

# ALPHA NATURAL RESOURCES, INC./ OLD

Filed by  
**CLIFFS NATURAL RESOURCES INC.**

## FORM 425

(Filing of certain prospectuses and communications in connection with business combination transactions)

Filed 07/16/08

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Industry	Metal Mining
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Fiscal Year	12/31

Filed by Cleveland-Cliffs Inc  
Commission File No. 1-8944  
Pursuant to Rule 425 under the Securities Act of 1933  
and deemed filed pursuant to Rule 14a-12  
under the Securities Exchange Act of 1934

Subject Company: Alpha Natural Resources, Inc.

Commission File No. 1-32423



**CLIFFS NATURAL RESOURCES**  
**INVESTOR PRESENTATION**  
**JULY 2008**

# “Safe Harbor” Statement under the Private Securities Litigation Reform Act of 1995

A number of the matters discussed in this document that are not historical or current facts deal with potential future circumstances and developments, in particular, information regarding expected synergies resulting from the merger of Cleveland-Cliffs and Alpha, combined operating and financial data, the combined company's plans, objectives, expectations and intentions and whether and when the transactions contemplated by the merger agreement will be consummated. The discussion of such matters is qualified by the inherent risks and uncertainties surrounding future expectations generally, and also may materially differ from actual future experience involving any one or more of such matters. Such risks and uncertainties include: the risk that the businesses will not be integrated successfully; the risk that the cost savings and any other synergies from the transaction may not be fully realized or may take longer to realize than expected; 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; the impact of consolidation and rationalization in the steel industry; timing of changes in customer coal inventories; changes in, renewal of and acquiring new long-term coal supply arrangements; inherent risks of coal mining beyond the combined company's control; environmental laws, including those directly affecting coal mining production, and those affecting customers' coal usage; competition in coal markets; railroad, barge, truck and other transportation performance and costs; the geological characteristics of Central and Northern Appalachian coal reserves; availability of mining and processing equipment and parts; the combined company's assumptions concerning economically recoverable coal reserve estimates; disruption from the transaction making it more difficult to maintain relationships with customers, employees or suppliers; the failure to obtain governmental approvals of the transaction on the proposed terms and schedule, and any conditions imposed on the combined company in connection with consummation of the merger; the failure to obtain approval of the merger by the stockholders of Cleveland-Cliffs and Alpha and the failure to satisfy various other conditions to the closing of the merger contemplated by the merger agreement; and the risks that are described from time to time in Cleveland-Cliffs' and Alpha's respective reports filed with the SEC, including each of Cleveland-Cliffs' and Alpha's annual report on Form 10-K for the year ended December 31, 2007 and quarterly report on Form 10-Q for the quarter ended March 31, 2008, as such reports may have been amended. This document speaks only as of its date, and Cleveland-Cliffs and Alpha each disclaims any duty to update the information herein.



# Important Information for Investors and Shareholders

## **Additional Information and Where to Find It**

In connection with the proposed transaction, a registration statement on Form S-4 will be filed with the SEC. CLEVELAND-CLIFFS AND ALPHA SHAREHOLDERS ARE ENCOURAGED TO READ THE REGISTRATION STATEMENT AND ANY OTHER RELEVANT DOCUMENTS FILED WITH THE SEC, INCLUDING THE JOINT PROXY STATEMENT/PROSPECTUS THAT WILL BE PART OF THE REGISTRATION STATEMENT, WHEN THEY BECOME AVAILABLE, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED MERGER. The final joint proxy statement/prospectus will be mailed to shareholders of Cleveland-Cliffs and shareholders of Alpha. Investors and security holders will be able to obtain the documents free of charge at the SEC's web site, [www.sec.gov](http://www.sec.gov), from Cleveland-Cliffs Inc, Investor Relations, 1100 Superior Avenue, Cleveland, Ohio 44114-2544, or call (216) 694-5700, or from Alpha Natural Resources, Inc., One Alpha Place, P.O. Box 2345, Abingdon, Virginia 24212, attention: Investor Relations, or call (276) 619-4410.

## **Participants In Solicitation**

Cleveland-Cliffs and Alpha and their respective directors and executive officers and other members of management and employees may be deemed to be participants in the solicitation of proxies in respect of the proposed merger. Information concerning Cleveland-Cliffs' participants is set forth in the proxy statement dated March 26, 2008, for Cleveland-Cliffs' 2008 annual meeting of shareholders as filed with the SEC on Schedule 14A. Information concerning Alpha' participants is set forth in the proxy statement, dated April 2, 2008, for Alpha's 2008 annual meeting of stockholders as filed with the SEC on Schedule 14A. Additional information regarding the interests of participants of Cleveland-Cliffs and Alpha in the solicitation of proxies in respect of the proposed merger will be included in the registration statement and joint proxy statement/prospectus and other relevant materials to be filed with the SEC when they become available.



# Transaction Highlights

- Creates a leading diversified mining and natural resources company
- Dramatically increases size and scale
- Solidifies platform for growth and diversifies business mix
- Capitalizes on strong outlook for iron ore, metallurgical and thermal coal
- Shared culture and core values of both companies, including a focus on safety
- Strong financial position
  - Pro forma leverage of  $\approx 1.2x$
  - Pro forma 2008E EBITDA of  $\approx \$1.9bn$
- Compelling value creation for Cleveland-Cliffs and Alpha Natural Resources shareholders



# Transaction Summary

- Price: Cleveland-Cliffs ("CLF") to acquire all outstanding shares of Alpha Natural Resources ("ANR") valued at approximately \$10 billion
- Premium: Based on Cliffs's closing price on July 15, 2008, Alpha stockholders would receive a premium of 35%
- Structure: Alpha stockholders would receive 0.95 Cleveland-Cliffs common shares plus \$22.23 in cash for each share of Alpha common stock owned
- Ownership: Upon completion of the transaction, Alpha stockholders would own approximately 40% of the combined company, and Cliffs shareholders would own approximately 60% percent
- Key Conditions: The transaction is subject to approval by Cliffs and Alpha shareholders, as well as the satisfaction of customary closing conditions and regulatory approvals
- Timing: The transaction is expected to close by the end of 2008

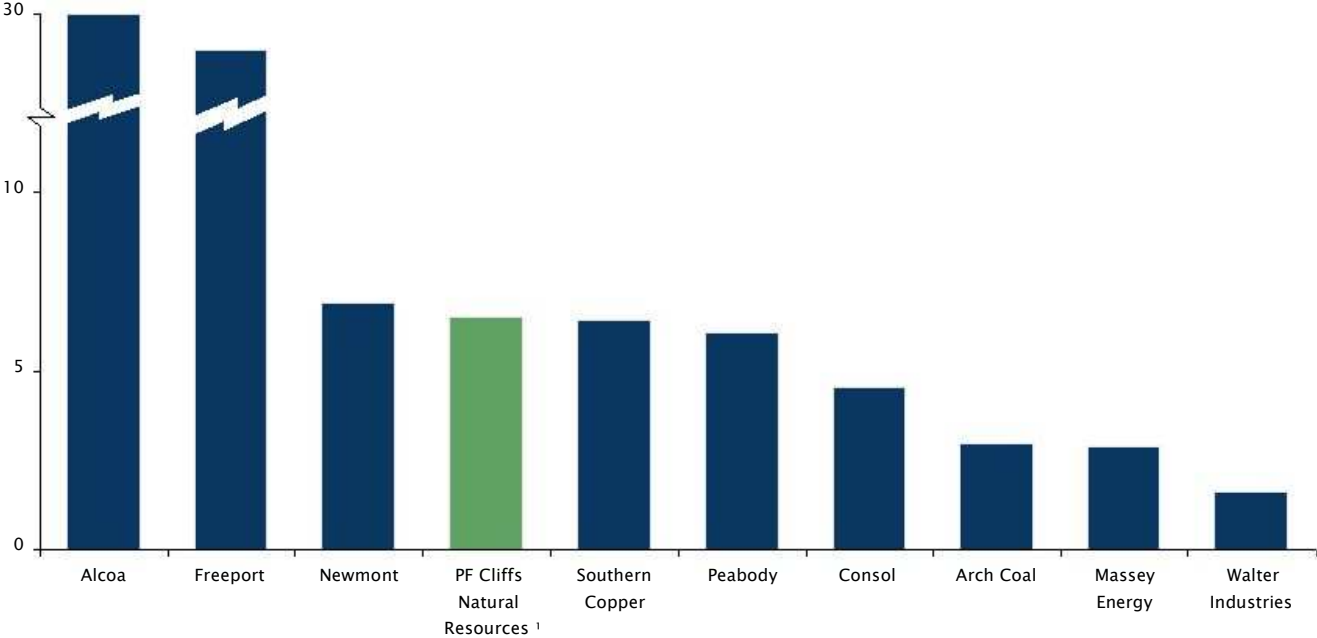


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# The Right Assets

# Creates One of the Largest US Mining Companies

Largest US mining companies by 2008E revenue (\$ millions)



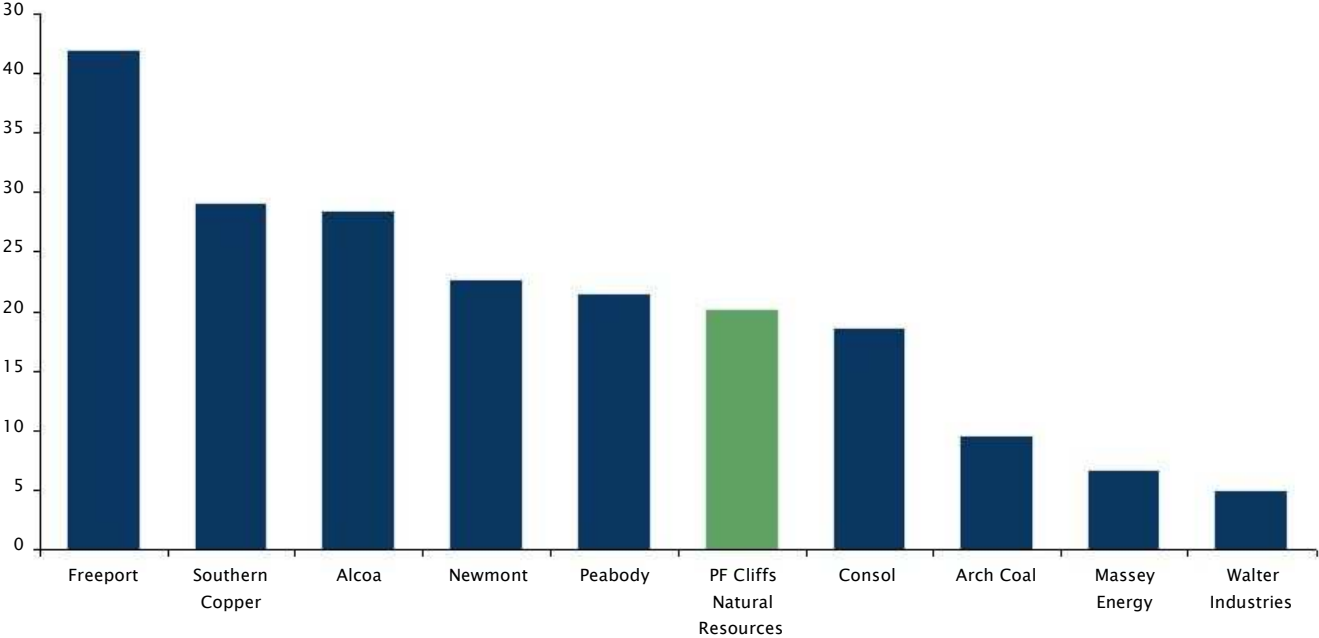
Source: FactSet, management estimates  
<sup>1</sup> Based on management estimates





# Creates One of the Largest US Mining Companies

Largest US mining companies by market capitalization (\$ millions)



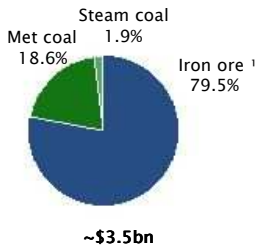
Source: FactSet, management estimates



# A More Diverse Business Mix

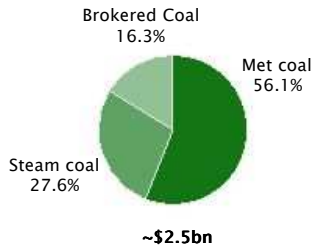
## 2008E<sup>1</sup> revenue by commodity

**Cleveland-Cliffs**



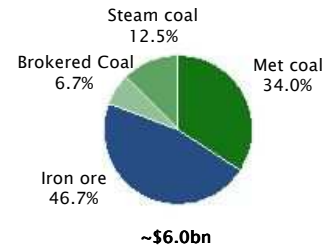
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**Alpha Natural Resources**



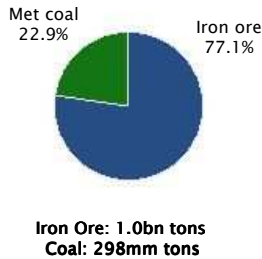
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**Cliffs Natural Resources**



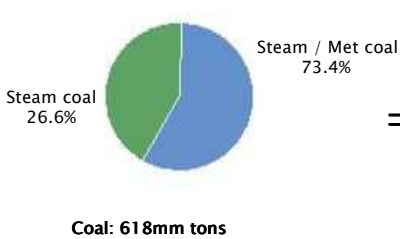
## 2007A reserves by commodity

**Cleveland-Cliffs**



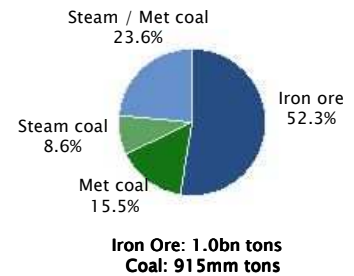
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**Alpha Natural Resources**



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**Cliffs Natural Resources**



Source: Company data

<sup>1</sup>Excludes revenue from freight and other



# Solid geographic footprint

## Cliffs Asia Pacific



## Cliffs North America



## Cliffs Latin America



- Iron ore assets
- Coal assets

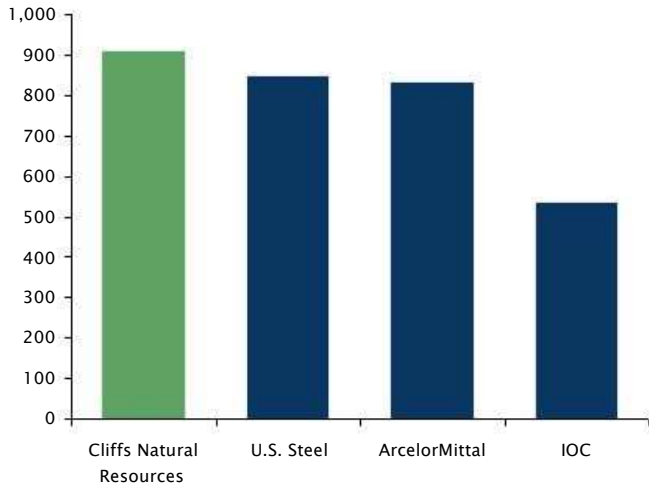
**Combined mine portfolio will include nine iron ore facilities and more than 60 coal mines across North America, South America and Australia**

Source: Company

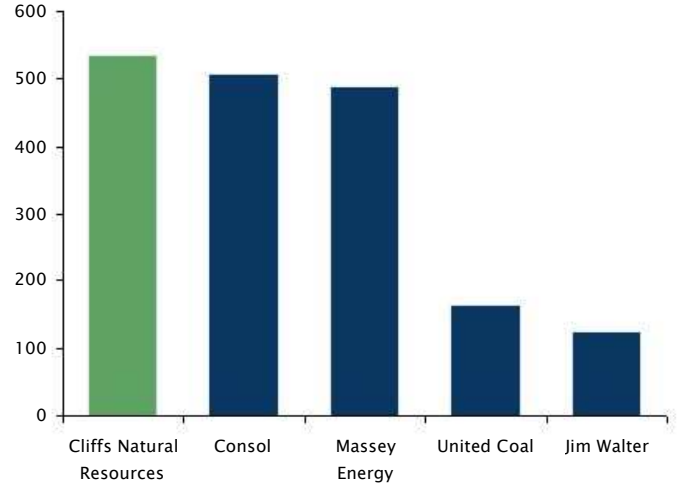


# World-class Asset Base

### Largest iron ore reserves in N. America (mt)



### Largest met coal reserves in U.S. (mt)

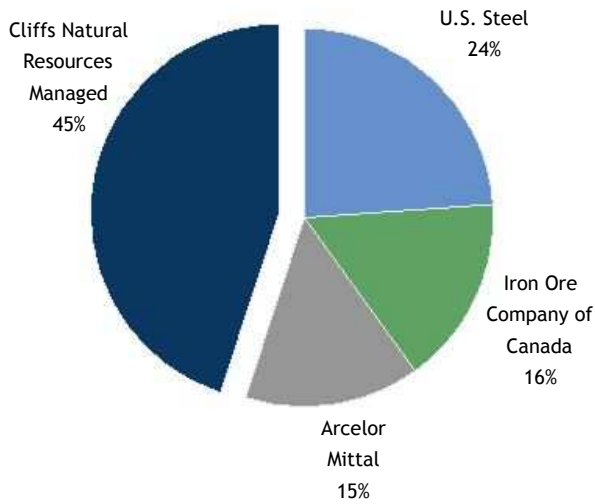


Source: Company data  
Note: Only includes North American reserves

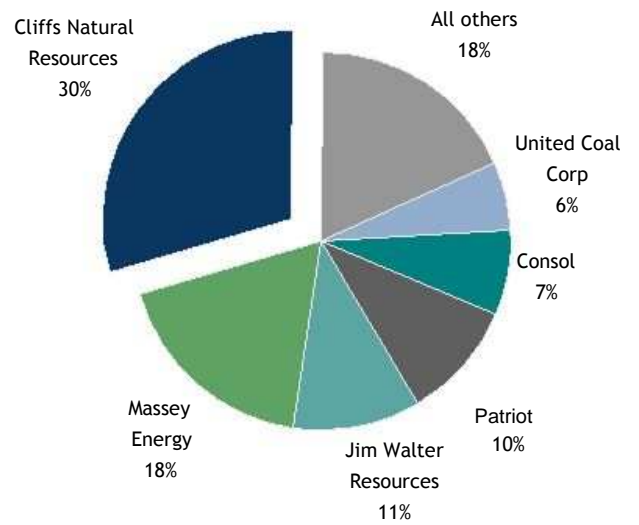


# A Leading Supplier to the Global Steel Industry

Top North American iron ore pellet producers



Top US met coal producers



Source: Company data

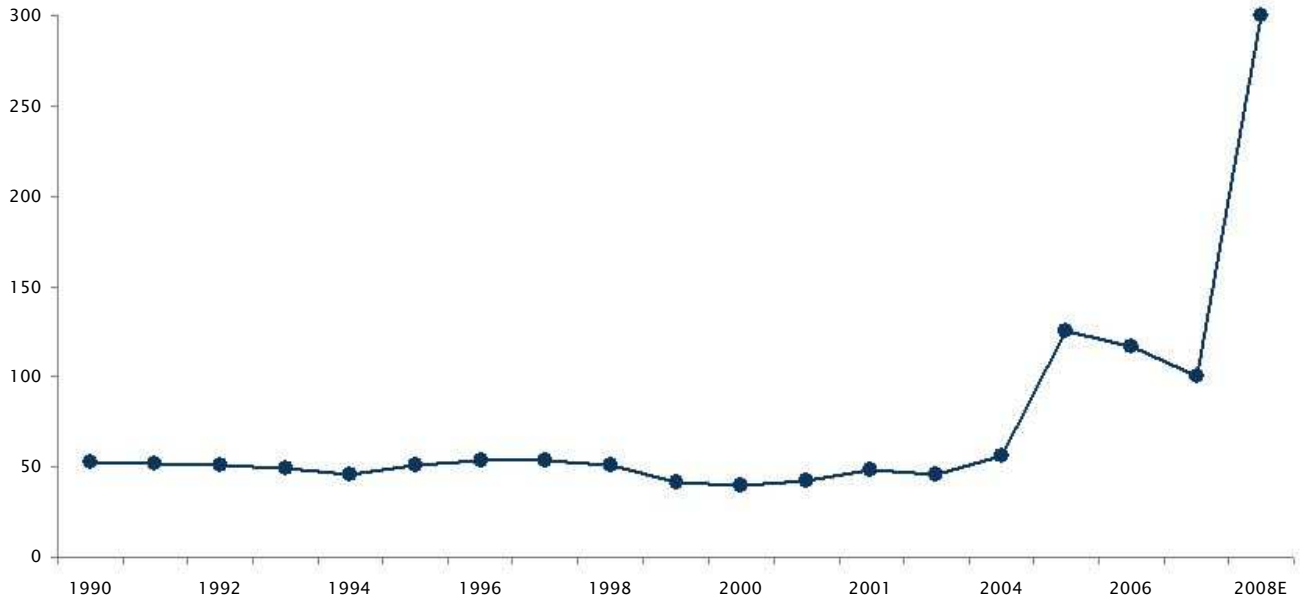


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# The Right Time

# Strong Met Coal Outlook

## Met coal prices (\$/tonne)

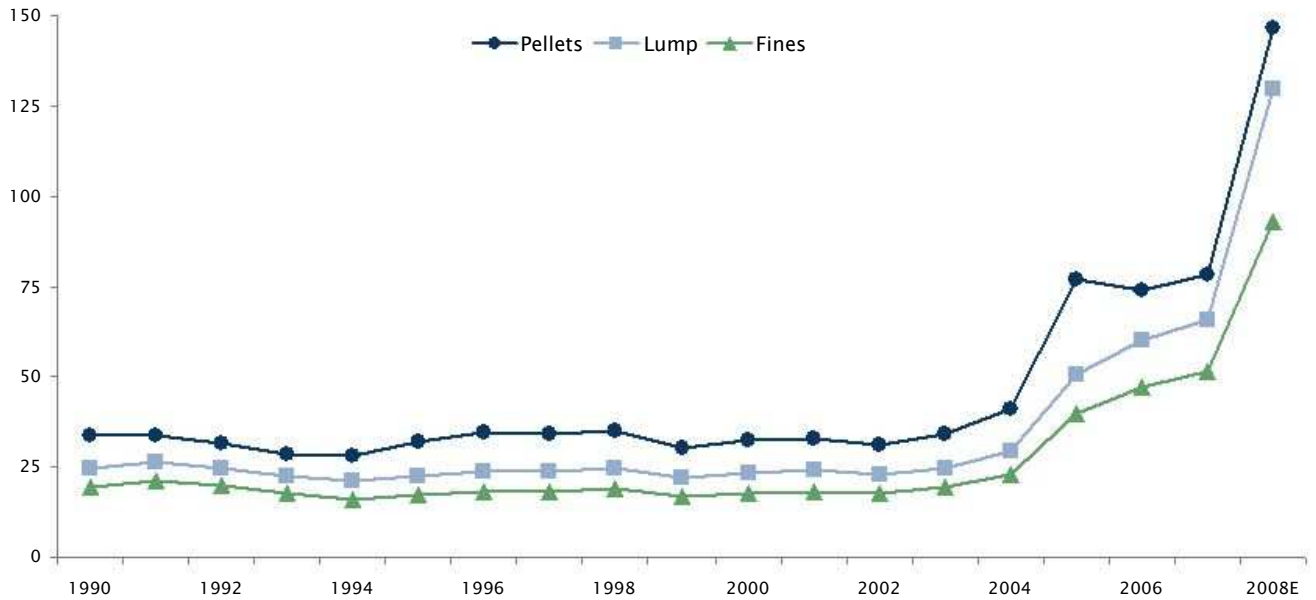


Source: Metal Strategies, equity research



# Strong Iron Ore Outlook

## Iron ore prices (\$/tonne)

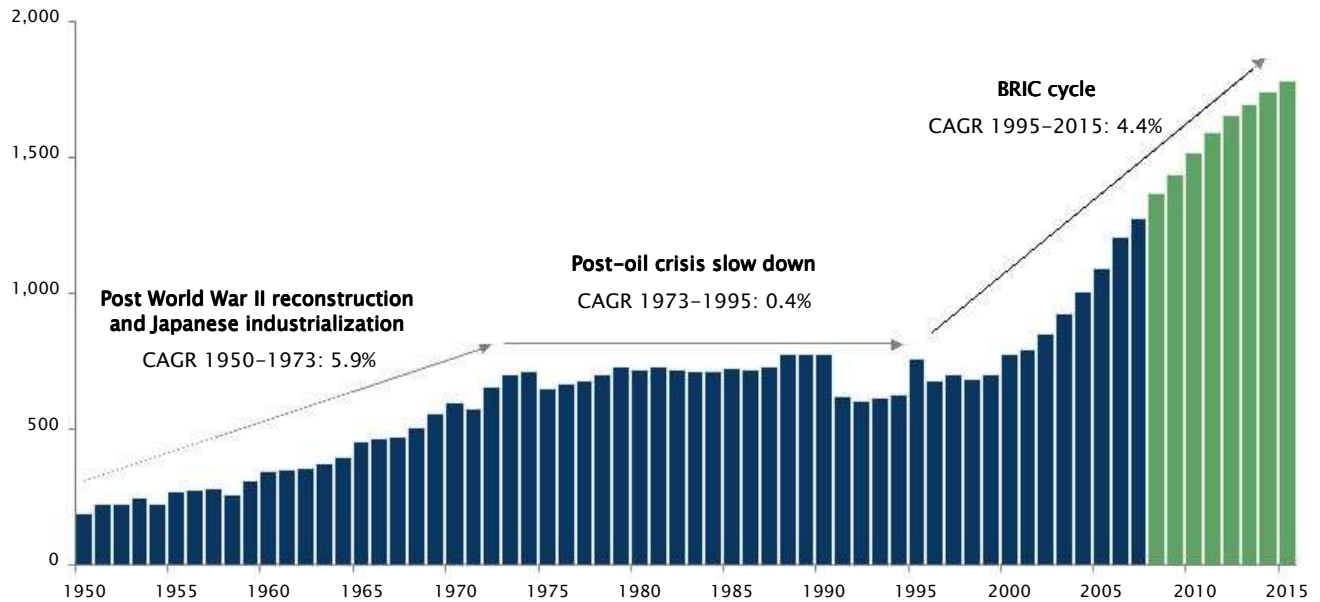


Source: Tex Reports



# Robust Steel Demand

## Global steel demand (millions of tonnes)



Source: IISI, Metal Strategies

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# The Right Platform

# Shared Cultural Commitment to Integrity, Safety & Environment

## ■ Shared core values

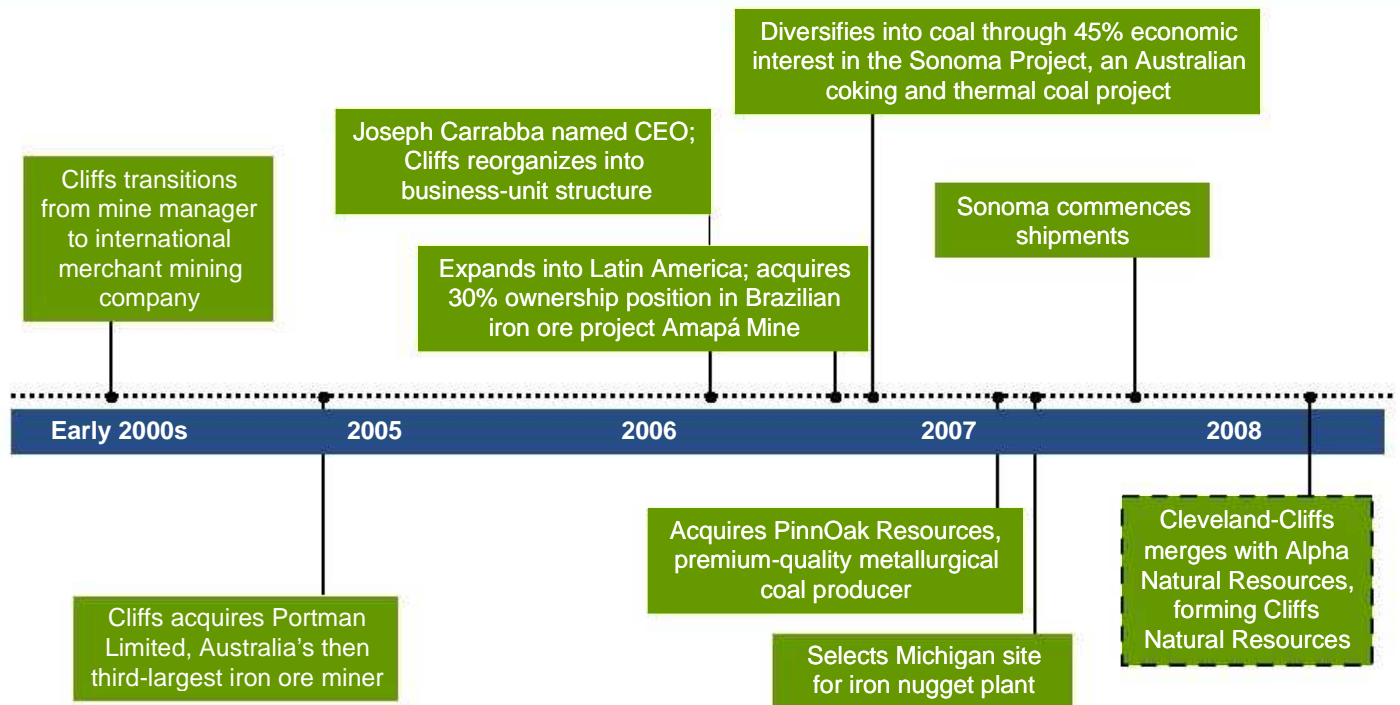
- Best-in-class safety standards and practices
- Both companies recognize that the processing of the earth's mineral resources must be accomplished in a socially responsible manner

## ■ Integrated Management and Board structure

- Following the close of the transaction, Cleveland-Cliffs' Board of Directors will be expanded by two seats to be filled by two current Alpha Natural Resources directors, Michael Quillen and Glenn Eisenberg
- Joseph Carrabba will serve as Chairman and Chief Executive Officer
- Michael Quillen will serve as non-executive Vice Chairman
- Kevin Crutchfield will become President of the combined company's Coal division
- Donald Gallagher will become President of the combined company's Iron Ore division
- Laurie Brlas will serve as Executive Vice President and Chief Financial Officer



# Alpha Natural Resources is the Right Next Step



# Cliffs Natural Resources Strategic Imperatives

## Growth and Diversification

- Revenue Growth
- Product Diversification
- Geographic Growth

## Global Execution

- Competencies of the Firm
- Outlook of Personnel
- Global Scalability



## Operational Excellence

- Safety
- Technical Competencies
- Operating Efficiencies

## Shareholder Returns

- Shareholder Value
- Risk Management
- “ Earning the Right to Grow ”

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# Value Creation

# Strong Financial Position

- Pro forma enterprise value of \$22bn
- Estimated annual synergies of  $\approx$  \$200 million beginning in 2010

■ Financials	Pro forma 2008E	Pro forma 2009E
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Revenue	$\approx$ \$6.5bn	$\approx$ \$10bn
EBITDA	$\approx$ \$1.9bn	$\approx$ \$4.7bn
<i>Margin (%)</i>	$\approx$ 29%	$\approx$ 47%

■ Leverage		
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Total debt	$\approx$ \$2.1bn	$\approx$ \$1.9bn
Debt/EBITDA	$\approx$ 1.2x	$\approx$ 0.4x



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