

**STEEL DYNAMICS, INC.**  
**CONSOLIDATED BALANCE SHEETS**  
(in thousands, except share data)

|  | <u>December 31,</u> |                     |
|--|---------------------|---------------------|
|  | <u>2013</u>         | <u>2012</u>         |
| <b>Assets</b>  |                     |                     |
| <b>Current assets</b>  |                     |                     |
| Cash and equivalents   | \$ 395,156          | \$ 375,917          |
| Investments in short-term commercial paper   | —                   | 31,520              |
| Accounts receivable, net of related allowances of \$11,004 and \$11,571 as of December 31, 2013 and 2012, respectively   | 664,208             | 599,499             |
| Accounts receivable-related parties  | 56,392              | 42,864              |
| Inventories  | 1,314,747           | 1,202,507           |
| Deferred income taxes  | 17,964              | 23,449              |
| Other current assets   | 25,167              | 20,469              |
| Total current assets   | 2,473,634           | 2,296,225           |
| <b>Property, plant and equipment, net</b>  | 2,226,134           | 2,231,198           |
| <b>Restricted cash</b>   | 23,827              | 27,749              |
| <b>Intangible assets</b> , net of accumulated amortization of \$215,341 and \$184,865 as of December 31, 2013 and 2012, respectively   | 386,159             | 416,635             |
| <b>Goodwill</b>  | 731,996             | 738,542             |
| <b>Other assets</b>  | 91,256              | 105,067             |
| <b>Total assets</b>  | <u>\$ 5,933,006</u> | <u>\$ 5,815,416</u> |
| <b>Liabilities and Equity</b>  |                     |                     |
| <b>Current liabilities</b>   |                     |                     |
| Accounts payable   | \$ 404,605          | \$ 344,953          |
| Accounts payable-related parties   | 10,327              | 15,144              |
| Income taxes payable   | 4,023               | 16,941              |
| Accrued payroll and benefits   | 93,432              | 85,802              |
| Accrued interest   | 31,363              | 35,306              |
| Accrued expenses   | 89,884              | 81,900              |
| Current maturities of long-term debt   | 341,544             | 29,631              |
| Total current liabilities  | 975,178             | 609,677             |
| <b>Long-term debt</b>  |                     |                     |
| Term note  | 220,000             | 247,500             |
| Senior notes   | 1,500,000           | 1,600,000           |
| Convertible senior notes   | —                   | 287,496             |
| Other long-term debt   | 46,045              | 37,610              |
| Total long-term debt   | 1,766,045           | 2,172,606           |
| <b>Deferred income taxes</b>   | 556,038             | 537,304             |
| <b>Other liabilities</b>   | 23,376              | 19,173              |
| <b>Commitments and contingencies</b>   |                     |                     |
| <b>Redeemable noncontrolling interests</b>   | 116,514             | 98,814              |
| <b>Equity</b>  |                     |                     |
| Common stock voting, \$.0025 par value; 900,000,000 shares authorized; 258,840,350 and 255,592,901 shares issued; and 222,867,408 and 219,522,655 shares outstanding, as of December 31, 2013 and 2012, respectively | 645                 | 637                 |
| Treasury stock, at cost; 35,972,942 and 36,070,246 shares, as of December 31, 2013, and 2012, respectively   | (718,529)           | (720,479)           |
| Additional paid-in capital   | 1,085,694           | 1,037,687           |
| Retained earnings  | 2,179,513           | 2,087,620           |
| Total Steel Dynamics, Inc. equity  | 2,547,323           | 2,405,465           |
| Noncontrolling interests   | (51,468)            | (27,623)            |
| Total equity   | 2,495,855           | 2,377,842           |
| <b>Total liabilities and equity</b>  | <u>\$ 5,933,006</u> | <u>\$ 5,815,416</u> |

See notes to consolidated financial statements.

**STEEL DYNAMICS, INC.**  
**CONSOLIDATED STATEMENTS OF INCOME**  
(in thousands, except per share data)

|  | Years Ended December 31, |                   |                   |
|--|--------------------------|-------------------|-------------------|
|  | 2013                     | 2012              | 2011              |
| <b>Net sales</b>   |                          |                   |                   |
| Unrelated parties  | \$ 7,087,101             | \$ 7,007,417      | \$ 7,718,714      |
| Related parties  | 285,823                  | 282,817           | 278,786           |
| Total net sales  | <u>7,372,924</u>         | <u>7,290,234</u>  | <u>7,997,500</u>  |
| Costs of goods sold  | <u>6,653,780</u>         | <u>6,570,336</u>  | <u>7,065,982</u>  |
| <b>Gross profit</b>  | 719,144                  | 719,898           | 931,518           |
| Selling, general and administrative expenses   | 272,777                  | 257,943           | 263,595           |
| Profit sharing   | 27,764                   | 26,987            | 43,149            |
| Amortization of intangible assets  | 31,770                   | 35,553            | 39,954            |
| Impairment charges   | 308                      | 8,250             | —                 |
| <b>Operating income</b>  | <u>386,525</u>           | <u>391,165</u>    | <u>584,820</u>    |
| Interest expense, net of capitalized interest  | 127,728                  | 158,585           | 176,977           |
| Other (income) expense, net  | <u>(4,033)</u>           | <u>28,514</u>     | <u>(16,476)</u>   |
| Income before income taxes   | 262,830                  | 204,066           | 424,319           |
| Income taxes   | 99,314                   | 61,785            | 158,627           |
| <b>Net income</b>  | <u>163,516</u>           | <u>142,281</u>    | <u>265,692</u>    |
| Net loss attributable to noncontrolling interests  | 25,798                   | 21,270            | 12,428            |
| <b>Net income attributable to Steel Dynamics, Inc .</b>  | <u>\$ 189,314</u>        | <u>\$ 163,551</u> | <u>\$ 278,120</u> |
| <b>Basic earnings per share attributable to Steel Dynamics, Inc. stockholders</b>  | <u>\$ 0.86</u>           | <u>\$ 0.75</u>    | <u>\$ 1.27</u>    |
| Weighted average common shares outstanding   | <u>220,916</u>           | <u>219,159</u>    | <u>218,471</u>    |
| <b>Diluted earnings per share attributable to Steel Dynamics, Inc. stockholders, including the effect of assumed conversions when dilutive</b> | <u>\$ 0.83</u>           | <u>\$ 0.73</u>    | <u>\$ 1.22</u>    |
| Weighted average common shares and share equivalents outstanding   | <u>238,996</u>           | <u>236,624</u>    | <u>235,992</u>    |
| <b>Dividends declared per share</b>  | <u>\$ 0.44</u>           | <u>\$ 0.40</u>    | <u>\$ 0.40</u>    |

See notes to consolidated financial statements.

**STEEL DYNAMICS, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(in thousands)

|   | Years Ended December 31, |                   |                   |
|---|--------------------------|-------------------|-------------------|
|   | 2013                     | 2012              | 2011              |
| <b>Operating activities:</b>  |                          |                   |                   |
| Net income  | \$ 163,516               | \$ 142,281        | \$ 265,692        |
| Adjustments to reconcile net income to net cash provided by operating activities: |                          |                   |                   |
| Depreciation and amortization   | 230,928                  | 225,216           | 222,607           |
| Impairment charges  | 308                      | 8,250             | —                 |
| Equity-based compensation   | 15,504                   | 12,481            | 17,283            |
| Deferred income taxes   | 30,737                   | 54,528            | 34,436            |
| (Gain) loss on disposal of property, plant and equipment                          | 1,082                    | 509               | (3,925)           |
| Changes in certain assets and liabilities:  |                          |                   |                   |
| Accounts receivable   | (78,237)                 | 85,977            | (100,602)         |
| Inventories   | (108,025)                | 13,845            | (85,523)          |
| Other assets  | 13,705                   | (1,337)           | 5,683             |
| Accounts payable  | 40,141                   | (32,593)          | 56,551            |
| Income taxes receivable/payable   | (12,494)                 | 21,644            | 26,242            |
| Accrued expenses  | 15,010                   | (85,107)          | 47,911            |
| Net cash provided by operating activities   | 312,175                  | 445,694           | 486,355           |
| <b>Investing activities:</b>  |                          |                   |                   |
| Purchases of property, plant and equipment  | (186,843)                | (223,525)         | (167,007)         |
| Proceeds from maturities of (investments in) short-term commercial paper, net     | 31,520                   | 53,310            | (84,830)          |
| Other investing activities  | 2,478                    | (21,386)          | 16,000            |
| Net cash used in investing activities   | (152,845)                | (191,601)         | (235,837)         |
| <b>Financing activities:</b>  |                          |                   |                   |
| Issuance of current and long-term debt  | 423,965                  | 1,049,969         | 10,103            |
| Repayments of current and long-term debt  | (517,978)                | (1,258,842)       | (7,740)           |
| Proceeds from exercise of stock options, including related tax effect             | 37,508                   | 3,662             | 13,396            |
| Contributions from noncontrolling investors                                       | 17,860                   | 37,959            | 27,389            |
| Distributions to noncontrolling investors   | (439)                    | (151)             | (567)             |
| Dividends paid  | (94,812)                 | (87,633)          | (81,882)          |
| Debt issuance costs   | (6,195)                  | (13,901)          | (6,969)           |
| Net cash used in financing activities   | (140,091)                | (268,937)         | (46,270)          |
| Increase (decrease) in cash and equivalents                                       | 19,239                   | (14,844)          | 204,248           |
| Cash and equivalents at beginning of year   | 375,917                  | 390,761           | 186,513           |
| Cash and equivalents at end of year   | <u>\$ 395,156</u>        | <u>\$ 375,917</u> | <u>\$ 390,761</u> |

See notes to consolidated financial statements.