

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

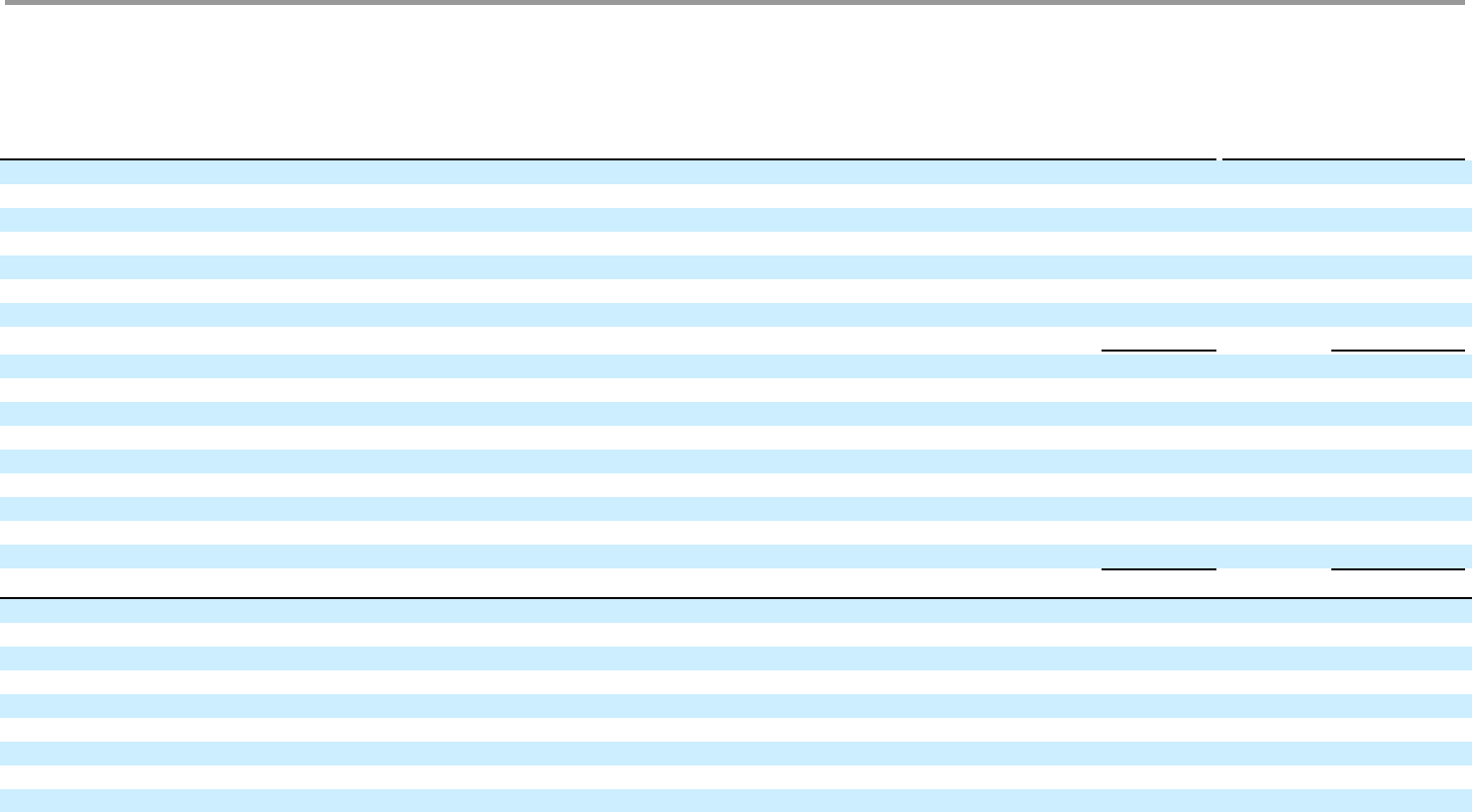
For the Quarterly Period Ended June 30, 2008

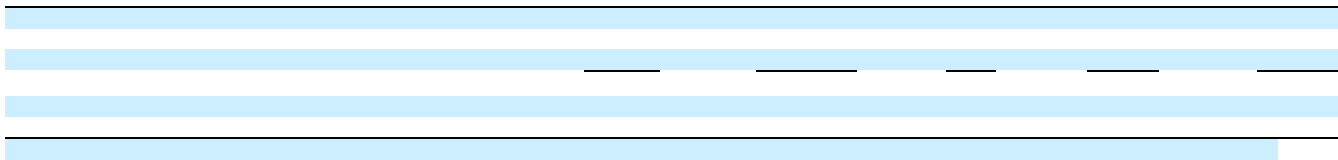
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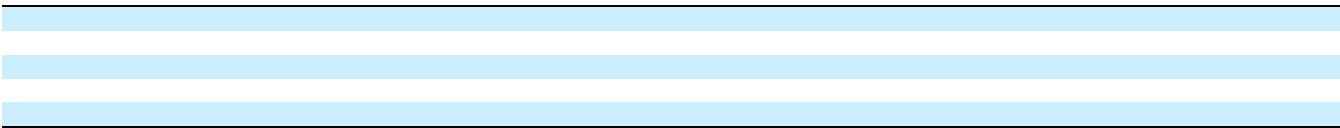






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the acquisition over the net amounts assigned to the fair value of the assets acquired and the liabilities assumed is recorded as goodwill. The amount allocated to goodwill reflects the benefit U. S. Steel expects to realize from expanding our Tubular operations and from running our Flat-rolled segment at higher operating rates. Approximately \$330 million of goodwill has been allocated to Flat-rolled. The balance of the goodwill has been allocated to the Tubular segment.

The acquisition has been accounted for in accordance with FAS 141. The following table presents the allocation of the aggregate purchase price based on estimated fair values:

	<u>(In millions)</u>
Assets Acquired:	
Receivables	\$ 133
Inventories	413
Other current assets	11
Property, plant & equipment	356
Identifiable intangible assets	232
Goodwill	1,176
Other noncurrent as as d U	
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The following unaudited pro forma information for U. S. Steel for the quarter and six months ended June 30, 2007, includes the results of the Lone Star acquisition as if it had been consummated at the beginning of the period presented. The results for the quarter and six months ended June 30, 2008 reflect actual results for U. S. Steel. The unaudited pro forma data is based on historical information and does not include anticipated cost savings or other effects of the integration of Lone Star. Accordingly, the unaudited pro forma data does not necessarily reflect the actual results that would have occurred, nor is it necessarily indicative of future results of operations. Pro forma adjustments are tax-effected at the Company's statutory tax rate.

(In millions, except per share amounts)	Second Quarter Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
Net sales	\$ 6,744	\$ 4,501	\$ 11,940	\$ 8,561
Net income	668	276	903	546
Net income per share:				
- Basic	\$ 5.69	\$ 2.34	\$ 7.68	\$ 4.62
- Diluted	\$ 5.65	\$ 2.32	\$ 7.64	\$ 4.59

5. Assets Held for Sale

On September 26, 2007, U. S. Steel and Canadian National Railway Company (CN) announced that they had entered into an agreement under which CN will acquire the majority of the operating assets of Elgin, Joliet and Eastern Railway Company (EJ&E) for \$300 million. Under the agreement, U. S. Steel will retain railroad assets, equipment, and employees that support Gary Works in northwest Indiana. The transaction is subject to regulatory approval by the U.S. Surface Transportation Board (STB), and U. S. Steel cannot predict the outcome or timing of STB action. As of June 30, 2008, the assets of EJ&E that are to be sold, which consist primarily of property, plant and equipment, have been classified as held for sale in accordance with FAS No. 144, "Accounting for Impairment or Disposal of Long-Lived Assets (FAS 144)."

Before U. S. Steel's October 31, 2007 acquisition of USSC, Cleveland Cliffs Inc. ("Cliffs") and USSC received and accepted a non-binding offer dated June 6, 2007 from Consolidated Thompson Iron Mines Limited ("Consolidated") to purchase USSC's 44.6 percent interest and Cliffs' 26.8 percent interest in Wabush for a purchase price of \$64.3 million plus two year warrants to purchase 3 million shares of Consolidated common stock. On August 30, 2007, ArcelorMittal Dofasco, Inc. ("Dofasco") purported to exercise a right of first refusal under the Participants Agreement dated as of January 1, 1967 governing Wabush. At December 31, 2007, USSC's investment in Wabush was classified as held for sale in accordance with FAS 144. On March 4, 2008, following several months of unsuccessful negotiations over many of the major terms of the purchase and sale, USSC and Cliffs informed Dofasco that they were withdrawing from further negotiations. At June 30, 2008, USSC's investment in Wabush is no longer classified as held for sale (see Note 20).

6. Goodwill and Intangible Assets

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8. Depreciation and Depletion

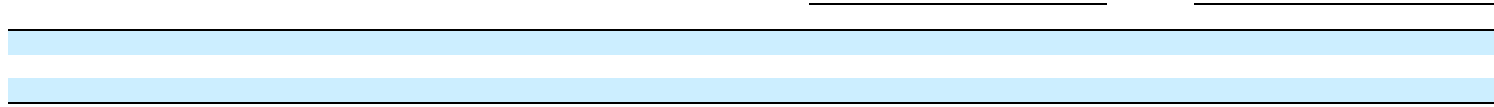
U. S. Steel records depreciation on a modified straight-line basis for steel-related assets located in the United States, that are principally not associated with the Tubular segment, based upon raw steel production levels. Applying modification factors decreased expenses by \$4 million and \$12 million for the second quarter 2008 and 2007, respectively, and by \$7 million and \$26 million for the six months ended June 30, 2008 and 2007, respectively, when compared to a straight-line calculation. Straight-line depreciation is used by USSC, USSE and a substantial portion of the Tubular segment.

Accumulated depreciation and depletion totaled \$8,388 million and \$8,100 million at June 30, 2008 and December 31, 2007, respectively.

9. Net Interest and Other Financial Costs

Other financial costs include foreign currency gains and losses as a result of transactions denominated in currencies other than the functional currencies of U. S. Steel's operations. During the second quarter 2008, net foreign currency gains of \$17 million were recorded in other financial costs, compared with net foreign currency losses of \$2 million in the second quarter of 2007. During the six months ended June 30, 2008 and 2007, net foreign currency gains were \$93 million and \$2 million, respectively. See Note 14 for additional information on U. S. Steel's foreign currency exchange activity.

On June 19, 2008, the European Council approved the Slovak Republic's entry into the eurozone as of January 1, 2009. The definitive exchange rate of 30.126 Slovak koruna per euro was established on July 8, 2008. The setting of the definitive exchange rate has reduced the company's exposure to



As of June 30, 2008, total future compensation cost related to nonvested stock-based compensation arrangements was \$61 million, and the weighted average period over which this cost is expected to be recognized is 2.1 years.

U. S. Steel records interest related to uncertain tax positions as a part of net interest and other financial costs in the Statement of Operations. Any penalties are recognized as part of selling, general and administrative expenses. As of June 30, 2008 and December 31, 2007, U. S. Steel had accrued liabilities of \$3 million and \$6 million, respectively, for interest and penalties related to uncertain tax positions.

Provision for taxes

The income tax provision in the first six months of 2008 reflects an estimated annual effective tax rate of 27 percent, excluding discrete items. This estimated annual effective rate is based on management's best estimate of annual pretax income for the year. During the year, management regularly updates forecast estimates based on changes in various factors such as prices, shipments, product mix, plant operating performance and cost estimates, including labor, raw materials, energy and pension and other postretirement benefits. To the extent that actual pretax results for domestic and foreign income in 2008 vary from forecast estimates applied at the end of the most recent interim period, the actual tax provision recognized in 2008 could be materially different from the forecast annual tax provision as of the end of the second quarter.

Taxes on Foreign Income

The Slovak Income Tax Act permits USSK to claim a tax credit of 100 percent of USSK's tax liability for the years 2000 through 2004 and of 50 percent of the current statutory rate of 19 percent for the years 2005 through 2009. As a result of conditions imposed when Slovakia joined the European Union (EU) that were amended by a 2004 settlement with the EU, the total tax credit granted to USSK for the period 2000 through 2009 is limited to \$430 million, of which approximately \$25 million remained at December 31, 2007. Based on the credits previously used and forecasts of future taxable income, management anticipates fully utilizing the remaining credits in 2008.

Tax years subject to Examination

Below is a summary of open tax years by major tax jurisdiction:

U.S. Federal – 2004 and forward*

U.S. States – 2002 and forward

Slovakia – 2001 and forward

Serbia – 2003 and forward

Canada – 2004 and forward

* Lone Star has open tax years for its U.S. federal returns dating back to 1988 due to the presence of net operating loss carryforwards.

Status of IRS Examinations

The IRS audit of U. S. Steel's 2004 and 2005 tax returns was completed in the first quarter of 2008 and agreement was reached with the IRS on the proposed adjustments. The results of the audit did not have a material impact on U. S. Steel.

Deferred taxes

As of June 30, 2008, the net domestic deferred tax liability was \$120 million compared to \$21 million at December 31, 2007.

As of June 30, 2008, the amount of net foreign deferred tax assets recorded was \$28 million, net of an established valuation allowance of \$397 million. As of December 31, 2007, the amount of net foreign deferred tax assets recorded was \$26 million, net of an established valuation allowance of \$392 million. Net foreign deferred tax assets will fluctuate as the value of the U.S. dollar changes with respect to the euro, the Slovak koruna, the Canadian dollar and the Serbian dinar. A full valuation allowance is provided for the Serbian deferred tax assets because current projected

investment tax credits, which must be used before net operating losses and credit carryforwards, are more than sufficient to offset future tax liabilities. A full valuation allowance is recorded for Canadian deferred tax assets due to a recent history of losses, particularly before U. S. Steel acquired USSC. As USSC and USSS generate sufficient income, the valuation allowance of \$243 million for Canadian deferred tax assets, including \$204 million pre-acquisition, and \$147 million for Serbian deferred tax assets as of June 30, 2008, would be partially or fully reversed at such time that it is more likely than not that the Canadian



15. Debt

(In millions)	Interest Rates %	Maturity	June 30, 2008	December 31, 2007
2037 Senior Notes	6.65	2037	\$ 350	\$ 350
2018 Senior Notes	7.00	2018	500	500
2017 Senior Notes	6.05	2017	450	450
2013 Senior Notes	5.65	2013	300	300
10 ³ / ₄ % Senior Notes	10.75	2008	20	20
Five-year Term Loan	Variable	2008 – 2012	475	500
Three-year Term Loan	Variable	2008 – 2010	500	500
Province Note (C\$150 million)	1.00	2015	147	150
Environmental Revenue Bonds	4.75 – 6.25	2009 – 2033	458	458
Fairfield Caster Lease		2008 – 2012	37	45
Other capital leases and all other obligations		2008 – 2014	38	41
Credit Agreement, \$750 million	Variable	2012	-	-
USSK credit facilities, €60 million (\$95 and \$88 million)	Variable	2009	-	-
USSS credit facility, €25 million (\$39 and \$37 million)	Variable	2008	-	-
Total			3,275	3,314
Less Province Note fair value adjustment			48	50
Less unamortized discount			7	7
Less short-term debt and long-term debt due within one year			110	110
Long-term debt			\$ 3,110	\$ 3,147

At June 30, 2008, in the event of a change in control of U. S. Steel, debt obligations totaling \$2,575 million, plus any sums then outstanding under our \$750 million Credit Agreement dated May 11, 2007 may be declared immediately due and payable. In such event, U. S. Steel may also be required to either repurchase the leased Fairfield slab caster for \$52 million or provide a letter of credit to secure the remaining obligation.

In the event of the bankruptcy of Marathon Oil Corporation (Marathon), \$501 million related to Environmental Revenue Bonds, the Fairfield Caster Lease and the Lay 0

16. Asset Retirement Obligations

U. S. Steel's asset retirement obligations primarily relate to mine and landfill closure and post-closure costs. The following table reflects changes in the carrying values of asset retirement obligations:

(In millions)	June 30, 2008	December 31, 2007
Balance at beginning of year	\$ 40	\$ 33
Additional obligations incurred	-	1
Revisions in estimated closure costs	(6)	-
Foreign currency translation effects	4	3
Accretion expense	2	3
Balance at eq) ...		

\$330 million and \$297 million for the quarters ended June 30, 2008 and 2007, respectively, and \$623 million and \$553 million for the six months ended June 30, 2008 and 2007, respectively. Sales to related parties were conducted under terms comparable to those with unrelated parties.

Purchases from equity investees for outside processing services amounted to \$66 million and \$9 million for the quarters ended June 30, 2008 and 2007, respectively, and \$85 and \$18 million for the six months ended June 30, 2008 and 2007, respectively. Purchases of taconite pellets from equity investees amounted to \$53 million and \$68 million for the quarter and six months ended June 30, 2008 respectively. There were no purchases of pellets from equity investees in 2007.

Accounts payable to related parties include balances due PRO-TEC Coating Company (PRO-TEC) of \$73 million and \$59 million at June 30, 2008 and Dy ~~00~~U

On April 26, 2007, Canada's federal government announced an Action Plan to Reduce Greenhouse Gases and Air Pollution (the Plan). The federal government plans to set mandatory reduction targets on all major greenhouse gas producing industries to achieve an absolute reduction of 150 megatonnes in greenhouse gas emissions from 2006 levels by 2020. On March 10, 2008, Canada's federal government published a Regulatory Framework for Industrial Greenhouse Gas Emissions (the Framework). The Plan and the Framework provide that facilities operating in 2006 will be required to cut their greenhouse gas emissions intensity by 18 percent by 2010 with a fu

surety bonds, trusts and letters of credit being used for financial assurance purposes was approximately \$131 million as of June 30, 2008, which reflects U. S. Steel's maximum exposure under these financial guarantees, but not its total exposure for the underlying obligations. Most of the trust arrangements and letters of credit are collateralized by restricted cash that is recorded in other noncurrent assets.

Commitments – At June 30, 2008, U. S. Steel's contract commitments to acquire property, plant and equipment totaled \$343 million.

U. S. Steel is party to a take-or-pay arrangement that expires in 2017. Under this arrangement, U. S. Steel is required to pay a minimum monthly facility fee of approximately \$1 million per month. U. S. Steel cannot elect to terminate this contract early unless associated steelmaking operations at Fairfield Works are shut down. If associated steelmaking operations are shut down after January 1, 2013, a maximum termination payment of \$15 million is due.

U. S. Steel is party to a take-or-pay arrangement for information technology related services that expires in 2012. Under this arrangement, U. S. Steel is required to contract for services, with annual minimum spending commitments ranging from \$19 million to \$31 million for a total minimum spending commitment of \$120 million over the five year term. If U. S. Steel elects to terminate the contract early, payment for the outstanding balance of the \$120 million commitment is required and termination fees may apply.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Continued

benefit pension plan in the United States. We plan to make additional voluntary contributions in the second half of 2008. In the first half of 2008, cash from operating activities was also reduced by required cash contributions of \$41 million to USSC's main defined benefit pension plans. Additionally, pursuant to a December 2007 agreement with the USW, we made payments of \$43 million in the first six months of 2008 to our trust for retiree health care and life insurance to provide benefits to certain former National Steel employees and their eligible dependents. For further information regarding this agreement, see U. S. Steel's Annual Report on Form 10-K for the year ended December 31, 2007.

Capital expenditures in the first six months of 2008 were \$340 million, compared with \$250 million in the same period in 2007. Flat-rolled expenditures were \$228 million and included spending for modernization of our cokemaking facilities, including expenditures for construction of a co-generation facility at Granite City Works, and development of an enterprise resource planning (ERP) system. USSE expenditures of \$81 million included spending at USSK for the reline of the No.1 blast furnace and spending for development of the ERP system.

U. S. Steel's domestic contract commitments to acquire property, plant and equipment at June 30, 2008, totaled \$343 million.

Capital expenditures for 2008 are expected to be approximately \$940 million.

Common stock repurchased in the first six months of 2008 totaled 625,000 shares.

Dividends paid in the first six months of 2008 were \$59 million, compared with \$47 million in the same period in 2007. Payments in the first six months of 2008 reflected a quarterly dividend rate of 25 cents per common share. Payments in the first six months of 2007 reflected a quarterly dividend rate of 20 cents per common share.

LIQUIDITY AND CAPITAL RESOURCES

U. S. Steel has a \$500 million Receivables Purchase Agreement (RPA) with financial institutions that expires in September 2010. For further information regarding the RPA, see the discussion in the "Liquidity" section of U. S. Steel's Annual Report on Form 10-K for the year ended December 31, 2007. As of June 30, 2008, U. S. Steel had more than \$500 million of eligible receivables, \$140 million of which were sold.

U. S. Steel has a \$750 million unsecured five-year revolving credit facility with a group of lenders and JPMorgan Chase Bank, N.A. as administrative agent (Credit Facility). The Credit Facility has an interest coverage ratio (consolidated earnings before interest, taxes, depreciation and amortization (EBITDA) to consolidated interest expense) covenant of 2:1 and a leverage ratio (consolidated debt to consolidated EBITDA) covenant of 3.25:1, and other customary terms and conditions, including limitations on liens and mergers. As of June 30, 2008, we had no borrowings against this facility.

At June 30, 2008, USSK had no borrowings against its €40 million and €20 million credit facilities (which approximated \$95 million), but had \$7 million of customs and other guarantees outstanding, reducing availability to \$88 million. Both facilities expire in December 2009.

At June 30, 2008, USSS had no borrowings against its €25 million facility (which approximated \$39 million). This facility is secured by USSS's inventory of finished and semi-finished goods and expires September 28, 2008.

On May 21, 2007, we issued \$300 million principal amount of 5.65% Senior Notes due 2013, \$450 million principal amount of 6.05% Senior Notes due 2017 and \$350 million principal amount of

The following table summarizes U. S. Steel's liquidity as of June 30, 2008:

(Dollars in millions)

Cash and cash equivalents ^(a)	\$ 359
Amount available under Receivables Purchase Agreement	360
Amount available under \$750 Million Credit Facility	750
Amounts available under USSK credit facilities	88
Amounts available under USSS credit facilities	39
Total estimated liquidity	\$ 1,596

^(a) Excludes \$32 million of cash primarily related to the Clairton 1314B Partnership because it is not available for U. S. Steel's use.

Our liquidity at June 30, 2008 was essentially unchanged from December 31, 2007.

U. S. Steel management believes that U. S. Steel's liquidity will be adequate to satisfy its obligations for the foreseeable future, including funding obligations for new joint ventures and obligations to complete currently authorized capital spending programs. Future requirements for U. S. Steel's business needs, including the funding of acquisitions and capital expenditures, scheduled debt maturities, contributions to employee benefit plans, and any amounts that may ultimately be paid in connection with contingencies, are expected to be financed by a combination of internally generated funds (including asset sales), proceeds from the sale of stock, borrowings, refinancings and other external financing sources. This opinion is a forward-looking statement based upon currently available information and is subject to change based on operating performance, market conditions, and other factors. U. S. Steel's liquidity is not guaranteed and may be affected by changes in market conditions, interest rates, and other factors. U. S. Steel's liquidity is not intended to be used for any purpose other than to fund its operations and capital spending programs. U. S. Steel's liquidity is not a substitute for a credit rating and should not be used as a basis for investment decisions. U. S. Steel's liquidity is not a guarantee of future performance and should not be used as a basis for investment decisions. U. S. Steel's liquidity is not a substitute for a credit rating and should not be used as a basis for investment decisions.

Item 4. controls and procedures

EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES

U. S. Steel has evaluated the effectiveness of the design and operation of its disclosure controls and procedures as of the end of the period covered by this report.



U. S. Steel, Lubrizol and ExxonMobil are the largest PRPs at the site and have agreed to equally share costs for investigating the site, making U. S. Steel's share 33 1/3 percent. Phase I soil, waste and groundwater sampling was completed in December 2006. The Affected Property Assessment Report (APAR) was timely submitted to TCEQ on March 15, 2008. Additional sampling of soils and groundwater has been conducted in response to TCEQ's comments to APAR. The accrued liability to complete the site investigations and implement the remedial measure is \$2.0 million as of June 30, 2008.

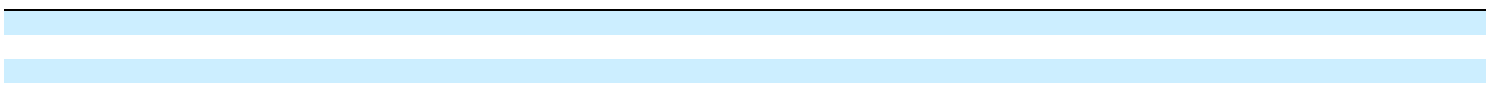
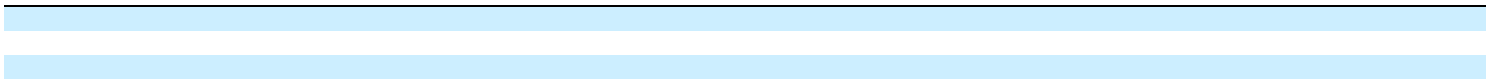
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complaint to be relevant in assessing our potential exposure to asbestos liabilities. The ultimate outcome of any claim depends upon a myriad of legal and factual issues, including whether the plaintiff can prove actual disease, if any; actual exposure, if any, to U. S. Steel products; or the duration of exposure to asbestos, if any, on U. S. Steel's premises. U. S. Steel has noted over the years that the form of complaint including its allegations, if any, concerning damages often depends upon the form of complaint filed by particular law firms and attorneys. Often the same damage allegation will be in multiple complaints regardless of the number of plaintiffs, the number of defendants, or any specific diseases or conditions alleged.

U. S. Steel aggressively pursues grounds for the dismissal of U. S. Steel from pending cases and litigates cases to verdict where we believe litigation is appropriate. U. S. Steel also makes efforts to settle appropriate cases, especially mesothelioma cases, for reasonable, and frequently nominal, amounts.

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Item 6. EXHIBITS

- 10.1 EUR200,000,000 Credit Facility Agreement dated 2 July 2008 between U. S. Steel Košice, s.r.o. as borrower, Commerzbank Aktiengesellschaft, pobo ka zahrani nej banky, Bratislava, ING Bank N.V., pobo ka zahrani nej banky and Slovenská sporitel a, a.s. as mandated lead arrangers, Citibank N.A., Bahrain Branch and HSBC Bank plc, pobo ka zahrani nej banky as lead arrangers, the financial institutions listed on Schedule 1 to the agreement as lenders and ING Bank N.V., London Branch as facility agent.
- 12.1 Computation of Ratio of Earnings to Combined Fixed Charges and Preferred Stock Dividends
- 12.2 Computation of Ratio of Earnings to Fixed Charges
- 31.1 Certification of Chief Executive Officer required by Rules 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as promulgated by the Securities and Exchange Commission pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
- 31.2 Certification of Chief Financial Officer required by Rules 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as promulgated by the Securities and Exchange Commission pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
- 32.1 Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
- 32.2 Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

SIGNATURE

Pursuant to the requirements of the Securities Exe

THIS AGREEMENT is dated 2 July 2008

BETWEEN:

- (1) **U. S. Steel Košice, s.r.o.** with its registered seat at Vstupný areál U. S. Steel, Košice, 044 54, Slovak Republic, registered in the Commercial Register of District Court Košice I, inserted file No. 11711/V, section Sro, company identification number (I O): 36 199 222 (the **Company**);
- (2) (i) **COMMERZBANK Aktiengesellschaft**, with its seat at Kaiserplatz 16, 603 11 Frankfurt am Main, Federal Republic Germany, entered in the Commercial Register at the District Court Frankfurt am Main under Entry HR B 32000, acting through **COMMERZBANK Aktiengesellschaft, pobo ka zahrani nej banky, Bratislava**, with its seat at Bratislava 1, Rajska 15/A, Postcode 811 08, Ident. No.: 30847737, entered in the Commercial Register of the District Court Bratislava I, Sec. Po, Insert No. 1121/B; (ii) **ING Bank N.V.**, Amstelveenseweg 500, 1081KL Amsterdam, The Netherlands, a company limited by shares, registered in the Trade Register of Chamber of Commerce and Industry for Amsterdam under file No. 33031431 acting through **ING Bank N.V., pobo ka zahrani nej banky, Jesenského 4/C, 811 02 Bratislava**, Identification No. 30 844 754, registered in the Commercial register maintained by the District Court of Bratislava I, in Section Po, inserted file No. 130/B; and (iii) **Slovenská sporitel' a, a.s.**, Suché mýto 4, 816 07 Bratislava, Slovak Republic, Identification No. 00151 653, registered in the Commercial register maintained by the District Court of Bratislava I, in Section Sa, inserted file No. 601/B as mandated lead arrangers (in this capacity the **Mandated Lead Arrangers**)
- (3) **Citibank NA, Bahrain**, Bab-Al-Bahrian Building, Government Avenue, PO BOX 548, Manama, Kingdom of Bahrain and **HSBC Bank plc**, with its registered office at 8 Canada Square, London, E14 5HQ, United Kingdom of Great Britain and Northern Ireland, registered by the Companies House under number 14259 and acting through its organisational unit **HSBC Bank plc, pobo ka zahrani nej banky**, with its registered office at Europeum Business Center, Suché Mýto 1, 811 03 Bratislava, Identification number (I O): 35 929 979, registered in the Commercial Register kept by the District Court Bratislava I, section: Po, insert Čg iBice at

Affiliate means a Subsidiary or a Holding Company of a person or any other Subsidiary of that Holding Company.

Assets mean a person's present and future business, undertaking, properties, assets and revenues (including without limitation, any uncallePu

Dollars and **USD** mean the lawful currency for the time being of the United States of America.

ERISA means the United States Employee Retirement Income Security Act of 1974, to which the following definitions apply:

- **Code** means the United States Internal Revenue Code of 1986.
- **ERISA Affiliate** means any person treated as a single employer with the Company for the purpose of section 414 of the Code.
- **Plan** means an employee benefit plan as defined in section 3(3) of ERISA:
 - (a) maintained by the Company or any ERISA Affiliate; or
 - (b) to which the Company or any ERISA Affiliate is required to make any payment or contribution.
- **Reportable Event** means:
 - (c) an event specified as such in section 4043 of ERISA or any related regulation, other than an event in relation to which the requirement to give notice of that event is waived by any regulation; or
 - (d) a failure to meet the minimum funding standard under section 412 of the Code or section 302 of ERISA, whether or not there has been any waiver of notice or waiver of the minimum funding standard under section 412 of the Code.

EURIBOR means for a Term of any Loan or overdue amount denominated in euro:

- (a) the applicable Screen Rate; or
- (b) if no Screen Rate is available for the Term of that Loan or overdue amount, the arithmetic mean (rounded upward to four decimal places) of the rates as supplied to the Facility Agent at its request quoted by the Reference Banks to leading banks in the European interbank market,

as of 11.00 a.m. on the Rate Fixing Day for the offering of deposits in euro for a period comparable to the Term of that Loan.

euro or EUR or € means the single currency of the Participating Member States.

Event of Default means an event specified as such in Clause 19 (Default).

Existing Facility means the credit facility made available under the Existing Facility Agreement.

Existing Facility Agreement means a facility agreement on EUR 40,000,000 credit facility dated 13 December 2006 and entered into between (*inter alia*) the Company as a borrower, ING Bank N.V., pobo ka zahrani nej banky, Citibank (Slovakia) a.s. and Slovenská sporitel' a, a.s. as arrangers and Citibank (Slovakia) a.s. as facility agent.

Facility means the credit facility made available under this Agreement.

(b) if there is no Loan then outstanding, whose undrawn Commitments then aggregate $6\frac{2}{3}$ per cent. or more of the Total Commitments; omni

- (g) any disposal that the Facility Agent agrees in writing is a Permitted Disposal; and
- (h) any disposal approved in writing by the Majority Lenders.

Permitted Disposal is defined as a disposal that is approved in writing by the Facility Agent and the Majority Lenders.

- (a) a merger of any Subsidiary of the Company into the Company, such that the Company acquires all the assets and liabilities of such Subsidiary and the Company is the surviving legal entity, provided the Company's post-merger consolidated net worth equals or exceeds the immediately preceding pre-merger consolidated net worth of the Company and that Subsidiary as determined on the basis of accounting principles and practices consistent with the preparation of the Latest Accounts;
- (b) any merger or corporate restructuring approved in advance of the date of the Closing of the Facility Agreement.

- (g) liens arising solely by operation of law (or by an agreement evidencing the same) in the ordinary course of Company's business in respect of Indebtedness that either: (i) has been due for less than 90 days; or (ii) is being contested in good faith by appropriate means and for which reserves, adequate under USGAAP, are being maintained;
- (h) Security Interests arising out of title retention provisions in a supplier's standard conditions of supply of goods acquired by Company in the ordinary course of its business;
- (i) any Security Interest approved by the Facility Agent with the approval of the Majority Lenders;
- (j) liens in favour of financial institutions arising from documentary letters of credit in the ordinary course of business; and
- (k) any renewal of or substitution for any Security Interest permitted under any preceding paragraph; and
- (l) liens arising in the ordinary course of business in connection with: (i) the performance of bids, trade contracts, (to the extent not covered by sub-clause (b) of this definition), leases (to the extent a lease constitutes a finance lease and not an operating lease), statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature; (ii) debt as defined in the Facility Agreement.

If the relevant page is replaced or the service ceases to be available, the Facility Agent (after consultation with the Company and the Lenders) may specify another page or service displaying the appropriate rate.

Security Interest means any mortgage, pledge, lien, charge (including a floating charge), assignment (whether conditional or otherwise), hypothecation or security interest or any other agreement or arrangement having the effect of conferring security, or any other arrangement having a similar economic effect including (without limitation) total transfer, 'flawed asset', sale and repurchase, buyback or conditional transfer arrangements.

Slovak Koruna means the lawful currency for the time being of the Republic.

Subsidiary means an entity of which a person has direct or indirect control or owns directly or indirectly more than 50 per cent. of the voting capital or similar right of ownership and **control** for this purpose means the power to direct the management and the policies of the entity whether through the ownership of voting capital, by contract or otherwise.

TARGET means the Trans-European Automated Real-time Gross Settlement Express Transfer payment system that utilises interlinked national real time gross settlement systems and the European Central Bank's payment mechanism and which began operations on 4 January 1999.

TARGET2 means the Trans-European Automated Real-time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007.

TARGET Day means:

(a) until such time as TARGET is permanently closed down and ceases operations any day on which both TARGET and TARGET2 are; and

(b) following such time as TARGET is permanently closed down and ceased operations, any day on which TARGET2 is,

open for the settlement of payment in euro.

Tax means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any related penalty or interest).

Tax Deduction means a deduction or withholding for or on account of Tax from a payment under a Finance Document.

Tax Payment means a payment made by the Company to a Finance Party in any way relating to a Tax Deduction or under any indemnity given by the Company in respect of Tax under any Finance Document.

Term means each period determined under this Agreement by reference to which interest on a Loan or an overdue amount is calculated.

Total Commitments means the aggregate of the Commitments of all the Lenders.

Transfer Certificate means a certificate, substantially in the form of Schedule 5 (Form of Transfer Certificate), with such amendments as the Facility Agent may approve or reasonably require or any other form agreed between the Facility Agent and the Company.

U.K. means the United Kingdom.

USGAAP means the generally accepted accounting principles and practices in the United States of America in effect from time to time.

U. S. Steel means United States Steel Corporation, currently a corporation organized under the laws of the State of Delaware, U.S.A., Delaware registration number 3396733.

Utilisation Date means each date on which the Facility is utilised.

1.2 Construction

(a) In this Agreement, unless the contrary intention appears, a reference to:

- (i) an **amendment** includes a supplement, novation, restatement or re-enactment and **amended** will be construed accordingly;
- (ii) **assets** means assets as defined in the Latest Accounts;
- (iii) an **authorisation** includes an authorisation, consent, approval, resolution, licence, exemption, filing, registration or notarisation;
- (iv) **disposal** means a sale, transfer, grant, lease or other disposal, whether voluntary or involuntary, and **dispose** will be construed accordingly;
- (v) **indebtedness** includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money;
- (vi) **know your customer requirements** are the identification checks that a Finance Party requests in order to meet its obligations under any applicable law or regulation to identify a person who is (or is to become) its customer;
- (vii) a **person** includes any individual, company, corporation, unincorporated association or body (including without limitation a partnership, trust, joint venture or consortium), government, state, agency, organisation or other entity whether or not having separate legal personality;
- (viii) a **regulation** includes vFacy, Jn

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- (xiii) a Party or any other person includes its successors in title, permitted assigns and permitted transferees;
 - (xiv) a Finance Document or another document is a reference to that Finance Document or other document as amended;
 - (xv) the word “will” shall be construed to have the same meaning and effect as the word “shall”; and
 - (xvi) a time of day is a reference to Central European time (CET).
- (b) Unless the contrary intention appears, a reference to **amonth** is a reference to a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month or the calendar month in which it is to end, except that:
- (i) if the numerically corresponding day is not a Business Day, the period will end on the next Business Day in that month (if there is one) or the preceding Business Day (if there is not);
 - (ii) if there is no numerically corresponding day in that month, that period will end on the last Business Day in that month; and
 - (iii) notwithstanding sub-paragraph (i) of this Clause 1.2(b), a period which commences on the last Business Day of a month will end on the last Business Day in the next month or the calendar month in which it is to end, as appropriate.
- (c) Unless expressly provided to the contrary in a Finance Document, a person who is not a party to a Finance Document may not enforce any of its terms under the Contracts (Rights of Third Parties) Act 1999 and, notwithstanding any term of any Finance Document, no consent of any third party is required for any amendment (including, without limitation, any release or compromise of any liability) or termination of any Finance Document.
- (d) Unless the contrary intention appears:
- (i) a reference to a Party will not include that Party if it has ceased to be a Party under this Agreement;
 - (ii) a word or expression used in any other Finance Document or in any notice given in connection with any Finance Document has the same meaning in that Finance Document or notice as in this Agreement;
 - (iii) if there is an inconsistency between this Agreement and any other Finance Document, this Agreement will prevail;
 - (iv) any non-payment obligations of the Company under the Finance Documents remain in force for so long as any payment obligation of the Company is or may be outstanding under the Finance Documents; and
 - (v) an accounting term used in this Agreement is to be construed in accordance with international accounting standards within the meaning of the IAS Regulation 1606/2002 (IFRS).
- (e) The headings in this Agreement do not affect its interpretation.



5.3 Advance of Loan

- (a) The Facility Agent must promptly notify each Lender of the details of the requested Loan and the amount of its share in that Loan.
- (b) The amount of each Lender's share of the requested Loan will be its Pro Rata Share on the proposed Utilisation Date.
- (c) No Lender is obliged to participate in a Loan if, as a result:
 - (i) its share in the Loans would exceed its Commitment; or
 - (ii) the Loans would exceed the Total Commitments.
- (d) If the conditions set out in this Agreement have been met, each Lender must make its share in the requested Loan available to the Facility Agent for the Company through its Facility Office on the Utilisation Date.

6. OPTIONAL CURRENCIES

6.1 General

In this Clause:

Agent's Spot Rate of Exchange means the Facility Agent's spot rate of exchange for the purchase of the relevant currency in the London foreign exchange market with euros as of noon on a particular day.

euro amount of a Loan or part of a Loan means:

- (a) if the Loan is denominated in euros, its amount; or
- (b) if the Loan is denominated in an Optional Currency, its equivalent in euros calculated on the basis of the Facility Agent's Spot Rate of Exchange one Business Day before the Rate Fixing Day for that Term.

Optional Currency means any currency (other than euros) in which a Loan may be denominated under this Agreement.

6.2 Selection

- (a) The Company must select the currency of a Loan in its Request.
- (b) The amount of a Loan requested in an Optional Currency must be a minimum amount of the equivalent of €5,000,000 in the Optional Currency and in integral multiples of the equivalent of €250,000 in the Optional Currency.
- (c) Unless the Facility Agent otherwise agrees, the Loans may not be denominated at any one time in more than four currencies.

6.3 Conditions relating to Optional Currencies

- (a) A Loan may be denominated in an Optional Currency for a Term if:
 - (i) that Optional Currency is readily available in the amount required and freely convertible into euros in the relevant interbank market on the Rate Fixing Day and the first day of that Term; and

(d) the amount of any repayment or prepayment of a Loan; or

(e) the undrawn amount of a Lender's Commitment,

is its euro amount.

6.6 Notification

The Facility Agent must notify the Lenders and the Company of the relevant euro amount (and the applicable Agent's Spot Rate of Exchange) promptly after they are ascertained.

7. REPAYMENT

(a)

had not been required. Notwithstanding the foregoing, a Lender may choose not to make or to limit the amount or alter the timing of any Tax Credit if to do otherwi

14. MITIGATION

14.1 Mitigation

If circumstances arise that would, or would on the giving of notice, result in:

- (a) any additional amounts becoming payable under Clause 12 (Taxes); or
- (b) any amount becoming payable under Clause 13 (Increased costs); or
- (c) any prepayment or cancellation under Clause 8 (Prepayment and Cancellation); or
- (d) a Finance Party incurring any cost of complying with the minimum reserve requirements of its supervising and regulating entity,

then, without limiting the obligations of the Company under this Agreement and without prejudice to the terms of Clauses 12 (Taxes), 13 (Increased costs) and 10 (Prepayment and Cancellation), the relevant Lender shall, in consultation with the Company, take such reasonable steps as may be open to it to mitigate or remove the relevant circumstance, including (without limitation) changing its Facility Office to one in another jurisdiction or the transfer of its rights and obligations under this Agreement to another person, unless to do so might (in the reasonable opinion of the Lender) be materially prejudicial to it.

15. PAYMENTS

15.1 Place

Unless a Finance Document specifies that payments under it are to be made in another manner, all payments by a Party (other than the Facility Agent) under the Finance Documents must be made to the Facility Agent to its account at such office or bank:

- (a) in the principal financial centre of the country of the relevant currency; or
- (b) in the case of euro, in the principal financial centre of a Participating Member State or London,

as it may notify to that Party for this purpose by not less than ten Business Days' prior notice.

15.2 Funds

Payments under the Finance Documents to the Facility Agent must be made for value on the due date at such times and in such funds as the Facility Agent may acting reasonably specify to the Party concerned as being customary at the time for the settlement of transactions in the relevant currency in the place for payment.

15.3 Distribution

- (a) Each payment received by the Facility Agent under the Finance Documents for another Party must, except as hereinafter provided, be made available by the Facility Agent to that Party by payment (as soon as practicable after receipt) to its account with such office or bank:

- (i) in the principal financial centre of the country of the relevant currency; or
- (ii) in the case of euro, in the principal financial centre of a Participating Member State or London,



(b) is in proper form for its enforcement in the Republic if accompanied by a certified Slovak translation; save that enforcement of the Company's obligations under the Finance Documents may be affected by insolvency, bankruptcy and similar laws affecting the rights of creditors generally.

16.5 Non-conflict

The execution, delivery and performance of the Finance Documents to which it is or will be a party by it will not:

- (a) violate in any respect any provision of:
 - (i) any applicable law or regulation of the Republic or any order of any governmental, judicial or public body or authority in the Republic binding on the Company; or
 - (ii) the laws and documents incorporating and constituting the Company; or
 - (iii) any mortgage, agreement or other financial undertaking or instrument to which the Company is a party or which is binding upon or any Assets of the Company; or
- (b) to the best of the Company's knowledge result in the creation or imposition of any Security Interest on any Assets of the Company pursuant to the provisions of any mortgage, agreement or other undertaking or instrument to which the Company is a party or which is binding upon it.

16.6 No default

No Default is outstanding.

16.7 Authorisations

All authorisations and other requirements of governmental, judicial and public bodies and authorities required by any member of the Group or advisable in connection with the execution, delivery, performance, validity and enforceability of the Finance Documents have been obtained or effected and are in full force and effect.

16.8 Litigation

Except to the extent as disclosed in writing to the Facility Agent:

- (a) there is no litigation, arbitration or administrative proceedings relating to any member of the Group that is material to the Company, the same are not current or pending or, to the knowledge of the Company, threatened; and
- (b) no litigation, arbitration or administrative proceedings are current or pending or, to the knowledge of the Company, threatened, which would reasonably be expected to have a material adverse effect on the ability of the Company to perform its obligations under the Finance Documents.



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- (iii) a proposed assignment or transfer by the Lender of any of its rights and/or obligations under this Agreement to a person that is not a Lender before that assignment or transfer.
 - (e) Each Lender must promptly on the request of the Facility Agent supply to the Facility Agent any documentation or other evidence that is reasonably required by the Facility Agent to carry out and be satisfied with the results of all know your customer requirements.
 - (f) The Company shall promptly, but no later than on 30th day after the date of the Agreement, deliver to the Facility Agent a copy of a resolution of the executives of the Company approving the terms of, and the transactions contemplated by, this Agreement, certified by an authorised signatory of the Company to be true, correct and complete and in full force and effect at its date.

17.4 Notification of Default

- (a) The Company must notify the Facility Agent of any Default (and the steps, if any, being taken to remedy it) promptly upon becoming aware of it.

18.2 Corporate existence

- (a) The Company shall maintain its corporate existence and its right to carry on its operations and will acquire, maintain and renew all rights, licences, concessions, contracts, powers, privileges, leases, lands, sanctions and franchises necessary or useful for the conduct of its operations except, in each case, where the failure to do so would not reasonably be expected to materially adversely affect the Company's ability to perform its obligations under the Finance Documents.
- (b) The Company shall not:
- (i) change its name; or
 - (ii) change its financial year end from 31 December.

18.3 Insurance

The Company shall effect and maintain such insurance over and in respect of its Assets and business covering such risks and in such amounts as U. S. Steel maintains from time to time with respect to other similar steel-making facilities owned by U. S. Steel, subject to such deductibles and other forms of self-insurance as from time to time are generally applicable to such other steel-making facilities provided such coverage is available to the Company on similar or better terms.

18.4 Pari passu

The Company shall procure that its obligations under the Finance Documents do and will constitute its direct, unconditional, unsecured, unsubordinated and general obligations and do and will rank at least *pari passu* with all other present and future unsecured and unsubordinated Financial Indebtedness issued, created or assumed by it other than amounts which are afforded priority by applicable law.

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18.5 Negative pledge

The Company shall not without the prior consent of the Facility Agent in writing, create, assume or permit to exist any Security Interest over all or any of its Assets to secure Financial Indebtedness other than a Permitted Security Interest.

18.6 Disposals

- (a) Except with the prior consent of the Facility Agent in writing or as provided in paragraph (b) of this Clause 18.6, the Company shall not either in a single transaction or in a series of transactions whether relaQ.

18.7 Mergers

The Company shall not, without the prior consent of the Facility Agent in writing, enter into any merger or other arrangement of a similar nature other than a Permitted Merger.

18.8 Change of business

Except with the prior consent of the Facility Agent in writing, the Company shall not make or threaten to make any substantial change in its business as conducted on the date of this Agreement.

18.9 Environmental compliance

Except to the extent disclosed in writing to the Facility Agent, the Company shall comply with applicable Environmental Law except where failure to do so would not reasonably be expected to have a material adverse effect on the ability of the Company to perform its obligations under the Finance Documents. For this purpose, **Environmental Law** means:

- (a) all environmental authorisations applicable to the Company; and
- (b) all other applicable environmental laws, rules and regulations concerning the protection of human health or the environment or the transportation of any substance capable of causing harm to man or any other living organism or the environment or public health or welfare, including, without limitation, hazardous, toxic, radioactive or dangerous waste.

18.10 Borrowing

The Company shall not, and the Company shall procure that no member of the Group shall incur any Financial Indebtedness other than:

- (a) Financial Indebtedness not exceeding €600,000,000 (or its equivalent) in aggregate (including amounts borrowed under the Finance Documents);
- (b) Financial Indebtedness upon terms approved by the Facility Agent acting on the instructions of the Majority Lenders;
- (c) currency and commodity hedging used only to mitigate the risks relating to fluctuations in currencies and commodity prices, provided each such hedging arrangement is entered into for a period no longer than 18 months;
- (d) for the avoidance of doubt, operating lease obligations;
- (e) for the avoidance of, operaherahē

18.11 No notarial deed

The Company shall not and the Company shall procure that no other member of the Group will, create any notarial deed (as referred to in section 41(2) of the Slovak Act No. 233/1995 Coll., as amended) in relation to any Financial Indebtedness.

18.12 No Margin Stock

The Company may not:

- (a) extend credit for the purpose, directly or indirectly, of buying or carrying Margin Stock; or
- (b) use any Loan or allow any Loan to be used, directly or indirectly, to buy or carry Margin Stock or for any other purpose in violation of the Margin Regulations.

19. DEFAULT

19.1 Events of Default

Each of the events set out in Clauses 19.2 (Non-payment) to 19.10 (Ownership of the Company) (inclusive) is an Event of Default (whether or not caused by any reason whatsoever outside the control of the Company or any other person).

19.2 Non-payment of ERM

(b) an applicati

19.11 Acceleration

If an Event of Default is outstanding, the Facility Agent may, and must if so instructed by the Majority Lenders, by notice to the Company:

- (a) cancel all or any part of the Total Commitments; and/or
- (b) declare that all or part of any amounts outstanding under the Finance Documents are:
 - (i) immediately due and payable; and/or
 - (ii) payable on demand by the Facility Agent acting on the instructions of the Majority Lenders.

Any notice given under this Subclause will take effect in accordance with its terms.

20. THE ADMINISTRATIVE PARTIES**20.1 Appointment and duties of the Facility Agent**

- (a) Each Finance Party (other than the Facility Agent) irrevocably appoints the Facility Agent to act as its agent under and in connection with the Finance Documents.
- (b) Each Finance Party irrevocably authorises the Facility Agent to:
 - (i) perform the duties and to exercise the rights, powers and discretions that are specifically given to it under the Finance Documents, together with any other incidental rights, powers and discretions; and
 - (ii) enter into and deliver each Finance Document expressed to be entered into by the Facility Agent.
- (c) The Facility Agent has only those duties that are expressly specified in the Finance Documents. Those duties are solely of a mechanical and administrative nature.

20.2 Role of the Arranger

Except as specifically provided in the Finance Documents, the Arranger has no obligations of any kind to any other Party in connection with any Finance Document.

20.3 No fiduciary duties

- (a) Nothing in the Finance Documents makes an Administrative Party a trustee or fiduciary for any other Party or any other person.
- (b) No Administrative Party need hold in trust any moneys paid to it or recovered by it for a Party in connection with the Finance Documents or be liable to account for interest on those moneys.

20.4 Individual position of an Administrative Party

- (a) If it is also a Lender, each Administrative Party has the same rights and powers under the Finance Documents as any other Lender and may exercise those rights and powers as though it were not an Administrative Party.
- (b) Each Administrative Party may:
 - (i) carry on any business with the Company or its related entities (including acting as an agent or a trustee for any other financing); and
 - (ii) retain any po

20.7 Responsibility

- (a) No Administrative Party is responsible for the adequacy, accuracy or completeness of any statement or information (whether written or oral) made in or supplied in connection with any Finance Document.
- (b) No Administrative Party is responsible for the legality, validity, effectiveness, adequacy, completeness or enforceability of any Finance Document or any other document.
- (c) Without affecting the responsibility of the Company for information supplied by it or on its behalf in connection with any Finance Document, each Lender confirms that it:
 - (i) has made, and will continue to make, its own independent appraisal of all risks arising under or in connection with the Finance Documents (including, without limitation, the financial condition and affairs of the Company and its related entities and the nature and extent of any recourse against any Party or its assets); and
 - (ii) has not relied exclusively on any information provided to it by any Administrative Party in connection with any Finance Document or agreement entered into in anticipation of or in connection with any Finance Document.

20.8 Exclusion of liability

- (a) The Facility Agent is not liable or responsible to any other Finance Party for any action taken or not taken by it in connection with any Finance Document, unless directly caused by its gross negligence or wilful misconduct.
- (b) No Party (other than the relevant Administrative Party) may take any proceedings against any officers, employees or agents of an Administrative Party in respect of any claim it might have against that Administrative Party or in respect of any act or omission of any kind by that officer, employee or agent in connection with any Finance Document. Any officer, employee or agent of an Administrative Party may rely on this Subclause and enforce its terms under the Contracts (Rights of Third Parties) Act 1999.
- (c) The Facility Agent is not liable for any delay (or any related consequences) in crediting an account with an amount required under the Finance Documents to be paid by the Facility Agent if the Facility Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any relevant clearing or settlement system used by the Facility Agent for that purpose.
- (d) (i) Nothing fa ad ations



(h) The Majority Lenders may, by notice to the Facility Agent, require it to resign under paragraph (b) of this Clause 20.13.

22. FEES

22.1 Facility Agent's fee

The Company must pay to the Facility Agent for its own account an agency fee in the amount and manner agreed in the Fee Letter between the Facility Agent and the Company.

22.2 Arrangement fee

The Company must pay to the Arrangers for their own account an arrangement fee in the amount and manner agreed in the Fee Letter between the Arrangers and the Company.

22.3 Commitment fee

- (a) The Company must pay to the Facility Agent for each Lender a commitment fee computed at the rate of 0.30 per cent. per annum on the unutilised, uncanceled amount of each Lender's Commitment.
- (b) Accrued commitment fee is payable quarterly in arrear. Accrued commitment fee is also payable to the Facility Agent for a Lender on the date its Commitment is cancelled in full.

23. INDEMNITIES AND BREAK COSTS

23.1 Currency indemnity

- (a) If a Finance Party receives an amount in respect of the Company's liability under the Finance Documents (other than by reason of the Facility Agent not performing its obligations under this Agreement) or if that liability is converted into a claim, proof, judgement or order in a currency other than the currency (the contractual currency) in which the liability is expressed to be payable under the relevant Finance Document:
 - (i) the Company shall indemnify that Finance Party as an independent obligation against any loss or liability arising out of or as a result of the conversion;
 - (ii) if the amount received by that Finance Party, when converted into the contractual currency at a market rate in the usual course of its business is less than the amount owed in the contractual currency, the Company concerned shall pay to that Finance Party an amount in the contractual currency equal to the deficit; and
 - (iii) the Company shall pay to the Finance Party concerned any exchange costs and taxes payable in connection with any such conversion.
- (b) The Company waives any right it may have in any jurisdiction to pay any amount under the Finance Documents in a currency other than that in which it is expressed to be payable.

23.2 Other indemnities

- (a) The Company must indemnify each Finance Party against any loss or liability which that Finance Party incurs as a consequence of:
 - (i) the occurrence of any Event of Default;

may only be made with the consent of all the Lenders.

- (b) An amendment or waiver that relates to the rights or obligations of an Administrative Party may only be made with the consent of that Administrative Party.
- (c) A Fee Letter may be amended or waived with the agreement of the Administrative Party that is a party to that Fee Letter and the Company.

25.3 Change of currency

If a change in any currency of a country occurs (including where there is more than one currency or currency unit recognised at the same time as the lawful currency of a country), the Finance Documents will be amended to the extent the Facility Agent (acting reasonably and after consultation with the Company) determines is necessary to reflect the change.

25.4 WPE

- (d) Unless the Facility Agent otherwise agrees, the New Lender must pay to the Facility Agent for its own account, on or before the date any assignment or transfer occurs, a fee of EUR2,000.
- (e) Any reference in this Agreement to a Lender includes a New Lender but excludes a Lender if no amount is or may be owed to or by it under this Agreement.

26.3 Procedure for transfer by way of novations

- (a) In this Subclause:

Transfer Date means, for a Transfer Certificate, the later of:

- (i) the proposed Transfer Date specified in that Transfer Certificate; and
- (ii) the date on which the Facility Agent executes that Transfer Certificate.

- (b) A novation is effected if:

- (i) the Existing Lender and the New Lender deliver to the Facility Agent a duly completed Transfer Certificate; and
- (ii) the Facility Agent executes it.

The Facility Agent must execute as soon as reasonably practicable a Transfer Certificate delivered to it and which appears on its face to be in order.

- (c) Each Party (other than the Existing Lender and the New Lender) irrevocably authorises the Facility Agent to execute any duly completed Transfer Certificate on its behalf.

- (d) On the Transfer Date:

- (i) the New Lender will assume the rights and obligations of the Existing Lender expressed to be the subject of the novation in the Transfer Certificate in substitution for the Existing Lender; and
- (ii) the Existing Lender will be released from those obligations and cease to have those rights.

- (e) The Facility Agent must, as soon as reasonably practicable after it has executed a Transfer Certificate, send a copy of that Transfer Certificate to the Company.

26.4 Limitation of responsibility of Existing Lender

- (a) Unless expressly agreed to the contrary, an Existing Lender makes no representation or warranty and assumes no responsibility to a New Lender for:

- (i) the financial condition of the Company; or
- (ii) the legality, validity, effectiveness, enforceability, adequacy, accuracy, completeness or performance of:
 - (A) any Finance Document or any other document;

(B) any statement or information (whether written or oral) made in or supplied in connection with any Finance Document, or

(C) any observance by the Company of its obligations under any Finance Document or other document,

and any representations or warranties implied by law are excluded.

(b) Each New Lender confirms to the Existing Lender and the other Finance Parties that it:

(i) has made, and will continue to make, its own independent appraisal of all risks arising under or in connection with the Finance Documents (including, without limitation, the financial condition and affairs of the Company and its related entities and the nature and extent of any recourse against any Party or its assets) in connection with its participation in this Agreement; and

(ii) has not relied exclusively on any information supplied to it by the Existing Lender in connection with any Finance Document.

(c) Nothing in any Finance Document requires an Existing Lender to:

(i) accept a re-transfer from a New Lender of any of the rights and obligations assigned or transferred under this Clause; or

(ii) support any losses incurred by the New Lender by reason of the non-performance by the Company of its obligations under any Finance Document or otherwise.

26.5 Costs resulting from change of Lender or Facility Office

If:

(a) a Lender assigns or transfers any of its rights and obligations under the Finance Documents or changes its Facility Office; and

(b) as a result of circumstances existing at the date the assignment, transfer or change occurs, the Company would be obliged to pay a Tax Payment or an Increased Cost,

then, unless the assignment, transfer or change is made by a Lender to mitigate any circumstances giving rise to the Tax Payment, Increased Cost or right to be prepaid and/or cancelled by reason of illegality, the Company need only pay that Tax Payment or Increased Cost to the same extent that it would have been obliged to if no assignment, transfer or change had occurred.

26.6 Changes to the Reference Banks

If a Reference Bank (or, if a Reference Bank is not a Lender, the Lender of which it is an Affiliate) ceases to be a Lender, the Facility Agent must (in consultation with the Company) appoint another Lender or an Affiliate of a Lender to replace that Reference Bank.

27. DISCLOSURE OF INFORMATION

- (a) Each Finance Party must keep confidential any information supplied to it by or on behalf of the Company in connection with the Finance Documents. However, a Finance Party is entitled to disclose information:
- (i) which is publicly available, other than as a result of a breach by that Finance Party of this Clause;
 - (ii) in connection with any legal or arbitration proceedings;
 - (iii) if required to do so under any law or regulation;
 - (iv) to a governmental, banking, taxation or other regulatory authority;
 - (v) to its professional advisers;
 - (vi) to the extent allowed under paragraph (b) of this Clause 27; or
 - (vii) with the agreement of the Company.
- (b) A Finance Party may disclose to an Affiliate or any person with whom it may enter, or has entered into, any kind of transfer, participation or other agreement in relation to this Agreement (a **participant**):
- (i) a copy of any Finance Document; and
 - (ii) any information that that Finance Party has acquired under or in connection with any Finance Document.
- However, before a participant may receive any confidential information, it must agree with the relevant Finance Party to keep that information confidential on the terms of paragraph (a) of this Clause 27 .
- (c) This Clause supersedes any previous confidentiality undertaking given by a Finance Party in connection with this Agreement prior to it becoming a Party.

28. SET-OFF

- (a) A Finance Party may set off any matured obligation owed to it by the Company under the Finance Documents (to the extent beneficially owned by that Finance Party) against any obligation (whether or not matured) owed by that Finance Party to the Company, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Finance Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off. If either obligation is unliquidated or unascertained, the Finance Party may set off in an amount estimated by it in good faith to be the amount of that obligation.
- (b) The Company agrees to and confirms a Lender's rights of banker's lien and set-off under applicable law and nothing herein shall be deemed a waiver or prohibition of such right. Each Finance Party agrees to exercise such rights only after the Company's failure to pay following proper demand and to promptly notify the Company after any such set off and application; provided, however, that the failure to give such notice shall not affect the validity of such set-off and application.



- (b) it would be sharing with another Finance Party any amount which the recovering Finance Party has received or recovered as a result of legal or arbitration proceedings, where:
 - (i) the recovering Finance Party notified the Facility Agent of those proceedings; and
 - (ii) the other Finance Party had an opportunity to participate in those proceedings but did not do so or did not take separate legal or arbitration proceedings as soon as reasonably practicable after receiving notice of them.

30. SEVERABILITY

If a term of a Finance Document is or becomes illegal, invalid or unenforceable in any respect under any jurisdiction, that will not affect:

- (a) the legality, validity or enforceability in that jurisdiction of any other term of the Finance Documents; or
- (b) the legality, validity or enforceability in other jurisdictions of that or any other term of the Finance Documents.

31. COUNTERPARTS

Each Finance Document may be executed in any number of counterparts. This has the same effect as if the signatures on the counterparts were on a single copy of the Finance Document.

32. NOTICES

32.1 Giving of notices

All notices or other communications under or in connection with this Agreement shall be given in writing and, unless otherwise stated, may be made by letter or facsimile. Any such notice will be deemed to be given as follows:

- (a) if by letter, when delivered personally

and copied to:

United States Steel Corporation
600 Grant Street
Pittsburgh, PA 15219
Attention: Assistant Treasurer - Finance & Risk Management
Fax 001 412 433 4756

or such other as the Company may notify to the Facility Agent by not less than five Business Days' notice.

- (b) The address and facsimile number of the Facility Agent are:

ING Bank N. V., London Branch
60 London Wall
London EC2M 5TQ
United Kingdom

Attention: Magdalena Pabich/Craig Baker
Tel number: +44 207 767 5616/5617
Fax number: +44 207 767 7324
E-mail: magdalena.pabich@uk.ing.com/craig.baker@uk.ing.com

or such other as the Facility Agent may notify to the other Parties by not less than five Business Days' notice.

32.3 The Company

All formal communication under the Finance Documents to or from the Company must be sent through the Facility Agent.

33. LANGUAGE

- (a) Any notice given in connection with a Finance Document must be in English.
- (b) Any other document provided in connection with a Finance Document must be:
- (i) in English; or
 - (ii) (unless the Facility Agent otherwise agrees) accompanied by a certified English translation. In this case, the English translation prevails unless the document is a statutory or other official document.

34. GOVERNING LAW

This Agreement is governed by English law.

35. ENFORCEMENT

35.1 Jurisdiction

- (a) The English courts have jurisdiction to settle any dispute in connection with any Finance Document.

(b) This Clause is for the benefit of the Finance Parties only. To the extent allowed by law, the Finance Parties may take:

- (i) proceedings in any other court; and
- (ii) concurrent proceedings in any number of jurisdictions.

(c) ~~Neither~~ ~~Reference~~ ~~is~~ ~~made~~ ~~in~~ ~~this~~ ~~Clause~~ ~~to~~ ~~a~~ ~~dispute~~ ~~in~~ ~~connection~~ ~~with~~ ~~a~~ ~~Finance~~ ~~Document~~ ~~include~~ ~~any~~ ~~dispute~~ ~~as~~ ~~to~~ ~~the~~ ~~existence~~ ~~validity~~ ~~or~~ ~~termination~~ ~~of~~ ~~that~~ ~~Finance~~ ~~Document~~.

35.2 Service of process

Without prejudice to any other mode of service, the Company:

- (a) irrevocably appoints The London Law Agency Limited 69 Southampton Row, London WC1B 4ET, England as its agent for service of process in relation to any proceedings before the English courts in connection with any Finance Document;
- (b) agrees to maintain such an agent for service of process in England for so long as any amount is outstanding under this Agreement;
- (c) agrees that failure by the process agent to notify the Company of the process will not invalidate the proceedings concerned;

~~no~~ ~~irrevocably~~ ~~appoints~~ ~~The~~ ~~London~~ ~~Law~~ ~~Agency~~ ~~Limited~~ ~~69~~ ~~Southampton~~ ~~Row~~ ~~London~~ ~~WC1B~~ ~~4ET~~ ~~England~~ ~~as~~ ~~its~~ ~~agent~~ ~~for~~ ~~service~~ ~~of~~ ~~process~~ ~~in~~ ~~relation~~ ~~to~~ ~~any~~ ~~proceedings~~ ~~before~~ ~~the~~ ~~English~~ ~~courts~~ ~~in~~ ~~connection~~ ~~with~~ ~~any~~ ~~Finance~~ ~~Document~~;

~~agrees~~ ~~to~~ ~~maintain~~ ~~such~~ ~~an~~ ~~agent~~ ~~for~~ ~~service~~ ~~of~~ ~~process~~ ~~in~~ ~~England~~ ~~for~~ ~~so~~ ~~long~~ ~~as~~ ~~any~~ ~~amount~~ ~~is~~ ~~outstanding~~ ~~under~~ ~~this~~ ~~Agreement~~;

~~agrees~~ ~~that~~ ~~failure~~ ~~by~~ ~~the~~ ~~process~~ ~~agent~~ ~~to~~ ~~notify~~ ~~the~~ ~~Company~~ ~~of~~ ~~the~~ ~~process~~ ~~will~~ ~~not~~ ~~invalidate~~ ~~the~~ ~~proceedings~~ ~~concerned~~;

~~no~~ ~~irrevocably~~ ~~appoints~~ ~~The~~ ~~London~~ ~~Law~~ ~~Agency~~ ~~Limited~~ ~~69~~ ~~Southampton~~ ~~Row~~ ~~London~~ ~~WC1B~~ ~~4ET~~ ~~England~~ ~~as~~ ~~its~~ ~~agent~~ ~~for~~ ~~service~~ ~~of~~ ~~process~~ ~~in~~ ~~relation~~ ~~to~~ ~~any~~ ~~proceedings~~ ~~before~~ ~~the~~ ~~English~~ ~~courts~~ ~~in~~ ~~connection~~ ~~with~~ ~~any~~ ~~Finance~~ ~~Document~~;

35.5 Waiver of immunity

The Company irrevocably and unconditionally:-

- (a) agrees not to claim any immunity from proceedings brought by a Finance Party against the Company in relation to a Finance Document and to ensure that no such claim is made on its behalf;
- (b) consents generally to the giving of any relief or the issue of any process in connection with those proceedings; and
- (c) waives all rights of immunity in respect of it or its assets.

35.6 Waiver of trial by jury

EACH PARTY WAIVES ANY RIGHT IT MAY HAVE TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION IN CONNECTION WITH ANY FINANCE DOCUMENT OR ANY TRANSACTION CONTEMPLATED BY ANY FINANCE DOCUMENT. THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO TRIAL BY COURT.

This Agreement has been entered into on the date stated at the beginning of this Agreement.

SCHEDULE 1
ORIGINAL PARTIES

<u>Name of Original Lender</u>	<u>Commitments</u>
COMMERZBANK Aktiengesellschaft, pobo ka zahrani nej banky, Bratislava	€ 50,000,000
ING Bank N.V., pobo ka zahrani nej banky	€ 50,000,000
Slovenská sporitel' a	€ 50,000,000
Citibank NA, Bahrain	€ 25,000,000
HSBC Bank plc, pobo ka zahrani nej banky]	€ 25,000,000
Total Com	<hr/>

SCHEDULE 2

CONDITIONS PRECEDENT DOCUMENTS

1. A copy of the constitutional documents of the Company.
2. A specimen of the signature of each person authorised to sign this Agreement on behalf of the Company and to sign and/or despatch all documents and notices to be signed and/or despatched by the Company under or in connection with this Agreement.
3. Evidence that the process agent referred to in Clause 35.2 (Service of process) has accepted its appointment under that Clause.
4. An extract from the Company's entry in the Commercial Registry, sealed/stamped by the Košice Commercial Registry, as at a date no earlier than one week prior to the date of the Agreement and certified by an authorised signatory of the Company, as at a date no earlier than the date of this Agreement, confirming the accuracy of all facts shown in the extract, except with respect to the attached amendments which have been filed with the Commercial Registry.
5. A copy of any other authorisation or other document, opinion or assurance that the Facility Agent, acting reasonably, considers to be necessary or desirable in connection with the entry into and performance of, and the transactions contemplated by, any Finance Document or for the validity and enforceability of any Finance Document.
6. A certificate of an authorised signatory of U. S. Steel certifying that the Company is a 100% owned Subsidiary of U. S. Steel.
7. A certificate of an authorised signatory of the Company certifying that each copy document delivered under this Schedule 2 is correct, complete and in full force and effect as at a date no earlier than the date of this Agreement.
8.
 - (a) A legal opinion of a legal adviser in the Republic, substantially in the form of Schedule 5, addressed to the Facility Agent;
 - (b) a legal opinion of Allen & Overy, legal advisers to the Lenders in relation to the laws of the Republic, substantially in the form of Schedule 6, addressed to the Facility Agent; and
 - (c) a legal opinion of Allen & Overy, legal advisers to the Lenders in relation to the laws of England, substantially in the form of Schedule 7, addressed to the Facility Agent.
9. Evidence that all fees and expenses then due and payable from the Company under this Agreement have been or will be paid by the first Utilisation Date.

SCHEDULE 4

FORM OF TRANSFER CERTIFICATE

To: ING Bank N.V., London Branch as Facility Agent
From: [EXISTING LENDER] (the **Exis aS**).

SCHEDULE

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7. **Signatories.** Miroslav Kiral'varga and William C. King have the right and power to execute the Agreement and to give any notices to the Facility Agent thereunder.
 8. **Pari passu ranking.** The obligations of the Company under the Agreement rank at least *pari passu* with all its other present or future unsecured and unsubordinated obligations save as provided under mandatory provisions of Slovak law.
 9. **Borrowing limits.** The borrowing of the full amount available under the Agreement will not cause any limit on the Company's borrowing or other powers or on the exercise of such powers by its executives, whether imposed by the Company's Memorandum of Association or similar document or by statute, regulation, or agreement, to be exceeded.
 10. **Stamp duties.** Except for court fees and sworn translators' fees payable in connection with proceedings to enforce the Agreement and for any applicable notarial charges, there are no stamp, transfer or registration fees or similar taxes, charges or duties payable in the Slovak Republic in connection with the execution or enforcement of the Agreement.
 11. **No immunity.**
 - a. the Company is subject to civil and commercial law with respect to its obligations under the Agreement, and its entry into and performance of the Agreement constitutes private and commercial acts; and
 - b. neither the Company nor any of its assets located in the Slovak Republic enjoys any right of immunity from suit, attachment prior to judgement or other legal process in respect of its obligations under the Agreement.
 12. **Bankruptcy.** The Company has not been declared bankrupt and no step has been or is being taken by the Company nor am I aware of any other step being taken in respect of the Company, for bankruptcy or any similar proceedings in relation to the Company or any of its Assets.
 13. **Application of governing law.** The choice of English law as the governing law of the Agreement would be upheld as a valid choice of law by the courts of the Slovak Republic.
 14. **Jurisdiction.** The submission by the Company to the jurisdiction of the English courts under Clause 37 of the Agreement is a valid and binding submission to jurisdiction in respect of the Agreement and not subject to revocation.
 15. **Enforcement of foreign judgements awards.**

A judgement duly obtained in the English courts shall be recognised and enforced in the Slovak Republic unless:

 - a. the matter is one within the exclusive jurisdiction of the courts of a Member State of the European Union other than the courts of England

b. the decision is not fon

This opinion expresses Slovak legal concepts in English. Such concepts are not always capable of precise expression in English without an extensive comparative law analysis that would not be appropriate for an opinion of this kind.

This opinion is given exclusively in connection with the Agreement and for no other purpose. It is strictly limited to the matters set forth herein and no opinion may be inferred or implied beyond that expressly stated herein.

This opinion is given solely to the Finance Parties that are the original parties to the r~~ex~~clusive pa~~at~~ are r~~pa~~ba gr~~é~~meo lo resni v~~ila~~ res~~bj~~es Q~~nd~~ro~~Ö~~ces~~in~~rl t~~gt~~ arr ure. A~~res~~,



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Choice of law: The choice of English law as the governing law of the Agreement would be upheld as a valid choice by the courts of England except that where all the other elements relevant to the Agreement at the time of the choice are connected with one country only, the fact that the parties have chosen English law will not prejudice the application of any mandatory rules under the laws of that other country which cannot be derogated from by contract.

The qualifications to which this opinion is subject are as follows:

- (a) **We assume that** the Agreement has been duly authorised fo

SCHEDULE 7
FORM OF SLOVAK LEGAL OPINION

To: The Finance Parties named
as original parties to the Agreement
(as defined below)

[DATE]

Dear Sirs,

U. S. Steel Košice, s.r.o. - €200,000,000 Credit Agreement
dated [], 2008 (the Agreement)

We have acted as legal advisers as to the laws of the Slovak Republic to **ING Bank N.V.**, Amstelveenseweg 500, 1081KL Amsterdam, The Netherlands, ,as to tl

(b) the genuineness of all signatu

-
- (g) There could be circumstances in which a Slovak court would not treat as conclusive those certificates and determinations which the Agreement states to be so treated.
 - (h) Slovak court may declare that it does not have jurisdiction if the civil proceedings concerning the same or a similar matter have already been commenced by a foreign court or an arbitration tribunal.
 - (i) Under the provisions of the Slovak Act No. 97/1963 Cž

Slovenská sporiteľ' a, a.s.

By: /s/ Samuel Vl an
Samuel Vl an, Member of the Board of Directors and Deputy
Managing Director

By: /s/ Zlata Smolková
Zlata Smolková, Director of Large Corporate Client Unit

Lead Arrangers

Citibank NA, Bahrain

By: /s/ Julia Lachka
Julia Lachka, under a power of attorney

By: /s/ Zuzana Zemlova
Zuzana Zemlova, under a power of attorney

HSBC Bank plc, pobo ka zahrani nej banky

By: /s/ Maroš Turek
Maroš Turek, Head of Corporate Banking Centre

By: /s/ Radoslav Ratkovský
Radoslav Ratkovský, Head of SME

Original Lenders

**COMMERZBANK Aktiengesellschaft, pobo ka zahrani nej
banky, Bratislava**

By: _____

Citibank NA, Bahrain

By: /s/ Julia Lachka
Julia Lachka, under a power of attorney

By: /s/ Zuzana Zemlova
Zuzana Zemlova, under a power of attorney

HSBC Bank plc, pobo ka zahrani nej banky

By: /s/ Maroš Turek
Maroš Turek, Head of Corporate Banking Centre

By: /s/ Radoslav Ratkovský
Radoslav Ratkovský, Head of SME

Facility Agent

ING Bank N.V., London Branch

By: /s/ Jean-Maurice Elkouby
Jean-Maurice Elkouby
under a power of attorney

**United States Steel Corporation
 Computation of Ratio of Earnings to Combined Fixed Charges
 and Preferred Stock Dividends
 (Unaudited)**

(Dollars in Millions)	Six Months Ended June 30,		Year Ended December 31,				
	2008	2007	2007	2006	2005	2004	2003
Portion of rentals representing interest	\$ 8				est		est

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CHIEF FINANCIAL OFFICER CERTIFICATION

I, Gretchen R. Haggerty, certify that:

1. I have reviewed this quarterly report on Form 10-Q of United States Steel Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for

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CHIEF EXECUTIVE OFFICER
CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350

I, John P. Surma, Chairman of the Board of Directors and Chief Executive Officer of United States Steel Corporation, certify that:

- (1) The Quarterly Report on Form 10-Q of United States Steel Corporation for the period ending June 30, 2008, fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the foregoing report fairly presents, in all material respects, the financial condition and results of operations of United States Steel Corporation.

/s/ John P. Surma
John P. Surma
Chairman of the Board of Directors
and Chief Executive Officer

~~By (2) 12/2002 or 15(d) of the Sle H~~

A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act of 2002 has been provided to the Securities and Exchange Commission.

