

Steel Dynamics, Inc.
CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)
(in thousands, except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,		Three Months Ended March 31,
	2009	2008	2009	2008	2009
Net sales	\$ 792,158	\$ 2,403,939	\$ 1,606,808	\$ 4,306,144	\$ 814,650
Costs of goods sold	<u>723,321</u>	<u>1,924,284</u>	<u>1,578,598</u>	<u>3,479,180</u>	<u>855,277</u>
Gross profit (loss)	68,837	479,655	28,210	826,964	(40,627)
Selling, general, and administrative expenses	48,559	85,766	105,879	150,631	57,320
Profit sharing	-	26,897	(42)	45,404	(42)
Amortization of intangible assets	<u>13,994</u>	<u>8,120</u>	<u>29,692</u>	<u>19,650</u>	<u>15,698</u>
Operating income (loss)	6,284	358,872	(107,319)	611,279	(113,603)
Interest expense, net capitalized interest	37,043	35,475	73,294	65,282	36,251
Other (income) expense, net	<u>786</u>	<u>(16,901)</u>	<u>38</u>	<u>(24,707)</u>	<u>(748)</u>
Income (loss) before income taxes	(31,545)	340,298	(180,651)	570,704	(149,106)
Income taxes	<u>(15,024)</u>	<u>129,013</u>	<u>(74,356)</u>	<u>216,387</u>	<u>(59,332)</u>
Net income (loss)	(16,521)	211,285	(106,295)	354,317	(89,774)
Net income (loss) attributable to non-controlling interests	(530)	791	(2,442)	1,266	(1,912)
Net income (loss) attributable to Steel Dynamics, Inc.	<u>\$ (15,991)</u>	<u>\$ 210,494</u>	<u>\$ (103,853)</u>	<u>\$ 353,051</u>	<u>\$ (87,862)</u>

Basic earnings (loss) per share attributable to Steel Dynamics, Inc. stockholders	\$ <u>(.08)</u>	\$ <u>1.11</u>	\$ <u>(.56)</u>	\$ <u>1.86</u>	\$ <u>(.48)</u>
Weighted average common shares outstanding	<u>189,848</u>	<u>190,351</u>	<u>185,924</u>	<u>189,695</u>	<u>182,000</u>
Diluted earnings (loss) per share attributable to Steel Dynamics, Inc. stockholders, including the effect of assumed conversions when dilutive	\$ <u>(.08)</u>	\$ <u>1.05</u>	\$ <u>(.56)</u>	\$ <u>1.77</u>	\$ <u>(.48)</u>
Weighted average common shares and equivalents outstanding	<u>189,848</u>	<u>200,345</u>	<u>185,924</u>	<u>199,831</u>	<u>182,000</u>
Dividends declared per share	\$ <u>.075</u>	\$ <u>.10</u>	\$ <u>.175</u>	\$ <u>.20</u>	\$ <u>.10</u>

Steel Dynamics, Inc.
UNAUDITED SUPPLEMENTAL OPERATING INFORMATION
(dollars in thousands / volume data in actual net tons, except non-ferrous data)

	Three Months Ended June 30,		Six Months Ended June 30,		Three Months Ended March 31,
	2009	2008	2009	2008	2009
Steel Operations*					
Shipments					
Flat Roll Division	454,745	706,281	758,683	1,391,601	303,938
Structural and Rail Division	96,476	286,150	226,031	585,837	129,555
Engineered Bar Products Division	63,124	145,085	134,664	293,033	71,540
Roanoke Bar Division	89,112	136,582	165,722	287,950	76,610
Steel of West Virginia	54,959	80,334	98,083	156,058	43,124
The Techs	127,290	262,908	245,649	524,919	118,359
Combined	885,706	1,617,340	1,628,832	3,239,398	743,126
Intra-company	(47,590)	(124,128)	(99,602)	(254,813)	(52,012)
External	838,116	1,493,212	1,529,230	2,984,585	691,114
Production (excluding The Techs)	755,981	1,368,071	1,453,787	2,740,435	697,806
Net sales					
Combined	\$ 526,465	\$ 1,635,559	1,061,649	\$ 2,903,948	\$ 535,184
Intra-company	(19,572)	(110,904)	(49,714)	(195,964)	(30,142)
External	\$ 506,893	\$ 1,524,655	\$ 1,011,935	\$ 2,707,984	\$ 505,042
Operating income (loss) before amortization of intangibles	\$ 36,131	\$ 330,906	\$ (29,332)	\$ 571,241	\$ (65,463)
Amortization of intangibles	(3,432)	(3,363)	(6,883)	(9,141)	(3,451)
Operating income (loss)	\$ 32,699	\$ 327,543	\$ (36,215)	\$ 562,100	\$ (68,914)
Metals Recycling and Ferrous Resources**					
Ferrous metals shipments					
Combined	840,199	1,506,902	1,570,068	2,898,284	729,869
Intra-company	(313,023)	(654,117)	(527,776)	(1,118,010)	(214,753)
External	527,176	852,785	1,042,292	1,780,274	515,116
Non-ferrous metals shipments (thousands of pounds)	169,784	254,147	360,178	492,935	190,394
Iron Dynamics shipments					
Liquid pig iron	44,392	52,342	85,618	97,785	41,226
Hot briquetted iron	1,483	10,947	21,809	30,689	20,326
Other	29	3,438	703	6,247	674
Intra-company	45,904	66,727	108,130	134,721	62,226
Net sales					
Combined	\$ 308,938	\$ 1,160,950	\$ 605,346	1,964,715	\$ 296,408
Intra-company	(68,540)	(418,336)	(127,242)	(615,342)	(58,702)
External	\$ 240,398	\$ 742,614	\$ 478,104	\$ 1,349,373	\$ 237,706
Operating income (loss) before amortization of intangibles	\$ 3,585	\$ 84,954	\$ (8,837)	\$ 137,747	\$ (12,422)
Amortization of intangibles	(10,472)	(4,615)	(22,516)	(10,232)	(12,044)
Operating income (loss)	\$ (6,887)	\$ 80,339	\$ (31,353)	\$ 127,515	\$ (24,466)
Steel Fabrication***					
Shipments					
Combined	35,369	76,018	80,647	144,624	45,278
Intra-company	(210)	(43)	(225)	(316)	(15)
External	35,159	75,975	80,422	144,308	45,263
Net sales					
Combined	\$ 37,026	\$ 93,288	\$ 97,833	\$ 171,811	\$ 60,807
Intra-company	(556)	(52)	(578)	(117)	(22)
External	\$ 36,470	\$ 93,236	\$ 97,255	\$ 171,694	\$ 60,785
Operating income (loss) before amortization of intangibles	\$ (5)	\$ 4,444	\$ 3,162	\$ 8,171	\$ 3,167
Amortization of intangibles	(33)	(83)	(200)	(166)	(167)
Operating income	\$ (38)	\$ 4,361	\$ 2,962	\$ 8,005	\$ 3,000

* Steel Operations include the company's five steelmaking divisions and The Techs three galvanizing plants.

** Metals Recycling and Ferrous Resources Operations include OmniSource and Recycle South metals recycling operations, as well as Iron Dynamics' (IDI) pig iron substitute production facility (all IDI shipments are consumed internally). Operating income (loss) also includes the expenses associated with the construction and start up of the company's Mesabi Nugget facilities.

*** Steel Fabrication Operations include the company's joist and deck fabrication operations.

Steel Dynamics, Inc.
CONSOLIDATED BALANCE SHEETS
(in thousands)

	<u>June 30,</u> <u>2009</u>	<u>December 31,</u> <u>2008</u>
	(unaudited)	
Assets		
Current assets		
Cash and equivalents	\$ 18,217	\$ 16,233
Accounts receivable, net	364,736	502,932
Inventories	738,470	1,023,235
Deferred income taxes	32,179	23,562
Income taxes receivable	125,912	86,321
Other current assets	<u>22,017</u>	<u>57,632</u>
Total current assets	1,301,531	1,709,915
Property, plant and equipment, net	2,144,360	2,072,857
Restricted cash	13,932	18,515
Intangible assets, net	557,194	614,786
Goodwill	780,321	770,438
Other assets	<u>84,474</u>	<u>67,066</u>
Total assets	<u>\$ 4,881,812</u>	<u>\$ 5,253,577</u>
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable	\$ 227,446	\$ 263,393
Income taxes payable	2,702	4,107
Accrued expenses	143,136	209,697
Accrued profit sharing	56	62,561
Senior secured revolving credit facility, matures 2012	114,000	366,000
Current maturities of long-term debt	<u>1,049</u>	<u>65,223</u>
Total current liabilities	488,389	970,981
Long-term debt		
Senior secured term A loan	-	503,800
7 3/8% senior notes, due 2012	700,000	700,000
5.125% convertible senior notes, due 2014	287,500	-
6 3/4% senior notes, due 2015	500,000	500,000
7 3/4% senior notes, due 2016	500,000	500,000
Other long-term debt	<u>42,392</u>	<u>15,361</u>
Total long-term debt	2,029,892	2,219,161
Deferred income taxes	371,953	365,496
Other liabilities	67,095	65,626
Commitments and contingencies		
Stockholders' equity		
Common stock	626	545
Treasury stock, at cost	(730,862)	(737,319)
Additional paid-in capital	958,558	541,686
Other accumulated comprehensive loss	-	(1,411)
Retained earnings	<u>1,682,208</u>	<u>1,820,385</u>
Total Steel Dynamics, Inc. stockholders' equity	1,910,530	1,623,886
Non-controlling interests	<u>13,953</u>	<u>8,427</u>
Total stockholders' equity	1,924,483	1,632,313
Total liabilities and stockholders' equity	<u>\$ 4,881,812</u>	<u>\$ 5,253,577</u>

Steel Dynamics, Inc.
CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
(in thousands)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2009	2008	2009	2008
Operating activities:				
Net income (loss) attributable to Steel Dynamics, Inc.	\$ (15,991)	\$ 210,494	\$ (103,853)	\$ 353,051
Adjustments to reconcile net income (loss) attributable to Steel Dynamics, Inc. to net cash provided by operating activities:				
Depreciation and amortization	57,765	47,582	114,728	100,794
Equity-based compensation	3,313	2,754	11,892	6,683
Deferred income taxes	5,797	57,038	13,492	56,065
Non-controlling interests	(530)	792	(2,442)	1,267
Changes in certain assets and liabilities:				
Accounts receivable	(5,297)	(211,411)	135,796	(397,204)
Inventories	95,296	(227,270)	288,393	(217,695)
Accounts payable	(13,793)	249,665	(47,847)	364,180
Income taxes payable	2,702	(34,751)	(1,405)	37,857
Other working capital	(57,596)	(39,602)	(122,393)	(36,111)
Net cash provided by operating activities	<u>71,666</u>	<u>55,291</u>	<u>286,361</u>	<u>268,887</u>
Investing activities:				
Purchase of property, plant and equipment	(73,166)	(101,225)	(147,504)	(194,989)
Acquisition of businesses, net of cash acquired	-	(271,247)	-	(271,158)
Purchase of securities	-	-	-	(20,373)
Other investing activities	(7,290)	2,913	(10,513)	4,153
Net cash used in investing activities	<u>(80,456)</u>	<u>(369,559)</u>	<u>(158,017)</u>	<u>(482,367)</u>
Financing activities:				
Issuance of current and long-term debt	471,685	786,900	708,744	1,004,900
Repayment of current and long-term debt	(841,781)	(401,941)	(1,200,447)	(635,155)
Debt issuance costs	(13,298)	(5,568)	(13,751)	(7,514)
Issuance of common stock (net of expenses) and proceeds from exercise of stock options, including related tax effect	412,547	10,277	410,489	17,454
Purchase of treasury stock	-	-	-	(46,128)
Contribution from non-controlling investor	-	-	5,000	-
Dividends paid	(18,213)	(18,884)	(36,395)	(33,158)
Net cash provided by (used in) financing activities	<u>10,940</u>	<u>370,784</u>	<u>(126,360)</u>	<u>300,399</u>
Increase in cash and equivalents	2,150	56,516	1,984	86,919
Cash and equivalents at beginning of period	<u>16,067</u>	<u>58,889</u>	<u>16,233</u>	<u>28,486</u>
Cash and equivalents at end of period	<u>\$ 18,217</u>	<u>\$ 115,405</u>	<u>\$ 18,217</u>	<u>\$ 115,405</u>

Supplemental disclosure of cash flow information:

Cash paid for interest	\$ 67,450	\$ 57,334	\$ 79,433	\$ 68,719
Cash paid for federal and state income taxes, net of refunds	<u>\$ 1,656</u>	<u>\$ 160,522</u>	<u>\$ (53,774)</u>	<u>\$ 161,909</u>