

UNITED STATES STEEL CORP
Form 424B5
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Registration Statement No. 333-209914

This preliminary prospectus supplement and the accompanying prospectus relate to an effective registration statement under the Securities Act of 1933, as amended, but the preliminary prospectus supplement is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these securities and are not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to Completion, dated August 8, 2016

Preliminary Prospectus Supplement

(To Prospectus dated March 3, 2016)

17,000,000 shares

Common Stock

We are offering 17,000,000 shares of our common stock, par value \$1.00 per share.

Our common stock is listed on the New York Stock Exchange (the "NYSE") under the symbol "X." The last reported sale price of our common stock on the NYSE on August 5, 2016 was \$26.49 per share. Purchasers of our common stock in this offering will not be entitled to receive the quarterly dividend on our common stock of \$0.05 per share payable on September 10, 2016 to holders of record on August 10, 2016.

Investing in our common stock involves risks. See **“Risk Factors”** beginning on page S-5 of this prospectus supplement and the **“Risk Factors”** section beginning on page 43 of our annual report on Form 10-K for the fiscal year ended December 31, 2015, which is incorporated by reference into this prospectus supplement and the accompanying prospectus.

Neither the Securities and Exchange Commission (the “SEC”) nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Per Share Total	
Public offering price	\$	\$
Underwriting discount	\$	\$
Proceeds, before expenses, to us	\$	\$

We have granted the underwriters an option to purchase, within the 30-day period from the date of this prospectus supplement, up to an additional 2,550,000 shares of our common stock.

We expect to deliver the shares of our common stock to purchasers on or about August , 2016.

Joint Book-Running Managers

J.P. Morgan

Goldman, Sachs & Co.

Barclays

Wells Fargo Securities

Credit Suisse

Morgan Stanley

August , 2016

Table of contents**Prospectus supplement**

	Page
<u>About this prospectus supplement</u>	S-1
<u>Where you can find more information</u>	S-1
<u>Incorporation of certain information by reference</u>	S-1
<u>Forward-looking statements</u>	S-2
<u>Summary</u>	S-3
<u>Risk factors</u>	S-5
<u>Common stock price range and dividends</u>	S-6
<u>Use of proceeds</u>	S-7
<u>Capitalization</u>	S-8
<u>Description of common stock</u>	S-9
<u>Certain United States federal income tax considerations</u>	S-11
<u>Underwriting</u>	S-15
<u>Legal matters</u>	S-19
<u>Experts</u>	S-19
Prospectus	
<u>About this prospectus</u>	1
<u>Where you can find more information</u>	1
<u>Incorporation of certain information by reference</u>	2
<u>Forward-looking statements</u>	3
<u>The Company</u>	4
<u>Risk factors</u>	5
<u>Ratio of earnings</u>	5
<u>Use of proceeds</u>	6
<u>Description of the debt securities</u>	6
<u>Description of capital stock</u>	12
<u>Description of other securities</u>	14
<u>Selling security holders</u>	14
<u>Plan of distribution</u>	14
<u>Legal matters</u>	14
<u>Experts</u>	14

In making your investment decision, you should rely only on the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. We have not, and the underwriters have not, authorized anyone to provide you with additional or different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the underwriters are not, making an offer of these securities in any jurisdiction where the offer or sale is not permitted. You should not assume that the information contained in or incorporated by reference in this prospectus supplement or the accompanying prospectus is accurate as of any time subsequent to the date of such information.

About this prospectus supplement

This document consists of two parts. The first part is the prospectus supplement, which describes the specific terms of this offering and certain other matters relating to United States Steel Corporation. The second part, the accompanying prospectus, gives more general information about securities we may offer from time to time, some of which do not apply to this offering. Generally, when we refer to the prospectus, we are referring to both parts of this document combined. For information about our common stock, see “Description of Common Stock” in this prospectus supplement and “Description of Capital Stock” in the accompanying prospectus.

If the description in this prospectus supplement differs from the description in the accompanying prospectus, the description in this prospectus supplement supersedes the description in the accompanying prospectus. If the information set forth in this prospectus supplement varies in any way from the information set forth in a document we have incorporated by reference, you should rely on the information in the more recent document.

Before you invest in our common stock, you should read the registration statement to which this document forms a part and this document, including the documents incorporated by reference herein that are described under the heading “Where You Can Find More Information.”

Where you can find more information

United States Steel Corporation files annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy any document we file with the SEC at the SEC’s Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. Our SEC filings are also accessible through the Internet at the SEC’s website at <http://www.sec.gov>. Many of our SEC filings are also accessible on our website at <http://www.ussteel.com>. The reference to our website is intended to be an inactive textual reference only. The information on or connected to our website is not a part of this prospectus supplement or the accompanying prospectus.

Incorporation of certain information by reference

The SEC allows us to “incorporate by reference” into this prospectus supplement the information in documents we file with it, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be a part of this prospectus supplement, and later information that we file with the SEC will update and supersede this information. We incorporate by reference the documents listed below and any future filings we make with the SEC under Section 13(a), 13(c), 14, or 15(d) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), prior to the termination of the offering under this prospectus supplement (other than any documents or information deemed to have been furnished and not filed in accordance with

the SEC rules). These documents contain important information about us. The SEC file number for these documents is 1-16811.

- (a) Annual Report on Form 10-K for the year ended December 31, 2015;
- (b) Quarterly Reports on Form 10-Q for the quarters ended March 31, 2016 and June 30, 2016;
Current Reports on Form 8-K filed on April 26, 2016 (solely with respect to Items 8.01 and 9.01 thereof), April 27, 2016, May 2, 2016 (solely with respect to Item 8.01 thereof), May 4, 2016, May 10, 2016, May 11, 2016, May 24, 2016, June 10, 2016, July 26, 2016 (solely with respect to Items 8.01 and 9.01 thereof) and August 2, 2016;
- (d) Proxy Statement on Form 14A dated March 17, 2016; and
- (e) The description of our common stock contained in our registration statement on Form S-4 filed with the SEC on September 7, 2001, as amended.

Any statement contained in a document incorporated by reference into this prospectus supplement will be deemed to be modified or superseded for purposes of this prospectus supplement to the extent that a statement contained herein or in any other subsequently filed document which is also incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded will not be deemed to constitute a part of this prospectus supplement, except as so modified or superseded.

S-1

Forward-looking statements

We include “forward-looking” statements concerning trends, market forces, commitments, material events and other contingencies potentially affecting our future performance in this prospectus supplement and in our annual and quarterly reports, press releases and other statements incorporated by reference in this prospectus supplement and the accompanying prospectus. We intend the forward-looking statements to be covered by the safe harbor provisions for forward-looking statements in Section 27 of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Exchange Act. Generally, we have identified such forward-looking statements by using the words “believe,” “expect,” “intend,” “estimate,” “anticipate,” “project,” “target,” “forecast,” “aim,” “should,” “will” and similar expressions or future dates in connection with any discussion of, among other things, operating performance, trends, events or developments that we expect or anticipate will occur in the future, statements relating to volume growth, share of sales and earnings per share growth, and statements expressing general views about future operating results. However, the absence of these words or similar expressions does not mean that a statement is not forward-looking. Forward-looking statements are not historical facts, but instead represent only the Company’s beliefs regarding future events, many of which, by their nature, are inherently uncertain and outside of the Company’s control. It is possible that the Company’s actual results and financial condition may differ, possibly materially, from the anticipated results and financial condition indicated in these forward-looking statements. Management believes that these forward-looking statements are reasonable as of the time made. However, caution should be taken not to place undue reliance on any such forward-looking statements because such statements speak only as of the date when made. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. In addition, forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from our Company’s historical experience and our present expectations or projections. These risks and uncertainties include, but are not limited to the risks and uncertainties described in “Item 1A. Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2015, in our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2016 and June 30, 2016 and those described from time to time in our future reports filed with the SEC.

Summary

The following information supplements, and should be read together with, the information contained or incorporated by reference in other parts of this prospectus supplement and the accompanying prospectus. This summary highlights selected information from the prospectus supplement and the accompanying prospectus. As a result, it does not contain all of the information you should consider before investing in our common stock. You should carefully read this prospectus supplement and the accompanying prospectus, including the documents incorporated by reference in it, which are described following the caption “Incorporation of certain information by reference” in this prospectus supplement and the accompanying prospectus. If the information in this prospectus supplement varies in any way from the information set forth in a document we have incorporated by reference, you should rely on the information in the more recent document.

Unless the context otherwise requires, references in this prospectus supplement to the “Company,” “U. S. Steel,” “we,” “us” and “our” are to United States Steel Corporation and its subsidiaries. References to \$ are to U.S. dollars.

See “Risk Factors” in this prospectus supplement and in our Annual Report on Form 10-K for the year ended December 31, 2015 for factors that you should consider before investing in our common stock, and “Forward-Looking Statements” in this prospectus supplement and “Forward-looking statements” in the accompanying prospectus for information relating to statements contained in this prospectus supplement that are not historical facts.

Unless otherwise specifically indicated, all information in this prospectus supplement reflects and assumes the underwriters’ option to purchase additional shares of common stock is not exercised.

The Company

U. S. Steel is an integrated steel producer of flat-rolled and tubular products with major production operations in North America and Europe. An integrated steel producer uses iron ore and coke as primary raw materials for steel production. U. S. Steel has annual raw steel production capability of 22.0 million net tons (17.0 million tons in the United States and 5.0 million tons in Europe), which reflects a reduction of 2.4 million tons as a result of the permanent shutdown of the blast furnace and associated steelmaking operations, along with most of the flat-rolled finishing operations at Fairfield Works, during the third quarter of 2015. According to worldsteel Association’s latest published statistics, U. S. Steel was the 24th largest steel producer in the world in 2015. U. S. Steel is also engaged in other business activities consisting primarily of railroad services and real estate operations.

U. S. Steel will continue to evaluate potential strategic and organizational opportunities, which may include the acquisition, divestiture or consolidation of assets. Given recent market conditions and the continued challenges faced by the Company, we are aggressively focused on maintaining cash and strengthening our core businesses, and are

considering various possibilities, including exiting lines of business, some of which may be significant, and the sale of certain assets, that we believe would ultimately result in a stronger balance sheet and greater stockholder value. The Company will pursue opportunities based on the financial condition of the Company, its long-term strategy, and what the Board of Directors determines to be in the best interests of the Company's stockholders at the time.

S-3

The offering

The following summary contains basic information about this offering. The summary is not intended to be complete. You should read the full text and more specific details contained elsewhere in this prospectus supplement. For a more detailed description of our common stock, see “Description of Common Stock.”

Issuer	United States Steel Corporation
Common Stock Offered	17,000,000 shares
Common Stock Outstanding as of June 30, 2016	146,714,223 shares
Option to Purchase Additional Shares of Common Stock	We have granted the underwriters an option exercisable for a period of 30 days from the date of this prospectus supplement to purchase up to an additional 2,550,000 shares of common stock at the public offering price, less the underwriting discount.
Common Stock Outstanding Immediately Following the Offering	163,714,223 shares, or 166,264,223 shares if the underwriters exercise in full their option to purchase 2,550,000 additional shares, in each case based on the number of shares outstanding as of June 30, 2016 (assuming no exercise of stock options granted to employees and excluding shares available for future option grants and the 3,763,643 shares contributed to the United States Steel Corporate Plan for Employee Pension Benefits (Revision of 2003) (the “Plan”) on August 1, 2016).
NYSE Symbol	“X”
Use of Proceeds	We estimate that the net proceeds from the sale of the shares of common stock in this offering will be approximately \$ million (or approximately \$ million if the option to purchase additional shares is exercised in full), after deducting estimated underwriting discounts and our expenses related to this offering. We intend to use the net proceeds from this offering for financial flexibility, capital expenditures and other general corporate purposes. See “Use of Proceeds.”
Risk Factors	See “Risk Factors” and the other information included or incorporated by reference in this prospectus supplement and the accompanying prospectus for a discussion of certain factors you should carefully consider before deciding to invest in shares of our common stock.
Transfer Agent and Registrar	Wells Fargo Shareowner Services

S-4

Risk factors

An investment in our common stock involves significant risks. Before investing in our common stock, you should carefully consider the risks set forth in Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2015, as well as the following risks. These risks are not the only ones facing us. Additional risks not presently known to us or that we currently deem immaterial may also impair our business operations or the value of our common stock.

Risks related to this offering and our common stock

Fluctuations in the price of our common stock may make our common stock more difficult to resell.

The market price of our common stock has been and may continue to be subject to significant fluctuations due not only to general stock market conditions but also to a change in sentiment in the market regarding our operations, business prospects, liquidity or this offering. In addition to the risk factors discussed in our Annual Report on Form 10-K for the year ended December 31, 2015, the price volatility of our common stock may be affected by:

- operating results that vary from expectations of management, securities analysts and investors;
- developments in our business or in the steel industry generally or involving major steel consuming industries;
- general market conditions, such as interest or foreign exchange rates, commodity and equity prices, availability of credit, asset valuations and volatility;
- changes in financial and economic markets, whether global, European Union, United States or other large markets;
- regulatory changes affecting our industry generally or our business and operations;
- the operating and securities price performance of companies that investors consider to be comparable to us; and
- announcement or implementation of strategic developments, acquisitions and other material events by us or our competitors.

The stock markets in general have experienced extreme volatility that has at times been unrelated to the operating performance of particular companies. These broad market fluctuations may adversely affect the trading price of our common stock, make it difficult to predict the market price of our common stock in the future and cause the value of your investment to decline.

There may be future sales or other dilution of our equity, which may adversely affect the market price of our common stock.

Except as described under “Underwriting,” we are not restricted from issuing additional common stock, including securities that are convertible into or exchangeable for, or that represent the right to receive, common stock. We are offering up to 17,000,000 shares of common stock (19,550,000 of shares of common stock if the option to purchase additional shares is exercised in full).

The issuance of additional shares of our common stock in this offering or other issuances of our common stock or convertible securities, including outstanding options and warrants, or otherwise will dilute the ownership interest of our common stockholders.

Sales of a substantial number of shares of our common stock or other equity-related securities in the public market could depress the market price of our common stock and impair our ability to raise capital through the sale of additional equity securities. We cannot predict the effect that future sales of our common stock or other equity-related securities would have on the market price of our common stock.

S-5

Common stock price range and dividends

Our common stock is listed on the NYSE under the symbol "X." The following table sets forth, for the periods indicated, the high and low sales prices per share of our common stock as reported on the NYSE and the dividends declared per share of our common stock.

	Price range of common stock		Cash dividend per share
	High	Low	
2014			
First quarter	\$31.15	\$23.32	\$ 0.05
Second quarter	28.80	22.47	0.05
Third quarter	46.55	25.67	0.05
Fourth quarter	42.25	26.00	0.05
2015			
First quarter	27.49	20.13	0.05
Second quarter	27.68	20.26	0.05
Third quarter	21.49	10.02	0.05
Fourth quarter	13.48	6.80	0.05
2016			
First quarter	17.04	6.15	0.05
Second quarter	20.55	12.77	0.05
Third quarter (through August 5, 2016)	\$27.64	\$16.70	\$ 0.05

The last reported sale price of our common stock on the NYSE on August 5, 2016 was \$26.49 per share. As of June 30, 2016, there were 146,714,223 shares of our common stock outstanding held by approximately 15,056 registered holders.

Our board of directors approved a quarterly dividend of our common stock of \$0.05 per share, payable on September 10, 2016 to holders of record on August 10, 2016. Purchasers of our common stock in this offering will not be entitled to receive this dividend with respect to any shares of common stock purchased in the offering. The determination of the amount of dividends paid on our common stock is made by our board of directors from time to time based on our financial condition and our results of operations. Our board of directors has no obligation to declare dividends under Delaware law or the U. S. Steel certificate of incorporation.

Use of proceeds

We estimate that the net proceeds from the sale of our common stock in this offering will be approximately \$ million (or \$ million if the option to purchase additional shares is exercised in full), after deducting estimated underwriting discounts and our expenses related to this offering. We intend to use the proceeds from this offering for financial flexibility, capital expenditures and other general corporate purposes.

S-7

Capitalization

The following table sets forth our cash and cash equivalents and our capitalization as of June 30, 2016 on:

•an actual basis; and

•an as adjusted basis to give effect to the sale of the shares of common stock offered hereby and the application of the net proceeds therefrom.

You should read the following table in conjunction with the section entitled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our financial statements and notes included in our most recent Annual Report on Form 10-K and our Quarterly Report on Form 10-Q for the quarter ended June 30, 2016, both of which are incorporated by reference in this document, and with the section entitled “Description of Common Stock” in this prospectus supplement and the “Description of Capital Stock” in the accompanying prospectus.

As of June 30, 2016 (dollars in millions)	Actual	As adjusted for this offering
Total cash and cash equivalents	\$820	\$
Debt:		
6.65% Senior notes due 2037	350	350
7.50% Senior notes due 2022	400	400
6.875% Senior notes due 2021	251	251
8.375% Senior secured notes due 2021	980	980
7.375% Senior notes due 2020	450	450
7.00% Senior notes due 2018	161	161
Environmental revenue bonds	490	490
Recovery zone facility bonds	70	70
Fairfield caster lease	29	29
Other capital leases and all other obligations	1	1
Third amended and restated credit agreement	—	—
USSK revolver	—	—
USSK credit facilities	—	—
Less discounts and deferred issuance costs	42	42
Total Debt	\$3,140	\$ 3,140

As of June 30, 2016 (dollars in millions)	Actual	As adjusted for this offering
Stockholders’ equity:	\$151	\$

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Common stock issued (par value \$1 per share; 400,000,000 shares authorized, 150,925,911 shares issued, 146,714,223 shares outstanding, actual; 400,000,000 shares authorized, 167,925,911 shares issued, 163,714,223 shares outstanding, as adjusted)

Treasury stock, at cost	(297)	(297)
Additional paid-in capital	3,555	
(Accumulated deficit) retained earnings	(197)	(197)
Accumulated other comprehensive loss	(1,299)	(1,299)
Total stockholders' equity	1,913	
Noncontrolling interests	1	1
Total liabilities and stockholders' equity	\$8,941	\$

S-8

Description of common stock

Please read the information discussed under the heading “Description of Capital Stock” beginning on page 12 of the accompanying prospectus, which the following information supplements and, in the event of inconsistencies, supersedes. The following description does not purport to be complete and, except as noted above, should be read in conjunction with the description in the accompanying prospectus.

General

The authorized capital stock of U. S. Steel consists of 40 million shares of preferred stock, without par value, and 400 million shares of common stock with a par value of \$1.00 per share. As of June 30, 2016, there were no shares of preferred stock outstanding and 146,714,223 shares of common stock outstanding.

Upon completion of this offering, 163,714,223 shares of our common stock will be outstanding, based on the number of shares outstanding at June 30, 2016 (assuming no exercise of the underwriters’ option to purchase an additional 2,550,000 shares, no exercise of stock options granted to employees, of which approximately 5,044,861 shares were exercisable at a weighted average exercise price of \$35.14 as of June 30, 2016, and excluding shares available for future option grants and the 3,763,643 shares contributed to the Plan on August 1, 2016). See “Risk Factors—Risks related to the offering and our common stock—There may be future sales or other dilution of our equity, which may adversely affect the market price of our common stock.”

Stock transfer agent and registrar

Wells Fargo Shareowner Services, 1110 Centre Pointe Curve Suite 101, Mendota Heights, MN 55120, 161 N. Concord Exchange, South St. Paul, MN 55075 serves as the transfer agent and registrar for our common stock. The telephone number for Wells Fargo Shareowner Services is (866)-433-4801.

Delaware law, our certificate of incorporation and by-laws contain provisions that may have an anti-takeover effect

Certain provisions of Delaware law and our certificate of incorporation could make more difficult or delay a change in control of U. S. Steel by means of a tender offer, a proxy contest or otherwise and the removal of incumbent directors. These provisions are intended to discourage certain types of coercive takeover practices and inadequate takeover bids, even though such a transaction may offer our stockholders the opportunity to sell their stock at a price above the prevailing market price. Our board of directors believes that these provisions are appropriate to protect the interests of

U. S. Steel and its stockholders.

Delaware Law. We are governed by the provisions of Section 203 of the Delaware General Corporation Law. In general, Section 203 prohibits a public Delaware corporation from engaging in a “business combination” with an “interested stockholder” for a period of three years following the time that the person became an interested stockholder, unless:

- Prior to the time that the person became an interested stockholder the corporation’s board of directors approved either the business combination or the transaction that resulted in the stockholders becoming an interested stockholder;

Upon consummation of the transaction which resulted in the stockholders becoming an interested stockholder, the stockholder owned at least 85% of the outstanding voting stock of the corporation at the time the transaction

- commenced, excluding for the purpose of determining the number of shares outstanding those shares owned by the corporation’s officers and directors and by employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or

- At or subsequent to the time, the business combination is approved by the corporation’s board of directors and
- authorized at an annual or special meeting of its stockholders, and not by written consent, by the affirmative vote of at least 66 % of its outstanding voting stock that is not owned by the interested stockholder.

A “business combination” includes mergers, asset sales or other transactions resulting in a financial benefit to the stockholder. An “interested stockholder” is a person who, together with affiliates and associates, owns (or within three years did own) 15% or more of the corporation’s voting stock.

Certificate of Incorporation and By-Laws. Prior to 2014, our Certificate of Incorporation provided for a classified board structure, consisting of three classes of directors serving three-year terms. In 2014, the Certificate of

Incorporation was amended to provide that directors shall be elected for one-year terms, beginning with the 2015 annual meeting of stockholders. The declassification of our board of directors will be complete as of the 2017 annual meeting of stockholders.

Our certificate of incorporation also provides that any action required or permitted to be taken by our stockholders must be effected at a duly called annual or special meeting and may not be taken by written consent.

Our by-laws provide that special meetings of stockholders may be called only by the board of directors and not by the stockholders. Our by-laws include advance notice and informational requirements and time limitations on any director nomination or any new proposal that a stockholder wishes to make at a meeting of stockholders. In general, a stockholder's notice of a director nomination or proposal will be timely if delivered or mailed to our Secretary and received at our principal executive offices not less than 90 days and not more than 120 days prior to the first anniversary of the preceding year's annual meeting of stockholders. These provisions may preclude stockholders from bringing matters before a meeting or from making nominations for directors at these meetings.

Our certificate of incorporation and by-laws do not include a provision for cumulative voting for directors. Under cumulative voting, a minority stockholder holding a sufficient percentage of a class of shares may be able to ensure the election of one or more directors.

Our certificate of incorporation provides for the issuance of preferred stock, at the discretion of our board of directors, from time to time, in one or more series, without further action by our stockholders, unless approval of our stockholders is deemed advisable by our board of directors or required by applicable law, regulation or stock exchange listing requirements. In addition, our authorized but unissued shares of our common stock will be available for issuance from time to time at the discretion of our board of directors without the approval of our stockholders, unless such approval is deemed advisable by our board of directors or required by applicable law, regulation or stock exchange listing requirements. One of the effects of the existence of authorized, unissued and unreserved shares of our common stock and preferred stock could be to enable our board of directors to issue shares to persons friendly to current management that could render more difficult or discourage an attempt to obtain control of U. S. Steel by means of a merger, tender offer, proxy contest or otherwise, and thereby protect the continuity of our management. Such additional shares also could be used to dilute the stock ownership of persons seeking to obtain control of U. S. Steel.

Our certificate of incorporation provides that vacancies in our board of directors may be filled only by the affirmative vote of a majority of the remaining directors. This provision precludes stockholders from filling vacancies with their own nominees.

Certain provisions described above may have the effect of delaying stockholder actions with respect to certain business combinations. As such, the provisions could have the effect of discouraging open market purchases of our shares of common stock because such provisions may be considered disadvantageous by a stockholder who desires to

participate in a business combination.

S-10

Certain United States federal income tax considerations

The following discussion is a summary of certain material U.S. federal income tax consequences of owning the shares of common stock we are offering. This discussion applies only to a holder that acquires shares of our common stock in this offering and that holds the shares of our common stock as capital assets within the meaning of Section 1221 of the United States Internal Revenue Code of 1986, as amended (the “Code”) (generally, property held for investment). This discussion does not apply to a holder that is a member of a class of holders subject to special rules, such as:

- a dealer in securities or currencies;
- a person liable for alternative minimum tax;
- a trader in securities that elects to use a mark-to-market method of accounting for its securities holdings;
- a bank;
- an insurance company;
- a tax-exempt organization;
- a person holding shares of our common stock as part of a hedging, integrated, conversion, wash or constructive sale transaction or a straddle or synthetic security;
- a “United States holder” (as defined below) whose functional currency for tax purposes is not the U.S. dollar;
- a regulated investment company;
- a real estate investment trust;
- a controlled foreign corporation;
- a passive foreign investment company; or
- a United States expatriate.

This section is based on the Code, its legislative history, existing and proposed regulations under the Code, published rulings and court decisions, all as of the date of this document. These authorities are subject to change, possibly on a retroactive basis.

If an entity or arrangement that is treated as a partnership for U.S. federal income tax purposes holds shares of our common stock, the U.S. federal income tax treatment of a partner will generally depend on the status of the partner and the tax treatment of the partnership. A partner in such an entity or arrangement holding shares of our common stock should consult its tax advisor with regard to the U.S. federal income tax treatment of an investment in our common stock.

This discussion does not represent a detailed description of the U.S. federal income tax consequences to a holder in light of its particular circumstances and does not cover U.S. state, local, non-U.S. or estate tax consequences that may apply to a holder of our common stock.

HOLDERS ARE ENCOURAGED TO CONSULT THEIR TAX ADVISORS CONCERNING THE CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF SHARES OF OUR COMMON STOCK IN THEIR PARTICULAR CIRCUMSTANCES UNDER THE CODE AND UNDER THE LAWS OF ANY OTHER TAXING JURISDICTION.

United States holders

This subsection describes the tax consequences to a United States holder. A holder is a “United States holder” if that holder is a beneficial owner of a share of our common stock and is for U.S. federal income tax purposes:

- an individual who is a citizen of the United States;

- an individual who is a resident of the United States, which generally refers to a non-U.S. individual who (i) is a lawful permanent resident of the United States, (ii) is present in the United States for or in excess of certain periods of time or (iii) makes a valid election to be treated as a U.S. person;

- a corporation (or other entity taxed as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia;

- an estate whose income is subject to U.S. federal income tax regardless of its source; or

- a trust if (i) a United States court can exercise primary supervision over the trust’s administration and one or more United States persons (within the meaning of Section 7701(a)(30) of the Code) are authorized to control all substantial decisions of the trust or (ii) the trust has validly elected to be treated as a United States person for U.S. federal income tax purposes.

S-11

Distributions on common stock

Distributions, if any, made on our common stock generally will be included in a United States holder's income as ordinary dividend income to the extent of our current or accumulated earnings and profits. Distributions in excess of our current and accumulated earnings and profits will first be treated as a return of capital to the extent of a United States holder's adjusted tax basis in the common stock and thereafter as capital gain from the sale or exchange of such common stock as described below under "*—Sale, exchange, certain redemptions or other taxable dispositions of common stock.*" If certain holding period and other applicable requirements are met, dividends received by a corporation will be eligible for a dividends received deduction, and dividends received by a non-corporate United States holder will qualify for taxation at reduced rates.

Sale, exchange, certain redemptions or other taxable dispositions of common stock

Upon the sale, exchange, certain redemptions or other taxable dispositions of our common stock, a United States holder generally will recognize capital gain or loss equal to the difference between (i) the amount of cash and the fair market value of any property received upon such taxable disposition and (ii) the United States holder's adjusted tax basis in the common stock. Such capital gain or loss will be long-term capital gain or loss if a United States holder's holding period in the common stock is more than one year at the time of the taxable disposition. Otherwise, such gain or loss will be short-term capital gain or loss. The deductibility of capital losses is subject to limitations.

Medicare tax

A United States holder that is an individual, estate or a trust that does not fall into a special category of trusts that is exempt from such tax will be subject to an additional 3.8% Medicare tax on the lesser of (1) the United States holder's "net investment income" (as defined in the Code) for the relevant taxable year (or undistributed net investment income in the case of an estate or trust) and (2) the excess of the United States holder's modified gross income for the taxable year over a certain threshold (which in the case of individuals will be between \$125,000 and \$250,000 depending on the individual's circumstances). Net investment income generally includes dividend income and net gains from the disposition of our common stock, unless such dividend income or net gains are derived in the ordinary course of the conduct of a trade or business (other than a trade or business that consists of certain passive or trading activities). A United States holder that is an individual, estate or trust should consult its tax advisor regarding the applicability of the Medicare tax to its income and gains in respect of its investment in our common stock.

Backup withholding and information reporting

In general, in the case of a noncorporate United States holder, we and other payors are required to report to the U.S. Internal Revenue Service (“IRS”) dividends paid on our common stock and proceeds received from a disposition of shares of our common stock. Backup withholding may also apply to any payments if the holder fails to provide an accurate taxpayer identification number or a certification of exempt status, or the holder is notified by the IRS that the holder has failed to report all dividends and interest required to be shown on the holder’s federal income tax returns. Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules will be allowed as a refund or credit against a holder’s U.S. federal income tax liability, provided the required information is timely furnished to the IRS.

Non-United States holders

The following is a summary of the U.S. federal income tax consequences that will apply to a non-United States holder. The term “non-United States holder” means a beneficial owner of a share of our common stock (other than a partnership or any other entity treated as a partnership for U.S. federal income tax purposes) that is not a United States holder. Special rules may apply to certain non-United States holders such as “controlled foreign corporations” and “passive foreign investment companies.” Such entities should consult their tax advisors to determine the U.S. federal, state, local and other tax consequences that may be relevant to them.

Dividends

Distributions, if any, made on our common stock will constitute dividends for U.S. federal income tax purposes to the extent paid from our current or accumulated earnings and profits. Distributions in excess of our current and accumulated earnings and profits will first be treated as a return of capital to the extent of a non-United States holder’s adjusted tax basis in the common stock and thereafter as capital gain from the sale or exchange of such common stock as described below under “—*Gain on disposition of common stock.*”

Dividends paid to a non-United States holder of our common stock generally will be subject to withholding of U.S. federal income tax at a 30% rate or such lower rate as may be specified by an applicable income tax treaty. However, dividends that are effectively connected with the conduct of a trade or business by the non-United States holder within the United States (and, if required by an applicable income tax treaty, are attributable to a United States permanent establishment) are not subject to the withholding tax, provided certain certification and disclosure requirements are satisfied. Instead, such dividends are subject to U.S. federal income tax on a net income basis in the same manner as if the non-United States holder were a United States person as defined under the Code. Any such effectively connected dividends received by a foreign corporation may be subject to an additional “branch profits tax” at a 30% rate or such lower rate as may be specified by an applicable income tax treaty.

A non-United States holder of our common stock who wishes to claim the benefit of an applicable treaty rate and avoid backup withholding, as discussed below, for dividends will be required (a) to provide the applicable withholding agent with a properly executed IRS Form W-8BEN OR W-8BEN-E (or other applicable form) certifying under penalty of perjury that such holder is not a United States person as defined under the Code and is eligible for treaty benefits or (b) if our common stock is held through certain foreign intermediaries, to satisfy the relevant certification requirements of applicable United States Treasury regulations. Special certification and other requirements apply to certain non-United States holders that are pass-through entities rather than corporations or individuals.

A non-United States holder of our common stock eligible for a reduced rate of United States withholding tax pursuant to an income tax treaty generally may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS.

Gain on disposition of common stock

Any gain realized by a non-United States holder on the sale or other taxable disposition of our common stock generally will not be subject to U.S. federal income tax unless:

- the gain is effectively connected with a trade or business of the non-United States holder in the United States (and, if required by an applicable income tax treaty, is attributable to a United States permanent establishment of the non-United States holder);
- the non-United States holder is a non-resident alien individual who is present in the United States for 183 days or more in the taxable year of that disposition, and certain other conditions are met; or
- we are or have been a “United States real property holding corporation” (“USRPHC”) within the meaning of Section 897(c)(2) of the Code for U.S. federal income tax purposes and certain other conditions are met.

A non-United States holder described in the first bullet point immediately above will be subject to tax on the net gain derived from the sale or other taxable disposition in the same manner as if it were a United States person as defined

under the Code. In addition, if any such non-United States holder is a foreign corporation, the gain realized by such non-United States holder may be subject to an additional “branch profits tax” at a 30% rate or such lower rate as may be specified by an applicable income tax treaty. An individual non-United States holder described in the second bullet point immediately above will be subject to a flat 30% tax (or such lower rate as may be specified by an applicable income tax treaty) on the gain derived from the sale or other taxable disposition, which may be offset by United States source capital losses, even though the individual is not considered a resident of the United States.

With respect to the third bullet point above, we believe we are not and do not anticipate becoming a USRPHC for U.S. federal income tax purposes. Because the determination of whether we are a USRPHC depends on the fair market value of our U.S. real property interests relative to the fair market value of our other business assets and our non-U.S. real property interests, however, there can be no assurance we are not a USRPHC or will not become one in the future. Even if we are or were to become a USRPHC, gain arising from the sale or other taxable disposition by a non-United States holder of our common stock will not be subject to U.S. federal income tax if (i) such class of stock is “regularly traded,” as defined by applicable Treasury regulations, on an established securities market, and (ii) such non-United States holder owned, actually or constructively, 5% or less of such class of our stock throughout the shorter of the five-year period ending on the date of the sale or other disposition or the non-United States holder’s holding period for such stock. If the foregoing exception does not apply, and if we are or were to become a USRPHC, a purchaser may be required to withhold 15% of the proceeds payable to a non-United States holder from a sale or other taxable disposition of our common stock and such non-United States holder generally will be taxed on its net gain derived from the disposition at the graduated U.S. federal income tax rates applicable to United States persons (as defined in the Code).

Backup withholding and information reporting

Payors must generally report annually to the IRS and to each non-United States holder the amount of dividends paid to such holder and the tax withheld with respect to such dividends, regardless of whether withholding was required. Copies of the information returns reporting such dividends and withholding may also be made available to the tax authorities in the country in which the non-United States holder resides under the provisions of an applicable income tax treaty.

A non-United States holder will be subject to backup withholding for dividends paid to such holder unless such holder provides proper certification of foreign status on a properly executed IRS Form W-8BEN or W-8BEN-E (or other applicable form) and the payor does not have actual knowledge or reason to know that the beneficial owner is a U.S. person, or if the holder is a corporation or one of several types of entities and organizations that qualify for an exemption.

Information reporting and, depending on the circumstances, backup withholding will apply to the proceeds of a sale of our common stock within the United States or conducted through certain United States-related financial intermediaries, unless the holder provides a properly executed IRS Form W-8BEN or W-8BEN-E (or other applicable form) (or satisfies certain documentary evidence requirements for establishing that it is a non-United States p