

Customer commitment

Culture

Strategic growth

Innovation

Financial strength



2011 SUMMARY ANNUAL REPORT

RECORDS  
in annual  
steel  
shipments

RECORDS  
in annual  
iron  
shipments

RECORDS  
in annual  
metals-recycling  
shipments

# SETTING

**Total Steel Operations**  
Shipments of 5,842,694 tons  
↑10% over 2010

Engineered Bar  
Products Division  
Shipments of 634,964 tons  
↑12% over 2010

Flat Roll Division  
Shipments of 2,770,466 tons  
↑5% over 2010

Steel of West Virginia  
Shipments of 297,902 tons  
↑27% over 2010

**Total iron units**  
Shipments of 389,143 metric tons  
↑33% over 2010

Iron Dynamics  
Shipments of 229,502 metric tons  
↑2% over 2010

Mesabi Nugget  
Shipments of 159,641 metric tons  
↑137% over 2010

Metals Recycling  
Recycled ferrous metals  
Shipments of 5,879,729 gross tons  
↑14% over 2010

Metals Recycling  
Recycled nonferrous metals  
Shipments of 1,066,648,000 pounds  
↑11% over 2010

**COVER:** Finished round SBQ bars from the Engineered Bar Products Division at Pittsboro, Indiana, are among the many value-added steels SDI produces.

**FORWARD-LOOKING STATEMENTS:** This publication contains predictive statements about future events. These statements are intended to be made as “forward-looking” within the safe-harbor protections of the Private Securities Litigation Reform Act of 1995. Reference is made to the “risk factors” section in SDI’s most recent Form 10-K, which describes the many factors and risks that may cause such predictive statements to turn out differently.

A Tribute to Keith Busse

SDI Co-founder and Chairman of the Board



Effective January 1, 2012, Keith Busse retired as Steel Dynamics' Chief Executive Officer, turning executive responsibilities for the company over to Mark Millett. Keith continues to serve as a board member and Chairman of the Board of Directors.

Keith, Mark Millett, and Dick Teets founded the company in 1993, with the goal that SDI would become a leader in the low-cost production of high-quality steel. All three had previously been instrumental in the construction and operation of the world's first thin-slab casting mini-mill that revolutionized the American steel industry — technology

that SDI has refined over the last 19 years.

Under Keith's leadership, Steel Dynamics has seen remarkable growth and success in its short life. What began as a single mill making flat-rolled steel has become a diversified company, producing not just sheet steel, but beams, rail, bars, angles and shapes, and expanding to include recycling of ferrous and nonferrous materials, ironmaking, fabrication, and other steel-related endeavors. SDI became a Fortune 500 company, the fifth-largest carbon-steel producer in the United States, and one of the most efficient and profitable steelmakers in the world.

Not only was Keith the principal architect of SDI's success, he is recognized worldwide for his vision and accomplishments. Of course, all of this would have been

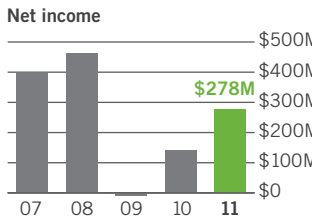
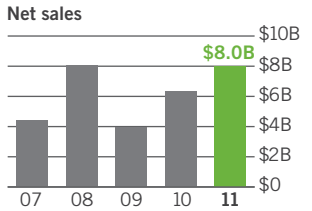
impossible without the unique employee-focused culture Keith and his partners created.

Over the years, Keith especially enjoyed the give-and-take of shop dinners, where he would speak—directly, forcefully, and authoritatively—to employees about SDI and its growth and whatever else was on his mind.

As a civic leader and philanthropist, Keith spearheaded the creation of the Steel Dynamics Foundation, which supports a wide variety of worthy causes—in education, especially—in communities where employees work and live.

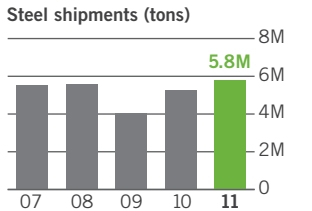
Boss, mentor, colleague, friend: Keith leaves his fellow employees an enviable legacy, a broad foundation upon which they can further build. All owe Keith Busse a debt of gratitude.

FINANCIAL HIGHLIGHTS	2010	2011
Net sales	\$ 6.3	\$ 8.0 billion <span>↑ 27%</span>
Operating income	\$ 365	\$ 585 million <span>↑ 60%</span>
Net income (attributable to SDI)	\$ 141	\$ 278 million <span>↑ 98%</span>
Net income per share (diluted)	\$ 0.64	\$ 1.22 <span>↑ 91%</span>
Cash dividends per share	\$ 0.30	\$ 0.40 <span>↑ 33%</span>
Cash flow from operations	\$ 169	\$ 486 million <span>↑ 187%</span>
Total assets	\$ 5.6	\$ 6.0 billion <span>↑ 7%</span>
Capital expenditures	\$ 133	\$ 167 million <span>↑ 25%</span>
Long-term debt (including current portion)	\$ 2.4	\$ 2.4 billion <span>—</span>



# RAISING

OPERATING DATA	2010	2011
Steel shipments (tons)	5.3	5.8 million <span>↑ 10%</span>
Steel operating income per ton shipped* <small>Steel operations segment</small>	\$ 86	\$ 117 <span>↑ 36%</span>
Steel mill production (tons) <small>Steel operations segment, excludes The Techs</small>	4.7	5.2 million <span>↑ 11%</span>
Ferrous metals shipments (gross tons)	5.2	5.9 million <span>↑ 14%</span>
Nonferrous metals shipments (pounds)	961	1,067 million <span>↑ 11%</span>
Steel fabrication shipments (tons)	164	218 thousand <span>↑ 32%</span>
Iron shipments (metric tons) <small>Iron Dynamics and Mesabi Nugget</small>	293	389 thousand <span>↑ 33%</span>
Full-time employees	6,180	6,530 <span>↑ 6%</span>



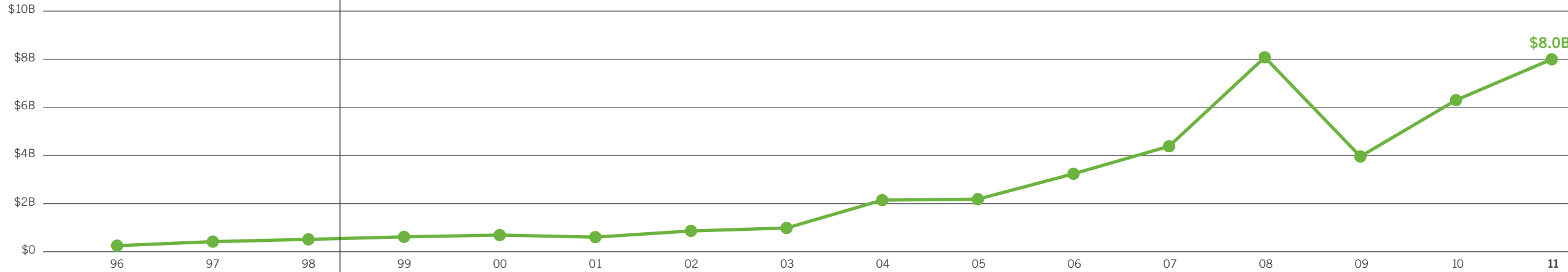
\*Operating income per ton shipped excludes profit-sharing and amortization expenses related to the operating segment.

Please refer to the summary information starting on page 20 and Steel Dynamics, Inc.'s 2011 Form 10-K, which is accompanying this report, for additional financial and operating information.

# THE BAR HIGH

FOR PROFITABLE, LONG-TERM GROWTH

GROWTH IN REVENUES, 1996–2011



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**MARK MILLETT**

President and Chief Executive Officer

"I'm excited and honored to be leading SDI forward and to build upon our collective accomplishments. I'm convinced our unique culture and remarkable team can drive even greater value for our customers and shareholders."

April 5, 2012

### To Our Shareholders:

In challenging times, the true character of an organization becomes increasingly visible. Adversity amplifies strengths and weaknesses, differentiating the strong from the weak.

For the steel industry, 2011 was the second year of recovery from the steep recessionary decline in steel demand. For SDI, it was a year to once again demonstrate our resilience and the viability of our business model. Our unique employee culture,

combined with loyal customer support, drove significant achievement in what was still a challenging steel market.

We achieved 27 percent annual growth in net sales and nearly doubled net income in 2011. Net sales of \$8.0 billion grew by \$1.7 billion, from \$6.3 billion in 2010, and were only one percent short of our record net sales achieved in 2008, prior to the global economic crises. The year's net income increased 98 percent, to \$278 million, as a result

of higher volumes and improving operating income in both our steel and metals-recycling operations.

Our 2011 production and shipping volumes increased in each of our three operating segments when compared with 2010, with record volumes being achieved in our steel and metals-recycling operations. We also expanded operating margins in 2011 and continued to show stronger operating metrics than our

industry peers for both our steelmaking and metals-recycling operations.

### 2011 OPERATING RESULTS

We achieved many milestones in 2011. Our steel operations shipped a record 5.8 million tons, driven principally by record volumes at our Flat Roll and Engineered Bar Products divisions. Our Engineered Bar Products and Steel of West Virginia divisions also achieved record annual operating income.

Rail-finishing facility, Structural and Rail Division, Columbia City, Indiana.

(Far right) OmniSource retail metals-recycling facility, Jackson, Michigan.



The Flat Roll Division increased market share as it leveraged recent process improvements to achieve an annualized production capacity of more than 3 million tons. A broad product portfolio allowed the division to run at an expanded utilization rate of 96 percent, a much stronger rate than that of the industry.

Our Engineered Bar Products Division took advantage of robust demand for its engineered special-bar-quality (SBQ) steels to achieve record shipments of

635,000 tons. The division's productivity and profitability climbed. Exceptional quality, value-added downstream processing, and a focus on superior on-time delivery has resulted in strong customer loyalty and market-share gains.

Although the weak non-residential construction market constrained the wide-flange beam business, mill utilization in our Structural and Rail Division improved from 35 percent to 49 percent, year-over-year, as demand for beams improved

moderately, and we significantly increased our market share of railroad rail business. We shipped 117,000 tons of rail in 2011, more than double the 55,000 tons shipped in 2010.

Our metals-recycling platform achieved record annual ferrous and nonferrous shipping volumes as we leveraged improved market dynamics through additional retail yards and increased shredder capacity.

Our metals-recycling

operations shipped 5.9 million gross tons of ferrous scrap, 43 percent of which supplied SDI's steel mills, while 57 percent supported our third-party customers. In 2011, we opened or expanded 10 retail facilities to increase the proportion of obsolete scrap we collect as higher-margin retail material.

In addition, upgrades to some of our automobile shredders increased our processing capacity by approximately 150,000 gross tons.

Our metals-recycling operations also shipped record amounts of nonferrous metals, nearly 1.1 billion pounds. Almost 17 percent of these shipments were copper, most of which was exported. In the future, we anticipate directing much of this copper-scrap flow to the SDI LaFarga, LLC, copper-rod business that we expect to start up in the second quarter of 2012.

At our Iron Dynamics facility, we achieved record production of iron units.

The liquid iron transferred to our flat-roll mill continues to be one of the key catalysts for the mill's increased productivity. The combined output of Iron Dynamics and Mesabi Nugget, which continued its progress in ramping up production in 2011, now provides our mills with an internal supply of iron units, making them self-sufficient and obviating the need to purchase imported pig iron.

Our New Millennium Building Systems (NMBS) steel-fabrication business

continued to provide a strong base load to the Roanoke Bar Division that produces merchant-bar steel, helping Roanoke maintain an 85 percent operating rate for the year. NMBS initiated operation of three joist-fabrication facilities acquired in 2010. These facilities, located in the South and southwestern United States, along with our existing plants, now provide a broad, nationwide footprint.

I can't stress enough the phenomenal job our

operating teams have done in a challenging environment. Their performance in 2011 is a continuing testament to our business model—our customer commitment, our innovative low-cost operating culture, and our diversified portfolio of value-added products. All of this puts Steel Dynamics in an enviable position to take advantage of improved market conditions as and when they occur.

#### A LONG-TERM VIEW

In our industry, the volatility in raw-materials pricing and

the risks associated with inventory value have too often led to a focus on short-term market price fluctuations, both in raw materials and finished products. Although it's important for us to recognize and respond to such short-term market trends, I'd like to emphasize that our focus at SDI is very much on the longer term.

As we look forward, we're excited to embrace the latent value that we have built through capital investment and product

development during the recent years of economic challenge. Significant increases in productive capacity have been achieved at our sheet mill, structural steel and rail mill, and our engineered bar mill.

We've announced a 325,000-tons-per-year expansion to be completed in 2013 that will further add to the capabilities of our Engineered Bar Products Division to supply a wider range of SBQ bars.

In addition, our metals-recycling platform is improving its capabilities through capacity expansion, addition of retail facilities,



Engineered Bar Products Division, Pittsboro, Indiana.

integration of new metals-separation technologies, and the development of new value-added ferrous products to enhance margins.

Our steel-fabrication business is now positioned to gain further market share and grow its profitability through its geographic expansion and ability to serve national accounts.

In keeping with the entrepreneurial spirit that flows through our company, we'll continue to assess opportunities for growth, whether in new products, new technologies, or new investments—with a focus toward not only top-line revenue growth, but

growth that is coupled with enhanced, consistent margins. We'll also continue to leverage our existing facilities through capital-effective investment to expand organic growth.

We intend to continue to leverage our core competencies to extend well into the future our record of profitable growth through focus on:

- **Customer Commitment**

Making customer service our highest priority means providing outstanding products and services that exceed our customers' expectations, anticipating their future needs, and delivering greater value.

- **Culture**

SDI's culture is one in which each employee has a sense of ownership, accountability, loyalty, and purpose—and the ability to make contributions that have impact. Safety on the job is paramount.

- **Strategic Growth**

We are on a continued path of responsible, strategic growth, in which we will strive to provide sustained appreciation of cumulative shareholder value, exceeding market and peer performance.

- **Innovation**

Innovation lies at the very heart and soul of SDI. We continually challenge the

status quo, seeking new opportunities to enhance products and services, and increase productivity and quality.

- **Financial Strength**

During both periods of economic weakness and strength, Steel Dynamics has maintained a proven track record of sustained performance—consistently in excess of our metals-industry peers.

The importance of each of these elements is discussed in greater detail later in this report.

We aspire to financial success and to the appreciation of shareholder

value, but we recognize that this is not a strategy unto itself, but a result of the future success of our business—in its planning and in our execution.

In the end, our success will be driven by providing quality products and unsurpassed value to our customers.

On behalf of the whole Steel Dynamics team, I'd like to thank our loyal customers and shareholders for their continued support. And I'd like to thank our employees for all their hard work, dedication, and passion.

Sincerely,

Mark Millett  
President and CEO



**THERESA WAGLER**

Executive Vice President and Chief Financial Officer

"Our financial strategy continues to include a commitment to the maintainability of improved credit metrics, while allowing for long-term sustainable growth and appropriate levels of liquidity."

### A financial perspective

**2011** net sales of \$8.0 billion increased \$1.7 billion, or 27 percent, over 2010 results, and were only one percent less than our record net sales for 2008, which were achieved prior to the global economic crises.

Although revenues rebounded to nearly record levels, profitability margins—while improved from 2010 levels—did not increase to the same degree. We achieved operating-margin expansion of 132 basis

points in 2011 (excluding the impact of impairment charges recorded during 2010), as gross margins improved in each of our reporting segments, and operating expenses related to amortization of intangible assets and other cost improvements were realized.

#### RECORD LIQUIDITY AND STRONG CREDIT STATISTICS

Liquidity levels reached record heights during 2011. The keys to our increase in available funds during the year included:

- The execution of a new senior secured revolving credit facility in September, increasing the facility size from \$924 million to \$1.1 billion. Additionally, we gained improved economics for the company, and more flexible terms and covenants.

- The significant strengthening of our cash generation from operations, providing \$486 million of funding during the year—a \$317 million increase

over 2010 results. We also effectively managed working capital during the year to minimize its impact on free cash flow. Our low-cost, highly variable operating structure supports continued strength in cash-flow generation.

- The expansion of our senior secured credit facility through the completion of a \$275 million term loan in January 2012. The net proceeds were used to repay \$280 million,

or 40 percent, of our 7¾% Senior Notes due November 2012, which mitigated potential refinancing risk later in the year and reduced our minimum liquidity covenant from \$850 million to \$570 million, thereby increasing availability on our revolver.

At December 31, 2011, we had no outstanding borrowings on our revolving credit facility. Taking into consideration the January 2012 refinancing, our liquidity improved

\$439 million during the year, attaining a level of nearly \$1.6 billion at December 31, 2011. Funds that were available to us—after our minimum liquidity covenant\*—were \$964 million.

Adjusted EBITDA<sup>1</sup> improved \$205 million, or 32 percent, during the year, allowing for additional strengthening in our credit statistics. Our ratio of total debt to Adjusted EBITDA improved from 3.7 times at the end of 2010 to 2.8 times. Our current

net debt to Adjusted EBITDA improved from 3.4 times to 2.4 times. Our interest coverage ratio also improved year over year from 3.8 times for 2010 to 4.9 times for 2011.

#### GROWTH

Our annual 2011 capital investments were \$167 million, and our current cash allocation plans for 2012 include additional investments of between \$225 and \$250 million, of which over 70% are related to organic

growth and production-efficiency projects for which we anticipate appropriate future returns. We believe that our resilient cash-flow generation capability, coupled with our strong capital structure—which has minimal secured borrowings—has the flexibility to sustain our current operations and to support future growth initiatives.

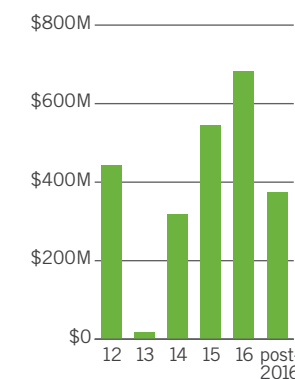
Our financial strategy continues to include a commitment to the maintainability of improved

credit metrics, while allowing for long-term sustainable growth and appropriate levels of liquidity. This is achieved through our unyielding focus on remaining a low-cost, highly efficient, customer-centric, innovative metals company—optimizing our operating margins and maintaining our rich employee culture.

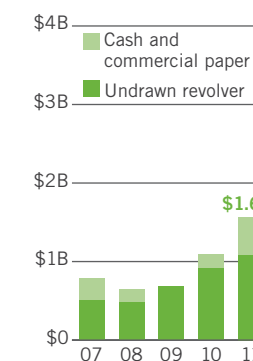
Sincerely,

Theresa Wagler  
Chief Financial Officer

#### LONG-TERM DEBT MATURITIES



#### LIQUIDITY



\*Our senior secured credit facility includes a minimum liquidity covenant, which requires us to maintain \$150 million plus the amount outstanding on the 7¾% Senior Notes due 2012 as available liquidity through maturity of the Notes. For instance, at December 31, 2011, taking into consideration the January 2012 refinancing, the minimum required liquidity would have been \$570 million.

<sup>1</sup>Adjusted EBITDA as defined in our senior secured credit facility represents our earnings before interest, taxes, depreciation, amortization, and certain other non-cash items. See the adjusted EBITDA reconciliation from income (loss) before income taxes on page 28.

# Setting a pattern of EXCELLENCE

Customer commitment	Culture	Strategic growth	Innovation	Financial strength
Making customer service our highest priority means providing outstanding products and services that exceed our customers' expectations, anticipating their future needs, and delivering greater value.	SDI's culture is one in which each employee has a sense of ownership, accountability, loyalty, and purpose—and the ability to make contributions that have impact. Safety on the job is paramount.	We are on a continued path of responsible, strategic growth, in which we will strive to provide sustained appreciation of cumulative shareholder value, exceeding market and peer performance.	Innovation lies at the very heart and soul of SDI. We continually challenge the status quo, seeking new opportunities to enhance products and services, and increase productivity and quality.	During both periods of economic weakness and strength, Steel Dynamics has maintained a proven track record of sustained performance—consistently in excess of our metals-industry peers.





# CUSTOMER COMMITMENT



Steel Dynamics stands as a preferred supplier not just because we provide the highest-quality products and services, but also because we view our customers as our greatest priority—partners, really, in our endeavors.

real-time information systems yield accurate lead-time and shipping estimates. On-time production and shipments help us honor order promises. Flexible operations and our responsive people and systems permit us

special short-term customer requirements for the product. A good example of this was our ability, in September 2011, following a bridge failure caused by Hurricane Irene, to ship an emergency order for 47 tons of steel beams to put an essential Vermont

rail line back into operation. Unable to find the needed beams regionally, contractors for the State of Vermont had conducted a nationwide search

We design many of our steel products to meet unique customer requirements. Through rigorous monitoring of processes and product testing, we pay close attention to quality. Our process discipline and

to respond to changing customer needs.

For some products having longer manufacturing cycle times, we help our customers leverage volatility with in-process inventories that can be finished to serve

for the product that led to SDI. Thanks to our ability to ship the beams from our inventory, work on the bridge could begin quickly—and, in less than a month, the bridge reopened to essential freight traffic.

Railway bridge under repair, White River Junction, Vermont.



Photo courtesy of Kevin Burkholder.

SDI has developed a top-notch technical-support infrastructure, and we provide outstanding product-application and development services. We've developed powerful iPhone and iPad apps that enable our flat-roll steel sales force to instantly answer customer queries and check mill status and lead times from anywhere. This complements powerful

Web-based tools that allow flat-roll customers to directly access a variety of product and order data.

Our success—our shareholders' success—is reliant upon that of our customers. Through our passionate customer focus, our goal is to exceed customer expectations and deliver greater value than our competitors.

Our customers are our most important partners. Making customer service our highest priority means providing outstanding products and services that exceed our customers' expectations, anticipating their future needs, and delivering greater value.

# CULTURE



Our employees are the force that creates and sustains value for the company, our customers, and our shareholders.

From the beginning, we've hired energetic, positive-spirited individuals who have the right mindset and talent to drive innovation and success. We've placed them in an incentivized environment where their compensation is based on their performance and the company's resulting profitability. And they have excelled.

SDI is built on a decentralized business

model that allows disciplined autonomy and front-line decision making, while fostering an entrepreneurial spirit. We hold people accountable, understand when mistakes are made, but strive for excellence. We build employee ownership through inclusion and collaboration; we welcome and encourage creativity and ingenuity.

SDI maintains a flat, lean organizational structure that minimizes bureaucracy, enhances the flow of ideas between managers and workers, and increases accessibility to top management.

By treating people

fairly, by communicating openly and acting upon employees' ideas and addressing their concerns, we foster trust and respect.

SDI also places great emphasis on employee training and development to sustain current performance and to develop human resources for company growth. We provide employees with opportunities for personal growth through education. We also have strong internship programs to attract the best recent graduates.

Nowhere is our unparalleled team spirit also more obvious

Melt shop pulpit, Flat Roll Division, Butler, Indiana.



than in all employees' concern for on-the-job safety. We strive for zero accidents each day. To reach that goal requires constant effort.

Late in 2009, the melting manager at our Butler, Indiana, mill challenged his team to go an entire calendar year without a lost-time

accident. Meeting that challenge would entail close communication, recognition of potential hazards, and strict adherence to all safety programs. The melt shop team had just one lost-time accident in 2010, and achieved its goal of zero lost-time accidents in 2011.

Our highly productive, low-cost operations are driven by a unique company culture in which all have a sense of ownership, accountability, loyalty, and purpose, and can make contributions that have impact. Our employees propel us forward with their spirit, innovation, determination, and ever-present desire to improve, grow, and succeed.



# STRATEGIC GROWTH



**G**rowth is the lifeblood of Steel Dynamics. We constantly look for ways to provide our customers new and better products, to grow our business and make it more profitable.

develop a richer product mix and services that add value to our products. We'll maintain our focus on containing and reducing costs, sustaining our superior operating culture, retaining our low-cost advantage,

and striving to enhance our margin in every segment.

Our Engineered Bar Products

We've grown in steelmaking through the expansion of our existing facilities, the introduction of new products, and through acquisitions.

Moving forward, we'll strive to continue to

Division at Pittsboro, Indiana, is an example of a strategic acquisition that has been very successful, and greatly enhanced by adding higher-margin products to the mix. Concentrating

on special-bar-quality (SBQ) products, the mill became profitable soon after production began under SDI ownership in 2004. We later added a finishing facility to become a "one-stop shop," providing not just the steel, but processes and services that added value to our products.

In 2011, the bar mill set records for annual operating income, production, and shipments. Its customers encouraged us to expand our product offerings to meet all their SBQ needs, and this led us to initiate a \$76 million expansion that will increase the mill's annual production

Shipping bay, Engineered Bar Products Division, Pittsboro, Indiana.



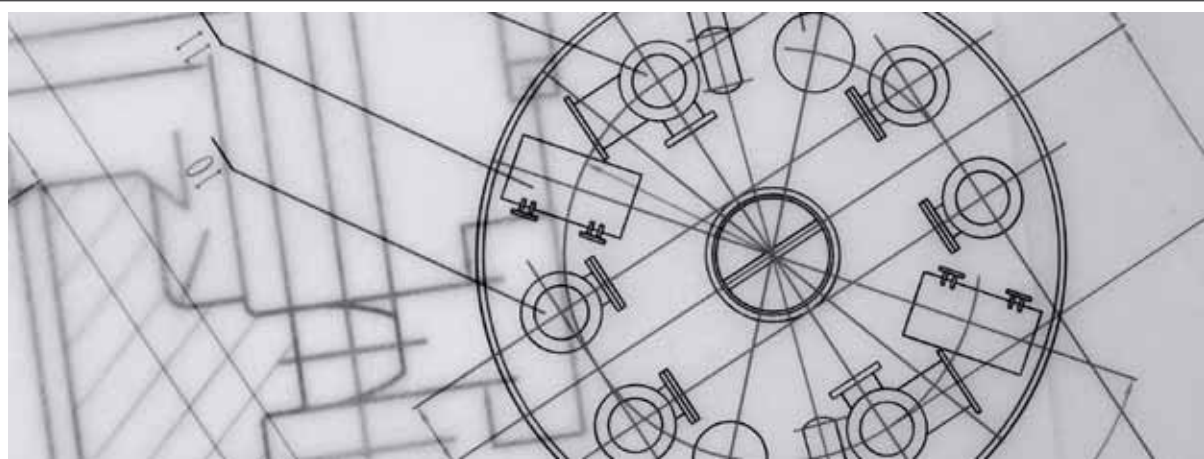
capacity by more than 50 percent. We'll also expand its finishing capabilities, further increasing our higher-margin, value-added product offerings.

In the future, we'll continue to focus on the prime engines of our success. We'll also look to develop even more long-lasting relationships

with customers as their preferred supplier. As we do so, we'll be mindful that diversity of product offerings and end-market sectors has helped reduce our exposure in any given area. It has also brought us higher margins in tough economic times, and maximum opportunity in good.

**We are on a continued path of responsible, strategic growth, in which we will strive to provide sustained appreciation of cumulative shareholder value, exceeding market and peer performance.**

# INNOVATION



Steel Dynamics was born of a spirit of entrepreneurialism and innovation. The idea was to take a technology—thin-slab casting—and, through innovation, to refine that technology and take it to a higher level. SDI has long since accomplished that at our Flat Roll Division at Butler, Indiana. It has become one of the most productive and profitable flat-roll mini-mills in the world.

On the product side, our metallurgists have formulated unique alloyed and finished steels to meet the stringent specifications of specific

customer applications. After developing a type of galvanized steel specially suited for stamping steel garage doors, using a proprietary “post-anneal” process, our team observed that customers were shipping it in volume to “roll coaters”—companies specializing in applying various colors of paint to coils of sheet steel.

Soon we asked the question: Why not add a paint line at our mill? SDI would control all the elements of the process, eliminating multi-vendor and logistics issues and assuring product quality. No other North American

steel company operates a paint line integral to a mill. Why not? A study team quickly concluded the idea was sound and the economics were right. In a little over a year, the Butler paint line began operation, employing the latest technologies to produce high-quality, painted steels cost-effectively and in an environmentally friendly way.

The Butler paint line soon became so successful that in 2008 a second paint line was installed at our Jeffersonville, Indiana, galvanizing operation. Last year painted steel



Paint line, Flat Roll Division, Jeffersonville, Indiana.

made up 18 percent of the Flat Roll Division's shipments.

Across the company, we work with our customers to develop innovative product and service solutions. As in the paint line example, these efforts often add customer value while

creating lucrative business opportunities. Whether it is new products, business processes, energy savings, or any other area where creative ideas can make a difference—we encourage our employees to “think outside the box.”

Innovation lies at the very heart and soul of Steel Dynamics. We continually challenge the status quo, seeking new opportunities to enhance products and services, and create technologies to increase productivity and quality.

# FINANCIAL STRENGTH



Steel Dynamics' financial strength is evidenced by its strong current liquidity level of \$1.6 billion, coupled with its ability to efficiently generate strong cash flows.

During both periods of economic weakness and

generation of best-in-class returns on invested capital throughout the business cycle has provided excellent access to capital markets and a strong, flexible capital structure. Our balance sheet is aligned appropriately to support

strength, Steel Dynamics has maintained a proven track record of sustained performance—consistently in excess of our metals-industry peers. Our reputation for prudent use of capital and the

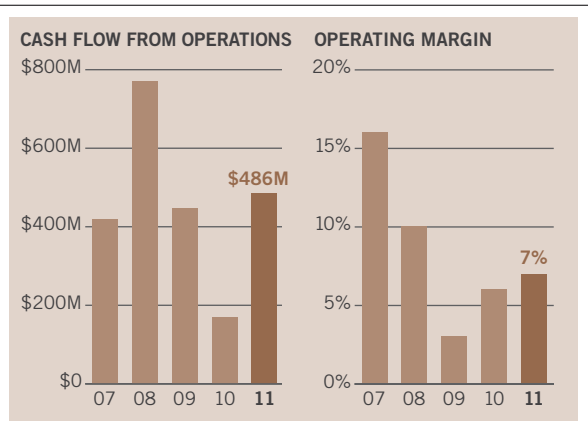
both current operations and adaptable to support further growth initiatives.

The financial framework under which we operate aims to sustain our financial strength and adaptability:

- A commitment to maintain strong credit statistics and appropriate liquidity, which includes a long-term preference of net leverage\* of less than 3.0 times.
- A preference to fund capital investments through free cash flow and to elicit superior returns on dollars spent.
- A current focus on utilizing free cash flows for strategic growth initiatives and some debt reduction.
- An effort to minimize the impact of working capital movement through effectively managing customer receivables and inventory balances.

Our future financial success is not a strategy, but a result. It is driven by the support of our customers, our employee culture, and the timely delivery of preferred products.

\*Total debt less cash and equivalents, and short-term commercial paper investments as a percentage of pretax earnings before interest, depreciation, amortization, and certain other non-cash adjustments.



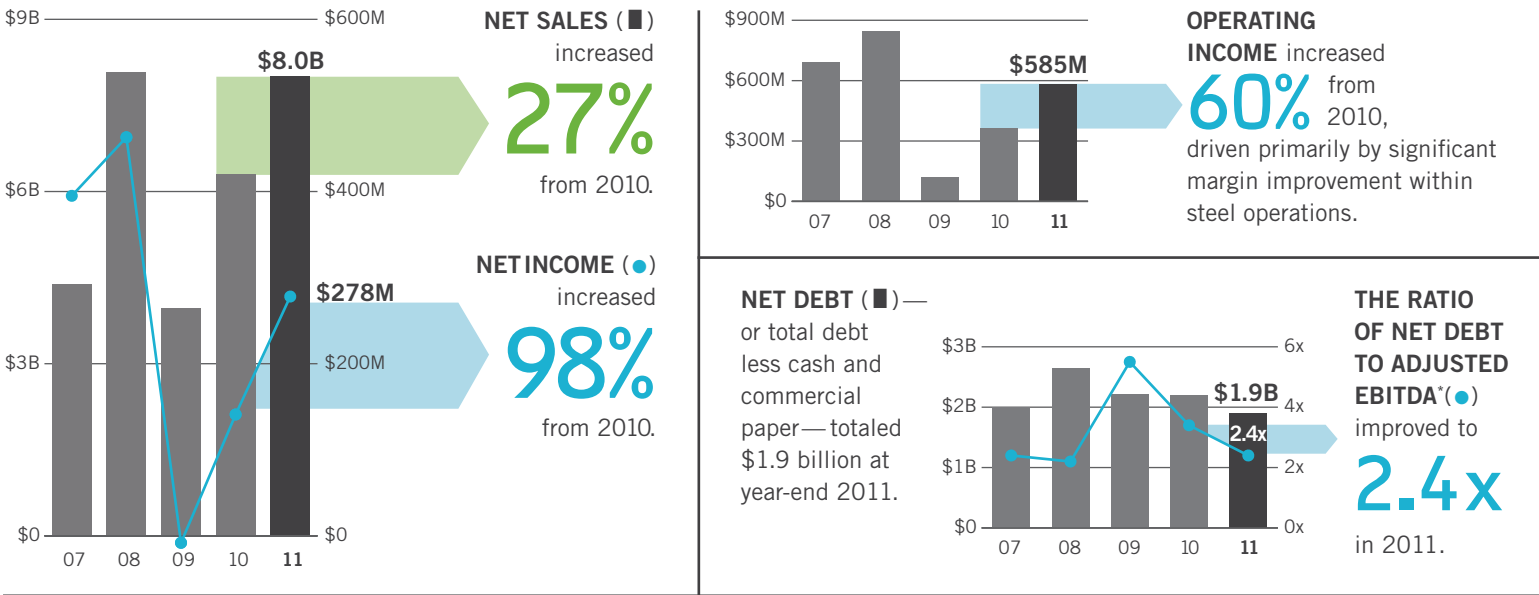
To encourage and reward superior performance, while aligning employee interests with those of our shareholders, we offer pay-for-performance compensation that is linked to the safe production of quality products and the effective and efficient use of our resources.

Given our highly variable, low-cost operating

structure—our steel and metals-recycling cost structures are over 85% variable and our fabrication operations over 70%—coupled with our vertically integrated operating platforms, we have a uniquely efficient ability to generate strong cash flow both in periods of economic weakness and strength.



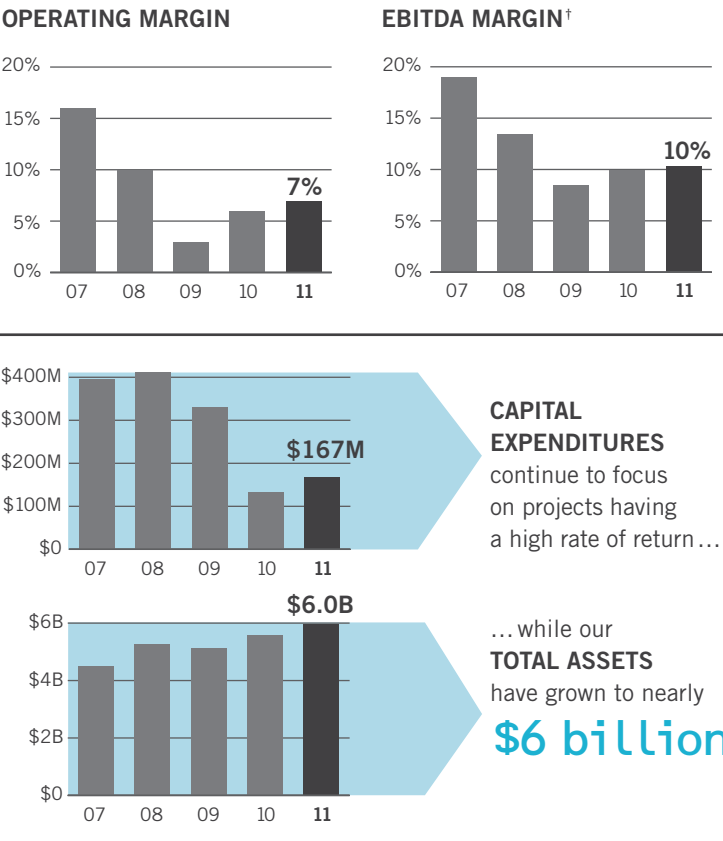
CORPORATE OVERVIEW



PERCENT OF EXTERNAL SALES BY OPERATING SEGMENT —SDI expanded into metals recycling with the acquisition of OmniSource in 2007.

\*Adjusted EBITDA, represents our earnings before interest, taxes, depreciation, amortization, and certain other non-cash items. See a reconciliation from earnings before taxes on page 28.

By a number of measures, SDI leads the U.S. steel industry in profitability.



COMPANY AND EMPLOYEE INTERESTS ARE ALIGNED.

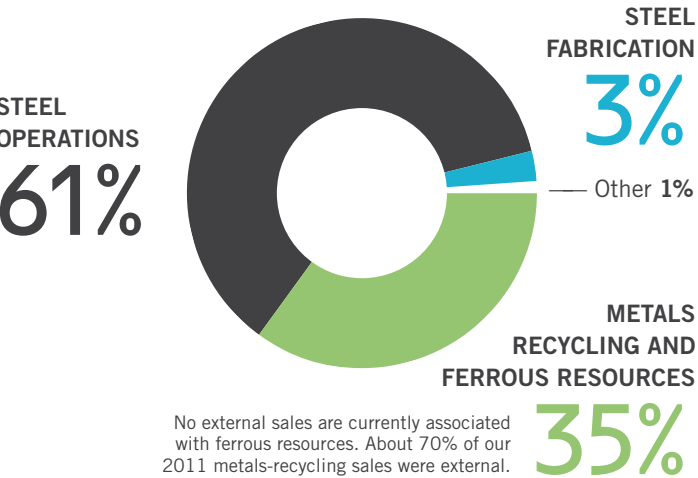
Our highly incentivized workforce excels in productivity.



6,530

full-time employees at year-end 2011.

2011 revenues as a percent of external sales by operating segment:



2011 OPERATING INCOME BY OPERATING SEGMENT\*

Steel operations	\$668 million
Steel fabrication	(7) million
Metals recycling	\$95 million
Ferrous resources	(40) million
Metals recycling and ferrous resources	\$55 million

\*Throughout this summary information section on pages 21 through 25, operating income of segments excludes profit-sharing and amortization expenses related to the operating segment.  
†See EBITDA as presented in the adjusted EBITDA reconciliation from income (loss) before income taxes on page 28.

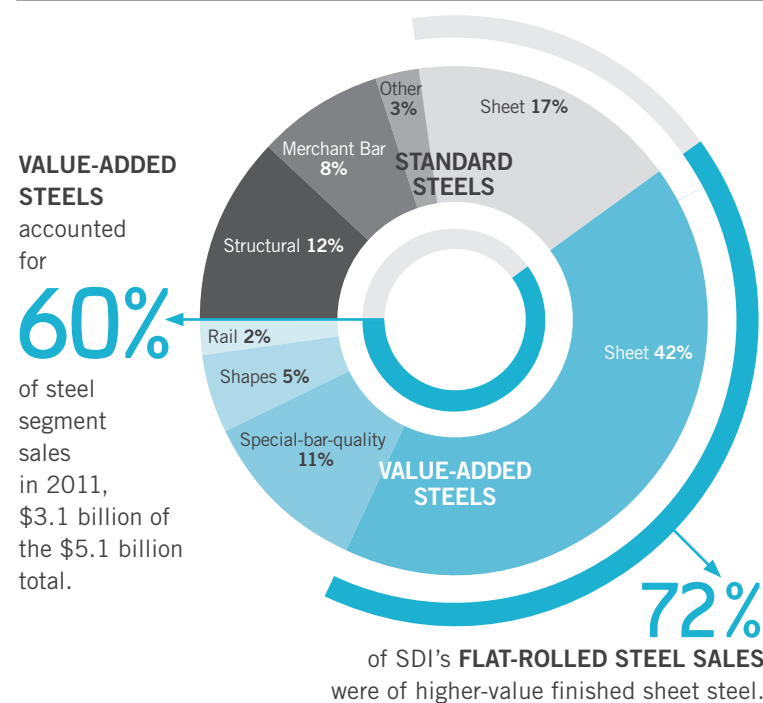
## STEEL OPERATIONS

**DICK TEETS**

Executive Vice President for Steelmaking,  
President and COO of Steel Operations

"Operating income for our steel operations in 2011 continued to improve, reaching \$668 million\*. We achieved record shipments

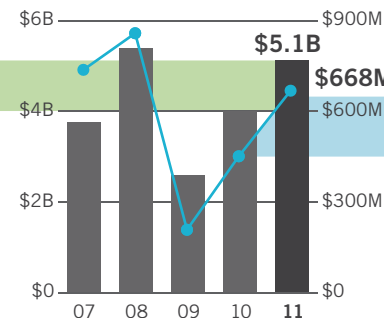
at three of our mills last year, and we're excited about the potential for additional growth using existing capacity as the economy improves."

**SEGMENT SALES (■)**

increased

**28%**

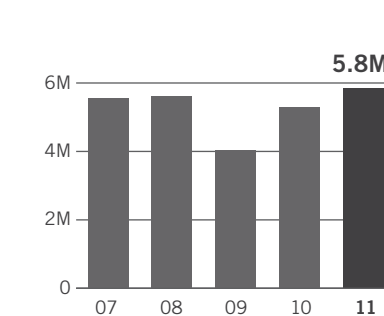
from 2010.

**SEGMENT OPERATING INCOME\* (●)**

increased

**48%**

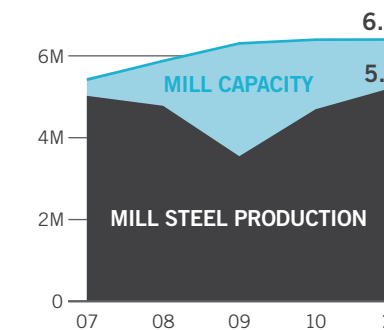
from 2010.

**STEEL SHIPMENTS†**

were a record

**5.8 million**

tons in 2011.

**STEEL PRODUCTION CAPACITY‡ (■)**

has grown incrementally to

**6.4 million**

tons per year, providing SDI with increased market opportunity as the economy improves.

In 2011, **MILL UTILIZATION (■)** of SDI's five steel mills increased to

**82%**

\*Operating income excludes profit-sharing and amortization expenses related to the operating segment.

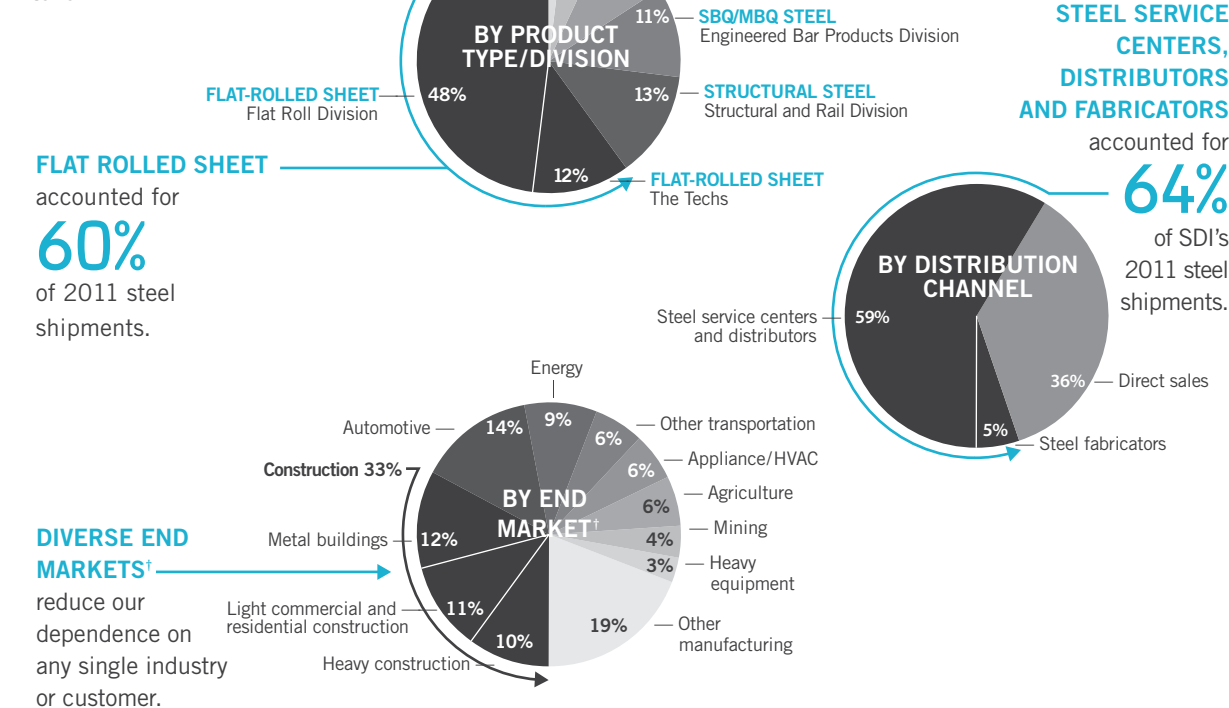
†Steel shipments includes The Techs.

‡Steel mill annual production capacity and utilization include only SDI's five steel mills. The Techs, which is excluded from steel mill production, has the capacity to coat an additional 1 million tons per year.

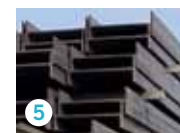
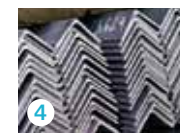
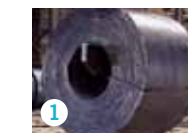
**2011 STEEL SHIPMENTS**

**5.8 million**

tons.

**DIVERSIFIED MIX OF STEEL PRODUCTS INCLUDES**

1 hot-rolled sheet 2 painted flat roll 3 specialty-bar-quality rounds 4 merchant bars 5 wide-flange beams 6 rail 7 rebar 8 specialty steel



Innovation extends SDI's product line.



▲ Only SDI produces **Galvalume® corrosion-resistant steel** in wide widths preferred by steel-siding manufacturers.



▲ Uniquely in North America, Steel Dynamics rolls **extra-long, high-quality AREMA Standard rail**—240 feet in length.

†End-market percentages shown are best estimates. Because nearly two-thirds of our steel shipments go through a distribution channel, and because service centers and distributors do not typically provide to us the details of their customer and end-market sales, we have estimated these sales. Our estimates are based on knowledge of types of products sold for specific applications and on assessments by the sales and marketing staffs of our steel-product divisions. This accounts for the large percentage of shipments categorized as "other manufacturing," some of which could actually belong in other defined categories.

## METALS RECYCLING AND FERROUS RESOURCES



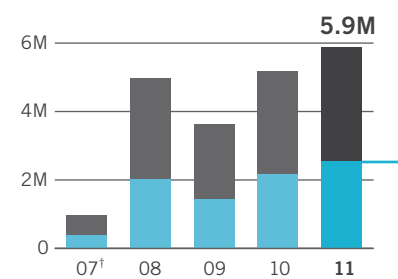
## RUSS RINN

Executive Vice President of Metals Recycling, President and COO of OmniSource Corporation

"At OmniSource we're focusing on increasing profit margins—by expanding retail

scrap collection, increasing the throughput of our shredders, producing value-added ferrous products, and improving the recovery of nonferrous metals."

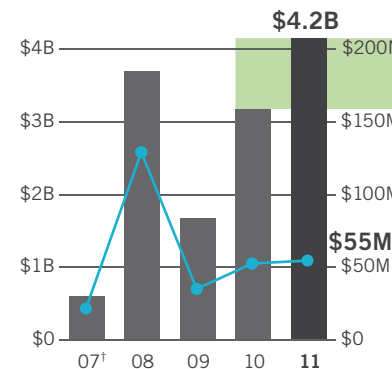
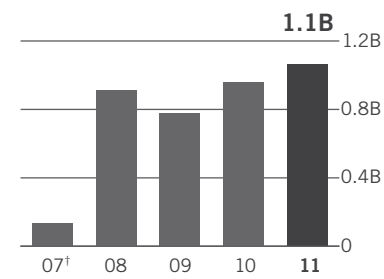
## FERROUS SHIPMENTS (gross tons)



43%

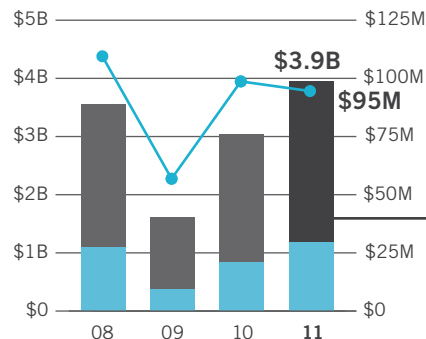
of OmniSource's 2011 ferrous scrap shipments went to SDI steel mills (■).

## NONFERROUS SHIPMENTS (pounds)



31%  
from 2010.

SEGMENT OPERATING INCOME\* (●) was negatively impacted by Mesabi Nugget start-up in 2010 and 2011.



## OMNISOURCE 2011 NET SALES

\$3.9 billion

70% of OmniSource's 2011 net sales went to external customers (■). Internal sales (■) accounted for the rest.

OMNISOURCE OPERATING INCOME\* (●) was throttled in 2011 by costs to acquire scrap feedstock.

New downstream processing facilities are designed to improve recycling margins.



## ◀ FERROUS SCRAP

Gamma Tech units at three OmniSource facilities in the Midwest reduce residual metals to produce higher-value ferrous shredded scrap.



## ◀ NONFERROUS SCRAP

The new SDI LaFarga operation in Indiana will produce secondary copper rod from shredded copper scrap.

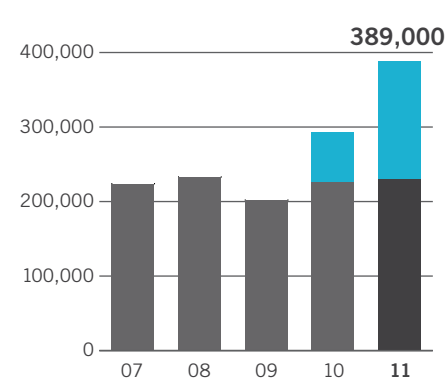
\*Operating income excludes profit-sharing and amortization expenses related to the operating segment.

†OmniSource was acquired October 26, 2007.

## STEEL FABRICATION

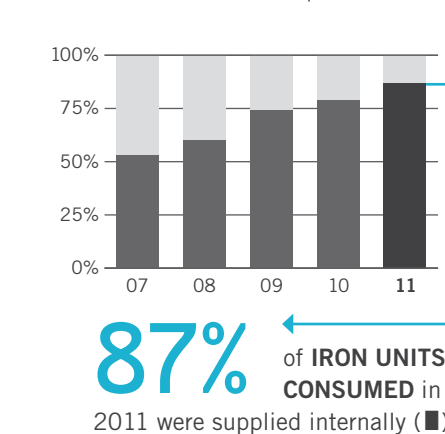
Iron units sufficient to meet the needs of our steel mills are now produced internally.

## IRON UNITS PRODUCED (metric tons)



Together, Iron Dynamics (■) and Mesabi Nugget (■) supplied 390,000 metric tons of iron units in 2011.

## IRON UNITS CONSUMED (percent)



87%

of IRON UNITS CONSUMED in 2011 were supplied internally (■).

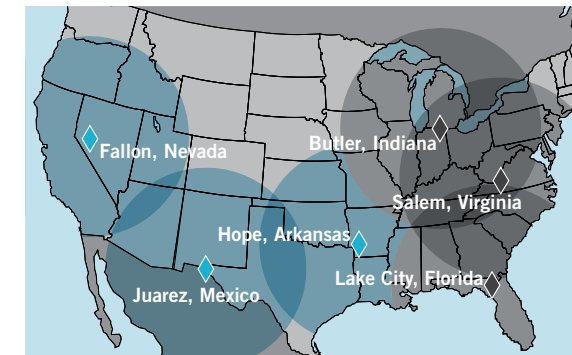


## GARY HEASLEY

Executive Vice President of Business Development, President and COO of New Millennium Building Systems

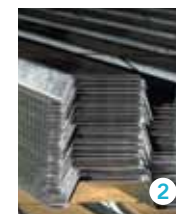
"We've made great progress in 2011 positioning for future growth. The three plants we bought, upgraded, and restarted provide a new presence to serve customers nationwide and gain market share."

New Millennium's three new western plants (◆) introduce coast-to-coast market coverage.

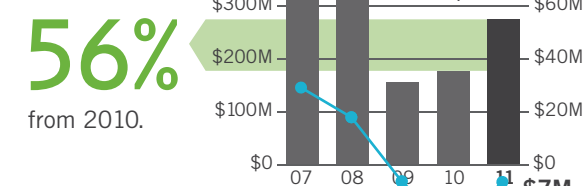


## NEW MILLENNIUM PRODUCTS

- 1 joists
- 2 decking

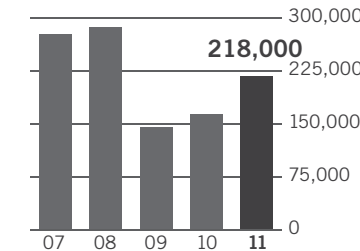


56%  
from 2010.



OPERATING LOSS\* (●) narrowed in 2011 while starting up new plants.

## SHIPMENTS (tons)



\*Operating loss excludes profit-sharing and amortization expenses related to the operating segment. 2010 operating loss of \$25 million included a \$13 million impairment charge.



SELECTED FINANCIAL DATA

The following table sets forth the selected consolidated financial and operating data of Steel Dynamics, Inc. The selected consolidated financial and operating data as of and for each of the years in the five-year period ended December 31, 2011, were derived from our audited consolidated financial statements. You should read the following data in conjunction with *Management’s Discussion and Analysis of Financial Condition and Results of Operations* and our consolidated financial statements and notes appearing in our accompanying Form 10-K for the period ended December 31, 2011.

You should also read the following information in conjunction with the data in the table on the following page:

- On June 9, 2008, we completed the acquisition of Recycle South, a privately held, regional scrap-metal recycling company located in the southeastern United States. Recycle South operations are reflected in our metals recycling and ferrous resources operating segment.
- On October 26, 2007, we completed the acquisition of OmniSource Corporation, a privately held scrap-metal recycling and trading company. OmniSource operations are reflected in our metals recycling and ferrous resources operating segment.
- On July 2, 2007, we completed the acquisition of The Techs, three flat-rolled-steel galvanizing facilities. The Techs operations are reflected in our steel operating segment.
- For purposes of calculating our “ratio of earnings to fixed charges,” earnings consist of earnings from continuing operations before income taxes, extraordinary items and before adjustments for noncontrolling interests, adjusted for the portion of fixed charges deducted from these earnings, plus amortization of capitalized interest. Fixed charges consist of interest on all indebtedness, including capitalized interest, and amortization of debt issuance costs.
- For purposes of calculating our “operational working capital” for all periods presented, we consider amounts invested in trade receivables and inventories, less current liabilities other than income taxes payable and debt as reported on our consolidated balance sheets.

OPERATING DATA

	YEAR ENDED DECEMBER 31,				
	2011	2010	2009	2008	2007
Net sales	\$ 7,997,500	\$ 6,300,887	\$ 3,958,806	\$ 8,080,521	\$ 4,384,844
Gross profit	931,518	675,666	399,076	1,231,259	915,694
Operating income	584,820	364,753	119,531	846,368	690,745
Net income (loss)	265,692	129,599	(11,019)	454,514	394,157
Net income (loss) attributable to Steel Dynamics, Inc.	278,120	140,709	(8,184)	463,386	394,566

Basic earnings (loss) per share	\$ 1.27	\$ .65	\$ (.04)	\$ 2.45	\$ 2.12
Weighted average common shares outstanding	218,471	216,760	200,704	189,140	186,321
Diluted earnings (loss) per share	\$ 1.22	\$ .64	\$ (.04)	\$ 2.38	\$ 2.01
Weighted average common shares and share equivalents outstanding	235,992	234,717	200,704	194,586	196,805
Dividends declared per share	\$ .400	\$ .300	\$ .325	\$ .400	\$ .300

OTHER FINANCIAL DATA

Capital expenditures	\$ 167,007	\$ 133,394	\$ 330,052	\$ 412,497	\$ 395,198
Ratio of earnings to fixed charges	3.40x	2.20x	.78x	5.44x	9.37x

OTHER DATA

Shipments					
Steel operations (tons)	5,842,694	5,295,852	4,045,787	5,608,898	5,550,207
Metals recycling and ferrous resources					
Ferrous metals (gross tons)	5,879,729	5,179,812	3,631,102	4,958,518	973,891
Nonferrous metals (thousands of pounds)	1,066,648	961,288	780,084	911,832	137,417
Mesabi Nugget (metric tons)	159,641	67,485	—	—	—
Iron Dynamics (metric tons)	229,502	225,545	201,897	232,593	223,805
Steel fabrication operations (tons)	217,838	164,431	145,259	286,612	276,836
Steel operations production (tons)	5,931,833	5,413,093	4,187,526	5,584,019	5,471,314
Shares outstanding (in thousands)	218,874	217,575	216,000	181,820	190,324
Number of employees	6,530	6,180	5,990	6,652	5,940

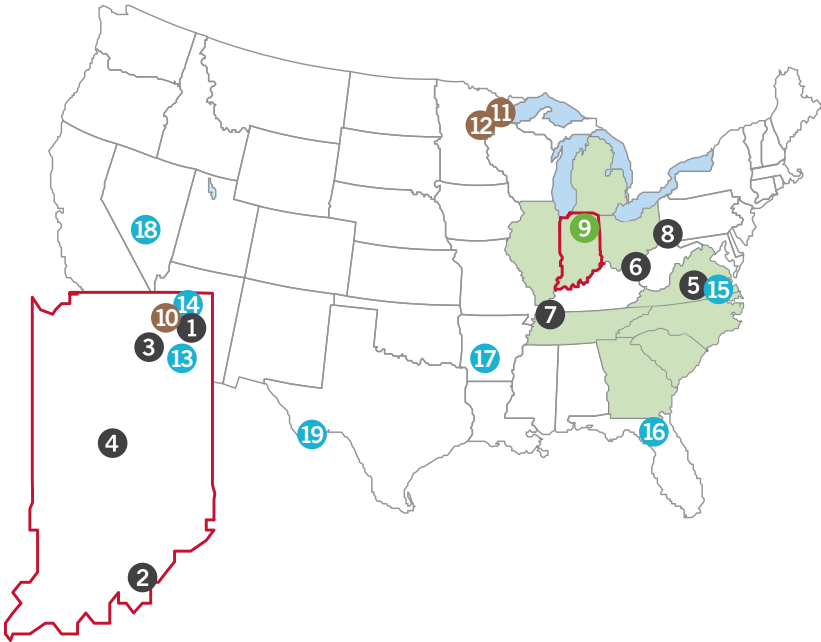
BALANCE SHEET DATA

Cash and equivalents, and commercial paper	\$ 475,591	\$ 186,513	\$ 9,008	\$ 16,233	\$ 28,486
Operational working capital	1,276,916	1,189,086	857,708	990,516	1,035,027
Net property, plant and equipment	2,193,745	2,213,333	2,254,050	2,072,857	1,652,097
Total assets	5,979,226	5,589,934	5,129,872	5,253,577	4,519,453
Long-term debt (including current maturities)	2,380,100	2,386,821	2,222,754	2,650,384	2,029,845
Equity	2,299,900	2,076,835	2,003,265	1,632,313	1,540,234

ADJUSTED EBITDA RECONCILIATION\*

	YEAR ENDED DECEMBER 31,				
	2007	2008	2009	2010	2011
In millions					
Income (loss) before income taxes	\$ 630	\$ 735	\$ (18)	\$ 213	\$ 424
Interest expense	55	145	141	170	177
Interest income	(2)	(3)	(1)	(4)	(5)
Depreciation	126	162	159	171	177
Amortization	12	41	53	46	40
Loss attributable to noncontrolling interests	–	9	3	12	13
<b>EBITDA</b>	<b>\$ 821</b>	<b>\$ 1,089</b>	<b>\$ 337</b>	<b>\$ 608</b>	<b>\$ 826</b>
Unrealized hedging (gains) losses	\$ 4	\$ 38	\$ (35)	\$ 2	\$ (4)
Inventory valuation adjustments	–	37	85	6	9
Equity-based compensation	10	18	17	14	17
Asset impairment losses	–	–	–	13	–
<b>Adjusted EBITDA*</b>	<b>\$ 835</b>	<b>\$ 1,182</b>	<b>\$ 404</b>	<b>\$ 643</b>	<b>\$ 848</b>

STEEL DYNAMICS OPERATIONS



**STEEL OPERATIONS**  
**Flat Roll Division** ❶ Butler and ❷ Jeffersonville, Indiana.  
**Structural and Rail Division** ❸ Columbia City, Indiana.  
**Engineered Bar Products Division** ❹ Pittsboro, Indiana.  
**Roanoke Bar Division** ❺ Roanoke, Virginia.  
**Steel of West Virginia** ❻ Huntington, West Virginia, and ❼ Memphis, Tennessee.  
**The Techs** ❽ Pittsburgh, Pennsylvania.

**METALS RECYCLING**  
**OmniSource Corporation** ❾ Head office, Fort Wayne, Indiana.  
Over 80 locations ● in the Midwest and southeastern United States.

**FERROUS RESOURCES**  
**Iron Dynamics** ❿ Butler, Indiana.  
**Mesabi Nugget** ⓫ Hoyt Lakes, Minnesota.  
**Mining Resources** ⓬ Chisholm, Minnesota.

**STEEL FABRICATION**  
**New Millennium Building Systems** ⓭ Head office, Fort Wayne, Indiana.  
Plants in ⓮ Butler, Indiana, ⓯ Salem, Virginia, ⓰ Lake City, Florida, ⓱ Hope, Arkansas, ⓲ Fallon, Nevada, and ⓳ Juarez, Mexico.

\*Adjustments to EBITDA are as defined in our senior secured credit facility.

INVESTOR INFORMATION

<b>ANNUAL MEETING</b> May 17, 2012 9 a.m. Eastern Calhoun Ballroom Grand Wayne Convention Center 120 West Jefferson Boulevard Fort Wayne, Indiana 46802	<b>STOCKHOLDER RECORDS</b> Computershare Trust Company, N.A. P.O. Box 43078 Providence, Rhode Island 02940-3078 (877) 282-1168 www.computershare.com	<b>INVESTOR INFORMATION</b> Investor Relations (260) 969-3500 investor@steeldynamics.com	<b>CORPORATE OFFICES</b> 7575 West Jefferson Boulevard Fort Wayne, Indiana 46804 (260) 969-3500 (260) 969-3590 fax www.steeldynamics.com	<b>MARKET INFORMATION</b> The company's stock trades on the NASDAQ Global Select Market under the symbol STLD.
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2011 BOARD OF DIRECTORS

Employee Directors

**Mark D. Millett**  
Co-founder  
President and CEO  
Steel Dynamics, Inc.

**Richard P. Teets, Jr.**  
Co-founder  
Executive Vice President  
Steel Dynamics, Inc.

Non-employee Directors

**Keith E. Busse**  
Co-founder  
Chairman  
Steel Dynamics, Inc.

**John C. Bates**  
President and CEO  
Heidtman Steel Products, Inc.

**Frank D. Byrne, M.D.**  
President  
St. Mary's Hospital Medical Center  
Madison, Wisconsin

**Paul B. Edgerley**  
Managing Director  
Bain Capital, Inc.

**Richard J. Freeland**  
Chairman  
Pizza Hut of Fort Wayne, Inc.

**Dr. Jürgen Kolb**  
Retired  
Former member of Executive Office  
Salzgitter, AG

**James Marcuccilli**  
President and CEO  
STAR Financial Bank

**Gabriel L. Shaheen**  
Partner  
NxtStar Ventures, LLC

Vice Chairman  
Horace Mann Educators Corporation

*In memoriam*  
**Joseph D. Ruffolo**  
Principal  
Ruffolo Benson, LLC

EXECUTIVE OFFICERS

**Mark D. Millett**  
President and CEO

**Gary E. Heasley**  
Executive Vice President of Business Development

President and COO of New Millennium Building Systems

**Theresa E. Wagler**  
Executive Vice President and Chief Financial Officer

**Russell B. Rinn**  
Executive Vice President of Metals Recycling

President and COO of OmniSource Corporation



[www.steeldynamics.com](http://www.steeldynamics.com)