



United States Steel



United States Steel Corporation

**Morgan Stanley
Global Basic Materials Conference**

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Forward-looking Statements

Forward Looking Statements

This presentation contains forward-looking statements with respect to market conditions, operating costs, shipments, prices, capital spending and employee benefit costs and payments. U. S. Steel has been, and we expect will continue to be, negatively impacted by the current global credit and economic problems. U. S. Steel cannot control or predict the extent and timing of economic recovery. As the recovery occurs, U. S. Steel is incurring and will continue to incur costs to restart idled facilities and to rebuild working capital, but we cannot accurately forecast the amount of such costs. Other more normal factors that could affect market conditions, costs, shipments and prices for both North American operations and USSE include, among others, global product demand, prices and mix; global and company steel production levels; plant operating performance; the timing and completion of facility projects, including the project at the #14 Blast Furnace at Gary Works; natural gas and electricity prices, usage and availability; raw materials and transportation prices and availability; international trade developments; the impact of fixed prices in energy and raw materials contracts (many of which have terms of one year or longer) as compared to short-term contract and spot prices of steel products; changes in environmental, tax, pension and other laws; the terms of collective bargaining agreements including any successor to the labor agreement covering our Lake Erie Works operations; employee strikes or other labor issues; power outages; and U.S. and global economic performance and political developments. Domestic steel shipments and prices could be affected by import levels and actions taken by the U.S. Government and its agencies, including those related to CO2 emissions and climate change. Economic conditions and political factors in Europe and Canada that may affect USSE's and U. S. Steel Canada's results include, but are not limited to, taxation, nationalization, inflation, currency fluctuations, government instability, political unrest, regulatory actions, quotas, tariffs and other protectionist measures. Factors that may affect our decisions on the strategic initiatives discussed above include, among other things, the cost and availability of capital, the anticipated cost of additional facilities (whether built or acquired), current and anticipated future product demand in the automotive and shale natural gas markets, and availability of alternative sources of such products. Factors that may affect our ability to construct new facilities include levels of cash flow from operations, general economic conditions, business conditions, cost and availability of capital, receipt of necessary permits, and unforeseen hazards such as contractor performance, material shortages, weather conditions, explosions or fires. Factors that may affect the amount of net periodic benefit costs and payments include, among others, changes to laws affecting benefits, pension fund investment performance, liability changes and interest rates. In accordance with "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, cautionary statements identifying important factors, but not necessarily all factors, that could cause actual results to differ materially from those set forth in the forward-looking statements have been included in the Form 10-K of U. S. Steel for the year ended December 31, 2009, and in subsequent filings for U. S. Steel.



The Steel Industry in Context



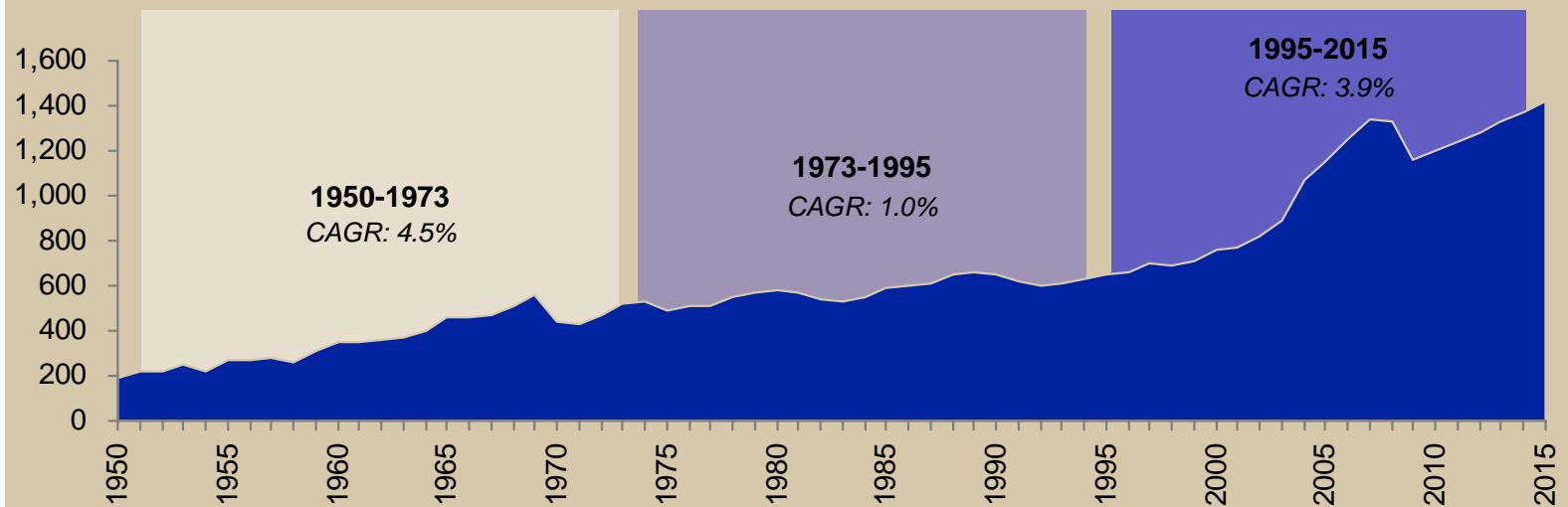
- The steel industry experienced a strong cycle from 2004 through 2008
 - U. S. Steel had record earnings in 2008
- In late 2008, the sector was affected by the swift and severe impact of the global recession
- United States industry-wide utilization rates had declined from approximately 90% during most of 2008 to 42% in the first quarter of 2009, and are currently at 69%
- Implied end use consumption is unsustainably low at current levels of apparent demand
 - Implied consumption in the U.S. is comparable to under-developed economies or mature and less industrialized EU economies prior to the downturn



Global Leader in a Growing Industry

- 10th largest global steel producer
- 2nd largest North American flat-rolled producer
- 2nd largest Central European flat-rolled producer
- Largest North American tubular producer

World steel demand (mm tonnes)



Source: WSA, AME, Metal Strategies; Data published as of April 2009



Leader in Industry Restructuring and Consolidation



- Global growth in emerging markets
 - 2000: VSZ (Slovakia)
 - 2003: Sartid (Serbia)
- Increased scale and product leadership
 - 2003: National Steel Corporation
 - 2007: Stelco and Lone Star
- Product and end-market diversification
 - 2007: Lone Star
- Significant efficiency gains achieved
 - National: Over \$400 million in annual synergies
 - Lone Star: Over \$100 million in annual synergies
 - Stelco: Over \$100 million in annual synergies
- Transformational U.S. labor agreement
 - 2003:
 - Reduced manning requirements
 - Restructured pension and healthcare benefits
 - Restructured profit sharing



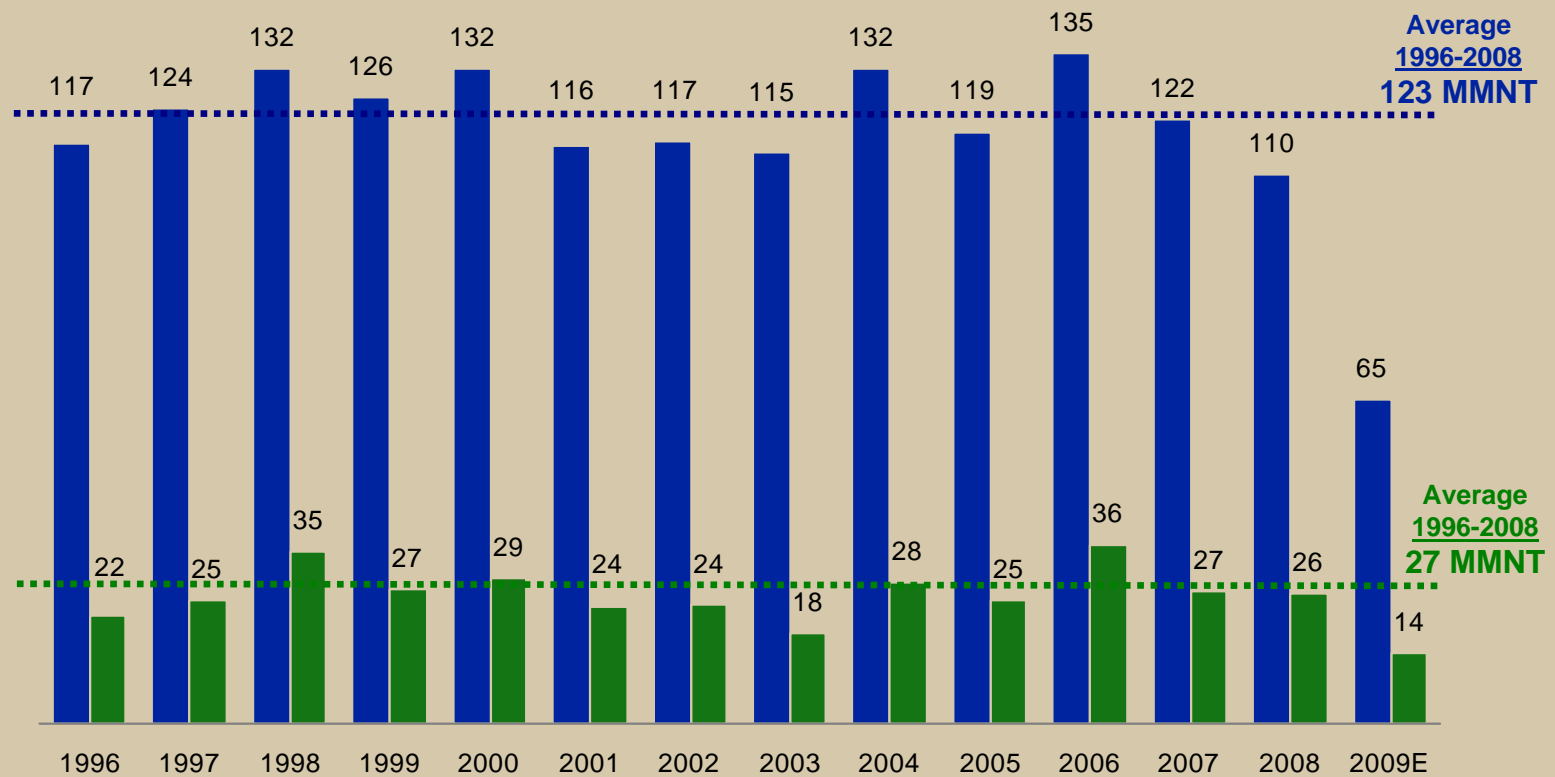
U.S. Demand and Imports



The U.S. remains an importer of steel

U.S. steel demand (MMNT)

■ Apparent Finished Steel Demand ■ Finished Imports



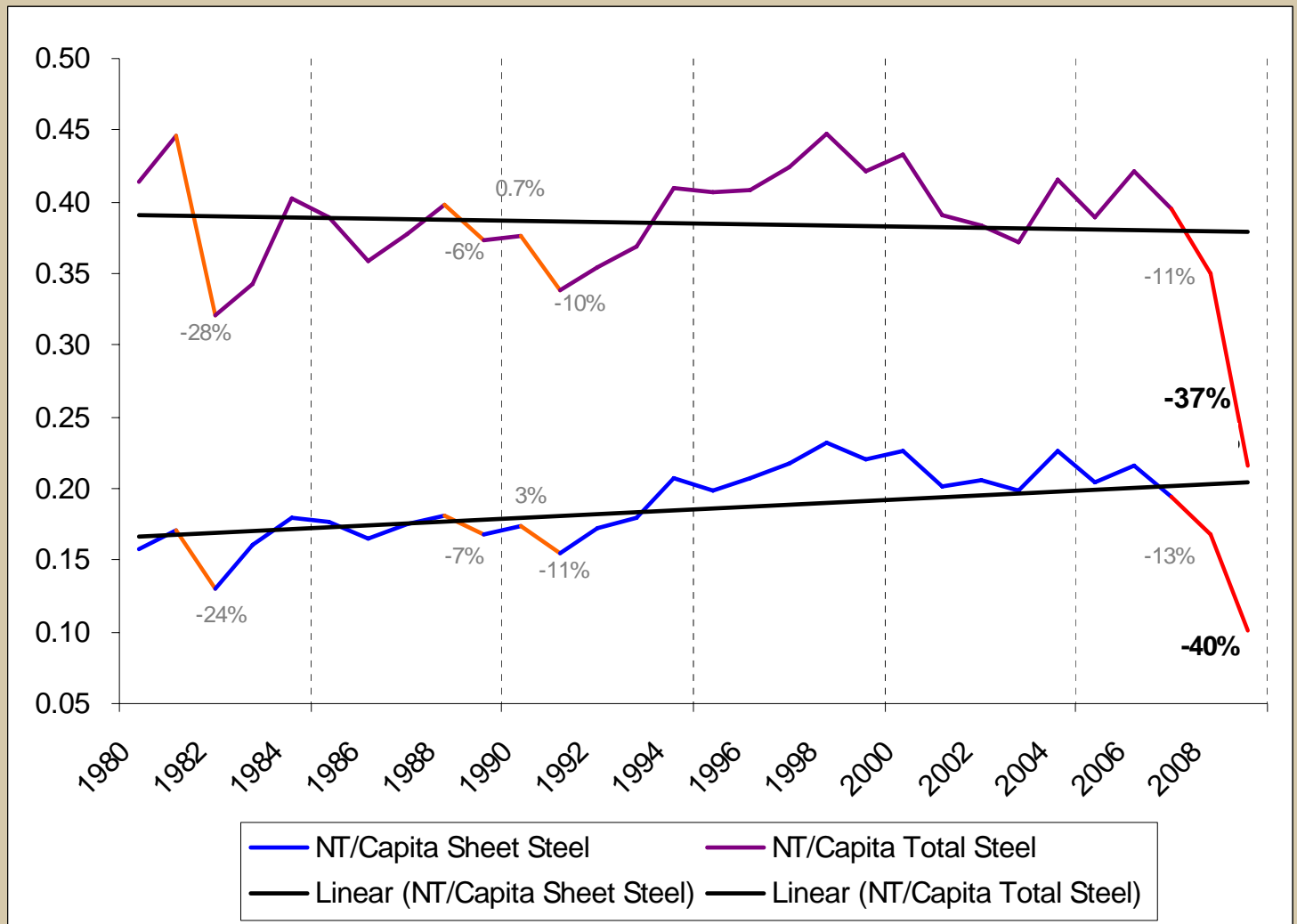
Source: AISI



Steel Consumption Trends



United States Per Capita Consumption

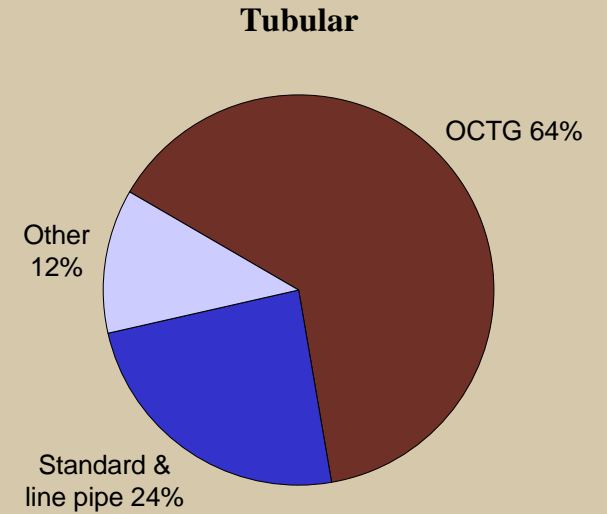
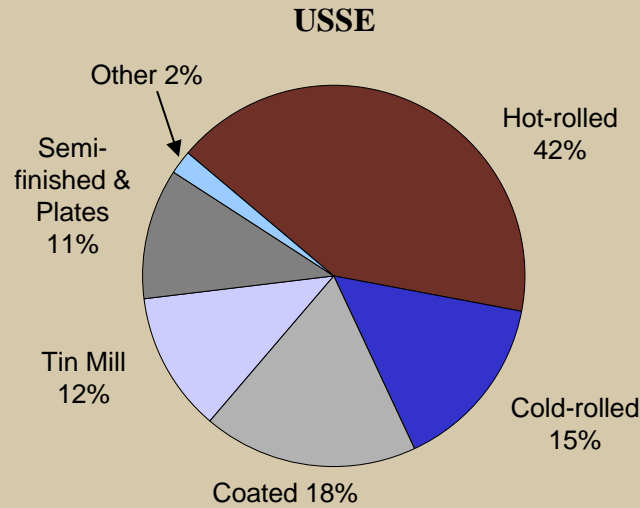
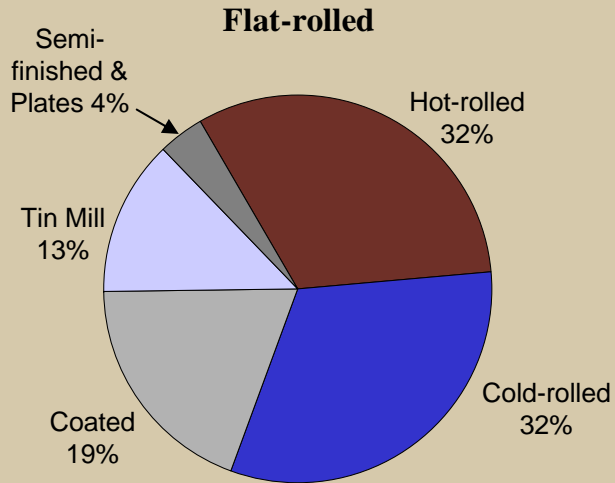


Source: U.S.Census, AISI and USS internal analysis.

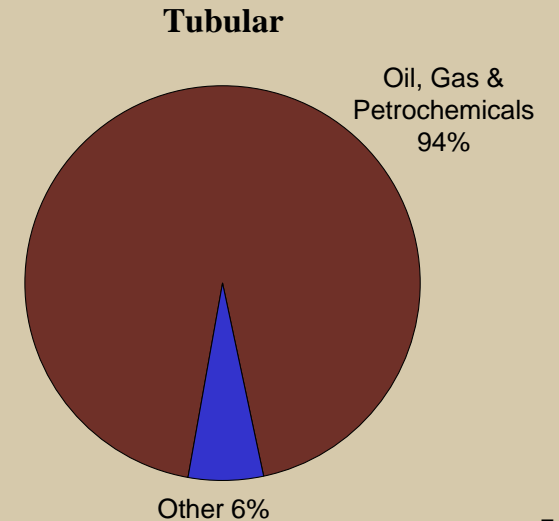
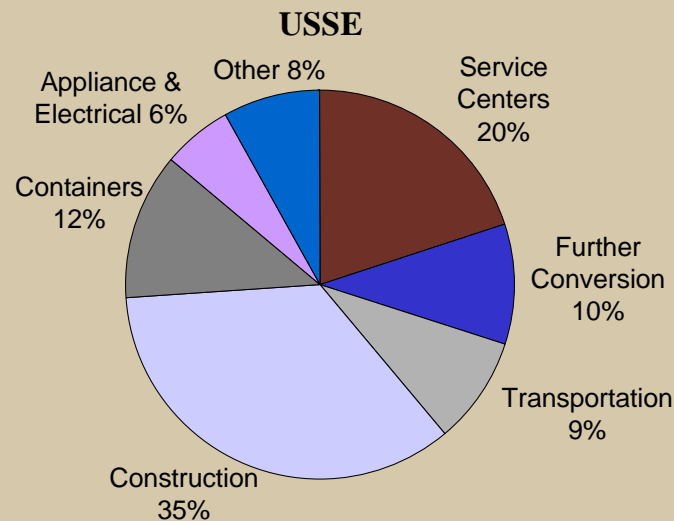
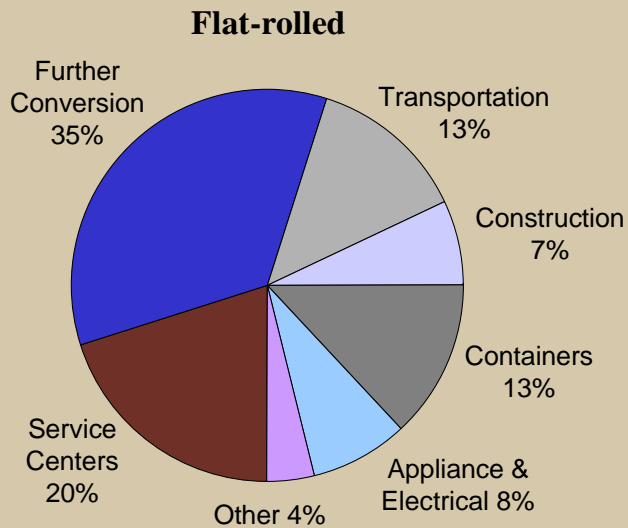


Balanced Business Mix

2009 Shipments by Product



2009 Shipments by Market





Strong Market Share in Value-Added Products



Market Position

- Automotive
 - Major supplier to all North American producers
- Appliances
 - Major supplier to North American producers
- Tin mill products
 - Largest tin mill products producer
- Value-added construction
 - Strong position
- Oil and Gas
 - Largest North American tubular producer
 - Largest seamless size range

Significance

- Metallurgically demanding applications with specialized customer service and technical support
- Minimills typically do not make these value-added products
- Just-in-time inventory requirements favor domestic suppliers
- Production costs globally competitive
- Strong diversification through leading positions in key end markets

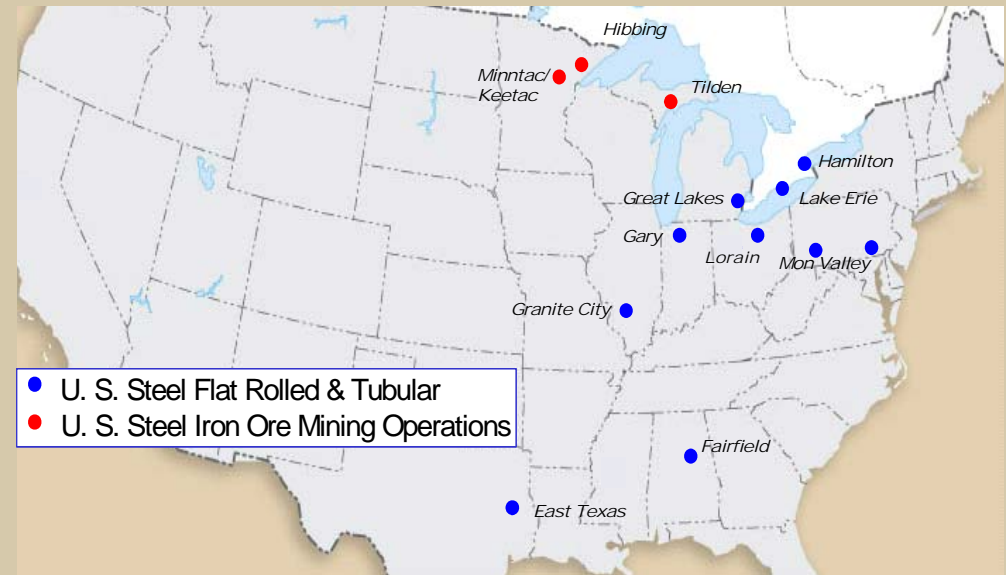


Flat-rolled segment



Leading producer of high quality products

- Annual Raw Steel Production Capability – 24.3 mmnt
- Trade shipments:
 - 2009 – 9.9 mmnt
 - 2008 – 16.9 mmnt
- Continuous cost reduction process
- Improved facility balance and capabilities
- Balanced contract and spot business
- Strong raw materials position
 - Significant North American iron ore pellet production capability and iron ore reserves in excess of 800 mmnt
 - Significant portion of coal requirements under long-term contracts

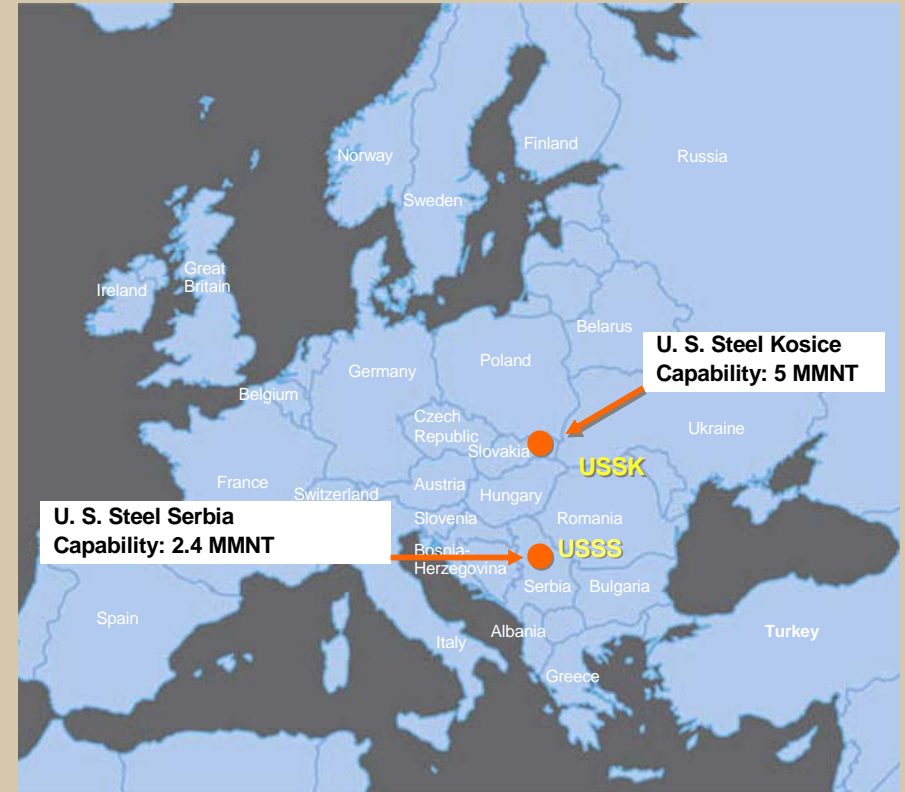




USSE Segment



- Plants in Slovakia and Serbia
- Annual Raw Steel Production Capability – 7.4 mmnt
- Shipments:
 - 2009 - 4.5 mmnt
 - 2008 – 5.7 mmnt
- Key industries: construction, service center, packaging and conversion
- Automotive/appliance galvanizing line in Slovakia (2007)
- Historically favorable growth rates and infrastructure investment in primary geographical markets – V4* and Balkans



* Visegrad Group – Czech Republic, Hungary, Poland and Slovakia



Tubular Segment



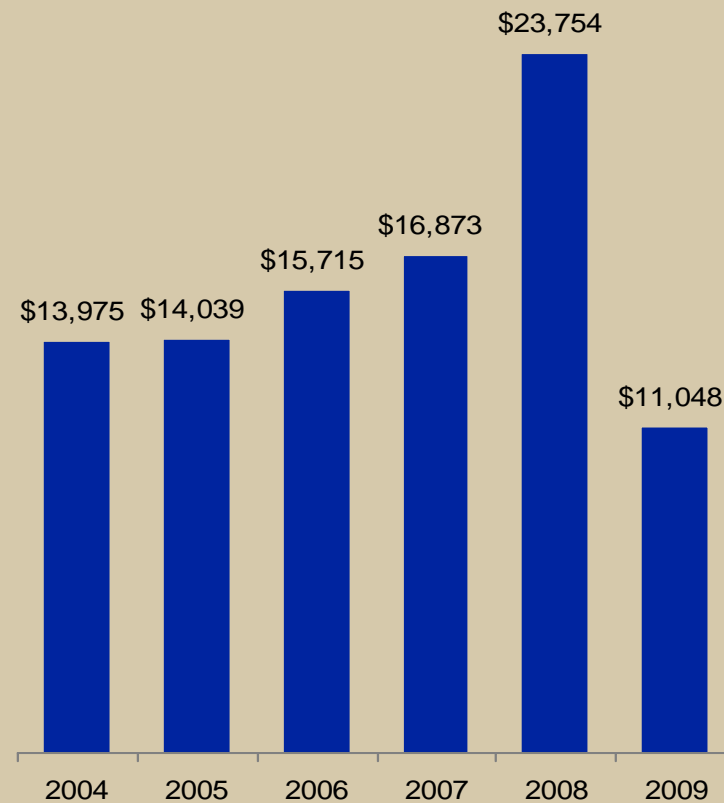
- Largest fully integrated seamless and welded producer in North America
- Annual Production Capability:
 - Seamless – 1.5 mmnt
 - Welded – 1.3 mmnt
- Shipments:
 - 2009 - 0.7 mmnt
 - 2008 – 2.0 mmnt
- Strong Product Mix – 64% Oil Country Tubular Goods and 24% Standard & Line
- Size ranges (outside diameter):
 - Seamless – 1.9” to 26”
 - Welded – 2.4” to 20”
- Shipments:
 - NAFTA – 95%
 - International – 5%



Strong Historical Financial Performance



Revenue (US\$ mm)



Income from operations (US\$ mm)





Key Indicators

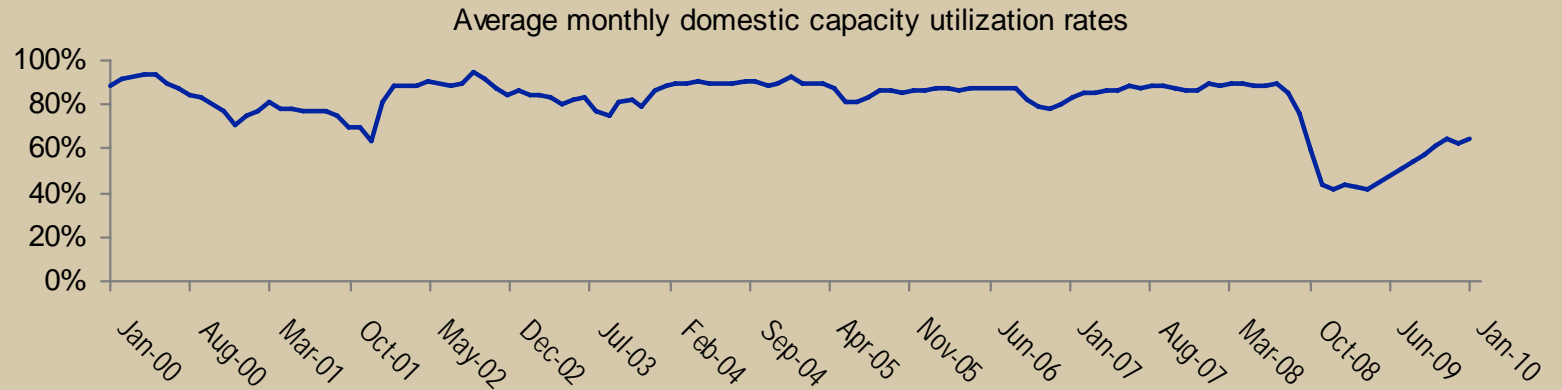
	Annual					Quarterly	
	2005	2006	2007	2008	2009	4Q08	4Q09
Average Price (\$/ton)							
Flat-rolled products	\$617	\$634	\$642	\$780	\$651	\$805	\$633
Tubular products	\$1,326	\$1,499	\$1,335	\$2,041	\$1,755	\$2,675	\$1,462
USSE	\$610	\$608	\$720	\$932	\$637	\$847	\$664
Steel Shipments (MNT)							
Flat-rolled products	13,296	14,180	14,534	16,845	9,861	2,790	3,201
Tubular products	1,156	1,191	1,422	1,952	657	500	207
USSE	5,211	6,261	6,139	5,651	4,463	908	1,246
Capability Utilization (%)							
Flat-rolled	79	84	83	79	48	45	64
USSE	80	95	92	86	69	51	80



Substantial Financial and Operating Leverage to Economic Recovery

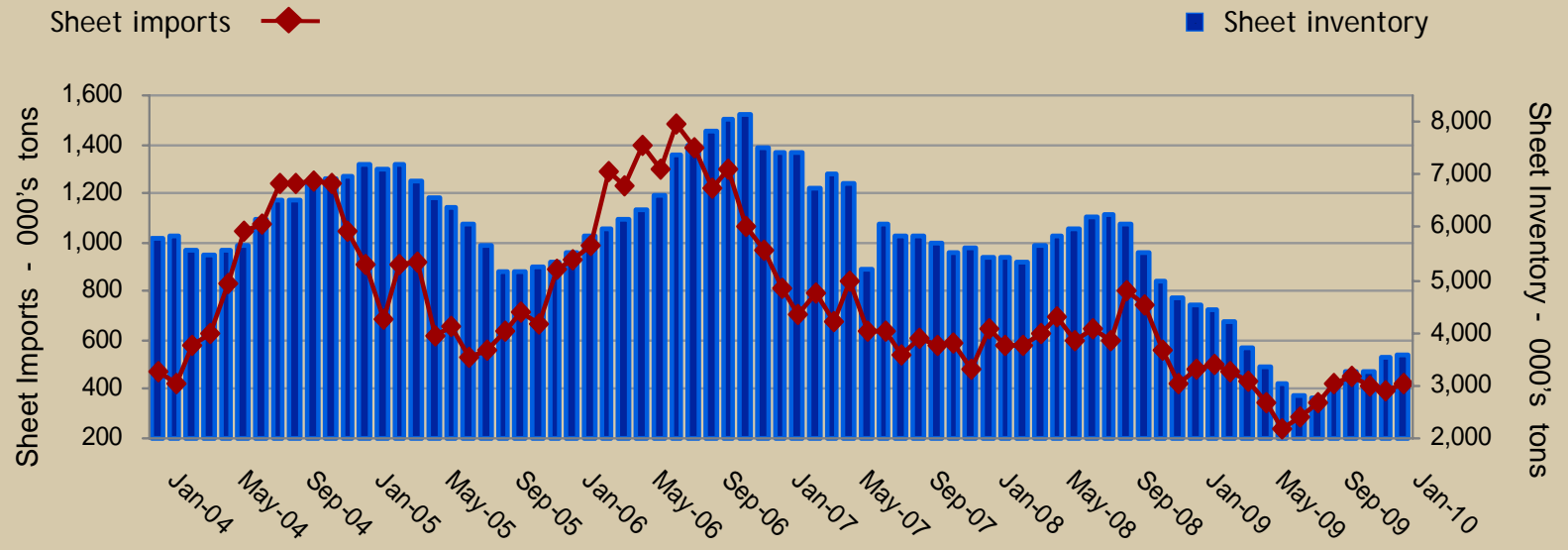


Following a strong cycle, utilization rates declined rapidly ...



Source: AISI

...And domestic service center inventory levels dropped

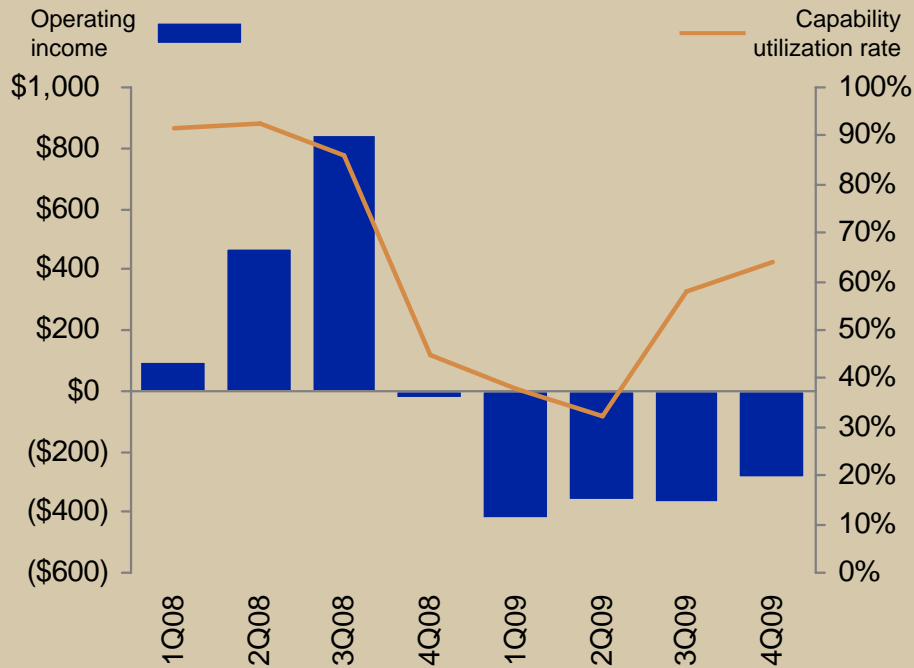


Source: MSCI and International Trade Administration of the U.S. Department of Commerce



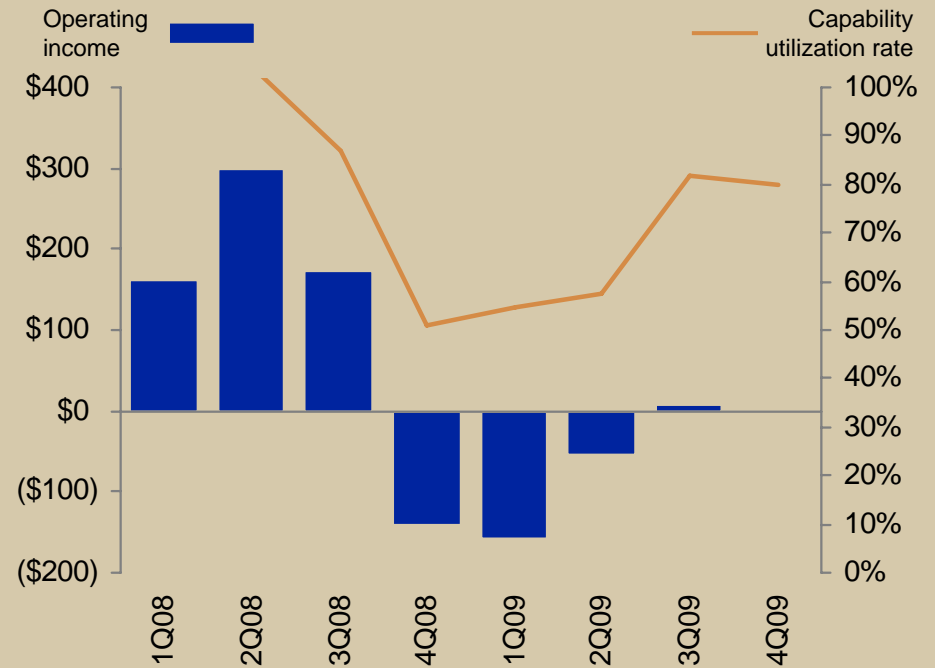
Leverage to Economic Recovery

North American Flat Rolled Segment



	Q1'08	Q2'08	Q3'08	Q4'08	Q1'09	Q2'09	Q3'09	Q4'09
Average realized price(\$/nt)	\$646	\$777	\$907	\$805	\$715	\$677	\$605	\$633
Capacity utilization rate	92%	93%	86%	45%	38%	32%	58%	64%
Operating income (\$mm)	\$97	\$468	\$846	(\$21)	(\$422)	(\$362)	(\$370)	(\$284)

U. S. Steel Europe Segment



	Q1'08	Q2'08	Q3'08	Q4'08	Q1'09	Q2'09	Q3'09	Q4'09
Average realized price (\$/nt)	\$791	\$986	\$1,086	\$847	\$672	\$602	\$615	\$664
Capacity utilization rate	103%	104%	87%	51%	55%	57%	82%	80%
Operating income (\$mm)	\$161	\$298	\$173	(\$141)	(\$159)	(\$53)	\$7	(\$3)



Liquidity Enhancement

Actions Taken in April 2009

- Reached agreement with lenders to eliminate existing financial covenants, replacing them with a less restrictive fixed-charge coverage ratio
- Reduced quarterly dividend by \$0.25 per share to \$0.05 per share, saving approximately \$116 million per year
- Reached agreement with the USW to defer up to \$170 million in mandatory retiree health and life insurance trust contributions
- Announced reduction of executive and Board compensation
- Raised approximately \$1.5 billion through a common stock and convertible notes offering
- Reduced planned 2009 Capital Spending by over \$300 million





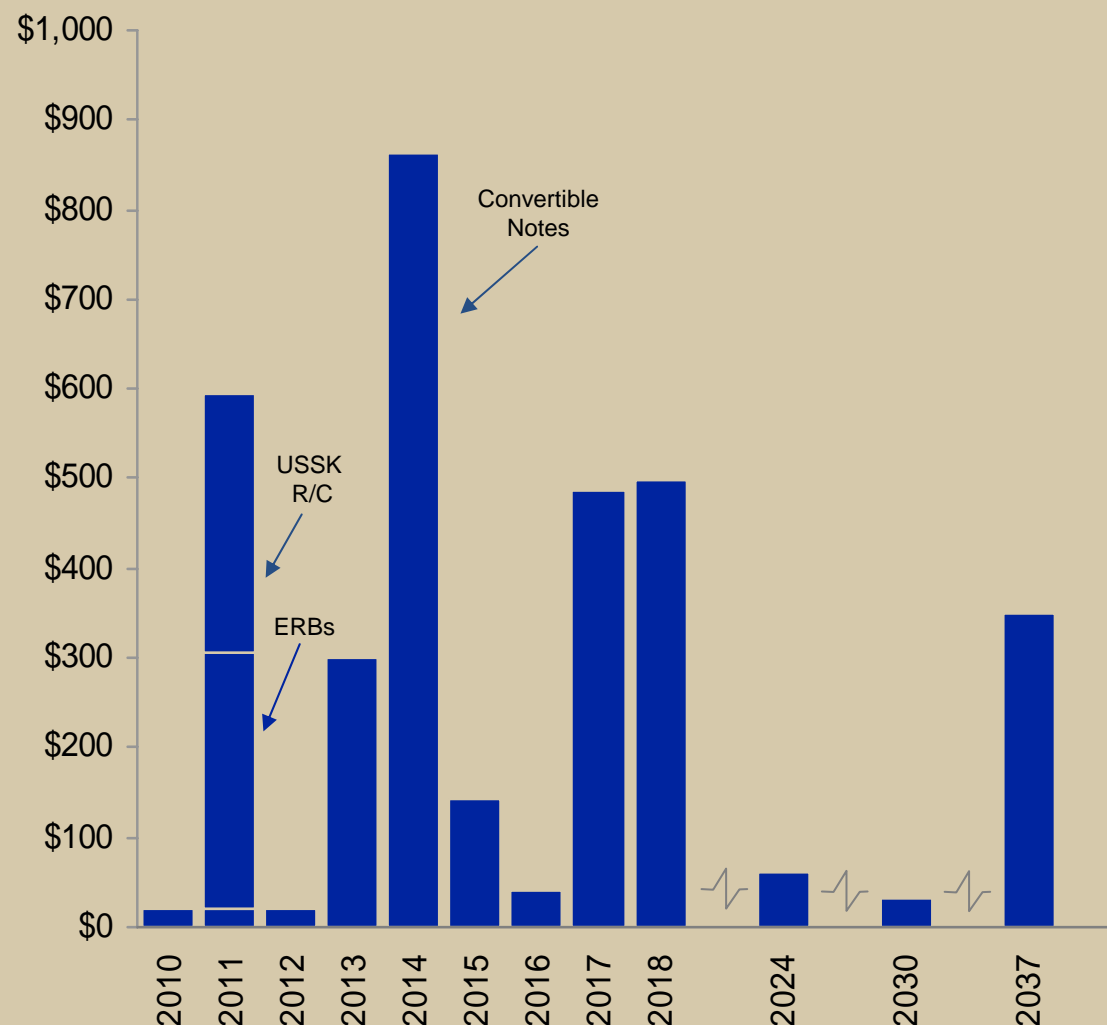
Capitalization and Liquidity

(US\$ millions)

Capitalization	12/31/2009
Cash and cash equivalents	\$1,218
A/R Facility Sales Outstanding	—
Credit Agreement	—
Convertible Notes	863
Senior Notes	1,600
Environmental Revenue Bonds	458
Province Note (C\$150mm) ¹	142
USSK Revolver (€200mm) ²	288
Capital Leases & Other	59
Sub-total	\$3,410
Less: Discounts and fair value adjustment	(46)
Total debt	\$3,364
Total stockholders' equity	\$4,676
Total capitalization	\$8,040

Liquidity	12/31/2009
Cash and cash equivalents	\$1,218
Amount available under A/R facility	500
Amount available under Credit Agreement	638
Amount available under USSK credit facilities	93
Amount available under USSS credit facilities	55
Total estimated liquidity	\$2,504

Debt maturities



¹ 0.95 USD = 1 CAD ² 1.44 USD = 1 Euro



Capital Allocation – Building Value

Benefits of balanced capital allocation approach

- Strong liquidity position
- Low 2010 debt maturities
- Manageable legacy obligations
 - Past voluntary pension contributions mitigate potential near term mandatory funding obligations
 - Voluntary contributions to retiree healthcare trust available to fund current obligations
 - USW has agreed to permit use of prior mandatory contributions to retiree healthcare trust to fund current obligations
- Capital spending flexibility
 - Environmental & Infrastructure
 - Strategic Projects – including Coke, Tubular and Automotive





U. S. Steel is Well-positioned for a Global Recovery



- Well positioned global leader in a growing industry
- Strong presence in Central Europe and energy tubulars
- Leader in restructured and consolidating North American steel industry
- Balanced business mix with strong market share in value-added products
- Substantial financial and operating leverage to economic recovery
- Disciplined financial management resulting in strong liquidity position
- Proactive and experienced leadership