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Executive Officer Group from left to right: Joseph A. Rutkowski, Executive Vice President; Daniel R. DiMicco, Vice Chairman, President and Chief Executive Officer; Terry S. Lisenby, Chief Financial Officer, Treasurer and Executive Vice President; D. Michael Parrish, Executive Vice President; James M. Coblin, Vice President, Human Resources; Hamilton Lott, Jr., Executive Vice President; and John J. Ferriola, Executive Vice President.

OUR GOAL IS TO TAKE CARE
OF OUR CUSTOMERS...it's our nature.



FINANCIAL HIGHLIGHTS

	2003	2002	% CHANGE
FOR THE YEAR			
Net sales	\$6,265,823,467	\$4,801,776,537	+30%
Earnings:			
Earnings before income taxes	66,877,223	230,053,015	-71%
Provision for income taxes	4,096,000	67,973,000	-94%
Net earnings	62,781,223	162,080,015	-61%
Per share:			
Basic	.80	2.08	-62%
Diluted	.80	2.07	-61%
Dividends per share	.80	.76	+5%
Percentage of net earnings to sales	1.0%	3.4%	-71%
Return on average equity	2.7%	7.2%	-63%
Capital expenditures	215,408,007	243,598,096	-12%
Depreciation	364,111,924	307,101,032	+19%
Sales per employee	636,803	527,581	+21%
AT YEAR END			
Working capital	\$990,965,062	\$823,825,820	+20%
Property, plant and equipment	2,817,135,193	2,932,058,102	-4%
Long-term debt	903,550,000	878,550,000	+3%
Stockholders' equity	2,342,077,788	2,322,989,489	+1%
Per share	29.80	29.71	_
Shares outstanding	78,590,171	78,180,108	+1%
Employees	9,900	9,800	+1%

Certain amounts from the prior year have been reclassified to conform to the 2003 presentation.

FORWARD-LOOKING STATEMENTS Certain statements made in this annual report are forward-looking statements that involve risks and uncertainties. These forward-looking statements reflect the Company's best judgment based on current information, and although we base these statements on circumstances that we believe to be reasonable when made, there can be no assurance that future events will not affect the accuracy of such forward-looking information. As such, the forward-looking statements are not guarantees of future performance, and actual results may vary materially from the results and expectations discussed herein. Factors that might cause the Company's actual results to differ materially from those anticipated in forward-looking statements include, but are not limited to: (1) the sensitivity of the results of our operations to prevailing steel prices and changes in the supply and cost of raw materials, including scrap steel; (2) availability and cost of electricity and natural gas; (3) market demand for steel products; (4) competitive pressure on sales and pricing, including pressure from imports and substitute materials; (5) uncertainties surrounding the global economy including excess world capacity for steel production; (6) U.S. and foreign trade policy affecting steel imports or exports; (7) significant changes in government regulations affecting environmental compliance; (8) the cyclical nature of the domestic steel industry; (9) capital investments and their impact on our performance; (10) our safety performance; and (11) other factors described in the Company's filings with the Securities and Exchange Commission.



Daniel R. DiMicco
Vice Chairman, President and
Chief Executive Officer

Since Nucor began focusing on the steel business in 1966, the company has been profitable every single quarter, a record unmatched by any other North American steel manufacturer.

When I wrote to you last year, I predicted that 2003 was shaping up to be an especially challenging year in our business. Nevertheless, I was confident that Nucor's longstanding tradition of successfully emerging from industry downturns stronger than ever would continue.

Our team did face significant challenges in 2003, including:

- > Severely depressed construction markets
- > Significant short-term costs required to commercialize new technology
- > The integration of our largest acquisition ever and a major sheet mill
- > An unprecedented surge in the cost of our key raw material, scrap steel.

Despite these fierce headwinds, we continued our string of profitable quarters. Nucor's businesses generated cash from operations of more than \$494,600,000 in 2003, one of our strongest years ever for operating cash flow performance. We solidified our position as

the nation's largest steel manufacturer and the largest recycler. Our net earnings declined 61%, to \$62,800,000, or 80 cents per share. While we are particularly disappointed in this year's earnings performance, we have accomplished many things that allowed us to be one of the few profitable steel companies in North America. We are never satisfied with our results, and we will continually seek improvement in all of our operations. Our 9,900 employees performed well in 2003, and they are off to an excellent start in 2004 to accomplish much more.

Nucor again set records for both steel production and steel shipments. In 2003, steel shipments rose 31% to 17,700,000 tons. That is up 61% from just three years ago, during a period when the nation's economy – and, in particular, the manufacturing and non-residential construction sectors, which consume a great deal of steel – slowed considerably from the boom days of the 1990s.

Nucor has a long history of seizing opportunities during difficult steel market conditions. The past few years together represent one of the steel industry's deepest down cycles, as prices eroded and dozens of companies slipped into bankruptcy.

Even in these troubled times, we have not wavered from our focused, disciplined strategy to strengthen our competitive position, drive long-term growth in our earnings power and raise returns on our stockholders' investment. The keys to executing the strategy continue to be:

- > Optimize existing operations
- > Continue greenfield growth via the commercialization of new technologies
- > Pursue strategic acquisitions
- > Grow globally through joint ventures.

This has been our focus for the past few years. Let's examine our recent performance in each of these areas.

Optimizing existing operations. Every Nucor employee strives for continual improvement. Everyone understands that continual improvement of our existing operations represents our single largest opportunity for long-term earnings growth.

Our plate mill in North Carolina, which began casting and rolling in the fall of 2000, is an excellent example of that commitment. Facing an extremely difficult pricing environment, our plate mill team made tremendous gains in productivity while posting record-low conversion costs. Meanwhile, customers tell us that the quality of our product has been excellent.

Our bar mill modernization program is another success. We set aggressive schedules for installing a new finishing end in Darlington, South Carolina, and upgrading the rolling mill in Norfolk, Nebraska. During 2003, the Nucor Team completed both projects on time and on budget. We conducted extensive training programs to move employees swiftly up the learning curve. By year's end, these bar mills had lowered their conversion costs, increased their yields and productivity and improved product consistency. They also improved their operating profit contribution – with more to come from these facilities in 2004. Our modernization program continues. The new melt shop at the mill in Jewett, Texas is on schedule for completion before summer.

Our sheet mill in Berkeley County, South Carolina completed construction of a vacuum degasser in late 2003. The degasser, which has successfully completed several initial trials, will allow us to expand the mill's product capabilities into deep drawing steel grades. Deep drawing capability enables us to participate in higher value-added business in the automotive, appliance, lawn and garden, and heating-ventilation-air conditioning markets.

On a broader note, our sheet mills continue to enjoy success with the strategy of aggressively cultivating automotive opportunities that match our strategic growth plans and enhance our position as a value-added steel producer. Today, we are selling on either a direct or indirect basis to most of the U.S. automotive producers. Through our investment in state-of-the-art equipment, we are positioned to grow our automotive business. We sold more than 325,000 tons in the automotive market last year, and we expect to double that total in 2004.

We continue to push the standard on environmental performance in our industry. Nucor continues to work with the Environmental Protection Agency and state environmental departments to establish a premier environmental management system at our operating units. In 2003 we had several facilities that obtained certification of their ISO 14001 Environmental Management Systems. By the end of 2004, all facilities will be involved in this program, with many more having obtained this significant certification. Our employees, working with their environmental departments, continue to push us toward higher levels of environmental performance at lower costs. Through strategic planning we are creating a culture that has increased our level of environmental performance, lowered our impact on natural resources, controlled our compliance costs and set a standard that others will find hard to match. Nucor is the only steel manufacturer with a facility in the EPA National Environmental Performance Track program.

Continuing greenfield growth via the commercialization of new technologies. We did not open any new plants in the United States in 2003, but we made significant progress at one of our newest facilities that utilizes an emerging technology. Our team at the Castrip® facility in Crawfordsville, Indiana, has explored – and successfully navigated to this point – what were uncharted waters in working with revolutionary new technology to directly cast strip steel. During the second half of 2003, the team made important technological breakthroughs that have resulted in longer casting sequences and improved product quality and improvements in the life of key consumables. The successful sequencing of heats also resulted in higher production rates. Multi-ladle casting sequences are now part of routine production. Castrip expects increased production and prime rates to continue into 2004. We are optimistic about the prospects for attaining commercialization of the Castrip technology this year.

Pursuing strategic acquisitions. We purchased the four operating mills and other assets of Birmingham Steel Corporation ("Birmingham Steel") in late 2002 for approximately \$615,000,000 – the largest acquisition in Nucor's history. These mills boosted Nucor's 2003 shipment volume by 2,400,000 tons – and made a significant operating profit contribution in very depressed bar market conditions.

The success of the Birmingham Steel integration reinforces our philosophy of smart acquisitions: Don't over pay. Stick to businesses you know. And make sure the companies have compatible cultures – employee focus, teamwork, safety, customer focus, high quality standards, ethics and integrity, environmental focus and a commitment to continual improvement and risk-taking.

Last year also was an important period for our newest sheet mill in Decatur, Alabama, acquired in 2002. The mill expanded our sheet steel capacity by 30%, to 8,700,000 tons a year. Our team has overcome early equipment problems to build volume rapidly, improve quality and speed up deliveries. Fourth quarter production at the mill was 63% higher than production for the second quarter, driving improvements in Decatur's bottom line. A crucial part of Decatur's recent success comes from another part of our model for successful acquisitions: leveraging the talent and energy of the entire Nucor Team. At least a half-dozen other Nucor divisions have given Decatur their technical expertise and support. We are all very excited about Decatur's potential to produce higher quality grades of sheet than Nucor has ever achieved.

Growing globally through joint ventures. We have two joint ventures with global partners scheduled for production starts later in 2004. Nucor and Companhia Vale do Rio Doce ("CVRD") are building a facility in northern Brazil that will produce pig iron in an environmentally friendly manner. This project will create charcoal from specially cultivated forests that regenerate themselves by consuming carbon dioxide from the atmosphere. Unlike conventional pig iron projects, this process will reduce carbon dioxide (a greenhouse gas) instead of increasing the amount of it in the atmosphere, as the forest will consume more carbon dioxide than will be emitted by the mini-blast furnaces. The trees are planted along with an equal amount of restored virgin forest, the charcoal furnaces are under construction, and the permits are being acquired for the pig iron operations. The project, when complete, will annually supply 380,000 tons of "environmentally green" pig iron, with an option of doubling that amount in the future.

Our HIsmelt™ project, a joint venture with The Rio Tinto Group, Mitsubishi Corporation, and Chinese steelmaker Shougang Corporation, is building a facility in Western Australia. The HIsmelt process uses iron ore fines and coal fines of all qualities to directly produce liquid iron with considerably better environmental results and significantly less energy consumed than standard iron-making technologies. Construction is more than halfway to completion, and the plant's operating team has begun training and preparing for the commissioning of equipment. Production is scheduled to begin in the fourth quarter of 2004. This facility will have an annual capacity of 800,000 metric tons.

Both of these projects will provide Nucor with high quality, alternative sources of raw materials. We began work on these initiatives several years ago in more subdued scrap markets, and their output will be an important asset for Nucor moving forward in more heated raw materials environments. We also are working on several other raw material supply projects that will help stabilize our raw material pricing and availability going forward.

Our scrap prices surged \$65 (57%) per ton between December 2002 and December 2003. When the price increase accelerated in the fall, we responded promptly. We became the first major North American steel producer to introduce a raw material surcharge, to ensure that we would be able to purchase the scrap needed to fill our customers' steel needs while restoring our margins to appropriate levels. The marketplace accepted the surcharge, albeit begrudgingly. The media, market analysts and investors all have expressed concern that rising scrap prices would cripple the margins of mini-mills. I understand the concern, but we predict the exact opposite to occur. Nucor expects to earn higher margins in 2004 than in 2003, along with increased volumes, across all product lines because of the improving supply/demand balance for our products and an improving economy. Having said this, runaway raw material costs, coupled with a major surge in imports, continue to be a risk factor going forward. While the former is a current issue, the latter is not because of the strength in global steel demand at present and the higher global steel prices.

While we begin 2004 with a great deal of optimism, we also are carefully monitoring several sensitive fronts. In December, the Bush Administration chose to prematurely end the temporary steel safeguard tariffs, known as Section 201. The Administration implemented Section 201 to help the domestic steel industry recover from serious injury caused by the illegal trading practices of foreign competitors. Concurrent with this, the industry took historic steps to consolidate and restructure. This restructuring is not complete, but we are encouraged by the Administration's commitment to strengthen existing U.S. trade laws by closing the loopholes that permit import surges, circumvention and repetitive dumping. The future of U.S. manufacturing, not just the domestic steel industry, depends in large part upon the Administration's willingness to hold the world trading community accountable for unfair and illegal trading practices.

Our fortunes, as always, are tied to the entire U.S. economy and, to a greater extent than ever before, the global economy. A reversal of the current global recovery, in particular a sudden change in China's economy, will be felt by all major steel manufacturers, including Nucor.

Whatever turn the economy takes, Nucor will remain true to the principles that have guided us through nearly four decades of uninterrupted profitability and growth.

We are committed to our goal, which is to take care of our customers. We do it by being the safest, highest quality, lowest cost, most productive and most profitable steel and steel products company in the world.

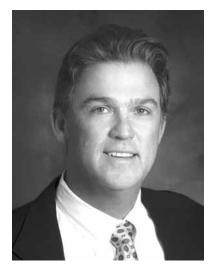
To our employees, stockholders, customers and suppliers, thank you for your continuing support. Together, we have built a solid foundation for sustainable and substantial growth in Nucor's earnings power in 2004 and beyond.

Sincerely,

Daniel R. DiMicco

Vice Chairman, President and Chief Executive Officer

nil R. D. Micco



Terry S. Lisenby
Chief Financial Officer, Treasurer
and Executive Vice President

Nucor's net sales for 2003 were a record \$6,265,800,000, an increase of 30% from \$4,801,800,000 in 2002. Net earnings were \$62,800,000 (\$.80 per share), a decrease of 61% from \$162,100,000 (\$2.07 per share) in 2002.

In spite of another challenging year in the steel industry, Nucor was one of the few domestic steel companies to remain profitable in 2003. The weak economic conditions in the United States, specifically in the non-residential construction and capital goods markets important to Nucor, continued to impact our financial performance. As in the past two years, average sales prices were significantly below normal. In addition, earnings were negatively impacted by higher scrap and energy costs. These factors reduced our metal margin, the spread between steel selling prices and scrap costs; however, with the expectation of further strengthening of demand and our implementation of a raw materials surcharge on January 1, we anticipate an increase in metal margin as we move through 2004.

Nucor's utilization rate in 2003 remained strong at 92% of production capacity (an average of all operating facilities) in a very weak economy. Nucor established new records in 2003

for steel production, total steel shipments and steel shipments to outside customers. Steel production in 2003 increased 28% to 17,441,000 tons, compared with 13,622,000 tons in 2002. Total steel shipments improved 31% to 17,656,000 in 2003, compared with 13,438,000 tons a year earlier. Steel sales to outside customers were up 32% to 16,263,000 tons in 2003, compared with 12,314,000 tons in 2002. In the steel products segment, steel joist production was 503,000 tons in 2003, compared to 462,000 tons in 2002. Steel deck sales were 353,000 tons, compared to 330,000 tons in 2002. Cold finished steel sales were 237,000 tons in 2003, compared with 226,000 tons in 2002. Building systems sales were 76,000 tons in 2003, compared with 68,000 tons in 2002.

Nucor has long employed conservative financial and accounting practices and plain language, easy-to-understand financial reporting. We will continue this tradition. We have a simple capital structure with no off-balance sheet liabilities, and we will continue to maintain our strong balance sheet. At the end of 2003, Nucor had \$350,300,000 in cash and short-term investments, and a low percentage of debt to total capital of 26%. Despite a difficult year, we generated cash flows from operations of more than \$494,600,000. We are committed to maintaining our strong financial position and believe our industry-high credit rating gives us additional competitive advantage in a consolidating industry.

Nucor's achievements in this challenging business environment are due to the efforts and loyalty of its 9,900 employees, and to the support of customers, suppliers and stockholders. We believe that Nucor is well positioned for strong performance in 2004.

Sincerely,

Terry S. Lisenby

Chief Financial Officer, Treasurer and Executive Vice President



Peter C. Browning Non-Executive Chairman

The steel industry and the global economy went through more than just another challenging year in 2003. China's continuing economic boom, the decline in the dollar, rising scrap prices, the premature end of Section 201 tariffs – all of these had an impact on a broad range of U.S. manufacturers, including Nucor.

The board recognizes that the Nucor Team dealt very effectively with this extraordinarily complex and volatile environment. Most importantly, the company continued to move forward on its strategic plan, not allowing itself to become distracted by these changing and challenging conditions.

During the past year, Nucor made significant progress integrating its major acquisitions of 2002. The four former bar mills of Birmingham Steel quickly transitioned into productive, profitable Nucor divisions – a tribute not only to Nucor's integration practices but also to management's acumen in identifying compatible acquisition targets. The Decatur, Alabama, sheet mill is overcoming some challenges and ramping up production, while the company

also continues to focus on developing groundbreaking technology through strategic partnerships such as Castrip, Green Pig and HIsmelt. Dan discusses details of these projects in his letter.

Dan and his leadership team have taken an appropriate and influential role to encourage the Bush Administration and leaders of other nations to address the global excess capacity problem in a way that will support the evolution of a vibrant global steel industry. Needless to say, that work remains unfinished.

Despite these many initiatives, the board recognizes that Nucor employees have not taken their eyes off their objective to continually improve productivity, costs and quality. Most importantly, Nucor's well-known values continue to drive the company, even as its steel production has tripled over the past decade.

This combination of pushing forward on strategic initiatives while continually improving the nuts and bolts operations provides the basis for assuring that Nucor will be in a position to take advantage of these dynamic conditions. In times of extraordinary turbulence, the company that manages to stay focused on the basics and sticks with its plan will be well-positioned to lead the industry recovery under emerging, more favorable economic circumstances.

Sincerely,

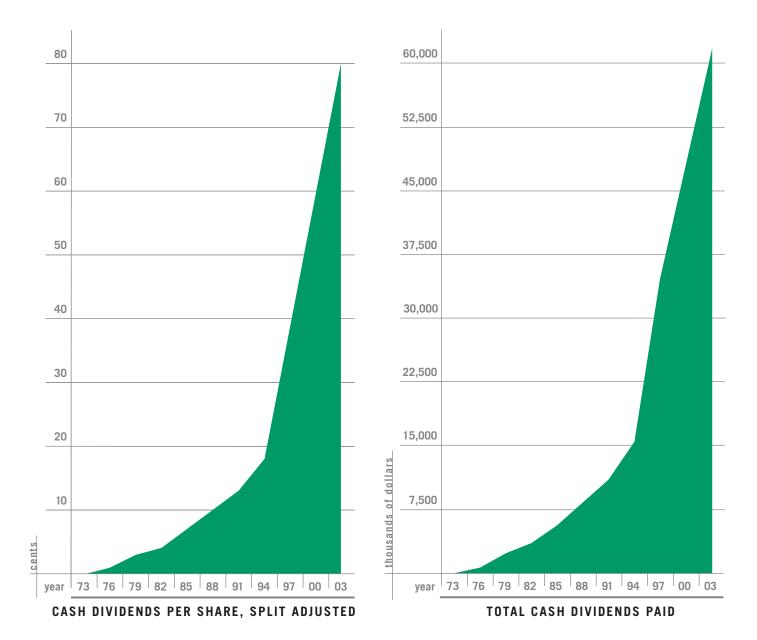
Peter C. Browning
Non-Executive Chairman

NUCOR has increased the cash dividend every year since 1973.

Over the past three decades, we have reinvested our significant operating cash flow, modernizing our equipment and opening new facilities. We also believe in returning a steadily increasing amount directly to our investors through dividends.

Nucor began paying dividends in 1973 and has increased dividend payments every year since then – a record of unusual consistency, particularly for a company in a cyclical industry such as steel.

In 1973, Nucor paid a split-adjusted annual dividend of 0.425 cents per share. In 2003, that dividend was 80 cents per share. Our Board of Directors recently announced Nucor's 124th consecutive quarterly cash dividend of 21 cents per share. Nucor intends to continue to increase cash dividends in the future as financial conditions and earnings permit.





STEEL MILLS SEGMENT

BAR MILLS

Products: Steel bars, angles and other products for automotive, construction, farm machinery, metal buildings, furniture and recreational equipment.

Darlington, South Carolina Norfolk, Nebraska Jewett, Texas Plymouth, Utah Auburn, New York (Nucor Steel Auburn, Inc.) Birmingham, Alabama (Nucor Steel Birmingham, Inc.) Kankakee, Illinois (Nucor Steel Kankakee, Inc.) Jackson, Mississippi (Nucor Steel Jackson, Inc.) Seattle, Washington (Nucor Steel Seattle, Inc.) Pompano Beach, Florida (Nucor Steel Services of Florida, Inc.)

SHEET MILLS

Products: Flat-rolled steel for automotive, appliances, pipes and tubes, construction and other industries.

Crawfordsville, Indiana
Hickman, Arkansas
Berkeley County, South Carolina
Decatur, Alabama
(Nucor Steel Decatur, LLC)

NUCOR-YAMATO STEEL COMPANY

Products: Super-wide flange steel beams, pilings, heavy structural steel products for fabricators, construction companies, manufacturers and steel service centers.

Blytheville, Arkansas

BEAM MILL

Products: Wide flange steel beams, pilings, heavy structural steel products for fabricators, construction companies, manufacturers and steel service centers.

Berkeley County, South Carolina

PLATE MILL

Products: Steel plate for manufacturers of heavy equipment, rail cars, ships and barges, refinery tanks and others.

Hertford County, North Carolina

STEEL PRODUCTS SEGMENT

VULCRAFT

Products: Steel joists, joist girders and steel deck for buildings.

Florence, South Carolina Norfolk, Nebraska Fort Payne, Alabama Grapeland, Texas St. Joe, Indiana Brigham City, Utah Chemung, New York (Vulcraft of New York, Inc.)

COLD FINISH

Products: Cold finished steel bars for shafting and precision machined parts.

Norfolk, Nebraska Darlington, South Carolina Brigham City, Utah

BUILDING SYSTEMS

Products: Metal buildings and metal building components for commercial, industrial and institutional building markets.

Waterloo, Indiana Swansea, South Carolina Terrell, Texas

FASTENER

Products: Steel hexhead cap screws, structural bolts and hex bolts for automotive, machine tools, farm implements, construction and military applications.

St. Joe, Indiana

NUCON STEEL

Products: Load bearing light gauge steel framing systems for the commercial and residential construction markets.

Denton, Texas (headquarters) Dallas, Georgia

CORPORATE OFFICE

Charlotte, North Carolina

STEEL MILLS SEGMENT

BAR MILLS, SHEET MILLS, STRUCTURAL MILLS AND PLATE MILL

Nucor operates scrap-based steel mills in sixteen facilities. These mills utilize modern steelmaking techniques and produce steel at a cost competitive with steel manufactured anywhere in the world.

BAR MILLS

Nucor has nine bar mills located throughout the United States that produce bars, angles and light structural shapes in carbon and alloy steels. These products have wide usage including automotive, construction, farm equipment, metal buildings, furniture and recreational equipment. Four of the bar mills were originally constructed by Nucor between 1969 and 1981 and are located in South Carolina, Nebraska, Texas and Utah. Nucor has undertaken extensive capital projects to keep these facilities modernized, including two projects completed in 2003: a modernization of the rolling mill at the Nebraska facility and a new finishing end at the South Carolina facility. Construction of a new melt shop at the Texas bar mill will be completed in 2004. In 2001, Nucor purchased substantially all of the assets of Auburn Steel Company, Inc.'s ("Auburn Steel") steel bar facility in Auburn, New York for approximately \$115,000,000. This facility has the capacity to produce up to 450,000 tons of merchant and special bar quality (SBQ) steel shapes and rebar. In 2002, Nucor completed the acquisition of substantially all the assets of Birmingham Steel Corporation ("Birmingham Steel") for a cash purchase price of approximately \$615,000,000. The four bar mills acquired from Birmingham Steel can produce in excess of 2,200,000 tons annually and are located in Alabama, Illinois, Mississippi and Washington. The total capacity of our nine bar mills is approximately 6,000,000 tons per year.

SHEET MILLS

The four sheet mills produce flat-rolled steel for automotive, appliances, pipes and tubes, construction and other industries. Nucor constructed the sheet mills in Indiana, Arkansas and South Carolina between 1989 and 1996. The constructed sheet mills utilize thin slab casters to produce hot rolled sheet, which can be further processed through cold rolling and galvanizing. In 2002, Nucor completed the purchase of substantially all the assets of Trico Steel Company, LLC ("Trico") for a cash purchase price of \$117,700,000. This sheet mill is located in Decatur, Alabama and has an annual capacity of approximately 1,900,000 tons, expanding our sheet capacity by 30%. Total capacity of the four sheet mills is about 8,700,000 tons per year.

STRUCTURAL MILLS

The structural mills produce wide flange steel beams, pilings and heavy structural steel products for fabricators, construction companies, manufacturers and steel service centers. In 1988, Nucor and Yamato Kogyo, one of Japan's major producers of wide flange beams, completed construction of a beam mill located near Blytheville, Arkansas. Nucor owns a 51% interest in Nucor-Yamato Steel Company. During 1999, Nucor started operations at its 700,000 tons-per-year steel beam mill in South Carolina. Both mills use a special continuous casting method that produces a beam blank closer in shape to that of the finished beam than traditional methods. Current annual production capacity of our two structural mills is approximately 3,200,000 tons.

PLATE MILL

Nucor's plate mill is located in North Carolina and produces steel plate for manufacturers of heavy equipment, rail cars, ships, barges, refinery tanks and others. During 2000, Nucor substantially completed construction and began operating the 1,200,000 tons-per-year steel plate mill. With the competitive advantages of new, more efficient production technology and Nucor's strong customer service orientation, we expect to build a profitable market share position in the plate market.

OPERATIONS

Nucor's steel mills are among the most modern and efficient mills in the United States. Recycled steel scrap and other metallics are melted in electric arc furnaces and poured into continuous casting systems. Highly sophisticated rolling mills convert the billets, blooms and slabs into rebar, angles, rounds, channels, flats, sheet, beams, plate and other products.

Production in 2003 was a record 17,441,000 tons, a 28% increase from 13,622,000 tons in 2002. Annual production capacity has grown from 120,000 tons in 1970 to a present total of about 19,100,000 tons.

The operations in the rolling mills are highly automated and require fewer operating employees than older mills. All Nucor steel mills have high productivity, which results in employment costs of approximately 9% of the sales dollar. This is lower than the employment costs of integrated steel companies producing comparable products. Employee turnover in all mills is extremely low. All employees have a significant part of their compensation based on their productivity. Production employees work under group incentives that provide increased earnings for increased production. This additional compensation is paid weekly.

Steel mills are large consumers of electricity and natural gas. Total energy costs increased approximately \$4 per ton from 2002 to 2003; however, because of the high efficiency of Nucor steel mills, these energy costs were less than 10% of the sales dollar in 2003 and 2002.

Scrap and scrap substitutes are the most significant element in the total cost of steel production. The average cost of scrap and scrap substitutes increased 25% to \$137 per ton in 2003 from \$110 per ton in 2002. The average scrap cost per ton purchased increased \$65 (57%) from December 2002 to December 2003.

MARKETS AND MARKETING

Approximately 93% of the sixteen steel mills' production in 2003 was sold to outside customers and the balance was used internally by the Vulcraft, Cold Finish, Building Systems and Fastener divisions. Steel sales to outside customers in 2003 were a record 16,263,000 tons, 32% higher than the 12,314,000 tons in 2002.

Our steel mill customers are primarily manufacturers, steel service centers and fabricators. While the sheet mills continue to build long-term relationships with contract customers who purchase more value-added products, we did reduce our goal of 50-60% contract business when contract pricing deteriorated below acceptable levels in the last half of 2003. This adjustment will work to our advantage in 2004 by allowing greater price realization and providing us the opportunity to gain new contract business at fair prices. Long term, the sheet mills will continue to pursue profitable contract business.

TRADE ISSUES

Nucor's continued involvement in trade issues is a critical part of our efforts to support the long-term success of our steel-making operations. Unfairly traded, illegally dumped steel imports have devastated the U.S. steel industry and its workers. In the first quarter of 2002, the Bush Administration implemented Section 201 to help the domestic steel industry recover from the illegal and predatory trading practices of foreign competitors. In December 2003, the Administration chose to end prematurely the temporary steel safeguard tariffs; however, we are optimistic about the Administration's commitment to the vigorous enforcement of U.S. trade laws and the President's promise to work with Congress to achieve a long-term solution to illegal dumping and other unfair trade practices.

NEWER FACILITIES AND EXPANSIONS

During 2001, Nucor started operations of the second cold rolling facility at the sheet mill in Berkeley County, South Carolina, increasing this mill's cold rolled steel capacity from 750,000 tons to 1,500,000 tons per year, at a cost of more than \$40,000,000.

At the end of the first quarter of 2001, Nucor completed the acquisition of the assets of Auburn Steel's merchant bar, rebar and SBQ steel mill. Nucor Steel Auburn, Inc., is an important addition to our bar mills, as it gives Nucor a merchant bar presence in the Northeast and also is an excellent strategic fit with our Vulcraft facility in New York. The transition and integration of this business have been extremely successful and helped us develop our planning for more recent acquisitions.

In February 2002, Nucor announced that over \$200,000,000 would be spent on three bar mill capital projects over the next three years. During 2003, we completed two of the three projects — modernizing the rolling mill at the Nebraska facility and installing a new finishing end at the South Carolina facility. Both of these projects were completed on time and on budget. By the end of 2003, these two bar mills had lowered their conversion costs, increased their yields and productivity, and improved product consistency. The third bar mill project, installing a new melt shop at the Texas mill, is on schedule for completion during 2004.

In July 2002, Nucor's wholly owned subsidiary, Nucor Steel Decatur, LLC, purchased substantially all the assets of Trico, for a purchase price of \$117,700,000. This 1,900,000-ton sheet mill, located in Decatur, Alabama, began operations in 1997 but had been shut down as the result of bankruptcy. The purchase strategy called for a major renovation of the facility including: the scrap handling system, both electric arc furnaces, the alloy system, the water systems, the tunnel furnace, rolling mill gearing and the finished coil handling equipment. Capital expenditures for this facility were approximately \$68,000,000 in 2002 and \$17,000,000 in 2003. Nucor Steel Decatur experienced equipment problems during start-up in the second quarter of 2003; however, we have overcome these issues and continue to build volume rapidly and improve quality. Despite down-time for gearing work and holidays, production at this mill was over 375,000 tons in the fourth quarter, which equates to an annual rate of 1,500,000 tons.

In December 2002, we completed the acquisition of substantially all the assets of Birmingham Steel for a cash purchase price of approximately \$615,000,000, including \$116,900,000 in inventory and receivables. Primary assets purchased were four operating steel mills that produce rebar and other bar products and have combined annual capacity of more than 2,200,000 tons. These plants are very similar to the ones we have operated, and the employees are not represented by unions. The compatibility of the four purchased bar mills has helped to facilitate what has been a very smooth transition and integration process. These four bar mills, the largest acquisition in Nucor's history, made a significant operating profit contribution in the challenging bar market conditions of 2003.

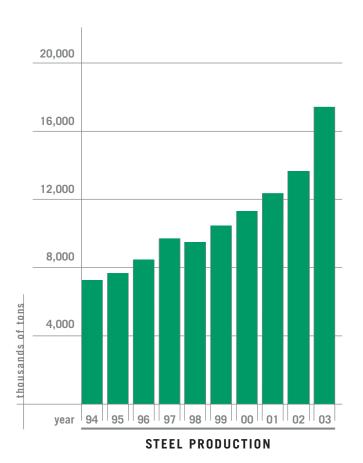
In late 2003, the sheet mill in Berkeley County, South Carolina, completed construction and began trials of a vacuum degasser. The degasser will allow Nucor to expand this facility's product capacity into deep drawing steel grades, enabling us to participate in more value-added business in the automotive, appliance, lawn and garden, and heating-ventilation-air conditioning markets.

COMMERCIALIZATION OF NEW TECHNOLOGIES

Nucor began operations of its 100% owned Castrip® facility in Crawfordsville, Indiana in May 2002. This facility uses the breakthrough technology of strip casting, to which Nucor holds exclusive rights in the United States and Brazil. Strip casting involves the direct casting of molten steel into final shape and thickness without further hot or cold rolling. This process allows lower investment and operating costs, reduced energy consumption and smaller scale plants than can be economically built with current technology. This process also reduces the overall environmental impact of producing steel by generating significantly lower emissions, particularly NOx. During the second half of 2003, process improvements were made that increased the output of the Castrip facility, improved product quality and improved the life of key consumables. Multi-ladle casting sequences are now part of routine production. Increased production and improved product quality are expected to continue in 2004.

In April 2002, Nucor entered a joint venture with The Rio Tinto Group, Mitsubishi Corporation and Chinese steelmaker Shougang Corporation, to construct a commercial HIsmelt™ plant in Kwinana, Western Australia. The HIsmelt process converts iron ore fines and coal fines to liquid metal, eliminating the need for a blast furnace, sinter/pellet plants and coke ovens. Nucor has a 25% interest in the joint venture that owns the HIsmelt commercial plant. Construction is approximately 50% completed and production is scheduled to begin in the fourth quarter of 2004. This plant will have an annual capacity of 800,000 metric tons.

In April 2003, Nucor entered a joint venture with Companhia Vale do Rio Doce ("CVRD") to construct and operate an environmentally friendly pig iron project in northern Brazil. The project will utilize two conventional mini-blast furnaces to produce about 380,000 metric tons of pig iron per year in its initial phase, using CVRD iron ore from its Carajas mine in northern Brazil. The charcoal source will be exclusively from eucalyptus trees grown in a cultivated forest of 82,000 acres with the total forest encompassing approximately 200,000 acres in northern Brazil. The cultivated forest removes more carbon dioxide from the atmosphere than the blast furnace process emits. It is anticipated that Nucor will purchase all of the production of the plant. Production is scheduled to begin in late 2004.





STEEL PRODUCTS SEGMENT

VULCRAFT is the nation's largest producer of open-web steel joists, joist girders and steel deck, which are used for building construction.

OPERATIONS

Steel joists and joist girders are produced and marketed nationally through seven Vulcraft facilities located in South Carolina, Nebraska, Alabama, Texas, Indiana, Utah and New York. Current annual production capacity is more than 685,000 tons. In 2003, Vulcraft produced 503,000 tons of steel joists and joist girders, an increase of 9% from the 462,000 tons produced in 2002.

Material costs, primarily steel, were 56% of the joist sales dollar in 2003 (51% in 2002). In 2003 and 2002, Vulcraft obtained 99% and 97%, respectively, of its steel requirements for joists and joist girders from the Nucor bar mills. For 2003 and 2002, freight costs for joists and joist girders were less than 10% of the sales dollar. Vulcraft maintains an extensive fleet of trucks to ensure and control on-time delivery.

The Vulcraft facilities in South Carolina, Nebraska, Alabama, Texas, Indiana and New York produce steel deck. Current deck annual production capacity is approximately 430,000 tons. Vulcraft steel deck sales increased 7% from 330,000 tons in 2002 to 353,000 tons in 2003. Coiled sheet steel was about 66% of the steel deck sales dollar in 2003 (69% in 2002). In 2003 and 2002, Vulcraft obtained 99% and 96%, respectively, of its steel requirements for steel deck production from the Nucor sheet mills. For 2003 and 2002, freight costs for deck were less than 10% of the sales dollar.

Almost all of the production employees of Vulcraft work with a group incentive system, which provides increased compensation each week for increased performance.

MARKETS AND MARKETING

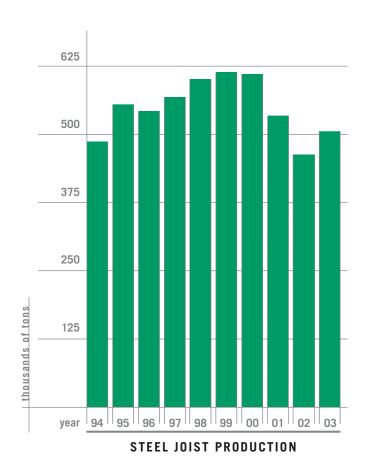
Steel joists, joist girders and steel decking are used extensively as part of the roof and floor support systems in manufacturing buildings, retail stores, shopping centers, warehouses, schools, churches, hospitals and, to a lesser extent, in multi-story buildings and apartments. Building support systems using joists, joist girders and steel deck are frequently more economical than other systems.

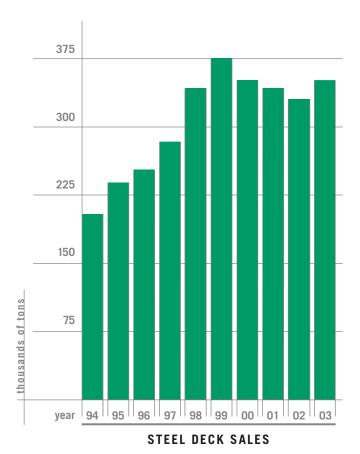
Steel joists and joist girder sales are obtained by competitive bidding. Vulcraft quotes on a significant percentage of the domestic buildings using steel joists and joist girders as part of the support systems. In 2003, Vulcraft supplied more than 40% of total domestic sales of steel joists. Steel deck is specified in the majority of buildings using steel joists and joist girders. In 2003, Vulcraft supplied more than 30% of total domestic sales of steel deck.

Sales of steel joists, joist girders and steel deck are dependent on the non-residential building construction market.

NEWER FACILITIES

Nucor began construction on a Vulcraft facility in Chemung, New York (Vulcraft of New York, Inc.) in 2000. Start-up of the facility began in the second half of 2001. This facility produces steel joists, joist girders and steel deck and cost approximately \$50,000,000. The majority of the raw materials for this facility are supplied by Nucor's steel mills in Auburn, New York and Crawfordsville, Indiana. The Chemung Vulcraft facility represents a continuation of our successful value-added strategy, as well as expansion into a new geographic market for Vulcraft.





COLD FINISH AND FASTENER Nucor manufactures a variety of products using steel from Nucor mills.

COLD FINISH

Nucor Cold Finish has facilities in Nebraska, South Carolina and Utah. These facilities produce cold drawn and turned, ground and polished steel bars that are used extensively for shafting and precision machined parts. Nucor Cold Finish produces rounds, hexagons, flats and squares in carbon and alloy steels. These bars, in turn, are purchased by the automotive, farm machinery, hydraulic, appliance and electric motor industries, as well as by service centers. Nucor Cold Finish bars are used in tens of thousands of products. A few examples include anchor bolts, farm machinery, hydraulic cylinders, and shafting for air conditioner compressors, ceiling fan motors, garage door openers, electric motors and lawn mowers.

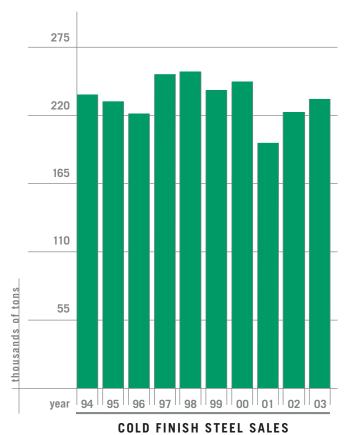
The total capacity of the three facilities is about 350,000 tons per year. All three facilities are among the most modern in the world and use in-line electronic testing to ensure outstanding quality. Nucor Cold Finish obtains most of its steel from the Nucor bar mills. This factor, along with the efficient facilities using the latest technology, results in a very competitive cost structure.

In 2003, sales of cold finished steel products were 237,000 tons, an increase of 5% from 2002's 226,000 tons. The total cold finish market is estimated to be more than 1,800,000 tons. Nucor Cold Finish anticipates opportunities for significant increases in sales and earnings during the next several years.

FASTENER

Nucor Fastener's state-of-the-art steel bolt-making facility in Indiana produces standard steel hexhead cap screws, hex bolts, structural bolts and custom-engineered fasteners. Fasteners are used in a broad range of markets, including automotive, machine tools, farm implements, construction and military applications.

Annual capacity is more than 75,000 tons, which is less than an estimated 20% of the total market for these products. The modern facility allows Nucor Fastener to maintain a highly competitive cost structure in a market currently dominated by foreign suppliers. This operation is highly automated and has fewer employees than comparable facilities. Nucor Fastener obtains much of its steel from the Nucor bar mills.



BUILDING SYSTEMS AND LIGHT GAUGE STEEL FRAMING Nucor

manufactures metal buildings and steel framing systems for commercial, industrial and residential construction markets.

BUILDING SYSTEMS

Nucor Building Systems produces metal building systems and components in Indiana, South Carolina and Texas. The annual capacity is more than 145,000 tons. The size of the buildings that can be produced ranges from less than 500 square feet to more than 1,000,000 square feet.

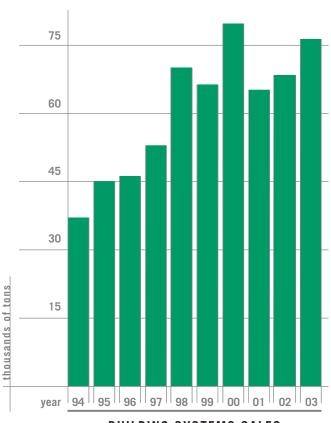
Complete metal building packages can be customized and combined with other materials such as glass, wood and masonry to produce a cost-effective, aesthetically pleasing building designed for customers' special requirements. The buildings are sold through a builder distribution network in order to provide fast-track, customized solutions for building owners.

Building systems sales in 2003 were approximately 76,000 tons, an increase of 12% from the 68,000 tons sold in 2002. The primary markets are commercial, industrial and institutional buildings, including distribution centers, automobile dealerships, retail centers, schools, warehouses and manufacturing facilities. Nucor Building Systems obtains a significant portion of its steel requirements from the Nucor bar and sheet mills.

LIGHT GAUGE STEEL FRAMING

In November 2001, Nucor acquired ITEC Steel, Inc. (now called Nucon Steel). Nucon Steel specializes in load bearing light gauge steel framing systems for the commercial and residential construction markets with facilities in Texas and Georgia. As a leader in the emerging load bearing light gauge steel framing industry, Nucon Steel will provide Nucor with a platform to enter this rapidly expanding new market. Nucon currently produces steel trusses and wall panels for commercial construction. During 2004, Nucon Steel will begin production at its first residential facility. Nucor plans to aggressively broaden Nucon's opportunities through geographic expansion and the introduction of new products.

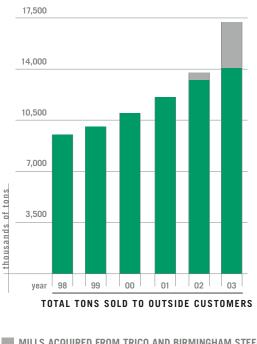
In January 2002, Nucor announced that the company had entered into a strategic alliance with Truswal Systems Corporation. The alliance includes a software development and license agreement for proprietary design, engineering and layout software. Nucon Steel will use Truswal's software in its operations and Truswal will market Nucon's light gauge steel framing products through its fabricator network.

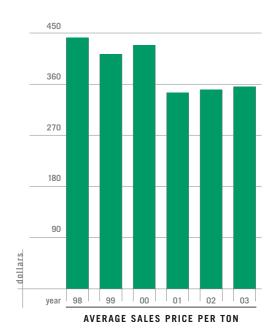


BUILDING SYSTEMS SALES

OPERATIONS

Nucor is a domestic manufacturer of steel and steel products whose customers are located primarily in the United States. During the last five years, Nucor's sales have increased 46% from \$4,305,500,000 in 1998 to \$6,265,800,000 in 2003. Although the average sales price per ton has decreased 20% from \$448 in 1998 to \$359 in 2003, total tons sold by Nucor have increased 82% from 9,612,000 tons to 17,473,000 tons over the same period. This growth has been generated through acquisitions, optimization of existing operations, and traditional greenfield projects using new technologies.





MILLS ACQUIRED FROM TRICO AND BIRMINGHAM STEEL

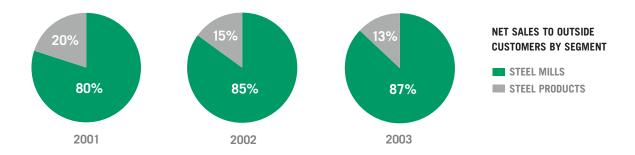
ALL OTHER MILLS

While Nucor historically has grown through greenfield projects and the continual improvement of existing operations, Nucor's growth strategy in 2002 included two significant acquisitions: Nucor purchased the assets of Trico Steel Company, LLC ("Trico") in Decatur, Alabama in July 2002 and the assets of Birmingham Steel Corporation ("Birmingham Steel") in December 2002. Both of these acquisitions had a significant impact on the sales of 2003. The acquisition of the Decatur sheet mill increased our capacity for sheet steel by 30% to 8,700,000 tons per year. Although we experienced equipment problems early in 2003 that prolonged the start-up period of this facility, we have overcome these issues and expect to generate an operating profit at this mill in 2004, depending upon market conditions and the cost of raw materials.

The purchase of the Birmingham Steel assets for approximately \$615,000,000 was the largest acquisition in Nucor's history. These mills boosted Nucor's 2003 shipment volume (outside and inside sales) by approximately 2,400,000 tons and made a significant contribution to net earnings in a year that experienced challenging bar market conditions. With remarkably similar cultures and excellent conversion costs, we are looking forward to attractive earnings growth from the four acquired bar mills.

In recent months, the prices of scrap steel and other raw materials have surged dramatically, hurting our profitability. Our average scrap cost per ton purchased increased \$65 (57%) from December 2002 to December 2003. In response to this rapid and unprecedented increase in the price of our raw materials, Nucor became the first major North American steel producer to impose a raw material surcharge on its products. This surcharge, which Nucor put into effect in January 2004 and plans to continue until scrap costs decline to more normal levels, should help restore our margins to appropriate levels and ensure that we will be able to purchase the raw materials we need to fill our customers' orders.

Nucor reports its results in two segments: steel mills and steel products. The steel mills segment includes carbon and alloy steel in sheet, bars, structural and plate. The steel products segment includes steel joists and joist girders, steel deck, cold finished steel, steel fasteners, metal building systems and light gauge steel framing.



COMPARISON OF 2003 TO 2002

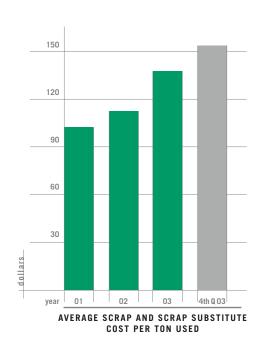
NET SALES

Net sales for 2003 increased 30% to \$6,265,800,000, compared with \$4,801,800,000 in 2002. The average sales price per ton increased less than 1% from \$357 in 2002 to \$359 in 2003, while total shipments to outside customers increased 30%. In the steel mills segment, net sales to external customers increased 34% from \$4,062,600,000 in 2002 to \$5,446,100,000 in 2003, primarily due to the additional production capacity obtained from the acquisitions of the assets of Trico and Birmingham Steel in 2002. Excluding the increases resulting from these acquisitions, total net sales to external customers increased 10% from 2002 to 2003. Net sales to external customers in the steel products segment were \$739,200,000 in 2002, compared with \$819,700,000 in 2003, an increase of 11%. This increase is primarily due to increased volume reflecting an improving non-residential construction market.

Nucor established new annual tonnage records in the steel mills segment for total steel shipments and steel shipments to outside customers in 2003. Total steel shipments increased 31% to 17,656,000 tons in 2003, compared with 13,438,000 tons in the previous year. Steel sales to outside customers increased 32% to 16,263,000 tons in 2003, compared with 12,314,000 tons in 2002. In the steel products segment, production and shipment volumes increased over the prior year across all major product lines; however, they still remain below the records established in the late 1990's. Steel joist production for 2003 was 503,000 tons, compared with 462,000 tons in the previous year. Steel deck sales were 353,000 tons, compared with 330,000 tons in 2002. Cold finished steel sales were 237,000 tons in 2003, compared with 226,000 tons in the previous year.

COST OF PRODUCTS SOLD

The major component of cost of products sold is raw material costs. The average volume of raw materials used increased 24% from 2002 to 2003, consisting of an increase of 27% in the steel mills segment and an increase of 5% in the steel products segment. The average price of raw materials increased 19% from 2002 to 2003. The average price of raw materials in the steel mills segment and the steel products segment increased 21% and 5%, respectively, from 2002 to 2003. The average scrap and scrap substitute cost per ton used in our steel mills segment was \$137 in 2003, an increase of 25% from \$110 in 2002. By the fourth quarter of 2003, the average scrap and scrap substitute cost per ton used had increased to \$155. The average scrap cost per ton purchased increased \$65 (57%) from December 2002 to December 2003 and has continued to increase in the first few months of 2004.



As a result of the increases in the cost of scrap and scrap substitutes, Nucor incurred a charge to value inventories using the last-in, first-out ("LIFO") method of accounting of \$115,000,000 in 2003 (including a LIFO charge of \$17,600,000 for Nucor-Yamato Steel Company, of which Nucor owns 51%), compared with a charge of \$34,300,000 in 2002 (including a LIFO charge of \$50,000 for Nucor-Yamato Steel Company).

Another significant component of cost of products sold for the steel mills segment is energy costs, since steel mills are large consumers of electricity and gas. Total energy costs per ton increased approximately \$4 from 2002 to 2003; however, because of the high efficiency of Nucor steel mills, these energy costs were less than 10% of the sales dollar in 2003 and 2002.

In December 2000, Nucor entered into a consent decree with the United States Environmental Protection Agency ("USEPA") and certain states in order to resolve alleged environmental violations. Under the terms of this decree, Nucor is conducting testing at some of its facilities, performing corrective action where necessary, and piloting certain pollution control technologies.

During 2002 and 2003, Nucor revised estimates for environmental reserves as additional information became available. Nucor made approximately \$6,000,000 in cash payments for remedial efforts during 2002 and made approximately \$22,900,000 in net reductions to reserves. In 2003, Nucor made approximately \$19,000,000 in cash payments for remedial efforts and reduced reserves by approximately \$8,300,000. The most significant components of the decreases in environmental reserves in 2002 and 2003 related to an agreement with the USEPA that certain technologies identified in the consent decree were not feasible and a favorable court ruling that implicated additional potentially responsible parties for the cleanup of an off-site waste recycling facility.

GROSS MARGIN

Gross margins decreased from 10% in 2002 to 4% in 2003. In addition to the net sales and cost of products sold factors discussed above, gross margins were affected by pre-operating and start-up costs at several Nucor facilities. Pre-operating and start-up costs are the losses attributable to facilities or major projects that are either under construction or in the early stages of operation. Once these facilities or projects have attained a utilization rate that is consistent with similar operating facilities, they are no longer considered to be in start-up. Pre-operating and start-up costs of new facilities increased 39% to \$117,500,000 in 2003, compared with \$84,400,000 in 2002. In 2003, these costs primarily related to the start-up of the sheet mill in Decatur, Alabama and the Castrip facility at our sheet mill in Crawfordsville, Indiana. In 2002, these costs primarily related to the start-up of the Castrip facility, the Vulcraft facility in Chemung, New York and the sheet mill in Decatur, Alabama. Nucor Steel Decatur experienced equipment problems in the second quarter of 2003; however, the Nucor team has overcome these issues and the operating performance of Nucor Steel Decatur continues to improve. We expect our Decatur facility to be out of start-up in the second quarter of 2004. Our Castrip facility is an experimental implementation of a new steel-making technology; therefore, it is uncertain when start-up expenses for that operation will be completed.

MARKETING, ADMINISTRATIVE AND OTHER EXPENSES

The major components of marketing, administrative and other expenses are freight and profit sharing costs. Unit freight costs decreased 1% from 2002 to 2003. Profit sharing costs, which are based upon and fluctuate with pre-tax earnings, decreased 40% from 2002 to 2003.

INTEREST EXPENSE

Net interest expense is detailed below:

Year Ended December 31,	2003	2002
Interest expense	\$27,151,640	\$22,918,115
Interest income	(2,524,775)	(8,632,181)
Interest expense, net	\$24,626,865	\$14,285,934

Interest expense, net of interest income, increased from 2002 to 2003 primarily due to an increase in average long-term debt and a decrease in average short-term investments. In 2003, \$61,250,000 aggregate principal amount of fixed rate industrial revenue bonds outstanding at December 31, 2002 were redeemed and reissued in the form of new variable rate industrial revenue bonds in like principal amount. The variable rates of these reissued bonds are currently several percentage points lower than the fixed rates of the prior bonds.

MINORITY INTERESTS

Minority interests represent the income attributable to the minority partners of Nucor's joint venture, Nucor-Yamato Steel Company. Income attributable to minority interests decreased from \$79,500,000 in 2002 to \$23,900,000 in 2003. Cash distributions to minority interests decreased from \$146,700,000 in 2002 to \$63,300,000 in 2003. Under the partnership agreement, the minimum amount of cash to be distributed each year to the partners of Nucor-Yamato Steel Company is the amount needed by each partner to pay applicable U.S. federal and state income taxes. In some years, such as 2003 and 2002, the amount of cash distributed to minority interests exceeds amounts allocated to minority interests based on mutual agreement of the general partners; however, the cumulative amount of cash distributed to partners is less than the cumulative net earnings of the partnership.

OTHER INCOME

In 2003 and 2002, Nucor received \$7,100,000 and \$29,900,000, respectively, related to graphite electrodes anti-trust settlements. Producers of graphite electrodes, which are used by Nucor to deliver energy in electric arc furnaces, have entered into numerous settlement agreements with their customers as the result of a price fixing investigation by the Department of Justice that became public in 1997. We do not expect to receive any further graphite electrodes settlements. In the fourth quarter of 2003, Nucor realized a pre-tax gain on the sale of equipment of \$4,400,000.

PROVISION FOR INCOME TAXES

Nucor had an effective tax rate of 6.12% in 2003 compared with 29.55% in 2002. The lower tax rate in 2003 is primarily due to state income tax credits, resolution of certain tax issues and the effect of reduced pre-tax earnings. In 2003 and 2002, Nucor recorded state income tax credits of \$10,500,000 and \$16,200,000, respectively. As pre-tax earnings increase, the effective tax rate is expected to increase to approximately the statutory rate.

NET EARNINGS

Net earnings were 3% of average equity in 2003, compared with 7% in 2002. The decrease in 2003 net earnings resulted primarily from higher scrap and energy costs, increased LIFO charges, increased pre-operating and start-up costs, less benefit from decreases in environmental reserves, increased interest expense and decreased other income. The decrease in net earnings was partially offset by decreased profit-sharing costs and a decrease in the effective tax rate.

COMPARISON OF 2002 TO 2001

NET SALES

Net sales for 2002 increased 11% to \$4,801,800,000, compared with \$4,333,700,000 in 2001. The average sales price per ton increased less than 1% from \$354 in 2001 to \$357 in 2002, while total shipments to outside customers increased 10%. The increase in steel shipments to outside customers occurred in the steel mills segment as imports subsided after the first quarter of 2002, when President Bush imposed a series of tariffs relating to dumped imported steel. Our steel products segment weakened in 2002 with lower selling prices and volumes reflecting a depressed non-residential construction market.

In the steel mills segment, total steel shipments increased 11% to 13,438,000 tons in 2002, compared with 12,141,000 tons in 2001. Steel sales to outside customers increased 12% to 12,314,000 tons in 2002, compared with 11,032,000 tons in 2001. In the steel products segment, steel joist production for 2002 was 462,000 tons, compared with 532,000 tons a year earlier. Steel deck sales were 330,000 tons, compared with 344,000 tons in 2001. Cold finished steel sales were 226,000 tons in 2002, compared with 203,000 tons in the year earlier period.

COST OF PRODUCTS SOLD

The average price of raw materials increased 8% from 2001 to 2002. The average price of raw materials in the steel mills segment and the steel products segment increased 9% and 1%, respectively, in 2002. The average scrap and scrap substitute cost per ton used in our steel mills segment was \$110 in 2002, an increase of 9% from \$101 in 2001.

During 2001, Nucor made \$21,200,000 in cash payments for remedial efforts including a \$9,000,000 penalty payment to the USEPA in conjunction with the consent decree and \$6,000,000 as a minimum settlement for a particular cleanup. Nucor also made net reductions to reserves of approximately \$3,900,000 in 2001. As part of the consent decree, Resource Conservation and Recovery Act site initial assessments were nearly completed which more clearly defined probable exposures.

GROSS MARGIN

Gross margins were 10% in both 2002 and 2001. The negative effect on gross margins of the rising costs of raw materials in 2002 was offset by a decrease in pre-operating and start-up costs. These costs decreased from \$97,800,000 in 2001 to \$84,400,000 in 2002. Pre-operating and start-up costs in 2002 primarily related to the start-up of the newly acquired sheet mill in Decatur, Alabama, the new Castrip facility at our sheet mill in Crawfordsville, Indiana, and the Vulcraft facility in Chemung, New York. In 2001, these costs primarily related to the start-up of the plate mill in Hertford County, North Carolina, and the Vulcraft facility in New York.

MARKETING, ADMINISTRATIVE AND OTHER EXPENSES

Unit freight costs were unchanged from 2001 to 2002. Profit sharing costs, which are based upon and fluctuate with pre-tax earnings, increased by 69% from 2001 to 2002.

INTEREST EXPENSE

Net interest expense is detailed below:

Year Ended December 31,	2002	2001
Interest expense	\$22,918,115	\$22,001,897
Interest income	(8,632,181)	(15,476,840)
Interest expense, net	\$14,285,934	\$ 6,525,057

Interest expense, net of interest income, increased from 2001 to 2002 as a result of increased average long-term debt and decreased average interest rates earned on short-term investments.

MINORITY INTERESTS

Income attributable to Nucor's minority partners in Nucor-Yamato Steel Company was \$79,500,000 in 2002, compared with \$103,100,000 in 2001. Cash distributions to minority interests were \$146,700,000 in 2002 and \$120,500,000 in 2001.

OTHER INCOME

In 2002, Nucor received \$29,900,000 related to a graphite electrodes anti-trust settlement. In 2001, Nucor sold Nucor Iron Carbide, Inc., in Trinidad, resulting in a pre-tax gain of \$20,200,000.

PROVISION FOR INCOME TAXES

The effective tax rate was 29.55% in 2002 compared with 37.02% in 2001. The decrease in the effective tax rate was primarily due to state income tax credits recognized in 2002. In the fourth quarter of 2002, Nucor recorded state income tax credits of \$16,200,000, of which \$6,100,000 is non-recurring.

NET EARNINGS

Net earnings were 7% of average equity in 2002, compared with 5% in 2001. The increase in net earnings from 2001 to 2002 resulted primarily from increased volume in the steel mills segment, partly offset by a decline in volume and earnings in the steel products segment caused by a depressed non-residential construction market. In addition, the increase in net earnings in 2002 compared to 2001 was attributable to decreased pre-operating and start-up costs, increased other income related to the graphite electrodes anti-trust settlement, and reductions in environmental reserves due to changes in estimates.

LIQUIDITY AND CAPITAL RESOURCES

During 2003, cash and short-term investments increased 60% from \$219,000,000 to \$350,300,000 and working capital increased 20% from \$823,800,000 to \$991,000,000. The current ratio was 2.6 in 2003 compared to 2.4 in 2002. Approximately \$134,700,000 and \$179,900,000 of the cash and short-term investments position at December 31, 2003 and December 31, 2002, respectively, was held by our 51%-owned joint venture, Nucor-Yamato Steel Company. We have a simple capital structure with no off-balance sheet arrangements or relationships with unconsolidated special purpose entities. Nucor uses natural gas purchase contracts to partially manage its exposure to price risk of natural gas which is used in the manufacturing process. The use of these contracts is immaterial for all periods presented.

December 31,	2003	2002
Cash and short-term investments	\$350,332,243	\$219,004,868
Cash and short-term investments held by Nucor-Yamato	134,700,000	179,900,000
Working capital	990,965,062	823,825,820
Current ratio	2.6	2.4

OPERATING ACTIVITIES

Nucor generated cash provided by operating activities of \$494,600,000 in 2003 compared with \$497,200,000 in 2002, a decrease of less than 1%. This decrease was the result of the 61% decrease in net earnings, which was partially offset by changes in operating assets and liabilities (exclusive of acquisitions and dispositions) that used cash of \$26,100,000 in 2003 compared with \$82,600,000 in 2002.

INVESTING ACTIVITIES

Our business is capital intensive; therefore, cash used in investing activities primarily represents capital expenditures for new facilities, the expansion and upgrading of existing facilities, and the acquisition of the assets of other companies. Cash used in investing activities decreased to \$267,600,000 in 2003 compared with \$901,400,000 in 2002, a year during which Nucor made its two largest acquisitions ever. Capital expenditures for new facilities and expansion of existing facilities decreased to \$215,400,000 in 2003 compared with \$243,600,000 in 2002.

In March 2003, Nucor's wholly owned subsidiary, Nucor Steel Kingman, LLC, purchased substantially all of the assets of the Kingman, Arizona, steel facility of North Star Steel ("North Star") for approximately \$35,000,000.

In July 2002, Nucor acquired substantially all of the assets of Trico for a purchase price of \$117,700,000. In December 2002, Nucor acquired substantially all of the assets of Birmingham Steel for a cash purchase price excluding transaction costs of approximately \$615,000,000, including \$116,900,000 in inventory and receivables. In connection with these acquisitions Nucor assumed \$86,000,000 in bonds and \$17,400,000 in other liabilities.

While Nucor's acquisition activity in 2003 was not of the magnitude of 2002, we expect to continue to pursue acquisitions that offer the opportunity for long-term profitable growth.

FINANCING ACTIVITIES

Cash used in financing activities was \$95,700,000 in 2003 compared with cash provided by financing activities of \$160,800,000 in 2002. In 2003, Nucor issued \$25,000,000 aggregate principal amount of variable rate industrial revenue bonds due 2038 and retired \$16,000,000 aggregate principal amount of fixed rate industrial revenue bonds. During 2003, Nucor terminated an interest rate swap agreement that resulted in a gain of \$2,300,000 that will be amortized over the remaining life of the debt as an adjustment to interest expense. Existing cash and short-term investments funded the acquisition of the assets of North Star in 2003.

In 2002, Nucor issued \$350,000,000 aggregate principal amount of 4.875% notes due 2012 and retired \$1,900,000 aggregate principal amount of industrial revenue bonds. Existing cash and short-term investments, and the \$350,000,000 in new notes,

funded the acquisition of the assets of Trico and Birmingham Steel in 2002. The percentage of long-term debt to total capital (long-term debt plus minority interests plus stockholders' equity) was 26% at year-end for both 2003 and 2002.

Nucor has an unsecured revolving credit facility that provides for up to \$425,000,000 in revolving loans. The credit facility consists of (a) a \$125,000,000 364-day revolver with an option to convert amounts outstanding under this facility to a one-year term loan, and (b) a \$300,000,000 five-year multi-currency revolver. No borrowings were outstanding under the credit facility at December 31, 2003.

Nucor's directors have approved the purchase of up to 15,000,000 shares of Nucor common stock. There were no repurchases during 2003 or 2002. Since the inception of the stock repurchase program in 1998, a total of approximately 10,800,000 shares have been repurchased at a cost of about \$444,500,000.

MARKET RISK

All of Nucor's industrial revenue bonds have variable interest rates that are adjusted weekly or annually. These industrial revenue bonds represent 42% of Nucor's long-term debt outstanding at December 31, 2003. The remaining 58% of Nucor's long-term debt is at fixed rates. Future changes in interest rates are not expected to significantly impact earnings. From time to time, Nucor makes use of interest rate swaps to manage interest rate risk. As of December 31, 2003, there were no such contracts outstanding. Nucor's investment practice is to invest in securities that are highly liquid with short maturities. As a result, we do not expect changes in interest rates to have a significant impact on the value of our investment securities.

CONTRACTUAL OBLIGATIONS AND OTHER COMMERCIAL COMMITMENTS

The following table sets forth our contractual obligations and other commercial commitments as of December 31, 2003, not including related interest expense, if any, for the periods presented.

	Payments Due By Period					
Contractual Obligations	Total	Less than 1 year	1-3 years	4-5 years	After 5 years	
Long-term debt	\$ 903,550,000	\$ —	\$1,250,000	\$180,400,000	\$721,900,000	
Operating leases	3,309,000	1,199,000	2,110,000	_	_	
Unconditional purchase obligations(1)	73,185,000	69,674,000	3,511,000	_	_	
Other long-term obligations(2)	39,833,000	39,207,000	626,000	_	_	
Total contractual cash obligations	\$1,019,877,000	\$110,080,000	\$7,497,000	\$180,400,000	\$721,900,000	
	Amount of Commitment Expiration Per Period					
Other Commercial Commitments	Total Amounts Committed	Less than 1 year	1-3 years	4-5 years	After 5 years	
Guarantees(3)	\$ 3,500,000	\$ 3,500,000	<u> </u>	\$ <u> </u>	<u> </u>	

- (1) Purchase obligations on operating machinery and equipment.
- (2) Our share of estimated costs to construct and start-up the joint venture HIsmelt mill in Western Australia.
- (3) Financial guarantees on environmental remediation.

OUTLOOK

Nucor's objective is to maintain a strong balance sheet while pursuing profitable growth. Nucor expects to obtain additional capacity through expansions at our existing steel mills, greenfield construction and future acquisitions. Capital expenditures are currently projected to be approximately \$230,000,000 in 2004, which would be approximately \$15,000,000 greater than in 2003. Funds provided from operations, existing credit facilities and new borrowings are expected to be adequate to meet future capital expenditure and working capital requirements for existing operations. Nucor believes that it has the financial ability to borrow significant additional funds and still maintain reasonable leverage in order to finance major acquisitions.

In the steel mills segment, total steel production is anticipated to increase significantly over the next several years from the 17,441,000 tons produced in 2003. If economic conditions continue to recover as anticipated, we expect that demand in non-residential construction will strengthen and that our profitability will improve as 2004 progresses. Although scrap prices have continued to increase since year-end 2003, we anticipate that higher average selling prices, achieved principally through the raw

material surcharge that was effective in January 2004, will provide increased margins for our products. This surcharge will also help ensure that we will be able to purchase the scrap needed to fill our customers' needs. We expect to earn higher margins in 2004 than in 2003 due to improvements in the balance of supply and demand for our products, accompanied by the continuing recovery of the economy. We recognize that uncertainty in external factors such as raw material costs, the economy, and the level of imports will have a significant impact on our results. While we cannot control these outside forces, Nucor will continue to be on the forefront of anticipating and addressing the issues that this uncertainty in external factors raises for us and other steel producers.

In the steel products segment, the depressed level of non-residential construction over the past three years has unfavorably impacted the volume supplied by Vulcraft and Nucor Building Systems. Most projections for construction activity reflect an increase in non-residential building in 2004, which would positively affect the sales of the steel products segment. The positive impact of increased volume on earnings will be mitigated by the increased cost of raw materials for this segment.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Our discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of these financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at year-end, and the reported amount of revenues and expenses during the year. On an ongoing basis, we evaluate our estimates, including those related to the valuation allowances for receivables, the carrying value of property, plant and equipment, reserves for environmental obligations, and income taxes. Our estimates are based on historical experience and various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Accordingly, actual costs could differ materially from these estimates under different assumptions or conditions.

We believe the following critical accounting policies affect our significant judgments and estimates used in the preparation of our consolidated financial statements.

ALLOWANCES FOR DOUBTFUL ACCOUNTS

We maintain allowances for doubtful accounts for estimated losses resulting from the inability of our customers to make required payments. If the financial condition of our customers was to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

ASSET IMPAIRMENTS

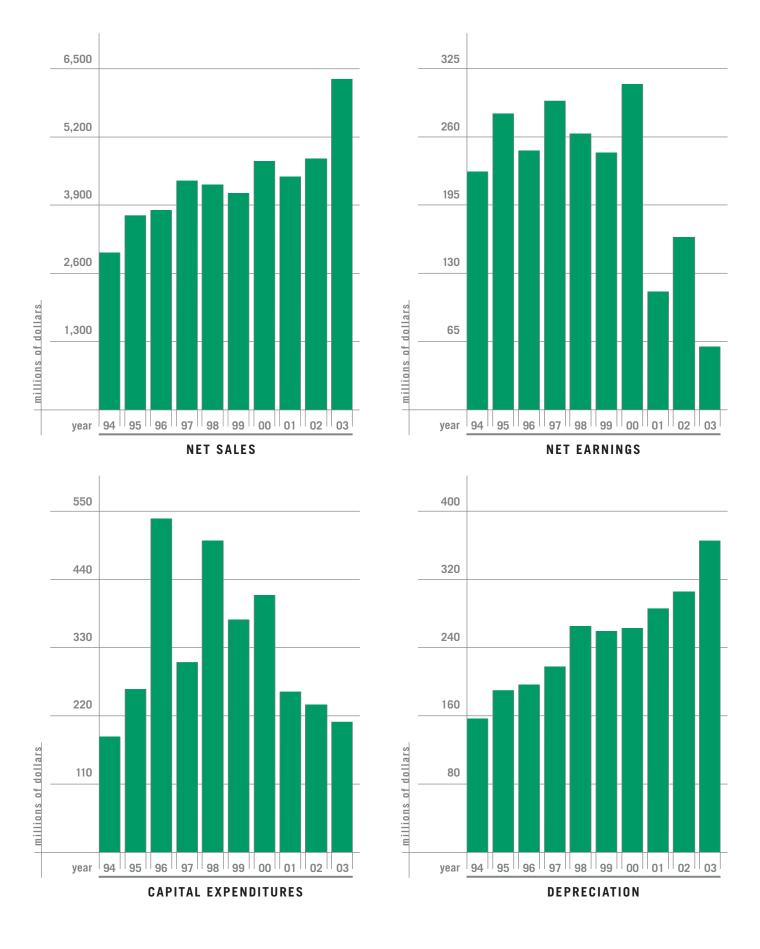
We evaluate the impairment of our property, plant and equipment on an individual asset basis or by logical groupings of assets. Asset impairments are recognized whenever changes in circumstances indicate that the carrying amounts of those productive assets exceed their aggregate projected undiscounted cash flows. Fair market value is determined based on a discounted cash flow method.

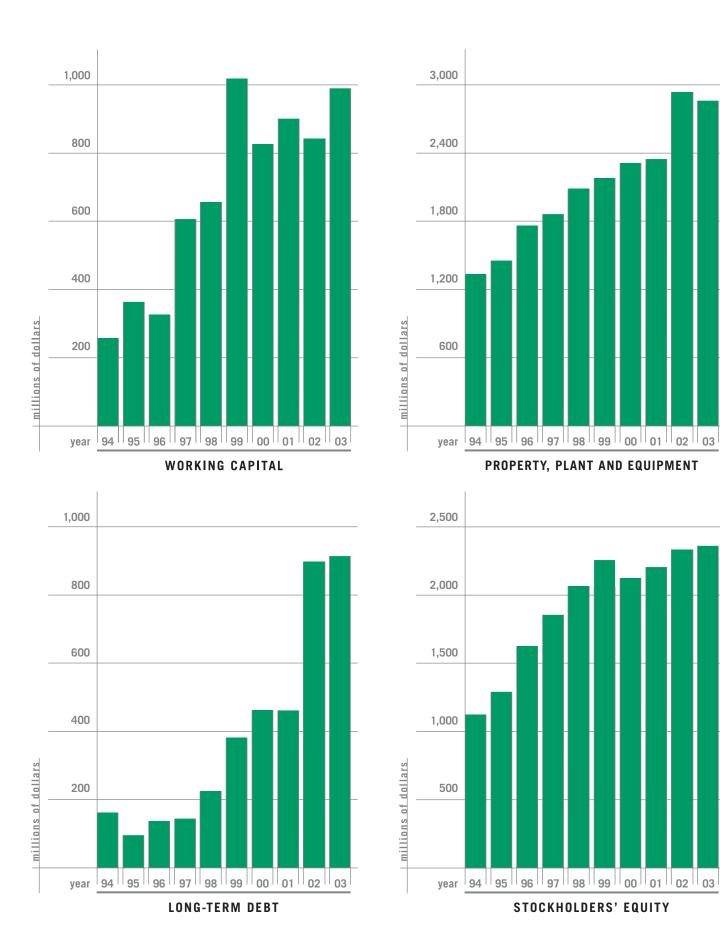
ENVIRONMENTAL REMEDIATION

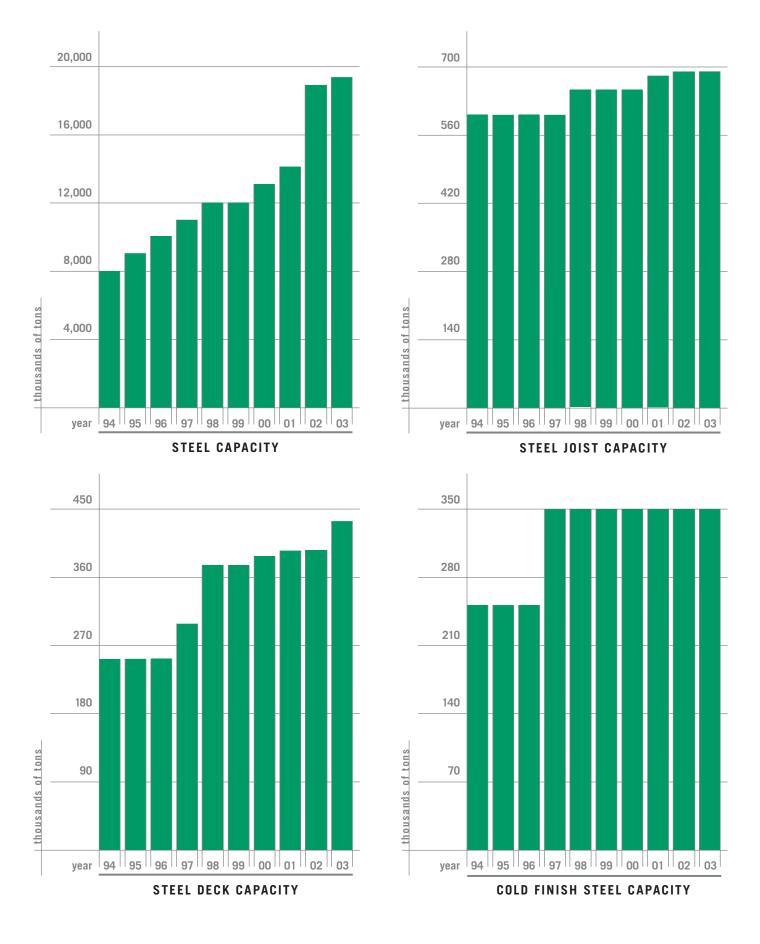
We are subject to environmental laws and regulations established by federal, state and local authorities, and make provision for the estimated costs related to compliance. Undiscounted remediation liabilities are accrued based on estimates of known environmental exposures. The accruals are reviewed periodically and, as investigations and remediation proceed, adjustments are made as we believe are necessary. The accruals are not reduced by possible recoveries from insurance carriers or other third parties. Our measurement of environmental liabilities is based on currently available facts, present laws and regulations, and current technology.

INCOME TAXES

We account for income taxes in accordance with FASB Statement No. 109, "Accounting for Income Taxes." We estimate our actual current tax expense and assess temporary differences that exist due to differing treatments of items for tax and financial statement purposes. These differences result in the recognition of deferred tax assets and liabilities. The deferred tax assets and liabilities are measured using tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the period in which the change is enacted. We assess the realizability of deferred tax assets on an ongoing basis by considering whether it is more likely than not that some portion of the deferred tax assets will not be realized. If it is more likely than not, in our judgment, that the deferred tax assets will not be realized, we provide a valuation allowance.







OUR GOAL IS TO "TAKE CARE OF OUR CUSTOMERS"

We are accomplishing this by being the safest, highest quality, lowest cost, most productive, and most profitable steel and steel products company in the world. We are committed to doing this while being cultural and environmental stewards in our communities where we live and work. We are succeeding by working together.

	2003	2002	2001	2000	1999	1998
FOR THE YEAR						
Net sales	\$6,265,823,467	\$4,801,776,537	\$4,333,706,754	\$4,756,521,134	\$4,158,293,140	\$4,305,450,408
Costs, expenses and other:						
Cost of products sold	5,996,547,199	4,332,277,330	3,914,278,371	3,929,181,904	3,531,896,413	3,632,637,842
Marketing, administrative	105 000 005	175 500 047	150.665.400	100 175 557	154.770.600	147070 101
and other expenses Interest expense (income)	165,369,035	175,588,347	150,665,488	183,175,557	154,773,600	147,973,101
Minority interests	24,626,865 23,949,779	14,285,934 79,471,911	6,525,057 103,068,831	(816,104) 151,461,789	(5,095,299) 85,783,332	(3,832,252) 91,641,121
Other income	(11,546,634)	(29,900,000)	(20,200,000)	151,401,769	65,765,552	91,041,121
Other income	6,198,946,244	4,571,723,522	4,154,337,747	4,263,003,146	3,767,358,046	3,868,419,812
Earnings before income taxes	66,877,223	230,053,015	179,369,007	493,517,988	390,935,094	437,030,596
Provision for income taxes	4,096,000	67,973,000	66,408,000	182,610,000	146,346,000	173,322,000
Net earnings	62,781,223	162,080,015	112,961,007	310,907,988	244,589,094	263,708,596
Net earnings per share:	02,701,223	102,000,013	112,501,007	310,307,300	244,303,034	203,700,330
Basic Diluted	.80 .80	2.08 2.07	1.45 1.45	3.80 3.80	2.80 2.80	3.00 3.00
Dividends per share	.80	.76	.68	.60	.52	.48
Percentage of net earnings to sales	1.0%	3.4%	2.6%	6.5%	5.9%	6.1%
Return on average equity	2.7%	7.2%	5.2%	14.2%	11.3%	13.4%
Capital expenditures	215,408,007	243,598,096	261,145,658	415,404,602	374,717,759	502,910,263
Depreciation	364,111,924	307,101,032	289,063,213	259,365,173	256,637,460	264,038,622
Sales per employee	636,803	527,581	530,961	619,379	568,112	613,574
AT YEAR END						
Current assets	\$1,620,559,908	\$1,415,361,648	\$1,373,665,916	\$1,379,529,050	\$1,538,508,511	\$1,129,467,383
Current liabilities	629,594,846	591,535,828	484,158,726	558,068,452	531,030,898	486,897,157
Working capital	990,965,062	823,825,820	889,507,190	821,460,598	1,007,477,613	642,570,226
Cash provided by operating activities	494,619,927	497,219,905	495,115,325	820,754,667	604,834,349	641,899,329
Current ratio	2.6	2.4	2.8	2.5	2.9	2.3
Property, plant and equipment	2,817,135,193	2,932,058,102	2,365,655,061	2,329,420,798	2,180,419,463	2,086,158,459
Total assets	4,492,353,054	4,381,001,217	3,759,348,176	3,710,867,705	3,718,927,974	3,215,625,842
Long-term debt	903,550,000	878,550,000	460,450,000	460,450,000	390,450,000	215,450,000
Percentage of debt to capital	26.4%	26.0%	15.6%	15.9%	13.4%	8.4%
Stockholders' equity	2,342,077,788	2,322,989,489	2,201,460,329	2,130,951,640	2,262,247,906	2,072,551,781
Per share	29.80	29.71	28.29	27.47	25.96	23.73
Shares outstanding	78,590,171	78,180,108	77,814,511	77,582,948	87,133,737	87,352,906
Stockholders	61,000	64,000	47,000	51,000	55,000	62,000
Employees	9,900	9,800	8,400	7,900	7,500	7,200

CONSOLIDATED STATEMENTS OF EARNINGS

Year Ended December 31,	2003	2002	2001
NET SALES	\$6,265,823,467	\$4,801,776,537	\$4,333,706,754
COSTS, EXPENSES AND OTHER:			
Cost of products sold	5,996,547,199	4,332,277,330	3,914,278,371
Marketing, administrative and other expenses	165,369,035	175,588,347	150,665,488
Interest expense, net (Note 10)	24,626,865	14,285,934	6,525,057
Minority interests	23,949,779	79,471,911	103,068,831
Other income (Note 11)	(11,546,634)	(29,900,000)	(20,200,000)
	6,198,946,244	4,571,723,522	4,154,337,747
EARNINGS BEFORE INCOME TAXES	66,877,223	230,053,015	179,369,007
PROVISION FOR INCOME TAXES (Note 12)	4,096,000	67,973,000	66,408,000
NET EARNINGS	\$ 62,781,223	\$ 162,080,015	\$ 112,961,007
NET EARNINGS PER SHARE (Note 13):			
Basic	\$.80	\$2.08	\$1.45
Diluted	<u>\$.80</u>	<u>\$2.07</u>	<u>\$1.45</u>

See notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

	COMMON STOCK		ADDITIONAL	RETAINED		RY STOCK cost)
	Shares	Amount	PAID-IN CAPITAL	EARNINGS	Shares	Amount
BALANCES, December 31, 2000	90,112,138	\$36,044,855	\$71,494,670	\$2,478,785,710	12,529,190	\$455,373,595
Net earnings in 2001				112,961,007		
Employee stock options	214,253	85,701	8,830,541			
Employee stock compensation and service awards			864,944		(17,310)	(629,219)
Cash dividends (\$.68 per share)				(52,862,723)		
BALANCES, December 31, 2001	90,326,391	36,130,556	81,190,155	2,538,883,994	12,511,880	454,744,376
Net earnings in 2002				162,080,015		
Employee stock options	352,242	140,897	16,088,074			
Employee stock compensation and service awards			2,117,577		(13,355)	(485,454)
Cash dividends (\$.76 per share)				(59,382,857)		
BALANCES, December 31, 2002	90,678,633	36,271,453	99,395,806	2,641,581,152	12,498,525	454,258,922
Net earnings in 2003				62,781,223		
Employee stock options	387,993	155,197	16,272,888			
Employee stock compensation and service awards			1,730,693		(22,070)	(802,245)
Cash dividends (\$.80 per share)				(62,653,947)		
BALANCES, December 31, 2003	91,066,626	\$36,426,650	\$117,399,387	\$2,641,708,428	12,476,455	\$453,456,677

See notes to consolidated financial statements.

December 31,	2003	2002
ASSETS		
CURRENT ASSETS:		
Cash and short-term investments	\$ 350,332,243	\$ 219,004,868
Accounts receivable (Note 2)	572,479,237	483,607,972
Inventories (Note 3)	560,395,527	588,989,548
Other current assets (Note 12)	137,352,901	123,759,260
Total current assets	1,620,559,908	1,415,361,648
PROPERTY, PLANT AND EQUIPMENT (Note 4)	2,817,135,193	2,932,058,102
OTHER ASSETS	54,657,953	33,581,467
	\$4,492,353,054	\$4,381,001,217
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Long-term debt due within one year (Note 5)	\$ —	\$ 16,000,000
Accounts payable	329,862,740	247,229,067
Federal income taxes	_	8,948,999
Salaries, wages and related accruals	91,187,156	116,246,817
Accrued expenses and other current liabilities (Note 8)	208,544,950	203,110,945
Total current liabilities	629,594,846	591,535,828
LONG-TERM DEBT DUE AFTER ONE YEAR (Note 5)	903,550,000	878,550,000
DEFERRED CREDITS AND OTHER LIABILITIES (Notes 8, 9 and 12)	439,851,754	371,271,399
MINORITY INTERESTS	177,278,666	216,654,501
STOCKHOLDERS' EQUITY (Note 6):		
Common stock	36,426,650	36,271,453
Additional paid-in capital	117,399,387	99,395,806
Retained earnings	2,641,708,428	2,641,581,152
	2,795,534,465	2,777,248,411
Treasury stock	(453,456,677)	(454,258,922)
Total stockholders' equity	2,342,077,788	2,322,989,489
	\$4,492,353,054	\$4,381,001,217

See notes to consolidated financial statements.

Year Ended December 31,	2003	2002	2001
OPERATING ACTIVITIES			
Net earnings	\$62,781,223	\$162,080,015	\$112,961,007
Adjustments:			
Depreciation	364,111,924	307,101,032	289,063,213
Gain on sale of facility and equipment	(4,400,000)	_	(20,200,000)
Deferred income taxes	74,300,000	31,200,000	13,000,000
Minority interests	23,941,965	79,468,625	103,034,717
Changes in (exclusive of acquisitions and dispositions):			
Accounts receivable	(88,871,265)	(99,777,898)	33,788,641
Inventories	28,972,554	(58,371,867)	26,302,845
Accounts payable	82,633,673	57,994,021	(20,991,631)
Accrued environmental costs	(27,874,000)	(22,192,000)	(25,187,000)
Other	(20,976,147)	39,717,977	(16,656,467)
Cash provided by operating activities	494,619,927	497,219,905	495,115,325
INVESTING ACTIVITIES			
Capital expenditures	(215,408,007)	(243,598,096)	(261,145,658)
Investment in affiliates	(22,124,419)	(5,573,268)	_
Disposition of plant and equipment	11,633,717	448,546	22,650,119
Acquisitions (net of cash acquired)	(34,941,411)	(652,688,811)	(121,904,000)
Other investing activities	(6,741,708)		
Cash used in investing activities	(267,581,828)	(901,411,629)	(360,399,539)
FINANCING ACTIVITIES			
Increase in long-term debt	25,000,000	350,000,000	_
Repayment of long-term debt	(16,000,000)	(1,900,000)	_
Issuance of common stock	18,961,023	18,832,002	10,410,405
Distributions to minority interests	(63,317,800)	(146,701,100)	(120,491,200)
Cash dividends	(62,653,947)	(59,382,857)	(52,862,723)
Termination of interest rate swap agreement	2,300,000		
Cash provided by (used in) financing activities	(95,710,724)	160,848,045	(162,943,518)
INCREASE (DECREASE) IN CASH AND SHORT-TERM INVESTMENTS	131,327,375	(243,343,679)	(28,227,732)
CASH AND SHORT-TERM INVESTMENTS-BEGINNING OF YEAR	219,004,868	462,348,547	490,576,279
CASH AND SHORT-TERM INVESTMENTS-END OF YEAR	\$350,332,243	\$219,004,868	\$462,348,547

See notes to consolidated financial statements.

YEARS ENDED DECEMBER 31, 2003, 2002 AND 2001

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

NATURE OF OPERATIONS Nucor is a domestic manufacturer of steel products whose customers are located primarily in the United States of America.

PRINCIPLES OF CONSOLIDATION The consolidated financial statements include Nucor and all of its subsidiaries. All significant intercompany transactions are eliminated. Investments in joint ventures with ownership of 50% or less are accounted for under the equity method. Distributions are made to minority interest partners in Nucor-Yamato Steel Company in accordance with the limited partnership agreement by mutual agreement of the general partners. At a minimum, sufficient cash is distributed so that each partner may pay applicable U.S. federal and state income taxes payable.

CASH AND SHORT-TERM INVESTMENTS Short-term investments are recorded at cost plus accrued interest, which approximates market, and have original maturities of three months or less at the date of purchase. Cash and short-term investments are maintained primarily with a few high-credit quality financial institutions.

INVENTORIES VALUATION Inventories are stated at the lower of cost or market. Cost is determined principally using the last-in, first-out (LIFO) method of accounting.

PROPERTY, PLANT AND EQUIPMENT Property, plant and equipment are stated at cost. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets. Repairs and maintenance are expensed on a pro-rata basis throughout the year. Impairments of long-lived assets are recognized whenever changes in circumstances indicate that the carrying amount of those productive assets exceeds their aggregate projected undiscounted cash flows.

NATURAL GAS CONTRACTS Nucor uses natural gas purchase contracts to partially manage its exposure to the price risk of natural gas used during the manufacturing process. The use of these contracts is immaterial for all periods presented.

REVENUE RECOGNITION Revenue is recognized at the time products are shipped to customers.

FREIGHT COSTS Internal fleet and some common carrier costs are included in marketing, administrative and other expenses. These costs included in marketing, administrative and other expenses were \$47,448,274 in 2003 (\$43,917,530 in 2002 and \$48,282,035 in 2001). All other freight costs are included in cost of products sold.

ACCOUNTING FOR STOCK OPTIONS Nucor accounts for stock options granted to employees and directors using the intrinsic value method, under which no compensation expense is recorded since the exercise price of the stock options is equal to the market price of the underlying stock on the grant date. Had compensation cost for the stock options issued been determined consistent with FASB Statement No. 123, "Accounting for Stock-Based Compensation" ("SFAS No. 123"), net earnings and net earnings per share would have been reduced to the following pro forma amounts:

Year Ended December 31,	2003	2002	2001
Net earnings – as reported Pro forma stock-based	\$62,781,223	\$162,080,015	\$112,961,007
compensation cost	(7,376,077)	(5,172,756)	(4,463,762)
Net earnings – pro forma	<u>\$55,405,146</u>	\$156,907,259	\$108,497,245
Net earnings per share – as reported:			
Basic	\$.80	\$2.08	\$1.45
Diluted	.80	2.07	1.45
Net earnings per share – pro forma:			
Basic	.71	2.02	1.40
Diluted	.71	2.01	1.40

The assumptions used to calculate the fair value of options granted are evaluated and revised, as necessary, to reflect market conditions and experience.

USE OF ESTIMATES The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual costs could differ from these estimates.

COMPREHENSIVE INCOME Comprehensive income is equal to net income for all periods presented.

RECLASSIFICATIONS Certain amounts for prior years have been reclassified to conform to the 2003 presentation.

2. ACCOUNTS RECEIVABLE:

An allowance for doubtful accounts is maintained for estimated losses resulting from the inability of our customers to make required payments. Accounts receivable are stated net of the allowance for doubtful accounts of \$22,718,051 at December 31, 2003 (\$20,040,651 in 2002 and \$20,182,830 in 2001).

3. INVENTORIES:

Inventories consist of approximately 42% raw materials and supplies and 58% finished and semi-finished products at December 31, 2003 (40% and 60%, respectively, at December 31, 2002). Nucor's manufacturing process consists of a continuous, vertically integrated process from which products are sold to customers at various stages throughout the process. Since most steel products can be classified as either finished or semi-finished products, these two categories of inventory are combined.

Inventories valued using the last-in, first-out (LIFO) method of accounting represent approximately 75% of total inventories at December 31, 2003 (77% in 2002). If the first-in, first-out (FIFO) method of accounting had been used, inventories would have been \$157,586,096 higher at December 31, 2003 (\$42,607,667 higher in 2002). Use of the lower of cost or market reduced inventories by \$268,709 at December 31, 2003 (\$1,319,314 in 2002).

4. PROPERTY, PLANT AND EQUIPMENT:

December 31,	2003	2002
Land and improvements	\$ 132,920,241	\$ 122,624,444
Buildings and improvements	455,440,978	452,382,223
Machinery and equipment	4,623,371,845	4,475,430,898
Construction in process		
and equipment deposits	119,083,418	43,793,154
	5,330,816,482	5,094,230,719
Less accumulated depreciation	2,513,681,289	2,162,172,617
	\$2,817,135,193	\$2,932,058,102

The estimated useful lives range from 10 to 20 years for buildings and land improvements and range from 3 to 12 years for machinery and equipment.

5. LONG-TERM DEBT AND FINANCING ARRANGEMENTS:

December 31,	2003	2002
Industrial revenue bonds: 1.13% to 1.45%, variable, due from 2006 to 2038	\$378,550,000	\$292,300,000
5.75% to 8%, fixed, due from 2003 to 2023 Notes, 6%, due 2009 Notes, 4.875%, due in 2012	175,000,000 350,000,000	77,250,000 175,000,000 350,000,000
Less current maturities	903,550,000	894,550,000 (16,000,000) \$878,550,000

At December 31, 2002, Nucor had an interest rate swap agreement of \$175,000,000 outstanding that was accounted for as a fair value hedge. Under the agreement, Nucor paid a variable rate of interest and received a fixed rate of interest over the term of the interest rate swap agreement. The interest rate swap agreement converted the \$175,000,000 note payable from a fixed rate obligation to a variable rate obligation. The change in the fair value of this agreement was recorded in earnings as an equal offset to the change in fair value of the underlying debt obligation. Since the fair value hedge was 100% effective, there was no impact to net earnings. The variable interest rate was the six-month LIBOR rate in arrears plus 1.495%. In 2003, Nucor terminated this interest rate swap agreement. The \$2,300,000 gain on the terminated swap agreement will be amortized over the remaining life of the debt as an adjustment to interest expense.

In October 2002, Nucor entered into an unsecured revolving credit facility that provides for up to \$425,000,000 in revolving loans. The credit facility consists of (a) a \$125,000,000 364-day revolver with an option to convert amounts outstanding under this facility to a one-year term loan, and (b) a \$300,000,000 five-year multi-currency revolver. No borrowings were outstanding under the credit facility at December 31, 2003 or 2002. The credit facility includes customary financial and other covenants, including a limit on the ratio of debt to total capital of 50% and a limit on Nucor's ability to pledge the Company's assets.

Annual aggregate long-term debt maturities are: none in 2004; none in 2005; \$1,250,000 in 2006; none in 2007; and none in 2008.

The fair value of Nucor's long-term debt approximates the carrying value.

In 2003, \$61,250,000 aggregate principal amount of the fixed rate industrial revenue bonds outstanding at December 31, 2002 were redeemed and reissued in the form of new variable rate industrial revenue bonds in like principal amount. The maturity dates of some of these bonds were also extended. In addition, \$86,000,000 aggregate principal amount of the variable rate industrial revenue bonds outstanding at December 31, 2002 was redeemed and reissued in the form of new variable rate industrial revenue bonds in like principal amount, extending the maturity from 2026 and 2027 to 2036.

6. CAPITAL STOCK:

The par value of Nucor's common stock is \$.40 per share and there are 200,000,000 shares authorized.

Nucor's Key Employees' Incentive Stock Option Plans provide that common stock options may be granted to key employees and officers with exercise prices at 100% of the market value on the date of the grant. Outstanding options are exercisable six months after grant date and have a term of seven years. At December 31, 2003, 5,457,265 shares (1,291,962 in 2002 and 1,737,789 in 2001) were reserved for future grants.

Effective January 1, 2001, Nucor established a Non-Employee Director Equity Plan ("Plan") that provides that common stock options may be granted to members of the Board of Directors of Nucor who are not employees of Nucor. The Plan grants options to purchase Nucor's common stock with exercise prices at 100% of the market value on the date of the grant. Outstanding options are exercisable six months after grant date and have a term of seven years. At December 31, 2003, 272,565 shares (291,525 in 2002 and 295,689 in 2001) were reserved for future grants.

A summary of Nucor's stock option plans is as follows:

Year Ended December 31,	2003 2002 2001		01			
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Number of shares under option:						
Outstanding at beginning of year	1,246,086	\$47.84	1,154,864	\$45.48	990,630	\$44.60
Granted	870,361	46.01	458,810	52.66	470,338	46.64
Exercised	(387,993)	42.55	(352,242)	46.07	(214,253)	41.62
Canceled	(16,704)	49.81	(15,346)	54.88	(91,851)	51.02
Outstanding at end of year	1,711,750	48.09	1,246,086	47.84	1,154,864	45.48
Options exercisable at end of year	1,322,826	47.15	993,331	47.54	924,932	44.61

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	i ne Tollowin	ig table sumr	narizes inforr	nation abou	t stock odtioi	ns outstanding	at December 3	31. ZUU3:

	Options Outstanding		Options Exercisable		
Range of Exercise Prices	Number Outstanding	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price	Number Exercisable	Weighted Average Exercise Price
\$36.01 - \$42.00 42.01 - 48.00 48.01 - 54.00 54.01 - 60.00 36.01 - 60.00	367,387 232,083 917,598 194,682 1,711,750	5.5 years 3.5 years 5.4 years 5.2 years 5.1 years	\$40.41 44.93 50.02 57.25 48.09	367,387 232,083 528,674 194,682 1,322,826	\$40.41 44.93 49.08 57.25 47.15

The pro forma net earnings and pro forma net earnings per share amounts calculated according to SFAS No. 123 are disclosed in Note 1, above. The weighted average fair value of options granted was \$14.37 in 2003 (\$18.69 in 2002 and \$14.59 in 2001). The fair value of each option grant is estimated on the date of the grant using the Black-Scholes option-pricing model with the following assumptions:

Year Ended December 31,	2003	2002	2001
Expected dividend yield	1.56% – 1.92%	1.33% – 1.55%	1.39% – 1.53%
Expected stock price volatility	43.37% – 46.51%	49.03%	41.02%
Risk-free interest rate	1.91% – 2.62%	2.32% - 4.14%	3.45% – 4.43%
Expected life of options (in years)	3.5	3.5	3.5

Nucor's Senior Officers Annual and Long-Term Incentive Plans authorize the distribution of common stock to officers subject to certain conditions and restrictions. The restricted share awards are not to exceed 1,000,000 shares. Common stock may be awarded at the end of the performance period at no cost to the officers if certain financial goals are met. Compensation expense is recorded over the performance and vesting period based on the anticipated number and market value of shares to be awarded. Under the Annual Incentive Plan, the participant is fully vested in a portion of the stock award while the remainder vests at the participant's attainment of age fifty-five while employed by Nucor. Under the Long-Term Incentive Plan, these restricted stock awards vest one-third each year for three years from the date of grant or vest upon the participant's attainment of age fifty-five while employed by Nucor. Compensation expense for performance shares was \$1,500,000 in 2003, the year in which these plans were adopted by the stockholders. No shares have been awarded; therefore, 1,000,000 shares remain available for awards.

250,000 shares of preferred stock, par value of \$4.00 per share, are authorized, with preferences, rights and restrictions as may be fixed by Nucor's Board of Directors. No shares of preferred stock have been issued since their authorization in 1964.

7. STOCKHOLDER RIGHTS PLAN:

In 2001, the Board of Directors adopted a Stockholder Rights Plan ("Plan") in which one right ("Right") was declared as a dividend for each Nucor common share outstanding. Each Right entitles Nucor common stockholders to purchase, under certain conditions, one five-thousandth of a share of newly authorized Series A Junior Participating Preferred Stock ("Preferred Stock"), with one five-thousandth of a share of Preferred Stock intended to be the economic equivalent of one share of Nucor common stock. Until the occurrence of certain events, the Rights are represented by and traded in tandem with Nucor common stock. Rights will be exercisable only if a person or group acquires beneficial ownership of 15 percent (15%) or more of the Nucor common shares or commences a tender or exchange offer, upon the consummation of which such person or group would beneficially own 15 percent (15%) or more of the common shares. Upon such an event, the Rights enable dilution of the acquiring person's or group's interest by providing that other holders of Nucor common stock may purchase, at an exercise price of \$150.00, Nucor common stock, or in the discretion of the Board of Directors, Preferred Stock, having double the value of such exercise price. Nucor will be entitled to redeem the Rights at \$.001 per Right under certain circumstances set forth in the Plan. The Rights themselves have no voting power and will expire on March 8, 2011, unless earlier exercised, redeemed or exchanged. Each one five-thousandth of a share of Preferred Stock has the same voting rights as one share of Nucor common stock, and each share of Preferred Stock has 5,000 times the voting power of one share of Nucor common stock.

8. CONTINGENCIES:

Nucor is subject to environmental laws and regulations established by federal, state and local authorities; and makes provision for the estimated costs related to compliance. Of the undiscounted total \$54,894,000 of accrued environmental costs at December 31, 2003 (\$82,768,000 in 2002), \$21,994,000 was classified in accrued expenses and other current liabilities (\$37,418,000 in 2002) and \$32,900,000 was classified in deferred credits and other liabilities (\$45,350,000 in 2002). During 2003 and 2002, Nucor revised estimates as additional information was obtained, reducing environmental reserves by \$8,295,000 and \$22,943,000, respectively. In December 2000, the United States Environmental Protection Agency and the Department of Justice announced an agreement with Nucor and certain states that resolved alleged environmental violations. Nucor continues to implement the various components of the consent decree, which involve air and water pollution control technology demonstrations along with other environmental management practices. The accrued environmental costs include the expenses that we expect to incur as a result of the consent decree.

Other contingent liabilities with respect to product warranties, legal proceedings and other matters arise in the normal course of business. In the opinion of management, no such matters exist which would have a material effect on the consolidated financial statements.

9. EMPLOYEE BENEFIT PLAN:

Nucor has a Profit Sharing and Retirement Savings Plan for qualified employees. Nucor's expense for these benefits was \$8,912,896 in 2003 (\$25,898,823 in 2002 and \$18,998,950 in 2001). Nucor also has a medical plan covering certain eligible early retirees. The unfunded obligation, included in deferred credits and other liabilities in the balance sheet, totaled \$40,348,589 at December 31, 2003 (\$38,211,081 in 2002). Expense associated with this plan was \$2,296,024 in 2003 (\$1,753,035 in 2002 and \$1,085,758 in 2001). The discount rate used was 6% in 2003 (6.5% in 2002 and 7% in 2001). The health care cost trend rate used was 11% in 2003 (12% in 2002 and 13% in 2001). The health care cost trend rate is projected to decline gradually to 5% by 2011.

10. INTEREST EXPENSE:

Interest expense is stated net of interest income of \$2,524,775 in 2003 (\$8,632,181 in 2002 and \$15,476,840 in 2001). Interest paid was \$33,004,861 in 2003 (\$19,886,247 in 2002 and \$22,028,671 in 2001).

11. OTHER INCOME:

In 2003 and 2002, Nucor received \$7,100,000 and \$29,900,000, respectively, related to graphite electrodes anti-trust settlements. Also in 2003, Nucor sold equipment resulting in a pre-tax gain of \$4,400,000. In 2001, Nucor sold Nucor Iron Carbide, Inc., in Trinidad, resulting in a pre-tax gain of \$20,200,000.

12. INCOME TAXES:

The provision for income taxes consists of the following:

Year Ended December 31,	2003	2002	2001
Current:			
Federal	\$(58,500,000)	\$54,000,000	\$49,900,000
State	(11,704,000)	(17,227,000)	3,508,000
Total current	(70,204,000)	36,773,000	53,408,000
Deferred:			
Federal	71,500,000	31,400,000	11,000,000
State	2,800,000	(200,000)	2,000,000
Total deferred	74,300,000	31,200,000	13,000,000
Total provision for			
income taxes	\$ 4,096,000	\$67,973,000	\$66,408,000

A reconciliation of the federal statutory tax rate (35%) to the total provision is as follows:

Year Ended December 31,	2003	2002	2001
Taxes computed at statutory rate State income taxes, net of	35.00%	35.00%	35.00%
federal income tax benefit	(8.65)	(4.92)	2.00
Penalties	_	_	1.77
Resolution of prior year contingencies	(15.93)	_	_
Federal research credit	(4.07)	(.62)	(1.54)
Other, net	(.23)	.09	(.21)
Provision for income taxes	6.12%	<u>29.55%</u>	<u>37.02%</u>

Deferred tax assets and liabilities resulted from the following:

December 31,	2003	2002
Deferred tax assets:		
Accrued liabilities and reserves	\$ 99,124,381	\$114,759,338
Allowance for doubtful accounts	6,683,406	6,271,704
Inventory	74,542,802	69,957,269
Credit carryforwards	10,842,865	_
Post retirement benefits	15,817,120	13,878,074
Total deferred tax assets	207,010,574	204,866,385
Deferred tax liabilities:		
Property, plant and equipment	(349,617,574)	(273,173,385)
Total net deferred tax liabilities	<u>\$(142,607,000)</u>	\$(68,307,000)

Current deferred tax assets were \$115,193,000 at December 31, 2003 (\$116,693,000 in 2002). Non-current deferred tax liabilities were \$257,800,000 at December 31, 2003 (\$185,000,000 in 2002). Nucor received \$54,926,000 in net federal and state income tax refunds in 2003 and paid \$31,693,000 and \$20,397,000 in 2002 and 2001, respectively.

13. EARNINGS PER SHARE:

The computations of basic and diluted earnings per share are as follows:

Year Ended December 31,	2003	2002	2001
Basic earnings per share: Basic net earnings	\$62,781,223	\$162,080,015	\$112,961,007
Average shares outstanding	78,265,686	78,089,501	77,707,832
Basic net earnings per share	<u>\$.80</u>	\$2.08	<u>\$1.45</u>
Diluted earnings per share: Diluted net earnings	\$62,781,223	\$162,080,015	\$112,961,007
Diluted average shares outstanding: Basic shares outstanding Dilutive effect of stock options	78,265,686 151,017 78,416,703	78,089,501 160,039 78,249,540	77,707,832 <u>75,412</u> 77,783,244
Diluted net earnings per share	<u>\$.80</u>	\$2.07	\$1.45

14. SEGMENTS:

Nucor reports its results in two segments: steel mills and steel products. The steel mills segment includes carbon and alloy steel in sheet, bars, structural and plate. The steel products segment includes steel joists and joist girders, steel deck, cold finished steel, steel fasteners, metal building systems and light gauge steel framing. The segments are consistent with the way Nucor manages its business, which is primarily based upon the similarity of the types of products produced and sold by each segment.

Management evaluates the operating performance of each of its segments based upon division contribution. The accounting policies of the reportable segments are the same as those described in the summary of significant accounting policies. Nucor accounts for intercompany sales at prices approximating current market value. Interest expense, minority interests, other income and certain marketing, administrative and other expenses, such as changes in the LIFO reserve and environmental accruals, are shown under Corporate/eliminations/other. Corporate assets primarily include cash and short-term investments, deferred income tax assets and investments in affiliates.

Year Ended December 31,	2003	2002	2001
Net sales to external customers:	\$5,446,126,763	\$4,062,589,428	\$3,449,645,631
Steel mills	819,696,704	739,187,109	884,061,123
Steel products	\$6,265,823,467	\$4,801,776,537	\$4,333,706,754
Intercompany sales: Steel mills Steel products Corporate/eliminations/other	\$ 520,207,408	\$ 355,586,154	\$ 337,776,416
	5,275,389	5,350,019	6,492,677
	(525,482,797)	(360,936,173)	(344,269,093)
	\$ —	\$ —	\$ —
Depreciation expense: Steel mills Steel products	\$ 346,135,887 17,976,037 \$ 364,111,924	\$ 288,879,257	\$ 274,015,541 15,047,672 \$ 289,063,213
Earnings (loss) before income taxes: Steel mills Steel products Corporate/eliminations/other	\$ 209,399,662	\$ 401,820,248	\$ 207,358,153
	(14,327,635)	(407,489)	98,405,118
	(128,194,804)	(171,359,744)	(126,394,264)
	\$ 66,877,223	\$ 230,053,015	\$ 179,369,007
Segment assets: Steel mills Steel products Corporate/eliminations/other	\$3,927,391,577	\$4,017,013,672	\$3,253,454,574
	324,234,723	302,444,958	297,581,986
	240,726,754	61,542,587	208,311,616
	\$4,492,353,054	\$4,381,001,217	\$3,759,348,176
Capital expenditures: Steel mills Steel products Corporate/eliminations/other	\$ 201,134,041	\$ 237,528,578	\$ 206,561,688
	14,273,966	6,069,518	53,482,338
	—	—	1,101,632
	\$ 215,408,007	\$ 243,598,096	\$ 261,145,658

Net sales by product were as follows. Further product group breakdown is impracticable.

Year Ended December 31,	2003	2002	2001
Net sales to external customers:			
Sheet	\$2,371,610,364	\$1,905,516,770	\$1,421,651,648
Bars	1,746,805,296	863,373,558	804,899,153
Structural	1,005,858,921	1,026,991,446	1,073,351,752
Plate	321,852,182	266,707,654	149,743,078
Steel products	819,696,704	739,187,109	884,061,123
	\$6,265,823,467	\$4,801,776,537	\$4,333,706,754

15. ACQUISITIONS AND DISPOSITIONS:

On March 24, 2003, Nucor's wholly owned subsidiary, Nucor Steel Kingman, LLC, purchased substantially all of the assets of the Kingman, Arizona steel facility of North Star Steel ("North Star") for approximately \$35,000,000. The purchase price did not include working capital and Nucor assumed no material liabilities of the North Star operation. On July 22, 2002, Nucor's wholly owned subsidiary, Nucor Steel Decatur, LLC, purchased substantially all of the assets of Trico Steel Company, LLC ("Trico") for a purchase price of \$117,700,000. The purchase price included approximately \$86,600,000 of Trico's debt and other current liabilities that were assumed by Nucor. These acquisitions were not material to the consolidated financial statements and did not result in goodwill or other intangible assets.

On December 9, 2002, Nucor purchased substantially all of the assets of Birmingham Steel Corporation ("Birmingham Steel") for a cash purchase price excluding transaction costs of approximately \$615,000,000, including \$116,900,000 in inventory and receivables. Primary assets purchased are Birmingham Steel's four operating mills in Birmingham, Alabama; Kankakee, Illinois; Jackson, Mississippi; and Seattle, Washington with an estimated combined annual capacity of approximately 2,000,000 tons. Other included assets are the corporate office located in Birmingham, Alabama; the mill in Memphis, Tennessee, which is currently not in operation; the assets of Port Everglades Steel Corporation; the assets of the Klean Steel Division; and Birmingham Steel's ownership in Richmond Steel Recycling Limited. This acquisition was financed with proceeds from the issuance of \$350,000,000 of 4.875% notes due in 2012 and internal cash flows.

The following table summarizes the estimated fair values of the assets acquired and liabilities assumed of Birmingham Steel as of the date of acquisition:

Current assets	\$122,868,464
Property, plant and equipment	515,016,742
Other assets	550,000
Total assets acquired	638,435,206
Current liabilities	(13,690,000)
Deferred credits and other liabilities	(3,121,443)
Total liabilities assumed	(16,811,443)
	\$621,623,763

The results of Birmingham Steel have been included in the consolidated financial statements from the date of acquisition. Unaudited pro forma operating results for Nucor, assuming the acquisition of Birmingham Steel occurred as of the beginning of each of the periods presented, are as follows:

Year Ended December 31,	2002	2001
Net sales Net earnings	\$5,292,505,537 156,837,015	\$4,884,697,754 128,994,007
Net earnings per share: Basic Diluted	\$2.01 \$2.00	\$1.66 \$1.66

Non-cash investing and financing activities in 2002 included the assumption of \$86,000,000 of bonds and \$17,415,025 of other liabilities acquired with the purchase of substantially all of the assets of Trico and Birmingham Steel.

On March 31, 2001, Nucor purchased substantially all of the assets of Auburn Steel Company, Inc.'s steel bar facility in Auburn, New York for approximately \$115,000,000. This facility produces merchant bar quality steel shapes, SBQ and rebar. On November 19, 2001, Nucor acquired ITEC Steel, Inc., and its wholly owned subsidiary, Steel Truss and Frame Corp., with facilities in Texas and Georgia, for approximately \$11,000,000, including liabilities assumed. These facilities, now known as Nucon Steel, produce light gauge steel framing. The acquisitions were not material to the consolidated financial statements and did not result in material goodwill or other intangible assets.

In February 2001, Nucor finalized the sale of the Bearing Products operation in North Carolina. In November 2001, Nucor sold Nucor Iron Carbide, Inc., in Trinidad, resulting in a pre-tax gain of \$20,200,000. Both operations accounted for small percentages of Nucor's sales.

16. SUBSEQUENT EVENT:

In January 2004, Nucor entered into an agreement with Harris Steel Group, Inc., for the purchase of a one-half interest in its wholly owned subsidiary, Harris Steel, Inc., for a cash purchase price of approximately \$21,000,000. In addition, Harris Steel Group may receive up to an additional \$6,000,000 upon the achievement of certain operating results of the venture over the next five years.

17. QUARTERLY INFORMATION (UNAUDITED):

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
2003				
Net sales	\$1,480,270,987	\$1,520,460,884	\$1,604,011,344	\$1,661,080,252
Gross margin	73,846,099	66,315,396	71,153,977	57,960,796
Net earnings ⁽¹⁾	17,781,759	8,425,090	16,021,779	20,552,595
Net earnings per share:				
Basic	.23	.11	.20	.26
Diluted	.23	.11	.20	.26
2002				
Net sales	\$1,080,636,981	\$1,198,032,206	\$1,228,529,423	\$1,294,577,927
Gross margin	100,899,364	128,386,346	121,930,407	118,283,090
Net earnings ⁽²⁾	20,262,295	59,748,302	39,178,800	42,890,618
Net earnings per share:				
Basic	.26	.77	.50	.55
Diluted	.26	.76	.50	.55

⁽¹⁾ The first and third quarters of 2003 include gains of \$2,300,000 and \$4,800,000, respectively, related to graphite electrodes anti-trust settlements. The fourth quarter of 2003 includes a pre-tax gain of \$4,400,000 resulting from the sale of equipment.

REPORT OF INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP

February 9, 2004

Stockholders and Board of Directors Nucor Corporation

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of earnings, stockholders' equity and cash flows present fairly, in all material respects, the financial position of Nucor Corporation and its subsidiaries at December 31, 2003 and 2002, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2003 in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of Nucor's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

Ricewaterhouselooper CLP

Charlotte, North Carolina

⁽²⁾ The second quarter of 2002 includes a gain of \$29,900,000 related to a graphite electrodes anti-trust settlement.



Board of Directors from left to right: Daniel R. DiMicco, Peter C. Browning, Clayton C. Daley, Jr., Thomas A. Waltermire, Harvey B. Gantt, Victoria F. Haynes, Raymond J. Milchovich and James D. Hlavacek.

BOARD OF DIRECTORS

Peter C. Browning

Non-Executive Chairman, Nucor Corporation Dean, McColl Graduate School of Business

Clayton C. Daley, Jr.

Chief Financial Officer, The Procter & Gamble Company

Daniel R. DiMicco

Vice Chairman, President and Chief Executive Officer, Nucor Corporation

Harvey B. Gantt

Principal Partner, Gantt Huberman Architects

Victoria F. Haynes

President and Chief Executive Officer, Research Triangle Institute

James D. Hlavacek

Managing Director, Market Driven Management

Raymond J. Milchovich

Chairman, President and Chief Executive Officer, Foster Wheeler Ltd.

Thomas A. Waltermire

President and Chief Executive Officer, PolyOne Corporation

EXECUTIVE MANAGEMENT

EXECUTIVE OFFICES

Daniel R. DiMicco

Vice Chairman, President and Chief Executive Officer

Terry S. Lisenby

Chief Financial Officer, Treasurer and Executive Vice President

John J. Ferriola

Executive Vice President

Hamilton Lott, Jr.

Executive Vice President

D. Michael Parrish

Executive Vice President

Joseph A. Rutkowski

Executive Vice President

James M. Coblin

Vice President, Human Resources

Elizabeth W. Bowers

General Manager of Taxes

A. Rae Eagle

General Manager and Corporate Secretary

James D. Frias

General Manager and Corporate Controller

Robert W. Johns

Director of Marketing, Sheet Mills

Stephen D. Laxton

General Manager of Business Development and Strategic Planning

Norman L. Maero

General Manager of Construction

Steven J. Rowlan

General Manager of Environmental Affairs

OPERATIONS

James R. Beard

Vice President, General Manager Vulcraft Division, Cold Finish Division Brigham City, Utah

A. Jay Bowcutt

Vice President, General Manager Bar Mill Division Plymouth, Utah

James E. Campbell

Vice President, General Manager Vulcraft Division Fort Payne, Alabama

Jeffrey B. Carmean

General Manager Building Systems Division Swansea, South Carolina

Samuel E. Commella, Jr.

General Manager Sheet Mill Division Hickman, Arkansas

James R. Darsey

Vice President, General Manager Bar Mill Division Jewett, Texas

Giffin F. Daughtridge

Vice President, General Manager Plate Mill Division Hertford County, North Carolina

Jerry V. DeMars

Vice President SBQ Products

Ronald L. Dickerson

Vice President, General Manager Sheet Mill Division Crawfordsville, Indiana

Francis W. Griggs

General Manager Nucor Steel Birmingham, Inc. Birmingham, Alabama

Michael S. Gurley

Vice President, General Manager Bar Mill Division, Cold Finish Division Darlington, South Carolina

Ladd R. Hall

Vice President, General Manager Sheet Mill Division, Beam Mill Division Berkeley County, South Carolina

Donald N. Holloway

Vice President, General Manager Vulcraft Division, Cold Finish Division Norfolk, Nebraska

Douglas J. Jellison

Vice President, General Manager Nucor Steel Seattle, Inc. Seattle, Washington

James R. Landrum

Vice President, General Manager Vulcraft Division Grapeland, Texas

Michael D. Lee

Vice President, General Manager Bar Mill Division Norfolk, Nebraska

Harry R. Lowe

Vice President Building Systems

Donald R. Moody

General Manager Nucon Steel

Raymond S. Napolitan, Jr.

General Manager Building Systems Division Terrell, Texas

John R. Ohm

Vice President, General Manager Nucor Steel Kankakee, Inc. Kankakee, Illinois

Dirk A. Petersen

General Manager Building Systems Division Waterloo, Indiana

Robert M. Proia

Vice President, General Manager Vulcraft of New York, Inc. Chemung, New York

K. Rex Query

Vice President, General Manager Nucor Steel Decatur, LLC Decatur, Alabama

James W. Ronner

Vice President, General Manager Vulcraft Division St. Joe, Indiana

James A. Sheble

General Manager Nucor Steel Jackson, Inc. Jackson, Mississippi

David R. Smith

General Manager Nucor Steel Auburn, Inc. Auburn, New York

R. Joseph Stratman

Vice President, General Manager Nucor-Yamato Steel Company Blytheville, Arkansas

Lynn E. Strock

Vice President, General Manager Vulcraft Division Florence, South Carolina

G. Wayne Studebaker

General Manager Research and Development Norfolk, Nebraska

Scott W. Wulff

General Manager Fastener Division St. Joe, Indiana

EXECUTIVE OFFICES

2100 Rexford Road Charlotte, North Carolina 28211 Phone 704/366-7000 Fax 704/362-4208

STOCK TRANSFERS DIVIDEND DISBURSING DIVIDEND REINVESTMENT

American Stock Transfer & Trust Company 59 Maiden Lane New York, New York 10038 Phone 800/937-5449 Fax 718/236-2641

ANNUAL MEETING

Place

The Park Hotel 2200 Rexford Road Morrison A & B Charlotte, North Carolina

Time/Date

10:00 a.m., Thursday May 13, 2004

STOCK LISTING

New York Stock Exchange Trading Symbol – NUE

STOCK PRICE AND DIVIDENDS PAID

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
2003 Stock price: High Low Dividends paid	\$45.05 35.03 .19	\$52.50 38.45 .20	\$52.55 45.20 .20	\$58.79 47.98 .20
2002 Stock price: High Low Dividends paid	\$66.35 49.86 .17	\$70.15 57.05 .19	\$65.31 38.80 .19	\$51.36 36.00 .19

FORM 10-K

A copy of Nucor's 2003 annual report filed with the Securities and Exchange Commission ("SEC") on Form 10-K is available to stockholders on request.

The certifications of Nucor's Chief Executive Officer and Chief Financial Officer regarding the quality of Nucor's public disclosure that is required by Section 302 of The Sarbanes Oxley Act of 2002 is included as an exhibit to Nucor's annual report on Form 10-K.

INTERNET ACCESS

Nucor's annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and all amendments to these reports, are available without charge through Nucor's website, www.nucor.com, as soon as reasonably practicable after Nucor files these reports electronically with or furnishes them to the SEC. Additional information available on our website includes our Corporate Governance Principles, Board of Directors Committee Charters, Standards of Business Conduct and Ethics, and Code of Ethics for Senior Financial Professionals as well as various other financial and statistical data. Written copies are available to stockholders on request.



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NATHANIEL BENJAMIN JOHN M BENNER ALBERT B BENNELT BURST IT DEDNIELT BENNINGTON RICHARD D BENOIT BILLY REX BENSON LI BENNIETT WALTER C BENNETT CORNELIUS BENNIETT JR JAMES E BENNINGTON RICHARD D BENOIT BILLY REX BENSON LI BENTLEY CHRISTOPHER W BENTLEY JEFF B BENTLEY JAMES K BENTON JOHN L BENTON WILLIAM F BENTON JR WILLIAM ALEN BENT BERNIT BERNIT BERNIER SILLE BERNIHARDT RANDAL W BERNIHARDT JOHN A BERNIER STEVEN W BERNINGER GAVLE BERRETT ROBERT W PETER R BERNIF STEVEN D BERRY JAMES EDWARD BERRY SILLE BENTON BERNIEL STEVEN BENTON BERNIEL STEVEN BERNINGER GAVLE BERRETT ROBERT W SETEN BENDAL BERNIEL STEVEN BERNIHARDT SENINS D BICKEL BILLY G BIDDLE JR DENNIS S BIERING JAMES P BIERMAN JOEL JB IERMAN JAMES PAUL BIERNAS WILLIAM A BILSING III JUSTIN T BILSTEIN MARY ALYCE BING CLIFFORD D BINGHAM CRAIG R BINGHAM GARRICK G BINGHAM JEFFRE JERRY D BIRD CHRISTOPHER D BIRKBECK BRYANK BIRKES ROBERT N BIRKS BIRIAN C BIRR SHAN E BIRR EDDIE D BISHOP M JERRY D BIRD CHRISTOPHER D BIRKBECK BRYANK BIRKES ROBERT N BIRKS BRIAN C BIRR SHAN E BIRR EDDIE D BISHOP M
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CORLEY
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H HASTINGS AMOS E HAICH DENTOR HAICH SMIRES WITHOUT AND TON IL HATFIELD JONI D HATHAWAY JAMES E HAITTON CAND. DARREN HAWKINS JIMMY D HAWKINS JOHNNIE HAWKINS JOHN RIVE ROBE ROBERTOR HAWKINS JIMMY D HAWKINS JOHN HAYES MART HEARNE IR FLOYD L HEATH IR ROCKY L HEATHOCK JEFFERW HEATH IN ROCKY L HEATHOCK JEFFERW HEDRICK WADE M HEDRICK DENISE A HEFFNER MARK W HEFLEY ELEBERT CHARLES HELLMANN GARY LEON HELMCAMP GARY JEON L HENDERSON JAY E HENDERSON JEFFREY HENDERSON MICKEN L JAY HENDRICKSON EDWARD L HE
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MARRINI ALEXANDER LOVINGOOD ANTHONY G LOWE BRIAN LOWE HARRY R LOWE WILLIAM P LOWE RICK C LOWMAN LYNN PAUL
HARRINI ALEXANDER LOVINGOOD ANTHONY G LOWE BRIAN LOWE HARRY R LOWE WILLIAM P LOWE RICK C LOWMAN LYNN PAUL
HOLD SHARD SHARON KAY LUCAS DANIY LUCE DONALD G LUCCE ALLISON W LUDILOW JOHN H LUDILUM NATHAN M LUDW
OSHUA LUKER KENNETH J LUKES DANIEL LUMBRERAZ NICOLAS LUMBRERAZ RODNEY H LUNDBERG WILLIAM FLUNDY
RD BRIAN LUPO LON L LURA RAYMOND L LUSK TOOD RICHARD LUSK JOHN W LUTHI TANNA LYN LUTSIC JACK E LUTH
LILY LYNCH DOBBY J LYNCH BUDDY A LYNCH GREE N LYNCH JAMES R LYNCH JAMES THYNCH JIMMY LYNCH JOE LYNCH JOHN
H LYNCH STEPHEN B LYNCH TARRANTT LYNCH JAMES K LYNN TIMOTHY W LYNN ALLEN LLYON BRAD J LYON D RICKY LYON MAR
MABREY WILLE L MABRY MICHAEL J MACFARLANE FLANES FALRAND MACH THOMAS W MACIEJ
INALD P MACK THOMAS W MACK JOHN MICHAEL MACYCZKOP BELINDA M MADDEN GREGORY D MADDEN DAVID W MADDOX
ROBERTA MARETHINS MANUEL MAES LOU H MAGALDI RICHARD F MAGARGIE GLENN C MAGETTE MICHAELE MAGINN GARY MW
ENHOLZ WALTER GEORGE MAHUNIK HOWARD LEE MAJETTE VICTOR C MAJOR LUCAS N MAKELIN KYLE MAKER DAVI
MICHAEL SMALLARD ANITS SMALLOCH STEVENE WALLOCH DENNIS FMALLON JAY R MALMBERG BRIAN L MALONE BRITISH
E JONATHAN D MALONE JOSE C MANALO THOMAS J MANCHESTER JOHN M MANDEL TIMOTHY J MANDL PARKER G MANERS
MANN JOHN C WANN ESTER W WANN NOGER A MANN SALLY J MANN TODD R MANNERING CHRISTOPHER P MANNING
NAZ JR DANIEL MARA K RODNEY MARBUT STEPHEN HARBUT STEPHEN NELSON MARBUT MARCA MARCHAND DARRELL MARS
S MONICA M MARKS PAUL P MARKS STEVEN D MARKS MICHAEL THOMAS MARSHALL PAUL CMARKHAID DARRELL MARS
DAN R MARSHALL DON MARSHALL HEATH ALAN MARSHALL NATHAN P MARSHALL DAU MARKWARDD DARRELL MARG
DAN R MARSHALL DON MARSHALL HEATH ALAN MARSHALL NATHAN P MARSHALL DAU MARKWARDD DARRELL MARC
DAN R MARSHALL DON MARSHALL HEATH ALAN MARSHALL NATHAN P MARSHALL DAU MARSHALL DAUL LYARGWAY.
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SARBARA ANN MEMURY DALE A MEMBURY RUSSELL E MCLAUGHLIN CHRIST

BE HEAVIT BRET MCPHERSON ERIC MOPPHERSON ROBERT J MOPHERSON STA

MESPADDEN RUSSELL MENSWARE SCOTT MESWARE BORBY SHANE MCVEAY RANDALL

D Z MEADS ISRAEL I MEAGHER CAMFON C MEANS STAN L MEARS CORY F MECHA

EFF A MEIXSELL KEITH A MELENDEZ MICHAELA MELEUS ROYALD J MELOTT

NOLBERTO MENDOZA CORY B MENLOVE RUSSELL PMENLOVE MATTHEW D MENSCE

KMERRITT JEFFERY L MERRIWEATHER RAYMOND MESSEMER SCOTT P MESSENGER

ERIC S METKE ALAN T METSKER NATHAN W METZ AARON M MEYER CEVYN J

MEVER FRANK MEYERS KEVIN J MEYSENBURG JOHN H MHOON DANIEL E MICHAEL

CY MIDDLETON BILLY R MILES JOHN E MILES MICHAEL

ERI GREGORY L MILLER BIJAN H MILLER BRYAN D

BRADLEY D MILLER BIJAN H MILLER BRYAN D

JAN J MILLER

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