

WORTHINGTON INDUSTRIES INC

Form DEF 14A

August 22, 2006

SCHEDULE 14A

(Rule 14a-101)

**INFORMATION REQUIRED IN PROXY STATEMENT
SCHEDULE 14A INFORMATION**

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934

Filed by the Registrant
Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, For Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to § 240.14a-12

WORTHINGTON INDUSTRIES, INC.

(Name of Registrant as Specified in Its Charter)

Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies: _____

(2) Aggregate number of securities to which transaction applies: _____

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11
(Set forth the amount on which the filing fee is calculated and state how it was determined): _____

(4) Proposed maximum aggregate value of transaction: _____

(5) Total fee paid: _____

- Fee paid previously with preliminary materials.
- Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

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(4) Date Filed: _____

August 23, 2006

200 Old Wilson Bridge Road
Columbus, OH 43085

Dear Fellow Shareholders:

The 2006 Annual Meeting of Shareholders of Worthington Industries, Inc. (the Company) will be held on Wednesday, September 27, 2006, at Worthington Industries Headquarters, 200 Old Wilson Bridge Road, Columbus, Ohio 43085, beginning at 2:00 p.m., Eastern Daylight Time, for the following purposes:

- (1) To elect four directors, each to serve for a term of three years;
- (2) To approve the Worthington Industries, Inc. 2006 Equity Incentive Plan for Non-Employee Directors;
- (3) To ratify the selection of KPMG LLP as the independent registered public accounting firm of the Company for the fiscal year ending May 31, 2007; and
- (4) To transact any other business which properly comes before the Annual Meeting or any adjournment.

Only shareholders of record at the close of business on August 1, 2006, the record date, are entitled to receive notice of, and to vote at, the Annual Meeting.

Please read the enclosed Notice of Annual Meeting of Shareholders and the accompanying Proxy Statement carefully. Whether or not you plan to attend the Annual Meeting, I urge you to participate by completing, signing, dating, and returning your proxy card in the enclosed envelope. The prompt return of your proxy card will help ensure that as many Common Shares as possible are represented at the Annual Meeting. Alternatively, registered shareholders may transmit voting instructions for their Common Shares electronically through the Internet or by telephone by following the simple instructions on the proxy card. For those shareholders unable to attend the Annual Meeting, a live audio webcast will be available via Internet link at www.worthingtonindustries.com.

Your continuing interest in our Company is greatly appreciated and, on behalf of the Board of Directors and management, I look forward to personally greeting those shareholders able to attend the Annual Meeting.

Sincerely,

/s/ John P. McConnell

JOHN P. McCONNELL
Chairman of the Board and Chief Executive Officer

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

To Be Held On Wednesday, September 27, 2006

NOTICE IS HEREBY GIVEN that the 2006 Annual Meeting of Shareholders of Worthington Industries, Inc. (the Company) will be held at 2:00 p.m., Eastern Daylight Time, on Wednesday, September 27, 2006, at Worthington Industries Headquarters located at 200 Old Wilson Bridge Road, Columbus, Ohio 43085. For those shareholders unable to attend in person, a live audio webcast will be available via Internet link at www.worthingtonindustries.com. The Annual Meeting is being held for the following purposes:

- (1) To elect four directors, each to serve for a term of three years;
- (2) To approve the Worthington Industries, Inc. 2006 Equity Incentive Plan for Non-Employee Directors;
- (3) To ratify the selection of KPMG LLP as the independent registered public accounting firm of the Company for the fiscal year ending May 31, 2007; and
- (4) To transact any other business which properly comes before the Annual Meeting or any adjournment.

Only shareholders of record, as shown by the transfer books of the Company, at the close of business on August 1, 2006, are entitled to receive notice of, and to vote at, the Annual Meeting. A copy of the Company's 2006 Annual Report accompanies this notice.

Please use this opportunity to take part in the affairs of the Company by voting on the business to come before the Annual Meeting. **WHETHER YOU PLAN TO ATTEND THE ANNUAL MEETING OR NOT, PLEASE COMPLETE, SIGN, DATE AND RETURN THE ACCOMPANYING PROXY CARD IN THE ENCLOSED POSTAGE-PAID ENVELOPE. ALTERNATIVELY, REFER TO THE INSTRUCTIONS ON THE PROXY CARD TO TRANSMIT YOUR VOTING INSTRUCTIONS ELECTRONICALLY VIA THE INTERNET OR BY TELEPHONE.** Returning the proxy card or transmitting your voting instructions electronically does not deprive you of your right to attend the Annual Meeting and to vote your Common Shares in person in respect of the matters to be acted upon at the Annual Meeting.

By Order of the Board of
Directors,

/s/ Dale T. Brinkman

Dale T. Brinkman
Secretary

August 23, 2006

WORTHINGTON INDUSTRIES, INC.
200 Old Wilson Bridge Road
Columbus, Ohio 43085
(614) 438-3210
PROXY STATEMENT

GENERAL INFORMATION

This Proxy Statement, along with the enclosed proxy card, are being furnished to shareholders of Worthington Industries, Inc. (the Company) in connection with the solicitation of proxies, on behalf of the Board of Directors (the Board), for use at the Annual Meeting of Shareholders to be held on Wednesday, September 27, 2006 (the Annual Meeting), or any adjournment. The Annual Meeting will be held at 2:00 p.m., Eastern Daylight Time, at Worthington Industries Headquarters located at 200 Old Wilson Bridge Road, Columbus, Ohio 43085. Only shareholders of record at the close of business on August 1, 2006 (the Record Date) are entitled to receive notice of, and to vote at, the Annual Meeting. The Company is first sending or delivering this Proxy Statement and the accompanying proxy card to those shareholders on or about August 23, 2006. The total number of issued and outstanding Common Shares on the Record Date entitled to vote at the Annual Meeting was 88,807,354. Each shareholder is entitled to one vote for each Common Share held, and there are no cumulative voting rights in the election of directors.

As used herein, the term Company means Worthington Industries, Inc. or, where appropriate, Worthington Industries, Inc. and its subsidiaries. The term Common Shares means the Company's common shares, without par value.

To ensure your Common Shares will be voted at the Annual Meeting, please complete, sign, date and promptly return the enclosed proxy card. A return envelope, which requires no postage if mailed in the United States, has been provided for your use. Alternatively, shareholders may transmit voting instructions electronically via the Internet or by using the toll-free telephone number listed on the proxy card. The deadline for transmitting voting instructions electronically via the Internet or telephonically is 11:59 p.m., Eastern Daylight Time, on September 26, 2006. The Internet and telephone voting procedures are designed to authenticate shareholders' identities, to allow shareholders to give their voting instructions, and to confirm that shareholders' voting instructions have been properly recorded. Shareholders voting through the Internet should understand that there may be costs associated with electronic access, such as usage charges from Internet access providers and telephone companies, that they will bear.

Those Common Shares represented by properly executed proxy cards or properly authenticated voting instructions recorded electronically via the Internet or by telephone, that are received prior to the Annual Meeting and not revoked, will be voted as directed by the shareholder. The Common Shares represented by all valid forms of proxy received prior to the Annual Meeting which do not specify how the Common Shares should be voted will be voted as recommended by the Board, except in the case of broker non-votes, where applicable, as follows: (i) FOR the election of each of the four nominees of the Board listed below under the caption PROPOSAL 1: ELECTION OF DIRECTORS; (ii) FOR the approval of the Worthington Industries, Inc. 2006 Equity Incentive Plan for Non-Employee Directors described below under the caption PROPOSAL 2: APPROVAL OF THE WORTHINGTON INDUSTRIES, INC. 2006 EQUITY INCENTIVE PLAN FOR NON-EMPLOYEE DIRECTORS; and (iii) FOR the ratification of the selection of KPMG LLP as the Company's independent registered public accounting firm for the fiscal year ending May 31, 2007, described below under the caption PROPOSAL 3: RATIFICATION OF SELECTION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM. No appraisal rights exist for any action proposed to be taken at the Annual Meeting.

Proxies will be solicited by mail and may be further solicited by additional mailings, personal contact, telephone, electronic mail, facsimile or telegraph by directors, officers and employees of the Company, none of whom will receive additional compensation for such solicitation activities. In addition, the Company has retained Morrow & Company, Inc. to aid in the solicitation of proxies with respect to Common Shares held by broker/dealers, financial institutions and other custodians, fiduciaries and nominees, for a fee of approximately \$2,000 plus out-of-pocket expenses. The Company will reimburse its transfer agent, National City Bank, as well as broker/dealers, financial institutions and other custodians, fiduciaries and nominees, who are record holders of Common Shares not beneficially owned by them, for their reasonable costs in forwarding proxy materials to, and obtaining proxies from, the beneficial owners of the Common Shares entitled to vote at the Annual Meeting. The Company will bear the costs of preparing, assembling, printing and mailing this Proxy Statement, the accompanying proxy card and any other related materials, as well as all other costs incurred in connection with the solicitation of proxies on behalf of the Board, other than the Internet access fees and telephone service fees described above.

If you hold your Common Shares in street name with a broker/dealer, financial institution or other holder of record, you may be eligible to appoint your proxy electronically via the Internet or telephonically, but are urged to carefully review the information provided to you by the holder of record. This information will describe the procedures to be followed in instructing the holder of record how to vote the street name Common Shares and how to revoke previously-given instructions. If you hold your Common Shares in street name and do not provide voting instructions to your broker/dealer, within the required time frame before the Annual Meeting, your broker/dealer will have the discretion to vote your Common Shares on matters that the New York Stock Exchange (NYSE) has determined are routine such as the uncontested election of directors and the ratification of the selection of the Company's independent registered public accounting firm. Your broker/dealer cannot, however, vote your Common Shares in respect of the proposal to approve the Worthington Industries, Inc. 2006 Equity Incentive Plan for Non-Employee Directors without instructions from you.

You may revoke your proxy at any time before it is actually voted at the Annual Meeting by giving written notice of revocation to the Secretary of the Company, by accessing the Internet site or using the toll-free number stated on the proxy card and electing revocation as instructed or, if you are a registered shareholder, by attending the Annual Meeting and giving notice of revocation in person. You may also change your vote by choosing one of the following options: executing and returning to the Company a later-dated proxy card; voting in person at the Annual Meeting (but only if you are the registered shareholder); submitting a later-dated electronic vote through the Internet site; or voting by telephone using the toll-free telephone number stated on the proxy card at a later date. **Attending the Annual Meeting will not, in and of itself, constitute revocation of a previously-appointed proxy.**

The results of shareholder voting for the Annual Meeting will be tabulated by the inspectors of election appointed by the Board for the Annual Meeting. Common Shares represented by properly-executed proxies returned to the Company prior to the Annual Meeting or represented by properly-authenticated electronic votes recorded through the Internet or by telephone will be counted toward the establishment of a quorum for the Annual Meeting even though they are marked Abstain, Against, For, For All Nominees, Withheld From All Nominees, For All Nominees Except the Individual(s) Named on the Line Above, or not at all. Broker non-votes are Common Shares held of record by broker/dealers which are present in person or by proxy at the Annual Meeting, but which are not voted because instructions have not been received from the beneficial owner with respect to a particular matter over which the broker/dealer does not have discretionary voting authority. Broker non-votes are counted toward the establishment of a quorum.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table furnishes information regarding the number and percentage of outstanding Common Shares beneficially owned by: (a) each current director of the Company; (b) each of the nominees of the Board for election as a director of the Company; (c) each individual named in the Summary Compensation Table; (d) all current directors and executive officers of the Company as a group; and (e) each person known by the Company to own beneficially more than five percent of the outstanding Common Shares, in each case as of the Record Date (except as otherwise noted). The address of each of the current executive officers and directors of the Company is c/o Worthington Industries, Inc., 200 Old Wilson Bridge Road, Columbus, Ohio 43085.

**Amount and Nature of Beneficial
Ownership(1)**

**Number of Common Shares
Presently Held
and Which Can Be Acquired
upon Exercise of
Options Currently Exercisable
or Which Will
First Become Exercisable within
60 Days and
Theoretical Common Shares
Credited to
Accounts in the Company's
Deferred**

**Percent of
Outstanding
Common
Shares (2)**

Name of Beneficial Owner

Compensation Plans

John B. Blystone	20,130 (3)	*
John S. Christie (4)	388,094 (5)	*
William S. Dietrich, II	22,000 (6)	*
Michael J. Endres	103,207 (7)	*
Joe W. Harden (4)	70,351 (8)	*
Peter Karmanos, Jr.	97,926 (9)	*
John R. Kasich	32,023 (10)	*
John P. McConnell (4)	2,503,559 (11)	2.8%
Carl A. Nelson, Jr.	10,000 (12)	*
Edmund L. Ponko, Jr. (4)	123,072 (13)	*
Sidney A. Ribeau	20,460 (14)	*
Mary Schiavo	24,011 (15)	*
George P. Stoe (4)	55,175 (16)	*
All Current Directors and Executive Officers as a Group (19 people)	4,159,278 (17)	4.5%
John H. McConnell 200 Old Wilson Bridge Road Columbus, OH 43085	14,058,582 (18)	15.8%
Snow Capital Management, L.P. 2100 Georgetowne Drive Suite 400 Sewickley, PA 15143	5,905,125 (19)	6.6%
Capital Research and Management Company 333 South Hope Street Los Angeles, CA 90071	5,341,600 (20)	6.0%

* less than 1%

(1) Unless
otherwise

stated, the beneficial owner has sole voting and investment power over the listed Common Shares or shares such power with his or her spouse.

- (2) The Percent of Outstanding Common Shares is based on the sum of (a) 88,807,354 Common Shares outstanding on the Record Date; and (b) the number of Common Shares as to which the named person or group has the right to acquire beneficial ownership upon the exercise of options which are currently exercisable or which will first become exercisable within 60 days after August 1, 2006 (collectively, Currently Exercisable Options). The theoretical Common Shares credited to the accounts of executive officers of the Company

participating in
the Worthington
Industries, Inc.
2005
Non-Qualified
Deferred
Compensation
Plan, as
amended, and
the Worthington
Industries, Inc.
Non-Qualified
Deferred
Compensation
Plan, effective
March 1, 2000
(collectively,
the Employee
Deferral Plans)
or of directors
of the Company
participating in
the Worthington
Industries, Inc.
2005 Deferred
Compensation
Plan for
Directors and
the Worthington
Industries, Inc.
Deferred
Compensation
Plan for
Directors, as

Amended and Restated, effective June 1, 2000 (collectively, the Director Deferral Plans) are not included in the calculation of the Percent of Outstanding Common Shares figures in the table.

- (3) Includes 10,000 Common Shares subject to Currently Exercisable Options.
- (4) Individual named in the Summary Compensation Table.
- (5) Includes 352,500 Common Shares subject to Currently Exercisable Options. Also includes 2,908 theoretical Common Shares credited to the accounts of Mr. Christie in the Employee Deferral Plans, the terms of which are described more fully in note (17) below.

(6)

Includes 12,000
Common Shares
subject to
Currently
Exercisable
Options.

- (7) Includes 20,000
Common Shares
subject to
Currently
Exercisable
Options. Also
includes 10,000
Common Shares
held by
Mr. Endres' wife,
who has sole
voting and
investment
power as to the
10,000 Common
Shares.
Beneficial
ownership of
these 10,000
Common Shares
is disclaimed by
Mr. Endres. Also
includes 21,107
theoretical
Common Shares
credited to the
accounts of
Mr. Endres in
the Director
Deferral Plans,
the terms of
which are
described more
fully in note
(17) below.

- (8) Includes 60,000
Common Shares
subject to
Currently
Exercisable
Options. Also
includes 7,133
Common Shares

held by
Mr. Harden's
wife, who has
sole voting and
investment
power as to the
7,133 Common
Shares.

Beneficial
ownership of
these 7,133
Common Shares
is disclaimed by
Mr. Harden.

- (9) Includes 20,000
Common Shares
subject to
Currently
Exercisable
Options. Also
includes 50,000
Common Shares
held by
Mr. Karmanos as
trustee for a
living trust. Also
includes 27,926
theoretical
Common Shares
credited to the
accounts of
Mr. Karmanos in
the Director
Deferral Plans,
the terms of
which are
described more
fully in note
(17) below.

- (10) Includes 20,000
Common Shares
subject to
Currently
Exercisable
Options. Also
includes 12,023
theoretical
Common Shares
credited to the

accounts of Mr. Kasich in the Director Deferral Plans, the terms of which are described more fully in note (17) below.

- (11) Includes 777,000 Common Shares subject to Currently Exercisable Options and 61,262 Common Shares held by John P. McConnell as custodian for his children. Also includes 554 Common Shares held by Mr. McConnell's wife as custodian for her son. Mrs. McConnell has sole voting and investment power as to the 554 Common Shares. Beneficial ownership of these 554 Common Shares is disclaimed by Mr. McConnell. Includes 118,000 Common Shares held by The McConnell Family Trust of which Mr. McConnell is co-trustee and has sole voting and investment power. Also includes 511,750

Common Shares held in the estate of Margaret R. McConnell, John P. McConnell's mother and John H. McConnell's wife. John P. McConnell is the executor of the estate and, in that capacity, has sole voting and investment power as to the 511,750 Common Shares. Also includes 130,000 Common Shares held in The McConnell Educational Foundation for the benefit of third parties, of which John P. McConnell is one of the five directors and shares voting and investment power. Beneficial ownership of these 130,000 Common Shares is disclaimed by John P. McConnell. Does not include 2,428,312 Common Shares (2.7% of the Common Shares outstanding) held by an independent trustee in trust for the benefit of John P.

McConnell and his sister, John H. McConnell's adult daughter, over which Common Shares the independent trustee has voting power and investment power. Beneficial ownership of these 2,428,312 Common Shares is disclaimed by John P. McConnell. John P. McConnell is the son of John H. McConnell.

- (12) Includes 9,000 Common Shares subject to Currently Exercisable Options.

- (13) Includes 112,000 Common Shares subject to Currently Exercisable Options. Also includes 11,072 theoretical Common Shares credited to the accounts of Mr. Ponko in the Employee Deferral Plans, the terms of which are described more fully in note (17) below.
- (14) Includes 16,000 Common Shares subject to Currently Exercisable Options. Also includes 460 theoretical Common Shares credited to the accounts of Mr. Ribeau in the Director Deferral Plans, the terms of which are described more fully in note (17) below.
- (15) Includes 20,000 Common Shares subject to Currently Exercisable Options.
- (16) Includes 48,000 Common Shares subject to Currently Exercisable Options. Also includes 5,765 theoretical Common Shares credited to the

accounts of Mr. Stoe in the Employee Deferral Plans, the terms of which are described more fully in note (17) below.

- (17) The number of Common Shares shown as beneficially owned by the Company's current directors and executive officers as a group includes 2,022,700 Common Shares subject to Currently Exercisable Options granted to them under the 1990 Stock Option Plan, the 1997 Long-Term Incentive Plan, the 2000 Stock Option Plan for Non-Employee Directors, and the 2003 Stock Option Plan. Such number also includes an aggregate of 83,458 theoretical Common Shares credited to the respective accounts of the Company's directors and executive officers in the Director Deferral Plans and the Employee Deferral Plans (collectively, the Deferral Plans). Under the terms of the Deferral Plans, participants do not beneficially own,

nor do they have voting or investment power with respect to, theoretical Common Shares held in accounts under the respective Deferral Plans, and payouts are made in cash. See

PROPOSAL 1:
ELECTION OF DIRECTORS
Compensation of Directors Director Deferral Plans for further information concerning the Director Deferral Plans and

EXECUTIVE COMPENSATION
Employee Deferral Plans for further information concerning the Employee Deferral Plans.

- (18) These 14,058,582 Common Shares include 12,415,982 Common Shares held of record by JDEL, Inc. (JDEL), a Delaware corporation. The directors of JDEL have given John H. McConnell sole voting and investment power with respect to these Common Shares. JDEL is a wholly-owned subsidiary of JMAC, Inc. (JMAC), a private investment

company
substantially
owned, directly or
indirectly, by John
H. McConnell, John
P. McConnell and a
family partnership
of John H.
McConnell, John P.
McConnell and
their families
(collectively, the
McConnell Family).

See

TRANSACTIONS
WITH CERTAIN
RELATED
PARTIES. The
table does not
include 2,428,312
Common Shares
(2.7% of the
Common Shares
outstanding) held
by an independent
trustee in trust for
the benefit of
Mr. McConnell's
adult daughter and
his son, John P.
McConnell, over
which Common
Shares the
independent trustee
has voting and
investment power.
John H. McConnell
has the right to
change the trustee.
Beneficial
ownership of these
2,428,312 Common
Shares is disclaimed
by John H.
McConnell.

- (19) In a Form 13F
Holdings Report,
filed by Snow
Capital
Management, L.P.

(Snow), a registered investment adviser, with the SEC on August 11, 2006, Snow reported that as of June 30, 2006, it had sole investment discretion and sole voting authority as to 5,905,125 Common Shares. Snow disclaimed beneficial ownership of the reported Common Shares.

- (20) In a Schedule 13G amendment, dated February 6, 2006 and filed with the Securities and Exchange Commission (the SEC), on February 10, 2006, Capital Research and Management Company (Capital) reported that it was deemed to be the beneficial owner of 5,341,600 Common Shares as of December 31, 2005, as a result of acting as investment adviser to various registered investment companies. Capital, a registered investment adviser, reported that it had sole investment power over 5,341,600 Common Shares and sole voting power over 3,639,800 Common

Shares. Capital
disclaimed
beneficial
ownership of the
reported Common
Shares.

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PROPOSAL 1: ELECTION OF DIRECTORS

There are currently ten individuals serving as members of the Board: four in the class whose terms expire at the 2006 Annual Meeting, three in the class whose terms expire at the Annual Meeting of Shareholders in 2007, and three in the class whose terms expire at the Annual Meeting of Shareholders in 2008. The Board has reviewed, considered and discussed each director's relationships, either directly or indirectly, with the Company and its subsidiaries, including those listed under TRANSACTIONS WITH CERTAIN RELATED PARTIES, and the compensation each director receives, directly or indirectly, from the Company and its subsidiaries in order to determine whether such director meets the independence requirements of the applicable sections of the NYSE Listed Company Manual (the NYSE Rules) and the applicable rules and regulations of the SEC (the SEC Rules). The Board has determined that eight of the ten directors qualify as independent under the NYSE Rules and guidelines set by the Board and described below under Independence of Directors: John B. Blystone, William S. Dietrich, II, Michael J. Endres, Peter Karmanos, Jr., John R. Kasich, Carl A. Nelson, Jr., Sidney A. Ribeau and Mary Schiavo. John S. Christie and John P. McConnell, who currently serve as executive officers of the Company, do not qualify as independent under NYSE Rules.

Pursuant to the Worthington Industries, Inc. Board of Directors Corporate Governance Guidelines adopted by the Board (the Corporate Governance Guidelines), a copy of which is available on the Corporate Governance page of the Investor Relations section of the Company's web site located at www.worthingtonindustries.com, a director is determined to be independent if he or she is independent of management and has no material relationship with the Company either directly or as a partner, shareholder or officer of an organization that has such a relationship with the Company, as affirmatively determined by the Board. The Board will observe any additional criteria for independence established by NYSE or other governing laws and regulations.

The Board has designated John B. Blystone, William S. Dietrich, II, Carl A. Nelson, Jr. and Sidney A. Ribeau, as nominees for re-election as directors of the Company at the Annual Meeting. Each individual was recommended by the Nominating and Governance Committee. Messrs. Blystone, Dietrich, Nelson and Ribeau are currently serving as directors of the Company for terms that expire at the upcoming Annual Meeting, and each has served continuously as a director of the Company since 1997, 1996, 2004, and 2000, respectively.

Upon recommendation by the Nominating and Governance Committee, Carl A. Nelson, Jr. was elected by the Board as a director on November 18, 2004. Mr. Nelson had been recommended by Peter Karmanos, Jr., as Chair of the Nominating and Governance Committee, along with John S. Christie (the President and Chief Financial Officer and a director of the Company), Michael J. Endres (a director of the Company) and John P. McConnell (the Chairman of the Board and Chief Executive Officer of the Company).

Each individual elected as a director at the Annual Meeting will hold office for a three-year term, expiring at the 2009 Annual Meeting of Shareholders, or until the earlier of (a) his successor being duly elected and qualified, or (b) his death, resignation or removal from office. The individuals named as proxies in the form of proxy solicited by the Board intend to vote the Common Shares represented by the proxies received under this solicitation for the Board's nominees, unless otherwise instructed on the form of proxy. If any nominee who would otherwise receive the requisite number of votes becomes unable or unwilling to serve as a candidate for election as a director, the individuals designated to vote the proxies reserve full discretion to vote the Common Shares represented by the proxies they hold for the election of the remaining nominees and for the election of any substitute nominee designated by the Board, upon recommendation by the Nominating and Governance Committee. The Board has no reason to believe that any of the nominees of the Board will be unavailable or unable to serve as a director of the Company if elected.

The following information, as of August 1, 2006, concerning the age, principal occupation, other affiliations and business experience of each director during the last five years has been furnished to the Company by such director. Except where indicated, each director has had the same principal occupation for the last five years. John P. McConnell is the son of John H. McConnell, the Company's founder, who beneficially owns more than 5% of the Company's outstanding Common Shares. There are no family relationships among any of the current directors and executive officers of the Company.

Nominees Standing for Re-Election to the Board of Directors

John B. Blystone

John B. Blystone, age 53, has served continuously as a director of the Company since 1997, is Chair of the Compensation and Stock Option Committee, and is a member of the Executive Committee. Mr. Blystone served as Chairman, President and Chief Executive Officer of SPX Corporation, a global provider of technical products and systems, industrial products and services, flow technology, cooling technologies and services, and service solutions, for more than five years prior to December 2004, when he retired.

William S. Dietrich, II

William S. Dietrich, II, age 68, has served continuously as a director of the Company since 1996. Mr. Dietrich served as Chairman of Dietrich Industries, Inc., a subsidiary of the Company, for more than five years prior to May 2003, when he retired.

Carl A. Nelson, Jr.

Carl A. Nelson, Jr., age 61, has served continuously as a director of the Company since 2004, and is Chair of the Audit Committee. Mr. Nelson has served as an independent business consultant since March 2002, when he retired as a partner from Arthur Andersen, LLP after 31 years of service. Mr. Nelson served as Managing Partner of the Arthur Andersen Columbus, Ohio, office from 1994 until his retirement, and was the leader of the firm's consulting services for the products industry in the United States. Mr. Nelson is also a director of Dominion Homes, Inc. and serves as Chair of its Audit Committee.

Sidney A. Ribeau

Sidney A. Ribeau, age 58, has served continuously as a director of the Company since 2000, and is a member of the Audit Committee and the Nominating and Governance Committee. Mr. Ribeau has served as President of Bowling Green State University for more than five years. Mr. Ribeau serves as a director of The Andersons, Inc. and Convergys Corporation. Mr. Ribeau serves as a member of the Compensation Committee and Governance/Nominating Committee for The Andersons, Inc.; and as a member of the Audit Committee and Finance Committee for Convergys Corporation.

Directors Whose Terms Continue Until the 2007 Annual Meeting

John R. Kasich

John R. Kasich, age 54, has served continuously as a director of the Company since 2001 and is a member of the Compensation and Stock Option Committee and the Nominating and Governance Committee. Mr. Kasich has been Managing Director of the Investment Banking Group of Lehman Brothers Holdings Incorporated, in Columbus, Ohio, since January 2001. For more than five years prior to that time, Mr. Kasich was a member of the U. S. House of Representatives. Mr. Kasich is the host of Heartland on the Fox News Channel. Mr. Kasich is also a director of Invacare Corporation and serves as Chair of its Nominating Committee.

John P. McConnell

John P. McConnell, 52, has served continuously as the Company's Chief Executive Officer since June 1993, as a director of the Company continuously since 1990, and as Chairman of the Board of the Company since September 1996. Mr. McConnell also serves as the Chair of the Executive Committee. Mr. McConnell is also a director of Alltel Corporation and serves as Chair of its Compensation Committee and as a member of its Audit Committee.

Mary Schiavo

Mary Schiavo, age 50, has served continuously as a director of the Company since 1998 and is a member of the Audit Committee and the Nominating and Governance Committee. Ms. Schiavo has been a partner in the law firm of Motley Rice LLC, Mount Pleasant, South Carolina, since October 2003. From 2002 to October 2003, Ms. Schiavo was an attorney with Baum, Hedlund, Aristei, Guilford & Schiavo, P.C., a law firm in Los Angeles, California. From 1997 to 2002, Ms. Schiavo served as a professor at The Ohio State University and as a consultant for NBC News. Ms. Schiavo served as Inspector General for the U. S. Department of Transportation from 1991 to 1997.

Directors Whose Terms Continue Until the 2008 Annual Meeting

John S. Christie

John S. Christie, age 56, has served continuously as a director of the Company since 1999 and as President and Chief Financial Officer of the Company since January 2004. He served as interim Chief Financial Officer of the Company from September 2003 until he became Chief Financial Officer in January 2004. He also served as President and Chief Operating Officer of the Company from June 1999 until September 2003.

Michael J. Endres

Michael J. Endres, age 58, has served continuously as a director of the Company since 1999 and is a member of the Executive Committee, the Audit Committee, and the Compensation and Stock Option Committee. Mr. Endres is a partner in Stonehenge Financial Holdings, Inc., a private equity investment firm he co-founded in August 1999. Mr. Endres also serves as a director of Huntington Bancshares Incorporated, ProCentury Corporation and Tim Hortons, Inc. Mr. Endres serves as a member of the Executive Committee and the Risk Committee for Huntington Bancshares Incorporated; as a member of the Compensation Committee and the Executive Committee for ProCentury Corporation; and as a member of the Audit Committee for Tim Hortons, Inc.

Peter Karmanos, Jr.

Peter Karmanos, Jr., age 63, has served continuously as a director of the Company since 1997, is Chair of the Nominating and Governance Committee, and is a member of the Executive Committee and the Compensation and Stock Option Committee. Mr. Karmanos has held the position of Chairman of the Board, Chief Executive Officer and Co-Founder of Compuware Corporation, a software development company, for more than five years. Mr. Karmanos also serves as a director of Compuware Corporation and Taubman Centers, Inc. Mr. Karmanos serves as a member of the Audit Committee for Taubman Centers, Inc.

Recommendation and Vote

Under Ohio law and the Company's Code of Regulations, the four nominees for election to the Board receiving the greatest number of votes FOR election will be elected as directors of the Company.

Common Shares represented by properly-executed, returned proxy cards or properly-authenticated electronic voting instructions recorded through the Internet or by telephone will be voted FOR the election of the Board's nominees, unless authority to vote for one or more of the nominees is withheld. Common Shares as to which the authority to vote is withheld will not be counted toward the election of directors or the election of the individual nominees specified on the form of proxy. Proxies may not be voted for more than four nominees.

The Company's Board Recommends That Shareholders Vote For the Election of All of the Nominees Named Above.

Communications with the Board

The Board believes it is important for shareholders and other interested parties to have a process by which to send communications to the Board and its individual members. Accordingly, shareholders and other interested

parties who wish to communicate with the Board, the non-management directors as a group, or a particular director may do so by addressing such correspondence to the name(s) of the specific director(s) or to the Board of Directors as a whole, and sending it in care of the Company, to the Company's executive offices at 200 Old Wilson Bridge Road, Columbus, Ohio 43085. The mailing envelope must contain a clear notation indicating that the enclosed letter is a Shareholder/Interested Party Non-Management Director Communication, Shareholder/Interested Party Board Communication, or Shareholder/Interested Party Director Communication, as appropriate. All such letters must identify the author as a shareholder or other interested party (identifying such interest) and clearly indicate whether the communication is directed to all members of the Board, to the non-management directors as a group or to a certain specified individual director(s). Copies of all such letters will be circulated to the appropriate director(s).

Correspondence marked personal and confidential will be delivered to the intended recipient without opening. There is no screening process in respect of communications from shareholders or other interested parties. This process for forwarding communications to the appropriate Board member(s) has been approved by our independent directors.

Questions, complaints and concerns may also be submitted to our directors by telephone through our Business Ethics Help Line by calling 877-263-9893 inside the United States and 770-613-6395 outside the United States.

Meetings of the Board and Attendance at Annual Meetings of Shareholders

The Board held four meetings during the fiscal year ended May 31, 2006 (Fiscal 2006), including regularly scheduled and special meetings. Each incumbent director, with the exception of Mr. Karmanos, attended at least 75% of the aggregate of (a) the total number of meetings held by the Board during the period he or she served as a director, and (b) the total number of meetings held by all committees of the Board on which such director served during the period he or she served.

In accordance with the Company's Corporate Governance Guidelines and applicable NYSE Rules, non-management directors of the Company meet (without management present) at regularly scheduled executive sessions at least twice per year and at such other times as the directors deem necessary or appropriate. The non-management directors may select who will lead the executive sessions and, absent selection, the non-management director who is a member of the Executive Committee with the most seniority presides at the executive sessions of the non-management directors. The non-management directors met in executive session after each of the four regularly scheduled Board meetings held in Fiscal 2006. The non-management directors all qualify as independent directors of the Company.

Historically, the Company has not required attendance by the members of the Board at annual meetings of the shareholders since there had been no Board meeting scheduled at that time. Directors and nominees who were in Columbus at the time of the Company's Annual Meeting were encouraged to attend. Four of the ten incumbent directors attended the Company's 2005 Annual Meeting of Shareholders held on September 29, 2005. The Board has recently changed the schedule for its quarterly meetings so that those quarterly meetings fall in March, June, September, and December. It is anticipated that the September meeting will occur on or about the date of the Annual Meeting, and directors are encouraged to attend the Annual Meeting.

Independence of Directors

The Board has been advised of the nature and extent of any personal and business relationships between the Company and John B. Blystone, William S. Dietrich, II, Michael J. Endres, Peter Karmanos, Jr., John R. Kasich, Carl A. Nelson, Jr., Sidney A. Ribeau or Mary Schiavo, individually (the Independent Directors), or any entities for which an Independent Director is a partner, officer, employee or shareholder. The Board has reviewed such relationships, including those listed under TRANSACTIONS WITH CERTAIN RELATED PARTIES, and has affirmatively determined that, in the judgment of the Board, none of the Independent Directors has any relationship to the Company, either directly or indirectly, including, without limitation, any commercial, industrial, banking, consulting, legal, accounting, charitable or familial relationship, which: (a) may interfere with his or her independence from management and the Company or the exercise of his or her independent judgment; (b) would be a material relationship with the Company so as to disqualify such director from being independent under applicable NYSE Rules; or (c) would impair his or her independence under the guidelines discussed below.

Under guidelines adopted by the Board, barring any unusual circumstances, a director's independence would not be impaired if: (a) the director is an executive officer or an employee (or his or her immediate family member is an executive officer) of a company that makes payments to, or receives payments from, the Company and its subsidiaries for property or services performed in the ordinary course of business in an amount which, in any single fiscal year, does not exceed the greater of \$1 million or 2% of the Company's or such other company's consolidated gross revenues; or (b) the Company and its subsidiaries makes contributions to a charitable organization for which the director (or his or her immediate family member) serves as an executive officer if the contributions, in any single fiscal year, do not exceed the greater of \$1 million or 2% of such charitable organization's consolidated gross revenues.

The Board determined that Mr. Dietrich qualified as an Independent Director effective as of June 1, 2006 as he retired from his employment with the Company three years prior to that date.

Committees of the Board

The Board has four standing committees: the Executive Committee, the Audit Committee, the Compensation and Stock Option Committee, and the Nominating and Governance Committee. The charter for each committee has been reviewed and approved by the Company's Board and is available on the Corporate Governance page of the Investor Relations section of the Company's web site located at www.worthingtonindustries.com. These documents are also available in print, without charge, by writing to the Investor Relations Department of the Company at Worthington Industries, Inc., 200 Old Wilson Bridge Road, Columbus, Ohio 43085, Attention: Allison M. Sanders, Director of Investor Relations.

Committees of the Board

	Executive	Audit	Compensation and Stock Option Chair	Nominating and Governance Chair
John B. Blystone*	x			
John S. Christie				
William S. Dietrich, II*		Ä		
Michael J. Endres*	x		x	
Peter Karmanos, Jr.*	x		x	Chair
John R. Kasich*			x	x
John P. McConnell	Chair			
Carl A. Nelson, Jr.*		Chair Ä		
Sidney A. Ribeau*		x		x
Mary Schiavo*		x		x

* Independent director under NYSE Rules

Ä Audit Committee Financial Expert

Executive Committee

The Executive Committee acts in place of and on behalf of the Board during times when the Board is not in session. The Executive Committee may exercise, to the fullest extent permitted by law and not delegated to another committee of the Board, all of the powers and authority granted to the Board other than the authority to fill vacancies on the Board or on any committee of the Board.

Audit Committee

The Board has determined that each member of the Audit Committee qualifies as an independent director under the applicable NYSE Rules and under SEC Rule 10A-3. The Board believes each member of the Audit Committee is

qualified to discharge his or her duties on behalf of the Company and satisfies the financial literacy requirement of the NYSE Rules. The Board has also determined that each of Messrs. Nelson and Endres qualifies as an audit committee financial expert as that term is defined in Item 401(h)(2) of SEC Regulation S-K by virtue of

his experience described on pages 7 and 8, respectively. No member of the Audit Committee serves on the audit committee of more than two other public companies.

At least annually, the Audit Committee evaluates its performance, reviewing and assessing the adequacy of its charter and recommending any proposed changes to the full Board, as necessary, to reflect changes in regulatory requirements, authoritative guidance and evolving practices.

The Audit Committee is organized and conducts its business pursuant to a written charter adopted by the Board which sets forth the Audit Committee's duties and responsibilities. The primary function of the Audit Committee is to assist the Board in the oversight of the financial and accounting functions, controls, reporting processes, and audits of the Company. Specifically, the Audit Committee, on behalf of the Board, monitors and evaluates: (a) the integrity and quality of the Company's financial statements; (b) the Company's compliance with legal and regulatory requirements, including the financial reporting process; (c) the Company's system of internal disclosure controls and its accounting and financial reporting controls; (d) the independent auditor's qualifications and independence; (e) the performance of the Company's internal audit function and its independent auditors; and (f) the annual independent audit of the Company's financial statements. The Audit Committee's specific responsibilities include: (i) selecting the Company's independent registered public accounting firm for each fiscal year and determining the terms of the audit engagement, including fees, and all other audit or non-audit engagements of the independent registered public accounting firm; (ii) reviewing the independence, qualifications and performance of the Company's independent registered public accounting firm; (iii) reviewing and approving in advance both audit and permitted non-audit services; (iv) setting hiring policies for employees or former employees of the Company's independent registered public accounting firm; (v) monitoring the partner rotation of the independent registered public accounting firm; (vi) reviewing the Company's accounting procedures and policies, including staffing, professional services to be provided, audit procedures to be used and fees to be charged by the Company's independent registered public accounting firm; (vii) reviewing the activities of the internal auditors and the Company's independent registered public accounting firm; (viii) preparing an annual report for inclusion in the Company's proxy statement; (ix) establishing procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and (x) other matters required by the Financial Accounting Standards Board, the American Institute of Certified Public Accountants, the SEC, NYSE, and other similar bodies or agencies. Pursuant to its charter, the Audit Committee has the authority to engage and compensate such counsel and other advisors as the Audit Committee deems necessary to carry out its duties.

The Audit Committee met nine times during Fiscal 2006. The Audit Committee's report relating to Fiscal 2006 begins on page 34.

Compensation and Stock Option Committee

The Board has determined that each member of the Compensation and Stock Option Committee (the Compensation Committee) qualifies as an independent director under the applicable NYSE Rules; and as a non-employee director for purposes of Rule 16b-3 under the Securities Exchange Act of 1934, as amended (the Exchange Act). All members other than Mr. Karmanos also qualify as outside directors for purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended (the Internal Revenue Code), and Mr. Karmanos abstains from voting on matters where such classification is relevant.

The Compensation Committee's charter sets forth the duties and responsibilities of the Compensation Committee, which include: (a) discharging the Board's responsibilities relating to compensation of the Company's executive management; (b) preparing an annual report on executive compensation for inclusion in the Company's proxy statement; (c) reviewing and advising the Board with respect to Board compensation; (d) administering the Company's stock option and long-term incentive programs and any other plans and programs; (e) carrying out such other roles and responsibilities as the Board may designate; and (f) carrying out such other responsibilities delegated to it by the Board. Pursuant to its charter, the Compensation Committee has the authority to retain compensation consultants, legal counsel, and other consultants as it deems appropriate to carry out its functions and to approve the fees and other retention terms for any such consultants. The Compensation Committee will periodically review and reassess the adequacy of its charter and recommend changes to the full Board, as necessary, to reflect changes in

regulatory requirements, authoritative guidance and evolving practices. The Compensation Committee evaluates its performance at least annually.

The Compensation Committee met two times during Fiscal 2006. The Report of the Compensation Committee on Executive Compensation for Fiscal 2006 begins on page 23.

Nominating and Governance Committee

The Board has determined that each member of the Nominating and Governance Committee qualifies as an independent director under the applicable NYSE Rules. The Nominating and Governance Committee will periodically review and assess the adequacy of its charter and recommend any proposed changes to the full Board, as necessary, to reflect changes in regulatory requirements, authoritative guidance, and evolving practices.

The purpose of the Nominating and Governance Committee is to provide oversight on a broad range of issues surrounding the composition and operation of the Board. The primary responsibilities of the Nominating and Governance Committee include: (a) ensuring that the Board is comprised of members with the appropriate skills, qualities and experience; (b) identifying and recommending individuals to be nominated for election as directors by the shareholders and to fill vacancies on the Board; (c) developing and recommending to the Board corporate governance principles of the Company; (d) authorizing the retention and termination of such search firms, legal counsel and other consultants as it deems appropriate to carry out its functions, including sole authority to approve the fees and other terms of such consultants' retention; (e) periodically reviewing the Amended Articles of Incorporation and Code of Regulations of the Company and recommending changes to the Board, if necessary; (f) reviewing the composition and size of the Board in order to ensure that the Board has the proper expertise and diversity in its members; (g) recommending criteria for the selection of Board members and Board committee members; (h) reviewing and recommending Board policies on age and term limits for Board members; (i) identifying and recruiting, along with the Chairman of the Board, candidates for Board membership; (j) providing, along with the Compensation Committee, for an annual review of succession plans for the Chairman of the Board and Chief Executive Officer in the case of his resignation, retirement or death; (k) evaluating the performance of current Board members proposed for re-election and recommending to the Board whether or not members should stand for re-election; (l) reviewing and recommending to the Board an appropriate course of action upon the resignation of a current Board member or upon other vacancies on the Board; (m) leading an annual evaluation of the Board as a whole and overseeing the evaluation of the Board committees and of management; and (n) to the extent not otherwise delegated to the Audit Committee, reviewing the relationships between the Company and a director for conflicts of interest and addressing any actual or potential conflicts of interest.

The Nominating and Governance Committee met two times during Fiscal 2006.

Nominating Procedures

As described above, the Company has a standing Nominating and Governance Committee which has responsibility for providing oversight on a broad range of issues surrounding the composition and operation of the Board, including, but not limited to, identifying candidates qualified to become directors and recommending director nominees to the Board.

When considering candidates for the Board, the Nominating and Governance Committee evaluates the entirety of each candidate's credentials but does not have specific eligibility requirements or minimum qualifications which must be met by a Nominating and Governance Committee-recommended nominee. However, in general, the retirement age for directors is 70, and a director is to submit his or her resignation to be effective at the conclusion of the three-year term immediately after attaining age 70. The Nominating and Governance Committee considers those factors it deems appropriate, including, but not limited to, judgment, skill, diversity, strength of character, experience with businesses and organizations of comparable size or scope, experience as an executive of or adviser to public and private companies, experience and skill relative to other Board members, specialized knowledge or experience, and the desirability of the candidate's membership on the Board and any committees of the Board. Depending on the current needs of the Board, the Nominating and Governance Committee may weigh certain factors more or less heavily. The Nominating and Governance Committee does, however, believe that all members of the

Board should have strong character and integrity, a reputation for working constructively with others, sufficient time to devote to Board matters, and no conflict of interest that would interfere with his or her performance as a director.

The Nominating and Governance Committee considers candidates for the Board from any reasonable source, including shareholder recommendations, but does not evaluate candidates differently based on the source of the recommendation. As previously discussed, the Nominating and Governance Committee has the authority to retain consultants and search firms to assist with the process of identifying and evaluating director candidates and to approve the fees and other retention terms for any such consultant or search firm. The Nominating and Governance Committee has never used a consultant or search firm, and, accordingly, the Company has paid no such fees.

Shareholders may recommend director candidates for consideration by the Nominating and Governance Committee by sending the recommendation to the Chair of the Nominating and Governance Committee, in care of the Company, to the Company's executive offices at 200 Old Wilson Bridge Road, Columbus, Ohio 43085. The recommendation should include the candidate's name, age, business address, residence address, and principal occupation. The recommendation should also describe the qualifications, attributes, skills, or other qualities possessed by the recommended director candidate. A written statement from the candidate consenting to serve as a director, if elected, and a commitment by the candidate to meet personally with Nominating and Governance Committee members should accompany any such recommendation.

The Board, taking into account the recommendations of the Nominating and Governance Committee, selects nominees for election as directors at each annual meeting of shareholders. In addition, shareholders wishing to nominate directors for election may do so, provided they comply with the nomination procedures set forth in the Company's Code of Regulations. In order to nominate an individual for election as a director at a meeting, a shareholder must give written notice of the shareholder's intention to make such nomination. The notice must be sent to the Company's Secretary, either delivered in person, or mailed to and received at, the Company's principal executive offices at 200 Old Wilson Bridge Road, Columbus, Ohio 43085 not less than 14 days or more than 50 days prior to any meeting called for the election of directors. However, if notice or public disclosure of the date of the meeting is given or made less than 21 days prior to the meeting, the shareholder notice must be received by the Company's Secretary not later than the close of business on the seventh day following the day on which notice of the date of the meeting was mailed or publicly disclosed. The Company's Secretary will deliver any shareholder notice received in a timely manner to the Nominating and Governance Committee for review. Each shareholder notice must include the following information as to each individual the shareholder proposes to nominate for election or re-election as a director: (a) the name, age, business address and, if known, residence address of the proposed nominee; (b) the principal occupation or employment of the proposed nominee; (c) the number of Common Shares of the Company beneficially owned by the proposed nominee; and (d) any other information relating to the proposed nominee that is required to be disclosed concerning nominees in proxy solicitations under applicable SEC Rules, including the individual's written consent to be named in the proxy statement as a nominee and to serve as a director, if elected. The nominating shareholder must also provide (i) the name and address of the nominating shareholder, and (ii) the number of Common Shares of the Company beneficially owned by the nominating shareholder. No individual may be elected as a director unless he or she has been nominated by a shareholder in the manner described herein or by the Board or the Nominating and Governance Committee of the Board.

Corporate Governance Guidelines

Upon the recommendation of the Nominating and Governance Committee, in accordance with applicable NYSE Rules, the Board has adopted the Corporate Governance Guidelines to promote the effective functioning of the Board and its committees and to reflect the Company's commitment to the highest standards of corporate governance. The Board, with the assistance of the Nominating and Governance Committee, periodically reviews the Corporate Governance Guidelines to ensure they are in compliance with all applicable requirements. In May 2006, the Board amended the Corporate Governance Guidelines to reflect the change in the schedule for regular Board meetings, which will now occur in June, September, December and March.

The Corporate Governance Guidelines are available on the Corporate Governance page of the Investor Relations section of the Company's web site at www.worthingtonindustries.com. Shareholders and other interested parties may also obtain a copy of the Corporate Governance Guidelines, without charge, by writing to the Investor

Relations Department of the Company at Worthington Industries, Inc., 200 Old Wilson Bridge Road, Columbus, Ohio 43085, Attention: Allison M. Sanders, Director of Investor Relations.

Business Code of Conduct

In accordance with applicable NYSE Rules and SEC Rules, the Board has adopted the Worthington Industries, Inc. Business Code of Conduct (the Business Code of Conduct) which is available on the Corporate Governance page of the Investor Relations section of the Company's web site at www.worthingtonindustries.com. Alternatively, you may obtain a copy of the Business Code of Conduct, without charge, by writing to the Investor Relations Department of the Company at Worthington Industries, Inc., 200 Old Wilson Bridge Road, Columbus, Ohio 43085, Attention: Allison M. Sanders, Director of Investor Relations.

Compensation of Directors

Cash Compensation

On May 19, 2006, the Compensation Committee recommended and on May 20, 2006, the Board approved changes in the cash compensation for the directors who are not employees of the Company or its subsidiaries (non-employee directors), based on the market information. Directors who are employees of the Company receive no additional compensation for serving as members of the Board or as members of Board committees. Directors are reimbursed for out-of-pocket expenses incurred in connection with their serving as directors, including travel expenses. The following changes were made to cash compensation, effective June 1, 2006:

	Prior to June 1, 2006	Effective June 1, 2006
Annual Retainer	\$ 35,000	\$ 45,000
Attendance at a Board Meeting (including telephonic meetings)	\$ 1,500	\$ 1,500
Audit Committee Chair Annual Retainer	\$ 10,000	\$ 10,000
Committee Chair Other Than Audit Annual Retainer	\$ 5,000	\$ 7,500
Attendance at a Board Committee Meeting (including telephonic meetings)	\$ 1,000	\$ 1,500

Director Deferral Plans

Under the Company's Director Deferral Plans, non-employee directors are able to defer payment of all or a portion of their director's fees until a specified date or until they are no longer associated with the Company. Any fees deferred are credited to the director's account at the time the fees would have otherwise been paid. Participants in the Director Deferral Plans may elect to have their accounts invested at a rate reflecting (a) the increase or decrease in the fair market value per share of the Company's Common Shares with dividends reinvested, (b) a fixed rate set annually, or (c) rates of return on any of the funds available for investment under the Company's Deferred Profit Sharing Plan (DPSP). The Director Deferral Plans are administered by the Compensation Committee. All accounts are fully vested. The Compensation Committee may permit hardship withdrawals from a participant's account under defined guidelines. In the event of a defined change of control, participants' accounts under the Director Deferral Plans will be accelerated and paid out as of the date of change of control unless otherwise determined by three-fourths of the members of the Board. The Worthington Industries, Inc. Deferred Compensation Plan for Directors, as Amended and Restated, effective June 1, 2000 (the Directors 2000 Plan) governs deferrals prior to January 1, 2005. Deferrals with respect to the period on or after January 1, 2005, are governed by the Worthington Industries, Inc. 2005 Deferred Compensation Plan for Directors which was adopted in order to comply with new requirements imposed by newly-adopted Section 409A of the Internal Revenue Code applicable to non-qualified deferred compensation plans beginning January 1, 2005. Among other things, the applicable provisions of Section 409A generally are more restrictive with respect to the timing of deferral elections and the ability of participants to change the time and manner in which accounts will be paid.

Equity-Based Compensation

Under the Worthington Industries, Inc. 2000 Stock Option Plan for Non-Employee Directors (as amended, the 2000 Directors Option Plan), each non-employee director will receive an initial option grant to purchase 5,000 Common Shares on the date he or she first becomes a director. Each non-employee director who had served as a director of the Company for more than six months as of the date of each annual meeting of shareholders, and continues to serve as a member of the Board after that date, received and will receive an option grant to purchase 4,000 Common Shares as of the date of the annual meeting. Each option has an exercise price equal to the fair market value of the Common Shares on the date of grant. In accordance with the terms of the 2000 Directors Option Plan, each non-employee director serving at the time of the 2005 Annual Meeting was granted an option to purchase 4,000 Common Shares with an exercise price of \$21.00 per share.

Each option granted to a non-employee director has a ten-year term and becomes vested and fully exercisable on the first to occur of (i) the first anniversary of the grant date, or (ii) as to any option granted as of the date of an annual meeting of shareholders of the Company, the date on which the next annual meeting of shareholders of the Company is held following the grant date. Vesting accelerates upon death, total disability, change in control, or retirement after a non-employee director attains age 65 or has served at least nine years as a member of the Board. If a non-employee director becomes totally disabled or dies while in service as a member of the Board, he or she (or, in the event of death, his or her beneficiary) has three years from the date of occurrence to exercise any vested options, subject to the stated term of the options. In the event a non-employee director retires after he or she has attained age 65 or has served at least nine years as a member of the Board, the non-employee director may exercise any vested options for a period of three years after the date of retirement, subject to the stated term of the options. If a non-employee director ceases to be a member of the Board for cause, all options terminate immediately. If a non-employee director ceases to be a member of the Board for any reason other than those listed above, the non-employee director's options may be exercised (to the extent then exercisable) for a period of one year following the date of termination, subject to the stated term of the options.

If the shareholders of the Company approve the Worthington Industries, Inc. 2006 Equity Incentive Plan for Non-Employee Directors (the 2006 Directors Equity Plan), no further options would be granted to non-employee directors under the 2000 Directors Option Plan. Outstanding options under the 2000 Directors Option Plan would remain in effect in accordance with their respective terms.

If the 2006 Directors Equity Plan is approved by the shareholders of the Company, each individual then serving as a non-employee director will be granted, effective as of the date of the Annual Meeting: (a) an option to purchase 5,000 Common Shares, with an exercise price equal to the fair market value of the Common Shares on the grant date and the remaining terms of the option would be the same as those applicable to options granted under the 2000 Directors Option Plan; and (b) an award of 1,300 shares of restricted stock. Each share of restricted stock granted to a non-employee director would vest upon the first to occur of: (i) the first anniversary of the grant date; or (ii) the date on which the next annual meeting of shareholders of the Company is held. In the case of death, total disability, change in control or retirement, all shares of restricted stock would immediately become fully vested. During the time between the grant date and the vesting date, dividends paid to the Company's shareholders of record would be accrued and paid in respect of the shares of restricted stock upon the vesting date as described above.

Please see the discussion under PROPOSAL 2: APPROVAL OF THE WORTHINGTON INDUSTRIES, INC. 2006 EQUITY INCENTIVE PLAN FOR NON-EMPLOYEE DIRECTORS for more information concerning the 2006 Directors Equity Plan.

If the shareholders of the Company do not approve the 2006 Directors Equity Plan, the non-employee directors of the Company will continue to receive the automatic annual grants of options under the 2000 Directors Option Plan described above.

Compensation Committee Interlocks and Insider Participation

The Compensation Committee is currently comprised of John B. Blystone (Chair), Michael J. Endres, Peter Karmanos, Jr., and John R. Kasich. Each of Messrs. Blystone, Endres, Karmanos and Kasich also served on the Compensation Committee throughout Fiscal 2006. With respect to Fiscal 2006 and through the date of this Proxy

Statement, there were no interlocking relationships between any executive officer of the Company and any entity whose directors or executive officers served on the Company's Board or the Compensation Committee of the Company's Board.

During Fiscal 2006, the Company paid Compuware Corporation (Compuware), of which Mr. Karmanos is Chairman of the Board, Chief Executive Officer and a 6.2% shareholder, approximately \$2,920,000, primarily for Compuware's services as the Company's project coordinator in connection with the Company's Oracle ERP system project. Compuware was selected for this position from a number of competing service providers which had responded to the Company's request for proposal and were interviewed by the Company. Compuware's selection was based on a number of factors including price, experience and capabilities. In this position, Compuware supplies resources and tools for project coordination, organization and testing, and, in general, assists the Company in ensuring that the Oracle ERP system is installed, tested, operated and integrated with the Worthington IT system in a proper manner. Compuware also provides general IT consulting services, as requested by the Company. The payment to Compuware for Fiscal 2006 amounted to approximately 0.25% of Compuware's revenues for its most recent fiscal year, and approximately 0.1% of the Company's consolidated revenues for Fiscal 2006.

EXECUTIVE COMPENSATION

Please see the Company's Annual Report on Form 10-K for the fiscal year ended May 31, 2006, for information about the Company's executive officers.

Summary of Cash and Other Compensation

The following table provides certain compensation information for the Company's Chief Executive Officer (CEO) and the Company's four other most highly compensated executive officers (collectively, the Named Executives) for Fiscal 2006, the fiscal year ended May 31, 2005 (Fiscal 2005) and the fiscal year ended May 31, 2004 (Fiscal 2004).

Summary Compensation Table

Name and Principal Position in Fiscal 2006	Fiscal Year Ended May 31	Annual Compensation			Long-Term Compensation Awards Payouts		All Other Compensation (\$)
		Salary (\$)	Bonus (\$)	Other Annual Compensation (\$)(3)	Securities Underlying Options (#)	LTIP Payouts \$(4)	
John P. McConnell Ch							