IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF WEST VIRGINIA

IN RE:	:	Bankruptcy No. 5:03-BK-1802
	:	
WEIRTON STEEL CORPORATION,	:	Chapter 11
	:	
Debtor.	:	L. Edward Friend, II
	:	United States Bankruptcy Judge

DISCLOSURE STATEMENT TO ACCOMPANY
FIRST AMENDED PLAN OF REORGANIZATION DATED NOVEMBER 13, 2003

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IMPORTANT NOTICE

This Disclosure Statement and its related documents are the only documents authorized by the Bankruptcy Court to be used in connection with the solicitation of votes to accept the Plan. No representations have been authorized by the Bankruptcy Court concerning the Debtor, its business operations or the value of its assets, except as explicitly set forth in this Disclosure Statement.

Please refer to the Plan (or, where indicated, certain motions filed with the Bankruptcy Court) for definitions of the capitalized terms used in this Disclosure Statement.

The Debtor reserves the right to file an amended Plan and Disclosure Statement from time to time. The Debtor urges you to read this Disclosure Statement carefully for a discussion of voting instructions, recovery information, classification of claims, the history of the Debtor and the Reorganization Case, the Debtor's businesses, properties and results of operations, historical and projected financial results and a summary and analysis of the Plan.

The Plan and this Disclosure Statement have not been required to be prepared in accordance with federal or state securities laws or other applicable nonbankruptcy law. This Disclosure Statement has been approved by the Bankruptcy Court as containing "adequate information"; however, such approval does not constitute endorsement of the Plan or Disclosure Statement by the Bankruptcy Court and none of the Securities and Exchange Commission, any state securities commission or similar public, governmental or regulatory authority has approved this Disclosure Statement, the Plan or the securities offered under the Plan, or has passed on the accuracy or adequacy of the statements in this Disclosure Statement. Any representation to the contrary is a criminal offense. Persons trading in or otherwise purchasing, selling or transferring securities of the Debtor should evaluate the Plan in light of the purposes for which it was prepared.

This Disclosure Statement contains only a summary of the Plan. This Disclosure Statement is not intended to replace the careful and detailed review and analysis of the Plan, only to aid and supplement such review. This Disclosure Statement is qualified in its entirety by reference to the Plan, the Plan Supplement and the exhibits attached thereto and the agreements and documents described therein. If there is a conflict between the Plan and this Disclosure Statement, the provisions of the Plan will govern. You are encouraged to review the full text of the Plan and Plan Supplement and to read carefully the entire Disclosure Statement, including all exhibits, before deciding how to vote with respect to the Plan.

Except as otherwise indicated, the statements in this Disclosure Statement are made as of November 13, 2003 and the delivery of this Disclosure Statement will not, under any circumstances, imply that the information contained in this Disclosure Statement is correct at any time after November 13, 2003. Any estimates of claims or interests in this Disclosure Statement may vary from the final amounts of claims or interests allowed by the Bankruptcy Court.

You should not construe this Disclosure Statement as providing any legal, business, financial or tax advice. You should, therefore, consult with your own legal, business, financial and tax advisors as to any such matters in connection with the Plan, the solicitation of votes on the Plan and the transactions contemplated by the Plan.

As to contested matters, adversary proceedings and other actions or threatened actions, this Disclosure Statement is not, and is in no event to be construed as, an admission or stipulation as to any fact or allegation.

J.P. Morgan Trust Company, National Association ("Trustee") and the Ad Hoc Noteholder Committee oppose confirmation of the Plan and believe that the Plan violates section 1129 of the Bankruptcy Code. The Trustee and the Informal Committee do not believe that the Plan is legally confirmable for several reasons, including, but not limited to, the fact that the Plan violates the absolute priority rule and does not provide the Class 5 Claimants with value equal to the amount of their secured claims against the Debtor that the Plan unfairly discriminates against the Class 5 Claimants in violation of 11 U.S.C. § 1129(b)(1) and that the Plan contains improper third party releases. At the Disclosure Statement hearing on November 14, 2003, the Trustee and the Informal Committee preserved all rights to object to confirmation of the Plan on these and all other grounds. The Debtor believes that as a result of the proposed changes made to the treatment of Class 5 Claimants in the First Amended Plan of Reorganization and accompanying Disclosure Statement, the concerns of the Trustee and Ad Hoc Noteholder Committee have been addressed and that the Plan is confirmable as a matter of law.

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EXHIBITS

IN THE UNITED STATES BANKRUPTCY COURT
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I. OVERVIEW OF THE DISCLOSURE STATEMENT[1]

PURPOSE OF DISCLOSURE STATEMENT

Weirton Steel Corporation ("Weirton" or the "Debtor") prepared this Disclosure Statement ("Disclosure Statement") to accompany and in connection with its solicitation of acceptances of the Debtor's First Amended Plan of Reorganization dated November 13, 2003 ("Plan"), filed in the Debtor's reorganization proceedings ("Reorganization Case") under chapter 11 of title 11, United States Code (the "Bankruptcy Code"), pending in the United States Bankruptcy Court for the Northern District of West Virginia (the "Bankruptcy Court"). After notice and hearing, and upon order of the Bankruptcy Court entered [_____], 2003, the Bankruptcy Court approved this Disclosure Statement as containing information of a kind and in sufficient detail that would enable a hypothetical reasonable investor, typical of holders of claims and interests of the classes being solicited, to make an informed judgment whether to vote to accept or reject the Plan.

A copy of the Plan is attached to this Disclosure Statement and incorporated into this Disclosure Statement by reference as Exhibit A. [A copy of the order of the Bankruptcy Court approving this Disclosure Statement accompanies this Disclosure Statement.]

You should read this Disclosure Statement and its Exhibits in their entirety before voting on the Plan. No statements or information concerning the Debtor, its subsidiaries or affiliates or any other entity described in this Disclosure Statement or the Plan, particularly, but not limited to, the Debtor's future business operations, profits, financial condition, assets or liabilities are authorized by the Debtor other than as set forth in this Disclosure Statement or Exhibits hereto.

The financial information set forth in this Disclosure Statement has not been audited by independent certified public accountants except as specifically set forth herein. For that reason, and as a result of the complexity of the financial affairs of the Debtor (and its subsidiaries and/or affiliates, to the extent applicable), the Debtor is not able to represent and warrant that the information set forth in this Disclosure Statement is without any inaccuracy. To the extent possible, however, the information has been prepared from the Debtor's financial books and records, and every effort has been made to ensure that all information in this Disclosure Statement has been fairly presented.

[1] Capitalized terms used and not defined in this Disclosure Statement shall have the meaning ascribed to such terms in the Plan.

PROCEDURAL INFORMATION

Voting

Each holder of a Claim or Equity Interest of a Class that is "Impaired" under the Plan, but is not deemed to have rejected the Plan, will receive this Disclosure Statement, the Plan, the Voting Procedures Order, notice of the hearing on confirmation of the Plan (the "Confirmation Hearing") and a ballot for accepting or rejecting the Plan. Any holder of a Claim or Equity Interest whose legal, contractual or equitable rights are altered, modified or changed by the proposed treatment under the Plan, or whose treatment under the Plan is not provided for in section 1124 of the Bankruptcy Code, is considered "Impaired." Each holder of a Claim or Equity Interest of a Class that is deemed to accept or reject the Plan will receive the Voting Procedures Order, notice of the Confirmation Hearing and a notice of non-voting status in the form approved by the Bankruptcy Court, but will not receive a ballot and will not be eligible to vote on the Plan. Holders of Claims or Equity Interests of a Class deemed to accept or reject the Plan will not receive copies of the Plan, the Disclosure Statement or the Plan Supplement, but may obtain copies of these documents by mailing a written request for such materials to the Balloting Agent identified below. Holders of Claims or Equity Interests in Impaired Classes may also receive a copy of the Plan Supplement after it has been filed by mailing a written request to the Balloting Agent.

Which Classes of Claims are Entitled to Vote on the Plan?

Classes of Claims are entitled to vote on the Plan as follows:

- Claims in Classes 5, 6 and 7 are Impaired and entitled to vote on the Plan (each a "Voting Class" and together the "Voting Classes").
- Claims in Classes 1, 2, 3 and 4 are unimpaired under the Plan, are deemed to have accepted the Plan and will not be entitled to vote on the Plan.
- Claims or Equity Interests in Classes 8, 9 and 10 will receive no distribution under the Plan, are deemed to have rejected the Plan and will not be entitled to vote on the Plan.

For a description of the Classes of Claims and Equity Interests and their respective treatment under the Plan, see Subsections (A), (B) and (C) of Section VII below.

You may only vote on the Plan with respect to a Claim or Equity Interest if that Claim belongs to a Class or Equity Interest that is Impaired under the Plan and is not deemed to have rejected the Plan. All holders of Equity Interests are deemed to have rejected the Plan and will not be entitled to vote. The Bankruptcy Court has fixed [_____], 2003 as the voting record date. To be eligible to vote on the Plan, persons with Claims or Equity Interests that belong to the Voting Classes must have held them on the voting record date.

Under the Bankruptcy Code, the Plan will be deemed accepted by an Impaired Class of Claims if the Balloting Agent receives votes accepting the Plan representing at least:

- two-thirds of the total dollar amount of the allowed Claims in the Class that cast a vote; and
- more than one-half of the total number of allowed Claims in the Class that cast a vote.

The Voting Procedures Order will set forth which Claims and Equity Interests are "allowed" for purposes of voting and designate the form of ballot to be used by each Voting Class. For more information on voting procedures, please consult the Voting Procedures Order.

All properly completed ballots received by the Balloting Agent before 5:00 p.m. (Eastern Time) on [_____], 2003 (the "Voting Deadline"), will be counted in determining whether each Impaired Class entitled to vote on the Plan has accepted the Plan. Any ballots received after the Voting Deadline will not be counted. All ballots must contain an original signature to be counted. No ballots received by facsimile will be accepted.

Voting on the Plan

When does the vote need to be received? The deadline for the receipt by the Balloting Agent of properly completed ballots is 5:00 p.m., **[_____]**, 2003.

Which Classes may vote? Persons may vote to accept or reject the Plan only with respect to Allowed Claims that belong to a Class that is Impaired under the Plan and is not deemed to have rejected the Plan. These are Classes 5, 6 and 7.

Which members of the Impaired Classes may vote? The *voting record* date for determining which members of Impaired Classes may vote on the Plan is **[_____]**, 2003. Persons may vote on the Plan only with respect to Claims that were held on the voting record date.

How do I vote on the Plan? For a vote to be counted, the Balloting Agent must receive an original signed copy of the ballot form approved by the Bankruptcy Court. Faxed copies and votes sent on other forms will not be accepted.

Who should I contact if I have questions or need a ballot? You may contact the Balloting Agent at the address or phone number listed below.

This Disclosure Statement, the attached exhibits and the Plan are the only materials that you should use in determining how to vote on the Plan. The Debtor believes that approval of the Plan is the Debtor's best opportunity to emerge from its Reorganization Case and return its businesses to financial viability.

Voting Recommendations

The Debtor believes that the Plan presents the best opportunity for holders of Claims to maximize their respective recoveries and for the business operations of the Debtor to succeed. **The Debtor encourages holders of Impaired Claims to vote to *accept* the Plan.**

The ballots have been specifically designed for the purpose of soliciting votes on the Plan from each Class entitled to vote. For this reason, in voting on the Plan, please use only the ballot sent to you with this Disclosure Statement. If you hold Claims in more than one Class, you must use a separate ballot for voting with respect to each Class of Claims that you hold. If you believe you have received the incorrect form of ballot, you need another ballot or you have any questions concerning the form of ballot, please contact the Balloting Agent.

Please complete and sign your ballot and return it in the enclosed pre-addressed envelope to the Balloting Agent. All correspondence in connection with voting on the Plan should be directed to the Balloting Agent at the following address:

Balloting Agent

By mail:

Weirton Steel Corporation Ballot Process Center
c/o Donlin, Recano & Company, Inc.
P. O. Box 2034
Murray Hill Station
New York, NY 10156-0701
Phone: 212.481.1411

By overnight delivery:

Weirton Steel Corporation Ballot Process Center
c/o Donlin, Recano & Company, Inc.
419 Park Avenue South, Suite 1206
New York, NY 10016
Phone: 212.481.1411

The Balloting Agent will prepare and file with the Bankruptcy Court a certification of the results of the voting on the Plan on a Class-by-Class basis.

Additional copies of the ballots, this Disclosure Statement and the Plan, and copies of the Plan Supplement (when filed), are available upon request made to the Balloting Agent. Please contact the Balloting Agent with any questions relating to voting on the Plan.

Your Vote Is Important

Your vote on the Plan is important because:

- Under the Bankruptcy Code, a plan of reorganization can only be confirmed if certain majorities in dollar amount and number of claims (as described above) of each Impaired Class under the plan vote to accept the plan, unless the "cram down" provisions of the Bankruptcy Code are used.
- Under the Bankruptcy Code, only the votes of those holders of claims or interests who actually submit votes on a plan are counted in determining whether the specified majorities of votes in favor of the plan have been received.
- If you are eligible to vote with respect to a Claim and do not deliver a properly completed ballot relating to that Claim by the Voting Deadline, you will be deemed to have abstained from voting with respect to that Claim and your eligibility to vote with respect to that Claim will *not* be considered in determining the number and dollar amount of ballots needed to make up the specified majority of that Claim's Class for the purpose of approving the Plan.

All pleadings and other documents referred to in this Disclosure Statement as being on file with the Bankruptcy Court are available for inspection and review during normal business hours at the Office of the Clerk of the United States Bankruptcy Court for the Northern District of West Virginia, United States Federal Building & Courthouse, 12th and Chapline Streets, Wheeling, West Virginia, 26003; telephone 304.233.1655, or on-line at the Bankruptcy Court's website: http://www.wvnb.uscourts.gov.

THIS DISCLOSURE STATEMENT CONTAINS SUMMARIES OF CERTAIN PROVISIONS OF THE DEBTOR'S PLAN AND OTHER DOCUMENTS RELATING TO THE PLAN. WHILE THE DEBTOR SUBMITS THAT THOSE SUMMARIES PROVIDE ADEQUATE INFORMATION WITH RESPECT TO THE DOCUMENTS SUMMARIZED, THESE SUMMARIES ARE QUALIFIED BY THE COMPLETE TEXT OF SUCH DOCUMENTS. IF ANY INCONSISTENCIES EXIST BETWEEN THE TERMS AND PROVISIONS OF THIS DISCLOSURE STATEMENT AND THE TERMS AND PROVISIONS OF THE PLAN OR OTHER DOCUMENTS DESCRIBED HEREIN, THE TERMS AND PROVISIONS OF THE PLAN AND OTHER DOCUMENTS ARE CONTROLLING. EACH HOLDER OF AN IMPAIRED CLAIM OR INTEREST SHOULD REVIEW THE ENTIRE PLAN AND ALL RELATED DOCUMENTS AND SEEK THE ADVICE OF ITS OWN COUNSEL AND FINANCIAL CONSULTANT BEFORE VOTING TO ACCEPT OR REJECT THE PLAN. ANY CHANGES TO THESE DOCUMENTS WILL BE DESCRIBED AT THE HEARING ON THE CONFIRMATION OF THE PLAN.

THIS DISCLOSURE STATEMENT MAY NOT BE RELIED UPON BY ANY PERSON OR ENTITY FOR ANY PURPOSE OTHER THAN BY HOLDERS OF IMPAIRED CLAIMS OR INTERESTS ENTITLED TO VOTE ON THE PLAN IN DETERMINING WHETHER TO VOTE TO ACCEPT OR REJECT THE PLAN. NOTHING CONTAINED IN THIS DISCLOSURE STATEMENT WILL CONSTITUTE AN ADMISSION OF ANY FACT OR LIABILITY BY ANY PARTY, OR BE ADMISSIBLE IN ANY PROCEEDING INVOLVING THE DEBTOR OR ANY OTHER PARTY, OR BE DEEMED CONCLUSIVE EVIDENCE OF THE TAX OR OTHER LEGAL EFFECTS OF THE PLAN ON HOLDERS OF CLAIMS OR INTERESTS.

EXCEPT TO THE EXTENT OTHERWISE SPECIFICALLY NOTED HEREIN, THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT IS GENERALLY INTENDED TO DESCRIBE FACTS AND CIRCUMSTANCES ONLY AS OF NOVEMBER 13, 2003, AND NEITHER THE DELIVERY OF THIS DISCLOSURE STATEMENT NOR THE CONFIRMATION OF THE PLAN WILL CREATE ANY IMPLICATION, UNDER ANY CIRCUMSTANCES, THAT THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT IS CORRECT AT ANY TIME AFTER NOVEMBER 13, 2003 OR THAT THE DEBTOR WILL BE UNDER ANY OBLIGATION TO UPDATE SUCH INFORMATION IN THE FUTURE.

THE DEBTOR BELIEVES THAT ACCEPTANCE OF THE PLAN IS IN THE BEST INTEREST OF EVERY CREDITOR AND RECOMMENDS THAT YOU VOTE TO ACCEPT THE PLAN.

II. SUMMARY AND OVERVIEW OF THE PLAN

The following table briefly summarizes the classifications and treatment of Claims and Equity Interests under the Plan.

Class	Type of Claim or Equity Interest	Treatment	Estimated Recovery	Impairment	Voting
N/A	Administrative Claims (other than those set forth separately below)	Paid in full in cash on the later of (i) the Effective Date of the Plan or (ii) the date on which such Administrative Claim is allowed.	100%	N/A	No
N/A	Professional Fee Claims	Paid in full in cash on the later of (i) the Effective Date of the Plan or (ii) the date on which such fees are allowed.	100%	N/A	No
N/A	Postpetition Lenders	Paid in full in cash on the Effective Date.	100%	N/A	No
N/A	U.S. Trustee Fees	Paid on a quarterly basis as required by statute until the bankruptcy case is closed.	100%	N/A	No
N/A	Priority Tax Claims	Each holder of an Allowed Priority Tax Claim shall receive (a) Cash in an amount equal to such Allowed Priority Tax Claim on the later of the Effective Date and the date such Priority Tax Claim becomes an Allowed Priority Tax Claim, or as soon thereafter as is practicable, or (b) equal annual Cash payments in an aggregate amount equal to such Allowed Priority Tax Claim, together with interest at a fixed annual rate equal to 5.5% through the sixth anniversary date of assessment of such Allowed Priority Tax Claim, or (c) upon such other terms as determined by the Bankruptcy Court to provide the holder of such Allowed Priority Tax Claim deferred cash payments having a value, as of the Effective Date, equal to such Allowed Priority Tax Claim.	100%	N/A	No

Class	Type of Claim or Equity Interest	Treatment	Estimated Recovery	Impairment	Voting
Class 1	Section 507(a) Priority Claims	Except to the extent that a holder of an Allowed Class 1 Claim has been paid by the Debtor prior to the Effective Date or agrees to a different treatment, Allowed Class 1 Claims will be paid in full in cash on Effective Date.	100%	Unimpaired	No
Class 2	Secured Tax Claims	Except to the extent that a holder of an Allowed Class 2 Claim has been paid by the Debtor prior to the Effective Date or agrees to a different treatment, Allowed Class 2 Claims will be paid in full in cash on the Effective Date, or, at the sole discretion of the Reorganized Debtor, in annual cash payments in equal installments over a period through the sixth anniversary date of assessment.	100%	Unimpaired	No
Class 3	Mechanics' Lien Claims	Except to the extent that a holder of an Allowed Class 3 Claim has been paid by the Debtor prior to the Effective Date or agrees to a different treatment, Allowed Class 3 Claims will (i) be paid in full in cash on the Effective Date or (ii) receive the collateral securing its Allowed Class 3 Claim.	100%	Unimpaired	No
Class 4	Miscellaneous Secured Claims	Except to the extent that a holder of an Allowed Class 4 Claim has been paid by the Debtor prior to the Effective Date or agrees to a different treatment, Allowed Class 4 Claims, at the sole discretion of Reorganized Weirton, will (i) be reinstated and renewed unimpaired in accordance with section 1124 of the Bankruptcy Code, (ii) receive on the Effective Date cash equal to such Allowed Class 4 Claim including interest thereof in accordance with section 506(b) of the Bankruptcy Code or (iii) receive collateral securing its Allowed Class 4 Claim.	100%	Unimpaired	No

Class	Type of Claim or Equity Interest	Treatment	Estimated Recovery	Impairment	Voting
Class 5	Secured 2002 Exchange Note and Secured Pollution Control Bond Claims	Except to the extent that a holder of an Allowed Class 5 Claim has been paid by the Debtor prior to the Effective Date or agrees to a different treatment, each holder of an Allowed Class 5 Claim will receive its *pro rata* share of (i) the Junior Secured Notes to be issued on the Effective Date and (ii) warrants attached to the Junior Secured Notes to acquire, in the aggregate, five percent (5%) of the fully diluted common stock of Reorganized Weirton. The remaining balance of the Allowed Class 5 Claims will be treated as general unsecured claims in accordance the with Class 6 treatment.	$35,000,000 (not including value of the attached Warrants)	Impaired	Yes
Class 6	General Unsecured Claims	Except to the extent that a holder of an Allowed Class 6 Claim has been paid by the Debtor prior to the Effective Date or agrees to a different treatment, each holder of an Allowed Class 6 Claim will receive a (i) a *pro rata* share of [5,100,000] shares of New Weirton Common Stock, which shall constitute [fifty one percent (51%)] of issued and outstanding shares of New Weirton Common Stock on the Effective Date, and (ii) a *pro rata* distribution of all net proceeds of Avoidance Actions.	[Subject to negotiation]	Impaired	Yes
Class 7	Section 1114 Termination Claims	In full and complete settlement, discharge and satisfaction of Allowed Class 7 Claims, on the Effective Date, Weirton or Reorganized Weirton, as the case may be, shall endeavor using best efforts, and to the extent not already accomplished, to: (a) provide Retirees who are not Medicare eligible the opportunity to elect to receive either through the VEBA (as defined below) or through Weirton continuation	Subject to Retirees establishing coverage that agreed upon VEBA funding provides.	Impaired	Yes

Class	Type of Claim or Equity Interest	Treatment	Estimated Recovery	Impairment	Voting
		coverage benefits consistent with Part 6 of Title I of ERISA and Internal Revenue Code Section 4980B ("COBRA") group health plan coverage that is the same or substantially similar to health plan coverage provided to similarly situated non-COBRA beneficiaries; (b) establish premium costs for COBRA in accordance with applicable law and regulations, to include the 2% administrative fee by law, with 100% of such premiums to be paid by Retirees. It is contemplated by Weirton that COBRA programs will, as a matter of law, be eligible for Health Care Tax Credit ("HCTC") and Weirton will facilitate premium reimbursement under HCTC on an advance basis for those COBRA participants who are HCTC eligible and who elect to do so; (c) for those Retirees between the ages of 55 and 65 who are or will be receiving a benefit from the Pension Benefit Guaranty Corporation (the "PBGC") and are not Medicare eligible, and do not elect COBRA coverage, use best efforts to assist such Retirees' participation in a state-of-residence HCTC qualified medical plan; (d) establish a voluntary employee benefit association (the "VEBA") in accordance with Section 501(c)(9) of the Internal Revenue Code to sponsor retiree-pay-all (in excess of any Weirton subsidiary provided herein) group medical benefits to the following individuals and/or families: (1) current Retirees who are or will be non-HCTC eligible (*e.g.*, under age 55) under the age of 55 and their dependents; (2) spouses of			

Class	Type of Claim or Equity Interest	Treatment	Estimated Recovery	Impairment	Voting
		current Retirees who were receiving retiree medical coverage with their Retiree spouse, which Retiree spouse is non-HCTC eligible (the "Left-Behind Spouses"); and (3) current Medicare eligible Retirees and their dependents. The VEBA will be established by Weirton as a trust to be administered by Weirton with reasonable input from the individual Retirees nominated by Retirees (the "Administration Retirees"). The Administration Retirees will participate in selecting a group insured medical policy and a supplemental group life insurance policy that the Administration Retirees deem to be in the best interest of Retirees and will monitor Weirton's management of the group health and supplemental group life plans; (e) fund all costs of administration and administer the VEBA during the first sixty months of its existence, subject to review and negotiations among Weirton and the Administration Retirees for the period following the first sixty months; (f) initially fund the VEBA in the first three months following the effective date of Weirton's plan of reorganization with three equal cash installments aggregating $2,500,000, and a cash payment of $500,000 in months 4, 7 and 10 following the Effective Date of Weirton's Plan; (g) fund the VEBA in the second year of its existence with a fixed sum payment of $2,500,000 in twelve (12) equal monthly installments, and fund the VEBA in the 3rd, 4th and 5th years of its existence, with a fixed sum payment of $1,000,000 per year			

Class	Type of Claim or Equity Interest	Treatment	Estimated Recovery	Impairment	Voting
		(payable in quarterly installments), plus a range of 10% to 25% of free cashflow, where free cashflow is measured by taking EBITDA less (1) interest paid, (2) unlevered capital expenditures, and (3) principal repayments, including cash sweeps required under the ESLGB term debt financing. The VEBA, in calendar years 2005, 2006, 2007 and 2008 will be paid (1) 10% of free cashflow per ton shipped in excess of $6 and up to and including $18 per ton of steel shipped, (2) 20% of free cashflow per ton shipped in excess of $18 and up to and including $36 per ton of steel shipped, (3) 25% of free cashflow per ton shipped in excess of $36 per ton of steel shipped. Thereafter, Reorganized Weirton and the Retirees will review and negotiate in good faith, terms and conditions of continued funding by Reorganized Weirton of the VEBA; (h) modify the Term Life Program such that Weirton will pay all premiums on term life insurance coverage in the amount of $15,000 per Retiree for a period of five years, after which time Reorganized Weirton and Retirees will review and negotiate in good faith, terms and conditions of extending such coverage. Additionally, the VEBA or Weirton will establish a voluntary supplemental life insurance program for the benefit of Retirees who desire to participate, where all such premiums will be paid solely by the participating Retirees, and which supplemental group life insurance program will establish premiums utilizing a group rate of a census larger than Retirees; (i) assign to the VEBA, Weirton's			

Class	Type of Claim or Equity Interest	Treatment	Estimated Recovery	Impairment	Voting
		interests in notes receivable from the City of Weirton in the approximate principal amount of $2,000,000 and the West Virginia Department of Economic Development in the approximate principal amount of $1,200,000; (j) issue to the VEBA for the benefit of Retirees, on the effective date of its plan of reorganization, common equity in Reorganized Weirton in an amount to be negotiated among the Independent Steelworkers Union, Retirees and general unsecured creditors. Weirton will use its good faith best efforts to assist Retirees and the VEBA in "monetizing" the common equity.			
Class 8	Preferred Stock Interests	Allowed Class 8 Interests will receive no distribution under the Plan, and will be cancelled on the Effective Date.	0%	Impaired	No
Class 9	Common Stock Interests	Allowed Class 9 Interests will receive no distribution under the Plan, and will be cancelled on the Effective Date.	0%	Impaired	No
Class 10	Securities Claims	Allowed Class 10 Claims and Interests will receive no distribution under the Plan, and will be released and discharged on the Effective Date.	0%	Impaired	No

Estimated Allowed Claims and Projected Distributions[2]

Class and Type of Claim	Allowed Estimated Amounts	Projected Distribution
N/A Administrative (other than as specified below)	$67,000,000	100%
N/A Professional Fees	$9,000,000	100%
N/A DIP Facility	$175,000,000	100%
N/A U.S. Trustee Fees	$12,000 (est.)	100%
N/A Priority Tax	$1,600,000	100%
Class 1 Section 507(a) Priority Claims	$3,000,000	100%
Class 2 Secured Tax Claims	$3,000,000	100%
Class 3 Mechanics Lien Claims	$1,000,000	100%
Class 4 Miscellaneous Secured Claims	$3,000,000	100%
Class 5 Secured 2002 Exchange Note and Secured Pollution Control Bonds Claims	$35,000,000	100%
Class 6 General Unsecured Claims	$480,000,000 - $540,000,000 (est.)	3.8 – 4.3%
Class 7 Section 1114 Termination Claims	$400,000,000 (est.)	TBD[3]
Class 8 Preferred Stock Interests	N/A	None
Class 9 Common Stock Interests	N/A	None
Class 10 Securities Claims	Unknown	None

[2] Because the deadline for filing proofs of claims is October 20, 2003, for general creditors and November 17, 2003, for governmental units, "Allowed Estimated Amounts" are estimated based on the scheduled amounts listed in the Schedule of Assets and Liabilities filed by Weirton on July 18, 2003.

[3] This figure cannot be calculated because the nature or amount of benefits to be provided by the VEBA has not yet been determined.

III. GENERAL INFORMATION

A. Overview of Chapter 11

Chapter 11 is the primary business reorganization chapter of the Bankruptcy Code. Under chapter 11 of the Bankruptcy Code, a debtor is authorized to reorganize its business and affairs for itself, its creditors and its equity interest holders. In addition to permitting the rehabilitation of a debtor, another goal of chapter 11 is to promote equality of treatment for similarly situated creditors and similarly situated equity interest holders with respect to distributions of the value of a debtor's assets.

The commencement of a chapter 11 case creates a bankruptcy estate that is comprised of all of the legal and equitable interests of a debtor as of the commencement date of the chapter 11 case. The Bankruptcy Code provides that a debtor may continue to operate its business and affairs and remain in possession of its property as a "debtor-in-possession".

The consummation of a plan of reorganization is the fundamental objective of a chapter 11 reorganization case. A plan of reorganization sets forth the means for restructuring a debtor's business and satisfying claims against and interests in a debtor. Confirmation of a plan of reorganization by a bankruptcy court binds the debtor, any issuer of securities under the plan, any person acquiring property under the plan, and any creditor or equity interest holder of a debtor. Subject to certain limited exceptions, the order approving confirmation of a plan discharges a debtor from any debt that arose prior to the date of confirmation of a plan, and substitutes the obligations specified under the confirmed plan.

Certain holders of claims against and interests in a debtor are permitted to vote to accept or reject the plan. Prior to soliciting acceptances of the proposed plan, however, section 1125 of the Bankruptcy Code requires a debtor to prepare a disclosure statement containing adequate information of a kind, and in sufficient detail, to enable a hypothetical reasonable investor to make an informed judgment regarding the plan. The Debtor is submitting this Disclosure Statement to holders of claims against and equity interests in the Debtor to satisfy the requirements of section 1125 of the Bankruptcy Code.

B. Description and History of Business

1. The Debtor

Weirton is a major integrated producer of flat-rolled carbon steel with principal product lines consisting of tin mill products and sheet products. Weirton is a Delaware corporation formed in 1982 with administrative offices and production facilities located in Weirton, West Virginia. Weirton and its predecessor companies have been in the business of making and finishing steel products for over 90 years. From 1929 to 1984, Weirton's business was operated as the Weirton Steel Division of National Steel Corporation ("National"). Weirton acquired its principal operating assets from National in January 1984, as the largest ESOP at the time, and became a publicly traded company in June 1989.

2. Business

As an integrated steel producer, Weirton produces carbon steel slabs in its primary steel making operations from raw materials to industry and customer specifications. In primary steel making, iron ore pellets, coke, limestone and other raw materials are consumed in blast furnaces to produce molten iron or "hot metal". Weirton then converts the hot metal into liquid steel through basic oxygen furnaces where impurities are removed, recyclable scrap is added and the metallurgy of the product is customized and tested. Weirton's basic oxygen process, or "BOP", shop is one of the largest in North America, employing two vessels, each with a steel making capacity of 360 tons per heat. Liquid steel from the

BOP shop is then formed into slabs through its multi strand continuous caster. The slabs are then reheated, reduced and finished into coils at Weirton's recently rebuilt hot strip mill and, in many cases, further cold reduced, plated or coated at Weirton's downstream finishing operations. Weirton's hot strip mill is an industry leader in the production of tin mill product substrate and one of the few in the industry that is capable of rolling both carbon and stainless steel substrate.

From primary steel making through finishing operations, Weirton's assets are focused on the production of tin plate, which is typically light gauge, narrow width strip. Although as a result of its 48" strip width limitation, Weirton is not a full line supplier of sheet products to certain markets such as automotive and appliance, Weirton's narrower strip capacity allows it to produce light gauge products more efficiently than larger integrated producers with rolling mills up to 80" in width. Weirton's wide range of coatings, including galvanized, galvanneal, electro and galfan, is designed to meet the needs of a demanding and diverse customer base.

The characteristics of the tin mill product and sheet steel product markets, when coupled with the comparative advantages of Weirton's steel making facilities, are the drivers behind Weirton's strategic plan, which is to continue to expand its more competitive tin mill business through strategic acquisitions, if possible, as well as to further penetrate niche markets in narrow width zinc coated applications that take advantage of recent galvanizing upgrades and multiple coatings capability.

3. Principal Products and Markets

Weirton has two principal product lines consisting of tin mill products and sheet steel products. Recently, Weirton also entered into a long-term tolling agreement with a major stainless steel producer to convert stainless slabs into stainless coils at Weirton's hot strip mill. The percentages of Weirton's total revenues (excluding tolling revenues, which are not material to total revenue and have historically been reported as a reduction of cost of sales) derived from the sale of tin mill products and sheet steel products for each year in the five-year period ended December 31, 2002, are shown on the following table. Total revenues include the sale of "secondary" products, which principally include those products not meeting prime specifications.

	1998	**1999**	**2000**	**2001**	**2002**
Tin mill products	40%	41%	39%	49%	46%
Sheet steel products	60%	59%	61%	51%	54%
TOTAL	100%	100%	100%	100%	100%

As illustrated by the following table, Weirton's shipments have historically been concentrated within five major markets: steel service centers, containers, pipe and tube manufacturers, construction and converters. Weirton's overall participation in the container market substantially exceeds the industry average, and Weirton's reliance on automotive shipments is substantially less than the industry average.

Percent of Total Tons Shipped

Markets	1998	1999	2000	2001	2002
Service centers	30%	34%	36%	33%	35%
Containers/packaging	28%	27%	25%	29%	25%
Pipe and tube	13%	11%	11%	12%	13%
Construction	9%	7%	8%	10%	9%
Converters	13%	12%	12%	9%	12%
Electrical equipment	1%	1%	1%	2%	2%
Automotive	1%	1%	1%	1%	1%
All other	5%	7%	6%	4%	3%
TOTAL	100%	100%	100%	100%	100%

Weirton's products are sold primarily to customers within the eastern half of the United States. A substantial portion of Weirton's revenues are derived from long-time customers, although Weirton actively seeks new customers and new markets for its products. Over the past five years, Weirton's 10 largest customers (including steel service centers and strip converters) accounted for approximately 40% of its sales in each year. Most service center and converter business of Weirton eventually serves the construction market (doors and roof panels), furniture and appliance markets and some automotive markets.

Total revenue from sales of tin and sheet products to customers in the United States was $1,009.6 million, $922.7 million and $1,060.5 million in 2002, 2001 and 2000, respectively. Weirton derives a portion of its tin mill product shipments from exports, primarily to Canada and Mexico. Revenue from export sales totaled $26.4 million, $37.7 million and $57.2 million in 2002, 2001 and 2000, respectively. This amounts to 5%, 8% and 13% of total tin mill revenue and 3%, 4% and 5% of total revenue in 2002, 2001 and 2000, respectively.

(a) *Tin Mill Products*

Weirton's tin mill products comprise a full range of light gauge coated steels, including black plate, tin coated steel and electrolytic chromium coated steel. The tin mill products market is primarily directed at sanitary food, aerosol and general line cans, and the demand for tin mill products in the United States is approximately 4.0 million tons per year. Annual domestic production capacity is approximately 4.0 million tons. The number of domestic producers of tin mill products is relatively limited. Significant capital requirements and product qualifications established by customers represent barriers to entry by new producers. Worldwide, almost all tin plate is produced using the basic oxygen furnace process due to critical metallurgical constraints.

Tin mill products include tin plate, chrome coated and black plate steels and are consumed principally by the container and packaging industry for food cans, general line cans and closure applications, such as caps and lids. Tin mill products accounted for 46% of revenue and 35% of tons shipped in 2002 compared to 49% of revenue and 36% of tons shipped in 2001 and 39% of revenue and 30% of tons shipped in 2000.

In 2002, over 80% of Weirton's tin mill product sales were to can manufacturing and packaging companies, most of which establish in advance by contract a substantial amount of their annual

requirements. The balance of Weirton's tin mill product sales is to manufacturers of caps and closures and specialty products ranging from film cartridges, oil filters and battery jackets to cookie sheets and ceiling grids. Weirton's facilities are located near many of its major customers, with over one-third of its output delivered to customers whose facilities are on or contiguous to Weirton's property in Weirton, West Virginia. Representative customers of the tin mill products include: Crown Cork & Seal, Ball Corp., United States Can, B-Way Corp., Impress USA Inc., Seneca Foods, Steel Technologies, Sonoco Products, and Friskies Petcare Co.

Demand for tin mill products generally remains stable over the typical business cycle due to the nature of the can manufacturing industry as compared to the more volatile markets for sheet products used in the automotive, appliance and construction industries. All of Weirton's tin mill product shipments are sold under contracts that extend a minimum of one year and are, therefore, less subject to price volatility than spot market sales.

(b) *Sheet Steel Products*

Weirton's sheet steel products consist of hot rolled, cold rolled and galvanized hot-dipped and electrolytic sheet products, most of which are commodity type items. In general, commodity sheet products are produced and sold in high volume, in standard dimensions and specifications, and have lower margins than tin mill products. Over the past several years, domestic flat-rolled sheet steel prices have declined significantly to 20-year lows. Commodity flat-rolled sheet prices, which have experienced significant volatility, have declined almost 30% since the first half of 1998.

Sheet products include hot and cold rolled and both hot-dipped and electrolytic galvanized steel and are used in numerous end-use applications including, among others, the construction, appliance and automotive industries. Sheet products accounted for 54% of revenue and 65% of tons shipped in 2002, and 51% of revenue and 64% of tons shipped in 2001, compared to 61% of revenue and 70% of tons shipped in 2000. In addition, Weirton currently is providing tolling services at its hot strip mill for a major stainless steel producer, which accounts for almost 20% of the overall capacity of Weirton's hot strip mill.

Hot rolled coils are sold directly from the hot strip mill as "hot bands", Weirton's least processed product, or are further finished using hydrochloric acid and temper-passed to improve the surface and are sold as "hot rolled pickled" or "hot rolled tempered passed." Hot roll is used for unexposed parts in machinery, construction products and other durable goods. Most of Weirton's sales of hot rolled products have been to steel service centers, pipe and tube manufacturers and converters. In 2002, Weirton shipped 681,000 tons of hot rolled sheet, which accounted for 20% of total revenues, as compared to 584,000 tons in 2001, or 15% of total revenues. Representative customers of Weirton's hot roll sheet include Steel Technologies, Wheatland Tube, Sharon Tube, Vanex, Bull Moose Tube and Gibraltar.

Cold rolled sheet requires further processing, including additional rolling, annealing and tempering, to enhance ductility and surface characteristics. Cold rolled is used in the construction, commercial equipment and container markets, primarily for exposed parts where appearance and surface quality are important considerations. In addition, converters purchase significant quantities of cold rolled substrate for processing into corrosion-resistant coated products such as hot dipped and electrogalvanized sheet. In 2002, Weirton shipped 213,000 tons of cold rolled sheet, which accounted for 7% of total revenues, as compared to 212,000 tons in 2001, or 7% of total revenues. Representative customers of Weirton's cold rolled sheet include Wheeling-Nisshin, the "Techs", Tenneco and Gibraltar.

Galvanized hot-dipped and electrolytic sheet is coated primarily with zinc compounds to provide extended anti-corrosive properties. Galvanized sheet is sold to the electrical, construction, automotive,

container, appliance and steel service center markets. In 2002, Weirton shipped 595,000 tons of galvanized products, which accounted for 27% of total revenues, as compared to 636,000 tons in 2001, or 29% of total revenues. Representative customers of Weirton's galvanized hot-dipped and electrolytic sheet include Midwest Manufacturing, Arrow Truline, Cooper B-Line, Thomas and Betts, New Process Steel and USG Industries.

Weirton's strategy for development of its sheet business focuses on increasing the mix of cold roll and galvanized products while identifying and serving customers and markets that require narrow, thin gauge products that Weirton can competitively supply. Weirton has also concentrated on enhancing the range of coatings, chemistries, and other product attributes that it can offer. The relative strength of markets for individual product offerings has a strong influence on the mix of products Weirton ships in any given period.

4. Employees

As of August 31, 2003, Weirton had 3,535 active employees, of whom 2,760 were engaged in the manufacture of steel products, 436 in support services, 74 in sales and marketing activities and 265 in management and administration. The Independent Steelworkers Union ("ISU") represents Weirton's production and maintenance workers, clerical workers and nurses. In addition, the Independent Guard Union ("IGU") represents Weirton's security personnel.

5. Executive Officers of Weirton

The current executive officers of Weirton and their base salaries are as follows:

D. Leonard Wise – Chief Executive Officer	$480,000
Mark E. Kaplan – President and Chief Financial Officer	$350,000
Edward L. Scram – Vice President – Manufacturing	$192,964
Michael J. Scott – Vice President – Sales, Product Development and Marketing	

The above executive officers are expected to be the executive officers of Reorganized Weirton on the Effective Date at the same compensation levels as were in place on the Confirmation Date of the Plan; however, in the event of any change in executive management, any such changes shall be described in the Plan Supplement.

6. Properties

Weirton owns approximately 2,700 acres in the Weirton, West Virginia area that are devoted to the production and finishing of steel products, as well as research and development, storage, support services and administration facilities. Weirton owns trackage and railroad rolling stock for materials movement, watercraft for barge docking and a variety of heavy industrial equipment. Weirton has no material leases for real property except that under vendor financing programs, Weirton leases the Foster-Wheeler Steam Generating Plant and related electricity generating assets. Mill and related facilities are accessible by water, rail and road transportation.

Weirton's primary steel making facilities include two blast furnaces, a two vessel basic oxygen process shop, a CAS-OB facility, two RH degassers, and a four strand continuous caster with an annual slab production capacity of up to 3.0 million tons. Weirton's downstream operations include a hot strip mill with a practical capacity of 3.2 million tons per year, two continuous picklers, three tandem cold reduction mills, three hot dip galvanize lines, one electro-galvanize line, two tin platers, one chrome

plater, one bi-metallic chrome/tin plating line and various annealing, temper rolling, shearing, cleaning and edge slitting lines, together with packaging, storage and shipping and receiving facilities.

7. Common Equity and Related Stockholder Matters

As of July 31, 2003, there were 42,077,327 shares of common stock, $.01 par value ("Common Stock"), outstanding held by approximately 3,900 stockholders.

Prior to 1989, Weirton was owned entirely by its employees through an employee stock ownership plan, or the 1984 ESOP. In June 1989, Weirton commenced trading of its common stock on the New York Stock Exchange following an underwritten public offering by the 1984 ESOP. In September 2001, Weirton's common stock was delisted and currently trades over-the-counter.

In connection with Weirton's 1989 public offering, Weirton established a second employee stock ownership plan, or the 1989 ESOP, and funded it with the Series A Convertible Voting Preferred Stock ("Series A"). Substantially all of Weirton's employees participate in the 1984 ESOP and the 1989 ESOP, which as of December 31, 2002, owned approximately 17% of the issued and outstanding shares of Weirton's common stock and substantially all of the issued and outstanding shares of Series A, collectively representing approximately 36% of the voting power of Weirton's voting capital stock. In 1991 Weirton issued 500,000 shares of Series B Preferred Stock, all of which were redeemed in 1994. In 2002, Weirton issued 1,934,874 shares of Series C Convertible Redeemable Preferred Stock ("Series C") with a mandatory redemption in 2014 of $48.4 million. In May 2003, Weirton issued 380,000 shares of Series D Preferred Stock to employees in consideration of wage concessions provided to Weirton.

IV. PREPETITION SECURED DEBT

A. Revolving Credit Facility

Weirton was the borrower under that certain Amended and Restated Loan and Security Agreement dated as of May 3, 2002 and further amended and restated on June 18, 2002 (collectively, the "Prepetition Credit Facility") with Fleet Capital Corporation, individually and as agent, Foothill Capital Corporation, individually and as syndication agent, The CIT Group/Business Credit, Inc., individually and as co-documentation agent, GMAC Business Credit, LLC, individually and as co-documentation agent, and Transamerica Business Capital Corporation, individually (collectively, the "Prepetition Lenders"). The Prepetition Credit Facility was a revolving credit facility secured by a first priority lien and security interest in, *inter alia*, accounts receivable and inventory of Weirton, the #9 Tandem Mill, Hot Strip Mill and Tin Assets (all as defined in the Prepetition Credit Facility). The Prepetition Credit Facility had a maximum availability of $200 million, subject to defined borrowing base restrictions, and up to a $25 million letter of credit subfacility. On the Petition Date, the principal amount due under the Prepetition Credit Facility was approximately $160,551,115.93 million, including contingent liabilities under outstanding letters of credit, plus accruing interest, fees, costs and other expenses.

B. Term Loan

Weirton is the borrower under that certain Term Loan Agreement dated as of August 15, 2002 ("Term Loan") with Steelworks Community Federal Credit Union ("SCFCU"). The Term Loan is in the original amount of $3.0 million, with a current principal balance of approximately $2.9 million. The SCFCU Term Loan is secured by a first priority deed of trust and a perfected security interest in Weirton's general office facility, its research and development facility and its railroad rolling stock.

C. Secured 2002 Exchange Notes

Weirton is the issuer of $118,242,300 in 10% senior secured notes due in 2008 (the "Secured 2002 Exchange Notes") pursuant to that certain indenture between Weirton and J.P. Morgan Trust Company, N.A. as Indenture Trustee, dated as of June 18, 2002 ("Secured 2002 Exchange Indenture"). The new Secured 2002 Exchange Notes and 1.9 million shares of Series C Convertible Redeemable Preferred Stock (with mandatory redemption in 2013 of $48.4 million) were issued in exchange for $110,066,000 of Weirton's 11⅜% senior notes due 2004 (with an outstanding balance of approximately $122,724,000), and $104,920,000 of Weirton's 10¾% senior notes due 2005 (with an outstanding balance of approximately $121,256,000) which were tendered.

The Secured 2002 Exchange Notes are secured by junior liens, security interests and deeds of trust in and against Weirton's #9 Tandem Mill, Hot Strip Mill and Tin Assets. The Indenture Trustee, on behalf of the Secured 2002 Exchange Notes, agreed to subordinate all liens, claims, encumbrances and rights of payment to the lenders under the Prepetition Credit Facility pursuant to that certain Intercreditor Agreement dated as of June 18, 2002.

Notwithstanding the tender of a substantial portion of Weirton's 11⅜% 2004 Senior Notes due 2004, and 10¾% 2005 Senior Notes, approximately $12,658,000 of the 11⅜% 2004 Senior Notes due 2004, remain outstanding and approximately $16,336,000 of the 10¾% 2005 Senior Notes, remain outstanding, and each of which is administered by Deutsche Bank Trust Company Americas ("Deutsche Bank"), as Indenture Trustee.

D. Pollution Control Bonds

The City of Weirton issued $27.3 million in principal amount of Series 2002 Secured Pollution Control Revenue Refunding Bonds ("Secured Pollution Control Bonds") in exchange for $45,530.00 of tendered 8⅝% Pollution Control Bonds ("1989 Pollution Control Bonds") pursuant to that certain trust indenture dated as of June 18, 2002 between the City of Weirton, as issuer, and J.P. Morgan Trust Company, N.A., as Secured Pollution Control Bonds Trustee. In consideration of the City of Weirton issuing the 1989 Pollution Control Bonds, Weirton executed a Loan Agreement dated as of November 1, 1989, with the City of Weirton pursuant to which Weirton was obligated to, *inter alia*, service and pay all obligations under the 1989 Pollution Control Bonds. As a result of the issuance of the Secured Pollution Control Bonds by the City of Weirton, an Amended Loan Agreement dated June 18, 2002 was executed by Weirton and the City of Weirton.

The Secured Pollution Control Bonds are secured by junior liens, security interests and deeds of trust in and against Weirton's #9 Tandem Mill, Hot Strip Mill and Tin Assets. The Secured Pollution Control Bonds Trustee, on behalf of the holders of Secured Pollution Control Bonds, agreed to subordinate all liens, claims, encumbrances and rights of payment to the lenders under the Prepetition Credit Facility pursuant to that certain Intercreditor Agreement dated as of June 18, 2002. In accordance with that certain Collateral Agency and Second Lien Intercreditor Agreement dated as of June 18, 2002, the Indenture Trustee and the Secured Pollution Control Bonds Trustee agreed, *inter alia*, that the Indenture Trustee and the Secured Pollution Control Bonds Trustee would appoint J.P. Morgan Trust Company, N.A. as collateral agent and that the liens and claims of the Indenture Trustee, on behalf of the holders of the Secured 2002 Exchange Notes, and the Secured Pollution Control Bonds Trustee, on behalf of holders of Secured Pollution Control Bonds, are *pari passu* in priority.

Notwithstanding the tender of a substantial portion of the 8⅝% 1989 Pollution Control Bonds due 2014, approximately $10,700,000 remains outstanding, which is administered by HSBC Bank USA ("HSBC"), as Indenture Trustee.

E. Vendor Financing Programs

Weirton obtained assistance from key vendors and others through its vendor financing programs in 2001 and 2002. Weirton negotiated arrangements with over 60 vendors, utilities and local entities in the form of purchase credits or other concessions and improvements in terms to achieve one-time cash benefits aggregating at least $40 million. The vendor financing programs were primarily structured as a sale and leaseback of Weirton's Foster-Wheeler Steam Generating Plant (the "Steam Plant"), including the related real property and certain related energy generating equipment, direct advances or concessions by certain vendors and the transfer of a major operating lease to a public entity.

On October 26, 2001, Weirton sold the Steam Plant and its related assets to its wholly owned subsidiary, FW Holdings, Inc. ("FW Holdings"). FW Holdings then sold the Steam Plant to an entity owned by the aforementioned vendors, MABCO Steam Company, LLC ("MABCO"), which in turn leased the Steam Plant back to FW Holdings. FW Holdings, commencing in the first quarter of 2003, is obligated to pay quarterly rent to MABCO in the amount of $1,242,000 (net of certain offsets taken by MABCO). FW Holdings or its designee is required to repurchase the Steam Plant for $10.00 at the end of the lease term on December 31, 2012, and likewise, may purchase the Steam Plant in 2007 for the present value of outstanding rent due for the remainder of the lease term, subject to certain adjustments. Weirton purchases high and low pressure steam and electricity generated at the Steam Plant from FW Holdings in consideration of Weirton paying to FW Holdings the amounts due from FW Holdings to MABCO under the lease for the Steam Plant.

V. REASONS FOR CHAPTER 11 FILING

On May 19, 2003, Weirton filed its voluntary petition for relief under chapter 11 of the Bankruptcy Code. The underlying causes leading to the bankruptcy filing stemmed from circumstances faced by numerous other integrated steel producers that also filed for bankruptcy protection over the course of the past three years. Notwithstanding Weirton having achieved: (a) nearly $115 million in net cost reductions from labor and employment concessions; (b) debt restructuring of approximately $250 million of note obligations; and (c) vendor financing programs, all since the beginning of 2001, Weirton was unable to overcome losses incurred by sustained levels of unfairly traded steel imports and a slowing world economy that, together, severely reduced prices, shipments and production. Weirton also faced the statutory obligation to make pension contributions of approximately $70 million per year for approximately 5 years in order to address underfunding obligations. Moreover, as a result of the bankruptcy filings and distressed asset acquisitions involving several of Weirton's larger competitors, Weirton found itself at a significant cost disadvantage in light of reorganized and consolidated steel capacity being operated free of the substantial financial burden of legacy costs. The environment in which Weirton was forced to operate since the beginning of 2001, deteriorated to a point where sustained operating losses and negative cash flow so heavily damaged Weirton's financial condition that bankruptcy protection became the only prudent action available to Weirton in order to preserve its value.

Prior to the Petition Date, in an effort to protect Weirton from its deteriorating financial condition, in 2002, Weirton began to implement a strategic restructuring that included five integrated elements as follows:

(a) Reduce operating costs: Through the implementation of a cost savings program, including, but not limited to, streamlining of management, workforce reduction, reductions to employee benefit costs and other operating costs;

(b) Improve liquidity and long-term supplier relationships: Through financing programs entered into with approximately sixty primary vendors and suppliers;

(c) Increase borrowing availability and liquidity: Through refinancing of bank credit and asset securitization facilities, thus enabling Weirton to borrow more effectively against current assets;

(d) Restructure long-term debt and lowering debt service: Through an exchange offer for approximately $300 million of Weirton's long-term debt in consideration of approximately $185 million principal in long-term debt with extended maturity and lower annual interest service; and

(e) Fundamentally reposition Weirton's business: To focus product mix toward higher margin, value added products and away from lower margin, commodity flat rolled sheet products through strategic acquisitions and targeted investments, and through internally developed new technology.

Prior to the Petition Date, Weirton stabilized its financial condition through the successful implementation of strategic restructuring elements (a) through (d) listed above. The strategic repositioning of Weirton's business, as described in element (e), was expected to occur through one or more strategic acquisitions that did not occur, and no assurance exists that such acquisitions will be possible in the near future. Although Weirton explored several opportunities to acquire distressed tin assets, Weirton was not successful in its acquisition efforts.

Weirton also attempted to change its authorized capital and corporate governance in order to enable Weirton to raise additional capital to fund strategic acquisitions through an equity offering, which was viewed by the company as the only nonbankruptcy solution to Weirton's need for additional capital. On December 11, 2002, a proxy to modify Weirton's corporate governance was not approved by the requisite percentage of shareholders, thereby prohibiting any reasonable effort of Weirton to undertake an equity offering in consummation of a "transformative event".

Cost-cutting measures implemented by Weirton in 2001 and 2002, permitted Weirton to survive without the necessity of a bankruptcy filing, while, at the same time, a number of Weirton's domestic competitors were required to seek bankruptcy protection. Notwithstanding the success of the earlier cost-cutting program by Weirton, Weirton was again forced to implement additional cost-cutting measures (resulting in annualized savings of approximately $60 million) early in 2003, in order to maintain liquidity sufficient for going concern operations. These measures were necessary, in significant part, due to the continued depressed price of flat rolled products. Weirton further attempted to improve its cost structure by seeking to obtain the requisite consent of retirees to modify retiree benefits, including retiree participation in the payment of healthcare benefit costs. Although Weirton received majority retiree support for its healthcare payment participation proposal, the support was not deemed sufficient to permit Weirton to implement the necessary changes.

The acquisition by International Steel Group ("ISG") of the assets of LTV, Acme Steel and Bethlehem Steel out of bankruptcy proceedings without the legacy cost of retiree medical expenses or the obligation to fund underfunded pensions (and the ability to re-staff operations and obtain other labor concessions from pattern collective bargaining agreements with the United Steelworkers of America), has established a new low cost-benchmark for the domestic steel industry. This "pattern" has caused a restructuring of the cost-model of many domestic steel producers, making them significantly lower cost producers than Weirton.

In the weeks prior to Weirton's bankruptcy filing, with the company searching for alternatives to a chapter 11 filing, several news reports announced Weirton's intention to seek chapter 11 protection. These reports caused trade credit Weirton was receiving at the time to cease. Also, the PBGC granted Weirton a waiver of 2002 and first quarter 2003 pension contributions conditioned upon Weirton granting the PBGC collateral interests in assets that would have effectively precluded Weirton from obtaining the debtor-in-possession financing that it ultimately obtained. The debtor-in-possession financing provided

Weirton at least $35 million of liquidity in excess of that available to Weirton as of the Petition Date. Accordingly, on May 19, 2003, Weirton filed a voluntary petition for reorganization under chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Northern District of West Virginia.

VI. THE REORGANIZATION CASE

A. First Day Orders

On the Petition Date, the Debtor filed numerous motions and applications requesting expedited orders that were generally routine in nature, but necessary to allow the Debtor to operate in the normal course during its transition into chapter 11. The Bankruptcy Court immediately scheduled these motions for hearing, and on May 20, 2003, approved "First Day Orders." In addition to various applications to retain professionals and a Motion for Appointment of a Committee of Retired Employees, the First Day Orders may be categorized as follows:

1. Extension of Time to File Schedules

The Debtor filed a Motion to extend the deadline to file its Schedules and Statement of Financial Affairs, due to the substantial size, scope and complexity of the Debtor's operations and the extent of material required to be compiled to complete the schedules and statements. The Bankruptcy Court extended the time from June 3, 2003 until July 18, 2003, and the Debtor was able to file its Schedules and Statement of Financial Affairs before the expiration of this extended deadline.

2. Cash Management System

The Debtor requested the authority to operate its cash management system substantially in the same manner in which it was handled prepetition. The Debtor utilizes cash management procedures in the ordinary course of its businesses designed to permit the efficient collection, investment and application of funds. Such procedures incorporate various lockbox accounts, concentration accounts, payroll accounts, and accounts payable through a system that is fully described in the motion. The Bankruptcy Court approved the Debtor's existing cash management systems and use of existing bank accounts and business forms.

3. Prepetition Obligations

The Debtor filed the following motions requesting the authority or discretion to pay prepetition obligations:

(a) *Motion to authorize payment of prepetition employee and independent contractor wages, benefits, expenses, and payroll taxes:* The Bankruptcy Court authorized the Debtor to pay prepetition compensation, prepetition business expenses, deductions, withholdings and benefits that accrued but remained unpaid as of the Petition Date, to or for the benefit of employees, independent contractors, up to the statutory maximums provided in sections 507(a)(3) and 507(a)(4) of the Bankruptcy Code.

(b) *Motion to authorize payment of prepetition trust fund taxes and licensing fees:* The Bankruptcy Court authorized the Debtor to pay prepetition sales and use taxes, payroll taxes and other trust fund taxes to the appropriate taxing authorities, and authorized the Debtor to comply with national and state licensing and regulatory requirements, including payment of charges and fees, deposits or surety bonds associated with such compliance.

(c) *Motion to honor or pay prepetition obligations to customers:* The Bankruptcy Court authorized the Debtor to honor various prepetition customer obligations, including rebates, discounts and other credits, and warranty claims. The Debtor estimated for the purposes of the motion that the aggregate sum of prepetition deposits, credits and warranty claims was $8.9 million.

(d) *Motion to authorize payments of prepetition obligations to holders of possessory and artisans' liens:* The Bankruptcy Court authorized the Debtor to pay prepetition obligations to freight carriers, warehouse creditors and outside processors who held possessory liens, provided that such payments did not exceed $4 million in the aggregate.

4. Utilities

The Bankruptcy Court established a uniform procedure for determining adequate assurance for utility companies pursuant to section 366 of the Bankruptcy Code, and restrained utilities from discontinuing service pending the outcome of these procedures. Pursuant to the Bankruptcy Court's order, utilities were permitted to request additional assurance of payment twenty days after the Petition Date, and the Debtor was to schedule a hearing if the parties could not agree on the form or amount of adequate assurance. The Debtor has not paid any adequate assurance deposits to utilities.

5. Postpetition Suppliers

The Bankruptcy Court confirmed the administrative expense priority status of undisputed obligations to suppliers for the postpetition delivery of goods and services, and authorized the Debtor to pay in the ordinary course of its businesses all undisputed obligations arising from the postpetition shipment of raw materials and supplies, pursuant to section 363(c) of the Bankruptcy Code.

6. Workers' Compensation Program

Weirton self-insures its workers' compensation obligations in accordance with West Virginia law, which requires Weirton to pay a self-insured premium tax into the West Virginia Workers' Compensation Fund. The Bankruptcy Court authorized Weirton to continue the workers' compensation self-insurance program, and pay all costs associated therewith, including prepetition claims and processing costs. See Section VII.E.3 for a description of Weirton's workers' compensation program and proposed treatment under the Plan of any claims of the West Virginia Workers' Compensation Division.

7. Insurance Premium Financing Motion

Shortly prior to the Petition Date, Weirton entered into two insurance premium finance agreements with A.I. Credit Corp., pursuant to which A.I. Credit Corp. financed approximately $9 million in insurance premiums for sixteen property and casualty insurance policies. Weirton sought and obtained authority from the Bankruptcy Court to perform under the prepetition insurance premium finance agreements.

8. Use of Cash Collateral

On the Petition Date, the Debtor filed a Motion for Interim Order Authorizing the Use of Cash Collateral and Granting Adequate Protection. With the consent of the Postpetition Lenders, the Debtor obtained Bankruptcy Court approval to utilize cash collateral on an interim basis, in strict accordance with a budget, until the Debtor was able to finalize the terms of debtor-in-possession financing with a bank group led by Fleet. In consideration of the consent by the Postpetition Lenders to the Debtor's use of

cash collateral, the Debtor granted the Postpetition Lenders adequate protection, including, but not limited to, replacement liens in after-acquired property.

B. Debtor-in-Possession Financing[4]

By Order dated May 21, 2003, in addition to the cash collateral order entered by the Bankruptcy Court, as described at Section VI.A.8 above, the Bankruptcy Court authorized the Debtor to obtain interim postpetition financing on a secured, superpriority basis. As of May 20, 2003, the Debtor, as borrower, entered into the Postpetition Credit Agreement with the Postpetition Lenders. The Postpetition Credit Agreement provided for a term loan of $25 million ("DIP Term Loan") and revolving credit loan availability of up to $200 million ("DIP Revolver"; together the DIP Term Loan and the DIP Revolver are the "Postpetition Facility"). Additionally, on June 16, 2003, the Bankruptcy Court entered a Final Order Authorizing Debtor to: (i) Incur Postpetition Debt; and (ii) Grant Certain Liens and Provide Security, Adequate Protection, and Other Relief to Fleet Capital Corporation, as Agent, and J.P. Morgan Trust Company, National Association, as Indenture Trustee (the "Final DIP Order").

A description of the Postpetition Facility is set forth below:

Principal; Interest; Fees	Pursuant to the Final DIP Order, the Debtor is authorized to borrow money from the Postpetition Lenders under the DIP Revolver, of which all outstanding amounts due to the Prepetition Lenders as of the Petition Date, plus $7,500,000 was drawable upon entry of the Emergency Financing Order ("DIP Revolver Effective Date"), by the Bankruptcy Court, and thereafter is drawable until the earliest of (i) November 19, 2004 (ii) the occurrence of an Event of Default (as defined below); or (iii) the effective date of a plan of reorganization; The DIP Revolver has a maximum principal amount of $200,000,000, subject to borrowing base availability. In addition to the DIP Revolver, the Debtor borrowed $25,000,000 under the DIP Term Loan from Manchester Securities Corporation ("DIP Term Lender") in order to pay down the DIP Revolver (and accordingly increase availability) upon satisfaction in full of the Conditions of Release. Interest on the DIP Revolver is payable in cash, monthly in arrears at a Non-Default Rate equal to either, at the Debtor's option, (i) 2.25% plus the annual rate of interest announced from time to time by Fleet at its head office in Boston, Massachusetts, as its "Base Rate" (which is approximately 6.5% as of the date hereof), or (ii) 3.75% plus LIBOR. The Default Rate of interest is the Non-Default Rate plus 2%. Interest on the DIP Term Loan is payable monthly in arrears in cash at a Non-Default Rate equal to fourteen and one-half (14.5%) percent, and at a Default Rate upon the occurrence of an Event of Default at the rate of 14.5% plus three (3%) percent or seventeen and one-half (17.5%) percent per annum. On the DIP Revolver Effective Date, the Debtor paid in respect of the DIP Revolver $300,000 to Fleet as Agent ("Administrative Fee"), and the Debtor will also pay $300,000 payable to Fleet on the one year anniversary of the Effective Date of the DIP Revolver. In addition, the Debtor will pay in respect of the DIP Revolver (i) 375 basis points per annum on the face amount of letters of credit outstanding payable monthly in arrears; (ii) 50 basis

[4] Capitalized terms related to the Debtor-in-Possession financing that are not defined herein, shall the have the meanings ascribed to them in the Plan or the Postpetition Credit Agreement, in that order.

points per annum of the unutilized Maximum Revolving Amount ("Unused Line Fee"), payable monthly in arrears; (iii) 2.25% of the Revolving Loan Commitment ("Facility Fee"), payable in full on the DIP Revolver Effective Date, of which 1% was shared *pro rata* by the DIP Revolver Lenders other than Fleet, and the balance of 1.25% to Fleet on its own account; and (iv) $2,000,000 ("Deferred Fee"), payable in full on the earliest to occur of (a) confirmation of a chapter 11plan, (b) the sale of all or substantially all of the Debtor's assets, (c) the repayment in full of the obligations outstanding under the Postpetition Facility, (d) the occurrence of an Event of Default in consequence of which Agent, Majority Lenders or Majority Term Lenders elect to accelerate the maturity and payment of the Obligations, or (e) November 19, 2004, provided that each Postpetition Lender participating in any exit financing of the Debtor will apply its *pro rata* portion of the Deferred Fee against its *pro rata* portion of any closing or facility fee payable in connection with such exit financing.

The Debtor paid the DIP Term Lender in respect of the DIP Term Loan a closing fee of three (3%) percent of the DIP Term Loan, or $750,000, subject to a credit for a portion of the Commitment Fee (less the "Manchester Costs") in accordance with the terms of the Term Loan Commitment Letter. In addition, the Debtor will pay the DIP Term Lender (i) one quarter of one percent (.25%) of the DIP Term Loan on the first business day of each fiscal quarter ("Monitoring Fee"); and (ii) a pre-payment fee ("Prepayment Fee") of three (3%) percent of the DIP Term Loan in the event any portion of the DIP Term Loan is paid within the first six (6) months following the Petition Date and one and one-half (1.5%) percent of the DIP Term Loan in the event any portion of the DIP Term Loan is paid prior to the Maturity Date of the Postpetition Facility.

Events of Default

Events of Default include, but are not limited to the following:

(i) the entry of an order converting the case to a case under chapter 7 or dismissing the case;

(ii) the entry of an order appointing a chapter 11 trustee in the case or appointing an examiner having enlarged powers beyond those set forth in section 1106 of the Bankruptcy Code;

(iii) the entry of an order granting any other claim superpriority status or a lien equal or superior to that granted to the Agent for the ratable benefit of the DIP Lenders;

(iv) the entry of an order staying, reversing, vacating or otherwise modifying the Postpetition Facility, the Emergency DIP Order or the Final DIP Order without Agent's prior written consent;

(v) the failure of the Debtor to pay (A) interest or fees when due and such default shall continue for two business days, or (B) principal when due;

(vi) the failure of the Debtor to comply with any negative covenants;

(vii) the failure of the Debtor to perform or comply with any other term or covenant and such default shall continue unremedied for a period of ten (10) days;

(viii) any representation or warranty by the Debtor shall be incorrect or misleading in any material respect when made;

(ix) there shall occur a material disruption (or change that is unacceptable to Agent) in the senior management of the Debtor, or a Change in Control shall occur;

(x) there shall occur a change in the financial condition, business, assets, prospects,

financial conditions, or income that would have a Material Adverse Effect;

(xi) the entry of any order granting relief from the automatic stay so as to allow a third party to proceed against any material asset or assets of the Debtor;

(xii) the filing of any pleading by any party seeking any of the matters set forth in (i) through (v) or (xii) above, which is not withdrawn, dismissed or denied within fifteen days after filing;

(xiii) the entry of the Final DIP Order, in a form and substance satisfactory to Agent, shall not have occurred within thirty days after the Petition Date;

(xiv) the assertion by the Debtor of claims arising under section 506(c) of the Bankruptcy Code against the Agent, or the commencement of other actions adverse to the Agent or its rights and remedies under the Emergency Financing Order, DIP Order or any other Bankruptcy Court order;

(xv) the failure of the Debtor to file a plan of reorganization in form and substance acceptable to Agent and Postpetition Lenders within 270 days after the Petition Date, or any Person files a plan of reorganization in form and substance unacceptable to Agent and Postpetition Lenders; or

(xvi) a breach of any performance criteria contained in the Postpetition Credit Agreement.

Collateral and Priority

Pursuant to the Final DIP Order, all obligations of the Debtor to the Postpetition Lenders, including, without limitation, all principal and accrued interest, costs, fees and expenses (collectively, the "DIP Obligations") have been:

(i) granted superpriority administrative expense status under section 364(c)(1) of the Bankruptcy Code, with priority over all costs and expenses of administration of the Case that are incurred under any provision of the Bankruptcy Code, other than the Carveout. In addition, the Postpetition Agent was granted, pursuant to sections 364(c)(2), 364(c)(3) and 364(d) of the Bankruptcy Code, for the benefit of itself and each Postpetition Lender, the Postpetition Liens to secure the DIP Obligations. The Postpetition Liens: (1) are First Priority Liens, subject only to Permitted Liens (as that term is defined in the Emergency Financing Order), but in any event senior to any Prepetition Liens, Exchange Indenture Liens and PBGC Liens, without any further action by the Debtor, Postpetition Agent or Postpetition Lenders and without the execution, filing or recordation of any financing statements, security agreements, mortgages or other documents or instruments; (2) are not be subject to any security interest or lien that is avoided and preserved under section 551 of the Bankruptcy Code; and (3) shall remain in full force and effect notwithstanding any subsequent conversion or dismissal of the Case. Notwithstanding the foregoing, the Debtor was authorized and directed to execute and deliver to Postpetition Agent such financing statements, mortgages, instruments and other documents as Postpetition Agent may deem necessary or desirable from time to time. Any such financing statements, mortgages, instruments, or other documents filed by Postpetition Agent shall be deemed to have been filed as of the Petition Date.

(ii) secured by both the DIP Collateral and the Collateral granted to Agent pursuant to the Prepetition Credit Facility (collectively, "Aggregate Collateral"); and

(iii) accorded administrative priority status under section 364(c)(1) of the Bankruptcy Code, having superpriority over any and all administrative expenses of the kind specified in sections 503(b) or 507(b) of the Bankruptcy Code, subject only to the Carveout.

Waiver of Charging Liens	It shall constitute an Event of Default should there be entered any order in the Debtor's case or any subsequent case under chapter 7 of the Bankruptcy Code, which authorizes under any section of the Bankruptcy Code, the procurement of credit or the incurring of indebtedness secured by a lien, or entitled to superpriority administrative status, which is equal to or superior to the liens and superpriority administrative status granted to Agent for the ratable benefit of the Postpetition Lenders unless, in each instance, (a) Agent shall have given its prior written consent thereto, or (b) such order requires that the Postpetition Facility and all other DIP Obligations be indefeasibly and finally paid in full in Cash.

As of October 31, 2003, the outstanding balance of the Postpetition Facility was approximately $165.2 million, including Postpetition Term Debt of $25 million outstanding under the DIP Term Loan.

Pursuant to the Final DIP Order, the Bankruptcy Court determined that Secured 2002 Exchange Noteholders were entitled to adequate protection only to the extent of diminution in value of their collateral, as contemplated by Section 361 of the Bankruptcy Code. In that regard, the Final DIP Order granted the trustee for the Secured 2002 Exchange Noteholders, for the benefit of itself as collateral agent for the Secured 2002 Exchange Noteholders, properly perfected replacement liens in substantially all assets of the Debtor that are junior in all respects to the Postpetition Liens, the Prepetition Liens, all other claims of the Postpetition Agent, each Postpetition Lender, Prepetition Agent, and each Prepetition Lender, including, without limitation, any claims of any such party under Sections 503, 507(b) and 364(c) of the Bankruptcy Code, and all other Permitted Liens. The Final DIP Order also provided that, if an to the extent that the adequate protection granted to the Secured Exchange 2002 Noteholders pursuant to the Final DIP Order, proves insufficient, the trustee for the Secured 2002 Exchange Noteholders shall have a superpriority administrative claim in accordance with Sections 503(b) and 507(b) of the Bankruptcy Code, junior to the Postpetition Liens, the Prepetition Liens, the other Permitted Liens, and all other claims of the Postpetition Agent, each Postpetition Lender, Prepetition Agent and each Prepetition Lender, including, without limitation, any claims of any such party under Sections 503, 507(b) or 364 of the Bankruptcy Code. The Final DIP Order also allowed, as of the Petition Date, (i) a claim in the amount of $118,242,300, plus accrued and unpaid prepetition interest, fees and expenses with respect to the Secured 2002 Exchange Notes and (ii) a claim in the amount of $27,348,000, plus accrued and unpaid interest, fees and expenses, but preserved the issue of the extent of value of the section 506(a) allowed secured claim of the Secured 2002 Exchange Noteholders.

C. The Official Committee of Unsecured Creditors

On or about May 20, 2003, the U.S. Trustee filed its Notice of Appointment of Creditors' Committee and appointed six (6) members to serve on a single Creditors' Committee and to represent the interests of all general unsecured creditors of the Debtor. The six (6) members were (i) Deutsche Bank Trust Company Americas; (ii) Henkel Corp.; (iii) International Mill Service, Inc.; (iv) Pension Benefit Guaranty Corp.; (v) Solid Waste Services, Inc. d/b/a J.P. Mascaro; and (vi) Allegheny Power. On or about May 27, 2003, the U.S. Trustee filed its First Amended Notice of Appointment of Committee of Unsecured Creditors and named Institutional Trust Services/J.P. Morgan Trust Co., N.A. as an additional member to the Creditors' Committee, thereby increasing the membership of the Creditors' Committee to seven (7).

On or about June 10, 2003, the Office of the U.S. Trustee filed its Second Amended Appointment of Committee of Unsecured Creditors and named two additional members to the Creditors' Committee, namely HSBC Bank USA and Cleveland-Cliffs, Inc. As such, the nine (9) members of the Creditors' Committee are as follows: (i) Deutsche Bank Trust Company Americas; (ii) Henkel Corp.; (iii) International Mill Service, Inc.; (iv) Pension Benefit Guaranty Corp.; (v) Institutional Trust Services/J.P. Morgan Trust Co., N.A.; (vi) Solid Waste Services, Inc. d/b/a J.P. Mascaro; (vii) Allegheny Power; (viii)

HSBC Bank USA; and (ix) Cleveland-Cliffs, Inc. In addition, the Independent Steelworkers Union ("ISU") was named as an ex officio member of the Creditors' Committee. The Creditors' Committee counsel is the New York office of Blank Rome LLP, with the Pittsburgh, Pennsylvania law firm of Campbell & Levine, LLC as local co-counsel. The financial advisor to the Creditors' Committee is CIBC World Markets Corp. In November, 2003, Institutional Trust Services/J.P. Morgan Trust Co., N.A. resigned from the Creditors' Committee.

D. The Official Committee of Retirees

There are approximately 10,000 retired employees and their dependents or their surviving spouses covered by the Debtor's pension and retiree benefit plans. By order dated June 2, 2003, the Bankruptcy Court approved the formation of a statutory committee of salaried retired employees ("Retiree Committee") pursuant to section 1114 of the Bankruptcy Code, to represent the interests of the Debtor's salaried retired employees. In accordance with section 1114 of the Bankruptcy Code, the ISU has elected to serve as the authorized representative of its retirees. On August 4, 2003, the Bankruptcy Court entered an order approving the appointment of five (5) persons to the Retiree Committee, including John M. Hatala, Gloria R. Mongelluzzo, Stanley A. Gaston, Alan B. Gould and George Lacik. The Retiree Committee members are representative of the Debtor's salaried retiree constituency. Since its appointment, the Retiree Committee has retained the Pittsburgh office of Klett Rooney Lieber & Schorling, PC, as its counsel. At the time of formation of the Retiree Committee, the Debtor committed to the Bankruptcy Court that all negotiations with the Retiree Committee would occur in conjunction with negotiations with the ISU and the IGU on behalf of their respective retirees.

E. Professionals of the Debtor

The Debtor obtained Bankruptcy Court authority to retain McGuireWoods LLP as its bankruptcy counsel and the Wheeling, West Virginia law firm of Bailey, Riley, Buch & Harman, L.C. as its co-counsel. The Debtor has also obtained Bankruptcy Court authority to retain (i) Houlihan Lokey Howard & Zukin Capital ("Houlihan Lokey") as investment bankers; (ii) FTI Consulting, Inc. ("FTI") as its financial advisors, (iii) Donlin Recano & Company, Inc. as claims, noticing and balloting agent; (iv) Buck Consultants, Inc. as human resources consultant; (v) Procurement Specialty Group, Inc. as procurement consultant; (vi) Ketchum, Inc. as public relations consultant; (vii) Kirkpatrick & Lockhart LLP as special corporate counsel; (viii) Spilman Thomas and Battle PLLC as West Virginia special corporate counsel; (ix) KPMG LLP as accountant and tax advisor; and (x) Global Tax Management, Inc. as tax consultant. Additionally, the Debtor has obtained Bankruptcy Court authority, and may from time to time further seek to employ and retain various professionals without specific application to the Bankruptcy Court in order to address the various issues the Debtor faces in the ordinary course of its business requiring the expertise or historical knowledge of a professional; provided that each such professional's fees do not exceed (i) $50,000 during any given month, or (ii) $150,000 during any 12 month period during the pendency of the Debtor's bankruptcy case. On or about November 7, 2003, Houlihan Lokey was terminated as investment bankers to Weirton. Weirton intends to replace Houlihan Lokey and is in the process of interviewing alternative investment banking firms.

F. Compliance with Bankruptcy Code, Bankruptcy Rules, Local Court Rules and U.S. Trustee Deadlines

On July 17, 2003, the Debtor filed its Statement of Financial Affairs, Schedules of Assets and Liabilities, and lists of Equity Security Holders, each as amended from time to time. On July 18, 2003, the U.S. Trustee conducted a meeting of creditors pursuant to section 341 of the Bankruptcy Code. Additionally, the Debtor has timely filed all monthly operating reports and timely paid all statutory quarterly fees as required by the Office of the U.S. Trustee. To the best of the Debtor's knowledge,

information and belief, the Debtor has complied with all other applicable requirements of the Bankruptcy Code and Bankruptcy Rules, as well as local Bankruptcy Court rules and deadlines of the Office of the U.S. Trustee.

G. Senior Management Transition

1. Resignation of Weirton's Chief Executive Officer. On or about June 26, 2003, John H. Walker, then the President and Chief Executive Officer of Weirton, announced the resignation of his positions with Weirton effective July 31, 2003, pursuant to the provisions of his employment agreement with Weirton. Mr. Walker likewise announced his resignation from the Board of Directors of Weirton. Following the announcement of Mr. Walker's resignation, the Committee and its professionals on several occasions contacted Mr. Walker and requested that Mr. Walker reconsider his decision to resign his positions at Weirton. Following feedback from certain parties-in-interest, including the ISU, Mr. Walker determined not to withdraw his prior resignation due to concern by Mr. Walker that his return to Weirton could potentially impede time-sensitive negotiations for a restructured collective bargaining agreement with the ISU.

2. Hiring of D. Leonard Wise as Chief Executive Officer. Following reaffirmation of Mr. Walker's intention to resign his senior management positions with Weirton, the Chairman of the Board, in consultation with the Board of Directors, considered numerous potential replacements for Mr. Walker. Several factors were taken into account when considering potential candidates to replace Mr. Walker as Chief Executive Officer, including, but not limited to, (a) scope of experience as a chief executive officer; (b) scope of experience as an operator of fully integrated steel facilities, including tin mill operations; (c) ability of candidates to work with the ISU; (d) knowledge of the Debtor; (e) ability to commence full-time employment with the Debtor immediately; (f) views of potential candidates expressed by Mark E. Kaplan, the Debtor's Chief Financial Officer and Senior Management member; and (g) ability to work with varying interests in order to build a broad consensus about Weirton's restructuring. Additionally, the Creditors' Committee, JP Morgan and the ISU each requested that Weirton allow them to participate in the selection process, requests with which Weirton complied. Accordingly, in addition to Mr. Wise, Weirton considered and interviewed candidates suggested by other parties-in-interest. Weirton ultimately selected Mr. Wise to replace Mr. Walker as CEO of Weirton and to replace Mr. Walker on the Board. The Bankruptcy Court approved the hiring of Mr. Wise and his appointment to the Board by Order dated August 7, 2003.

3. Assumption of Modified Employment Agreement with Mark E. Kaplan. In response Mr. Walker's resignation, and in order to maintain the value of Weirton's bankruptcy estate for the benefit of creditors and parties-in-interest, the Board of Weirton maintained regular contact with Mr. Kaplan, the Debtor's Chief Financial Officer, regarding the need of Weirton to continue the employment of Mr. Kaplan in a senior management role. Likewise, certain key creditors and other constituencies also engaged in discussions with Mr. Kaplan in an effort to formulate a retention package to entice Mr. Kaplan to remain employed by Weirton for the duration of Weirton's restructuring process. As a result of these negotiations, Mr. Kaplan agreed to continue in the employment of the Debtor as its Chief Financial Officer with the added responsibilities and title of President. The Debtor obtained Bankruptcy Court approval of Mr. Kaplan's modified employment agreement on August 7, 2003.

H. KERP

In large chapter 11 cases, courts have repeatedly recognized the establishment of a key employee retention and severance program as a common and necessary element to a debtor's successful reorganization. Following the filing of a chapter 11 case, management employees of a debtor often announce their intention to leave their employment, or advise senior management of a debtor regarding

their active search for alternative employment. Without the prompt implementation of a comprehensive retention program, a debtor often stands to lose one of its most valuable resources: its well-trained and experienced senior management, who, as a collective group, possess skills and experience readily transferable to competitors of a debtor or to entirely distinct and separate industries.

Weirton was aware that after the Petition Date, several of its senior level management were looking elsewhere for employment due to the experiences of others in the restructurings of integrated steel producers over the past several years, and due to the cost-cutting measures and workforce reductions undertaken by Weirton prior to and after the Petition Date. These and other developments resulted in substantial anxiety within Weirton's salaried workforce. The departure of key managers or salaried personnel would have seriously eroded Weirton's ability to manage essential aspects of its operations.

As of the Petition Date, base salaries for Weirton's management were approximately 73% of market median of peer group levels, as reported by Buck Consultants ("Buck"), Weirton's human resources consultant. Likewise, incentive programs previously available to management of Weirton were eliminated well in advance of the Petition Date. In its analysis, Buck used as benchmarks large public companies in bankruptcy as well as other major integrated steel producers that filed for chapter 11 protection.

In consideration of the foregoing, a Key Employee Retention Program ("KERP") was approved by the Bankruptcy Court on August 7, 2003, and modified by Order of Court dated August 28, 2003. The modified KERP reduced the total number of participants in the program by two individuals and reduced the maximum aggregate payments under the KERP by $350,000. The KERP has three components:

1. Stay Bonus Plan. The Stay Bonus Plan provides for Stay Bonus Payments aggregating $478,000 to seven members of the Debtor's senior management, which payments will be made in up to four installments. In order to be eligible for each installment payment, program participants must be employed by Weirton at the time each installment becomes payable. Under any circumstances, all of the Stay Bonus Payments will be paid on or before the Effective Date of the Plan.

2. Severance Plan. The Severance Plan provides for Severance Benefits to be paid to up to nine members of senior management in the event any such individual is terminated without cause, or, in the event of an acquisition of Weirton, the acquirer does not offer substantially similar employment to such individual participants. The maximum aggregate amount of benefits that could be paid under the Severance Plan is $1,345,000.

3. CEO Discretionary Pool. The KERP, as modified, provides for a pool of up to $700,000 for the Debtor's Chief Executive Officer to pay, at his sole discretion, to members of management as circumstances may dictate.

While the proposed KERP did not bring compensation of management in line with industry standards, the KERP provided much-needed assurances to Weirton's management that an adequate retention incentive would be provided and that appropriate termination compensation would be paid in the event that their respective positions were terminated in the course of Weirton's restructuring. Furthermore, the aggregate cost of the KERP to Weirton at no more than $2.5 million is significantly below the cost of similar KERP programs for other chapter 11 debtors of similar size.

All payments still due under the KERP shall be paid as administrative expenses when due, whether before or after the Effective Date.

I. Marketing of the Debtor's Operations

Over the course of this chapter 11 case, the Debtor has focused on two main restructuring alternatives: (i) a stand-alone plan of reorganization with a primary goal of maintaining a two blast furnace operating configuration, and (ii) a sale of all or substantially all of its assets as a going concern. Liquidation, of course, has also been a consideration, but the Debtor and other parties-in-interest do not believe the results of liquidation would be more beneficial to the bankruptcy estate and creditors than either a stand-alone operation or sale alternative.

Until November 7, 2003, when Houlihan Lokey was sent a termination letter as investment bankers to Weirton, the Debtor and Houlihan Lokey were investigating potential sale transactions. Despite the termination of Houlihan Lokey, it is the Debtor's intention to continue to aggressively pursue a sale of all or a portion of the Debtor's assets as a potential means of maximizing the value of the estate, and thereby potential recoveries to creditors of the estate. Toward that end, the Debtor intends to retain replacement investment bankers who will continue to conduct a sale process that seeks to stimulate the greatest level of interest in acquiring the assets of Weirton by approaching a broad universe of prospective strategic and financial acquirers. The Debtor and its investment bankers will explore the possibility of sale alternatives while the Plan is pending before the Bankruptcy Court.

J. Certain Legacy Costs

Weirton currently provides "retiree benefits" including life insurance and medical benefits as defined by section 1114(a) of the Bankruptcy Code (the "Retiree Benefits") to in excess of 10,000 retired employees and their dependents or their surviving spouses. Weirton paid approximately $30.7 million in Retiree Benefits in calendar year 2002 and expects, absent modification of Retiree Benefits in accordance with section 1114 of the Bankruptcy Code, to pay approximately $31.2 million in Retiree Benefits in calendar year 2003. As of December 31, 2002, the present value of Weirton's future costs of Retiree Benefits was calculated to be approximately $356 million on a GAAP basis. As between life insurance benefits and health coverage, the cost to Weirton of life insurance benefits is approximately 4% of total annual expenditures by Weirton on Retiree Benefits.

Weirton's medical benefits for retirees fall into two broad categories: (i) under age 65 retirees, and (ii) over age 65 retirees. As to those retirees under the age of 65, all costs of such coverage are paid 100% by Weirton through either a point-of-service program or a full indemnity plan. Each of the two coverages provided by Weirton to retirees under the age of 65 is a self-insured plan with a third party administrator. As to retirees over the age of 65, Weirton offers (i) a Medicare supplement that provides hospitalization coverage paid 100% by Weirton under a self-insured program; (ii) an elective Medicare supplement hospitalization program, paid entirely by the retiree with Weirton serving only as a plan sponsor to a major medical plan fully insured through a group of participating steel companies; and (iii) a choice HMO program for local retirees only, providing hospitalization, major medical and prescription coverage with the retiree or surviving spouse paying $120 per month toward premiums.

It is Weirton's reasoned business judgment that Retiree Benefits must be substantially modified in order for Weirton's proposed restructuring to be feasible. Weirton has reached an agreement in principle with the authorized representatives of retirees salaried, retirees represented by the ISU and retirees represented by the IGU regarding the modification of Retiree Benefits in a manner more fully described at Section VII.C.7.

K. Status of Pension Plans

Prior to the Petition Date, Weirton maintained a noncontributory defined benefit pension plan covering substantially all employees of Weirton (the "Pension Plan"). The Pension Plan provides benefits that are based generally upon years of service and compensation during a participant's final years of employment. The assets of the Pension Plan are held in trust, with the assets invested primarily in common stock, fixed income securities and other short term investments. Based upon actuarial assumptions, Weirton estimates that the Pension Plan is currently underfunded by as much as $407 million on a GAAP basis.

During February 2003, Weirton's union employees ratified new labor agreements that, among other things, provided for a freeze of further benefit accruals under the Pension Plan as of April 30, 2003. Weirton likewise applied the identical freeze to its non-unionized workforce. Weirton applied to the Internal Revenue Service (the "IRS") prior to the Petition Date for waivers relating to Weirton's Pension Plan funding obligations for 2002 and 2003. In April 2003, the IRS granted Weirton contingent funding waivers for the 2002 plan year and the first quarterly 2003 plan year contributions. The impact of the waivers would have permitted Weirton to pay required funding over a five-year period, however, the waivers were granted by the IRS contingent upon Weirton providing security satisfactory to the Pension Benefit Guaranty Corporation (the "PBGC") for the rescheduled obligations within 90 days of issuance of the waivers. Prior to the expiration of the 90 day period, Weirton filed its petition for relief, and the DIP Facility and applicable provisions of the Bankruptcy Code prohibited Weirton from providing the PBGC the security requested. Accordingly, on or about July 15, 2003, an aggregate pension funding obligation of approximately $47.6 million retroactively became due. Using best currently available actuarial assumptions on a GAAP basis, Weirton estimates that in order for the Pension Plan to satisfy all applicable nonbankruptcy law contribution and funding requirements, Weirton would be required to pay an aggregate amount of at least $350 million over the next approximately 5 years.

As a condition precedent to Weirton's acquisition of assets from National in 1984, National agreed to retain liability for pension service and the cost of life and health insurance for employee's of Weirton's predecessor business who retired on or before May 1, 1983. National also retained the liability for pension service through May 1, 1983, for employees of the predecessor business who subsequently became active employees of Weirton. National established and funded a defined benefit plan under which pension benefits were calculated based on employees' credited service time with National. Eligibility of early or 50 year retirement under the National plan was based on combined National and Weirton credited service. Pension benefits payable to Weirton retirees with National service time were calculated under the Pension Plan based on combined credited service time with National and Weirton and were then reduced by amounts paid or payable according to National's pension plan.

As a result of National filing for bankruptcy protection in March 2002, the PBGC, in December 2002, filed an action to terminate all of Weirton's pension plans including the Weirton Retirement Program (the "056 Plan") that covers Weirton's employees. By consent order dated April 21, 2003, National's pension plans, including the 056 Plan were terminated as of December 6, 2002, and taken over by the PBGC. The Pension Plan is not liable for any benefits previously paid or payable by the 056 Plan.

It is Weirton's reasoned business judgment that the Pension Plan must be terminated in order for Weirton's proposed restructuring to be feasible. Additionally, reaching a compromise between Weirton and the PBGC acceptable in form and substance to the ESLGB is a condition precedent to any ESLGB guaranteed Exit Term Debt in accordance with the conditional approval that might be issued by the ESLGB. On October 21, 2003, the PBGC filed a complaint with the United States District Court for the Northern District of West Virginia at Civil Action No. 5:03-CV241 seeking, *inter alia*, on order (1) appointing the PBGC as the statutory trustee of the Weirton Steel Corporation Pension Plan, (2)

terminating the Weirton Steel Pension Plan, and (3) establishing October 21, 2003 as the termination date of the Weirton Steel Corporation Pension Plan. On or about November 5, 2003, the Board of Directors of Weirton voted to consent to the termination of the Weirton Steel Corporation Pension Plan effective as of October 21, 2003.

L. Union and Retiree Negotiations and Other Cost Savings

Negotiations are being conducted with the ISU and the IGU for post-emergence, successor labor agreements. As of the date hereof, no agreement exists as to the terms and conditions of post-emergence successor labor agreements. The ISU represents hourly production and maintenance, salaried clerical and technical, and professional nurse bargaining units. The IGU represents an hourly plant guard unit. The Company's objective is to obtain employment cost reductions sufficient for a viable, stand-alone Weirton that will satisfy the applicable criteria for ESLGB financing. The targeted employment savings for all employee groups including non-represented employees is approximately $40 million year.

The Company negotiated modifications to its collective bargaining agreements in February 2003, with both the ISU and IGU resulting in annualized savings of over $38 million per year. These modifications included the cancellation of a $1.00/hour wage increase scheduled for April 1, 2003; a 5% wage cut and a freeze of Weirton's defined benefit pension plan. The ISU subsequently agreed to a "two tier" wage system that pays new employees at 75% of the contract rate (accreting to 100% at the end of five years of employment). Similar reductions were also implemented for non-represented employees.

Current negotiations are focused on achieving an additional $40 million in employment cost savings (exclusive of the savings associated with the expected termination of Weirton's pension plan and existing retiree medical obligation). These savings are driven by a planned 27% reduction in the overall workforce amounting to over 950 jobs. Weirton is investing additional job reductions as a means of providing enhanced wages and benefits to remaining active employees. These reductions will be achieved by reorganizing and expanding job duties, eliminating restrictive work practices and outsourcing non-core functions. In addition, Weirton proposes to replace its traditional defined benefit pension and retiree medical programs with defined contribution plans that fix the reorganized company's future obligations and exposure. Active employees will also be asked to assume a larger portion of their healthcare costs. Finally, a transition assistance program will be offered to displaced employees.

Staffing levels are projected to be competitive with the restructured integrated mills. The "quid pro quo" for Weirton's employee sacrifices will be a significant equity stake in Weirton post-reorganization.

In the aggregate, first year post-restructuring employment costs for Weirton are projected to be approximately $186 million, a reduction of $137 million or 42% from the 2002 actual of $323 million.

With respect to operations and overhead savings, subsequent to the Petition Date, Weirton terminated approximately 10% of its salaried workforce and has implemented other efficiency programs to realize its $17 million of budgeted annual savings. Since the Petition Date, Weirton has also engaged in extensive negotiations with suppliers on new contracts that provide a high degree of confidence that Weirton will actually exceed the budgeted $17 million of savings. Accordingly, the principal open items in addition to savings from current labor costs pertain to eliminating or reducing annual retiree healthcare obligations of approximately $26 million (or more) and pension contributions necessary to address current levels of underfunding of the pension plan. In that regard, at Weirton's request, the Bankruptcy Court approved the appointment of a Retiree Committee. The Retiree Committee has recently selected legal counsel (Klett Rooney Lieber & Schorling, P.C.). Weirton and the authorized representatives of the retirees have reached an agreement in principle relating to the modification of Retiree Benefits, which

agreement in principle is subject to Bankruptcy Court approval and documentation and is described at Section VII.C.7.

M. Discussions with Lenders, Committees and Unions

Throughout its case, the Debtor has conducted numerous meetings and conversations with all major constituencies including, without limitation, the Postpetition Lenders, the Creditors' Committee, the Ad Hoc Noteholder Committee, the Retiree Committee and the ISU. The Debtor has kept these parties informed of the status of the sale process and the development of the stand-alone Plan. The Debtor has attempted to forge a general consensus among these groups as to the resolution of this case, while seeking to obtain a result that maximizes the value of the Debtor's estate, for the benefit of all parties-in-interest. Under the current circumstances, the Debtor believes that the Plan maximizes the value of the Debtor's estate.

N. Extension of the Debtor's Exclusivity Periods

Section 1121(b) of the Bankruptcy Code provides for an initial period of 120 days after the filing of a voluntary petition for relief under chapter 11 during which a debtor has the exclusive right to file a plan of reorganization in the reorganization proceeding. Section 1121(c)(3) of the Bankruptcy Code provides that if a debtor files a plan of reorganization within such 120 day period, the debtor has a period of 180 days from the filing of its voluntary petition for relief to obtain acceptances of such plan, during which time competing plans may not be filed. The Debtor's exclusive periods were set to expire on September 16, 2003, and November 15, 2003, respectively. On September 10, 2003, the Bankruptcy Court entered a "bridge" order extending the exclusive date for Weirton to file its Plan through September 23, 2003, which was the hearing date on the motion to extend exclusivity. On September 23, 2003, the Bankruptcy Court entered an order extending the period in which the Debtor has the exclusive right to file a plan or plans of reorganization until December 15, 2003, and the period to solicit acceptances of such plan to February 13, 2004.

VII. PLAN OF REORGANIZATION

THE FOLLOWING DISCUSSION OF THE PLAN CONSTITUTES A SUMMARY ONLY AND IS QUALIFIED IN ITS ENTIRETY BY THE TERMS OF THE PLAN ITSELF. YOU SHOULD READ THE PLAN BEFORE DECIDING WHETHER TO VOTE TO ACCEPT OR REJECT THE PLAN. CHANGES MAY BE MADE TO THE PLAN. ANY SUCH CHANGES MADE TO THE PLAN WILL BE DESCRIBED AT THE PLAN CONFIRMATION HEARING. Although the Debtor has filed this Plan, the Debtor's ability to consummate the Plan is conditioned upon the conditional approval of Weirton's application to the ESLGB for federally guaranteed term debt financing. ON November 13, 2003, the ESLGB conditionally approved Weirton's Byrd Bill application in a principal amount of $145 million. The approval is conditional upon Weirton's satisfaction of certain conditions precedent established by the ESLGB, including, among other items, (i) a modified collective bargaining agreement with the ISU acceptable to the ESLGB and (ii) accommodations with the PBGC acceptable to the ESLGB. (See Section VII.P.1 for a detailed list of the Conditions to Effectiveness of the Plan.) In addition to putting forth the proposed Plan, the Debtor is also simultaneously pursuing other options with respect to its reorganization, which may include, but are not limited to, the sale of some or all of Weirton's operating assets. (See Section VI.I for a description of the sale process and the status of discussions with potential purchasers.) Weirton's ability to sell some or all of its assets could impact Weirton's decision to pursue its reorganization in accordance with the terms of the Plan. A copy of the Plan is attached as Exhibit A to this Disclosure Statement.

Within 15 days prior to the Confirmation Hearing, the Debtor shall file the supplement to the Plan (the "Plan Supplement"), which will contain, without limitation, the documents as indicated on Exhibit F attached hereto.

A. General Description of the Plan

This Disclosure Statement has been submitted by Weirton in order to afford Weirton the opportunity to confirm a Plan that will become effective on or before December 31, 2003, which is the current statutorily mandated deadline for closing under the Exit Term Debt anticipated to be guaranteed by the ESLGB.

In order to provide Weirton the opportunity to meet the December 31, 2003 deadline, Weirton is filing the Plan and this Disclosure Statement with the best information available to it at this time. The terms and conditions of the Plan, as summarized in this Disclosure Statement, have not been fully negotiated by Weirton with creditors and parties-in-interest, but instead reflect Weirton's best efforts to date to maximize the value of its bankruptcy estate for the benefit of creditors and parties-in-interest, while fully complying with applicable provisions of the Bankruptcy Code and Bankruptcy Rules. Information contained in this Disclosure Statement that is subject to amendment or modification includes, but is not limited to: (a) the cash flow projections; (b) the projected balance sheet and income statement upon emergence; (c) the treatment of claims classified under the Plan; (d) the treatment of unclassified claims under the Plan; (e) the status of Weirton's benefit plans and programs and the treatment of the beneficiaries thereof; (f) the risks of implementation of the Plan; (g) the status of Weirton's collective bargaining agreements and the treatment of represented employees and retirees thereunder; and (h) the emergence financing and capital structure. Weirton anticipates that negotiation of the terms of a Plan will require Weirton to modify or amend the proposed Plan in order to obtain confirmation on or before December 31, 2003, and Weirton shall comply with section 1127(d) of the Bankruptcy Code as the same relates to this Disclosure Statement.

As described in Section VI.I herein, Weirton is also investigating sale alternatives and reserves the right to pursue a sale alternative.

B. Unclassified Allowed Claims and Their Treatment

1. Administrative Expense Claims. Except to the extent that any entity entitled to payment of any Allowed Administrative Expense Claim agrees, in writing, to a less favorable treatment or has been paid by Weirton prior to the Effective Date, and except as specifically set forth herein to the contrary, each holder of an Allowed Administrative Expense Claim shall receive, in full and complete settlement, discharge and satisfaction of its Allowed Administrative Expense Claim, Cash in an amount equal to such Allowed Administrative Expense Claim on the later of the Effective Date and the date on which such Administrative Expense Claim becomes an Allowed Administrative Expense Claim, or as soon thereafter as is practicable; provided, however, that Allowed Administrative Expense Claims representing liabilities incurred by Weirton in the ordinary course of business as a debtor-in-possession, or liabilities arising under advances to or other obligations incurred by Weirton as a debtor-in-possession shall be paid in full and performed by Reorganized Weirton in the ordinary course of business in accordance with the terms and subject to the conditions of any agreements governing, instruments evidencing or other documents relating to such transactions.

2. Bar Date For Administrative Expense Claims. PROOFS OF ADMINISTRATIVE EXPENSE CLAIMS AND REQUESTS FOR PAYMENT OF ADMINISTRATIVE EXPENSE CLAIMS THAT HAVE ARISEN ON OR AFTER THE PETITION DATE MUST BE FILED AND SERVED PURSUANT TO THE PROCEDURES SET FORTH IN THE

CONFIRMATION ORDER OR NOTICE OF ENTRY OF CONFIRMATION ORDER, NO LATER THAN FORTY-FIVE (45) DAYS AFTER THE EFFECTIVE DATE. Notwithstanding anything to the contrary herein, no proof of Administrative Expense Claim or application for payment of an Administrative Expense Claim need be filed for the allowance of any: (i) expense or liability incurred in the ordinary course of the Reorganized Debtor's businesses on or after the Effective Date; (ii) Administrative Expense Claim held by a trade vendor, which administrative liability was incurred in the ordinary course of business of the Debtor and such creditor after the Petition Date; (iii) Professional Fee Claims; or (iv) fees of the U.S. Trustee arising under 28 U.S.C. § 1930. All Claims described in clause (i), (ii) and (iv) of the immediately preceding sentence shall be paid by the Reorganized Debtor in the ordinary course of business.

Any Persons that fail to file a proof of Administrative Expense Claim or request for payment thereof on or before the Administrative Bar Date as required herein shall be forever barred from asserting such Claim against any of the Debtor, the Estate, the Reorganized Debtor or its property and the holder thereof shall be enjoined from commencing or continuing any action, employment of process or act to collect, offset or recover such Administrative Expense Claim.

3. Professional Fee Claims. All Persons seeking an award by the Bankruptcy Court of a Professional Fee Claim, or of compensation for services rendered or reimbursement of expenses incurred through and including the Confirmation Date under sections 503(b)(2), 503(b)(3), 503(b)(4) or 503(b)(5) of the Bankruptcy Code: (a) shall file their respective final applications for allowance of compensation for services rendered and reimbursement of expenses incurred through the Confirmation Date within forty five (45) days after the Confirmation Date; and (b) if granted, such an award by the Bankruptcy Court shall be paid in full in such amounts as are allowed by the Bankruptcy Court (i) on the later of the Effective Date or the date such Professional Fee Claim becomes an Allowed Professional Fee Claim, or as soon thereafter as practicable, (ii) upon such other terms as may be mutually agreed upon between such holder of an Allowed Professional Fee Claim and Weirton, or, on and after the Effective Date, Reorganized Weirton, or (iii) in accordance with the administrative procedures order entered by the Bankruptcy Court. All Professional Fee Claims for services rendered in connection with the Bankruptcy Case and the Plan after the Confirmation Date, excluding Professional Fee Claims incurred in connection with the Creditors' Committee's prosecution of Avoidance Actions, shall be paid by Reorganized Weirton upon receipt of an invoice therefor, or on such other terms and conditions as Reorganized Weirton may agree, without the need for further Bankruptcy Court authorization or entry of a Final Order.

4. Treatment of the Claims of the Postpetition Lenders. Unless otherwise agreed by the Postpetition Lenders, in writing, the Allowed Administrative Claims of the Postpetition Lenders (as well as the allowed secured and superpriority claims granted to the DIP Lenders under the DIP Loan Documents) and Weirton's obligations under or evidenced by the DIP Loan Documents, will be paid in Cash and fully and finally satisfied on the Effective Date.

5. U.S. Trustee. Pursuant to 28 U.S.C. §1930(a)(6), a reorganized debtor is obligated to continue paying statutory quarterly fees to the U.S. Trustee post-confirmation of a plan of reorganization until the case is closed, dismissed or converted. Reorganized Weirton will continue to be responsible for making such statutory quarterly payments and submitting appropriate financial reports to the U.S. Trustee until the Bankruptcy Case is closed.

6. Priority Tax Claims. Except to the extent that a holder of an Allowed Priority Tax Claim has been paid by Weirton prior to the Effective Date or agrees, in writing, to a different treatment, each holder of an Allowed Priority Tax Claim shall receive, in full settlement, discharge and satisfaction of its Allowed Priority Tax Claim, at the sole option of Reorganized Weirton, (a) Cash in an amount equal to such Allowed Priority Tax Claim on the later of the Effective Date and the date such

Priority Tax Claim becomes an Allowed Priority Tax Claim, or as soon thereafter as is practicable, or (b) equal annual Cash payments in an aggregate amount equal to such Allowed Priority Tax Claim, together with interest at a fixed annual rate equal to 5.5% through the sixth anniversary date of assessment of such Allowed Priority Tax Claim, or (c) upon such other terms determined by the Bankruptcy Court to provide the holder of such Allowed Priority Tax Claim deferred cash payments having a value, as of the Effective Date, equal to such Allowed Priority Tax Claim. Priority tax claims would include any claim of the West Virginia Workers' Compensation Division that would ultimately be entitled to priority status under section 507(a)(8) of the Bankruptcy Code.

C. Classification and Treatment of Allowed Claims and Interests

The Plan divides Allowed Claims against and Allowed Interests in the Debtor into various classes that the Debtor believes are in accordance with the classification requirements established by the Bankruptcy Code. Distribution of Cash, notes or equity, as applicable, to the holders of Allowed Claims and Allowed Interests under the Plan are in full satisfaction of such Allowed Claims (including any and all interest or costs accrued and allowable thereon) and Allowed Interests. All claims against and interests in the Debtor arising prior to the Petition Date will be discharged under the Plan on the Effective Date of the Plan, except, however, to the extent otherwise provided in the Plan or the Confirmation Order.

A summary of the classification and treatment of Allowed Claims and Allowed Interests under the Plan is set forth below.

1. Class 1: Priority Non-Tax Claims

Distribution: Except to the extent that a holder of an Allowed Class 1 Claim has been paid by Weirton prior to the Effective Date or agrees, in writing, to a different treatment, each holder of an Allowed Class 1 Claim as of the Record Date shall receive, on the later of (i) the Effective Date, (ii) the date on which such Class 1 Claim becomes an Allowed Class 1 Claim, or (iii) the date on which such Allowed Class 1 Claim becomes due and owing in the ordinary course of Weirton's business, in full and complete settlement, discharge and satisfaction of its Allowed Class 1 Claim, Cash in an amount equal to such Allowed Class 1 Claim, or such other treatment that will not impair the holder of such Allowed Class 1 Claim in accordance with section 1124 of the Bankruptcy Code.

Class 1 is unimpaired under the Plan. Each holder of an Allowed Class 1 Claim is conclusively presumed to have accepted the Plan, and, consequently, is not entitled to vote to accept or reject the Plan.

2. Class 2: Secured Tax Claims

Distribution: Except to the extent that a holder of an Allowed Class 2 Claim has been paid by Weirton prior to the Effective Date or agrees, in writing, to a different treatment, each holder of an Allowed Class 2 Claim as of the Record Date shall receive, in full and complete settlement, discharge and satisfaction of its Allowed Class 2 Claim, at the sole option of Reorganized Weirton, (i) Cash in an amount equal to such Allowed Class 2 Claim, including any interest on such Allowed Class 2 Claim required to be paid pursuant to section 506(b) of the Bankruptcy Code, if any, on the later of the Effective Date and the date such Class 2 Claim becomes an Allowed Class 2 Claim, or as soon thereafter as is practicable, or (ii) equal annual Cash payments in an aggregate amount equal to such Allowed Class 2 Claim, together with interest at a fixed annual rate equal to 5.5% over a period through the sixth anniversary date of assessment of such Allowed Class 2 Claim, or upon such other terms determined by the Bankruptcy Court to provide the holder of such Allowed Class 2 Claim deferred Cash payments having a value, as of the Effective Date, equal to such Allowed Class 2 Claim.

Retention of Liens: Each holder of an Allowed Class 2 Claim shall retain the Liens (or replacement Liens as may be contemplated under applicable nonbankruptcy law) securing its Allowed Class 2 Claim as of the Effective Date until full and final payment of such Allowed Class 2 Claim is made as provided herein, and upon such full and final payment, such Liens shall be deemed null and void, and shall be unenforceable for all purposes (all without further act or action).

Class 2 is unimpaired under the Plan. Each holder of an Allowed Class 2 Claim is conclusively presumed to have accepted the Plan, and, consequently, is not entitled to vote to accept or reject the Plan.

3. Class 3: Mechanics' Lien Claims

Distribution: Except to the extent that a holder of an Allowed Class 3 Claim has been paid by Weirton prior to the Effective Date or agrees, in writing, to a different treatment, each holder of an Allowed Class 3 Claim as of the Record Date shall, in full and complete settlement, discharge and satisfaction of its Allowed Class 3 Claim, at the sole option of Reorganized Weirton (i) receive Cash in an amount equal to such Allowed Class 3 Claim, including any interest on such Allowed Class 3 Claim required to be paid pursuant to section 506(b) of the Bankruptcy Code and in accordance with applicable nonbankruptcy law, if any, on the Effective Date or as soon thereafter as is practicable or (ii) receive the Collateral securing its Allowed Class 3 Claim and any interest on such Allowed Class 3 Claim required to be paid pursuant to section 506(b) of the Bankruptcy Code, if any, on the Effective Date or as soon thereafter as is practicable.

Class 3 is unimpaired under the Plan. Each holder of an Allowed Class 3 Claim is conclusively presumed to have accepted the Plan, and, consequently, is not entitled to vote to accept or reject the Plan.

4. Class 4: Miscellaneous Secured Claims

Distribution: Except to the extent that a holder of an Allowed Class 4 Claim has been paid by Weirton prior to the Effective Date or agrees, in writing, to a different treatment, each holder of an Allowed Class 4 Claim as of the Record Date shall, in full and complete settlement, discharge and satisfaction of its Allowed Class 4 Claim, at the sole option of Reorganized Weirton (i) be reinstated and rendered unimpaired in accordance with section 1124 of the Bankruptcy Code, (ii) receive Cash in an amount equal to such Allowed Class 4 Claim, including any interest on such Allowed Class 4 Claim required to be paid pursuant to section 506(b) of the Bankruptcy Code, if any, on the Effective Date or as soon thereafter as is practicable, or (iii) receive the Collateral securing its Allowed Class 4 Claim and any interest on such Allowed Class 4 Claim required to be paid pursuant to section 506(b) of the Bankruptcy Code, if any, on the Effective Date or as soon thereafter as is practicable.

Retention of Liens: Each holder of an Allowed Class 4 Claim reinstated pursuant to this Section shall retain the Liens securing its Allowed Class 4 Claim as of the Effective Date until full and final payment of such Allowed Class 4 Claim is made as provided herein, and upon such full and final payment of any Allowed Class 4 Claim, the Lien securing such Allowed Class 4 Claim shall be deemed null and void, and shall be unenforceable for all purposes (all without further act or action).

Class 4 is unimpaired under the Plan. Each holder of an Allowed Class 4 Claim is conclusively presumed to have accepted the Plan, and, consequently, is not entitled to vote to accept or reject the Plan.

5. Class 5: Secured 2002 Exchange Note Claims and Secured Pollution Control Bond Claims

Valuation of Secured 2002 Exchange Note and Secured Pollution Control Bond Claims: The Claims of holders of Secured 2002 Exchange Note and Secured Pollution Control Bond Claims, which have an aggregate face amount of $145.59 million, plus accrued and unpaid interest, fees and expenses accrued prior to the Petition Date, have been bifurcated into Secured and Unsecured Claims pursuant to section 506(a) of the Bankruptcy Code according to the value of the Collateral that secures these Claims. The appropriate measurement of Collateral value under section 506(a) for the purposes of cramdown under section 1129(b)(2)(A) of the Bankruptcy Code is the replacement value of the Collateral. As set forth in greater detail below, Weirton determined the replacement value of the Collateral to be $35 million based on an analysis of the prices recently paid for comparable assets, taking into account the condition and location of the assets. Accordingly, on the Effective Date, holders of Secured 2002 Exchange Note and Secured Pollution Control Bond Claims shall be deemed to hold Allowed Secured Claims in the aggregate amount of $35 million on account of such notes, which Allowed Secured Claims will be treated as Class 5 Claims under the Plan. The Debtor's valuation of Allowed Secured Claims of holders of the Secured 2002 Exchange Notes and Secured Pollution Control Bonds assumes that they are not entitled to a claim for diminution of value of their collateral. The balance of the Claims on account of these notes will be treated as Class 6 General Unsecured Claims.

In connection with the preparation of this Disclosure Statement, the Debtor directed FTI to perform various economic exercises and conduct various analyses to estimate the fair value of the Collateral of the holders of the Secured 2002 Exchange Notes and the Secured Pollution Control Bonds. FTI DID NOT PERFORM A FORMAL VALUATION OR APPRAISAL OF THE ASSETS IN QUESTION AND ONLY PERFORMED CALCULATIONS AND ANALYSES AS DESCRIBED BELOW. In performing its analysis, the following documents were reviewed, although the knowledge and information possessed by the FTI and the Debtor with respect to the Debtor's business and operations make the universe of information considered much larger:

1) Hilco Appraisal Services, LLC "(Hilco") appraisal of liquidation-in-place ("LIP") and orderly liquidation value of certain machinery and equipment;

2) Weirton's estimate of liquidation proceeds;

3) Analysis of strategic alternatives regarding operating configurations performed by Weirton's Business Strategy Group;

4) Analysis of comparable industry transactions prepared through knowledge of various publicly announced mergers and acquisitions;

5) Analysis of publicly traded companies performed by FTI;

6) Discussions with Weirton's management and outside investment bankers regarding the interest level in pursuing an asset purchase and the associated values derived;

7) Analysis of the costs and claims associated with running the assets;

8) Analysis of the environmental and collective bargaining issues relevant to purchasing and running these assets in place;

9) Discussions with individuals within Weirton and outside Weirton regarding the availability and cost of raw material inputs that would be utilized by these assets in question;

10) Industry data, forecasts and information; and

11) Data on cost penalties and selling price penalties associated with Weirton's location.

With respect to the Hilco appraisals mentioned above, FTI believes that the Hilco LIP analysis was not validated through the M&A process run by Weirton and its outside advisors. Any analysis of fair market value must also consider the viability of running the assets in place and the associated hurdles of doing so, such as working with the employee base, dealing with environmental and legal issues, finding a partner to provide raw material inputs (or allocating value to assets required to make these inputs at Weirton). These considerations, as well as current marketplace data suggest that the Hilco LIP analysis is not appropriate for the purpose of valuing the collateral of Class 5 claimants under a "cramdown" situation.

Assuming appropriate availability and current cost of tin quality hot band or slab, FTI reviewed with the Debtor the additional operating assets required to run the Collateral of the holders of the Secured 2002 Exchange Notes and the Secured Pollution Control Bonds. The list of assets includes but is not limited to:

a. Pickling Line

b. Finished Products Warehouse

c. Support facilities such as maintenance, utilities and others

d. Other machinery such as cranes and transportation assets, etc.

After considering the above documents and analysis, it is the conclusion of FTI, as well as that of the Debtor, that the most relevant determinant of fair value in this case is the actual sale transactions of similar companies in the recent past. Such comparable transactions include, but are not limited to, International Steel Group's purchase of LTV Corporation, Bethlehem Steel, and Acme Metals and United States Steel Corporation's purchase of National Steel and LTV's Tin Assets.

Another factor that was considered is Weirton's location and the associated market and cost disadvantages vis-à-vis its competitors. Because of Weirton's cost and market penalties versus the other acquired mills discussed previously, Weirton traditionally has been required to discount its selling prices because of the cost associated with the transport of its products versus its competition (known in the steel industry as freight equalization). Also, Weirton has generally had a higher cost of raw material inputs due to the cost to move those raw materials inland to Weirton. It was determined by the Debtor and FTI that the values observed in comparable transactions must also be discounted to reflect this disadvantage.

It is also FTI's position that in order to allocate value to the Collateral of the holders of the Secured 2002 Exchange Notes and the Secured Pollution Control Bonds on a market-value basis, one must review the public available data on comparable transactions and adjust the conclusions based on the shipment and capacity levels of the finishing assets of the Tandem and Tin Mills, which is approximately 900,000 tons per year. After adjusting for capacity levels, working capital and other assets and liabilities, values of approximately $35 million were derived using these methodologies.

Allowance of Secured 2002 Exchange Note and Secured Pollution Control Bond Claims: On the Effective Date, Secured 2002 Exchange Note and Secured Pollution Control Bond Claims shall be deemed allowed on a bifurcated basis as set forth above in the aggregate amount of $145.59 million, plus accrued and unpaid interest, fees and expenses accrued prior to the Petition Date.

Face Amount

$35,000,000, to be allocated *pro rata* between the Secured 2002 Exchange Notes and Secured Pollution Control Bond Claims.

Distribution

Holders of record of the Secured 2002 Exchange Notes and the Secured Pollution Control Bonds would ratably receive junior notes.

Rank

Junior Secured

Collateral/Covenants/Subordination

Subject to final approval of the Exit Lenders, the collateral for the Junior Secured Notes would be comprised of a third priority lien in the inventory, accounts receivable and the tangible assets of Reorganized Weirton together with a pledge of and a first lien on Reorganized Weirton's equity interest in FW Holdings.

The indenture governing the Junior Secured Notes would contain covenants with respect to limitations on indebtedness, limitations on restricted payments and limitations on liens that are substantially similar to the indenture governing the existing Secured 2002 Exchange Notes and Secured Pollution Control Bonds Claims.

The Junior Secured Notes would be subject to an intercreditor agreement pursuant to which the Exit Lenders to Weirton, as holders of the first and second priority liens will, at all times control all remedies and other actions enforcing security interests against the collateral.

Maturity

Twelve years from the date of issue.

Interest

Interest would accrue on the unpaid principal amount of the Junior Secured Notes at the rate of 9.5% per annum and would be paid as follows:

Year	Cash	Payment in kind
1	0.5%	9.0%
2	1.0%	8.5%
3	1.5%	8.0%
4	2.0%	7.5%
5	2.5%	7.0%
6	5.0%	4.5%
7	7.5%	2.0%
8-12	9.5%	0.0%

PIK interest would be accrued and added to the principal sum of the Junior Secured Notes.

Prepayment

Optional

Subject to applicable provisions of the Exit Facility, the Junior Secured Notes together with any accrued but unpaid interest thereon may be prepaid at any time and from time to time for cash.

Mandatory

Subject to applicable provisions of the Exit Facility, the Junior Secured Notes together with any accrued but unpaid interest thereon would be subject to a mandatory prepayment in full upon a Change of Control.

Change of Control

After emergence from bankruptcy, a Change of Control would be deemed to occur upon a "person" or "group" within the meaning of the Securities Exchange Act of 1934 becoming the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act) of capital stock of Reorganized Weirton representing more than 50%

of the voting power of such capital stock.

Board Representation

As long as any of the Junior Secured Notes remain outstanding, holders of the Junior Secured Notes would be entitled designate up to 4 members of the Board of Directors, as follows:

Unpaid Principal	Designees to the Board
Up to $8.75 million	1 member
More than $8.75 million, up to $17.50 million	2 members
More than $17.50 million, up to $26.25 million	3 members
More than $26.25 million,	4 members

Warrants

The Junior Secured Notes would contain an attached warrant to acquire, in the aggregate, five percent (5%) of the fully diluted common stock of Reorganized Weirton (the "Warrants"). For example, if the initial capital structure of Reorganized Weirton consists of 10,000,000 issued shares of common stock, then each $1,000 Junior Secured Note would include Warrants to acquire 14 shares of common stock of Reorganized Weirton. The Warrants would be issued with an exercise price equal to par value ($.01 per share). The Warrants would contain customary anti-dilution protection. The Warrants would be repurchased by Reorganized Weirton upon the payment in full of a Junior Secured Note, at maturity or an earlier prepayment event, with the purchase price of such Warrants to be determined by reference to the then market price of a share of common stock of Reorganized Weirton, or if the common stock of Reorganized Weirton is not publicly traded, by the fair market value of a share of common stock as determined by an independent appraiser selected by the Board of Directors. The purchase price of the Warrants would be payable, at the option of Reorganized Weirton, in cash or shares of common stock of Reorganized Weirton.

Amortization Schedule for Junior Secured Notes

Year Ending	**Note Balance**		**Cash Interest**		**Payment in Kind**
		Rate	*Amount*	*Rate*	*Amount*
Beginning	$35,000,000				
12/04	$38,150,000	0.5%	$175,000	9.0%	$3,150,000
12/05	$41,392,750	1.0%	$381,500	8.5%	$3,242,750
12/06	$44,704,170	1.5%	$620,891	8.0%	$3,311,420
12/07	$48,056,983	2.0%	$894,083	7.5%	$3,352,813
12/08	$51,420,971	2.5%	$1,201,425	7.0%	$3,363,989
12/09	$53,477,810	5.0%	$2,571,049	4.0%	$2,056,839
12/10	$54,547,367	7.5%	$4,010,836	2.0%	$1,069,556
12/11	$54,547,367	9.5%	$5,182,000	0.0%	----------
12/12	$54,547,367	9.5%	$5,182,000	0.0%	----------
12/13	$54,547,367	9.5%	$5,182,000	0.0%	----------
12/14	$54,547,367	9.5%	$5,182,000	0.0%	----------
12/15	$54,547,367	9.5%	$5,182,000	0.0%	----------
Totals			$35,764,784		$19,547,367

Cancellation of Secured 2002 Exchange Notes, Secured Pollution Control Bonds and Related Instruments: As of the Effective Date, all Secured 2002 Exchange Notes, Secured Pollution Control Bonds and all indentures, agreements, instruments and other documents evidencing the Secured 2002 Exchange Note and Secured Pollution Control Bond Claims and the rights of holders thereof, shall be cancelled and deemed null and void and of no further force and effect (all without further act or action), and all obligations of any Person (including, without limitation, the indenture trustees to the Secured 2002 Exchange Notes and Secured Pollution Control Bonds) under such instruments and agreements shall be fully satisfied and released. Notwithstanding the forgoing, such cancellation shall not impair the rights and duties under the Secured 2002 Exchange Indenture and Secured Pollution Control Indenture as among the respective indenture trustees to the Secured 2002 Exchange Notes, the Secured Pollution Control Bonds and the beneficiaries of the trusts created thereby.

Class 5 is impaired under the Plan. Holders of Allowed Class 5 Claims are entitled to vote to accept or reject the Plan.

6. Class 6: General Unsecured Claims

Distributions: Except to the extent that a holder of a General Unsecured Claim has been paid by Weirton prior to the Effective Date or agrees to a different treatment, each holder of an Allowed General Unsecured Claim as of the Record Date, other than General Unsecured Claims otherwise treated in accordance with of the Plan, shall receive, in full and complete settlement, discharge and satisfaction of such Allowed Class 6 Claims, on the Effective Date or as soon thereafter as is practicable, (i) a *pro rata* share of [5.1 million shares] of New Weirton Common Stock constituting [51%] of New Weirton Common Stock to be issued and outstanding on the Effective Date, and (ii) a *pro rata* interest in the net proceeds of the Avoidance Actions, which Avoidance Actions shall be assigned by Weirton to the Creditors' Committee for the benefit of Allowed Class 6 Claims, subject, however, to the right of Reorganized Weirton to designate, at the reasonable discretion of Reorganized Weirton, certain critical vendors that shall not be subject to Avoidance Actions.

Class 6 is impaired under the Plan. Holders of Allowed Class 6 Claims are entitled to vote to accept or reject the Plan.

7. Class 7: Section 1114 Termination Claims

Distributions: In full and complete settlement, discharge and satisfaction of Allowed Class 7 Claims, on the Effective Date, Weirton or Reorganized Weirton, as the case may be, shall endeavor using best efforts, and to the extent not already accomplished, in full and complete settlement, discharge and satisfaction of Allowed Class 7 Claims, on the Effective Date, Weirton or Reorganized Weirton, to:

(a) provide Retirees who are not Medicare eligible the opportunity to elect to receive either through the VEBA (as defined below) or through Weirton continuation coverage benefits consistent with Part 6 of Title I of ERISA and Internal Revenue Code Section 4980B ("COBRA") group health plan coverage that is the same or substantially similar to health plan coverage provided to similarly situated non-COBRA beneficiaries;

(b) establish premium costs for COBRA in accordance with applicable law and regulations, to include the 2% administrative fee by law, with 100% of such premiums to be paid by Retirees. It is contemplated by Weirton that COBRA programs will, as a matter of law, be eligible for Health Care Tax Credit ("HCTC") and Weirton will facilitate premium reimbursement under HCTC on an advance basis for those COBRA participants who are HCTC eligible and who elect to do so;

(c) for those Retirees between the ages of 55 and 65 who are or will be receiving a benefit from the Pension Benefit Guaranty Corporation (the "PBGC") and are not Medicare eligible, and do not elect COBRA coverage, use best efforts to assist such Retirees' participation in a state-of-residence HCTC qualified medical plan;

(d) establish a voluntary employee benefit association (the "VEBA") in accordance with Section 501(c)(9) of the Internal Revenue Code to sponsor retiree-pay-all (in excess of any Weirton subsidiary provided herein) group medical benefits to the following individuals and/or families: (1) current Retirees who are or will be non-HCTC eligible (e.g., under age 55) under the age of 55 and their dependents; (2) spouses of current Retirees who were receiving retiree medical coverage with their Retiree spouse, which Retiree spouse is non-HCTC eligible (the "Left-Behind Spouses"); and (3) current Medicare eligible Retirees and their dependents. The VEBA will be established by Weirton as a trust to be administered by Weirton with reasonable input from the individual Retirees nominated by Retirees (the "Administration Retirees"). The Administration Retirees will participate in selecting a group insured medical policy and a supplemental group life insurance policy that the Administration Retirees deem to be in the best interest of Retirees and will monitor Weirton's management of the group health and supplemental group life plans;

(e) fund all costs of administration and administer the VEBA during the first sixty months of its existence, subject to review and negotiations among Weirton and the Administration Retirees for the period following the first sixty months;

(f) initially fund the VEBA in the first three months following the effective date of Weirton's plan of reorganization with three equal cash installments aggregating $2,500,000, and a cash payment of $500,000 in months 4, 7 and 10 following the Effective Date of Weirton's Plan;

(g) fund the VEBA in the second year of its existence with a fixed sum payment of $2,500,000 in twelve (12) equal monthly installments, and fund the VEBA in the 3rd, 4th and 5th years of its existence, with a fixed sum payment of $1,000,000 per year (payable in quarterly installments), plus a range of 10% to 25% of free cashflow, where free cashflow is measured by taking EBITDA less (1) interest paid, (2) unlevered capital expenditures, and (3) principal repayments, including cash sweeps required under the ESLGB term debt financing. The VEBA, in calendar years 2005, 2006, 2007 and 2008 will be paid (1) 10% of free cashflow per ton shipped in excess of $6 and up to and including $18 per ton of steel shipped, (2) 20% of free cashflow per ton shipped in excess of $18 and up to and including $36 per ton of steel shipped, (3) 25% of free cashflow per ton shipped in excess of $36 per ton of steel shipped. Thereafter, Reorganized Weirton and Retirees will review and negotiate in good faith, terms and conditions of continued funding by Reorganized Weirton of the VEBA;

(h) modify the Term Life Program such that Weirton will pay all premiums on term life insurance coverage in the amount of $15,000 per Retiree for a period of five years, after which time Reorganized Weirton and Retirees will review and negotiate in good faith, terms and conditions of extending such coverage. Additionally, the VEBA or Weirton will establish a voluntary supplemental life insurance program for the benefit of Retirees who desire to participate, where all such premiums will be paid solely by the participating Retirees, and which supplemental group life insurance program will establish premiums utilizing a group rate of a census larger than Retirees. ;

(i) assign to the VEBA, Weirton's interests in notes receivable from the City of Weirton in the approximate principal amount of $2,000,000 and the West Virginia Department of Economic Development in the approximate principal amount of $1,200,000;

(j) issue to the VEBA for the benefit of Retirees, on the effective date of its plan of reorganization, common equity in Reorganized Weirton in an amount to be negotiated among the Independent Steelworkers Union, Retirees, and general unsecured creditors. The Company will use its good faith best efforts to assist Retirees and the VEBA in "monetizing" the common equity.

Class 7 is impaired under the Plan. Holders of Allowed Class 7 Claims are entitled to vote to accept or reject the Plan.

8. Class 8: Preferred Stock Interests

Distributions. Class 8 interests and the rights of any person to purchase or demand the issuance of Preferred Stock, including without limitation (a) conversion, exchange, voting, participation and dividend rights; (b) liquidation preferences; and (c) stock options, warrants and put rights, will receive no distribution under the Plan. On the Effective Date, share certificates and other instruments evidencing Allowed Class 8 Interests will be cancelled and deemed null and void and of no further force and effect (all without further act or action) and all obligations of Weirton to the holders of Allowed Class 8 Interests will be discharged and released.

Class 8 is impaired under the Plan, and the holders of Allowed Class 8 Preferred Stock Interests are deemed to reject the Plan. Consequently, holders of Allowed Class 8 Preferred Stock Interests are not entitled to vote to accept or reject the Plan.

9. Class 9: Common Stock Interests

Distributions. Class 9 interests will not receive any distribution or retain any interests under the Plan. On the Effective Date, share certificates and other instruments evidencing Allowed Class 9 Interests will be cancelled and deemed null and void and of no further force and effect (all without further act or action), and all obligations of Weirton to the holders of Allowed Class 9 Interests will be discharged and released.

Class 9 is impaired under the Plan, and the holders of Allowed Class 9 Interests are deemed to reject the Plan. Consequently, holders of Allowed Class 9 Interests are not entitled to vote to accept or reject the Plan.

10. Class 10: Securities Claims

Distributions. No holder of a Securities Claim shall receive any distribution under the Plan, and all such claims or interests shall be released and discharged on the Effective Date.

Class 10 is impaired under the Plan, and the holders of Allowed Class 10 Interests are deemed to reject the Plan. Consequently, holders of Allowed Class 10 Interests are not entitled to vote to accept or reject the Plan.

D. Claims Bar Date

On or about August 27, 2003, the Bankruptcy Court entered the Order under Fed.R.Bankr.P. 3003(c)(3)(i) Setting a Final Date For Filing Proofs of Claim, and (ii) Approving Form and Manner of Notice (the "Bar Date Order"), which established a Claims Bar Date for the filing of proofs of claim or interest for all creditors of the Debtor, including, without limitation, holders of executory contracts and unexpired leases of the Debtor (other than for Administrative Expense Claims) of October 20, 2003, at 5:00 p.m. (New York Time) ("Bar Date"). Paragraph 16 of the Bar Date Order provides: "Any Person or Entity that is required to file a proof of claim in this chapter 11 case but fails to do so in a timely manner shall be forever barred, estopped, and enjoined from: (a) asserting any claim against the Debtor that such Person or Entity has that (i) is in an amount that exceeds the amount, if any, that is set forth in the Schedules, or (ii) is of a different nature or in a different classification (any such claim referred to as an "Unscheduled Claim"), and (b) voting upon, or receiving distributions under, any plan or plans of reorganization in this chapter 11 case in respect of an Unscheduled Claim." Accordingly, to the extent a proof of claim was not filed by the applicable bar date, such Claim shall not be an "Allowed Claim" as defined in Article I, Section 1.3 of the Plan.

E. Treatment and Status of Certain Claims

1. Environmental Claims

The Debtor's operations are subject to a variety of federal, state and local environmental, worker safety and health laws and regulations, including those relating to air emissions, waste water discharges, the handling and disposal of solid and hazardous wastes and toxic substances and the release of hazardous substances. Those laws and regulations include the Federal Clean Air Act, Clean Water Act, Toxic Substances Control Act, Resource Conservation and Recovery Act ("RCRA"), Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), and analogous state and local laws. As of August 31, 2003, the Debtor had total book reserves of approximately $9 million relating to future costs arising from known environmental liabilities for investigation, remediation and operation and maintenance of remediation systems, including costs relating to its own properties and to certain sites at which the Debtor's wastes have allegedly been identified. With the exception of the matters listed below, the Debtor submits that its operations are generally in material compliance with all applicable environmental regulation and permitting requirements.

(a) *Off-site environmental matters.* The Debtor maintains that under prevailing law in the Fourth Circuit, an off-site environmental obligation is a dischargeable claim in bankruptcy when remediation would require the debtor to spend money. Therefore, the Debtor's alleged obligations to governmental agencies, site owners and other parties as a result of alleged environmental violations are classified as Class 6 General Unsecured Claims in the Plan. The United States and the West Virginia Department of Environmental Protection contend, however, that reorganizing corporations must comply with court orders to protect public health and safety and that such equitable remedies are not dischargeable claims under the Bankruptcy Code.

The following is a summary of the significant environmental matters in which the Debtor is currently involved at non-company owned sites:

(i) Brooke County Landfill (Brooke Co., WV). Since October 1998, Solid Waste Service, Inc. ("Solid Waste") has provided non-hazardous waste transportation, stabilization and disposal services for Weirton. Weirton also leased a dedicated industrial waste cell from Valero Terrestrial Corporation ("Valero"), an affiliate of Solid Waste, for the exclusive disposal of non-hazardous wastes. On January 24, 2003, Solid Waste and Valero signed a Consent Order and Agreement

("Brooke County Landfill COA") with the West Virginia Department of Environmental Protection ("WVDEP") regarding compliance issues at the landfill including requirements and deadlines for work on the Weirton cell. Solid Waste and Valero have failed to comply with the Brooke County Landfill COA according to June 19, 2003 correspondence from the WVDEP. At this time, the WVDEP has not given any notice to Weirton with respect to any liability for this site.

(ii) Shiloh Landfill (Hancock Co., WV). From 1984 to 1998, the Shiloh River Corporation ("SRC") operated and leased the Shiloh Landfill, a private landfill, to Weirton under an exclusive-use lease agreement for Weirton's non-hazardous waste disposal. The WVDEP entered into a Consent Order and Agreement with Weirton and SRC in 1997 ("Shiloh Landfill COA") that established post-closure requirements for the landfill as obligations of "SRC and/or Weirton". The landfill was closed pursuant to the Shiloh Landfill COA in June 1999. The Shiloh Landfill COA and the facility's state-issued wastewater discharge permit, which identifies SRC and Weirton as co-permittees, require groundwater and surface water monitoring and reporting, landfill inspections and maintenance of the landfill's structural components. Post-closure activities must be maintained through June 2029. Under a proposed agreement with SRC, Weirton's portion of such activities would be approximately $61,500 per year until 2029, with total future payments having a present value of approximately $930,000.

(b) *On-site environmental matters.* Claims for on-site remediation will be paid by Reorganized Weirton in the ordinary course of business from ongoing operations. The following is a summary of significant environmental issues on sites owned by Weirton:

(i) 1996 RCRA Corrective Action Order. The United States Environmental Protection Agency ("USEPA") issued an order to Weirton in 1996 ("1996 RCRA COA") that requires Weirton to conduct facility-wide, as defined in the 1996 RCRA COA, on-site investigation to determine the nature and extent of hazardous substances that may be located on Weirton's property. The facility is defined for purposes of the 1996 RCRA COA as 12 distinct areas of operation including all primary operating mills, the Brown's Island Coke Plant and Byproducts area, the C&E Outfall area, the Mainland Coke Plant area, the Walnut Street Junction rail yard, several slag processing areas, a former slag disposal area and the BOC area, totaling approximately 1,350 acres. The 12 areas were prioritized for investigation and for purposes of implementing corrective action as a result of negotiations between the USEPA and Weirton. Two areas have been investigated to date and partial interim measures have been conducted. Weirton is currently participating in the USEPA's Environmental Indicators ("EI") program, which may allow Weirton to significantly reduce the remaining investigation costs under the 1996 RCRA COA. The successful implementation of the EI program may also allow Weirton to eliminate the facility from the USEPA's enforcement program. The company has estimated total future costs for compliance with the 1996 RCRA COA to be at least $4,430,500.

(ii) 1996 Multi Media Consent Decree. In 1996, the Debtor entered into a consent decree ("1996 Consent Decree") with the USEPA, the United States Department of Justice and the WVDEP that dealt with air, water and waste environmental issues. Only one project remains to be completed under the 1996 Consent Decree: the cleanout of the East Lagoon, which is part of the C & E Lagoon Area. The estimated cost to complete the East Lagoon cleanout is approximately $825,000. Also, under the 1996 Consent Decree, the Debtor was required to pay various stipulated penalties for NPDES wastewater permit violations upon a joint demand from the regulatory agencies. To date, the Debtor has accrued approximately $1,453,000 in unpaid stipulated penalties.

(iii) Steubenville Plant (Steubenville, OH). In 1985, Weirton purchased from National the Steubenville Plant ("Steubenville Plant"), which is the location of former chrome and tin plating lines. Weirton has never operated the Steubenville Plant. The Steubenville Plant

totals nine acres, approximately seven acres of which are owned by Weirton and approximately two acres of which were leased by Weirton from the Wheeling and Lake Erie Railroad since 1918. An environmental Phase I assessment of the plant was conducted by an environmental consultant in 2002. The City of Steubenville, through the environmental consultant, performed an environmental Phase II assessment of the Steubenville Plant property and applied for a State of Ohio grant to remediate the property. This application is currently pending and the decision deadline is December 2003. If the application is granted, then the City of Steubenville will have twenty four (24) months to remediate the property under the Clean Ohio Revitalization Fund program. The Steubenville Plant property is currently in the Ohio Voluntary Action Program cleanup program.

2. Tort and Litigation Claims

As of the Petition Date, the Debtor was a party to a variety of legal proceedings and administrative actions. Significant categories of legal actions pending against the Debtor are summarized below:

(a) Asbestos Actions. The Debtor is a defendant in at least five asbestos-related lawsuits, including one class action lawsuit.

(b) Other Personal Injury Actions. The Debtor is a Defendant in a number of individual personal injury cases at various stages of resolution. These cases fall into two categories:

(i) Personal injury claims brought by individuals who are not employed by Weirton, or that are not work-related; and

(ii) Personal injury claims brought by Weirton employees for work-related injuries pursuant to the deliberate intention exception to West Virginia's Workers' Compensation Act ("Mandolidis Claims").

(c) Employee Related Litigation. In addition to the Mandolidis Claims, the Debtor is a defendant in various employment litigation matters, including but not necessarily limited to: (i) discrimination claims and claims under the Americans with Disabilities Act; (ii) various union lawsuits, administrative proceedings and grievances asserted for wrongful termination, overtime pay, and other complaints; (iii) unemployment compensation claims, including current employees; (iv) workers' compensation claims; and (v) at least one ERISA claim. Unless otherwise stated in the Plan, such claims when and if Allowed will be included in Class 6.

3. West Virginia Workers' Compensation Division Claim

Pursuant to the West Virginia Statutes, Chapter 23, West Virginia requires all employees operating in the State of West Virginia to participate in the state's system for payment of workers' compensation claims. The West Virginia Statutes require that all employers either (a) subscribe to a workers' compensation fund (the "Fund") to which payments are made by employers and from which employee workers' compensation claims are paid or (b) self-insure against workers' compensation claims. Weirton has been authorized by the West Virginia Workers' Compensation Division ("Division") to self-insure against workers' compensation claims. Accordingly, Weirton does not subscribe to the Fund, but makes payments directly on workers' compensation claims through a third party administrator.

Even though Weirton, as a self-insured employer, is not required to subscribe to the Fund, it is required to make certain payments, referred to as a "self-insured premium tax," to the Fund. A portion of the "self-insured premium tax" includes the payment in the ordinary course of employee workers'

compensation claims by Weirton. As a self-insured employer, Weirton must also maintain a bond sufficient in amount to assure payment of outstanding workers' compensation claims.

Under the West Virginia Statutes, to the extent that an employer that is self-insured for workers' compensation fails to timely pay the "self-insured premium tax" to the Fund, which would include a failure to pay any employee workers' compensation claim, as and when due, the Division is authorized to determine "the full accrued value based upon generally accepted actuarial and accounting principles of the employer's liability including the costs of all awarded claims and of all incurred but not reported claims." The Division can then assess this amount against an employer and demand to collect the present value of the defaulted liability.

As set forth in Section VI.A.6, Weirton was authorized pursuant to a first day order to continue the self-insured workers' compensation program, and pay all costs associated therewith, including prepetition claims and processing costs. Weirton is current with payment of all workers' compensation claims that have been filed by employees. Weirton is also current with all "self-insured premium taxes" and other charges due to the workers' compensation Fund. Self-insured employers in the State of West Virginia are required to provide the Fund collateral as surety for performance of a self-insured employer's obligations to workers' compensation claimants. Currently, a third party has issued surety bonds to the Fund on behalf of Weirton in the amount of $8.0 million. As a condition precedent to the Effective Date of Weirton's Plan, Weirton must obtain from the Fund a surety arrangement acceptable to both Weirton and the Fund. Reorganized Weirton plans to continue to pay its workers' compensation obligations on and after the Effective Date.

The Division has calculated Weirton's estimated undiscounted value of outstanding liability for workers' compensation claims, including future claims, to be in excess of $88 million, with a present value of $55 million. Weirton does not agree with these calculations, and believes that its estimated workers compensation obligations are substantially less than that calculated by the Fund, or approximately $34.4 million. The basis for this dispute results from Weirton's belief that its estimates more properly reflect its actual rate and payment of claims. Weirton asserts that the Division's estimated claim amount results from standard actuarial calculations that are not consistent with Weirton's historical workers' compensation liabilities while Weirton's estimate of its obligations is based on actual historical rates and payments of claims. The Effective Date of the Plan is contingent upon Weirton obtaining an agreement with the Fund for Reorganized Weirton to provide workers' compensation benefits upon emergence from chapter 11 proceedings in a form satisfactory to Weirton at its sole discretion.

4. Collective Bargaining Agreements, Employee Benefits, Retiree Benefits and Modifications Thereto

The Debtor is a party to the following three collective bargaining agreements with the ISU: (i) with respect to hourly production and maintenance employees by Agreement effective October 26, 2001, as revised by Settlement Agreement dated February 5, 2003; (ii) with respect to salary non-exempt employees by Agreement effective October 26, 2001, as revised by Settlement Agreement dated February 5, 2003; and (iii) with respect to the nurse unit by Agreement effective October 26, 2001, as revised by Settlement Agreements dated May 17, 2001, September 14, 2001 and February 5, 2003. Weirton is also a party to a collective bargaining agreement with the IGU, effective September 26, 1999, as revised by Settlement Agreements dated June 12, 2001, September 26, 2001 and February 5, 2003. The Effective Date of the Plan is contingent upon Weirton entering modified collective bargaining agreements with its represented employees in a form acceptable to Weirton in its sole discretion.

5. Reclamation Claims

On July 1, 2003, the Bankruptcy Court entered an order governing the treatment of reclamation claims (the "Reclamation Order"). Under the Reclamation Order, the reclamation demands of creditors for the return of goods were denied as to all claims, and valid reclamation claims were granted administrative expense status. Reclamation claims determined to be invalid will constitute general unsecured Claims to be included in Class 6 of the Plan.

The Reclamation Order required the Debtor to file a report, identifying those reclamation demands it recognized as valid, and those that were invalid (the "Reclamation Report"). On July 16, 2003, the Debtor filed the Reclamation Report. The Reclamation Report recognized valid claims of various creditors in the total amount of $75,074.89, and listed invalid reclamation claims in the total amount of $3,965,862.78. Fourteen reclamation claimants filed objections to the Reclamation Report, and three claimants raised informal objections. After discussions with various objecting reclamation claimants, on August 25, 2003, the Debtor filed a Supplemental Reclamation Report, which superseded the first Reclamation Report, and that listed valid reclamation claims in the total amount of $165,509.17 and invalid reclamation claims totaling $4,008,999.82. By Order dated August 26, 2003, the Bankruptcy Court disallowed $2,252,938.09 in reclamation claims and allowed $107,176.22 in valid reclamation claims, leaving twelve reclamation claims totaling $1,814,394.68 subject to dispute in whole or in part, $58,332.95 of which the Debtor does not contest.

F. Confirmation Hearing

The Bankruptcy Court will hold the Confirmation Hearing at the following time and place:

Confirmation Hearing

Date and Time: Commencing at _____ __.m. (Eastern time), on _____, 2003.

Place: The United States Bankruptcy Court, Northern District of West Virginia, Bankruptcy Courtroom, Third Floor, United States Federal Building & Courthouse, 12th and Chapline Streets, Wheeling, West Virginia 26003.

Judge: The Honorable L. Edward Friend, II

The Confirmation Hearing may be adjourned from time to time on announcement in the Bankruptcy Court on the scheduled date for the hearing. No further notice will be required to adjourn the hearing.

At the Confirmation Hearing, the Bankruptcy Court will:

- determine whether sufficient majorities in number and dollar amount, as applicable, from each Voting Class have delivered properly executed votes accepting the Plan to approve the Plan;
- hear and determine objections, if any, to the Plan and to confirmation of the Plan that have not been previously disposed of;
- determine whether the Plan meets the confirmation requirements of the Bankruptcy Code; and
- determine whether to confirm the Plan.

Any objection to confirmation of the Plan must be in writing and filed and served as required by the Bankruptcy Court under the order approving this Disclosure Statement. That order requires any objections to the confirmation of the Plan to be served so as to be received on or before [_____], 2003 by the following persons:

- Counsel for the Debtor, McGuireWoods LLP, Dominion Tower, 625 Liberty Avenue, 23rd Floor, Pittsburgh, Pennsylvania 15222-3142, Attn: Mark E. Freedlander, Esq.;

- Co-Counsel for the Debtor, Bailey, Riley, Buch & Harman, L.C., Riley Building, 53 – 14th St., Suite 900, Wheeling, West Virginia 26003-0081, Attn: Arch W. Riley, Jr., Esq.;

- The Office of the United States Trustee for the Northern District of West Virginia, 2025 United States Courthouse, 300 Virginia Street East, Charleston, West Virginia 25301, Attn: Debra A. Wertman, Esq.;

- Counsel for the Creditors' Committee, Blank Rome, LLP, The Chrysler Building, 405 Lexington Avenue, New York, New York 10174, Attn: Marc E. Richards, Esq.;

- Co-Counsel for the Creditors' Committee, Campbell & Levine, LLC, Grant Bldg., 310 Grant Street, Suite 1700, Pittsburgh, Pennsylvania 15219, Attn: David B. Salzman, Esq.;

- Counsel for the Postpetition Lenders, Goldberg, Kohn, Bell, Black, Rosenbloom & Moritz, Ltd., 55 East Monroe Street, Suite 3700, Chicago, Illinois 60603, Attn: Alan P. Solow, Esq.;

- Co-Counsel for the Postpetition Lenders, Phillips, Gardill, Kaiser & Altmeyer, PLLC, 61 Fourteenth Street, Wheeling, West Virginia 26003, Attn: Denise Knouse-Snyder, Esq.;

- Counsel for the Retiree Committee, Klett Rooney Lieber & Schorling, P.C., 40th Floor, One Oxford Centre, Pittsburgh, Pennsylvania 15219, Attn: James D. Newell, Esq.;

- Counsel for the ISU, Pietragallo Bosick & Gordon, 38th Floor, One Oxford Centre, Pittsburgh, Pennsylvania 15219-1407, Attn: Richard A. Pollard, Esq.; and

- Counsel for the Ad Hoc Noteholder Committee, Akin Gump Strauss Hauer & Feld, LLP, 590 Madison Avenue, New York, New York 10022, Attn: Lisa G. Beckerman, Esq.

- Counsel for the J.P. Morgan Trust Company, National Association, as Trustee and Collateral Agent, Reed Smith LLP, 435 Sixth Avenue, Pittsburgh, PA 15219, Attn: Eric A. Schaffer, Esq.

- Counsel for the ESLGB, Curtis, Mallet-Prevost, Colt & Mosle LLP, 101 Park Avenue, New York, NY 10178-0061, Attn: Steven J. Reisman, Esq.

G. Cancellation of Existing Securities and Agreements

The Plan provides for the cancellation on the Effective Date, without any further action by the Debtor or the holders of the Equity Interests, of all the agreements, instruments and other documents evidencing Claims and Equity Interests (except as otherwise expressly provided in the Plan) or rights of any holder of a Claim and Equity Interests against the Debtor, including options or warrants to purchase

Equity Interests and any agreement obligating the Debtor to issue, transfer or sell Equity Interests or any other capital stock of Debtor.

As of the Effective Date, all Indenture Notes and all indentures, agreements, instruments and other documents evidencing the Indenture Notes and the rights of holders thereof, shall be cancelled and deemed null and void and of no further force and effect (all without further act or action), and all obligations of any Person (including, without limitation, the indenture trustees to the Secured 2002 Exchange Notes and Secured Pollution Control Bonds) under such instruments and agreements shall be fully satisfied and released. Notwithstanding the foregoing, such cancellation shall not impair the rights and duties under the Secured 2002 Exchange Indenture and Secured Pollution Control Indenture as among the respective indenture trustees to the Secured 2002 Exchange Notes, the Secured Pollution Control Bonds and the beneficiaries of the trusts created thereby. Notwithstanding the foregoing, such cancellation shall not impair the rights and duties under the 2002 Exchange Indenture and Secured Pollution Control Indenture as among the respective indenture trustees to the Secured 2002 Exchange Notes and Secured Pollution Control Bonds and the beneficiaries of the trusts created thereby

H. Means of Executing the Plan

1. Capital Structure of Reorganized Weirton

The Plan provides that the capital structure of Reorganized Weirton will be comprised of the New Weirton Common Stock, the Junior Secured Notes and attached Warrants and the loans under the Exit Facility. The principal features of the New Weirton Common Stock and the Exit Facility are described below. The primary features of the Junior Secured Notes and attached Warrants are described at Section VII.C.5.

The Following Summary Is Not a Complete Description of the Plan the New Weirton Common Stock, the Junior Secured Notes and attached Warrants or the Exit Facility

This Section provides a summary of the securities to be issued on or after the Effective Date of the Plan and certain other matters contemplated to occur under or in connection with confirmation of the Plan. This summary highlights certain substantive provisions of the Plan, the New Weirton Common Stock and the Junior Secured Notes and attached Warrants but is not, nor is it intended to be, a complete description of the Plan, the New Weirton Common Stock, the Junior Secured Notes and attached Warrants or a substitute for a full and complete reading of the Plan, the Plan Supplement and its exhibits.

The Debtor encourages you to read the entire Plan, the Plan Supplement and its exhibits carefully before deciding how to vote on the Plan.

(a) New Weirton Common Stock

The authorized capital stock of Reorganized Weirton will consist of [10,000,000] shares of New Weirton Common Stock, par value $0.01 per share, and the issuance of warrants in connection with the Junior Secured Notes. Weirton expects that [10,0000,000] shares of New Weirton Common Stock will be issued on the Effective Date pursuant to the provisions of the Plan, with [49%] of the shares issued to be provided to active represented employees and current retirees of Weirton, with the balance of shares issued on the Effective Date to be distributed to other creditors of Weirton's bankruptcy estate in

accordance with terms negotiated among Weirton and parties-in-interest. Preliminary discussions have occurred with respect to the division of the New Weirton Common Stock, although resolution of the exact percentages of New Weirton Common Stock is not finalized. A modification to the Plan will be filed definitively describing the allocation percentage of New Weirton Common Stock to be issued at such time as the exact percentage distributions of New Weirton Common Stock are finally determined. The issuance of the warrants in connection with the Junior Secured Notes would permit such Junior Secured Noteholder to acquire, in the aggregate, five (5%) percent of the fully diluted New Weirton Common Stock.

(i) *Principal Characteristics of New Weirton Common Stock.* The holders of New Weirton Common Stock will be entitled to one vote per share for each share held of record on all matters submitted to a vote of stockholders and will be entitled to receive ratably such dividends as may be declared by the Board of Directors out of funds (if any) legally available therefore. In addition,

- Reorganized Weirton will be subject to certain limitations on the declaration and payment of dividends under the terms of, among other items (i) the Exit Facility and (ii) the profit sharing plan established under the new collective bargaining agreement, and it is not anticipated that any cash dividends will be paid on the New Weirton Common Stock for the foreseeable future.

- Upon a liquidation, dissolution or winding up of Reorganized Weirton, holders of New Weirton Common Stock would have the right to a ratable portion of assets remaining after payment of liabilities and any then subsequently issued preferred stock. The holders of New Weirton Common Stock will have no preemptive or cumulative voting rights.

- All shares of common and preferred stock of Weirton held by the 1984 and 1989 ESOPs will be canceled on the Effective Date, and the 1984 and 1989 ESOPs will be terminated in accordance with applicable nonbankruptcy law, with the cost of such termination and all acts necessary in association therewith to be paid by Reorganized Weirton.

(ii) *Summary of Reorganized Weirton's Amended and Restated Certificate of Incorporation and Amended and Restated By-Laws.* Copies of the Amended and Restated Certificate of Incorporation and Amended and Restated By-laws for Reorganized Weirton will be included in the Plan Supplement. The following is a brief summary of the principal provisions of the Amended and Restated Certificate of Incorporation and Amended and Restated By-laws.

The Board of Directors of Reorganized Weirton may issue preferred stock, and designate the terms thereof (including with respect to voting rights, dividends, liquidation preferences and conversion rights), without the need for stockholder approval. On the Effective Date, Reorganized Weirton will file its Amended and Restated Certificate of Incorporation with the Secretary of State of Delaware and its Amended and Restated By-laws will be deemed adopted by the Board of Directors of Reorganized Weirton.

The Reorganized Weirton Amended and Restated Certificate of Incorporation and the Amended and Restated By-laws, as applicable, will, among other things:

- not authorize the issuance of non-voting equity securities, as and to the extent required by sections 1123(a) and (b) of the Bankruptcy Code; and

- provide for the limitation of liability and the general indemnification of the officers and directors of Reorganized Weirton and the ratification of Reorganized Weirton's assumption under the Plan of any obligation to indemnify specified representatives with respect to all present and future actions, suits, and proceedings against Reorganized Weirton or its representatives, based on any act or omission for or on behalf of Weirton.

(iii) *Board of Directors and Officers of the Reorganized Debtor.* On the Effective Date, the operation of Reorganized Weirton will become the general responsibility of the Board of Directors referred to hereunder, which will, thereafter, have the responsibility for the management, control and operation of Reorganized Weirton.

The initial Board of Directors of Reorganized Weirton will consist of nine members, one of whom will also be the Chief Executive Officer of Reorganized Weirton and one of whom will be designated by the management of Reorganized Weirton. The other seven members of the Board of Directors will be designated as follows: (a) four members by Class 5 Claimants; (b) two members by the ISU, neither of whom may be a member of or professional for the ISU, with the exception of the President of the ISU, who may be designated by the ISU as a member of the Board of Directors; and (c) one member by the Creditors Committee. The identities and affiliations of the initial members of the Board of Directors of Reorganized Weirton and the executive officers of Reorganized Weirton will be listed in the Plan Supplement. Each of the members of the initial Board of Directors will serve in accordance with the Amended and Restated By-laws of Reorganized Weirton, as the same may be amended from time to time.

It is anticipated that the officers of Weirton immediately prior to the Effective Date will serve as the initial officers of Reorganized Weirton on and after the Effective Date. Such officers will serve in accordance with any employment agreement with Reorganized Weirton and applicable nonbankruptcy law.

(b) Debt Obligations of the Reorganized Debtor

(i) *Exit Facility.* Fleet is the sponsor of an application with the ESLGB, which will provide for, *inter alia*, federally guaranteed term debt financing ("Exit Term Debt"), in addition to an asset based revolving credit facility that is not subject to any federal guaranty or other guaranty of any nature ("Exit Revolver"). Weirton does not have conditional approval from the ESLGB for guaranteed Exit Term Debt, but Weirton expects the ESLGB to make a determination on the application on or about November 13, 2003. It is anticipated that ESLGB conditional approval, if such conditional approval occurs, will be provisional, contingent upon Weirton's satisfaction of certain conditions precedent established by the ESLGB. Pursuant to 15 U.S.C. §1841, *et seq.*, a closing on the Exit Term Debt must occur on or before December 31, 2003, absent the extension of this deadline pursuant to an act of Congress. Notwithstanding the foregoing, Weirton expects emergence financing to consist of the Exit Revolver and Exit Term Debt (collectively, the "Exit Facility") generally consisting of terms and conditions as follows:

- Exit Revolver in the maximum principal amount of $200 million, secured by a first priority lien and security interest in working capital assets and a second priority lien on property, plant and equipment;

- Exit Revolver will be for a term of five years;

- Exit Revolver will bear interest at rate of LIBOR plus 3.75% per annum paid monthly in arrears;

- Exit Term Debt in maximum principal amount of $175 million, secured by a first priority lien and security interest in property, plant and equipment and a wrap around second lien and security interest in working capital assets;

- Exit Term Debt guaranteed in tranches;

- Exit Term Debt has maturity of five years, however, with ten year amortization schedule and balloon at maturity, and no principal amortization payments in the first six months;

- Exit Term Debt will bear interest at rate of LIBOR plus 2.75 % per annum paid monthly on tranches A and B and 15% on tranche C; and

- Exit Facility will contain other terms and conditions customary for an exit facility of similar size under similar circumstances.

If the Debtor does not obtain the Exit Facility, it is not likely that the Debtor would be able to consummate the Plan in its current form. The assumptions relating to projections and the recoveries with respect to Claims used throughout this Disclosure Statement are based on the assumption that the Exit Facility will be obtained with the terms described below; however, there are no assurances at this time that the terms of the Exit Facility will be consistent with the assumptions described below.

The Projected Available Cash from the Exit Facility will be used by the Reorganized Debtor to fund the Cash portion of the distribution to be made to the Postpetition Lenders under the Plan. The Projected Available Cash is the amount on the Effective Date able to be drawn by the Reorganized Debtor under the Exit Facility, less amounts necessary to fund (i) the Allowed Administrative Expense Claims payable on the Effective Date, (ii) the Professional Fee Claims, (iii) Priority Claims, (iv) DIP Revolving Credit Facility Claims, (v) DIP Term Debt Facility Claims, (vi) other required Cash payments on the Effective Date and (vi) amounts necessary to be retained by the Reorganized Debtor for post Effective Date operations.

Sources	
Equity Conversion	$40,000
Junior Secured Notes	$35,000
Term Loan Funding	$175,000
Revolving Credit Facility	$83,713
DIP Term Loan	-
MABCO and Steelworks Debt	$29,907
Assumed Liabilities	
Employee, OPEB and Tax Related	$63,075
Other	$90,915
Accounts Payable	$40,658
Total	$558,268
Uses	
Liabilities Subject to Compromise	$75,000
DIP Financing - RCF	$130,291
DIP Financing - Term	$25,000
Byrd Bill Capital	$71,000
MABCO and Steelworks Debt	$29,907
Closing Costs	$32,422
Assumed Liabilities	

Employee, OPEB and Tax Related	$63,075
Other	$90,915
Accounts Payable	$40,658
Total	$558,268

In addition, on the Effective Date, Reorganized Weirton will issue to Allowed Class 5 Claimants Junior Secured Notes and related Warrants. See Section VII.C.5. for a more detailed description of the Class 5 Claims.

2. Implementation of the Plan

If the Plan is confirmed and approved by the Bankruptcy Court, the Plan will be implemented through the actions described in this Section of the Disclosure Statement and in the Plan. In accordance with the Plan, the Reorganized Debtor will:

- issue the New Weirton Common Stock on the Effective Date;
- enter into and close on the Exit Facility on the Effective Date;
- issue the Class 5 Junior Secured Note and the attached Warrants on the Effective Date;
- make cash payments on the Effective Date;
- establish the VEBA for the benefit of retirees on the Effective Date; and
- execute and/or deliver other documents or instruments required by the Plan on the Effective Date.

3. Distribution Procedures

(a) *Disbursing Agent.* All distributions under the Plan will be made by the Disbursing Agent. The Disbursing Agent will not be required to give any bond or surety or other security for the performance of its duties unless otherwise ordered by the Bankruptcy Court, and in the event that the Disbursing Agent is otherwise so ordered, all costs and expenses of procuring any such bond or surety will be borne by the Reorganized Debtor. The Disbursing Agent shall be empowered to (i) effect all actions and execute all agreements, instruments and other documents necessary to perform its duties under the Plan, (ii) make all distributions contemplated in the Plan, (iii) employ professionals to represent it with respect to its responsibilities under the Plan and (iv) exercise such other powers as may be vested in the Disbursing Agent by order of the Bankruptcy Court, pursuant to the Plan, or as deemed by the Disbursing Agent to be necessary and proper to implement the provisions of the Plan. Except as otherwise ordered by the Bankruptcy Court, the amount of any reasonable fees and expenses incurred by the Disbursing Agent on or after the Effective Date (including without limitation, taxes) and any reasonable compensation and expense reimbursement claims (including, without limitation, reasonable attorneys' fees and other professional fees and expenses) made by the Disbursing Agent shall be paid in Cash by the Reorganized Debtor.

(b) *Surrender of Instruments.* As a condition to receiving any distribution under the Plan, each holder of Claim or Equity Interest, represented by an instrument, including notes and certificates, must surrender such instrument held by it to the Disbursing Agent or its designee accompanied by a letter of transmittal substantially in the form set forth in the Plan Supplement, if any.

Any holder that fails to (i) surrender such instrument or (ii) execute and deliver an affidavit of loss and/or indemnity reasonably satisfactory to the Disbursing Agent and furnish a bond in form, substance, and amount reasonably satisfactory to the Disbursing Agent before the first anniversary of the Effective Date shall be deemed to have forfeited all rights and Claims and may not participate in any distribution under the Plan in respect of such Claim. Any distribution so forfeited shall become the sole and exclusive property of Reorganized Weirton.

(c) *Delivery of Distributions.* Subject to Bankruptcy Rule 9010, unless otherwise provided in the Plan, all distributions to any holder of an Allowed Claim will be made to the holder of each Allowed Claim at the address of such holder as listed in the Schedules, or on the books and records of the Debtor or its agents unless the Debtor has been notified, in advance, in writing of a change of address, including, without limitation, by the timely filing of a proof of claim or interest by such holder that provides an address for such holder different from the address reflected in the Schedules or in the Debtor's books and records. All distributions to the Postpetition Lenders will be made to Fleet as Agent. Distributions of New Weirton Common Stock may be made via distribution of certificates representing the New Weirton Common Stock. In the event that any distribution to any holder is returned as undeliverable, no distribution to such holder will be made unless and until the Disbursing Agent has been notified of the then current address of such holder, at which time or as soon as reasonably practicable thereafter, such distribution will be made to such holder without interest; provided, however, that, such undeliverable distributions will be deemed unclaimed property under section 347(b) of the Bankruptcy Code at the expiration of 365 days after the date of distribution in accordance with the section on Unclaimed Distributions below. The Reorganized Debtor and the Disbursing Agent will have no obligation to attempt to locate any holder of an Allowed Claim other than by reviewing the Schedules and its books and records (including any proofs of claim filed against the Debtor).

(d) *Delivery of Distributions of Indenture Note Claims.* On the Effective Date, or as soon thereafter as is practicable, the distributions to be made under the Plan to holders of Indenture Note Claims shall be made to the applicable Indenture Trustee. The Indenture Trustees shall not be required to give any bond or surety or other security for the performance of their duties. Notwithstanding the foregoing, distributions to holders of Indenture Note Claims shall be made by the applicable Indenture Trustees, subject to the right of the Indenture Trustees to assert their Charging Liens against such distributions.

Each holder of an Allowed Claim evidenced by an Indenture Note shall tender the Indenture Note to the applicable Indenture Trustee in accordance with written instructions to be provided in a letter of transmittal to such holders by the Indenture Trustee as promptly as practicable following the Effective Date. Such letter of transmittal shall specify that delivery of such Indenture Notes will be effected, and risk of loss and title thereto will pass, only upon the proper delivery of such Indenture Notes with the letter of transmittal in accordance with such instructions. Such letter of transmittal shall also include, among other provisions, customary provisions with respect to the authority of the holder of the applicable Indenture Note to act and the authenticity of any signatures required on the letter of transmittal. All surrendered Indenture Notes shall be marked as canceled and delivered by the Indenture Trustees to the Reorganized Debtor.

Any holder of a Claim evidenced by an Indenture Note that has been lost, stolen, mutilated or destroyed shall, in lieu of surrendering such Indenture Note, deliver to the applicable Indenture Trustee: (i) evidence satisfactory to such Indenture Trustee of the loss, theft, mutilation or destruction; and (ii) such indemnity as may be required by the Indenture Trustee to hold the Indenture Trustee harmless from any damages, liabilities or costs incurred in treating such individual as a holder of an Indenture Note that has been lost, stolen, mutilated or destroyed. Upon compliance with this section by a holder of a Claim

evidenced by an Indenture Note, such holder shall, for all purposes under the Plan, be deemed to have surrendered its Indenture Note, as applicable.

Any holder of an Indenture Note that fails to surrender or be deemed to have surrendered such note or Indenture Note before the first (1st) anniversary of the Effective Date shall have its claims for a distribution on account of such Indenture Note discharged and shall forever be barred from asserting any such claim against any Reorganized Debtor or their respective property or the Indenture Trustee, and shall not participate in any distribution hereunder, and the distribution that would otherwise have been made to such holder shall be distributed by the pertinent Indenture Trustee to all holders who have surrendered their Indenture Note certificates or satisfactorily explained their non-availability to the Indenture Trustee within first (1st) anniversary of the Effective Date.

Nothing herein affects any Indenture Trustees' rights pursuant to the Indenture and applicable non-bankruptcy law to assert the Charging Lien, issued pursuant to the Indenture to secure payment of the Indenture Trustees' fees and expenses, on any distributions hereunder to holders of Claims in Class 5 or 6. If any Indenture Trustee does not serve as Disbursing Agent with respect to distributions to its respective holders, then the funds distributed to any such disbursing agent shall be subject to the Charging Lien on the Indenture Trustee under the Indenture.

(e) *Distributions of Cash.* Any payment of Cash made pursuant to the Plan, at the option of the Reorganized Debtor or Disbursing Agent, as the case may be, will be made by a check drawn on a domestic bank or by wire transfer.

(f) *Hart-Scott-Rodino Compliance.* Any shares of stock in the Reorganized Debtor to be distributed under the Plan to any entity required to file a Premerger Notification and Report Form under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, will not be distributed until the notification and waiting periods applicable under such Act to such entity will have expired or been terminated.

(g) *Satisfaction of Claims.* Unless otherwise expressly provided herein, any distributions or deliveries made on account of Allowed Claims hereunder shall be in complete settlement, satisfaction and discharge of such Allowed Claims.

(h) *Compromise of Controversies.* Pursuant to Bankruptcy Rule 9019, and in consideration for the classification, distribution and other benefits provided under the Plan, the provisions of this Plan shall constitute a good faith compromise and settlement of all Claims and controversies resolved pursuant to the Plan, including, without limitation, all Claims arising prior to the Petition Date, whether known or unknown, foreseen or unforeseen, asserted or unasserted, arising out of, relating to or in connection with the business or affairs of or transactions with the Debtor. The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of each of the foregoing compromises or settlements and all other compromises and settlements provided for in the Plan, and the Bankruptcy Court's findings shall constitute its determination that such compromises and settlements are in the best interests of the Debtor, the Estate, creditors and other parties-in-interest, and are fair, equitable and within the range of reasonableness. Notwithstanding the foregoing, settlement by the Debtor or Reorganized Debtor of Insurance Claims pursuant to Bankruptcy Rule 9019 or under the provisions of the Plan shall not:

(1) be binding upon the Insurers,

(2) be considered a settlement of or judgment under the provisions of the Insurance Policies,

(3) accelerate any obligations of the Insurers under the Insurance Policies, nor

(4) be admissible in any court or proceeding as to the amount of any Insurance Claim.

(i) *Minimum Distributions.* No payment of Cash less than $10 will be made by the Reorganized Debtor or the Disbursing Agent to any holder of an Allowed Claim.

(j) *Fractional Shares.* No fractional shares of stock in the Reorganized Debtor will be distributed under the Plan. When any distribution pursuant to the Plan would otherwise result in the issuance of a number of shares in the Reorganized Debtor that is not a whole number, the actual distribution of shares of stock will be rounded as follows: (i) fractions of ½ or greater will be rounded to the next higher whole number; and (ii) fractions of less than ½ will be rounded to the next lower whole number.

(k) *Exemption from Securities Laws.* The issuance of the New Weirton Common Stock and Junior Secured Notes and attached Warrants pursuant to the Plan shall be exempt from any securities laws registration requirements to the fullest extent permitted by section 1145 of the Bankruptcy Code.

(l) *Unclaimed Distributions.* All distributions under the Plan that are unclaimed for a period in excess of 365 days after distribution thereof will be deemed unclaimed property under section 347(b) of the Bankruptcy Code, and revested in the Reorganized Debtor and any entitlement of any holder of any Claim to such distributions will be extinguished and forever barred.

(m) *Date of Distributions.* Unless otherwise expressly provided herein, any distributions or deliveries to be made hereunder shall be made on the Effective Date, or as soon thereafter as is practicable. In the event that any payment or act under the Plan is required to be made or performed on a date that is not a Business Day, then the making of such payment or the performance of such act may be completed on or as soon as reasonably practicable after the next succeeding Business Day, but shall be deemed to have been completed as of the required date.

(n) *Distributions to Holders as of the Distribution Record Date.* As of the close of business on the Distribution Record Date, the Claims Register, the equity register and transfer and other registers as maintained by the Debtor and its respective agents, as applicable, will be closed and there will be no further changes in the record holder of any Claim or Interest. The Debtor and Reorganized Debtor will have no obligation to recognize any transfer of any Claim or Interest occurring after the Distribution Record Date. The Reorganized Debtor will instead be authorized and entitled to recognize and deal for all purposes under the Plan with only those record holders stated on the Claims Register and equity register and other registers as of the close of business on the Distribution Record Date.

4. Closing of the Reorganization Case

After the Debtor's Estate has been fully administered, the Bankruptcy Court will close the Reorganization Case in accordance with section 350 of the Bankruptcy Code.

I. Treatment of Disputed, Contingent and Unliquidated Claims

1. Disputed Claims

(a) *Disputed Claims Equity Reserve.* On the Effective Date, the Reorganized Debtor shall transmit to the Disbursing Agent and the Disbursing Agent shall reserve in the Disputed Claims Equity Reserve a number of shares of New Weirton Common Stock equal to (a) one hundred percent (100%) of the shares of New Weirton Common Stock to which Persons holding Class 6 or 7 Claims that are Disputed Claims would be entitled pursuant to the Plan if such Disputed Claims were allowed Claims or (b) such lesser amount as the Bankruptcy Court may determine.

Dividends, distributions and other payments payable with respect to such New Weirton Common Stock shall be paid into the Disputed Claims Equity Reserve. The shares of the New Weirton Common Stock (and any proceeds or earnings thereon) held in the Disputed Claims Equity Reserve shall be held in trust by the Disbursing Agent for the Persons holding such Disputed Claims pending determination of their entitlement thereto.

The Distribution Agent shall be deemed to be the holder of all securities held in the Disputed Claims Equity Reserve pending their release therefrom, provided, however, that the Distribution Agent shall abstain from exercising any and all voting rights in respect of the shares of the New Weirton Common Stock held in the Disputed Claims Equity Reserve unless otherwise ordered by the Bankruptcy Court.

(b) *Calculation of Amounts.* In calculating the number of shares of New Weirton Common Stock to be held in the Disputed Claims Equity Reserve, the Reorganized Debtor shall (i) treat all claims relating to executory contracts or unexpired leases that have been assumed by the Debtor or the Reorganized Debtors on or before the Effective Date as if disallowed in full, (ii) unless the Bankruptcy Court orders otherwise, treat all liquidated Disputed Claims as if allowed in full and (iii) make a good faith estimate of the amounts, if any, likely to be allowed in respect of all unliquidated Disputed Claims.

(c) *Distributions as to Allowed Portion of Disputed Claims.* The holder of a Disputed Claim that becomes, in part, an Allowed Claim, will receive a distribution in respect of the Allowed portion of such Claim, in accordance with Article IV of the Plan for Claims partially Allowed on or prior to the Effective Date, and Section 5.3(B) of the Plan for Claims partially Allowed subsequent to the Effective Date.

(d) *Distributions Upon Allowance of Disputed Claims.* The holder of a Disputed Claim that becomes an Allowed Claim subsequent to the Effective Date will receive the distribution of cash that would have been made to such holder under the Plan, if the Disputed Claim had been an Allowed Claim on or prior to the Effective Date, without any additional post-Effective Date interest thereon on the first business day of the next succeeding month that is at least ten business days after the date such Disputed Claim becomes an Allowed Claim.

(e) *Distributions to Holders of Allowed Claims Upon Disallowance of Disputed Claims.* Upon disallowance of any Disputed Claim, each holder of an Allowed Claim in the same Class as the disallowed Disputed Claim will be entitled to its Pro Rata Share of Cash or New Weirton Common Stock, as the case may be, equal to the distribution that would have been made in accordance with Article IV of the Plan to the holder of such Disputed Claim had such Disputed Claim been an Allowed Claim on or prior to the Effective Date. Such distributions on account of disallowed Disputed Claims will be made as soon as practicable after the fifteenth business day following allowance

or disallowance of the last Disputed Claim. Upon allowance or disallowance of all or any portion of such Disputed Claims, the Reorganized Debtor will make appropriate distributions in accordance with the Plan.

(f) *Distributions Upon Allowance of Disputed Claims.* The holder of a Disputed Claim that becomes an Allowed Claim subsequent to the Effective Date will receive the distribution of cash that would have been made to such holder under the Plan, if the Disputed Claim had been an Allowed Claim on or prior to the Effective Date, without any additional post-Effective Date interest thereon on the first business day of the next succeeding month that is at least ten business days after the date such Disputed Claim becomes an Allowed Claim.

(g) *Distributions to Holders of Allowed Claims Upon Disallowance of Disputed Claims.* Upon disallowance of any Disputed Claim, each holder of an Allowed Claim in the same Class as the disallowed Disputed Claim will be entitled to its Pro Rata Share of Cash or New Weirton Common Stock, as the case may be, equal to the distribution that would have been made in accordance with Article IV of the Plan to the holder of such Disputed Claim had such Disputed Claim been an Allowed Claim on or prior to the Effective Date. Such distributions on account of disallowed Disputed Claims will be made as soon as practicable after the fifteenth business day following allowance or disallowance of the last Disputed Claim. Upon allowance or disallowance of all or any portion of such Disputed Claims, the Reorganized Debtor will make appropriate distributions in accordance with the Plan.

(h) *Insurance Claims.* All Insurance Claims are Disputed Claims. Any Insurance Claim for which a timely proof of claim was filed in this Reorganization Case will be determined and liquidated in the administrative or judicial tribunal(s) in which it was pending on the Effective Date, or if no action was pending on the Effective Date, in any administrative or judicial tribunal of appropriate jurisdiction, or in accordance with any alternative dispute resolution or similar proceedings as the same may be approved by order of a court of competent jurisdiction. Any Insurance Claim determined and liquidated pursuant to applicable nonbankruptcy Law that has become a Final Order, or in any alternative dispute resolution or similar proceeding as same may be approved by order of a court of competent jurisdiction, shall be treated and paid in accordance with the terms of any applicable Insurance Policy, and otherwise be included in Class 6 to the extent not covered by an Insurance Policy.

Nothing contained in the Plan shall impair the Debtor's right to seek estimation of any and all Insurance Claims, or constitute or be deemed a waiver of any defenses, counterclaims, cross-claims or causes of action that the Debtor may hold against any entity, including, without limitation, in connection with or arising out of any personal injury claim. The Debtor will not seek estimation of any of the Insurance Claims for the purpose of aggregating and/or accelerating the Insurers' alleged insurance obligations, but the Debtor may seek to estimate Insurance Claims for other purposes. To the extent that any estimation of any Insurance Claim is undertaken pursuant to section 502(c) of the Bankruptcy Code, such estimation: (i) shall in no way bind the Insurers; (ii) shall not be admissible in any court or proceeding as to the amount of the Insurance Claims; (iii) shall not require the Insurers to accelerate payments of Insurance Policy proceeds in any fashion; and (iv) shall not be deemed a judgment against or a settlement by the Debtor.

All Insurance Claims that are, as of the voting record date, contingent or unliquidated shall be entitled to vote to accept or reject the Plan, as members of Class 6. The amount of such Claims shall, however, be temporarily allowed in the amount of $1.00 each, for voting purposes only (and not for purposes of allowance or distribution), unless the holder of such an Insurance Claim timely obtains the entry of an order pursuant to Bankruptcy Rule 3018 allowing such claim in a different amount for purposes of voting to accept or reject the Plan, in accordance with applicable procedures established by

the Bankruptcy Court. The temporary allowance of Insurance Claims for voting purposes shall not affect any insurance coverage for such Claims.

2. Objections to and Resolution of Claims

(a) *Procedures.* Except as to applications for allowance of compensation and reimbursement of expenses under sections 330 and 503 of the Bankruptcy Code, the Reorganized Debtor shall, on and after the Effective Date, have the exclusive right to make and file objections to claims. Unless otherwise extended by the Bankruptcy Court, any objections to such Claims shall be served and filed on or before the later of: (i) one hundred twenty (120) days after the Effective Date; (ii) thirty (30) days after a request for payment or proof of Claim is timely filed and properly served upon the Debtor; or (iii) such other date as may be fixed by the Bankruptcy Court, whether fixed before or after the date specified in clause (i), hereof. Notwithstanding any authority to the contrary, an objection to a Claim shall be deemed properly served on the claimant if the Debtor or the Reorganized Debtor effect service in any of the following manners: (a) in accordance with Federal Rule of Civil Procedure 4, as modified and made applicable by Bankruptcy Rule 7004; (b) to the extent counsel for a claimant is unknown, by first class mail, postage prepaid, on the signatory on the proof of claim or other representative identified in the proof of claim or any attachment thereto; or (c) by first class mail, postage prepaid, on any counsel that has appeared on the claimant's behalf in the Reorganization Case. On and after the Effective Date, the Reorganized Debtor in accordance with Article V, Section 5.4 of the Plan, will have the authority to compromise, settle or otherwise resolve or withdraw any objection that they have filed, which act shall be effective upon the filing of a notice by the Reorganized Debtor with this Bankruptcy Court.

(b) *No Recourse.* Notwithstanding that the allowed amount of any particular Disputed Claim is reconsidered under the applicable provisions of the Bankruptcy Code and Bankruptcy Rules or is allowed in an amount for which after application of the payment priorities established by this Plan there is insufficient value to provide a recovery equal to that received by other holders of Allowed Claims in the respective Class, no Claim holder shall have recourse against the Disbursing Agent, the Debtor, the Reorganized Debtor, or any of its respective professional consultants, attorneys, advisors, officers, directors or members or its successors or assigns, or any of its respective property. However, nothing in the Plan shall modify any right of a holder of a Claim under section 502(j) of the Bankruptcy Code.

J. Alternative Transactions - Activities with Respect to Acquisition Proposals

As explained further in Section VI.I, the Debtor, with the assistance of its other advisors, is pursuing as an alternative to the restructuring contemplated under this Plan a sale of substantially all of the Debtor's assets in accordance with section 363 of the Bankruptcy Code. Any and all letters of interest from potential acquirers will continue to be evaluated by the Debtor as appropriate. In the event that Weirton's Board of Directors determines in good faith and in its reasoned business judgment that any acquisition proposal(s) is acceptable, after receiving advice from Debtor's legal counsel and financial advisors, the Debtor will negotiate appropriate documentation and seek necessary and appropriate approvals of such transaction(s), and will modify this Plan accordingly.

K. The Creditors' Committee and the Retiree Committee

The Creditors' Committee and the Retiree Committee will continue in their current forms from and after the Confirmation Date until the Effective Date, and will have all of the rights, powers and duties set forth in the Bankruptcy Code. Except as otherwise specifically provided under the Plan, on the Effective Date, the Creditors' Committee and the Retiree Committee will be dissolved and disbanded.

L. Vesting of Property and Discharge of Claims

1. Vesting of Property

On the Effective Date, all property of the Debtor and its Estate will be vested in the Reorganized Debtor, free and clear of any and all liens, claims, encumbrances or restrictions unless otherwise provided in the Plan. The Reorganized Debtor will thereafter operate its businesses, conduct its affairs and may use, sell, acquire, lease or otherwise dispose of its property in accordance with the Plan, the Confirmation Order, and/or other documents and instruments executed by Reorganized Debtor in accordance therewith, but otherwise will be free of any restrictions imposed by the Bankruptcy Code, the Bankruptcy Rules or the Office of the U.S. Trustee.

2. Discharge of Claims and Debts

Except as otherwise expressly provided in the Plan and the Confirmation Order, the entry of the Confirmation Order will, on the Effective Date, discharge and release the Debtor and its Estate and all property of the Debtor and its Estate from any and all claims, debts and liens that arose before the Confirmation Date.

3. Discharge of Certain Indemnification Obligations

Except as otherwise specifically provided in the Plan or the Confirmation Order and other than indemnification obligations of Weirton to its current officers and directors, which obligations will be assumed by Reorganized Weirton, the entry of the Confirmation Order will, on the Effective Date, discharge and release the Debtor and the Reorganized Debtor, and all property of the Debtor and the Reorganized Debtor, from any and all indemnification obligations under the Debtor's articles of incorporation, by-laws, the Delaware Corporation Act or other similar indemnification obligations under other applicable laws, contracts or otherwise, whether or not: (i) a proof of claim based on such claim or debt is filed or deemed filed under section 1111(a) of the Bankruptcy Code; (ii) such claim or debt is an Allowed Claim; or (iii) the holder of such claim or debt has accepted the Plan.

4. Effect of Discharge

The discharge and release provided for under the Plan will have the effects as set forth in the Bankruptcy Code, including, *inter alia*: (i) voiding any judgment obtained against the Debtor in respect of any discharged claim or debt; and (ii) operating as an injunction against the commencement or continuation of any action, employment of process or any act to collect, recover or offset any claim or debt against any property of the Debtor, its Estate or the Reorganized Debtor, except as otherwise expressly permitted by the Plan or the Confirmation Order.

M. Exculpation

None of the Debtor, the Reorganized Debtor, Fleet, the Postpetition Lenders, the Exit Lenders, the ESLGB, the Creditors' Committee, the Retiree Committee, the Indenture Trustees, or the Ad Hoc Committee of Noteholders or any of their respective members, officers, directors, employees, advisors, Professionals or agents shall have or incur any liability to any holder of a Claim or Equity Interest for any action or omission in connection with, related to, or arising out of the Reorganization Case, the pursuit of confirmation of the Plan, the consummation of the Plan or the administration of the Plan or the property to be distributed under the Plan, except for willful misconduct and gross negligence, and, in all respects, the Debtor, the Reorganized Debtor, the ESLGB, the Creditors' Committee, the Retiree Committee, the Indenture Trustees and the Ad Hoc Committee of Noteholders and each of their respective members,

officers, directors, employees, advisors, Professionals and agents will be entitled to rely upon the advice of counsel with respect to their duties and responsibilities under the Plan; provided, however, that nothing in this section shall be deemed a release of the Debtor or the Reorganized Debtor from its obligations under the Exit Facility and other documents and instruments necessary and convenient to the implementation of the Exit Facility, including, without limitation, the documents necessary for the ESLGB Guarantee.

N. Executory Contracts

In accordance with sections 365(a) and 1123(b)(2) of the Bankruptcy Code, all executory contracts and unexpired leases that exist between the Debtor and any Person will be deemed rejected by the Debtor as of the Effective Date, except for any executory contract or unexpired lease (i) that has been assumed by the Debtor pursuant to order of the Bankruptcy Court entered prior to the Confirmation Date, (ii) as to which a motion for approval of the assumption of such executory contract or unexpired lease has been filed and served prior to the Confirmation Date, (iii) that is an Insurance Policy, benefit program or a purchase order from a customer, or (iv) that is set forth in the Assumption Schedule of executory contracts and unexpired leases to be assumed, which schedule will be filed at least twenty (20) days prior to the hearing on the confirmation of the Plan provided, however, that the Debtor reserves the right, on or prior to the Effective Date to amend the Assumption Schedule to delete any executory contract or unexpired lease therefrom thus providing for its rejections, or add any executory contract or unexpired lease thereto, thus providing for its assumption. The Debtor will provide notice of any amendments to the Assumption Schedule to the parties to executory contracts and unexpired leases affected thereby. Any nondebtor party to an executory contract that is affected by any such amendment and who opposes such amendment may request by a hearing before the Bankruptcy Court by filing and serving such request on the Debtor's counsel within fifteen (15) days of the service of the notice of such amendment. The failure of any nondebtor party affected by an amendment to timely file such a request shall constitute the consent by such nondebtor party to the assumption or rejection of its contract with the Debtor, as the case may be. The listing of a document on the Assumption Schedule shall not constitute an admission by the Debtor that such document is an executory contract or unexpired lease or that the Debtor has any liability thereunder. Additionally, all executory contracts and unexpired leases entered into after the Petition Date shall remain in effect according to their terms.

Notwithstanding anything to the contrary contained herein, all executory contracts in which the Debtor is a seller of goods, wares and merchandise and a third party is the purchaser of goods, wares and merchandise shall be assumed upon entry of the Confirmation Order unless a motion to reject such sales contract is filed prior to the Confirmation Date.

Insurance Policies. The Debtor's current year Insurance Policies entered into after the Petition Date, and any agreements, documents or instruments relating thereto, are postpetition contracts and shall continue to operate unaffected by the Plan, with the Reorganized Debtor responsible for premiums and other obligations and the Insurers responsible for claims in accordance with the terms and provisions of such policies. The Debtor's current year Insurance Policies, entered into prior to the Petition Date, and any agreements, documents or instruments relating thereto, are treated as executory contracts under the Plan and shall be assumed upon entry of the Confirmation Order unless a motion to reject such insurance contract is filed prior to the Confirmation Date. The Debtor's Insurance Policies that have expired as of the Confirmation Date are not executory contracts subject to assumption or rejection, and the Insurers shall be responsible for continuing coverage obligations under such Insurance Policies, as set forth in Section 9.9 hereof.

Nothing contained in the Plan shall constitute or be deemed to be a waiver of any cause of action that the Debtor may hold against any entity, including, without limitation, any Insurer under any of the Debtor's Insurance Policies.

Approval of Assumption or Rejection of Executory Contracts and Unexpired Leases. Entry of the Confirmation Order will, subject to and upon the occurrence of the Effective Date, constitute (i) the approval pursuant to sections 365(a) and 1123(b)(2) of the Bankruptcy Code of the rejection of executory contracts and unexpired leases hereunder pursuant and subject to Section 6.1(A) hereof, and (ii) the approval pursuant to sections 365(a) and 1123(b)(2) of the Bankruptcy Code of the assumption of the executory contracts and unexpired leases listed in the Assumption Schedule pursuant and subject to Section 6.1(A) hereof.

Cure of Defaults. An order of the Bankruptcy Court entered on or prior to the Confirmation Date will specify the procedures for providing to each Person whose executory contract or unexpired lease is being assumed pursuant to the Plan notice of: (i) the contract or lease being assumed; (ii) the proposed cure to be paid by the Debtor in connection with the assumption; and (iii) the procedures for such Person to object to the assumption of the contract or the amount of the proposed cure. Except as may otherwise be agreed to by the parties, within thirty (30) days after the Effective Date, the Reorganized Debtor will cure any and all undisputed monetary defaults under any executory contract or unexpired lease assumed by the Debtor in accordance with Section 6.1(A) hereof and section 365(b)(1) of the Bankruptcy Code. All disputed defaults that are required to be cured will be cured either within thirty (30) days following the entry of a Final Order determining the amount, if any, of the Reorganized Debtor's liability with respect thereto, or as may otherwise be agreed to by the parties.

Bar Date for Filing Proofs of Claim Relating to Executory Contracts and Unexpired Leases Rejected by Operation of the Plan. Claims arising out of the rejection of any executory contract or unexpired lease pursuant to Section 6.1 must be filed with the Claims Agent and served upon the Debtor or, on and after the Effective Date, the Reorganized Debtor, no later than thirty (30) days after the later of (i) the effective date of an order approving the rejection of such executory contract or unexpired lease, (ii) notice of entry of the Confirmation Order and (iii) notice of an amendment to the Assumption Schedule. All claims not filed within such time will forever be barred from being asserting against the Debtor, its Estate, the Reorganized Debtor and its property. In accordance with sections 365(a) and 1123(b)(2) of the Bankruptcy Code, all executory contracts and unexpired leases that exist between the Debtor and any Person will be deemed rejected by the Debtor as of the Effective Date, except for any executory contract or unexpired lease (i) that has been assumed by the Debtor pursuant to order of the Bankruptcy Court entered prior to the Confirmation Date, (ii) as to which a motion for approval of the assumption of such executory contract or unexpired lease has been filed and served prior to the Confirmation Date, or (iii) that is set forth in the Schedule of Executory Contracts and Unexpired Leases ("Assumption Schedule") to be assumed, which schedule will be included in the Plan Supplement; provided, however, that the Debtor reserves the right, on or prior to the Effective Date to amend the Assumption Schedule to remove any executory contract or unexpired lease therefrom thus providing for its rejection, and to add any executory contract or unexpired lease thereto, thus providing for its assumption. The Debtor will provide notice of any amendments to the Assumption Schedule to the parties to executory contracts and unexpired leases affected thereby. The listing of a document on the Assumption Schedule shall not constitute an admission by the Debtor that such document is an executory contract or unexpired lease or that the Debtor has any liability thereunder. Notwithstanding anything hereunder to the contrary, any executory contracts or unexpired leases entered into after the Petition Date shall remain in effect according to its terms.

The Debtor's current year Insurance Policies entered into after the Petition Date, and any agreements, documents or instruments relating thereto, are postpetition contracts and shall continue to operate unaffected by the Plan, with the Reorganized Debtor responsible for premiums and other

obligations and the Insurers responsible for claims in accordance with the terms and provisions of such policies. The Debtor's current year Insurance Policies, entered into prior to the Petition Date, and any agreements, documents or instruments relating thereto, are treated as executory contracts under the Plan and shall be assumed upon entry of the Confirmation Order unless a motion to reject such Insurance Policy is filed prior to the Confirmation Date. The Debtor's Insurance Policies that have expired as of the Confirmation Date are not executory contracts subject to assumption or rejection.

Nothing contained in Articles V and VI of the Plan shall constitute or be deemed to be a waiver of any cause of action that the Debtor may hold against any entity, including, without limitation, any insurer under any of the Debtor's Insurance Policies.

Entry of the Confirmation Order will, subject to and upon the occurrence of the Effective Date, constitute the approval, pursuant to sections 365(a) and 1123(b)(2) of the Bankruptcy Code, of (i) the rejection of executory contracts and unexpired leases pursuant to Article VI, Section 6.1(A) of the Plan, and (ii) the assumption of the executory contracts and unexpired leases listed in the Assumption Schedule of the Plan Supplement pursuant to Article VI, Section 6.1(A) of the Plan.

An order of the Bankruptcy Court entered on or prior to the Confirmation Date will specify the procedures for providing to each Person whose executory contract or unexpired lease is being assumed pursuant to the Plan notice of: (i) the contract or lease being assumed; (ii) the proposed cure to be paid by the Debtor in connection with the assumption; and (iii) the procedures for such Person to object to the assumption of the contract or the amount of the proposed cure. Except as may otherwise be agreed to by the parties, within 30 days after the Effective Date, the Reorganized Debtor will cure any and all undisputed monetary defaults under any executory contract or unexpired lease assumed by the Debtor in accordance with Article VI, Section 6.1(A) of the Plan and section 365(b)(1) of the Bankruptcy Code. All disputed defaults that are required to be cured will be cured either within 30 days following entry of a Final Order determining the amount, if any, of the Reorganized Debtor's liability with respect thereto, or as may otherwise be agreed to by the parties.

Claims arising out of the rejection of any executory contract or unexpired lease pursuant to Article, VI, Section 6.1(A) of the Plan must be filed with the Claims Agent and served upon the Debtor if filed prior to the Effective Date or on the Reorganized Debtor if filed on or after the Effective Date, no later than 30 days after the later date of (i) notice of entry of an order approving the rejection of such executory contract or unexpired lease, (ii) notice of entry of the Confirmation Order or (iii) notice of an amendment to the Assumption Schedule of the Plan Supplement. All claims not filed within such time will forever be barred from being asserting against the Debtor, its bankruptcy Estate, the Reorganized Debtor and its property.

The obligations of the Debtor to defend, indemnify, reimburse or limit the liability of its present and former directors, officers or employees who were directors, officers or employees, respectively, on or after the Petition Date, solely in their capacity as directors, officers or employees, against any claims or obligations pursuant to the Debtor's certificates of incorporation or by-laws, applicable state Law or any specific agreement, or any combination of the foregoing, will survive confirmation of the Plan, remain unaffected thereby, and not be discharged irrespective of whether indemnification, defense, reimbursement or limitation is owed in connection with an event occurring before, on or after the Petition Date.

Except as previously modified in connection with the KERP, and except as provided in Article VI, Section 6.1(A) of the Plan or as otherwise provided under the Plan, or as established by Order of the Bankruptcy Court, collective bargaining agreements, employment and severance practices and policies (including special leave policies regarding extra accrued vacation time), compensation plans, all saving

plans, retirement plans or benefits, if any, health care plans, performance-based incentive plans, workers' compensation programs and life, disability, directors and officers liability and other insurance plans are treated as executory contracts under the Plan and shall, on the Effective Date, be deemed assumed by the Debtor in accordance with sections 365(a) and 1123(b)(2) of the Bankruptcy Code, which contracts shall then continue to be performed by the Debtor in the ordinary course. Notwithstanding the foregoing, the rights of the Reorganized Debtor, however, to modify, amend or terminate any compensation and/or benefit policy or program in accordance with applicable Law are reserved including, but not limited to, the Debtor's rights under sections 365, 1113, and 1114 of the Bankruptcy Code.

Additionally, it is anticipated that the Pension Plans will be neither assumed nor rejected, but will be terminated before or as of the Effective Date.

O. Retention of Jurisdiction of the Bankruptcy Court

After the Confirmation Date, and after the Effective Date, the Bankruptcy Court will retain the authority and jurisdiction, as is allowed under title 28 of the United States Code, the Bankruptcy Code or other applicable law. The Plan provides for a number of specific matters and proceedings with respect to which the Bankruptcy Court will continue to have jurisdiction following the Confirmation Date, including, but not limited to: (i) proceedings relating to claims, interests or rights in, liens on or title to property of the Debtor or its Estate; (ii) the Creditors' Committee; (iii) the enforcement, interpretation or modification of the plan, the Confirmation Order or any other document, instrument, agreement or action undertaken in connection with the Plan or the Confirmation Order or any other order entered by the Bankruptcy Court in the Reorganization Case before the Effective Date; (iv) taxes, tax refunds, tax attributes and tax benefits and similar related matters with respect to the Debtor, its Estate and the Reorganized Debtor arising prior to the Effective Date or relating to the period of administration of the Reorganization Case; and (v) applications for compensation or reimbursement of expenses of Professionals incurred before the Effective Date, to the extent provided under the Bankruptcy Code, the Bankruptcy Rules, the Plan or the Confirmation Order.

P. Conditions to Effectiveness of the Plan

1. Conditions

The following conditions must occur and be satisfied (either previously or concurrently) for the Plan to become effective:

(a) the Confirmation Order has been entered on the docket for the Reorganization Case by the Clerk of the Bankruptcy Court in a form and of a substance acceptable to the Debtor, the Exit Lenders and the ESLGB, each in their sole discretion, and such Confirmation Order becomes a Final Order, with no stay or injunction in effect with respect thereto;

(b) all actions, documents and agreements necessary to implement the Plan have been effected or executed, including, without limitation, the execution, delivery and/or filing of the documents constituting the Plan Supplement;

(c) the ESLGB shall have given final approval, in its sole discretion, to the application of the Debtor for loan guarantees under the Emergency Steel Loan Guarantee Act of 1999, 15 U.S.C. 1841, *et seq*.

(c) Weirton shall have satisfied all conditions precedent to the final approval of the ESLGB Guarantee;

(d) all conditions precedent to closing under the Exit Facility have been satisfied, or waived by the ESLGB or Fleet, as the case may be;

(d) Weirton has received all authorizations, consents, regulatory approvals, rulings, opinion letters or documents that are determined by the Debtor to be necessary to implement and effectuate the Plan;

(e) the achievement of modifications to existing agreements with the ISU and the IGU and modification of Retiree Benefits for salaried retirees each in a form acceptable to Weirton in its sole discretion;

(f) Weirton has received accommodations from the Fund in a form acceptable to Weirton in its sole discretion; and

(g) Weirton has received accommodations from the PBGC in a form acceptable to Weirton in its sole discretion;

2. Waiver of Conditions

The conditions set forth above in paragraphs (1)(a) though (1)(g) may be waived or modified in whole or in part by the Debtor but only with the prior consent of the Exit Lenders and the ESLGB, if appropriate.

Q. Releases

In consideration of the efforts expended and to be expended by the Debtor's current and former officers and directors in conjunction with their operational and financial restructuring during the Reorganization Case, on the Effective Date, the Debtor and Reorganized Debtor will automatically release and will be deemed to release any and all claims (including any claims arising out of any alleged fiduciary or other duty) that they have or may have against any of their officers and directors who held such positions after the Petition Date in their capacities as such, arising or based upon any actions, conduct or omissions occurring after the Petition Date and prior to the Effective Date, excluding willful misconduct and gross negligence. The Confirmation Order shall constitute an order approving the compromise, settlement and release of any and all such claims pursuant to section 1123(b)(3)(A) of the Bankruptcy Code. To the full extent permitted by applicable Law, each holder of a Claim (whether or not Allowed) against or Equity Interest in the Debtor shall be enjoined from commencing or continuing any action, employment of process or act to collect, offset or recover and shall be deemed to release any Claim against such officers and directors prior to the Effective Date, excluding, however, willful misconduct and gross negligence. Notwithstanding the foregoing, nothing in the Plan releases or shall be deemed to release the Debtor from the obligations under the Exit Facility and other documents and instruments necessary and convenient to the implementation of the Exit Facility, including, without limitation, the documents necessary for the ESLGB Guarantee.

R. Other Miscellaneous Provisions

1. Compliance with Tax Requirements on Distributions

In connection with all distributions to be made to the holders of Allowed Claims and Allowed Interests under the Plan, the Debtor and its agents will comply with all withholding and reporting requirements imposed by federal, state and local taxing authorities and all such distributions under the Plan will be subject to such withholding and reporting requirements.

2. Substantial Consummation

Substantial Consummation of the Plan within the meaning of section 1101(2)(B) of the Bankruptcy Code will have occurred on the Effective Date when substantially all of the property proposed to be transferred under the Plan has been transferred, the Reorganized Debtor has assumed the businesses of the Debtor and its Estate and distributions under the Plan have commenced in the manner provided under the Plan and in the Confirmation Order.

3. Amendment and Modification of the Plan

Alterations, amendments or modifications of the Plan may be proposed in writing by the Debtor at any time prior to the Confirmation Date, provided that the Plan, as altered, amended or modified, satisfies the conditions of sections 1122 and 1123 of the Bankruptcy Code, and the Debtor has complied with section 1125 of the Bankruptcy Code. The Plan may be altered, amended or modified at any time before or after the Confirmation Date and before Substantial Consummation, provided that the Plan, as altered, amended or modified, satisfies the requirements of sections 1122 and 1123 of the Bankruptcy Code and the Bankruptcy Court, after notice and a hearing, confirms the Plan, as altered, amended or modified, under section 1129 of the Bankruptcy Code. The Debtor may, without notice to holders of Claims or Equity Interests insofar as it does not materially and adversely affect the interests of any such holders, correct any defect or omission in this Plan and any exhibit hereto or in any document required by the Plan.

4. Revocation and Withdrawal of Plan

Weirton reserves the right to revoke and withdraw the Plan at any time prior to the Confirmation Date.

5. Authority of Holder of Allowed Claims

Each and every holder of an Allowed Claim that elects to participate in distributions provided for under the Plan represents and warrants to the Debtor and Reorganized Debtor that such holder is authorized to accept, in consideration of such Allowed Claim, the distributions provided for under the Plan, and that there are no outstanding commitments, agreements or understandings, express or implied, that may or will in any way defeat or modify the rights conveyed or released or obligations undertaken under the Plan.

6. Cram-Down Reservation

If any one or more classes of claims or equity interests entitled to vote do not vote to accept the Plan, the Debtor reserves the right to request that the Bankruptcy Court enter a Confirmation Order confirming the Plan in accordance with section 1129(b) of the Bankruptcy Code. Given that certain Classes are deemed as a matter of law to have rejected the Plan, Weirton will seek entry of a Confirmation Order in accordance with the "cramdown" provisions of the Bankruptcy Code.

VII. VALUATION

In connection with the preparation of its revised disclosure statement, the Debtor directed FTI to perform various economic exercises and conduct various analyses designed to estimate the Reorganization Value of post-emergence Weirton. The Reorganization Value was developed to assist the Debtor in evaluating (i) the relative recoveries of holders of Allowed Claims and Interests in

Reorganized Weirton in Classes 5, 6 and 7, (ii) evaluating offers within the Plan to various Parties-in-Interest; and (iii) whether the Plan met the "best interest test of creditors test" under the Bankruptcy Code.

In preparing its analysis, FTI has:

(i) reviewed various financial and operating information provided by the Debtor;

(ii) reviewed and discussed the Plan and its provisions with management and Weirton's other advisors;

(iii) reviewed the underlying assumptions of the Plan with management;

(iv) discussed with management personnel the future prospects of the Debtor;

(v) reviewed certain operating and financial forecasts prepared by the Debtor;

(vi) considered the market value of certain publicly-traded companies in businesses reasonably similar to the operating business (and its associated risks and opportunities) of the Debtor;

(vii) prepared discounted cash flow analyses based on the Projections, utilizing various discount rates;

(viii) considered the purchase price of certain publicly announced mergers and acquisitions in businesses similar to the operations of the Debtor;

(ix) considered certain economic and industry information relevant to the operating business of the Debtor; and

(x) conducted such other analyses as FTI deemed necessary under the circumstances.

FTI did not independently verify the accuracy, completeness and fairness of all of the financial and other information available to it from public sources or as provided to FTI by the Debtor or its representatives. FTI did not independently verify any of the other financial or operating information it received in accordance with generally accepted accounting or other attestation standards. In addition, FTI did not issue an opinion as to the "fairness" of the transactions contemplated under the Plan.

FTI also assumed that the Projections have been reasonably prepared on a basis reflecting the Debtor's best estimates and judgment as to its future operating and financial performance. The Projections assume the Debtor will achieve additional sales due to both increased volume in certain products and price. To the extent that the Debtor does not meet such volume and pricing growth during the projected period, such variances may have a material impact on the operating and financial forecasts and thereby on the estimate of Reorganization Value. Also, Weirton purchases various commodities and other items from third parties, some of which are subject to a variety of market uncertainties and price volatilities. The consistency and accuracy of these assumptions, if found to be inaccurate, could have a material impact upon valuation. In addition to the foregoing, FTI relied upon the following assumptions with respect to the valuation of the Debtor:

- The Debtor's business plan assumes various pricing and volume growth across nearly all product categories. Loss of a major customer in either the Tin or Tolling areas would require the valuation and business plan to be re-evaluated.

- Achievement of the supply, labor, medical and pension cost reductions consistent with Weirton's tentative agreements and proposals. As stated in the body of Weirton's disclosure statement, the Debtor is seeking a new labor contract that calls for significantly reduced personnel levels, flexibility in work rules and other staffing issues, increased cost sharing for benefits and a significantly reduced cost for post-retirement obligations. If the new labor contract and the other major savings initiatives are not achieved in a substantially similar form to that that was forecasted, a complete re-evaluation of the business plan and the value proposition upon which FTI based its opinion is warranted. FTI has also assumed, without independent verification, that the implementation risks associated with these reductions have been fairly reflected in the business plan.

- The Effective Date occurs on or about December 31, 2003.

- For valuation purposes, FTI assumed the pro forma net debt levels (*e.g.*, the ESLGB Term Loan, the Post-Emergence Revolver, the MABCO Capital Lease, the Steelworks Term Loan less the $71 million of restricted cash required by the ESLGB) of Weirton to be $220 million at emergence exclusive of the Junior Notes offered to the Class 5 claimants. In addition, the Debtor's business plan reports approximately $50 million in post-emergence liabilities for employee separation costs, runout of accrued but unpaid health care payments, deferred executory contract cure payments and accrued but unpaid professional fees. Of these liabilities, many could be considered as extraordinary for the industry and therefore need to be reflected in FTI's value conclusion (after giving affect for the tax deductibility of these obligations).

- As of September 30, 2003, it is estimated that the Debtor would have pro forma zero cash and cash equivalents, with assumed necessary minimum availability under the Exit Facility. All material non-operating assets are assumed to be dedicated to settle the claims of hourly and salaried retirees for health and life insurance benefits.

- Weirton will be able to obtain all future necessary financing to achieve the Projections through the Exit Facility.

- FTI's going-concern valuation assumes general financial and market conditions as of the date of this Disclosure Statement will not differ materially from those conditions prevailing as of the date of the Effective Date or as assumed by the Debtor in the preparation of its projections.

- The valuation methodologies relied upon for the going-concern analyses are the Guideline Company, Discounted Cash Flow, and the Comparable Transaction Analyses.

  Guideline Company Analysis: FTI reviewed various public financial and operating information for companies which operate in the steel industry and compared Weirton's financial and operating metrics to them. FTI then selected a range of indicative market multiplies upon which to estimate the value of Reorganized Weirton.

  Discounted Cash Flow Analysis: FTI prepared a "Free Cash Flow" analysis of Weirton's business plan. In performing this analysis, FTI calculated the operating cash flow derived from operations and deducted payments for capital expenditures and working capital changes. Those cash flows were then discounted to December 31, 2003, on a risk-adjusted basis.

Comparable Transactions Analysis: FTI also reviewed a variety of transactions in the steel industry which have taken place within and outside of a Chapter 11 context. These transactions were then compared to various financial and operating statistics of Reorganized Weirton.

As a result of such analyses, review, discussions, considerations and assumptions, FTI estimates that the total enterprise value of Weirton is approximately $325 million to $350 million based on the foregoing valuation methodologies. The value that could be allocated to Classes 5, 6 and 7 of Reorganized Weirton, assuming the pro forma net debt levels, would therefore be approximately $75 million to $100 million.

These estimated ranges of Reorganization Value represent a theoretical value that reflects the estimated valuation result based on the application of various analytical methodologies. It should be understood that, although subsequent developments may affect FTI's conclusions, after the confirmation hearing on the Plan, FTI does not have any obligation to update, revise or reaffirm its estimate.

The summary set forth above is not a complete description of the analyses performed by FTI. The value of an operating business undergoing significant financial and operating changes like Reorganized Weirton is subject to uncertainties and contingencies that are difficult to predict. Value conclusions will fluctuate with changes in factors affecting the financial conditions and prospects of such a business, including the implementation risks associated with Weirton's $200 million cost reduction program. As a result, the estimate of implied enterprise value set forth herein is not necessarily indicative of actual outcomes, which may be significantly more or less favorable than those set forth herein. In addition, estimates of implied enterprise value do not purport to be appraisals, nor do they necessarily reflect the values that might be realized if assets were sold on either a piece-meal or in-place basis. Depending on the results of Weirton's operations, macroeconomic factors such as the Section 201 Tariff program, or changes in the financial markets, FTI's valuation analysis as of the Effective Date may differ from that disclosed herein.

In addition, the valuation of newly issued securities is subject to additional uncertainties and contingencies, especially in the post-Chapter 11 context, all of which are difficult to predict. Actual market prices of such securities at issuance will depend upon, among other things, prevailing interest rates, conditions in the financial markets, the anticipated initial securities holdings of pre-petition creditors, some of which may prefer to liquidate their investments rather than hold them on a long-term basis, and other factors that generally influence the prices of securities. Actual market prices of such securities also may be affected by other factors not possible to predict. Accordingly, the implied enterprise value should not be construed as reflecting values that will be attained in the public or private markets.

THE FOREGOING VALUATION IS BASED UPON A NUMBER OF ESTIMATES AND ASSUMPTIONS, WHICH ARE INHERENTLY SUBJECT TO SIGNIFICANT UNCERTAINTIES AND CONTINGENCIES BEYOND THE CONTROL OF THE DEBTOR OR THE REORGANIZED DEBTOR. ACCORDINGLY, THERE CAN BE NO ASSURANCE THAT THE RANGES REFLECTED IN THE VALUATION WOULD BE REALIZED IF THE PLAN WERE TO BECOME EFFECTIVE, AND ACTUAL RESULTS COULD VARY MATERIALLY FROM THOSE SHOWN HERE.

IX. DESCRIPTION OF THE REORGANIZED DEBTOR

Given the consolidation of the domestic integrated steel production market, and the lower "all-in" production costs that have resulted from bankruptcy acquisitions and attendant market consolidation, Weirton's restructuring addresses legacy costs, material costs and operating cost savings through the implementation of a comprehensive labor arrangement resulting in a "mini-mill" work rule environment. These opportunities permit Weirton to emerge from chapter 11 protection as an entity that can obtain substantially more credit and corresponding liquidity than it could prior to the Petition Date, and allow the reorganized company to sustain market downturns in a manner not previously possible for Weirton. In order to achieve these goals, Weirton has assessed operating configurations other than the present two blast furnace configuration, and has determined in light of execution risks and operating inefficiencies of alternative operating configurations, to base Weirton's emergence business plan on a two blast furnace configuration.

A. Business Plan of the Reorganized Debtor

Weirton's emergence business plan is predicated first on making Weirton's sheet steel productions a viable economic asset. The emergence business plan is premised upon Weirton's belief that a two blast furnace operating configuration under the reconstituted cost structure results in the highest economic value by maximizing cash flow and minimizing operating risks. The combination of Weirton's emergence business plan and bankruptcy initiatives (discharge and/or restructuring of prepetition obligations) are designed to result in a profitable integrated steel producer with a packaging materials emphasis. Weirton's emergence business plan is founded upon five key business initiatives as follows:

1. Immediate Cost Savings Plan

Beginning in early 2003, Weirton began a comprehensive campaign to eliminate at least $146 million of annual costs. The table below summarizes the major cost categories and summarizes the status of completion.

Estimated savings implemented to date:	*(millions)*
Vendor Contract Modifications	$ 21.0
Pension Freeze	$ 17.2
Wage Freeze and 5% Reduction	$ 21.6
Two Tier Wage System	$ 4.8
Operational Savings	$ 9.0
Resolution of Pension Funding Issues	$ 33.0
Active Medical – Salaried Employees	$ 2.0
Mill Overhead, SG&A and Exempt Layoffs	$ 8.0
Subtotal	$ 116.6
Additional savings not yet implemented:	
OPEB Modifications	$ 26.2
Operational Spending/Performance Improvement	$ 14.0
Headcount/Employment Cost Savings Net	$ 37.7
Other, Currently Unidentified Cost Reductions	$ 7.3
Subtotal	$ 85.2
Total Modeled Savings	$201.8

In February 2003, Weirton obtained the approval of the ISU to reduce hourly wages, freeze the pension plan and allow for a "two-tier" wage system that pays new employees at 75% of the contract rate

(accreting to 100% at the end of five years of employment). The February 5, 2003, Settlement Agreement to the Collective Bargaining Agreement provided more than $40 million of annual cost savings. In addition, as a result of Weirton's bankruptcy filing, Weirton has not been obligated to make estimated payments of more than $70 million per year to fully fund the Pension Plan. With respect to operations and overhead savings, in calendar year 2003 Weirton experienced a reduction of approximately 12% of its non-represented workforce and implemented other efficiency programs to realize its $17 million of budgeted annual savings. Subsequent to its bankruptcy filing, Weirton engaged in extensive negotiations with suppliers on new contracts that provide a high degree of confidence that Weirton will actually exceed the budgeted $17 million of savings. Accordingly, the principal open item of projected savings pertains to eliminating annual retiree healthcare obligations of approximately $26 million (or more) per year. Weirton has reached an agreement in principle with the authorized representatives of retirees regarding the modification of Retiree Benefits in a manner more fully described at Section VII.C.7.

In addition, since the Petition Date, in order to address market conditions and to assure compliance by the Debtor with financial covenants under its Postpetition Facility, the Debtor evaluated various cost-cutting measures, including, but not limited to, reducing salaries, temporarily laying off certain of the salaried employees, and seeking certain wage and benefit concessions from its represented workforce. As of June 1, 2003, the Debtor employed approximately 517 salaried employees who were not represented by any collective bargaining unit ("Salaried Employees"). Pursuant to Order of Court dated July 1, 2003, the Debtor implemented a temporary layoff program and required Salaried Employees to share the cost of their healthcare coverage. Notwithstanding the cost savings achieved as part of that temporary layoff program, the Debtor determined that it was imperative to implement a workforce reduction ("Workforce Reduction Program") of as many as one hundred seventy-five (175) Salaried Employees. This Workforce Reduction Program was approved by Order of Court dated October 22, 2003. As a result of the temporary layoff program and the Workforce Reduction Program, the Debtor anticipates that its aggregate liability for the proposed salary continuation payments and benefits to the impacted Salaried Employees would range from approximately $4.5 million to approximately $6.8 million (excluding vacation pay) but that the implementation of the Workforce Reduction Program would result in aggregate annual savings in the approximate range of approximately $10 million to approximately $11.7 million.

2. Additional Labor Savings to Achieve "ISG Model" Cost Structure

Weirton has thoroughly examined its existing work rule requirements and discovered significant inefficiencies that, if eliminated, are estimated to provide more than $40 million of additional annual cost savings. Weirton began discussing these items with the ISU in April 2003. Weirton continues to aggressively negotiate for all or at least a substantial portion of the items below in the long-term collective bargaining agreement that will be necessary in connection with Weirton's emergence strategy. Upon achieving these changes, Weirton would possess one of the most competitive cost structures among integrated producers of steel.

3. Focus on Expanding High Margin, Value-Added Tin Shipments

The emergence business plan reflects a continuation of Weirton's long-time strategy as a tin producer-recognizing that Weirton was founded 95 years ago as a tin company and then backward integrated to producing steel. Weirton is the second largest tin producer in the United States and in certain cases, the sole supplier of tin to major can company facilities. In addition, Weirton has been aggressively improving on-time delivery and other customer service attributes to increase its share of the market. In particular, Weirton is targeting to expand its market share with the largest can maker in the United States. During the first six months of calendar year 2003, Weirton's market share in the tin market has increased from approximately 24% to approximately 27%. The emergence business plan reflects a

continuation of Weirton's success in the tin market, resulting in projections for approximately 75,000 to 100,000 tons of additional tin shipments per year from historical levels. The positive shift in product mix provides an important incremental cash contribution of approximately $12 million.

Weirton has developed a new coating technology to extrude a thin layer of polymer on to a steel strip, allowing for lower raw material costs and higher application speeds for any painted or lacquered steel product. Weirton protected its technology, with pending patents, and secured an exclusive supply agreement for the raw materials necessary for the polymer coatings. The polymer coating is particularly suited for can and container manufacturers, which today utilize a significant number of different coatings depending on the product being packed (referred to as "pack media"). Weirton's polymer coating expects to be effective for the most aggressive pack media and should reduce can manufacturing costs through fewer line switches and lower inventory requirements by using the same coating for all cans produced. Moreover, increasingly stringent environmental standards related to solvent-based lacquers should further increase demand for polymer.

4. Promptly Consummate A Responsible Plan of Reorganization

Weirton filed for chapter 11 protection in order to target specific areas of its business model in a timely manner and emerge as a financially strengthened enterprise situated to capitalize on the consolidating steel industry (with a particular focus on strategic tin assets). The projected debt levels associated with emergence financing are projected to result in a significantly improved balance sheet, thereby allowing Weirton to maximize financial flexibility in its capital structure.

5. Opportunistically Pursue Selective "Add On" Acquisitions

The emergence business plan reflects Weirton's expectation that it will internally generate significant capital from operations, which will be retained to provide a conservative cushion to service debt in potentially volatile steel markets. Likewise, Weirton's emergence strategy focuses on an ability to capitalize on acquisition opportunities that add scale to its steel-making operations and expand its specialty metals presence. During the last three years, Weirton has evaluated a number of acquisition targets to facilitate consolidation of the steel industry. Although no acquisitions are assumed in Weirton's emergence business plan, the strategies listed above are designed to result in Weirton becoming a financially strong and logical consolidator in the specialty metals market.

B. Corporate Structure on Effective Date

1. In General

On the Effective Date, all of the stock of the Debtor issued and outstanding immediately prior to the Effective Date will be cancelled and extinguished. The stock to be cancelled shall include options to purchase stock. On the Effective Date, the New Weirton Common Stock will be issued as follows: [49%] to active ISU members and retirees of Weirton (subject to negotiation with other creditor constituencies) with the remaining [51%] of New Weirton Stock to be distributed to creditors, all pursuant to negotiated resolution of creditor treatment under the Plan. The percentage distribution of all New Weirton Common Stock issued under the Plan is subject to negotiation. Also on the Effective Date, in accordance with the Class 5 treatment set forth more fully in Section VII.C.7, Warrants will be issued in connection with the Junior Secured Notes

2. Continuing Entities

Except as provided in the Plan, the Debtor will continue after the Effective Date as a Reorganized Debtor and a separate legal entity, and each of the Debtor's subsidiaries will continue as a wholly-owned subsidiary of the Reorganized Debtor on the Effective Date.

C. Financial Projections

THE PROJECTIONS HEREIN WERE MADE IN CONNECTION WITH WEIRTON'S APPLICATION FILED WITH THE ESLGB ON JUNE 30, 2003, AND NO REPRESENTATION CAN BE MADE WITH RESPECT TO THE ACCURACY OF THE FINANCIAL PROJECTIONS OR THE ABILITY OF THE REORGANIZED DEBTOR TO ACHIEVE THE PROJECTED RESULTS. MANY OF THE ASSUMPTIONS UPON WHICH THE FINANCIAL PROJECTIONS ARE BASED ARE SUBJECT TO MAJOR UNCERTAINTIES, INCLUDING, BUT NOT LIMITED TO PRODUCT PRICING AND VOLUME; RAW MATERIAL; ENERGY; AND LABOR COST ASSUMPTIONS. THE ACTUAL RESULTS ACHIEVED THROUGHOUT THE PROJECTION PERIOD MAY VARY FROM THE PROJECTED RESULTS SET FORTH IN THE FINANCIAL PROJECTIONS, AND SUCH VARIATIONS MAY BE MATERIAL. ALL PARTIES ARE ENCOURAGED TO REVIEW CAREFULLY THE FINANCIAL PROJECTIONS AND THE ASSUMPTIONS ON WHICH THEY ARE BASED BEFORE DECIDING TO VOTE TO ACCEPT OR REJECT THE PLAN.

1. Basis of Presentation

The Business Plan referred to above and the financial projections attached hereto as Exhibit C (the "Financial Projections") for the Reorganized Debtor for the five year period ending December 31, 2008 (the "Projection Period") are premised upon numerous assumptions concerning the worldwide economy, key raw materials prices and conditions in the steel industry. You are advised to review the Financial Projections carefully before deciding to vote to accept or reject the Plan.

The assumptions incorporated into the Financial Projections are discussed below. They are assumptions that the Debtor believes are particularly significant or are key factors upon which the Financial Projections are based. The Projected Financial Statements that are included with the Financial Projections are not audited and may not be necessarily consistent with generally accepted accounting principles. The Financial Projections include the following:

(a) Opening and Closing Balance Sheet as of December 31, 2003

(b) Projected Balance Sheet as of December 31, 2004, 2005, 2006, 2007 and 2008;

(c) Projected Statements of Operation for years ending December 31, 2004, 2005, 2006, 2007 and 2008; and

(d) Projected Statements of Cash Flow for years ending December 31, 2004, 2005, 2006, 2007 and 2008.

2. Summary of Significant Assumptions

The projected financial information contained herein was prepared as of August 2003, to demonstrate the Reorganized Debtor's results of operations and cashflows. The Company is assumed to emerge from Bankruptcy on December 31, 2003.

The projected financial information assumes confirmation of the Plan by the Bankruptcy Court and successful implementation of the Business Plan. The projections assume that the Pension Plan has been terminated and Other Post Employment Benefit (post-retirement health care) obligations cease, each as of the Effective Date of the Plan. The Business Plan and the projected financial information reflect numerous assumptions, including, but not limited to various assumptions regarding the anticipated future performance of the Reorganized Debtor, industry performance, general business and economic conditions, material and energy costs and other matters, many of which are beyond the Debtor's control.

It has been additionally assumed that the Debtor's businesses will continue to be operated throughout the Projection Period. The Debtor sells its products to a number of related business markets; however, these markets have materially different rates of growth, gross profit margins and other economic attributes. Material changes from the Business Plan in the mix of these markets necessarily will result in substantial changes in total profitability. Following the Effective Date, the Reorganized Debtor will continue to conduct business analyses and may determine that amounts and efforts invested in certain assets or businesses would be better used if redeployed. In the event the Reorganized Debtor concludes that such redeployment would be in its best interests, it may sell, liquidate or otherwise dispose of or, alternatively redeploy, existing businesses and assets. Therefore, if the assumption that the existing operations of the Reorganized Debtor, as contemplated under the Business Plan, will continue after the Effective Date of the Plan is not realized, the Financial Projections may increase or decrease substantially from the actual results to the extent that any such redeployment occurs.

The Financial Projections should be read in conjunction with the assumptions and qualifications as set forth below. At such time as Financial Projections are updated and filed with the Plan Supplement, a projected balance sheet will likewise be filed as part of the Plan Supplement. No independent auditor has compiled or examined the projected financial information presented in the Financial Projections. Furthermore, the Financial Projections have not been prepared in order to comply with any guidelines established by the Securities and Exchange Commission or the American Institute of Certified Public Accountants relating to financial projections.

(a) *Operational Forecasts*

Key operational assumptions encompassed in the Financial Projections include:

(i) No disruption of supply to customers due to material shortages or a labor stoppage.

(ii) Raw materials are assumed to be available and key inputs such as scrap, gas, coke and iron ore pellets are assumed to be priced consistent with recent trends and negotiated pricing.

(iii) Successful implementation of a staffing reduction of approximately 1000 people and continued successful implementation of existing assets without significant disruption in operation.

(iv) Achievement of production efficiencies through continuous improvement programs and optimization of manufacturing facilities.

(v) Successful implementation of strategic investments in the Extrusion Coatings Project (polymer); the Hot Strip Mill and an upgrade of Weirton's Tandem Mill and Pickler.

(vi) The reduction of labor, medical and pension costs consistent with the Companies' proposals to labor.

(vii) The continuance of efforts to improve working capital usage including an increase in trade credit versus that experienced in the Bankruptcy.

(b) *Revenue Assumptions*

The Business Plan was developed through a detailed planning process. Further analyses were completed to assure consistency with current order intake rates and projected macroeconomic demand during the Projection Period. Price increase assumptions were developed for each major product line by consulting industry sources, discussions with customers and analysis of industry dynamics. The revenue projections are based upon the following key assumptions:

- No significant loss of share at any major customer.
- No significant loss of share due or volume due to product substitution.
- U.S. and European economies remain weak through 2003, then sustain modest recovery through the balance of the forecast period.
- No major start-up of new or idled steel making assets in North America or worldwide which would give rise to significant increases in import volume in any of Weirton's primary markets.
- The Chinese and Asian macro-economies continue to experience a high rate of growth.
- U.S. Domestic Auto production continues at current rates.
- The current capacity/demand balance in the domestic Tin Mill Products market continues.
- Macroeconomic factors such as the Section 201 Tariffs or exchange rates will remain at current advantageous levels throughout the forecast period, or as Weirton considered in the development of its business plan.
- Inventory levels throughout the value chain remain consistent with historical trends.

X. PROJECTED DISTRIBUTION TO CREDITORS

The Debtor and its professionals have conducted an analysis of all claims scheduled by the Debtor. The estimated Allowed Claims and Allowed Interests and projected distribution set forth in the table below represent the best estimates of the Debtor and its professionals as to the estimated allowed amounts of the various claims, based upon the information available to them as of the date hereof. The Debtor has prepared a good faith estimate based on these varying sources of information and there have been more than $2.2 billion in claims filed against the Debtor. The Debtor has estimated administrative, secured, priority unsecured and unsecured claims based on a variety of information sources including its books and records, schedules and statements, reports prepared by Weirton's claims agent regarding claims filed with the Court, reports prepared by Weirton to estimate various claims, actual claims filed with the Court and discussions with its outside advisors. SUBSTANTIAL EFFORT HAS BEEN MADE TO ENSURE THE ACCURACY OF THE ESTIMATED INFORMATION SUMMARIZED IN THE

TABLE BELOW. ANTICIPATED ALLOWED AMOUNTS OF ALLOWED CLAIMS AND ALLOWED INTERESTS AND THE PROJECTED DISTRIBUTIONS SUMMARIZED IN THE TABLE BELOW ARE SUBJECT, HOWEVER, TO THE UNCERTAINTIES OF LITIGATION THAT MAY OCCUR WITH RESPECT TO CERTAIN CLAIMS AND OTHER FACTORS THAT MAY OR MAY NOT BE RESOLVED IN THE DEBTOR'S FAVOR. THEREFORE, NO ASSURANCES CAN BE GIVEN THAT THE ESTIMATED AMOUNTS OF ALLOWED CLAIMS AND ALLOWED INTERESTS AND THE PROJECTED DISTRIBUTION WILL BE ACHIEVED.

Estimated Allowed Claims and Projected Distributions[5]

Class and Type of Claim	Allowed Estimated Amounts	Projected Distribution
N/A Administrative (other than as specified below)	$67,000,000	100%
N/A Professional Fees	$9,000,000	100%
N/A DIP Facility	$175,000,000	100%
N/A U.S. Trustee Fees	$12,000 (est.)	100%
N/A Priority Tax	$1,600,000	100%
Class 1 Section 507(a) Priority Claims	$3,000,000	100%
Class 2 Secured Tax Claims	$3,000,000	100%
Class 3 Mechanics Lien Claims	$1,000,000	100%
Class 4 Miscellaneous Secured Claims	$3,000,000	100%
Class 5 Secured 2002 Exchange Note and Secured Pollution Control Bonds Claims	$35,000,000	100%
Class 6 General Unsecured Claims	$480,000,000 - $540,000,000 (est.)	3.8 – 4.3%
Class 7 Section 1114 Termination Claims	$400,000,000 (est.)	TBD[6]
Class 8 Preferred Stock Interests	N/A	None
Class 9 Common Stock Interests	N/A	None
Class 10 Securities Claims	Unknown	None

[5] Because the deadline for filing proofs of claims is October 20, 2003, for general creditors and November 17, 2003, for governmental units, "Allowed Estimated Amounts" are estimated based on the scheduled amounts listed in the Schedule of Assets and Liabilities filed by Weirton on July 18, 2003.

[6] This figure cannot be calculated because the nature or amount of benefits to be provided by the VEBA has not yet been determined.

XI. SELECTED HISTORICAL FINANCIAL INFORMATION

Attached hereto as Exhibit D is a copy of the audited financial statements for the prepetition Debtor for the years ending December 31, 2000, 2001 and 2002. The historical financial data for years 2000, 2001 and 2002 has been derived from, and should be read in conjunction with, the audited consolidated financial statements of the Debtor.

The summary historical consolidated financial information is not necessarily indicative of the future results of operations of the Reorganized Debtor.

X. APPLICABILITY OF FEDERAL AND OTHER SECURITIES LAW

The Issuance and Resale of the New Weirton Common Stock and Junior Secured Notes and attached Warrants Raises Issues Under Federal and State Securities Laws.

The issuance and resale of the New Weirton Common Stock and Junior Secured Notes and attached Warrants under the Plan raises certain securities law issues under the Bankruptcy Code and federal and state securities laws that are discussed in this Section. The information in this Section should not be considered applicable to all situations or to all holders of Claims receiving New Weirton Common Stock Junior Secured Notes and attached Warrants under the Plan. Holders of Claims should consult their own legal counsel concerning the facts and circumstances relating to the transfer of such stock.

No registration statement will be filed under the Securities Act or any state securities laws relating to the initial offer and distribution of the New Weirton Common Stock and Junior Secured Notes and attached Warrants to be issued in connection with the Plan on the Effective Date under the Plan. The Debtor believes that the provisions of section 1145(a)(l) of the Bankruptcy Code exempt the initial offer and distribution of the New Weirton Common Stock and Junior Secured Notes and attached Warrants to be issued in connection with the Plan on the Effective Date under the Plan from federal and state securities registration requirements.

Section 1145 of the Bankruptcy Code exempts the original issuance of securities under a plan of reorganization (as well as subsequent distributions by the Distribution Agent) from registration under the Securities Act of 1933 (the "Securities Act") and state law. Under Section 1145, the issuance of securities pursuant to the Plan is exempt from registration if three principal requirements are satisfied: (1) the securities must be issued by a debtor, its successor, or an affiliate participating in a joint plan with the debtor, under a plan of reorganization; (2) the recipients of the securities must hold a claim against the debtor or such affiliate, an interest in the debtor or such affiliate, or a claim for an administrative expense against the debtor or such affiliate; and (3) the securities must be issued entirely in exchange for the recipient's claim against or interest in the property. The Debtor believes that the issuance of the New Weirton Common Stock to the active represented employees shall be pursuant to the requirements of a collective bargaining agreement with the ISU in satisfaction of claims that the active represented employees might assert under the existing collective bargaining agreement. Similarly, the issuance of New Weirton Common Stock to the current retirees shall be pursuant to a consensual agreement with the current retirees in partial satisfaction of the Section 1114 Termination Claims and any other claims that could result from the modification of Retiree Benefits.

A. INITIAL OFFER AND SALE OF SECURITIES

Section 1145(a)(1) of the Bankruptcy Code exempts the offer and sale of securities under a plan of reorganization from registration under the Securities Act and under state securities laws if three principal requirements are satisfied:

- the securities must be offered and sold "under a plan" of reorganization and must be securities of Weirton, of an affiliate "participating in a joint plan" with Weirton or of a successor to Weirton under the plan;

- the recipients of the securities must hold a prepetition or administrative expense claim against Weirton or an interest in Weirton or such affiliate; and

- the securities must be issued entirely in exchange for the recipient's claim against or interest in Weirton, or "principally" in such exchange and "partly" for cash or property.

The Debtor believes that the offer and sale of the New Weirton Common Stock and the Junior Secured Notes' attached Warrants under the Plan satisfy the requirements of section 1145(a)(1) of the Bankruptcy Code and are therefore exempt from registration under the Securities Act and securities laws of the State of Delaware.

In connection with the confirmation of the Plan, Weirton will seek from the Bankruptcy Court an order to the effect that the offer and sale of the New Weirton Common Stock and Junior Secured Notes' attached Warrants under the Plan are exempt from registration under the Securities Act and state securities laws under section 1145(a)(1) of the Bankruptcy Code.

B. Subsequent Transfers Under Federal Securities Law

The New Weirton Common Stock and Junior Secured Notes' attached Warrants distributed under the Plan will not be "restricted securities" within the meaning of Rule 144 under the Securities Act.

In general, all resales and subsequent transactions involving the New Weirton Common Stock Junior Secured Notes' attached Warrants offered and/or sold under the Plan will be exempt from registration under the Securities Act under section 4(1) of the Securities Act, unless the holder is deemed to be an "underwriter" with respect to such securities, an "affiliate" of the issuer of such securities or a "dealer". Section 1145(b)(1) of the Bankruptcy Code defines four types of "underwriters":

- persons who purchase a claim against, an interest in or a claim for administrative expense against Weirton with a view to distributing any security received or to be received in exchange for such a claim or interest ("accumulators");

- persons who offer to sell securities offered or sold under a plan for the holders of such securities ("distributors");

- persons who offer to buy securities offered or sold under a plan from the holders of the securities, if the offer to buy is (a) with a view to distributing such securities and (b) made under an agreement in connection with the plan or with the offer or sale of securities under the plan; and

- a person who is an "issuer" with respect to the securities, as the term "issuer" is defined in section 2(11) of the Securities Act.

Under section 2(11) of the Securities Act, an "issuer" includes any "affiliate" of the issuer, which means any person directly or indirectly controlling, controlled by, or under direct or indirect common control with, the issuer. Under section 2(12) of the Securities Act, a "dealer" is any person who engages either for all or part of his or her time, directly or indirectly, as agent, broker or principal, in the business of offering, buying, selling or otherwise dealing or trading in securities issued by another person. Whether or not any particular person would be deemed to be an "underwriter" or an "affiliate" with respect to any security to be issued under the Plan, or would be deemed a "dealer," would depend on various facts and circumstances applicable to that person. Accordingly, Weirton expresses no view as to whether any person would be an "underwriter" or an "affiliate" with respect to any security to be issued under the Plan or would be a "dealer."

In connection with prior bankruptcy cases, the staff of the Commission has taken the position that resales by accumulators and distributors of securities distributed under a plan of reorganization are exempt from the registration under the Securities Act if affected in "ordinary trading transactions." The staff of the Commission has indicated in this context that a transaction may be considered an "ordinary trading transaction" if it is made on an exchange or in the over-the-counter market at a time when the issuer of the security is a reporting company under the Securities Exchange Act of 1934, as amended (the "Exchange Act") and does not involve any of the following factors:

- (a) concerted action by the recipients of securities issued under a plan in connection with the sale of such securities, or (b) concerted action by distributors on behalf of one or more such recipients in connection with such sales, or (c) both;

- use of informational documents concerning the offering of the securities prepared or used to assist in the resale of such securities, other than a disclosure statement and supplements thereto and documents filed with the Commission under the Exchange Act; or

- special compensation to brokers and dealers in connection with the sale of such securities designed as a special incentive to the resale of such securities (other than the compensation that would be paid under arms' length negotiations between a seller and a broker or dealer each acting unilaterally, and not greater than the compensation that would be paid for a routine similar-sized sale of similar securities of a similar issuer).

The views of the Commission on these matters have not been sought by Weirton and, therefore, no assurance can be given regarding the proper application of the "ordinary trading transaction" exemption described above. Any person intending to rely on such exemption is urged to consult his or her own counsel as to the applicability thereof to his or her circumstances.

The New Weirton Common Stock may not be freely tradable under U.S. Securities Laws

Given the complex nature of the question of whether a particular person may be an underwriter, Weirton makes no representations concerning the right of any person to trade in the New Weirton Common Stock to be distributed under the Plan. The Debtor recommends that any Person that receives New Weirton Common Stock under the Plan consult their own counsel concerning whether they may freely trade such securities.

C. Subsequent Transfers Under State Law

The state securities laws generally provide registration exemptions for subsequent transfers by a *bona fide* owner for his or her own account and subsequent transfers to institutional or accredited investors. Such exemptions are generally expected to be available for subsequent transfers of New Weirton Common Stock and Junior Secured Notes and attached Warrants.

Any Person intending to rely on these exemptions is urged to consult their own counsel as to its applicability to their circumstances.

D. Certain Transactions by Stockbrokers

Under section 1145(a)(4) of the Bankruptcy Code, stockbrokers are required to deliver a copy of this Disclosure Statement (and any supplements, if ordered by the Bankruptcy Court) at or before the time of delivery of securities issued under the Plan to its customers for the first 40 days after the Effective Date. This requirement specifically applies to trading and other after-market transactions in the securities.

XII. UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

A. Introduction

The following discussion summarizes certain material United States federal income tax ("Federal Income Tax") consequences of the Plan to certain holders of Allowed Claims (the "Creditors") and the Debtor. This discussion does not address the Federal Income Tax consequences to: (i) Creditors whose claims are entitled to payment in full in cash, or are otherwise unimpaired under the Plan; and (ii) holders of equity interests or claims that are extinguished without a distribution. This discussion is based upon existing provisions of the Tax Code, Treasury regulations promulgated thereunder, judicial authorities and current administrative rulings and practices now in effect. No assurance can be given that future legislation, regulations, administrative pronouncements and/or judicial decisions will not change applicable law and affect the analysis described herein. Any such change could be applied retroactively in a manner that would adversely affect the Creditors and the Debtor.

The Federal Income Tax consequences of certain aspects of the Plan are uncertain due to the lack of applicable legal authority and may be subject to administrative or judicial interpretations that differ from the discussion below. Counsel for the Debtor has not sought and will not seek any rulings from the Internal Revenue Service ("IRS") with respect to the Federal Income Tax consequences discussed below. Although the discussion below represents the best judgment as to the matters discussed herein, it does not in any way bind the IRS or the courts or in any way constitute an assurance that the Federal Income Tax consequences discussed herein will be accepted by the IRS or the courts.

The following discussion does not address state, local or foreign tax considerations that may be applicable to the Debtor or Creditors and the discussion does not address the tax consequences of the Plan to certain types of Creditors (including foreign persons, financial institutions, life insurance companies, tax-exempt organizations and taxpayers who may be subject to the alternative minimum tax) who may be subject to special rules not addressed herein.

THE FOLLOWING SUMMARY OF CERTAIN MATERIAL FEDERAL INCOME TAX CONSEQUENCES IS FOR GENERAL INFORMATIONAL PURPOSES ONLY AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING AND ADVICE BASED UPON THE INDIVIDUAL CIRCUMSTANCES PERTAINING TO A HOLDER OF AN ALLOWED CLAIM OR EQUITY INTEREST. THE DEBTOR IS NOT MAKING ANY REPRESENTATIONS REGARDING THE

PARTICULAR TAX CONSEQUENCES OF CONFIRMATION AND CONSUMMATION OF THE PLAN WITH RESPECT TO THE DEBTOR OR THE HOLDERS OF ANY CLAIMS OR EQUITY INTERESTS, NOR IS THE DEBTOR RENDERING ANY FORM OF LEGAL OPINION OR TAX ADVICE ON SUCH TAX CONSEQUENCES. ALL HOLDERS OF CLAIMS OR EQUITY INTERESTS ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS WITH RESPECT TO THE FEDERAL, STATE, LOCAL, FOREIGN AND OTHER TAX CONSEQUENCES OF THE IMPLEMENTATION OF THE PLAN IN GENERAL AND IN PARTICULAR, THE TIMING, CHARACTER AND AMOUNTS OF INCOME, GAIN, LOSS, DEDUCTION, CREDIT OR CREDIT RECAPTURE TO BE RECOGNIZED, AND ANY PROCEDURAL REQUIREMENTS WITH WHICH THE HOLDER MUST COMPLY.

B. Tax Consequences to Creditors

1. General

(a) *Consideration Allocable To Accrued Interest and Original Issue Discount.* Pursuant to the Plan, and for the purposes of the information reporting and backup withholding rules, the Debtor will treat a distribution with respect to an Allowed Claim comprised of indebtedness and accrued by unpaid interest thereon as payment, first, on the principal amount of the Claim and then on the interest amount of the Claim. If this treatment is respected, a Creditor who previously recognized interest income on its Allowed Claim may be able to recognize a loss to the extent of any previous recognized interest income that will not be paid. There is no assurance, however, that the IRS will respect this treatment. The IRS could treat a distribution as received in whole or in part in satisfaction of accrued but unpaid interest on the Allowed Claim. In this circumstance, a cash-basis Creditor who receives cash or other consideration in satisfaction thereof would recognize ordinary income to the extent of the portion of such consideration that is characterized for Federal Income Tax purposes as received in whole, or in part, in satisfaction of accrued and unpaid interest that has accrued during the time that the Creditor has held its Claim. Accrual basis Creditors would not recognize loss to the extent that any consideration was treated as received by the Creditor in satisfaction of accrued and unpaid interest, and both accrual and cash basis Creditors would not recognize loss to the extent that any consideration was treated as received by the Creditors in satisfaction of accrued original issue discount. Creditors should consult their tax advisors regarding the allocation of consideration received in satisfaction of Allowed Claims.

(b) *Exchange of Allowed Claim.* As discussed more fully below, a Creditor may recognize gain or loss for Federal Income Tax purposes in an amount equal to the difference between the Creditor's adjusted tax basis in the Allowed Claim and the amount of consideration received by the Creditor in exchange for such claim that is not properly allocable to accrued and unpaid interest. Subject to the discussion above under "General – Consideration Allocable to Accrued Interest and Original Issue Discount" and below under "General – Market Discount," the character of such gain or loss as capital or ordinary generally would depend on factors such as (i) whether the Allowed Claim is a capital asset in the hands of the Creditor; (ii) the origin and nature of the Allowed Claim; and (iii) the extent to which the Creditor previously claimed a loss or bad debt deduction with respect to the Allowed Claim. Capital gains with respect to assets held for longer than one year are taxed at preferential tax rates. The deduction of capital losses are subject to limitations. Creditors should consult their tax advisors regarding the character of gain or loss realized with respect to their Allowed Claim, and their ability to utilize capital loss deductions.

(c) *Market Discount.* A holder of Secured 2002 Exchange Notes or Secured Pollution Control Bonds would have market discount on such note or bond if it acquired the note or bond subsequent to its original issuance for an amount that was less than its adjusted issue price. In this event, the amount of market discount on the New Senior Secured Note or Secured Pollution Control Bond

would equal the excess of the adjusted issue price of the New Senior Secured Note or Secured Pollution Control Bond over the amount paid for such note or bond (unless the excess is less than a de minimis amount).

Subject to the issuance of Treasury regulations contemplated by the Tax Code, and perhaps even without such regulations, a holder of a New Senior Secured Note also could have market discount on its New Senior Secured Note if it acquired the New Senior Secured Note in exchange for the Debtor's 11 3/8% senior notes due 2004 and/or the Debtor's 10 ¾% senior notes due 2005 (collectively, the "Old Notes"), the exchange was properly treated as a reorganization under Section 368(a)(1)(E) of the Tax Code, and the holder's Old Notes had market discount.

Generally, a holder is required to treat any gain recognized on the disposition of a note or bond having market discount as ordinary income to the extent of the market discount that accrued on the note or bond while held by the holder. Alternatively, a holder may have elected to include market discount in income currently over the life of the note or bond ("Current Inclusion Election") in which case such note or bond would not have market discount at the time of disposition. The accrued market discount, if any, on Secured 2002 Exchange Notes held by a holder who did not make a Current Inclusion Election, likely will carry over to, and be treated as, accrued market discount on the holder's Junior Secured Notes if the exchange of Secured 2002 Exchange Notes for Junior Secured Notes and attached Warrants is characterized properly as a recapitalization for Federal Income Tax purposes. A holder who has made a Current Inclusion Election would be required to accrue market discount currently on the Junior Secured Notes if and to the extent that the market discount carries over to the Junior Secured Notes. A Creditor should consult its tax advisor regarding the Federal Income Tax consequences of market discount.

(d) *Information Reporting and Withholding.* Distributions to Creditors under the Plan are subject to any applicable withholding (including employment tax withholding). Under Federal Income Tax law, interest, dividends and other reportable payments may, under certain circumstances, be subject to "backup withholding." Various claimants, such as corporations, are exempt from backup withholding under certain circumstances. Backup withholding generally applies if the Creditor (i) fails to furnish its social security number or other taxpayer identification number (TIN); (ii) furnishes an incorrect TIN; (iii) under certain circumstances, fails to properly report interest or dividends; or (iv) under certain circumstances, fails to provide a certified statement, signed under penalties of perjury; that the TIN provided is its correct number and that such Creditor is not subject to backup withholding. Backup withholding is not an additional tax but merely an advance payment, which may be refunded to the extent it results in an overpayment of tax.

(e) *Debt vs. Equity.* The determination of whether an instrument constitutes debt or equity for Federal Income Tax purposes depends upon an overall analysis of the facts and circumstances surrounding the instrument. The Debtor intends to take the position that its Secured 2002 Exchange Notes and Secured Pollution Control Bonds and Junior Secured Notes constitute debt for Federal Income Tax purposes, and the following discussion assumes that these characterizations will be respected. However, based on the facts and circumstances nature of the analysis regarding whether an instrument constitutes debt or equity, the IRS could challenge this characterization and no assurance can be given that such challenge, if asserted, would not prevail.

2. Treatment of Certain Creditors

(a) *Holders of Class 5 Claims (Secured 2002 Exchange Notes and Secured Pollution Control Bonds).* Under the Plan, as discussed in "Classification and Treatment of Allowed Claims and Interests", each holder of an Allowed Class 5 Claim will receive its *pro rata* share of Junior Secured Notes and Warrants.

(i) Secured 2002 Exchange Notes

If the Secured 2002 Exchange Notes and Junior Secured Notes constitute securities for Federal Income Tax purposes, the exchange of Secured 2002 Exchange Notes for Junior Secured Notes and Warrants would qualify as a recapitalization under Section 368(a)(1)(E) of the Tax Code. In this event, and subject to the discussion above under "General – Consideration Allocable to Accrued Interest and Original Issue Discount" a holder of Secured 2002 Exchange Notes should not recognize taxable gain or loss as a result of the exchange, should have an aggregate tax basis in the Junior Secured Notes and Warrants equal to its adjusted tax basis in the Secured 2002 Exchange Notes surrendered in the exchange (which aggregate tax basis should be allocated between the Junior Secured Notes and Warrants based on the relative fair market values of those instruments on the date of the exchange) and should include its holding period for the Secured 2002 Exchange Notes in its holding period for the Junior Secured Notes and Warrants.

If the Secured 2002 Exchange Notes do not constitute securities for Federal Income Tax purposes, the exchange would not be a recapitalization. A holder of Secured 2002 Exchange Notes who holds the notes as a capital asset generally would recognize capital gain or loss on the exchange equal to the difference between the aggregate issue price of the Junior Secured Notes and fair market value of the Warrants received, measured by their aggregate issue price (as described below under the heading "Determination of Issue Price") and the holder's adjusted tax basis in its Secured 2002 Exchange Notes, subject to the discussion above under "General – Consideration Allocable to Accrued Interest and Original Issue Discount", "General – Exchange of Allowed Claim", and "General – Market Discount." The capital gain or loss recognized in either event would be long-term capital gain or loss if the holding period for the New Senior Secured Note exceeds one year at the time of disposition. Under current law, some noncorporate taxpayers, including individuals, are eligible for preferential rates of taxation on long-term capital gain. The deductibility of capital losses is subject to limitation. Holders should consult their tax advisors regarding the character of gain or loss realized with respect to their Allowed Claim, and their ability to utilize capital loss deductions.

None of the Tax Code, the applicable Treasury Regulations, or judicial decisions clearly define the term "securities." The determination of whether a debt instrument is a security for Federal Income Tax purposes depends upon an overall evaluation of the facts and circumstances surrounding the debt instrument, including the nature of the debt instrument, the holder's degree of participation in the debtor's operations and the extent of proprietary interest in the Debtor, compared with the similarity of the instrument to a cash payment. One important factor is the length to maturity of the instrument. Generally, a debt instrument with an original maturity of 10 years or more constitutes a security, while a debt instrument with an original maturity of 5 years or less or arising out of the extension of trade credit does not. It is not certain whether the Secured 2002 Exchange Notes (with original maturities of approximately 6 years) and Junior Secured Notes (with original maturities of approximately 12 years) qualify as securities. The Debtor took the position in its prospectus dated May 3, 2002, with respect to the exchange of Secured 2002 Exchange Notes for the Debtor's Old Notes, that the Secured 2002 Exchange Notes were Securities for Federal Income Tax purposes and that the exchange qualified as a recapitalization under Section 368(a)(1)(E) of the Tax Code. Holders of Class 5 Claims should consult their tax advisors regarding the characterization of Secured 2002 Exchange Notes and Junior Secured Notes as securities for United States Federal Income Tax purposes.

(ii) Secured Pollution Control Bonds

Because the Secured Pollution Control Bonds are issued by the City of Weirton, the Debtor intends to take the position that the issuance of Junior Secured Notes and Warrants in exchange for Secured Pollution Control Bonds will be a taxable exchange for Federal Income Tax purposes. Provided

the exchange so qualifies, a holder of Secured Pollution Control Bonds who held its Secured Pollution Control Bonds as a capital asset would recognize capital gain or loss on the exchange equal to the difference between the aggregate issue price of the Junior Secured Notes and fair market value of the Warrants received, measured by their issue price (as described below under the heading "Determination of Issue Price") and the holder's adjusted tax basis in its Secured Pollution Control Bonds, subject to the discussion above under "General – Exchange of Allowed Claim", and "General – Market Discount." The capital gain or loss would be long-term capital gain or loss if the holding period for the Secured Pollution Control Bonds exceeds one year at the time of disposition. Under current law, some noncorporate taxpayers, including individuals, are eligible for preferential rates of taxation on long-term capital gain. The deductibility of capital losses is subject to limitation. Holders should consult their tax advisors regarding the character of gain or loss realized with respect to their Allowed Claim, and their ability to utilize capital loss deductions. A holder's aggregate tax basis in its Junior Secured Notes and Warrants would equal the fair market value of the Junior Secured Notes and Warrants at the time of the exchange and a holder's holding period for its Junior Secured Notes and Warrants would begin on the day following the exchange.

Although the Debtor intends to take the position that the exchange of Junior Secured Notes and Warrants for Secured Pollution Control Bonds is a taxable exchange, the IRS may take the position that the exchange is a tax-free recapitalization. In that event, a holder of Secured Pollution Control Bonds would not recognize any gain or loss as a result of the exchange, would have an aggregate tax basis in its Junior Secured Notes and Warrants equal to the adjusted tax basis in the Secured Pollution Control Bonds surrendered in the exchange (a cash basis holder would increase its aggregate tax basis in the Junior Secured Notes and Warrants to the extent that any Junior Secured Notes and Warrants are treated as received in payment of accrued but unpaid interest), and would include its holding period for the Secured Pollution Control Bonds in its holding period for the Junior Secured Notes and Warrants.

QUALIFIED STATED INTEREST AND ORIGINAL ISSUE DISCOUNT ON THE JUNIOR SECURED NOTES WILL BE INCLUDABLE IN THE GROSS INCOME OF THE HOLDERS THEREOF FOR FEDERAL INCOME TAX PURPOSES. HOLDERS OF SECURED POLLUTION CONTROL BONDS SHOULD CONSULT THEIR TAX ADVISORS REGARDING THE FEDERAL, STATE AND LOCAL INCOME TAX CONSEQUENCES OF HOLDING JUNIOR SECURED NOTES AND WARRANTS.

(iii) Determination of Issue Price

The Junior Secured Notes will be issued as part of an investment unit along with the Warrants. If the Senior Secured Notes and Pollution Control Bonds are "traded on an established market", the aggregate issue price of an investment unit issued in exchange for a New Senior Secured Note would equal the fair market value of the Secured 2002 Exchange Notes on the exchange date and the aggregate issue price of an investment unit issued in exchange for a New Secured Pollution Control Bond would equal the fair market value of the Secured Pollution Control Bond on the exchange date. If the Secured 2002 Exchange Notes and Pollution Control Bonds are not "traded on an established market", but the Junior Secured Notes are so traded, the aggregate issue price of an investment unit would equal the fair market value of the Junior Secured Notes on the exchange date. If neither the Secured 2002 Exchange Notes nor the Junior Secured Notes are "traded on an established market", the aggregate issue price of the investment unit issued in exchange for the Secured 2002 Exchange Notes would equal the stated redemption price at maturity of the Junior Secured Notes. Likewise, if neither the Secured Pollution Control Bonds nor the Junior Secured Notes are "traded on an established market", the aggregate issue price of the investment unit issued in exchange for the Pollution Control Bonds would equal the stated redemption price at maturity of the Junior Secured Notes.

Generally, the Senior Secured Notes, Pollution Control Bonds or Junior Secured Notes would be "traded on an established market" if, at any time during the 60-day period ending 30 days after the issue date of the Junior Secured Notes, such instruments (i) are listed on a national securities exchange, (ii) are listed on a interdealer quotation system sponsored by certain national securities associations, or (iii) appear on a system of general circulation (including a computer listing disseminated to subscribing brokers, dealers, or traders) that provides a reasonable basis to determine fair market value by disseminating either recent price quotations of one or more identified brokers, dealers, or traders, or actual prices of recent sales transactions.

The aggregate issue price of each investment unit will be allocated between the Junior Secured Notes and Warrant comprising the investment unit based upon their relative fair market values. The amount so allocated to each instrument in the investment unit will be that instrument's initial issue price.

The Debtor will provide each holder with an allocation schedule reflecting the allocation of issue price between the Junior Secured Notes and Warrants held by the holder. Each holder will be bound by this allocation unless the holder discloses on its timely filed Federal Income Tax return for the taxable year in which the exchange occurs that such holder intends to use an allocation that is inconsistent with the Debtor's allocation.

(iv) Stated Interest and Original Issue Discount.

The Junior Secured Notes will be issued with original issue discount, or OID. Only a small portion of the stated interest on the Junior Secured Notes will be unconditionally payable at least annually at a single fixed rate (.5%). This portion of the stated interest on the Junior Secured Notes will qualify as qualified stated interest and holders will be required to include such qualified stated interest in their gross income for Federal Income Tax purposes in accordance with their regular method of accounting for Federal Income Tax purposes. The remainder of stated interest on the Junior Secured Notes will be treated as OID. In addition, if the face amount of the Junior Secured Notes exceeds the issue price of such notes (the determination of which is described above under the heading "Determination of Issue Price"), a Junior Secured Note also will bear OID in an amount equal to such excess.

Generally, a holder will be required to include OID on the Junior Secured Notes in their gross income for Federal Income Tax purposes as it accrues. The OID will accrue daily in accordance with a constant yield method based on a compounding of interest. The OID allocable to any accrual period will equal the product of the adjusted issue price of the Junior Secured Notes as of the beginning of such period and the notes' yield to maturity. The adjusted issue price of a Junior Secured Note as of the beginning of any accrual period will equal its issue price, increased by the amount of OID previously includible in the gross income of the applicable holder, and decreased by the amount of any payment (other than payments of qualified stated interest) made on the Junior Secured Note.

Notwithstanding these general rules, a holder may be permitted to exclude all or a portion of the qualified stated interest and/or OID from its taxable income depending on the holder's adjusted tax basis in the Junior Secured Notes for Federal Income Tax purposes. Accordingly, depending on the holder's particular situation, the holder may be subject to the rules governing acquisition premium or amortizable bond premium. These rules are discussed below.

(v) Acquisition Premium

Generally, a Junior Secured Note will have acquisition premium if a holder's adjusted tax basis in the Junior Secured Note immediately after the exchange is greater than the Junior Secured Note's adjusted issue price but is less than or equal to the sum of all amounts payable on the Junior Secured Note

after its acquisition by the holder (other than payments of qualified stated interest). If a Junior Secured Note has acquisition premium, the amount of OID that the holder must include in income is reduced by the amount of the OID multiplied by a fraction, the numerator of which is the excess of the holder's adjusted tax basis in the Junior Secured Note immediately after its acquisition over its adjusted issue price, and the denominator of which is the excess of the sum of all amounts payable (other than qualified stated interest) on the Junior Secured Note after it is acquired by the holder over the adjusted issue price. This fraction is referred to as the acquisition premium fraction.

As an alternative to applying the acquisition premium fraction, a holder of a Junior Secured Note with acquisition premium may elect to treat the Junior Secured Note as having an issue price equal to the holder's adjusted basis immediately after acquisition of the Junior Secured Note and applying the mechanics of the constant yield method. The tax treatment of such an election is described below under the heading "—Election to Report All Interest as OID."

(vi) Amortizable Bond Premium

Generally, a Junior Secured Note will have amortizable bond premium if a creditor's adjusted basis in the Junior Secured Note immediately after the exchange is greater than the sum of all amounts payable (other than qualified stated interest) on the Junior Secured Note after the exchange date. In such a case, the creditor is not required to include any OID in income and could offset all or a portion of its qualified stated interest on the Junior Secured Note by electing to amortize the bond premium. Whether a creditor acquires a Junior Secured Note with amortizable bond premium will depend upon the facts and circumstances of the particular creditor, and in particular on the creditor's tax basis in the Junior Secured Note. A creditor will reduce its basis in its Junior Secured Note to the extent that any amortizable bond premium is applied to offset qualified stated interest and OID.

(vii) Election to Report All Interest as OID

Holders of Junior Secured Notes may elect to treat interest on the Junior Secured Notes as OID and calculate the amount to be included in gross income under the constant yield accrual method. For purposes of this election, interest includes stated interest, OID, de minimis OID, market discount and unstated interest, as adjusted by any amortizable bond premium. The election must be made for the taxable year in which the holder acquires the Junior Secured Notes, and may not be revoked without the consent of the IRS. This election will apply only on notes for which it is made. Holders should consult with their own tax advisors about the election to report all interest on the Junior Secured Notes as OID using the constant yield method.

THE TAX RULES GOVERNING INSTRUMENTS ISSUED WITH OID AND THE INTERPLAY DISCUSSED ABOVE UNDER "ACQUISITION PREMIUM," "AMORTIZABLE BOND PREMIUM," "MARKET DISCOUNT" AND "ELECTION TO REPORT INTEREST AS OID" ARE COMPLEX AND THEIR APPLICATION TO A HOLDER WILL DEPEND UPON SUCH HOLDER'S INDIVIDUAL SITUATION. HOLDERS ARE URGED TO CONSULT THEIR TAX ADVISOR ABOUT THE APPLICATION OF THESE RULES TO THE HOLDER. THE IRS HAS NOT ISSUED REGULATIONS CONCERNING ASPECTS OF THE MARKET DISCOUNT RULES RELEVANT TO TENDERING HOLDERS RECEIVING JUNIOR SECURED NOTES. HOLDERS ALSO SHOULD CONSULT THEIR TAX ADVISOR CONCERNING THE APPLICATION OF THESE RULES.

(b) Holders of Class 6 Claims (General Unsecured Claims) and Holders of Class 7 Claims (Section 1114 Termination Claims)

Under the Plan, as discussed in the "Classification and Treatment of Allowed Claims and Interests", Allowed Class 6 claims will receive a *pro rata* share of the New Weirton Common Stock distributed to Class 6 claimants. The Plan also contemplates the distribution of New Weirton Common Stock to active represented employees and retirees (who are classified as Class 7 claimants).

If the Class 6 Claims described above constitute securities for Federal Income Tax purposes, the exchange of the Class 6 Claims should constitute a tax-free reorganization under Section 368(a)(i)(E) of the Tax Code, and the holders of Class 6 Claims generally should not recognize any gain or loss on the exchange, subject to the discussion above under the heading "General – Consideration Allocable to Accrued Interest and Original Issue Discount." In such case, each holder's basis in the New Weirton Common Stock received in exchange for its existing claims should equal its basis in its existing claims, and the holder's holding period for the New Weirton Common Stock should include the period during which the holder held its existing claims.

If the Class 6 and Class 7 Claims do not constitute securities for Federal Income Tax purposes, the exchange of the Class 6 and Class 7 Claims should be a fully taxable transaction, and the holders of such Claims generally should recognize any gain or loss realized on the exchange. The character of any gain or loss recognized (i.e., capital or ordinary) would generally be capital gain or loss if the holder held its existing claims as capital assets, subject to the discussion above under the heading "General – Consideration Allocable to Accrued Interest and Original Issue Discount", "General – Exchange of Allowed Claim", and "General – Market Discount." The holder's tax basis in its New Weirton Common Stock would equal its fair market value at the date of the exchange and the holder's holding period for the New Weirton Common Stock would begin on the day following the exchange.

C. Tax Consequences to Debtor

1. Cancellation of Debt

In general, the Tax Code provides that a taxpayer must include in gross income the amount of any cancellation of debt ("COD") income realized during the tax year. COD income generally is the amount by which the indebtedness discharged exceeds the cash and the fair market value of property given in exchange therefor. Generally, when a debtor corporation transfers stock to a creditor in satisfaction of its indebtedness, the debtor corporation is treated as satisfying the indebtedness with an amount of money equal to the fair market value of the stock. A taxpayer that is under the jurisdiction of a bankruptcy court would not recognize COD income to the extent the debt is cancelled or discharged under a plan approved by such court (the "Section 108 Bankruptcy Exception"). Under this exception, the debtor corporation would be required to reduce the amount of certain tax attributes (such as net operating loss carryovers) by the amount of COD income excluded from gross income.

Under the Plan, the Debtor would pay holders of certain unclassified claims, Class 1, Class 2, Class 3 and Class 4 Claims the full amount of their Allowed Claims. Accordingly, there would be no COD income realized with respect to the satisfaction of these Allowed Claims.

The amount paid by the Debtor under the Plan with respect to Class 5 Allowed Claims will depend principally on the issue price of the Junior Secured Notes and attached Warrants issued in satisfaction of the Class 5 Allowed Claims. Generally, the Debtor would realize COD income to the extent that the amount of the Class 5 Allowed Claims exceeds the aggregate of the Junior Secured Notes and attached Warrants for Federal Income Tax purposes.

The amount paid by the Debtor under the Plan with respect to Class 6 and Class 7 Allowed Claims will depend principally on the fair market value of the New Weirton Common Stock issued in satisfaction of the Class 6 and Class 7 Allowed Claims. Generally, the Debtor would realize COD income to the extent that the amount of the Class 6 and Class 7 Allowed Claims exceed the fair market value of the New Weirton Common Stock for Federal Income Tax purposes.

The Debtor expects to use the Section 108 Bankruptcy Exception to avoid recognition of COD income for Federal Income Tax purposes and to reduce its Federal Income Tax attributes in an amount equal to the amount of COD income excluded from income under the Section 108 Bankruptcy Exception.

2. Effect on NOL Carryovers and Other Tax Attributes

For Federal Income Tax purposes, a corporation undergoing an ownership change (as defined in section 382 of the Tax Code) generally would have limitations placed on its use of its net operating loss carryforwards. An ownership change would occur under section 382 of the Tax Code if one or more persons owning, directly or indirectly, 5% or more of the stock (measured by value) of a corporation (a "5% shareholder") increase their percentage ownership in such corporation by more than 50 points within a three year period preceding the date of testing (or, if shorter, the period of time since the most recent ownership change of the corporation). Generally, for purposes of identifying 5% shareholders of a corporation, a group of individuals, entities or other persons each of whom owns, directly or indirectly, less than five percent of a corporation would be aggregated to create a single shareholder.

The Plan will result in an ownership change of the Debtor for purposes of section 382 on the Effective Date. Therefore, the Debtor's use of its pre-ownership change NOLs and other tax attributes may be subject to limitation. Generally, the amount of the Debtor's pre-ownership change NOLs that could be used to offset taxable income in a post-ownership change tax year would be limited to an amount equal to the product of: (i) the value of the Debtor immediately before the ownership change; multiplied by (ii) the highest of the long-term tax-exempt rate in effect for any month in the 3-calendar month period ending with the calendar month in which the change date occurs. The applicable long-term tax-exempt rate for ownership changes occurring during the month of November 2003 is 4.56% (October was 4.74% and September was 4.65%). Generally, in the case of an ownership change occurring pursuant to a plan of reorganization in a chapter 11 case, the value of the corporation would equal the lesser of: (i) the value of the stock of the loss corporation immediately after the ownership change; or (ii) the value of the loss corporation's pre-change assets.

The Debtor's use of its NOLs to offset post-ownership change income generally would not be limited under Tax Code section 382 if the shareholders and certain creditors of the Debtor own stock of the Debtor representing 50% or more of the Debtor's total voting power and value immediately following the ownership change. If this exception were to apply, the Debtor would be required to reduce its NOLs by an amount equal to the interest paid or accrued on the indebtedness converted to stock for the three full taxable years preceding the year of the ownership change and the portion of the taxable year in which the ownership change occurs. Stock transferred to a creditor would be taken into account for purposes of determining whether such creditors own the requisite 50% or more of the Debtor only to the extent the stock was transferred to the creditor in satisfaction of indebtedness and only if the indebtedness: (i) was held by the creditor at least 18 months before the date of the filing of the title 11 case; or (ii) arose in the ordinary course of the trade or business of the Debtor and is held by the person who at all times held the beneficial interest in the indebtedness.

3. Applicable High Yield Discount Obligation

The Junior Secured Notes may constitute "applicable high yield discount obligations." An "applicable high yield discount obligation" is any debt instrument that (1) has a maturity date which is more than five years from the date of issue (2) has a yield to maturity which equals or exceeds the applicable federal rate ("AFR") released by the IRS for the calendar month in which the obligation was issued plus five percentage points and (3) has "significant original issue discount." A debt instrument general has "significant original issue discount" if, as of the close of any accrual period ending more than five years after the date of issue, the excess of the interest (including OID) that has accrued on the obligation over the interest that is required to be paid thereon exceeds the product of the issue price of the instrument and its yield to maturity.

Provided that the Junior Secured Notes are applicable high yield discount obligations, the OID on the Junior Secured Notes would not be deductible by the Debtor until paid. Moreover, if the Junior Secured Notes yield to maturity exceeds the AFR plus six percentage points, a ratable portion of the Debtor's deduction for OID (the "Disqualified OID") (based on the portion of the yield to maturity that exceeds the AFR plus six percentage points) would be non-deductible to the Debtor. For purposes of the dividends-received deduction under Section 243 of the Code, the Disqualified OID should be treated as a dividend to corporate note holders to the extent it would have been so treated had such amount been distributed by the Debtor with respect to the Debtor's stock. A corporate holder should consult with its tax advisor regarding the treatment to it of holding an applicable high yield discount obligation.

PERSONS CONCERNED WITH THE TAX CONSEQUENCES OF THE PLAN SHOULD CONSULT THEIR OWN ACCOUNTANTS, ATTORNEYS AND/OR ADVISORS. THE DEBTOR MAKES THE ABOVE-NOTED DISCLOSURE OF POSSIBLE TAX CONSEQUENCES FOR THE SOLE PURPOSE OF ALERTING READERS TO TAX ISSUES THEY MAY WISH TO CONSIDER.

D. General Disclaimer

This summary assumes that the various debt and other arrangements to which Weirton is currently a party and any consideration by or to Weirton under the Plan will be respected for Federal Income Tax purposes in accordance with its form. The Federal Income Tax consequences of the Plan are complex and subject to significant uncertainties. In addition, creditors (including creditors within the same class) and their claims may differ in several respects. Differences such as taxpayer status, residence and method of accounting could result in different Federal Income Tax consequences of the same event. Furthermore, events subsequent to the date hereof could change the Federal Income Tax consequences of the matters discussed in this Disclosure Statement. The Debtor has not requested a ruling from the IRS or an opinion of counsel with respect to any of the tax aspects of the Plan. Therefore, no assurance can be given that the IRS will agree with the conclusions stated in this summary or that, in the event of dispute, the conclusions stated in this summary would ultimately be sustained in litigation. Furthermore, this summary does not address either the foreign, state or local tax consequences of the Plan, or the Federal Income Tax consequences of the Plan not specifically discussed herein in general or, more particularly, the Federal Income Tax consequences of the Plan to special classes of taxpayers (such as foreign taxpayers, regulated investment companies, financial institutions and other entities).

PERSONS CONCERNED WITH THE TAX CONSEQUENCES OF THE PLAN SHOULD CONSULT THEIR OWN ACCOUNTANTS, ATTORNEYS AND/OR ADVISORS. THE DEBTOR MAKES THE ABOVE-NOTED DISCLOSURE OF POSSIBLE TAX CONSEQUENCES FOR THE SOLE PURPOSE OF ALERTING READERS TO TAX ISSUES THEY MAY WISH TO CONSIDER. THE DEBTOR CANNOT AND DOES NOT REPRESENT THAT THE TAX CONSEQUENCES MENTIONED ABOVE ARE COMPLETELY ACCURATE BECAUSE, AMONG OTHER THINGS,

THE TAX LAW EMBODIES MANY COMPLICATED RULES THAT MAKE IT DIFFICULT TO STATE ACCURATELY WHAT THE TAX IMPLICATIONS OF ANY ACTION MIGHT BE.

XIV. ALTERNATIVES TO THE PLAN

The Debtor believes that the Plan maximizes the value of its Estate and provides creditors the greatest possible value and return that can be realized on their Allowed Claims. The Debtor recommends that you vote to accept the Plan. The Plan, however, can be confirmed even if it is not accepted by every impaired class of Allowed Claims or Allowed Interests, so long as the Plan meets the "cram-down" standards set forth in section 1129(b) of the Bankruptcy Code.

A. Other Plans of Reorganization

In the event the Plan is not confirmed, alternatives to confirmation of the Plan include the submission of an alternative plan or plans of reorganization by Weirton or by another party-in-interest, the sale of Weirton's assets (which remains a possibility in the Reorganization Case) or the liquidation of Weirton. The Debtor believes that the confirmation of any plan of reorganization proposed by another party-in-interest would involve costly and time-consuming procedures, including, *inter alia*, the possibility of protracted and costly litigation.

B. Liquidation Under Chapter 7 of the Bankruptcy Code

The Bankruptcy Code requires that each holder of an impaired Claim or Interest either (i) accept the Plan, or (ii) receive or retain under the Plan property of a value, as of the Effective Date, that is not less than the value such holder would receive or retain if Weirton were liquidated under chapter 7 of the Bankruptcy Code on the Effective Date. The first step in meeting this test is to determine the dollar amount that would be generated from the liquidation of the Debtor's assets in the context of a chapter 7 case. Such amount is reduced by the amount of any claims secured by the Debtor's assets. Unpaid chapter 11 administrative expenses, and the costs and expenses of the liquidation and additional administrative expenses that will result from the termination of the Debtor's businesses and the use of chapter 7 for the purposes of liquidation must also be paid. Any remaining net cash would be allocated to creditors and shareholders of the Debtor in strict priority in accordance with section 726 of the Bankruptcy Code.

In connection with the Disclosure Statement, Weirton prepared a liquidation analysis ("Liquidation Analysis"). Section 1129(a)(7) of the Bankruptcy Code requires that, as to each holder of an impaired claim or interest, such claim or interest (i) has accepted the plan of reorganization ("POR"); or (ii) will receive or retain under the POR, on account of such claim or interest, property of a value as of the Effective Date of the POR that is not less than the amount that such holder would so receive or retain if the Debtor were liquidated under chapter 7 of the Bankruptcy Code on such date.

This Liquidation Analysis indicates the value that may be obtained by a chapter 7 trustee for the benefit of Classes of Claims and Interests upon the disposition of assets of the Debtor's bankruptcy estate pursuant to a chapter 7 liquidation as an alternative to the operation of a going concern business and payments in accordance with the POR. Accordingly, the values of assets discussed in this Liquidation Analysis may differ from values referenced in the Plan.

This Liquidation Analysis is based upon significant estimates and assumptions that, although developed in Weirton's reasoned business judgment, are, by their nature, subject to economic and competitive contingencies and uncertainties that are largely beyond the control of Weirton. The Liquidation Analysis is also Weirton's best determination of the manner in which assets of its bankruptcy

estate are most appropriately liquidated, and a chapter 7 trustee may not make the same liquidation determinations, and accordingly, such determinations are subject to change. Thus, there can be no guaranty or assurance that the values reflected in this Liquidation Analysis would be realized if Weirton were, in fact, to undergo a chapter 7 liquidation.

The following is a list of key uncertainties that exist with respect to the Liquidation Analysis, and key assumptions made in conjunction therewith:

(1) This Liquidation Analysis assumes that the liquidation of Weirton's bankruptcy estate commences on or about December 31, 2003, and would be substantially completed within a twelve month period. Weirton's assets would not be shut down immediately, but instead would be shut down in a safe and reasonable manner – although it is not contemplated that the chapter 7 trustee would undertake limited operations for the purpose of utilizing raw materials or completing work-in-process.

(2) During the approximate twelve month liquidation period, corporate operations would cease with almost all positions phased out as soon as practicable. Certain limited corporate personnel, such as certain of those in the financial and management information systems areas, would be retained by the chapter 7 trustee for the liquidation period in order to support the completion of an orderly liquidation.

(3) Following corporate winddown and likely disposition of leases and certain related property, plant and equipment of Weirton, it is assumed that the chapter 7 trustee would liquidate all remaining miscellaneous assets in an orderly manner.

(4) The winddown costs during the twelve month period are good faith best estimates by Weirton, and any deviation from this timeframe could materially affect winddown costs, claims proceeds from the liquidation of assets, and ultimately, the recovery to creditors.

(5) There is a general risk in any liquidation of unanticipated events that could have a substantial impact on both projected receipts of proceeds from assets and disbursements to creditors. These events include, but are not limited to, changes in steel pricing and raw materials costs, changes in general economic conditions, availability of skilled labor to execute the winddown and changes in the market value of Weirton's primary assets.

(6) Other than as specifically addressed in this Liquidation Analysis, the issues of potential recoveries from Avoidance Actions and a bankruptcy claims reconciliation have not been addressed.

(7) The book values of assets for this Liquidation Analysis are estimated book values as of August 30, 2003. Accounts receivable are assumed to be collected on a best efforts basis, utilizing finished inventory in the possession of Weirton relating to account debtors as leverage to collect accounts receivable. Finished goods will be sold and shipped to customers as soon as possible, and remaining inventory will be secured in a manner to prevent damage, and liquidated in an organized and timely manner. All sales of inventory are assumed to take place on an "as-is-where-is" basis, and accordingly, the amount of scrap inventory could increase.

(8) Property, plant and equipment includes the steel manufacturing and fabricating assets of Weirton, including all real property associated therewith. The steel manufacturing assets are anticipated to be sold within the twelve month liquidation period. The estimated liquidation value of these assets is premised upon the May 2003, twelve month net orderly liquidation analysis performed by Hilco Auction and Appraisal Services.

(9) Costs associated with liquidation represent costs and expenses relating to asset preservation, idling expenses, environmental expenses, payroll and other various corporate functions during the winddown and liquidation period and chapter 7 professional fees incurred, including but not limited to those associated with the appointment of a chapter 7 trustee in accordance with section 326 of the Bankruptcy Code.

(10) The Postpetition Credit Agreement includes amounts due under the DIP Revolver and DIP Term Loans. It is projected that as of December 31, 2003, Weirton will have approximately $144.4 million outstanding under the DIP Revolver. Actual amounts could vary from this estimate. The DIP Term Loan is estimated to be $25 million as of December 31, 2003. Each of the DIP Revolver and DIP Term Loans are secured by first-priority liens and security interests (liquidation preferences in certain assets exist as between the DIP Revolver and the DIP Term Loans) in, *inter alia*, inventory, accounts receivable and the steelmaking assets of Weirton, and have been granted superpriority administrative status, subject to certain carve-outs for fees payable to the U.S. Trustee and professional fees.

(11) JP Morgan Trust Company, N.A. as indenture trustee to the Secured 2002 Exchange Notes and HSBC as indenture trustee to the Secured Pollution Control Bonds each, respectively hold second priority, *pari passu*, liens and security interest in Weirton's Hot Strip Mill, Tin Mill and No. 9 Tandem Mill assets. It is projected that Weirton will be obligated to the Secured 2002 Exchange Notes in the approximate amount of $118,242,300 as of December 31, 2003 and will be obligated to the Secured Pollution Control Bonds in the approximate amount of $27,348,000 as of December 31, 2003.

(12) SCFCU loaned Weirton $3.0 million secured by a first priority lien and security interest in Weirton's general office, research and development facility and rolling stock. The projected amount outstanding to SCFCU as of December 31, 2003, is approximately $2.9 million.

(13) Approximately five creditors have filed notices of mechanics liens after the Petition Date in Brooke and/or Hancock Counties, West Virginia, as the case may be, in the total approximate amount of approximately $2,200,000 plus accruing interest. Weirton estimates that the allowed secured amount of such claims will be less than $1,000,000 plus accrued interest through the date on which such allowable mechanics lien claims are paid. It is expected that the mechanics lien claimants will assert that their liens, if valid, have priority over that of the DIP Lenders.

Weirton's estimate of recoveries in chapter 7 liquidation are as follows:

Weirton Steel Corporation
Liquidation Analysis
Orderly Scenario
(in Millions)

	Estimated Book Value 08/30/03	Expected	Recovery Percent
Assets			
Other Current Assets	$ 4.2	$ -	0%
Accounts Receivable, net	115.9	93.3	80.5%
Inventory	159.1	121.3	76.2%
Book value of current assets	279.3	214.6	76.8%
Sales of Fixed Assets	296.3	44.2	14.9%
Sales of Other Assets	17.1	9.8	57.7%
Less: Disposition Costs		(52.4)	
Total Value	$ 592.7	$ 216.2	36.5%

Weirton Steel Corporation
Summary - Liquidation Analysis
US Dollars ($Millions)

	Liquidation Value $ Expected
Net Liquidation Proceeds Available For Distribution	**$ 216.2**
(i) Less Superpriority Administrative Claims	
Debtor-in-Possession Revolver	136.2
Debtor-in-Possession Term Loan	25.0
Debtor-in-Possession Revolver Exit Fee	2.0
Debtor-in-Possession Fees and Expenses	0.5
Debtor-in-Possession Term Loan Exit Fee	-
Carveouts, Mechanics Liens,LC's	10.0
Total Superpriority Claims	173.7
Estimated Payout of Superpriority Claims (In %)	100%
Proceeds Remaining For Distribution to Secured and Administrative	**42.5**
Less: Payout to Steelworks and Bondholders	**(16.9)**
Proceeds Remaining For Distribution to Administrative Claims	**25.6**
(ii) Less Administrative Claims	
Cure Costs	-
Trade Accounts Payable	40.0
Accrued Employee Costs	22.5
Accrued Employee Taxes (included above)	-
Taxes Property & Other	3.0
Employee Separation Costs	-
Admin All Other	5.0
Total Administrative Claims	**70.5**
Estimated Payout of Administrative Claims (In %)	**36.3%**
Proceeds Remaining For Distribution to Priority Claims	-

	Expected
Net Fixed Asset Value	**42.5**
Less: Steelworks	(3.0)
Proceeds to be allocated to Secured Bondholders	**(13.9)**
	(16.9)

Management has noted the following reasons for the assumptions detailed above:

[A] The recovery values are estimated based on current market conditions, experience with the types of assets in question average claims, and appraised and book values.

[B] Assumes disposition of proceeds on an AS IS - WHERE IS basis.

[C] The recovery values are estimated based on current market conditions, experience with the types of assets in question and appraised and book values.

[D] Includes Machinery, Equipment, Furniture and Fixtures, Automobiles, Real Estate & Rolling Stock. The values are based on 12 Month orderly liquidation valuation done by Hilco. Refer to Fixed Assets Schedule for details.

[E] Values based on our experience with Other Situations. See Other Assets Schedule for more details.

Estimate of Costs. The Debtor's costs of liquidation would include any obligations and unpaid expenses incurred by the Debtor during the liquidation process, such as trade obligations, income taxes on gains resulting from the sale of assets, compensation for attorneys, financial advisors, accountants and other professionals and costs and expenses of members of any statutory committee of unsecured creditors appointed by the U.S. Trustee pursuant to section 1102 of the Bankruptcy Code and the Retiree Committee that was appointed pursuant to section 1114 of the Bankruptcy Code. Furthermore, additional claims would arise by reason of the breach or rejection of obligations incurred and executory contracts or unexpired leases entered into by the Debtor both prior to and during the pendency of the Reorganization Case. It is possible that a conversion to a chapter 7 case could result in wind-down expenses being greater or less than the estimated amount. Such expenses are dependent, in substantial part, on the length of time of liquidation.

Unencumbered Assets. The Postpetition Lenders have first priority liens on substantially all of the Debtor's assets, except for the value of the Debtor's interests in Avoidance Actions, if any.

Distribution of Net Proceeds Under Absolute Priority. Under the absolute priority rule, no junior creditor can receive any distribution until all senior creditors are paid in full, and no equity holder would receive any distribution until all creditors are paid in full. Unpaid and chapter 11 administrative expense claims would be paid before any distribution to prepetition priority and unsecured creditors. Because (i) the DIP Loans are administrative expense claims in the approximate amount of $175 million, (ii) the claims of the holders of Secured 2002 Exchange Notes and Secured Pollution Control Bonds to the extent of diminution in the value of their claims since the Petition Date are entitled to administrative priority treatment, (iii) the other unpaid chapter 11 administrative expense claims at the time of a hypothetical liquidation are estimated to be approximately $70 million, the prepetition priority and general unsecured creditors would have no recovery in a liquidation scenario. Additionally, any amounts that might be outstanding under the DIP Facility would have to be paid.

After consideration of the effects that a chapter 7 liquidation would have on the ultimate proceeds available for distribution to creditors, including the limited unencumbered assets of the Debtor, the Debtor has determined that confirmation of the Plan will provide each holder of an Allowed Claim or Allowed Interest with a recovery that is not less than it would receive pursuant to a liquidation of the Debtor under chapter 7 of the Bankruptcy Code.

The Debtor also believes that the value of any distributions from the liquidation proceeds to each class of Allowed Claims in a chapter 7 case would be the same or significantly less than the value of distributions under the Plan. In this regard, it is also possible that the distribution of proceeds of liquidation could be delayed for an extended period after the completion of such liquidation in order to resolve claims and prepare for distributions. In the event that litigation were necessary to resolve claims asserted in the chapter 7 cases, the delay could be further prolonged and administrative expenses further increased.

The liquidation analysis is an estimate of proceeds that may be generated as a result of hypothetical liquidations of the Debtor. Underlying the liquidation analysis are a number of assumptions and estimates that are inherently subject to significant economic, competitive and operational uncertainties and contingencies beyond the control of the Debtor or a chapter 7 trustee. Additionally, various liquidation decisions upon which certain assumptions are based are subject to change. Therefore, there can be no assurance that the assumptions and estimates employed in determining the liquidation values of the Debtor's assets will result in an accurate estimate of the proceeds that would be realized were the Debtor to undergo actual liquidation. The actual amount of claims against the chapter 7 Estate could vary significantly from the Debtor's estimates depending upon the claims asserted during the pendency of the chapter 7 case. This analysis does not include liabilities that may result from litigation, certain new tax assessments or other potential claims, and does not include the value of potential recoveries from avoidance actions.

XV. CONFIRMATION REQUIREMENTS

A. The Confirmation Hearing

The Bankruptcy Code requires the Bankruptcy Court, after notice, to hold a confirmation hearing before a plan of reorganization may be confirmed. The Confirmation Hearing to confirm the Plan has been scheduled for the date set forth in the attached notice of confirmation hearing before the Honorable L. Edward Friend, II, United States Bankruptcy Judge in the Bankruptcy Courtroom, Third Floor, United States Federal Building & Courthouse, 12th and Chapline Streets, Wheeling, West Virginia 26003. The Confirmation Hearing may be adjourned from time to time by the Bankruptcy Court without further notice except for an announcement of the adjourned date made at the Confirmation Hearing. Any objection to confirmation must be made in writing and specify in detail the name and address of the

objector, all grounds for the objection and the amount of the claim or number and type of shares of equity security interests held by the objector. Any such objection must be filed with the Bankruptcy Court and served so that it is received by the Bankruptcy Court and certain other parties when and as set forth in the attached notice of confirmation hearing.

Objections to confirmation of the Plan are governed by Bankruptcy Rule 9014. At the hearing on the confirmation of the Plan, the Bankruptcy Court will confirm the Plan only if the requirements of the Bankruptcy Code, particularly those set forth in section 1129 of the Bankruptcy Code, have been satisfied.

B. Acceptances Necessary to Confirm the Plan

At the Confirmation Hearing, the Bankruptcy Court must determine, among other things, whether the Plan has been accepted by the requisite amount and number of Allowed Claims and Allowed Interests in each impaired class. Under the Bankruptcy Code, a class of creditors or equity security holders is impaired if its legal, equitable or contractual rights are altered by a proposed plan of reorganization. If a class is not impaired, each creditor or equity security holder in such unimpaired class is conclusively presumed to have accepted the plan pursuant to section 1126(f) of the Bankruptcy Code. Classes 1, 2, 3 and 4 are not impaired under the Plan and are, therefore, not entitled to vote on the Plan. Classes 5, 6 and 7 are impaired under the Plan and holders of Allowed Claims or Allowed Interests in such classes are entitled to vote for or against the Plan by completing and returning ballots mailed to them with this Disclosure Statement in the manner set forth in the ballots. Classes 8, 9 and 10 are impaired under the Plan, but are deemed to reject the Plan, and are not entitled to vote.

An impaired class of creditors and each holder of a claim in such class will be deemed to have accepted the Plan if the holders of at least two-thirds in amount and more than one-half of those in number of the Allowed Claims in such impaired class for which complete and timely ballots have been received have voted for acceptance of the Plan. An impaired class of equity securities and each holder of an interest in such class will be deemed to have accepted a plan if the plan has been accepted by at least two-thirds in amount of the interests in such class who actually vote on the Plan.

Because the equity interests held by the members of Classes 8, 9 and 10 are entirely eliminated under the Plan, Classes 8, 9 and 10 are deemed to have rejected the Plan, and the Debtor cannot satisfy the requirements of section 1129(a)(8) of the Bankruptcy Code. Accordingly, the Debtor intends to seek confirmation of the Plan pursuant to section 1129(b) of the Bankruptcy Code. Under section 1129(b), the Bankruptcy Court must determine, among other things, that the Plan does not discriminate unfairly and that it is fair and equitable with respect to each class of impaired Allowed Claims and Allowed Interests that have not voted to accept the Plan.

C. Best Interests of Creditors

To satisfy one of the requirements for confirmation of the Plan, the Debtor must establish and the Bankruptcy Court must find that, with respect to each class of Allowed Claims and Allowed Interests under the Plan, each holder of the Allowed Claim or Allowed Interests in that class either has accepted the Plan or will receive or retain under the Plan on account of such Allowed Claim or Allowed Interest property of a value that is at least the amount that such holder would receive if the Debtor were liquidated under chapter 7 of the Bankruptcy Code. The Section above regarding the liquidation analysis contains the Debtor's analysis of the likely results of chapter 7 liquidation of the Debtor. The Bankruptcy Court must compare the value of the distributions that would be made to each class in chapter 7 liquidation cases to the values of distributions to each class under the Plan to determine if the Plan is in the best interest of each class of Allowed Claims and Allowed Interest. In addition, Weirton has reached an

agreement in principle with the authorized representatives of retirees regarding the modification of Retiree Benefits in a manner more fully described at Section VII.C.7. Although this agreement is subject to Bankruptcy Court approval, the Retiree Committee accepts the treatment and agrees that the distribution of New Weirton Common Stock is appropriate, however the Retiree Committee has not yet agreed with other parties in interest as to the percentage of stock to be distributed. THE DEBTOR BELIEVES THAT THE PLAN IS IN THE BEST INTERESTS OF THE HOLDERS OF ALL ALLOWED CLAIMS AND PROVIDES VALUE TO ALL OF THEM IN EXCESS OF THE AMOUNTS OR IN THE SAME AMOUNTS THAT THEY WOULD RECEIVE IN CHAPTER 7 CASES OF THE DEBTOR.

D. Feasibility

As a condition to confirmation of the plan, the Bankruptcy Code requires the Bankruptcy Court to determine that confirmation is not likely to be followed by liquidation of the Reorganized Debtor or the need for further financial reorganization of the Reorganized Debtor. For purposes of determining whether the Plan meets this "feasibility" standard, the Debtor has analyzed the projected ability of the Reorganized Debtor to meet its obligations under the Plan and of the Reorganized Debtor to continue its operations. As part of this analysis, Weirton prepared Financial Projections of its financial performance. The Financial Projections are set forth in Exhibit C to this Disclosure Statement.

The Debtor believes that the results set forth in the Financial Projections are reasonable and attainable by Weirton, including Reorganized Weirton, and Reorganized Weirton will have sufficient funds available to operate and meet its obligations under the Plan. Substantial effort has been made to ensure that the Financial Projections and assumptions on which they are based are reasonable. The Debtor cautions, however, that no representations can be made by the Debtor with respect to the accuracy of the Financial Projections or the Reorganized Debtor's ability to achieve the projected results. Many of the assumptions on which the Financial Projections are based are subject to major uncertainties. Some assumptions inevitably will not materialize and unanticipated events may affect the actual financial results. Therefore, the actual results achieved will vary from the projected results and the variations may be material. THE DEBTOR, HOWEVER, BELIEVES THAT THE PLAN IS FEASIBLE AND THE DEBTOR URGES THE HOLDERS OF ALL ALLOWED CLAIMS VOTING ON THE PLAN TO VOTE TO ACCEPT THE PLAN.

E. Confirmation of the Plan

In the event the Bankruptcy Court determines that all of the requirements for the confirmation of the Plan are satisfied, the Bankruptcy Court will issue the Confirmation Order confirming the Plan pursuant to section 1129 of the Bankruptcy Code.

XVI. CERTAIN RISK FACTORS TO BE CONSIDERED

HOLDERS OF IMPAIRED CLAIMS AGAINST OR INTERESTS IN THE DEBTOR ARE ENCOURAGED TO READ AND CONSIDER CAREFULLY THE FACTORS SET FORTH BELOW, AS WELL AS THE OTHER INFORMATION SET FORTH IN THIS DISCLOSURE STATEMENT (AND THE DOCUMENTS DELIVERED TOGETHER HEREWITH AND/OR INCORPORATED BY REFERENCE), PRIOR TO VOTING TO ACCEPT OR REJECT THE PLAN. THOSE RISK FACTORS SHOULD NOT, HOWEVER, BE REGARDED AS CONSTITUTING THE ONLY RISKS INVOLVED IN CONNECTION WITH THE PLAN AND ITS IMPLEMENTATION.

A. Overall Risks to Recovery by Holders of Claims

The ultimate recoveries under the Plan to holders of claims (other than those holders of claims who are paid solely in Cash under the Plan) depend upon the realizable value of the future consideration under the Plan, including notes, all of which are subject to a number of material risks, including, but not limited to, those specified below.

B. Lack of Established Market

Interests will be issued by the Reorganized Debtor to holders of pre-Petition Date claims, some or all of whom may prefer to liquidate their investment rather than hold such investment on a long term basis. There currently is no trading market for the interests in the Reorganized Debtor nor is it known whether or when one will develop. Furthermore, there can be no assurance as to the degree of price volatility in any such market.

C. Parties-In-Interest May Object to the Debtor's Classification of Claims

Section 1122 of the Bankruptcy Code provides that a plan of reorganization may place a claim or an interest in a particular class only if such claim or interest is substantially similar to the other claims or interests of such class. The Debtor believes that the classification of claims and interests under the Plan complies with the requirements set forth in the Bankruptcy Code. However, the Debtor cannot give assurances that the Bankruptcy Court will reach the same conclusion.

D. The Commencement of the Reorganization Case May Have Negative Implications Under Certain Contracts of the Debtor

The Debtor is a party to various contractual arrangements under which the commencement of the Reorganization Case and the other transactions contemplated by the Plan could, subject to the Debtor's rights and powers under sections 362 and 365 of the Bankruptcy Code, (a) result in a breach, violation, default or conflict, (b) give other parties thereto rights of termination or cancellation or (c) have other adverse consequences for the Debtor or the Reorganized Debtor. The magnitude of any such adverse consequences may depend on, among other factors, the diligence and vigor with which other parties to such contracts may seek to assert any such rights and pursue any such remedies in respect of such matters, and the ability of the Debtor or Reorganized Debtor to resolve such matters on acceptable terms through negotiations with such other parties or otherwise.

E. The Debtor May Not Be Able to Secure Confirmation of the Plan

The Debtor cannot assure you that the requisite acceptances to confirm the Plan will be received. Even if the requisite acceptances are received, the Debtor cannot assure you that the Bankruptcy Court will confirm the Plan. A non-accepting creditor or equity security holder of the Debtor might challenge the balloting procedures and results as not being in compliance with the Bankruptcy Code or Bankruptcy Rules. Even if the Bankruptcy Court determined that the Disclosure Statement and the balloting procedures and results were appropriate, the Bankruptcy Court could still decline to confirm the Plan if it found that any of the statutory requirements for confirmation had not been met. Section 1129 of the Bankruptcy Code sets forth the requirements for confirmation and requires, among other things, a finding by the Bankruptcy Court that the confirmation of the Plan is not likely to be followed by a liquidation or a need for further financial reorganization and that the value of distributions to non-accepting holders of claims and interests within a particular class under the Plan will not be less than the value of distributions such holders would receive if the Debtor were liquidated under chapter 7 of the Bankruptcy Code. While the Debtor cannot give assurances that the Bankruptcy Court will conclude that these requirements have

been met, the Debtor believes that the Plan will not be followed by a need for further financial reorganization and that non-accepting holders within each class under the Plan will receive distributions at least as great as would be received following a liquidation under chapter 7 of the Bankruptcy Code when taking into consideration all administrative claims and the costs and uncertainty associated with any such chapter 7 case.

The confirmation and consummation of the Plan are also subject to certain conditions. If the Plan is not confirmed, it is unclear whether a restructuring of the Debtor could be implemented and what distribution holders of Claims or Equity Interests ultimately would receive with respect to its Claims or Equity Interests. If an alternative reorganization could not be agreed to, it is possible that the Debtor would have to liquidate its assets, in which case it is likely that holders of Claims or Equity Interests would receive substantially less favorable treatment than they would receive under the Plan.

F. The Debtor May Object to the Amount or Classification of Your Claim

The Debtor reserves the right to object to the amount or classification of any claim or interest. The estimates set forth in this Disclosure Statement cannot be relied on by any creditor whose claim or interest is subject to an objection. Any such claim or interest holder may not receive its specified share of the estimated distributions described in this Disclosure Statement.

G. Supply and Cost of Raw Materials

Raw material costs will constitute a substantial portion of the Reorganized Debtor's cash cost of production. The major raw materials used in the manufacture of hot roll include, among others, coke, pellets and scrap. Commercial deposits of certain raw materials to be used by the Reorganized Debtor are found in only a few parts of the world. The availability and prices of these materials may be influenced by cartels, changes in world politics, unstable governments in exporting nations and inflation. As a result, the availability and prices of raw materials may be subject to curtailment or to change due to, among other things, interruptions in production by suppliers, worldwide price levels and allocations to other purchasers. Any protracted interruption in the supply of raw materials, substantial increases in their costs, or changes in payment terms extended to the Reorganized Debtor by suppliers, could have a material adverse effect on the business, financial condition, results of operations or prospects of the Reorganized Debtor.

H. Supply and Cost of Natural Gas and Electricity

The Reorganized Debtor can be expected to consume significant quantities of natural gas and electricity in its operations, and the cost of such natural gas and electricity also will constitute a substantial portion of the Reorganized Debtor's cash cost of production. Any protracted interruption in the supply of natural gas or electricity, substantial increases in its costs, or changes in payment terms extended to the Reorganized Debtor by suppliers, could have a material adverse effect on the business, financial condition, results of operations or prospects of the Reorganized Debtor.

I. Market Risk

Market risk is the potential loss arising from adverse changes in market rates and prices, such as commodity prices, foreign currency exchange rates and interest rates. The Reorganized Debtor will be exposed to various market risks, including changes in commodity prices, foreign currency exchange rates and interest rates.

The Reorganized Debtor expects to sell products under conventional purchase orders, one-year supply contracts and long-term firm price or indexed price contracts. Firm-price contracts will continue to be a significant part of the steel and tin industries because the end-users of steel and tin products require the ability to quote firm prices on products deliverable in the future. Firm-price contracts expose the Reorganized Debtor to risk from changes in the price of raw materials used in production between the date of a firm sales commitment and the date of delivery. The Reorganized Debtor expect to continue to attempt to manage exposure to changes in raw material prices by hedging prices of certain raw materials, purchasing raw materials under fixed-price arrangements and entering into scrap purchase arrangements with customers, but there can be no assurances as to the effectiveness of these measures.

J. Demand for the Reorganized Debtor's Products

Substantially all of the revenues of the Reorganized Debtor can be expected to be derived from the sale of the Reorganized Debtor's products, as more fully described at Section IX.A. Accordingly, any significant decrease in demand or decline in prices for such products could have a material adverse effect on the business, financial condition, results of operations or prospects of the Reorganized Debtor.

K. Competition

Several of the production capabilities of the Reorganized Debtor will also be possessed in varying degrees by other large, technically-competent firms with substantial assets, including both domestic and foreign manufacturers. In the future, the Reorganized Debtor may face increased competition from companies that currently have the required manufacturing equipment, but lack sufficient technological or financial resources. The competitive nature of the industry has had, and in the future may have, a material adverse effect on the business, financial condition, results of operations and prospects of the Reorganized Debtor.

L. Environmental Risks

The facilities owned by the Reorganized Debtor will be engaged in activities regulated by extensive federal, state and local environmental, worker safety and health laws and regulations, including those relating to air emissions, wastewater discharges, the handling and disposal of solid and hazardous wastes and the release of hazardous substances (collectively, "Environmental Laws"). The Reorganized Debtor will use substantial quantities of substances that are considered hazardous or toxic under Environmental Laws and its operations will pose a continuing risk of accidental releases of, and worker exposure to, hazardous or toxic substances. There is also a risk that Environmental Laws, or the enforcement thereof, may become more stringent in the future and that the Reorganized Debtor may be subject to legal proceedings brought by private parties or government agencies with respect to environmental matters. There can be no assurance that some, or all, of the risks discussed under this heading will not result in liabilities that are material to the Reorganized Debtor's business, results of operations, financial condition or cash flows.

M. Insurance Claims

Weirton maintains a comprehensive insurance coverage program consisting of appropriate layers of commercial general liability coverage, premises liability coverage, automobile liability coverage, all-risk property insurance coverage including business interruption, directors and officers liability, employee dishonesty and employment practices liability, ocean marine and various other policies usual to business operations of Weirton. Weirton's insurance coverage program is similar in nature and scope to those programs maintained by other organizations of similar size within the steel industries.

Under the Plan, all Insurance Claims are Disputed Claims and, thus, until such Claims are determined to be Allowed Claims, there will be no distributions to holders of Insurance Claims. Further, there is no guarantee that holders of Insurance Claims that are Allowed Claims will receive any payments on account of their Insurance Claims because such Claims may not be covered under the applicable Insurance Policies.

In addition, holders of Insurance Claims that are Allowed Claims, and that may otherwise be covered under the Insurance Policies, may not have access to or receive any proceeds under the Insurance Policies because the Insurers may deny coverage on otherwise valid claims. The Insurers have issued Insurance Policies to the Debtor that may provide coverage for Insurance Claims. The Insurers, however, may assert that the Plan may alter or violate the Insurers' rights under the Insurance Policies and applicable law and may potentially seek to avoid any coverage otherwise available under the Insurance Policies. In particular, the Insurers may assert that the Plan violates the Insurers' rights to (i) control the defense, investigation, and settlement of Insurance Claims; (ii) require the Reorganized Debtor's compliance with the terms and conditions of the Insurance Policies; (iii) assert certain subrogation rights available to the Insurers under the Policies; and (iv) assert claims for setoff, contribution, and recoupment. The Insurers may also assert that the Plan seeks to provide certain injunctive relief that may alter the Reorganized Debtor's obligations under the Policies in such a way that would also void any available insurance coverage.

XVII. WHERE YOU CAN OBTAIN MORE INFORMATION

Upon emergence, Weirton will continue to be subject to the informational requirements of the Securities Exchange Act of 1934, and, in accordance therewith, will file reports and other information with the Securities and Exchange Commission (the "SEC") as required. Certain documents referred to in this Disclosure Statement have not been attached as exhibits because of the impracticability of furnishing copies thereof to all of the Debtor's creditors and equity security holders. Additional financial and other information about the Debtor can be found in Weirton's Form 10-K for the fiscal years ended December 31, 2000, and 2001, its Forms 10-Q for the quarters ended March 31, 2002, June 30, 2002, and September 30, 2002, and its other filings from time to time with the SEC, each of which is incorporated in this Disclosure Statement by reference and is available at www.sec.gov or may also be obtained at prescribed rates by writing to the Public Reference Section of the SEC at Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549.

Pursuant to the requirements of the Office of the U.S. Trustee, the Debtor is required to and has filed monthly operating reports for the postpetition period with the Bankruptcy Court. These monthly operating reports may be obtained at prescribed per page copy rates by writing to the Clerk of the United States Bankruptcy Court for the Northern District of West Virginia, United States Federal Building & Courthouse, 12th and Chapline Streets, Wheeling, West Virginia, 26003, or on-line at the Bankruptcy Court's website: http://www.wvnb.uscourts.gov..

XVII. CONCLUSION AND RECOMMENDATION

The Debtor believes that confirmation and implementation of the Plan is preferable to any of the alternatives described above because it will provide the greatest recoveries to holders of Claims. Other alternatives would involve significant delay, uncertainty and substantial administrative costs. The Debtor urges holders of Claims entitled to vote on the Plan to vote to accept the Plan.

Dated: November 13, 2003

WEIRTON STEEL CORPORATION,

a Delaware corporation

By: D Leonard Wise

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Title: Chief Executive Officer

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