



Indiana Manufacturers Association
Indiana's Leading Voice for Industry

MEDIA RELEASE

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For immediate release January 10, 2003

Indiana Manufacturers Association Applauds U.S. Steel Proposed Acquisition of National Steel Assets

INDIANAPOLIS, January 10, 2003 – Today, the Indiana Manufacturers Association's President Patrick J. Kiely issued the following statement, "The announcement that U.S. Steel will acquire the assets of National Steel is a very positive step not only for Indiana's economy but the domestic steel industry as a whole." Mr. Kiely added, "We applaud U.S. Steel's Chairman Thomas J. Usher and their entire team for taking this aggressive step that will enhance U.S. Steel's ability to serve the current and future needs of Indiana, as well as the rest of their North American customers in key industries such as automotive, container, appliance and construction, while building upon their existing leadership position in these markets."

The transaction, which is targeted for completion early in the second quarter of 2003, is contingent on the successful negotiation of a new labor contract with the United Steelworkers of America, the approval of the bankruptcy court and other customary regulatory approvals.

Based on a preliminary assessment, the company expects combined annual cost savings of approximately \$170 million within two years of completing the transaction. These savings are expected to result from a number of actions including increased scheduling and operating efficiencies, the elimination of redundant overhead costs, the reduction of freight cost and the negotiation of an improved labor contract covering employees at the acquired National facilities.

U.S. Steel's acquisition of National Steel's assets includes the Midwest finishing facility in Portage, Indiana.