, lack of capacity or transportation disruptions, the lead times for receiving our supply of metal could be extended and the cost of our inventory may increase. If, in the future, we are unable to obtain sufficient amounts of the necessary metals at competitive prices and on a timely basis from our traditional suppliers, we may not be able to obtain these metals from acceptable alternative sources at competitive prices to meet our delivery schedules. Even if we do find acceptable alternative suppliers, the process of locating and securing these alternatives may be disruptive to our business, which could have an adverse impact on our ability to meet our customers' needs and reduce our sales, gross profit and net income. In addition, if a significant domestic supply source is discontinued and we cannot find acceptable domestic alternatives, we may need to find a foreign source of supply. Dependence on foreign sources of supply could lead to longer lead times, increased price volatility, less favorable payment terms, increased exposure to foreign currency movements and certain tariffs and duties and require greater levels of working capital. Alternative sources of supply may not maintain the quality standards that are in place with our current suppliers that could impact our ability to provide the same quality of products to our customers that we have provided in the past, which could cause our customers to divert their business to our competitors or to file claims against us. There has been significant consolidation at the metal producer level both globally and within the United States. This consolidation has reduced the number of suppliers available to us, which could result in increased metals costs to us that we may not be able to pass on to our customers and may limit our ability to obtain the necessary metals to service our customers.

We rely upon our suppliers as to the specifications of the metals we purchase from them.

We rely on mill certifications that attest to the physical and chemical specifications of the metal received from our suppliers for resale and generally, consistent with industry practice, do not undertake independent testing of such metals. Unless otherwise specifically notified by our customers, we rely on our customers to notify us of any metal that does not conform to the specifications certified by the supplying mill. A subsidiary of PNA is currently in a dispute with certain steel traders regarding the quality of specific orders of steel purchased from certain foreign mills and may have unknowingly received non-conforming products. Although our primary sources of products have been domestic mills, we have and will continue to purchase product from foreign suppliers when we believe it appropriate. In the event that metal purchased from domestic suppliers is deemed to not meet quality specifications as set forth in the mill certifications or customer specifications, we generally have recourse against these suppliers for both the cost of the products purchased and possible claims from our customers. However, such recourse will not compensate us for the damage to our reputation that may arise from sub-standard products and possible losses of customers. Moreover, there is a greater level of risk that similar recourse will not be available to us in the event of claims by our customers related to products delivered from foreign suppliers that does not meet the specifications set forth in the mill certifications. In these circumstances, we may be at greater risk of loss for claims for which we do not carry, or do not carry sufficient, insurance.

If we do not successfully implement our acquisition growth strategy, our ability to grow our business could be impaired.

We may not be able to identify suitable acquisition candidates or successfully complete any acquisitions or integrate any other businesses into our operations. If we cannot identify suitable acquisition candidates or are otherwise unable to complete acquisitions, we are unlikely to sustain our historical growth rates, and, if we cannot successfully integrate these businesses, we may incur increased or redundant expenses. Moreover, any additional indebtedness we incur to pay for these acquisitions could adversely affect our liquidity and financial condition.

Acquisitions present many risks, and we may not realize the financial and strategic goals that were contemplated at the time of any transaction.

Historically, we have expanded both through acquisitions and internal growth. Since our initial public offering in September 1994, we have purchased and successfully integrated more than 40 businesses. We continue to evaluate acquisition opportunities and expect to continue to grow our business through acquisitions, such as the proposed acquisition of PNA Group Holding Corporation. Risks we may encounter in acquisitions include:

- the acquired company may not further our business strategy, or we may pay more than it is worth;

- the acquired company may not perform as anticipated, which could result in an impairment charge or otherwise impact our results of operations;
- we may not realize the anticipated increase in our revenues if a larger than predicted number of customers decline to continue purchasing products from us;
- we may have to delay or not proceed with a substantial acquisition if we cannot obtain the necessary funding to complete the acquisition in a timely manner;
- we may significantly increase our interest expense, leverage and debt service requirements if we incur additional debt to pay for an acquisition or assume existing debt of an acquired company which, among other things, may result in a downgrade of our debt ratings;
- we may have multiple and overlapping product lines that may be offered, priced and supported differently, which could cause our gross profit margins to decline;
- our relationship with current and new employees, customers and suppliers could be impaired;
- our due diligence process may fail to identify risks that could negatively impact our financial condition;
- we may lose anticipated tax benefits or have additional legal or tax exposures if we have prematurely or improperly combined entities;
- we may face contingencies related to product liability, environmental matters, intellectual property, financial disclosures, tax positions and accounting practices or internal controls;
- the acquisition may result in litigation from terminated employees or third parties;
- our management's attention may be diverted by transition or integration issues; and
- we may be unable to obtain timely approvals from governmental authorities under competition and antitrust laws.

These factors could have a material adverse effect on our business, results of operations, financial condition or cash flows, particularly in the case of a larger acquisition or a number of acquisitions.

Our indebtedness could impair our financial condition and reduce the funds available to us for other purposes, and our failure to comply with the covenants contained in our debt instruments could result in an event of default that could adversely affect our operating results.

We have substantial debt service obligations. As of March 31, 2008, we had aggregate outstanding indebtedness of approximately \$1.1 billion. After giving effect to the PNA Transactions (including the completion of the cash tender offers as described under "Prospectus Summary — Recent Developments"), we would have had pro forma indebtedness of approximately \$1.8 billion as of March 31, 2008. This indebtedness could adversely affect us in the following ways:

- our ability to obtain additional financing in the future for working capital, capital expenditures, acquisitions, general corporate purposes or other purposes may be impaired;
- a significant portion of our cash flow from operations must be dedicated to the payment of interest and principal on our debt, which reduces the funds available to us for our operations or other purposes;
- some of the interest on our indebtedness is, and will continue to be, accrued at variable rates, which may result in higher interest expense in the event of increases in interest rates, which may occur in future periods;
- because we may be more leveraged than some of our competitors, our debt may place us at a competitive disadvantage;
- our leverage may increase our vulnerability to economic or industry downturns and limit our ability to withstand adverse events in our business by limiting our financial alternatives; and

- our ability to capitalize on significant business opportunities, including potential acquisitions, and to plan for, or respond to, competition and changes in our business may be limited.

Our existing debt agreements contain, and our future debt agreements may contain, financial and restrictive covenants that limit our ability to incur additional debt, including to finance future operations or other capital needs, and to engage in other activities that we may believe are in our long-term best interests, including the disposal or acquisition of assets or other companies or to pay dividends to our shareholders. Our failure to comply with these covenants may result in an event of default which, if not cured or waived, could accelerate the maturity of our indebtedness or prevent us from accessing funds otherwise available under our revolving credit facility. If our indebtedness is accelerated, we may not have sufficient cash resources to satisfy our debt obligations and we may not be able to continue our operations as planned.

We may not be able to generate sufficient cash flow to meet our existing debt service obligations.

Our ability to generate sufficient cash flow from operations to make scheduled payments on our debt obligations will depend on our future financial performance, which will be affected by a range of economic, competitive and business factors, many of which are outside of our control. For example, we may not generate sufficient cash flow from our operations or new acquisitions to repay amounts drawn under our revolving credit facility or the proposed term loan facility when they mature in 2011 and our private notes when they mature on various dates between 2008 and 2013 or our debt securities when they mature in 2016 and 2036. If we do not generate sufficient cash flow from operations to satisfy our debt obligations, we expect to undertake alternative financing plans, such as refinancing or restructuring our debt, selling assets, reducing or delaying capital investments or seeking to raise additional capital. We may not be able to consummate any such transactions at all or on a timely basis or on terms, and for proceeds, that are acceptable to us. These transactions may not be permitted under the terms of our various debt instruments then in effect. Our inability to generate sufficient cash flow to satisfy our debt obligations, or to timely refinance our obligations on acceptable terms, could adversely affect our ability to serve our customers and could cause us to reduce or discontinue our planned operations.

As a decentralized business, we depend on both senior management and our key operating employees. If we are unable to attract and retain these individuals, our ability to operate and grow our business may be adversely affected.

Because of our decentralized operating style, we depend on the efforts of our senior management, including our chairman and chief executive officer, David H. Hannah, our president and chief operating officer, Gregg J. Mollins, and our executive vice president and chief financial officer, Karla Lewis, as well as our key operating employees. We may not be able to retain these individuals or attract and retain additional qualified personnel when needed. We do not have employment agreements with any of our officers or employees, so they may have less of an incentive to stay with us when presented with alternative employment opportunities. In addition, our senior management and key operating employees hold stock options that have vested and may also hold common stock in our employee stock ownership plan. These individuals may, therefore, be more likely to leave us if the shares of our common stock significantly appreciate in value. The loss of any key officer or employee would require remaining officers and employees to assume additional responsibilities and to direct immediate and substantial attention to seeking a replacement. Our inability to retain members of our senior management or key operating employees or to find adequate replacements for any departing key officer or employee on a timely basis could adversely affect our ability to operate effectively and grow our business.

We are subject to various environmental, employee safety and health and customs and export laws and regulations, which could subject us to significant liabilities and compliance expenditures.

We are subject to various foreign, federal, state and local environmental laws and regulations concerning air emissions, wastewater discharges, underground storage tanks and solid and hazardous waste disposal at or from our facilities. Our operations are also subject to various employee safety and health laws and regulations, including those concerning occupational injury and illness, employee exposure to hazardous materials and employee complaints. We are also subject to customs and export laws and regulations for international shipment of our products. Environmental, employee safety and health and customs and export laws and regulations are

comprehensive and complex and change frequently. Some of these laws and regulations are subject to varying and conflicting interpretations. We may be subject from time to time to administrative and/or judicial proceedings or investigations brought by private parties or governmental agencies with respect to environmental matters, employee safety and health issues or customs and export issues. Proceedings and investigations with respect to environmental matters, any employee safety and health issues or customs and export issues could result in substantial costs to us, divert our management's attention and result in significant liabilities, fines or the suspension or interruption of our metals service center activities. Some of our current properties are located in industrial areas with histories of heavy industrial use. The location of these properties may require us to incur environmental expenditures and to establish accruals for environmental liabilities that arise from causes other than our operations. In addition, we are currently investigating and remediating contamination in connection with certain properties we have acquired. As our business has become more international, the risk of incurring liabilities or fines resulting from non-compliance with customs or export laws has increased. Future events, such as changes in existing laws and regulations or their enforcement, new laws and regulations or the discovery of conditions not currently known to us, could result in material environmental or export compliance or remedial liabilities and costs, constrain our operations or make such operations more costly.

Our operating results have fluctuated, and are expected to continue fluctuating, depending on the season.

Many of our customers are in seasonal businesses, including customers in the non-residential construction and related industries. While the non-residential construction industry in the United States has remained generally strong, it may not continue to do so, particularly as non-residential construction projects are often indirectly adversely affected by slowdowns in residential construction. In addition, our revenues in the months of July, November and December traditionally have been lower than in other months because of increased vacation days and holiday closures for various customers. Consequently, you should not rely on our results of operations during any particular quarter as an indication of our results for a full year or any other quarter.

Ongoing tax audits may result in additional taxes.

Reliance and our subsidiaries are undergoing various tax audits. These tax audits could result in additional taxes, plus interest and penalties being assessed against Reliance or any of our subsidiaries and the amounts assessed could be material.

Damage to our computer infrastructure and software systems could harm our business.

The unavailability of any of our primary information management systems for any significant period of time could have an adverse effect on our operations. In particular, our ability to deliver products to our customers when needed, collect our receivables and manage inventory levels successfully largely depends on the efficient operation of our computer hardware and software systems. Through information management systems, we provide inventory availability to our sales and operating personnel, improve customer service through better order and product reference data and monitor operating results. Difficulties associated with upgrades, installations of major software or hardware, and integration with new systems could lead to business interruptions that could harm our reputation, increase our operating costs and decrease our profitability. In addition, these systems are vulnerable to, among other things, damage or interruption from power loss, computer system and network failures, loss of telecommunications services, operator negligence, physical and electronic loss of data, security breaches and computer viruses.

We have contracted with a third-party service provider that provides us with backup systems in the event that our information management systems are damaged. The backup facilities and other protective measures we take could prove to be inadequate.

Risks Related to this Offering and our Common Stock

The value of your investment may be subject to sudden decreases due to the potential volatility of the price of our common stock.

The market price of our common stock may be highly volatile and subject to wide fluctuations in response to various factors, including variations in our quarterly results of operations. Other factors may include matters discussed in other risk factors and the following factors:

- changes in expectations as to our future financial performance, including financial estimates by securities analysts and investors, or to estimates that we provide in our quarterly earnings releases and conference calls;
- developments affecting us, our customers or our suppliers;
- our failure to consummate the acquisition of PNA in a timely manner or at all;
- our ability to complete the financing for the acquisition of PNA on favorable terms or at all;
- our ability to retire or refinance PNA's existing indebtedness;
- announcements by us regarding proposed or contemplated acquisitions;
- changes in the legal or regulatory environment affecting our business;
- press releases, earnings releases or publicity relating to us or our competitors or relating to trends in the metals service center industry;
- inability to meet securities analysts' and investors' quarterly or annual estimates or targets of our performance;
- a decline in our credit rating by the rating agencies;
- the operating and stock performance of other companies that investors may deem comparable;
- sales of our common stock by large shareholders; and
- general domestic or international economic, market and political conditions.

These factors may adversely affect the trading price of our common stock, regardless of our actual operating performance. In addition, stock markets from time to time experience extreme price and volume fluctuations that may be unrelated or disproportionate to the operating performance of companies. In the past, some shareholders have brought securities class action lawsuits against companies following periods of volatility in the market price of their securities. We may in the future be the target of similar litigation. Securities litigation, regardless of whether our defense is ultimately successful, could result in substantial costs and divert management's attention and resources.

Principal shareholders who own a significant number of shares may have interests that conflict with yours.

Florence Neilan, our largest shareholder, through a revocable trust, owns 11.6% of the outstanding shares of our common stock as of March 31, 2008. Thomas W. Gimbel, one of our directors who is trustee of her trust, and together with his other holdings, controls 12.5% of the outstanding shares of our common stock. Together, they may have the ability to significantly influence matters requiring shareholder approval. In deciding how to vote on such matters, these shareholders may be influenced by interests that conflict with yours.

We have implemented anti-takeover provisions that may adversely impact your rights as a holder of Reliance common stock.

Certain provisions in our restated articles of incorporation and our restated and amended bylaws could delay, defer or prevent a third party from acquiring us, despite the possible benefit to our shareholders, or otherwise adversely affect the price of our common stock and the rights of our shareholders. We are authorized to issue

5,000,000 shares of preferred stock with the rights, preferences, privileges and restrictions of such stock to be determined by our board of directors, without a vote of the holders of common stock. Our board of directors could grant rights to holders of preferred stock to reduce the attractiveness of Reliance as a potential takeover target or make the removal of management more difficult. In addition, our restated articles of incorporation and restated and amended bylaws (1) impose advance notice requirements for shareholder proposals and nominations of directors to be considered at shareholder meetings and (2) establish a staggered or classified board of directors. These provisions may discourage potential takeover attempts, discourage bids for our common stock at a premium over market price or adversely affect the market price of, and the voting and other rights of the holders of, our common stock. These provisions could also discourage proxy contests and make it more difficult for you and other shareholders to elect directors other than the candidates nominated by our board of directors. In addition, our revolving credit facility and new proposed term loan facility and the provisions of our senior private notes and debt securities contain limitations on our ability to enter into change of control transactions.

FORWARD-LOOKING STATEMENTS

This prospectus includes or incorporates by reference forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Our forward-looking statements include discussions of our business strategies and our expectations concerning future operations, margins, profitability, liquidity and capital resources. In some cases, you can identify forward-looking statements by terminology such as “may,” “will,” “should,” “expects,” “intends,” “plans,” “anticipates,” “believes,” “thinks,” “estimates,” “seeks,” “expects,” “predicts,” “potential” and similar expressions. These statements relate to future events or our future financial performance and involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to differ materially from those in the future that are implied by these forward-looking statements. These risks and other factors include those listed under “Risk Factors” and elsewhere in this prospectus and the documents incorporated by reference. Those factors, among others, could cause our actual results and performance to differ materially from the results and performance projected in, or implied by, the forward-looking statements. As you read and consider this prospectus and the documents incorporated by reference, you should carefully understand that the forward-looking statements are not guarantees of performance or results.

All future written and oral forward-looking statements attributable to us or any person acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. New risks and uncertainties arise from time to time, and we cannot predict those events or how they may affect us. We assume no obligation to update any forward-looking statements after the date of this prospectus as a result of new information, future events or developments, except as required by the federal securities laws.

Forward-looking statements involve known and unknown risks and uncertainties. Various factors, such as the factors listed below and further discussed in detail in “Risk Factors” may cause our actual results, performance, or achievements to be materially different from those expressed or implied by any forward-looking statements. Among the factors that could cause our results to differ are the following:

- Our future operating results depend on a number of factors beyond our control, such as the prices for and the availability of metals, which could cause our results to fluctuate significantly over time. During periods of low customer demand it could be more difficult for us to pass through price increases to our customers, which could reduce our gross profit and net income. A significant or rapid increase or decrease in costs from current levels could also have a severe negative impact on our gross profit.
- We service industries that are highly cyclical, and downturns in our customers’ industries could reduce our revenue and profitability.
- The success of our business is affected by general economic conditions and, accordingly, our business was adversely impacted by the economic slowdown or recession in 2001, 2002 and 2003. This could occur in future periods.
- We operate in a very competitive industry and increased competition could reduce our gross profit margins and net income.

- As a decentralized business, we depend on both senior management and our operating employees; if we are unable to attract and retain these individuals, our results of operations may decline.
- Foreign currency exchange rates could change, which could affect the price we pay for certain metals and the results of our foreign operations, which have grown as a percentage of our total operations to 5% of sales in 2007.
- The interest rates on our debt could change. The interest rates on our variable rate debt increased steadily during 2006 and 2007. Although interest rates decreased in the first half of 2008, these rates may increase in the future.
- We may not be able to consummate future acquisitions, and those acquisitions that we do complete may be difficult to integrate into our business.
- Our acquisitions, including the proposed acquisition of PNA, might fail to perform as we anticipate. This could result in an impairment charge to write off some or all of the goodwill and/or other intangible assets for that entity. Acquisitions may also result in our becoming responsible for unforeseen liabilities that may adversely affect our financial condition and liquidity. If our acquisitions do not perform as anticipated, our operating results also may be adversely affected.
- We may fail to consummate the acquisition of PNA in a timely manner or at all.
- We may fail to close our proposed \$250.0 million unsecured senior term loan facility.
- Environmental and other governmental regulations may require us to expend significant capital and incur substantial costs or may impact the customers we serve which may have a negative impact on our financial results.
- We may discover internal control deficiencies in our decentralized operations or in an acquisition that must be reported in our filings with the Securities and Exchange Commission (the “SEC”), which may result in a negative impact on the market price of our common stock or the ratings of our debt.
- If existing shareholders with substantial holdings of our common stock sell their shares, the market price of our common stock could decline.
- Principal shareholders who own a significant number of our shares may have interests that conflict with yours.
- We have implemented a staggered or classified board of directors that may adversely impact your rights as a shareholder.

The foregoing factors are not exhaustive, and new factors may emerge or changes to the foregoing factors may occur that could impact our business. Although we believe the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future performance or results. We are not obligated to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. You should consider these risks when reading any forward-looking statements and review carefully the section of this prospectus captioned “Risk Factors” for a more complete discussion of the risks of an investment in our common stock.

USE OF PROCEEDS

We estimate that the net proceeds from this offering, after deducting underwriting discounts and commissions, but before other offering expenses, will be approximately \$464.0 million, or up to approximately \$533.6 million if the underwriters exercise their over-allotment option, at an assumed public offering price of \$71.79 per share, which was the last reported sale price for our common stock on the New York Stock Exchange on July 16, 2008.

We intend to use all of the net proceeds from this offering to fund a portion of the amounts to be paid in connection with the PNA Transactions, including the repayment pursuant to the tender offers and consent solicitations of \$250.0 million aggregate principal amount of the Fixed Rate Notes due 2016 bearing interest at a rate of 10.75% and \$170.0 million aggregate principal amount of the Floating Rate Notes due 2013 bearing interest, as of March 31, 2008, at a rate of 10.07%, plus premium and accrued and unpaid interest. For more information regarding the PNA Transactions, see “Prospectus Summary — Recent Developments.” We expect to draw under our revolving credit facility, and to use the borrowings under our proposed \$250.0 million unsecured senior term loan facility with Bank of America, N.A., as sole arranger, an affiliate of one of the underwriters of this offering, to fund the balance of the amounts to be paid in connection with the proposed PNA Transactions, including the related repayment or refinancing of indebtedness of PNA.

If we do not consummate the proposed acquisition of PNA for any reason, we intend to use a portion of the net proceeds of the offering and the proceeds of the proposed unsecured senior term loan facility to repay amounts outstanding under our revolving line of credit, which was \$262.0 million as of March 31, 2008. We do not have specific plans for the balance of the net proceeds if we do not consummate the proposed acquisition of PNA, but we expect to use such net proceeds for general corporate purposes, including future acquisitions. The maturity date of the revolving credit facility is November 9, 2011 and interest accrues at variable rates based on LIBOR plus a margin (currently 0.55%) or the bank prime rate, at our election. Weighted average rates on borrowings outstanding on our revolving credit facility were 3.32% and 5.46% at March 31, 2008 and December 31, 2007, respectively.

Pending such uses, we intend to invest the net proceeds of this offering in short-term, marketable securities.

PRICE RANGE OF COMMON STOCK

Our common stock is listed on the New York Stock Exchange under the symbol “RS” and was first traded on the NYSE on September 16, 1994. The following table sets forth the high and low last reported sale prices of the common stock on the NYSE Composite Tape for the stated calendar quarters from January 1, 2006 through July 16, 2008.

	<u>Common Stock Price</u>	
	<u>High</u>	<u>Low</u>
Year ending December 31, 2006:		
First Quarter	\$46.96	\$31.45
Second Quarter	\$48.77	\$33.76
Third Quarter	\$41.83	\$29.22
Fourth Quarter	\$40.75	\$31.16
Year ending December 31, 2007:		
First Quarter	\$48.40	\$37.85
Second Quarter	\$63.76	\$50.27
Third Quarter	\$63.18	\$43.33
Fourth Quarter	\$59.04	\$47.34
Year ending December 31, 2008:		
First Quarter	\$61.07	\$44.50
Second Quarter	\$77.09	\$59.78
Third Quarter (through July 16, 2008)	\$78.11	\$68.44

On July 16, 2008, the last reported sale price for our common stock on the New York Stock Exchange was \$71.79 per share.

DIVIDEND POLICY

Dividends will be paid when, as and if declared by our board of directors. We have paid quarterly cash dividends on our common stock for 48 years. In July 2006, we effected a two-for-one stock split in the form of a stock dividend (all share and per share information has been adjusted to reflect this two-for-one stock split). In February 2008, the board increased the quarterly dividend amount 25% from \$0.08 to \$0.10 per share of common stock. The board may reconsider or revise this policy from time to time based on conditions then existing, including our earnings, cash flows, financial condition and capital requirements, or other factors the board may deem relevant. We expect to continue to declare and pay dividends in the future, if earnings are available to pay dividends, but we also intend to continue to retain a portion of earnings for reinvestment in our operations and expansion of our business, including through acquisitions. We cannot assure you that either cash or stock dividends will be paid in the future or that, if paid, the dividends will be at the same amount or frequency as paid in the past.

In August and September 2007, we repurchased approximately 1.7 million shares of our common stock at an average cost of \$49.10 per share under our Stock Repurchase Plan. In early 2008, we repurchased approximately an additional 2.4 million shares at an average cost per share of \$46.97. As of March 31, 2008, we had repurchased a total of 15,193,517 shares of our common stock at an average cost of \$18.41 per share, since the Stock Repurchase Plan was first adopted in December 1994. The Stock Repurchase Plan was amended and restated in May 2005. At March 31, 2008, there were 7,883,033 shares of our common stock authorized for repurchase under the Stock Repurchase Plan. Repurchased shares are treated as authorized but unissued shares.

The agreements governing our senior notes and our syndicated credit facility contain covenants which, among other things, require us to maintain a minimum net worth, which may restrict our ability to pay dividends, and to repurchase shares of our common stock. In 2007, our dividend payments represented 6% of our earnings.

The following table contains certain information with respect to our cash dividends declared during the past two years and the first half of 2008:

<u>Date of Declaration</u>	<u>Record Date</u>	<u>Payment Date</u>	<u>Dividends</u>
2/15/06	3/10/06	3/31/06	\$0.05 per share
4/19/06	5/26/06	6/16/06	\$0.05 per share
7/19/06	8/25/06	9/15/06	\$0.06 per share
10/18/06	12/8/06	1/5/07	\$0.06 per share
2/14/07	3/9/07	3/30/07	\$0.08 per share
4/18/07	6/1/07	6/22/07	\$0.08 per share
7/18/07	8/24/07	9/14/07	\$0.08 per share
10/17/07	12/7/07	1/4/08	\$0.08 per share
2/13/08	3/7/08	3/28/08	\$0.10 per share
4/16/08	6/2/08	6/23/08	\$0.10 per share

CAPITALIZATION

The following table sets forth our cash and cash equivalents and capitalization as of March 31, 2008:

- on an actual basis; and
- on a pro forma as adjusted basis to reflect (i) the consummation of the proposed acquisition of PNA, (ii) the repurchase by us of the PNA Notes for \$474.8 million plus accrued and unpaid interest, and (iii) the repayment of other PNA indebtedness with (a) the borrowing of \$250.0 million under our proposed unsecured senior term loan facility, (b) the borrowing of an additional \$410.9 million under our revolving credit facility, and (c) this offering of our common stock at an assumed public offering price of \$71.79 per share after deducting underwriting discounts and commissions, but before other offering expenses estimated to be approximately \$1.0 million.

You should read this table along with “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” “Use of Proceeds,” “Unaudited Pro Forma Financial Information,” and our financial statements and related notes thereto appearing elsewhere or incorporated by reference in this prospectus.

	As of March 31, 2008	
	Actual	Pro Forma as Adjusted
	(In millions, except share data)	
Cash and cash equivalents	\$ 96.7	\$ 106.5
Long-term debt, including current portion:		
Revolving line of credit due November 9, 2011	262.0	672.9 ⁽¹⁾
Senior unsecured notes due January 2, 2009	10.0	10.0
Senior unsecured notes due from October 15, 2008 to October 15, 2010 . .	103.0	103.0
Senior unsecured notes due from July 1, 2011 to July 2, 2013	135.0	135.0
Senior unsecured notes due November 15, 2016	349.2	349.2
Senior unsecured notes due November 15, 2036	248.6	248.6
Senior unsecured term loan facility	—	250.0
Other long-term debt and capital lease obligations	24.0	24.0
Total long-term debt	\$1,131.8	\$1,792.7
Shareholders’ equity:		
Preferred stock, no par value, 5,000,000 shares authorized; none issued and outstanding, actual; none issued and outstanding, pro forma as adjusted . .	—	—
Common stock, no par value, 100,000,000 shares authorized; 72,663,498 shares issued and outstanding, actual; 79,413,498 shares issued and outstanding, pro forma as adjusted	538.5	1,002.5
Retained earnings	1,542.2	1,542.2
Accumulated other comprehensive income	12.5	12.5
Total shareholders’ equity	\$2,093.2	\$2,557.2
Total capitalization	\$3,225.0	\$4,349.9

⁽¹⁾ Assuming that the consideration for the PNA Notes is paid on August 4, 2008, an aggregate of \$15.2 million of accrued and unpaid interest will also be payable to holders of the PNA Notes. This amount is expected to be borrowed under Reliance’s revolving credit facility. Amounts borrowed under Reliance’s revolving credit facility do not reflect amounts expected to be borrowed to pay accrued and unpaid interest in connection with the repurchase of the PNA Notes.

The number of shares of our common stock outstanding as of March 31, 2008 in the table above does not reflect:

- 1,012,500 shares issuable upon exercise of the underwriters' over-allotment option;
- 3,512,539 shares subject to outstanding options at a weighted average exercise price of \$40.84 per share; and
- 6,381,433 additional shares reserved for future issuance under our equity incentive plans.

A change of \$0.01 in the price per share of Reliance common stock would result in a change of 940 shares of Reliance common stock being issued in the offering in order for Reliance to receive net proceeds (after underwriting discounts and commissions but before other offering expenses) of \$464.0 million.

This offering of our common stock is not conditioned upon the consummation of the acquisition of PNA. In the event that the acquisition of PNA is not consummated, we intend to use a portion of the net proceeds of the offering and the proceeds of the proposed unsecured senior term loan facility to repay amounts outstanding under our revolving credit facility. We do not have specific plans for the balance of the net proceeds if we do not consummate the proposed acquisition of PNA, but we expect to use such net proceeds for general corporate purposes, including future acquisitions.

UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following unaudited pro forma combined financial statements combine the historical consolidated balance sheets and statements of income of Reliance and PNA, giving effect to the acquisition of PNA using the purchase method of accounting. Certain historical balance sheet and income statement amounts of PNA have been reclassified to conform to the financial statement presentation of Reliance. The pro forma financial information also gives effect to the exclusion of the results of operations of Travel Main Corporation (which will not be acquired by us as part of our acquisition of PNA, and which owns certain real property that is leased to the PNA operating subsidiaries). The pro forma financial information does not give effect, however, to the results of operations of Precision Flamecutting & Steel, L.P. ("Precision") and Sugar Steel Corporation ("Sugar") (and its affiliate), businesses which PNA acquired in December 2007 and March 2008, respectively, for periods prior to the acquisition of such businesses. Information supplied by PNA indicates that Precision and Sugar had net sales of approximately \$54.5 million and \$104.7 million, respectively, for the year ended December 31, 2007. Furthermore, no effect has been given in the unaudited pro forma combined statements of income for (i) operating benefits that may be realized through the combination of the entities and (ii) the elimination of certain non-recurring expenses related to a compensation plan that is being terminated as part of the acquisition, management fees paid to Platinum Equity, an affiliate of PNA, and certain other non-recurring executive compensation and other corporate costs that Reliance does not expect to incur after taking control of PNA of approximately \$2.8 million and \$15.9 million for the three months ended March 31, 2008 and the year ended December 31, 2007, respectively.

The unaudited pro forma combined balance sheet as of March 31, 2008 gives effect to the PNA Transactions as if they had occurred on March 31, 2008. The unaudited pro forma combined statements of income for the three months ended March 31, 2008 and the year ended December 31, 2007 assume the PNA Transactions were effected on January 1, 2008 and January 1, 2007, respectively.

The unaudited pro forma financial statements are presented for illustrative purposes only and are not necessarily indicative of the consolidated financial position or consolidated results of operations of Reliance that would have been reported had the acquisition occurred on the dates indicated, nor do they represent a forecast of the consolidated financial position of Reliance at any future date or the consolidated results of operations of Reliance for any future period.

The acquisition of PNA will be accounted for using the purchase method of accounting. The pro forma information presented, including allocation of purchase price, is based on preliminary estimates of the fair values of assets acquired and liabilities assumed, currently available information and assumptions and will be revised as additional information becomes available. The actual adjustments to our consolidated financial statements as a result of the completion of the PNA Transactions will depend on a number of factors, including additional information that will become available on or after the closing date of the acquisition of PNA. Therefore, the actual adjustments will differ from the pro forma adjustments, and the differences may be material.

The unaudited pro forma combined financial statements, including the notes thereto, should be read in conjunction with the historical consolidated financial statements, including the notes thereto, and other information of Reliance included in its Annual Report on Form 10-K for the year ended December 31, 2007 and Quarterly Report on Form 10-Q for the three months ended March 31, 2008, and of PNA included in Reliance's Current Report on Form 8-K filed with the SEC on July 17, 2008 and incorporated herein by reference.

Reliance Steel & Aluminum Co.
Unaudited Pro Forma Combined Balance Sheet
As of March 31, 2008
(In thousands)

	Reliance Steel & Aluminum Co.	PNA Group Holding Corporation	Pro Forma Adjustments			Pro Forma Combined
			Less Assets and Liabilities not Purchased	PNA Transactions	Other Pro Forma Adjustments	
			Note A	Note B	Note C	
Assets						
Cash and cash equivalents	\$ 96,730	\$ 13,224	\$ (3,484)	\$ —	\$ —	\$ 106,470
Accounts receivable, net	829,203	236,593	—	—	—	1,065,796
Inventories	948,280	452,102	—	—	—	1,400,382
Prepays and other current assets	<u>22,202</u>	<u>19,110</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>41,312</u>
Total current assets	1,896,415	721,029	(3,484)	—	—	2,613,960
Property, plant and equipment, net.	838,630	88,796	(26,749)	—	39,470(i)	940,147
Goodwill	882,958	32,667	—	—	361,032(ii)	1,276,657
Intangible assets, net	461,693	32,127	—	—	145,488(iii)	639,308
Other assets	<u>85,575</u>	<u>27,450</u>	<u>(8,031)</u>	<u>1,000</u>	<u>(15,206)(iv)</u>	<u>90,788</u>
Total assets	<u>\$4,165,271</u>	<u>\$902,069</u>	<u>\$(38,264)</u>	<u>\$ 1,000</u>	<u>\$530,784</u>	<u>\$5,560,860</u>
Liabilities & Shareholders' Equity						
Accounts payable.	\$ 464,341	\$154,801	\$ (1,260)	\$ —	\$ —	\$ 617,882
Accrued expenses	154,329	37,722	—	—	—	192,051
Income taxes payable	34,045	7,993	—	—	7,900(v)	49,938
Deferred income taxes	23,141	—	—	—	—	23,141
Current maturities of long-term debt	51,476	—	—	—	—	51,476
Current maturities of capital lease obligations	<u>625</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>625</u>
Total current liabilities	727,957	200,516	(1,260)	—	7,900	935,113
Long-term debt	1,075,351	776,705	(47,996)	(143,913)	76,091(vi)	1,736,238
Capital lease obligations	4,345	—	—	—	—	4,345
Other long-term liabilities	63,447	3,063	—	—	—	66,510
Deferred income taxes	199,240	6,488	—	—	52,092(vii)	257,820
Minority interest	1,763	1,915	—	—	—	3,678
Shareholders' equity (deficit)	<u>2,093,168</u>	<u>(86,618)</u>	<u>10,992</u>	<u>144,913</u>	<u>394,701(viii)</u>	<u>2,557,156</u>
Total liabilities and shareholders' equity	<u>\$4,165,271</u>	<u>\$902,069</u>	<u>\$(38,264)</u>	<u>\$ 1,000</u>	<u>\$530,784</u>	<u>\$5,560,860</u>

Reliance Steel & Aluminum Co.

Notes to Unaudited Pro Forma Combined Balance Sheet

A. Assets and Liabilities not Purchased by Reliance

These pro forma adjustments are to adjust the historical PNA financial statements for the distribution of Travel Main Corporation (“Travel Main”), an entity not being purchased by Reliance as part of the acquisition of PNA. Travel Main owns certain real property that is leased to various PNA subsidiaries and is controlled by PNA. The operating leases between the PNA entities and Travel Main will remain in place after the acquisition of PNA. Reliance has eliminated Travel Main’s assets, liabilities and Travel Main’s results of operations and Reliance has included the income statement effects of the operating leases in the pro forma financial statements.

B. PNA Transactions

Represents the pro forma adjustments for the proposed equity offering of 6,750,000 shares of common stock at an assumed public offering price of \$71.79 (the last reported sales price of Reliance’s common stock on the New York Stock Exchange on July 16, 2008) for net proceeds of approximately \$464.0 million (after deducting underwriting discounts and commissions but before other offering expenses), borrowings of \$250.0 million under a proposed term loan facility, and borrowings of \$410.9 million under our revolving credit facility. Also, represents the pro forma adjustments to reflect the purchase of the outstanding common stock of PNA for \$315.0 million, direct acquisition costs of approximately \$4.1 million and the repayment or refinancing of PNA’s outstanding debt of approximately \$750.0 million and related tender offer and consent solicitation premium payments of approximately \$54.8 million for a total transaction value of approximately \$1.12 billion. In addition, assuming that the consideration for the PNA Notes is paid on August 4, 2008, an aggregate of \$15.2 million of accrued and unpaid interest will also be payable to holders of the PNA Notes. This amount is expected to be borrowed under Reliance’s revolving credit facility. Amounts borrowed under Reliance’s revolving credit facility do not reflect amounts expected to be borrowed to pay accrued and unpaid interest in connection with the repurchase of the PNA Notes.

C. Other Pro Forma Adjustments

(i) *Property, Plant, & Equipment*

Represents the pro forma adjustment to record the estimated fair values of PNA’s real and personal property based upon preliminary estimates. The values of these assets are subject to adjustment upon completion of our valuations.

(ii) *Goodwill*

The estimated total purchase price of the acquisition is based on a price of \$315.0 million for all of the outstanding shares of PNA and the repayment or refinancing by Reliance of PNA’s outstanding debt of approximately \$750.0 million, as well as related tender offer and consent solicitation premium payments. The total transaction value of approximately \$1.12 billion, which includes the purchase price for the outstanding PNA shares, the repayment or refinancing of PNA’s outstanding debt inclusive of tender offer and consent solicitation premium payments and acquisition costs, was allocated to PNA’s assets and liabilities on a fair value basis and resulted in estimated goodwill of approximately \$393.7 million.

(iii) *Identifiable Intangible Assets*

Represents the pro forma adjustments to record the estimated fair values of PNA’s identifiable intangible assets relating to tradenames, certain customer relationships or other intangible assets from the acquisition based upon preliminary estimates. The fair values of these assets are subject to adjustments upon completion of our valuations.

(iv) *Other Assets*

Represents the pro forma adjustments to write off PNA’s unamortized deferred financing costs of \$15.2 million.

(v) *Income Taxes Payable*

The pro forma adjustment to income taxes payable is related to the planned transfer of the Travel Main entity prior to the acquisition of PNA by way of a distribution to a newly created entity by PNA, in a taxable transaction that will give rise to a tax liability estimated at approximately \$7.9 million.

(vi) *Long-Term Debt*

Represents the pro forma adjustment to bring total outstanding PNA borrowings to a maximum allowed amount pursuant to the terms of the Stock Purchase Agreement pursuant to which we agreed to acquire PNA, as well as adjustments to the outstanding PNA Notes to reflect their estimated repurchase value under the tender offers.

(vii) *Deferred Income Taxes*

The deferred tax liability represents the pro forma adjustment for the additional book/tax differences created from the allocation of purchase price to the fair values of the PNA acquired assets and liabilities assumed. These estimates are based on the estimated prospective statutory tax rate of approximately 38% for the combined company and could change based on changes in the applicable tax rates and finalization of the combined company's tax position as well as based on changes in the allocation of the purchase price among the acquired assets and liabilities assumed.

(viii) *Shareholders' Equity*

Represents the pro forma adjustments to reflect the excess of Reliance's purchase price for PNA's outstanding common stock over the historical stockholders' equity of PNA.

Reliance Steel & Aluminum Co.

**Unaudited Pro Forma Combined Statement of Income
For the Three Months Ended March 31, 2008
(In thousands, except share and per share amounts)**

	Reliance Steel & Aluminum Co.	PNA Group Holding Corporation	Pro Forma Adjustments		Pro Forma Combined
			Less	Other	
			Assets and Liabilities not Purchased	Pro Forma Adjustments	
			Note A	Note B	
Net sales	\$ 1,908,170	\$474,037	\$ —	\$ —	\$ 2,382,207
Other income (expense), net	<u>(387)</u>	<u>658</u>	<u>—</u>	<u>—</u>	<u>271</u>
	1,907,783	474,695	—	—	2,382,478
Costs and expenses:					
Cost of sales (exclusive of depreciation and amortization shown below)	1,415,891	384,081	—	—	1,799,972
Warehouse, delivery, selling, general and administrative	281,628	49,551	(1,540)	—	332,719
Depreciation and amortization	21,365	4,201	143	925(i)	26,348
Interest expense	<u>16,613</u>	<u>17,472</u>	<u>823</u>	<u>(10,929)(ii)</u>	<u>22,333</u>
	<u>1,735,497</u>	<u>455,305</u>	<u>(574)</u>	<u>(10,004)</u>	<u>2,181,372</u>
Income before minority interest and income taxes	172,286	19,390	574	10,004	201,106
Minority interest	<u>(64)</u>	<u>(774)</u>	<u>—</u>	<u>—</u>	<u>(838)</u>
Income from continuing operations before income taxes	172,222	18,616	574	10,004	200,268
Provision for income taxes	<u>64,827</u>	<u>7,550</u>	<u>216</u>	<u>3,245(iii)</u>	<u>75,406</u>
Net income	<u>\$ 107,395</u>	<u>\$ 11,066</u>	<u>\$ 358</u>	<u>\$ 6,759</u>	<u>\$ 124,862</u>
Income from continuing operations — diluted	<u>\$ 1.46</u>				<u>\$ 1.55(iv)</u>
Weighted average shares outstanding — diluted	<u>73,548,014</u>			6,750,000(iv)	<u>80,298,014(iv)</u>
Income from continuing operations — basic	<u>\$ 1.47</u>				<u>\$ 1.57(iv)</u>
Weighted average shares outstanding — basic	<u>72,857,477</u>			6,750,000(iv)	<u>79,607,477(iv)</u>

Reliance Steel & Aluminum Co.
Unaudited Pro Forma Combined Statement of Income
For the Year Ended December 31, 2007
(In thousands, except share and per share amounts)

	Reliance Steel & Aluminum Co.	PNA Group Holding Corporation	Pro Forma Adjustments		Pro Forma Combined
			Less Assets and Liabilities not Purchased	Other Pro Forma Adjustments	
			Note A	Note B	
Net sales	\$ 7,255,679	\$1,632,469	\$ —	\$ —	\$ 8,888,148
Other income, net	9,931	2,558	—	—	12,489
	<u>7,265,610</u>	<u>1,635,027</u>	<u>—</u>	<u>—</u>	<u>8,900,637</u>
Costs and expenses:					
Cost of sales (exclusive of depreciation and amortization shown below)	5,418,161	1,353,843	—	—	6,772,004
Warehouse, delivery, selling, general and administrative	1,034,139	178,536	(5,890)	—	1,218,565
Depreciation and amortization	79,873	11,553	573	7,886(i)	98,739
Interest expense	78,710	63,135	3,334	(36,921)(ii)	101,590
	<u>6,610,883</u>	<u>1,607,067</u>	<u>(1,983)</u>	<u>(29,035)</u>	<u>8,190,898</u>
Income before minority interest and income taxes . .	654,727	27,960	1,983	29,035	709,739
Minority interest	(334)	(2,374)	—	—	(2,708)
Income from continuing operations before income taxes	654,393	25,586	1,983	29,035	707,031
Provision for income taxes	246,438	12,309	1,089	8,603(iii)	266,261
Net income	<u>\$ 407,955</u>	<u>\$ 13,277</u>	<u>\$ 894</u>	<u>\$ 20,432</u>	<u>\$ 440,770</u>
Income from continuing operations — diluted	<u>\$ 5.36</u>				<u>\$ 5.32</u>
Weighted average shares outstanding — diluted	<u>76,064,616</u>			6,750,000(iv)	<u>82,814,616</u>
Income from continuing operations — basic	<u>\$ 5.39</u>				<u>\$ 5.35</u>
Weighted average shares outstanding — basic	<u>75,622,799</u>			6,750,000(iv)	<u>82,372,799</u>

Reliance Steel & Aluminum Co.

Notes to Unaudited Pro Forma Combined Statements of Income

A. Assets and Liabilities Not Purchased by Reliance

These pro forma adjustments are to adjust the PNA financial statements for the distribution of Travel Main, which is not being purchased by Reliance as part of the acquisition of PNA. Travel Main owns certain real property that is leased to various PNA subsidiaries and is controlled by PNA. The operating leases between the PNA entities and Travel Main will remain in place after the acquisition of PNA. Reliance has eliminated Travel Main's assets, liabilities and Travel Main's results of operations and Reliance has included the income statement effects of the operating leases in the pro forma financial statements.

B. Other Pro Forma Adjustments

(i) *Depreciation and Amortization Expense*

To reflect the pro forma effect on depreciation and amortization expense of the write-up of PNA's property, plant and equipment and identifiable intangible assets to their estimated fair market values at the date of the acquisition. The amount of this adjustment may change as the values of the underlying asset valuations are finalized.

(ii) *Interest Expense*

Represents the pro forma adjustment for the elimination of interest expense related to all of the approximately \$750.0 million of outstanding PNA debt and the addition of the interest expense related to \$660.9 million of new debt expected to be incurred by Reliance in connection with the acquisition of PNA and the related repayment or refinancing of all of PNA's debt, comprised of a proposed \$250.0 million term loan and \$410.9 million of borrowings under our existing revolving credit facility. In addition, assuming that the consideration for the PNA Notes is paid on August 4, 2008, an aggregate of \$15.2 million of accrued and unpaid interest will also be payable to holders of the PNA Notes. This amount is expected to be borrowed under Reliance's revolving credit facility. Amounts borrowed under Reliance's revolving credit facility do not reflect amounts expected to be borrowed to pay accrued and unpaid interest in connection with the repurchase of the PNA Notes. For the purposes of the pro forma statements of income, we have assumed an interest rate of 4.21%, based on LIBOR plus 1.75%, in respect of the new term loan, and an interest rate of 3.01%, based on LIBOR plus 0.55%, in respect of the existing revolving credit facility. A change of 0.125% in the applicable interest rates on the borrowings under the term loan and the revolving credit facility would result in a change of \$0.8 million in our interest expense on an annual basis. These pro forma adjustments reflect a reduction in interest expense of approximately \$10.9 million and \$36.9 million for the three months ended March 31, 2008 and the year ended December 31, 2007, respectively primarily due to Reliance's overall lower cost of borrowing and a portion of the PNA debt being repaid with proceeds from this proposed common stock offering and the other PNA Transactions.

(iii) *Income Tax Provision*

To reflect the pro forma effect on consolidated income tax expense of the above adjustments, determined based on an estimated prospective effective tax rate of 37.7% for the combined company. This estimate could change based on changes in the applicable tax rates and finalization of the combined company's tax position.

(iv) *Shares Outstanding and Earnings per Share*

The pro forma weighted average number of basic and diluted shares outstanding is calculated by adding Reliance's weighted average number of basic and diluted shares of common stock outstanding for the respective periods presented in the unaudited pro forma combined statements of income and adding the additional shares to be issued in connection with the proposed common stock offering by Reliance. Using an assumed public offering price of \$71.79 per share (the last reported sale price for Reliance's common stock on the New York Stock Exchange on July 16, 2008) and estimated net proceeds from the proposed common stock offering (after deducting underwriting discounts and commissions but before other offering expenses) of \$464.0 million, 6,750,000 shares are estimated to be issued for the purpose of the calculation of the pro forma weighted average shares outstanding and earnings per share. A change of \$0.01 in the price per share of Reliance common stock would result in a change of 940 shares of Reliance common stock being issued in the offering in order for Reliance to receive net proceeds (after underwriting discounts and commissions but before other offering expenses) of \$464.0 million.

THE PNA TRANSACTIONS

PNA Acquisition Agreement

On June 16, 2008, RSAC Management Corp., a California corporation that is a wholly owned subsidiary of Reliance (“RSAC”), entered into an agreement (the “Stock Purchase Agreement”) with PNA and its stockholders, Platinum Equity Capital Partners, L.P., Platinum Equity Capital Partners — A, L.P., Platinum Equity Capital Partners — PF, L.P., and Platinum Travel Principals, LLC (collectively, the “Stockholders”), to acquire the outstanding capital stock of PNA. RSAC agreed to pay to the Stockholders cash consideration of \$315.0 million, subject to certain adjustments. For further discussion of the proposed acquisition of PNA, please see “Prospectus Summary — Recent Developments.”

RSAC and PNA and the Stockholders have made customary representations, warranties and covenants to one another in the Stock Purchase Agreement, including, among other things, covenants that, prior to the closing of the acquisition, PNA (i) will operate its business in the ordinary course consistent with past practice and (ii) will not engage in certain kinds of transactions.

The obligation of the parties to consummate the acquisition is subject to a number of conditions, including, (i) the expiration or earlier termination of any waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, (ii) that no governmental authority shall have enacted, issued or effected any law or order making the acquisition illegal or otherwise prohibiting the consummation of the acquisition. Further, the obligation of the Stockholders to consummate the acquisition is subject to a number of conditions, including (i) that the representations and warranties of RSAC contained in the Stock Purchase Agreement shall be true and correct (without giving effect to materiality qualifiers) on and as of the closing date with the same force and effect as though such representations and warranties had been made on and as of the closing date (other than those representations and warranties that are made as of another date, in which case such representations and warranties shall be true and correct as of such other date), except to the extent such failure to be true and correct does not, individually or in the aggregate, adversely affect the ability of RSAC to carry out its obligations under, and to consummate the transactions contemplated by, the Stock Purchase Agreement, (ii) that RSAC shall have duly performed and complied with, in all material respects, the covenants and agreements contained in the Stock Purchase Agreement to be performed or complied with by it prior to or at the closing date, and (iii) that PNA shall have obtained the requisite consent of Bank of America, N.A. In addition, the obligation of RSAC to consummate the acquisition is subject to a number of conditions, including (i) that the representations and warranties of the Stockholders and PNA contained in the Stock Purchase Agreement shall be true and correct (without giving effect to materiality or materially adverse effect qualifiers) on and as of the closing date with the same force and effect as though such representations and warranties had been made on and as of the closing date (other than those representations and warranties that are made as of another date, in which case such representations and warranties shall be true and correct as of such other date), except to the extent such failure to be true and correct does not, individually or in the aggregate, result in a material adverse change in respect of the business of PNA, (ii) that PNA and the Stockholders shall have duly performed and complied with, in all material respects, the covenants and agreements contained in the Stock Purchase Agreement to be performed or complied with by it prior to or at the closing date and (iii) that there shall have been no material adverse change in respect of the business of PNA. The closing of the acquisition of PNA is not subject to any financing condition.

The Stock Purchase Agreement may be terminated at any time prior to the closing of the acquisition by either RSAC or PNA if (i) the closing has not occurred before October 2, 2008, (ii) a governmental order prohibiting the transactions contemplated by the Stock Purchase Agreement has become final and nonappealable or (iii) both parties have mutually consented to the termination in writing.

The foregoing description of the Stock Purchase Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of such agreement, which is filed as Exhibit 10.1 to the registration statement of which this prospectus forms a part. The Stock Purchase Agreement is not intended to provide any factual information about PNA or Reliance; the representations and warranties in the Stock Purchase Agreement are made only to the other parties of the agreement and are qualified or modified by information contained in certain

confidential disclosure schedules that have been provided. Accordingly, no person should rely on the representations and warranties as characterizing the actual state of facts at any time.

Tender Offers and Consent Solicitations for PNA Notes

On July 1, 2008, we launched cash tender offers to purchase any and all of the \$250.0 million aggregate principal amount of the Fixed Rate Notes and any and all of the \$170.0 million aggregate principal amount of the Floating Rate Notes.

Concurrently with the tender offers, we solicited consents from holders of the PNA Notes to certain proposed amendments (the "Amendments") to each of the indentures pursuant to which the PNA Notes were issued and the PNA Notes themselves. The Amendments would eliminate substantially all of the restrictive covenants contained in the PNA Note indentures and the PNA Notes (other than the covenants related to change of control offers), as well as certain events of default.

As of July 15, 2008, all of the \$250.0 million aggregate outstanding principal amount of the Fixed Rate Notes had been validly tendered and not withdrawn and all of the \$170.0 million aggregate outstanding principal amount of the Floating Rate Notes had been validly tendered and not withdrawn and withdrawal rights in the tender offers had expired. Accordingly, in the event that the acquisition of PNA is consummated and we accept the PNA Notes for payment pursuant to the tender offers, we will not effect the Amendments, but instead will surrender the PNA Notes to the trustee for retirement. The total consideration for each \$1,000 principal amount of Fixed Rate Notes will be \$1,205.75 and the total consideration for each \$1,000 principal amount of Floating Rate Notes will be \$1,020.00, in each case plus accrued and unpaid interest from the last interest payment date to, but not including, the settlement date for the tender offers.

The tender offers are conditioned on the closing of our acquisition of PNA and are subject to certain other customary conditions.

New Term Loan Facility

We plan to enter into a credit agreement for a \$250.0 million unsecured senior term loan facility for which we have received commitments from a syndicate of lenders. The term loan is expected to mature on November 9, 2011 and be subject to quarterly amortization of principal in equal installments. The term loan is expected to bear interest at a variable rate equal to, at our option, (i) LIBOR plus an applicable margin ranging from 1.25% to 2.25% (which margin is to be determined based upon our total leverage ratio) or (ii) the base rate (defined as the higher of (a) the bank prime rate and (b) the federal funds rate plus 0.50%). The term loan is expected to be repayable at our option in whole or in part at any time without penalty, subject to reimbursement of the lenders' breakage and redeployment costs in the case of prepayment of LIBOR borrowings. The term loan is expected to close prior to our acquisition of PNA and be subject to customary closing conditions, which do not include the consummation of the acquisition of PNA.

DESCRIPTION OF CAPITAL STOCK

The following description summarizes the material terms of our capital stock. It is qualified in its entirety by reference to the applicable provisions of California law, our restated articles of incorporation and our restated and amended bylaws, in each case, as in effect on the date of this prospectus.

Common Stock

We are authorized to issue 100,000,000 shares of common stock, no par value per share. As of June 30, 2008, there were 73,230,947 shares of common stock outstanding. All of the issued and outstanding shares are fully paid and nonassessable.

Dividend Rights

We currently pay a quarterly cash dividend on our common stock and have paid dividends on our common stock for the past 48 years. The current quarterly dividend is \$0.10 per share. See “Dividend Policy.”

Voting Rights

Holders of common stock are entitled to one vote per share on each matter submitted to a vote of shareholders with the exception of elections for directors for which shareholders have cumulative voting rights. Each shareholder entitled to vote at any election of directors has the right to cumulate such shareholder’s votes and give one candidate a number of votes equal to the number of directors to be elected multiplied by the number of votes to which such shareholder’s votes are entitled, or to distribute such votes among as many candidates as such shareholder sees fit.

Board of Directors

Our restated and amended bylaws provide for a classified board consisting of two classes as nearly equal in number as possible. The members of each class are elected for a period of two years and the term of one class will expire each year.

Liquidation Rights

In the event of liquidation, holders of common stock would be entitled to receive proportionately any assets legally available for distribution to our shareholders with respect to shares held by them, subject to any prior rights of the holders of any preferred stock then outstanding. No preferred stock is currently outstanding.

Preemptive or Other Subscription Rights

Holders of common stock do not have any preemptive rights to subscribe for any of our securities.

Conversion and Other Rights

No conversion, redemption or sinking fund provisions apply to the common stock, and the holders of common stock are not liable to further calls or assessments by us.

Preferred Stock

Under our restated articles of incorporation, we are authorized to issue 5,000,000 shares of preferred stock, no par value per share. As of June 30, 2008, there were no shares of preferred stock issued and outstanding. Our restated articles of incorporation provide that shares of preferred stock may be issued from time to time in one or more series by the board of directors. The board can fix the preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends, qualifications and terms and conditions of redemption granted to or imposed upon any wholly unissued series and, within the limits and restrictions stated in any resolution or resolutions of the board originally fixing the number of shares constituting any series, to increase or decrease the number of shares of any series subsequent to the issue of shares of that series. The rights of preferred shareholders may supersede the rights of common shareholders.

Anti-Takeover Measures

Certain provisions in our restated articles of incorporation and our restated and amended bylaws could delay, defer or prevent a third party from acquiring us, despite the possible benefit to our shareholders, or otherwise adversely affect the price of our common stock and the rights of our shareholders. We are authorized to issue 5,000,000 shares of preferred stock, no par value, with the rights, preferences, privileges and restrictions of such stock to be determined by our board of directors, without a vote of the holders of common stock. Our board of directors could grant rights to holders of preferred stock to reduce the attractiveness of Reliance as a potential takeover target or make the removal of management more difficult. In addition, our restated articles of incorporation and restated and amended bylaws (1) impose advance notice requirements for shareholder proposals and nominations of directors to be considered at shareholder meetings and (2) establish a staggered or classified board of directors. These provisions may discourage potential takeover attempts, discourage bids for our common stock at a premium over market price or adversely affect the market price of, and the voting and other rights of the holders of, our common stock. These provisions could also discourage proxy contests and make it more difficult for you and other shareholders to elect directors other than the candidates nominated by our board of directors. In addition, our credit facility and the provisions of our senior private notes and debt securities contain limitations on our ability to enter into change of control transactions.

Transfer Agent and Registrar

The transfer agent and registrar for the shares of our common stock is American Stock Transfer & Trust Company.

MATERIAL U.S. FEDERAL TAX CONSIDERATIONS FOR NON-U.S. HOLDERS OF COMMON STOCK

The following is a general discussion of the material U.S. federal income and estate tax consequences of the ownership and disposition of our common stock by a beneficial owner that is a “non-U.S. holder,” other than a non-U.S. holder that owns, or has owned, actually or constructively, more than 5% of our common stock. As used herein, the term “non-U.S. holder” means a beneficial owner of our common stock that holds the common stock as a capital asset and that is, for U.S. federal income tax purposes:

- a nonresident alien individual;
- a foreign corporation; or
- a foreign estate or trust.

A “non-U.S. holder” does not include an individual who is present in the United States for 183 days or more in the taxable year of disposition of our common stock and is not otherwise a resident of the United States for U.S. federal income tax purposes. Such an individual is urged to consult his or her own tax advisor regarding the U.S. federal income tax consequences of the sale, exchange or other disposition of our common stock.

This summary is based on the Internal Revenue Code of 1986, as amended to the date hereof (the “Code”), administrative pronouncements, judicial decisions and final, temporary and proposed Treasury Regulations, changes to any of which subsequent to the date of this prospectus may affect the tax consequences described herein (possibly on a retroactive basis). This discussion does not address all aspects of U.S. federal income and estate taxation that may be relevant to non-U.S. holders in light of their particular circumstances and does not address any tax consequences arising under the laws of any state, local or foreign jurisdiction. In addition, it does not represent a detailed description of the U.S. federal income tax consequences applicable to non-U.S. holders that are subject to special treatment under the U.S. federal income tax laws (including U.S. expatriates). Prospective holders are urged to consult their tax advisors with regard to the application of the U.S. federal income tax laws to their particular situations as well as any tax consequences arising under the laws of any state, local or foreign taxing jurisdiction.

If a partnership holds our common stock, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. Non-U.S. holders that are partners of a partnership holding our common stock should consult their own tax advisors.

Dividends

Dividends paid to a non-U.S. holder of our common stock generally will be subject to withholding tax at a 30% rate or a reduced rate specified by an applicable income tax treaty. In order to obtain a reduced rate of withholding, a non-U.S. holder will be required to provide a properly executed Internal Revenue Service Form W-8BEN certifying its entitlement to benefits under a treaty. A non-U.S. holder of our common stock eligible for a reduced rate of withholding may obtain a refund of any excess amounts withheld by filing an appropriate claim for refund with the Internal Revenue Service.

The withholding tax does not apply to dividends paid to a non-U.S. holder who provides a properly executed Internal Revenue Service Form W-8ECI, certifying that the dividends are effectively connected with the non-U.S. holder’s conduct of a trade or business within the United States. Effectively connected dividends received by a non-U.S. holder will be subject to regular U.S. income tax as if the non-U.S. holder were a U.S. person, subject to an applicable income tax treaty providing otherwise. A non-U.S. corporation receiving effectively connected dividends may also be subject to an additional “branch profits tax” imposed at a rate of 30% (or a lower treaty rate).

Gain on Disposition of Common Stock

Subject to the discussion below concerning backup withholding, a non-U.S. holder generally will not be subject to U.S. federal income tax on gain recognized on a sale or other disposition of our common stock, unless:

- the gain is effectively connected with a trade or business of the non-U.S. holder in the United States, subject to an applicable income tax treaty providing otherwise, or

- Reliance is or has been a U.S. real property holding corporation, as defined in the Code, at any time within the five-year period preceding the disposition or the non-U.S. holder's holding period, whichever period is shorter, and our common stock has ceased to be regularly traded on an established securities market prior to the beginning of the calendar year in which the sale or disposition occurs.

Reliance believes that it is not, and does not anticipate becoming, a U.S. real property holding corporation.

If a non-U.S. holder is engaged in a trade or business in the United States and gain recognized by the non-U.S. holder on a sale or other disposition of our common stock is effectively connected with the conduct of such trade or business, the non-U.S. holder will generally be subject to regular U.S. income tax as if the non-U.S. holder were a U.S. person, subject to an applicable income tax treaty providing otherwise. Non-U.S. holders whose gain from dispositions of our common stock may be effectively connected with the conduct of a trade or business in the United States are urged to consult their own tax advisors with respect to the U.S. tax consequences of the ownership and disposition of our common stock, including the possible imposition of a branch profits tax.

Information Reporting Requirements and Backup Withholding

Information returns will be filed with the Internal Revenue Service in connection with payments of dividends on our common stock. Unless the non-U.S. holder complies with certification procedures to establish that it is not a U.S. person, information returns may be filed with the Internal Revenue Service in connection with the proceeds from a sale or other disposition of our common stock and the non-U.S. holder may be subject to U.S. backup withholding on payments on our common stock or on the proceeds from a sale or other disposition of our common stock. The certification procedures required to claim a reduced rate of withholding under an income tax treaty will satisfy the certification requirements necessary to avoid backup withholding as well. The amount of any backup withholding from a payment to a non-U.S. holder will be allowed as a credit against such holder's U.S. federal income tax liability and may entitle such holder to a refund, provided that the required information is timely furnished to the Internal Revenue Service.

Federal Estate Tax

Individual non-U.S. holders and entities the property of which is potentially includible in such an individual's gross estate for U.S. federal estate tax purposes (for example, a trust funded by such an individual and with respect to which the individual has retained certain interests or powers), should note that, absent an applicable treaty benefit, our common stock will be treated as U.S. situs property subject to U.S. federal estate tax.

UNDERWRITING

We are offering the shares of common stock described in this prospectus through a number of underwriters. J.P. Morgan Securities Inc., UBS Securities LLC and Banc of America Securities LLC are acting as joint book-running managers of the offering and as representatives of the underwriters. We have entered into an underwriting agreement with the underwriters. Subject to the terms and conditions of the underwriting agreement, we have agreed to sell to the underwriters, and each underwriter has severally agreed to purchase, at the public offering price less the underwriting discounts and commissions set forth on the cover page of this prospectus, the number of shares of common stock listed next to its name in the following table:

<u>Name</u>	<u>Number of Shares</u>
J.P. Morgan Securities Inc.	
UBS Securities LLC	
Banc of America Securities LLC	
Citigroup Global Markets Inc.	
KeyBanc Capital Markets Inc.	
Wachovia Capital Markets, LLC	
Wells Fargo Securities LLC	
Total	6,750,000

The underwriters are committed to purchase all the shares of common stock offered by us if they purchase any shares. The underwriting agreement also provides that if an underwriter defaults, the purchase commitments of non-defaulting underwriters may also be increased or the offering may be terminated.

The underwriters propose to offer the shares of common stock directly to the public at the initial public offering price set forth on the cover page of this prospectus and to certain dealers at that price less a concession not in excess of \$ per share. Any such dealers may resell shares to certain other brokers or dealers at a discount of up to \$ per share from the initial public offering price. After the initial public offering of the shares, the offering price and other selling terms may be changed by the underwriters. Sales of shares made outside of the United States may be made by affiliates of the underwriters.

The underwriters have an option to buy up to 1,012,500 additional shares of common stock from us to cover sales of shares by the underwriters which exceed the number of shares specified in the table above. The underwriters have 30 days from the date of this prospectus to exercise this over-allotment option. If any shares are purchased with this over-allotment option, the underwriters will purchase shares in approximately the same proportion as shown in the table above. If any additional shares of common stock are purchased, the underwriters will offer the additional shares on the same terms as those on which the shares are being offered.

The underwriting fee is equal to the public offering price per share of common stock less the amount paid by the underwriters to us per share of common stock. The underwriting fee is \$ per share. The following table shows the per share and total underwriting discounts and commissions to be paid to the underwriters assuming both no exercise and full exercise of the underwriters' option to purchase additional shares.

	Without Over-Allotment Exercise	With Full Over-Allotment Exercise
Per Share	\$	\$
Total	\$	\$

We estimate that the total expenses of this offering, including registration, filing and listing fees, printing fees and legal and accounting expenses, but excluding the underwriting discounts and commissions, will be approximately \$1,000,000.

A prospectus in electronic format may be made available on the websites maintained by one or more underwriters, or selling group members, if any, participating in the offering. The underwriters may agree to allocate a number of shares to underwriters and selling group members for sale to their online brokerage account holders.

Internet distributions will be allocated by the representatives to underwriters and selling group members that may make Internet distributions on the same basis as other allocations.

We have agreed that we will not, subject to customary exceptions, (i) offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, or file with the SEC a registration statement under the Securities Act of 1933, as amended (the “Securities Act”) relating to, any shares of our common stock or securities convertible into or exchangeable or exercisable for any shares of our common stock, or publicly disclose the intention to make any offer, sale, pledge, disposition or filing, or (ii) enter into a swap or other arrangement that transfers all or a portion of the economic consequences associated with the ownership of any shares of common stock (regardless of whether any of these transactions are to be settled by the delivery of shares of common stock, or such other securities, in cash or otherwise), in each case without the prior written consent of J.P. Morgan Securities Inc., UBS Securities LLC and Banc of America Securities LLC for a period of 90 days after the date of this prospectus; provided, however, that we may enter into (but not consummate during such 90-day period), or announce our intention to enter into, one or more agreements to acquire assets or businesses, the consideration for which may include shares of our common stock with a value as of the respective dates of such agreements of up to \$250.0 million.

Our directors and executive officers and our largest shareholder have entered into lock-up agreements with the underwriters prior to the commencement of this offering pursuant to which, subject to customary exceptions, each of these persons for a period of 90 days after the date of this prospectus, may not, without the prior written consent of J.P. Morgan Securities Inc., UBS Securities LLC and Banc of America Securities LLC, (1) offer, pledge, announce the intention to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any shares of our common stock (including, without limitation, common stock which may be deemed to be beneficially owned by such directors, executive officers, or shareholder in accordance with the rules and regulations of the SEC and securities which may be issued upon exercise of a stock option or warrant) or (2) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of the common stock, whether any such transaction described in clause (1) or (2) above is to be settled by delivery of common stock or such other securities, in cash or otherwise; provided, however, that the foregoing agreement will terminate with respect to our largest shareholder in the event of the death or incapacity of the grantor of the trust holding such shareholder’s shares.

We have agreed to indemnify the underwriters and their affiliates, directors and officers against certain liabilities, including liabilities under the Securities Act.

Our common stock is listed on the New York Stock Exchange under the symbol “RS”.

In connection with this offering, the underwriters may engage in stabilizing transactions, which involves making bids for, purchasing and selling shares of our common stock in the open market for the purpose of preventing or retarding a decline in the market price of our common stock while this offering is in progress. These stabilizing transactions may include making short sales of our common stock, which involves the sale by the underwriters of a greater number of shares of our common stock than they are required to purchase in this offering, and purchasing shares of our common stock on the open market to cover positions created by short sales. Short sales may be “covered” shorts, which are short positions in an amount not greater than the underwriters’ over-allotment option referred to above, or may be “naked” shorts, which are short positions in excess of that amount. The underwriters may close out any covered short position either by exercising their over-allotment option, in whole or in part, or by purchasing shares in the open market. In making this determination, the underwriters will consider, among other things, the price of shares available for purchase in the open market compared to the price at which the underwriters may purchase shares through the over-allotment option. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of our common stock in the open market that could adversely affect investors who purchase in this offering. To the extent that the underwriters create a naked short position, they will purchase shares in the open market to cover the position.

The underwriters have advised us that, pursuant to Regulation M, they may also engage in other activities that stabilize, maintain or otherwise affect the price of our common stock, including the imposition of penalty bids. This means that if the representatives of the underwriters purchase common stock in the open market in stabilizing transactions or to cover short sales, the representatives can require the underwriters that sold those shares as part of this offering to repay the underwriting discount received by them.

These activities may have the effect of raising or maintaining the market price of our common stock or preventing or retarding a decline in the market price of our common stock, and, as a result, the price of our common stock may be higher than the price that otherwise might exist in the open market. If the underwriters commence these activities, they may discontinue them at any time. The underwriters may carry out these transactions on the New York Stock Exchange, in the over-the-counter market or otherwise.

Certain of the underwriters and their affiliates have provided in the past to us and our affiliates, as well as to PNA and its affiliates, and may provide from time to time in the future certain commercial banking, financial advisory, investment banking and other services for us and our affiliates in the ordinary course of their business, for which they have received and may continue to receive customary fees and commissions. In addition, from time to time, certain of the underwriters and their affiliates may effect transactions for their own account or the account of customers, and hold on behalf of themselves or their customers, long or short positions in our debt or equity securities or loans, and may do so in the future. This offering is being conducted pursuant to Conduct Rule 2710(h) of the Financial Industry Regulatory Authority. In addition, JPMorgan Chase Bank, N.A., an affiliate of J.P. Morgan Securities Inc., serves as documentation agent and a lender under our existing revolving credit facility and is expected to be a lender under our new term loan facility. In addition, an affiliate of UBS Securities LLC is a lender under our existing revolving credit facility and is expected to be a lender under our new term loan facility. UBS Securities LLC is also acting as financial advisor to PNA in connection with its sale to us. Bank of America, N.A., an affiliate of Banc of America Securities LLC, serves as an administrative agent and lender under our existing revolving credit facility and is expected to be the administrative agent and a lender under our new term loan facility. Citigroup Global Markets Inc. is acting as the sole dealer manager for the tender offers and consent solicitations relating to the PNA Notes and is acting as financial advisor to PNA in connection with its sale to us, and an affiliate of Citigroup Global Markets Inc. is a lender under our existing revolving credit facility. An affiliate of KeyBanc Capital Markets Inc. is a lender under our existing revolving credit facility and is expected to be a lender under our new term loan facility. An affiliate of Wachovia Capital Markets, LLC is a lender under our existing revolving credit facility and is expected to be a lender under our new term loan facility. An affiliate of Wachovia Capital Markets, LLC also owns PNA Notes, which will be repurchased in connection with the PNA Transactions. An affiliate of Wells Fargo Securities LLC is a lender under our existing revolving credit facility and is expected to be a lender under our new term loan facility. An affiliate of Wells Fargo Securities LLC is also a lender under PNA's revolving credit facility, which we expect to repay in connection with the PNA Transactions.

European Economic Area

In relation to each Member State of the European Economic Area, or EEA, which has implemented the Prospectus Directive (each, a "Relevant Member State"), with effect from, and including, the date on which the Prospectus Directive is implemented in that Relevant Member State, or the Relevant Implementation Date, an offer to the public of our securities which are the subject of the offering contemplated by this prospectus may not be made in that Relevant Member State, except that, with effect from, and including, the Relevant Implementation Date, an offer to the public in that Relevant Member State of our securities may be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

- (a) to legal entities which are authorized or regulated to operate in the financial markets, or, if not so authorized or regulated, whose corporate purpose is solely to invest in our securities;
- (b) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts; or
- (c) to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the representatives for any such offer; or
- (d) in any other circumstances falling within Article 3(2) of the Prospectus Directive;

provided that no such offer of our securities shall result in a requirement for the publication by us or any underwriter or agent of a prospectus pursuant to Article 3 of the Prospectus Directive.

As used above, the expression “offered to the public” in relation to any of our securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and our securities to be offered so as to enable an investor to decide to purchase or subscribe for our securities, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression “Prospectus Directive” means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

The EEA selling restriction is in addition to any other selling restrictions set out in this prospectus.

United Kingdom

This prospectus is only being distributed to and is only directed at (1) persons who are outside the United Kingdom, (2) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, or Order; or (3) high net worth companies, and other persons to who it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order, all such persons together being referred to as “relevant persons.” The securities are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such securities will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this prospectus or any of its contents.

In addition:

- an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000) has only been communicated or caused to be communicated and will only be communicated or caused to be communicated) in connection with the issue or sale of the Securities in circumstances in which Section 21(1) of the FSMA does not apply to us; and
- all applicable provisions of the FSMA have been complied with and will be complied with, with respect to anything done in relation to the Securities in, from or otherwise involving the United Kingdom.

France

No prospectus (including any amendment, supplement or replacement thereto) has been prepared in connection with the offering of the Securities that has been approved by the Autorité des marchés financiers or by the competent authority of another State that is a contracting party to the Agreement on the European Economic Area and notified to the Autorité des marchés financiers; no Securities have been offered or sold and will be offered or sold, directly or indirectly, to the public in France except to permitted investors (“Permitted Investors”) consisting of persons licensed to provide the investment service of portfolio management for the account of third parties, qualified investors (investisseurs qualifiés) acting for their own account and/or investors belonging to a limited circle of investors (cercle restreint d’investisseurs) acting for their own account, with “qualified investors” and “limited circle of investors” having the meaning ascribed to them in Articles L. 411-2, D. 411-1, D. 411-2, D. 411-4, D. 734-1, D. 744-1, D. 754-1 and D. 764-1 of the French Code Monétaire et Financier and applicable regulations thereunder; none of this prospectus or any other materials related to the offering or information contained therein relating to the Securities has been released, issued or distributed to the public in France except to Permitted Investors; and the direct or indirect resale to the public in France of any Securities acquired by any Permitted Investors may be made only as provided by Articles L. 411-1, L. 411-2, L. 412-1 and L. 621-8 to L. 621-8-3 of the French Code Monétaire et Financier and applicable regulations thereunder.

Italy

The offering of the shares of common stock has not been cleared by the Italian Securities Exchange Commission (Commissione Nazionale per le Società e la Borsa, the “CONSOB”) pursuant to Italian securities legislation and, accordingly, the shares of common stock may not and will not be offered, sold or delivered, nor may or will copies of the prospectus or any other documents relating to the shares of common stock be distributed in Italy, except (i) to professional investors (operatori qualificati), as defined in Article 31, second paragraph, of CONSOB Regulation No. 11522 of July 1, 1998, as amended, (the “Regulation No. 11522”), or (ii) in other circumstances which are exempted from the rules on solicitation of investments pursuant to Article 100 of

Legislative Decree No. 58 of February 24, 1998 (the “Financial Service Act”) and Article 33, first paragraph, of CONSOB Regulation No. 11971 of May 14, 1999, as amended.

Any offer, sale or delivery of the shares of common stock or distribution of copies of the prospectus or any other document relating to the shares of common stock in Italy may and will be effected in accordance with all Italian securities, tax, exchange control and other applicable laws and regulations, and, in particular, will be: (i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in Italy in accordance with the Financial Services Act, Legislative Decree No. 385 of September 1, 1993, as amended (the “Italian Banking Law”), Regulation No. 11522, and any other applicable laws and regulations; (ii) in compliance with Article 129 of the Italian Banking Law and the implementing guidelines of the Bank of Italy; and (iii) in compliance with any other applicable notification requirement or limitation which may be imposed by CONSOB or the Bank of Italy.

Any investor purchasing the shares of common stock in the offering is solely responsible for ensuring that any offer or resale of the shares of common stock it purchased in the offering occurs in compliance with applicable laws and regulations.

The prospectus and the information contained therein are intended only for the use of its recipient and, unless in circumstances which are exempted from the rules on solicitation of investments pursuant to Article 100 of the “Financial Service Act” and Article 33, first paragraph, of CONSOB Regulation No. 11971 of May 14, 1999, as amended, is not to be distributed, for any reason, to any third party resident or located in Italy. No person resident or located in Italy other than the original recipients of this document may rely on it or its content.

Italy has only partially implemented the Prospectus Directive; the provisions under the heading “European Economic Area” above shall apply with respect to Italy only to the extent that the relevant provisions of the Prospectus Directive have already been implemented in Italy.

Insofar as the requirements above are based on laws which are superseded at any time pursuant to the implementation of the Prospectus Directive, such requirements shall be replaced by the applicable requirements under the Prospectus Directive.

Switzerland

Our securities may not and will not be publicly offered, distributed or re-distributed on a professional basis in or from Switzerland only on the basis of a non-public offering, and neither this prospectus nor any other solicitation for investments in our securities may be communicated or distributed in Switzerland in any way that could constitute a public offering within the meaning of articles 652a or 1156 of the Swiss Federal Code of Obligations or of Article 2 of the Federal Act on Investment Funds of March 18, 1994. This prospectus may not be copied, reproduced, distributed or passed on to others without the underwriters’ and agents’ prior written consent. This prospectus is not a prospectus within the meaning of Articles 1156 and 652a of the Swiss Code of Obligations or a listing prospectus according to article 32 of the Listing Rules of the Swiss exchange and may not comply with the information standards required thereunder. We will not apply for a listing of our securities on any Swiss stock exchange or other Swiss regulated market and this prospectus may not comply with the information required under the relevant listing rules. The securities have not been and will not be approved by any Swiss regulatory authority. The securities have not been and will not be registered with or supervised by the Swiss Federal Banking Commission, and have not been and will not be authorized under the Federal Act on Investment Funds of March 18, 1994. The investor protection afforded to acquirers of investment fund certificates by the Federal Act on Investment Funds of March 18, 1994 does not extend to acquirers of our securities.

Hong Kong

Our securities may not be offered or sold in Hong Kong, by means of this prospectus or any document other than to persons whose ordinary business is to buy or sell shares, whether as principal or agent, or in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong). No advertisement, invitation or document relating to our securities may be issued or may be in the possession of any person other than with respect to the securities which are or are intended to be disposed of only to

persons outside Hong Kong or only to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

Singapore

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of our securities may not be circulated or distributed, nor may our securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore, or SFA, (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA, in each case subject to compliance with conditions set forth in the SFA.

Where our securities are subscribed or purchased under Section 275 by a relevant person which is: (a) a corporation (which is not an accredited investor as defined in Section 4A of the SFA) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor; shares of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferable for six months after that corporation or that trust has acquired the shares under Section 275 of the SFA, except: (1) to an institutional investor (for corporations under Section 274 of the SFA) or to a relevant person defined in Section 275(2) of the SFA, or any person pursuant to an offer that is made on terms that such shares of that corporation or such rights and interest in that trust are acquired at a consideration of not less than S\$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets, and further for corporations, in accordance with the conditions, specified in Section 275 of the SFA; (2) where no consideration is given for the transfer; or (3) where the transfer is by operation of law.

Japan

Our securities have not been and will not be registered under the Securities and Exchange Law of Japan (the Securities and Exchange Law) and our securities will not be offered or sold, directly or indirectly, in Japan, or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan, or to a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Securities and Exchange Law and any other applicable laws, regulations and ministerial guidelines of Japan.

Australia

This prospectus is not a formal disclosure document and has not been lodged with the Australian Securities and Investments Commission. It does not purport to contain all information that an investor or their professional advisers would expect to find in a product disclosure statement for the purposes of Part 7.9 of the Corporations Act 2001 (Australia) in relation to the securities.

The securities are not being offered in Australia to “retail clients” as defined in section 761G of the Corporations Act 2001 (Australia). This offering is being made in Australia solely to “wholesale clients” as defined in section 761G of the Corporations Act 2001 (Australia) and as such no product disclosure statement in relation to the securities has been prepared.

This prospectus does not constitute an offer in Australia other than to wholesale clients. By submitting an application for our securities, you represent and warrant to us that you are a wholesale client. If any recipient is not a wholesale client, no applications for our securities will be accepted from such recipient. Any offer to a recipient in Australia, and any agreement arising from acceptance of such offer, is personal and may only be accepted by the recipient. In addition, by applying for our securities you undertake to us that, for a period of 12 months from the date of issue of the securities, you will not transfer any interest in the securities to any person in Australia other than a wholesale client.

EXPERTS

The consolidated financial statements and schedules of Reliance appearing in Reliance's Annual Report on Form 10-K for the year ended December 31, 2007 (including schedules appearing therein) and the effectiveness of Reliance's internal control over financial reporting as of December 31, 2007, have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their reports thereon, included therein, and incorporated herein by reference. Such consolidated financial statements are incorporated herein by reference in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

The consolidated financial statements of PNA Group Holding Corporation (Successor) as of December 31, 2007 and 2006, for the year ended December 31, 2007 and for the period from May 10, 2006 to December 31, 2006 and the consolidated financial statements of PNA Group, Inc. (Predecessor) for the period from January 1, 2006 to May 9, 2006 and for the year ended December 31, 2005 incorporated in this prospectus by reference to Reliance Steel & Aluminum Co.'s Current Report on Form 8-K dated July 17, 2008, have been so incorporated in reliance on the reports of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

CHANGE IN INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

On January 16, 2008, the Audit Committee of our Board of Directors replaced our independent registered accountant and external auditor, Ernst & Young LLP, with KPMG LLP for the year ending December 31, 2008. Ernst & Young LLP continued as Reliance's independent registered accountant for the year ended December 31, 2007 and will continue to provide tax and other services to Reliance as may be requested by Reliance from time to time. The Board of Directors ratified and approved this change.

The reports of Ernst & Young LLP on Reliance's consolidated financial statements as of and for the years ended December 31, 2007, 2006 and 2005 did not contain any adverse opinion or disclaimer of opinion and were not qualified or modified as to uncertainty, audit scope or accounting principles. During the years ended December 31, 2007, 2006 and 2005, there have been no disagreements between Reliance and Ernst & Young LLP on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedures, which, if not resolved to the satisfaction of Ernst & Young LLP, would have caused Ernst & Young LLP to make reference to the subject matter of the disagreement(s) in connection with its report. None of the "reportable events" described in Item 304(a)(1)(v) of the Regulation S-K promulgated by the SEC under the Securities Exchange Act of 1934, as amended, which we refer to as the Exchange Act, has occurred during the years ended December 31, 2007, 2006 or 2005.

LEGAL MATTERS

The validity of the common stock offered hereby will be passed upon for us by Davis Polk & Wardwell, Menlo Park, California. Simpson Thacher & Bartlett LLP, New York, New York will pass upon certain legal matters in connection with this offering for the underwriters.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy any reports, statements or other information that we file at the SEC's public reference room at 100 F Street, NE, Room 1580, Washington D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room in Washington D.C. and in other locations. Our SEC filings are also available to the public from commercial document retrieval services and at the Internet website maintained by the SEC at <http://www.sec.gov>. Copies of documents we file with the SEC are also available at the offices of the New York Stock Exchange, 20 Broad Street, New York, NY 10005.

We have filed a registration statement on Form S-3 under the Securities Act with the SEC to register the shares of common stock offered by this prospectus. This prospectus does not contain all the information contained in the registration statement because certain parts of the registration statement are omitted in accordance with the rules

and regulations of the SEC. The registration statement and the documents filed as exhibits to the registration statement are available for inspection and copying as described above.

We will furnish without charge to each person to whom a copy of this prospectus is delivered, upon written or oral request, a copy of the information that has been incorporated by reference in this prospectus (except exhibits, unless they are specifically incorporated by reference in this prospectus). You should direct any requests for copies to:

Reliance Steel & Aluminum Co.
350 South Grand Avenue, Suite 5100
Los Angeles, California 90071
Attention: Investor Relations
Telephone: (213) 687-7700

DOCUMENTS INCORPORATED BY REFERENCE

The SEC allows us to “incorporate by reference” information into this prospectus, which means that we can disclose important information to you by referring you to another document separately filed with the SEC. The information incorporated by reference is deemed to be part of this prospectus, except for any information superseded by information contained directly in this prospectus. This prospectus incorporates by reference the documents set forth below that Reliance has previously filed with the SEC:

- our annual report on Form 10-K for the fiscal year ended December 31, 2007 filed with the SEC on February 29, 2008;
- our quarterly report on Form 10-Q for the fiscal quarter ended March 31, 2008 filed with the SEC on May 12, 2008;
- our current reports on Form 8-K or 8-K/A filed with the SEC on January 8, 2008, January 23, 2008, March 5, 2008, June 19, 2008 and July 17, 2008; and
- the description of our common stock set forth in our Registration Statement on Form 8-A, filed with the SEC on January 2, 1994, including all amendments and reports filed for the purpose of updating such description.

In addition, all reports and other documents we subsequently file pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act, after the date of this prospectus (other than any information furnished pursuant to Item 2.02 or Item 7.01 of any Current Report on Form 8-K unless we specifically state in such Current Report that such information is to be considered “filed” under the Exchange Act, or we incorporate it by reference into a filing under the Securities Act or the Exchange Act) will be deemed to be incorporated by reference in this prospectus and to be part of this prospectus from the date of the filing of such reports and documents. Any statement contained in this prospectus or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained in any subsequently filed document which is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this prospectus.

Notwithstanding the foregoing, we are not incorporating any document or information deemed to have been furnished and not filed in accordance with SEC rules. You may obtain any of the documents incorporated by reference through Reliance or the SEC or its website, as described above in the section entitled “Where You Can Find More Information.” Documents incorporated by reference are available from us without charge, excluding all exhibits unless specifically incorporated by reference as an exhibit to this prospectus. You may obtain documents incorporated by reference into this prospectus by requesting them in writing or by telephone from us at the following address:

Reliance Steel & Aluminum Co.
350 South Grand Avenue, Suite 5100
Los Angeles, California 90071
Attention: Investor Relations
Telephone: (213) 687-7700

You will not be charged for any of these documents that you request. If you request any incorporated documents from us, we will mail them to you by first class mail, or another equally prompt means, within one business day after we receive your request.

6,750,000 Shares



Reliance Steel & Aluminum Co.

Common Stock

PROSPECTUS

, 2008

Part II
Information Not Required in Prospectus

Item 14. *Other Expenses of Issuance and Distribution*

The following table sets forth the estimated expenses, all of which are to be paid by us, in connection with the sale and distribution of the securities being registered:

SEC registration fee	\$ 21,500*
NYSE listing fee	29,000
Legal fees and expenses	450,000
Accounting fees and expenses	325,000
Printing expenses	150,000
Miscellaneous	<u>24,500</u>
Total	<u>\$1,000,000</u>

* The SEC registration fee is being deferred pursuant to Rule 256.

Item 15. *Indemnification of Directors and Officers*

In Article IV of the restated articles of incorporation of the Registrant, the Registrant has eliminated to the fullest extent permitted under California law the liability of directors of the Registrant for monetary damages. Additionally, the Registrant is authorized to indemnify its agents as defined in Section 317 of the California General Corporation Law for breach of their duty to the Registrant and its shareholders through Bylaw provisions or through agreements with the agents, or both, in excess of the indemnification otherwise permitted under Section 317, subject to the limits on such excess indemnification set forth in Section 204 of the California General Corporation Law. Section 5.11 of the Registrant’s restated and amended bylaws provides that the Registrant shall indemnify each of its agents against expenses, judgments, fines, settlements or other amounts actually and reasonably incurred by such person by reason of such person having been made or having been threatened to be made a party to a proceeding to the fullest extent permissible by the provisions of Section 317 of the California Corporations Code, as amended from time to time, and that the Registrant shall advance the expenses reasonably expected to be incurred in defending any such proceeding, upon receipt of the undertaking required by Section 317(f).

Section 204 of the California General Corporation Law allows a corporation, among other things, to eliminate or limit the personal liability of a director for monetary damages in an action brought by the corporation itself or by way of a derivative action brought by shareholders for breach of a director’s duties to the corporation and its shareholders. The provision may not eliminate or limit liability of directors for the following specified actions, however: (i) for acts or omissions that involve intentional misconduct or a knowing and culpable violation of law; (ii) for acts or omissions that a director believes to be contrary to the best interests of the corporation or its shareholders, or that involve the absence of good faith on the part of the director; (iii) for any transaction from which a director derived an improper personal benefit; (iv) for acts or omissions that show a reckless disregard of the director’s duty to the corporation or its shareholders in circumstances in which the director was aware, or should have been aware, in the ordinary course of performing a director’s duties, of a risk of serious injury to the corporation or its shareholders; (v) for acts or omissions that constitute an unexcused pattern of inattention that amounts to an abdication of the director’s duty to the corporation or its shareholders; (vi) for transactions between the corporation and a director, or between corporations having interrelated directors; and (vii) for improper distributions and stock dividends, loans and guaranties. The provision does not apply to acts or omissions occurring before the date that the provision became effective and does not eliminate or limit the liability of an officer for an act or omission as an officer, regardless of whether that officer is also a director.

Section 317 of the California General Corporation Law gives a corporation the power to indemnify any person who was or is a party, or is threatened to be made a party, to any proceeding, whether threatened, pending, or completed, and whether civil, criminal, administrative or investigative, by reason of the fact that that person is or

was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise. A corporation may indemnify such a person against expenses, judgments, fines, settlements and other amounts actually or reasonably incurred in connection with the proceeding, if that person acted in good faith, and in a manner that that person reasonably believed to be in the best interest of the corporation; and, in the case of a criminal proceeding, had no reasonable cause to believe the conduct of the person was unlawful. In an action by or in the right of the corporation, no indemnification may be made with respect to any claim, issue or matter (a) as to which the person shall have been adjudged to be liable to the corporation in the performance of that person's duty to the corporation and its shareholders, unless and only to the extent that the court in which such proceeding was brought shall determine that, in view of all of the circumstances of the case, the person is fairly and reasonably entitled to indemnity for expenses; and (b) which is settled or otherwise disposed of without court approval. To the extent that any such person has been successful on the merits in defense of any proceeding, or any claim, issue or matter therein, that person shall be indemnified against expenses actually and reasonably incurred in connection therewith. Indemnification is available only if authorized in the specific case by a majority of a quorum of disinterested directors, by independent legal counsel in a written opinion, by approval of the shareholders other than the person to be indemnified, or by the court. Expenses incurred by such a person may be advanced by the corporation before the final disposition of the proceeding upon receipt of an undertaking to repay the amount if it is ultimately determined that the person is not entitled to indemnification.

Section 317 of the California General Corporation Law further provides that a corporation may indemnify its officers and directors in excess of the statutory provisions if authorized by its articles of incorporation and that a corporation may purchase and maintain insurance on behalf of any officer, director, employee or agent against any liability asserted or incurred in his or her capacity, or arising out of his or her status with the corporation.

In addition to the provisions of the restated articles of incorporation and restated and amended bylaws of the Registrant, the Registrant has entered into indemnification agreements with all of its present directors and officers, to indemnify these persons against liabilities arising from third party proceedings, or from proceedings by or in the right of the Registrant, to the fullest extent permitted by law. Additionally, the Registrant has purchased directors' and officers' liability insurance for the benefit of its directors and officers.

At present, there is no pending litigation or proceeding involving a director, officer or employee of Registrant pursuant to which indemnification is sought, nor is Registrant aware of any threatened litigation that may result in claims for indemnification. Section 317 of the California General Corporation Law and the restated and amended bylaws of the Registrant provide for the indemnification of officers, directors and other corporate agents in terms sufficiently broad to indemnify such persons, under certain circumstances, for liabilities (including reimbursement of expenses incurred) arising under the Securities Act of 1933. Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons pursuant to the foregoing provisions, or otherwise, Registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable.

Item 16. Exhibits and Financial Statement Schedules

(a) *Exhibits.* The following exhibits are filed with this Registration Statement or incorporated by reference herein:

<u>Exhibit</u>	<u>Description</u>
1.1	Underwriting Agreement.
4.1	Restated Articles of Incorporation. ⁽¹⁾
4.2	Restated and Amended Bylaws. ⁽¹⁾
4.3	Amendment to Restated Articles of Incorporation. ⁽²⁾
5.1	Opinion of Davis Polk & Wardwell regarding the validity of the securities being registered.
10.1	Stock Purchase Agreement dated as of June 16, 2008 by and among PNA Group Holding Corporation and its Stockholders and RSAC Management Corp. ⁽³⁾
23.1	Consent of Ernst & Young LLP, independent registered public accounting firm.
23.2	Consent of PricewaterhouseCoopers LLP, independent registered public accounting firm.
23.3	Consent of Davis Polk & Wardwell (included in Exhibit 5.1).
24.1	Power of Attorney (included on signature page of this registration statement).

⁽¹⁾ Incorporated by reference from Exhibits 3.01 and 3.02, respectively, to Registrant's Registration Statement on Form S-1, as amended, originally filed on May 25, 1994 as Commission File No. 33-79318.

⁽²⁾ Incorporated by reference from Appendix A to Registrant's Proxy Statement for Annual Meeting of Shareholders held May 20, 1998.

⁽³⁾ Incorporated by reference from Exhibit 2.1 to Registrant's Form 8-K dated June 19, 2008.

Item 17. Undertakings

The undersigned Registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of this registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in this registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than 20 percent change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement; and

(iii) To include any material information with respect to the plan of distribution not previously disclosed in this registration statement or any material change to such information in this registration statement;

provided, however, that the undertakings set forth in subparagraphs (i), (ii) and (iii) above do not apply if the registration statement is on Form S-3 and the information required to be included in a post-effective amendment by those subparagraphs is contained in reports filed with or furnished to the Commission by the registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in this registration statement, or is contained in a form of prospectus filed pursuant to Rule 424(b) that is part of the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered

therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(4) That, for the purpose of determining liability under the Securities Act of 1933 to any purchaser:

(i) Each prospectus filed by the registrant pursuant to Rule 424(b)(3) shall be deemed to be part of the registration statement as of the date the filed prospectus was deemed part of and included in the registration statement; and

(ii) Each prospectus required to be filed pursuant to Rule 424(b)(2), (b)(5), or (b)(7) as part of a registration statement in reliance on Rule 430B relating to an offering made pursuant to Rule 415(a)(1)(i), (vii), or (x) for the purpose of providing the information required by Section 10(a) of the Securities Act of 1933 shall be deemed to be part of and included in the registration statement as of the earlier of the date such form of prospectus is first used after effectiveness or the date of the first contract of sale of securities in the offering described in the prospectus. As provided in Rule 430B, for liability purposes of the issuer and any person that is at that date an underwriter, such date shall be deemed to be a new effective date of the registration statement relating to the securities in the registration statement to which that prospectus relates, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such effective date, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such effective date.

(5) That, for the purpose of determining liability of the registrant under the Securities Act of 1933 to any purchaser in the initial distribution of the securities, the undersigned registrant undertakes that in a primary offering of securities of the undersigned registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:

(i) Any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule 424;

(ii) Any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrant or used or referred to by the undersigned registrant;

(iii) The portion of any other free writing prospectus relating to the offering containing material information about the undersigned registrant or its securities provided by or on behalf of the undersigned registrant; and

(iv) Any other communication that is an offer in the offering made by the undersigned registrant to the purchaser.

(6) That, for the purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to section 13(a) or section 15(d) of the Securities Exchange Act of 1934 that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

The undersigned registrant hereby undertakes that:

1. For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and

contained in a form of prospectus filed by the registrant pursuant to Rule 424(b) (1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

2. For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the provisions described under Item 15 of the registration statement, or otherwise, the registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person, in connection with the securities being registered, the registrant will, unless in the opinion of our counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act of 1933 and will be governed by the final adjudication of such issue.

<u>Signatures</u>	<u>Title</u>	<u>Date</u>
<u>/s/ MARK V. KAMINSKI</u> Mark V. Kaminski	Director	July 17, 2008
<u>Andrew G. Sharkey III</u>	Director	
<u>/s/ RICHARD J. SLATER</u> Richard J. Slater	Director	July 17, 2008
<u>/s/ LESLIE A. WAITE</u> Leslie A. Waite	Director	July 17, 2008

RELIANCE STEEL & ALUMINUM CO.

____ Shares of Common Stock

Underwriting Agreement

____, 2008

J.P. Morgan Securities Inc.
277 Park Avenue
New York, New York 10172

UBS Securities LLC
299 Park Avenue, Floor 32
New York, New York 10171

Banc of America Securities LLC
One Bryant Park
New York, New York 10036

As Representatives of the
several Underwriters listed
in Schedule 1 hereto

Ladies and Gentlemen:

Reliance Steel & Aluminum Co., a California corporation (the “Company”), proposes to issue and sell to the several Underwriters listed in Schedule 1 hereto (the “Underwriters”), for whom you are acting as representatives (the “Representatives”), an aggregate of ___ shares of Common Stock, no par value per share, of the Company (the “Underwritten Shares”) and, at the option of the Underwriters, up to an additional ___ shares of Common Stock of the Company (the “Option Shares”). The Underwritten Shares and the Option Shares are herein referred to as the “Shares”. The shares of Common Stock of the Company to be outstanding after giving effect to the sale of the Shares are referred to herein as the “Stock”.

The Company hereby confirms its agreement with the several Underwriters concerning the purchase and sale of the Shares, as follows:

1. Registration Statement. The Company has prepared and filed with the Securities and Exchange Commission (the “Commission”) under the Securities Act of 1933, as amended, and the rules and regulations of the Commission thereunder (collectively, the “Securities Act”), a registration statement on Form S-3 (File No. 333-___), including a prospectus, relating to the Shares. Such registration statement, as amended at the time it became effective, including the information, if any, deemed pursuant to Rule 430A, 430B or 430C under the Securities Act to be part of the registration statement at the time of

its effectiveness (“Rule 430 Information”), is referred to herein as the “Registration Statement”; and as used herein, the term “Preliminary Prospectus” means each prospectus included in such registration statement (and any amendments thereto) before effectiveness, any prospectus filed with the Commission pursuant to Rule 424(a) under the Securities Act and the prospectus included in the Registration Statement at the time of its effectiveness that omits Rule 430 Information, and the term “Prospectus” means the prospectus in the form first used (or made available upon request of purchasers pursuant to Rule 173 under the Securities Act) in connection with confirmation of sales of the Shares. Any reference in this Agreement to the Registration Statement, any Preliminary Prospectus or the Prospectus shall be deemed to refer to and include the documents incorporated by reference therein pursuant to Item 12 of Form S-3 under the Securities Act, as of the effective date of the Registration Statement or the date of such Preliminary Prospectus or the Prospectus, as the case may be, and any reference to “amend”, “amendment” or “supplement” with respect to the Registration Statement, any Preliminary Prospectus or the Prospectus shall be deemed to refer to and include any documents filed after such date under the Securities Exchange Act of 1934, as amended, and the rules and regulations of the Commission thereunder (collectively, the “Exchange Act”) that are deemed to be incorporated by reference therein. Capitalized terms used but not defined herein shall have the meanings given to such terms in the Registration Statement and the Prospectus.

At or prior to the Applicable Time (as defined below), the Company had prepared the following information (collectively with the pricing information set forth on Annex B, the “Pricing Disclosure Package”): a Preliminary Prospectus dated July __, 2008 and each “free-writing prospectus” (as defined pursuant to Rule 405 under the Securities Act) listed on Annex B hereto.

“Applicable Time” means [] [A/P].M., New York City time, on __, 2008.

2. Purchase of the Shares by the Underwriters.

(a) The Company agrees to issue and sell the Underwritten Shares to the several Underwriters as provided in this Agreement, and each Underwriter, on the basis of the representations, warranties and agreements set forth herein and subject to the conditions set forth herein, agrees, severally and not jointly, to purchase from the Company the respective number of Underwritten Shares set forth opposite such Underwriter’s name in Schedule 1 hereto at a price per share (the “Purchase Price”) of \$[].

In addition, the Company agrees to issue and sell the Option Shares to the several Underwriters as provided in this Agreement, and the Underwriters, on the basis of the representations, warranties and agreements set forth herein and subject to the conditions set forth herein, shall have the option to purchase, severally and not jointly, from the Company the Option Shares at the Purchase Price less an amount per share equal to any dividends or distributions declared by the Company and payable on the Underwritten Shares but not payable on the Option Shares.

If any Option Shares are to be purchased, the number of Option Shares to be purchased by each Underwriter shall be the number of Option Shares which bears the same ratio to the aggregate number of Option Shares being purchased as the number of Underwritten Shares set forth opposite the name of such Underwriter in Schedule 1 hereto (or such number increased as set forth in Section 10 hereof) bears to the aggregate number of Underwritten Shares being purchased from the Company by the several Underwriters, subject, however, to such adjustments to eliminate any fractional Shares as the Representatives in its sole discretion shall make.

The Underwriters may exercise the option to purchase Option Shares at any time in whole, or from time to time in part, on or before the thirtieth day following the date of the Prospectus, by written

notice from the Representatives to the Company. Such notice shall set forth the aggregate number of Option Shares as to which the option is being exercised and the date and time when the Option Shares are to be delivered and paid for, which may be the same date and time as the Closing Date (as hereinafter defined) but shall not be earlier than the Closing Date or later than the tenth full business day (as hereinafter defined) after the date of such notice (unless such time and date are postponed in accordance with the provisions of Section 10 hereof). Any such notice shall be given at least two business days prior to the date and time of delivery specified therein, except as may otherwise be agreed by the Company and the Representatives.

(b) The Company understands that the Underwriters intend to make a public offering of the Shares as soon after the effectiveness of this Agreement as in the judgment of the Representatives is advisable, and initially to offer the Shares on the terms set forth in the Prospectus. The Company acknowledges and agrees that the Underwriters may offer and sell Shares to or through any affiliate of an Underwriter.

(c) Payment for the Shares shall be made by wire transfer in immediately available funds to the account specified by the Company to the Representatives in the case of the Underwritten Shares, at the offices of Simpson Thacher & Bartlett LLP at 10:00 A.M., New York City time, on _____, 2008, or at such other time or place on the same or such other date, not later than the fifth business day thereafter, as the Representatives and the Company may agree upon in writing or, in the case of the Option Shares, on the date and at the time and place specified by the Representatives in the written notice of the Underwriters' election to purchase such Option Shares. The time and date of such payment for the Underwritten Shares is referred to herein as the "Closing Date", and the time and date for such payment for the Option Shares, if other than the Closing Date, is herein referred to as the "Additional Closing Date".

Payment for the Shares to be purchased on the Closing Date or the Additional Closing Date, as the case may be, shall be made against delivery to the Representatives for the respective accounts of the several Underwriters of the Shares to be purchased on such date or the Additional Closing Date, as the case may be, with any transfer taxes payable in connection with the sale of such Shares duly paid by the Company. Delivery of the Shares shall be made through the facilities of The Depository Trust Company ("DTC") unless the Representatives shall otherwise instruct. The certificates for the Shares will be made available for inspection and packaging by the Representatives at the office of DTC or its designated custodian not later than 1:00 P.M., New York City time, on the business day prior to the Closing Date or the Additional Closing Date, as the case may be.

(d) The Company acknowledges and agrees that the Underwriters are acting solely in the capacity of an arm's length contractual counterparty to the Company with respect to the offering of Shares contemplated hereby (including in connection with determining the terms of the offering) and not as a financial advisor or a fiduciary to, or an agent of, the Company or any other person. Additionally, neither the Representatives nor any other Underwriter is advising the Company or any other person as to any legal, tax, investment, accounting or regulatory matters in any jurisdiction. The Company shall consult with its own advisors concerning such matters and shall be responsible for making its own independent investigation and appraisal of the transactions contemplated hereby, and the Underwriters shall have no responsibility or liability to the Company with respect thereto. Any review by the Underwriters of the Company, the transactions contemplated hereby or other matters relating to such transactions will be performed solely for the benefit of the Underwriters and shall not be on behalf of the Company.

3. Representations and Warranties of the Company. The Company represents and warrants to each Underwriter that:

(a) *Preliminary Prospectus.* No order preventing or suspending the use of any Preliminary Prospectus has been issued by the Commission, and each Preliminary Prospectus included in the Pricing Disclosure Package, at the time of filing thereof, complied in all material respects with the Securities Act, and no Preliminary Prospectus, at the time of filing thereof, contained any untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that the Company makes no representation and warranty with respect to any statements or omissions made in reliance upon and in conformity with information relating to any Underwriter furnished to the Company in writing by such Underwriter through the Representatives expressly for use in any Preliminary Prospectus, it being understood and agreed that the only such information furnished by any Underwriter consists of the information described as such in Section 7(b) hereof.

(b) *Pricing Disclosure Package.* The Pricing Disclosure Package as of the Applicable Time did not, and as of the Closing Date and as of the Additional Closing Date, as the case may be, will not, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that the Company makes no representation and warranty with respect to any statements or omissions made in reliance upon and in conformity with information relating to any Underwriter furnished to the Company in writing by such Underwriter through the Representatives expressly for use in such Pricing Disclosure Package, it being understood and agreed that the only such information furnished by any Underwriter consists of the information described as such in Section 7(b) hereof.

(c) *Issuer Free Writing Prospectus.* Other than the Registration Statement, the Preliminary Prospectus and the Prospectus, the Company (including its agents and representatives, other than the Underwriters in their capacity as such) has not prepared, made, used, authorized, approved or referred to and will not prepare, make, use, authorize, approve or refer to any “written communication” (as defined in Rule 405 under the Securities Act) that constitutes an offer to sell or solicitation of an offer to buy the Shares (each such communication by the Company or its agents and representatives (other than a communication referred to in clause (i) below) an “Issuer Free Writing Prospectus”) other than (i) any document not constituting a prospectus pursuant to Section 2(a)(10)(a) of the Securities Act or Rule 134 under the Securities Act or (ii) the documents listed on Annex B hereto, each electronic road show and any other written communications approved in advance by the Representatives. Each such Issuer Free Writing Prospectus complied in all material respects with the Securities Act, has been or will be (within the time period specified in Rule 433) filed in accordance with the Securities Act (to the extent required thereby) and, when taken together with the Preliminary Prospectus filed prior to the first use of such Issuer Free Writing Prospectus, did not, and as of the Closing Date and as of the Additional Closing Date, as the case may be (as then supplemented or amended), will not, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that the Company makes no representation and warranty with respect to any statements or omissions made in each such Issuer Free Writing Prospectus or Preliminary Prospectus in reliance upon and in conformity with information relating to any Underwriter furnished to the Company in writing by such Underwriter through the Representatives expressly for use in such Issuer Free Writing Prospectus or Preliminary Prospectus, it being understood and

agreed that the only such information furnished by any Underwriter consists of the information described as such in Section 7(b) hereof.

(d) *Registration Statement and Prospectus.* The Registration Statement is an “automatic shelf registration statement” as defined under Rule 405 of the Securities Act that has been filed with the Commission not earlier than three years prior to the date hereof; and no notice of objection of the Commission to the use of such registration statement or any post-effective amendment thereto pursuant to Rule 401(g)(2) under the Securities Act has been received by the Company. No order suspending the effectiveness of the Registration Statement has been issued by the Commission, and no proceeding for that purpose or pursuant to Section 8A of the Securities Act against the Company or related to the offering of the Shares has been initiated or threatened by the Commission; as of the applicable effective date of the Registration Statement and any post-effective amendment thereto, the Registration Statement and any such post-effective amendment complied and will comply in all material respects with the Securities Act, and did not and will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein not misleading; and as of the date of the Prospectus and any amendment or supplement thereto and as of the Closing Date and as of the Additional Closing Date, as the case may be (as then supplemented or amended), the Prospectus will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that the Company makes no representation and warranty with respect to any statements or omissions made in reliance upon and in conformity with information relating to any Underwriter furnished to the Company in writing by such Underwriter through the Representatives expressly for use in the Registration Statement and the Prospectus and any amendment or supplement thereto, it being understood and agreed that the only such information furnished by any Underwriter consists of the information described as such in Section 7(b) hereof.

(e) *Incorporated Documents.* The documents incorporated by reference in the Registration Statement, the Prospectus and the Pricing Disclosure Package, when they were filed with the Commission conformed in all material respects to the requirements of the Exchange Act, and none of such documents contained any untrue statement of a material fact or omitted to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; and any further documents so filed and incorporated by reference in the Registration Statement, the Prospectus or the Pricing Disclosure Package, when such documents are filed with the Commission, will conform in all material respects to the requirements of the Exchange Act and will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(f) *Financial Statements.* The financial statements (including the related notes thereto) of the Company and its consolidated subsidiaries and PNA Group Holding Corporation (“PNA”) and its consolidated subsidiaries included or incorporated by reference in the Registration Statement, the Pricing Disclosure Package and the Prospectus comply in all material respects with the applicable requirements of the Securities Act and the Exchange Act, as applicable, and present fairly the financial position of the Company and its consolidated subsidiaries and PNA and its consolidated subsidiaries, as the case may be, as of the dates indicated and the results of their operations and the changes in their cash flows for the periods specified; such financial statements have been prepared in conformity with generally accepted accounting principles in the United States applied on a consistent basis throughout the periods

covered thereby, and any supporting schedules included or incorporated by reference in the Registration Statement present fairly the information required to be stated therein; the other financial information included or incorporated by reference in the Registration Statement, the Pricing Disclosure Package and the Prospectus has been derived from the accounting records of the Company and its consolidated subsidiaries and PNA and its consolidated subsidiaries, as the case may be, and presents fairly the information shown thereby; and the pro forma financial information and the related notes thereto included or incorporated by reference in the Registration Statement, the Pricing Disclosure Package and the Prospectus have been prepared in accordance with the applicable requirements of the Securities Act and the Exchange Act, as applicable, and the assumptions underlying such pro forma financial information are reasonable and are set forth in the Registration Statement, the Pricing Disclosure Package and the Prospectus.

(g) *No Material Adverse Change.* Since the date of the most recent financial statements of the Company included or incorporated by reference in the Registration Statement, the Pricing Disclosure Package and the Prospectus, (i) there has not been any material change in the capital stock, short-term debt or long-term debt of the Company or any of its subsidiaries, or any dividend or distribution of any kind declared, set aside for payment, paid or made by the Company on any class of capital stock, or any material adverse change, or any development involving a prospective material adverse change, in or affecting the business, properties, management, financial position or results of operations of the Company and its subsidiaries taken as a whole; (ii) neither the Company nor any of its subsidiaries has entered into any transaction or agreement that is material to the Company and its subsidiaries taken as a whole or incurred any liability or obligation, direct or contingent, that is material to the Company and its subsidiaries taken as a whole; and (iii) neither the Company nor any of its subsidiaries has sustained any material loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor disturbance or dispute or any action, order or decree of any court or arbitrator or governmental or regulatory authority, except in each case as otherwise disclosed in the Registration Statement, the Pricing Disclosure Package and the Prospectus.

(h) *Organization and Good Standing.* The Company and each of its subsidiaries have been duly organized and are validly existing and in good standing under the laws of their respective jurisdictions of organization, are duly qualified to do business and are in good standing in each jurisdiction in which their respective ownership or lease of property or the conduct of their respective businesses requires such qualification, and have the power and authority necessary to own or hold their respective properties and to conduct the businesses in which they are engaged, except where the failure to be so qualified or in good standing or have such power or authority would not, individually or in the aggregate, have a material adverse effect on the business, properties, management, financial position, results of operations of the Company and its subsidiaries taken as a whole or on the performance by the Company of its obligations under this Agreement (a “Material Adverse Effect”). The Company does not own or control, directly or indirectly, any corporation, association or other entity other than the subsidiaries listed on Schedule 2 hereto.

(i) *Capitalization.* The Company has an authorized capitalization as set forth in the Registration Statement, the Pricing Disclosure Package and the Prospectus under the heading “Capitalization”; all the outstanding shares of capital stock of the Company have been duly and validly authorized and issued and are fully paid and non-assessable and are not subject to any pre-emptive or similar rights; except as described in or expressly contemplated by the Pricing Disclosure Package and the Prospectus, there are no outstanding rights (including, without

limitation, pre-emptive rights), warrants or options to acquire, or instruments convertible into or exchangeable for, any shares of capital stock or other equity interest in the Company or any of its subsidiaries, or any contract, commitment, agreement, understanding or arrangement of any kind relating to the issuance of any capital stock of the Company or any such subsidiary, any such convertible or exchangeable securities or any such rights, warrants or options; the capital stock of the Company conforms in all material respects to the description thereof contained in the Registration Statement, the Pricing Disclosure Package and the Prospectus; and all the outstanding shares of capital stock or other equity interests of each subsidiary owned, directly or indirectly, by the Company have been duly and validly authorized and issued, are fully paid and non-assessable (except, in the case of any foreign subsidiary, for directors' qualifying shares and except as otherwise described in the Registration Statement, the Pricing Disclosure Package and the Prospectus,) and are owned directly or indirectly by the Company, free and clear of any lien, charge, encumbrance, security interest, restriction on voting or transfer or any other claim of any third party (except as otherwise described in the Registration Statement, Pricing Disclosure and the Prospectus).

(j) *Due Authorization.* The Company has full right, power and authority to execute and deliver this Agreement and to perform its respective obligations hereunder; and all action required to be taken for the due and proper authorization, execution and delivery by it of this Agreement and the consummation by it of the transactions contemplated hereby has been duly and validly taken.

(k) *Underwriting Agreement.* This Agreement has been duly authorized, executed and delivered by the Company.

(l) *The Shares.* The Shares to be issued and sold by the Company hereunder have been duly authorized and, when issued and delivered and paid for as provided herein, will be duly and validly issued, will be fully paid and nonassessable and will conform to the descriptions thereof in the Registration Statement, the Pricing Disclosure Package and the Prospectus; and the issuance of the Shares is not subject to any preemptive or similar rights.

(m) *No Violation or Default.* Neither the Company nor any of its significant subsidiaries within the meaning of Rule 1-02(w) of Regulation S-X ("Significant Subsidiaries") is (i) in violation of its charter or by-laws or similar organizational documents; (ii) in default, and no event has occurred that, with notice or lapse of time or both, would constitute such a default, in the due performance or observance of any term, covenant or condition contained in any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Company or any of its Significant Subsidiaries is a party or by which the Company or any of its Significant Subsidiaries is bound or to which any of the property or assets of the Company or any of its Significant Subsidiaries is subject; or (iii) in violation of any law or statute or any judgment, order, rule or regulation of any court or arbitrator or governmental or regulatory authority, except, in the case of clauses (ii) and (iii) above, for any such default or violation that would not, individually or in the aggregate, have a Material Adverse Effect.

(n) *No Conflicts.* The execution, delivery and performance by the Company of this Agreement, the issuance and sale of the Shares and the consummation of the transactions contemplated by this Agreement will not (i) conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Company or any of its subsidiaries pursuant to, any indenture, mortgage, deed of trust, loan agreement or other

agreement or instrument to which the Company or any of its subsidiaries is a party or by which the Company or any of its subsidiaries is bound or to which any of the property or assets of the Company or any of its subsidiaries is subject, (ii) result in any violation of the provisions of the charter or by-laws or similar organizational documents of the Company or any of its subsidiaries or (iii) result in the violation of any law or statute or any judgment, order, rule or regulation of any court or arbitrator or governmental or regulatory authority, except, in the case of clauses (i) and (iii) above, for any such conflict, breach, violation or default that would not, individually or in the aggregate, have a Material Adverse Effect.

(o) *No Consents Required.* No consent, approval, authorization, order, registration or qualification of or with any court or arbitrator or governmental or regulatory authority is required for the execution, delivery and performance by the Company of each of this Agreement, to which it is a party, the issuance and sale of the Shares and the consummation of the transactions contemplated by this Agreement, except for the registration of the Shares under the Securities Act and such consents, approvals, authorizations, orders and registrations or qualifications as may be required by the Financial Industry Regulatory Authority, Inc. (“FINRA”) and the New York Stock Exchange and under applicable state securities laws in connection with the purchase and distribution of the Shares by the Underwriters.

(p) *Legal Proceedings.* Except as described in the Registration Statement, the Pricing Disclosure Package and the Prospectus, there are no legal, governmental or regulatory investigations, actions, suits or proceedings pending to which the Company or any of its Significant Subsidiaries is or may be a party or to which any property of the Company or any of its Significant Subsidiaries is or may be the subject that, individually or in the aggregate, if determined adversely to the Company or any of its Significant Subsidiaries, could reasonably be expected to have a Material Adverse Effect; and no such investigations, actions, suits or proceedings have been threatened or, to the knowledge of the Company, contemplated by any governmental or regulatory authority or by others and (i) there are no current or pending legal, governmental or regulatory actions, suits or proceedings that are required under the Securities Act to be described in the Registration Statement, the Pricing Disclosure Package or the Prospectus that are not so described in the Registration Statement, the Pricing Disclosure Package and the Prospectus and (ii) there are no statutes, regulations or contracts or other documents that are required under the Securities Act to be filed as exhibits to the Registration Statement or described in the Registration Statement, the Pricing Disclosure Package or the Prospectus that are not so filed as exhibits to the Registration Statement or described in the Registration Statement, the Pricing Disclosure Package or the Prospectus.

(q) *No Undisclosed Relationships.* No relationship, direct or indirect, exists between or among the Company or any of its subsidiaries, on the one hand, and the directors, officers, stockholders, customers or suppliers of the Company or any of its subsidiaries, on the other, that is required by the Securities Act to be described in the Registration Statement and the Prospectus and that is not so described in such documents and in the Pricing Disclosure Package.

(r) *Independent Accountants.* KPMG, who has reviewed certain financial statements of the Company and its subsidiaries, and Ernst & Young LLP (“E&Y”), whose reports appear or are incorporated by reference in the Registration Statement, is each an independent registered public accounting firm with respect to the Company and its subsidiaries within the applicable rules and regulations adopted by the Commission and the Public Company Accounting Oversight Board (United States) and as required by the Securities Act. PricewaterhouseCoopers (“PwC”), who has certified certain financial statements of PNA and its consolidated subsidiaries, is an

independent registered public accounting firm with respect to PNA and its subsidiaries within the applicable rules and regulations adopted by the Commission and the Public Company Accounting Oversight Board (United States) and as required by the Securities Act.

(s) *Title to Real and Personal Property.* The Company and its Significant Subsidiaries have good and marketable title in fee simple to, or have valid rights to lease or otherwise use, all items of real and personal property that are material to the respective businesses of the Company and its Significant Subsidiaries, in each case free and clear of all liens, encumbrances, claims and defects and imperfections of title except those that (i) do not materially interfere with the use made and proposed to be made of such property by the Company and its Significant Subsidiaries or (ii) could not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect.

(t) *Investment Company Act.* The Company is not and, after giving effect to the offering and sale of the Shares and the application of the proceeds thereof as described in the Registration Statement, the Pricing Disclosure Package and the Prospectus, will not be required to register as an “investment company” or an entity “controlled” by an “investment company” as such term is defined in the Investment Company Act of 1940, as amended, and the rules and regulations of the Commission thereunder (collectively, the “Investment Company Act”).

(u) *No Labor Disputes.* No labor disturbance by or dispute with employees of the Company or any of its Significant Subsidiaries exists or, to the knowledge of the Company, is contemplated or threatened, except as would not have a Material Adverse Effect.

(v) *Compliance with and Liability under Environmental Laws.* (i) Except as described in the Pricing Disclosure Package or the Prospectus, the Company and its Significant Subsidiaries (a) are, in compliance with any and all applicable federal, state, local and foreign laws, rules, regulations, requirements, decisions and orders relating to the protection of human health or safety, the environment and natural resources or to hazardous or toxic substances or wastes, pollutants or contaminants (collectively, “Environmental Laws”), (b) have received and are in compliance with all permits, licenses, certificates or other authorizations or approvals required of them under applicable Environmental Laws to conduct their respective businesses, and (c) have not received notice of any actual or potential liability under or relating to any Environmental Laws, including for the investigation or remediation of any disposal or release of hazardous or toxic substances or wastes, pollutants or contaminants, and the Company has no knowledge of any event or condition that would reasonably be expected to result in any such notice, and (ii) there are no costs or liabilities associated with Environmental Laws of or relating to the Company or its Significant Subsidiaries, except in the case of each of (i) and (ii) above, for any such failure to comply, or failure to receive required permits, licenses or approvals, or cost or liability would not, individually or in the aggregate, have a Material Adverse Effect; and (iii) there are no proceedings that are pending, or that are known to the Company to be contemplated, against the Company or any of its Significant Subsidiaries under any Environmental Laws in which a governmental entity is also a party, other than such proceedings regarding which it is reasonably believed no monetary sanctions of \$1,000,000 or more will be imposed.

(w) *Disclosure Controls.* The Company and its subsidiaries maintain an effective system of “disclosure controls and procedures” (as defined in Rule 13a-15(e) of the Exchange Act) that is designed to ensure that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Commission’s rules and forms, including

controls and procedures designed to ensure that such information is accumulated and communicated to the Company's management as appropriate to allow timely decisions regarding required disclosure. The Company and its subsidiaries have carried out evaluations of the effectiveness of their disclosure controls and procedures as required by Rule 13a-15 of the Exchange Act.

(x) *Accounting Controls.* The Company and its subsidiaries maintain systems of "internal control over financial reporting" (as defined in Rule 13a-15(f) of the Exchange Act) that comply with the requirements of the Exchange Act and have been designed by, or under the supervision of, their respective principal executive and principal financial officers, or persons performing similar functions, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. The Company maintains internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorizations; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain asset accountability; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences. Except as disclosed in the Registration Statement, the Pricing Disclosure Package and the Prospectus, there are no material weaknesses in the Company's internal controls.

(y) *No Restrictions on Subsidiaries.* No subsidiary of the Company is currently prohibited, directly or indirectly, under any agreement or other instrument to which it is a party or is subject, from paying any dividends to the Company, from making any other distribution on such subsidiary's capital stock, from repaying to the Company any loans or advances to such subsidiary from the Company or from transferring any of such subsidiary's properties or assets to the Company or any other subsidiary of the Company.

(z) *No Broker's Fees.* Neither the Company nor any of its subsidiaries is a party to any contract, agreement or understanding with any person (other than this Agreement) that would give rise to a valid claim against the Company or any of its subsidiaries or any Underwriter for a brokerage commission, finder's fee or like payment in connection with the offering and sale of the Shares.

(aa) *No Registration Rights.* Except as disclosed in the Registration Statement, the Pricing Disclosure Package and the Prospectus and as will be waived on or prior to the Closing Date, no person has the right to require the Company or any of its subsidiaries to register any securities for sale under the Securities Act by reason of the filing of the Registration Statement with the Commission or the issuance and sale of the Shares.

(bb) *No Stabilization.* The Company has not taken, directly or indirectly, any action designed to or that could reasonably be expected to cause or result in any stabilization or manipulation of the price of the Shares.

(cc) *Margin Rules.* The application of the proceeds received by the Company from the issuance, sale and delivery of the Shares as described in the Registration Statement, the Pricing Disclosure Package and the Prospectus will not violate Regulation T, U or X of the Board of Governors of the Federal Reserve System or any other regulation of such Board of Governors.

(dd) *Status under the Securities Act.* At the time of filing the Registration Statement and any post-effective amendment thereto, at the earliest time thereafter that the Company or any offering participant made a *bona fide* offer (within the meaning of Rule 164(h)(2) under the Securities Act) of the Shares and at the date hereof, the Company was not and is not an “ineligible issuer,” and is a well known seasoned issuer, in each case as defined in Rule 405 under the Securities Act. The Company has paid the registration fee for this offering pursuant to Rule 456(b)(1) under the Securities Act or will pay such fee within the time period required by such rule (without giving effect to the proviso therein) and in any event prior to the Closing Date.

4. Further Agreements of the Company. The Company covenants and agrees with each Underwriter that:

(a) *Required Filings.* The Company will file the final Prospectus with the Commission within the time periods specified by Rule 424(b) and Rule 430A, 430B or 430C under the Securities Act, will file any Issuer Free Writing Prospectus to the extent required by Rule 433 under the Securities Act; will file promptly all reports and any definitive proxy or information statements required to be filed by the Company with the Commission pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act subsequent to the date of the Prospectus and for so long as the delivery of a prospectus is required in connection with the offering or sale of the Shares; and will furnish copies of the Prospectus and each Issuer Free Writing Prospectus (to the extent not previously delivered) to the Underwriters in New York City prior to 10:00 A.M., New York City time, on the business day next succeeding the date of this Agreement in such quantities as the Representatives may reasonably request. The Company will pay the registration fee for this offering within the time period required by Rule 456(b)(1) under the Securities Act (without giving effect to the proviso therein) and in any event prior to the Closing Date.

(b) *Delivery of Copies.* The Company will deliver, without charge, (i) to the Representatives, three signed copies of the Registration Statement as originally filed and each amendment thereto, in each case including all exhibits and consents filed therewith; and (ii) during the Prospectus Delivery Period (as defined below), as many copies of the Prospectus (including all amendments and supplements thereto and each Issuer Free Writing Prospectus) as the Representatives may reasonably request. As used herein, the term “Prospectus Delivery Period” means such period of time after the first date of the public offering of the Shares as in the opinion of counsel for the Underwriters a prospectus relating to the Shares is required by law to be delivered (or required to be delivered but for Rule 172 under the Securities Act) in connection with sales of the Shares by any Underwriter or dealer, but no longer than nine months from the date hereof.

(c) *Amendments or Supplements, Issuer Free Writing Prospectuses.* Before preparing, using, authorizing, approving, referring to or filing any Issuer Free Writing Prospectus, and before filing any amendment or supplement to the Registration Statement or the Prospectus, whether before or after the time that the Registration Statement becomes effective, the Company will furnish to the Representatives and counsel for the Underwriters a copy of the proposed Issuer Free Writing Prospectus, amendment or supplement for review and will not prepare, use, authorize, approve, refer to or file any such Issuer Free Writing Prospectus or file any such proposed amendment or supplement to which the Representatives reasonably objects.

(d) *Notice to the Representatives.* The Company will advise the Representatives promptly, and confirm such advice in writing, (i) when the Registration Statement has become

effective; (ii) when any amendment to the Registration Statement has been filed or becomes effective; (iii) when any supplement to the Prospectus or any Issuer Free Writing Prospectus or any amendment to the Prospectus has been filed; (iv) of any request by the Commission for any amendment to the Registration Statement or any amendment or supplement to the Prospectus or the receipt of any comments from the Commission relating to the Registration Statement or any other request by the Commission for any additional information; (v) of the issuance by the Commission of any order suspending the effectiveness of the Registration Statement or preventing or suspending the use of any Preliminary Prospectus, any of the Pricing Disclosure Package or the Prospectus or the initiation or threatening of any proceeding for that purpose or pursuant to Section 8A of the Securities Act; (vi) of the occurrence of any event within the Prospectus Delivery Period as a result of which the Prospectus, the Pricing Disclosure Package or any Issuer Free Writing Prospectus as then amended or supplemented would include any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing when the Prospectus, the Pricing Disclosure Package or any such Issuer Free Writing Prospectus is delivered to a purchaser, not misleading; (vii) of the receipt by the Company of any notice of objection of the Commission to the use of the Registration Statement or any post-effective amendment thereto pursuant to Rule 401(g)(2) under the Securities Act; and (viii) of the receipt by the Company of any notice with respect to any suspension of the qualification of the Shares for offer and sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose; and the Company will use its reasonable best efforts to prevent the issuance of any such order suspending the effectiveness of the Registration Statement, preventing or suspending the use of any Preliminary Prospectus, any of the Pricing Disclosure Package or the Prospectus or suspending any such qualification of the Shares and, if any such order is issued, will use their reasonable efforts to obtain as soon as possible the withdrawal thereof.

(e) *Ongoing Compliance.* (1) If during the Prospectus Delivery Period (i) any event shall occur or condition shall exist as a result of which the Prospectus as then amended or supplemented would include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances existing when the Prospectus is delivered to a purchaser, not misleading or (ii) it is necessary to amend or supplement the Prospectus to comply with law, the Company will immediately notify the Underwriters thereof and forthwith prepare and, subject to paragraph (c) above, file with the Commission and furnish to the Underwriters and to such dealers as the Representatives may designate such amendments or supplements to the Prospectus as may be necessary so that the statements in the Prospectus as so amended or supplemented will not, in the light of the circumstances existing when the Prospectus is delivered to a purchaser, be misleading or so that the Prospectus will comply with law and (2) if at any time prior to the Closing Date (i) any event shall occur or condition shall exist as a result of which the Pricing Disclosure Package as then amended or supplemented would include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances existing when the Pricing Disclosure Package is delivered to a purchaser, not misleading or (ii) it is necessary to amend or supplement the Pricing Disclosure Package to comply with law, the Company will immediately notify the Underwriters thereof and forthwith prepare and, subject to paragraph (c) above, file with the Commission (to the extent required) and furnish to the Underwriters and to such dealers as the Representatives may designate such amendments or supplements to the Pricing Disclosure Package as may be necessary so that the statements in the Pricing Disclosure Package as so amended or supplemented will not, in the light of the circumstances existing when the Pricing Disclosure Package is delivered to a purchaser, be misleading or so that the Pricing Disclosure Package will comply with law.

(f) *Blue Sky Compliance.* The Company will qualify the Shares for offer and sale under the securities or Blue Sky laws of such jurisdictions as the Representatives shall reasonably request and will continue such qualifications in effect so long as required for distribution of the Shares; provided that the Company shall not be required to (i) qualify as a foreign corporation or other entity or as a dealer in securities in any such jurisdiction where it would not otherwise be required to so qualify, (ii) file any general consent to service of process in any such jurisdiction or (iii) subject itself to taxation in any such jurisdiction if it is not otherwise so subject.

(g) *Earning Statement.* The Company will make generally available to its security holders and the Representatives as soon as practicable an earning statement that satisfies the provisions of Section 11(a) of the Securities Act and Rule 158 of the Commission promulgated thereunder covering a period of at least twelve months beginning with the first fiscal quarter of the Company occurring after the “effective date” (as defined in Rule 158) of the Registration Statement.

(h) *Clear Market.* For a period of 90 days after the date of the Prospectus, the Company will not (i) offer, pledge, announce the intention to sell, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase or otherwise transfer or dispose of, directly or indirectly, any shares of Stock or any securities convertible into or exercisable or exchangeable for Stock or (ii) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of the Stock, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Stock or such other securities, in cash or otherwise, without the prior written consent of the Representatives, other than (a) the Shares to be sold hereunder, (b) any shares of Stock of the Company issued upon the exercise of options granted under Company Stock Plans and (c) the entry into by the Company of any agreement or the announcement by the Company of any intention to merge with or acquire the capital stock or assets of a third party using shares of Stock, securities convertible into or exercisable or exchangeable for Stock, or options, rights or warrants to purchase shares of Stock or securities convertible into or exercisable or exchangeable for Stock as full or partial consideration for such merger or acquisition having an aggregate value (based on the product of the number of shares to be issued or that are issuable in such transaction and the closing stock price on the date prior to announcement of such transaction), measured at the time of announcement of \$250.0 million or less.

(i) *Use of Proceeds.* The Company will apply the net proceeds from the sale of the Shares as described in the Registration Statement, the Pricing Disclosure Package and the Prospectus under the heading “Use of Proceeds”.

(j) *No Stabilization.* The Company will not take, directly or indirectly, any action designed to or that could reasonably be expected to cause or result in any stabilization or manipulation of the price of the Stock.

(k) *Exchange Listing.* The Company will use its reasonable best efforts to list, subject to notice of issuance, the Shares on the New York Stock Exchange (the “Exchange”).

(l) *Reports.* So long as the Shares are outstanding, the Company will furnish to the Representatives, as soon as they are available, copies of all reports or other communications (financial or other) furnished to holders of the Shares, and copies of any reports and financial statements furnished to or filed with the Commission or any national securities exchange or automatic quotation system; provided the Company will be deemed to have furnished such

reports and financial statements to the Representatives to the extent they are filed on the Commission's Electronic Data Gathering, Analysis, and Retrieval system.

(m) *Record Retention*. The Company will, pursuant to reasonable procedures developed in good faith, retain copies of each Issuer Free Writing Prospectus that is not filed with the Commission in accordance with Rule 433 under the Securities Act.

5. Certain Agreements of the Underwriters. Each Underwriter hereby represents and agrees that:

(a) It has not used or authorized use of, and will not use, authorize use of, refer to or participate in the planning for use of, any "free writing prospectus", as defined in Rule 405 under the Securities Act (which term includes use of any written information furnished to the Commission by the Company and not incorporated by reference into the Registration Statement and any press release issued by the Company) other than (i) a free writing prospectus that contains no "issuer information" (as defined in Rule 433(h)(2) under the Securities Act) that was not included (including through incorporation by reference) in the Preliminary Prospectus or a previously filed Issuer Free Writing Prospectus, (ii) any Issuer Free Writing Prospectus listed on Annex B or prepared pursuant to Section 3(c) or Section 4(c) above (including any electronic road show), or (iii) any free writing prospectus prepared by such Underwriter and approved by the Company in advance in writing (each such free writing prospectus referred to in clauses (i) or (iii), an "Underwriter Free Writing Prospectus").

(b) It has not used or authorized use of, and will not use, without the prior written consent of the Company, any free writing prospectus that contains the final terms of the Shares unless such terms have previously been included in a free writing prospectus filed with the Commission; *provided* that Underwriters may use a term sheet substantially in the form of Annex C hereto without the consent of the Company; *provided further* that any Underwriter using such term sheet shall notify the Company, and provide a copy of such term sheet to the Company, prior to, or substantially concurrently with, the first use of such term sheet.

6. Conditions of Underwriters' Obligations. The obligation of each Underwriter to purchase the Underwritten Shares on the Closing Date or the Option Shares on the Additional Closing Date, as the case may be, as provided herein is subject to the performance by the Company of its covenants and other obligations hereunder and to the following additional conditions:

(a) *Registration Compliance; No Stop Order*. No order suspending the effectiveness of the Registration Statement shall be in effect, and no proceeding for such purpose, pursuant to Rule 401(g)(2) or pursuant to Section 8A under the Securities Act shall be pending before or threatened by the Commission; the Prospectus and each Issuer Free Writing Prospectus shall have been timely filed with the Commission under the Securities Act (in the case of an Issuer Free Writing Prospectus, to the extent required by Rule 433 under the Securities Act) and in accordance with Section 4(a) hereof; and all requests by the Commission for additional information shall have been complied with.

(b) *Representations and Warranties*. The representations and warranties of the Company contained herein shall be true and correct on the date hereof and on and as of the Closing Date or the Additional Closing Date, as the case may be; and the statements of the Company and its officers made in any certificates delivered pursuant to this Agreement shall be true and correct on and as of the Closing Date or the Additional Closing Date, as the case may be.

(c) *No Downgrade.* Subsequent to the execution and delivery of this Agreement, (i) no downgrading shall have occurred in the rating accorded any such debt securities or preferred stock of, or guaranteed by, the Company or any of its subsidiaries by any “nationally recognized statistical rating organization,” as such term is defined by the Commission for purposes of Rule 436(g)(2) under the Securities Act, and (ii) no such organization shall have publicly announced that it has under surveillance or review, or has changed its outlook with respect to, its rating of any such debt securities or preferred stock (other than an announcement with positive implications of a possible upgrading).

(d) *No Material Adverse Change.* No event or condition of a type described in Section 3(g) hereof shall have occurred or shall exist, which event or condition is not described in the Pricing Disclosure Package (excluding any amendment or supplement thereto) and the Prospectus (excluding any amendment or supplement thereto) and the effect of which in the judgment of the Representatives make it impracticable or inadvisable to proceed with the offering, sale or delivery of the Shares on the Closing Date or the Additional Closing Date, as the case may be, on the terms and in the manner contemplated by this Agreement, the Pricing Disclosure Package and the Prospectus.

(e) *Officers' Certificate.* The Representatives shall have received on and as of the Closing Date or the Additional Closing Date, as the case may be, a certificate of one executive officer of the Company and one additional executive officer of the Company who has specific knowledge of the Company's financial matters and who are reasonably satisfactory to the Representatives (i) confirming that such officers have carefully reviewed the Registration Statement, the Pricing Disclosure Package and the Prospectus and, to the knowledge of such officers, the representations set forth in Sections 3(b) and 3(d) hereof are true and correct, (ii) confirming that the other representations and warranties of the Company in this Agreement are true and correct and that the Company has complied with all agreements and satisfied all conditions on its part to be performed or satisfied hereunder at or prior to the Closing Date or the Additional Closing Date, as the case may be, and (iii) to the effect set forth in paragraphs (a), (c) and (d) above.

(f) *Comfort Letters.* On the date of this Agreement and on the Closing Date or the Additional Closing Date, as the case may be, KPMG, E&Y and PricewaterhouseCoopers LLC shall have furnished to the Representatives, at the request of the Company, letters, dated the respective dates of delivery thereof and addressed to the Underwriters, in form and substance reasonably satisfactory to the Representatives, containing statements and information of the type customarily included in accountants' "comfort letters" to underwriters with respect to the financial statements and certain financial information contained or incorporated by reference in the Registration Statement, the Pricing Disclosure Package and the Prospectus; provided, that the letter delivered on the Closing Date or the Additional Closing Date, as the case may be, shall use a "cut-off" date no more than three business days prior to such Closing Date or such Additional Closing Date, as the case may be.

(g) *Opinion and 10b-5 Statement of Counsel for the Company.* Davis Polk & Wardwell, special counsel for the Company, shall have furnished to the Representatives, at the request of the Company, their written opinion and 10b-5 statement, dated the Closing Date or the Additional Closing Date, as the case may be, and addressed to the Underwriters, in form and substance reasonably satisfactory to the Representatives, to the effect set forth in Annex A hereto.

(h) *Opinion and 10b-5 Statement of Counsel for the Underwriters.* The Representatives shall have received on and as of the Closing Date or the Additional Closing Date, as the case may be, an opinion and 10b-5 statement of Simpson Thacher & Bartlett LLP, counsel for the Underwriters, with respect to such matters as the Representatives may reasonably request, and such counsel shall have received such documents and information as they may reasonably request to enable them to pass upon such matters.

(i) *No Legal Impediment to Issuance.* No action shall have been taken and no statute, rule, regulation or order shall have been enacted, adopted or issued by any federal, state or foreign governmental or regulatory authority that would, as of the Closing Date or the Additional Closing Date, as the case may be, prevent the issuance or sale of the Shares; and no injunction or order of any federal, state or foreign court shall have been issued that would, as of the Closing Date or the Additional Closing Date, as the case may be, prevent the issuance or sale of the Shares.

(j) *Good Standing.* The Representatives shall have received on the Closing Date or the Additional Closing Date, as the case may be, reasonably satisfactory evidence of the good standing of the Company and its Significant Subsidiaries in their respective jurisdictions of organization and their good standing as foreign entities in such other jurisdictions in the United States as the Representatives may reasonably request, in each case in writing or any standard form of telecommunication from the appropriate governmental authorities of such jurisdictions.

(k) *Exchange Listing.* The Shares to be delivered on the Closing Date or Additional Closing Date, as the case may be, shall have been approved for listing on the New York Stock Exchange, subject to official notice of issuance.

(l) *Lock-up Agreements.* The “lock-up” agreements, each substantially in the form of Exhibit A hereto, between you, and the executive officers and directors of the Company and the trustee of the Florence Neilan Trust relating to sales and certain other dispositions of shares of Stock or certain other securities, delivered to you on or before the date hereof, shall be in full force and effect on the Closing Date or Additional Closing Date, as the case may be, except as specifically provided therein.

(m) *Additional Documents.* On or prior to the Closing Date or the Additional Closing Date, as the case may be, the Company shall have furnished to the Representatives such further certificates and documents as the Representatives may reasonably request.

All opinions, letters, certificates and evidence mentioned above or elsewhere in this Agreement shall be deemed to be in compliance with the provisions hereof only if they are in form and substance reasonably satisfactory to counsel for the Underwriters.

7. Indemnification and Contribution.

(a) *Indemnification of the Underwriters.* The Company agrees to indemnify and hold harmless each Underwriter, its affiliates, directors and officers and each person, if any, who controls such Underwriter within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, from and against any and all losses, claims, damages and liabilities (including, without limitation, reasonable and documented legal fees and other expenses incurred in connection with any suit, action or proceeding or any claim asserted, as such fees and expenses are incurred), joint or several, that arise out of, or are based upon, (i) any untrue statement or alleged untrue statement of a material fact contained in

the Registration Statement or caused by any omission or alleged omission to state therein a material fact necessary in order to make the statements therein, not misleading, (ii) or any untrue statement or alleged untrue statement of a material fact contained in the Prospectus (or any amendment or supplement thereto), any Issuer Free Writing Prospectus, any “issuer information” filed or required to be filed pursuant to Rule 433(d) under the Securities Act or any Pricing Disclosure Package (including any Pricing Disclosure Package that has subsequently been amended), or caused by any omission or alleged omission to state therein a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, in each case except insofar as such losses, claims, damages or liabilities arise out of, or are based upon, any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with any information relating to any Underwriter furnished to the Company in writing by such Underwriter through the Representatives expressly for use therein, it being understood and agreed that the only such information furnished by any Underwriter consists of the information described as such in subsection (b) below.

(b) *Indemnification of the Company.* Each Underwriter agrees, severally and not jointly, to indemnify and hold harmless the Company, its affiliates, its directors, its officers who signed the Registration Statement and each person, if any, who controls the Company within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act to the same extent as the indemnity set forth in paragraph (a) above, but only with respect to any losses, claims, damages or liabilities that arise out of, or are based upon, any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with any information relating to such Underwriter furnished to the Company in writing by such Underwriter through the Representatives expressly for use in the Registration Statement, the Prospectus (or any amendment or supplement thereto), any Issuer Free Writing Prospectus or any Pricing Disclosure Package, it being understood and agreed that the only such information furnished by any Underwriter consists of the information in the Prospectus furnished on behalf of each Underwriter contained in the third, seventh, twelfth, thirteenth and fourteenth paragraphs under the caption “Underwriting”.

(c) *Notice and Procedures.* If any suit, action, proceeding (including any governmental or regulatory investigation), claim or demand shall be brought or asserted against any person in respect of which indemnification may be sought pursuant to either paragraph (a) or (b) above, such person (the “Indemnified Person”) shall promptly notify the person against whom such indemnification may be sought (the “Indemnifying Person”) in writing; provided that the failure to notify the Indemnifying Person shall not relieve it from any liability that it may have under paragraph (a) or (b) above except to the extent that it has been materially prejudiced (through the forfeiture of substantive rights or defenses) by such failure; and provided, further, that the failure to notify the Indemnifying Person shall not relieve it from any liability that it may have to an Indemnified Person otherwise than under paragraph (a) or (b) above. If any such proceeding shall be brought or asserted against an Indemnified Person and it shall have notified the Indemnifying Person thereof, the Indemnifying Person shall retain counsel reasonably satisfactory to the Indemnified Person (who shall not, without the consent of the Indemnified Person, be counsel to the Indemnifying Person) to represent the Indemnified Person and any others entitled to indemnification pursuant to this Section 7 that the Indemnifying Person may designate in such proceeding and shall pay the fees and expenses of such proceeding and shall pay the reasonable and documented fees and expenses of such counsel related to such proceeding, as incurred. In any such proceeding, any Indemnified Person shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such Indemnified Person unless (i) the Indemnifying Person and the Indemnified Person shall have mutually agreed to the contrary; (ii) the Indemnifying Person has failed within a reasonable time to retain counsel reasonably satisfactory to the Indemnified Person; (iii) the Indemnified Person shall have reasonably concluded that there may be legal defenses available to it that are different from or in addition to those available to the Indemnifying Person; or (iv) the named parties in any such proceeding (including

any impleaded parties) include both the Indemnifying Person and the Indemnified Person and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. It is understood and agreed that the Indemnifying Person shall not, in connection with any proceeding or related proceedings in the same jurisdiction, be liable for the fees and expenses of more than one separate firm (in addition to any local counsel) for all Indemnified Persons, and that all such fees and expenses shall be reimbursed as they are incurred. Any such separate firm for any Underwriter, its affiliates, directors and officers and any control persons of such Underwriter shall be designated in writing by the Representatives, and any such separate firm for the Company, its affiliates, its directors, its officers who signed the Registration Statement and any control persons of the Company shall be designated in writing by the Company. The Indemnifying Person shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent or if there be a final judgment for the plaintiff, the Indemnifying Person agrees to indemnify each Indemnified Person from and against any loss or liability by reason of such settlement or judgment. No Indemnifying Person shall, without the written consent of the Indemnified Person, effect any settlement of any pending or threatened proceeding in respect of which any Indemnified Person is or could have been a party and indemnification could have been sought hereunder by such Indemnified Person, unless such settlement (x) includes an unconditional release of such Indemnified Person, in form and substance reasonably satisfactory to such Indemnified Person, from all liability on claims that are the subject matter of such proceeding and (y) does not include any statement as to or any admission of fault, culpability or a failure to act by or on behalf of any Indemnified Person.

(d) *Contribution.* If the indemnification provided for in paragraphs (a) and (b) above is unavailable to an Indemnified Person or insufficient in respect of any losses, claims, damages or liabilities referred to therein, then each Indemnifying Person under such paragraph, in lieu of indemnifying such Indemnified Person thereunder, shall contribute to the amount paid or payable by such Indemnified Person as a result of such losses, claims, damages or liabilities (i) in such proportion as is appropriate to reflect the relative benefits received by the Company, on the one hand, and the Underwriters on the other, from the offering of the Shares or (ii) if the allocation provided by clause (i) is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) but also the relative fault of the Company, on the one hand, and the Underwriters on the other, in connection with the statements or omissions that resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative benefits received by the Company, on the one hand, and the Underwriters on the other, shall be deemed to be in the same respective proportions as the net proceeds (before deducting expenses) received by the Company from the sale of the Shares and the total underwriting discounts and commissions received by the Underwriters in connection therewith, in each case as set forth in the table on the cover of the Prospectus, bear to the aggregate offering price of the Shares. The relative fault of the Company, on the one hand, and the Underwriters on the other, shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or by the Underwriters and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

(e) *Limitation on Liability.* The Company and the Underwriters agree that it would not be just and equitable if contribution pursuant to this Section 7 were determined by pro rata allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation that does not take account of the equitable considerations referred to in paragraph (d) above. The amount paid or payable by an Indemnified Person as a result of the losses, claims, damages and liabilities referred to in paragraph (d) above shall be deemed to include, subject to the limitations set forth above, any reasonable and documented legal or other expenses incurred by such Indemnified Person in connection with any such action or claim. Notwithstanding the provisions of this Section 7, in no event shall an Underwriter be

required to contribute any amount in excess of the amount by which the total underwriting discounts and commissions received by such Underwriter with respect to the offering of the Shares exceeds the amount of any damages that such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Underwriters' obligations to contribute pursuant to this Section 7 are several in proportion to their respective purchase obligations hereunder and not joint.

(f) *Non-Exclusive Remedies.* The remedies provided for in this Section 7 are not exclusive and shall not limit any rights or remedies which may otherwise be available to any Indemnified Person at law or in equity.

8. Termination. This Agreement may be terminated in the absolute discretion of the Representatives, by notice to the Company, if after the execution and delivery of this Agreement and prior to the Closing Date or, in the case of the Option Shares, prior to the Additional Closing Date (i) trading generally shall have been suspended or materially limited on or by any of the New York Stock Exchange, the American Stock Exchange, the Nasdaq Stock Market, the Chicago Board Options Exchange, the Chicago Mercantile Exchange or the Chicago Board of Trade; (ii) trading of the Company's common stock shall have been suspended on the New York Stock Exchange; (iii) a general moratorium on commercial banking activities shall have been declared by federal or New York State authorities; or (iv) there shall have occurred any outbreak or escalation of hostilities or any change in financial markets or any calamity or crisis, either within or outside the United States, that, in the judgment of the Representatives, is material and adverse and makes it impracticable or inadvisable to proceed with the offering, sale or delivery of the Shares on the Closing Date or the Additional Closing Date, as the case may be, on the terms and in the manner contemplated by this Agreement, the Pricing Disclosure Package and the Prospectus.

9. Defaulting Underwriter.

(a) If, on the Closing Date or the Additional Closing Date, as the case may be, any Underwriter defaults on its obligation to purchase the Shares that it has agreed to purchase hereunder the non-defaulting Underwriters may in their discretion arrange for the purchase of such Shares by other persons satisfactory to the Company on the terms contained in this Agreement. If, within 36 hours after any such default by any Underwriter, the non-defaulting Underwriters do not arrange for the purchase of such Shares, then the Company shall be entitled to a further period of 36 hours within which to procure other persons satisfactory to the non-defaulting Underwriters to purchase such Shares on such terms. If other persons become obligated or agree to purchase the Shares of a defaulting Underwriter, either the non-defaulting Underwriters or the Company may postpone the Closing Date or the Additional Closing Date, as the case may be, for up to five full business days in order to effect any changes that in the opinion of counsel for the Company or counsel for the Underwriters may be necessary in the Registration Statement and the Prospectus or in any other document or arrangement, and the Company agrees to promptly prepare any amendment or supplement to the Registration Statement and the Prospectus that effects any such changes. As used in this Agreement, the term "Underwriter" includes, for all purposes of this Agreement unless the context otherwise requires, any person not listed in Schedule 1 hereto that, pursuant to this Section 9, purchases Shares that a defaulting Underwriter agreed but failed to purchase.

(b) If, after giving effect to any arrangements for the purchase of the Shares of a defaulting Underwriter or Underwriters by the non-defaulting Underwriters and the Company as provided in paragraph (a) above, the aggregate number of Shares that remain unpurchased on the Closing Date or the

Additional Closing Date, as the case may be, does not exceed one-eleventh of the aggregate number of Shares to be purchased on such date, then the Company shall have the right to require each non-defaulting Underwriter to purchase the number of Shares that such Underwriter agreed to purchase hereunder on such date plus such Underwriter's pro rata share (based on the number of Shares that such Underwriter agreed to purchase on such date) of the Shares of such defaulting Underwriter or Underwriters for which such arrangements have not been made.

(c) If, after giving effect to any arrangements for the purchase of the Shares of a defaulting Underwriter or Underwriters by the non-defaulting Underwriters and the Company as provided in paragraph (a) above, the aggregate number of Shares that remain unpurchased on the Closing Date or the Additional Closing Date, as the case may be, exceeds one-eleventh of the aggregate amount of Shares to be purchased on such date, or if the Company shall not exercise the right described in paragraph (b) above, then this Agreement or, with respect to any Additional Closing Date, the obligation of the Underwriters to purchase Shares on the Additional Closing Date shall terminate without liability on the part of the non-defaulting Underwriters. Any termination of this Agreement pursuant to this Section 9 shall be without liability on the part of the Company, except that the Company will continue to be liable for the payment of expenses as set forth in Section 10 hereof and except that the provisions of Section 7 hereof shall not terminate and shall remain in effect.

(d) Nothing contained herein shall relieve a defaulting Underwriter of any liability it may have to the Company or any non-defaulting Underwriter for damages caused by its default.

10. Payment of Expenses.

(a) Whether or not the transactions contemplated by this Agreement are consummated or this Agreement is terminated, the Company will pay or cause to be paid all costs and expenses incident to the performance of its obligations hereunder, including without limitation, (i) the costs incident to the authorization, issuance, sale, preparation and delivery of the Shares and any taxes payable in that connection; (ii) the costs incident to the preparation, printing and filing under the Securities Act of the Registration Statement, the Preliminary Prospectus, any Issuer Free Writing Prospectus, any Pricing Disclosure Package and the Prospectus (including all exhibits, amendments and supplements thereto) and the distribution thereof; (iii) the costs of reproducing and distributing each of this Agreement and the "lock-up" agreements; (iv) the fees and expenses of the Company's counsel and independent accountants; (v) the fees and expenses incurred in connection with the registration or qualification and determination of eligibility for investment of the Shares under the laws of such jurisdictions as the Representatives may designate and the preparation, printing and distribution of a Blue Sky Memorandum (including the related fees and expenses of counsel for the Underwriters; provided that such fees shall not exceed \$10,000); (vi) the cost of preparing stock certificates; (vii) the costs and charges of any transfer agent and any registrar; (viii) all expenses and application fees incurred in connection with any filing with, and clearance of the offering by, FINRA; (ix) all expenses incurred by the Company in connection with any "road show" presentation to potential investors and (x) all expenses and application fees related to the listing of the Shares on the Exchange.

(b) If (i) this Agreement is terminated pursuant to Section 8(ii), (ii) the Company for any reason fails to tender the Shares for delivery to the Underwriters or (iii) the Underwriters decline to purchase the Shares for any other reason permitted under this Agreement, the Company agrees to reimburse the Underwriters for all reasonable and documented out-of-pocket costs and expenses (including the reasonable and documented fees and expenses of their counsel) reasonably incurred by the Underwriters in connection with this Agreement and the offering contemplated hereby.

11. Persons Entitled to Benefit of Agreement. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and the officers and directors and any controlling persons referred to in Section 7 hereof. Nothing in this Agreement is intended or shall be construed to give any other person any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision contained herein. No purchaser of Shares from any Underwriter shall be deemed to be a successor merely by reason of such purchase.

12. Survival. The respective indemnities, rights of contribution, representations, warranties and agreements of the Company and the Underwriters contained in this Agreement or made by or on behalf of the Company or the Underwriters pursuant to this Agreement or any certificate delivered pursuant hereto shall survive the delivery of and payment for the Shares and shall remain in full force and effect, regardless of any termination of this Agreement or any investigation made by or on behalf of the Company or the Underwriters.

13. Certain Defined Terms. For purposes of this Agreement, (a) except where otherwise expressly provided, the term “affiliate” has the meaning set forth in Rule 405 under the Securities Act; (b) the term “business day” means any day other than a day on which banks are permitted or required to be closed in New York City; (c) the term “subsidiary” has the meaning set forth in Rule 405 under the Securities Act ; and (d) the term “significant subsidiary” has the meaning set forth in Rule 1-02 of Regulation S-X under the Exchange Act.

14. Miscellaneous.

(a) *Authority of the Representatives*. Any action by the Underwriters hereunder may be taken by the Representatives on behalf of the Underwriters, and any such action taken by the Representatives shall be binding upon the Underwriters.

(b) *Notices*. All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given if mailed or transmitted and confirmed by any standard form of telecommunication. Notices to the Underwriters shall be given to J.P. Morgan Securities Inc., 277 Park Avenue, New York, New York 10172 (fax: (212) 622-8358); Attention Equity Syndicate Desk; UBS Securities LLC, 299 Park Avenue, Floor 32, New York, NY 10171 (fax: (212) 713-3460); Attention Equity Capital Markets Syndication Desk; Banc of America Securities LLC, One Bryant Park, New York 10036 (fax: (646) 855-5021) Attention Equity Syndicate Desk. Notices to the Company shall be given to it at 350 South Grand Avenue, Suite 5100, Los Angeles, California 90071, (fax: (213) 687-8792); Attention: General Counsel.

(c) *Governing Law*. This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

(d) *Counterparts*. This Agreement may be signed in counterparts (which may include counterparts delivered by any standard form of telecommunication), each of which shall be an original and all of which together shall constitute one and the same instrument.

(e) *Amendments or Waivers*. No amendment or waiver of any provision of this Agreement, nor any consent or approval to any departure therefrom, shall in any event be effective unless the same shall be in writing and signed by the parties hereto.

(f) *Headings*. The headings herein are included for convenience of reference only and are not intended to be part of, or to affect the meaning or interpretation of, this Agreement.

If the foregoing is in accordance with your understanding, please indicate your acceptance of this Agreement by signing in the space provided below.

Very truly yours,

RELIANCE STEEL & ALUMINUM CO.

By: _____

Name:

Title:

Accepted: ____, 2008

For themselves and on behalf of the
several Underwriters listed
in Schedule 1 hereto.

J.P. MORGAN SECURITIES INC.

By: _____
Authorized Signatory

UBS SECURITIES LLC

By: _____
Authorized Signatory

By: _____
Authorized Signatory

BANC OF AMERICA SECURITIES LLC

By: _____
Authorized Signatory

Underwriter	Number of Underwritten Shares
J.P. Morgan Securities Inc.	
UBS Securities LLC	
Banc of America Securities LLC	
Citigroup Global Markets Inc.	
KeyBanc Capital Markets Inc.	
Wachovia Capital Markets, Inc.	
Wells Fargo Securities, LLC	
Total	<hr/> <hr/>

LIST OF SUBSIDIARIES

Allegheny Steel Distributors, Inc., a Pennsylvania corporation
 Aluminum and Stainless, Inc., a Louisiana corporation
 American Metals Corporation, a California corporation
 American Steel, L.L.C., an Oregon limited liability company
 AMI Metals, Inc., a Tennessee corporation
 AMI Metals Europe SPRL, a Belgian corporation
 CCC Steel, Inc., a Delaware corporation
 Chapel Steel Corp., a Pennsylvania corporation
 Chatham Steel Corporation, a Georgia corporation
 Clayton Metals, Inc., an Illinois corporation
 Crest Steel Corporation, a California corporation
 Dynamic Metals International LLC, a Connecticut limited liability company
 Durrett Sheppard Steel Co., Inc., a California corporation
 Earle M. Jorgensen Company, a Delaware corporation
 Earle M. Jorgensen (Canada) Inc., a corporation formed under the laws of Ontario, Canada
 Encore Group Limited, a corporation formed under the laws of Alberta, Canada
 Encore Metals (USA) Inc., a Washington corporation
 Everest Metals (Suzhou) Co., Ltd., a corporation formed under the laws of the Peoples Republic of China
 Liebovich Bros., Inc., an Illinois corporation
 LBT, Inc., an Illinois corporation
 Lusk Metals, a California corporation
 Metalweb Limited, a corporation formed under the laws of the United Kingdom
 Pacific Metal Company, an Oregon corporation
 PDM Steel Service Centers, Inc., a California corporation
 Phoenix Corporation, a Georgia corporation
 Precision Strip, Inc., an Ohio corporation
 Precision Strip Transport, Inc., an Ohio corporation
 Precision Strip Mexico Holdings, Inc., an Ohio corporation
 Precision Strip de Mexico, S. de R.L. de C.V., a Nuevo Leon, Mexico corporation
 Reliance Pan Pacific Pte., Ltd., a Singapore corporation
 RSAC Management Corp., a California corporation
 Service Steel Aerospace Corp., a Delaware corporation
 Siskin Steel & Supply Company, Inc., a Tennessee corporation
 Team Tube Canada ULC, a corporation formed under the laws of Alberta, Canada
 Toma Metals, Inc., a Pennsylvania corporation
 Valex Corp., a California corporation
 Valex Korea Co., Ltd., a corporation formed under the laws of the Republic of South Korea
 Valex Holdings Limited, a corporation formed under the laws of Hong Kong
 Valex China Co., Ltd., a corporation formed under the laws of the Peoples Republic of China
 Viking Materials, Inc., a Minnesota corporation
 Yarde Metals Inc., a Connecticut corporation

OPINION OF DAVIS POLK & WARDWELL

July 17, 2008

Reliance Steel & Aluminum Co.
350 South Grand Avenue, Suite 5100
Los Angeles, CA 90071

Ladies and Gentlemen:

We have acted as counsel for Reliance Steel & Aluminum Co., a California corporation (the "Company"), in connection with the Registration Statement on Form S-3 (the "Registration Statement") filed by the Company with the Securities and Exchange Commission pursuant to the Securities Act of 1933, as amended (the "Securities Act"), for the registration of the sale of shares of common stock, no par value (the "Common Stock") of the Company;

We, as your counsel, have examined originals or copies, certified or otherwise identified to our satisfaction, of such documents, corporate records, certificates of public officials and other instruments as we have deemed necessary or advisable for the purpose of rendering this opinion.

Based upon the foregoing, we are of the opinion that:

When the necessary corporate action on the part of the Company has been taken to authorize the issuance and sale of such shares of Common Stock proposed to be sold by the Company, and when such shares of Common Stock are issued and delivered in accordance with the applicable underwriting agreement against payment therefor, for the consideration approved by the Board of Directors, such shares of Common Stock will be validly issued, fully-paid and non-assessable.

We are members of the Bars of the States of New York and California and the foregoing opinion is limited to the laws of the State of California.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement referred to above and further consent to the reference to our name under the caption "Legal Matters" in the prospectus, which is a part of the Registration Statement. In giving this consent, we do not admit that we are in the category of persons whose consent is required under Section 7 of the Securities Act.

This opinion is rendered solely to you in connection with the above matter. This opinion may not be relied upon by you for any other purpose or relied upon by or furnished to any other person without our prior written consent.

Very truly yours,

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the reference to our firm under the caption “Experts” in the Registration Statement (Form S-3) and related Prospectus of Reliance Steel & Aluminum Co. dated July 17, 2008, for the registration of shares of its common stock and to the incorporation by reference therein of our reports dated February 28, 2008, with respect to the consolidated financial statements and schedule of Reliance Steel & Aluminum Co., and the effectiveness of internal control over financial reporting of Reliance Steel & Aluminum Co., included in its Annual Report (Form 10-K) for the year ended December 31, 2007, filed with the Securities and Exchange Commission.

/s/ ERNST & YOUNG LLP

Los Angeles, California
July 16, 2008

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statement on Form S-3 of Reliance Steel & Aluminium Co. of our report dated May 23, 2008, relating to the consolidated financial statements of PNA Group Holding Corporation (Successor) and our report dated April 23, 2007, relating to the consolidated financial statements of PNA Group, Inc. (Predecessor), which appear in the Current Report on Form 8-K of Reliance Steel & Aluminium Co. dated July 17, 2008. We also consent to the reference to us under the heading "Experts" in such Registration Statement.

/s/ PRICEWATERHOUSECOOPERS LLP

Atlanta, Georgia
July 16, 2008