

UNITED STATES STEEL CORPORATION
CONSOLIDATED STATEMENT OF OPERATIONS

(Dollars in millions)	Year Ended December 31,		
	2008	2007	2006
Net sales:			
Net sales	\$ 22,466	\$ 15,701	\$ 14,752
Net sales to related parties (Note 25)	1,288	1,172	963
Total	<u>23,754</u>	<u>16,873</u>	<u>15,715</u>
Operating expenses (income):			
Cost of sales (excludes items shown below)	19,723	14,633	12,968
Selling, general and administrative expenses	625	589	604
Depreciation, depletion and amortization (Note 1)	605	506	441
Income from investees	(93)	(26)	(57)
Net gains on disposal of assets	(17)	(23)	(13)
Other income, net (Note 17)	(158)	(19)	(13)
Total	<u>20,685</u>	<u>15,660</u>	<u>13,930</u>
Income from operations	3,069	1,213	1,785
Interest expense	169	152	116
Interest income	(14)	(79)	(67)
Other financial (income) costs	(93)	32	13
Net interest and other financial costs (Note 6)	<u>62</u>	<u>105</u>	<u>62</u>
Income before income taxes and minority interests	3,007	1,108	1,723
Income tax provision (Note 9)	853	218	324
Minority interests (Note 17)	42	11	25
Net income	2,112	879	1,374
Dividends on preferred stock	-	-	(8)
Net income applicable to common stock	\$ 2,112	\$ 879	\$ 1,366
Income Per Common Share (Note 7):			
Net income:			
- Basic	\$ 18.04	\$ 7.44	\$ 11.88
- Diluted	\$ 17.96	\$ 7.40	\$ 11.18

The accompanying notes are an integral part of these consolidated financial statements.