STEEL DYNAMICS INC
Form 10-K
February 22, 2010

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ITEM 8. CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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

FORM 10-K

ý **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2009**

o **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission File Number 0-21719

Steel Dynamics, Inc.
(Exact name of registrant as specified in its charter)

Indiana (State or other jurisdiction of incorporation or organization)	**35-1929476** (IRS Employer Identification No.)
7575 West Jefferson Blvd, Fort Wayne, IN (Address of principal executive offices)	**46804** (Zip Code)

Registrant's telephone number, including area code: **(260) 969-3500**

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, $.0025 par value	Nasdaq Global Select Stock Market

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ý No o

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes o No ý

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 ý No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ý No o

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "larger accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ý	Accelerated filer o	Non-accelerated filer o (Do not check if a smaller reporting company)	Smaller reporting company o

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

The aggregate market value of the voting stock held by non-affiliates of the registrant computed by reference to the price at which the common equity was last sold as of June 30, 2009, was approximately, $3,014,728,313. Registrant has no non-voting shares. For purposes of this calculation, shares of common stock held by directors, officers and 5% stockholders known to the registrant have been deemed to be owned by affiliates, but this should not be construed as an admission that any such person possesses the power, direct or indirect, to direct or cause the direction of the management or policies of the registrant or that such person is controlled by or under common control with the registrant.

As of February 18, 2010, Registrant had outstanding 216,333,971 shares of common stock.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of registrant's definitive proxy statement referenced in Part III, Items 9 through 13 of this report, to be filed prior to April 30, 2010, are incorporated herein by reference.

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PART I

Special Note Regarding Forward-Looking Statements

Throughout this report, or in other reports or registration statements filed from time to time with the Securities and Exchange Commission under the Securities Exchange Act of 1934, or under the Securities Act of 1933, as well as in documents we incorporate by reference or in press releases or oral statements made by our officers or representatives, we may make statements that express our opinions, expectations, or projections regarding future events or future results, in contrast with statements that reflect historical facts. These predictive statements, which we generally precede or accompany by such typical conditional words as "anticipate," "intend," "believe," "estimate," "plan," "seek," "project" or "expect," or by the words "may," "will," or "should," are intended to operate as "forward looking statements" of the kind permitted by the Private Securities Litigation Reform Act of 1995, incorporated in Section 27A of the Securities Act and Section 21E of the Securities Exchange Act. That legislation protects such predictive statements by creating a "safe harbor" from liability in the event that a particular prediction does not turn out as anticipated.

While we always intend to express our best judgment when we make statements about what we believe will occur in the future, and although we base these statements on assumptions that we believe to be reasonable when made, these forward looking statements are not a guarantee of performance, and you should not place undue reliance on such statements. Forward looking statements are subject to many uncertainties and other variable circumstances, many of which are outside of our control, that could cause our actual results and experience to differ materially from those we thought would occur.

The following listing represents some, but not necessarily all, of the factors that may cause actual results to differ from those we may have anticipated or predicted:

- the adverse impact of a prolonged or deepening recession on industrial demand for our products;
- the continued weak demand for our products by the automotive, consumer appliance, construction or other metal consuming industries;
- conditions affecting steel or recycled metals consumption;
- U.S. or foreign trade policy affecting the amount of foreign imported steel, or adverse outcomes of pending and future trade cases alleging unlawful practices in connection with steel imports;
- cyclical changes in market supply and demand for steel and recycled ferrous and nonferrous metals;
- increased price competition brought about by excess domestic and global steelmaking capacity;
- changes in the availability or cost of raw materials, such as recycling ferrous metals, iron substitute materials, including pig iron, or other raw materials or supplies, which we use in our production processes;
- periodic fluctuations in the availability and cost of electricity, natural gas or other utilities;
- the occurrence of unanticipated equipment failures and plant outages;

margin compression resulting from our inability to pass increases in costs of raw materials and supplies to our customers;

labor unrest, work stoppages and/or strikes involving our own workforce, those of our important suppliers or customers, or those affecting the steel industry in general;

the impact of, or changes in, environmental law or in the application of other legal or regulatory requirements upon our production processes or costs of production or upon those of our

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suppliers or customers, including actions by government agencies, such as the U.S. Environmental Protection Agency or related state agencies, on pending or future environmentally related construction or operating permits;

the impact of United States government or various governmental agencies introducing laws or regulatory changes in response to the subject of climate change and greenhouse gas emissions, including the introduction of carbon emissions trading mechanisms;

private or governmental liability claims or litigation, or the impact of any adverse outcome of any litigation on the adequacy of our reserves or the availability or adequacy of our insurance coverage;

increases in interest rates, associated spreads, or other borrowing costs, or the effect of existing loan covenants or restrictions upon the cost or availability of credit to fund operations or to take advantage of other business opportunities;

changes in our business strategies or development plans which we may adopt or which may be brought about in response to actions by our suppliers or customers, and any difficulty or inability to successfully consummate or implement as planned any planned or potential projects, acquisitions, joint ventures or strategic alliances;

the impact of regulatory or other governmental permits or approvals, litigation, construction delays, cost overruns, technology risk or operational complications upon our ability to complete, start-up or continue to profitably operate a project or a new business, or to complete, integrate and operate any potential acquisitions as anticipated; and

uncertainties involving new products or new technologies.

We also refer you to and believe that you should carefully read the "Risk Factors" discussion at Item 1A of this report to better understand the risks and uncertainties inherent in our business or in owning our securities.

Any forward looking statements which we make in this report or in any of the documents that are incorporated by reference herein speak only as of the date of such statement, and we undertake no ongoing obligation to update such statements. Comparisons of results between current and any prior periods are not intended to express any future trends or indications of future performance, unless expressed as such, and should only be viewed as historical data.

ITEM 1. BUSINESS

Our Company

We are one of the largest steel producers and one of the largest metals recyclers in the United States based on a current estimated annual steelmaking capability of 6.3 million tons and actual metals recycling shipping volumes during 2008 and 2009 of 5.6 million tons and 4.1 million tons of ferrous materials, respectively, and 912 million pounds and 780 million pounds of nonferrous metallics, respectively. Our steel production, excluding The Techs, during 2008 and 2009 was 4.8 million tons and 3.5 million tons, respectively. In 2008, we reported net sales of $8.1 billion and an operating margin of 10%, as compared to net sales of $4.0 billion and an operating margin of 3% during 2009. At December 31, 2009, we employed approximately 5,990 individuals, 90% of which are non-union, located at our operations throughout the eastern half of the United States.

Steel Dynamics, Inc. was incorporated in Indiana in August 1993. Our principal executive offices are located at 7575 W. Jefferson Blvd, Fort Wayne, Indiana 46804, and our telephone number is 260.969.3500.

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The primary sources of our revenues are from the manufacture and sale of steel products; processing and sale of recycled ferrous and nonferrous metals; and to a lesser degree, fabrication and sale of steel joist and decking products. Our operations are managed and reported based on three operating segments: steel operations, metals recycling and ferrous resources operations, and steel fabrication operations.

Steel Operations. Steel operations consist of our five electric-arc furnace mini-mills, producing steel from steel scrap, utilizing continuous casting, automated rolling mills, and various downstream finishing facilities, including The Techs operations. Our steel operations accounted for 81% of our consolidated net sales in 2007 and 63% in both 2008 and 2009. Collectively, our steel operations sell directly to end users and service centers. These products are used in numerous industry sectors, including the automotive, construction, commercial, transportation and industrial machinery markets.

Sheet Products. Our Flat Roll Division sells a broad range of sheet steel products, such as hot rolled, cold rolled and coated steel products, including a large variety of specialty products such as light gauge hot rolled, galvanized, Galvalume® and painted products. The Techs operations, comprised of three galvanizing lines acquired in July 2007, also sells specialized galvanized sheet steels used in non-automotive applications. In 2008, our sheet operations represented only 45% of our steel segment's pretax income, as compared to 65% in 2009. The greater proportion of our pretax income was derived from sheet products in 2009 as compared to 2008, representing the more severe decline in long product demand, more specifically in structural steels used predominantly in the non-residential construction markets.

Long Products. Our Structural and Rail Division sells structural steel beams and pilings and is also designed to produce and sell a variety of standard and premium-grade rail for the railroad industry. Our Engineered Bar Products Division primarily sells special bar quality and merchant bar quality rounds and round-cornered squares. Our Roanoke Bar Division sells billets and merchant steel products, including angles, plain rounds, flats and channels. Steel of West Virginia primarily sells merchant beams, channels and specialty structural steel sections.

Metals Recycling and Ferrous Resources Operations. This operating segment includes our metals recycling operations, liquid pig iron manufacturing facility and iron nugget manufacturing start-up facility. Our metals recycling and ferrous resources operations accounted for 9% of our consolidated net sales in 2007 and 31% in both 2008 and 2009.

Metals Recycling. Our metals recycling operations represent our metals sourcing and processing operations and are the most significant source of income in this segment. As evidenced by the increased diversification of our revenue streams beginning in 2008, we have significantly grown our metals recycling business through the acquisition of OmniSource Corporation in October 2007 and Recycle South, LLC in June 2008. Our metals recycling operations sell ferrous metals to steel mills and foundries, and nonferrous metals, such as copper, brass, aluminum and stainless steel, to among others, ingot manufacturers, copper refineries and mills, smelters, and specialty mills. In 2008 and 2009, 31% and 23%, respectively, of the sales from metals recycling were to our own steel operations. In 2008, our metals recycling operations represented 92% of this segment's gross margin, as compared to 108% in 2009.

Ferrous Resources. Our ferrous resource operations consist of the revenues and expenses associated with our scrap substitute manufacturing facility, Iron Dynamics (IDI) and Mesabi Nugget and Mesabi Mining. IDI primarily produces liquid pig iron, which is used as a scrap substitute raw material input exclusively at our Flat Roll Division. Mesabi Nugget began initial, limited production of iron nuggets in January 2010. We believe substantially all of the iron nuggets produced by Mesabi Nugget will be used in our steel operations, again as a raw material substitute for primarily imported pig iron, but possibly also as a substitute for steel scrap.

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Steel Fabrication Operations. Our steel fabrication operations include three operating and two idled New Millennium Building Systems' plants located in the Midwest and Southeastern parts of the United States. Revenues from these plants are generated from the fabrication of trusses, girders, steel joists and steel decking used within the non-residential construction industry. Steel fabrication operations accounted for 5% and 4% of our consolidated net sales and 4% of our consolidated gross margin during 2008 and 2009, respectively.

Current Environment

As a result of prevailing domestic and global economic conditions in the second half of 2008 and throughout 2009, there has been significant declines in, among others, non-residential construction, residential construction and automobile manufacturing activity. Consistently, 2009 was a challenging year for our company and the domestic steel manufacturing and metals recycling industries. Specifically, as a result of this environment, we have experienced deterioration in the volumes of orders and prices we can charge our customers in these industries, and as a consequence our revenues and profitability have also declined.

Despite these challenges, we believe we are well-positioned to weather this economic downturn. Our financial strategy currently includes a commitment to improve our leverage metrics, while allowing for long-term sustainable growth and maintaining appropriate liquidity levels. Our commitment to these goals drives a focus on controlling costs and maximizing per unit margins, managing capital investments, and disciplined growth.

During 2009, our focus was toward strengthening our capital structure and enhancing long-term liquidity.

- In June we executed joint common stock and senior convertible note issues, raising net proceeds of approximately $678.8 million and prepaying all of our Term A loan of $552.0 million.

- We concurrently amended the covenants within our senior secured credit agreement to gain greater flexibility from 2009 through the end of 2010.

- During a very challenging year we were able to decrease overall debt by $427.6 million, improve our liquidity position by $193.8 million all while:

  - investing $373.9 million in capital growth projects;

  - funding $61.7 million in 2008 employee profit sharing contributions, and

  - paying $68.7 million in cash dividends to our stockholders.

- Additionally, our total debt to equity capitalization ratio decreased from 62% to 53% and our first lien leverage (as defined in the notes to our financial statements contained herein) was .49x at December 31, 2009.

Competitive Strengths / Business Strategy

Although the depth and duration of the current economic downturn has been more pronounced than previous recessions, we believe our financial strategy, coupled with our competitive advantages of maintaining a low, variable cost structure; producing a diversified, value-added product offering; controlling a secure supply of recycled ferrous metals; and having an experienced senior management team and entity-wide entrepreneurial culture, has positioned us to navigate the economic downturn in a manner that can strengthen our leadership position in a recovery and improve our returns to stockholders.

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One of the Lowest Cost Steel Producers in the United States; State-of-the-Art Facilities / Continue to Maintain Low Production Costs

We are focused on continuing to maintain and enhance one of the lowest operating cost structures in the North American steel industry. Our low operating costs are primarily a result of our efficient plant designs and operations, our high productivity rate, such as our productivity rate of approximately 0.3 man hours per hot band ton produced at our Flat Roll Division's mill, low ongoing maintenance cost requirements and strategic locations near sources of our primary raw material, scrap steel and our customers.

We will continue to strive to optimize the use of our equipment, enhance our productivity and explore new technologies to further improve our unit costs of production at each of our facilities. We believe that as one of the lowest cost producers in each of our primary operating segments, we are able to better manage through cyclical, and non-cyclical (such as the current economic environment) downturns, and to always maximize our profitability. We continuously seek to maximize the variability of our cost structure and to reduce per unit and fixed costs. Our incentive compensation plans at all employee levels are based on both divisional and consolidated company performance. They are designed to reward high productivity and efficient use of physical resources and capital employed.

Experienced Management Team and Unique Corporate Culture / Foster Entrepreneurial Culture

Our senior management team is highly experienced and has a proven track record in the steel industry and metals recycling industry. Their objectives are closely aligned with our stockholders through meaningful stock ownership positions and performance-based compensation programs. Our corporate culture is also unique for the steel industry. We emphasize decentralized decision making and have established incentive compensation programs specifically designed to reward employee teams for their efforts towards enhancing productivity, improving profitability and controlling costs.

We intend to continue to foster our entrepreneurial corporate culture and emphasize decentralized decision making and responsibility, while rewarding teamwork, innovation and operating efficiency. We will also continue to focus on maintaining the effectiveness of our incentive-based bonus plans that are designed to enhance overall productivity and align the interests of our management and employees with our stockholders.

Diversified Product Mix / Expand Product Offerings

Our current products in our steel segment include hot rolled, cold rolled, galvanized, Galvalume® and painted sheet steel; various structural steel beams and rails; special bar quality steel; various merchant steel products, including beams, angles, flats and channels. In addition, we offer steel finishing and fabrication services. In the metals recycling segment, our products include an array of both ferrous and nonferrous scrap processing, scrap management, transportation, and brokerage products and services. Finally, our steel fabrication segment produces steel joists and steel decking materials. This diversified mix of products enables us to access a broad range of end-user markets, serve a broad customer base, and mitigate our exposure to cyclical downturns in any one product or end-user market. In addition, our value added product offerings help to balance our exposure to commodity grade products.

We will continue to seek additional opportunities to further expand our range of products through the expansion of existing facilities, greenfield projects and acquisitions of other steel producers or steelmaking assets as well as scrap recycling companies that may become available in both the domestic steel and recycling industries. Completion of our Mesabi Nugget project; as well as the expansions and upgrades of existing facilities are important steps in pursuing our strategy of product line expansion.

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Secure Supply of Ferrous Raw Materials / Develop Metals Recycling and Ferrous Resources Business Platform

We maintain a secure supply of ferrous raw material resources through the benefit of our metals recycling operations, OmniSource Corporation, as well as through our current and future iron-making facilities, Iron Dynamics and Mesabi Nugget. Ferrous materials represent our single-largest manufacturing cost and generally represent between 55% and 60% of our steel production costs. During 2009, OmniSource provided our steel operations with 47% of their ferrous material needs and Iron Dynamics provided our Flat Roll Division with 7% of the mill's iron requirements through the transfer of liquid pig iron, a higher-quality, energy-saving substitute. As Mesabi Nugget production increases, it will also supply our steel operations with iron requirements.

As global and domestic demand for steel products improves as a response to improving world economies and consumption rates, we believe there will be pressure on the supply of world commodities, including ferrous materials. During this economic downturn, there has been a significant reduction in industrial scrap supply due to historically low manufacturing rates. There has also been less generation of other sources of scrap, such as auto bodies, appliances, and other goods, as consumers are utilizing assets for longer periods of time and replacing items less frequently. In addition, as world demand increases, domestic ferrous resources are often shipped overseas to developing countries for their own consumption in steel production.

We believe our metals recycling and ferrous resources operations, not only provide us with a quality, cost effective, secure raw material platform, but we also believe they provide us with significant revenue generating and profitability opportunities, that allow for funding of future growth, whether in resources or in other ventures. We intend to continue to participate in the development of new technologies to increase the effectiveness of our metals recycling recovering capabilities and to develop new relationships in order to increase the amount of unprocessed metals we have the ability to source and eventually sell.

Strategic Geographic Locations / Enter New Geographic Markets

The locations of our steelmaking facilities, near sources of scrap materials and near our customer base, allow us to realize freight savings for inbound scrap as well as for outbound steel products destined for our customers. Recycled steel scrap and iron units represent the most significant component of our cost of steel manufacturing. Our metals recycling facilities are located in the Upper Midwest and Southeastern United States, and thus further expand our geographic service area. We believe these regions account for a majority of the total steel scrap produced in the United States. The Techs in Pittsburgh, Pennsylvania and our Jeffersonville, Indiana galvanizing facility located on the Ohio River also provide us with a geographic reach to Southern markets.

We may seek to enter new steel markets in strategic geographic locations that offer attractive growth opportunities.

2010 Outlook

Looking ahead to 2010, we remain cautious concerning demand for our products given the current economic environment; however, we are seeing positive signs as our order logs related to sheet steel products, special bar-quality products and ferrous and nonferrous materials are improving. We currently anticipate increased utilization rates in both our steel and metals recycling operations during the year. Given the continued weakness in the non-residential construction markets, we currently do not anticipate material improvement during 2010 in our fabrication or structural steels operations.

Our focus will continue to be on enhanced liquidity, disciplined cost control and revenue optimization, while continuing to manage risk in an uncertain and volatile economic environment. We currently plan to spend less than $150 million in capital investments during 2010, of which over 50%

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are currently within our steel operations. We believe our current possible sources of cash are adequate to meet the cash requirements associated with these possible investments. As we progress through the year, if our markets and liquidity levels warrant, we may approve additional capital investments, or delay already planned projects.

Industry Segments

We have three reportable segments: steel operations, metals recycling and ferrous resources operations, and steel fabrication operations. Please refer to *Item 7. Consolidated Financial Statements and Supplementary Data* for additional information.

Steel Operations

Our steel operations segment consists of steelmaking and coating operations. The following chart summarizes the locations and the capacities of the facilities in the broad categories:

	Casting		Rolling/Billet	
Steel Production Capacity (tons)	**Current**	**Expected Future**	**Current**	**Expected Future**
Sheet Products:				
Flat Roll Division Butler, Indiana	3,100,000	3,100,000	3,000,000	3,000,000
Long Products:				
Structural and Rail Division Columbia City, Indiana(1)	1,500,000	2,200,000	1,800,000	1,800,000
Engineered Bar Products Division Pittsboro, Indiana(2)	600,000	700,000	550,000	700,000
Roanoke Bar Division Roanoke, Virginia	650,000	650,000		
Merchant Bars			500,000	500,000
Billets(3)			150,000	150,000
Steel of West Virginia Huntington, West Virginia	275,000	275,000	320,000	320,000
	6,125,000	6,925,000	6,320,000	6,470,000

	Galvanizing		Painting	
Steel Coating Capacity (tons)	**Current**	**Expected Future**	**Current**	**Expected Future**
Sheet Products:				
Flat Roll Division Butler, Indiana	720,000	720,000	240,000	240,000
The Techs Pittsburgh, Pennsylvania	1,000,000	1,000,000	N/A	N/A
Jeffersonville Jeffersonville, Indiana	300,000	300,000	190,000	190,000
	2,020,000	2,020,000	430,000	430,000

(1) The increase in future expected casting capacity is due to the anticipated completion of a second caster. In the third quarter of 2010, we expect to begin commissioning.

(2)

The increase in expected future casting and rolling capacity is due to anticipated expansion of melting capacity.

(3)
Excess billet tonnage available for sale.

Note: Capacities represent the capabilities based on mill configuration and the related employee support. These capacities do not represent expected volumes in a given year. In addition, estimates of

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mill capacity, particularly rolling capacity, are highly dependent on the specific product mix manufactured. Each of our mills can and do roll many different types and sizes of products; therefore, our capacity estimates assume a typical product mix.

SHEET PRODUCTS

Our steel sheet products are produced by both our Flat Roll Division which consists of our flat roll mill, galvanizing and paint facilities in Butler, Indiana; our galvanizing and paint facilities in Jeffersonville, Indiana; and The Techs our Pittsburgh, Pennsylvania-based galvanizing company, which operates three galvanizing facilities: GalvTech, MetalTech, and NexTech.

Our flat roll mill manufactures flat rolled, hot rolled, cold rolled and coated steel products. We produced 2.4 million tons and 2.2 million tons at this facility in 2008 and 2009, respectively. Our products are characterized by high quality surface characteristics, precise tolerances and light gauge. In addition, this mill has achieved ISO 9001:2008 ANSI/ISO/ASQ Q9001-2008 certification. We believe that these certifications have enabled us to serve a broad range of customers who may require certifications for themselves or to satisfy the end-users of our steel products.

Our flat roll mill has two twin-shell electric arc furnaces, which enable us to melt scrap in one vessel while tapping the other vessel and refilling it with steel scrap and iron units to make it ready for the next heat. This results in more heats and greater productivity. We have three ladle metallurgy stations, two continuous thin-slab casters which produce two-inch slabs, and two tunnel furnaces. Our hot rolling mill, which progressively reduces the slab in thickness, consists of a seven-stand rolling mill capable of rolling sheet steel down to 1.0mm, with excellent surface quality, which enables us to access markets previously available only to more costly cold finished material.

Located within our flat roll mill, we have a hot rolled galvanizing line capable of coating steel in gauges from .044 to .160 inches and in widths ranging from 39 to 61 inches. Also within our flat roll mill, we have a cold rolled galvanizing line capable of coating steel in gauges from .014 to .068 inches and in widths ranging from 39 to 61 inches. Our on-site paint line receives material directly from our other processing lines and is capable of painting hot rolled galvanized coil, cold rolled coil and cold rolled galvanized coil in gauges of .010 to .070 inches and in widths ranging from 39 to 61 inches. We believe this enables us to realize substantial savings in the production of painted coil when compared to remote off-site coating facilities.

In Jeffersonville, Indiana, we have a cold rolled galvanizing facility located within the Clark Maritime Centre on the Ohio River. This facility is capable of coating cold rolled steel in gauges from .008 to .045 inches and in widths between 24 and 60 inches. This gauge range is lighter than that available from our Butler facility and creates further expansion of our value added product offerings. Our flat roll mill provides our Jeffersonville facility with cold rolled material.

The Techs facilities produced 804,000 tons and 640,000 tons at this facility in 2008 and 2009, respectively. The Techs facilities have galvanizing lines with varying capabilities. NexTech is capable of coating cold rolled steel in gauges from .007 to .020 inches and in widths between 24 and 43 inches. GalvTech is capable of coating cold rolled steel in gauges from .012 to .040 inches and in widths between 30 and 60 inches. MetalTech is capable of coating cold rolled steel in gauges from .015 to .160 inches and in widths between 24 and 52 inches. In addition to third party steel producers, our Flat Roll Division provides The Techs with required steel material. The Techs has achieved the ISO 9001:2000 ANSI/ISO/ASQ Q9001-2000 certification.

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The following table summarizes the mix of types of sheet products we sold during the respective years.

	2008	2009
Products:		
Hot rolled	28%	24%
Pickled	4	5
Cold rolled	5	6
Hot rolled galvanized	15	16
Cold rolled galvanized	33	32
Galvalume®	4	4
Painted	11	13
Total	100%	100%

Hot rolled Products. Our flat roll mill produces hot rolled products that include a variety of high quality mild and medium carbon and high strength low alloy hot rolled bands in widths from 40 inches to 62 inches and in thicknesses from .500 inches down to .043 inches. We also produce an array of lighter gauge hot rolled products, including high strength low alloy and medium carbon steels. These products are suitable for automobile suspension arms, frames, wheels, and other unexposed parts in auto and truck bodies; truck, trailer and recreational vehicle parts and components; mechanical and structural steel tubing; gas and fluid transmission piping, building and construction products; rail cars; ships, barges, and other marine