

CLIFFS NATURAL RESOURCES INC.

FORM 8-K (Current report filing)

Filed 02/17/09 for the Period Ending 02/17/09

Address	200 PUBLIC SQUARE STE. 3300 CLEVELAND, OH 44114-2315
Telephone	216-694-5700
CIK	0000764065
Symbol	CLF
SIC Code	1000 - Metal Mining
Industry	Metal Mining
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): February 17, 2009

CLIFFS NATURAL RESOURCES INC.

(Exact Name of Registrant as Specified in Its Charter)

OHIO
(State or Other Jurisdiction
of Incorporation)

1-8944
(Commission File Number)

34-1464672
(IRS Employer
Identification No.)

200 Public Square, Suite 3300, Cleveland, Ohio
(Address of Principal Executive Offices)

44114-2315
(Zip Code)

Registrant's Telephone Number, Including Area Code: (216-694-5700)

1100 Superior Avenue, Cleveland, OH 44114-2544
(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 February 17, 2009, Laurie Brlas, Executive Vice President and Chief Financial Officer of Cliffs Natural Resources, made a presentation at the Morgan Stanley Global Basic Materials Conference.

The presentation is contained in Item 9.01 as exhibit 99(a) on this Current Form 8-K and is 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:

<u>Exhibit Number</u>	<u>Exhibit</u>	<u>Filed Herewith</u>
99(a)	Presentation by Laurie Brlas, Executive Vice President and Chief Financial Officer of Cliffs Natural Resources Inc., at the Morgan Stanley Global Basic Materials Conference on February 17, 2009	

SIGNATURE

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

CLEVELAND-CLIFFS INC

By: /s/ George W. Hawk, Jr
Name: George W. Hawk, Jr.
Title: General Counsel and Secretary

Dated: February 17, 2009

INDEX TO EXHIBITS

**Exhibit
Number**

Exhibit

99(a)

Presentation by Laurie Brlas, Executive Vice President and Chief Financial Officer of Cliffs Natural Resources Inc., at the Morgan Stanley Global Basic Materials Conference on February 17, 2009

Filed
Herewith



Cliffs Natural Resources

Investor Presentation

January 2009

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

This presentation includes predictive information that is 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 information is based on reasonable assumptions, such information is subject to risks and uncertainties, which could cause materially different results. Important factors that could cause actual results to differ materially from those in the forward-looking information are set forth in the Company’s most recent Annual Report and reports on Form 10-K and 10-Q, and news releases filed with the Securities and Exchange Commission. All reports and news releases are available on Cliffs’ website www.cliffsnaturalresources.com.





Cliffs Natural Resources

Overview

Overview of Cliffs Natural Resources Inc.

- Cliffs Natural Resources (NYSE: CLF) is an international mining and natural resources company. We are the largest producer of iron ore pellets in North America, a major supplier of direct-shipping lump and fines iron ore out of Australia and a significant producer of metallurgical coal.
- With core values of environmental and capital stewardship, our colleagues across the globe endeavor to provide all stakeholders operating and financial transparency as embodied in the Global Reporting Initiative (GRI) framework.
- Cliffs is executing a strategy designed to achieve scale and focused on serving the world's largest and fastest growing steel markets.
- The Company boasts a conservatively managed balance sheet with low debt and strong liquidity.



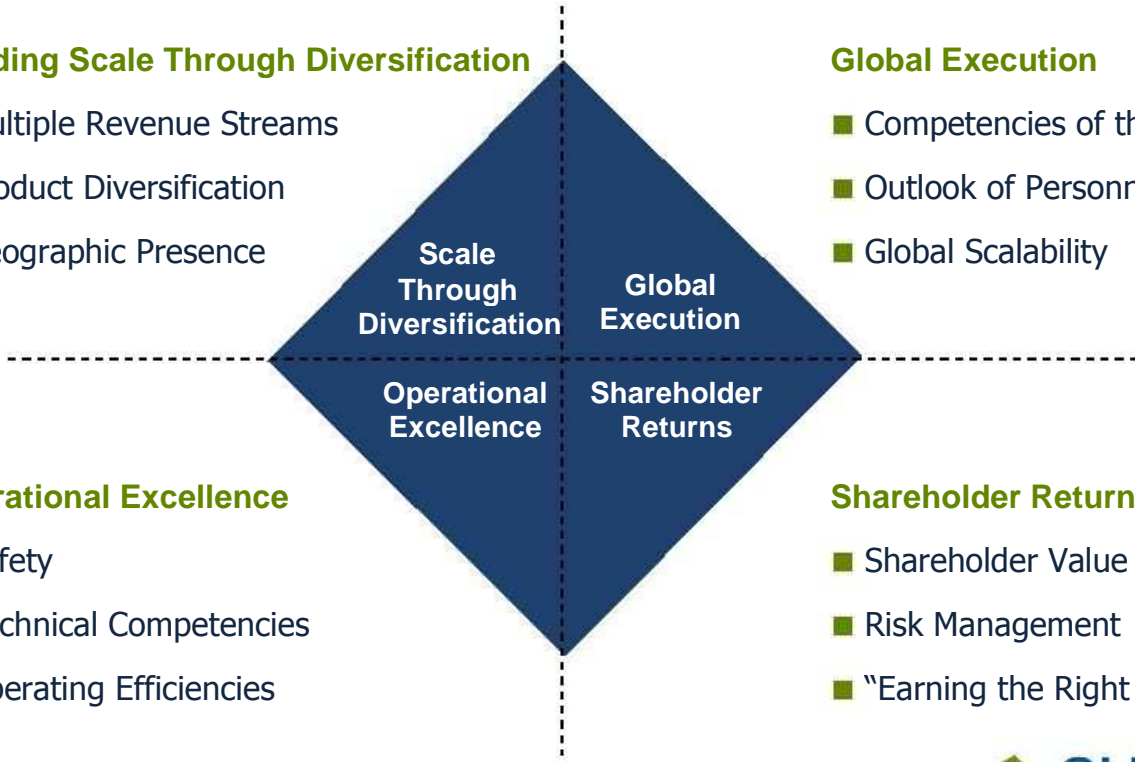
Cliffs' Strategic Imperatives

Building Scale Through Diversification

- Multiple Revenue Streams
- Product Diversification
- Geographic Presence

Global Execution

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



Operational Excellence

- Safety
- Technical Competencies
- Operating Efficiencies

Shareholder Returns

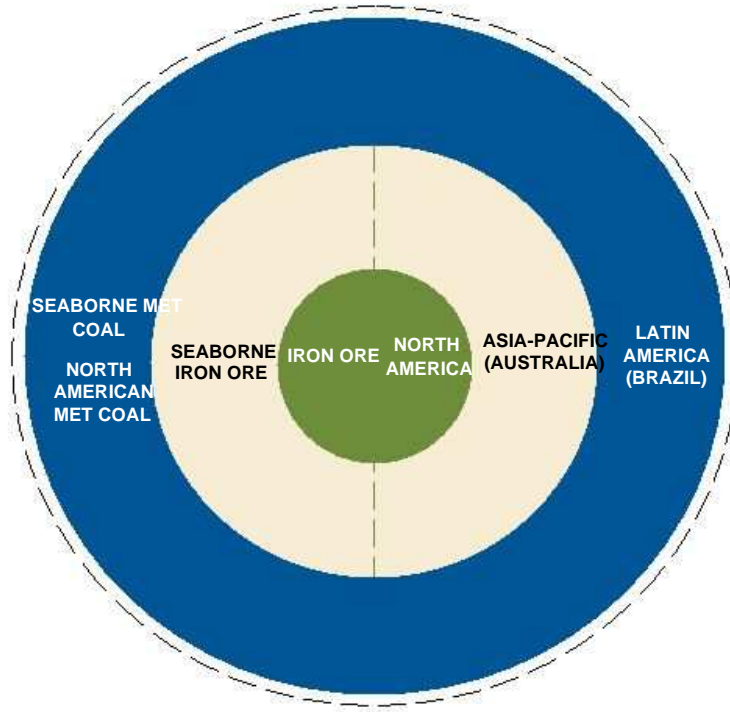
- Shareholder Value
- Risk Management
- "Earning the Right to Grow"



Cliffs' Strategy: Geographic and Mineral Diversification

MINERALS

- MANGANESE
- MOLYBDENUM
- FERRO CHROME



GEOGRAPHIES

OTHER LATIN AMERICAN COUNTRIES



Cliffs' Strategy

- Maintain the core: North American Iron Ore
- Expand globally and diversify products
 - North American Coal
 - Cliffs Asia-Pacific Business Unit
 - Cliffs Latin American Business Unit
- Consistently exhibit leadership in sustainable development best practices
- Capitalize on Company's unique technological expertise
 - Concentrating and processing lower-grade ores into high-quality products
 - Partnering with Kobe Steel to use its ITmk3 technology





Cliffs Natural Resources

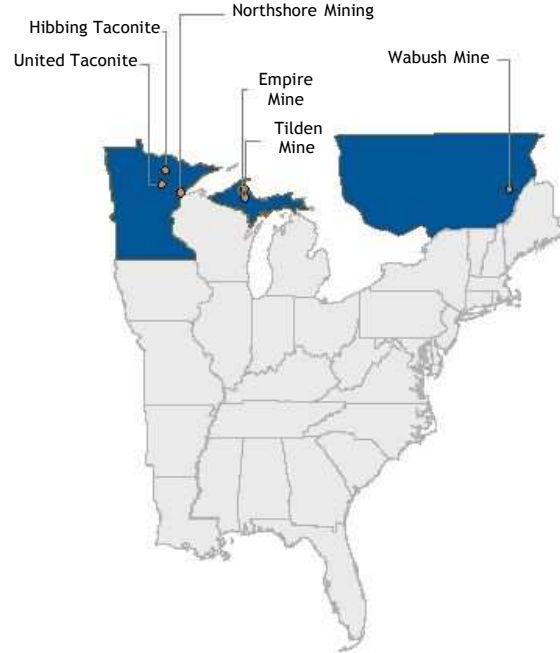
Business Segments and Other Ventures

North American Iron Ore Segment

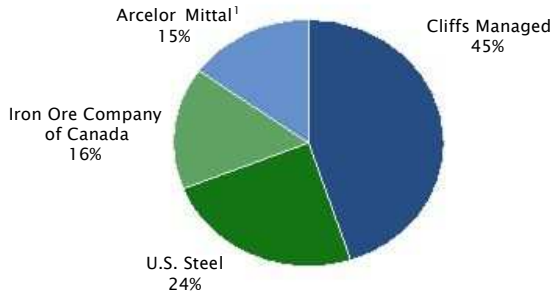
Business Overview

- North America’s largest supplier of iron ore pellets
- Virtually 100% of production is committed under long-term contracts
- Customer base includes nearly all U.S.-based, integrated steel producers
- North American Iron Ore mines managed by Cliffs currently have a rated capacity of 36.5 million tons of iron ore pellet production annually (~25 million equity tons)
- Over 950 million tons of proven and probable reserves

Geographic Overview



North America Pellet Producers



Source: Company data
¹Ownership is composed of Quebec Catier Mining Company 11% and Minorca 4%



North American Iron Ore Shipping Routes

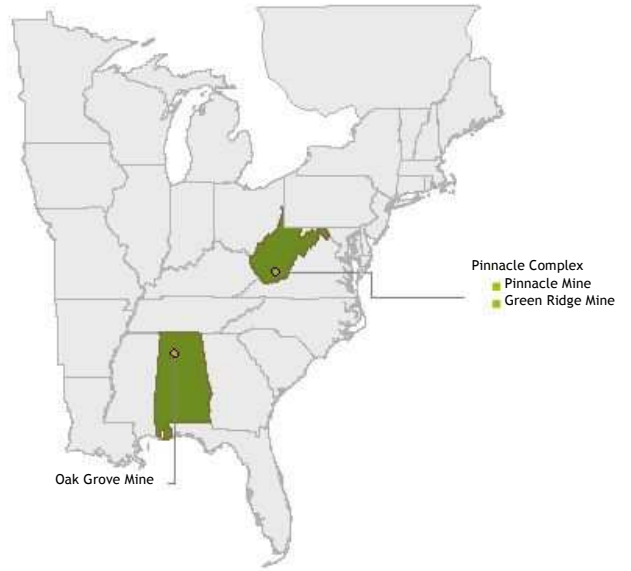


North American Coal Segment

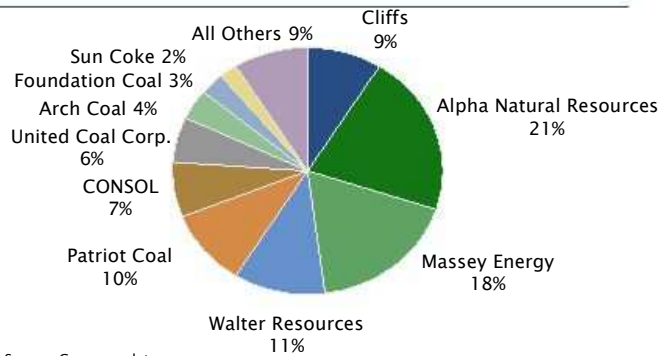
Business Overview

- Domestic producer of high-quality, low-volatility metallurgical coal with significant production sold to international markets
- Three underground mines: Pinnacle Complex in West Virginia, Oak Grove in Alabama
- Expected to produce 3.6MM short tons in 2008
- Positioned near rail or barge lines providing access to international shipping ports
- Over 240MM tons of in-place proven and probable reserves

Geographic Overview



U.S. Metallurgical Coal Producers



Source: Company data



Asia-Pacific Iron Ore Segment

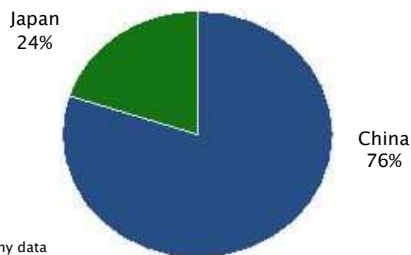
Business Overview

- Comprised of wholly owned Portman Limited, an iron ore mining company located in Western Australia:
 - Koolyanobbing mine (100% owned)
 - Cockatoo Island Joint Venture (50% owned)
 - Construction of a new seawall expected to be completed in May 2009, extending sales through June 2011
- Portman serves the Asian iron ore markets with direct-shipping fines and lump ore
- 2008 production: ~7.7MM tonnes
- Over 90MM tonnes of reserves

Geographic Overview



Customer Overview



Source: Company data



Amapá Project

Business Overview

- 30% owned by Cliffs
- 70% owned by Anglo-American
- Consists of a significant iron ore deposit, a 192-kilometer railway connecting mine to port, and 71 hectares of real estate for a loading terminal
- Majority of production committed under long-term supply agreement with operator of an iron oxide pelletizing plant in Bahrain
- Project estimated to hit 6.5MM tonnes annual run-rate in second half of 2009

Reserves Overview

Reserves	Position
Measured/Indicated	73.6 Mt
Inferred	104.5 Mt
Conceptual	150.0 Mt

Source: Company data

Geographic Overview

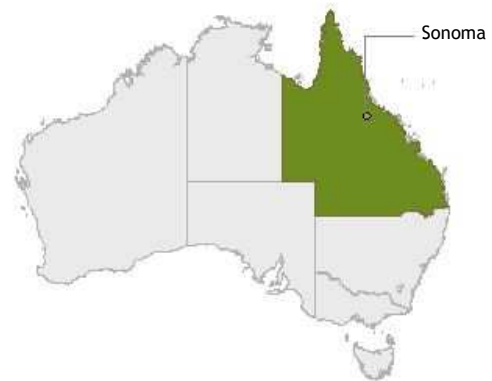


Sonoma Project

Business Overview

- 45% economic interest
- Located in Queensland
- 2008E sales volume: 2.1MM tonnes
- 2009E production: 3-4MM tonnes
- ~27 million tonnes of reserves
- Mix of hard coking and thermal coal
- Supply agreements in place with JFE, China Steel (met) and a Korean utility (thermal)
- Moves by rail to the Abbot Point Bulk Coal Terminal for export
- Cliffs' total investment: \$132MM

Geographic Overview



Source: Company data

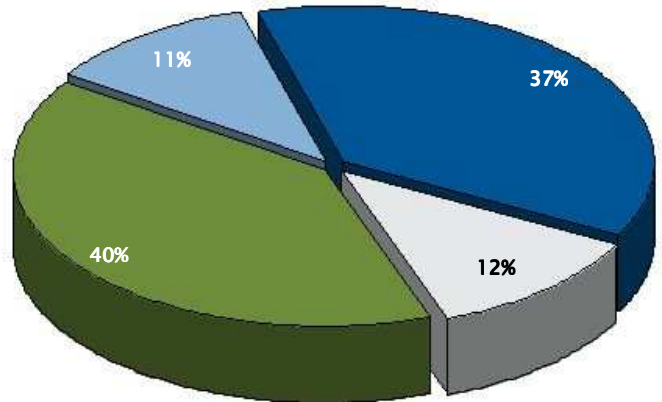
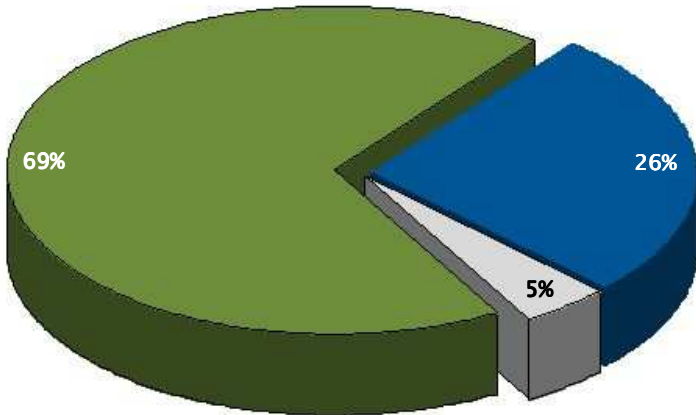


Sales Margin by Business Segment

2008 Estimate*

2009 Estimate*

■ Transition demonstrates decision to pursue scale is the right strategy particularly in the current environment



■ NA Iron Ore ■ NA Coal ■ AP Iron Ore □ AP Coal

*2008 Sales Margin Estimate for NA Coal is a Loss



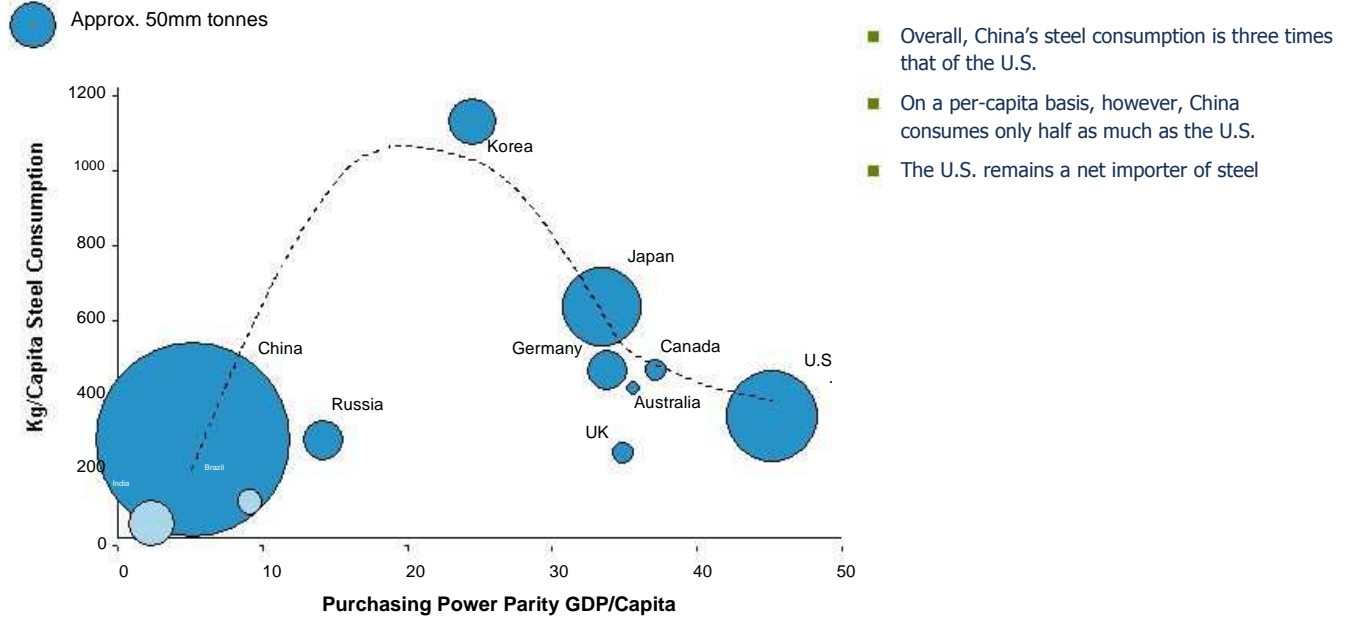


Cliffs Natural Resources

Strong Long-Term Steel Fundamentals

Steel Is a Large and Vital Global Business

Steel consumption potential (2007)

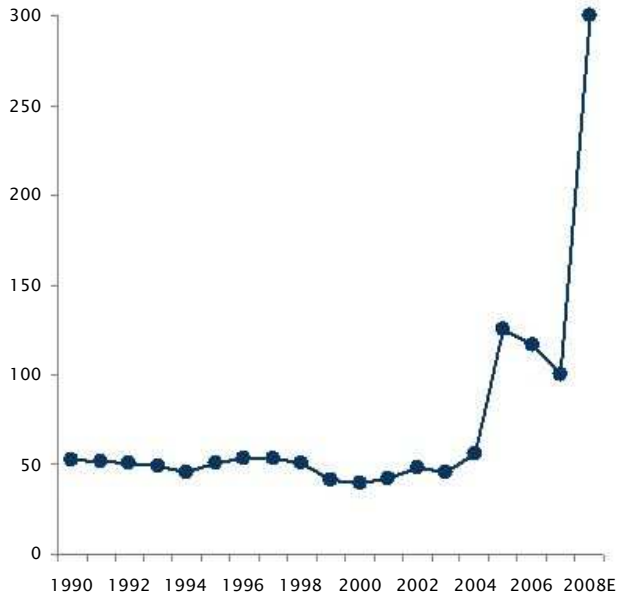


BRIC economic growth is substantial and appears inevitable

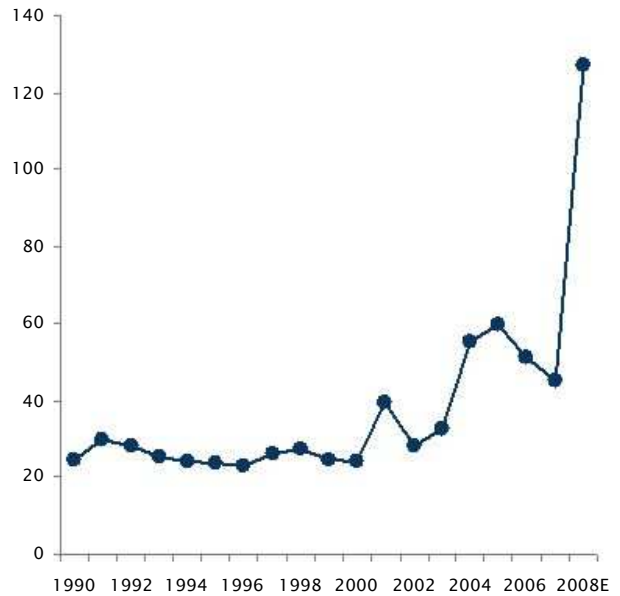


Strong Coal Pricing Trends

Met coal prices (\$/tonne)

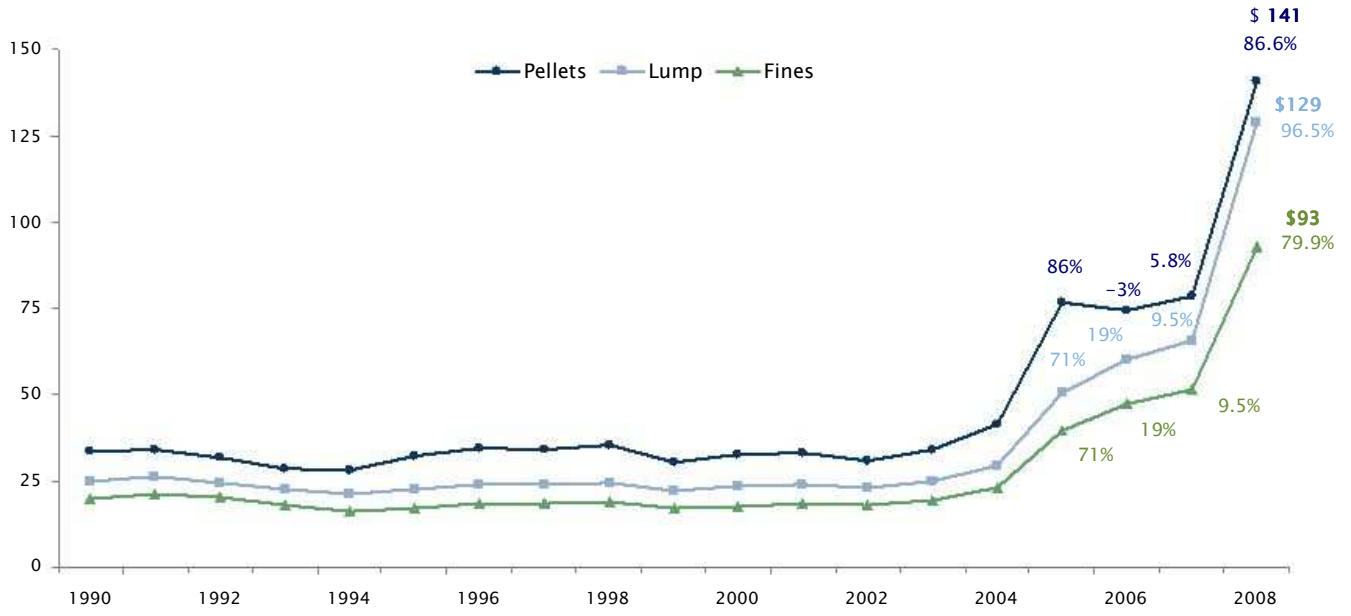


Steam coal prices (\$/ton)



Iron Ore Trends Recently Strong, Though Expected to Be Pressured in 2009

Iron ore prices (\$/tonne based on 64% Iron Content)

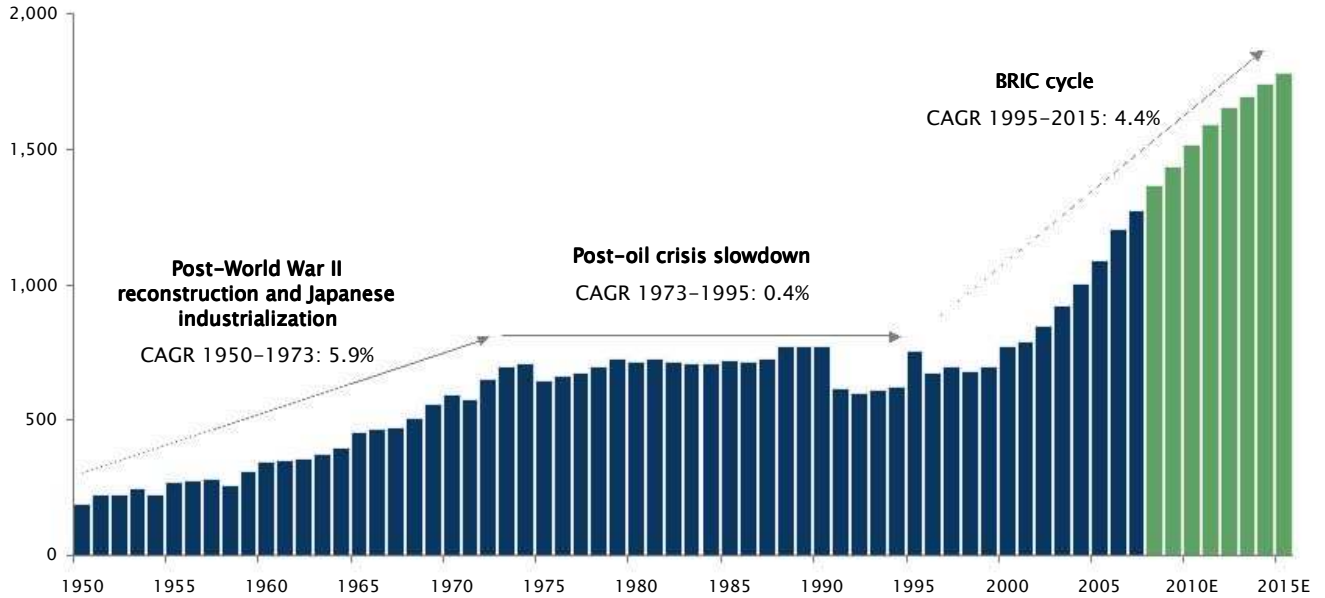


Source: Cliffs and Tex Reports



Long-Term Steel Demand Will Drive Our Business

Global steel demand (millions of tonnes)



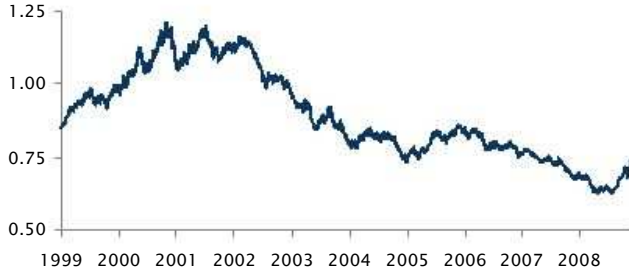
Source: IISI, Metal Strategies



U.S. Steel Industry Is Particularly Well-Positioned

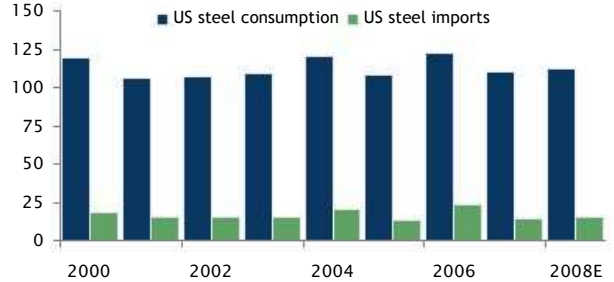
Dollar vs. Euro (\$/€)

- Mitigates imports and strengthens exports



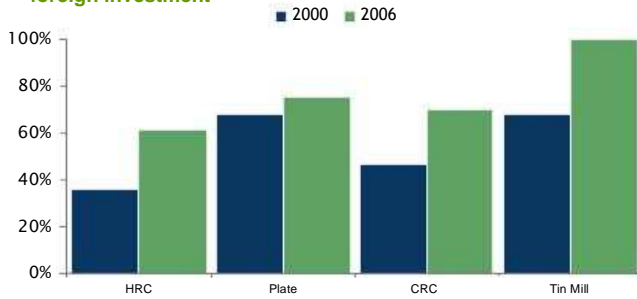
U.S. steel consumption (millions of tonnes)

- U.S. is a net importer



Market share of top 3 U.S. producers (%)

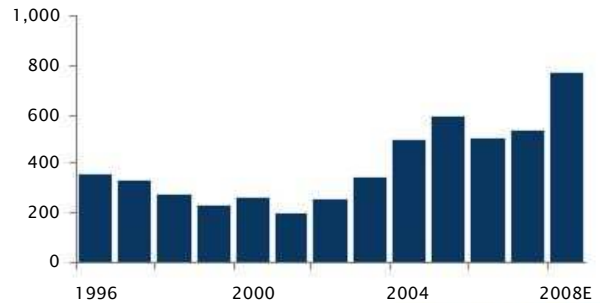
- U.S. steel industry continues to consolidate and attract foreign investment



Source: FactSet, Metal Strategies, AME

HRC prices (\$/tonne)

- U.S. is becoming a low-cost producer



Production Cuts Announced by Global Steel Firms

Output Cuts Are Faster and Deeper Versus Prior Cycles

	Jan. 09	Dec. 08	Nov. 08	Oct. 08
ArcelorMittal	Cutting liquid steel production by 7.7%		Cutting output by 30%	
AK Steel			Idled operations in Ohio and Kentucky	
Baosteel			Cut output by delaying the reopening of blast furnace	
China Steel (Taiwan)			Plans to reduce output by 10% in 2009	
Corus	Production cuts of 30% into second-quarter 2009			
JFE Steel		Revises production cut to 26% in second half of 2009	Cutting production by 9.6% in second half of 2009	
Nippon Steel	Cutting 2009 output by 4-4.5 million tonnes			
Novolipetsk			Idling two blast furnaces	
POSCO	Extended first-ever output cut through first quarter of 2009	Will cut steel production by 200,000 tonnes in Dec. and 370,000 tonnes in Jan.		
Severstal		Idled a blast furnace, cutting output by 1.1 million tonnes		Cut Oct. production by 25%-30% in Italy, Russia, and U.S.
Shougang Group, Hebei Iron & Steel, Anyang Iron & Steel, and Shandong Iron & Steel				All announce output cuts ranging between 0% and 20%
United States Steel		Idled three plants to lower production		



Current Business Segment Production ¹

Business	Current Annualized Run Rate
North American Iron Ore	22MM total long tons 15MM equity tons
North American Coal	3.5MM short tons
Asia-Pacific Iron Ore	7.5MM tonnes
Sonoma Project	3MM to 4MM total tonnes 1.4MM to 1.8MM equity tonnes

¹Company estimates



Cliffs' Strengthening Liquidity Position

(Dollars in Millions)

	<u>Dec. 31, 2008¹</u>	<u>Dec. 31, 2007</u>
Cash and Cash Equivalents	\$180.0	\$157.1
Borrowing Capacity Under Existing Revolving Credit Facility	<u>\$600.0</u>	<u>\$343.8</u>
Total Available Liquidity	\$780.0	\$500.9
Cash From Operations (TTM)	\$700-\$750	\$288.9
Debt Obligations	\$525.0	\$641.9
Shareholders' Equity	\$1,700.0	\$1,163.7

¹Company estimates





Cliffs Natural Resources

Investor Presentation

January 2009