UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2012

OR

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

For the transition period from ______________________ to ______________________ .

Commission file number: 001-13122

RELIANCE STEEL & ALUMINUM CO.

(Exact name of registrant as specified in its charter)

California	**95-1142616**
(State or other jurisdiction of	(I.R.S. Employer
incorporation or organization)	Identification No.)

350 South Grand Avenue, Suite 5100

Los Angeles, California 90071

(213) 687-7700

(Address of principal executive offices and telephone number)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes þ No ¨

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes þ No ¨

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:

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ¨ No þ

As of October 26, 2012, 75,557,448 shares of the registrant s common stock, no par value, were outstanding.

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PART I -- FINANCIAL INFORMATION

RELIANCE STEEL & ALUMINUM CO.

UNAUDITED CONSOLIDATED BALANCE SHEETS

(in millions, except share amounts)

	September 30, 2012	December 31, 2011*
ASSETS		
Current assets:		
Cash and cash equivalents	$ 120.6	$ 84.6
Accounts receivable, less allowance for doubtful accounts of $23.5 at September 30, 2012 and $22.2 at December 31, 2011	978.5	896.2
Inventories	1,382.5	1,212.8
Prepaid expenses and other current assets	31.6	47.8
Income taxes receivable	33.3	—
Deferred income taxes	33.7	33.3
Total current assets	2,580.2	2,274.7
Property, plant and equipment:		
Land	148.3	145.8
Buildings	677.5	656.8
Machinery and equipment	1,097.0	982.9
Accumulated depreciation	(748.1)	(680.0)
	1,174.7	1,105.5
Goodwill	1,281.2	1,244.3
Intangible assets, net	909.9	895.9
Cash surrender value of life insurance policies, net	37.9	41.9
Investments in unconsolidated entities	16.8	16.2
Other assets	29.7	27.4
Total assets	$ 6,030.4	$ 5,605.9
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	$ 381.9	$ 335.2
Accrued expenses	84.1	54.0
Accrued compensation and retirement costs	103.9	111.0
Accrued insurance costs	41.2	42.1
Current maturities of long-term debt and short-term borrowings	88.8	12.2
Income taxes payable	—	21.9
Total current liabilities	699.9	576.4
Long-term debt	1,278.8	1,319.0
Long-term retirement costs	88.7	88.6
Other long-term liabilities	27.3	30.1
Deferred income taxes	450.2	439.8
Commitments and contingencies		
Equity:		
Preferred stock, no par value:		
Authorized shares 5,000,000		
None issued or outstanding	—	—
Common stock, no par value:		
Authorized shares 200,000,000		
	694.9	657.1

Issued and outstanding shares 75,540,898 at September 30, 2012 and 75,007,694 at December 31, 2011, stated capital				
Retained earnings		2,776.5		2,495.6
Accumulated other comprehensive income (loss)		3.7		(8.8)
Total Reliance shareholders equity		3,475.1		3,143.9
Noncontrolling interests		10.4		8.1
Total equity		3,485.5		3,152.0
Total liabilities and equity	$	6,030.4	$	5,605.9

* Amounts were derived from audited financial statements.

See accompanying notes to unaudited consolidated financial statements.

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RELIANCE STEEL & ALUMINUM CO.

UNAUDITED CONSOLIDATED STATEMENTS OF INCOME

(in millions, except per share amounts)

	Three Months Ended September 30, 2012	Three Months Ended September 30, 2011	Nine Months Ended September 30, 2012	Nine Months Ended September 30, 2011
Net sales	$ 2,055.3	$ 2,138.6	$ 6,553.3	$ 6,100.8
Costs and expenses:				
Cost of sales (exclusive of depreciation and amortization shown below)	1,520.0	1,644.7	4,870.8	4,589.8
Warehouse, delivery, selling, general and administrative	345.4	319.6	1,049.8	951.8
Depreciation and amortization	37.3	34.2	109.3	98.7
	1,902.7	1,998.5	6,029.9	5,640.3
Operating income	152.6	140.1	523.4	460.5
Other income (expense):				
Interest	(14.7)	(15.0)	(44.2)	(45.1)
Other income (expense), net	5.9	(6.5)	8.9	(2.2)
Income before income taxes	143.8	118.6	488.1	413.2
Income tax provision	44.4	32.3	160.6	133.1
Net income	99.4	86.3	327.5	280.1
Less: Net income attributable to noncontrolling interests	1.3	1.4	4.4	4.2
Net income attributable to Reliance	$ 98.1	$ 84.9	$ 323.1	$ 275.9
Earnings per share:				
Diluted earnings per common share attributable to Reliance shareholders	$ 1.30	$ 1.13	$ 4.28	$ 3.68
Basic earnings per common share attributable to Reliance shareholders	$ 1.30	$ 1.13	$ 4.30	$ 3.69
Cash dividends per share	$ 0.25	$ 0.12	$ 0.55	$ 0.36

See accompanying notes to unaudited consolidated financial statements.

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RELIANCE STEEL & ALUMINUM CO.

UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(in millions)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2012	**2011**	**2012**	**2011**
Net income	$ 99.4	$ 86.3	$ 327.5	$ 280.1
Other comprehensive income (loss):				
Foreign currency translation gain (loss)	13.9	(19.8)	12.3	(13.4)
Unrealized gain (loss) on investments, net of tax	0.2	(0.3)	0.2	(0.2)
Total other comprehensive income (loss)	14.1	(20.1)	12.5	(13.6)
Comprehensive income	113.5	66.2	340.0	266.5
Less: Comprehensive income attributable to noncontrolling interests	1.3	1.4	4.4	4.2
Comprehensive income attributable to Reliance	$ 112.2	$ 64.8	$ 335.6	$ 262.3

See accompanying notes to unaudited consolidated financial statements.

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RELIANCE STEEL & ALUMINUM CO.

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

(in millions)

	Nine Months Ended September 30, 2012	Nine Months Ended September 30, 2011
Operating activities:		
Net income	$ 327.5	$ 280.1
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization expense	109.3	98.7
Deferred income tax benefit	(2.8)	(3.8)
Gain on sales of property, plant and equipment	(3.1)	(2.6)
Equity in earnings of unconsolidated entities	(1.6)	(1.6)
Dividends received from unconsolidated entities	1.0	2.5
Share-based compensation expense	17.2	16.4
Tax deficit from share-based compensation		0.2
Net loss from life insurance policies and other investments	2.1	3.8
Changes in operating assets and liabilities (excluding effects of businesses acquired):		
Accounts receivable	(60.6)	(270.7)
Inventories	(136.9)	(294.6)
Prepaid expenses and other assets	(16.3)	29.3
Accounts payable and other liabilities	33.0	159.6
Net cash provided by operating activities	268.8	17.3
Investing activities:		
Purchases of property, plant and equipment	(137.4)	(112.7)
Acquisitions of metals service centers, net of cash acquired	(83.0)	(306.5)
Proceeds from sales of property, plant and equipment	6.7	9.1
Net investment in marketable securities	(1.1)	—
Net investment in life insurance policies	(1.8)	—
Net proceeds from redemptions of life insurance policies	2.8	3.6
Net cash used in investing activities	(213.8)	(406.5)
Financing activities:		
Net short-term debt repayments	(28.1)	(102.8)
Proceeds from long-term debt borrowings	531.0	913.0
Principal payments on long-term debt	(497.9)	(379.5)
Debt issuance costs		(7.3)
Payments to noncontrolling interest holders	(2.1)	(2.6)
Dividends paid	(41.3)	(26.9)
Tax deficit from share-based compensation		(0.2)
Exercise of stock options	20.6	9.6
Net cash (used in) provided by financing activities	(17.8)	403.3
Effect of exchange rate changes on cash	(1.2)	4.1
Increase in cash and cash equivalents	36.0	18.2
Cash and cash equivalents at beginning of year	84.6	72.9
Cash and cash equivalents at end of period	$ 120.6	$ 91.1
Supplemental cash flow information:		
Interest paid during the period	$ 35.6	$ 33.8
Income taxes paid during the period	$ 218.6	$ 111.5
Non-cash investing and financing activities:		
Debt assumed in connection with acquisitions of metals service centers	$ 29.5	$ 104.8

See accompanying notes to unaudited consolidated financial statements.

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NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2012

1. Basis of Presentation

Principles of Consolidation

The accompanying unaudited consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles for interim financial information and with the instructions of Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by U.S. generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments, consisting only of normal recurring adjustments necessary for a fair presentation with respect to the interim financial statements, have been included. The results of operations for the nine months ended September 30, 2012 are not necessarily indicative of the results for the full year ending December 31, 2012. For further information, refer to the consolidated financial statements and footnotes thereto for the year ended December 31, 2011, included in Reliance Steel & Aluminum Co. s (We , Reliance or the Company) Annual Report on Form 10-K.

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

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

2. Impact of Recently Issued Accounting Guidance

Accounting Guidance Recently Adopted

On January 1, 2012, we adopted changes issued by the Financial Accounting Standards Board (FASB), which require companies to present the total of comprehensive income, the components of net income, and the components of other comprehensive income either in a single continuous statement of comprehensive income, or in two separate but consecutive statements. We elected to adopt the two-statement option. The new guidance eliminated the option to present the components of other comprehensive income as part of the statement of equity. Other than the change in presentation, the adoption of these changes had no material impact on our consolidated financial statements. The new guidance also required entities to present reclassification adjustments from accumulated other comprehensive income by component in both the statement in which net income is presented and the statement in which other comprehensive income is presented. However, in December 2011, the FASB issued guidance, which indefinitely defers the guidance related to the presentation of reclassification adjustments.

On January 1, 2012, we adopted changes issued by the FASB to provide a consistent definition of fair value and to ensure that the fair value measurement and disclosure requirements are similar between U.S. generally accepted accounting principles and International Financial Reporting Standards. The new guidance changed certain fair value measurement principles and enhanced the disclosure requirements particularly for Level 3 fair value measurements. The adoption of these changes did not have a material impact on our consolidated financial statements.

Impact of Recently Issued Accounting Standard Not Yet Adopted

In July 2012, the FASB issued updated guidance on the periodic testing of indefinite-lived intangible assets for impairment. This guidance will allow companies to assess qualitative factors to determine if it is more-likely-than-not that indefinite-lived intangible assets might be impaired and whether it is necessary to perform a quantitative impairment test. This new guidance is effective for us beginning January 1, 2013, with early adoption permitted. We will adopt this standard and apply the provisions to our annual indefinite-lived intangible asset impairment testing in the 2012 fourth quarter. We do not expect the adoption will have a material effect on our consolidated financial statements.

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RELIANCE STEEL & ALUMINUM CO.

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2012

3. Acquisitions

2012 Acquisitions

On July 6, 2012, we acquired substantially all of the assets of Airport Metals (Australia) Pty Ltd, a subsidiary of Samuel Son & Co., Limited, through our newly-formed subsidiary Bralco Metals (Australia) Pty Ltd. Airport Metals (Australia), based in Melbourne, operates as a stocking distributor of aircraft materials and supplies. The addition of Airport Metals is our first entry into Australia and enhances our ability to service important aerospace customers in that area.

Effective April, 27, 2012, through our wholly-owned subsidiary Precision Strip, Inc., we acquired the assets of the Worthington Steel Vonore, Tennessee plant, a processing facility owned by Worthington Industries, Inc. The Vonore plant operates as a Precision Strip, Inc. location which processes and delivers carbon steel, aluminum and stainless steel products on a toll basis, processing the metal for a fee without taking ownership of the metal. The addition of the Vonore location to our existing footprint of facilities allows us to better service our customer base in an important geographic area of the country.

Effective April 3, 2012, we acquired all the outstanding limited liability company interests of National Specialty Alloys, LLC (NSA), a global specialty alloy processor and distributor of premium stainless steel and nickel alloy bars and shapes, headquartered in Houston, Texas. In addition to enhancing our existing product offerings with the addition of specialty stainless steel and nickel products, NSA also expands and complements our growing exposure to the energy market. NSA was founded in 1985 and has additional locations in Anaheim, California; Buford, Georgia and Tulsa, Oklahoma. Net sales of NSA during the period from April 3, 2012 through September 30, 2012 were approximately $47.4 million.

Effective February 1, 2012, through our wholly-owned subsidiary Diamond Manufacturing Company, we acquired McKey Perforating Co., Inc. (McKey), headquartered in New Berlin, Wisconsin and its subsidiary, McKey Perforated Products Co., Inc., located in Manchester, Tennessee. McKey was founded in 1867 and provides a full range of metal perforating and fabrication services to customers located primarily in the U.S. McKey will be working closely with Diamond Manufacturing Company to leverage their combined expertise in the perforated metal market and further expand our presence within that market. McKey had net sales of $14.5 million for the eight months ended September 30, 2012.

The combined transaction value of our 2012 acquisitions was $112.6 million, which included the assumption and repayment of $29.5 million of debt. We funded these acquisitions with borrowings on our revolving credit facility.

2011 Acquisition

Effective August 1, 2011, we acquired all the outstanding capital securities of Continental Alloys & Services, Inc. (Continental), headquartered in Houston, Texas, and certain affiliated companies for a combined transaction value of approximately $440.8 million, which included the assumption and repayment of $104.7 million of debt. We funded this acquisition with borrowings on our revolving credit facility. Continental is a leading global materials management company focused on high-end steel and alloy pipe, tube and bar products and precision manufacturing of various tools designed for well completion programs of global energy service companies and has 12 locations in seven countries including Canada, Malaysia, Mexico, Singapore, the U.A.E., the United Kingdom, and the United States. This acquisition aligns well with our diversification strategy by increasing our growing exposure to the energy market, including the addition of Oil Country Tubular Goods (OCTG) products, new processing capabilities, and entry into new international markets. Continental and its affiliates had combined net sales of approximately $337.0 million for the nine months ended September 30, 2012.

Purchase Price Allocations

The purchase price allocations for the 2012 acquisitions are preliminary and are pending the completion of tangible and intangible asset valuations and various pre- and post-acquisition period income tax returns.

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NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2012

4. Goodwill

The change in the carrying amount of goodwill for the nine months ended September 30, 2012 is as follows:

	(in millions)
Balance as of December 31, 2011	$ 1,244.3
Acquisitions	33.5
Effect of foreign currency translation	3.4
Balance as of September 30, 2012	$ 1,281.2

We had no accumulated impairment losses related to goodwill as of September 30, 2012.

5. Intangible Assets, net

The following table summarizes our intangible assets, net:

	September 30, 2012		December 31, 2011	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
	(in millions)			
Intangible assets subject to amortization:				
Covenants not to compete	$ 7.7	$ (7.0)	$ 7.3	$ (6.9)
Loan fees	31.2	(19.6)	31.2	(17.6)
Customer lists/relationships	503.0	(143.2)	477.7	(114.2)
Software internal use	8.1	(5.3)	8.1	(4.7)
Other	6.7	(2.6)	6.6	(2.2)
	556.7	(177.7)	530.9	(145.6)
Intangible assets not subject to amortization:				
Trade names	530.9		510.6	
	$ 1,087.6	$ (177.7)	$ 1,041.5	$ (145.6)

Intangible assets recorded in connection with 2012 acquisitions were $41.0 million (see Note 3). We recognized amortization expense for intangible assets of $31.6 million and $25.9 million for the nine months ended September 30, 2012 and 2011, respectively. Other changes in intangible assets, net during the nine months ended September 30, 2012 are due to foreign currency translation gains of $4.6 million.

The following is a summary of estimated aggregated amortization expense for the remaining three months of 2012 and each of the succeeding five years:

	(in millions)
2012	$ 10.7
2013	42.9
2014	40.9
2015	39.3
2016	37.6
2017	32.2

6. Income Taxes

Our effective income tax rates for the three-month periods ended September 30, 2012 and 2011 were 30.9% and 27.2%, respectively. Our effective income tax rates for the nine-month periods ended September 30, 2012 and 2011 were 32.9% and 32.2%, respectively. Permanent items that lowered our effective income tax rates from the federal statutory rate were not materially different in amounts during these periods and relate mainly to company-owned life insurance policies, domestic production activities deductions and foreign income levels that are taxed at lower rates. The increase in the 2012 three-month period effective income tax rate compared to the same period in 2011 is primarily attributable to changes in our blended state income tax rate based on shifts in our income, as well as settlement of various tax matters that had a favorable impact on our 2011 three-month period effective income tax rate.

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NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

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7. Debt

Debt consists of the following:

	September 30, 2012	December 31, 2011
	(in millions)	
Unsecured revolving credit facility due July 26, 2016	$ 680.0	$ 645.0
Senior unsecured notes due July 2, 2013	75.0	75.0
Senior unsecured notes due November 15, 2016	350.0	350.0
Senior unsecured notes due November 15, 2036	250.0	250.0
Other notes and revolving credit facilities	14.1	12.8
Total	1,369.1	1,332.8
Less: unamortized discount	(1.5)	(1.6)
Less: amounts due within one year and short-term borrowings	(88.8)	(12.2)
Total long-term debt	$ 1,278.8	$ 1,319.0

Unsecured Revolving Credit Facility

On July 26, 2011, we amended and restated the existing syndicated credit agreement to increase the borrowing limit from $1.1 billion to $1.5 billion, and to extend the maturity date of the credit facility for a five-year term to July 26, 2016. The amended and restated revolving credit facility has 26 banks as lenders. Interest on borrowings from the amended and restated revolving credit facility is at variable rates based on LIBOR plus 1.50% or the bank prime rate plus 0.50% as of September 30, 2012. The amended and restated revolving credit facility includes a commitment fee on the unused portion, at an annual rate of 0.25% as of September 30, 2012. The applicable margin over LIBOR rate and base rate borrowings, along with commitment fees, are subject to adjustment every quarter based on our leverage ratio, as defined.

Weighted average rates on borrowings outstanding on the revolving credit facility were 1.72% and 1.78% as of September 30, 2012 and December 31, 2011, respectively. As of September 30, 2012, we had $32.4 million of letters of credit outstanding under the revolving credit facility with availability to issue an additional $217.6 million of letters of credit.

Revolving Credit Facilities   Foreign Operations

Various other separate revolving credit facilities with a combined credit limit of approximately $20.8 million are in place for operations in Asia and Europe with combined outstanding balances of $13.5 million and $11.8 million as of September 30, 2012 and December 31, 2011, respectively.

Senior Unsecured Notes Private Placements

We have $75.0 million of outstanding senior unsecured notes issued in private placements of debt as of September 30, 2012. The outstanding senior notes bear interest at a fixed rate of 5.35% and mature in July 2013.

Senior Unsecured Notes Publicly Traded

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

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NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2012

Covenants

The amended and restated revolving credit facility and the senior unsecured note agreements collectively require us to maintain a minimum net worth and interest coverage ratio and a maximum leverage ratio and include a change of control provision, among other things. Our interest coverage ratio for the twelve-month period ended September 30, 2012 was approximately 10.8 times compared to the debt covenant minimum requirement of 3.0 times (interest coverage ratio is calculated as net income attributable to Reliance plus interest expense and provision for income taxes and plus or minus any non-operating non-recurring loss or gain, respectively, divided by interest expense). Our leverage ratio as of September 30, 2012 calculated in accordance with the terms of the revolving credit facility was 28.7% compared to the financial covenant maximum amount of 60% (leverage ratio is calculated as total debt, inclusive of capital lease obligations and outstanding letters of credit, divided by Reliance shareholders equity plus total debt). The minimum net worth requirement as of September 30, 2012 was $1.09 billion compared to Reliance shareholders equity balance of $3.48 billion as of September 30, 2012.

Additionally, all of our wholly-owned domestic subsidiaries, which constitute the substantial majority of our subsidiaries, guarantee the borrowings under the revolving credit facility, the Indenture and the private placement notes. The subsidiary guarantors, together with Reliance, are required collectively to account for at least 80% of our consolidated EBITDA and 80% of consolidated tangible assets. Reliance and the subsidiary guarantors accounted for approximately 88% of our total consolidated EBITDA for the last twelve months and approximately 89% of total consolidated tangible assets as of September 30, 2012.

We were in compliance with all debt covenants as of September 30, 2012.

8. Equity

Common Stock

During the nine months ended September 30, 2012, we issued 516,362 shares of common stock in connection with the exercise of stock options for total proceeds of approximately $20.6 million.

On May 16, 2012, our shareholders approved an amendment to our Restated Articles of Incorporation to increase the number of authorized shares of common stock from 100,000,000 to 200,000,000.

Share-Based Compensation

On May 16, 2012, pursuant to the May 2011 Directors Equity Plan, which has been approved by the shareholders, 16,842 shares of restricted stock were automatically granted to the non-employee members of the Board of Directors. The awards include dividend rights and vest immediately upon grant. The recipients are restricted from trading the restricted stock for one year from date of grant. The fair value of the restricted stock granted was $49.87 per share, determined based on the closing price of our common stock on the grant date.

On March 16, 2012, we granted 391,050 restricted stock units (RSUs) to key employees pursuant to the Amended and Restated Stock Option and Restricted Stock Plan. Each RSU has a service condition and cliff vests at December 31, 2014 and consists of the right to receive one share of our common stock and dividend equivalent rights, subject to forfeiture, equal to the accrued cash or stock dividends where the record date for such dividends is after the grant date but before the shares vest. In addition to the service criteria, 138,700 of the 391,050 RSUs also have performance goals and vest only upon the satisfaction of the service and performance criteria. The fair value of the restricted stock units granted was $57.42 per share, determined based on the closing price of our common stock on the grant date.

Share Repurchase Program

As of September 30, 2012, 7,883,033 shares of common stock remain authorized for repurchase under our stock repurchase program. No shares were repurchased in 2012 or 2011. Repurchased shares are redeemed and treated as authorized but unissued shares.

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RELIANCE STEEL & ALUMINUM CO.

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2012

Accumulated Other Comprehensive Income (Loss)

Accumulated other comprehensive income (loss) included the following:

	September 30, 2012	December 31, 2011
	(in millions)	
Foreign currency translation gain	$ 22.7	$ 10.4
Unrealized loss on investments, net of tax	(0.2)	(0.4)
Minimum pension liability, net of tax	(18.8)	(18.8)
Total accumulated other comprehensive income (loss)	$ 3.7	$ (8.8)

Foreign currency translation adjustments are not generally adjusted for income taxes as they relate to indefinite investments in foreign subsidiaries. Unrealized loss on investments and minimum pension liability are net of taxes of $0.1 million and $11.5 million, respectively, as of September 30, 2012 and December 31, 2011.

9. Commitments and Contingencies

We are currently involved with certain environmental remediation projects related to activities at former manufacturing operations of our wholly-owned subsidiary Earle M. Jorgensen Company (EMJ) that were sold many years prior to our acquisition of EMJ in 2006. Although the potential cleanup costs could be significant, EMJ had insurance policies in place at the time they owned the manufacturing operations that are expected to cover the majority of the related costs. We do not expect that these obligations will have a material adverse impact on our financial position, results of operations or cash flows.

10. Earnings Per Share

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

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

	Three Months Ended September 30, 2012	Three Months Ended September 30, 2011	Nine Months Ended September 30, 2012	Nine Months Ended September 30, 2011
	(in millions, except share and per share amounts)			
Numerator:				
Net income attributable to Reliance	$ 98.1	$ 84.9	$ 323.1	$ 275.9
Denominator:				
Denominator for basic earnings per share:				
Weighted average shares	75,242,031	74,826,968	75,084,481	74,740,921
Effect of dilutive securities:				
Stock options, restricted stock and RSUs	468,009	136,159	465,422	305,768
Denominator for diluted earnings per share:				
Adjusted weighted average shares and assumed conversions	75,710,040	74,963,127	75,549,903	75,046,689
Net income per share attributable to Reliance shareholders diluted	$ 1.30	$ 1.13	$ 4.28	$ 3.68