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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

(Mark One)

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

For the fiscal year ended December 31, 2011

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 No. 333-169372

RYERSON HOLDING CORPORATION

(Exact name of registrant as specified in its charter)

DELAWARE	**26-1251524**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

227 W. Monroe, 27th Floor

Chicago, Illinois 60606

(Address of principal executive offices)

(312) 292-5000

(Registrant s telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

None

Securities registered pursuant to Section 12(g) of the Act:

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ¨ No x

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes x No ¨

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x No ¨

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K(§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant s knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. x

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	¨	Accelerated filer	¨
Non-accelerated filer	x	Smaller reporting company	¨

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

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the registrant s most recently completed second fiscal quarter.

Not applicable because no public equity market exists for such shares; the aggregate market value of the common stock held by non-affiliates of the Company is not determinable.

Indicate the number of shares outstanding of each of the registrant s classes of common stock, as of the latest practicable date.

As of March 1, 2012, there were 5,000,000 shares of our Common Stock, par value $0.01 per share, outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

None

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report contains forward-looking statements. Such statements can be identified by the use of forward-looking terminology such as believes, expects, may, estimates, will, should, plans or anticipates or the negative thereof or other variations thereon or comparable terminology, or by discussions of strategy. Readers are cautioned that any such forward-looking statements are not guarantees of future performance and may involve significant risks and uncertainties, and that actual results may vary materially from those in the forward-looking statements as a result of various factors. Among the factors that significantly impact the metals distribution industry and our business are:

- cyclicality of our business, due to the cyclical nature of our customers businesses;
- impairment of goodwill that could result from, among other things, volatility in the markets in which we operate;
- global financial and banking crises that affect credit availability;
- remaining competitive and maintaining market share in the highly fragmented metals distribution industry, in which price is a competitive tool and in which customers who purchase commodity products are often able to source metals from a variety of sources;
- managing the costs of purchased metals relative to the price at which we sell our products during periods of rapid price escalation, when we may not be able to pass through pricing increases fully to our customers quickly enough to maintain desirable gross margins, or during periods of generally declining prices, when our customers may demand that price decreases be passed fully on to them more quickly than we are able to obtain similar discounts from our suppliers;
- our substantial indebtedness and the covenants in instruments governing such indebtedness;
- the failure to effectively integrate newly acquired operations;
- regulatory and other operational risks associated with our operations located outside of the United States;
- our customer base, which, unlike many of our competitors, contains a substantial percentage of large customers, so that the potential loss of one or more large customers could negatively impact tonnage sold and our profitability;
- fluctuating operating results depending on seasonality;
- potential damage to our information technology infrastructure;
- work stoppages;

- certain employee retirement benefit plans that are underfunded and the actual costs could exceed current estimates;
- future funding for postretirement employee benefits may require substantial payments from current cash flow;
- prolonged disruption of our processing centers;
- ability to retain and attract management and key personnel;
- ability of management to focus on North American and foreign operations;
- termination of supplier arrangements;
- the incurrence of substantial costs or liabilities to comply with, or as a result of violations of, environmental laws;
- the impact of new or pending litigation against us;
- a risk of product liability claims;
- our risk management strategies may result in losses;
- currency fluctuations in the U.S. dollar versus the Canadian dollar and the Chinese renminbi;
- management of inventory and other costs and expenses; and
- consolidation in the metals producer industry, in which we purchase products, which could limit our ability to effectively negotiate and manage costs of inventory or cause material shortages, both of which could impact profitability.

These forward-looking statements involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. Forward-looking statements should, therefore, be considered in light of various factors, including those set forth in this Annual Report under Risk Factors and the caption Industry and Operating Trends included in Management s Discussion and Analysis of Financial Condition and Results of Operations and elsewhere in this Annual Report. Moreover, we caution you not to place undue reliance on these forward-looking statements, which speak only as of the date they were made. We do not undertake any obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date of this Annual Report or to reflect the occurrence of unanticipated events.

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PART I

ITEM 1. BUSINESS.

Ryerson Holding Corporation (Ryerson Holding), a Delaware corporation, is the parent company of Ryerson Inc. (Ryerson). Ryerson Holding is 99% owned by affiliates of Platinum Equity, LLC (Platinum).

On October 19, 2007, the merger (the Platinum Acquisition) of Rhombus Merger Corporation (Merger Sub), a Delaware corporation and a wholly-owned subsidiary of Ryerson Holding, with and into Ryerson, was consummated in accordance with the Agreement and Plan of Merger, dated July 24, 2007, by and among Ryerson, Ryerson Holding and Merger Sub (the Merger Agreement). Upon the closing of the Platinum Acquisition, Ryerson ceased to be a publicly traded company and became a wholly-owned subsidiary of Ryerson Holding.

Ryerson conducts materials distribution operations in the United States through its wholly-owned direct subsidiary Joseph T. Ryerson & Son, Inc. (JT Ryerson), in Canada through its indirect wholly-owned subsidiary Ryerson Canada, Inc., a Canadian corporation (Ryerson Canada), in China through its indirect wholly-owned subsidiary Ryerson China Limited (Ryerson China) and in Mexico through its indirect wholly-owned subsidiary Ryerson Metals de Mexico, S. de R.L. de C.V., a Mexican corporation (Ryerson Mexico). Unless the context indicates otherwise, Ryerson Holding, Ryerson, JT Ryerson, Ryerson Canada, Ryerson China, and Ryerson Mexico together with their subsidiaries, are collectively referred to herein as Ryerson Holding, we, us, our, or the Company.

In addition to our United States, Canada, China and Mexico operations, we conducted materials distribution operations in India through Tata Ryerson Limited, a joint venture with Tata Iron & Steel Corporation, an integrated steel manufacturer in India, until July 10, 2009, when we sold our 50% investment to our joint venture partner, Tata Steel Limited. On February 17, 2012, we expanded our presence into Brazil by acquiring 50% of the issued and outstanding capital stock of Açofran Aços e Metais Ltda (Açofran), a long products distributor located in São Paulo, Brazil.

Our Company

We believe we are one of the largest processors and distributors of metals in North America measured in terms of sales, with global operations in North America, China and a recently established presence in Brazil. We believe our established and growing presence in China is the largest of any North American metal service center. Our customer base ranges from local, independently owned fabricators and machine shops to large, international original equipment manufacturers. We process and distribute a full line of over 75,000 products in stainless steel, aluminum, carbon steel and alloy steels and a limited line of nickel and red metals in various shapes and forms. More than one-half of the products we sell are processed to meet customer requirements. We use various processing and fabricating techniques to process materials to a specified thickness, length, width, shape and surface quality pursuant to customer orders. For the year ended December 31, 2011, we purchased 2.4 million tons of materials from suppliers throughout the world. For the year ended December 31, 2011, our net sales were $4.7 billion and net loss was $8.8 million.

We currently operate over 100 facilities across North America, seven facilities in China and one in Brazil. Our service centers are strategically located in close proximity to our customers, which allows us to quickly process and deliver our products and services, often within the next day of receiving an order. We own, lease or contract a fleet of tractors and trailers, allowing us to efficiently meet our customers delivery demands. In addition, our scale enables us to maintain low operating costs. Our operating expenses as a percentage of sales for the years ended December 31, 2010 and 2011 were 13.3% and 11.8%, respectively.

We serve more than 40,000 customers across a wide range of manufacturing end markets. We believe the diverse end markets we serve reduce the volatility of our business in the aggregate. Our geographic network and broad range of products and services allow us to serve large, international manufacturing companies across multiple locations.

Industry Overview

Metals service centers serve as key intermediaries between metal producers and end users of metal products. Metal producers offer commodity products and typically sell metals in the form of standard-sized coils, sheets, plates, structurals, bars and tubes. Producers prefer large order quantities, longer lead times and limited inventory in order to maximize capacity utilization. End users of metal products seek to purchase metals with customized specifications, including value-added processing. End market customers look for one-stop suppliers that can offer processing services along with lower order volumes, shorter lead times, and more reliable delivery. As an intermediary, metals service centers aggregate end-users demand, purchase metal in bulk to take advantage of economies of scale and then process and sell metal that meets specific customer requirements. The end-markets for metals service centers are highly diverse and include machinery, manufacturing, construction and transportation.

The metals service center industry is comprised of many companies, the majority of which have limited product lines and inventories, with customers located in a specific geographic area. The industry is highly fragmented, with a large number of small companies and few relatively large companies. In general, competition is based on quality, service, price and geographic proximity.

The metals service center industry typically experiences cash flow trends that are counter-cyclical to the revenue and volume growth of the industry. Companies that participate in the industry have assets that are composed primarily of working capital. During an industry downturn, companies generally reduce working capital investments and generate cash as inventory and accounts receivable balances decline. As a result, operating cash flow and liquidity tend to increase during a downturn, which typically facilitates industry participants ability to cover fixed costs and repay outstanding debt.

The industry is divided into three major groups: general line service centers, specialized service centers, and processing centers, each of which targets different market segments. General line service centers handle a broad line of metals products and tend to concentrate on distribution rather than processing. General line service centers range in size from a single location to a nationwide network of locations. For general line service centers, individual order size in terms of dollars and tons tends to be small relative to processing centers, while the total number of orders is typically high. Specialized service centers focus their activities on a narrower range of product and service offerings than do general line companies. Such service centers provide a narrower range of services to their customers and emphasize product expertise and lower operating costs, while maintaining a moderate level of investment in processing equipment. Processing centers typically process large quantities of metals purchased from primary producers for resale to large industrial customers, such as the automotive industry. Because orders are typically large, operation of a processing center requires a significant investment in processing equipment.

We compete with many other general line service centers, specialized service centers and processing centers on a regional and local basis, some of which may have greater financial resources and flexibility than us. We also compete to a lesser extent with primary metal producers. Primary metal producers typically sell to very large customers that require regular shipments of large volumes of steel. Although these large customers sometimes use metals service centers to supply a portion of their metals needs, metals service center customers typically are consumers of smaller volumes of metals than are customers of primary steel producers. Although we purchase from foreign steelmakers, some of our competitors purchase a higher percentage of metals than us from foreign steelmakers. Such competitors may benefit from favorable exchange rates or other economic or regulatory factors that may result in a competitive advantage. This competitive advantage may be offset somewhat by higher transportation costs and less dependable delivery times associated with importing metals into North America.

Competitive Strengths

Leading Market Position in the United States and Canada.

We believe we are one of the largest service center companies for stainless steel, one of the two largest service centers for aluminum, and one of the leading carbon steel products service center companies based on sales in the combined United States and Canada market. We also believe we are the second largest metals service center in the combined United States and Canada market based on sales. We have a broad geographic presence with over 100 locations in North America.

Our service centers are located near our customer locations, enabling us to provide timely delivery to customers across numerous geographic markets. Additionally, our widespread network of locations in the United States and Canada enables us to exploit our expertise in order to serve customers with complex supply chain requirements across multiple manufacturing locations. Our ability to transfer inventory among our facilities better enables us to more timely and profitably source specialized items at regional locations throughout our network than if we were required to maintain inventory of all products at each location.

Established and Growing Presence in International Markets.

We have leveraged our leadership in the U.S. and Canadian markets to establish operations in China, Mexico and Brazil.

- *China*. We believe we are the most established North American based service center in China, with 2011 sales of $175 million. Our sizable platform positions us favorably in the largest metals market in the world. We believe we are the only major global service center company whose activities in China generate a meaningful portion of revenues relative to overall operations.

Mexico. While we have served the Mexican market through our U.S. facilities for years, we opened our first wholly-owned Mexican location in 2010 in Monterrey and added our second location in 2011 in Tijuana. In addition, we continue to ship into the Mexican market from our strategically located facilities in Texas, California and Arizona.

Brazil. On February 17, 2012, we acquired 50% of the outstanding capital stock of Açofran Aços e Metais Ltda, a long products distributor located in São Paulo.

Diverse Customer Base and End Markets.

We believe that our broad and diverse customer base provides a strong platform for growth in a recovering economy and helps to protect us from regional and industry-specific downturns. We serve more than 40,000 customers across a diverse range of industries, including industrial equipment, industrial fabrication, electrical machinery, transportation equipment, heavy equipment and oil and gas. During the year ended December 31, 2011, no single customer accounted for more than 2% of our sales, and our top 10 customers accounted for less than 11% of sales. We continue to expand our customer base and have added over 4,000 net new customers since December 31, 2009.

Extensive Breadth of Products and Services.

We carry a full range of over 75,000 products, including stainless steel, aluminum, carbon steel and alloy steels and a limited line of nickel and red metals. In addition, we provide a broad range of processing and fabrication services to meet the needs of our customers. We also provide supply chain solutions, including just-in-time delivery and value-added components to many original equipment manufacturers. We believe our broad product mix and marketing approach provides customers with a one-stop shop solution few other service center companies are able to offer.

Experienced Management Team with Deep Industry Knowledge.

Our senior management team has extensive industry and operational experience and has been instrumental in optimizing and implementing our transformation since Platinum s acquisition of Ryerson in 2007. Our senior management has an average of more than 20 years of experience in the metals or service center industries. The senior executive team s extensive experience in international markets and outside the service center industry provides perspective to drive profitable growth. Our CEO, Mr. Michael Arnold, joined the Company in January 2011 and has 33 years of diversified industrial experience. Under Mr. Arnold s leadership, we have increased our focus on growing and enhancing profitability driven by providing customized solutions to diversified industrial customers who value these services.

Broad-Based Product and Geographic Platform Provides Multiple Opportunities for Profitable Growth.

While we expect the service center industry to benefit from improving general economic conditions, several end-markets where we have meaningful exposure (including the heavy and medium truck/transportation, machinery, oil and gas, industrial equipment and appliance sectors) have begun, and we believe will continue, to experience stronger shipment growth compared to overall industrial growth. In addition, although there can be no guarantee of growth, we believe a number of our other strategies, such as improving our product mix, driving value-based pricing and growing our large national network and diverse operating capabilities, will provide us with growth opportunities.

Strong Relationships with Suppliers.

We are among the largest purchasers of metals in North America and have long-term relationships with many of our North American suppliers. We believe we are frequently one of the largest customers of our suppliers and that concentrating our orders among a core group of suppliers is an effective method for obtaining favorable pricing and service. We believe we have the opportunity to further leverage this strength. Metals producers worldwide are consolidating and large, geographically diversified customers, such as Ryerson, are desirable partners for these larger suppliers. Through our knowledge of the global metals marketplace we have developed a global purchasing strategy that allows us to secure favorable prices across our product lines.

Transformed Decentralized Operating Model.

We have transformed our operating model by decentralizing our operations and reducing our cost base. Decentralization has improved our customer service by moving key functions such as procurement, credit and operations support to our regional offices. From October 2007 through the end of 2009, we engaged in a number of cost reductions that included a headcount reduction of approximately 1,700, representing 33% of our workforce, and the closure of 14 redundant or underperforming facilities in North America. We have also focused on process improvements in inventory management. Our inventory days improved from an average of 100 days in 2006 to 74 days in 2011. These organizational and operating changes have improved our operating structure, working capital management and efficiency. As a result of our initiatives, we believe that we have increased our financial flexibility and have a favorable cost structure compared to many of our peers. We continue to seek out opportunities to improve efficiency and reduce costs.

Industry Outlook

We believe that the North American economy has resumed growing, following the recession that began in 2008. According to the Institute for Supply Management, the Purchasing Managers Index (PMI) was 54.1% in January 2012, marking the 30th consecutive month the reading was above 50%, which indicates that the manufacturing economy is generally expanding. The PMI measures the economic health of the manufacturing sector and is a composite index based on five indicators: new orders, inventory levels, production, supplier deliveries and the employment environment. PMI readings can be a good indicator of industrial activity and general economic growth. From May 2009 to January 2012, total metal service center industry purchase orders have increased by 65.2%. Furthermore, the overall U.S. economy is expected to continue to grow as evidenced by *IHS* s forecasted GDP growth rates of 2.1%, 2.3% and 3.3% for 2012, 2013 and 2014, respectively.

According to the Metals Service Center Institute (MSCI), total inventory levels of carbon and stainless steel at U.S. service centers reached a trough in August 2009 and bottomed at the lowest levels since the data series began in 1977. Although industry demand recovered in 2010 and 2011, shipments and inventory are still well below historical averages, which we believe suggests long-term growth potential that may be realized if these metrics return to or exceed their historical averages.

Steel demand in North America is largely dependent on growth of the automotive, industrial equipment, consumer appliance and construction end markets. One of our key end markets is within the industrial equipment sector and according to the latest *Livingston Survey*, published by the *Federal Reserve Bank of Philadelphia*, U.S. industrial production grew by 4.0% in 2011 when compared to 2010 and is expected to grow by 3.1% and 3.2% in 2012 and 2013, respectively.

China continues to be a key driver in the growth of global metals demand. According to *The Economist Intelligence Unit*, China s GDP is projected to grow at 8.2% in 2012 while *CRU* is forecasting Chinese steel consumption growth of 4.9% and 6.3% (hot rolled products) in 2012 and 2013, respectively.

Metals prices have recovered significantly from the trough in 2009 as a result of growing demand and increased raw material costs, even though volumes are still well below historical levels.

Products and Services

We carry a full line of carbon steel, stainless steel, alloy steels and aluminum, and a limited line of nickel and red metals. These materials are inventoried in a number of shapes, including coils, sheets, rounds, hexagons, square and flat bars, plates, structurals and tubing.

The following table shows our percentage of sales by major product lines for 2009, 2010 and 2011:

Product Line	2009	2010	2011
Carbon Steel Flat	28%	29%	27%
Carbon Steel Plate	6	8	11
Carbon Steel Long	8	9	10
Stainless Steel Flat	19	21	18
Stainless Steel Plate	4	4	4
Stainless Steel Long	3	3	4
Aluminum Flat	15	15	15
Aluminum Plate	4	3	3
Aluminum Long	4	4	4
Other	9	4	4
Total	100%	100%	100%

More than one-half of the materials sold by us are processed. We use processing and fabricating techniques such as sawing, slitting, blanking, cutting to length, leveling, flame cutting, laser cutting, edge trimming, edge rolling, polishing and shearing to process materials to specified thickness, length, width, shape and surface quality pursuant to specific customer orders. Among the most common processing techniques used by us are slitting, which involves cutting coiled metals to specified widths along the length of the coil, and leveling, which involves flattening metals and cutting them to exact lengths. We also use third-party fabricators to outsource certain processes that we are not able to perform internally (such as pickling, painting, forming and drilling) to enhance our value-added services.

The plate burning and fabrication processes are particularly important to us. These processes require sophisticated and expensive processing equipment. As a result, rather than making investments in such equipment, manufacturers have increasingly outsourced these processes to metals service centers.

As part of securing customer orders, we also provide services to our customers to assure cost effective material application while maintaining or improving the customers product quality.

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Our services include: just-in-time inventory programs, production of kits containing multiple products for ease of assembly by the customer, consignment arrangements and the placement of our employees at a customer s site for inventory management and production and technical assistance. We also provide special stocking programs in which products that would not otherwise be stocked by us are held in inventory to meet certain customers needs. These services are designed to reduce customers costs by minimizing their investment in inventory and improving their production efficiency.

Customers

Our customer base is diverse, numbering approximately 40,000 and includes most metal-consuming industries, most of which are cyclical. No single customer accounted for more than 2% of our sales for the year ended December 31, 2011, and the top 10 customers accounted for less than 11% of our sales in 2011. Substantially all of our sales are attributable to our U.S. operations and substantially all of our long-lived assets are located in the United States. Our Canadian operations comprised 10% of our sales in each of 2009, 2010 and 2011 and our China operations comprised 4% of our sales in 2009, 2010 and 2011. In addition, our Canadian operations assets comprised 13%, 10% and 10% of consolidated assets at December 31, 2009, 2010 and 2011, respectively and our Chinese operations assets comprised 4%, 5% and 5% of consolidated assets at December 31, 2009, 2010 and 2011, respectively. During 2010, we started operations in Mexico. Our Mexican operations sales and assets were less than 1% of our worldwide sales and assets in 2010 and 2011.

The following table shows the Company s percentage of sales by class of customers for 2009, 2010 and 2011:

	Percentage of Sales		
Class of Customer	**2009**	**2010**	**2011**
Industrial equipment	42%	41%	38%
Industrial fabricators	21	22	23
Transportation equipment	13	12	13
Heavy equipment	8	8	9
Electrical machinery	9	9	8
Oil & gas	3	4	5
Other	4	4	4
Total	100%	100%	100%

Some of our largest customers have procurement programs with us, typically ranging from three months to one year in duration. Pricing for these contracts is generally based on a pricing formula rather than a fixed price for the program duration. However, certain customer contracts are at fixed prices; in order to minimize our financial exposure, we generally match these fixed-price sales programs with fixed-price supply programs. In general, sales to customers are priced at the time of sale based on prevailing market prices. In 2011, we reviewed our categorization of customers by end-market. As a result, the percentages by class of customer in the table above for 2009 and 2010 have been reclassified to conform to the 2011 presentation.

Suppliers

For the year ended December 31, 2011, our top 25 suppliers accounted for approximately 74% of our purchase dollars.

We purchase the majority of our inventories at prevailing market prices from key suppliers with which we have established relationships to obtain improvements in price, quality, delivery and service. We are generally able to meet our materials requirements because we use many suppliers, because there is a substantial overlap of product offerings from these suppliers, and because there are a number of other suppliers able to provide identical or similar products. Because of the competitive nature of the business, when metal prices increase due to product demand, mill surcharges, supplier consolidation or other factors that in turn lead to supply constraints or longer mill lead times, we may not be able to pass our increased material costs fully to customers. In recent years there have been significant consolidations among suppliers of carbon steel, stainless steel, and aluminum. Continued consolidation among suppliers could lead to disruptions in our ability to meet our material requirements as the sources of our products become more concentrated from fewer producers. We believe we will be able to meet our material requirements because we believe that we have good relationships with our suppliers and believe we will continue to be among the largest customers of our suppliers.

Sales and Marketing

We maintain our own sales force. In addition to our office sales staff, we market and sell our products through the use of our field sales force that has extensive product and customer knowledge and through a comprehensive catalog of our products. Our office and field sales staffs, which together consist of approximately 750 employees, include technical and metallurgical personnel.

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A portion of our customers experience seasonal slowdowns. Our sales in the months of July, November and December traditionally have been lower than in other months because of a reduced number of shipping days and holiday or vacation closures for some customers. Consequently, our sales in the first two quarters of the year are usually higher than in the third and fourth quarters.

Capital Expenditures

In recent years we have made capital expenditures to maintain, improve and expand processing capabilities. Additions by us to property, plant and equipment, together with retirements for the five years ended December 31, 2011, excluding the initial purchase price of acquisitions and the initial effect of fully consolidating a joint venture, are set forth below. The net capital change during such period aggregated to an increase of $43.4 million.

	Additions	Retirements or Sales	Net
		(In millions)	
2011	$ 47.0	$ 14.9	$ 32.1
2010	27.0	5.5	21.5
2009	22.8	17.4	5.4
2008	30.1	52.0	(21.9)
2007	60.7	54.4	6.3

We currently anticipate capital expenditures, excluding acquisitions, of up to approximately $55 million for 2012. We expect capital expenditures will be funded from cash generated by operations and available borrowings.

Employees

As of December 31, 2011, we employed approximately 3,600 persons in North America and 400 persons in China. Our North American workforce was comprised of approximately 1,700 office employees and approximately 1,900 plant employees. Thirty-five percent of our plant employees were members of various unions, including the United Steel Workers and the International Brotherhood of Teamsters. Our relationship with the various unions has generally been good.

Nine contracts covering 339 persons were scheduled to expire in 2009. We reached agreement on the renewal of eight contracts covering approximately 258 persons and one contract covering approximately 89 persons was extended. During 2010, the parties to this extended contract covering two Chicago area facilities agreed to sever the bargaining unit between the two facilities and bargaining was concluded for one facility, which covered approximately 59 employees. This new contract expired on December 31, 2011. The other facility s contract, which covered approximately 30 employees, completed negotiations in 2011. Seven contracts covering approximately 85 persons were scheduled to expire in 2010. We reached agreement on the renewal of all seven contracts. Ten contracts covering approximately 312 persons were scheduled to expire in 2011. One of these contracts, which covered 59 employees, was not renewed due to facility closure. Seven of these contracts were successfully negotiated. The two remaining contracts covering 75 employees were extended. The contract extension covering 60 employees has since expired. Six contracts covering approximately 258 employees are scheduled to expire in 2012. We may not be able to negotiate extensions of these agreements or new agreements prior to their expiration date. As a result, we may experience additional labor disruptions in the future. A widespread work stoppage could have a material adverse effect on our results of operations, financial position and cash flows if it were to last for a significant period of time.

Environmental, Health and Safety Matters

Our facilities and operations are subject to many foreign, federal, state and local laws and regulations relating to the protection of the environmental and to health and safety. In particular, our operations are subject to extensive requirements relating to waste disposal, recycling, air and water emissions, the handling of regulated materials, remediation, underground storage tanks, asbestos-containing building materials, workplace exposure and other matters. We believe that our operations are currently in substantial compliance with all such laws and do not presently anticipate substantial expenditures in the foreseeable future in order to meet environmental, workplace health or safety requirements or to pay for any investigations, corrective action or claims. Claims, enforcement actions, or investigations regarding personal injury, property damage or violations of environmental laws 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 facilities.

We continue to analyze and implement safeguards to mitigate any environmental, health and safety risks we may face. As a result, additional costs and liabilities may be incurred to comply with future requirements or to address newly discovered conditions, which costs and liabilities could have a material adverse effect on the results of operations, financial condition or cash flows. For example, there is increasing likelihood that additional regulation of greenhouse gas emissions will occur at the foreign, federal, state and local level, which could affect us, our suppliers and our customers. While the costs of compliance could be significant, given the uncertain outcome and timing of future action by the U.S. federal government and states on this issue, we cannot reasonably predict the financial impact of future greenhouse gas regulations on our operations or our customers at this time. We do not currently anticipate any new programs disproportionately impacting us compared to our competitors.

Some of the properties currently or previously owned or leased by us are located in industrial areas or have a long history of heavy industrial use. We may incur environmental liabilities with respect to these properties in the future including cost of investigations, corrective action, claims for natural resource damages, claims by third parties relating to property damages or claims relating to contamination at sites where we have sent waste for treatment or disposal. Based on currently available information, we do not expect any investigation or remediation matters or claims related to properties presently or formerly owned or operated or to which we have sent waste for treatment or disposal would have a material adverse effect on our financial condition, results of operations or cash flows.

In October 2011, the United States Environmental Protection Agency named us as one of more than 100 businesses that may be a potentially responsible party for the Portland Harbor Superfund Site (Portland Harbor). We do not currently have sufficient information available to us to determine the total cost of any required investigation or remediation of the Portland Harbor site. Management cannot predict the ultimate outcome of this matter or estimate a range of potential loss at this time.

Capital and operating expenses for pollution control projects were less than $500,000 per year for the past five years. Excluding any potential additional remediation costs resulting from any corrective action for the properties described above, we expect spending for pollution control projects to remain at historical levels.

Our United States operations are also subject to the Department of Transportation Federal Motor Carrier Safety Regulations. We operate a private trucking motor fleet for making deliveries to some of our customers. Our drivers do not carry any material quantities of hazardous materials. Our foreign operations are subject to similar regulations. Future regulations could increase maintenance, replacement, and fuel costs for our fleet. These costs could have a material adverse effect on our results of operations, financial condition or cash flows.

Intellectual Property

We own several U.S. and foreign trademarks, service marks and copyrights. Certain of the trademarks are registered with the U.S. Patent and Trademark Office and, in certain circumstances, with the trademark offices of various foreign countries. We consider certain other information owned by us to be trade secrets. We protect our trade secrets by, among other things, entering into confidentiality agreements with our employees regarding such matters and implementing measures to restrict access to sensitive data and computer software source code on a need-to-know basis. We believe that these safeguards adequately protect our proprietary rights and vigorously defend these rights. While we consider all of our intellectual property rights as a whole to be important, we do not consider any single right to be essential to our operations as a whole. Our Floating Rate Senior Secured Notes due November 1, 2014 (2014 Notes) and 12% Senior Secured Notes due November 1, 2015 (2015 Notes) (together, the Ryerson Notes) are secured by our intellectual property.

Foreign Operations

Ryerson Canada

Ryerson Canada, an indirect wholly-owned Canadian subsidiary of Ryerson, is a metals service center and processor. Ryerson Canada has facilities in Calgary (AB), Edmonton (AB), Richmond (BC), Winnipeg (MB), Saint John (NB), Brampton (ON), Sudbury (ON), Toronto (ON) (includes Canadian headquarters), Laval (QC), Vaudreuil (QC) and Saskatoon (SK), Canada.

Ryerson China

In 2006, Ryerson and Van Shung Chong Holdings Limited (VSC) and its subsidiary, CAMP BVI, formed Ryerson China to enable us, through this foreign operation, to provide metals distribution services in China. We invested $28.3 million in Ryerson China for a 40% equity interest. We increased our ownership of Ryerson China from 40% to 80% in the fourth quarter of 2008 for a total purchase cost of $18.5 million. We consolidated the operations of Ryerson China as of October 31, 2008. On July 12, 2010, we acquired VSC s remaining 20% equity interest in Ryerson China for $17.5 million. As a result, Ryerson China is now an indirect wholly-owned subsidiary of Ryerson Holding. Ryerson China is based in Shanghai and operates processing and service centers in Guangzhou, Dongguan, Kunshan and Tianjin.

Ryerson Mexico

Ryerson Mexico, an indirect wholly-owned subsidiary of Ryerson, operates as a metals service center and processor. Ryerson formed Ryerson Mexico in 2010 to expand operations into the Mexican market. Ryerson Mexico has service centers in Monterrey, Mexico and Tijuana, Mexico.

Brazil

On February 17, 2012, we acquired 50% of the issued and outstanding capital stock of Açofran. As of such date, we, through Açofran, lease one service center in São Paulo, Brazil.

Available Information

All periodic and current reports and other filings that we are required to file with the Securities and Exchange Commission (SEC), including our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports filed or furnished pursuant Section 15(d) of the Securities Exchange Act of 1934, as amended, are available free of charge from the SEC s website (http://www.sec.gov) or public reference room at 100 F Street N.E., Washington, D.C. 20549 (1-800-SEC-0330) or through our website at http://www.ryerson.com. Such documents are available as soon as reasonably practicable after electronic filing of the material with the SEC. Copies of these reports (excluding exhibits) may also be obtained free of charge, upon written request to: Legal Department, Ryerson Holding Corporation, 227 W. Monroe, 27th Floor, Chicago, Illinois 60606.

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The Company also posts its Code of Ethics on the website. See *Directors, Executive Officers and Corporate Governance Code of Ethics* for more information regarding our Code of Ethics.

Our website address is included in this report for information purposes only. Our website and the information contained therein or connected thereto are not incorporated into this annual report on Form 10-K.

ITEM 1A. RISK FACTORS.

Our business faces many risks. You should carefully consider the risks and uncertainties described below, together with the other information in this report, including the consolidated financial statements and notes to consolidated financial statements. We cannot assure you that any of the events discussed in the risk factors below will not occur. These risks could have a material and adverse impact on our business, results of operations, financial condition and cash flows.

We service industries that are highly cyclical, and any downturn in our customers industries could reduce our sales and profitability. The economic downturn has reduced demand for our products and may continue to reduce demand until an economic recovery.

Many of our products are sold to industries that experience significant fluctuations in demand based on economic conditions, energy prices, seasonality, consumer demand and other factors beyond our control. These industries include manufacturing, electrical products and transportation. We do not expect the cyclical nature of our industry to change.

The U.S. economy entered an economic recession in December 2007, which spread to many global markets in 2008 and 2009 and affected Ryerson and other metals service centers. Beginning in late 2008 and continuing through 2011, the metals industry, including Ryerson and other service centers, felt additional effects of the global economic crisis and recovery thereto and the impact of the credit market disruption. These events contributed to a rapid decline in both demand for our products and pricing levels for those products. The Company has implemented a number of actions to conserve cash, reduce costs and strengthen its competitiveness, including curtailing non-critical capital expenditures, initiating headcount reductions and reductions of certain employee benefits, among other actions. However, there can be no assurance that these actions, or any others that the Company may take in response to further deterioration in economic and financial conditions, will be sufficient.

The volatility of the market could result in a material impairment of goodwill.

We evaluate goodwill on an annual basis and whenever events or changes in circumstances indicate potential impairment. Events or changes in circumstances that could trigger an impairment review include significant underperformance relative to our historical or projected future operating results, significant changes in the manner or the use of our assets or the strategy for our overall business, and significant negative industry or economic trends. We test for impairment of goodwill by calculating the fair value of a reporting unit using an income approach based on discounted future cash flows. Under this method, the fair value of each reporting unit is estimated based on expected future economic benefits discounted to a present value at a rate of return commensurate with the risk associated with the investment. Projected cash flows are discounted to present value using an estimated weighted average cost of capital, which considers both returns to equity and debt investors. The income approach is subject to a comparison for reasonableness to a market approach at the date of valuation. Significant changes in any one of the assumptions made as part of our analysis, which could occur as a result of actual events, or further declines in the market conditions for our products, could significantly impact our impairment analysis. An impairment charge, if incurred, could be material.

The global financial and banking crises have caused a lack of credit availability that has limited and may continue to limit the ability of our customers to purchase our products or to pay us in a timely manner.

In climates of global financial and banking crises, such as those from which we are currently recovering, the ability of our customers to maintain credit availability has become more challenging. In particular, the financial viability of many of our customers is threatened, which may impact their ability to pay us amounts due, further affecting our financial condition and results of operations.

The metals distribution business is very competitive and increased competition could reduce our revenues, gross margins and net income.

The principal markets that we serve are highly competitive. The metals distribution industry is fragmented and competitive, consisting of a large number of small companies and a few relatively large companies. Competition is based principally on price, service, quality, production capabilities, inventory availability and timely delivery. Competition in the various markets in which we participate comes from companies of various sizes, some of which have greater financial resources than we have and some of which have more established brand names in the local markets served by us. Increased competition could reduce our market share, force us to lower our prices or to offer increased services at a higher cost, which could reduce our profitability.

The economic downturn has reduced metals prices. Though prices have risen since the onset of the economic downturn, we cannot assure you that prices will continue to rise. Changing metals prices may have a significant impact on our liquidity, net sales, gross margins, operating income and net income.

The metals industry as a whole is cyclical and, at times, pricing and availability of metal can be volatile due to numerous factors beyond our control, including general domestic and international economic conditions, labor costs, sales levels, competition, levels of inventory held by other metals service centers, consolidation of metals producers, higher raw material costs for the producers of metals, import duties and tariffs and currency exchange rates. This volatility can significantly affect the availability and cost of materials for us.

We, like many other metals service centers, maintain substantial inventories of metal to accommodate the short lead times and just-in-time delivery requirements of our customers. Accordingly, we purchase metals in an effort to maintain our inventory at levels that we believe to be appropriate to satisfy the anticipated needs of our customers based upon historic buying practices, contracts with customers and market conditions. When metals prices decline, as they did in 2008 and 2009, customer demands for lower prices and our competitors responses to those demands could result in lower sale prices and, consequently, lower margins as we use existing metals inventory. Notwithstanding recent price increases, metals prices may decline in 2012, and declines in those prices or further reductions in sales volumes could adversely impact our ability to maintain our liquidity and to remain in compliance with certain financial covenants under Ryerson s $1.35 billion revolving credit facility agreement that matures on the earliest of (a) March 14, 2016, (b) the date that occurs 90 days prior to the scheduled maturity date of the 2014 Notes, if the 2014 Notes are then outstanding and (c) the date that occurs 90 days prior to the scheduled maturity date of the 2015 Notes, if the 2015 Notes are then outstanding (as amended, the Ryerson Credit Facility), as well as result in us incurring inventory or goodwill impairment charges. Changing metals prices therefore could significantly impact our liquidity, net sales, gross margins, operating income and net income.

We have a substantial amount of indebtedness, which could adversely affect our financial position and prevent us from fulfilling our financial obligations.

We currently have a substantial amount of indebtedness. As of December 31, 2011, our total indebtedness was approximately $1,316 million. We may also incur additional indebtedness in the future. As of December 31, 2011, Ryerson had approximately $274 million of unused capacity under the Ryerson Credit Facility. Our substantial indebtedness may:

- make it difficult for us to satisfy our financial obligations, including making scheduled principal and interest payments on our outstanding notes and our other indebtedness;
- limit our ability to borrow additional funds for working capital, capital expenditures, acquisitions and general corporate and other purposes;
- limit our ability to use our cash flow or obtain additional financing for future working capital, capital expenditures, acquisitions or other general corporate purposes;
- require us to use a substantial portion of our cash flow from operations to make debt service payments;
- limit our flexibility to plan for, or react to, changes in our business and industry;
- place us at a competitive disadvantage compared to our less leveraged competitors; and
- increase our vulnerability to the impact of adverse economic and industry conditions.

We may be able to incur substantial additional indebtedness in the future. The terms of the Ryerson Credit Facility and the indentures governing our outstanding notes restrict but do not prohibit us from doing so. If new indebtedness is added to our current debt levels, the related risks that we now face could intensify.

The covenants in the 14 $^{1}/2$% Senior Discount Notes due 2015 (Ryerson Holding Notes), Ryerson Credit Facility and the indenture governing the Ryerson Notes impose, and covenants contained in agreements governing indebtedness Ryerson Holding incurs in the future may impose, restrictions that may limit Ryerson Holding s operating and financial flexibility.

The indenture governing the Ryerson Holding Notes contain a number of significant restrictions and covenants that limit our ability and the ability of our restricted subsidiaries to:

- incur additional debt;
- pay dividends on our capital stock or repurchase our capital stock;
- make certain investments or other restricted payments;
- create liens or use assets as security in other transactions;
- merge, consolidate or transfer or dispose of substantially all of our assets; and
- engage in transactions with affiliates.

The Ryerson Credit Facility and the indenture governing the Ryerson Notes also contain restrictions and covenants that limit the ability of Ryerson and the ability of its restricted subsidiaries to do the acts mentioned above.

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The terms of the Ryerson Credit Facility require that, in the event availability under the facility declines to a certain level, Ryerson maintain a minimum fixed charge coverage ratio at the end of each fiscal quarter. Total credit availability is limited by the amount of eligible accounts receivable and inventory pledged as collateral under the agreement insofar as Ryerson is subject to a borrowing base comprised of the aggregate of these two amounts, less applicable reserves. As of December 31, 2011, total credit availability was $274 million based upon eligible accounts receivable and inventory pledged as collateral.

Additionally, subject to certain exceptions, the indenture governing the Ryerson Notes restricts Ryerson s ability to pay us dividends to the extent of 50% of future net income, once prior losses are offset. Future net income is defined in the indenture governing the notes as net income adjusted for, among other things, the inclusion of dividends from joint ventures actually received in cash by Ryerson, and the exclusion of: (i) all extraordinary gains or losses; (ii) a certain portion of net income allocable to minority interest in unconsolidated persons or investments in unrestricted subsidiaries; (iii) gains or losses in respect of any asset sale on an after tax basis; (iv) the net income from any disposed or discontinued operations or any net gains or losses on disposed or discontinued operations, on an after-tax basis; (v) any gain or loss realized as a result of the cumulative effect of a change in accounting principles; (vi) any fees and expenses paid in connection with the issuance of Ryerson s notes; (vii) non-cash compensation expense incurred with any issuance of equity interest to an employee; and (viii) any net after-tax gains or losses attributable to the early extinguishment of debt. Our future indebtedness may contain covenants more restrictive in certain respects than the restrictions contained in the Ryerson Credit Facility and the indenture governing the Ryerson Holding Notes. Operating results below current levels or other adverse factors, including a significant increase in interest rates, could result in our being unable to comply with financial covenants that are contained in the Ryerson Credit Facility or that may be contained in any future indebtedness. If our indebtedness is in default for any reason, our business, financial condition and results of operations could be materially and adversely affected. In addition, complying with these covenants may also cause us to take actions that are not favorable to holders of the notes and may make it more difficult for us to successfully execute our business strategy and compete against companies that are not subject to such restrictions.

We may not be able to generate sufficient cash to service all of our indebtedness.

Our ability to make payments on our indebtedness depends on our ability to generate cash in the future. Our outstanding notes, the Ryerson Credit Facility and our other outstanding indebtedness are expected to account for significant cash interest expenses. Accordingly, we will have to generate significant cash flows from operations to meet our debt service requirements. If we do not generate sufficient cash flow to meet our debt service and working capital requirements, we may be required to sell assets, seek additional capital, reduce capital expenditures, restructure or refinance all or a portion of our existing indebtedness, or seek additional financing. Moreover, insufficient cash flow may make it more difficult for us to obtain financing on terms that are acceptable to us, or at all. Furthermore, Platinum has no obligation to provide us with debt or equity financing and we therefore may be unable to generate sufficient cash to service all of our indebtedness.

Because a substantial portion of our indebtedness bears interest at rates that fluctuate with changes in certain prevailing short-term interest rates, we are vulnerable to interest rate increases.

A substantial portion of our indebtedness, including the Ryerson Credit Facility and the 2014 Notes, bears interest at rates that fluctuate with changes in certain short-term prevailing interest rates. As of December 31, 2011, we had approximately $102.9 million of the 2014 Notes and approximately $520.2 million of outstanding borrowings under the Ryerson Credit Facility, with an additional $274 million available for borrowing under such facility. Assuming a consistent level of debt, a 100 basis point change in the interest rate on our floating rate debt effective from the beginning of the year would increase or decrease our fiscal 2011 interest expense under the Ryerson Credit Facility and the 2014 Notes by approximately $6.5 million on an annual basis. We used derivative financial instruments to manage a portion of the potential impact of our interest rate risk until their expiration in July 2011. To some extent, derivative financial instruments can protect against increases in interest rates, but they do not provide complete protection over the long term. If interest rates increase dramatically, we could be unable to service our debt which could have a material adverse effect on our business, financial condition, results of operations or cash flows.

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We may not be able to successfully consummate and complete the integration of future acquisitions, and if we are unable to do so, we may be unable to increase our growth rates.

We have grown through a combination of internal expansion, acquisitions and joint ventures. We intend to continue to grow through selective acquisitions, but we may not be able to identify appropriate acquisition candidates, obtain financing on satisfactory terms, consummate acquisitions or integrate acquired businesses effectively and profitably into our existing operations. Restrictions contained in the agreements governing our notes, the Ryerson Credit Facility or our other existing or future debt may also inhibit our ability to make certain investments, including acquisitions and participations in joint ventures.

Our future success will depend on our ability to complete the integration of these future acquisitions successfully into our operations. After any acquisition, customers may choose to diversify their supply chains to reduce reliance on a single supplier for a portion of their metals needs. We may not be able to retain all of our and an acquisition s customers, which may adversely affect our business and sales. Integrating acquisitions, particularly large acquisitions, requires us to enhance our operational and financial systems and employ additional qualified personnel, management and financial resources, and may adversely affect our business by diverting management away from day-to-day operations. Further, failure to successfully integrate acquisitions may adversely affect our profitability by creating significant operating inefficiencies that could increase our operating expenses as a percentage of sales and reduce our operating income. In addition, we may not realize expected cost savings from acquisitions, which may also adversely affect our profitability.

We may not be able to retain or expand our customer base if the North American manufacturing industry continues to erode through moving offshore or through acquisition and merger or consolidation activity in our customers industries.

Our customer base primarily includes manufacturing and industrial firms. Some of our customers operate in industries that are undergoing consolidation through acquisition and merger activity; some are considering or have considered relocating production operations overseas or outsourcing particular functions overseas; and some customers have closed as they were unable to compete successfully with overseas competitors. Our facilities are predominately located in the United States and Canada. To the extent that our customers cease U.S. operations, relocate or move operations overseas to regions in which we do not have a presence, we could lose their business. Acquirers of manufacturing and industrial firms may have suppliers of choice that do not include us, which could impact our customer base and market share.

Certain of our operations are located outside of the United States, which subjects us to risks associated with international activities.

Certain of our operations are located outside of the United States, primarily in Canada, China and Mexico. We are subject to the Foreign Corrupt Practices Act (FCPA), which generally prohibits U.S. companies and their intermediaries from making corrupt payments or otherwise corruptly giving any other thing of value to foreign officials for the purpose of obtaining or keeping business or otherwise obtaining favorable treatment, and requires companies to maintain adequate record-keeping and internal accounting practices. The FCPA applies to covered companies, individual directors, officers, employees and agents. Under the FCPA, U.S. companies may be held liable for some actions taken by strategic or local partners or representatives. If we or our intermediaries fail to comply with the requirements of the FCPA, governmental authorities in the United States could seek to impose civil and/or criminal penalties, which could have a material adverse effect on our business, operations, financial conditions and cash flows.

The Chinese government exerts substantial influence over the manner in which we must conduct our business activities, particularly with regards to the land our facilities are located on.

The Chinese government has exercised and continues to exercise substantial control over the Chinese economy through regulation and state ownership. Our ability to operate in China may be harmed by changes in its laws and regulations, including those relating to taxation, import and export tariffs, environmental regulations, land use rights, property and other matters. We believe that our operations in China are in material compliance with all applicable legal and regulatory requirements. However, the central or local governments of the jurisdictions in which we operate may impose new, stricter regulations or interpretations of existing regulations that would require additional expenditures and efforts on our part to ensure our compliance with such regulations or interpretations. Moreover, the Chinese court system does not provide the same property and contract right guarantees as do courts in the United States and, accordingly, disputes may be protracted and resolution of claims may result in significant economic loss.

Additionally, although in recent years the Chinese government has implemented measures emphasizing the utilization of market forces for economic reform, there is no private ownership of land in China and all land ownership is held by the government of China, its agencies, and collectives, which issue land use rights that are generally renewable. We lease the land where our Chinese facilities are located from the Chinese government. Although we believe our relationship with the Chinese government is sound, if the Chinese government decided to terminate our land use rights agreements, our assets could become impaired and our ability to meet customer orders could be impacted.

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Operating results may experience seasonal fluctuations.

A portion of our customers experience seasonal slowdowns. Our sales in the months of July, November and December traditionally have been lower than in other months because of a reduced number of shipping days and holiday or vacation closures for some customers. Consequently, our sales in the first two quarters of the year are usually higher than in the third and fourth quarters.

Damage to our information technology infrastructure could harm our business.

The unavailability of any of our computer-based systems for any significant period of time could have a material adverse effect on our operations. In particular, our ability to manage inventory levels successfully largely depends on the efficient operation of our computer hardware and software systems. We use management information systems to track inventory information at individual facilities, communicate customer information and aggregate daily sales, margin and promotional information. Difficulties associated with upgrades, installations of major software or hardware, and integration with new systems could have a material adverse effect on results of operations. We will be required to expend substantial resources to integrate our information systems with the systems of companies we have acquired. The integration of these systems may disrupt our business or lead to operating inefficiencies. In addition, these systems are vulnerable to, among other things, damage or interruption from fire, flood, tornado and other natural disasters, power loss, computer system and network failures, operator negligence, physical and electronic loss of data, or security breaches and computer viruses.

Any significant work stoppages can harm our business.

As of December 31, 2011, we employed approximately 3,600 persons in North America and 400 persons in China. Our North American workforce was comprised of approximately 1,700 office employees and approximately 1,900 plant employees. Thirty-five percent of our plant employees were members of various unions, including the United Steel Workers and the International Brotherhood of Teamsters. Our relationship with the various unions has generally been good.

Nine contracts covering 339 persons were scheduled to expire in 2009. We reached agreement on the renewal of eight contracts covering approximately 258 persons and one contract covering approximately 89 persons was extended. During 2010, the parties to this extended contract covering two Chicago area facilities agreed to sever the bargaining unit between the two facilities and bargaining was concluded for one facility, which covered approximately 59 employees. This new contract expired on December 31, 2011. The other facility s contract, which covered approximately 30 employees, completed negotiations in 2011. Seven contracts covering approximately 85 persons were scheduled to expire in 2010. We reached agreement on the renewal of all seven contracts. Ten contracts covering approximately 312 persons were scheduled to expire in 2011. One of these contracts, which covered 59 employees, was not renewed due to facility closure. Seven of these contracts were successfully negotiated. The two remaining contracts covering 75 employees were extended. The contract extension covering 60 employees has since expired. Six contracts covering approximately 258 employees are scheduled to expire in 2012. We may not be able to negotiate extensions of these agreements or new agreements prior to their expiration date. As a result, we may experience additional labor disruptions in the future. A widespread work stoppage could have a material adverse effect on our results of operations, financial position and cash flows if it were to last for a significant period of time.

Certain employee retirement benefit plans are underfunded and the actual cost of those benefits could exceed current estimates, which would require us to fund the shortfall.

As of December 31, 2011, our pension plan had an unfunded liability of $359 million. Our actual costs for benefits required to be paid may exceed those projected and future actuarial assessments to the extent those costs may exceed the current assessment. Under those circumstances, the adjustments required to be made to our recorded liability for these benefits could have a material adverse effect on our results of operations and financial condition and cash payments to fund these plans could have a material adverse effect on our cash flows. We may be required to make substantial future contributions to improve the plan s funded status, which may have a material adverse effect on our results of operations, financial condition or cash flows.

Future funding for postretirement employee benefits other than pensions also may require substantial payments from current cash flow.

We provide postretirement life insurance and medical benefits to eligible retired employees. Our unfunded postretirement benefit obligation as of December 31, 2011 was $143 million. Our actual costs for benefits required to be paid may exceed those projected and future actuarial assessments to the extent those costs may exceed the current assessment. Under those circumstances, the adjustments required to be made to our recorded liability for these benefits could have a material adverse effect on our results of operations and financial condition and cash payments to fund these plans could have a material adverse effect on our cash flows.

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Any prolonged disruption of our processing centers could harm our business.

We have dedicated processing centers that permit us to produce standardized products in large volumes while maintaining low operating costs. Any prolonged disruption in the operations of any of these facilities, whether due to labor or technical difficulties, destruction or damage to any of the facilities or otherwise, could materially adversely affect our business and results of operations.

If we are unable to retain and attract management and key personnel, it may adversely affect our business.

We believe that our success is due, in part, to our experienced management team. Losing the services of one or more members of our management team could adversely affect our business and possibly prevent us from improving our operational, financial and information management systems and controls. In the future, we may need to retain and hire additional qualified sales, marketing, administrative, operating and technical personnel, and to train and manage new personnel. Our ability to implement our business plan is dependent on our ability to retain and hire a large number of qualified employees each year. If we are unable to hire sufficient qualified personnel, it could have a material adverse effect on our business, results of operations and financial condition.

Our existing international operations and potential joint ventures may cause us to incur costs and risks that may distract management from effectively operating our North American business, and such operations or joint ventures may not be profitable.

We maintain foreign operations in Canada, China and Mexico. International operations are subject to certain risks inherent in conducting business in foreign countries, including price controls, exchange controls, limitations on participation in local enterprises, nationalization, expropriation and other governmental action, and changes in currency exchange rates. While we believe that our current arrangements with local partners provide us with experienced business partners in foreign countries, events or issues, including disagreements with our partners, may occur that require attention of our senior executives and may result in expenses or losses that erode the profitability of our foreign operations or cause our capital investments abroad to be unprofitable.

Lead time and the cost of our products could increase if we were to lose one of our primary suppliers.

If, for any reason, our primary suppliers of aluminum, carbon steel, stainless steel or other metals should curtail or discontinue their delivery of such metals in the quantities needed and at prices that are competitive, our business could suffer. The number of available suppliers could be reduced by factors such as industry consolidation and bankruptcies affecting steel and metal producers. For the year ended December 31, 2011, our top 25 suppliers represented approximately 74% of our purchases. We could be significantly and adversely affected if delivery were disrupted from a major supplier. If, in the future, we were 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 such metals from alternative sources at competitive prices to meet our delivery schedules, which could have a material adverse effect on our sales and profitability.

We could incur substantial costs related to environmental, health and safety laws.

Our operations are subject to increasingly stringent environmental, health and safety laws. These include laws that impose limitations on the discharge of pollutants into the air and water and establish standards for the treatment, storage and disposal of regulated materials and the investigation and remediation of contaminated soil, surface water and groundwater. Failure to maintain or achieve compliance with these laws or with the permits required for our operations could result in substantial increases in operating costs and capital expenditures. In addition, we may be subject to fines and civil or criminal sanctions, third party claims for property damage or personal injury, worker s compensation or personal injury claims, cleanup costs or temporary or permanent discontinuance of operations. Certain of our facilities are located in industrial areas, have a history of heavy industrial use and have been in operation for many years and, over time, we and other predecessor operators of these facilities have generated, used, handled and disposed of hazardous and other regulated wastes. Environmental liabilities could exist, including cleanup obligations at these facilities or at off-site locations where materials from our operations were disposed of, which could result in future expenditures that cannot be currently quantified and which could have a material adverse effect on our financial position, results of operations or cash flows. Such liabilities may be imposed without regard to fault or the legality of a party s conduct and may, in certain circumstances, be joint and several. Future changes to environmental, health and safety laws, including those related to climate change, could result in material liabilities and costs, constrain operations or make such operations more costly for us, our suppliers and our customers.

New regulations related to conflict-free minerals may force us to incur additional expenses.

The Dodd-Frank Wall Street Reform and Consumer Protection Act (the Dodd-Frank Act), signed into law on July 21, 2010, includes Section 1502, which requires the SEC to adopt additional disclosure requirements related to certain minerals sourced from the Democratic Republic of Congo and surrounding countries, or conflict minerals , for which such conflict minerals are necessary to the functionality of a product manufactured, or contracted to be manufactured, by an SEC reporting company. The metals covered by the proposed rules, promulgated on December 15, 2010, are commonly referred to as 3TG and include tin, tantalum, tungsten and gold. While the SEC has not yet adopted the final rules regarding disclosure related to conflict minerals, implementation of the new disclosure requirements could affect the sourcing and availability of some of the minerals used in the manufacture of our products. Our supply chain is complex, and if we are not able to conclusively verify the origins for all metals used in our products, we may face reputational challenges with our customers. Additionally, as there may be only a limited number of suppliers offering conflict free metals, we cannot be sure that we will be able to obtain necessary metals from such suppliers in sufficient quantities or at competitive prices. Accordingly, we could incur significant cost related to the compliance process, including potential difficulty or added costs in satisfying the disclosure requirements.

We are subject to litigation that could strain our resources and distract management.

From time to time, we are involved in a variety of claims, lawsuits and other disputes arising in the ordinary course of business. These suits concern issues including product liability, contract disputes, employee-related matters and personal injury matters. It is not feasible to predict the outcome of all pending suits and claims, and the ultimate resolution of these matters as well as future lawsuits could have a material adverse effect on our business, financial condition, results of operations or cash flows or reputation.

We may face product liability claims that are costly and create adverse publicity.

If any of the products that we sell cause harm to any of our customers, we could be exposed to product liability lawsuits. If we were found liable under product liability claims, we could be required to pay substantial monetary damages. Further, even if we successfully defended ourself against this type of claim, we could be forced to spend a substantial amount of money in litigation expenses, our management could be required to spend valuable time in the defense against these claims and our reputation could suffer, any of which could harm our business.

We are controlled by a single investor group and its interest as an equity holder may conflict with those of a creditor.

Platinum owns 99% of the issued and outstanding capital stock of Ryerson Holding, which owns 100% of the issued and outstanding capital stock of Ryerson. As a result, Platinum controls matters such as the election of all of the members of our board of directors, amendments to our organizational documents, or the approval of any mergers, tender offers, sales of assets or other major corporate transactions.

The interests of Platinum may not in all cases be aligned with the interests of holders of the Ryerson Holding Notes. For example, Platinum could cause us to make acquisitions that increase the amount of the indebtedness that is secured or senior to the notes or to sell revenue-generating assets, impairing our ability to make payments under the notes. Additionally, Platinum is in the business of making investments in companies and may from time to time acquire and hold interests in businesses that compete directly or indirectly with us. Accordingly, Platinum may also pursue acquisition opportunities that may be complementary to our business, and as a result, those acquisition opportunities may not be available to us. In addition, Platinum may have an interest in pursuing acquisitions, divestitures and other transactions that, in its judgment, could enhance its equity investment, even though such transactions might involve risks to holders of our notes.

Our risk management strategies may result in losses.

From time to time, we may use fixed-price and/or fixed-volume supplier contracts to offset contracts with customers. Additionally, we may use foreign exchange contracts and interest rate swaps to hedge Canadian dollar and floating rate debt exposures. These risk management strategies pose certain risks, including the risk that losses on a hedge position may exceed the amount invested in such instruments. Moreover, a party in a hedging transaction may be unavailable or unwilling to settle our obligations, which could cause us to suffer corresponding losses. A hedging instrument may not be effective in eliminating all of the risks inherent in any particular position. Our profitability may be adversely affected during any period as a result of use of such instruments.

We may be adversely affected by currency fluctuations in the U.S. dollar versus the Canadian dollar and the Chinese renminbi.

We have significant operations in Canada which incur the majority of their metal supply costs in U.S. dollars but earn the majority of their sales in Canadian dollars. Additionally, we have significant assets in China. We may from time to time experience losses when the value of the U.S. dollar strengthens against the Canadian dollar or the Chinese renminbi, which could have a material adverse effect on our results of operations. In addition, we will be subject to translation risk when we consolidate our Canadian and Chinese subsidiaries net assets into our balance sheet. Fluctuations in the value of the U.S. dollar versus the Canadian dollar or Chinese renminbi could reduce the value of these assets as reported in our financial statements, which could, as a result, reduce our stockholders equity.

ITEM 1B. UNRESOLVED STAFF COMMENTS.

Not applicable.

ITEM 2. PROPERTIES.

As of December 31, 2011, the Company s facilities are set forth below:

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Operations in the United States

JT Ryerson maintains 92 operational facilities, including 5 locations that are dedicated to administration services. All of our metals service center facilities are in good condition and are adequate for JT Ryerson s existing operations. Approximately 48% of these facilities are leased. The lease terms expire at various times through 2025. Owned properties noted as vacated below have been closed and are in the process of being sold. JT Ryerson s properties and facilities are adequate to serve its present and anticipated needs.

The following table sets forth certain information with respect to each facility as of December 31, 2011:

Location	Own/Lease
Birmingham, AL	Owned
Mobile, AL	Leased
Fort Smith, AR	Owned
Hickman, AR**	Leased
Little Rock, AR (2)	Owned
Phoenix, AZ	Owned
Dos Palos, CA	Leased
Fresno, CA	Leased
Livermore, CA	Leased
Vernon, CA	Owned
Commerce City, CO	Owned
Greenwood, CO*	Leased
South Windsor, CT	Leased
Wilmington, DE	Leased
Wilmington, DE	Owned
Jacksonville, FL	Owned
Miami, FL	Owned/Vacated
Tampa Bay, FL	Owned
Duluth, GA	Owned
Norcross, GA	Leased
Norcross, GA	Owned
Cedar Rapids, IA	Owned
Des Moines, IA	Owned
Eldridge, IA	Leased
Marshalltown, IA	Owned
Boise, ID	Leased
Elgin, IL	Leased
Chicago, IL (Headquarters)*	Leased
Chicago, IL (16th Street Facility)	Owned/Vacated
Chicago, IL	Leased
Lisle, IL*	Leased
Burns Harbor, IN	Owned
Indianapolis, IN	Owned
Wichita, KS	Leased
Louisville, KY	Owned
Shelbyville, KY**	Owned
Shreveport, LA	Owned
St. Rose, LA	Owned
Devens, MA	Owned

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Location	Own/Lease
Grand Rapids, MI*	Leased
Jenison, MI	Owned
Lansing, MI	Leased
Minneapolis, MN	Owned
Plymouth, MN	Owned
Maryland Heights, MO	Leased
North Kansas City, MO	Owned
St. Louis, MO	Leased
Greenwood, MS	Leased
Jackson, MS	Owned
Billings, MT	Leased
Charlotte, NC	Owned
Charlotte, NC	Owned/Vacated
Charlotte, NC	Leased
Greensboro, NC	Owned
Pikeville, NC	Leased
Youngsville, NC	Leased
Omaha, NE	Owned
Lancaster, NY	Owned
Liverpool, NY	Leased
New York, NY*	Leased/Vacated
Cincinnati, OH	Owned/Vacated
Cleveland, OH	Owned
Columbus, OH	Leased
Hamilton, OH*	Leased
Streetsboro, OH	Leased
Warren, OH	Leased
Tulsa, OK	Owned
Oklahoma City, OK	Owned
Portland, OR	Leased
Tigard, OR	Leased
Ambridge, PA**	Owned
Fairless Hills, PA	Leased
Pittsburgh, PA*	Leased
Charleston, SC	Owned
Greenville, SC	Owned
Chattanooga, TN	Owned
Knoxville, TN	Leased/Vacated
Memphis, TN	Owned
Cooper, TX	Leased
Dallas, TX (2)	Owned
El Paso, TX	Leased
Houston, TX	Owned
Houston, TX (3)	Leased
Houston, TX	Leased/Vacated
McAllen, TX	Leased
Clearfield, UT	Leased
Salt Lake City, UT	Leased
Pounding Mill, VA	Owned
Richmond, VA	Owned
Renton, WA	Owned
Spokane, WA	Owned
Baldwin, WI	Leased
Green Bay, WI	Leased
Green Bay, WI	Owned
Milwaukee, WI	Owned

* Office space only
** Processing centers

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Operations in Canada

Ryerson Canada, a wholly-owned indirect Canadian subsidiary of Ryerson, has 13 facilities in Canada. All of the metals service center facilities are in good condition and are adequate for Ryerson Canada s existing and anticipated operations. Five facilities are leased.

Location	Own/Lease
Calgary, AB	Owned
Edmonton, AB	Owned
Richmond, BC	Owned
Winnipeg, MB	Owned
Winnipeg, MB	Leased
Saint John, NB	Owned
Brampton, ON	Leased
Sudbury, ON	Owned
Toronto, ON (includes Canadian Headquarters)	Owned
Laval, QC	Leased
Vaudreuil, QC	Leased
Saskatoon, SK	Owned
Saskatoon, SK	Leased

Operations in China

Ryerson China, an indirect wholly-owned subsidiary of Ryerson, has six service and processing centers in China, at Guangzhou, Dongguan, Kunshan and Tianjin, performing coil processing, sheet metal fabrication and plate processing. Ryerson China s headquarters office building is located in Shanghai. We own three buildings in China and have purchased the related land use rights. The remainder of our facilities are leased. All of the facilities are in good condition and are adequate for Ryerson China s existing and anticipated operations.

Operations in Mexico

Ryerson Mexico, an indirect wholly-owned subsidiary of Ryerson, has two facilities as of December 31, 2011. We have service centers in Monterrey and Tijuana, both of which are leased. The facilities are in good condition and are adequate for our existing and anticipated operations.

Operations in Brazil

On February 17, 2012, we acquired 50% of the issued and outstanding capital stock of Açofran. As of such date, we, through Açofran, lease one service center in São Paulo, Brazil. The facility is in good condition and is adequate for its existing and anticipated operations.

ITEM 3. LEGAL PROCEEDINGS.

From time to time, we are named as a defendant in legal actions incidental to our ordinary course of business. We do not believe that the resolution of these claims will have a material adverse effect on our financial position, results of operations or cash flows. We maintain liability insurance coverage to assist in protecting our assets from losses arising from or related to activities associated with business operations.

In October 2011, the United States Environmental Protection Agency named us as one of more than 100 businesses that may be a potentially responsible party for the Portland Harbor Superfund Site (Portland Harbor). We do not currently have sufficient information available to us to determine the total cost of any required investigation or remediation of the Portland Harbor site. Management cannot predict the ultimate outcome of this matter or estimate a range of potential loss at this time.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

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PART II

ITEM 5. MARKET FOR REGISTRANT S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES.

There is no public trading market for our common stock. 99% of our issued and outstanding capital stock is owned by Platinum.

The Company declared and paid a dividend of $213.8 million to our stockholders on January 29, 2010. The indentures governing our debt agreements restrict our ability to pay dividends on our common stock. Any payment of cash dividends on our common stock in the future will be at the discretion of our board of directors and will depend upon our results of operations, earnings, capital requirements, financial condition, future prospects, contractual restrictions and other factors deemed relevant by our board of directors.

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ITEM 6. SELECTED FINANCIAL DATA.

The following table sets forth our selected historical consolidated financial information. Our selected historical consolidated statements of operations data for the years ended December 31, 2009, 2010 and 2011 and the summary historical balance sheet data as of December 31, 2010 and 2011 have been derived from our audited consolidated financial statements included in Item 8. Financial Statements and Supplementary Data. The selected historical consolidated statements of operations data of Ryerson Inc. as our predecessor for the period from January 1, 2007 through October 19, 2007 and of Ryerson Holding as successor for the period from October 20, 2007 through December 31, 2007 and for the year ended December 31, 2008 and the summary historical balance sheet data of Ryerson Holding as successor as of December 31, 2007 and 2008 were derived from the audited financial statements and related notes thereto, which are not included in this Annual Report.

The following consolidated financial information should be read together with Item 7. Management s Discussion and Analysis of Financial Condition and Results of Operations and the audited Consolidated Financial Statements of Ryerson Holding and the Notes thereto included in Item 8. Financial Statements and Supplementary Data.

FIVE YEAR SUMMARY OF SELECTED FINANCIAL DATA AND OPERATING RESULTS

(Dollars in millions, except per ton data)

	Predecessor Period from January 1 to October 19, 2007	Period from October 20 to December 31, 2007	Successor Year Ended December 31, 2008	2009	2010	2011
Statements of Operations Data:						
Net sales	$ 5,035.6	$ 966.3	$ 5,309.8	$ 3,066.1	$ 3,895.5	$ 4,729.8
Cost of materials sold	4,307.1	829.1	4,596.9	2,610.0	3,355.7	4,071.0
Gross profit (1)	728.5	137.2	712.9	456.1	539.8	658.8
Warehousing, selling, general and administrative	569.5	126.9	586.1	483.8	506.9	539.7
Restructuring and other charges	5.1				12.0	11.1
Gain on insurance settlement					(2.6)	
Gain on sale of assets	(7.2)			(3.3)		
Impairment charges on fixed assets and goodwill				19.3	1.4	9.3
Pension and other postretirement benefits curtailment (gain) loss				(2.0)	2.0	
Operating profit (loss)	161.1	10.3	126.8	(41.7)	20.1	98.7
Other income and (expense), net (2)	(1.0)	2.4	29.2	(10.1)	(3.2)	4.6
Interest and other expense on debt (3)	(55.1)	(30.8)	(109.9)	(72.9)	(107.5)	(123.1)
Income (loss) before income taxes	105.0	(18.1)	46.1	(124.7)	(90.6)	(19.8)
Provision (benefit) for income taxes (4)	36.9	(6.9)	14.8	67.5	13.1	(11.0)
Net income (loss)	68.1	(11.2)	31.3	(192.2)	(103.7)	(8.8)
Less: Net income (loss) attributable to noncontrolling interest			(1.2)	(1.5)	0.3	(0.7)
Net income (loss) attributable to Ryerson Holding Corporation	$ 68.1	$ (11.2)	$ 32.5	$ (190.7)	$ (104.0)	$ (8.1)

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	Predecessor Period from January 1 to October 19, 2007	Period from October 20 to December 31, 2007	Successor Year Ended December 31, 2008	2009	2010	2011
Balance Sheet Data (at period end):						
Cash and cash equivalents		$ 35.2	$ 130.4	$ 115.0	$ 62.6	$ 61.7
Restricted cash		4.5	7.0	19.5	15.6	5.3
Working capital		1,235.7	1,084.2	750.4	858.8	806.6
Property, plant and equipment, net		587.0	547.7	477.5	479.2	479.7
Total assets		2,576.5	2,281.9	1,775.8	2,053.5	2,058.4
Long-term debt, including current maturities		1,228.8	1,030.3	754.2	1,211.3	1,316.2
Total equity		499.2	392.2	154.3	(182.5)	(267.6)
Other Financial Data:						
Cash flows provided by (used in) operations	$ 564.0	$ 54.1	$ 280.5	$ 284.9	$ (198.7)	$ 54.5
Cash flows provided by (used in) investing activities	(24.0)	(1,069.6)	19.3	32.1	(44.4)	(115.0)
Cash flows provided by (used in) financing activities	(565.6)	1,021.2	(197.0)	(342.4)	185.1	57.9
Capital expenditures	51.6	9.1	30.1	22.8	27.0	47.0
Depreciation and amortization	32.5	7.3	37.6	36.9	38.4	43.0
Volume and Per Ton Data:						
Tons shipped (000)	2,535	498	2,505	1,881	2,252	2,433
Average selling price per ton	$ 1,987	$ 1,939	$ 2,120	$ 1,630	$ 1,730	$ 1,944
Gross profit per ton	287	275	285	242	240	271
Operating expenses per ton	224	254	234	264	231	230
Operating profit (loss) per ton	63	21	51	(22)	9	41

(1) The period from January 1 to October 19, 2007 includes a LIFO liquidation gain of $69.5 million, or $42.3 million after-tax. The year ended December 31, 2008 includes a LIFO liquidation gain of $15.6 million, or $9.9 million after-tax.

(2) The year ended December 31, 2008 includes a $18.2 million gain on the retirement of debt as well as a $6.7 million gain on the sale of corporate bonds. The year ended December 31, 2009 includes $11.8 million of foreign exchange losses related to short-term loans from our Canadian operations, offset by the recognition of a $2.7 million gain on the retirement of debt. The year ended December 31, 2010 includes $2.6 million of foreign exchange losses related to the repayment of a long-term loan to our Canadian operations. The year ended December 31, 2011 includes a $5.8 million gain on bargain purchase related to our Singer acquisition.

(3) The period from January 1 to October 19, 2007 includes a $2.9 million write off of unamortized debt issuance costs associated with the 2024 Notes that was classified as short term debt and $2.7 million write off of debt issuance costs associated with our prior credit facility upon entering into an amended revolving credit facility relating to that facility during the first quarter of 2007. The year ended December 31, 2011 includes a $1.1 million write off of debt issuance costs associated with our prior credit facility upon entering into an amended revolving credit facility on March 14, 2011.

(4) The period from January 1 to October 19, 2007 includes a $3.9 million income tax benefit as a result of a favorable settlement from an Internal Revenue Service examination. The year ended December 31, 2009 includes a $92.7 million tax expense related to the establishment of a valuation allowance against the Company s US deferred tax assets and a $14.5 million income tax charge on the sale of our joint venture in India. The year ended December 31, 2011 includes income tax benefits of $18.0 million relating to the purchase accounting impact of the Turret and Singer acquisitions.

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ITEM 7. MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.
The following discussion and analysis should be read in conjunction with Item 6. Selected Financial Data and the audited Consolidated Financial Statements of Ryerson Holding Corporation and Subsidiaries and the Notes thereto in Item 8. Financial Statements and Supplementary Data. This discussion contains forward-looking statements that involve risks and uncertainties. See the section entitled Special Note Regarding Forward-Looking Statements. Our actual results and the timing of selected events could differ materially from those discussed in these forward-looking statements as a result of certain factors, including those discussed in Item 1A. Risk Factors and elsewhere in this Form 10-K.

Overview

Business

Ryerson Holding Corporation (Ryerson Holding), a Delaware corporation, is the parent company of Ryerson Inc. (Ryerson). Ryerson Holding is 99% owned by affiliates of Platinum Equity, LLC (Platinum).

On October 19, 2007, the merger (the Platinum Acquisition) of Rhombus Merger Corporation (Merger Sub), a Delaware corporation and a wholly-owned subsidiary of Ryerson Holding, with and into Ryerson, was consummated in accordance with the Agreement and Plan of Merger, dated July 24, 2007, by and among Ryerson, Ryerson Holding and Merger Sub (the Merger Agreement). Upon the closing of the Platinum Acquisition, Ryerson ceased to be a publicly traded company and became a wholly-owned subsidiary of Ryerson Holding.

Ryerson conducts materials distribution operations in the United States through its wholly-owned direct subsidiary Joseph T. Ryerson & Son, Inc. (JT Ryerson), in Canada through its indirect wholly-owned subsidiary Ryerson Canada, Inc., a Canadian corporation (Ryerson Canada), in China through its indirect wholly-owned subsidiary Ryerson China Limited (Ryerson China) and in Mexico through its indirect wholly-owned subsidiary Ryerson Metals de Mexico, S. de R.L. de C.V., a Mexican corporation (Ryerson Mexico). Unless the context indicates otherwise, Ryerson Holding, Ryerson, JT Ryerson, Ryerson Canada, Ryerson China, and Ryerson Mexico together with their subsidiaries, are collectively referred to herein as Ryerson Holding, we, us, our, or the Company.

In addition to our United States, Canada, China and Mexico operations, we conducted materials distribution operations in India through Tata Ryerson Limited, a joint venture with the Tata Iron & Steel Corporation, an integrated steel manufacturer in India until July 10, 2009 when we sold our 50% investment to our joint venture partner, Tata Steel Limited.

Industry and Operating Trends

We purchase large quantities of metal products from primary producers and sell these materials in smaller quantities to a wide variety of metals-consuming industries. More than one-half of the metals products sold are processed by us by burning, sawing, slitting, blanking, cutting to length or other techniques. We sell our products and services to many industries, including machinery manufacturers, metals fabricators, electrical machinery, transportation equipment, construction, wholesale distributors, and metals mills and foundries. Revenue is recognized upon delivery of product to customers. The timing of shipment is substantially the same as the timing of delivery to customers given the proximity of our distribution sites to our customers.

Sales, cost of materials sold, gross profit and operating expense control are the principal factors that impact our profitability:

Net Sales. Our sales volume and pricing is driven by market demand, which is largely determined by overall industrial production and conditions in specific industries in which our customers operate. Sales prices are also primarily driven by market factors such as overall demand and availability of product. Our net sales include revenue from product sales, net of returns, allowances, customer discounts and incentives.

Cost of materials sold. Cost of materials sold includes metal purchase and in-bound freight costs, third-party processing costs and direct and indirect internal processing costs. The cost of materials sold fluctuates with our sales volume and our ability to purchase metals at competitive prices. Increases in sales volume generally enable us both to improve purchasing leverage with suppliers, as we buy larger quantities of metals inventories, and to reduce operating expenses per ton sold.

Gross profit. Gross profit is the difference between net sales and the cost of materials sold. Our sales prices to our customers are subject to market competition. Achieving acceptable levels of gross profit is dependent on our acquiring metals at competitive prices, our ability to manage the impact of changing prices and efficiently managing our internal and external processing costs.

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Operating expenses. Optimizing business processes and asset utilization to lower fixed expenses such as employee, facility and truck fleet costs which cannot be rapidly reduced in times of declining volume, and maintaining low fixed cost structure in times of increasing sales volume, have a significant impact on our profitability. Operating expenses include costs related to warehousing and distributing our products as well as selling, general and administrative expenses.

The metals service center industry is generally considered cyclical with periods of strong demand and higher prices followed by periods of weaker demand and lower prices due to the cyclical nature of the industries in which the largest consumers of metals operate. However, domestic metals prices are volatile and remain difficult to predict due to its commodity nature and the extent which prices are affected by interest rates, foreign exchange rates, energy prices, international supply/demand imbalances, surcharges and other factors.

Results of Operations

	Year Ended December 31, 2011	% of Net Sales	Year Ended December 31, 2010	% of Net Sales	Year Ended December 31, 2009	% of Net Sales
Net sales	$ 4,729.8	100.0%	$ 3,895.5	100.0%	$ 3,066.1	100.0%
Cost of materials sold	4,071.0	86.1	3,355.7	86.1	2,610.0	85.1
Gross profit	658.8	13.9	539.8	13.9	456.1	14.9
Warehousing, delivery, selling, general and administrative expenses	539.7	11.4	506.9	13.0	483.8	15.8
Restructuring and other charges	11.1	0.2	12.0	0.3		
Gain on insurance settlement			(2.6)	(0.1)		
Gain on sale of assets					(3.3)	(0.1)
Impairment charges on fixed assets and goodwill	9.3	0.2	1.4	0.1	19.3	0.6
Pension and other postretirement benefits curtailment (gain) loss			2.0	0.1	(2.0)	
Operating profit (loss)	98.7	2.1	20.1	0.5	(41.7)	(1.4)
Other expenses	(118.5)	(2.5)	(110.7)	(2.8)	(83.0)	(2.7)
Loss before income taxes	(19.8)	(0.4)	(90.6)	(2.3)	(124.7)	(4.1)
Provision (benefit) for income taxes	(11.0)	(0.2)	13.1	0.3	67.5	2.2
Net loss	(8.8)	(0.2)	(103.7)	(2.6)	(192.2)	(6.3)
Less: Net income (loss) attributable to noncontrolling interest	(0.7)		0.3		(1.5)	
Net loss attributable to Ryerson Holding Corporation	$ (8.1)	(0.2)%	$ (104.0)	(2.6)%	$ (190.7)	(6.3)%

Comparison of the year ended December 31, 2010 with the year ended December 31, 2011

Net Sales

Net sales increased 21.4% to $4.7 billion in 2011 as compared to $3.9 billion in 2010. Tons sold per ship day were 9,655 in 2011 as compared to 8,972 in 2010. Volume increased 8.0% in 2011 as improvement in the manufacturing sector of the economy favorably impacted all of our product lines. The average selling price per ton increased in 2011 to $1,944 from $1,730 in 2010 reflecting the improvement in market conditions compared to 2010. Average selling prices per ton increased for all of our product lines in 2011 with the largest increase in our carbon plate and carbon long product lines.

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Cost of Materials Sold

Cost of materials sold increased 21.3% to $4.1 billion in 2011 compared to $3.4 billion in 2010. The increase in cost of materials sold in 2011 compared to 2010 was due to the increase in tons sold resulting from the improvement in the economy along with increases in mill prices. The average cost of materials sold per ton increased to $1,673 in 2011 from $1,490 in 2010. The average cost of materials sold for our carbon plate and carbon long product lines increased more than our other products, in line with the change in average selling price per ton.

During 2011, LIFO expense was $49 million, primarily related to an increase in the cost of carbon steel. During 2010, LIFO expense was $52 million primarily related to increases in the costs of stainless and carbon steel.

Gross Profit

Gross profit as a percentage of sales was 13.9% in both 2011 and 2010. Gross profit increased 22.0% to $658.8 million in 2011 as compared to $539.8 million in 2010.

Operating Expenses

Operating expenses as a percentage of sales decreased to 11.8% in 2011 from 13.4% in 2010. Operating expenses in 2011 increased $40.4 million from $519.7 million in 2010 primarily due to the following reasons:

- higher delivery costs of $11.9 million resulting from higher volume,
- higher salaries and wages of $11.8 million,
- higher facility costs of $4.8 million,
- higher outside consultant costs of $4.3 million,
- the $11.1 million restructuring charge in 2011,
- the $9.3 million impairment charges on fixed assets and goodwill included in 2011 results, and
- the gain on insurance settlement of $2.6 million in 2010.

These changes were partially offset by:

- the $12.0 million restructuring and other charges along with the $2.0 million pension curtailment loss in 2010, and
- the impairment charge of $1.4 million in 2010 to reduce the carrying value of certain assets to their net realizable value.

On a per ton basis, operating expenses were $230 per ton in 2011 compared to $231 per ton in 2010.

Operating Profit

As a result of the factors above, in 2011 we reported an operating profit of $98.7 million, or 2.1% of sales, compared to an operating profit of $20.1 million, or 0.5% of sales, in 2010.

Other Expenses

Interest and other expense on debt increased to $123.1 million in 2011 from $107.5 million in 2010, primarily due to increased interest expense associated with our Ryerson Holding Notes. The Ryerson Holding Notes were issued on January 29, 2010 resulting in twelve months of interest expense in 2011 compared to eleven months in 2010. The interest rate on the Ryerson Holding Notes also increased from 14.50% at issuance to 15.50% at November 1, 2010 until July 31, 2011 and then to 16.50% at August 1, 2011. In addition, interest expense increased due to a higher level of borrowing on our credit facility and to recording a charge of $1.1 million in the first quarter of 2011 to write off debt issuance costs associated with our prior credit facility upon entering into an amended revolving credit facility. Other income and (expense), net was income of $4.6 million in 2011 as compared to expense of $3.2 million in 2010. The year 2011 included a $5.8 million bargain purchase gain on our acquisition of Singer Steel Company (Singer). The year 2010 was negatively impacted by $2.6 million of foreign exchange loss realized upon the repayment of a long-term loan to our Canadian operations.

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Provision for Income Taxes

The Company recorded an income tax benefit of $11.0 million in 2011 compared to an income tax expense of $13.1 million in 2010. The $11.0 million income tax benefit in 2011 primarily relates to $18.0 million of tax benefits relating to the purchase accounting impact of the acquisitions of Singer and Turret Steel Industries Inc., Sunbelt-Turret Steel, Inc., Wilcox-Turret Cold Drawn, Inc., Imperial Trucking Company, LLC (collectively, Turret) net of foreign tax expense. The $13.1 million income tax expense in 2010 primarily relates to additional valuation allowance recorded against deferred tax assets due to changes in the deferred tax asset amounts, adjustments to reflect the filing of the Company s 2009 federal income tax return and to foreign income tax expense.

Noncontrolling Interest

Ryerson China incurred a loss in 2011. The portion of the loss attributable to the noncontrolling interest in Ryerson China was $0.7 million for 2011. The portion of the income attributable to the noncontrolling interest in Ryerson China was $0.3 million for 2010.

Comparison of the year ended December 31, 2009 with the year ended December 31, 2010

Net Sales

Net sales increased 27.1% to $3.9 billion in 2010 as compared to $3.1 billion in 2009. Tons sold per ship day were 8,972 in 2010 as compared to 7,496 in 2009. Volume increased 19.7% in 2010 as improvement in the manufacturing sector of the economy favorably impacted all of our product lines. The average selling price per ton increased in 2010 to $1,730 from $1,630 in 2009 reflecting the improvement in market conditions compared to 2009. Average selling prices per ton increased for all of our product lines in 2010 with the largest increase in our stainless steel product line.

Cost of Materials Sold

Cost of materials sold increased 28.6% to $3.4 billion in 2010 compared to $2.6 billion in 2009. The increase in cost of materials sold in 2010 compared to 2009 was due to the increase in tons sold resulting from the improvement in the economy along with increases in mill prices. The average cost of materials sold per ton increased to $1,490 in 2010 from $1,388 in 2009. The average cost of materials sold for our stainless steel product line increased more than our other products, in line with the change in average selling price per ton.

During 2010, LIFO expense was $52 million, primarily related to increases in the costs of stainless and carbon steel. During 2009, LIFO income was $174 million primarily related to decreases in inventory prices.

Gross Profit

Gross profit as a percentage of sales was 13.9% in 2010 as compared to 14.9% in 2009. While revenue per ton increased in 2010 as compared to 2009, our cost of materials sold per ton increased at a faster pace resulting in lower gross margins. Gross profit increased 18.4% to $539.8 million in 2010 as compared to $456.1 million in 2009.

Operating Expenses

Operating expenses as a percentage of sales decreased to 13.4% in 2010 from 16.3% in 2009. Operating expenses in 2010 increased $21.9 million from $497.8 million in 2009 primarily due to the following reasons:

- increased bonus and commission expenses of $14.4 million resulting from increased profitability,
- higher salaries and wages of $10.0 million and higher employee benefit costs of $6.7 million,
- higher delivery costs of $7.9 million resulting from higher volume,

- higher facility costs of $7.6 million primarily due to higher operating supply costs,
- the $12.0 million restructuring and other charges along with the $2.0 million pension curtailment loss in 2010, and
- the $1.4 million impairment charges on fixed assets included in 2010 results.

These cost increases were partially offset by:

- the impairment charge of $19.3 million in 2009 to reduce the carrying value of certain assets to their net realizable value,
- lower reorganization costs of $14.7 million in 2010 excluding the $12.0 million restructuring and other charge,
- lower bad debt expense of $5.5 million, and
- lower legal expenses of $3.0 million.

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On a per ton basis, 2010 operating expenses decreased to $231 per ton from $265 per ton in 2009 due to the relatively greater increase in volume being partially offset by higher operating expenses.

Operating Profit (Loss)

As a result of the factors above, in 2010 we reported an operating profit of $20.1 million, or 0.5% of sales, compared to an operating loss of $41.7 million, or 1.4% of sales, in 2009.

Other Expenses

Interest and other expense on debt increased to $107.5 million in 2010 from $72.9 million in 2009 primarily due to the interest expense associated with our 14 $^{1}/2$% Senior Discount Notes due 2015 (the Ryerson Holding Notes), which were issued in the first quarter of 2010 as well as to higher amortization of credit facility issuance costs in China and higher average credit agreement borrowings in the U.S. as compared to the prior year. Other income and (expense), net was an expense of $3.2 million in 2010 compared to expense of $10.2 million in 2009. The year 2010 was negatively impacted by $2.6 million of foreign exchange loss realized upon the repayment of a long-term loan to our Canadian operations. The year 2009 was negatively impacted by $11.8 million of foreign exchange losses related to short-term loans from our Canadian operations, partially offset by the recognition of a $2.7 million gain on the retirement of a portion of the Ryerson Notes we repurchased at a discount.

Provision for Income Taxes

Income tax expense was $13.1 million in 2010 as compared to $66.9 million in 2009. The $13.1 million income tax expense in 2010 primarily relates to additional valuation allowance recorded against deferred tax assets due to changes in the deferred tax asset amounts, adjustments to reflect the filing of the Company s 2009 federal income tax return and to foreign income tax expense. During 2009, the Company recorded a charge of $92.7 million to establish a valuation allowance against its U.S. deferred tax assets, as the Company determined that it was more-likely-than-not that it would not realize the full value of a portion of its U.S. deferred tax assets. In 2009, we also incurred a $14.5 million income tax charge and an $8.5 million capital gains withholding tax in India on the sale of our joint venture interest. Partially offsetting the charges in 2009 is the tax benefit recognized for losses at the statutory tax rates and an $8.5 million foreign tax credit in the jurisdictions of our foreign subsidiaries.

Noncontrolling Interest

The portion of the income attributable to the noncontrolling interest in Ryerson China was $0.3 million for 2010. Ryerson China incurred a loss in 2009. The portion of the loss attributable to the noncontrolling interest in Ryerson China was $1.5 million for 2009.

Liquidity and Capital Resources

The Company s primary sources of liquidity are cash and cash equivalents, cash flows from operations and borrowing availability under our $1.35 billion revolving credit facility agreement that matures on the earliest of (a) March 14, 2016, (b) the date that occurs 90 days prior to the scheduled maturity date of the Floating Rate Senior Secured Notes due November 1, 2014 (2014 Notes), if the 2014 Notes are then outstanding and (c) the date that occurs 90 days prior to the scheduled maturity date of the 12% Senior Secured Notes due November 1, 2015 (2015 Notes) (together, with the 2014 Notes, the Ryerson Notes), if the 2015 Notes are then outstanding (as amended, the Ryerson Credit Facility). Its principal source of operating cash is from the sale of metals and other materials. Its principal uses of cash are for payments associated with the procurement and processing of metals and other materials inventories, costs incurred for the warehousing and delivery of inventories and the selling and administrative costs of the business, capital expenditures, and for interest payments on debt.

The following table summarizes the Company s cash flows:

	Year Ended December 31,		
	2011	2010	2009
		(In millions)	
Net cash provided by (used in) operating activities	$ 54.5	$ (198.7)	$ 284.9
Net cash provided by (used in) investing activities	(115.0)	(44.4)	32.1

Net cash provided by (used in) financing activities	57.9	185.1	(342.4)
Effect of exchange rates on cash	1.7	5.6	10.0
Net decrease in cash and cash equivalents	$ (0.9)	$ (52.4)	$ (15.4)

The Company had cash and cash equivalents at December 31, 2011 of $61.7 million, compared to $62.6 million at December 31, 2010 and $115.0 million at December 31, 2009. The Company had $1,316 million and $1,211 million of total debt outstanding, a debt-to-capitalization ratio of 125% and 118% and $274 million and $317 million available under the Ryerson Credit Facility at December 31, 2011 and 2010, respectively. The Company had total liquidity (defined as cash and cash equivalents plus availability under the Ryerson Credit Facility and foreign debt facilities) of $358 million at December 31, 2011 versus $394 million at December 31, 2010. Total liquidity is a non-GAAP financial measure. We believe that total liquidity provides additional information for measuring our ability to fund our operations. Total liquidity does not represent, and should not be used as a substitute for, net income or cash flows from operations as determined in accordance with GAAP and total liquidity is not necessarily an indication of whether cash flow will be sufficient to fund our cash requirements. At December 31, 2009, the Company had $754 million of total debt outstanding, a debt-to-capitalization ratio of 83% and $268 million available under the Ryerson Credit Facility.

Below is a reconciliation of cash and cash equivalents to total liquidity:

	December 31, 2011	December 31, 2010 (In millions)	December 31, 2009
Cash and cash equivalents	$ 62	$ 63	$ 115
Availability on Ryerson Credit Facility and foreign debt facilities	296	331	276
Total liquidity	$ 358	$ 394	$ 391

Of the total cash and cash equivalents, as of December 31, 2011, $42.4 million was held in subsidiaries outside the United States which is deemed to be permanently reinvested. Ryerson does not currently foresee a need to repatriate funds from its non-U.S. subsidiaries. Although Ryerson has historically satisfied needs for more capital in the U.S. through debt or equity issuances, Ryerson could elect to repatriate funds held in foreign jurisdictions. This alternative could result in higher effective tax rates.

During the year ended December 31, 2011, net cash provided by operating activities was $54.5 million. During the year ended December 31, 2010, net cash used by operating activities was $198.7 million. During the year ended December 31, 2009, net cash provided by operating activities was $284.9 million. Net loss was $8.8 million, $103.7 million and $192.2 million for the years ended December 31, 2011, 2010 and 2009, respectively. Cash provided by operating activities was $54.5 million during the year ended December 31, 2011 and was primarily the result of a decrease in inventories of $92.9 million resulting from increased sales, partially offset by a decrease in accounts payable of $71.7 million. Cash used by operating activities was $198.7 million during the year ended December 31, 2010 and was primarily the result of an increase in inventories of $170.9 million resulting from higher inventory purchases to support increased sales levels, an increase in accounts receivable of $137.5 million reflecting higher sales levels, partially offset by an increase in accounts payable of $102.3 million. Cash provided by operating activities of $284.9 million during the year ended December 31, 2009 was primarily the result of a decrease in inventories of $226.9 million resulting from management s efforts to reduce inventory in a weak economic environment, a decrease in accounts receivable of $142.4 million reflecting lower volume in 2009 and a decrease in taxes receivable of $43.2 million.

Net cash used by investing activities was $115.0 million and $44.4 million in 2011 and 2010, respectively. Net cash provided by investing activities $32.1 million in 2009. Capital expenditures for the years ended December 31, 2011, 2010 and 2009 were $47.0 million, $27.0 million and $22.8 million, respectively. The Company sold property, plant and equipment generating cash proceeds of $11.3 million, $5.5 million and $18.4 million during the years ended December 31, 2011, 2010 and 2009, respectively. In 2011 and 2010, the Company made several acquisitions, resulting in cash outflows of $95.2 million and $12.0 million, respectively. The Company sold its 50 percent investment in Tata Ryerson Limited to its joint venture partner, Tata Steel Limited, during the third quarter of 2009, generating cash proceeds of $49.0 million.

Net cash provided in financing activities was $57.9 million for the year ended December 31, 2011, primarily related to credit facility borrowings to finance accounts receivable and inventory to support increased sales levels in 2011. Net cash provided in financing activities was $185.1 million for the year ended December 31, 2010, primarily related to the issuance of the Ryerson Holding Notes and credit facility borrowings to finance accounts receivable and inventory to support increased sales levels in 2010, offset by a $213.8 million dividend paid to our stockholders. We also acquired Van Shung Chong Holdings Limited s (VSC), our former joint venture partner, remaining 20 percent ownership in Ryerson China for $17.5 million. Net cash used in financing activities was $342.4 million for the year ended December 31, 2009, primarily related to credit facility repayments made possible from lower working capital requirements as well as a $56.5 million dividend paid to our stockholders.

We believe that cash flow from operations and proceeds from the Ryerson Credit Facility will provide sufficient funds to meet our contractual obligations and operating requirements in the normal course of business.

Total Debt

As a result of the net cash used in operating activities, total debt, less unamortized discount in the Consolidated Balance Sheet increased to $1,316 million at December 31, 2011 from $1,211 million at December 31, 2010.

Total debt outstanding as of December 31, 2011 consisted of the following amounts: $520.0 million borrowing under the Ryerson Credit Facility, $102.9 million under the 2014 Notes, $368.7 million under the 2015 Notes, $292.6 million under the Ryerson Holding Notes, and $32.0 million of foreign debt . Availability at December 31, 2011 and 2010 under the Ryerson Credit Facility was $274 million and $317 million, respectively. Discussion of our outstanding debt follows.

Ryerson Credit Facility

On March 14, 2011, Ryerson amended and restated its $1.35 billion revolving credit facility agreement (as amended, the Ryerson Credit Facility) which extends the maturity date to the earliest of (a) March 14, 2016, (b) the date that occurs 90 days prior to the scheduled maturity date of the Floating Rate Senior Secured Notes due November 1, 2014 (2014 Notes), if the 2014 Notes are then outstanding and (c) the date that occurs 90 days prior to the scheduled maturity date of the 12% Senior Secured Notes due November 1, 2015 (2015 Notes) (together, with the 2014 Notes, the Ryerson Notes), if the 2015 Notes are then outstanding. At December 31, 2011, Ryerson had $520.0 million of outstanding borrowings, $22 million of letters of credit issued and $274 million available under the $1.35 billion Ryerson Credit Facility compared to $457.3 million of outstanding borrowings, $24 million of letters of credit issued and $317 million available at December 31, 2010. Total credit availability is limited by the amount of eligible accounts receivable and inventory pledged as collateral under the agreement insofar as the Company is subject to a borrowing base comprised of the aggregate of these two amounts, less applicable reserves. Eligible accounts receivable, at any date of determination, are comprised of the aggregate value of all accounts directly created by a borrower in the ordinary course of business arising out of the sale of goods or the rendition of services, each of which has been invoiced, with such receivables adjusted to exclude various ineligible accounts, including, among other things, those to which a borrower does not have sole and absolute title and accounts arising out of a sale to an employee, officer, director, or affiliate of a borrower. The weighted average interest rate on the borrowings under the Ryerson Credit Facility was 2.4 percent and 2.1 percent at December 31, 2011 and 2010, respectively.

Amounts outstanding under the Ryerson Credit Facility bear interest at a rate determined by reference to the base rate (Bank of America s prime rate) or a LIBOR rate or, for the Company s Canadian subsidiary which is a borrower, a rate determined by reference to the Canadian base rate (Bank of America-Canada Branch s Base Rate for loans in U.S. Dollars in Canada) or the BA rate (average annual rate applicable to Canadian Dollar bankers acceptances) or a LIBOR rate and the Canadian prime rate (Bank of America-Canada Branch s Prime Rate.). The spread over the base rate and Canadian prime rate is between 0.75% and 1.50% and the spread over the LIBOR and for the bankers acceptances is between 1.75% and 2.50%, depending on the amount available to be borrowed. Overdue amounts and all amounts owed during the existence of a default bear interest at 2% above the rate otherwise applicable thereto. The Company also pays commitment fees on amounts not borrowed at a rate between 0.375% and 0.50% depending on the average borrowings as a percentage of the total $1.35 billion agreement during a rolling three month period.

Borrowings under the Ryerson Credit Facility are secured by first-priority liens on all of the inventory, accounts receivable, lockbox accounts and related assets of Ryerson, subsidiary borrowers and certain other U.S. subsidiaries of Ryerson that act as guarantors.

The Ryerson Credit Facility contains covenants that, among other things, restrict Ryerson with respect to the incurrence of debt, the creation of liens, transactions with affiliates, mergers and consolidations, sales of assets and acquisitions. The Ryerson Credit Facility also requires that, if availability under such facility declines to a certain level, Ryerson maintain a minimum fixed charge coverage ratio as of the end of each fiscal quarter.

The Ryerson Credit Facility contains events of default with respect to, among other things, default in the payment of principal when due or the payment of interest, fees and other amounts after a specified grace period, material misrepresentations, failure to perform certain specified covenants, certain bankruptcy events, the invalidity of certain security agreements or guarantees, material judgments and the occurrence of a change of control of Ryerson. If such an event of default occurs, the lenders under the Ryerson Credit Facility will be entitled to various remedies, including acceleration of amounts outstanding under the Ryerson Credit Facility and all other actions permitted to be taken by secured creditors.

The lenders under the Ryerson Credit Facility have the ability to reject a borrowing request if any event, circumstance or development has occurred that has had or could reasonably be expected to have a material adverse effect on Ryerson. If Ryerson or any significant subsidiaries of the other borrowers becomes insolvent or commences bankruptcy proceedings, all amounts borrowed under the Ryerson Credit Facility will become immediately due and payable.

Proceeds from borrowings under the Ryerson Credit Facility and repayments of borrowings thereunder that are reflected in the Consolidated Statements of Cash Flows represent borrowings under the Company s revolving credit agreement with original maturities greater than three months. Net proceeds (repayments) under the Ryerson Credit Facility represent borrowings under the Ryerson Credit Facility with original maturities less than three months.

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Ryerson Holding Notes

On January 29, 2010, Ryerson Holding issued $483 million aggregate principal amount at maturity of 14 1/2% Senior Discount Notes due 2015. No cash interest accrues on the Ryerson Holding Notes. The Ryerson Holding Notes had an initial accreted value of $455.98 per $1,000 principal amount and will accrete from the date of issuance until maturity on a semi-annual basis. The accreted value of each Ryerson Holding Note increased from the date of issuance until October 31, 2010 at a rate of 14.50%. Thereafter the interest rate increased by 1% (to 15.50%) until July 31, 2011, an additional 1.00% (to 16.50%) on August 1, 2011 until April 30, 2012, and increases by an additional 0.50% (to 17.00%) on May 1, 2012 until the maturity date. Interest compounds semi-annually such that the accreted value will equal the principal amount at maturity of each note on that date. At December 31, 2011, the accreted value of the Ryerson Holding Notes was $292.6 million. The Ryerson Holding Notes are not guaranteed by any of Ryerson Holding s subsidiaries and are secured by a first-priority security interest in the capital stock of Ryerson. The Ryerson Holding Notes rank equally in right of payment with all of Ryerson Holding s senior debt and senior in right of payment to all of Ryerson Holding s subordinated debt. The Ryerson Holding Notes are effectively junior to Ryerson Holding s other secured debt to the extent of the collateral securing such debt (other than the capital stock of Ryerson). Because the Ryerson Holding Notes are not guaranteed by any of Ryerson Holding s subsidiaries, the notes are structurally subordinated to all indebtedness and other liabilities (including trade payables) of Ryerson Holding s subsidiaries, including Ryerson.

The Ryerson Holding Notes contain customary covenants that, among other things, limit, subject to certain exceptions, Ryerson Holding s ability to incur additional indebtedness, pay dividends on its capital stock or repurchase its capital stock, make certain investments or other restricted payments, create liens or use assets as security in other transactions, enter into sale and leaseback transactions, merge, consolidate or transfer or dispose of substantially all of Ryerson Holding s assets, and engage in certain transactions with affiliates.

The Ryerson Holding Notes are redeemable, at our option, in whole or in part, at any time at specified redemption prices. We are required to redeem the Ryerson Holding Notes upon the receipt of net proceeds of certain qualified equity issuances, specified change of controls and/or specified receipt of dividends.

The terms of the Ryerson Notes (discussed below) restrict Ryerson from paying dividends to Ryerson Holding. Subject to certain exceptions, Ryerson may only pay dividends to Ryerson Holding to the extent of 50% of future net income, once prior losses are offset. In the event Ryerson is restricted from providing Ryerson Holding with sufficient distributions to fund the retirement of the Ryerson Holding Notes at maturity, Ryerson Holding may default on the Ryerson Holding Notes unless other sources of funding are available.

Pursuant to a registration rights agreement, Ryerson Holding agreed to file with the SEC by October 26, 2010, a registration statement with respect to an offer to exchange each of the Ryerson Holding Notes for a new issue of Ryerson Holding s debt securities registered under the Securities Act, with terms substantially identical to those of the Ryerson Holding Notes and to consummate an exchange offer no later than February 23, 2011. Ryerson Holding completed the exchange offer on December 7, 2010. As a result of completing the exchange offer, Ryerson Holding satisfied its obligations under the registration rights agreement covering the Ryerson Holding Notes.

Ryerson Notes

On October 19, 2007, Ryerson issued the Ryerson Notes. The 2014 Notes bear interest at a rate, reset quarterly, of LIBOR plus 7.375% per annum. The 2015 Notes bear interest at a rate of 12% per annum. The Ryerson Notes are fully and unconditionally guaranteed on a senior secured basis by certain of Ryerson s existing and future subsidiaries (including those existing and future domestic subsidiaries that are co-borrowers or guarantee obligations under the Ryerson Credit Facility).

At December 31, 2011, $368.7 million of the 2015 Notes and $102.9 million of the 2014 Notes remain outstanding. During 2011, $7.5 million principal amount of the 2015 Notes were repurchased for $7.7 million and retired, resulting in the recognition of a $0.2 million loss within other income and (expense), net on the consolidated statement of operations. During 2009, $6.0 million principal amount of the 2015 Notes were repurchased for $3.3 million and retired, resulting in the recognition of a $2.7 million gain within other income and (expense), net on the consolidated statement of operations.

The Ryerson Notes and guarantees are secured by a first-priority lien on substantially all of Ryerson and its guarantors present and future assets located in the United States (other than receivables, inventory, related general intangibles, certain other assets and proceeds thereof) including equipment, owned real property interests valued at $1 million or more, and all present and future shares of capital stock or other equity interests of each of Ryerson and its guarantors directly owned domestic subsidiaries and 65% of the present and future shares of capital stock or other equity interests, of each of Ryerson and its guarantor s directly owned foreign restricted subsidiaries, in each case subject to certain exceptions and customary permitted liens. The Ryerson Notes and guarantees are secured on a second-priority basis by a lien on the assets that secure Ryerson s obligations under the Ryerson Credit Facility. The Ryerson Notes contain customary covenants that, among other things, limit, subject to certain exceptions, Ryerson s ability, and the ability of its restricted subsidiaries, to incur additional indebtedness, pay dividends on its capital stock or repurchase its capital stock, make investments, sell assets, engage in acquisitions, mergers or consolidations or create liens or use assets as security in other transactions. Subject to certain exceptions, Ryerson may only pay dividends to Ryerson Holding to the extent of 50% of future net income, once prior losses are offset.

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The Ryerson Notes became redeemable by Ryerson, in whole or in part, at any time on or after November 1, 2011 at specified redemption prices. If a change of control occurs, Ryerson must offer to purchase the Ryerson Notes at 101% of their principal amount, plus accrued and unpaid interest.

Pursuant to a registration rights agreement, Ryerson agreed to file with the SEC by July 15, 2008 a registration statement with respect to an offer to exchange each of the notes for a new issue of our debt securities registered under the Securities Act, with terms substantially identical to those of the Ryerson Notes and to consummate an exchange offer no later than November 12, 2008. Ryerson did not consummate an exchange offer by November 12, 2008 and therefore, was required to pay additional interest to the holders of the Ryerson Notes. As a result, Ryerson paid an additional approximately $0.6 million in interest to the holders of the Ryerson Notes with the interest payment on May 1, 2009. Ryerson completed the exchange offer on April 9, 2009. Upon completion of the exchange offer, Ryerson s obligation to pay additional interest ceased.

Foreign Debt

At December 31, 2011, Ryerson China s total foreign borrowings were $32.0 million, of which, $30.1 million was owed to banks in Asia at a weighted average interest rate of 6.2% secured by inventory and property, plant and equipment. Ryerson China also owed $1.9 million at December 31, 2011 to other parties at a weighted average interest rate of 0.9%. Of the total borrowings of $19.7 million outstanding at December 31, 2010, $17.9 million was owed to banks in Asia at a weighted average interest rate of 4.3% secured by inventory and property, plant and equipment. Ryerson China also owed $1.8 million at December 31, 2010 to other parties at a weighted average interest rate of 1.0%. Availability under the foreign credit lines was $22 million and $14 million at December 31, 2011 and 2010, respectively. Letters of credit issued by our foreign subsidiaries totaled $6 million and $7 million at December 31, 2011 and 2010, respectively.

$150 Million 8 1/4% Senior Notes due 2011

On December 15, 2011, the maturity date for our 8 1/4% Senior Notes due 2011, all outstanding 2011 Notes were paid in full and cancelled.

Pension Funding

The Company made contributions of $43.9 million in 2011, $46.6 million in 2010, and $7.5 million in 2009 to improve the Company s pension plans funded status. At December 31, 2011, as reflected in NOTES TO CONSOLIDATED FINANCIAL STATEMENTS Note 10: Employee Benefits pension liabilities exceeded plan assets by $359 million. The Company anticipates that it will have a minimum required pension contribution of approximately $51 million in 2012 under the Employee Retirement Income Security Act of 1974 (ERISA) and Pension Protection Act (PPA) in the U.S and the Ontario Pension Benefits Act. Future contribution requirements depend on the investment returns on plan assets, the impact of discount rates on pension liabilities, and changes in regulatory requirements. The Company is unable to determine the amount or timing of any such contributions required by ERISA or whether any such contributions would have a material adverse effect on the Company s financial position or cash flows. The Company believes that cash flow from operations and the Ryerson Credit Facility described above will provide sufficient funds to make the minimum required contribution in 2012.

Income Tax Payments

The Company received income tax refunds of $3.1 million, $46.8 million and $29.1 million in 2011, 2010 and 2009, respectively.

Off-Balance Sheet Arrangements

In the normal course of business with customers, vendors and others, we have entered into off-balance sheet arrangements, such as letters of credit, which totaled $28 million as of December 31, 2011. Additionally, other than normal course long-term operating leases included in the following Contractual Obligations table, we do not have any material off-balance sheet financing arrangements. None of these off-balance sheet arrangements are likely to have a material effect on our current or future financial condition, results of operations, liquidity or capital resources.

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Contractual Obligations

The following table presents contractual obligations at December 31, 2011:

	00000000	00000000	00000000	00000000	00000000
			Payments Due by Period		
	Total	**Less than 1 year**	**1 3 years**	**4 5 years**	**After 5 years**
Contractual Obligations(1)			**(In millions)**		
Floating Rate Notes	$ 103	$	$ 103	$	$
Fixed Rate Long Term Notes	369			369	
Senior Discount Notes	483			483	
Ryerson Credit Facility	520			520	
Foreign Debt	32	32			
Interest on Floating Rate Notes, Fixed Rate Notes, Ryerson Credit Facility and Foreign Debt (2)	237	65	128	44	
Purchase Obligations (3)	56	56			
Capital Leases	1		1		
Operating Leases	126	23	36	26	41
Total	$ 1,927	$ 176	$ 268	$ 1,442	$ 41

(1) The contractual obligations disclosed above do not include our potential future pension funding obligations (see previous discussion under Pension Funding caption).
(2) Interest payments related to the variable rate debt were estimated using the weighted average interest rate for the Ryerson Credit Facility and the 2014 Notes.
(3) The purchase obligations with suppliers are entered into when we receive firm sales commitments with certain of our customers.

Capital Expenditures

Capital expenditures during 2011, 2010 and 2009 totaled $47.0 million, $27.0 million and $22.8 million, respectively. Capital expenditures were primarily for machinery and equipment.

The Company anticipates capital expenditures, excluding acquisitions, to be approximately $55 million in 2012. The increased spending over prior years includes improvement in the Company s North American processing capabilities and expansion in emerging markets.

Restructuring

2011

In October 2011, the Company implemented a reorganization plan that reduced headcount by 292 employees resulting in a restructuring charge of $9.8 million recorded in the fourth quarter. The Company reduced headcount in a continued effort to decentralize functions to its regions as well as to execute management s strategy of focusing on long and fabricated product sales. The charge consists of restructuring expenses of $8.4 million for employee-related costs, primarily severance, and additional non-cash pensions and other post-retirement benefit costs totaling $1.4 million. In the fourth quarter of 2011, the Company paid $4.0 million in employee costs related to this restructuring. The remaining $4.4 million balance is expected to be paid in 2012.

In 2011, the Company recorded an additional charge of $1.3 million related to the closure of one of its facilities for which it had recorded a charge of $12.5 million in the fourth quarter of 2010. The charge consists of additional employee-related costs, primarily severance. In 2011, the Company paid $1.3 million in employee costs related to this facility closure. The remaining $0.1 million balance is expected to be paid in 2012.

During 2011, the Company paid the remaining $0.2 million of tenancy and other costs related to the exit plan liability recorded on October 19, 2007, as part of the Platinum Acquisition.

2010

During 2010, the Company paid $0.7 million related to the exit plan liability recorded on October 19, 2007, as part of the Platinum Acquisition.

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In the fourth quarter of 2010, the Company recorded a $12.5 million charge related to the closure of one of its facilities. The charge consists of restructuring expenses of $0.4 million for employee-related costs, including severance for 66 employees, and additional non-cash pensions and other post-retirement benefits costs totaling $12.1 million. Included in the non-cash pension charge is a pension curtailment loss of $2.0 million. In the fourth quarter of 2010, the Company paid $0.3 million in employee costs related to this facility closure.

2009

During 2009, the Company paid $6.4 million related to the exit plan liability recorded on October 19, 2007, as part of the Platinum Acquisition. The Company also recorded a $0.3 million reduction to the exit plan liability primarily due to lower property taxes on closed facilities than estimated in the initial restructuring plan.

Other Charges

In the fourth quarter of 2010, the Company also recorded a charge of $1.5 million for costs related to the retirement of its former Chief Executive Officer, which is recorded within the Restructuring and other charges line of the consolidated statement of operations.

Deferred Tax Amounts

At December 31, 2011, the Company had a net deferred tax liability of $95 million comprised primarily of a deferred tax asset of $139 million related to pension liabilities, a deferred tax asset related to postretirement benefits other than pensions of $54 million, $30 million of Alternative Minimum Tax (AMT) credit carryforwards, and deferred tax assets of $76 million related to federal, local and foreign loss carryforwards, offset by a valuation allowance of $152 million, and deferred tax liabilities of $114 million related to fixed assets and $131 million related to inventory.

The Company s deferred tax assets include $60 million related to US federal net operating loss (NOL) carryforwards, $12 million related to state NOL carryforwards and $4 million related to foreign NOL carryforwards, available at December 31, 2011.

In accordance with FASB ASC 740, *Income Taxes*, the Company assesses the realizability of its deferred tax assets. The Company records a valuation allowance when, based upon the evaluation of all available evidence, it is more-likely-than-not that all or a portion of the deferred tax assets will not be realized. In making this determination, we analyze, among other things, our recent history of earnings, the nature and timing of reversing book-tax temporary differences, tax planning strategies and future income. After considering both the positive and negative evidence available, in the second quarter of 2009, the Company determined that it was more-likely-than-not that it would not realize a portion of its U.S. deferred tax assets. As a result, the Company established a valuation allowance against a portion of its U.S. deferred tax assets. The Company has maintained a valuation allowance against a portion of its U.S. deferred tax assets since that time. As of December 31, 2009, the Company had a valuation allowance of $98.8 million, an increase of $98.6 million from the prior year. Of the $98.6 million increase during 2009, $92.7 million was charged to the income tax provision and $5.9 million was charged to other comprehensive income. As of December 31, 2010, the valuation allowance was $136.6 million, an increase of $37.8 million from the prior year. Of the $37.8 million increase during 2010, $36.5 million was charged to the income tax provision, $4.4 million was charged to other comprehensive income and $3.1 million reflected a decrease in net deferred tax assets for which a valuation allowance was fully provided. As of December 31, 2011, the valuation allowance was $151.7 million, an increase of $15.1 million from the prior year. Of the $15.1 million increase during 2011, $11.7 million was credited to the income tax provision predominantly due to the impact of purchase accounting for the Singer and Turret acquisitions and $26.8 million was charged to other comprehensive income predominantly due to increases in our unfunded pension liability.

Critical Accounting Estimates

Preparation of this Form 10-K requires us to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of our financial statements, and the reported amounts of sales and expenses during the reporting period. Our critical accounting policies, including the assumptions and judgments underlying them, are disclosed in Item 8 under the caption NOTES TO CONSOLIDATED FINANCIAL STATEMENTS Note 1: Statement of Accounting and Financial Policies. These policies have been consistently applied and address such matters as revenue recognition, depreciation methods, inventory valuation, asset impairment recognition and pension and postretirement expense. While policies associated with estimates and judgments may be affected by different assumptions or conditions, we believe our estimates and judgments associated with the reported amounts are appropriate in the circumstances. Actual results may differ from those estimates.

We consider the policies discussed below as critical to an understanding of our financial statements, as application of these policies places the most significant demands on management s judgment, with financial reporting results relying on estimation of matters that are uncertain.

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Provision for allowances, claims and doubtful accounts: We perform ongoing credit evaluations of customers and set credit limits based upon review of the customers current credit information and payment history. We monitor customer payments and maintain a provision for estimated credit losses based on historical experience and specific customer collection issues that we have identified. Estimation of such losses requires adjusting historical loss experience for current economic conditions and judgments about the probable effects of economic conditions on certain customers. We cannot guarantee that the rate of future credit losses will be similar to past experience. Provisions for allowances and claims are based upon historical rates, expected trends and estimates of potential returns, allowances, customer discounts and incentives. We consider all available information when assessing the adequacy of the provision for allowances, claims and doubtful accounts.

Inventory valuation: Our inventories are valued at cost, which is not in excess of market. Inventory costs reflect metal and in-bound freight purchase costs, third-party processing costs and internal direct and allocated indirect processing costs. Cost is primarily determined by the LIFO method. We regularly review inventory on hand and record provisions for obsolete and slow-moving inventory based on historical and current sales trends. Changes in product demand and our customer base may affect the value of inventory on hand which may require higher provisions for obsolete inventory.