

Alpha Natural Resources, Inc.  
Form 425  
August 04, 2008

INVESTOR PRESENTATION

AUGUST 2008

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

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.

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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 ALL 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  
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.

Important Information for Investors  
and Shareholders

4

Creates a leading independent supplier of critical raw materials  
to the robust North  
American steel industry and a major global player

Core iron ore and met coal businesses strongly correlated  
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 outlook positions company for ongoing growth opportunities

Pro forma 2008E EBITDA of  
\$1.9bn

1  
, increasing to \$4.7bn

1  
in 2009E

Pro forma leverage (Debt/2008E EBITDA) of  
1.2x

1  
Compelling value creation for Cleveland-Cliffs and Alpha Natural Resources shareholders

Transaction Highlights

1  
Management estimates

~  
~  
~  
~  
~  
~

5  
Largest US met coal supplier  
Strong management team with 20+ years of industry experience  
Supply/demand metrics in coal market  
Unique blending and coal optimization capabilities drive meaningful synergy potential  
Meaningfully increases exposure to export market given infrastructure and sales network  
Well diversified production profile with 8 business units and met/steam sales mix  
Why Alpha?

6

Overview:

Cleveland-Cliffs ( CLF ) to acquire 100% of Alpha Natural Resources ( ANR ) for cash and stock

Purchase Price:

Equity purchase price of approximately \$10 billion

1

Premium:

Based on Cliffs

closing price on July 15, 2008, Alpha  
stockholders would receive a premium of 35%

Consideration:

Alpha stockholders would receive 0.95 Cleveland-Cliffs common shares  
plus \$22.23 in cash for each share of Alpha stock they 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 on a fully-diluted basis

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

Transaction Summary

1

Based on Cliffs closing price on July 15, 2008

7

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  
Shared Cultural Commitment to Integrity,  
Safety & Environment

8  
The Right Platform  
Supplier to the Steel Industry

9

Steel is a Large, Growing, Global Business

UK

1200

1000

800

600

400



200

0

Purchasing Power Parity GDP/Capita

0

10

20

30

40

50

Germany

Canada

US

Australia

Japan

Korea

Russia

China

Overall, China's steel consumption is three times that of the US

On a per capita basis, however, China only consumes half as much as the US

The US remains a net importer of steel

Approx. 50mm tonnes

Note: Size of bubbles represent size of absolute steel consumption 2007 in each respective country

BRIC economic growth is substantial and appears inevitable

Brazil

India

Steel consumption potential (2007)

10  
Robust Steel Demand Drives this Combination  
Global steel demand (millions of tonnes)  
0  
500  
1,000  
1,500  
2,000

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 slow down

CAGR 1973-1995: 0.4%

BRIC cycle

CAGR 1995-2015: 4.4%

Source: IISI, Metal Strategies

11

US Steel Industry is Particularly Well-Positioned

Source: FactSet, Metal Strategies, AME

Dollar vs. Euro (\$/ )

Market share of top 3 US producers (%)

0.50

0.75

1.00

1.25  
1999  
2000  
2001  
2002  
2003  
2004  
2005  
2006  
2007  
2008

US steel consumption (millions of tonnes)

0  
25  
50  
75  
100  
125  
150  
2000  
2002  
2004  
2006  
2008E

US steel consumption

US steel imports

HRC prices (\$/tonne)

0  
200  
400  
600  
800  
1,000  
1996  
2000  
2004  
2008E

0%  
20%  
40%  
60%  
80%  
100%

HRC

Plate

CRC

Tin Mill

2000  
2006

Mitigates imports and strengthens exports

US is a net importer

US is becoming a low cost producer

US steel industry continues to attract foreign investment

12  
All others  
32%  
Consol  
6%  
Patriot Coal  
10%  
Jim Walter

Resources

11%

Massey

Energy

16%

Cliffs Natural

Resources

25%

U.S. Steel

24%

Iron Ore

Company of

Canada

16%

Arcelor

Mittal

15%

Cliffs Natural

Resources

Managed

45%

CNR will be the Leading Supplier to the Robust

North American Steel Industry

Source: Company data, EIA

1

2007

coal

production

of

US

companies

with

meaningful

met

coal

production

Cliffs Natural Resources will be well-positioned to optimize operations from the

combined company's asset base

NA iron ore pellet production

Coal

production

mix

1

(million

of

tons)

US met coal production (%)

3

9

13



5

6

31

40

6

22

66

Pro forma

Cliffs

Massey

Walter

Patriot

CONSOL

Met Coal

Steam Coal

13

9

6

5

3

13

More Than 80% of Revenue Driven by Steel Industry

~\$6bn

Met coal

34.0%

Iron ore

46.7%

Brokered coal

6.7%  
Steam coal  
12.5%  
Pro  
forma  
revenue  
1  
&  
production  
(2008E)  
Source: Company data  
1  
Excludes revenue from freight & other  
2  
Per  
Alpha  
Natural  
Resources  
latest  
annual  
filing,  
steam/met  
mix  
related  
to  
mine  
geology  
Iron ore  
52.3%  
Steam coal  
8.6%  
Steam / Met coal<sup>2</sup>  
23.6%  
Iron ore: 1bn tons  
Coal: 915mm tons  
Pro forma global reserves (2007)  
Met coal  
15.5%  
Hibbing Taconite  
United Taconite  
Northshore Mining  
Empire  
Mine  
Tilden  
Mine  
Oak Grove Mine  
Cliffs Corporate  
Headquarters  
Pinnacle Complex  
Pinnacle Mine

Green Ridge Mine  
AMFIRE  
Kingwood  
Brooks Run  
Welch  
Enterprise  
Paramont  
Dickenson-Russell  
Callaway  
Cliffs North America  
Wabush Mine  
Iron ore assets  
Coal assets  
~72mm tons  
Met coal  
23.4%  
Iron ore  
50.6%  
Brokered coal  
7.8%  
Steam coal  
18.2%

14  
Strong Iron Ore Trends  
0  
25  
50  
75  
100  
125

150  
1990  
1992  
1994  
1996  
1998  
2000  
2002  
2004  
2006  
2008E  
Pellets  
Lump  
Fines  
Iron ore prices (\$/tonne)  
Source: Tex Reports  
Recently  
announced  
iron  
ore  
pellet  
contracts  
at  
\$140/tonne  
~  
~

15  
The Right Time  
Coal Fundamentals are Attractive

16  
Strong Coal Pricing Trends  
0  
20  
40  
60  
80  
100



120  
140  
1990  
1992  
1994  
1996  
1998  
2000  
2002  
2004  
2006  
2008E

Note:  
CAPP  
steam  
coal  
index

CSX,  
12,500  
Btu,  
1#  
Rail

Source: Bloomberg, Platts  
Met coal prices (\$/tonne)  
Steam coal prices (\$/ton)

0  
50  
100  
150  
200  
250  
300  
1990  
1992  
1994  
1996  
1998  
2000  
2002  
2004  
2006  
2008E

Source: Metal Strategies, equity research  
Alpha  
recently  
announced  
met  
coal  
contracts

for  
between  
\$300-  
\$305/tonne at the port  
These  
contracts  
are  
for  
3  
mt  
and  
equate  
to  
\$250/ton  
at  
the  
mine  
Steel producers are currently seeking to negotiate 2009 met coal  
contracts early  
Alpha  
recently  
announced  
2.7  
mt  
of  
steam  
coal  
contracts  
for  
2008/2009  
delivery  
at  
\$102/ton  
~  
~  
~  
~  
~  
~  
~  
~  
~  
~  
~

17

Favorable Met Coal Outlook

Demand driven by strong expected continued growth in global steel production both domestically and abroad

Weak dollar and availability of iron and met coal favorable for US production outlook

US is swing supplier for export met coal markets to meet global demand

Greater  
than  
50%  
growth  
in  
met  
export  
supply  
YTD  
Meaningful  
port  
capacity

Hampton  
Roads,  
DTA,  
etc.  
Supply constraints increasingly challenging

Specific events, such as floods in Australia, highlight tight market

China export limitations

Long capital equipment lead times

Aging workforce and availability of new labor

Difficulty in obtaining permits

Identified additional sizable reserves limited

Recent accidents at major coking coal mines in Eastern Europe have raised concerns about the safety/security of indigenous supply (Ukraine, Russia, Kazakhstan, Poland)

18

Favorable Met Coal Outlook

Global seaborne met coal supply / demand  
(millions of tonnes)

US met coal exports (**millions of tonnes**)

Few substitutes for coking coal

Scarcity of high quality met coal

Limitations on use of PCI & semi-soft coal in  
blast furnaces

Large international steel companies securing  
sources of supply

POSCO and ArcelorMittal acquire meaningful  
position in Macarthur

ArcelorMittal acquired privately-held met coal  
producers Mid Vol and Concept Coal

Several other met coal M&A situations drawing  
attention of international steel producers

+3

+12

-3

-2

-10

Source: Equity research, EIA

2006

2007

2008E

2009E

2010E

Import Demand

Export Supply

2006

2007

2008E

2009E

2010E

182

193

204

219

225

185

205

201

217

215

Import Demand

Export Supply

24.3

26.0

24.9

29.2

41.7

19

Demand Shifted as China Became Net Importer of  
Met Coal in 2007

As China grew, its met coal exports and imports shifted by nearly 17 million tonnes

2007 net

imports:

3.7

2002 net

exports:

13.0

Source: McCloskey s

0

2

4

6

8

10

12

14

2002

2003

2004

2005

2006

2007

Exports

Imports

AME Mineral Economics: net imports will increase further  
to at least 10 million tonnes

by 2013

Imports/exports

balance

(millions

of

tonnes)



20  
Strong Demand for Met Coal is Expected to  
Continue  
New battery construction outside of China creating 52 million tonnes of incremental met coal demand  
Note: Metric tonnes in millions  
Source: Alpha management estimates from various studies & published sources  
2.9  
9.5

1.4  
14.7  
11.2  
6.6  
5.7  
0  
2  
4  
6  
8  
10  
12  
14  
16  
2004  
2005  
2006  
2007  
2008  
2009  
2010  
+ 25  
+27  
Estimated  
new  
met  
coal  
demand  
from  
announced  
coke  
batteries  
(ex-China)  
(million  
of  
tonnes)

21  
Coal is Well Positioned in US Energy Market  
Natural  
gas  
prices  
near  
historic  
highs

1  
(\$/mm  
Btu)  
Crude oil prices near historical highs<sup>1</sup>  
(\$/barrel)  
US coal production<sup>2</sup>  
(mm short tons)  
Electricity  
generated  
by  
coal  
is  
growing  
3

YTD 2008, US coal production is up 0.7%

YTD 2008, coal fired electricity generation is up 1.8%

1,128  
1,094  
1,072  
1,112  
1,133  
1,163  
1,147  
1,150  
900  
950  
1,000  
1,050  
1,100  
1,150  
1,200  
2001  
2002  
2003  
2004  
2005  
2006  
2007  
LTM

1  
Source: Bloomberg. From 01/01/03 through 07/25/08

2  
Source: EIA. Data through June 2008 as of 07/24/08 report

3  
Source: EIA. Data through February 2008 as of 07/10/08 report

\$124.65

\$9.33

Average: \$59.85

Average: \$7.07

Coal

51%

Nuclear

20%

Natural Gas

19%

Hydroelectric

6%

Other

4%

2003

2004

2005

2007

2008

2006

2003

2004

2005

2007

2008

2006

\$3

\$6

\$9

\$12

\$15

\$0

\$30

\$60

\$90

\$120

\$150

\$180

22

Attractive Steam Coal Fundamentals

Global seaborne steam coal supply / demand  
(millions of tonnes)

US

steam

coal

exports

(millions  
of  
tonnes)  
China factor

Power supplies tight

Domestic prices capped

Export volumes limited by quotas  
Country-specific export impediments

Australian infrastructure expansion delays

Power rationing in South Africa  
Strong import demand from India, Japan, Korea  
U.S. fundamentals sound

Production growth ~1% YTD

Thermal export growth greater than 50% YTD

Utility stockpiles are stable

+31

+14

-14

-22

-7

Source: Equity research, EIA

2006

2007

2008E

2009E

2010E

Import Demand

Export Supply

2006

2007

2008E

2009E

2010E

442

465

484

507

502

473

479

471

485

495

Import Demand

Export Supply

19.2

19.3

20.0

24.5

35.7



23  
Value Creation

24

History of Successful and Well-Timed Investments

Cleveland-Cliffs share price performance (\$)

Source: FactSet, company data. Adjusted for 2-for-1 stock split on May 16, 2008

March 31, 2005

Acquires 68.7% of

Portman for \$372mm

April 19, 2005

Raises stake in  
Portman to 80.4%  
for \$62mm  
March 5, 2007  
Acquires 30% interest in  
Amapa Project for \$133mm  
April 18, 2007  
Invests \$120mm in  
Sonoma Coal Project  
September 1, 2006  
Joe Carrabba named  
President and CEO  
of Cleveland-Cliffs  
+783%  
CAGR: 85%  
\$0  
\$25  
\$50  
\$75  
\$100  
\$125  
\$150  
Jan 2005  
Jul 2005  
Jan 2006  
Jul 2006  
Jan 2007  
Jul 2007  
Jan 2008  
Jul 2008  
Portman Ltd Acquisition

January  
11,  
2005]  
Launched  
all-cash  
offer  
for  
Portman  
Ltd, a Western Australia-based iron ore producer & a key  
supplier to Chinese and Japanese steel producers

By April 2005, Cleveland-Cliffs had acquired 80.4% of  
Portman for A\$3.85 per share

Current share price of A\$17.50 represents an increase  
of 355%  
PinnOak Resources Acquisition

July

31,

2007]

Acquired

PinnOak

Resources, a US-based met coal producer  
with operations in West Virginia & Alabama

Total acquisition cost of \$610mm

Key supplier of metallurgical coal for North  
American steel industry

25  
Successful and Well-Timed International  
Investments in Fast Growing Regions  
Source: Company data  
Amapa Project  
Iron ore assets  
Coal assets  
Portman Koolyanobbing

Portman Cockatoo Island

Sonoma

Cliffs Asia Pacific

Cliffs Latin America

International highlights

Portman stake provides crucial

access to the Asian market

Production expected to reach 8 million

tonnes in 2008 and has over 90

million tonnes of reserves

45% interest in the Sonoma Coal

Project in Queensland, Australia

Production is expected to reach 2

million tonnes of coal in 2008 and 3-4

in 2009 and beyond and has 27

million tonnes of reserves

30% interest in the Amapa Project

in northern Brazil

Production of iron ore is predicted to

reach 3 million tonnes of iron ore in

2008 and 6.5 million in the following

years

26

Alpha's Pro Forma Contribution Accelerates in '09  
and Beyond with the Strong Met Coal Outlook

Pro forma EBITDA

1,2

(\$ billion)

Source: FactSet, company data, management estimates

1

2007A based on company filings

2

Approximate midpoints of management estimates

3

Based on stock prices as of close on July 15, 2008

Financial multiples

2

Cleveland-Cliffs

2009E

EBITDA

\$2.75bn

EV/2009E

EBITDA<sup>3</sup>

4.6x

Alpha Natural Resources

2009E

EBITDA

\$1.95bn

EV/2009E

EBITDA<sup>3</sup>

5.0x

Cleveland-Cliffs

60%

Alpha Natural

40%

Pro forma EBITDA

2

(2009E)

0

1

2

3

4

5

2007A

2008E

2009E

~

~

~

~

~

~

~

~

~



~  
~  
~

27

Undervalued Relative to Large-Cap Iron Ore, Coal  
and Diversified Peers

Firm Value / 2009E EBITDA vs. Peers

Source: FactSet, company data, approximate midpoints of management guidance

Note:Based

on stock prices as of close on July 15, 2008;Forward data per Wall Street consensus estimates except for Cliffs which is per ma  
Pro

forma  
Cliffs  
Natural  
Resources  
calculated

as  
Cliffs

price  
as

of  
07/15/08  
times

pro  
forma

fully  
diluted

shares

outstanding

plus

net

debt

and

other

firm

value

adjustments (excluding transaction costs) divided by the approximate midpoint of management guidance for 2009E EBITDA

4.8x

5.2x

5.3x

5.4x

6.5x

7.3x

7.7x

8.6x

8.7x

0x

2x

4x

6x

8x

10x

Peabody

Fortescue

CONSOL

Arch Coal

Rio Tinto

Xstrata

BHP

Vale

Pro forma

Cliffs  
Natural  
Resources  
Iron Ore / Diversified  
Coal

28  
Strong Financial Position  
Financials  
Revenue  
\$6.5bn  
\$10.2bn  
EBITDA  
\$1.9bn



29  
Creates  
a  
leading  
independent  
supplier  
of  
critical

raw  
materials  
to  
the  
robust  
North  
American steel industry and a major global player

Core iron ore and met coal businesses strongly correlated  
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 outlook positions company for ongoing growth opportunities

Pro forma 2008E EBITDA of \$1.9bn

1  
, increasing to \$4.7bn  
1  
in 2009E

Pro  
forma  
leverage  
(Debt/2008E  
EBITDA)

of  
1.2x

1  
Compelling value creation for Cleveland-Cliffs and Alpha Natural Resources shareholders

Transaction Highlights

1  
Management estimates

~  
~  
~  
~  
~  
~



INVESTOR PRESENTATION  
AUGUST 2008  
CLIFFS NATURAL RESOURCES