

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of
The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported):
July 28, 2009

United States Steel Corporation

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation)

1-16811

(Commission File Number)

25-1897152

(IRS Employer Identification No.)

600 Grant Street, Pittsburgh, PA
(Address of principal executive offices)

15219-2800
(Zip Code)

(412) 433-1121

(Registrant's telephone number,
including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.02. Results of Operations and Financial Condition

On July 28, 2009, United States Steel Corporation issued a press release announcing its financial results for second quarter 2009. The full text of the press release, together with related unaudited financial information and statistics, is furnished herewith as Exhibit 99.1.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits

- 99.1 Press Release dated July 28, 2009, titled "United States Steel Corporation Reports 2009 Second Quarter Results," together with related unaudited financial information and statistics.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

News



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FOR IMMEDIATE RELEASE

UNITED STATES STEEL CORPORATION REPORTS 2009 SECOND QUARTER RESULTS

- **Net loss of \$392 million, or \$2.92 per share**
- **Shipments of 2.9 million tons, a decrease of 9 percent from first quarter 2009**
- **Net sales of \$2.1 billion, a decrease of 23 percent from first quarter 2009**
- **Year to date cash flow from operations of \$361 million**
- **Maintained strong liquidity position with \$1.95 billion of cash and \$3.1 billion of total liquidity**

PITTSBURGH, July 28, 2009 – United States Steel Corporation (NYSE: X) reported a second quarter 2009 net loss of \$392 million, or \$2.92 per diluted share, compared to a net loss of \$439 million, or \$3.78 per diluted share, in the first quarter of 2009 and net income of \$668 million, or \$5.65 per diluted share, in the second quarter of 2008.

Net interest and other financial costs in the second quarter of 2009 included a foreign currency gain that increased net income by \$41 million, or 31 cents per diluted share, due to the remeasurement of an \$824 million U.S. dollar-denominated intercompany loan to a European affiliate and related euro-U.S. dollar derivatives activity. This compares to a foreign currency loss that decreased net income by \$28 million, or 24 cents per diluted share, in the first quarter of 2009 and an immaterial amount for these items in the second quarter of 2008.

The effective tax benefit rate of 19 percent for the first six months of 2009 is lower than the statutory rate because losses in Canada and Serbia, which are jurisdictions where we have recorded a full valuation allowance on deferred tax assets, do not generate a tax benefit for accounting purposes.

During the second quarter of 2009, U. S. Steel raised \$1.5 billion through common stock and senior convertible notes offerings, repaid \$655 million of term loans due in 2010 and 2012 and amended our revolving credit facility to eliminate certain financial covenants and provide lenders a security interest in domestic inventory. We ended the second quarter with total liquidity of \$3.1 billion.

Reportable Segments and Other Businesses

Management believes segment income from operations is a key measure in evaluating company performance. U. S. Steel's reportable segments and Other Businesses reported a segment loss from operations of \$510 million, or \$173 per ton, in the second quarter of 2009, compared with a loss of \$457 million, or \$142 per ton, in the first quarter of 2009 and income of \$959 million, or \$136 per ton, in the second quarter of 2008. The lower overall results as compared to first quarter 2009 reflect significantly lower Tubular results which more than offset the changes in Flat-rolled and U. S. Steel Europe (USSE). The results for the second quarter of 2009 included lower of cost or market related adjustments totaling approximately \$100 million primarily at U. S. Steel Canada (USSC), USSE and Texas Operations, compared to \$65 million in the first quarter of 2009. These adjustments reflect the significant decrease in flat-rolled and tubular selling prices in recent quarters.

Outlook

Commenting on U. S. Steel's outlook for the third quarter, Surma said, "While we anticipate an increase in our third quarter operating rates from the extremely low levels of last quarter, we expect each of our segments to report an operating loss in the third quarter due to continued low operating rates, idled facility carrying costs and lower average realized prices. There are some signs that the destocking cycle has ended in the North American and Central European steel markets as increased customer orders across almost all industry segments have resulted in an extension of lead times. We have begun to bring up idled facilities in line with customer demand and we have implemented price increases in our Flat-rolled and USSE segments in the third quarter. Despite these signs of improvement, the outlook for overall demand remains uncertain and the timing and magnitude of sustained economic recovery remain difficult to forecast."

For Flat-rolled, third quarter results are expected to decrease from the second quarter, reflecting lower index-based contract prices, which tend to lag the spot market, and increased shipments of lower margin semi-finished and hot-rolled product. Raw steel capability utilization and shipments are expected to improve in line with increased customer orders as we restart raw materials and steelmaking operations. However, the favorable effects of these items are expected to be offset by higher raw material and energy costs, as well as costs to restart idled facilities at our Granite City Works and several raw materials operations. Consideration will be given to restarting other facilities if sustained customer demand supports higher production levels. Also, we are currently negotiating with the United Steelworkers for a successor to the labor agreement covering our Lake Erie Works operations, which expires on July 31, 2009.







UNITED STATES STEEL CORPORATION
CONSOLIDATED STATEMENT OF CASH FLOWS (Unaudited)

(Dollars in millions)	Six Months Ended June 30	
	2009	2008
Cash provided from operating activities:		
Net (loss) income	\$ (831)	\$ 914
Depreciation, depletion and amortization	317	315
Pensions and other postretirement benefits	1	(216)
Deferred income taxes	(248)	97
Net gains on disposal of assets	(133)	(2)
Changes in:		
Current receivables	1,028	(1,053)
Inventories	718	(292)
Current accounts payable and accrued expenses	(532)	798
Bank checks outstanding	(1)	(5)
Other operating activities	42	(93)
Total	361	463
Cash used in investing activities:		
Capital expenditures	(206)	(299)
Capital expenditures – variable interest entities	(93)	(41)
Disposal of assets	339	7
Other investing activities	(55)	(17)
Total	(115)	(350)
Cash provided from financing activities:		
Issuance of debt	1,200	1,100
Repayment of debt	(1,000)	(900)
Dividends paid	(100)	(100)
Other financing activities	(50)	(50)
Total	50	50
Total change in cash and cash equivalents	(254)	(337)
Cash and cash equivalents at beginning of period	1,200	1,537
Cash and cash equivalents at end of period	946	1,200
