

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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FORM 8-K

CURRENT REPORT

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

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Date of Report (Date of earl0

United States Steel Corporation Reports 2004 Second Quarter Results

Earnings Highlights

(dollars in millions except per share data)

	2Q 2004	1Q 2004	2Q 2003
Revenues and otMM			

Looking ahead, Usher stated, "We expect continued strong profitability through year-end resulting from robust worldwide steel pricing and tight supplies, as the world economy continues to recover and as demand from developing countries, especially China, remains at very high levels."

Average prices for the Flat-rolled segment in the third quarter are expected to exceed second quarter levels, and benefits will be realized from a renegotiated coke sales agreement. Costs will continue to be affected by relatively high prices for purchased coke, scrap and natural gas. Flat-rolled segment shipments in the third quarter are expected to decline by approximately 200,000 tons compared to the second quarter mainly due to the blast furnace outages mentioned above and a planned third quarter blast furnace outage at Granite City Works. These outages will increase third quarter costs by approximately \$20 million versus the second quarter. For full-year 2004, Flat-rolled segment shipments are expected to be 15.8 million tons.

For U. S. Steel Europe (USSE), third quarter 2004 profit margins are expected to increase from the second quarter with realized prices improving due to the announced July 1 price increase. Higher raw material costs and planned outages on a number of key units will partially offset the price increase. Shipments for the quarter are expected to about equal second quarter levels and full-year 2004 shipments are currently estimated at 5.1 million net tons.

For the Tubular segment, prices are expected to continue to increase, reflecting full-quarter realization of price increases implemented during the second quarter, as well as additional price increases. The Tubular segment expects annual shipments of about 1.0 million tons.

This release contains forward-looking statements with respect to market conditions, operating costs, shipments and prices. Some factors, among others, that could affect market conditions, costs, shipments and prices for both domestic operations and USSE include global product demand, prices and mix; global and company steel production levels; availability and prices of raw materials; plant operating performance; the timing and completion of outages and other projects; natural gas prices and usage; changes in environmental, tax and other laws; the resumption of operations at steel facilities sold under the bankruptcy laws; employee strikes; 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. Political factors in Europe that may affect USSE's results include, but are not limited to, taxation, nationalization, inflation, currency fluctuations, increased regulation, export quotas, tariffs, and other protectionist measures. 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, 2003, and in subsequent filings by U. S. Steel.

A Statement of Operations (Unaudited), Other Financial Data (Unaudited) and Preliminary Supplemental Statistics (Unaudited) for U. S. Steel are attached.

The company will conduct a conference call on second quarter earnings on Tuesday, July 27, at 2 p.m. EDT. To listen to the webcast of the conference call, visit the U. S. Steel web site, [www.ussteel.com](http://www.ussteel.com), and click on the "Investors" button.

For more information about U. S. Steel, visit its web site at [www.ussteel.com](http://www.ussteel.com).

UNITED STATES STEEL CORPORATION  
STATEMENT OF OPERATIONS (Unaudited)

(Dollars in millions)	Second Quarter Ended June 30,		Six Months Ended June 30,	
	2004	2003	2004	2003
<b>REVENUES AND OTHER INCOME:</b>				
Revenues	\$3,448	\$2,311	\$6,372	\$4,209
Income (loss) from investees	13	(9)	19	(8)
Net gains on disposal of assets	2	21	44	23
Other income	3	39	12	45
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Total revenues and other income	3,466	2,362	6,447	4,269
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<b>COSTS AND EXPENSES:</b>				

Cost of revenues (excludes items shown below)	2,816	2,091	5,368	3,823
Selling, general and administrative expenses	169	142	349	271
Depreciation, depletion and amortization	93	87	191	177
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Total costs and expenses	3,078	2,320	5,908	4,271
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INCOME (LOSS) FROM OPERATIONS	388	42	539	(2)
Net interest and other financial costs	86	42	138	80
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INCOME (LOSS) BEFORE INCOME TAXES, MINORITY INTERESTS, EXTRAORDINARY LOSS AND CUMULATIVE EFFECTS OF CHANGES IN ACCOUNTING PRINCIPLES	302	--	401	(82)
Income tax provision (benefit)	86	(3)	137	(52)
Minority interests	5	--	-	----

UNITED STATES STEEL CORPORATION  
OTHER FINANCIAL DATA (Unaudited)

Cash Flow Data	(In millions)	Six Months Ended June 30,	
		2004	2003
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Cash provided from (used in) operating activities:			
Net income (loss)		\$269	\$(87)
Depreciation, depletion and amortization		191	177
Working capital changes		(174)	44
Other operating activities		28	34
		-----	-----
Total		314	168
		-----	-----
Cash used in investing activities:			
Capital expenditures		(165)	(132)
Acquisition of National Steel Corporation assets		--	(872)
Other investing activities		84	76
		-----	-----
Total		(81)	(928)
		-----	-----
Cash provided from financing activities:			
Issuance of long-term debt		--	428
Repayment of long-term debt		(289)	(2)
Preferred stock issued		--	242
Common stock issued		341	11
Dividends paid		(19)	(16)
Other financing activities		8	(1)
		-----	-----
Total		41	662
		-----	-----
Total net cash flow		274	(98)
Cash at beginning of the year		316	243
		-----	-----
Cash at end of the period		\$590	\$145
		=====	=====
Balance Sheet Data	(In millions)	June 30, 2004	Dec. 31, 2003
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Cash and cash equivalents		\$590	\$316
Other current assets		3,184	2,790
Property, plant and equipment - net		3,403	3,414
Other assets		1,223	1,317
		-----	-----
Total assets		\$8,400	\$7,837
		=====	=====
Current liabilities		\$2,327	\$2,12

Operations	\$388	\$151	\$42
CAPITAL EXPENDITURES			
Flat-rolled Products(a)	\$37	\$21	\$23
U. S. Steel Europe(b)	40	39	22
Tubular Products	2	3	16
Real Estate	--	--	--
Straightline			--
Other Businesses(c)	16	7	8
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Total	\$95	\$70	\$69

OPERATING STATISTICS

Average realized steel price:

(\$/net ton)(e)

Flat-rolled Products(a)	\$583	\$475	\$420
Tubular Products	779	672	644
U. S. Steel Europe(b)	491	420	369
Steel Shipments:(e) (f)			
Flat-rolled Products(a)	3,982	4,161	3,202
Tubular Products	269	272	211
U. S. Steel Europe(b)	1,263	1,173	1,234
Raw Steel-Production:(f)			
Domestic Facilities	4,230	4,479	3,338
U. S. Steel Europe(b)	1,467	1,344	1,203
Raw Steel-Capability Utilization:(g)			
Domestic Facilities	87.5%	92.6%	84.5%
U. S. Steel Europe(b)	79.5%	72.8%	96.5%
Domestic iron ore production(f)	6,011	5,612	4,935
Domestic iron ore shipments(f)(h)	6,722	4,036	5,249
Domestic coke production(f)(j)	1,666	1,649	1,696
Domestic coke shipments(f)(i)(j)	642	672	860

(a)The Flat-rolled segment includes the residual effects of Straightline from January 1, 2004, and includes the results of National flat-rolled facilities from May 20, 2003.

(b)Includes U. S. Steel's Serbian operations from September 12, 2003. Prior to September 12, 2003, included effects of activities under certain agreements with the former owner of the Serbian operations.

(c)Excludes the coal mining business from June 30, 2003. Includes the results of the taconite pellet operations in Keewatin from May 20, 2003.

(d)Includes certain profit-based expenses for U. S. Steel retirees and National retirees pursuant to provisions of the 2003 labor agreement with the USWA.

(e)Excludes intersegment transfers.

(f)Thousands of net tons.

(g)Based on annual raw steel production capability for domestic facilities of 12.8 million net tons prior to May 20, 2003, and 19.4 million net tons thereafter; and annual raw steel production capability for U. S. Steel Europe of 5.0 million net tons prior to September 12, 2003, and 7.4 million net tons thereafter.

(h)Includes trade shipments and intersegment transfers.

(i)Includes trade shipments only.

(j)Includes Clairton 1314B Partnership.

SOURCE United States Steel Corporation

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/Company News On-Call: <http://www.prnewswire.com/comp/929150.html/>

/Web site: [http://www.ussteel.com /](http://www.ussteel.com/)

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