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

FORM 10-Q

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For Quarterly Period Ended June 30, 2007 or,

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from _____ to _____

Commission File Number 1-5415

A. M. Castle & Co.

(Exact name of registrant as specified in its charter)

Maryland

(State or Other Jurisdiction of
incorporation of organization)

36-0879160

(I.R.S. Employer Identification No.)

3400 North Wolf Road, Franklin Park, Illinois

(Address of Principal Executive Offices)

60131

(Zip Code)

Registrant's telephone, including area code 847/455-7111

None

(Former name, former address and former fiscal year, if changed since last report)

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 is a large accelerated filer; an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (check one):

Large Accelerated Filer Accelerated Filer Non-Accelerated Filer

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

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

Class	Outstanding at July 31, 2007
Common Stock, \$0.01 Par Value	22,037,535 shares

A. M. CASTLE & CO.

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

Current assets

Cash and cash equivalents

\$ 13,064 \$ 9,526

Accounts receivable, less allowances of \$3,184 at June 30, 2007
and \$3,112 at December 31, 2006

187,397 160,999

Inventories (principally on last-in, first-out basis)

(latest cost higher by \$161,591 at June 30, 2007 and \$128,404
at December 31, 2006)

247,313 202,394

Other current assets

16,940 18,743

Total current assets

464,714 391,662

Investment in joint venture

15,223 13,577

Goodwill

101,848 101,783

Intangible assets

62,881 66,169

Prepaid pension cost

5,632 5,681

Other assets

5,564 5,850

Property, plant and equipment, at cost

Land

5,226 5,221

Building

48,944 49,017

Machinery and equipment

147,767 141,090

Less - accumulated depreciation

(131,249) (124,930)

70,688 70,398

Total assets

\$ 726,550 \$ 655,120

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities

Accounts payable

\$ 123,726 \$ 117,561

Accrued liabilities

29,689 30,152

Income taxes payable

- 931

Deferred income taxes - current

18,516 16,339

Short-term debt

83,840 123,261

Current portion of long-term debt

6,823 12,834

Total current liabilities

262,594 301,078

Long-term debt, less current portion

67,185 90,051

Deferred income taxes

30,809 31,782

Other non-current liabilities

17,570 16,302

Commitments and contingencies

Stockholders' equity

Preferred stock, \$0.01 par value - 10,000,000 shares

authorized; 0 shares outstanding at June 30, 2007 and 12,000 shares
issued and outstanding at December 31, 2006

- 11,239

Common stock, \$0.01 par value - authorized 30,000,000

shares; 22,270,612 shares issued and 22,037,535 shares outstanding
at June 30, 2007; and 17,447,205 shares issued and 17,085,091
shares outstanding at December 31, 2006

218 170

Additional paid-in capital

177,666 69,775

Retained earnings

190,173 160,625

Accumulated other comprehensive loss

(14,845) (18,504)

Deferred unearned compensation

(1,333) (1,392)

Treasury stock, at cost - 233,077 shares at June 30, 2007
and 362,114 shares at December 31, 2006

(3,487) (6,006)

Total stockholders' equity

348,392 215,907

Total liabilities and stockholders' equity

\$ 726,550 \$ 655,120

The accompanying notes are an integral part of these statements

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

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2007	2006	2007	2006
Net sales	\$ 372,608	\$ 275,607	\$ 747,959	\$ 554,800
Costs and expenses:				
Cost of materials (exclusive of depreciation)	270,263	195,244	539,713	391,343
Warehouse, processing and delivery expense	34,293	28,981	69,863	58,605
Sales, general, and administrative expense	33,947	25,071	70,341	49,957
Depreciation and amortization expense	4,977	2,654	9,873	5,097
Operating income	<u>29,128</u>	<u>23,657</u>	<u>58,169</u>	<u>49,798</u>
Interest expense, net	(4,163)	(958)	(8,424)	(2,046)
Income before income taxes and equity earnings of joint venture	<u>24,965</u>	<u>22,699</u>	<u>49,745</u>	<u>47,752</u>
Income taxes	(9,994)	(9,397)	(19,871)	(19,639)
Net income before equity in earnings of joint venture	<u>14,971</u>	<u>13,302</u>	<u>29,874</u>	<u>28,113</u>
Equity in earnings of joint venture	<u>1,391</u>	<u>1,056</u>	<u>2,323</u>	<u>2,295</u>
Net income	<u>16,362</u>	<u>14,358</u>	<u>32,197</u>	<u>30,408</u>
Preferred stock dividends	(350)	(243)	(593)	(485)
Net income applicable to common stock	<u>\$ 16,012</u>	<u>\$ 14,115</u>	<u>\$ 31,604</u>	<u>\$ 29,923</u>
Basic earnings per share	<u>\$ 0.81</u>	<u>\$ 0.83</u>	<u>\$ 1.65</u>	<u>\$ 1.78</u>
Diluted earnings per share	<u>\$ 0.78</u>	<u>\$ 0.76</u>	<u>\$ 1.59</u>	<u>\$ 1.62</u>
Dividends per common share paid	<u>\$ 0.06</u>	<u>\$ 0.06</u>	<u>\$ 0.12</u>	<u>\$ 0.12</u>

The accompanying notes are an integral part of these statements

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS*(Dollars in thousands)**Unaudited*

For the Six Months Ended Jun 30,	
2007	2006

Cash flows from operating activities:		
Net income	\$ 32,197	\$ 30,408
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation and amortization	9,873	5,097
Amortization of deferred gain	(447)	(295)
Loss on disposal of fixed assets	1,327	-
Impairment of long-lived asset	589	-
Equity in earnings from joint venture	(2,323)	(2,295)
Dividends from joint venture	715	825
Stock compensation expense	2,515	1,945
Deferred tax provision	1,498	(1)
Excess tax benefits from stock-based payment arrangements	(148)	(811)
Increase (decrease) from changes, net of acquisitions, in:		
Accounts receivable	(25,153)	(21,644)
Inventories	(43,611)	(20,089)
Prepaid pension costs	49	1,909
Other current assets	2,762	(1,118)
Other assets	2,035	(755)
Accounts payable	5,741	20,210
Accrued liabilities	2,454	1,471
Income tax payable	(1,861)	(6,588)
Postretirement benefit obligations and other liabilities	626	482
Net cash (used in) provided by operating activities	<u>(11,162)</u>	<u>8,751</u>
Cash flows from investing activities:		
Capital expenditures	(8,371)	(7,804)
Proceeds from sale of equipment	23	-
Net cash used in investing activities	<u>(8,348)</u>	<u>(7,804)</u>
Cash flows from financing activities:		
Net repayments of short-term debt	(39,560)	-
Repayments of long-term debt	(28,899)	(258)
Payment of debt issuance fees	(21)	-
Preferred stock dividend	(345)	(485)
Dividends paid	(2,056)	(2,018)
Net proceeds from issuance of common stock	93,196	
Exercise of stock options and other	210	6,174
Excess tax benefits from stock-based payment arrangements	148	811
Net cash provided by financing activities	<u>22,673</u>	<u>4,224</u>
Effect of exchange rate changes on cash and cash equivalents	375	419
Net increase in cash and cash equivalents	3,538	5,590
Cash and cash equivalents - beginning of year	<u>\$ 9,526</u>	<u>\$ 37,392</u>
Cash and cash equivalents - end of period	<u>\$ 13,064</u>	<u>\$ 42,982</u>
Supplemental disclosure of cash flow information - cash paid during period:		
Interest	<u>\$ 8,413</u>	<u>\$ 2,953</u>
Income taxes	<u>\$ 21,050</u>	<u>\$ 25,093</u>

The accompanying notes are an integral part of these statements

A. M. Castle & Co.

Notes to Condensed Consolidated Financial Statements
June 30, 2007
(Unaudited)

1. Condensed Consolidated Financial Statements

The condensed consolidated financial statements included herein have been prepared by A.M. Castle & Co. and subsidiaries (the "Company"), without audit, pursuant to the rules and regulations of the U.S. Securities and Exchange Commission ("SEC"). The Condensed Consolidated Balance Sheet at December 31, 2006 is derived from the audited financial statements at that date. The Company believes that the disclosures are adequate and make the information not misleading; however, certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") have been condensed or omitted pursuant to the rules and regulations of the SEC. In the opinion of management, the unaudited statements, included herein, contain all adjustments (consisting of only normal recurring adjustments) necessary to present fairly the financial position, the cash flows and the results of operations for the periods then ended. It is suggested that these condensed consolidated financial statements be read in conjunction with the financial statements and the notes thereto included in the Company's latest Annual Report on Form 10-K. The 2007 interim results reported herein may not necessarily be indicative of the results of the Company's operations for the full year.

The amounts presented on the Condensed Consolidated Statement of Cash Flows for the six months ended June 30, 2006 have been corrected to report dividends from joint venture as a cash flow from operating activities to conform to the 2007 presentation. The dividends from joint venture were previously reported as a cash flow from investing activities.

The Company had non-cash investing activities for the six months ended June 30, 2007 consisting of \$3.0 million in profit sharing contributions made in treasury shares and \$0.3 million in preferred share dividends paid in shares of common stock.

2. New Accounting Standards – Issued Not Yet Adopted

In September 2006 the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 157, "Fair Value Measurement" and in February 2007, the FASB issued SFAS No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities." SFAS No. 157 was issued to eliminate the diversity in practice that exists due to the different definitions of fair value and the limited guidance in applying these definitions. SFAS No. 157 encourages entities to combine fair value information disclosed under SFAS No. 157 with other accounting pronouncements, including SFAS No. 107, "Disclosures about Fair Value of Financial Instruments", where applicable. SFAS No. 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007. SFAS No. 159 permits entities to choose to measure many financial instruments and certain other items at fair value. The objective is to improve financial reporting by providing entities with the opportunity to mitigate volatility in reported earnings caused by measuring related assets and liabilities differently without having to apply complex hedge accounting provisions. SFAS No. 159 is effective as of the beginning of an entity's first fiscal year that begins after November 15, 2007. The Company does not expect the adoption of these statements to materially affect its consolidated financial results of operations, cash flows or its financial position.

3. Earnings per share

For the period through the conversion of the preferred stock in connection with the secondary offering on May 24, 2007, the Company's preferred stockholders participated in dividends paid on the Company's common stock on an "if converted" basis. In accordance with Emerging Issues Task Force Issue No. 03-6, "Participating Securities and the Two-Class Method under SFAS No. 128, Earnings per Share", basic earnings per share is computed by applying the two-class method to compute earnings per share. The two-class method is an earnings allocation method under which earnings per share is calculated for each class of common stock and participating security considering both dividends declared and participation rights in undistributed earnings as if all such earnings had been distributed during the period. Diluted earnings per share is computed by dividing net income by the weighted average number of shares of common stock plus common stock equivalents. Common stock equivalents consist of stock options, restricted stock awards and convertible preferred stock shares, which have been included in the calculation of weighted average shares outstanding using the treasury stock method. In accordance with SFAS No. 128, the following table is a reconciliation of the basic and diluted earnings per share calculations for the six months ended June 30, 2007 and 2006 (*in thousands, except per share data*):

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2007	2006	2007	2006
Numerator:				
Net income	\$ 16,362	\$ 14,358	\$ 32,197	\$30,408
Preferred dividends distributed.....	(350)	(243)	(593)	(485)
Undistributed earnings.....	<u>\$ 16,012</u>	<u>\$ 14,115</u>	<u>\$ 31,604</u>	<u>\$ 29,923</u>
Undistributed earnings attributable to:				
Common stockholders.....	\$ 15,392	\$ 14,115	\$ 29,730	\$ 29,923
Preferred stockholders, as if converted..	620	—	1,874	—
Total undistributed earnings	<u>\$ 16,012</u>	<u>\$ 14,115</u>	<u>\$ 31,604</u>	<u>\$ 29,923</u>
Denominator:				
Weighted average common shares outstanding	18,985	16,653	18,016	16,657
Effect of dilutive securities:				
Outstanding employee and director common stock options.....	780	360	786	305
Convertible preferred stock	<u>1,196</u>	<u>1,794</u>	<u>1,495</u>	<u>1,794</u>
Denominator for diluted earnings per share.....	<u>20,961</u>	<u>18,807</u>	<u>20,277</u>	<u>18,756</u>
Basis earnings per common share	<u>\$ 0.81</u>	<u>\$ 0.83</u>	<u>\$1.65</u>	<u>\$ 1.78</u>
Diluted earnings per common share.....	<u>\$ 0.78</u>	<u>\$ 0.76</u>	<u>\$ 1.59</u>	<u>\$ 1.62</u>
Outstanding employee and director common stock options and restricted and convertible preferred stock shares having no dilutive effect	—	—	—	4

4. Debt

Short-term and long-term debt consisted of the following at June 30, 2007 and December 31, 2006 (dollars in thousands):

	June 30, 2007	December 31, 2006
SHORT-TERM DEBT		
U.S. Revolver	\$ 65,700	\$ 108,000
Canadian facility	700	—
Mexico	2,350	1,863
Transtar	1,135	1,383
Trade acceptances	13,955	12,015
Total short-term debt	<u>83,840</u>	<u>123,261</u>
LONG-TERM DEBT		
U.S. Term Loan due in scheduled installments from 2007 through 2011	—	28,500
6.76% insurance company loan due in scheduled installments from 2007 through 2015	69,283	69,283
Industrial development revenue bonds due in varying amounts through 2009	3,600	3,600
Other, primarily capital leases	1,125	1,502
Total long-term debt	<u>74,008</u>	<u>102,885</u>
Less-current portion.....	<u>(6,823)</u>	<u>(12,834)</u>
Total long-term portion.....	<u>67,185</u>	<u>90,051</u>
TOTAL SHORT-TERM AND LONG-TERM DEBT.....	<u><u>\$ 157,848</u></u>	<u><u>\$ 226,146</u></u>

In September 2006, the Company entered into a \$210 million amended senior credit facility with its lending syndicate. This facility replaced the Company's \$82.0 million revolving credit facility entered into in July 2005. The amended senior credit facility provides for (i) a \$170 million revolving loan to be drawn on by the company from time to time, (ii) a \$30 million term loan and (iii) a Cdn. \$11.1 million revolving loan (approximately \$9.9 million in U.S. dollars) to be drawn on by the Company's Canadian subsidiary from time to time. The revolving loans and term loan mature in 2011.

In late May, 2007, the Company completed a public offering of 5,000,000 shares of its common stock at \$33.00 per share. Of these shares, the Company sold 2,347,826 plus an additional 652,174 to cover over-allotments. Selling stockholders sold 2,000,000 shares.

The Company realized net proceeds from the equity offering of \$93.2 million. The proceeds were used to repay the \$27.0 million outstanding balance on the U.S. Term Loan and reduce outstanding borrowings and accrued interest under its U.S. Revolver by \$66.2 million. The Company did not receive any proceeds from the sale of shares by the selling stockholders.

Available revolving credit capacity is primarily used to fund working capital needs. As of June 30, 2007, the Company had outstanding borrowings of \$65.7 million under its U.S. Revolver and had availability of \$96.5 million. The Company's Canadian subsidiary had \$0.7 million in outstanding borrowings under the Canadian Revolver and availability of \$9.2 million at June 30, 2007.

5. Goodwill and Intangible Assets

Acquisition of Transtar

On September 5, 2006, the Company acquired all of the issued and outstanding capital stock of Transtar Intermediate Holdings #2, Inc. ("Transtar"), a wholly owned subsidiary of H.I.G. Transtar Inc. The results of Transtar's operations have been included in the consolidated financial statements since that date. These results and the assets of Transtar are included in the Company's Metals segment. In accordance with the purchase agreement, the determination of the final purchase price is subject to a working capital adjustment. The final determination and agreement on the adjustment has not yet been completed but the Company expects that it will be finalized by the end of the calendar year. The purchase price adjustment will impact the final allocation of purchase price to the acquired assets and liabilities. For more information regarding the acquisition of Transtar, refer to our 2006 Annual Report on Form 10-K.

The changes in carrying amounts of goodwill were as follows (*dollars in thousands*):

	Metals Segment	Plastics Segment	Total
Balance as of December 31, 2006.....	\$ 88,810	\$ 12,973	\$ 101,783
Currency translation	65	—	65
Balance as of June 30, 2007	<u>\$ 88,875</u>	<u>\$ 12,973</u>	<u>\$ 101,848</u>

The Company performs an annual impairment test on goodwill during the first quarter of each fiscal year. Based on the test performed during the first quarter of 2007, the Company has determined that there is no impairment of goodwill.

The following summarizes the components of intangible assets at June 30, 2007 and December 31, 2006 (*dollars in thousands*):

	June 30, 2007		December 31, 2006	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Customer Relationships	\$ 66,851	\$ 5,096	\$ 66,851	\$ 2,061
Non-Compete Agreements	1,557	431	1,557	178
Total	<u>\$ 68,408</u>	<u>\$ 5,527</u>	<u>\$ 68,408</u>	<u>\$ 2,239</u>

The weighted-average amortization period is 10.8 years, 11 years for customer contracts and 3 years for non-compete agreements. Substantially all of the Company's intangible assets were acquired as part of the acquisition of Transtar on September 5, 2006.

For the six-month period ended June 30, 2007, the aggregate amortization expense was \$3.3 million. For the six-month period ended June 30, 2006, the aggregate amortization expense was immaterial.

The following is a summary of the estimated aggregate amortization expense for each of the next five years (*dollars in thousands*):

2007 (July 1 through December 31, 2007)	\$ 3,302
2008.....	6,604
2009.....	6,441
2010.....	6,081
2011.....	6,070
2012.....	6,070

6. Inventories

Final inventory determination under the last-in,first-out (LIFO) method can only be made at the end of each fiscal year based on the actual inventory levels and costs at that time. Accordingly, interim LIFO determinations, including those at June 30, 2007, are based solely on management's estimates of inventory levels and costs. Since future estimates of inventory levels and costs are subject to certain forces beyond the control of management, interim financial results are subject to fiscal year-end LIFO inventory valuations.

Current replacement cost of inventories exceeded book value by \$161.6 million and \$128.4 million at June 30, 2007 and December 31, 2006, respectively. Income taxes would become payable on any realization of this excess from reductions in the level of inventories.

The Company has entered into consignment inventory agreements with a few select customers whereby revenue is not recorded until the customer has consumed product from the consigned inventory and title has passed. Net sales derived from consigned inventories at customer locations for 2007 was \$10.2 million, or 1.4% of sales. Inventory on consignment at customers as of June 30, 2007 was \$5.2 million, or 2.0%, of consolidated net inventory as reported on the Company's consolidated balance sheets.

7. Share-Based Compensation

The Company maintains long-term stock incentive and stock option plans for the benefit of officers, directors and key management employees. The fair value of stock options granted has been estimated using the Black-Scholes option pricing model. There were no stock options granted in the first or second quarters of 2007. Other forms of share-based compensation have generally used the market price of the Company's stock on the date of grant to estimate fair value.

In 2005, the Company established the 2005 Performance Stock Equity Plan (the "Performance Plan"). Under the Performance Plan, 438,448 stock awards have been granted, of which 79,902 have been forfeited. In the second quarter of 2007, no awards were granted and 3,833 were forfeited in this plan. The number of shares that could potentially be issued is 717,092.

In 2007, the Company established the 2007 Long-Term Incentive Plan (the "2007 Performance Plan"), which is similar in form to the Performance Plan. Under this Plan, 82,400 restricted stock awards were granted in January 2007 and 38,100 restricted stock awards were granted in April 2007. None have been forfeited. The number of shares that could potentially be issued under this plan is 241,000. The grant date fair values range from \$25.45 to \$34.33. Under the 2007 Performance Plan, the shares related to the awards will be distributed in 2010, contingent upon meeting company-wide performance goals over the 2007-2009 performance periods.

Additionally, 13,014 shares of restricted stock awards were granted in April 2007 to the non-employee members of the board of directors at a grant date fair value of \$34.58 per share.

The consolidated expense for all share based compensation plans was \$1.1 million and \$0.9 million for the three months ended June 30, 2007 and 2006, respectively and \$2.5 million and \$1.9 million for the six months ended June 30, 2007 and 2006, respectively. The unrecognized compensation cost as of June 30, 2007 associated with all plans is \$5.8 million and the weighted average period over which it is to be expensed is 1.8 years.

8. Comprehensive Income

Comprehensive income includes net income and all other non-owner changes to equity that are not reported in net income. Below is the Company's comprehensive income for the three months ended June 30, 2007 and 2006 (*dollars in millions*).

	2007	2006
Net income	\$ 16.4	\$ 14.4
Foreign currency translation.....	2.6	1.4
Pension cost amortization, net of tax	0.5	—
Total Comprehensive Income	<u>\$ 19.5</u>	<u>\$ 15.8</u>

Below is the Company's comprehensive income for the six months ended June 30, 2007 and 2006 (*dollars in millions*).

	2007	2006
Net income	\$ 32.2	\$ 30.4
Foreign currency translation.....	2.7	1.1
Pension cost amortization, net of tax	1.0	—
Total Comprehensive Income	<u>\$ 35.9</u>	<u>\$ 31.5</u>

The total accumulated other comprehensive losses at June 30, 2007 and December 31, 2006 comprised (*dollars in millions*):

	June 30, 2007	December 31, 2006
Foreign currency valuation	\$ 6.3	\$ 3.6
Unrecognized pension and postretirement benefit costs, net of cash	(21.1)	(22.1)
Total Accumulated Other Comprehensive Loss	<u>\$ (14.8)</u>	<u>\$ (18.5)</u>

9. Segment Reporting

The Company distributes and performs processing on both metals and plastics. Although the distribution processes are similar, different customer markets, supplier bases and types of products exist. Additionally, our Chief Executive Officer reviews and manages these two businesses separately. As such, these businesses are considered segments according to SFAS No. 131 "Disclosures about Segments of an Enterprise and Related Information" and are reported accordingly in the Company's consolidated financial statements.

The accounting policies for all segments are described in Note 3 "Segment Reporting" in the Company's Annual Report on Form 10-K for the year ended December 31, 2006. Management evaluates performance of its business segments based on operating income. The Company does not maintain separate standalone financial statements prepared in accordance with GAAP for each of its operating segments.

The following is the segment information for the quarters ended June 30, 2007 and 2006:

<i>(dollars in millions)</i>	Net Sales	Operating Income	Capital Expenditures	Depreciation & Amortization
2007				
Metals Segment	\$ 343.3	\$ 29.4	\$ 5.6	\$ 4.7
Plastics Segment ...	29.3	1.7	0.6	0.3
Other	—	(2.0)	—	—
Consolidated	<u>\$ 372.6</u>	<u>\$ 29.1</u>	<u>\$ 6.2</u>	<u>\$ 5.0</u>
2006				
Metals Segment	\$ 244.8	\$ 23.3	\$ 5.1	\$ 2.5
Plastics Segment ...	30.8	2.8	0.3	0.2
Other	—	(2.4)	—	—
Consolidated	<u>\$ 275.6</u>	<u>\$ 23.7</u>	<u>\$ 5.4</u>	<u>\$ 2.7</u>

“Other” – Operating loss includes the costs of executive, finance and legal departments, and other corporate activities which support both the metals and plastics segments of the Company.

The following is the segment information for the six months ended June 30, 2007 and 2006:

<i>(dollars in millions)</i>	Net Sales	Operating Income	Capital Expenditures	Depreciation & Amortization
2007				
Metals Segment	\$ 690.0	\$ 59.8	\$ 7.4	\$ 9.3
Plastics Segment ...	58.0	3.2	1.0	0.6
Other	—	(4.8)	—	—
Consolidated	<u>\$ 748.0</u>	<u>\$ 58.2</u>	<u>\$ 8.4</u>	<u>\$ 9.9</u>
2006				
Metals Segment	\$ 495.4	\$ 49.9	\$ 7.2	\$ 4.5
Plastics Segment ...	59.4	4.5	0.6	0.6
Other	—	(4.6)	—	—
Consolidated	<u>\$ 554.8</u>	<u>\$ 49.8</u>	<u>\$ 7.8</u>	<u>\$ 5.1</u>

“Other” – Operating loss includes the costs of executive, finance and legal departments, and other corporate activities which support both the metals and plastics segments of the Company.

The segment information for total assets at June 30, 2007 and December 31, 2006 was as follows:

<i>(dollars in millions)</i>	June 30, 2007	December 31, 2006
Metals Segment	\$ 662.8	\$ 593.7
Plastics Segment	48.6	47.8
Other	15.2	13.6
Consolidated	<u>\$ 726.6</u>	<u>\$ 655.1</u>

"Other" — The segment's total assets consist of the Company's investment in a joint venture.

10. Pension and Postretirement Benefits

The following are the components of the net pension and postretirement benefit expenses (in thousands):

	For the Three Months Ended June 30,	
	2007	2006
Service cost	\$ 934.5	\$ 917.8
Interest cost	1,911.1	1,805.8
Expected return on plan assets	(2,520.0)	(2,423.9)
Amortization of prior service cost.....	26.4	26.4
Amortization of net loss	787.0	945.8
Net periodic cost.....	<u>\$ 1,139.0</u>	<u>\$ 1,271.9</u>

	For the Six Months Ended June 30,	
	2007	2006
Service cost	\$ 1,869.0	\$ 1,835.6
Interest cost	3,822.2	3,611.6
Expected return on plan assets	(5,040.0)	(4,847.8)
Amortization of prior service cost.....	52.8	52.8
Amortization of net loss	1,574.0	1,891.6
Net periodic cost.....	<u>\$ 2,278.0</u>	<u>\$ 2,543.8</u>

As of June 30, 2007, the Company has not made any cash contributions to its pension plans for this fiscal year and does not anticipate making any contributions for the balance of 2007.

11. Commitments and Contingent Liabilities

At June 30, 2007, the Company had \$5.3 million of irrevocable letters of credit outstanding, \$1.7 million of which is for compliance with the insurance reserve requirements of its workers' compensation insurance carrier. The remaining \$3.6 million is in support of the outstanding industrial revenue bonds. The Company is the defendant in several lawsuits arising out of the conduct of its business. These lawsuits are incidental and occur in the normal course of the Company's business affairs. It is the opinion of the Company, based on current knowledge that no uninsured liability will result from the outcome of this litigation that would have a material adverse effect on the consolidated results of operations, financial condition or cash flows of the Company.

12. Income Taxes

In June 2006, the FASB issued Interpretation No. 48 (FIN 48), "Accounting for Uncertainty in Income Taxes – an interpretation of FASB No. 109". This interpretation clarifies the accounting for uncertainty in income taxes recognized in an entity's financial statements in accordance with SFAS No. 109, "Accounting for Income Taxes". It prescribes a recognition threshold and measurement attribute for financial statement disclosure of tax positions taken or expected to be taken on a tax return.

The Company adopted FIN 48 on January 1, 2007. No increase in liability for unrecognized tax benefits was recorded as a result of the adoption. As of January 1, 2007, the Company has

a \$1.0 million liability recorded for unrecognized tax benefits of which \$0.3 million would impact the effective tax rate if recognized. As of June 30, 2007, the Company has a \$1.1 million liability recorded for unrecognized tax benefits of which \$0.4 million would impact the effective tax rate if recognized. The Company recognizes interest and penalties related to unrecognized tax benefits as a component of tax expense.

The Company does not anticipate the amount of unrecognized tax benefits to change in the next twelve months.

The Company or its subsidiaries files income tax returns in the U.S., 28 states and 5 foreign jurisdictions. The Canadian income tax returns for 2002 through 2004 are currently under audit. No material adjustments have been proposed to date. The tax years 2003 through 2006 remain open to examination by the major taxing jurisdictions to which the Company is subject.

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

Financial Review

This discussion should be read in conjunction with the information contained in the Condensed Consolidated Financial Statements and Notes.

Executive Overview

Economic Trends and Current Business Conditions

A. M. Castle & Co. and subsidiaries ("the Company") continued to enjoy higher pricing for its products through the second quarter and the first half of 2007, which resulted in favorable revenue growth compared to both the second quarter and first six months of last year. The acquisition of Transtar Metals in the fall of 2006 was also a key contributor to revenue and income growth comparisons. Excluding this acquisition, volume levels in the balance of the business were softer when compared to the second quarter and first six months of 2006. Metal products sold to the aerospace industry continued to exhibit higher demand through the second quarter of 2007, but other products sold to the general North American manufacturing sector were not as robust as the record levels achieved in early 2006. The outlook for the aerospace and oil and gas markets remains favorable, and current general economic indicators do not lead management to believe any significant prolonged downturn in the Metals business is on the near-term horizon.

Historically, the Company has used the Purchaser's Managers Index ("PMI") provided by the Institute of Supply Managers to track general demand trends in its customer markets. The table below shows recent PMI trends from the first quarter of 2005 through the second quarter of 2007. Generally speaking, an index above 50.0 indicates growth in the manufacturing sector of the U.S. economy. As the table indicates, the demand trend still reflected a favorable growth rate for the second quarter of 2007. The Company's revenue growth has historically improved over these same quarters.

YEAR	Qtr 1	Qtr 2	Qtr 3	Qtr 4
2005	55.7	53.2	55.8	57.2
2006	55.6	55.2	53.8	50.9
2007	50.8	55.2		

Results of Operations: Second Quarter 2007 Comparisons to Second Quarter 2006

Consolidated results by business segment are summarized in the following table for the quarter ended June 30, 2007 and 2006 (dollars in millions).

	Quarter Ended June 30,		Fav/(Unfav)	
	2007	2006	\$ Change	% Change
Net Sales				
Metals	\$ 343.3	\$ 244.8	\$ 98.5	40.2%
Plastics	29.3	30.8	(1.5)	(4.9)%
Total Net Sales	\$ 372.6	275.6	\$ 97.0	35.2%
Cost of Materials				
Metals	\$ 250.7	\$ 174.8	\$ 75.9	43.4%
% of Metals Sales	73.0%	71.4%		(1.6)%
Plastics	19.6	20.4	(0.8)	(3.9)%
% of Plastics Sales	66.9%	66.2%		(0.7)%
Total Cost of Materials	\$ 270.3	\$ 195.2	\$ 75.1	38.5%
% of Total Net Sales	72.5%	70.8%		(1.7)%
Other Operating Costs and Expenses				
Metals	\$ 63.2	\$ 46.7	\$ 16.5	35.3%
Plastics	8.0	7.6	0.4	5.3%
Other	2.0	2.4	(0.4)	(16.7)%
Total Other Operating Costs & Expense	\$ 73.2	\$ 56.7	\$ 16.5	29.1%
% of Total Net Sales	19.6%	20.6%		0.9%
Operating Income				
Metals	\$ 29.4	\$ 23.3	\$ 6.1	26.2%
% of Metals Sales	8.6%	9.5%		(0.9)%
Plastics	1.7	2.8	(1.1)	39.3%
% of Plastics Sales	5.8%	9.1%		(3.3)%
Other	(2.0)	(2.4)	0.4	16.7%
Total Operating Income	\$ 29.1	\$ 23.7	\$ 5.4	22.8%
% of Total Net Sales	7.8%	8.6%		(0.8)%

“Other” – Operating loss includes the costs of executive, finance and legal departments, and other corporate activities which support both the Metals and Plastics segments of the Company.

Acquisition of Transtar

On September 5, 2006, the Company acquired all of the issued and outstanding capital stock of Transtar Intermediate Holdings #2, Inc. (“Transtar”), a wholly owned subsidiary of H.I.G. Transtar Inc. The results of Transtar’s operations have been included in the consolidated financial statements since that date. These results and the assets of Transtar are included in the Company’s Metals segment. For more information regarding the acquisition of Transtar, refer to our 2006 Annual Report on Form 10-K. In order to present a consistent quarter-over-quarter analysis of financial condition and results of operation, the Company is herein disclosing the incremental impact of its recent acquisition.

Net Sales:

Consolidated net sales of \$372.6 million increased 35.2%, or \$97.0 million, versus the second quarter of 2006. The Transtar acquisition added \$72.6 million of net sales for the quarter and

the remaining \$300.0 million of net sales were \$24.4 million, or 8.9%, higher than the same quarter of last year.

Metals segment sales of \$343.3 million were \$98.5 million, or 40.2%, ahead of last year. Of the 40.2% sales increase, 29.6% was attributable to Transtar. Material price increases more than offset lower volume across most of the remaining metals business.

Plastics segment sales of \$29.3 million were \$1.5 million lower than the second quarter of 2006. Plastic material prices were 2.5% higher than last year, but volume was 7.4% lower. During the second quarter of 2006, the Plastics segment enjoyed a significant customer order for a point-of-purchase display program that did not repeat in the current year.

Cost of Materials

Consolidated second quarter 2007 costs of materials (exclusive of depreciation) increased \$75.1 million, or 38.5%, to \$270.3 million. The acquisition of Transtar contributed \$52.4 million of the increase. The balance of the increase was primarily due to higher material costs from suppliers, typically in the form of surcharges. Material costs for the second quarter were 72.5% of sales as compared to 70.8% in the second quarter of 2006. Increased material prices from suppliers in the form of surcharges are passed on to larger program customers, or customers purchasing under a contractual agreement, at cost, resulting in higher material costs as a percent of sales.

Other Operating Expenses and Operating Income:

Consolidated operating expenses in the second quarter of 2007 were \$73.2 million, or 19.6% of sales compared to \$56.7 million, or 20.6% of sales last year. The \$16.5 million increase was primarily attributable to the Transtar acquisition and a \$0.6 million impairment charge related to long-lived assets.

Consolidated operating income of \$29.1 million was \$5.4 million higher than the first quarter of last year largely due to revenue growth and the maintenance of good operating margins.

Other Income and Expense, Income Taxes and Net Income:

Equity in earnings of joint venture was \$1.4 million for the second quarter of 2007, or \$0.3 million higher than the same period last year due to a recent acquisition by the joint venture.

Financing costs, consisting primarily of interest expense, were \$4.2 million in the second quarter of 2007 which was \$3.2 million higher than the same period in 2006. The primary driver of higher interest expense was the Company's increased borrowings related to the acquisition of Transtar in September 2006 and the write-off of \$0.4 million of deferred financing costs related to the retirement of the U.S. Term Loan.

Consolidated net income applicable to common stock was \$16.0 million, or \$0.78 per diluted share, in the second quarter of 2007 versus a consolidated net income applicable to common stock of \$14.1 million, or \$0.76 per diluted share, in the corresponding period of 2006.

Results of Operations: Six Months 2007 Comparisons to Six Months 2006

Consolidated results by business segment are summarized in the following table for the six months ended June 30, 2007 and 2006 (*dollars in millions*):

	<u>Six Months Ended</u>		<u>Fav/(Unfav)</u>	
	<u>June 30,</u> 2007	2006	\$ Change	% Change
Net Sales				
Metals	\$ 690.0	\$ 495.4	\$ 194.6	39.3%
Plastics.....	58.0	59.4	(1.4)	(2.4)%
Total Net Sales	\$ 748.0	\$ 554.8	\$ 193.2	34.8%
Cost of Materials				
Metals	\$ 500.7	\$ 351.7	\$ 149.0	42.4%
% of Metals Sales	72.6%	71.0%		(1.6)%
Plastics.....	39.0	39.6	(0.6)	(1.5)%
% of Plastics Sales	67.2%	66.7%		(0.5)%
Total Cost of Materials	\$ 539.7	\$ 391.3	\$ 148.4	37.9%
% of Total Net Sales	72.2%	70.5%		(1.7)%
Other Operating Costs and Expenses				
Metals	\$ 129.5	\$ 93.8	\$ 35.7	38.1%
Plastics.....	15.8	15.3	0.5	3.3%
Other	4.8	4.6	0.2	4.3%
Total Other Operating Costs & Expense	\$ 150.1	\$ 113.7	\$ 36.4	32.0%
% of Total Net Sales	20.1%	20.5%		0.4%
Operating Income				
Metals	\$ 59.8	\$ 49.9	\$ 9.9	19.8%
% of Metals Sales	8.7%	10.1%		(1.4)%
Plastics.....	3.2	4.5	(1.3)	28.9%
% of Plastics Sales	5.5%	7.6%		(2.1)%
Other	(4.8)	(4.6)	(0.2)	4.3%
Total Operating Income	\$ 58.2	\$ 49.8	\$ 8.4	16.9%
% of Total Net Sales	7.8%	9.0%		(1.2)%

“Other” – Operating loss includes the costs of executive, finance and legal departments, and other corporate activities which support both the metals and plastics segments of the Company.

Net Sales:

Six month 2007 consolidated net sales of \$748.0 million were \$193.2 million, or 34.8%, higher than last year.

Metal segment sales of \$690.0 million were \$194.6 million, or 39.3%, ahead of last year. The Transtar acquisition added \$145.4 million of sales for the first six months of 2007, or 29.3% of the total 39.3% revenue increase compared to last year. Excluding the acquisition, metal price levels were higher than the first six months of 2006, more than offsetting the effects of lower overall volume for the balance of the Metals segment.

Plastic segment sales of \$58.0 million were \$1.4 million lower than the first half of 2006. Plastic material prices increased 2.5%, but volume was 4.7% lower than the corresponding period of last year, largely due to slower demand across the industry.

Cost of Materials:

Consolidated first half 2007 costs of materials (exclusive of depreciation) increased \$148.4 million, or 37.9%, to \$539.7 million. The acquisition of Transtar contributed \$103.1 million of the increase. The balance of the increase was primarily due to higher material costs from suppliers, typically in the form of surcharges. Material costs for the first six-months of 2007 were 72.2% of sales as compared to 70.5% in 2006. Increased material prices from suppliers in the form of surcharges are passed on to larger program customers, or customers purchasing under a contractual agreement, at cost, resulting in higher material costs as a percent of sales.

Other Operating Expenses and Operating Income:

Year-to-date consolidated operating expense of \$150.1 million includes a \$1.4 million charge for the write-off of the Company's former business systems. This charge was triggered by the Company's decision to implement the Oracle ERP system. The increase in operating expenses as compared to the first half of 2006 was primarily due to the Transtar acquisition, the \$1.4 million charge mentioned above, and a \$0.6 million impairment charge related to long-lived assets.

Consolidated operating profit of \$58.2 million, or 7.8% of sales, was \$8.4 million higher than last year.

Other Income and Expense, Income Taxes and Net Income:

Joint venture equity earnings for the first half of 2007 of \$2.3 million were approximately equal to the first half of 2006.

Financing costs, which consist primarily of interest expense, were \$8.4 million for the first six months of 2007 and \$2.0 million for the same period in 2006. The increase in interest expense reflects the debt funding of the Transtar acquisition in the fall of 2006.

Year-to-date consolidated net income (after preferred dividends of \$0.6 million) was \$31.6 million, or \$1.59 per diluted share, versus \$29.9 million, or \$1.62 per basic share, for the first six-months of 2006.

Critical Accounting Policies:

The Company adopted Financial Accounting Standards Board ("FASB") Interpretation No. 48 (FIN 48), "Accounting for Uncertainty in Income Taxes" – an interpretation of FASB No. 109. See Note 12 to the consolidated financial statements for more information regarding the Company's adoption of FIN 48. There have been no other changes in critical accounting policies from those described in the Company's Annual Report on Form 10-K for the year ended December 31, 2006.

Liquidity and Capital Resources

The Company's principal sources of liquidity are earnings from operations, management of working capital, and the \$210 million amended senior credit facility.

In late May, 2007, the Company completed a public offering of 5,000,000 shares of its common stock at \$33.00 per share. Of these shares, the Company sold 2,347,826 plus an additional 652,174 to cover over-allotments. Selling stockholders sold 2,000,000 shares.

The Company realized net proceeds from the equity offering of \$93.2 million. The proceeds were used to permanently repay the \$27.0 million outstanding balance on the U.S. Term Loan and reduce current outstanding borrowings and accrued interest under its U.S. Revolver by \$66.2 million. The Company did not receive any proceeds from the sale of shares by the selling stockholders.

Cash used in operating activities for the first six months of 2007 was \$11.2 million, primarily driven by increased working capital requirements. Receivable days outstanding were

44.9 days at the end of the second quarter of 2007 as compared to 47.3 days at the end of the fourth quarter of 2006. Total receivables increased due to higher sales. Inventory DSI (days sales in inventory) was 136.1 days at the end of the second quarter of 2007 versus a DSI of 129.2 days at the end of the fourth quarter of 2006. The increase in inventory levels are primarily in the Company's nickel and aluminum products that support the aerospace and oil and gas markets.

Available revolving credit capacity is primarily used to fund working capital needs. As of June 30, 2007, the Company had outstanding borrowings of \$65.7 million under its U.S. Revolver and had availability of \$96.5 million. The Company's Canadian subsidiary had \$0.7 million in outstanding borrowings under the Canadian Revolver and availability of \$9.2 million at June 30, 2007.

The Company paid cash dividends to its shareholders of \$0.12 per common share, or \$2.0 million, through June of 2007. The Company also paid \$0.6 million in preferred stock dividends up through May of 2007, which is when the preferred stock was converted and sold by the shareholders as part of the secondary equity offering completed at that time. The \$0.6 million preferred stock dividend was comprised of \$0.3 million in cash and \$0.3 million in shares of common stock.

Capital expenditures through June of 2007 were \$8.4 million, including \$3.4 million for the beginning phase of the Company's Oracle ERP implementation.

The Company's principal payments on long-term debt, including the current portion of long-term debt, required over the next few years are summarized below (*dollars in thousands*):

Year ending December 31,	
2007 (<i>for the six months July 1, 2007 to December 31, 2007</i>)	\$ 6,426
2008	7,005
2009	10,477
2010	7,221
2011	7,640
2012 and beyond	35,239
Total debt	<u>\$ 74,008</u>

As of June 30, 2007, the Company remains in compliance with the covenants of its financial agreements, which require it to maintain certain funded debt-to-capital ratios, working capital-to-debt ratios and a minimum equity value as defined within the agreement.

The Company expects working capital requirements to decline over the balance of 2007, which will facilitate a return to favorable cash flows from operations. Favorable operating cash flow will fund the Company's ongoing capital expenditure programs and debt obligations.

Commitments and Contingencies

At June 30, 2007, the Company had \$5.3 million of irrevocable letters of credit outstanding, \$1.7 million of which were for compliance with the insurance reserve requirements of its workers' compensation insurance carrier. The remaining \$3.6 million was in support of the outstanding industrial revenue bonds.

The Company is the defendant in several lawsuits arising out of the conduct of its business. These lawsuits are incidental and occur in the normal course of the Company's business affairs. It is the opinion of the Company, based on current knowledge that no uninsured liability will result from the outcome of this litigation that would have a material adverse effect on the consolidated results of operations, financial condition or cash flows of the Company.

Item 3. Quantitative and Qualitative Disclosure about Market Risk

The Company is exposed to interest rate, commodity price, and foreign exchange rate risks that arise in the normal course of business. There have been no significant or material changes to such risks since December 31, 2006. Refer to Item 7a in our Annual Report on Form 10-K filed for the year ended December 31, 2006 for further discussion of such risks.

Item 4. Controls and Procedures

(a) Evaluation of Disclosure Controls and Procedures

A review and evaluation was performed by the Company's management, including the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) of the Security Exchange Act of 1934) as of the end of the period covered by this report.

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting as such term is defined in the Securities Exchange Act of 1934 rule 240.13a-15(f). The Company's internal control over financial reporting is a process designed under the supervision of the Company's Chief Executive Officer and Chief Financial Officer to provide reasonable assurance regarding the preparation of financial statements for external purposes in accordance with U.S. generally accepted accounting principles.

In its Annual Report on Form 10-K for the year ended December 31, 2006, the Company reported that, based upon their review and evaluation, the Company's disclosure controls and procedures were effective as of December 31, 2006.

As part of its evaluation of the effectiveness of the design and operation of the Company's disclosure controls and procedures as of the end of the period covered by this report, and in accordance with the framework published by the Committee of Sponsoring Organizations of the Treadway Commission, referred to as the *Internal Control - Integrated Framework*, the Company's management has concluded that our internal control over financial reporting was effective as of the end of the period covered by this report.

(b) Changes in Internal Controls

There was no change in the Company's "internal control over financial reporting" (as defined in Rule 13a-15(f) of the Securities Exchange Act of 1934) identified in connection with the evaluation required by Rule 13a-15(d) of the Securities Exchange Act of 1934 that occurred during the period covered by this report on Form 10-Q that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Part II. OTHER INFORMATION

Item 1. Legal Proceedings

There were no material legal proceedings other than the ordinary routine litigation incidental to the business of the Company.

Item 1A. Risk Factors

During the quarter there were no material changes to the risk factors set forth in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2006.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Period	(a) Total Number of Shares (or Units) Purchased	(b) Average Price Paid per Share (or Unit)	(c) Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	(d) Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased (Under the Plans or Programs)
April 1 – April 30	—	—	—	—
May 1 – May 31	—	—	—	—
June 1 – June 30	—	—	—	—
Total	—	—	—	—

Item 6. Exhibits

- Exhibit 31.1 Certification Pursuant to Section 302 by CEO
- Exhibit 31.2 Certification Pursuant to Section 302 by CFO
- Exhibit 32.1 Certification Pursuant to Section 906 by CEO & CFO

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.

A. M. Castle & Co.
(Registrant)

Date: August 2, 2007

By: /s/ Henry J. Veith

Henry J. Veith
Controller
(Mr. Veith is the Chief Accounting Officer
and has been authorized to sign on behalf
of the Registrant.)

**CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Michael H. Goldberg, certify that:

1. I have reviewed this quarterly report on Form 10-Q of A. M. Castle & Co.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures [as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)] and internal control over financial reporting [as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)] for the Registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any changes in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
5. The Registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: August 2, 2007

/s/ Michael H. Goldberg
Michael H. Goldberg
President and Chief Executive Officer

**CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Lawrence A. Boik, certify that:

1. I have reviewed this quarterly report on Form 10-Q of A. M. Castle & Co.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures [as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)] and internal control over financial reporting [as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)] for the Registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any changes in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
5. The Registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: August 2, 2007

/s/ Lawrence A. Boik
Lawrence A. Boik
Vice President and Chief Financial Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of A. M. Castle & Co. (the "Company") on Form 10-Q for the period ended June 30, 2007 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Michael H. Goldberg, President and Chief Executive Officer (Principal Executive Officer) and Lawrence A. Boik, Vice President and Chief Financial Officer (Principal Financial Officer) of the Company, respectively, do each hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of his knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company and its subsidiaries.

/s/ Michael H. Goldberg
Michael H. Goldberg
President and Chief Executive Officer
(Principal Executive Officer)
August 2, 2007

/s/ Lawrence A. Boik
Lawrence A. Boik
Vice President and Chief Financial Officer
(Principal Financial Officer)
August 2, 2007