

CLIFFS NATURAL RESOURCES INC.

FORM 8-K (Current report filing)

Filed 06/27/06 for the Period Ending 06/26/06

Address	200 PUBLIC SQUARE STE. 3300 CLEVELAND, OH 44114-2315
Telephone	216-694-5700
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Symbol	CLF
SIC Code	1000 - Metal Mining
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Sector	Basic Materials
Fiscal Year	12/31

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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported):

June 26, 2006

Cleveland-Cliffs Inc

(Exact name of registrant as specified in its charter)

Ohio

1-8944

34-1464672

(State or other jurisdiction
of incorporation)

(Commission
File Number)

(I.R.S. Employer
Identification No.)

1100 Superior Avenue, Cleveland, Ohio

44114-2589

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code:

216-694-5700

Not Applicable

Former name or former address, if changed since last report

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 7.01 Regulation FD Disclosure.

On June 26, 2006, Cleveland-Cliffs Inc(the "Company") published a news release captioned, "Cleveland-Cliffs Comments on Iron Ore Pricing - Cliffs' Average North American and Australian Iron Ore Prices to Increase in 2006".

On June 27, 2006 Portman Limited ("Portman") published a media release captioned "Portman Comments on Iron Ore Pricing - Australian Iron Ore Prices Expected to Increase in 2006".

The press and media releases are contained in Item 9.01 as exhibits 99(a) and 99(b), respectively, to this Current Form 8-K and incorporated into this Item 7.01 by reference. The information on this Form 8-K shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act") or incorporated by reference in any filing under the Securities Act of 1933, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

99(a) Cleveland-Cliffs Inc published a news release dated June 26, 2006 captioned "Cleveland-Cliffs Comments on Iron Ore Pricing - Cliffs' Average North American and Australian Iron Ore Prices to Increase in 2006"

99(b) Portman Limited published a media release dated June 27, 2006 captioned, "Portman Comments on Iron Ore Pricing - Australian Iron Ore Prices Expected to Increase in 2006"

SIGNATURES

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

June 27, 2006

Cleveland-Cliffs Inc

By: George W. Hawk, Jr.

Name: George W. Hawk, Jr.

Title: General Counsel and Secretary

Exhibit Index

<u>Exhibit No.</u>	<u>Description</u>
99.(a)	Cleveland-Cliffs Inc published a news release dated June 26, 2006 captioned "Cleveland-Cliffs Comments on Iron Ore Pricing - Cliffs' Average North American and Australian Iron Ore Prices to Increase in 2006"
99.(b)	Portman Limited published a media release dated June 27, 2006 captioned, "Portman Comments on Iron Ore Pricing - Australian Iron Ore Prices Expected to Increase in 2006"

NEWS RELEASE

Cleveland-Cliffs Comments on Iron Ore Pricing

Cliffs' Average North American and Australian Iron Ore Prices to Increase in 2006

CLEVELAND, OH—June 26, 2006—Cleveland-Cliffs Inc (NYSE: CLF) today commented that recent price settlements plus other contract adjustments will increase prices for all of its 2006 iron ore sales.

Based on current estimates of all adjustment factors, average 2006 sales revenues for pellets should increase approximately 7.5 percent to \$63.15 per ton from the 2005 average of \$58.77 per ton. Cliffs expects its Portman revenue rate to increase roughly \$6.60 per tonne, or 16 percent, above 2005's average revenue rate of \$41.66 per tonne. The Company expects 2006 pellet unit costs will increase approximately 11%, or \$4.70, from 2005's average unit cost of \$42.65. Cliffs also expects its Portman operating costs per ton to increase less than 5% from 2005's average unit cost of \$35.47.

International settlements have been announced providing for a 19 percent increase in iron ore fines and lump, and a 3.5 percent reduction in the price of blast furnace pellets for Eastern Canadian producers. Cliffs stated that sales prices at its 80 percent-owned Portman operation, which supplies Asian steel producers with fines and lump ore, are directly affected by changes in negotiated iron ore fines and lump prices. However, the negotiated international price for blast furnace pellets is only one of several price adjustment factors included in the Company's North American term sales contracts.

Cliffs' estimated average revenue rate on all of Portman's sales will increase 16 percent, due to the benchmark pricing settlements, changes in sales mix and Cliffs' purchase accounting adjustments related to currency hedges in place at the date of acquisition.

The estimated 7.5 percent increase in 2006's pellet sales revenue rate includes a number of factors. A combination of contractual base price increases, lag-year adjustments and capped pricing on one contract will increase 2006 average pellet sales revenue \$3.28 per ton. The impact of the international pellet price change will reduce Cliffs' 2006 pellet sales revenue by approximately \$0.64 per ton. A reduction in net sales realization due to higher lake freight rates imbedded in sales contract prices will result in a decrease of \$0.33 per ton.

Cliffs' 2006 pellet pricing will also be determined by the net impact from other price-adjustment factors which will not be finalized until after yearend, namely changes in the producer price indices (PPI) and average hot rolled coil prices for 2006. Each one percent increase in the PPI—All Commodities Less Fuel index is currently expected to add \$0.12 per ton to Cliffs' 2005 average pellet sales pricing; each one percent increase in the PPI—Fuel and Related Products index will result in an approximate \$0.06 per ton increase to Cliffs' 2005 average pellet sales pricing; and, each \$10 per ton increase from \$520 per ton average hot rolled price in a number of Cliffs' contracts is expected to result in a \$0.30 per ton increase to Cliffs' 2005 average pellet sales pricing.

Commenting on the pricing impact, Chairman and Chief Executive Officer John Brinzo said, "The net positive outcome for our consolidated iron ore pricing in 2006 reinforces our strategy of increasing Cliffs' exposure to the fastest growing iron ore markets in the world. For North America, the multiple escalator provisions in our long-term pellet sales contracts far outweigh the negative impact of the international price settlements on our North American sales prices.

"Meaningfully higher prices for fines and lump ore being supplied by Portman, coupled with stronger North American pellet pricing, should result in another very good year for Cliffs," he concluded.

The Company estimates its share of North American pellet sales at 21 million tons in 2006, of which about 13.5 million tons will be sold in the second half of the year. Portman's sales of fines and lump ore are estimated to be 7.5 million tonnes during the current year, with approximately 4.3 million tonnes sold in the second half of 2006.

To be added to Cleveland-Cliffs' e-mail distribution list, please click on the link below:

<http://www.cpg-llc.com/clearsite/clf/emailoptin.html>

Cleveland-Cliffs Inc, headquartered in Cleveland, Ohio, is the largest producer of iron ore pellets in North America and sells the majority of its pellets to integrated steel companies in the United States and Canada. Cleveland-Cliffs Inc operates a total of six iron ore mines located in Michigan, Minnesota and Eastern Canada. The Company is majority owner of Portman Limited, the third-largest iron ore mining company in Australia, serving the Asian iron ore markets with direct-shipping fines and lump ore.

This news release contains predictive statements that are intended to be made as “forward-looking” within the safe harbor protections of the Private Securities Litigation Reform Act of 1995. Although the Company believes that its forward-looking statements are based on reasonable assumptions, such statements are subject to risk and uncertainties.

Actual results may differ materially from such statements for a variety of reasons, including: changes in the sales mix for the Company’s Portman operations; the impact of other price adjustment factors on the Company’s North American sales contracts; changes in demand for iron ore pellets by North American integrated steel producers, or changes in Asian iron ore demand, due to changes in steel utilization rates, operational factors, electric furnace production or imports into the United States and Canada of semi-finished steel or pig iron; availability of capital equipment and component parts; availability of float capacity on the Great Lakes; changes in the financial condition of the Company’s partners and/or customers; rejection of major contracts and/or venture agreements by customers and/or participants under provisions of the U.S. Bankruptcy Code or similar statutes in other countries; events or circumstances that could impair or adversely impact the viability of a mine and the carrying value of associated assets; inability to achieve expected production levels; failure to receive or maintain required environmental permits; problems with productivity, labor disputes, weather conditions, fluctuations in ore grade, tons mined, changes in cost factors including energy costs, transportation and employee benefit costs; and the effect of these various risks on the Company’s future cash flows, debt levels, liquidity and financial position.

Reference is also made to the detailed explanation of the many factors and risks that may cause such predictive statements to turn out differently, set forth in the Company’s Annual Report for 2005, Reports on Form 10-K and Form 10-Q and previous news releases filed with the Securities and Exchange Commission, which are publicly available on Cleveland-Cliffs’ website. The information contained in this document speaks as of the date of this news release and may be superseded by subsequent events.

News releases and other information on the Company are available on the Internet at:

<http://www.cleveland-cliffs.com>.

SOURCE: Cleveland-Cliffs Inc

CONTACT: Media: 1-216-694-4870

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P
Portman
Limited

27 June 2006

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(2 pages in total)

The Announcements Officer
Australian Stock Exchange (Sydney) Limited
Level 10
20 Bond Street
SYDNEY NSW 2001

Electronically Lodged

Dear Sir

NEWS RELEASE

Portman Comments on Iron Ore Pricing

Portman Limited (ASX:PMM) today released a announcement in which the Company commented on the recent price settlement announcements for iron ore.

Yours sincerely

/s/ L. A. Kipfstuhl

L. Kipfstuhl
COMPANY SECRETARY

P
Portman
Limited

MEDIA RELEASE

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Portman Comments on Iron Ore Pricing

Australian Iron Ore Prices Expected to Increase in 2006

PERTH, WA – June 27, 2006 — Portman Limited (ASX:PMM) today commented on the recent price settlement announcements for iron ore.

Published reports indicate that negotiated settlements have been reached for a 19 percent increase in iron ore fines and lump. Portman stated that sales prices of the fine and lump ores which it supplies to Asian steel producers are directly affected by changes in negotiated prices.

Based on a 19 percent increase in the price of fine and lump ores, the estimated average revenue realisation for Portman will be an increase of approximately \$8.65 per tonne, or 16 percent, compared to 2005's average revenue realisation of \$55.78 per tonne. The increase in Portman pricing results from the benchmark pricing settlements combined with changes in sales mix. Portman has previously stated that it expects costs per tonne to increase approximately 15% in 2006 from 2005 levels.

Portman's sales of fine and lump ores are estimated to be 7.5 million tonnes during the current year.

- END -

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