

Cliffs Natural Resources
North American Iron Ore
EBIT
Q4 2008
(000's)

Tons Sold	<u><u>6,512.0</u></u>
08100002 - Iron Ore	\$ 570,557.0
08300000 - Service fee revenue	10,124.0
08100020 - Freight Revenue	28,006.2
08100025 - Minority Interest	27,425.3
Total Revenues from Product Sales and Services	\$ 636,112.4
<i>Per Ton Total Sales and Services</i>	<i>\$ 97.68</i>
Total Operating Costs	\$ (428,326.8)
<i>Per Ton Total Operating Costs</i>	<i>\$ (65.77)</i>
Sales Margin	\$ 207,785.6
<i>Per Ton Sales Margin</i>	<i>\$ 31.91</i>
08200001 - Royalties	\$ 2,810.3
08400000 - Management Fees	1,624.5
Total Royalties & Management Fee Revenue	\$ 4,434.8
09400000 - Administrative, selling and general exp	\$ (34,553.8)
08900000 - Gain (loss) on Sale of Assets - Net	1,524.8
09999840 - Miscellaneous - net	4,367.2
Total Other Operating Income (Expense)	\$ (28,661.7)
Operating Income (Loss)	\$ 183,558.7
Impairment of Securities	\$ (7,996.3)
08500000 - Interest Income	23,837.1
09500000 - Interest Expense	(2,967.2)
09551000 - Income - Other - Net	55.7
Total Other Income (Expense)	\$ 12,929.3
Income (Loss) From Continuing Operations	\$ 196,488.0
Exclusions for EBIT	
Impairment of Securities	\$ 7,996.3
08500000 - Interest Income	(23,837.1)
09500000 - Interest Expense	2,967.2
09551000 - Income - Other - Net	(55.7)
Laiwu mark-to-market adjustment	(50,630.0)
Freight surcharge settlement	(4,204.5)
Profit Sharing Expense for Q4 2008	4,566.0
Earnings Before Interest & Tax (EBIT)	<u><u>\$ 133,290.2</u></u>

**Cliffs Natural Resources - North American Iron Ore
PROFIT SHARING CALCULATIONS
New Labor Agreement - Effective September 1st, 2008
Empire, Hibbing, Tilden and UTAC
Q4 2008**

CCI North America Iron Ore Segment Product Sold (tons) 6,512,000

Profit Sharing Tonnage Pool (Production)

Mine (Tonnage Produced)

Hibbing Taconite Company	2,003,489
United Taconite LLC	1,177,036
Empire Iron Mining Partnership	1,218,054
Tilden Mining Company L.C.	1,529,585
Total Qualifying Tons	<u><u>5,928,164</u></u>

CCI North America Iron Ore Segment Earnings before Interest & Taxes \$ 133,290,201

CCI North America Iron Ore Segment EBIT/ton \$ 20.4684

Profit Sharing Monetary Pool

EBIT/ton >\$10.00 but less than \$50.00	7.5000%
EBIT/ton >\$50.00	10.0000%

EBIT/ton Greater than \$10 but less than \$50

EBIT/Ton	\$ 20.4684
Minimum	10.0000
EBIT/ton Greater than \$10 but less than \$50	<u><u>\$ 10.4684</u></u>

Profit Sharing Monetary Pool Calculation

EBIT/ton Greater than \$10 but less than \$50	\$ 10.4684
Applicable Profit Sharing Percentage	7.5000%
Qualifying Tons	5,928,164
Profit Sharing Monetary Pool	<u><u>\$ 4,654,378</u></u>

Profit Sharing Eligible Hours

Hibbing Taconite Company	277,792
United Taconite LLC	204,158
Empire Iron Mining Partnership	301,548
Tilden Mining Company L.C.	355,661
Total Eligible Hours	<u><u>1,139,160</u></u>

Profit Sharing Payout Per Hour

Profit Sharing Monetary Pool	\$ 4,654,378
Qualifying Hours	1,139,160
Profit Sharing Payout Per Eligible Hour	<u><u>\$ 4.0858</u></u>

Profit Sharing Payout

Profit Sharing Payout to Employee (Maximum payout: \$10.00 x Eligible Hours)	<u><u>\$ 4,654,378</u></u>
Hibbing Taconite Company	1,135,004
United Taconite LLC	834,149
Empire Iron Mining Partnership	1,232,063
Tilden Mining Company L.C.	1,453,161

Profit Sharing Payout to Profit Sharing Bank \$ -

Approved By:



North American Iron Ore Controller

3/3/09

Date



Corporate Controller

3/3/09

Date



Chief Finance Officer

3/3/09

Date