



Attn: Trading and Market Making/Legal and Compliance/Operations/Systems
UNIFORM PRACTICE ADVISORY (UPC # 049-2003) March 20, 2003

National Steel Corporation – 8 3/8% First Mortgage Notes due August 1, 2006

Pursuant to an order granted by the U.S. Bankruptcy Court, the above company has made a fifth payment of principal (\$4.002955) on March 20, 2003 to holders of record on March 19, 2003. The distribution will quoted "ex" on March 21, 2003 and due-bills redeemable on March 25, 2003.

Since the notes have been dealt in flat, members are advised that effective March 21, 2002, trades executed in the notes should be on a **"reduced principal basis"** of \$971.755016 in lieu of \$1,000 principal amount and "ex" the pay-down of \$4.002955 per \$1,000 note. Comparisons and/or confirmations should be marked to indicate the reduction in principal.

Members should take immediate steps to adjust their records and bookkeeping systems to reflect the reduction in principal.

National Steel Corporation – 9 7/8% First Mortgage Notes due May 1, 2009

Pursuant to an order granted by the U.S. Bankruptcy Court, the above company has made a fifth payment of principal (\$5.359403) on March 20, 2003 to holders of record on March 19, 2003. The distribution will quoted "ex" on March 21, 2003 and due-bills redeemable on March 25, 2003.

Since the notes have been dealt in flat, members are advised that effective March 21, 2002, trades executed in the notes should be on a **"reduced principal basis"** of \$970.561382 in lieu of \$1,000 principal amount and "ex" the pay-down of \$5.359403 per \$1,000 note. Comparisons and/or confirmations should be marked to indicate the reduction in principal.

Members should take immediate steps to adjust their records and bookkeeping systems to reflect the reduction in principal.

Questions regarding this notice should be directed to: Market Integrity Department, (203) 375-9609.

Dorothy L. Kennedy
Director