

STEEL DYNAMICS, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands, except per share data)

	Years Ended December 31,		
	2015	2014	2013
Net sales			
Unrelated parties	\$ 7,407,233	\$ 8,481,567	\$ 7,087,101
Related parties	187,178	274,385	285,823
Total net sales	7,594,411	8,755,952	7,372,924
Costs of goods sold	6,862,693	7,789,741	6,653,780
Gross profit	731,718	966,211	719,144
Selling, general and administrative expenses	327,626	316,214	272,777
Profit sharing	23,064	42,126	27,764
Amortization of intangible assets	25,312	27,551	31,770
Asset impairment charges	428,500	260,000	308
Operating income (loss)	(72,784)	320,320	386,525
Interest expense, net of capitalized interest	153,950	137,263	127,728
Other (income) expense, net	15,383	18,254	(4,033)
Income (loss) before income taxes	(242,117)	164,803	262,830
Income tax expense (benefit)	(96,947)	73,153	99,314
Net income (loss)	(145,170)	91,650	163,516
Net loss attributable to noncontrolling interests	14,859	65,374	25,798
Net income (loss) attributable to Steel Dynamics, Inc .	\$ (130,311)	\$ 157,024	\$ 189,314
Basic earnings (loss) per share attributable to Steel Dynamics, Inc. stockholders	\$ (0.54)	\$ 0.68	\$ 0.86
Weighted average common shares outstanding	242,017	232,547	220,916
Diluted earnings (loss) per share attributable to Steel Dynamics, Inc. stockholders, including the effect of assumed conversions when dilutive	\$ (0.54)	\$ 0.67	\$ 0.83
Weighted average common shares and share equivalents outstanding	242,017	242,078	238,996
Dividends declared per share	\$ 0.55	\$ 0.46	\$ 0.44

See notes to consolidated financial statements.

STEEL DYNAMICS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)

	Years Ended December 31,		
	2015	2014	2013
Operating activities:			
Net income (loss)	\$ (145,170)	\$ 91,650	\$ 163,516
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation and amortization	294,595	263,325	230,928
Impairment charges	428,500	260,000	308
Equity-based compensation	22,604	14,016	15,504
Deferred income taxes	(99,323)	(25,042)	30,737
Loss on disposal of assets	9,763	5,561	1,082
Changes in certain assets and liabilities:			
Accounts receivable	311,302	(2,191)	(78,237)
Inventories	488,003	68,730	(108,025)
Other assets	3,284	3,064	13,705
Accounts payable	(227,092)	(76,141)	40,141
Income taxes receivable/payable	12,706	(22,086)	(12,494)
Accrued expenses	(60,689)	36,686	15,010
Net cash provided by operating activities	1,038,483	617,572	312,175
Investing activities:			
Purchases of property, plant and equipment	(114,501)	(111,785)	(186,843)
Proceeds from maturities of short-term commercial paper, net	—	—	31,520
Acquisition of business, net of cash acquired	(45,000)	(1,669,449)	—
Other investing activities	9,874	33,967	2,478
Net cash used in investing activities	(149,627)	(1,747,267)	(152,845)
Financing activities:			
Issuance of current and long-term debt	207,930	1,822,096	423,965
Repayments of current and long-term debt	(612,534)	(635,578)	(517,978)
Proceeds from exercise of stock options, including related tax effect	10,781	32,307	37,508
Contributions from noncontrolling investors	—	5,418	17,860
Distributions to noncontrolling investors	(1,187)	(743)	(439)
Dividends paid	(127,569)	(105,379)	(94,812)
Debt issuance costs	(608)	(22,219)	(6,195)
Net cash provided by (used in) financing activities	(523,187)	1,095,902	(140,091)
Increase (decrease) in cash and equivalents	365,669	(33,793)	19,239
Cash and equivalents at beginning of year	361,363	395,156	375,917
Cash and equivalents at end of year	\$ 727,032	\$ 361,363	\$ 395,156

See notes to consolidated financial statements.