
UNITED STATES
SECURITIES AND EXC

Dated: July 25, 2006

UNITED STATES STEEL CORPORATION REPORTS 2006 SECOND QUARTER RESULTS

PITTSBURGH, July 25 /PRNewswire-FirstCall/ --

EARNINGS HIGHLIGHTS

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(Dollars in millions except per share data)	2Q 2006	1Q 2006	2Q 2005
<S>	<C>	<C>	<C>
Net sales	\$ 4,107	\$ 3,728	\$ 3,582
Segment income from operations			
Flat-rolled Products	\$ 212	\$ 127	\$ 190
U. S. Steel Europe	188	125	149
Tubular Products	146	177	133
Other Businesses	33	--	23
Total segment income from operations	\$ 579	\$ 429	\$ 495
Retiree benefit expenses	(65)	(55)	(70)
Other items not allocated to segments	--	(5)	(4)
Income from operations	\$ 514	\$ 369	\$ 421
Net interest and other financial costs	14	16	68
Income tax provision	91	90	92
Net income	\$ 404	\$ 256	\$ 249
- Per basic share	\$ 3.60	\$ 2.31	\$ 2.14
- Per diluted share	\$ 3.22	\$ 2.04	\$ 1.91

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United States Steel Corporation (NYSE: X) reported second quarter 2006 net income of \$404 million, or \$3.22 per diluted share, compared to first quarter 2006 net income of \$256 million, or \$2.04 per diluted share, and second quarter 2005 net income of \$249 million, or \$1.91 per diluted share.

Commenting on results, U. S. Steel Chairman and CEO John P. Surma said, "Solid demand in our key end markets, outstanding operating performance, strong shipments and firming prices, particularly in spot markets, resulted in an excellent second quarter with earnings significantly higher than both the previous quarter and the same quarter last year. We operated at high rates of production capability in the U.S. and Europe, reflecting an outstanding performance by our people and the benefits of our recent capital programs."

The company reported second quarter 2006 income from operations of \$514 million, compared with income from operations of \$369 million in the first quarter of 2006 and \$421 million in the second quarter of 2005.

The income tax provision in the second quarter of 2006 included a favorable adjustment of \$15 million, or 12 cents per diluted share, related to the 2005 estimated tax accrual.

During the second quarter of 2006, our 7.00% Series B Mandatory Convertible Preferred Shares automatically converted into common stock, increasing our common stock outstanding by approximately 16 million shares.

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Commenting on U. S. Steel's outlook, Surma said, "We expect continued strong operating results for our three reportable segments in the third quarter of 2006. Healthy steel consumption levels are expected during the quarter along with further increases in flat-rolled prices in the U.S. and in Europe."

For Flat-rolled, we expect increased third quarter 2006 average realized prices, partially offset by increased costs for raw materials and outages, and shipments are expected to be comparable to second quarter levels.

Third quarter average realized prices are also expected to improve for U. S. Steel Europe (USSE), partially offset by higher costs, primarily for raw materials. Shipments are expected to remain at second quarter levels. In Serbia, we are currently involved in discussions with our employees, unions and government agencies regarding a workforce reduction plan that may be initiated as early as the third quarter.

Shipments and average realized prices for the Tubular segment in the third quarter of 2006 are expected to be in line with second quarter levels, and costs are expected to improve due mainly to lower outage costs.

This release contains forward-looking statements with respect to market conditions, operating costs, shipments and prices. Some factors, among others, that could affect market conditions, costs, shipments and prices for both domestic operations and USSE include global product demand, prices and mix; global and company steel production levels; plant operating performance; the timing and completion of facility projects; natural gas and electricity prices and usage; raw materials availability and prices; the impact of fixed prices in energy and raw materials contracts (many of which have terms of one year or longer) as compared to shorter-term contracts and spot prices of steel products; changes in environmental, tax and other laws; employee strikes; power outages or curtailments; and U.S. and global economic performance and political developments. Domestic steel shipments and prices could be affected by import levels and actions taken by the U.S. Government and its agencies. Economic conditions and political factors in Europe that may affect USSE's results include, but are not limited to, taxation, nationalization, inflation, currency fluctuations, increased regulation, export quotas, tariffs, and other protectionist measures. In accordance with "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, cautionary statements identifying important factors, but not necessarily all factors, that could cause actual results to differ materially from those set forth in the forward-looking statements have been included in the Form 10-K of U. S. Steel for the year ended December 31, 2005, and in subsequent filings for U. S. Steel.

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

The company will conduct a conference call on second quarter earnings on Tuesday, July 25, at 2 p.m. EDT. To listen to the webcast of the conference call, visit the U. S. Steel web site, www.ussteel.com, and click on the "Investors" button.

For more information on U. S. Steel, visit its web site at www.ussteel.com.

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UNITED STATES STEEL CORPORATION
STATEMENT OF OPERATIONS (Unaudited)

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Total	568	503
Cash used in investing activities:		
Capital expenditures	(251)	(279)
Disposal of assets	6	10
Other investing activities	--	(5)
Total	(245)	(274)
Cash (used in) provided from financing activities:		
Repayment of long-term debt	(156)	(6)
Common stock issued	10	7
Common stock repurchased	(117)	--
Dividends paid	(36)	(29)
Change in bank checks outstanding	(13)	27
Other financing activities	(12)	(17)
Total	(324)	(18)
Effect of exchange rate changes on cash	(1)	(6)
Net increase (decrease) in cash and cash equivalents	(2)	205
Cash at beginning of the year	1,479	1,037
Cash at end of the period	\$ 1,477	\$ 1,242

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Balance Sheet Data	(In millions)	June 30 2006	Dec. 31 2005

<S>		<C>	<C>
Cash and cash equivalents		\$ 1,477	\$ 1,479
Inventories		1,517	1,466
Other current assets		2,285	1,897
Property, plant and equipment - net		4,212	4,015
Intangible pension asset		251	251
Other assets		697	714
Total assets		\$ 10,439	\$ 9,822

Short-term debt and current maturities			
of long-term debt		\$ 134	\$ 249
Other current liabilities		2,609	2,500
Long-term debt, less unamortized discount		1,331	1,363
Employee benefits		1,944	2,008
Other long-term liabilities		357	346
Minority interests		31	32
Stockholders' equity		4,033	3,324
Total liabilities and stockholders' equity		\$ 10,439	\$ 9,822
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UNITED STATES STEEL CORPORATION
PRELIMINARY SUPPLEMENTAL STATISTICS (Unaudited)

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(Dollars in millions)	Quarter Ended			Six Months Ended	
				June 30	
	June 30 2006	Mar. 31 2006	June 30 2005	2006	2005

<S>	<C>	<C>	<C>	<C>	<C>
INCOME FROM OPERATIONS					
Flat-rolled Products	\$ 212	\$ 127	\$ 190	\$ 339	\$ 525
U. S. Steel Europe	188	125	149	313	369
Tubular Products	146	177	133	323	è5

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