

# CLIFFS NATURAL RESOURCES INC.

## FORM 8-K (Current report filing)

Filed 11/02/07 for the Period Ending 11/02/07

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

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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):

November 2, 2007

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 November 2, 2007, Portman Limited ("Portman") filed with the Australian Stock Exchange its quarterly earnings for the period ended September 30, 2007. The third quarter report for 2007 is contained in Item 9.01 as exhibit 99(a) on 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

99(a) Portman announced its quarterly earnings for the period ended 30 September 2007 with the Australian Stock Exchange on November 2, 2007

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**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.

*November 2, 2007*

Cleveland-Cliffs Inc

*By: George W. Hawk, Jr.*

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*Name: George W. Hawk, Jr.*

*Title: General Counsel*

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Exhibit Index

<u>Exhibit No.</u>	<u>Description</u>
99.(a)	Portman Limited announced the quarterly earnings for the period ended September 30, 2007 with the Australian Stock Exchange on November 2, 2007

**Portman  
Limited**

ABN 22 007 871 892  
Level 11  
The Quadrant  
1 William Street  
Perth 6000  
Western Australia  
GPO Box W2017  
Perth, 6001  
Tel: 61 8 9426 3333  
Fax: 61 8 9426 3344

2 November 2007

**(4 pages in total)**

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

**Electronically Lodged**

Dear Sir

**QUARTERLY EARNINGS REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2007**

Please find attached Portman's Quarterly Earnings Report for the period ended 30 September 2007.

Yours faithfully

/s/ C. M. Rainsford  
CM Rainsford  
Company Secretary

**PORTMAN LIMITED**

**PORTMAN LIMITED**  
**A.B.N. 22 007 871 892**

**1.0 PORTMAN REPORTS THIRD QUARTER EARNINGS**

Portman Limited (ASX:PMM) today reported third quarter 2007 unaudited net profit of \$20.5 million (2006: \$30.3 million) or 11.7 cents per share (2006: 17.2 cents per share). Net profit for the nine months ended in 2007 was \$77.6 million (2006: \$82.6 million) or 44.2 cents per share (2006: 47.0 cents per share).

Following is a summary:

	<b>(In Millions Except Per Share)</b>			
	<b>Third Quarter</b>		<b>9 Months Ending</b>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
<b>Sales Tonnes (Mt)</b>	<b>2.1</b>	<b>1.9</b>	<b>6.2</b>	<b>5.2</b>
Sales Revenue	\$137.4	\$129.0	\$403.7	\$337.8
Net profit before tax	\$ 29.5	\$ 43.2	\$110.9	\$117.5
<b>Net profit after tax</b>	<b>\$ 20.5</b>	<b>\$ 30.3</b>	<b>\$ 77.6</b>	<b>\$ 82.6</b>

Cents per share	11.7	17.2	44.2	47.0
Depreciation and amortisation	\$ 7.2	\$ 7.8	\$ 17.9	\$ 18.9
Capital additions	\$ 11.3	\$ 2.9	\$ 15.0	\$ 33.2

- There were \$10.7 million and \$1.5 million of non-cash additions at 30 September 2007 and 30 September 2006 respectively.

### Third Quarter

The decrease in net profit after tax of \$9.8 million was comprised of a \$13.7 million decrease in pre-tax profit, net of \$3.9 million decrease in income taxes. The pre-tax earnings decrease of \$13.7 million was due primarily to:

- an appreciation in the Australian dollar relative to the US Dollar \$15.3 million;
- increased price and spending on costs of goods sold \$11.7 million which includes changeover costs relating to the new mining contractor;
- unfavourable mark-to-market adjustment on the hedge book, \$1.9 million reflecting the fair value movement in the time value of option based hedges;
- an unfavourable sales mix of \$1.8 million; and
- shipping and selling costs increased by \$1.1 million primarily due to increased sales royalties and ship loading costs.

These variances were partially offset by:

- higher selling price, \$12.5 million; and
- favourable sales volume variance \$6.0 million (net of cost of goods sold).

### First 9 Months ending 30 September

The decrease in net profit after tax of \$5.0 million was comprised of a \$6.6 million decrease in pre-tax profit, net of \$1.6 million decrease in income taxes. The pre-tax earnings decrease of \$6.6 million was due primarily to:

- an appreciation in the Australian dollar relative to the US Dollar \$34.2 million;
- increased price and spending on costs of goods sold \$22.7 million which includes changeover costs relating to the new mining contractor;
- an unfavourable sales mix of \$8.0 million;
- mark-to-market adjustment on the hedge book, unfavourable \$6.9 million reflecting the fair value movement in the time value of option based hedges; and
- shipping and selling costs increased by \$6.9 million primarily due to increased sales royalties and ship loading costs.

These variances were partially offset by:

- higher selling price, \$40.7 million; and
- favourable sales volume variance \$30.9 million (net of cost of goods sold).

## Capital Expenditure

The Company's 2007 capital expenditure program to support process improvements and improved quality control is estimated to total \$66.0 million (which includes \$53.5 million in finance leases relating to new mining equipment), which is being funded from current cash flow. Capital expenditure in 2006, which included the approved expansion to 8 million tonnes per annum, totalled \$42.6 million.

## Inventory

At 30 September 2007 Portman had 1.0 million tonnes of finished product inventory, 0.1 million tonnes higher than the end of the 2006 third quarter.

## Liquidity

At 30 September 2007, Portman had \$126.7 million of cash and cash equivalents and \$42.5 million in held to maturity investments exceeding 90 days. At 30 September 2006, Portman had \$99.7 million of cash and cash equivalents. The \$69.5 million increase in liquid assets primarily reflects increased sales prices and sales volumes.

## Outlook

The 2007 Australian average selling price of lump and fines ore is expected to be in line with 2006 as the increase in benchmark prices is offset by the stronger Australian dollar. Per-tonne unit production costs are anticipated to be approximately nine percent higher in 2007.

Portman's estimate of 2007 production is 8.1 million tonnes which includes 7.4 million from the Koolyanobbing operation. Portman's estimate of 2007 sales is 8.2 million tonnes of which 7.6 million tonnes relates to the Koolyanobbing operation.