

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**FORM 8 - K**  
**CURRENT REPORT**

PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): June 25, 2002

**NATIONAL STEEL CORPORATION**

(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction of incorporation)

1-983  
(Commission File Number)

25-0687210  
(IRS Employer Identification No.)

4100 Edison Lakes Parkway, Mishawaka, IN  
(Address of principal executive offices)

46545-3440  
(Zip Code)

Registrant's telephone number, including area code:

574-273-7000

## **ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS**

Exhibit 99.1 Combined Monthly Operating Report for the month ended May 31, 2002.

## **ITEM 9. REGULATION FD DISCLOSURE**

As previously disclosed, on March 6, 2002 National Steel Corporation (the "Company") and forty-one of its domestic subsidiaries (collectively "the Debtors") filed voluntary petitions for relief under Chapter 11 of Title 11 of the United States Code in the United States Bankruptcy Court for the Northern District of Illinois, Eastern Division (the "Court"). The case was assigned to the Hon. John H. Squires and is being jointly administered under case number 02-08699. The Debtors remain in possession of their assets and properties, and continue to operate their businesses and manage their properties as debtors-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

On June 25, 2002, the Debtors filed with the Court their required combined monthly operating report for the month ended May 31, 2002 (the "Operating Report") in a form prescribed by the office of the United States Trustee of the Department of Justice for the Northern District of Illinois, Eastern Division. Exhibit 99.1 to this Current Report on Form 8-K contains the text of the Operating Report.

The Company cautions readers not to place undue reliance upon the information contained in the Operating Report. The information in the Operating Report was not audited, however, in the opinion of the Company's management, the information reflects all adjustments necessary for a fair presentation of the results for the periods presented in accordance with generally accepted accounting principles. There can be no assurance that the Operating Report is complete. The Operating Report also contains information for periods which are shorter or otherwise different from those required in the Company's reports pursuant to the Exchange Act of 1934, as amended (the "Exchange Act"). Such information may not be indicative of the Company's financial statements in its reports pursuant to the Exchange Act and readers are cautioned to refer to the Exchange Act filings.

## **SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

### **NATIONAL STEEL CORPORATION**

Date: June 25, 2002

By: /s/ Kirk A. Sobecki  
Kirk A. Sobecki  
Senior Vice President and Chief Financial Officer

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION**

CASE NAME: NATIONAL STEEL CORPORATION, ET AL.

CASE NO: 02-08697 THROUGH 02-08738

**DECLARATION UNDER PENALTY OF PERJURY**

I, Kirk A. Sobecki, acting as the duly authorized agent for the Debtor in Possession declare under penalty of perjury under the laws of the United States that I have read and I certify that the figures, statements, disbursement itemizations, and account balances as listed in this Monthly Report of the Debtor are true and correct as of the date of this report to the best of my knowledge, information and belief.

/s/ Kirk A. Sobecki  
For the Debtor In Possession

Kirk A. Sobecki  
Senior Vice President and Chief Financial Officer

DATED: June 24, 2002

**U.S. TRUSTEE MONTHLY OPERATING REPORT**  
**May 1, 2002 to May 31, 2002**

- I. National Steel Corporation Unaudited Combined Financial Statements
  - A. Combined Statement of Operations for month ended May 31, 2002
  - B. Combined Balance Sheet as of May 31, 2002
  - C. Combined Statement of Cash Flows for the month ended May 31, 2002
  - D. Notes to the Unaudited Combined Financial Statements
  
- II. Schedule of Disbursements

**NATIONAL STEEL CORPORATION AND SUBSIDIARIES**

CASE NOS: 02-08697 THROUGH 02-08738

DEBTOR-IN-POSSESSION AS OF MARCH 6, 2002

COMBINED STATEMENT OF OPERATIONS

(In Millions of Dollars, Except Share Amounts)

(Unaudited)

	<b>Month Ended May 31, 2002</b>
<b>Net Sales</b>	<b>\$ 225.4</b>
Cost of products sold	207.4
Selling, general and administrative expense	8.5
Depreciation	13.4
Equity income of affiliates	(0.4)
<b>Loss from Operations before Reorganization Items</b>	<b>(3.5)</b>
Reorganization items	1.3
Financing costs	1.1
<b>Loss before Income Taxes</b>	<b>(5.9)</b>
Income tax expense	0.1
<b>Net Loss</b>	<b>\$ (6.0)</b>

See notes to the combined financial statements

**NATIONAL STEEL CORPORATION AND SUBSIDIARIES**

CASE NOS: 02-08697 THROUGH 02-08738

DEBTOR-IN-POSSESSION AS OF MARCH 6, 2002

COMBINED BALANCE SHEET

(In Millions of Dollars, Except Share Amounts)

(Unaudited)

	<u>May 31,</u> <u>2002</u>
<b>ASSETS</b>	
<b>Current assets</b>	
Cash and cash equivalents	\$ 2.7
Receivables— net	236.4
Inventories —net	307.8
Deferred tax assets	3.2
Other	24.3
<b>Total current assets</b>	<u>574.4</u>
Investments in affiliated companies	16.2
Property, plant and equipment, net	1,312.3
Deferred tax assets	44.5
Intangible pension asset	126.0
Other assets	98.5
	<u><u>\$2,171.9</u></u>
<b>LIABILITIES AND STOCKHOLDERS' DEFICIT</b>	
<b>Current liabilities</b>	
Accounts payable	\$ 105.7
Salaries, wages, benefits and related taxes	44.8
Property taxes	12.4
Income taxes	0.3
Other accrued liabilities	48.9
<b>Total current liabilities</b>	<u>212.1</u>
Debtor-in-possession financing	75.0
Other long-term liabilities	0.5
Liabilities subject to compromise	2,237.8
<b>Stockholders' deficit</b>	
Common Stock - par value \$.01:	
Class A - authorized 30,000,000 shares, issued and outstanding 22,100,000	0.2
Class B - authorized 65,000,000 shares; issued 21,188,240; outstanding 19,188,240	0.2
Additional paid-in-capital	491.8
Retained deficit	(452.9)
Treasury stock, at cost: 2,000,000 shares	(16.3)
Accumulated other comprehensive loss:	
Unrealized loss on derivative instruments	(0.2)
Minimum pension liability	(376.3)
<b>Total stockholders' de ficit</b>	<u>(353.5)</u>
	<u><u>\$2,171.9</u></u>

See notes to the combined financial statements

**NATIONAL STEEL CORPORATION AND SUBSIDIARIES**

CASE NOS: 02-08697 THROUGH 02-08738

DEBTOR-IN-POSSESSION AS OF MARCH 6, 2002

**COMBINED STATEMENT OF CASH FLOWS**

(In Millions of Dollars, Except Share Amounts)

(Unaudited)

	<b>Month Ended May 31, 2002</b>
<b>Cash Flows from Operating Activities</b>	
Net loss	\$ (6.0)
Adjustments to reconcile net loss to net cash provided by operating activities:	
Depreciation	13.4
Reorganization items	1.3
Changes in assets and liabilities:	
Receivables—trade	(5.2)
Receivables—allowance	1.8
Inventories	(2.0)
Accounts payable	34.9
Pension liability	3.0
Postretirement benefits	1.0
Accrued liabilities	12.3
<b>Net Cash Provided by Operating Activities Before Reorganization Items</b>	<b>54.5</b>
Reorganization items (excluding non-cash charges)	(0.7)
<b>Net Cash Provided by Operating Activities</b>	<b>53.8</b>
<b>Cash Flows from Investing Activities</b>	
Purchases of property and equipment	(2.1)
<b>Net Cash Used in Investing Activities</b>	<b>(2.1)</b>
<b>Cash Flows from Financing Activities</b>	
Borrowings—net	(51.1)
<b>Net Cash Used in Financing Activities</b>	<b>(51.1)</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>0.6</b>
Cash and cash equivalents at the beginning of the period	2.1
<b>Cash and cash equivalents at the end of the period</b>	<b>\$ 2.7</b>

See notes to the combined financial statements

**NATIONAL STEEL CORPORATION AND SUBSIDIARIES**

CASE NOS: 02-08697 THROUGH 02-08738

DEBTOR-IN-POSSESSION AS OF MARCH 6, 2002

NOTES TO THE COMBINED FINANCIAL STATEMENTS.

**NOTE 1 — BASIS OF PRESENTATION**

The accompanying combined financial statements presented herein have been prepared on a going concern basis, which contemplates continuity of operations, realization of assets and liquidation of liabilities in the ordinary course of business and do not reflect adjustments that might result if the Debtors are unable to continue as a going concern. As a result of National Steel Corporation (the "Company") and forty-one of its domestic subsidiaries (collectively the "Debtors") filing for relief under Chapter 11 of Title 11 of the United States Code, however, such matters are subject to significant uncertainty.

The Debtor's financial statements presented herein, have been prepared in conformity with the AICPA's Statement of Position No. 90-7, *Financial Reporting by Entities in Reorganization Under the Bankruptcy Code*, issued November 19, 1990 ("SOP 90-7"). SOP 90-7 requires a segregation of liabilities subject to compromise by the Court as of the filing date and identification of all transactions and events that are directly associated with the reorganization of the Company. Certain majority owned subsidiaries of the Company have been excluded from the financial results, as they were not included in the Chapter 11 filings. Total assets for these entities were \$7.7 million as of May 31, 2002 and net income was \$2.7 million for the month ended May 31, 2002.

Preparation of the combined financial statements for the month ended May 31, 2002 requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenue and expense during the applicable periods. Actual results could differ from those estimates.

The financial results presented for the month ended May 31, 2002 are not necessarily indicative of results of operations for the full year. The Quarterly Report of NSC on Form 10-Q for the quarter ended March 31, 2002 and the Annual Report of NSC on Form 10-K for the year ended December 31, 2001 contains additional information and should be read in conjunction with this report.

**NOTE 2 — REORGANIZATION ITEMS**

Reorganization items are comprised of items of income, expense and loss that were realized or incurred by the Company as a result of its decision to reorganize under Chapter 11 of the Bankruptcy Code. The following summarizes the reorganization charges provided by the Company:

	Month Ended May 31, 2002
Professional and other fees	\$ 1.2
Other	0.1
	<u>\$ 1.3</u>



**NATIONAL STEEL CORPORATION AND SUBSIDIARIES**

CASE NOS: 02-08697 THROUGH 02-08738

DEBTOR-IN-POSSESSION AS OF MARCH 6, 2002

NOTES TO THE COMBINED FINANCIAL STATEMENTS.

**NOTE 3 — INTEREST EXPENSE**

Interest at the stated contractual amount on unsecured and undersecured debt that was not charged to earnings for the month ended May 31, 2002 was approximately \$4.3 million.

**NOTE 4 — LIABILITIES SUBJECT TO COMPROMISE**

The principal categories of claims classified as liabilities subject to compromise under reorganization proceedings are identified below. All amounts below may be subject to future adjustment depending on Court action, further developments with respect to disputed claims, or other events. Additional claims may arise resulting from rejection of additional executory contracts or unexpired leases by the Company. Under an approved final plan of reorganization, these claims may be settled at amounts substantially less than their allowed amounts.

Recorded liabilities subject to compromise under the Chapter 11 proceedings consisted of the following:

	May 31, 2002
Accounts payable	\$ 189.7
Short-term borrowings	100.0
Salaries, wages, benefits and related taxes	72.1
Pension liabilities	189.6
Minimum pension liabilities	502.3
Property taxes	41.0
Income taxes	6.5
Other accrued liabilities	55.6
Long-term obligations	520.9
Postretirement benefits other than pensions	467.8
Other long-term liabilities	92.3
	<u>\$ 2,237.8</u>

Pursuant to the terms of the Company's Secured Super Priority Debtor in Possession Credit Agreement ("DIP Facility"), as approved by the Court, all cash received by the Company was first applied to outstanding claims under the previously existing Credit Agreement and after all such claims have been paid, to outstanding obligations under the DIP Facility. During April, all outstanding claims under the previously existing Credit Agreement were paid. All outstanding borrowings under the DIP Facility are shown under the caption "Debtor-in-possession financing" on the Combined Balance Sheet.

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION

CASE NAME: National Steel Corporation, et al.      CASE NOS.: 02-08697 through 02-08738

SCHEDULE OF DISBURSEMENTS

<u>Case No.</u>	<u>Month Ended May 31, 2002</u>
02-08699 National Steel Corporation (Delaware)	\$ 190,965,044
02-08697 Granite City Steel Company	0
02-08698 National Materials Procurement Corporation	0
02-08738 National Steel Corporation (New York)	0
02-08700 American Steel Corporation	0
02-08704 D.W. Pipeline Corporation	0
02-08707 Granite Intake Corporation	0
02-08713 Great Lakes Steel Corporation	0
02-08715 The Hanna Furnace Corporation	0
02-08719 Hanna Ore Mining Corporation	0
02-08723 Ingleside Channel & Dock Co.	0
02-08728 Ingleside Holdings L.P.	0
02-08731 Ingleside Point Corporation	0
02-08737 Liberty Pipe and Tube, Inc.	0
02-08701 Mid-Coast Minerals Corporation	0
02-08705 Midwest Steel Corporation	0
02-08710 NS Holdings Corporation	861
02-08714 NS Land Company	0
02-08717 NS Technologies, Inc.	0
02-08721 NSC Realty Corporation	0
02-08726 NSL, Inc.	1,940,317
02-08729 Natcoal, Inc.	0
02-08732 National Acquisition Corporation	0
02-08735 National Caster Acquisition Corporation	0
02-08736 National Caster Operating Corporation	0
02-08702 National Casting Corporation	0
02-08706 National Coal Mining Company	0
02-08709 National Coating Limited Corporation	0
02-08711 National Coating Line Corporation	0
02-08716 National Mines Corporation	0
02-08720 National Ontario Corporation	0
02-08724 National Ontario II, Limited	0
02-08725 National Pickle Line Corporation	0
02-08733 National Steel Funding Corporation	0
02-08703 National Steel Pellet Company	4,109,304
02-08708 Natland Corporation	0
02-08712 Peter White Coal Mining Corp.	0
02-08718 ProCoil Corporation	1,391,792
02-08722 Puritan Mining Company	0
02-08727 Rostraver Corporation	0
02-08730 Skar-Ore Steamship Corporation	0
02-08734 The Teal Lake Iron Mining Company	0
	<u>\$ 198,407,318</u>