# U.S. Steel 4Q Loss Narrows

PITTSBURGH (AP) — U.S. Steel Corp. said Tuesday that its fourth-quarter loss narrowed as strong demand for pipes from the oil industry boosted revenue. The company was optimistic about the current quarter, and shares jumped 5 percent in morning trading.

The steel maker, which is based in Pittsburgh, said that results in the current period will improve from levels in the October-December quarter, which were hurt by a weak steel market. Prices and shipments of its flat-rolled products are increasing. The company also said it expects better results in its struggling European division, in part because it just sold its money-losing Serbian operations to that country's government for $1.

The company said it had a net loss of $226 million, or $1.57 per share, in the last three months of 2011, compared with a loss of $249 million, or $1.74 per share, in the same quarter in 2010.

Excluding charges including a $51 million foreign-currency loss, the company said it posted an adjusted loss of $164 million, or $1.14 per share. But analysts polled by FactSet expected a narrower loss of 85 cents per share.

Revenue rose 12 percent to $4.82 billion from $4.3 billion, while analysts expected $4.74 billion.

U.S. Steel said shale and oil drilling are driving demand for its pipes. Tubular products shipments jumped 25 percent to 482,000 net tons, while the average price rose 14 percent.

But shipments of flat-rolled products slipped 2 percent to 3.8 million net tons in the soft steel market. The average price rose 13 percent from the year before, but was down 4 percent from the July-September quarter.

Hurt by the debt crisis and weakening economy in Europe, U.S. Steel's European shipments fell 6.5 percent to 1.2 million tons, and the average price fell 3 percent from the year before and 11 percent from the quarter before.

The company said getting rid of its Serbian operations should help cut losses in its European division, although it expects weak demand to continue.

Selling the Serbian division will result in a non-cash charge of $400 million to $450 million in the current quarter, U.S. Steel said on Monday. The deal closed on Tuesday.

U.S. Steel shares rose $1.49 to $30.22 in early trading Tuesday.

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