

Securities, Intellectual Property Rights, Information Technology and Equipment Machinery and Plant, (including, but not limited to, those set out in a separate inventory executed simultaneously with this Agreement by the Parties), exclusive of any interest, right or shares whatsoever in any Affiliate.

"Bankruptcy Act" means "The Act on Compulsory Composition with Creditors, Bankruptcy and Liquidation" of the Federal Republic of Yugoslavia, which was published in the Official Gazette thereof No 84/89 as amended by Nos. 37/93 and 28/96.

"Business" means the business carried on by the Company at the Property and elsewhere.

"Business Day" means any day (except a Saturday or Sunday) on which banks are open for business in the Republic of Serbia and in the United States of America.

"Company" means the legal entity which comprises Sartid a.d. in bankruptcy, exclusive of any interest, right or shares whatsoever in any Affiliate.

"Completion Date" means the date on which day ex wha

of the Company, including know-how (confidential, industrial and commercial information and techniques).

"Land" means any land owned, leased or used by the Company.

"Law" means any applicable law, rule or regulation of any Governmental Authority.

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"Legal Requirement" means any and all liabilities incurred as a result of the application of Law.

"Order" means any award, decision, injunction, judgement, order, ruling, subpoena, or verdict entered, issued, made, or rendered by any Governmental Authority or by any arbitrator.

"Person" means any individual, corporation (including any non-profit corporation), general or limited partnership, limited liability company, joint venture, estate, trust, association, partnership, labour union, or other entity or any Governmental Authority.

"Property" means that moveable and immoveable property, including Land of the Company.

"Rights" mean any rights arising from rights of way or use, licences, concessions, or approvals, permits, authorisations issued to the Company together with the right to apply for such.

"Sartid a.d. in bankruptcy" means Concern of Ferrous Metallurgy Sartid Joint Stock Company for Iron and Steel Production, with offices located at 12 Goranska Street, Belgrade, Serbia "S dere tognicprGovoy nBSpdereg

3.1 Conditions Precedent

Purchaser or waived by the Seller by 30th June 2003, the Seller may, at any time thereafter, in its sole discretion, as the case may be, terminate this Agreement by written notice to the Purchaser and no Party shall have any claim against any other under it.

4 COMPLETION

4.1 Date and Place

Completion of the transaction contemplated by this Agreement (the "Completion") shall occur, within 10 Business Days from the execution of the mutual acknowledgement referred to in Clause 3.3.3 above on a date mutually agreed between the Parties hereto.

4.2 Obligations at Completion and Transfer of Interest in the Company and Payment of the Purchase Price

Completion shall occur in the manner and in the sequence set forth in this Clause 4.2. The Parties mutually agree that each completion obligation set forth in 4.2.1 through 4.2.6 below is dependent on the satisfactory and continued fulfilment of each of the preceding completion obligations.

4.2.1 Each Party shall sign a written statement confirming that (i) each of its respective Warranties set forth in Clauses 5 or 6 remain complete and accurate as of the date of Completion and (ii) each of the Conditions Precedent set forth in Clause 3.1 are still satisfied as of the Completion Date.

4.2.2 The Purchaser will deliver to the Seller a bank guarantee in the form as drafted in Schedule C hereto.

4.2.3 The Bankruptcy Administrator shall deliver to the Purchaser all documents necessary for the Purchaser to reregister the Company in the name of the Purchaser with the Commercial Court of Pozarevac, under its existing registration number 1-630-00 and as the one hundred per cent (100%) owner of the Company.

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4.2.4 The Purchaser shall on the Completion Date make application to the Commercial Court of Pozarevac for the re-registration of the Company and issuance by that Court of a final decision that the Purchaser is registered as the 100% owner of the Company.

4.2.5 The Purchaser will execute a payment instruction for immediate payment of the Purchase Price to the Seller upon the Purchaser obtaining a final decision of the Commercial Court of Pozarevac that the Purchaser is registered as the 100% owner of the Company and the Purchaser will present the proof of such payment instruction to the Seller. Upon presentment to the Seller of such proof of payment instruction, the bank guarantee delivered by the Purchaser pursuant to Clause 4.2.2 above will immediately be revoked and of no further effect.

4.2.6 Each Party mutually undertakes to the other Party to promptly take any and all actions as the other Party may reasonably request to timely complete the Completion obligations set forth in this Clause 4.2 including activities associated therewith.

5 REPRESENTATIONS AND WARRANTIES OF THE SELLER

5.1 In consideration of the Purchaser agreeing to purchase the Company on the terms contained in this Agreement, the Seller hereby, in relation to the Company warrants and represents to the Purchaser in the terms set out in Schedule A

5.2 Seller's Authority

5.2.1 This Agreement constitutes the legal, valid and binding obligation of the Seller, and accordingly the Purchaser can take all and any legal actions against the Seller, in accordance with its terms. The Seller has the legal right and full power and authority to execute and deliver this Agreement and any other

terms of this Agree

writing.

8.11 Survival of rights, duties and obligations

U. S. STEEL TO ACQUIRE SERBIAN STEEL COMPANY

PITTSBURGH, April 1 -- United States Steel Corporation (NYSE: X) announced today that U. S. Steel Balkan d.o.o., a wholly owned Serbian subsidiary of U. S. Steel, has agreed to purchase out of bankruptcy Serbian steel producer Sartid a.d. and six of its subsidiaries for a total purchase price of \$23 million.

The purchases, which are targeted for completion during the third quarter of 2003, are subject to several conditions including the successful completion of anti-monopoly review by competition authorities in several countries.

Commenting on the announcement, John H. Goodish, U. S. Steel's executive vice president - International & Diversified Businesses, said, "U. S. Steel is confident that we can transform Sartid into a profitable and competitive steel producer and a long-term contributor to the economic development, stability and success of Serbia and the communities in which Sartid operates."

Thomas Kelly, managing director, U. S. Steel Balkan, added, "The acquisition will enhance U. S. Steel's ability to service its steel sheet and tin mill products customers in our European markets, especially in the Balkan region."

Sartid's production facilities, which are located in northern Serbia, include an integrated mill with a raw steel design capacity of 2.4 million net tons. Sartid primarily produces sheet products and its tinning facility has an annual capacity of 130,000 net tons. Production from these facilities has been substantially below its design capacity during the past several years due to Sartid's financial difficulties. U. S. Steel believes that the design capacity of these facilities can be realized with needed rehabilitation and investment.

In an associated agreement, which will become effective upon the completion of the acquisition, U. S. Steel Balkan commits to future spending of up to \$150 million over five years for working capital and the repair, rehabilitation, improvement, modification and upgrade of the facilities. A portion of this spending is subject to certain conditions related to Sartid's commercial operations, cash flow and viability. In addition, U. S. Steel Balkan has agreed to refrain from layoffs for a period of three years.

Following a successful model used by U. S. Steel Kosice, U. S. Steel Balkan will conduct economic development activities over the course of three years and spend no less than \$1.5 million on these efforts. The program will focus on publicizing to global investors the benefits of establishing manufacturing businesses in the Republic of Serbia.

U. S. Steel Balkan has also agreed to support community, charitable and sport activities in a total amount of not less than \$5 million during the three-year period following closing of the transaction.

Goodish also pointed out that, in addition to the purchase consideration and U. S. Steel Balkan's future commitments, the commercial agreements U. S. Steel has had with Sartid over the past year have significantly benefited Sartid, its emiowing cloe