

## **U.S. Steel Posts \$303 Million 3Q Loss**

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PITTSBURGH (AP) — United States Steel Corp. said Tuesday it lost money for a third straight quarter as the global economic downturn continued to dampen demand for the metal.

But the company said its production and shipments rose significantly from the previous quarter, and that it expects a narrower loss in the October-December period as North American automakers order more steel for vehicles.

U.S. Steel's products include sheet steel used in a wide range of consumer goods, from cars to office furniture. Its tin is used in items such as food cans, while its tubular steel, or pipe, is used in oil and gas drilling.

Its shares rose 29 cents to \$40.87 in premarket trading.

The loss highlights an industrywide slump in demand that began when the world economy faltered late last year. That undermined key customers in the construction, auto and industrial equipment industries. Steel makers like U.S. Steel, based in Pittsburgh, responded by winding down production and laying off thousands of workers.

Although prices and production rose during the quarter as steel distributors scrambled to fill orders after depleting their stockpiles, the market for the metal remained far weaker than it had been a year earlier, when U.S. Steel notched record profits.

CEO John Surma said the company remains cautious about its outlook as order rates have dropped in recent weeks, partly due to seasonal slowdowns at factories.

"Despite these concerns and uncertainties, we believe that the U.S. and global economies are in the early stages of a gradual recovery, which has been aided by global stimulus policies and may be supported by continued improvement in credit markets and inventory restocking," he said in a statement.

In April, U.S. Steel posted its first quarterly loss in more than five years. After reporting a second quarterly loss in July, the company said it expected all of its businesses to post operating losses for the July-September period.

The largest U.S. steel maker said it lost \$303 million, or \$2.11 per share, for the three months ended Sept. 30. That compares with a profit of \$919 million, or \$7.79 per share, in year-earlier period.

U.S. Steel said its operating loss amounted to \$412 million, down from a profit of \$1.33 billion a year earlier.

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Revenue tumbled 61 percent to \$2.82 billion from \$7.31 billion.

Analysts expected a loss of \$2.87 per share on revenue of \$2.72 billion, according to a survey by Thomson Reuters. Wall Street estimates typically exclude one-time items.

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