Anatomy of a Catastrophic Injury

April 3rd, 2006

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Engineered Bar Products Division
Steel Dynamics, Inc.
A Winning Culture

- Performance based incentive compensation
- Employees have keen sense of ownership
- Minimal bureaucracy
- Productive teams
- Adaptable and fast to react
- Passionate
Strategic Direction

• Sustain employee and operating culture
• Grow organically in steel
  — Greenfield
  — Expand existing facilities
• Opportunistic M&A
• Backward integrate to secure consistent supply of raw materials
• Integrate downstream to diversify portfolio of value-added steel products
SDI’s Strengths

- Diversified product mix
- Technologically advanced assets
- Strong production capability
- Growth profile
- Low cost structure / excellent profit potential
Steel Mills

- Flat Roll Divisions
- Structural & Rail Division
- Engineered Bar Products Division
- Roanoke Bar Division
- Steel of West Virginia, Inc.

- Butler, IN / Columbus, MS
- Columbia City, Indiana
- Pittsboro, Indiana
- Roanoke, Virginia
- Huntington, West Virginia

Steel Finishing Facilities

- The Techs (3 facilities)
- Jeffersonville Galvanizing
- Flat Roll Cold Finishing Mill
- Bar Finishing

- Pittsburgh, Pennsylvania
- Jeffersonville, Indiana
- Butler, Indiana
- Pittsboro, Indiana
Scrap and Scrap Substitutes

Electric Arc Furnace
Roanoke Bar Division
Combined: OmniSource, Recycle South, Sturgis

Ferrous capacity: 7.0 million tons
Nonferrous volume: >1 billion lbs.
Employees: 2,900
Locations: 78
Shredders: 12

Shredder at Holt Road, Indianapolis
ACCIDENT – 1 WEEK

• BELTERRA RESORT
• STEEL MANUFACTURERS SAFETY COMMITTEE MEETING MARCH 26-28.
• 127 STEEL MILLS ACROSS NORTH AMERICA
• HOST SITE GALLATIN STEEL
APRIL 3rd, 2006

- FLORIDA VS UCLA @ HOOSIER DOME
- OVERCAST, STRONG WINDS OUT OF THE SOUTHWEST, TEMPERATURE WAS MILD, IDEAL FOR STEEL MAKING.
STEEL DYNAMICS PITTSBORO

• GROWING WORK FORCE
• GAINING EXPERIENCE
• BUILDING OUR CULTURE
• LEARNING HOW TO BE MORE EFFICIENT
• UNDERSTANDING COST
9:00 AM

- ELECTRIC ARC FURNACE
- PRODUCED 1ST HEAT OF THE SHIFT
- ISSUES AT THE LADLE METALLURGY FURNACE
11:00 AM

- RECEIVE CALL OVER RADIO.
- MAN FELL OFF EAF DECK
- DISTANCE OF 27 FEET LANDING ON GROUND UNDER FURNACE.
11:00 AM +10 MINUTES

- SDI MEDICAL RESPONDERS FIRST ON SCENE
- CALLED FOR LIFELINE
- AMBULANCE ARRIVED
11:00 AM  +20 MINUTES

- EMPLOYEE TRANSPORTED TO METHODIST TRAUMA UNIT
- TRAC TUBE/VENTILATOR
11:00 AM  +8 HOURS

- SHEAR INJURY TO BRAIN
- CARDIAC CONTUSION
- CRUSHED PELVIS
- FRACTURED RIBS
- PARALASIS OF VOCAL CORDS
CARE

• NEURO CRITICAL CARE UNIT
  APRIL 3rd TO THE 14th
• GOOD FRIDAY EMPLOYEE TAKEN TO SARA SETON
• JUNE 6th EMPLOYEE TAKEN TO HOOK REHAB UNIT
• JUNE 10th WALKING WITH ASSISTANCE
CARE

- AUGUST 30TH RELEASED TO GROUP HOME MONDAY – THURSDAY WITH HIS FAMILY FRIDAY – SUNDAY
- BEGINS OUT PATIENT REHAB SEPTEMBER 6TH AT HOOK VOCATIONAL
- RELEASED OCTOBER 30TH
- MMI RATING – TOTAL DISABILITY
- MD’S ESTIMATED THE INJURY TOOK 15 YEARS OFF OF LIFE.
INVESTIGATION

- WATER HOSE
- GANTRY TRACK
- PROCEDURE TO CLEAN TRACK
- ACTIONS
ONLY DIRECT WITNESS

- SAW EMPLOYEE STANDING BY FURNACE INSIDE HANDRAILING

- NEXT TIME HE LOOKED UP HE WATCHED EMPLOYEE FALL HEAD FIRST OFF DECK
ONLY DIRECT WITNESS

- WITNESS WENT TO METHODIST
- STATED HE WAS SO UPSET HE COULDN’T RETURN
- IRONY
- VIOLATED FALL PREVENTION RULES
- TERMINATED
PERSONAL INTERACTIONS WITH INJURED

HIRE DATE 5-9-05

- KEVLAR SLEEVES
- TYPE OF EYE PROTECTION
- FALSIFIED WORKERS COMP INJURY
COST OF A CATASTROPIC INJURY

- TOTAL COST OF CLAIM $1 MILLION
- 2006 INSURANCE COVERAGE SELF INSURED $250k PER
- 2015 INSURANCE COVERAGE SELF INSURED $750K PER
ADDITIONAL VICTIMS OF A CATASTROPHIC INJURY

- PARENTS LOST THE SON THEY KNEW!
- WIFE LOST THE HUSBAND
- DAUGHTER LOST THE FATHER THAT LEFT FOR WORK THAT MORNING!
THE HUMAN TOLL
THANK YOU FOR YOUR TIME AND PROFESSIONALISM

QUESTIONS?