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ITEM 2.02. Results of Operations and Financial Condition

On July 26, 2006, Cleveland-Cliffs Inc issued a news release announcing the unaudited financial results for the second quarter ended June 30, 2006, a copy of which is attached as Exhibit 99(a) to this Current Report on Form 8-K. 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)	Cleveland-Cliffs Inc published a News Release on June 30, 2006, “Cleveland-Cliffs Reports 2006 Second-Quarter and First-Half Financial Results”	Filed Herewith

INDEX TO EXHIBITS

Exhibit Number	Exhibit	
99(a)	Cleveland-Cliffs Inc published a News Release on July 26, 2006, “Cleveland-Cliffs Reports 2006 Second-Quarter and First-Half Financial Results”	Filed Herewith

Cleveland-Cliffs Reports 2006 Second-Quarter and First-Half Financial Results

Cleveland, OH — July 26, 2006 — Cleveland-Cliffs Inc (NYSE: CLF) today reported financial results for the 2006 second quarter and first half. All per-share amounts are diluted and have been adjusted to reflect the June 30, 2006 two-for-one stock split.

Second-quarter revenues from iron ore product sales and services of $486.2 million exceeded the prior second-quarter record of $485.3 million established in 2005. For the first half of 2006, revenues from iron ore product sales and services increased five percent to $792.6 million, compared with $756.5 million last year.

Lower pellet sales volume in North America was largely offset by higher pricing and the contribution from Portman. Cliffs acquired a controlling interest in Portman on March 31, 2005, and 2005 first-half results include only Portman's second-quarter contribution.

Net income of $83.1 million, or $1.53 per share, for 2006's second quarter and $121.0 million, or $2.20 per share, for the first half, compared with last year's record earnings of $99.7 million, or $1.79 per share, and $125.9 million, or $2.27 per share, for the respective periods.

The decrease in second-quarter and first-half net income was primarily the result of lower pellet sales volumes in North America due to customer inventory adjustments and a contractual change in 2005 that modified and reduced consignment tonnage. During the first half of 2006, sales of iron ore pellets in North America totaled 7.8 million tons, versus 10.0 million tons in the first half of 2005. Pellet sales for this year's second half are estimated to be approximately 13.2 million tons versus 12.3 million tons in 2005's final six months.

CLEVELAND-CLIFFS INC – 1100 SUPERIOR AVENUE, SUITE 1500, CLEVELAND, OHIO 44114-2518

Chairman and Chief Executive Officer John Brinzo commented: “We are pleased with how the year 2006 is developing. Our 2006 results will be more heavily weighted toward the second half of the year, as we expect to ship over 60 percent of our 2006 total North American and Australian sales volume in the third and fourth quarters.”

North American Iron Ore

Per-ton revenues from iron ore product sales and services, excluding freight increase of seven percent from the $44.37 reported for 2005’s first half. Cliffs’ 2005 first-half results include only Portman’s second-quarter contribution.

Sales margin at Portman was $27.0 million on 1.8 million tonnes for the quarterly period, compared with $20.9 million on 1.5 million tonnes in last year’s second quarter. The increase in sales margin in the second quarter was due to higher sales prices and higher sales volume, partially offset by higher production costs. Portman’s sales prices include the impact from a 19 percent increase in the international benchmark price of iron ore. The retroactive effect on a portion of first-quarter sales was $7.3 million.

On a per-tonne basis, cost of goods sold and operating expenses increased 21 percent to $37.06 in the second quarter and 17 percent to $35.86 for the year’s first six months. This compares with $30.69 per tonne recorded for both periods in 2005. (First-half 2005 results inRcDNPortmarcens fos

Production of lump and fines ore at Portman totaled 2.0 million tonnes in the second quarter and 3.3 million tonnes in the first half of 2006, compared with 1.6 million tonnes in the second quarter of 2005. At June 30, 2006, Portman's finished goods inventory totaled .7 million tonnes.

Liquidity

At June 30, 2006, Cliffs had $123.6 million of cash and cash equivalents, including $29.3 million at Portman. At December 31, 2005, Cliffs had $192.8 million of cash and cash equivalents. The decrease in cash and cash equivalents was due primarily to $81.0 million in common stock repurchases, capital expenditures totaling $69.3 million (including $32.6 million related to Portman) and $12.7 million of common and preferred dividends, partially offset by $92.4 million of net cash provided by operating activities. Included in cash from operating activities was a refund of $67.5 million from the WEPCO escrow account. Common stock repurchases reflected the settlement on 2.3 million of 2.5 million common shares repurchased under a May 2006 authorization by Cliffs' Board of Directors. On July 11, 2006, Cliffs' Board authorized an additional two-million-common-share repurchase program.

On June 23, 2006, Cliffs entered into a five-year unsecured revolving credit agreement that provides $500 million in borrowing capacity under a revolving credit line with no scheduled maturities other than the five-year term of the agreement. The new credit agreement replaced an existing $350 million unsecured revolving credit facility scheduled to expire in March 2008. There are currently no borrowings under the new credit agreement.

Outlook

Although production schedules are subject to change, total North American pellet production is expected to be approximately 35 million tons, with Cliffs' share representing 21.7 million tons. Portman's 2006 production volume is expected to be approximately 7.5 million tonnes, reflecting the expansion.

Cliffs' 2006 North American sales are projected to total approximately 21 million tons, versus 22.3 million tons last year, reflecting higher inventories at North American steel plants, the shutdown of Mittal Steel U.S.A.'s Weirton blast furnace and a programmed 2005 contractual change that modified and reduced consignment tonnage. Average revenue per ton for pellets is expected to increase approximately 9.5 percent to $64.35 per ton due to the combination of contractual base price increases, higher term sales contract price escalation factors including higher steel pricing, higher PPI and lag-year adjustments, partially offset by the effect of lower international benchmark pellet prices.

Portman’s full-year sales are estimated to be approximately 7.5 million tonnes. Revenue per tonne is expected to increase approximately 16 percent to $48.40 per tonne due to benchmark price settlements, changes in sales mix, purchase accounting adjustments related to currency hedges in place at the acquisition, and changes in exchange rate.

Cliffs’ North American unit production costs of goods sold and operating expenses, excluding freight and venture partners’ cost reimbursements, for 2006 are now expected to increase approximately 11 percent from the 2005 cost of $42.65 per ton, principally reflecting increased energy and supply pricing, labor costs, maintenance activity, and lower production.

Cliffs’ 2006 Portman unit production costs are expected to increase approximately five percent from 2005, with operating cost increases at Portman partially offset by lower Cliffs’ purchase accounting adjustments.

Brinzo added: “The near-term outlook for steel demand indicates that the industry is poised to enjoy strong steel pricing, which benefits Cliffs’ North American pellet sales and pricing. The effect of robust steel demand around the world and higher sales volumes at Portman bode well for Cliffs’ 2006 results.”

Cliffs will host a conference call to discuss its second-quarter and first-half 2006 results tomorrow, July 27, 2006, at 10:00 a.m. Eastern. The call will be broadcast live on Cliffs’ website at www.cleveland-cliffs.com. A replay of the call will be available on the website for 30 days. Cliffs plans to file its second-quarter 2006 Form 10-Q with the Securities and Exchange Commission later this week. For a more complete discussion of operations and financial position, please refer to the Form 10-Q.

To be added to Cleveland-Cliffs’ e-mail distribution list, please click on the link below:

http://www.cpg-llc.com/clearsite/clf/emailoptin.html

Actual results may differ materially from such statements for a variety of reasons, including: changes in the sales mix for the Company's Portman operations; the impact of other price adjustment factors on the Company's North American sales contracts; 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; availability of capital equipment and component parts; availability of float capacity on the Great Lakes; changes in the financial condition of the Company's partners and/or customers; rejection of major contracts and/or venture agreements by customers and/or participants under provisions of the U.S. Bankruptcy Code or similar statutes in other countries; the impact of consolidation in the Chinese steel industry; events or circumstances that could impair or adversely impact the viability of a mine and the carrying value of associated assets; inability to achieve expected production levels; failure to receive or maintain required environmental permits; problems with productivity, labor disputes, weather conditions, fluctuations in ore grade, tons mined, changes in cost factors including energy costs, transportation and employee benefit costs; and the effect of these various risks on the Company's future cash flows, debt levels, liquidity and financial position.

Reference is also made to the detailed explanation of the many factors and risks that may cause such predictive statements to turn out differently, set forth in the Company's Annual Report for 2005, Reports on Form 10-K and Form 10-Q and previous news releases filed with the Securities and Exchange Commission, which are publicly available on Cleveland-Cliffs' website. The information contained in this document speaks as of the date of this news release and may be superseded by subsequent events.

News releases and other information on the Company are available on the Internet at:

http://www.cleveland-cliffs.com.

SOURCE: Cleveland-Cliffs Inc

CONTACT: Media: 1-216-694-4870

Financial Community: 1-800-214-0739, or 1-216-694-5459

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CLEVELAND-CLIFFS INC

STATEMENTS OF CONDENSED CONSOLIDATED OPERATIONS
(UNAUDITED)

(In Millions, Except Per Share Amounts)	Three Months Ended June 30 2006	Three Months Ended June 30 2005	Six Months Ended June 30 2006	Six Months Ended June 30 2005
REVENUES FROM PRODUCT SALES AND SERVICES				
Iron ore	$ 420.2	$ 424.5	$ 664.7	$ 643.3
Freight and venture partners' cost reimbursements	66.0	60.8	127.9	113.2
	486.2	485.3	792.6	756.5
COST OF GOODS SOLD AND OPERATING EXPENSES	(357.5)	(348.4)	(608.5)	(575.9)
SALES MARGIN	128.7	136.9	184.1	180.6
OTHER OPERATING INCOME (EXPENSE)				
Casualty insurance recoveries		10.6		10.6
Royalties and management fee revenue	3.0	3.5	5.6	6.2
Administrative, selling and general expenses	(13.3)	(10.3)	(23.1)	(21.6)
Miscellaneous — net	(2.0)	(1.8)	(4.0)	(2.8)
	(12.3)	2.0	(21.5)	(7.6)
OPERATING INCOME	116.4	138.9	162.6	173.0
OTHER INCOME (EXPENSE)				
Interest income	3.5	3.1	7.8	7.0
Interest expense	(.8)	(1.7)	(1.8)	(1.9)
Other — net	(1.3)	.4	(.8)	(9.3)
	1.4	1.8	5.2	(4.2)
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES AND MINORITY INTEREST	117.8	140.7	167.8	168.8
INCOME TAX EXPENSE	(29.6)	(36.8)	(39.5)	(44.0)
MINORITY INTEREST (net of tax)	(5.2)	(3.9)	(7.6)	(3.9)
INCOME FROM CONTINUING OPERATIONS	83.0	100.0	120.7	120.9
INCOME (LOSS) FROM DISCONTINUED OPERATIONS (net of tax)	.1	(.3)	.3	(.2)
INCOME BEFORE CUMULATIVE EFFECT OF ACCOUNTING CHANGE	83.1	99.7	121.0	120.7
CUMULATIVE EFFECT OF ACCOUNTING CHANGE (net of tax $2.8)				5.2
NET INCOME	83.1	99.7	121.0	125.9
PREFERRED STOCK DIVIDENDS	(1.4)	(1.4)	(2.8)	(2.8)
INCOME APPLICABLE TO COMMON SHARES	$ 81.7	$ 98.3	$ 118.2	$ 123.1
EARNINGS PER COMMON SHARE — BASIC				
Continuing operations	$ 1.91	$ 2.27	$ 2.73	$ 2.72
Discontinued operations		(.01)	.01	
Cumulative effect of accounting change				.12
EARNINGS PER COMMON SHARE — BASIC	$ 1.91	$ 2.26	$ 2.74	$ 2.84
EARNINGS PER COMMON SHARE — DILUTED				
Continuing operations	$ 1.53	$ 1.80	$ 2.19	$ 2.18
Discontinued operations		(.01)	.01	
Cumulative effect of accounting change				.09
EARNINGS PER COMMON SHARE — DILUTED	$ 1.53	$ 1.79	$ 2.20	$ 2.27
WEIGHTED AVERAGE NUMBER OF SHARES				
Basic	42.7	43.4	43.2	43.3
Diluted	54.4	55.6	54.9	55.5

CLEVELAND-CLIFFS INC

SUPPLEMENTAL FINANCIAL INFORMATION
(UNAUDITED)