



ADVANCED MANUFACTURING

WHITLEY COUNTY, INDIANA



RICHARD TEETS, JR.
 EXECUTIVE VICE PRESIDENT FOR STEELMAKING
 PRESIDENT & CHIEF OPERATING OFFICER OF STEEL OPERATIONS

BUSINESS PROFILE

STEEL DYNAMICS, INC.

QUICK FACTS

Established:

1993

Total Employees:

580

Total Capital Cost to Build:

\$315 million

Mill Expansion Capital Investments:

\$268 million

As the nation’s fifth largest producer of carbon steel products, Steel Dynamics, Inc. is a proven force to be reckoned with in the steel industry.

When Steel Dynamics, Inc. first announced its intentions to build a structural mini-mill in Columbia City, Indiana in 1997, the industry balked, figuring the marketplace didn’t have room for another steel mill. Fast-forward over a decade and the Whitley County Structural and Rail Division plant has proven its success despite the economic ups and downs.

The structural and rail facility is capable of producing up to 1.8 million tons per year of wide-flange beams, H-piling, channels, sheet piling and standard- and premium-quality rail products.

“When the mill was built in Whitley County, people said, ‘Hey, we don’t need another steel mill.’ People thought the market couldn’t absorb it, but we’d done our research and it did,” said Richard Teets, Jr., executive vice president for steelmaking and president & chief operating officer of steel operations for Steel Dynamics. “All our Midwest customers are saving money because their freight costs are less, and we’re able to pass those savings on to them.”

A Winning Combination

Whitley County was chosen for the location of Steel Dynamics structural and rail mill for a number of reasons. Convenient truck access via U.S. 30, direct rail access across the southern boundary of the property and regional support all played a role in the site selection.

“The Midwest is where our scrap resources are,” said Teets. “When it came time for us to locate the facility, Whitley County came to the forefront. When the structural mill was being built, Whitley County aggressively marketed the location and put it on the map. They presented creative incentives at no cost to the taxpayers. Needless to say it was marketed effectively, it was appropriate in consideration and in the end it was selected.”

Tax abatements received by Steel Dynamics for the project totaled \$21 million with a \$12 million package from Whitley County and state economic incentives, tax credits and loans

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valued at more than \$9 million. SDI spent \$315 million to build the facility in 13 months from start to shipping of first product.

Two other phases of construction have taken place in Whitley County since the initial mill was built. A second expansion in 2006 involved construction of a second mini-mill, and in 2007 a new casting operation was built to support the second mill. Those projects combined created almost 100 new jobs.

Regional Support

Steel Dynamics is quick to commend various community partners for their ongoing support, and a mutually beneficial collaborative relationship, including the Whitley County Economic Development Corporation.

“We work to be proactive and responsive,” said Alan Tió, executive director of the Whitley County EDC. “We are committed to working with existing companies, and potential customers, who would want to locate here.”

Talented Workforce

Teets cites strong work standards and ethics of SDI employees as factors that consistently contribute to the company’s success. “There’s a great skill set and talent pool available to anyone who wants to open a location in Whitley County. I’ve never seen people willing to work harder at anything than they are across the company here.”

John Nolan, vice president and general manager of the Structural and Rail Division, echoes the sentiment.

“We didn’t attract the engineering talent, specifically metallurgical engineering, as an industry for many years, but now I would tell you we are seeing some change in that. We are

finding more and more of the talent pool is returning interest in the company,” said Nolan. “We have strong intern programs locally and we are interested in recruiting people as early as their freshman/sophomore college break. In terms of hiring for the region, we’ve grown to 580 families.”

Community Spirit

Steel Dynamics is proud to collaborate with economic efforts for Northeast Indiana, promoting the region to companies from around the globe interested in coming to the community.

“We have strong ties at the state, county and city levels to the extent that if they need our support we will respond,” said Nolan. “As it relates to community support, there are a number of charitable organizations we are happy to be involved with. There’s definitely a community spirit throughout our organization. We’re part of the region’s efforts to better itself.”

“We wanted to be good corporate citizens.... It’s nice to be in a position to give back.”

Additional partners include higher education. SDI enjoys a strong working relationship with Indiana-Purdue University Fort Wayne (IPFW) and the University of St. Francis, whose business school bears the name of Steel Dynamics president and CEO Keith Busse.

Recently Steel Dynamics donated \$1.2 million to Ivy Tech Community College-Northeast. Because of the company’s generosity The Steel Dynamics, Inc. Keith E. Busse Technology Center was named for the company’s top executive.



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“We’ve always said since the creation of this company that we wanted to be good corporate citizens,” said Busse. “It’s nice to be in a position to give back.”

State of the Industry

Steel Dynamics’ mini-mill in Columbia City was built at a time when the competitive dynamics in the beam and rail markets had shifted in the company’s favor. Economic trends have taken the steel industry on a roller-coaster ride the likes of which Nolan says he’s never seen. With construction as the company’s principal marketplace, SDI has turned to creativity and efficiency to navigate the turbulent times.

“We’re in what I call uncharted waters,” said Nolan. “We’re operating at levels that were unthinkable two to three years ago, and yet despite the low levels of capacity and utilization we are able to make a profit.”

Keeping on “Track”

As a company, Steel Dynamics is not afraid to try new technologies and ideas to push for future growth. It is likely the steel industry won’t see a rebound to 2006-2008 levels until mid to late next decade. That’s why Nolan cites a very important four-letter word that has become a large part of Steel Dynamics vocabulary: R-A-I-L.

“Rail is remarkably a huge network in North America. There are about 46 million tons of rail laid and that turns at 2% a year. With green dynamics and energy dynamics we believe that will naturally expand. Most of it is replacement, not new rail lines. If that 2% keeps moving to 3% now you’re talking close to 1.5 million tons of demand, which requires supply.”

SDI’s Structural and Rail Division in Whitley County sees rail as an opportunity to put as much as 100,000 tons and ultimately 300,000 tons over the next couple of years into their production schedules.

“We’ve looked at the rail market for some time for an opportunity in the sense that we can install state-of-the-art rail processing technology and very quickly become a major supplier,” said Nolan. “Ultimately, my ambition would be for us to become the major supplier of rail to the North American and Canadian railroads.”

A Look Ahead

SDI’s focus is on continued profitable growth to enhance shareholder value, leveraging the steel-making knowledge and skills of their talented employees to help remake an industry that is vital to the American industrial economy.

“Our key to success is the implementation of modern technology with hardworking individuals who respond to incentive program motivation and tools,” said Teets. “We work safely, cost effectively and put quality at the forefront.” ■

DECIDING FACTORS



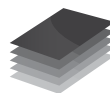
Location

LOCATION PROVIDES TRUCK ACCESS TO THE LARGE MARKETS OF THE MIDWEST, NORTHEASTERN U.S. AND CANADA.



Rail

DIRECT RAIL ACCESS TO CSX TRANSPORTATION AND NORFOLK SOUTHERN RAILROADS.



Resources

SCRAP-RICH RESOURCES OF NORTHEAST INDIANA



Tax Abatements

\$21 MILLION RECEIVED IN COUNTY AND STATE TAX ABATEMENTS



Workforce

TALENTED, HARD-WORKING WORKFORCE

KEY PARTNERS

Whitley County Economic Development Corporation

Indiana Economic Development Corporation

WorkOne Northeast

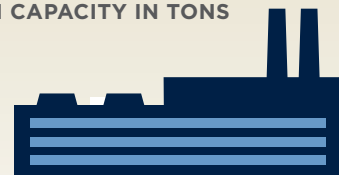
SITE DETAILS

1.8 million

YEARLY PRODUCTION CAPACITY IN TONS

611 ACRES

TOTAL ACREAGE



ADVANCED MANUFACTURING IN NEI

Indiana ranks number one in the nation in percentage of employees in manufacturing—exceeding 73,300 employees in 2008. The number of business entities in manufacturing totaled 1,400. Not all manufacturing is considered advanced, however. 82 percent of all manufacturing jobs in NEI can be classified as advanced manufacturing, and there are at least 140 businesses with 100 employees or more located in NEI.

Advanced Manufacturing Companies in NEI

- + General Motors Truck Group
- + Steel Dynamics Inc.
- + ITT Communications Systems/Space Systems
- + Nucor
- + BF Goodrich
- + Fleetwood
- + B.A.E. Systems Platform Solutions
- + UT Electronic Controls
- + TI Automotive
- + Dexter Axle
- + Parker Hannifin Corporation
- + Dana Corp.
- + Group Dekko
- + Lear Corp.
- + Tenneco
- + C & A Tool Engineering Inc.

Regional Assets

- + **The Steel Dynamics Inc. Keith Busse Technology Center** is a 107,000 sq. ft. center housed at Ivy Tech's Northeast campus. In collaboration with Steel Dynamics and the Talent Initiative, more than 2.62 million dollars have been invested to support technology related activities and a new advanced manufacturing laboratory.
- + **The Haas Technical Education Center** at Indiana University-Purdue University Fort Wayne was opened to provide IPFW mechanical engineering students with hands-on training with workplace machinery.
- + **Ivy Tech and Indiana University-Purdue University Fort Wayne** have worked closely with the manufacturing community to provide continuing education programs in engineering, manufacturing and management.

Incentives

Indiana Economic Development Corporation

- + EDGE and HBI tax credits
- + 21st Century Research and Technology Fund

- + Small Business Innovation Research Initiative

Local Communities

- + Tax abatements for new construction or equipment

Workforce Statistics

Occupation	# Employed	Mean Wage
Team Assemblers	9,490	\$29,587
First-Line Supervisors/Managers of Production and Operating Workers	3,530	\$50,323
Inspectors, Testers, Sorters, Samplers, and Weighers	2,670	\$31,309
Assemblers and Fabricators, All Other	2,660	\$47,235
Electrical & Electronic Equipment Assemblers	1,920	\$24,002
Welders, Cutters, Solderers, and Brazers	1,730	\$30,797
Molding, Coremaking, and Casting Machine Setters, Operators, and Tenders, Metal and Plastic	1,680	\$30,385
Tool & Die Makers	1,160	\$44,709
Computer-Controlled Machine Tool Operators, Metal and Plastic	1,140	\$32,603
Packaging & Filling Machine Operators and Tenders	1,020	\$27,710
Mechanical Engineers	1,010	\$62,278
Extruding & Drawing Machine Setters, Operators, and Tenders, Metal and Plastic	950	\$34,182
Industrial Engineers	910	\$63,540
Engineering Technicians, Except Drafters	860	\$45,450
Extruding, Forming, Pressing & Compacting Machine Setters, Operators, and Tenders	840	\$35,748
Electrical Engineers	620	\$78,598
Computer Software Engineers, Systems Software	590	\$76,481

source: 2008 OES data, IN Department of Workforce Development

Workforce Development

- + Ivy Tech Northeast *
- + Indiana University-Purdue University Fort Wayne * **
- + Trine University **
- + ITT Technical Institute, Fort Wayne
- + Indiana Tech **
- + Purdue University **
- + Rose-Hulman **
- + Valparaiso University **
- + University of Notre Dame **

* Certification/Training Programs

** Graduate programs

WHITLEY COUNTY CONTACT

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NORTHEAST  INDIANA
Regional Partnership

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