

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

Pursuant to Section 13 or 15 (d) of
The Securities and Exchange Act of 1934

Date of Report (Date of earliest event reported) July 19, 2002

AK STEEL HOLDING CORPORATION

(Exact name of registrant as specified in its charter)

| | | |
|--|--------------------------|--------------------------------------|
| Delaware | File No. 1-13696 | 31-1401455 |
| (State or other jurisdiction of incorporation) | (Commission file number) | (IRS employer identification number) |

| | |
|--|------------|
| 703 Curtis Street, Middletown, Ohio | 45043 |
| (Address of principal executive offices) | (Zip code) |

Registrant's telephone number, including area code: 513-425-5000

Not Applicable

(Former name or former address, if changed since last report)

Item 7. Exhibit.

(a) Financial Statements of business acquired:
Not applicable.

(b) Pro Forma financial information:
Not applicable.

(c) Exhibit:
99.1 Press Release dated July 19, 2002
99.2 Supplemental Financial Data

Item 9. Regulation FD Disclosure.

On July 19, 2002, AK Steel Corporation (the "Registrant") issued a press release announcing its earnings for the second quarter.

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

AK STEEL HOLDING CORPORATION

s/s Brenda S. Harmon

Brenda S. Harmon
Secretary

Dated: July 19, 2002

AK STEEL HOLDING CORPORATION
FORM 8-K
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EXHIBIT INDEX

| Exhibit No. ----- | Description ----- |
|----------------------|-----------------------------------|
| 99.1 | Press Release dated July 19, 2002 |
| 99.2 | Supplemental Financial Data |

News Release

**AK STEEL REPORTS NET INCOME OF \$16.2 MILLION FOR SECOND QUARTER:
EARNINGS PROPELLED BY NEARLY 1 MILLION TONS OF AUTOMOTIVE MARKET SHIPMENTS**

MIDDLETOWN, OH, July 19, 2002 -- AK Steel (NYSE: AKS) today reported net income of \$16.2 million, or \$0.15 per diluted share of common stock, for the second quarter of 2002. The company said earnings were bolstered, in part, by record automotive market shipments of nearly 1 million tons. AK Steel said the 952,000 tons of automotive market shipments in the quarter surpassed by 15% its previous record of 827,000 tons, set in the first quarter of 2002. Total second quarter shipments of 1,504,500 tons were a record 94.1% value-added.

Included in the second quarter results were two non-recurring items that together resulted in positive net income of \$0.07 per share. The first non-recurring item was a favorable net after-tax benefit of \$0.14 per diluted share of common stock related to insurance settlements reached during the second quarter. The other non-recurring item was equal to a net loss of \$0.07 per diluted share of common stock related to sale of the company's former Sawhill Tubular Division in April, as well as a second quarter loss from that discontinued operation. Excluding the two non-recurring items, earnings were \$0.08 per diluted share of common stock.

Revenues for the quarter were \$1,141.5 million, or about 16% higher than the \$984.2 million recorded in the year-ago second quarter. Operating profit in the second quarter of 2002 was \$69.9 million, or \$46 per ton shipped. Excluding the net insurance settlements, operating profit was \$46 million, or \$31 per ton shipped, an improvement of \$55 per ton compared to the first quarter of 2002.

AK Steel said its average flat-rolled selling price in the second quarter was up nearly 7% to \$708 per ton, compared to \$663 per ton in the first quarter. The company said its average selling price was higher due to increased shipments to automotive and other value-added customers, and to the effects of transaction price increases for the company's spot market business.

"AK Steel employees again have proved why their names occupy so much space in steelmaking record books," said Chairman, President and CEO Richard M. Wardrop, Jr. "They have again answered the challenge by turning in strong safety, quality, productivity and cost performances in what remains a very difficult market place."

AK Steel, headquartered in Middletown, produces flat-rolled carbon, stainless and electrical steel products for automotive, appliance, construction and manufacturing markets, as well as tubular steel products. AK Steel has steel producing and finishing facilities in Middletown, Coshocton, Mansfield, Walbridge, and Zanesville, Ohio; Ashland, Kentucky; Rockport, Indiana; and Butler, Pennsylvania. AK Steel also produces snow and ice control products, and operates a major industrial park on the Houston, Texas ship channel.

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Statement of Income & Earnings Per Share

(Dollars and shares in millions, except per share data)

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|--------------------------------|----------|------------------------------|------------|
| | 2002 | 2001 | 2002 | 2001 |
| Shipments (000 tons) | 1,504.5 | 1,439.6 | 2,940.2 | 2,877.4 |
| Net Sales | \$ 1,141.5 | \$ 984.2 | \$ 2,109.2 | \$ 1,940.0 |
| Cost of products sold | 975.6 | 827.1 | 1,854.7 | 1,651.4 |
| Selling and administrative expenses | 64.3 | 62.7 | 129.8 | 124.2 |
| Depreciation | 55.6 | 58.0 | 113.0 | 116.0 |
| Insurance settlement | (23.9) | - | (23.9) | - |
| Total operating costs | 1,071.6 | 947.8 | 2,073.6 | 1,891.6 |
| Operating profit | 69.9 | 36.4 | 35.6 | 48.4 |
| Interest expense | 34.7 | 33.1 | 66.5 | 67.5 |
| Gain on sale of Anthem stock | - | - | 24.1 | - |
| Other income | 2.1 | 1.9 | 2.6 | 3.7 |
| Income (loss) before income taxes | 37.3 | 5.2 | (4.2) | (15.4) |
| Income tax provision (benefit) | 13.8 | 1.9 | (1.6) | (5.7) |
| Income (loss) from continuing operations | 23.5 | 3.3 | (2.6) | (9.7) |
| Loss from discontinued operations, net of tax | 1.0 | 0.6 | 0.5 | 0.4 |
| Loss on sale of Sawhill Tubular, net of tax | 6.3 | - | 6.3 | - |
| Net income (loss) | 16.2 | 2.7 | (9.4) | (10.1) |
| Less preferred stock dividends | - | 0.3 | - | 0.5 |
| Net income (loss) applicable to common stock | \$ 16.2 | \$ 2.4 | \$ (9.4) | \$ (10.6) |
| Basic earnings per share: | | | | |
| Income (loss) from continuing operations | \$ 0.22 | \$ 0.03 | \$ (0.03) | \$ (0.10) |
| Loss from discontinued operations | 0.01 | 0.01 | - | - |
| Loss on sale of Sawhill Tubular | 0.06 | - | 0.06 | - |
| Net income (loss) | \$ 0.15 | \$ 0.02 | \$ (0.09) | \$ (0.10) |
| Weighted average shares outstanding | 107.9 | 107.8 | 107.9 | 107.8 |
| Diluted earnings per share: | | | | |
| Income (loss) from continuing operations | \$ 0.22 | \$ 0.03 | \$ (0.03) | \$ (0.10) |
| Loss from discontinued operations | 0.01 | 0.01 | - | - |
| Loss on sale of Sawhill Tubular | 0.06 | - | 0.06 | - |
| Net income (loss) | \$ 0.15 | \$ 0.02 | \$ (0.09) | \$ (0.10) |
| Weighted average shares outstanding | 108.2 | 108.0 | 107.9 | 107.9 |

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SECOND QUARTER 2002
(Unaudited)

SUPPLEMENTAL INFORMATION

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|--|-----------------------------|---------|---------------------------|---------|
| | 2002 | 2001 | 2002 | 2001 |
| Other data: | | | | |
| Shipments (thousands of ton) | 1,504.5 | 1,439.6 | 2,940.2 | 2,877.4 |
| Steel operations selling price per ton | \$ 708 | \$ 658 | \$ 686 | \$ 655 |
| Operating profit per ton (1) | \$ 31 | \$ 25 | \$ 4 | \$ 17 |
| Gross margin percentage | 14.5% | 16.0% | 12.1% | 14.9% |

(1) Three and six month ending June 30, 2002 operating profit per ton excludes \$23.9 insurance settlement benefit.

STEEL SHIPMENTS

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---------------------------------|-----------------------------|---------|---------------------------|---------|
| | 2002 | 2001 | 2002 | 2001 |
| Tons Shipped by Product (000's) | | | | |
| Stainless/Electrical | 270.9 | 243.4 | 519.3 | 483.3 |
| Coated | 800.3 | 733.5 | 1,506.4 | 1,440.6 |
| Cold Rolled | 319.8 | 360.1 | 678.7 | 728.1 |
| Tubular | 24.1 | - | 44.8 | - |
| Hot Rolled | 19.0 | 27.4 | 47.2 | 77.9 |
| Secondary | 70.4 | 75.2 | 143.8 | 147.5 |
| Total Shipments | 1,504.5 | 1,439.6 | 2,940.2 | 2,877.4 |
| Shipments by Product (%) | | | | |
| Stainless/Electrical | 18.0% | 16.9% | 17.7% | 16.8% |
| Coated | 53.2% | 51.0% | 51.2% | 50.1% |
| Cold Rolled | 21.3% | 25.0% | 23.1% | 25.3% |
| Tubular | 1.6% | 0.0% | 1.5% | 0.0% |
| Hot Rolled | 1.3% | 1.9% | 1.6% | 2.7% |
| Secondary | 4.6% | 5.2% | 4.9% | 5.1% |
| Total Shipments | 100.0% | 100.0% | 100.0% | 100.0% |

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CONSOLIDATED BALANCE SHEETS

SECOND QUARTER 2002

(Dollars in millions, except per share amounts)
(Unaudited)

| | June 30, 2002 | December 31, 2001 |
|---|------------------|----------------------|
| | ----- | ----- |
| Current Assets | | |
| Cash, cash equivalents and short-term investments | \$ 843.9 | \$ 101.0 |
| Accounts and notes receivables - net | 514.2 | 388.0 |
| Inventories - net | 824.7 | 904.6 |
| Current assets held for sale | - | 60.6 |
| Other current assets | 89.1 | 93.6 |
| | ----- | ----- |
| Total Current Assets | 2,271.9 | 1,547.8 |
| Property, plant and equipment | 4,796.0 | 4,742.9 |
| Accumulated depreciation | (2,087.5) | (1,974.6) |
| | ----- | ----- |
| Property, plant and equipment - net | 2,708.5 | 2,768.3 |
| Noncurrent assets held for sale | - | 24.4 |
| Other | 788.2 | 885.3 |
| | ----- | ----- |
| Total Assets | \$5,768.6 | \$5,225.8 |
| | ===== | ===== |
| Liabilities and Shareholders' Equity | | |
| Current Liabilities | | |
| Accounts payable | \$ 492.6 | \$ 537.6 |
| Other accruals | 261.9 | 270.5 |
| Current portion of long-term debt | 627.6 | 78.0 |
| Current portion of pension & postretirement benefit obligation | 67.2 | 68.3 |
| | ----- | ----- |
| Total Current Liabilities | 1,449.3 | 954.4 |
| Long-term debt | 1,322.2 | 1,324.5 |
| Pension & postretirement benefit obligation | 1,788.5 | 1,740.1 |
| Other liabilities | 170.3 | 173.5 |
| | ----- | ----- |
| Total Liabilities | 4,730.3 | 4,192.5 |
| | ----- | ----- |
| Shareholders' Equity | | |
| Preferred stock - 259,481 shares outstanding | 12.5 | 12.5 |
| Common stock - authorized 200,000,000 shares of \$.01 par value each; 116,285,376 shares issued; 107,891,942 shares outstanding | 1.2 | 1.2 |
| Additional paid-in capital | 1,809.7 | 1,807.2 |
| Treasury stock 8,393,434 shares at cost | (122.0) | (120.4) |
| Retained earnings | (663.1) | (667.2) |
| | ----- | ----- |
| Total Shareholders' Equity | 1,038.3 | 1,033.3 |
| | ----- | ----- |
| Total Liabilities and Shareholders' Equity | \$5,768.6 | \$5,225.8 |
| | ===== | ===== |

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CONSOLIDATED STATEMENTS OF CASH FLOWS

 SECOND QUARTER 2002
 (Dollars in millions)
 (Unaudited)

| | Six Months Ended June 30, 2002 | 2001 |
|--|-----------------------------------|----------------|
| | ----- | ----- |
| Cash Flow From Operating Activities: | | |
| Net income (loss) | \$ (9.4) | \$(10.1) |
| Depreciation | 113.0 | 116.0 |
| Amortization | 5.0 | 8.1 |
| Deferred taxes | 44.9 | (5.4) |
| Non-cash special and unusual items | - | - |
| Working capital | (70.8) | (28.6) |
| Other | 38.7 | (42.5) |
| | ----- | ----- |
| Net Cash Flow From Operating Activities | 121.4 | 37.5 |
| | ----- | ----- |
| Cash Flow From Investing Activities: | | |
| Capital investments | (53.1) | (45.6) |
| Discontinued operations | 65.9 | 15.8 |
| Other | 71.8 | 26.2 |
| | ----- | ----- |
| Net Cash Flow From Investing Activities | 84.6 | (3.6) |
| | ----- | ----- |
| Cash Flow From Financing Activities: | | |
| Principal payments on long-term debt | (0.4) | (0.3) |
| Proceeds on issuance of debt | 538.1 | - |
| Stock transactions | (1.6) | (1.0) |
| Preferred stock dividends | - | (0.5) |
| Common stock dividends | - | (13.5) |
| Other | 0.8 | 0.1 |
| | ----- | ----- |
| Net Cash Flow From Financing Activities | 536.9 | (15.2) |
| | ----- | ----- |
| Net Increase (Decrease) in Cash | 742.9 | 18.7 |
| | ----- | ----- |
| Cash, Cash Equivalents and Short-Term Investments - Beginning | 101.0 | 86.8 |
| | ----- | ----- |
| Cash, Cash Equivalents and Short-Term Investments - Ending | \$843.9 | \$105.5 |
| | ===== | ===== |

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AK Steel Corporation

CONSOLIDATED STATEMENTS OF INCOME

 Second Quarter 2002
 (Dollars in millions except per share amounts)
 (Unaudited)

| | 2000 | | | 2001 | | |
|--|------------|---------------|----------------|------------|---------------|-------------|
| | Full Year | First Quarter | Second Quarter | Six Months | Third Quarter | Nine Months |
| Net sales | \$ 4,403.7 | \$ 955.8 | \$ 984.2 | \$ 1,940.0 | \$ 960.7 | \$ 2,900.7 |
| Operating costs: | | | | | | |
| Cost of products sold | 3,577.7 | 824.3 | 827.1 | 1,651.4 | 818.6 | 2,470.0 |
| Selling and administrative expenses | 257.9 | 61.5 | 62.7 | 124.2 | 61.9 | 186.1 |
| Depreciation | 227.3 | 58.0 | 58.0 | 116.0 | 56.8 | 172.8 |
| Special charges and unusual items | - | - | - | - | - | - |
| Total Operating costs | 4,062.9 | 943.8 | 947.8 | 1,891.6 | 937.3 | 2,828.9 |
| Operating profit (loss) | 340.8 | 12.0 | 36.4 | 48.4 | 23.4 | 71.8 |
| Interest expense | 136.1 | 34.4 | 33.1 | 67.5 | 33.0 | 100.5 |
| Gain on sale of Anthem stock | - | - | - | - | - | - |
| Other income | 7.9 | 1.8 | 1.9 | 3.7 | 1.5 | 5.2 |
| Income (loss) before income taxes | 212.6 | (20.6) | 5.2 | (15.4) | (8.1) | (23.5) |
| Provision (benefit) for income taxes | 78.6 | (7.6) | 1.9 | (5.7) | (3.0) | (8.7) |
| Income (loss) from continuing operations | 134.0 | (13.0) | 3.3 | (9.7) | (5.1) | (14.8) |
| Income (loss) from discontinued operations, net of tax (1) | (1.6) | 0.2 | (0.6) | (0.4) | (0.8) | (1.2) |
| Loss on sale of Sawhill Tubular, net of tax | - | - | - | - | - | - |
| Net income (loss) | 132.4 | (12.8) | 2.7 | (10.1) | (5.9) | (16.0) |
| Less preferred dividends declared | 1.0 | 0.2 | 0.3 | 0.5 | 0.2 | 0.7 |
| Net income (loss) applicable to common stock | \$ 131.4 | \$ (13.0) | \$ 2.4 | \$ (10.6) | \$ (6.1) | \$ (16.7) |
| Other Data: | | | | | | |
| Shipments (thousands of ton) | 6,171.1 | 1,437.8 | 1,439.6 | 2,877.4 | 1,387.1 | 4,264.5 |
| Steel operations selling price per ton | \$ 692 | \$ 652 | \$ 658 | \$ 655 | \$ 659 | \$ 656 |
| Operating profit (loss) per ton (2) | \$ 55 | \$ 8 | \$ 25 | \$ 17 | \$ 17 | \$ 17 |
| Gross margin percentage | 18.8% | 13.8% | 16.0% | 14.9% | 14.8% | 14.8% |

2002

| | Fourth Quarter | Full Year | First Quarter | Second Quarter | Six Months |
|-----------------------|----------------|------------|---------------|----------------|------------|
| Net sales | 932.7 | \$ 3,833.4 | \$ 967.7 | \$ 1,141.5 | \$ 2,109.2 |
| Operating costs: | | | | | |
| Cost of products sold | 755.5 | 3,225.5 | 879.1 | 975.6 | 1,854.7 |

| | | | | | |
|---|---------|-----------|-----------|---------|----------|
| Selling and administrative expenses | 71.5 | 257.6 | 65.5 | 64.3 | 129.8 |
| Depreciation | 53.0 | 225.8 | 57.4 | 55.6 | 113.0 |
| Special charges and unusual items | 142.3 | 142.3 | - | (23.9) | (23.9) |
| | ----- | ----- | ----- | ----- | ----- |
| Total Operating costs | 1,022.3 | 3,851.2 | 1,002.0 | 1,071.6 | 2,073.6 |
| | ----- | ----- | ----- | ----- | ----- |
| Operating profit (loss) | (89.6) | (17.8) | (34.3) | 69.9 | 35.6 |
| Interest expense | 32.6 | 133.1 | 31.8 | 34.7 | 66.5 |
| Gain on sale of Anthem stock | - | - | 24.1 | - | 24.1 |
| Other income | 0.9 | 6.1 | 0.5 | 2.1 | 2.6 |
| | ----- | ----- | ----- | ----- | ----- |
| Income (loss) before income taxes | (121.3) | (144.8) | (41.5) | 37.3 | (4.2) |
| Provision (benefit) for income taxes | (44.9) | (53.6) | (15.4) | 13.8 | (1.6) |
| | ----- | ----- | ----- | ----- | ----- |
| Income (loss) from continuing operations | (76.4) | (91.2) | (26.1) | 23.5 | (2.6) |
| Income (loss) from discontinued operations, net of tax (1) | - | (1.2) | 0.5 | (1.0) | (0.5) |
| Loss on sale of Sawhill Tubular, net of tax | - | - | - | (6.3) | (6.3) |
| | ----- | ----- | ----- | ----- | ----- |
| Net income (loss) | (76.4) | (92.4) | (25.6) | 16.2 | (9.4) |
| Less preferred dividends declared | - | 0.7 | - | - | - |
| | ----- | ----- | ----- | ----- | ----- |
| Net income (loss) applicable to common stock | (76.4) | \$ (93.1) | \$ (25.6) | \$ 16.2 | \$ (9.4) |
| | ===== | ===== | ===== | ===== | ===== |

Other Data:

| | | | | | |
|--|---------|---------|---------|---------|---------|
| Shipments (thousands of ton) | 1,353.8 | 5,618.3 | 1,435.7 | 1,504.5 | 2,940.2 |
| Steel operations selling price per ton | 651 | \$ 655 | \$ 663 | \$ 708 | \$ 686 |
| Operating profit (loss) per ton (2) | 39 | \$ 22 | \$ (24) | \$ 31 | \$ 4 |
| Gross margin percentage | 19.0% | 15.9% | 9.2% | 14.5% | 12.1% |

(1) These financial statements were revised to reclassify the results of Sawhill Tubular to discontinued operations.

(2) Fourth quarter and full year 2001 excludes unusual items related to pension corridor charge and insurance company demutualization.

Second quarter and year-to-date 2002 excludes the net insurance settlement.

AK Steel Corporation

EARNINGS PER SHARE

Second Quarter 2002
(Dollars in millions except per share amounts)
(Unaudited)

| Earnings Per Share: | 2000 | | | 2001 | | |
|--|-----------|---------------|----------------|------------|---------------|-------------|
| | Full Year | First Quarter | Second Quarter | Six Months | Third Quarter | Nine Months |
| Basic: | | | | | | |
| Income (loss) before income taxes | \$ 1.93 | \$ (0.19) | \$ 0.05 | \$ (0.15) | \$ (0.08) | \$ (0.23) |
| Provision (benefit) for income taxes | (0.72) | 0.07 | (0.02) | 0.05 | 0.03 | 0.08 |
| Income (loss) from continuing operations | 1.21 | (0.12) | 0.03 | (0.10) | (0.05) | (0.15) |
| Income (loss) from discontinued operations | (0.01) | - | (0.01) | - | (0.01) | (0.01) |
| Loss on the sale of Sawhill Tubular | - | - | - | - | - | - |
| Net income (loss) | \$ 1.20 | \$ (0.12) | \$ 0.02 | \$ (0.10) | \$ (0.06) | \$ (0.16) |
| Diluted: | | | | | | |
| Income (loss) before income taxes | \$ 1.93 | \$ (0.19) | \$ 0.05 | \$ (0.15) | \$ (0.08) | \$ (0.23) |
| Provision (benefit) for income taxes | (0.72) | 0.07 | (0.02) | 0.05 | 0.03 | 0.08 |
| Income (loss) from continuing operations | 1.21 | (0.12) | 0.03 | (0.10) | (0.05) | (0.15) |
| Income (loss) from discontinued operations | (0.01) | - | (0.01) | - | (0.01) | (0.01) |
| Loss on the sale of Sawhill Tubular | - | - | - | - | - | - |
| Net income (loss) | \$ 1.20 | \$ (0.12) | \$ 0.02 | \$ (0.10) | \$ (0.06) | \$ (0.16) |
| Weighted Average Shares Outstanding (millions): | | | | | | |
| Basic | 109.5 | 107.8 | 107.8 | 107.8 | 107.7 | 107.8 |
| Diluted | 109.6 | 107.8 | 108.0 | 107.9 | 107.7 | 107.8 |

Pro Forma Basic and Diluted Earnings Per Share:

Net income (loss) as reported
Pension charge
Insurance company demutualization/sale of shares
Insurance settlement
Discontinued operations

Pro forma net income (loss)

| Earnings Per Share: | 2002 | | | | |
|--|----------------|-----------|---------------|----------------|------------|
| | Fourth Quarter | Full Year | First Quarter | Second Quarter | Six Months |
| Basic: | | | | | |
| Income (loss) before income taxes | \$ (1.13) | \$ (1.35) | \$ (0.38) | \$ 0.35 | \$ (0.04) |
| Provision (benefit) for income taxes | 0.42 | 0.49 | 0.14 | (0.13) | 0.01 |
| Income (loss) from continuing operations | (0.71) | (0.86) | (0.24) | 0.22 | (0.03) |
| Income (loss) from discontinued operations | - | (0.01) | - | (0.01) | - |
| Loss on the sale of Sawhill Tubular | - | - | - | (0.06) | (0.06) |
| Net income (loss) | \$ (0.71) | \$ (0.87) | \$ (0.24) | \$ 0.15 | \$ (0.09) |

| | | | | | |
|--|-----------|-----------|-----------|---------|-----------|
| Diluted: | | | | | |
| Income (loss) before income taxes | \$ (1.13) | \$ (1.35) | \$ (0.38) | \$ 0.35 | \$ (0.04) |
| Provision (benefit) for income taxes | 0.42 | 0.49 | 0.14 | (0.13) | 0.01 |
| | ----- | ----- | ----- | ----- | ----- |
| Income (loss) from continuing operations | (0.71) | (0.86) | (0.24) | 0.22 | (0.03) |
| Income (loss) from discontinued operations | - | (0.01) | - | (0.01) | - |
| Loss on the sale of Sawhill Tubular | - | - | - | (0.06) | (0.06) |
| | ----- | ----- | ----- | ----- | ----- |
| Net income (loss) | \$ (0.71) | \$ (0.87) | \$ (0.24) | \$ 0.15 | \$ (0.09) |
| | ===== | ===== | ===== | ===== | ===== |
| Weighted Average Shares Outstanding (millions): | | | | | |
| Basic | 107.7 | 107.7 | 107.9 | 107.9 | 107.9 |
| Diluted | 107.7 | 107.7 | 107.9 | 108.2 | 107.9 |
| Pro Forma Basic and Diluted Earnings Per Share: | | | | | |
| Net income (loss) as reported | \$ (0.71) | \$ (0.87) | \$ (0.24) | \$ 0.15 | \$ (0.09) |
| Pension charge | 1.13 | 1.13 | - | - | - |
| Insurance company demutualization/sale of shares | (0.29) | (0.29) | (0.14) | - | (0.14) |
| Insurance settlement | - | - | - | (0.14) | (0.14) |
| Discontinued operations | - | 0.01 | - | 0.07 | 0.06 |
| | ----- | ----- | ----- | ----- | ----- |
| Pro forma net income (loss) | \$ 0.13 | \$ (0.02) | \$ (0.38) | \$ 0.08 | \$ (0.31) |
| | ===== | ===== | ===== | ===== | ===== |

May not add due to rounding

AK Steel Corporation
CONSOLIDATED BALANCE SHEETS

Second Quarter 2002
(Dollars in millions except per share amounts)
(Unaudited)

| | 2000 | | 2001 | |
|---|-------------------|-------------------|-------------------|-------------------|
| | Dec. 31 | Mar. 31 | Jun. 30 | Sep. 30 |
| Current Assets | | | | |
| Cash, cash equivalents and short-term investments | \$ 86.8 | \$ 44.0 | \$ 105.5 | \$ 64.7 |
| Accounts and notes receivables - net | 489.5 | 461.2 | 492.6 | 505.6 |
| Inventories - net | 801.8 | 750.2 | 768.3 | 836.6 |
| Current assets held for sale | 74.9 | 64.7 | 60.7 | 56.8 |
| Other current assets | 68.8 | 76.3 | 88.6 | 103.2 |
| Total Current Assets | 1,521.8 | 1,396.4 | 1,515.7 | 1,566.9 |
| Property, plant and equipment | 4,620.3 | 4,641.2 | 4,665.8 | 4,714.7 |
| Accumulated depreciation | (1,763.2) | (1,821.1) | (1,878.9) | (1,927.9) |
| Property, plant and equipment - net | 2,857.1 | 2,820.1 | 2,786.9 | 2,786.8 |
| Noncurrent assets held for sale | 28.6 | 27.7 | 26.5 | 25.5 |
| Other | 832.3 | 844.0 | 831.6 | 846.9 |
| Total Assets | \$ 5,239.8 | \$ 5,088.2 | \$ 5,160.7 | \$ 5,226.1 |
| Liabilities and Shareholders' Equity | | | | |
| Current Liabilities | | | | |
| Accounts payable | \$ 498.3 | \$ 383.6 | \$ 483.7 | \$ 507.4 |
| Other accruals | 262.2 | 228.3 | 262.5 | 304.3 |
| Current portion of long-term debt | 63.2 | 63.2 | 63.3 | 63.3 |
| Current portion of pension & postretirement benefit obligation | 66.6 | 66.6 | 66.5 | 66.6 |
| Total Current Liabilities | 890.3 | 741.7 | 876.0 | 941.6 |
| Long-term debt | 1,387.6 | 1,387.5 | 1,387.3 | 1,401.8 |
| Pension & postretirement benefit obligation | 1,420.2 | 1,427.8 | 1,438.4 | 1,444.7 |
| Other liabilities | 222.4 | 228.5 | 190.1 | 188.9 |
| Total Liabilities | 3,920.5 | 3,785.5 | 3,891.8 | 3,977.0 |
| Shareholders' Equity | | | | |
| Preferred stock - 259,481 shares outstanding | 12.5 | 12.5 | 12.5 | 12.5 |
| Common stock - authorized 200,000,000 shares of \$.01 par value each; 116,285,376 shares issued; 107,891,942 shares outstanding | 1.2 | 1.2 | 1.2 | 1.2 |
| Additional paid-in capital | 1,803.2 | 1,803.7 | 1,804.7 | 1,805.9 |
| Treasury stock 8,393,434 shares at cost | (119.4) | (119.7) | (120.3) | (120.4) |
| Retained earnings | (378.2) | (395.0) | (429.2) | (450.1) |
| Total Shareholders' Equity | 1,319.3 | 1,302.7 | 1,268.9 | 1,249.1 |
| Total Liabilities and Shareholders' Equity | \$ 5,239.8 | \$ 5,088.2 | \$ 5,160.7 | \$ 5,226.1 |
| | ----- | | | |
| | 2002 | | | |
| | Dec. 31 | Mar. 31 | Jun. 30 | |
| Current Assets | | | | |
| Cash, cash equivalents and short-term investments | \$ 101.0 | \$ 98.6 | \$ 843.9 | |
| Accounts and notes receivables - net | 388.0 | 466.6 | 514.2 | |

| | | | |
|---|-------------------|-------------------|-------------------|
| Inventories - net | 904.6 | 870.2 | 824.7 |
| Current assets held for sale | 60.6 | 59.8 | - |
| Other current assets | 93.6 | 92.2 | 89.1 |
| Total Current Assets | 1,547.8 | 1,587.4 | 2,271.9 |
| Property, plant and equipment | 4,742.9 | 4,768.3 | 4,796.0 |
| Accumulated depreciation | (1,974.6) | (2,031.9) | (2,087.5) |
| Property, plant and equipment - net | 2,768.3 | 2,736.4 | 2,708.5 |
| Noncurrent assets held for sale | 24.4 | 23.5 | - |
| Other | 885.3 | 790.1 | 788.2 |
| Total Assets | \$ 5,225.8 | \$ 5,137.4 | \$ 5,768.6 |
| Liabilities and Shareholders' Equity | | | |
| Current Liabilities | | | |
| Accounts payable | \$ 537.6 | \$ 475.4 | \$ 492.6 |
| Other accruals | 270.5 | 242.8 | 261.9 |
| Current portion of long-term debt | 78.0 | 77.8 | 627.6 |
| Current portion of pension & postretirement benefit obligation | 68.3 | 67.2 | 67.2 |
| Total Current Liabilities | 954.4 | 863.2 | 1,449.3 |
| Long-term debt | 1,324.5 | 1,324.5 | 1,322.2 |
| Pension & postretirement benefit obligation | 1,740.1 | 1,763.8 | 1,788.5 |
| Other liabilities | 173.5 | 167.7 | 170.3 |
| Total Liabilities | 4,192.5 | 4,119.2 | 4,730.3 |
| Shareholders' Equity | | | |
| Preferred stock - 259,481 shares outstanding | 12.5 | 12.5 | 12.5 |
| Common stock - authorized 200,000,000 shares of \$.01 par value each; 116,285,376 shares issued; 107,891,942 shares outstanding | 1.2 | 1.2 | 1.2 |
| Additional paid-in capital | 1,807.2 | 1,808.5 | 1,809.7 |
| Treasury stock 8,393,434 shares at cost | (120.4) | (121.4) | (122.0) |
| Retained earnings | (667.2) | (682.6) | (663.1) |
| Total Shareholders' Equity | 1,033.3 | 1,018.2 | 1,038.3 |
| Total Liabilities and Shareholders' Equity | \$ 5,225.8 | \$ 5,137.4 | \$ 5,768.6 |

AK Steel Corporation
CONSOLIDATED STATEMENTS OF CASH FLOWS

Second Quarter 2002
(Dollars in millions)
(Unaudited)

| | 2000 | | | 2001 | | |
|--|----------------|------------------|-------------------|-----------------|------------------|----------------|
| | Full Year | First Quarter | Second Quarter | Six Months | Third Quarter | Nine Months |
| Cash Flow From Operating Activities: | | | | | | |
| Net income (loss) | \$ 132.4 | \$ (12.8) | \$ 2.7 | \$ (10.1) | \$ (5.9) | \$ (16.0) |
| Depreciation | 227.3 | 58.0 | 58.0 | 116.0 | 56.8 | 172.8 |
| Amortization | 16.0 | 4.1 | 4.0 | 8.1 | 3.4 | 11.5 |
| Deferred taxes | 92.3 | (7.6) | 2.2 | (5.4) | (3.4) | (8.8) |
| Non-cash special and unusual items | - | - | - | - | - | - |
| Working capital | (84.7) | (73.6) | 45.0 | (28.6) | (34.8) | (63.4) |
| Other | (38.1) | 4.8 | (47.3) | (42.5) | (23.3) | (65.8) |
| Net Cash Flow From Operating Activities | 345.2 | (27.1) | 64.6 | 37.5 | (7.2) | 30.3 |
| Cash Flow From Investing Activities: | | | | | | |
| Capital investments | (135.8) | (21.0) | (24.6) | (45.6) | (20.3) | (65.9) |
| Discontinued operations | (17.2) | 11.3 | 4.5 | 15.8 | 3.5 | 19.3 |
| Other | (56.1) | 0.8 | 25.4 | 26.2 | (17.0) | 9.2 |
| Net Cash Flow From Investing Activities | (209.1) | (8.9) | 5.3 | (3.6) | (33.8) | (37.4) |
| Cash Flow From Financing Activities: | | | | | | |
| Principal payments on long-term debt | (6.0) | (0.2) | (0.1) | (0.3) | (0.2) | (0.5) |
| Proceeds on issuance of debt | - | - | - | - | - | - |
| Stock transactions | (39.8) | (0.4) | (0.6) | (1.0) | (0.1) | (1.1) |
| Preferred stock dividends | (1.0) | (0.2) | (0.3) | (0.5) | (0.2) | (0.7) |
| Common stock dividends | (54.9) | (6.8) | (6.7) | (13.5) | - | (13.5) |
| Other | (2.0) | 0.8 | (0.7) | 0.1 | 0.7 | 0.8 |
| Net Cash Flow From Financing Activities | (103.7) | (6.8) | (8.4) | (15.2) | 0.2 | (15.0) |
| Net Increase (Decrease) in Cash | 32.4 | (42.8) | 61.5 | 18.7 | (40.8) | (22.1) |
| Cash, Cash Equivalents and Short-Term Investments - Beginning | 54.4 | 86.8 | 44.0 | 86.8 | 105.5 | 86.8 |
| Cash, Cash Equivalents and Short-Term Investments - Ending | \$ 86.8 | \$ 44.0 | \$ 105.5 | \$ 105.5 | \$ 64.7 | \$ 64.7 |

| | 2002 | | | | |
|--|-------------------|--------------|------------------|-------------------|---------------|
| | Fourth Quarter | Full Year | First Quarter | Second Quarter | Six Months |
| Cash Flow From Operating Activities: | | | | | |
| Net income (loss) | \$ (76.4) | \$ (92.4) | \$ (25.6) | \$ 16.2 | \$ (9.4) |
| Depreciation | 53.0 | 225.8 | 57.4 | 55.6 | 113.0 |
| Amortization | 3.2 | 14.7 | 2.5 | 2.5 | 5.0 |
| Deferred taxes | (44.0) | (52.8) | (15.4) | 60.3 | 44.9 |
| Non-cash special and unusual items | 142.3 | 142.3 | - | - | - |
| Working capital | 66.4 | 3.0 | (68.9) | (1.9) | (70.8) |
| Other | (25.8) | (91.6) | (2.1) | 40.8 | 38.7 |
| Net Cash Flow From Operating Activities | 118.7 | 149.0 | (52.1) | 173.5 | 121.4 |

| | | | | | |
|--|----------|----------|---------|----------|----------|
| Cash Flow From Investing Activities: | | | | | |
| Capital investments | (42.1) | (108.0) | (25.4) | (27.7) | (53.1) |
| Discontinued operations | (0.9) | 18.4 | 2.7 | 63.2 | 65.9 |
| Other | 23.6 | 32.8 | 73.7 | (1.9) | 71.8 |
| | ----- | ----- | ----- | ----- | ----- |
| Net Cash Flow From Investing Activities | (19.4) | (56.8) | 51.0 | 33.6 | 84.6 |
| | ----- | ----- | ----- | ----- | ----- |
| Cash Flow From Financing Activities: | | | | | |
| Principal payments on long-term debt | (62.7) | (63.2) | (0.2) | (0.2) | (0.4) |
| Proceeds on issuance of debt | - | - | - | 538.1 | 538.1 |
| Stock transactions | - | (1.1) | (0.8) | (0.8) | (1.6) |
| Preferred stock dividends | - | (0.7) | - | - | - |
| Common stock dividends | - | (13.5) | - | - | - |
| Other | (0.3) | 0.5 | (0.3) | 1.1 | 0.8 |
| | ----- | ----- | ----- | ----- | ----- |
| Net Cash Flow From Financing Activities | (63.0) | (78.0) | (1.3) | 538.2 | 536.9 |
| | ----- | ----- | ----- | ----- | ----- |
| Net Increase (Decrease) in Cash | 36.3 | 14.2 | (2.4) | 745.3 | 742.9 |
| Cash, Cash Equivalents and Short-Term Investments - Beginning | 64.7 | 86.8 | 101.0 | 98.6 | 101.0 |
| | ----- | ----- | ----- | ----- | ----- |
| Cash, Cash Equivalents and Short-Term Investments - Ending | \$ 101.0 | \$ 101.0 | \$ 98.6 | \$ 843.9 | \$ 843.9 |
| | ===== | ===== | ===== | ===== | ===== |

**AK Steel Corporation
STEEL SHIPMENTS**

**Second Quarter 2002
(Unaudited)**

| | 2000 | | | 2001 | | | |
|---------------------------------|-----------|---------------|----------------|------------|---------------|-------------|----------------|
| | Full Year | First Quarter | Second Quarter | Six Months | Third Quarter | Nine Months | Fourth Quarter |
| ----- | | | | | | | |
| Tons Shipped by Product (000's) | | | | | | | |
| Stainless/Electrical | 1,124.7 | 239.9 | 243.4 | 483.3 | 235.9 | 719.2 | 227.0 |
| Coated | 2,814.6 | 707.1 | 733.5 | 1,440.6 | 671.5 | 2,112.1 | 668.0 |
| Cold Rolled | 1,544.5 | 368.0 | 360.1 | 728.1 | 368.3 | 1,096.4 | 352.0 |
| Tubular | - | - | - | - | 13.5 | 13.5 | 18.3 |
| Hot Rolled | 365.2 | 50.5 | 27.4 | 77.9 | 21.4 | 99.3 | 18.3 |
| Secondary | 322.1 | 72.3 | 75.2 | 147.5 | 76.5 | 224.0 | 70.2 |
| Total Shipments | 6,171.1 | 1,437.8 | 1,439.6 | 2,877.4 | 1,387.1 | 4,264.5 | 1,353.8 |
| ===== | | | | | | | |
| Shipments by Product (%) | | | | | | | |
| Stainless/Electrical | 18.2% | 16.7% | 16.9% | 16.8% | 17.0% | 16.9% | 16.8% |
| Coated | 45.6% | 49.2% | 51.0% | 50.1% | 48.4% | 49.5% | 49.3% |
| Cold Rolled | 25.0% | 25.6% | 25.0% | 25.3% | 26.6% | 25.7% | 26.0% |
| Tubular | 0.0% | 0.0% | 0.0% | 0.0% | 1.0% | 0.3% | 1.4% |
| Hot Rolled | 5.9% | 3.5% | 1.9% | 2.7% | 1.5% | 2.3% | 1.4% |
| Secondary | 5.3% | 5.0% | 5.2% | 5.1% | 5.5% | 5.3% | 5.1% |
| Total Shipments | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| ===== | | | | | | | |

| | 2002 | | | |
|---------------------------------|-----------|---------------|----------------|------------|
| | Full Year | First Quarter | Second Quarter | Six Months |
| ----- | | | | |
| Tons Shipped by Product (000's) | | | | |
| Stainless/Electrical | 946.2 | 248.4 | 270.9 | 519.3 |
| Coated | 2,780.1 | 706.1 | 800.3 | 1,506.4 |
| Cold Rolled | 1,448.4 | 358.9 | 319.8 | 678.7 |
| Tubular | 31.8 | 20.7 | 24.1 | 44.8 |
| Hot Rolled | 117.6 | 28.2 | 19.0 | 47.2 |
| Secondary | 294.2 | 73.4 | 70.4 | 143.8 |
| Total Shipments | 5,618.3 | 1,435.7 | 1,504.5 | 2,940.2 |
| ===== | | | | |
| Shipments by Product (%) | | | | |
| Stainless/Electrical | 16.8% | 17.3% | 18.0% | 17.7% |
| Coated | 49.5% | 49.2% | 53.2% | 51.2% |
| Cold Rolled | 25.8% | 25.0% | 21.3% | 23.1% |
| Tubular | 0.6% | 1.4% | 1.6% | 1.5% |
| Hot Rolled | 2.1% | 2.0% | 1.3% | 1.6% |
| Secondary | 5.2% | 5.1% | 4.6% | 4.9% |
| Total Shipments | 100.0% | 100.0% | 100.0% | 100.0% |
| ===== | | | | |