

Edgar Filing: USX CORP - Form 425

USX CORP
Form 425
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[Slide 1] - Industry Outlook

[Slide 2] - Domestic Steel Prices at 20-Year Lows

Hot Roll Price Trend
21 Year Averaged \$340/Ton
2nd Quarter 2001 Averaged \$230/Ton
Difference of \$110/Ton
Source: Purchasing Magazine

[Slide 3] - Domestic Steel Prices at 20-Year Lows

Cold Roll Price Trend
20 Year Averaged \$447/Ton
2nd Quarter 2001 Averaged \$333/Ton
Difference of \$114/Ton
Source: Purchasing Magazine

[Slide 4] - Domestic Steel Prices at 20-Year Lows

Hot Dipped Galvanized Price Trend
20 Year Averaged \$550/Ton
2nd Quarter 2001 Averaged \$343/Ton
Difference of \$207/Ton
Source: Purchasing Magazine

[Slide 5] - The Outlook for Steel Sector is Improving

- Improving Capacity Outlook
- Declining Inventory Levels
- Reduced Import Levels
- Government Trade Initiatives
- Continued Fed Action and Outlook for an Improving Domestic Economy

[Slide 6] - Key Performance Indicators - Sensitivity Analysis

Key Domestic Performance Indicators	Estimated Impact on EBITDA
\$10/ton increase in steel price	\$140 mm
100,000 tons changed in volume (Domestic only)	\$10 mm
\$1/mmbtu decrease in natural gas price (Domestic only)	\$50 mm

[Slide 7] - Improving Domestic Capacity Outlook

- Industry Capital Expenditures are below depreciation in 2001
- Industry Capacity Reductions of 6.5% announced - LTV, Trico, Gulf States
- No Recent Announcements of Greenfield Capacity

[Slide 8] - Government Trade Initiatives - On June 5, 2001 the Bush Administration announced a three part program to address steel imports

- Negotiations with foreign governments to eliminate inefficient excess production
- Negotiations with foreign governments to establish rules that will govern future trade
- Investigation by the ITC under Section 201 of the Trade Act of 1974

We believe this action could lead to a reduction in imports, which would benefit steel prices.

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[Slide 9] - Investment Highlights

- Largest N. American Integrated Steel Producer, eleventh largest global player
- Diversified Value-Added Product Mix Serving a Broad Range of end markets - a critical link in the N. American Steel Supply Chain
- Positioned to generate significant cash flow from improving current domestic supply side conditions and improving steel prices
- Significant asset value with numerous monetization opportunities
- Strong liquidity position
- Focused on improving leverage - committed to regaining investment grade ratings

[Slide 10] - U. S. Steel Competitive Strengths

- Strong Balance Sheet
- Fully-funded pension plan
- Significantly funded VEBA
- Significant leverage to steel price recovery
- Broad Product Line
- Sales to all three Major Auto Companies
- Raw Materials Business
- Tubular Business
- U. S. Steel Kosice
- U. S. Steel Reputation

[Slide 11] - United States Steel - Thomas J. Usher