Eagle Bancorp Montana, Inc.
Form SC 13G
February 15, 2013

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

SCHEDULE13G*

Under the Securities Exchange Act of 1934

Eagle Bancorp Montana

(Name of Issuer)

Common Stock, par value $0.01

(Title of Class of Securities)

26942G100

(CUSIP Number)

December 31, 2012

(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which

this Schedule is filed:

/x/ Rule 13d-1(b)
/x/ Rule 13d-1(c)
/ / Rule 13d-1(d)

*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

The information required in the remainder of this cover shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1745 (3-98)

CUSIP No. 26942G100

1. Names of Reporting Persons.
I.R.S. Identification Nos. of above persons (entities only)

WEDBUSH, Inc.

2. Check the Appropriate Box if a Member of a Group
(See Instructions)

(a) /x/
(b) / /

3. SEC Use Only

4. Citizenship or Place of Organization

California

Number of Shares Beneficially by Owned by Each Reporting Person With:	5. Sole Voting Power	0
	6. Shared Voting Power	196,136
	7. Sole Dispositive Power	0
	8. Shared Dispositive Power	196,136

9. Aggregate Amount Beneficially Owned by Each Reporting Person

196,136

10. Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions)

/ /

11. Percent of Class Represented by Amount in Row (9)

5.0%

12. Type of Reporting Person (See Instructions)

HC

CUSIP No. 26942G100

1. Names of Reporting Persons.
I.R.S. Identification Nos. of above persons (entities only)

Edward W. Wedbush

2. Check the Appropriate Box if a Member of a Group

(See Instructions)

(a) /x/
(b) / /

---

3. SEC Use Only

---

4. Citizenship or Place of Organization

United States of America

Number of Shares Beneficially by Owned by Each Reporting Person With:	5. Sole Voting Power	0
	6. Shared Voting Power	196,136
	7. Sole Dispositive Power	0
	8. Shared Dispositive Power	196,136

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9. Aggregate Amount Beneficially Owned by Each Reporting Person

196,136

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10. Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions)

/ /

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11. Percent of Class Represented by Amount in Row (9)

5.0%

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12. Type of Reporting Person (See Instructions)

IN

CUSIP No. 26942G100

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1. Names of Reporting Persons.
I.R.S. Identification Nos. of above persons (entities only)

Wedbush Opportunity Capital, LLC

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2. Check the Appropriate Box if a Member of a Group
(See Instructions)

(a) /x/
(b) / /

---

3. SEC Use Only

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6. Citizenship or Place of Organization

Delaware

Number of Shares	5. Sole Voting Power	0

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  Beneficially by    ---------------------------------------------
  Owned by Each       6. Shared Voting Power             196,136
  Reporting          ---------------------------------------------
  Person With:        7. Sole Dispositive Power                0
                     ---------------------------------------------
                      8.Shared Dispositive Power         196,136

---------------------------------------------------------------------
   9.   Aggregate Amount Beneficially Owned by Each Reporting Person

        196,136
---------------------------------------------------------------------
   10.  Check if the Aggregate Amount in Row (9) Excludes Certain
        Shares (See Instructions)

        / /
---------------------------------------------------------------------
   11.  Percent of Class Represented by Amount in Row (9)

        5.0%
---------------------------------------------------------------------
   12.  Type of Reporting Person (See Instructions)
---------------------------------------------------------------------

        OO


CUSIP No. 26942G100
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    1.   Names of Reporting Persons.
         I.R.S. Identification Nos. of above persons (entities only)

         Wedbush Opportunity Partners, LP
---------------------------------------------------------------------
   2.    Check the Appropriate Box if a Member of a Group
         (See Instructions)

          (a) /x/
          (b) / /
---------------------------------------------------------------------
   3.   SEC Use Only
---------------------------------------------------------------------
   6.   Citizenship or Place of Organization

        Delaware
---------------------------------------------------------------------
  Number of Shares    5. Sole Voting Power                     0
  Beneficially by    ---------------------------------------------
  Owned by Each       6. Shared Voting Power             196,136
  Reporting          ---------------------------------------------
  Person With:        7. Sole Dispositive Power                0
                     ---------------------------------------------
                      8.Shared Dispositive Power         196,136

---------------------------------------------------------------------
   9.   Aggregate Amount Beneficially Owned by Each Reporting Person

        196,136
---------------------------------------------------------------------
   10.  Check if the Aggregate Amount in Row (9) Excludes Certain
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Shares (See Instructions)

/ /

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11. Percent of Class Represented by Amount in Row (9)

5.0%

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12. Type of Reporting Person (See Instructions)

PN

Cusip No. 26942G100 13G Eagle Bancorp Montana.

Item 1. Name and Address of Issuer.

(a) This statement relates to the shares of the common stock of Eagle Bancorp Montana ("Issuer").

(b) Issuer's address: 1400 Prospect Avenue, Helena, MT 59601

Item 2. Filers

(a) This statement is filed by WEDBUSH, Inc. ("WI"), Edward W. Wedbush ("EWW"), Wedbush Opportunity Capital, LLC ("WOC"), and Wedbush Opportunity Partners, LP ("WOP").

(b) Business address of the above filers are as follows:
WI - 1000 Wilshire Blvd., Los Angeles, CA 90017-2457
EWW - P.O. Box 30014, Los Angeles, CA 90030-0014
WOC - 1000 Wilshire Blvd., Los Angeles, CA 90017-2457
WOP - 1000 Wilshire Blvd., Los Angeles, CA 90017-2457

(c) WI is a California corporation. EWW is a citizen of the United States of America. WOC is a limited liability corporation organized under the laws of the State of Delaware. WOP is a limited partnership organized under the laws of the State of Delaware.

(d) Common stock

(e) 26942G100

Item 3. Classification of Filers

(a) WI is a control person.

(b) - (j) Not applicable

(b) - (j) Not applicable

(b) - (j) Not applicable

Item 4. Ownership

(a) Together, the Reporting Persons beneficially own a total of 196,136 shares of Common Stock of the Issuer.

(b) Together, the Reporting Persons beneficially own approximately 5.0% of the outstanding shares of the Issuer.

(c) Number of Shares as to which the filer has:

(i) Sole power to vote: WI has sole power to vote on 0 Shares; EWW has 0 sole Shares; WOC has 0 sole shares; and WOP has 0 sole Shares.

(ii) Shared power to vote: WI has shared power to vote on 196,136 Shares; EWW has 196,136 Shares; WOC has 196,136 Shares; and WOP has 196,136 Shares.

(iii) Sole power to dispose: WI has sole power to dispose on 0 Shares; EWW has 0 Shares to dispose; and WOC has 0 Shares to dispose; and WOP has 0 Shares to dispose.

(iv) Shared power to dispose; WI has 196,136 Shares; EWW has 196,136 Shares; WOC has 196,136 Shares; and WOP has 196,136 Shares.

Item 5. Ownership of Five Percent or Less of a Class.

Not applicable.

Item 6. Ownership of More Than Five Percent on Behalf of Another.

Not applicable.

Item 7. Identification and Classification of Subsidiary which Acquired the Securities Being Reported on by the Parent Holding Company.

Not Applicable.

Item 8. Identification and Classification of Members of a Group.

Name	Category
WEDBUSH, Inc.	HC
Edward W. Wedbush	IN
Wedbush Opportunity Capital, LLC	OO
Wedbush Opportunity Partners, LP	PN

Edward W. Wedbush owns approximately 50% of the issued and outstanding shares of WEDBUSH, Inc., which is the sole shareholder of Wedbush Securities Inc. Mr. Wedbush is also the Chairman of the Board of WEDBUSH, Inc. WEDBUSH, Inc. is the sole member of Wedbush Asset Management, LLC, a registered investment adviser. Wedbush Asset

Management, LLC is the sole member of Wedbush Opportunity Capital, LLC, which is the manager and general partner of Wedbush Opportunity Capital, LP. The foregoing should not be construed as an admission of beneficial ownership of the securities held or controlled by WEDBUSH, Inc., Wedbush Opportunity Partners, LLC or Wedbush Opportunity Capital, LP.

Item 9. Notice of Dissolution of Group.

Not applicable.

Item 10. Certification

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were acquired in the ordinary course of business and were not acquired for the purpose of and do not have the effect of changing or influencing the control of the Issuer of such securities and were not acquired in connection with or as a participant in any transaction having such purpose or effect.

Signature

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

WEDBUSH, Inc.

02/10/13

Date

ERIC D. WEDBUSH

Eric D. Wedbush

Signature

ERIC D. WEDBUSH

Eric D. Wedbush/ President

Name/Title

Edward W. Wedbush

02/10/13

Date

EDWARD W. WEDBUSH

Edward W. Wedbush

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Signature

EDWARD W. WEDBUSH
------------------
Edward W. Wedbush
---------------------------
Name/Title



        Wedbush Opportunity Capital, LLC

02/10/13
---------------------------
Date

ERIC D. WEDBUSH
------------------
Eric D. Wedbush
---------------------------
Signature

ERIC D. WEDBUSH
------------------
Eric D. Wedbush/ Managing Director
---------------------------
Name/Title



        Wedbush Opportunity Partners, LP

02/10/13
---------------------------
Date

ERIC D. WEDBUSH
------------------
Eric D. Wedbush
---------------------------
Signature

ERIC D. WEDBUSH
------------------
Eric D. Wedbush/ Managing Director
---------------------------
Name/Title
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ign="middle" style="width:01.10%;border-top:1pt none #D9D9D9 ;border-left:1pt none #D9D9D9 ;border-bottom:1pt solid #000000 ;border-right:1pt none #D9D9D9 ;padding:0pt;">

—

2.6

Increase (decrease) in cash and cash equivalents

6.4

(3.8)

13.6

—

16.2

Cash and cash equivalents at beginning of year

10.7

(1.0)

94.6

—

104.3

Cash and cash equivalents at end of period

$

17.1

$

(4.8)

$

108.2

$

—

$

120.5

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Condensed Unaudited Consolidating Cash Flow Statement

For the Three Months Ended March 31, 2015

(in millions)

	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated
Net cash (used in) provided by operating activities	$ (41.0)	$ 189.0	$ 23.4	$ —	$ 171.4
Investing activities:					
Purchases of property, plant and equipment	(3.1)	(25.1)	(3.1)	—	(31.3)
Net repayments from subsidiaries	174.6	—	—	(174.6)	—
Other investing activities, net	—	4.1	—	—	4.1
Net cash provided by (used) in investing activities	171.5	(21.0)	(3.1)	(174.6)	(27.2)
Financing activities:					
Net short-term debt borrowings	—	—	1.1	—	1.1
Proceeds from long-term debt borrowings	363.0	—	—	—	363.0
Principal payments on long-term debt	(310.3)	(0.7)	—	—	(311.0)
Dividends and dividend equivalents paid	(31.7)	—	—	—	(31.7)
Share repurchases	(171.2)	—	—	—	(171.2)
Net intercompany repayments	—	(162.5)	(12.1)	174.6	—
Other financing activities, net	4.4	—	(0.6)	—	3.8
Net cash used in financing activities	(145.8)	(163.2)	(11.6)	174.6	(146.0)
Effect of exchange rate changes on cash and cash equivalents	—	—	(2.8)	—	(2.8)
(Decrease) increase in cash and cash equivalents	(15.3)	4.8	5.9	—	(4.6)
Cash and cash equivalents at beginning of year	41.9	(8.3)	72.6	—	106.2
Cash and cash equivalents at end of period	$ 26.6	$ (3.5)	$ 78.5	$ —	$ 101.6

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RELIANCE STEEL & ALUMINUM CO.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

This report contains certain statements that are, or may be deemed to be, forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Our forward-looking statements include discussions of our business strategies and our expectations concerning future operations, margins, profitability, liquidity and capital resources. In some cases, you can identify forward-looking statements by terminology such as "may," "will," "should," "could," "would," "expect," "plan," "anticipate," "believe," "estimate," "predict," "potential" and "continue," the negative of these terms, and similar expressions. statements contained in this report, other than statements of historical fact, are forward-looking statements. These forward-looking statements are based on management's estimates, projections and assumptions as of the date of such statements.

Forward-looking statements involve known and unknown risks and uncertainties and are not guarantees of future performance. Actual outcomes and results may differ materially from what is expressed or forecasted in these forward-looking statements as a result of various important factors, including, but not limited to, those disclosed in this report and in other reports we have filed with the Securities and Exchange Commission (the "SEC"). As a result, these statements speak only as of the date that they were made, and we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by law. Important risks and uncertainties about our business can be found in our Annual Report on Form 10-K for the year ended December 31, 2015 filed with the SEC.

Overview

Our strong operational execution continued in the first quarter of 2016. Our sales for the first quarter of 2016 were $2.16 billion, down 17.3% from $2.61 billion in the first quarter of 2015. Demand declined somewhat in the first quarter of 2016 as compared to the first quarter of 2015, but was still relatively stable outside of the energy end market. Pricing levels were significantly lower in the first quarter of 2016 as compared to the first quarter of 2015, especially for carbon (51% of our sales) and stainless steel (14% of our sales) products, which had a material impact on our revenues and profits. Despite the challenges of lower average selling prices, we achieved several operational successes in the 2016 first quarter:

- We increased our FIFO gross profit margin to 29.4% from 25.4% in the 2015 first quarter, our highest quarterly level since the 2008 second quarter;

- The 2016 first quarter was the fifth consecutive quarter in which we increased our FIFO gross profit margin; and

- Our inventory turn rate (based on tons) in the 2016 first quarter was 4.9 times, exceeding our company-wide goal of 4.7 times.

Our same-store tons sold decreased 3.7% in the first quarter of 2016 compared to the first quarter of 2015, well ahead of the industry decline of 9.1% reported by the Metals Service Center Institute ("MSCI"). Demand was relatively healthy in most of our end markets, with the exception of the energy market (oil and gas). We believe our industry outperformance is attributable to our focus on small orders requiring high levels of quality and service on a just-in-time basis, as well as our significant investments in our facilities and processing equipment.

Our same-store average selling price per ton sold has declined sequentially since the third quarter of 2014. For the first time in over a year, however, we observed rising mill pricing for most carbon steel products as well as stainless steel flat-rolled products in the latter part of the 2016 first quarter which we attribute to the recent trade case filings by U.S. steel producers. We believe this stronger pricing environment contributed to our expanded gross profit margins during the first quarter of 2016, and we anticipate more meaningful impact on our average selling prices in the 2016 second quarter as these higher prices work their way through the marketplace.

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We have exceeded our historical gross profit margin range of 25% to 27% in each of the past four quarters despite the difficult pricing environment, mainly due to our disciplined sales strategy, focus on small, quick-turn orders, value-added processing and effective inventory management.

We continued to maintain expense discipline as our same-store S,G&A expense decreased $4.6 million, or 1.0%, in the first quarter of 2016, compared to the first quarter of 2015. Our same-store S,G&A expense as a percent of sales increased from 17.1% in the first quarter of 2015 to 20.7% in the first quarter of 2016, due to the significantly lower metals pricing environment in the first quarter of 2016.

As of March 31, 2016, our net debt-to-total capital ratio was 33.4%, up from 31.8% as of December 31, 2015, mainly due to increased borrowings to fund our acquisition of Tubular Steel, Inc. ("Tubular Steel") on January 1, 2016. We have significant liquidity as of March 31, 2016, with $887.1 million of availability under our Credit Agreement.

We believe we have significantly higher earnings capacity, which will be realized if the recent metals pricing increases work through the marketplace and when the non-residential construction market shows meaningful improvement. We believe that our exposure to diverse end markets, broad product base, and wide geographic footprint will continue to mitigate earnings volatility compared to many of our competitors.

We will continue to focus on working capital management and maximizing profitability of our existing businesses. Our operating and growth strategies have helped us achieve industry-leading operating results on a consistent basis, and we remain confident in our ability to maintain our track record of success going forward.

2016 Acquisitions

On April 1, 2016, we acquired Best Manufacturing, Inc. ("Best Manufacturing"), a custom sheet metal fabricator of steel and aluminum products on both a direct and toll basis. Best Manufacturing, headquartered in Jonesboro, Arkansas, provides various precision fabrication services including laser cutting, shearing, CNC punching, CNC forming and rolling, as well as welding, assembly, painting, inventory management and engineering expertise. For the year ended December 31, 2015, Best Manufacturing's net sales were approximately $20.0 million.

On January 1, 2016, we acquired Tubular Steel, a distributor and processor of carbon, alloy and stainless steel pipe, tubing and bar products. Tubular Steel, headquartered in St. Louis, Missouri, has seven locations and a fabrication business that supports its diverse customer base. This acquisition was funded with borrowings on our revolving credit facility. For the first quarter of 2016, Tubular Steel's net sales were approximately $29.8 million.

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Three Months ended March 31, 2016 Compared to Three Months Ended March 31, 2015

The following table sets forth certain income statement data for the first quarter of 2016 and 2015 (dollars are shown in millions and certain amounts may not calculate due to rounding):

	Three Months Ended March 31,					
	2016			2015		
	$	% of Net Sales		$	% of Net Sales	
Net sales	$ 2,162.7	100.0	%	$ 2,614.4	100.0	%
Cost of sales (exclusive of depreciation and amortization expense shown below)	1,526.0	70.6		1,943.7	74.3	
Gross profit (1)	636.7	29.4		670.7	25.7	
Warehouse, delivery, selling, general and administrative expense ("S,G&A")	450.8	20.8		446.1	17.1	
Depreciation expense	42.5	2.0		41.0	1.6	
Amortization expense	13.6	0.6		14.3	0.5	
Operating income	$ 129.8	6.0	%	$ 169.3	6.5	%

(1) Gross profit, calculated as net sales less cost of sales, and gross profit margin, calculated as gross profit divided by net sales, are non-GAAP financial measures as they exclude depreciation and amortization expense associated with the corresponding sales. The majority of our orders are basic distribution with no processing services performed. For the remainder of our sales orders, we perform "first-stage" processing, which is generally not labor intensive as we are simply cutting the metal to size. Because of this, the amount of related labor and overhead, including depreciation and amortization, is not significant and is excluded from our cost of sales. Therefore, our cost of sales is primarily comprised of the cost of the material we sell. We use gross profit and gross profit margin as shown above as measures of operating performance. Gross profit and gross profit margin are important operating and financial measures, as their fluctuations can have a significant impact on our earnings. Gross profit and gross profit margin, as presented, are not necessarily comparable with similarly titled measures for other companies.

Net Sales

	Three Months Ended March 31,		Dollar	Percentage	
	2016	2015	Change	Change	
	(in millions)				
Net sales	$ 2,162.7	$ 2,614.4	$ (451.7)	(17.3)	%
Net sales, same-store	$ 2,132.9	$ 2,614.4	$ (481.5)	(18.4)	%

	Three Months Ended March 31, 2016	2015	Tons Change	Percentage Change	
	(in thousands)				
Tons sold	1,503.0	1,544.5	(41.5)	(2.7)	%
Tons sold, same-store	1,487.9	1,544.5	(56.6)	(3.7)	%

	Three Months Ended March 31, 2016	2015	Price Change	Percentage Change	
Average selling price per ton sold	$ 1,425	$ 1,688	$ (263)	(15.6)	%
Average selling price per ton sold, same-store	$ 1,419	$ 1,688	$ (269)	(15.9)	%

Tons sold and average selling price per ton sold amounts exclude our toll processing sales (as we process the metal for a fee, without taking ownership of the metal). Same-store amounts exclude the results of our 2016 acquisition of Tubular Steel.

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Our consolidated sales are lower in the first quarter of 2016 compared to the first quarter of 2015 mainly due to lower metals prices. Our average selling price per ton sold has decreased sequentially for the past four quarters due to the high levels of imported metals products in 2015 because of the strength of the U.S. dollar coupled with weak global economies. The significant decline in our volume sold to the energy (oil and gas) market also contributed to the decline in our consolidated sales in the first quarter of 2016. In general, business activity in almost all of our end markets other than the energy market was relatively stable in the first quarter of 2016 compared to the first quarter of 2015. For the first quarter of 2016, same-store tons sold were down 3.7% from the first quarter of 2015; however, our performance outpaced the industry data reported by the MSCI, which indicated industry shipments were down 9.1% during the same period.

End markets that continued to perform well for us in the first quarter of 2016 when compared to the first quarter of 2015 were automotive, primarily through our toll processing businesses in the U.S. and Mexico, and aerospace. Heavy industry remained fairly consistent in the 2016 first quarter with the levels we experienced throughout 2015. Non-residential construction, our largest end market, continued its slow but steady improvement, albeit at significantly reduced demand levels from its peak in 2006. Sales to the energy market (oil and gas) were significantly lower in the first quarter of 2016 as compared to the first quarter of 2015 due to significantly lower oil prices and the related reduction in drilling activity.

Our average selling price per ton sold in the first quarter of 2016 was down 15.6% from the first quarter of 2015 given decreased mill pricing for most products we sell, most notably carbon and stainless steel. Our major commodity selling prices changed year-over-year as follows:

	Average Selling Price per Ton Sold (percentage change)		Same-store Average Selling Price per Ton Sold	
Carbon steel	(18.3)	%	(19.3)	%
Aluminum	(5.5)	%	(5.5)	%
Stainless steel	(21.3)	%	(21.3)	%
Alloy	(6.3)	%	(6.6)	%

Cost of Sales

	Three Months Ended March 31,								
	2016			2015					
		% of			% of		Dollar	Percentage	
	$	Net Sales		$	Net Sales		Change	Change	
	(dollars in millions)								
Cost of sales	$ 1,526.0	70.6	%	$ 1,943.7	74.3	%	$ (417.7)	(21.5)	%

The decrease in cost of sales in the first quarter of 2016 is mainly due to decreases in our tons sold and a lower average cost price per ton sold. See “Net Sales” above for trends in both demand and costs of our products.

Our LIFO method inventory valuation reserve adjustment, which is included in cost of sales and, in effect, reflects cost of sales at current replacement costs, resulted in no incremental LIFO expense or income in the first quarter of 2016 compared to a credit, or income, of $7.5 million in the first quarter of 2015.

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Gross Profit

	Three Months Ended March 31, 2016 $	% of Net Sales	2015 $	% of Net Sales	Dollar Change	Percentage Change
	(dollars in millions)					
Gross profit	$ 636.7	29.4 %	$ 670.7	25.7 %	$ (34.0)	(5.1) %

Decreased tons sold and a lower average selling price per ton sold in the first quarter of 2016 negatively impacted gross profit dollars. However, gross profit margins have increased sequentially for the past five quarters due to our disciplined operational execution that focuses on small, quick-turn orders and value-added processing along with improved inventory management. See “Net Sales” and “Cost of Sales” for further discussion on product pricing trends and our LIFO inventory valuation reserve adjustments, respectively.

Expenses

	Three Months Ended March 31, 2016 $	% of Net Sales	2015 $	% of Net Sales	Dollar Change	Percentage Change
	(dollars in millions)					
S,G&A expense	$ 450.8	20.8 %	$ 446.1	17.1 %	$ 4.7	1.1 %
S,G&A expense, same-store	$ 441.5	20.7 %	$ 446.1	17.1 %	$ (4.6)	(1.0) %
Depreciation & amortization expense	$ 56.1	2.6 %	$ 55.3	2.1 %	$ 0.8	1.4 %

Our same-store S,G&A expense in the first quarter of 2016 was down from the first quarter of 2015 due to our cost reduction efforts, most significantly at our businesses serving the energy markets. Personnel-related expenses represent approximately 60% of our S,G&A expense. Our S,G&A expense as a percent of sales in the first quarter of 2016 increased due to the decline in average selling prices.

The increase in depreciation and amortization expense was mainly due to depreciation expense from our recent capital expenditures and Tubular Steel acquisition.

Operating Income

	Three Months Ended March 31,						
	2016		2015				
	$	% of Net Sales	$	% of Net Sales	Dollar Change	Percentage Change	
	(dollars in millions)						
Operating income	$ 129.8	6.0 %	$ 169.3	6.5 %	$ (39.5)	(23.3)	%

Our operating income was lower in the first quarter of 2016 compared to the first quarter of 2015 due mainly to our gross profit dollars decreasing more than S,G&A expense. Our operating income margin declined in the first quarter of 2016 due to lower metals prices as the improvement in our gross profit margin was offset by an increase in our S,G&A expense as a percent of sales.

Income Tax Rate

Our effective income tax rates for the first quarter of 2016 and 2015 were 14.4% and 31.7%, respectively. During the first quarter of 2016, favorable developments occurred toward the resolution of a tax position that was previously uncertain. The re-measurement of that tax position lowered our effective tax rate by 16.1% in the first quarter of 2016, which is not expected to occur in subsequent periods. Permanent items that lowered our effective income tax rates from the federal statutory rate were not materially different during both years and relate mainly to company-owned life insurance policies,

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domestic production activities deductions and foreign income levels that are taxed at rates lower than the U.S. statutory rate of 35%. If we generate full-year 2016 taxable income at the same rate as the first quarter of 2016, we expect to have an annual effective income tax rate of approximately 27%.

Net Income

	Three Months Ended March 31,								
	2016			2015					
	$	% of Net Sales		$	% of Net Sales		Dollar Change	Percentage Change	
	(dollars in millions)								
Net income attributable to Reliance	$ 92.2	4.3	%	$ 101.3	3.9	%	$ (9.1)	(9.0)	%

The decrease in our net income in the first quarter of 2016 compared to the first quarter of 2015 was primarily the result of lower operating income somewhat offset by a lower income tax rate.

Liquidity and Capital Resources

Operating Activities

Net cash provided by operating activities was $155.4 million in the first quarter of 2016 compared to $171.4 million provided in the first quarter of 2015. The decrease was mainly due to our lower net income. To manage our working capital, we focus on our days sales outstanding and on our inventory turnover rate, as receivables and inventory are the two most significant elements of our working capital. At March 31, 2016, our days sales outstanding rate was approximately 42.3 days compared to 42.4 days at December 31, 2015. Our inventory turn rate (based on tons) during the first quarter of 2016 was approximately 4.9 times (or 2.4 months on hand), compared with our 2015 annual rate of 4.5 times (or 2.7 months on hand).

Investing Activities

Net cash used in investing activities of $331.5 million in the first quarter of 2016 was mainly comprised of our acquisition of Tubular Steel on January 1, 2016 and capital expenditures. Capital expenditures were $34.4 million for the first quarter of 2016 compared to $31.3 million during the first quarter of 2015. The majority of our 2016 capital expenditures relate to growth initiatives.

Financing Activities

Our net cash provided by financing activities of $189.7 million in the first quarter of 2016 was mainly comprised of net debt borrowings, which were used to fund our acquisition of Tubular Steel. Net debt borrowings in the first quarter of 2016 were $204.8 million compared to $53.1 million in first quarter of 2015. We paid dividends and dividend equivalents of $29.0 million during the first quarter of 2016, a decrease of $2.7 million from the first quarter of 2015 due to a lower number of outstanding shares resulting from our repurchase of approximately 6.2 million shares in 2015. We used cash of $171.2 million to repurchase shares of our common stock in the first quarter of 2015, while there were no repurchases during the first quarter of 2016. We expect to continue opportunistically repurchasing shares of our common stock going forward.

On April 19, 2016, our Board declared the 2016 second quarter cash dividend of $0.40 per share of common stock. We have increased our dividend 22 times since our IPO in 1994 and have paid regular quarterly dividends to our stockholders for 57 consecutive years.

On October 20, 2015, our Board of Directors increased by 7.5 million shares the number of shares authorized to be repurchased under our share repurchase plan and extended the duration of the plan through December 31, 2018. During the first quarter of 2015, we repurchased approximately 3.2 million shares of our common stock at an average cost of $58.02 per share for $184.9 million, including 231,626 shares for $13.7 million that were pending settlement at March 31,

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2015. We did not repurchase any shares in the first quarter of 2016. Since initiating the share repurchase plan in 1994, we have repurchased approximately 22.1 million shares at an average cost of $30.93 per share. As of March 31, 2016, we had authorization under the plan to purchase approximately 8.4 million shares, or about 12% of our current outstanding shares.

Liquidity

Our primary sources of liquidity are funds generated from operations and our $1.5 billion revolving credit facility. Our total outstanding debt at March 31, 2016 was $2.15 billion, up from $1.94 billion at December 31, 2015. At March 31, 2016, we had $556.0 million in outstanding borrowings, $56.9 million of issued letters of credit and $887.1 million available on our revolving credit facility. As of March 31, 2016, our net debt-to-total capital ratio was 33.4%, up from 31.8% as of December 31, 2015 due to borrowings to fund our acquisition of Tubular Steel on January 1, 2016. On April 1, 2016, we acquired Best Manufacturing and funded our purchase with borrowings on our revolving credit facility.

On April 4, 2013, we entered into a credit agreement with a syndicated bank group (“Credit Agreement”). The Credit Agreement amended and restated our existing $1.5 billion unsecured revolving credit facility and provided for a $500.0 million term loan and an option to increase the revolving credit facility for up to $500.0 million at our request, subject to approval of the lenders and certain other conditions. We intend to use the credit facility for working capital and general corporate purposes, including, but not limited to, capital expenditures, dividend payments, repayment of debt, share repurchases, internal growth initiatives and acquisitions. The $500.0 million term loan due April 4, 2018 amortizes in quarterly installments, with an annual amortization of 10% until March 2018, with the balance to be paid at maturity. All borrowings under the Credit Agreement may be repaid without penalty.

Other revolving credit facilities with a combined credit limit of approximately $74.3 million are in place for operations in Asia and Europe with combined outstanding balances of $53.2 million and $59.9 million as of March 31, 2016 and December 31, 2015, respectively.

Capital Resources

On November 20, 2006, we entered into an indenture (the “2006 Indenture”), for the issuance of $600.0 million of unsecured debt securities. The total debt issued was comprised of two tranches, (a) $350.0 million aggregate principal amount of senior unsecured notes bearing interest at the rate of 6.20% per annum, maturing on November 15, 2016; and (b) $250.0 million aggregate principal amount of senior unsecured notes bearing interest at the rate of 6.85% per annum, maturing on November 15, 2036.

On April 12, 2013, we entered into an indenture (the "2013 Indenture" and, together with the 2006 Indenture, the "Indentures"), for the issuance of $500.0 million aggregate principal amount of senior unsecured notes at the rate of 4.50% per annum, maturing on April 15, 2023. The net proceeds from the issuance of these notes were used to partially fund the acquisition of Metals USA Holdings Corp ("Metals USA").

Under the Indentures, the notes are senior unsecured obligations and rank equally in right of payment with all of our existing and future unsecured and unsubordinated obligations. The notes are guaranteed by certain of our 100%-owned domestic subsidiaries that guarantee our Credit Agreement. The senior unsecured notes include provisions that require us to make an offer to repurchase the notes at a price equal to 101% of their principal amount plus accrued and unpaid interest in the event of both a change in control and a downgrade of our credit rating.

In connection with our acquisition of Metals USA, we assumed industrial revenue bonds with combined outstanding balances of $11.0 million as of March 31, 2016 and December 31, 2015, and maturities through 2027. Additionally, we assumed mortgage obligations pursuant to our acquisition of a portfolio of real estate properties that we were leasing, which have outstanding balances of $40.1 million and $40.4 million as of March 31, 2016 and December 31, 2015, respectively. The mortgages, which are secured by the underlying properties, have a fixed interest rate of 6.40% and scheduled amortization payments with a lump sum payment of $39.2 million due October 2016.

As of March 31, 2016, we had $531.8 million of debt obligations coming due before our $1.5 billion revolving credit facility expires on April 4, 2018. We believe that we will continue to have sufficient liquidity to fund our future operating

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needs and to repay our debt obligations as they become due, including $350.0 million of senior notes that mature in November 2016. In addition to funds generated from operations and funds available under our revolving credit facility, we expect to be able to access the capital markets to raise funds, if desired. We believe our investment grade credit rating enhances our ability to effectively raise funding, if needed. We expect to continue our acquisition and other growth activities in the future and anticipate that we will be able to fund such activities as they arise.

Covenants

Our Credit Agreement, including our term loan, requires us to maintain a minimum interest coverage ratio and a maximum leverage ratio, among other things. Our interest coverage ratio for the twelve-month period ended March 31, 2016 was approximately 6.5 times compared to the debt covenant minimum requirement of 3.0 times (interest coverage ratio is calculated as net income attributable to Reliance plus interest expense and provision for income taxes and plus or minus any non-operating non-recurring loss or gain, respectively, divided by interest expense). Our leverage ratio as of March 31, 2016, calculated in accordance with the terms of the Credit Agreement, was 35.2% compared to the debt covenant maximum amount of 60% (leverage ratio is calculated as total debt, inclusive of capital lease obligations and outstanding letters of credit, divided by Reliance stockholders' equity plus total debt).

Our obligations under the Credit Agreement and Indentures are required to be guaranteed by certain of our 100%-owned domestic subsidiaries. The subsidiary guarantors, together with Reliance, are required collectively to account for at least 80% of our consolidated EBITDA and 80% of consolidated tangible assets. Reliance and the subsidiary guarantors accounted for approximately 91% of our consolidated EBITDA for the last twelve months and approximately 84% of consolidated tangible assets as of March 31, 2016.

We were in compliance with all material covenants in our debt agreements at March 31, 2016.

Off-Balance-Sheet Arrangements

We do not have any off-balance-sheet arrangements or relationships with unconsolidated entities or financial partnerships, such as entities often referred to as structured finance or variable interest entities, which are typically established for the purpose of facilitating off-balance-sheet arrangements or other contractually narrow or limited purposes.

As of March 31, 2016 and December 31, 2015, we were contingently liable under standby letters of credit in the aggregate amount of $56.9 million and $57.4 million, respectively. The letters of credit relate to insurance policies, construction projects and outstanding industrial revenue bonds.

Contractual Obligations and Other Commitments

We had no material changes in commitments for capital expenditures, operating lease obligations or purchase obligations as of March 31, 2016, as compared to those disclosed in our table of contractual obligations included in our Annual Report on Form 10-K for the year ended December 31, 2015.

Inflation

Our operations have not been, and we do not expect them to be, materially affected by general inflation. Historically, we have been successful in adjusting prices to our customers to reflect changes in metal prices.

Seasonality

Some of our customers are in seasonal businesses, especially customers in the construction industry and related businesses. Our overall operations have not shown any material seasonal trends as a result of our geographic, product and customer diversity. Typically, revenues in the months of July, November and December have been lower than in other months because of a reduced number of working days for shipments of our products, resulting from vacation and extended holiday closures at some of our customers. We cannot predict whether period-to-period fluctuations will be consistent with historical patterns. Results of any one or more quarters are therefore not necessarily indicative of annual results.

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Goodwill and Other Intangible Assets

Goodwill, which represents the excess of cost over the fair value of net assets acquired, amounted to $1.82 billion at March 31, 2016, or approximately 24.3% of total assets, or 45.5% of Reliance stockholders' equity. Additionally, other intangible assets, net amounted to $1.21 billion at March 31, 2016, or approximately 16.0% of total assets, or 30.0% of Reliance stockholders' equity. Goodwill and other intangible assets deemed to have indefinite lives are not amortized but are subject to annual impairment tests. Other intangible assets with finite useful lives continue to be amortized over their useful lives. We review the recoverability of our long-lived assets whenever events or changes in circumstances indicate the carrying amount of such assets may not be recoverable.

Critical Accounting Policies and Estimates

Management's Discussion and Analysis of Financial Condition and Results of Operations discusses our Unaudited Consolidated Financial Statements, which have been prepared in accordance with U.S. generally accepted accounting principles. When we prepare these consolidated financial statements, we are required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Some of our accounting policies require that we make subjective judgments, including estimates that involve matters that are inherently uncertain. Our most critical accounting estimates include those related to accounts receivable, inventories, income taxes, goodwill and intangible assets and long-lived assets. We base our estimates and judgments on historical experience and on various other factors that we believe to be reasonable under the circumstances, the results of which form the basis for our judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Our actual results may differ from these estimates under different assumptions or conditions.

See "Critical Accounting Policies and Estimates" in our Annual Report on Form 10-K for the year ended December 31, 2015 for further information regarding the accounting policies that we believe to be critical accounting policies and that affect our more significant judgments and estimates used in preparing our consolidated financial statements. We do not believe that the new accounting guidance implemented in 2016 changed our critical accounting policies.

New Accounting Guidance

See "Note 2 — Impact of Recently Issued Accounting Guidance" to our Unaudited Consolidated Financial Statements included in this Quarterly Report on Form 10-Q for disclosure on new accounting guidance issued or implemented.

Item 3. Quantitative And Qualitative Disclosures About Market Risk

In the ordinary course of business, we are exposed to various market risk factors, including fluctuations in interest rates, changes in general economic conditions, domestic and foreign competition, foreign currency exchange rates, metals pricing, demand and availability. There have been no significant changes in our market risk exposures since December 31, 2015. See “Item 7A - Quantitative and Qualitative Disclosures About Market Risk” in our Annual Report on Form 10-K for the year ended December 31, 2015 for further discussion on quantitative and qualitative disclosures about market risk.

Item 4. Controls And Procedures

Under the supervision and with the participation of the Company’s management, including the Company’s Chief Executive Officer and Chief Financial Officer, the Company carried out an evaluation of the effectiveness of the design and operation of the Company’s disclosure controls and procedures pursuant to and as defined in Rule 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended. Based upon that evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that, as of the end of the period covered in this report, the Company’s disclosure controls and procedures are effective.

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There have been no changes in the Company's internal control over financial reporting during the quarter ended March 31, 2016 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II — OTHER INFORMATION

Item 1A. Risk Factors

There have been no material changes to the risk factors disclosed in the Company's Annual Report on Form 10-K for the year ended December 31, 2015.

Item 6. Exhibits

See the Exhibit Index immediately following the signature page of this Quarterly Report on Form 10-Q.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

RELIANCE STEEL & ALUMINUM CO.

Dated: May 2, 2016	By:	/s/ Gregg J. Mollins Gregg J. Mollins President and Chief Executive Officer
	By:	/s/ Karla R. Lewis Karla R. Lewis Senior Executive Vice President and Chief Financial Officer

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Exhibit Index

Exhibit No.	Description
3.1	First Amendment, dated February 16, 2016, to Amended and Restated Bylaws of Reliance Steel & Aluminum Co. (incorporated by reference to Exhibit 3.1 of Reliance Steel & Aluminum Co.'s Form 8-K filed with the SEC on February 18, 2016)
10.1	Form of Indemnification Agreement (incorporated by reference to Exhibit 10.1 of Reliance Steel & Aluminum Co.'s Form 8-K filed with the SEC on February 18, 2016)
10.3*	Form of Restricted Stock Unit Award Agreement-ROA Performance
10.4*	Form of Restricted Stock Unit Award Agreement-Service
31.1*	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended.
31.2*	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended.
32**	Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS*	XBRL Instance Document.
101.SCH*	XBRL Taxonomy Extension Schema Document.
101.CAL*	XBRL Taxonomy Calculation Linkbase Document.
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB*	XBRL Taxonomy Label Linkbase Document.
101.PRE*	XBRL Taxonomy Presentation Linkbase Document.

* Filed herewith.

** Furnished herewith.