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asset’s ability to generate cash flows greater than the carrying value of the asset, using an undiscounted probability-weighted analysis. If projected undiscounted cash flows are less than the carrying value of the asset, the assets are adjusted to their fair value (Note J).

Income T

settlement of the liability, a gain or loss is recorded. The statement is effective for fiscal years beginning after June 15, 2002 with early adoption encouraged. The Company may decide in the fourth quarter to adopt the standard early (in 2002) as opposed to waiting until January 1, 2003. Based on preliminary analysis, the Company does not expect the cumulative effect charge, upon adoption of this standard, to exceed $20 million; however, the Company continues to refine its estimate an.heeellemencourage´ed Cs∕d£d£, th T

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NOTE E — ENVIRONMENTAL AND CLOSURE OBLIGATIONS

At September 30, 2002Ď2 î

NOTE G — INCOME TAXES

In March 2002, the “Job Creation and Worker Assistance Act of 2002” (“Act”) was enacted by Congress. Provisions of the Act provide for the carryback of net operating losses for tax years 2002 and 2001 for up to.up

were previously reported in both revenues and cost of goods sold and operating expenses, have been eliminated. As a result, third quarter and first nine months 2001 revenues from royalties and management fees and cost of goods sold have been restated and reduced by $4.5 million and $8.6 million, respectively. This had no impact on financial results.

- The loss from CAL •e

substantial additional costs associated with closure of the mine. The Company does not currently expect closure to occur in the near term.

In April 2002, the Company signed a long-term agreement to supply iron ore pellets to International Steel Group Inc. (“ISG”), which had purchased the principal steel making and finishing assets gattt h[mpsan

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Company expects to record a required additional minimum pension liability of $125 million to $150 million

ITEM 3. QUALITATIVE

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6. The registrant's other certifying officers and I have indicated in this quarterl report whether or not there were significant changes in internal controls or any other factor

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million in 2001. Costs of production curtailments in nine-month results were $21 million in 2002 and $35 million in 2001.

Lower royalty and management fee income from partners was due mainly to the extended shutdown of operations at the Empire Mine in 2002, and Cliffs' increased ownership of the Tilden Mine in 2002. Higher administrative costs in 2002 are primarily due to increased pension and medical expenses and the impact of Cliffs' stock price on certain incentive compensation plans.

SPECIAL ITEM - IMPAIRMENTtc arerererer E

Cleveland-Cliffs is the largest supplier of iron ore products to the

Total before changes in operating
assets and li Ğ

			329.6
PROPERTIES - NET	278.2	260.3	264.3
INVESTMENTS IN ASSOCIATED IRON ORE VENTURES	14.1	131.7	134.9
OTHER ASSETS	111.6	70.3	66.5
TOTAL ASSETS	$ 792.9	$ 825.0	$ 795.3

LIABILITIES AND SHAREHOLDERS' EQUITY

CURRENT LIABILITIES

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