

reportable segments. In addition, the presentation of several items of income and expense applicable to reportable segments has been revised. Reported results for the first quarter of 2001 have been conformed to the current

Shipments for full-year 2002 are projected to be approximately 0.9 million net tons.

USSK's average realized prices in second quarter 2002 are expected to improve slightly, with shipments increasing significantly. Shipments in 2002 are projected to be ap'n.

Other income	-	1
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Total revenues and other income	1,434	1,564
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COSTS AND EXPENSES:		
Cost of revenues (excludes items shown below)	1,336	1,557
Selling, general and administrative expenses	71	35
Depreciation, depletion and amortization	88	73
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Total costs and expenses	1,495	1,665
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LOSS FROM OPERATIONS		
Net interest and other financial costs (income)	(61)	(101)
	34	(12)
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LOSS BEFORE INCOME TAXES		
Credit for income taxes	(95)	(89)
	(12)	(98)
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NET INCOME (LOSS)	\$(83)	\$9
	=====	=====
COMMON STOCK DATA:		
Net income (loss) - Per share - basic and diluted	\$(.93)	\$.10
Weighted average shares, in thousands		
- Basic and diluted	89,569	89,223
Dividends paid per share:		
United States Steel Corporation Common Stock	\$.05	-
USX - U. S. Steel Group Common Stock	-	\$.25

Note: Net loss per common share for the first quarter of 2002 is based on the weighted average number of common shares outstanding during the quarter. Net income per common share for the first quarter of 2001 is based on outstanding common shares at December 31, 2001, the date of the Separation.

The following notes are an integral part of this financial statement.

UNITED STATES STEEL CORPORATION
SELECTED NOTES TO FINANCIAL STATEMENT

1. United States Steel Corporation (U. S. Steel) is engaged domestically in the production, sale and transportation of steel mill products, coke, taconite pellets and coal; the management and development of mineral resources and real estate; and engineering and consulting services and, through U. S. Steel Kosice in the Slovak Republic, in the production and sale of steel mill products and coke primarily for the Central European market. Prior to December 31, 2001, the businesses of U. S. Steel comprised an operating unit of USX Corporation, now named Marathon Oil Corporation (Marathon). Marathon had two outstanding classes of common stock: USX-Marathon Group common stock, which was intended to reflect the performance of Marathon's energy business, and USX-U. S. Steel Group common stock (Steel Stock), which was intended to reflect the performance of Marathon's steel business. On December 31, 2001, U. S. Steel was capitalized through the issuance of 89.2 million shares of common stock to the holders of Steel Stock in exchange for all outstanding shares of Steel Stock on a one-for-one basis (the Separation).

The accompanying Statement of Operations includes the first quarter 2002 results of operations of U. S. Steel on a stand-alone basis, while the first quarter 2001 results of operations represent a carve-out presentation of the businesses comprising U. S. Steel and are not intended to be a complete presentation of the results of operations of U. S. Steel on a stand-alone basis. The results of operations for the first quarter of 2001 contain certain transactions related to interest and other financial costs that were attributed to U. S. Steel.

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Flat-rolled Products	\$(70)	\$(134)
Tubular Products	2	26
U. S. Steel Kosice	(1)	41
Other Businesses:		
Coal, Coke and Iron Ore	(18)	(38)
Straightline	(7)	-
All other	13	8
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Loss from Operations before special items	(81)	(97)
Special Items:		
Costs related to Fairless shutdown	(1)	-
Insurance recoveries related to USS-POSCO fire	12	-
Reversal of litigation accrual	9	-
Gain on Transtar reorganization	-	70
Asset Impairments - Receivables	-	(74)
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Total Loss from Operations	\$(61)	\$(101)

CAPITAL EXPENDITURES		
Flat-rolled Products	\$11	\$16
Tubular Products	5	-
U. S. Steel Kosice	17	5
Other Businesses	23	16
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Total	\$56	\$37

OPERATING STATISTICS		
Average realized price: (\$/net ton)(a)		
Flat-rolled Products	\$377	\$402
Tubular Products	640	701
U. S. Steel Kosice	275	275
Steel Shipments:(a)(b)		
Flat-rolled Products	2,33... H	èar