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Cliffs Natural Resources Inc. Announces \$400 Million Net Debt Reduction and Elimination of Common Share Dividend

CLEVELAND, Jan. 26, 2015 /PRNewswire/ -- Cliffs Natural Resources Inc. (NYSE: CLF) announced today that during the fourth quarter of 2014 and the beginning of January 2015, the Company reduced its net debt balance by more than \$400 million. This accelerated debt reduction was achieved through the repayment of short-term debt as well as the repurchase of more than \$200 million aggregate principal amount of senior notes in the open market at an average discount of 34 percent to par, capturing a total discount of approximately \$70 million. The sources of funds to execute the accelerated debt reduction program were cash from operations generated during the fourth quarter of 2014 and net proceeds from the sale of Cliffs Logan County Coal.

In addition, the Cliffs' Board of Directors has decided to eliminate the quarterly dividend of \$0.15 per share on Cliffs' common shares. The decision is applicable to the first quarter of 2015 and all subsequent quarters.

Lourenco Goncalves, Cliffs' Chairman of the Board, President and Chief Executive Officer, said, "Our strong performance in the fourth quarter of 2014 and the sale of Cliffs Logan County Coal which closed on December 31st allowed us to take advantage of the discounts offered in the debt markets and significantly reduce our debt. We see accelerated debt reduction as a more effective means of protecting our shareholders than continuing to pay a common share dividend. The elimination of this dividend provides us with additional free cash of \$92 million annually, which we intend to use for further debt reduction."

Cliffs Natural Resources Inc. will host the fourth quarter and 2014 full-year earnings conference call on Tuesday, February 3, 2015 at 10 a.m. ET to review its financial results and to inform the status of relevant ongoing strategic initiatives. The results will be released after the U.S. market close on Monday, February 2, 2015. The press release, and its accompanying financial exhibits, will also be available on the Company website prior to the conference call. The Company invites interested parties to listen to a live broadcast of a conference call with securities analysts and institutional investors to discuss the results. Visit Cliffs' website for more details: www.cliffsnaturalresources.com

About Cliffs Natural Resources Inc.

Cliffs Natural Resources Inc. is a leading mining and natural resources company. The Company is a major supplier of iron ore pellets to the U.S. steel industry from its mines and pellet plants located in Michigan and Minnesota. Cliffs also produces low-volatile metallurgical coal in the U.S. from its mines located in West Virginia and Alabama. Additionally, Cliffs operates an iron ore mining complex in Western Australia and owns two non-operating iron ore mines in Eastern Canada. Driven by the core values of social, environmental and capital stewardship, Cliffs' employees endeavor to provide all stakeholders operating and financial transparency.

News releases and other information on the Company are available at:
<http://www.cliffsnaturalresources.com>.

Forward-Looking Statements

This release contains forward-looking statements within the meaning of the federal securities laws. Although the Company believes that its forward-looking statements are based on reasonable assumptions, such statements are subject to risks and uncertainties relating to Cliffs' operations and business environment that are difficult to predict and may be beyond Cliffs' control. Such uncertainties and factors may cause actual results to differ materially from those expressed or implied by forward-looking statements for a variety of reasons including without limitation: our ability to successfully execute an exit option for Bloom Lake mine that minimizes the cash outflows and associated liabilities of our Canadian operations; trends affecting our financial condition, results of operations or future prospects, particularly the continued volatility of iron ore and coal prices; our actual levels of capital spending; uncertainty or weaknesses in global economic conditions, including downward pressure on prices, reduced market demand and any slowing of the economic growth rate in China; our ability to successfully identify and consummate any strategic investments and complete planned divestitures; the outcome of any contractual disputes with our customers, joint venture partners or significant energy, material or service providers or any other litigation or arbitration; the ability of our customers and joint venture partners to meet their obligations to us on a timely basis or at all; our ability to reach agreement with our iron ore customers regarding any modifications to sales contract provisions; the impact of price-adjustment factors on our sales contracts; changes in sales volume or mix; our actual economic iron ore and coal reserves or reductions in current mineral estimates, including whether any mineralized material qualifies as a reserve; the impact of our customers using other methods to produce steel or reducing their steel production; events or circumstances that could impair or adversely impact the viability of a mine and the carrying value of associated assets; the results of prefeasibility and feasibility studies in relation to projects; impacts of existing and increasing governmental regulation and related costs and liabilities, including failure to receive or maintain required operating and environmental permits, approvals, modifications or other authorization of, or from, any governmental or regulatory entity and costs related to implementing improvements to ensure compliance with regulatory changes; our ability to cost-effectively achieve planned production rates or levels; uncertainties associated with natural disasters, weather conditions, unanticipated geological conditions, supply or price of energy, equipment failures and other unexpected events; adverse changes in currency values, currency exchange rates, interest rates and tax laws; availability of capital and our ability to maintain adequate liquidity and successfully implement our financing plans; our ability to maintain appropriate relations with unions and employees and enter into or renew collective bargaining agreements on satisfactory terms; risks related to international operations; availability of capital equipment and component parts; the potential existence of significant deficiencies or material weakness in our internal control over financial reporting; problems or uncertainties with productivity, tons mined, transportation, mine-closure obligations, environmental liabilities, employee-benefit costs and other risks of the mining industry; and other factors and risks that are set forth in the Company's most recently filed reports with the U.S. Securities and Exchange Commission. The information contained herein speaks as of the date of this release and may be superseded by subsequent events. Except as may be required by applicable securities laws, we do not undertake any obligation to revise or update any forward-looking statements contained in this release.

To view the original version on PR Newswire, visit <http://www.prnewswire.com/news-releases/cliffs-natural-resources-inc-announces-400-million-net-debt-reduction-and-elimination-of-common-share-dividend-300025273.html>

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