

AK Steel Holding Corporation

Statements of Operations

(Unaudited)

(Dollars and Shares in Millions, Except Per Share and Per Ton Data)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2009	2008	2009	2008
Shipments (000 tons)	1,368.3	1,073.5	3,935.5	5,866.0
Selling price per ton	\$ 964	\$ 1,359	\$ 1,036	\$ 1,303
Net sales	\$ 1,319.9	\$ 1,458.7	\$ 4,076.8	\$ 7,644.3
Cost of products sold	1,130.8	1,344.7	3,749.6	6,491.1
Selling and administrative expenses	51.4	55.5	192.7	223.6
Depreciation	50.7	48.2	204.6	202.1
Pension corridor charge	-	660.1	-	660.1
Curtailment charges	-	39.4	-	39.4
Total operating costs	1,232.9	2,147.9	4,146.9	7,616.3
Operating profit (loss)	87.0	(689.2)	(70.1)	28.0
Interest expense	8.6	11.6	37.0	46.5
Other income	0.5	2.0	9.1	12.1
Income (loss) before income taxes	78.9	(698.8)	(98.0)	(6.4)
Income tax provision due to state tax law changes	5.1	-	5.1	-
Income tax provision (benefit)	35.9	(268.3)	(25.1)	(10.9)
Net income (loss)	37.9	(430.5)	(78.0)	4.5
Less: Net income (loss) attributable to noncontrolling interests	(1.9)	0.1	(3.4)	0.5
Net income (loss) attributable to AK Steel Holding Corporation	\$ 39.8	\$ (430.6)	\$ (74.6)	\$ 4.0
Basic and diluted earnings per share:				
Net income (loss) attributable to AK Steel Holding Corporation	\$ 0.36	\$ (3.87)	\$ (0.68)	\$ 0.04
Weighted average shares outstanding:				
Basic	108.7	110.9	109.0	111.4
Diluted	109.3	110.9	109.0	111.7

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AK Steel Holding Corporation

Consolidated Balance Sheets

(Unaudited)

(Dollars in millions, except per share amounts)

	December 31, 2009	December 31, 2008
Assets		
Current Assets		
Cash and cash equivalents	\$ 461.7	\$ 562.7
Accounts and notes receivables, net	463.1	469.9
Inventories, net	416.7	566.8
Other current assets	288.6	403.4
Total Current Assets	1,630.1	2,002.8
Property, plant and equipment	5,385.1	5,282.1
Accumulated depreciation	(3,409.1)	(3,220.8)
Property, plant and equipment, net	1,976.0	2,061.3
Other	668.6	617.9
Total Assets	\$ 4,274.7	\$ 4,682.0
Liabilities and Stockholders' Equity		
Current Liabilities		
Accounts payable	\$ 438.9	\$ 348.1
Other accruals	157.0	233.0
Current portion of long-term debt	0.7	0.7
Current portion of pension & other postretirement benefit obligations	144.1	152.4
Total Current Liabilities	740.7	734.2
Long-term debt	605.8	632.6
Pension & other postretirement benefit obligations	1,856.2	2,144.2
Other noncurrent liabilities	191.9	200.3
Total Liabilities	3,394.6	3,711.3
Stockholders' Equity		
Common stock, authorized 200,000,000 shares of \$0.01 par value each; issued 2009, 121,881,816 shares, 2008, 121,105,429 shares; outstanding 2009, 109,394,455 shares, 2008, 110,394,774 shares	1.2	1.2
Additional paid-in capital	1,911.4	1,898.9
Treasury stock, shares at cost, 2009, 12,487,361 shares; 2008, 10,710,655 shares	(162.2)	(150.8)
Accumulated deficit	(1,037.5)	(940.9)
Accumulated other comprehensive income	167.9	159.6
Total AK Steel Holding Corporation Stockholders' Equity	880.8	968.0
Noncontrolling interest	(0.7)	2.7
Total Stockholders' Equity	880.1	970.7
Total Liabilities and Stockholders' Equity	\$ 4,274.7	\$ 4,682.0

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AK Steel Holding Corporation

Statements of Cash Flows

(Unaudited)
(Dollars in millions)

	Twelve Months Ended December 31,	
	2009	2008
<i>Cash Flow From Operating Activities:</i>		
Net income	\$ (78.0)	\$ 4.5
Depreciation	204.6	202.1
Amortization	12.1	11.8
Deferred taxes	47.3	(27.8)
Contributions to the pension trust	(210.0)	(225.0)
Contribution to Middletown retirees VEBA	(65.0)	(468.0)
Pension and other postretirement benefit payments greater than expense	(58.6)	(86.0)
Pension benefit corridor charge	-	660.1
Pension curtailment charge	-	39.4
Excess tax benefits from stock-based compensation	-	(12.2)
Working capital	149.3	3.1
Working capital - Middletown Coke	(2.0)	2.2
Other	59.1	(21.1)
<i>Net Cash Flow From Operating Activities</i>	<u>58.8</u>	<u>83.1</u>
<i>Cash Flow From Investing Activities:</i>		
Capital investments	(109.5)	(166.8)
Capital investments - Middletown Coke	(24.0)	(47.7)
Purchase of investments	-	(12.1)
Proceeds from sale of property, plant and equipment	0.5	8.4
Other	(0.4)	0.4
<i>Net Cash Flow From Investing Activities</i>	<u>(133.4)</u>	<u>(217.8)</u>
<i>Cash Flow From Financing Activities:</i>		
Redemption of long-term debt	(23.5)	(26.9)
Proceeds from exercise of stock options	0.5	3.4
Purchase of treasury stock	(11.4)	(24.0)
Excess tax benefits from stock-based compensation	-	12.2
Common stock dividends	(21.9)	(22.4)
Advances from minority interest owner to Middletown Coke	29.0	45.5
Other	0.9	(4.0)
<i>Net Cash Flow From Financing Activities</i>	<u>(26.4)</u>	<u>(16.2)</u>
<i>Net Decrease in Cash</i>	(101.0)	(150.9)
<i>Cash and Cash Equivalents, Beginning</i>	<u>562.7</u>	<u>713.6</u>
<i>Cash and Cash Equivalents, Ending</i>	<u>\$ 461.7</u>	<u>\$ 562.7</u>

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AK Steel Holding Corporation

(Unaudited)

Steel Shipments

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2009	2008	2009	2008
	<i>Tons Shipped by Product (000's)</i>			
Stainless/Electrical	184.4	205.0	670.0	957.1
Coated	621.5	462.4	1,791.6	2,477.8
Cold Rolled	334.0	215.0	821.4	1,185.2
Tubular	24.9	21.3	83.2	117.3
<i>Subtotal Value-added Shipments</i>	1,164.8	903.7	3,366.2	4,737.4
Hot Rolled	155.5	132.5	414.4	949.2
Secondary	48.0	37.3	154.9	179.4
<i>Subtotal Non Value-added Shipments</i>	203.5	169.8	569.3	1,128.6
<i>Total Shipments</i>	1,368.3	1,073.5	3,935.5	5,866.0
<i>Shipments by Product (%)</i>				
Stainless/Electrical	13.5%	19.1%	17.0%	16.3%
Coated	45.4%	43.1%	45.5%	42.2%
Cold Rolled	24.4%	20.0%	20.9%	20.2%
Tubular	1.8%	2.0%	2.1%	2.0%
<i>Subtotal Value-added Shipments</i>	85.1%	84.2%	85.5%	80.7%
Hot Rolled	11.4%	12.3%	10.5%	16.2%
Secondary	3.5%	3.5%	4.0%	3.1%
<i>Subtotal Non Value-added Shipments</i>	14.9%	15.8%	14.5%	19.3%
<i>Total Shipments</i>	100.0%	100.0%	100.0%	100.0%

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