

# About Hoover's Handbook of American Business 2009

In times of great turbulence, knowledge is king, and when it's information about companies you need, we believe that Hoover's Business Press is the place to turn. For our Hoover's Handbooks series of guides to businesses, we've done the sorting and sifting of information, leaving you with the facts you need to make the important decisions you face.

This 19th edition of *Hoover's Handbook of American Business*, as it has throughout its history, stands as one of America's premier sources of business information, packed with the information you need.

*Hoover's Handbook of American Business* is the first of our four-title series of handbooks that covers, literally, the world of business. The series is available as an indexed set, and also includes *Hoover's Handbook of World Business*, *Hoover's Handbook of Private Companies*, and *Hoover's Handbook of Emerging Companies*. This series brings you information on the biggest, fastest-growing, and most influential enterprises in the world.

## HOOVER'S ONLINE FOR BUSINESS NEEDS

In addition to Hoover's widely used MasterList and Handbooks series, comprehensive coverage of more than 40,000 business enterprises is available in electronic format on our Web site at [www.hoovers.com](http://www.hoovers.com). Our goal is to provide our customers the fastest path to business with insight and actionable information about companies, industries, and key decision makers, along with the powerful tools to find and connect to the right people to get business done. Hoover's has partnered with other prestigious business information and service providers to bring you all the right business information, services, and links in one place.

We welcome the recognition we have received as the premier provider of high-quality company information — online, electronically, and in print — and continue to look for ways to make our products more available and more useful to you.

We believe that anyone who buys from, sells to, invests in, lends to, competes with, interviews with, or works for a company should know all there is to know about that enterprise. Taken together, this book and the other Hoover's products and resources represent the most complete source of basic corporate information readily available to the general public.

This latest version of *Hoover's Handbook of American Business* contains, as always, profiles of the largest and most influential companies in the United States. Each of the companies profiled here was chosen because of its important role in American business. For more details on how these companies were selected, see the section titled "Using Hoover's Handbooks."

## HOW TO USE THIS BOOK

This book has four sections:

1. "Using Hoover's Handbooks" describes the contents of our profiles and explains the ways in which we gather and compile our data.
2. "A List-Lover's Compendium" contains lists of the largest, smallest, best, most, and other superlatives related to companies involved in American business.
3. The company profiles section makes up the largest and most important part of the book — 750 profiles of major US enterprises.
4. Three indexes complete the book. The first sorts companies by industry groups, the second by headquarters location. The third index is a list of all the executives found in the Executives section of each company profile.

As always, we hope you find our books useful. We invite your comments via phone (512-374-4500), fax (512-374-4538), mail (5800 Airport Boulevard, Austin, Texas 78752), or e-mail ([custsupport@hoovers.com](mailto:custsupport@hoovers.com)).

The Editors,  
Austin, Texas,  
October 2008

# Cleveland-Cliffs

Cleveland-Cliffs' favorite period in history? The Iron Age, hands down. The company produces iron ore pellets, a key component of steel-making, and owns or holds stakes in six iron ore properties that represent almost half of North American iron ore production. Cleveland-Cliffs' operations, including Northshore Mining and Empire Iron, produce more than 35 million tons of iron ore pellets annually. The company's share is about 20 million tons, and the remainder represents the holdings of other mine owners. Cleveland-Cliffs sells its iron ore pellets primarily in North America but also in Europe and China. The company owns an 80% stake in Australian iron miner Portman, which supplies the Asia/Pacific region.

As the North American steel industry struggled early in this decade, Cleveland-Cliffs began to increase its mine ownership by buying up stakes from its steel company partners. The company hopes to continue to buy out the co-owners of the mines it operates.

In addition, Cleveland-Cliffs has begun to look internationally for new iron ore properties to acquire in order to supply the growing demand of the Chinese steel industry for raw materials. Following the 2005 acquisition of its Portman stake, the company also bought a stake in a venture in Brazil and another in Australia.

In 2007, it acquired PinnOak Resources, a US metallurgical coal producer with operations in West Virginia and Alabama. The deal was for about \$600 million in cash and assumed debt. While the acquired company's properties are located in the US, Cleveland Cliffs says that most of its product is slated for export sales.

The next year, it made a much larger move in the same direction when it agreed to buy coal miner Alpha Natural Resources for more than \$8 billion. The combined company, should the deal go through, will be called Cliffs Natural Resources and have greatly increased pricing power as a major supplier of raw materials to the steel industry.

Speaking of which, ArcelorMittal USA accounts for nearly half of the total sales of Cleveland-Cliffs' North American iron ore pellets.

## HISTORY

Samuel Mashers founded the Cleveland Iron Mining Co. in 1846, just five years after the discovery of iron ore in Michigan's Upper Peninsula. To compete in a consolidating market, the company merged with Iron Cliffs Mining in 1891 to form Cleveland-Cliffs. The company offset risks by forming joint ventures with steel companies to own and operate mines. It survived the Depression by selling all its steel and timber operations. The demands of WWII prompted Cleveland-Cliffs to invest in iron mines outside the US — in Canada, Chile, Colombia, Peru, and Venezuela (cut back after WWII to Canada and Australia).

In the 1960s the company rebuffed a takeover bid by Detroit Steel, and in the 1970s it diversified again, acquiring copper, shale oil, timber, and uranium assets. However, Cleveland-Cliffs stumbled financially and sold all its businesses not related to iron ore. The revival of the steel industry in the late 1980s and 1990s lifted Cleveland-Cliff's sales, but the financial struggles of its major customers forced losses on the company.

In 1994 the company bought Cypress Ajax Mineral's Minnesota iron mine (Northshore). In 1996 Cleveland-Cliffs closed its exhausted Australian operations. That year the company formed a joint venture with LTV and Lurgi (of Germany) to make reduced-iron briquettes in Trinidad and Tobago.

Faced with a tide of steel imports from Asia, Brazil, and Russia, the company curtailed production and deferred plans to supply steel minimills with the iron ore pellets needed to produce iron in electric furnaces — the company's planned start-up of its ferrous metallics plant in Trinidad was delayed in 2000 due to mechanical problems. During late 2000 two of Cleveland-Cliffs' mine partners — LTV and Wheeling-Pittsburgh — filed for bankruptcy protection. Cleveland-Cliffs was able to up its stake in the Empire Iron mine, previously co-owned with Wheeling-Pittsburgh, to 35%.

Later that year Canada-based Algoma Steel, co-owner with Cleveland-Cliffs of the Tilden mine, filed for bankruptcy. Also in 2001 Cleveland-Cliffs began production at its ferrous metallics plant in Trinidad; that plant was idled later in the year. In late 2001 the company, along with ALLETE subsidiary Minnesota Power, acquired the iron ore mining and processing facilities of LTV Steel Mining Co., including a rail line and dock facility on Lake Superior. In 2001 Cleveland-Cliffs increased its stake in the Tilden mine to 85%.

In late 2001 the Empire Iron mine was temporarily closed and its operations restructured. The mine reopened in 2002; Cleveland-Cliffs took a \$52.7 million charge related to the closure. The following year the company increased its stake in the Empire Iron mine to 79%. In 2003 United Taconite (70% owned by Cleveland-Cliffs) was formed to hold the mining operations it purchased from bankrupt Eveleth Mines.

## EXECUTIVES

**Chairman, President, and CEO:** Joseph A. Carrabba, age 55

**SVP, CFO, and Treasurer:** Laurie Brlas

**SVP Business Development:** James A. Trethewey, age 63

**SVP Business Development:** William C. (Bill) Boor, age 42

**SVP North American Coal:** Duke D. Vctor, age 50

**SVP Human Resources:** Randy L. Kummer, age 52

**VP Finance:** Robert J. Leroux, age 57

**VP Public Affairs:** Dana W. Byrne, age 58

**VP Operations, North American Iron Ore:** David Blake

**VP and Corporate Controller:** Terrance M. Paradie, age 39

**VP Internal Audit:** Kathleen L. Bardwell, age 51

**VP Corporate Planning and Treasurer:** Steven Raguz, age 39

**VP Sales and Transportation:** Terrence R. Mee, age 39

**President, North American Iron Ore:**

Donald J. Gallagher, age 56

**EVP, Commercial, North American Iron Ore:**

William R. Calfee, age 61

**EVP, Cliffs Metallics and CTO:** William A. Brake Jr., age 48

**Chief Information Officer:** Ronald K. Aderhold, age 46

**General Counsel and Secretary:** George W. Hawk Jr., age 52

**Director Investor Relations and Corporate**

**Communications:** Steve Baisden

**Auditors:** Deloitte & Touche LLP

## LOCATIONS

**HQ:** Cleveland-Cliffs Inc

1100 Superior Ave., Cleveland, OH 44114

**Phone:** 216-694-5700

**Fax:** 216-694-4880

**Web:** www.cleveland-cliffs.com

Cleveland-Cliffs has mining ventures in Michigan, Minnesota, and Canada (Newfoundland and Quebec).

### 2007 Sales

	\$ mil.	% of total
US	1,282.7	56
China	419.9	18
Canada	384.9	17
Japan	135.7	6
Other countries	66.5	3
Adjustments	(14.5)	—
<b>Total</b>	<b>2,275.2</b>	<b>100</b>

## PRODUCTS/OPERATIONS

### 2007 Sales

	\$ mil.	% of total
North American operations		
Iron	1,745.4	77
Coal	85.2	4
Asian Iron	444.6	19
<b>Total</b>	<b>2,275.2</b>	<b>100</b>

### Selected Operations

Michigan (Marquette Range)

  Empire Iron Mining Partnership (79%)  
  Tilden Mine (85%)

Minnesota (Mesabi Range)

  Hibbing Taconite Company (23%)  
  Northshore Mining Company  
  United Taconite

Canada

  Wabush Mines (27%, Newfoundland/Quebec)

### Selected Subsidiaries

The Cleveland-Cliffs Iron Company

Cliffs Mining Company

Cliffs Minnesota Mining Company

Cliffs Natural Stone

Cliffs Oil Shale

Lake Superior & Ishpeming Railroad Company (rail transport)

Silver Bay Power Company

## COMPETITORS

BHP Billiton

Dofasco

Great Northern Iron Ore

International Briquettes

LKAB

Minerações Brasileiras Reunidas

Rio Tinto Limited

United States Steel

Vale do Rio Doce

## HISTORICAL FINANCIALS

Company Type: Public

### Income Statement

FYE: December 31

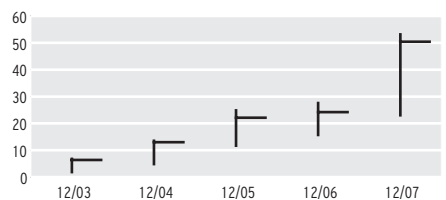
	REVENUE (\$ mil.)	NET INCOME (\$ mil.)	NET PROFIT MARGIN	EMPLOYEES
<b>12/07</b>	2,275	270	11.9%	5,298
<b>12/06</b>	1,933	280	14.5%	4,189
<b>12/05</b>	1,740	278	16.0%	4,085
<b>12/04</b>	1,207	324	26.8%	—
<b>12/03</b>	858	(33)	—	—
<b>Annual Growth</b>	27.6%	—	—	13.9%

## 2007 Year-End Financials

Debt ratio: 37.8%	No. of shares (mil.): 44
Return on equity: 28.3%	Dividends
Cash (\$ mil.): 227	Yield: 0.5%
Current ratio: 1.89	Payout: 9.7%
Long-term debt (\$ mil.): 440	Market value (\$ mil.): 2,197

## Stock History

NYSE: CLF



	STOCK PRICE (\$) FY Close	P/E		PER SHARE (\$)		Book Value
		High/Low	Earnings	Dividends		
12/07	50.40	21	9	2.57	0.25	26.70
12/06	24.22	11	6	2.60	0.24	18.23
12/05	22.14	10	5	2.49	0.15	29.73
12/04	12.98	5	2	2.95	0.03	19.63
12/03	6.37	—	—	(0.40)	—	54.73
Annual Growth	67.7%	—	—	—	102.7%	(16.4%)

# The Clorox Company

Bleach is the cornerstone of Clorox. It offers its namesake household cleaning products, where it is a leader worldwide, and reaches beyond bleach. Clorox makes laundry and cleaning items (Formula 409, Pine-Sol, Tilex), dressing/sauce (Hidden Valley, KC Masterpiece), cat litter (Fresh Step, Scoop Away), car care products (Armor All, STP), the Brita water-filtration system (in North America), and charcoal briquettes (Kingsford, Match Light). Its First Brands buy gave Clorox Glad-brand plastic wraps, storage bags, and containers. Clorox entered the natural personal care niche with its acquisition of Burt's Bees in late 2007. Jerry Johnston, former chairman and CEO, retired in May 2006.

Johnston was hospitalized after having suffered a heart attack in March 2006. Clorox named Donald R. Knauss as its chairman and CEO later that year. A former officer in the United States Marine Corps, Knauss began his career as a brand manager for Procter & Gamble. Most recently Knauss was president and CEO of Coca-Cola North America.

The firm sells products in more than 100 countries and makes them in more than 15 countries. Much of Clorox's foreign growth has been from Latin America and Canada. To secure its foothold there, Clorox bought Latin American and Canadian bleach brands (Javex, Agua Jane, Nevex) from Colgate-Palmolive Company. The deal gave Clorox the license to the Ajax (bleach) brand for a short time in Colombia, the Dominican Republic, and Ecuador.

It's also inking deals with companies in niche markets to diversify and chase after growing sectors. Clorox purchased the Burt's Bees line of natural skin and hair care products for \$925 million in cash in November 2007. The deal secures a spot for Clorox in the natural products marketplace, where competitor Colgate-Palmolive has a foothold through its purchase in 2006 of Tom's

of Maine natural oral care products. Also, in late 2006 Clorox unit The Armor All/STP Products Company signed a licensing agreement with Canada-based Recochem to make and market a line of antifreeze/coolants, windshield washing fluids, and de-icers for sale in North America.

Agreements with cleaning appliance manufacturers in recent years have introduced newer ways for Clorox to sell its products. The company partnered with iRobot to create the Scooba robotic mop, which is the wet mop version of the Roomba vacuum.

Chemical giant Henkel once owned nearly 30% of Clorox, but Clorox bought it back in 2004 through an asset swap valued at \$2.8 billion. The transaction involved Henkel's purchase of Clorox's 20% stake in Henkel Iberica, a joint venture between the two firms operating in Portugal and Spain. Henkel also bought Clorox's stake in a pesticide company.

## HISTORY

Known first as the Electro-Alkaline Company, The Clorox Company was founded in 1913 by five Oakland, California, investors to make bleach using water from salt ponds around San Francisco Bay. The next year the company registered the brand name Clorox (the name combines the bleach's two main ingredients, chlorine and sodium hydroxide). At first the company sold only industrial-strength bleach, but in 1916 it formulated a household solution.

With the establishment of a Philadelphia distributor in 1921, Clorox began national expansion. The company went public in 1928 and built plants in Illinois and New Jersey in the 1930s; it opened nine more US plants in the 1940s and 1950s. In 1957 Procter & Gamble (P&G) bought Clorox. The Federal Trade Commission raised antitrust questions, and litigation ensued over the next decade. P&G was ordered to divest Clorox, and in 1969 Clorox again became an independent company.

Following its split with P&G, the firm added household consumer goods and foods, acquiring the brands Liquid-Plumr (drain opener, 1969), Formula 409 (spray cleaner, 1970), Litter Green (cat litter, 1971), and Hidden Valley (salad dressings, 1972). Clorox entered the specialty food products business by purchasing Grocery Store Products (Kitchen Bouquet, 1971) and Kingsford (charcoal briquettes, 1973).

In 1974 Henkel, a large West German maker of cleansers and detergents, purchased 15% of Clorox's stock as part of an agreement to share research. Beginning in 1977, Clorox sold off subsidiaries and brands, such as Country Kitchen Foods (1979), to focus on household goods.

During the 1980s, Clorox launched a variety of new products, including Match Light (instant-lighting charcoal, 1980), Tilex (mildew remover, 1981), and Fresh Step (cat litter, 1984). Clorox began marketing Brita water filtration systems in the US in 1988 (adding Canada in 1995). In 1990 it paid \$465 million for American Cyanamid's household products group, including Pine-Sol cleaner and Combat insecticide. (It sold Combat and Soft Scrub to Henkel in 2004.)

In 1991 Clorox left the laundry detergent business (begun in 1988) after it was battered by heavyweights P&G and Unilever. Household products VP Craig Sullivan became CEO the next year (stepping down in December 2003).

A string of acquisitions brought the company into new markets as it built on existing brands. Clorox bought Black Flag and Lestoil in 1996 and car care product manufacturer Armor All in 1997. With its 1999 purchase of First Brands — for about \$2 billion in stock and debt — Clorox added four more brands of cat litter and diversified into plastic products (Glad).

In 2002 Clorox announced that due to the difficult economic environment in the region, it was selling its Brazil business. In 2003 it jumpstarted a joint venture with Procter & Gamble to take advantage of P&G's manufacturing acumen to improve its Glad products. P&G received a 10% stake in Glad. In late 2004, though, P&G boosted its share in the joint venture (with \$133 million) from 10% to 20%, which is the maximum it can invest according to the agreement.

Clorox also sold its Jonny Cat Litter business to Oil-Dri Corporation of America and Black Flag operations in 2003.

In January 2004 Robert Matschullat, the company's nonexecutive chairman, replaced Sullivan upon his retirement. Matschullat stepped down as chairman in January 2005, passing the title to Jerry Johnston, and became a director. Matschullat reclaimed the titles of chairman and CEO on an interim basis when Johnston suffered a heart attack and retired in 2006. Former Coca-Cola executive Donald Knauss was named chairman and CEO in late 2006; Matschullat remained a director.

## EXECUTIVES

**Chairman and CEO:** Donald R. (Don) Knauss, age 57

**EVP and COO, Clorox North America:**

Lawrence S. (Larry) Peiros, age 52

**EVP, Functional Operations:** Frank A. Tataseo, age 54

**EVP, Strategy and Growth:** M. B. (Beth) Springer, age 44

**SVP and CFO:** Daniel J. (Dan) Heinrich, age 52, \$833,250 pay

**SVP and General Counsel:** Laura Stein, age 46, \$813,800 pay

**SVP, Human Resources and Corporate Affairs:**

Jacqueline P. (Jackie) Kane, age 56

**SVP, International:** Warwick Every-Burns, age 55

**VP and General Manager, Household Division:**

Benno Dorer

**VP, Corporate Controller, and Chief Accounting Officer:**

Thomas D. (Tom) Johnson, age 45

**VP and General Manager, Specialty Division:**

George C. Roeth, age 43

**VP and CIO:** Robin A. Evitts

**VP, Research and Development:** Wayne L. Delker, age 50

**VP, Internal Audit:** Keith R. Tandowsky, age 46

**VP, Sales:** Grant J. LaMontagne

**VP, Investor Relations:** Steve Austenfeld

**VP, Marketing:** Derek A. Gordon

**VP, New Business Development and Licensing:**

Steve Silberblatt

**VP, Tax and Treasurer:** Charles R. Conradi

**Corporate Communications and Media Relations:**

Kathryn Caulfield

**Auditors:** Ernst & Young

## LOCATIONS

**HQ:** The Clorox Company  
1221 Broadway, Oakland, CA 94612

**Phone:** 510-271-7000 **Fax:** 510-832-1463

**Web:** www.thecloroxcompany.com

## 2008 Sales

	% of total
North America	84
International	16
<b>Total</b>	<b>100</b>