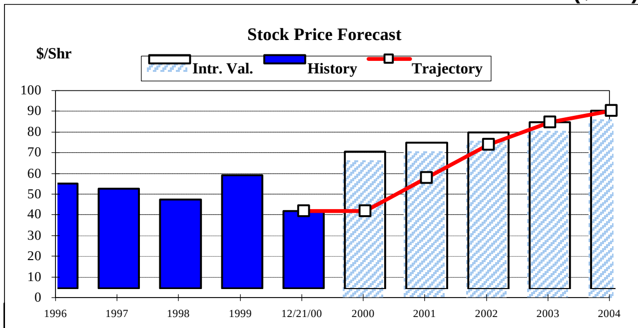
NUCOR CORP

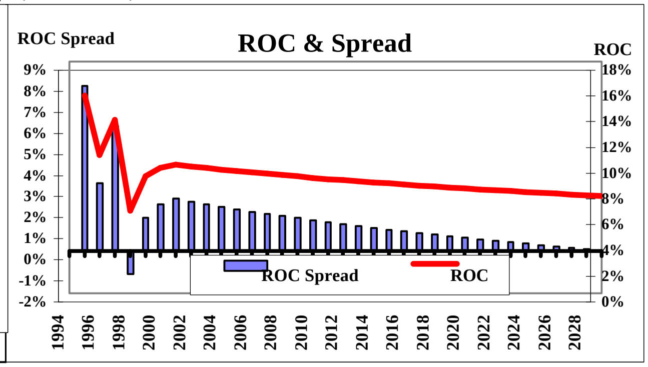
Conclusion(s):

1. Nucor is currently priced at a significant discount to its intrinsic value. Its fundamentals are quite likely to improve with a reduction in interest rates, and a concomitant increase in housing, construction and auto markets.
2. The reported weakness in the economy, so far, isn't having much of an effect on the market that use steel, but any increase in the concern about credit quality will benefit NUE since it has a superb balance sheet and consistently positive free cash flow, unlike many other cyclical stocks. And interest rates, including mortgage rates have begun to perform better even though the Federal Reserve has acted only to adopt an easing bias, but hasn't dropped its Federal Funds rate, the key driver for the cost of debt, especially mortgage rates.
3. The company's new management team seems committed to growth and the maintenance of high business quality. Further, it may be presented during the current economy with the opportunity to grow by acquisition, as it has mentioned might happen. We believe the expected return for NUE makes it one of the most attractive, high quality stocks available.

Valuation Overview	Symbol: NUE - NYSE	*Earnings Per Share*		**Potential Returns at annual rates**		
		2000	2001	(Appreciation plus cash dividends)		
Current Stock Price per Share	$37.63			1 year	3 year	30 year
Intrinsic Value per Share	$66.38	$ 3.80	$ 4.31			
	EBIT($mm)	$ 510	$ 554	44.71%	30.16%	8.91%



are as of end of Fiscal Year (12/30).

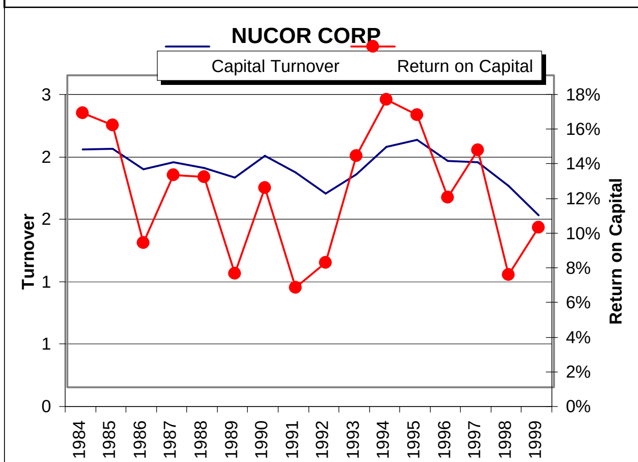


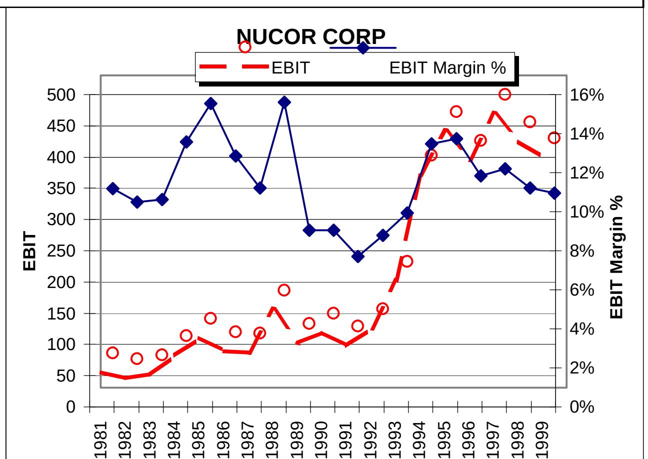
The table below presents the sensitivity of the valuation to changes in valuation driver assumptions.
Each sensitivity is based upon a one percentage point change, up and down, in that driver from base level (forecast average).

Sensitivity	Average Forecast Level (over 30 years)	Intrinsic Value Range: Decline	Intrinsic Value Range: Increase	% change in Intrinsic Value: Decline	% change in Intrinsic Value: Increase
EBIT Margin	9.3%	$59.28	$73.59	-10.7%	10.9%
Sales Growth	8.4%	$60.89	$72.90	-8.3%	9.8%
Cost of Capital (-1%)	7.5%	$75.31	$57.19	13.5%	-13.8%
Terminal Sales Growth	6.7%	$63.93	$69.13	-3.7%	4.1%

Risk Factors:

1. The economy could get out of control on the downside, with cyclical stocks mimicking the long run performance of heavy industry stocks in Japan during the 1990's.
2. Should the company begin making acquisitions, the risk of buying a lemon is increased and ultimately the company's position, not to mention its reputation, could be weakened.





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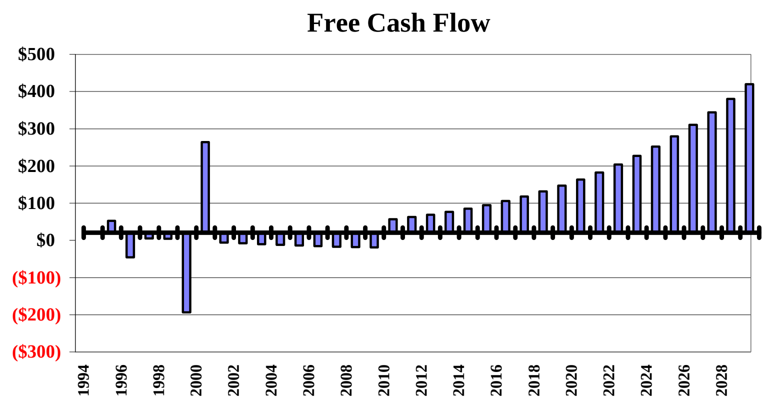
Operations and Finance So far this year, NUE has improved sales performance. In addition, the company has opened a new one-million ton steel plate mill in North Carolina. The company is reported to expect the plant to become profitable in the third quarter of 2001. The company closed its third quarter with $2990 in net capital, slightly below year-end 1999. We expect that the company's financial strength will continue high, even in the face of a toughened environment. After all, a large portion of the company's costs are determined by the cost of scrap metal which tends to fall in price during a tough economic environment.

Free Cash Flow Free cash flow has been improved in recent years and this current year is no exception. Through the third quarter free cash flow exceeded $280 million. This trend has allowed the company to engage in stock repurchase without increasing its leverage. And it will allow the company to make acqusitions when opportunity hits.



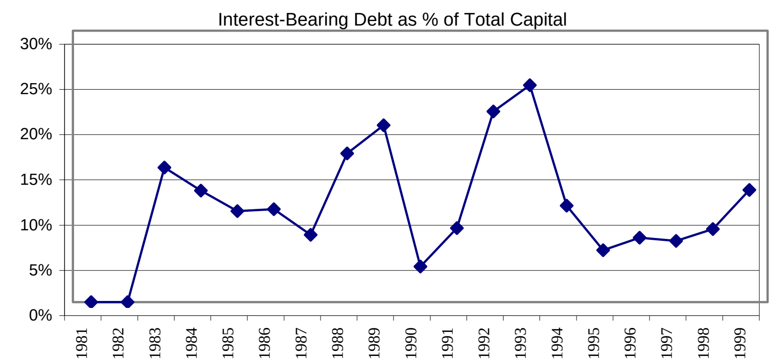
Shares outstanding

1994	1995	1996	1997
87.7	87.9	87.9	87.2

Estimated Shares outstanding

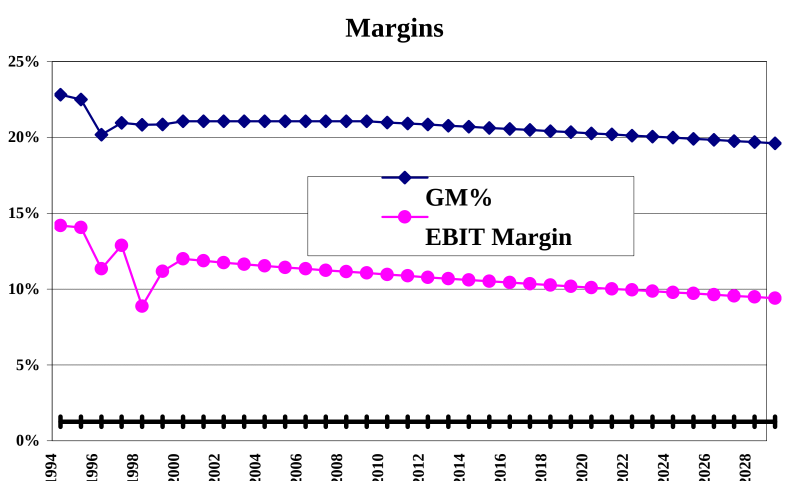
1998	1999	2000	2001
85.5	83.8	82.1	80.5

Capitalization Unlike many other companies, NUE has been able to repurchase shares without increasing its leverage. When sales are sluggish, this reduction in total capital without weakening its capital structure makes NUE able to maintain its Return on Capital at a higher level than its competitors.



Margins

NUE has a marvelous record of high gross and EBIT margins. As the company continues to grow faster than its industry, it will find it harder to maintain profit margins at historical levels. The company's history in the 1990's shows that trend and our valuation assumes a continuation in that direction.



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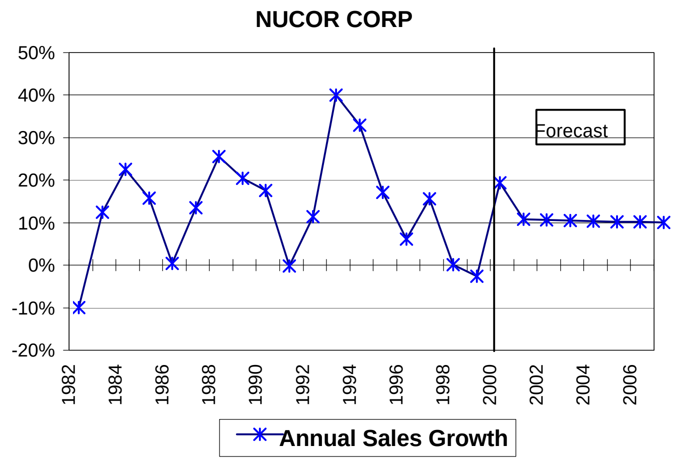
Revenue Growth The growth in sales for NUE has been spectacular over the past two decades. But, steel is a cyclical incustry and once in a while growth has dropped to zero. That did happen in 1998 and 1999. That also led, we believe, to a change in management. The progress since last year's slump has been excellent and the outlook for 2001 is somewhat lower growth of 10% versus our estimate of 18% for 2000. Over the longer term, we expect sales to average about 10% growth, versus an average of 11% for 1994-1999. This forecast could be too low if the company is able to execute an acquisition program successfully.



"Drivers"	**2000**	**2009**	**2029**
Sales Growth	18.5%	9.0%	6.7%
COGS Ratio	80.2%	80.2%	81.6%
SG&A Ratio	3.6%	3.6%	3.7%
R&D Ratio	0.0%	0.0%	0.0%
Advertising Ratio	0.0%	0.0%	0.0%
Change in LIFO Reserve Growth	0.0%	0.0%	0.0%
D&A Ratio	8.7%	8.7%	8.7%
Non Operating Income Ratio	0.0%	0.0%	0.0%
Other Equity Income Ratio	0.0%	0.0%	0.0%
Taxes Ratio	40.6%	35.0%	35.0%
Interest Rate Ratio	9.5%	9.5%	9.5%
Dividend Ratio	16.7%	16.7%	16.7%
Preferred Dividend Ratio	0.0%	0.0%	0.0%
Minority Interest Ratio	13.9%	13.9%	13.9%
Preferred Equity Growth	0.0%	0.0%	0.0%
Other Long Term Liabilities Rati	2.6%	2.6%	2.6%
Leverage	12.2%	12.2%	12.2%
Interest Income Ratio	5.0%	5.0%	5.0%
New Shares Issued Rate	-2.0%	-2.0%	-2.0%
Accounts Receivable Ratio	8.5%	8.5%	8.5%
Inventory Ratio	12.7%	12.7%	12.7%
Operating Cash Ratio	7.4%	7.4%	7.4%
Accounts Payable Ratio	7.4%	7.4%	7.4%
Other Working Capital Growth	0.0%	0.0%	0.0%
Net Fixed Assets Ratio	48.2%	48.2%	48.2%
Other Assets Ratio	3.1%	9.1%	7.7%

What are "Drivers"?

Drivers are the basic assumptions, most drawn from historical relationships, that are used as the main variables in calculating the present value of future free cash flows. The determinative model we use literally creates future income statements and balance sheets for each of the next thirty years in a Microsoft Excel spreadsheet. This approach allows great flexibility in modelling the shape of a company's future results.

The interaction of the "Drivers" creates the free cash flow in the model and while that seems straight-forward, the complexity of that interaction is sometimes surprisingly subtle. Often, the assumption that Return on Capital in the final forecast year will equal Cost of Capital and that sales growth will be at least 100 basis points below Cost of Capital will produce enough cash flow to pay off all debt and accumulate massive extra cash balances. Usually, in the case when a company does not repurchase shares, we will assume a large increase in dividend payouts.