CLIFFS NATURAL RESOURCES INC.

FORM 8-K
(Current report filing)

Filed 04/06/09 for the Period Ending 04/06/09

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
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): April 6, 2009

CLIFFS NATURAL RESOURCES INC.
(Exact Name of Registrant as Specified in Its Charter)

OHIO	1-8944	34-1464672
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

200 Public Square, Suite 3300, Cleveland, Ohio	44114-2315
(Address of Principal Executive Offices)	(Zip Code)

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

(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))

ITEM 7.01. Regulation FD Disclosure.

The attachment included as Exhibit 99(a) contains a presentation being made to media, analysts and investors in Paris, France, in conjunction with Cliffs Natural Resources Inc.'s cross-listing on NYSE Euronext Paris on April 6, 2009. This information 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:

Exhibit Number	Exhibit	
99(a)	Cliffs Natural Resources Inc. is making a presentation to the media, analysts and investors in Paris, France April 6, 2009	Filed Herewith

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.

CLIFFS NATURAL RESOURCES INC.

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

Dated: April 6, 2009

INDEX TO EXHIBITS

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Exhibit 99(a)

“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.

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 Natural Resources Global Footprint

Current Market Information

Metals & Mining Sector

$3.6 Billion in 2008 Revenues

$2 Billion Market Capitalization

113.5MM shares outstanding, ~5MM in NYSE average volume per day

2% Dividend Yield

Over 80% institutionally held, 60% by top 25 institutions, 2% insiders

Ownership concentrated in North America (95%) and Europe (5%)

Over 75% call themselves “value” investors

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

GEOGRAPHIES

- **MANGANESE**
- **MOLYBDENUM**
- **FERRO CHROME**

SEABORNE IRON ORE

ASIA-PACIFIC (AUSTRALIA)

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

High Corporate Governance Standards

Cliffs Management Team

Cliffs Corporate Governance Performance outranked 98.2% of S&P 400 companies and 98.6% of materials companies in 2008 *

Strong and knowledgeable 10-person Board of Directors; 9 Directors are independent

5 dedicated Board oversight committees monitor critical areas of Company business

* Source: Survey by Institutional Shareholder Services

Transformation into International Mining Entity & Merchant

Total revenue growth ($ b)

CAGR=+31.6%

- Restructured in 2002 to better acquire & expand capacity domestically & seek opportunities in international markets
- Acquires Portman Limited, Australia's then 3rd largest iron ore miner, in 2005
- Expands into Latin America in 2006 with 30% ownership of Brazilian Amapa iron ore project
- Diversifies into coal in 2007 with 45% economic interest in Sonoma Project, Australian thermal & coking coal
- Acquires PinnOak Resources, premium quality U.S. metallurgical coal producer, in 2007
- Selects Michigan site for Iron Nugget Project plant in 2007

Human Resources

- 5,711 employees worldwide
- Strong commitment to continuous safety improvement reflected in corporate mission and core values
- In 2007, reported a company-low 1.93 Mine Safety & Health Admin. (MSHA) reportable injury frequency rate
- Committed to geographical expansion in areas of political stability
- Foundation activities actively support educational institutions and development projects in communities where Cliffs operates

Employees breakdown

258
(5%)

Corporate & Support
Salaried Business Units
Labor Force

Sustainable Development Integral to Success in Industry

- Mines managed by Cliffs interact with federal and state agencies to ensure operations meet or exceed land, air & water quality standards
- Consistently and uniformly evaluates performance against ISO 14001 standards
- Cliffs' subsidiary, renewaFUEL, produces high-energy, low-emission biofuel cubes for renewable resources
- Founding reporter of The Climate Registry
- Cliffs will publish first Sustainable Development Report in 2009, in accordance with Global Reporting Initiative Standards

2008 Consolidated Profit & Loss

P&L

	Year 2008	2007
REVENUES	**3,609.1**	2,275.2
SALES MARGIN	**1,159.7**	462.0
OPERATING INCOME	**938.9**	381.6
EARNINGS PER DILUTED SHARE	**$ 4.76**	$ 2.57

Highlights

Full-Year revenues increase 59% to $3.6 billion

Earnings per diluted share increase 85% to $4.76

Cash from operations increase of 195% to $853 million

2008 Revenues by Type

Freight & Other 9%

Coal 12%

Iron Ore 80%

Results Drivers

Strong iron ore and coal pricing throughout 2008

Sales contribution from North American and Australian coal businesses

Unique structural design of North American Iron Ore supply agreements

Non-recurring items from Alpha deal termination, mark-to-market adjustments for hedging program and limited asset impairments

Strategies – What we have already accomplished

Asia Pacific Strategy

Cockatoo Island

Sonoma

AusQuest –
Table Hill

AusQuest –
Diamantina

Golden West

Koolyanobbing

Koolyanobbing Reserves

1st Step: In 2005, purchased 80% of Portman Limited

Created Growth Options

- Added Portman Koolyanobbing Reserves
- Bought GoldenWest Stake (16.96%)
- Cockatoo Island Expansion
- Purchased the remaining 20% of Portman

Created Diversification Options

- Sonoma (45%)
- AusQuest (30%)

Strategies – What we have already accomplished

Latin America Strategy

Amapa Reserves

Nearby
Prospects

Manganese Opportunities

Amapa Project

Peru Prospects

Minas Gerais Opportunities

Chilean Opportunities

Cliffs International
Mineracao Brazil, LTDA

1st Step: Took 30% Interest in Amapa Project

Opened Rio Business Development Office

Created Growth Options
- Near Amapa Opportunities
- Amapa Reserves
- Minas Gerais Opportunities

Created Diversification Options
- Peru Opportunities
- Chilean Opportunities
- Manganese Opportunities

Strategies – What we have already accomplished
Central Appalachian Metallurgical Coal Strategy

- Operational execution has been disappointing
- However, acquisition provided solid platform in a mineral with attractive fundamentals
  - A scarce resource
  - Smaller and smaller mines being exploited
  - Older mines shutting down
- Limited mountaintop mining expected to come “online” due to environmental concerns
  - Increasing Barriers
  - 404 water permit requirements
  - Increasing cost of safety compliance
- Our strategy going forward is to focus on asset prioritization versus company targeting

Strategies – What we have already accomplished

	Investment	Diversification Industry	Diversification Geography	Diversification Customer	Asset Value	Market Cap	Revenue	EBITDA
2005 Portman 80%	$ 433							
2007 Sonoma	120							
2007 Amapa	280							
2007 PinnOak	497							
2008 UTAC	269							
2008 Portman 20%	485							
2008 Golden West	22							
2008 Ausquest	19							

Effect of Diversification - ***As a North American Iron Ore only company, we would have been subjected to a >40% drop in steel production. Global production has fallen approximately 15%***

Value of Diversification

$123

$346

Revenue in millions

$53

Sales Margin in millions

Sales Margin
was ($10)

2003 **2008***

NA Iron Ore **AP Iron Ore** **NA Coal** **AP Coal**

* In 2008 North American Coal had a sales margin loss of $46 million

Strategic Direction Set in 2003 has Significantly Paid off for Shareholders

Comparison of 5 Year Cumulative Total Return
Assumes Initial Investment of $100
December 2008

900
800
700
600
500
400
300
200
100
0

Dec-2003 Dec-2004 Dec-2005 Dec-2006 Dec-2007 Dec-2008

Cliffs Natural Resources Inc. S&P 500 Index Total Returns S&P 500 Steel Index S&P MidCap 400 Index

2008 Year End Balance Sheet

Select Balance Sheet Items

	Year 2008	2007
ASSETS		
Cash and Equivalents	**$ 179.0**	$ 157.1
Inventories	**265.4**	241.9
TOTAL CURRENT ASSETS	**861.7**	754.6
PROPERTY, PLANT AND EQUIPMENT, NET	**2,456.1**	1,823.9
TOTAL ASSETS	**$ 4,111.1**	$ 3,075.8
LIABILITIES AND SHAREHOLDERS' EQUITY		
TOTAL CURRENT LIABILITIES	**844.9**	399.6
PENSION AND OTHER POSTRETIREMENT BENEFITS	**448.0**	204.8
ENVIRONMENTAL AND MINE CLOSURE OBLIGATIONS	**104.9**	123.2
SENIOR NOTES	**325.0**	-
REVOLVING CREDIT FACILITY	**-**	240.0
TERM LOAN	**200.0**	200.0
TOTAL LIABILITIES	**2,357.1**	1,659.6
SHAREHOLDERS' EQUITY	**1,750.5**	1,163.7
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**$ 4,111.1**	$ 3,075.8

Highlights

- $179.0 million of cash and equivalents at year end
- No borrowing drawn on $600 million credit facility
- $525 million in long-term borrowings
- No major commitments due until 2012
- Pension obligation and 2009 cash contribution extremely manageable

Results Drivers

- Current focus on cash generation and preservation
- Curtailment of production to avoid putting cash into inventory
- Strict management of capital expenditures ($183 million vs. $240 million expectation)

North American Iron Ore Segment

Business Overview

- North America's largest supplier of iron ore pellets
- 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 38.1million tons of iron ore pellet production annually (~25 million equity tons)
- Over 950 million tons of proven and probable reserves

Geographic Overview

Northshore Mining

Hibbing Taconite

United Taconite

Wabush Mine

Empire
Mine

Tilden
Mine

North America Pellet Producers

Arcelor Mittal [1]
14%

Cliffs Managed
46%

Iron Ore Company
of Canada
16%

U.S. Steel
24%

Source: Company data

[1] Ownership is composed of Arcelor Mittal Mines 11% and Minorca 4%

North American Iron Ore Shipping Routes

North American Iron Ore Pellet Process

1. Use explosives, giant electric drills, shovels and industrial trucks to open-pit mine <30% iron content ore

2. Crush and screen (reduce raw ore from the size of a Peugeot automobile to the consistency of face powder).

3. Employ magnetic or floatation techniques to liberate iron from waste product (silica)

4. Beneficiation to >59% iron ore concentrate

5. Mix with binding agent (clay). Add limestone or dolomite to create premium "fluxed" product. Rotating drums roll concentrate into "green balls," or unfired pellets

6. Fire in a giant rotary kiln fueled by natural gas or coal.

7. Stockpile and load into rail cars or Great Lake vessels to deliver to point of consumption

North American Iron Ore Business Model and Pellet Contracts

NAIO Business Model

Market is comprised of 38 blast furnaces in North America (29 United States, 7 Canada and 2 Mexico)

Customer consolidation: ArcelorMittal, SeverStal, Algoma (Essar) and U.S. Steel Canada

Transportation: Great Lakes ore vessels

Imports/exports geographically limited by St. Lawrence Seaway

Cliffs reports revenues per long ton (1.016 metric ton, 1016 kilograms)

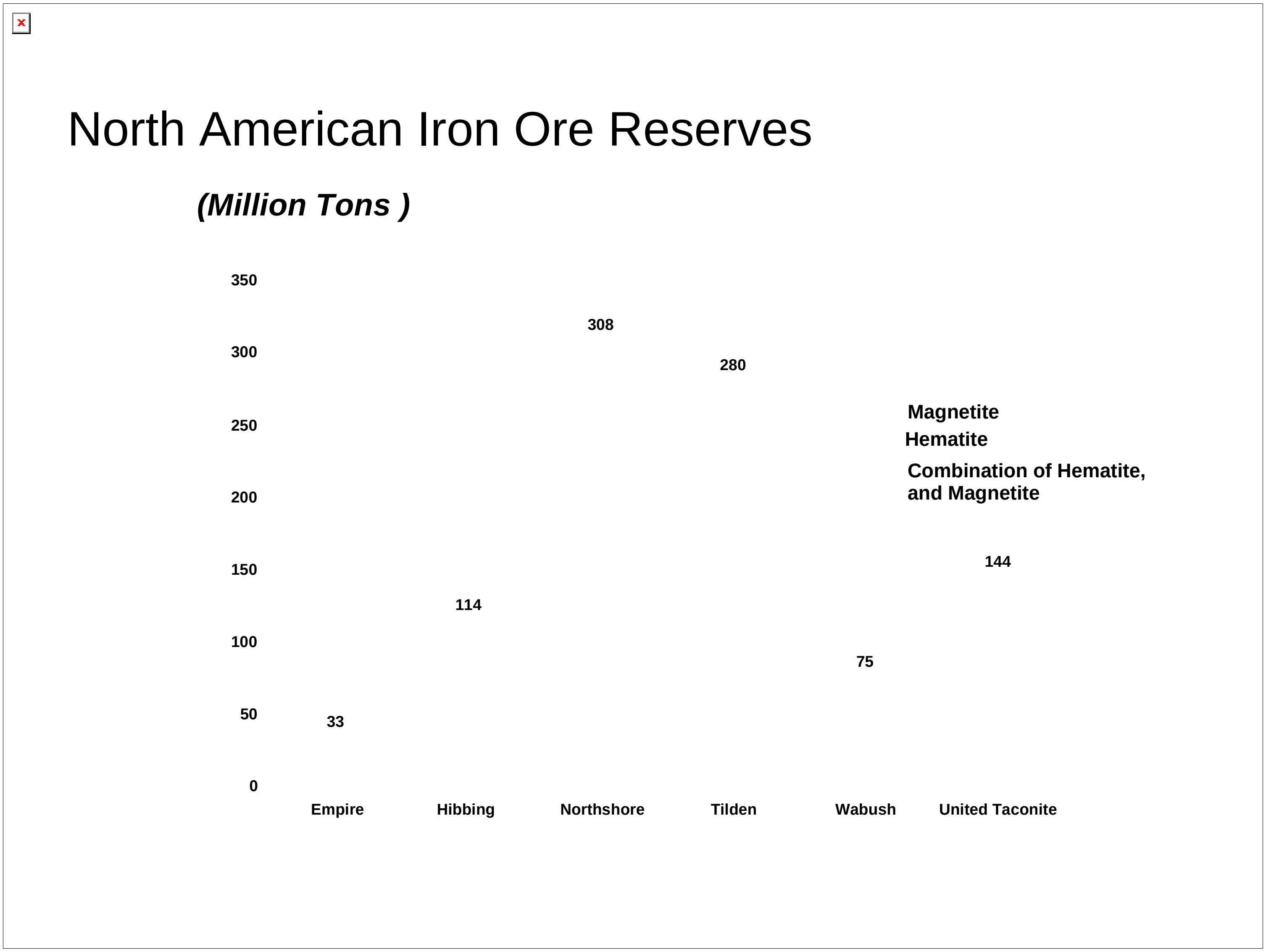
NAIO Pellet Contracts

Virtually 100% of 2009 sales volume is committed under long-term contracts

Weighted average term of North American Iron Ore contracts is six years

Depending on the contract, annual price per ton of pellets is adjusted on a variety of factors. Typical structure would include:

- Factor related to international pellet price settlement (negotiated by Vale)
  - Vale, Eastern Canada or LKAB pellet price
- Factor related to steel pricing
  - U.S. PPI for Cold-Rolled Steel or Hot Rolled Steel
  - Customer Hot Rolled Coil selling price at blast furnace (mix of spot/contract sales)
- Factor related to Cliffs production costs (to reflect energy intensity)
  - U.S. PPI for Industrial Commodities
  - U.S. PPI for Fuel and Power
  - U.S. PPI for Fuel and Related Products


North American Iron Ore Reserves
(Million Tons)
350
300
250
200
150
100
50
0
33
114
308
280
75
144
Empire
Hibbing
Northshore
Tilden
Wabush
United Taconite
Magnetite
Hematite
Combination of Hematite, and Magnetite

North American Iron Ore Equity Production

(Million Gross Tons)

Cliffs' NA Equity Production

NA Non-Equity Production

40
35
30
25
20
15
10
5
0

2001 2002 2003 2004 2005* 2006 2007 2008

North American Iron Ore Results & Outlook

2008 Results

	Year 2008		2007	
SALES VOLUME (Long tons in millions)		**22.7**		22.3
REVENUE PER TON	**$**	**92.56**	$	66.01
COST PER TON		**57.12**		48.14
SALES MARGIN PER TON	**$**	**35.45**	$	17.87

Highlights

- Equity production reached 23 million tons
- Revenues per ton up 40%
- Sales margin per ton up 98%

Results Drivers

- Factors in formula based supply agreements up throughout most of 2008 (iron ore and steel factors)
- Cost per ton up 19% as a result of Michigan expansion project, energy costs and higher labor costs from USW agreement
- Collected cash for 1.2 million tons not shipped – contractual obligations from customers

2009 NAIO Outlook

- Contractual obligations for 19 million tons in sales volume
- No per-ton revenue guidance as blast furnace pellet benchmark has not yet settled, although will benefit from supply agreement lag year adjustments and floors
- Currently producing annualized rate of 15 million equity tons
- Deleveraging of fixed costs expected to result in higher per ton costs of $70 - $80

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

Positioned near rail or barge lines providing access to international shipping ports

Over 240MM tons of in-place proven and probable reserves

Geographic Overview

Pinnacle Complex
Pinnacle Mine
Green Ridge Mine

Oak Grove Mine

U.S. Metallurgical Coal Producers

Cliffs 9%
Alpha Natural Resources 21%
Massey Energy 18%
Walter Resources 11%
Patriot Coal 10%
CONSOL 7%
United Coal Corp. 6%
Arch Coal 4%
Foundation Coal 3%
Sun Coke 2%
All Others 9%

Source: Company data

North American Coal Business Model

- Customers include U.S. and international steel producers with a historic split of 50/50%
- Coal typically sold on one-year contracts starting Jan. 1 for U.S. customers and April 1 for international customers
- Transportation: Rail to point of consumption or port (Newport News, VA and Mobile, AL)
- Cliffs reports coal revenue per short ton (0.9072 metric tons, 907.2 kilograms) at mine mouth vs. BHP hard coking coal benchmark sold as metric ton at the port

North American Coal Results & Outlook

2008 Results

	Year 2008	2007
SALES VOLUME (Short tons in millions)	**3.2**	1.2
REVENUE PER TON	**$ 92.95**	$ 70.77
COST PER TON	**107.27**	97.83
SALES MARGIN PER TON	**$ (14.32)**	$ (27.07)

Highlights

- Acquired in July 2007
- Revenues per ton up 31%
- Production of 3.5 million tons
- Continued progress in areas of safety, sales and marketing

2008 Results Drivers

- Prices for metallurgical coal spiked over $300 per ton on the spot market in 2008, driven by supply-side constraints including flooding in Queensland, Australia
- Recapitalization efforts continue
- Throughout 2008 costs were impacted by extended long-term mine planning and development, as well as hiring and training of miners, and increased royalty expenses
- Goal of planning and development work is to drive future production and lower costs

2009 NAC Outlook

- At Feb. 25, 2009 had 1.6 million tons under contractual obligation
- Average expected realization of contracted tons is $108 per ton

Asia Pacific Iron Ore Segment

Business Overview

Asia Pacific Iron Ore operations located in Western Australia:

- Koolyanobbing mine (100% owned)
- Cockatoo Island Joint Venture (50% owned)

Serves the Asian iron ore markets with direct-shipping fines and lump ore

Over 90MM tonnes of reserves

Geographic Overview

Cockatoo Island

Koolyanobbing

Customer Overview

Japan
24%

China
76%

Source: Company data

Asia Pacific Iron Ore Business Model

- Diverse customer base include steel producers in China and Japan with a 2008 split of 74/26%
  - No single customer accounted for more than 10% of APIO sales in 2008
- Contracts are five-year term supply agreements with volume partially dependent on customer requirements
  - Price per ton determined with Australian benchmarks for lump and fines ore
  - Historic product lump vs. fines mix approx. 50/50%
  - Most Chinese customer contracts begin Jan. 1
  - Japanese contracts begin April 1
- Transportation: Koolyanobbing rails to Port of Esperance, one of the least congested ports in Australia
- Cliffs reports APIO revenues per metric ton (1,000 kilograms)

Asia Pacific Iron Ore Results & Outlook

2008 Results

	Year 2008	2007
SALES VOLUME (Metric tons in millions)	7.8	8.1
REVENUE PER TON	$ 98.69	$ 54.59
COST PER TON	54.00	42.83
SALES MARGIN PER TON	$ 44.69	$ 11.76

Highlights

Sales volume of 7.8 million tonnes, despite limited production from Cockatoo Island joint venture

Revenues per tonne up 81%

Sales margin per tonne up 280%

2008 Results Drivers

Strong demand from China and rest of Asia for majority of year

Australian benchmark pricing for lump and fines up 97% and 80% respectively in 2008

Cost per ton up 19%, negatively impacted by unfavorable currency exchange throughout majority of 2008, stockpile movements and higher royalty and mining costs

2009 APIO Outlook

Market in Asia showing signs of rebounding from lows witnessed in fourth quarter of 2008

Expected 2009 sales volume of 8.4 million tonnes

No 2009 settlement in sight, though expected to be down

Cost per tonne of $50 - $60

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

Ramping up to design capacity of 6.5 Mtpa, 2008 ramp-up significantly slower than expected with annual production or 1.2 Mt.

$35 million equity loss in 2008, expected $50 - $60 million equity loss in 2009

Anglo, together with Cliffs, studying all aspects of the mine and taking proactive steps to ensure production ramped

Geographic Overview

Amapá Project

Reserves Overview

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

Source: Company data

Sonoma Project

Business Overview

- 45% economic interest, ramped up in 2008
- 2008 equity sales volume: 933M 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

Geographic Overview

Sonoma

2008 Results and Drivers

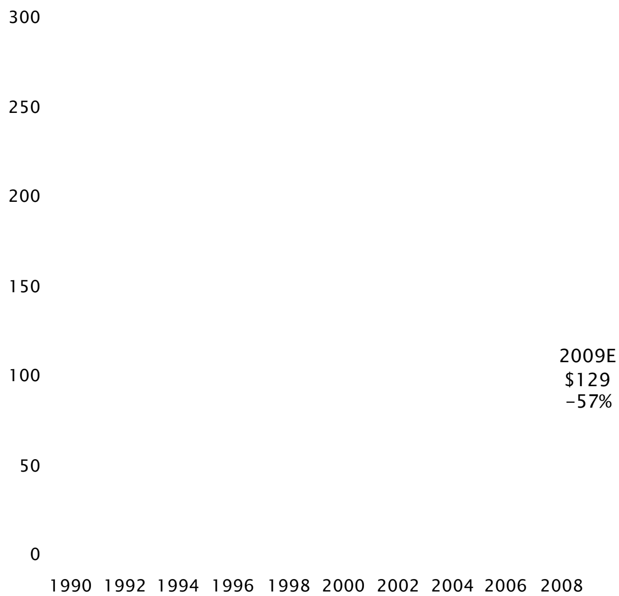
- Contributed $123 million to sales and $53 million to sales margin in 2008
- Strong demand from China and rest of Asia for majority of year
- Prices for coal strong throughout 2008 driven by supply-side constraints including flooding in Queensland and demand for power generation in South Africa

2009 Sonoma Outlook

- Total production of 3.5 million tonnes, 3.3 million tonnes of sales volume
- Approximately 60% thermal, 40% metallurgical
- Per tonne costs of $85 - $95

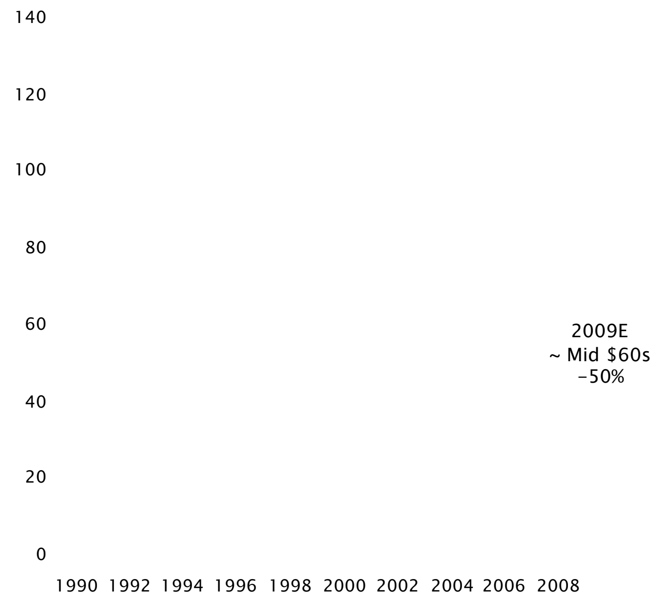
Strong Coal Pricing Trends

Met coal prices **($/metric ton)**



Source: Metal Strategies, equity research, Company estimates

Steam coal prices **($/ton)**



Note: CAPP steam coal index - CSX, 12,500 Btu, 1# Rail
Source: Bloomberg, Platts, Company estimates

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

Iron ore prices **($/metric ton based on 64% Iron Content)**

150
125
100
75
50
25
0

Pellets Lump Fines

1990 1992 1994 1996 1998 2000 2002 2004 2006 2008

$ 141
86.6%
$129
96.5%
$93
79.9%
$99*
$91*
2009E
-30%
86%
-3%
5.8%
19%
9.5%
71%
$65*
9.5%
19%
71%

* Assumes 30% decrease, an estimate among varying industry analysts for iron ore price settlement declines in 2009.

Source: Cliffs and Tex Reports

Long-Term Steel Demand Will Drive Our Business

Global steel demand (millions of tonnes)

2,000
1,500
1,000
500
0

1950 1955 1960 1965 1970 1975 1980 1985 1990 1995 2000 2005 2010E 2015E

Post-World War II reconstruction and Japanese industrialization

CAGR 1950-1973: 5.9%

Post-oil crisis slowdown

CAGR 1973-1995: 0.4%

BRIC cycle

CAGR 1995-2015: 4.4%

Source: IISI, Metal Strategies

Cliffs Response to the Current Environment

At the onset of the current global macroeconomic recession in the fall, Cliffs acted quickly:

- Oct. 2008 – Idled pellet production and furnaces at Northshore Mining and United Taconite
- Nov. 2008 – Enacted required notices to initiate workforce reductions
- Dec. 2008 – Took additional actions in North American business unit (iron ore and coal) to match production with demand

Long established six-sigma and business improvement program focus shifted from throughput to cost-cutting projects already identified long before downturn

- 33 Blackbelts and 243 Greenbelts know where their focus lies

Asia Pacific marketing efforts refocused on those customers in China with raw material needs

In Summary

- Steel and the raw materials to make it are extremely important
  - Building block of society
  - Essential to modernization of Brazil, Russia, India and China (BRIC)
- Raw materials will continue to be scarce in the long-term
  - Very few meaningful iron ore or metallurgical coal projects came online at the top of the last cycle
  - World-wide stimulus packages will eventually result in increased demand (infrastructure, construction, etc.)
- Cliffs is well positioned in its current markets and to benefit from the current environment
  - Active Business Development targeting program
  - Strong Balance Sheet and significant financial flexibility