

**COAL
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Managed by Rio Tinto Coal Australia

Coal & Allied Industries Limited

**Presentation to the Financial Community
Half Year Results – 30 June 2009**

Bill Champion

4 August 2009

Mount Thorley Warkworth



Presentation outline

Safety performance

Financial performance

Operational performance by site

Infrastructure

Market outlook

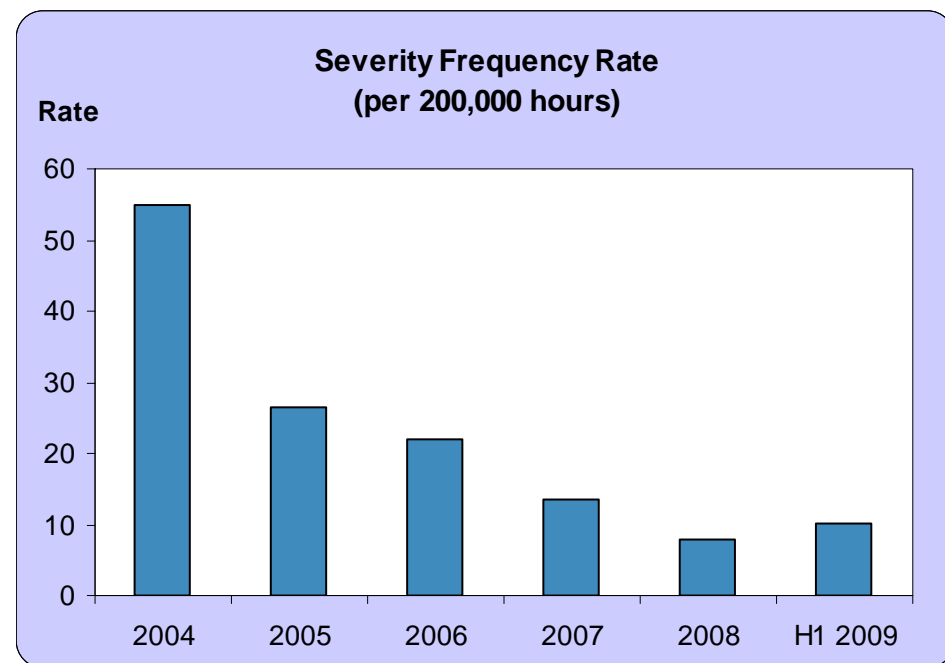
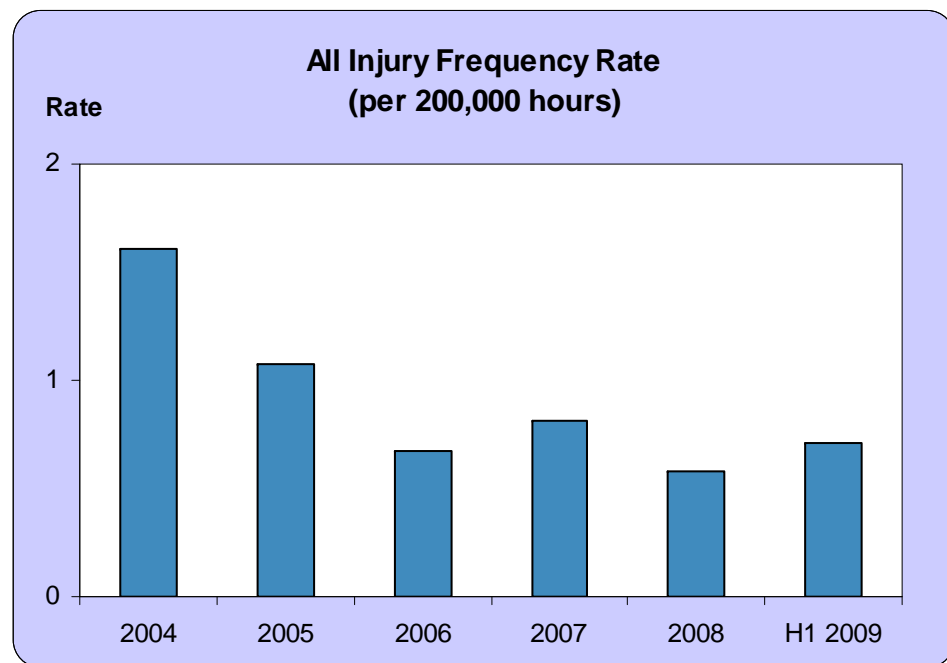
Emissions trading

Summary

Questions



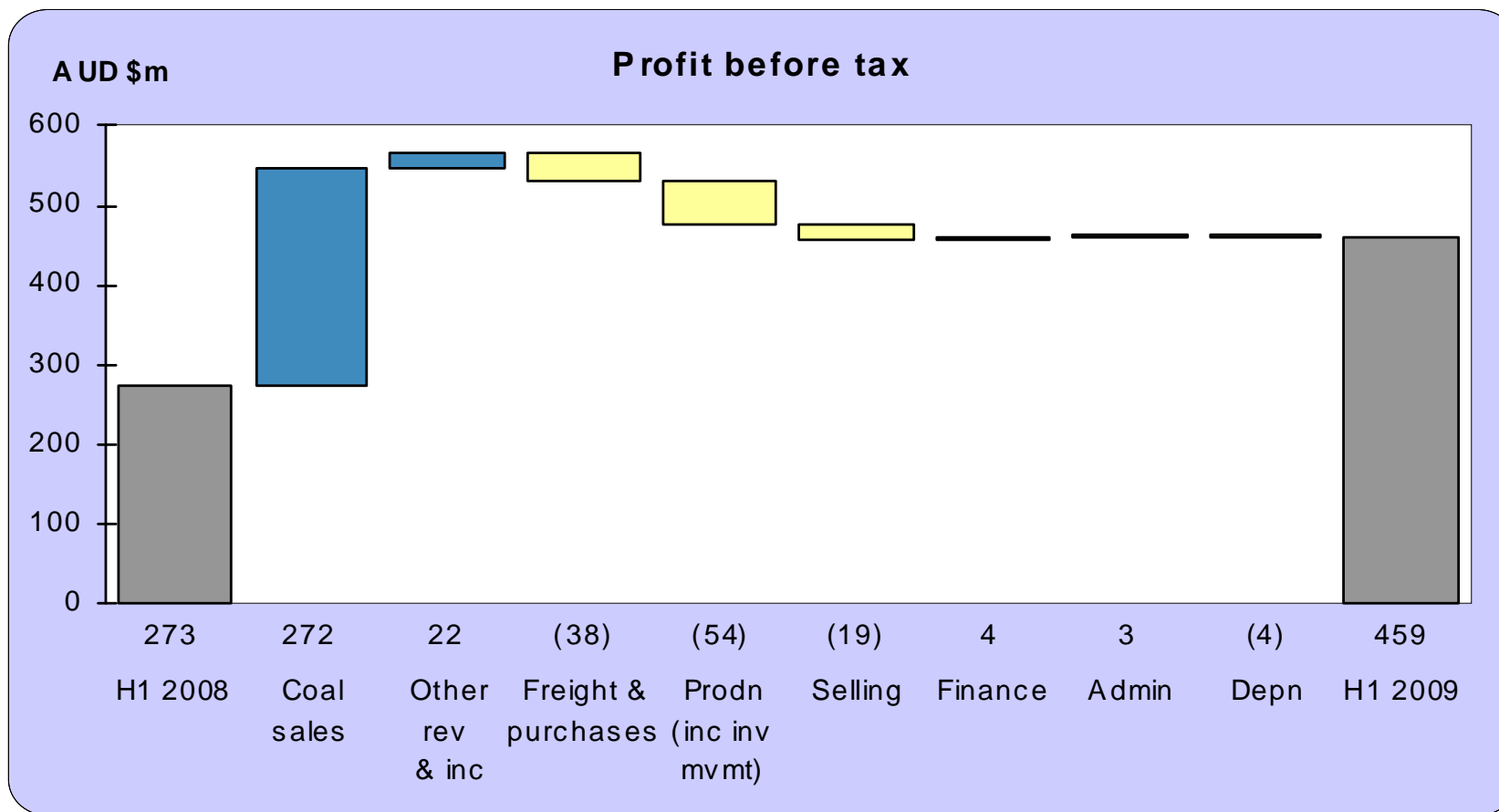
Safety performance



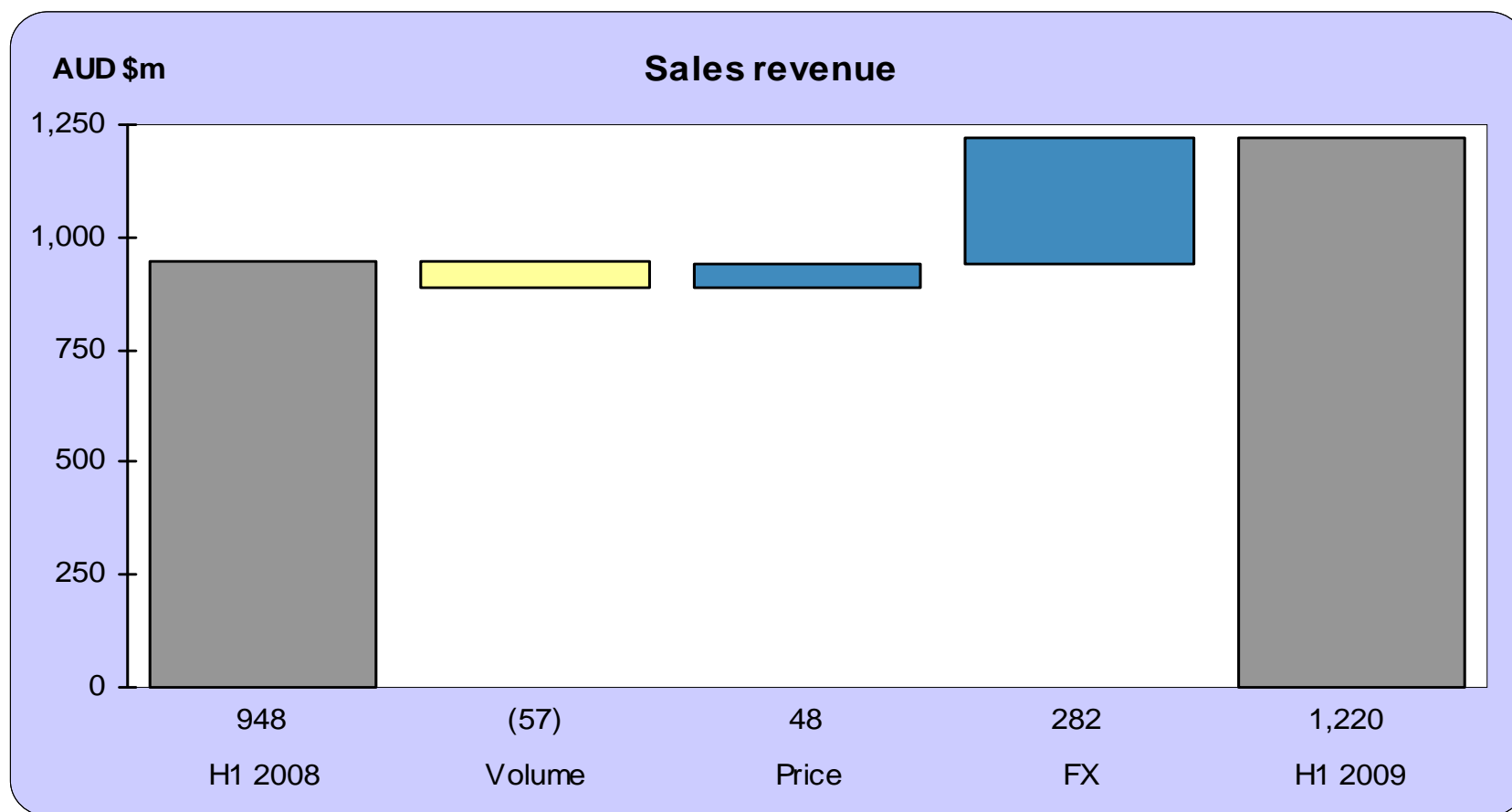
Overview

Half year ended 30 June 2009	H1 2009 \$Am	H1 2008 \$Am	Change
Coal production (million tonnes) – 100% basis	11.5	12.7	-10%
Coal sales (million tonnes) – 100% basis	11.4	12.3	-7%
Revenue	1,250	956	+31%
EBITDA	520	333	+56%
Profit before tax	459	273	+68%
Net profit after tax	324	195	+66%
	cps	cps	
Interim ordinary dividend	160	160	-%
Earnings per share	374	225	+66%

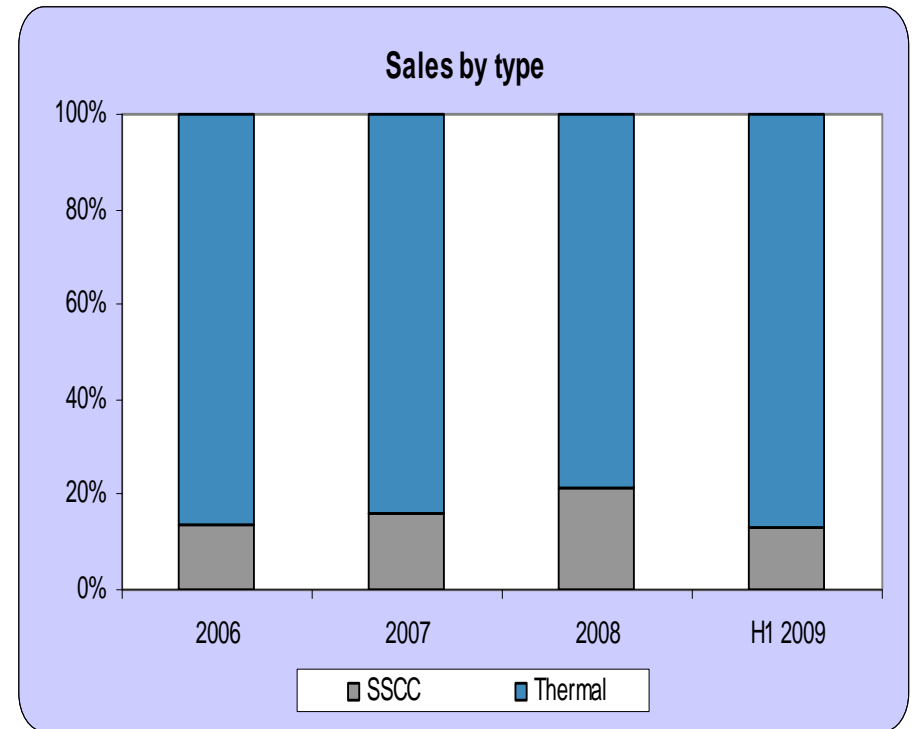
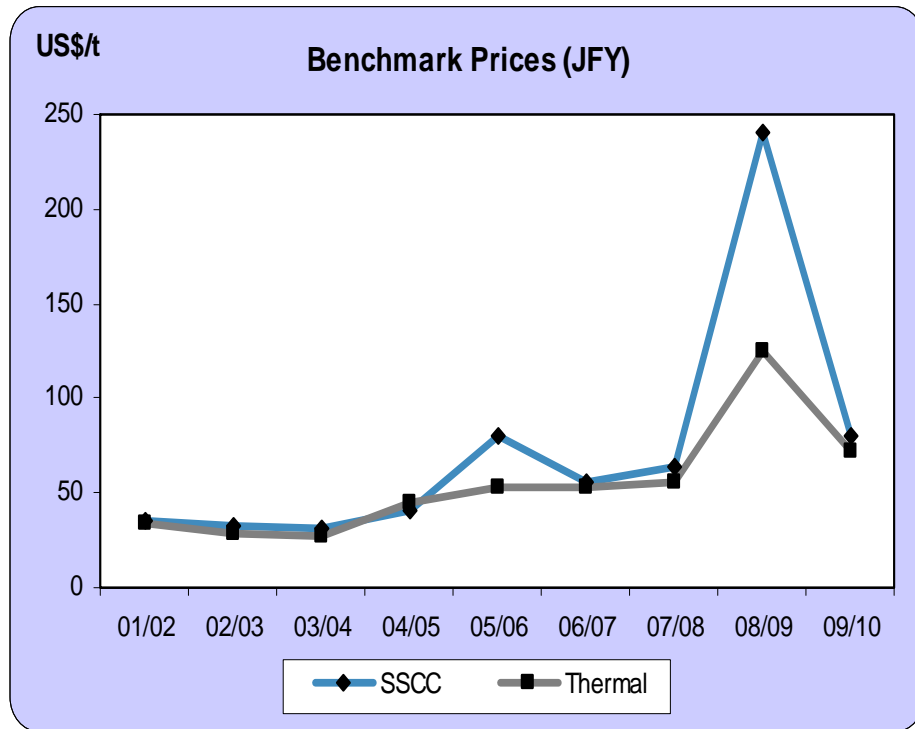
Profit before tax



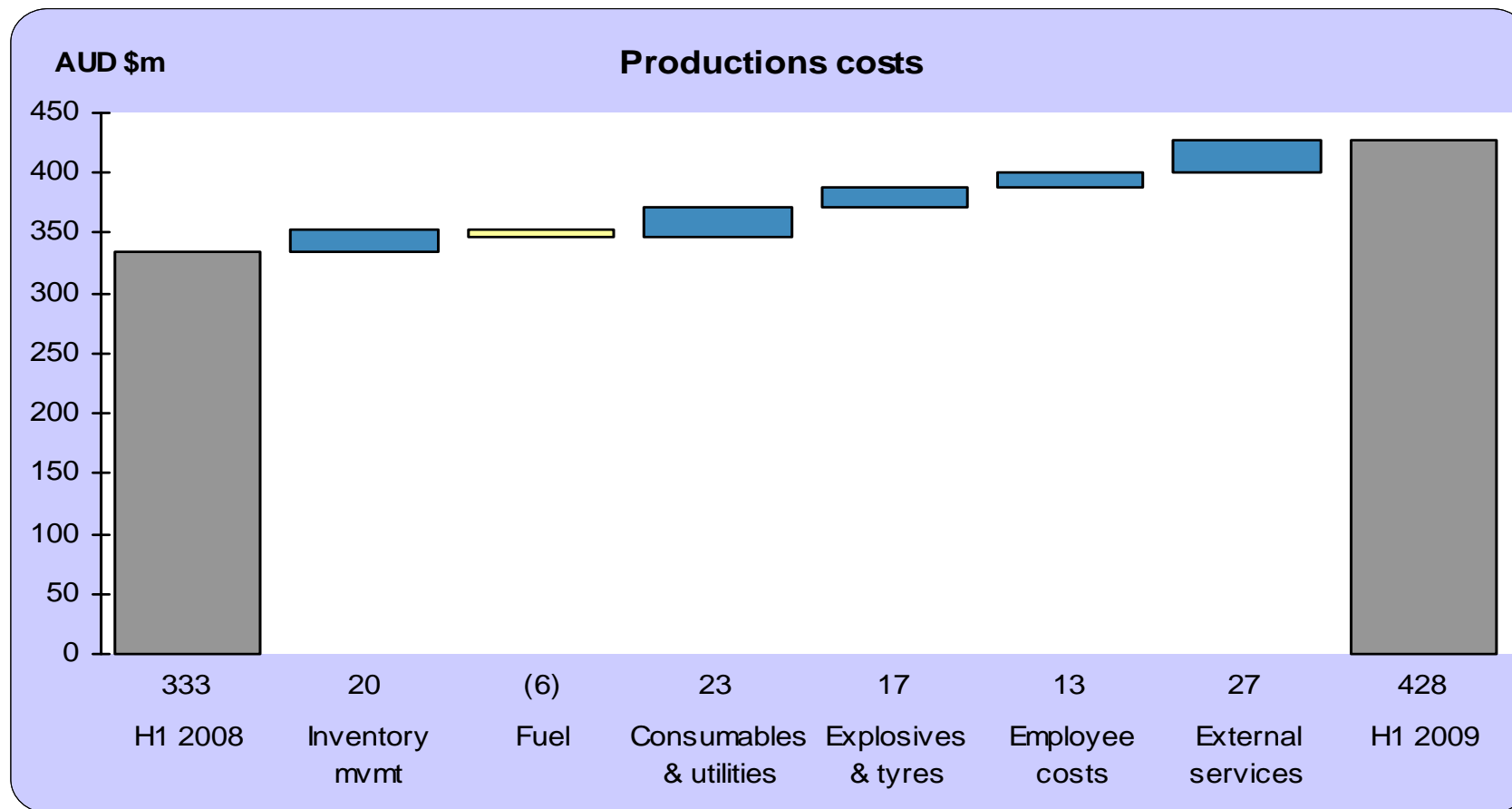
Coal sales revenue



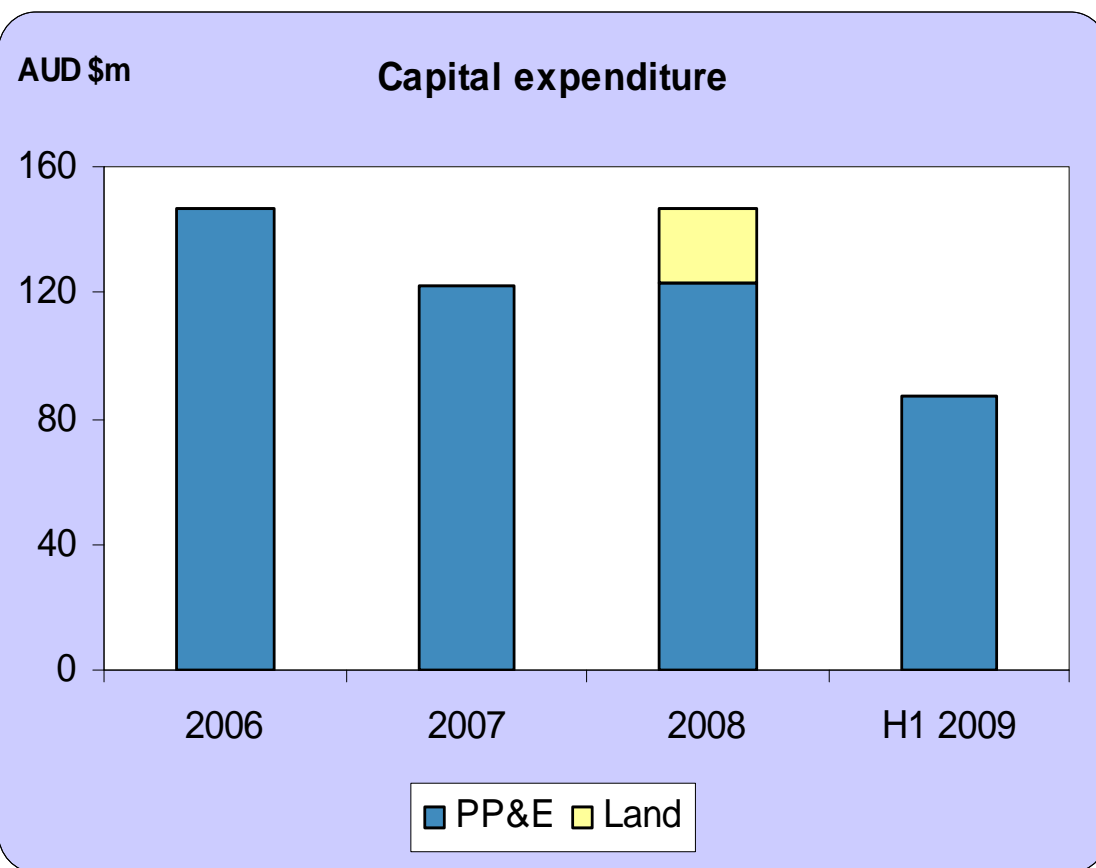
Coal prices and sales mix



Costs



Capital expenditure



Capital spend – C&A share

H1 2009: \$88 million

H1 2008: \$67 million

Primarily for replacement of heavy mobile equipment and construction of Bengalla's new ROM Hopper

Balance sheet

Half year ended 30 June 2009

	2009	2008
	\$m	\$m
Net operating cash flow	379	349
Net capital expenditure	(88)	(67)
Free cash flow	291	282
Net cash	362	523

Hunter Valley Operations – 100%

Key Statistics	H1 2009 (kt) 100% basis	H1 2008 (kt) 100% basis
Thermal	4,595	3,972
Semi-soft	838	1,760
Total production	5,433	5,732
Sales	5,430	5,607
Capex (\$m) C&A share	50.7	25.1

- Semi soft production lower due to global steel market demand weakening
- Capital spent on excavator, dragline overhaul and replacement haul trucks



Mount Thorley Warkworth 80% Mount Thorley, 56% Warkworth

Key Statistics	H1 2009 (kt) 100% basis	H1 2008 (kt) 100% basis
Thermal	2,973	3,839
Semi-soft	506	419
Total production	3,479	4,258
Sales	3,611	4,148
Capex (\$m) C&A share	17.3	12.8

- Affected by wet weather in 2009
- An increased strip ratio to expose coal
- Capital spent shovel overhaul



Bengalla Operations – 40%

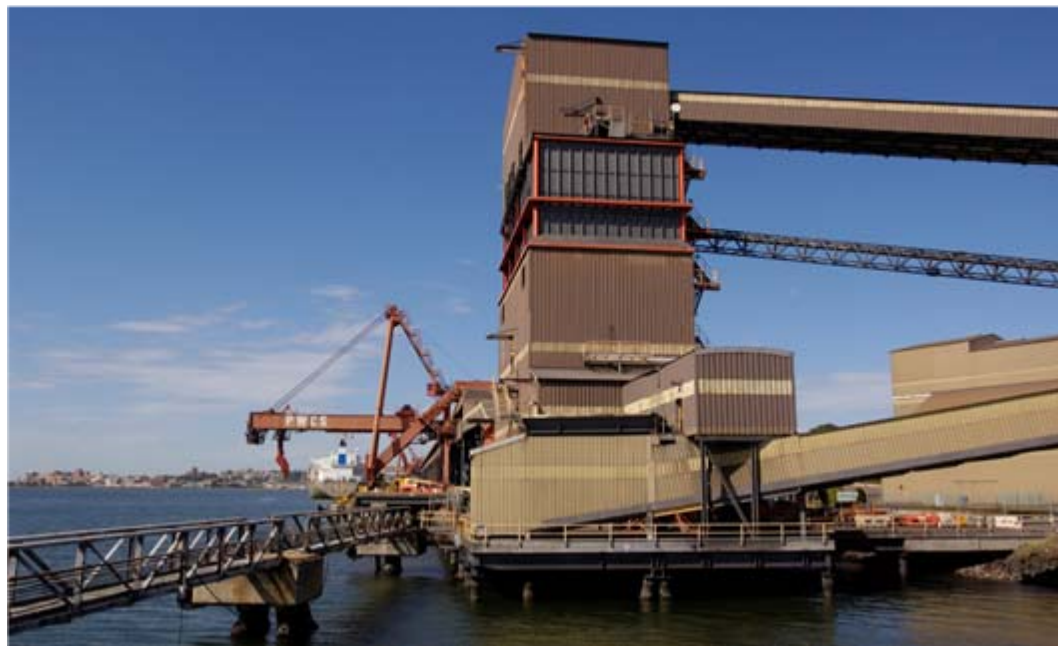
Key Statistics	H1 2009 (kt) 100% basis	H1 2008 (kt) 100% basis
Thermal production	2,564	2,659
Sales	2,357	2,529
Capex (\$m) C&A share	18.9	2.5

- Variation in coal seam presentation
- New ROM Hopper
- Bengalla Link Road completed



Infrastructure – significant progress made

- ACCC interim authorisation of a Newcastle long term contracting framework for Hunter Valley coal exporters
- PWCS \$458 million expansion to 113mtpa due for completion in Q3 2009
- NCIG terminal under construction
- operational in H1 2010?
- PWCS examining options to expand port capacity to 145Mtpa
- NSW Government offered option to PWCS to build a fourth terminal



Market outlook

- **Steel recovery?**
 - Impact on semi soft coking coal
- **Thermal outlook**
- **Supply/demand**

Summary

- **Robust H1 2009 result**
- **Well positioned (gearing, cost control focus)**
- **Global economy remains uncertain, however demand for products is improving**
- **Significant infrastructure developments achieved**
- **Infrastructure constraints will continue through until 2010**

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