
Despite challenging conditions, we generated positive operating cash flow of \$113 million for the quarter ended March 31, 2016. As of March 31, 2016, U. S. Steel had \$705 million of cash and \$2.3 billion of total liquidity.

First quarter results for our Flat-Rolled segment declined as compared to the fourth quarter primarily due to decreases in average realized prices for our contract business and slightly lower average spot prices compared to the fourth quarter. Seasonally lower results from our mining operations and a \$50 million unfavorable effect from planned liquidations of inventory costed using the last-in-first-out (LIFO) method related to our targeted working capital reductions in 2016 contributed to the decline in results in the first quarter. The favorable impacts of lower raw materials and energy prices, lower spending and overhead costs, and increased operating efficiencies from our current operating configuration only partially offset the unfavorable items.

European segment results declined compared to the fourth quarter. A decrease in average realized euro-based prices and higher repair and maintenance costs, as some outage work was completed, were offset by lower raw materials, energy and operating costs.

First quarter results for our Tubular segment were comparable to the fourth quarter as d

CONDENSED BALANCE SHEET (Unaudited)

(Dollars in millions)	March 31 2016	Dec. 31 2015
Cash and cash equivalents	\$ 705	\$ 755
Receivables, net	1,139	1,063
Inventories	1,801	2,074
Other current assets	38	25
Total current assets	3,683	3,917
Property, plant and equipment		
Goodwill		
Intangible assets		
Deferred tax assets		
Other non-current assets		
Total non-current assets		
Total assets		
Accounts payable		
Accrued liabilities		
Deferred tax liabilities		
Other non-current liabilities		
Total liabilities		
Equity		
Total equity		
Total liabilities and equity		



