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**Item 2.02. Results of Operations and Financial Condition**

On January 29, 2008, United States Steel Corporation issued a press release announcing its financial results for fourth quarter and full-year 2007. The full text of the press release, together with related unaudited financial information and statistics furnished herewith as Exhibit 99.1.

**Item 9.01. Financial Statements and Exhibits**

(d) Exhibits

99.1 (i) Press Release dated January 29, 2008, titled "United States Steel Corporation Reports 2007 fourth quarter and full-year results".

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U. S. Steel Chairman and CEO John P. Surma said, "This past year was an important period of growth for our company as we completed major acquisitions in both our flat-rolled and tubular businesses and commissioned our new automotive galvanizing line in Europe. We are making steady progress with integration activities on

For full-year 2007, U. S. Steel reported net income of \$879 million or \$7.40 per diluted share, which was reduced by \$158 million, or \$1.33 per diluted share, from inventory transition effects, a workforce reduction charge, early debt redemption expense and several discrete tax charges. Full-year 2006 net income was \$1,374 million, or \$11.18 per diluted share.

U. S. Steel Chairman and CEO John P. Surma said, "This past year was an important period of growth for our company as we completed major acquisitions in both our flat-rolled and tubular businesses and commissioned our new automotive galvanizing line in Europe. We are making steady progress with integration activities on





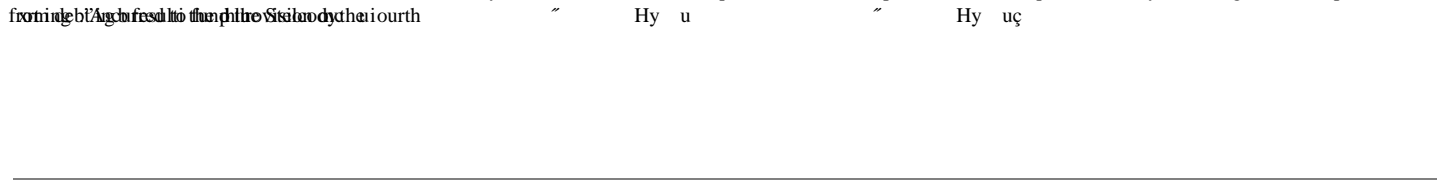
Fourth quarter Tubular results improved slightly from the third quarter due mainly to higher average realized prices resulting from a change in product mix, and improved overall cost performance. These were partially offset by lower shipments.

**Additional Fourth Quarter 2007 Items**

In December 2007, U. S. Steel and the United Steelworkers (USW) agreed that U. S. Steel will provide health care and life insurance benefits to certain former National Steel employees and their eligible dependents under a U. S. Steel insurance plan, using funds that had been accrued based on a provision of the 2003 Basic Labor Agreement. Funds totaling \$468 million were contributed to our trust for retiree health care and life insurance in December.

As a result of this agreement, our other postretirement benefits (OPRB) obligation increased by \$114 million. While a funding obligation continues through the August 31, 2008 expiration of the 2003 Basic Labor Agreement, the profit-based expense has been eliminated beginning with the fourth quarter of 2007 as reflected in "retiree benefit expenses."

Net interest and other financial costs increased by \$22 million in the fourth quarter of 2007 compared to the third quarter, mainly reflecting interest expense resulting from the increase in the amount of debt outstanding in the fourth quarter.





Volatility in net interest and other financial costs could increase going forward as a result of foreign currency accounting remeasurement effects, primarily on a \$1.2 billion intercompany loan to a European affiliate, related to the acquisition of USSC. As this intercompany loan is repaid, our exposure will decrease. Also, we expect to mitigate a portion of this volatility with our normal hedging activity.

#### **Common Stock Repurchase Program**

We repurchased 295,000 shares of U. S. Steel common stock for \$30 million during the fourth quarter, bringing total repurchases to 14.3 million shares for \$812 million since the repurchase program was originally authorized in July 2005. As of December 31, 2007, 6.5 million shares remained authorized for repurchase under our stock repurchase program.

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This release contains forward-looking statements with respect to market conditions, operating costs, shipments, prices, capital spending and employee benefit costs. Some factors, among others, that could affect market conditions, is,

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UNITED STATES STEEL CORPORATION  
 CONDENSED BALANCE SHEET (Unaudited)

(Dollars in millions)	Dec. 31 2007	Dec. 31 2006
Cash and cash equivalents	\$ 401	\$ 1,422
Receivables, net	2,077	1,799
Inventory	2,209	2,014
Prepaid expenses and other assets	1,000	1,000
Property, plant and equipment, net	1,000	1,000
Goodwill	1,000	1,000
Other intangible assets, net	1,000	1,000
Deferred tax assets	1,000	1,000
Other assets	1,000	1,000
Accounts payable	1,000	1,000
Accrued liabilities	1,000	1,000
Deferred tax liabilities	1,000	1,000
Other liabilities	1,000	1,000
Long-term debt	1,000	1,000
Other long-term liabilities	1,000	1,000
Equity	1,000	1,000

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