STEEL DYNAMICS INC
Form 10-Q
November 09, 2007

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

x	**Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934** **For the quarterly period ended September 30, 2007**
	OR
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** (I.R.S. Employer Identification No.)
6714 Pointe Inverness Way, Suite 200, Fort Wayne, IN (Address of principal executive offices)	**46804** (Zip Code)

Registrant s telephone number, including area code: **(260) 459-3553**

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 the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer (see definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act).

(Check one): Large accelerated filer x Accelerated filer o Non-accelerated filer o

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

As of November 2, 2007, Registrant had 96,541,395 outstanding shares of Common Stock.

STEEL DYNAMICS, INC.

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PART I. Financial Information

STEEL DYNAMICS, INC.

CONSOLIDATED BALANCE SHEETS

(in thousands, except share data)

	September 30, 2007 (Unaudited)	December 31, 2006
Assets		
Current assets		
Cash and equivalents	$ 10,811	$ 29,373
Accounts receivable, net	446,131	355,011
Accounts receivable-related parties	45,326	53,365
Inventories	744,534	569,317
Deferred taxes	16,080	13,964
Other current assets	27,264	15,167
Total current assets	1,290,146	1,036,197
Property, plant and equipment, net	1,358,204	1,136,703
Restricted cash	6,643	5,702
Intangible assets	198,678	12,226
Goodwill	200,637	30,966
Other assets	40,993	25,223
Total assets	$ 3,095,301	$ 2,247,017
Liabilities and Stockholders Equity		
Current liabilities		
Accounts payable	$ 320,276	$ 145,938
Accounts payable-related parties	5,288	2,004
Income taxes payable	31,739	30,497
Accrued profit sharing	42,363	46,341
Other accrued expenses	120,429	94,024
Senior secured revolving credit facility	97,000	80,000
Current maturities of long-term debt	55,683	686
Total current liabilities	672,778	399,490
Long-term debt		
Senior secured term A loan facility	495,000	
9 ½% senior unsecured notes		300,000
6 ¾% senior unsecured notes	500,000	
Subordinated convertible 4.0% notes	37,250	37,500
Other long-term debt	16,536	16,920
Unamortized bond premium		3,772
	1,048,786	358,192
Deferred taxes	292,802	256,803
Minority interest	976	1,424
Stockholders equity		
	541	537

Common stock voting, $.005 par value; 200,000,000 shares authorized: 108,578,346 and 107,865,486 shares issued, and 87,242,960 and 96,983,303 shares outstanding, as of September 30, 2007 and December 31, 2006, respectively				
Treasury stock, at cost; 21,334,460 and 10,882,183 shares, at September 30, 2007and December 31, 2006, respectively		(661,427)		(230,472)
Additional paid-in capital		392,269		367,772
Retained earnings		1,348,576		1,093,271
Total stockholders equity		1,079,959		1,231,108
Total liabilities and stockholders equity	$	3,095,301	$	2,247,017

See notes to consolidated financial statements.

STEEL DYNAMICS, INC.

CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

(in thousands, except per share data)

	Three Months Ended September 30, 2007	Three Months Ended September 30, 2006	Nine Months Ended September 30, 2007	Nine Months Ended September 30, 2006
Net sales				
Unrelated parties	$ 1,104,076	$ 854,299	$ 2,779,114	$ 2,221,139
Related parties	52,517	57,563	154,401	177,848
Total net sales	1,156,593	911,862	2,933,515	2,398,987
Costs of goods sold	928,142	667,058	2,272,079	1,798,141
Gross profit	228,451	244,804	661,436	600,846
Selling, general and administrative expenses	54,524	46,224	148,538	117,006
Operating income	173,927	198,580	512,898	483,840
Interest expense	14,602	7,445	29,048	23,606
Other (income) expense, net	(602)	(974)	10,205	(2,930)
Income before income taxes	159,927	192,109	473,645	463,164
Income taxes	59,336	73,386	176,949	171,523
Net income	$ 100,591	$ 118,723	$ 296,696	$ 291,641
Basic earnings per share	$ 1.12	$ 1.19	$ 3.18	$ 3.09
Weighted average common shares outstanding	89,741	99,685	93,162	94,394
Diluted earnings per share, including effect of assumed conversions	$ 1.06	$ 1.09	$ 3.02	$ 2.74
Weighted average common shares and share equivalents outstanding	94,929	109,785	98,449	106,932
Dividends declared per share	$ .15	$ .15	$ .45	$ .35

See notes to consolidated financial statements.

STEEL DYNAMICS, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

(in thousands)

	Three Months Ended September 30, 2007	Three Months Ended September 30, 2006	Nine Months Ended September 30, 2007	Nine Months Ended September 30, 2006
Operating activities:				
Net income	$ 100,591	$ 118,723	$ 296,696	$ 291,641
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	33,853	30,616	96,096	87,293
Unamortized bond premium			(3,350)	
Equity-based compensation	1,817	2,089	6,218	5,246
Deferred income taxes	(562)	(2,997)	(1,679)	(8,731)
(Gain) loss on disposal of property, plant and equipment	99		179	(11)
Minority interest	107	68	(448)	696
Changes in certain assets and liabilities:				
Accounts receivable	12,544	(48,907)	(21,204)	(78,891)
Inventories	35,212	(29,043)	(118,514)	(42,857)
Other assets	(3,022)	6,042	(21,521)	(2,106)
Accounts payable	29,784	44,230	100,594	36,847
Income taxes payable	5,374	10,160	1,242	17,323
Accrued expenses	34,402	10,664	14,058	(4,356)
Net cash provided by operating activities	250,199	141,645	348,367	302,094
Investing activities:				
Purchase of property, plant and equipment	(99,935)	(35,645)	(255,845)	(84,354)
Acquisition of business, net of cash acquired	(373,407)		(411,626)	(89,106)
Purchase of short-term investments				(14,075)
Maturities of short-term investments				14,075
Other investing activities	169		7	242
Net cash used in investing activities	(473,173)	(35,645)	(667,464)	(173,218)
Financing activities:				
Issuance of long-term debt	798,000	65,000	1,795,000	65,000
Repayment of long-term debt	(366,230)	(35,395)	(1,028,387)	(81,698)
Issuance of common stock (net of expenses) and proceeds and tax benefits from exercise of stock options	4,113	2,549	20,260	26,749
Purchase of treasury stock	(197,867)	(161,148)	(433,183)	(160,360)
Dividends paid	(13,840)	(10,111)	(42,564)	(23,242)
Debt issuance costs	(2,603)		(10,591)	
Net cash provided by (used in) financing activities	221,573	(139,105)	300,535	(173,551)
Decrease in cash and equivalents	(1,401)	(33,105)	(18,562)	(44,675)
Cash and equivalents at beginning of period	12,212	53,948	29,373	65,518
Cash and equivalents at end of period	$ 10,811	$ 20,843	$ 10,811	$ 20,843
Supplemental disclosure information:				
Cash paid for interest	$ 4,563	$ 15,016	$ 22,921	$ 31,455
Cash paid for federal and state income taxes	$ 51,236	$ 60,421	$ 183,521	$ 155,962

See notes to consolidated financial statements.

STEEL DYNAMICS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Summary of Accounting Policies and Recent Accounting Pronouncements

Principles of Consolidation. The consolidated financial statements include the accounts of Steel Dynamics, Inc. (SDI or the company), together with its subsidiaries, after elimination of significant intercompany accounts and transactions. Minority interest represents the minority shareholders proportionate share in the equity or income of the company s consolidated subsidiaries.

The company has three reporting segments: steel, steel fabrication, and steel scrap and scrap substitute operations. Steel operations are comprised of the company s steelmaking mini-mills and other galvanizing facilities; steel fabrication operations are comprised of the company s five joist and deck manufacturing plants; and steel scrap and scrap substitute operations are comprised of the company s various scrap collection and processing sites.

Pro Forma Information. Roanoke Electric Steel Corporation (Roanoke Electric) operating results have been reflected in the company s financial statements since April 12, 2006, the effective date of the merger. The following unaudited pro forma information for the nine months ended September 30, 2006, is presented below as if the merger was completed as of January 1, 2006 (in thousands, except per share amounts):

Net sales	$	2,548,219
Net income		297,410
Basic earnings per share		3.04
Diluted earnings per share		2.71

The information presented above is for information purposes only and is not necessarily indicative of the actual results that would have occurred had the merger been consummated at January 1, 2006, nor is it necessarily indicative of future operating results of the combined companies under the ownership and management of the company. The pro forma results reflect Roanoke Electric operations for the period between the effective date of the merger and September 30, 2006, representing the actual second and third quarter operations post-merger, plus the pre-merger operations for the first quarter ended January 31, 2006.

Uncertain Tax Positions. In July 2006, the Financial Accounting Standards Board (FASB) issued FASB Interpretation No. 48, Accounting for Uncertainty in Income Taxes, an interpretation of FASB Statement No. 109 (FIN 48), which clarifies the accounting and disclosure for uncertainty in tax positions, as defined. FIN 48 seeks to reduce the diversity in practice associated with certain aspects of the recognition and measurement related to accounting for income taxes. The company adopted the provisions of FIN 48 on January 1, 2007. The implementation of FIN 48 did not have a significant impact on the company s financial position or results of operations.

As of January 1, 2007, the company had unrecognized tax benefits of $24.0 million, including accrued interest and penalties. There has been no significant change in the unrecognized tax benefits during the nine months ended September 30, 2007. If recognized, the effective tax rate would be affected by the unrecognized tax benefits. The company recognizes interest and penalties related to its tax contingencies on a net-of-tax basis in income tax expense. The company s January 1, 2007 tax contingencies included $1.7 million of interest and penalties.

The company files U.S. federal income tax returns as well as income tax returns in various state jurisdictions. The Internal Revenue Service (IRS) completed an examination of the company s federal income tax returns for 1997 through 2001 in the third quarter of 2007. The final examination adjustments did not result in a material change to the company s financial position or results of operations. The company may be subject to examination by the IRS for calendar years 2004 through 2006. The company is currently under examination by the state of Indiana for calendar years 2000 through 2005. It is reasonably possible that the amounts of unrecognized tax benefits could change in the next twelve months as a result of this audit or other state tax audits. Based on the current audits in process, the payment of taxes as a result of audit settlements, could be in an amount from zero to $27.0 million during the next twelve months. The company is no longer subject to state and local tax examinations by tax authorities for years ended before 2004 for other major state tax jurisdictions.

Use of Estimates. These financial statements are prepared in conformity with accounting principles generally accepted in the United States and, accordingly, include amounts that require management to make estimates and assumptions that affect the amounts reported in the financial statements and in the notes thereto. Significant items subject to such estimates and assumptions include the carrying value of property, plant and equipment, intangible assets, and goodwill, valuation allowances for trade receivables, inventories and deferred income tax assets, potential environmental liabilities, litigation claims, and settlements. Actual results may differ from these estimates and assumptions.

In the opinion of management, these financial statements reflect all normal recurring adjustments necessary for a fair presentation of the interim period results. These financial statements and notes should be read in conjunction with the audited financial statements included in the company s Annual Report on Form 10-K, for the year ended December 31, 2006.

Note 2. The Techs Acquisition

On July 2, 2007, the company completed its acquisition of 100% of the stock of The Techs, a Pennsylvania-based flat-rolled steel galvanizing company. The company paid approximately $373.4 million for The Techs, which was funded from the company s existing senior secured revolving credit facility.

The Techs consist of three non-union galvanizing facilities: GalvTech, MetalTech, and NexTech. Each facility specializes in the galvanizing of specific types of flat-rolled steels in non-automotive applications, servicing a variety of customers in the HVAC, commercial construction, and consumer goods markets.

The company purchased The Techs to expand its penetration in the value-added steel coating business. With the addition of The Techs, the company has annual galvanizing capacity of approximately 2 million tons. The Techs complement the three existing galvanizing lines of the company that are located in Butler, Indiana and Jeffersonville, Indiana. The purchase of The Techs will allow the company to access markets that require widths or gauges that can not currently be supplied by either of the company s previously existing facilities. The operating results of the Techs are included in the company's steel operations segment since the date of acquisition.

The aggregate purchase price of $373.4 million was allocated to the opening balance sheet of The Techs at July 2, 2007, the date of the acquisition. The following allocation is still preliminary and subject to adjustment based on further determination of the fair value and lives of the acquired assets, assumed liabilities, and identifiable intangible assets (in thousands):

Current assets	$	117,535
Property, plant and equipment		41,239
Goodwill		151,968
Intangible assets		185,700
Total assets		496,442
Current liabilities	$	86,522
Deferred taxes		36,513
Total liabilities		123,035
Total net assets acquired	$	373,407

Preliminary goodwill and intangible assets of $152.0 million and $185.7 million, respectively, were recorded as a result of the merger. The intangible assets consist of the following (dollars in thousands):

		Amount	Useful Life
Trademark	$	81,800	Indefinite
Customer relationships		104,900	15 years
Backlog		(1,000)	Three months
Total Intangibles	$	185,700	

The related aggregate amortization related to the company s acquisition of The Techs for the three months ended September 30, 2007 was $748,000. The estimated related intangible asset amortization expense for the next five years follows (dollars in thousands):

2007, since acquisition	$	2,497
2008		6,993
2009		6,993
2010		6,993
2011		6,993
Thereafter		73,431
Total	$	103,900

Note 3. Elizabethton Herb & Metal Acquisition

The company purchased the property, plant and equipment and the inventory of Elizabethton Herb & Metal, Inc. (Elizabethton) on April 1, 2007. Elizabethton consists of two scrap processing yards located in Elizabethton and Johnson City, Tennessee. The two yards process approximately 225,000 tons of ferrous scrap annually. Elizabethton supplied the company s Roanoke Bar Division with a portion of its steel scrap requirements before the purchase and has continued to do so. In addition, Elizabethton has provided ferrous scrap to the company s other steel operations. The company purchased Elizabethton in an effort to continue to control more of its raw material needs for its steelmaking operations. The operating results of Elizabethton are included in the company s steel scrap and scrap substitute segment since the date of acquisition.

Note 4. Financing Activities

On September 11, 2007, the company amended its existing $750 million senior secured revolving credit facility to allow for the addition of a $550 million Term A Loan Facility (Term A Loan). The net proceeds for the Term A Loan were used to repay a portion of the borrowings outstanding under the $750 million senior secured revolving credit facility, which had been used to fund the company s recent purchase of The Techs; to fund additional share repurchases pursuant to the company s share repurchase program; to fund various capital expenditures; and for general working capital purposes.

The combined facilities are due June 2012 and are secured by substantially all the company s and its wholly-owned subsidiaries receivables and inventories, and by pledges of all shares of the company s wholly-owned subsidiaries capital stock. The addition of the Term A Loan resulted in an increase of 50 basis points in the related senior secured facility variable rate pricing grid. The Term A Loan amortizes 2.5% per quarter beginning December 2007, with the remaining principal due at maturity.

The senior secured credit facility contains financial covenants and other covenants that limit or restrict the company s ability to make capital expenditures; incur indebtedness; permit liens on property; enter into transactions with affiliates; make restricted payments or investments; enter into mergers, acquisitions or consolidations; conduct asset sales; pay dividends or distributions; and enter into other specified transactions and activities. The company s ability to borrow funds under the combined facilities is dependent upon its continued compliance with the financial covenants and other covenants contained in the senior secured credit agreement, as amended and restated.

Note 5. Subsequent Events

OmniSource Acquisition:

The company completed its acquisition of OmniSource Corporation, one of North America s largest scrap recycling companies, on October 26, 2007. The company acquired all of the outstanding stock of OmniSource in a transaction valued at approximately $1.1 billion, including $425 million in cash, 9.7 million shares of Steel Dynamics common stock valued at approximately $455 million, and the assumption of approximately $220 million of debt, which was repaid at closing. OmniSource will operate as a wholly-owned subsidiary of the company and will continue to focus on the ferrous and nonferrous scrap processing, brokerage, and industrial scrap management needs of its customers. OmniSource operations will be reported in the company s steel scrap and scrap substitute operating segment.

Senior Note Issuance:

On October 12, 2007, the company issued $700 million of 7 3/8 % Senior Notes due 2012 (7 3/8 % Notes), which are non-callable. The net proceeds from the 7 3/8 % Notes were used to finance the company s acquisition of OmniSource and to repay a portion of the amounts then outstanding under its senior secured revolving credit facility.

Note 6. Earnings Per Share

The company computes and presents earnings per common share in accordance with FASB Statement No. 128, Earnings Per Share. Basic earnings per share is based on the weighted average shares of common stock outstanding during the period. Diluted earnings per share assumes, in addition to the above, the weighted average dilutive effect of common share equivalents outstanding during the period. Common share equivalents represent dilutive stock options and dilutive shares related to the company s convertible subordinated debt and are excluded from the computation in periods in which they have an anti-dilutive effect.

The following table presents a reconciliation of the numerators and the denominators of the company s basic and diluted earnings per share computations for net income for the three and nine-month periods ended September 30 (in thousands, except per share data):

	Three Months Ended					
	2007			2006		
	Net Income (Numerator)	Shares (Denominator)	Per Share Amount	Net Income (Numerator)	Shares (Denominator)	Per Share Amount
Basic earnings per share	$ 100,591	89,741	$ 1.12	$ 118,723	99,685	$ 1.19
Dilutive stock option effect		797			691	
4.0% Convertible subordinated notes	215	4,391		455	9,409	
Diluted earnings per share	$ 100,806	94,929	$ 1.06	$ 119,178	109,785	$ 1.09

	Nine Months Ended					
	2007			2006		
	Net Income (Numerator)	Shares (Denominator)	Per Share Amount	Net Income (Numerator)	Shares (Denominator)	Per Share Amount
Basic earnings per share	$ 296,696	93,162	$ 3.18	$ 291,641	94,394	$ 3.09
Dilutive stock option effect		883			818	
4.0% Convertible subordinated notes	642	4,404		1,729	11,720	
Diluted earnings per share	$ 297,338	98,449	$ 3.02	$ 293,370	106,932	$ 2.74

During the three and nine months ended September 30, 2007, holders of the company s subordinated convertible 4.0% notes converted $250,000 of the notes to Steel Dynamics common stock, resulting in the issuance of 29,000 shares of the company s treasury stock. There are currently 4.4 million shares still available for conversion pursuant to these notes.

Note 7. Inventories

Inventories are stated at lower of cost or market. Cost is determined principally on a first-in, first-out basis. Inventory consisted of the following (in thousands):

	September 30, 2007	December 31, 2006
Raw Materials	$ 345,953	$ 243,770
Supplies	156,145	130,373
Work-in-progress	68,543	54,555
Finished Goods	173,893	140,619
Total Inventories	$ 744,534	$ 569,317

Note 8. Segment Information

The company has three segments: steel, steel fabrication operations, and steel scrap and scrap substitute operations. Steel operations include the company s Flat Roll Division, Structural and Rail Division, Engineered Bar Products Division, Roanoke Bar Division, Steel of West Virginia and The Techs operations. These facilities consist of mini-mills, producing steel from steel scrap, using electric arc furnaces, continuous casting and automated rolling mills and the galvanizing facilities of The Techs. Steel fabrication operations include the company s five New Millennium Building System s plants located in Butler, Indiana; Continental, Ohio; Salem, Virginia; Florence, South Carolina; and Lake City, Florida. Revenues from these plants are generated from the fabrication of trusses, girders, steel joists, and steel decking. The steel scrap and scrap substitute operations include the revenues and expenses associated with the company s steel scrap collection and processing locations and from the company s scrap substitute manufacturing facility, Iron Dynamics.

Revenues included in the category All Other are from a subsidiary operation that is below the quantitative thresholds required for reportable segments. These revenues are from the further processing and resale of certain secondary and excess flat rolled steel products. In addition, All Other also includes certain unallocated corporate accounts, such as the company s senior secured credit facilities, senior unsecured notes, convertible subordinated notes, certain other investments, and profit sharing expenses.

The company s operations are organized and managed as operating segments. Operating segment performance and resource allocations are primarily based on operating results before income taxes. The accounting policies of the reportable segments are consistent with those described in Note 1 to the financial statements. Refer to the company s Annual Report on Form10-K for the year ended December 31, 2006, for more information related to the company s segment reporting. Inter-segment sales and any related profits are eliminated in consolidation. The company s segment results for the three and nine-month periods ended September 30 are as follows (in thousands):

	Three Months Ended		Nine Months Ended	
	2007	2006	2007	2006
Steel Operations				
Net sales				
External	$ 1,019,332	$ 816,951	$ 2,576,016	$ 2,155,438
Other segments	76,656	75,547	207,814	166,469
Operating income	189,283	217,748	553,039	533,624
Income before income taxes	174,666	213,399	527,448	522,333
Assets	2,552,072	1,831,023	2,552,072	1,831,023
Steel Fabrication Operations				
Net sales				
External	$ 97,900	$ 80,665	$ 262,882	$ 188,485
Other segments	14,173	3,684	24,449	4,801
Operating income	6,868	5,013	19,005	5,633
Income before income taxes	7,525	4,624	18,065	4,773
Assets	234,729	185,598	234,729	185,598
Steel Scrap and Scrap Substitute Operations				
Net sales				
External	$ 18,895	$ 1,730	$ 37,760	$ 5,302
Other segments	38,427	27,355	110,403	63,725
Operating income (loss)	4,602	260	10,997	(3,989)
Income before income taxes	4,569	(50)	10,859	(4,353)
Assets	218,016	185,417	218,016	185,417
All Other				
Net sales				
External	$ 20,466	$ 12,516	$ 56,857	$ 49,762
Other segments	409	273	1,028	712
Operating loss	(24,558)	(21,820)	(70,215)	(48,653)
Income before income taxes	(24,533)	(21,957)	(82,704)	(48,373)

Assets	107,215	80,926	107,215	80,926
Eliminations				
Net sales				
Other segments	$ (129,665)	$ (106,859)	$ (343,694)	$ (235,707)
Operating income (loss)	(2,268)	(2,621)	72	(2,775)
Income before income taxes	(2,300)	(3,907)	(23)	(11,216)
Assets	(16,731)	(74,161)	(16,731)	(74,161)
Consolidated				
Net sales	$ 1,156,593	$ 911,862	$ 2,933,515	$ 2,398,987
Operating income	173,927	198,580	512,898	483,840
Assets	3,095,301	2,208,803	3,095,301	2,208,803
Income before income taxes	159,927	192,109	473,645	463,164
Net sales to non-US companies	75,503	27,725	172,723	63,404

Note 9. Condensed Consolidating Information

Certain 100%-owned subsidiaries of SDI have fully and unconditionally guaranteed all of the indebtedness relating to the issuance of $500.0 million of senior notes due April 2015 and $700.0 million of senior notes due October 2012. Following are condensed consolidating financial statements of the company, including the guarantors. The following condensed consolidating financial statements present the financial position, results of operations, and cash flows of (i) SDI (in each case, reflecting investments in its consolidated subsidiaries under the equity method of accounting), (ii) the guarantor subsidiaries of SDI, (iii) the non-guarantor subsidiaries of SDI, and (iv) the eliminations necessary to arrive at the information for the company on a consolidated basis. The following condensed consolidating financial statements (presented dollars in thousands) should be read in conjunction with the accompanying consolidated financial statements and the company s Annual Report on Form 10-K for the year ended December 31, 2006.

Condensed Consolidating Balance Sheets

As of September 30, 2007	**Parent**	**Guarantors**	**Combined Non-Guarantors**	**Consolidating Adjustments**	**Total Consolidated**
Cash	$ 4,585	$ 5,791	$ 435	$	$ 10,811
Accounts receivable	304,035	368,110	9,991	(190,679)	491,457
Inventories	535,927	203,694	13,818	(8,905)	744,534
Other current assets	39,995	2,979	417	(47)	43,344
Total current assets	884,542	580,574	24,661	(199,631)	1,290,146
Property, plant and equipment, net	1,044,824	282,862	30,518	-	1,358,204
Other assets	958,628	411,964	398	(924,039)	446,951
Total assets	$ 2,887,994	$ 1,275,400	$ 55,577	$ (1,123,670)	$ 3,095,301
Accounts payable	$ 243,404	$ 124,211	$ 12,627	$ (22,939)	$ 357,303
Accrued expenses	117,237	45,708	1,154	(1,307)	162,792
Current maturities of long-term debt	152,683		9,307	(9,307)	152,683
Total current liabilities	513,324	169,919	23,088	(33,553)	672,778
Other liabilities	257,625	736,459	3,328	(704,610)	292,802
Long-term debt	1,044,648		4,138		1,048,786
Minority interest	(358)			1,334	976
Common stock	541	19,753	7,748	(27,501)	541
Treasury stock	(661,427)	(818)		818	(661,427)
Additional paid in capital	392,269	117,753	20,622	(138,375)	392,269
Retained earnings	1,341,372	232,334	(3,347)	(221,783)	1,348,576
Total stockholders equity	1,072,755	369,022	25,023	(386,841)	1,079,959
Total liabilities and stockholders equity	$ 2,887,994	$ 1,275,400	$ 55,577	$ (1,123,670)	$ 3,095,301

As of December 31, 2006	**Parent**	**Guarantors**	**Combined Non-Guarantors**	**Consolidating Adjustments**	**Total Consolidated**
Cash	$ 15,571	$ 12,610	$ 1,192	$	$