

Anglo Coal

Presentation to Analysts

June 2005

Agenda and Participants



▶ Anglo Coal Overview

Ken Bell SVP International Business Development

▶ Anglo Coal Australia Overview

Eric Ford CEO Anglo Coal Australia

▶ Dawson Overview

Mike O'Brien GM Dawson

Rod Elliott GM Marketing and Transportation

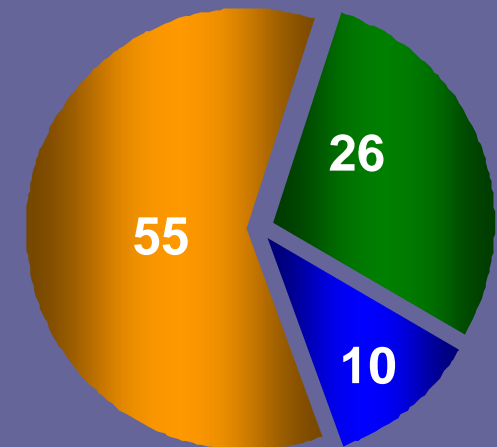
Overview of Anglo Coal

Ken Bell

Overview of Anglo Coal

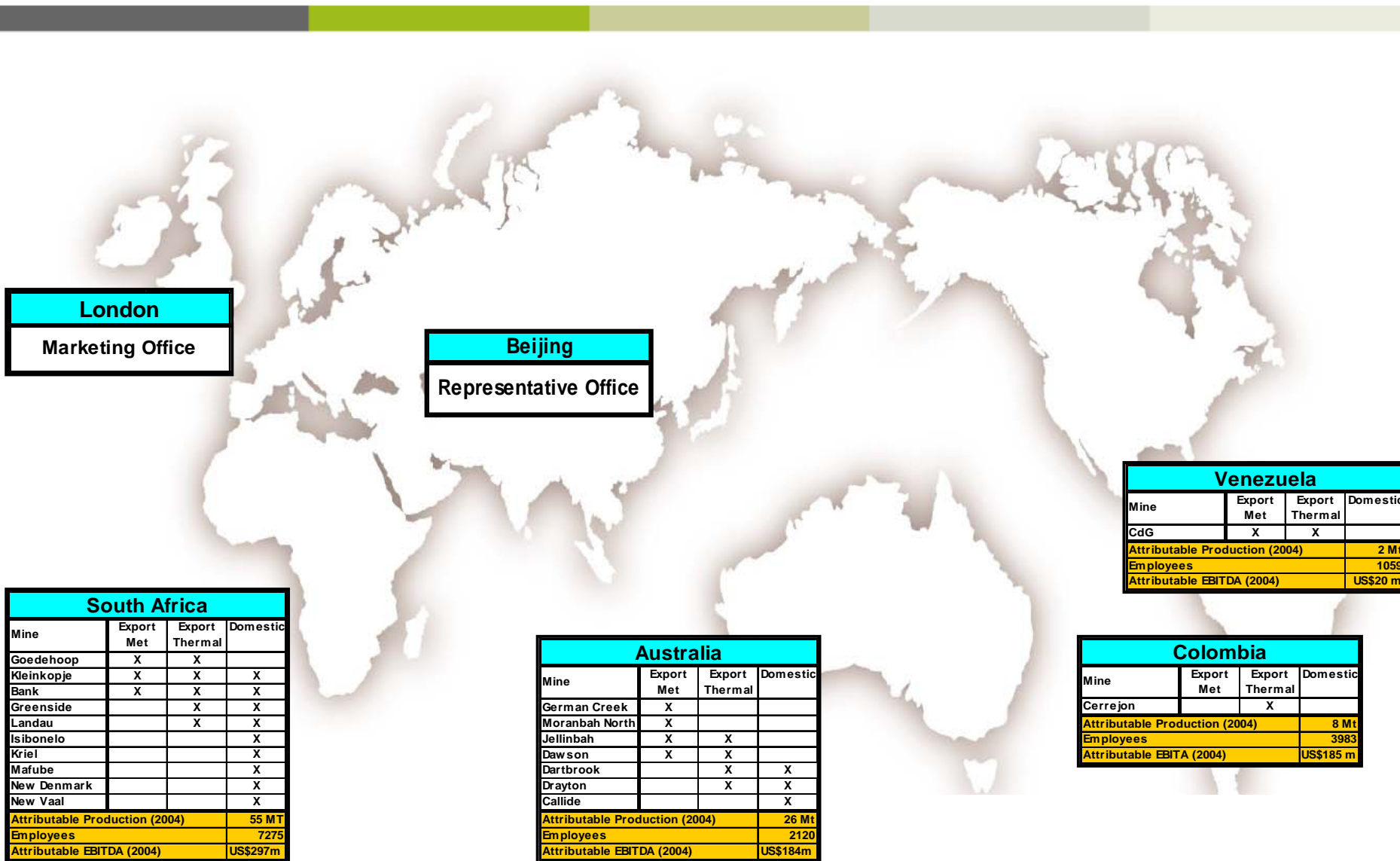
- ▶ Operations in:
 - South Africa: 9 mines
 - Australia: 6 mines
1 equity mine
 - Colombia: 1 mine
 - Venezuela: 1 mine
- ▶ Long life mines
- ▶ Good quality reserves
- ▶ Exposure to export and domestic thermal coal market and export metallurgical coal market
- ▶ Contributed 13% to AA plc's 2004 headline earnings
- ▶ Generated US\$1.8 billion in free cash from 1999 to 2004

2004 Saleable Tonnes (Mt)
By Region



■ South Africa
■ Australia
■ South America

Anglo Coal Location Map

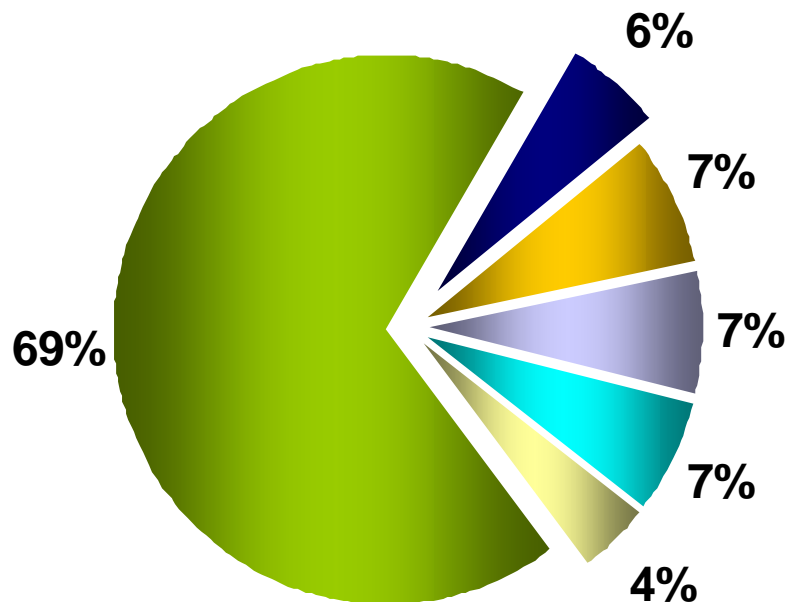


Anglo Coal's Market Share



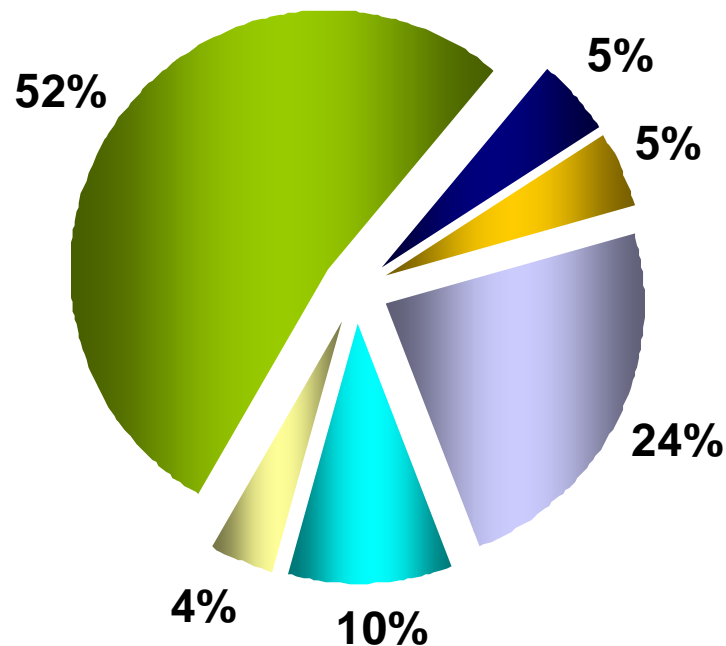
SOURCE: PUBLICLY AVAILABLE DATA & ANGLO COAL ANALYSIS

Export Thermal Coal



■ Anglo Coal ■ Xstrata ■ BHPB
■ PT Bumi ■ Rio Tinto ■ Others

Export Metallurgical Coal



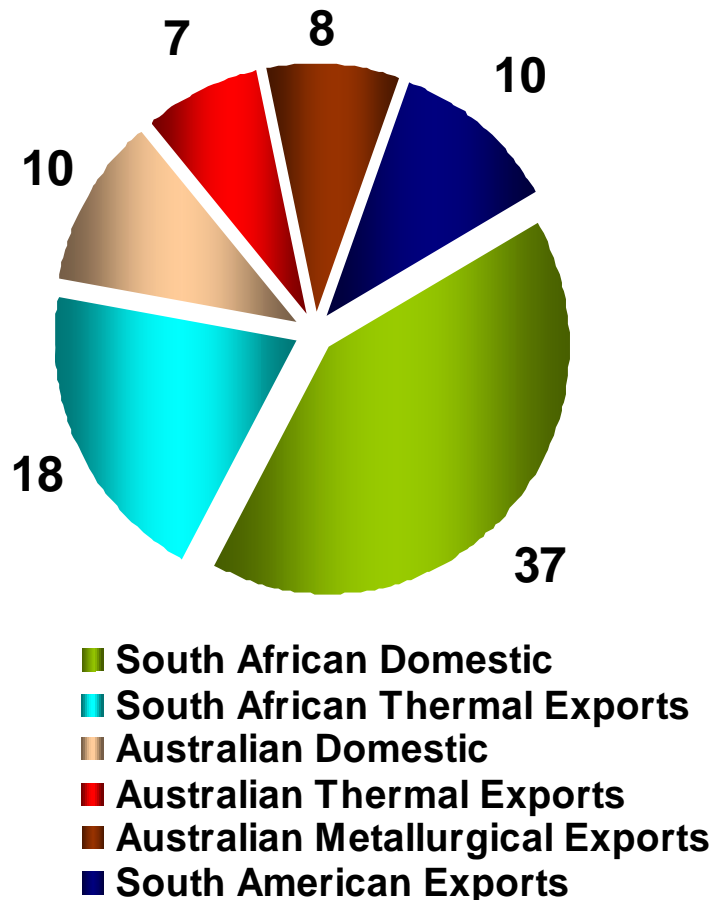
■ Anglo Coal
■ Xstrata
■ BHPB (includes Mitsubishi)
■ Canada (Fording & Teck)
■ Rio Tinto
■ Others

Anglo Coal has a competitive share in both markets

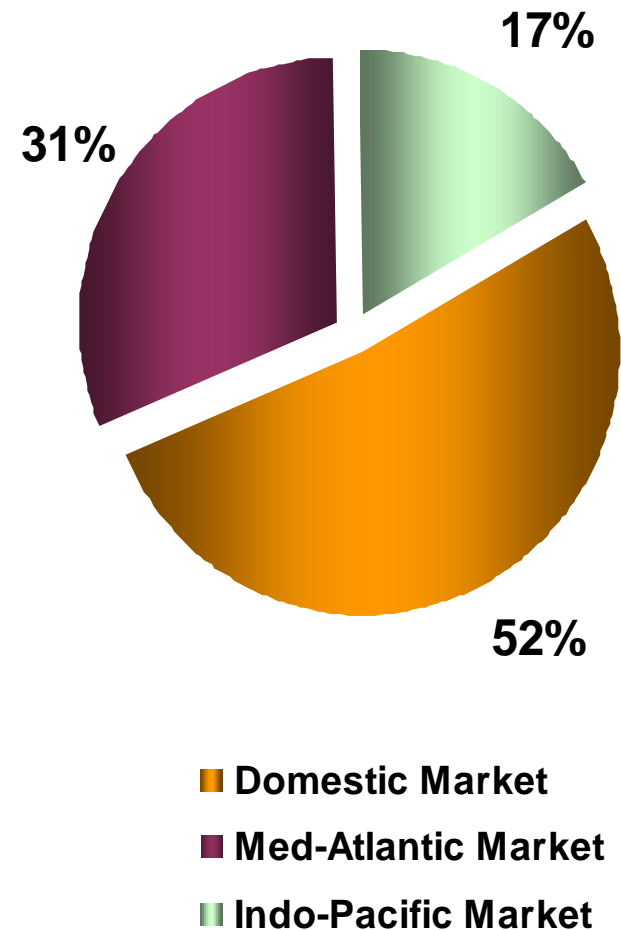
Anglo Coal's Product Portfolio and Customer Destination



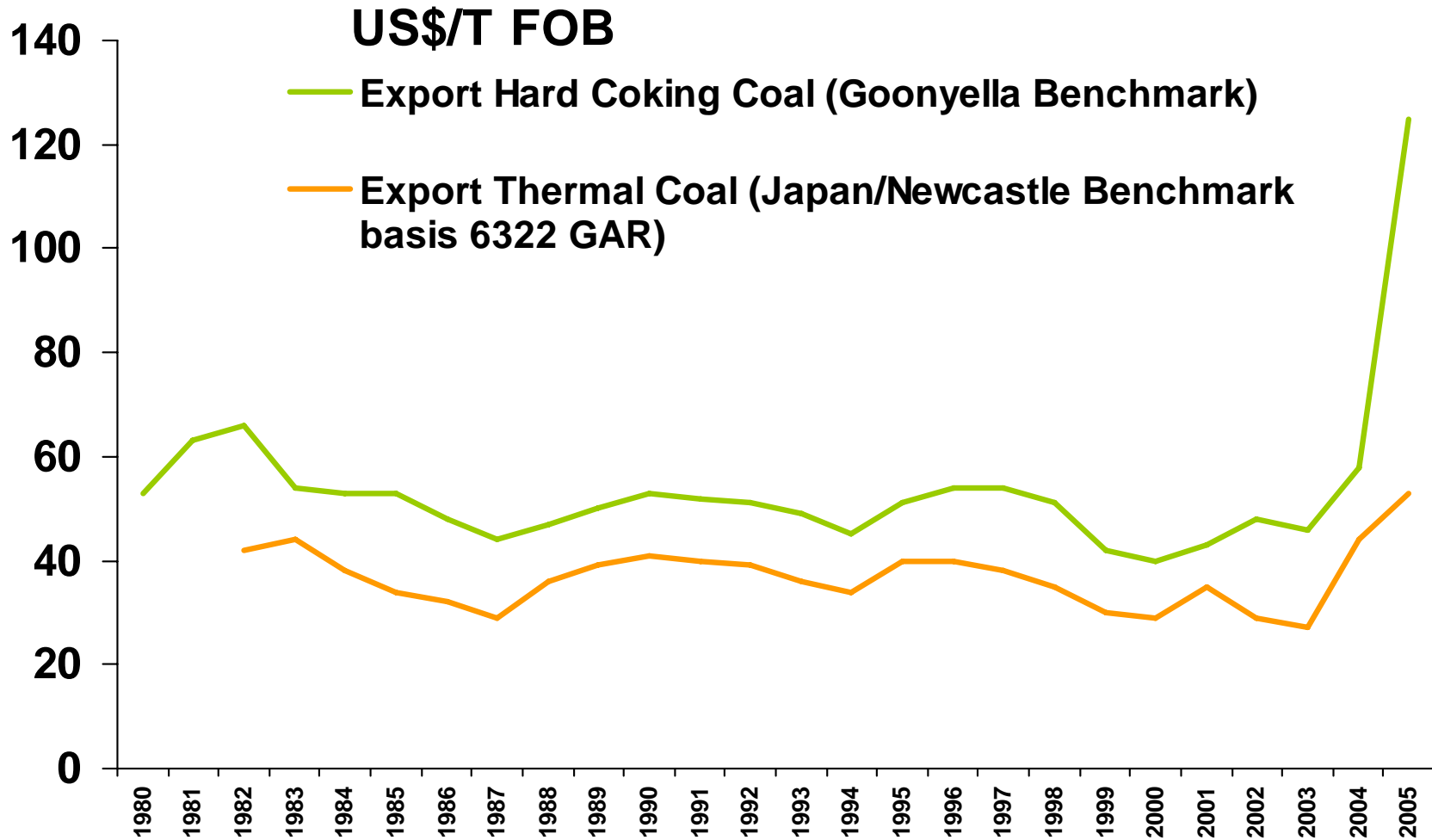
**2004 Actual Saleable Coal
By Product Million Tonnes**



**2004 Actual Product Destination
90 Million Tonnes**



Coal Price History & Projection



Key Financials 2003 Vs. 2004



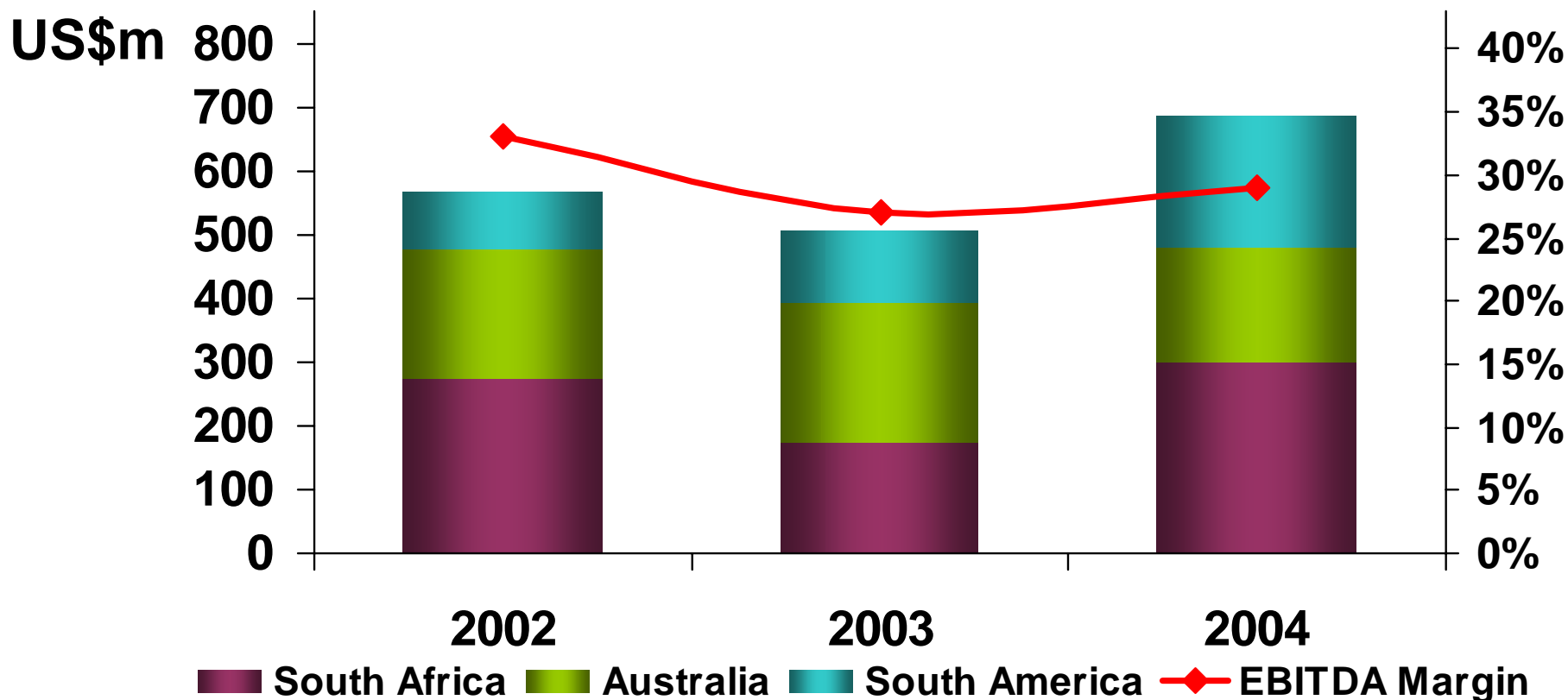
- ▶ Revenue up 29% to US\$2.4 bn
- ▶ Operating Profit up 46% to US\$487m
- ▶ Headline Earnings up 51% to US\$351m
- ▶ Free Cash Flow up 38% to US\$445m
- ▶ Total Free Cash of US\$1.8 bn generated from 1999 to 2004

Solid Results

EBITDA

Significant growth in EBITDA - CAGR 33% since 1999

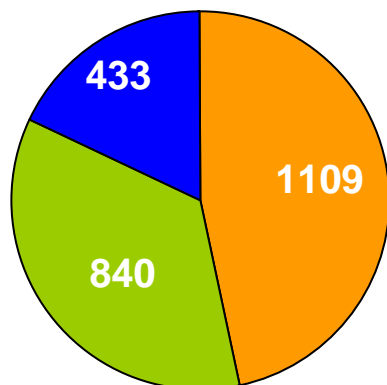
Average EBITDA margin ~ 30% (1999 to 2004)



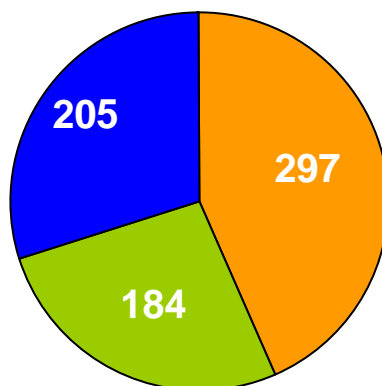
Good EBITDA Returns

2004 Regional Results

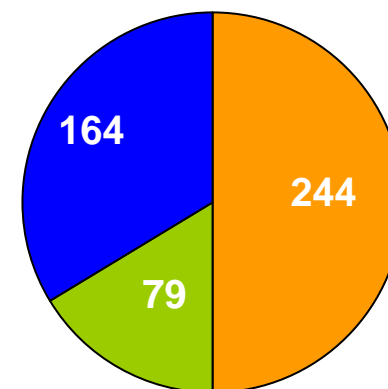
Revenue (US\$m)



EBITDA (US\$m)



Operating Profit (US\$m)

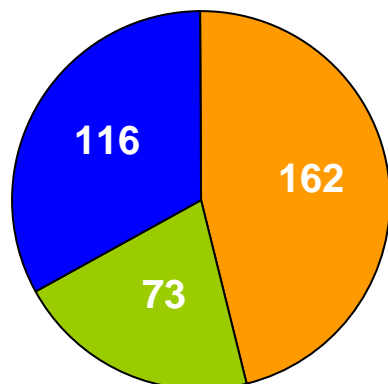


■ South Africa

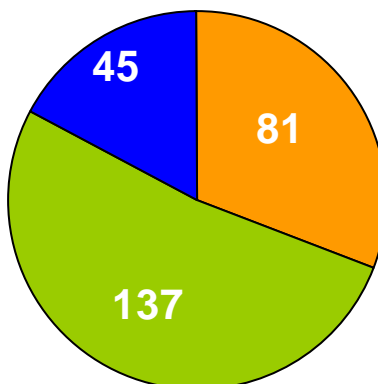
■ Australia

■ South America

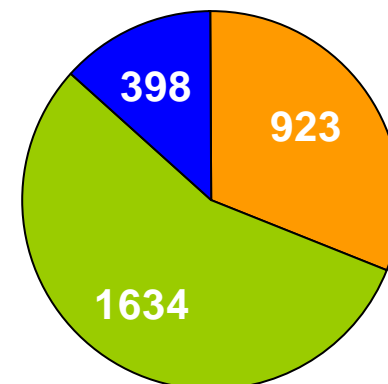
Headline Earnings (US\$m)



Capex (US\$m)*



Net Operating Assets (US\$m)*



*Annual Financial Statements exclude Anglo Coal's share of Associates'

- ▶ **Anticipate sound operating performance across operations in all regions**
- ▶ **Higher costs**
 - **Inflationary pressures continue across all regions**
 - **Weaker US Dollar impacting on South African Rand and Australian Dollar**
- ▶ **Higher average realised prices versus 2004**
Anglo Coal has sold significant amount of 2005 tonnage at current high prices

Project Pipeline



New Business Development

- ▶ **Coal Bed/Mine Methane**
 - Dawson (Australia)
 - Waterberg (South Africa)
 - German Creek (Australia)
- ▶ **Monash Energy**
 - Power and low sulphur diesel
 - Carbon capture & storage
 - Government support
- ▶ **Coal Gasification**
 - China – Xiwan
 - Chemical and Power
 - Emissions reduction



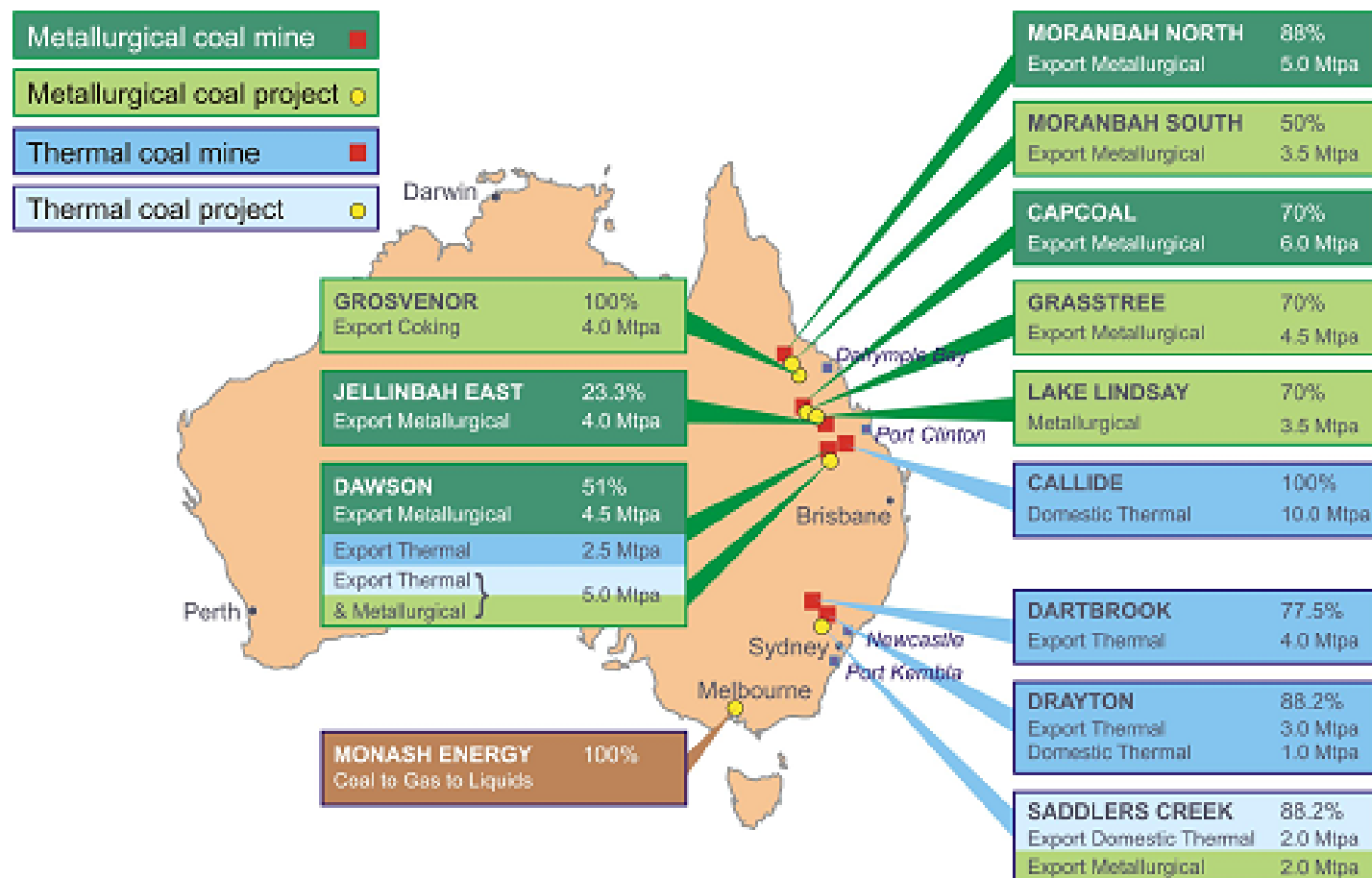
In Conclusion..

- ▶ Significant earnings and cash flow contributor to AA plc
- ▶ Exposed to domestic and export coal markets
- ▶ Good quality long life reserves
- ▶ Diversified geographical base
- ▶ Proven track record for operating in existing and new geographies
- ▶ Good growth opportunities within existing operations
- ▶ Continue to optimise existing operations and develop new assets and business initiatives

Overview of Anglo Coal Australia

Eric Ford

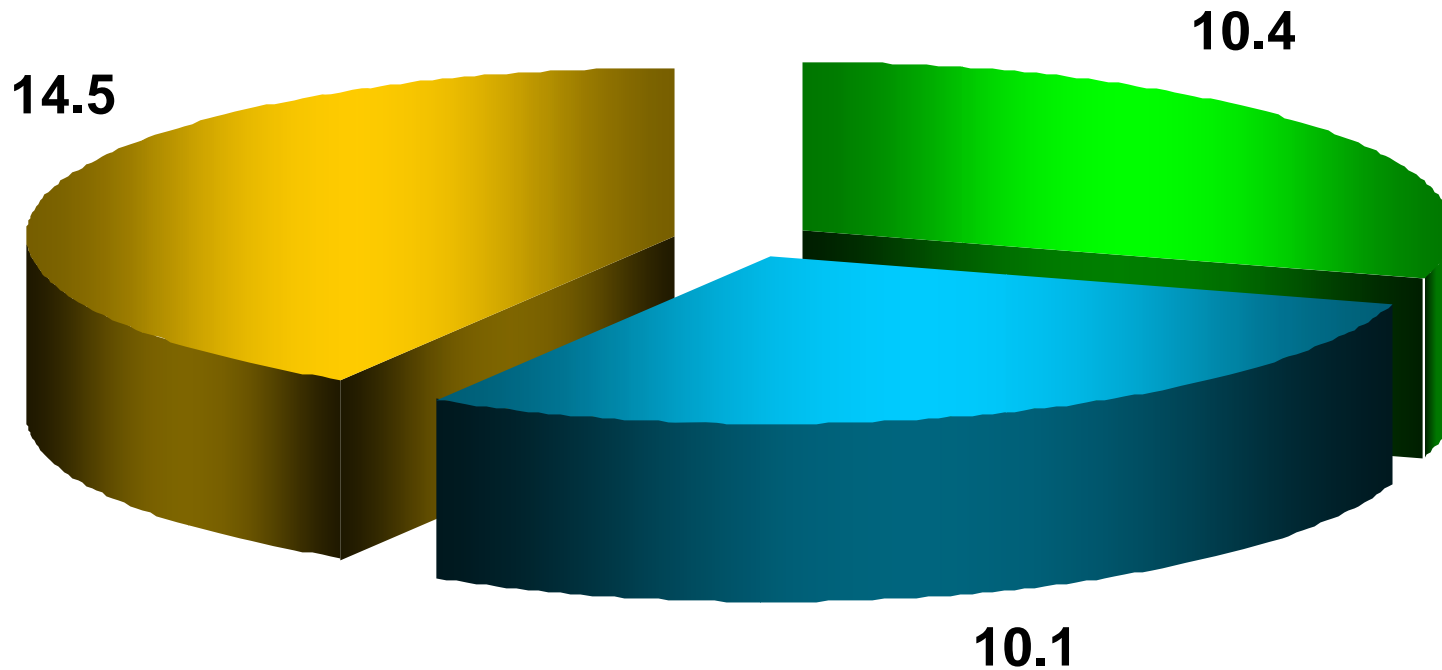
Anglo Coal in Australia



- Long Life
- Quality Reserves
- Growth Strategy

2004 Sales by Coal Type

35 Million Tonnes



■ Domestic Thermal Coal ■ Export Thermal Coal
■ Export Metallurgical Coal

Key Financials 2004

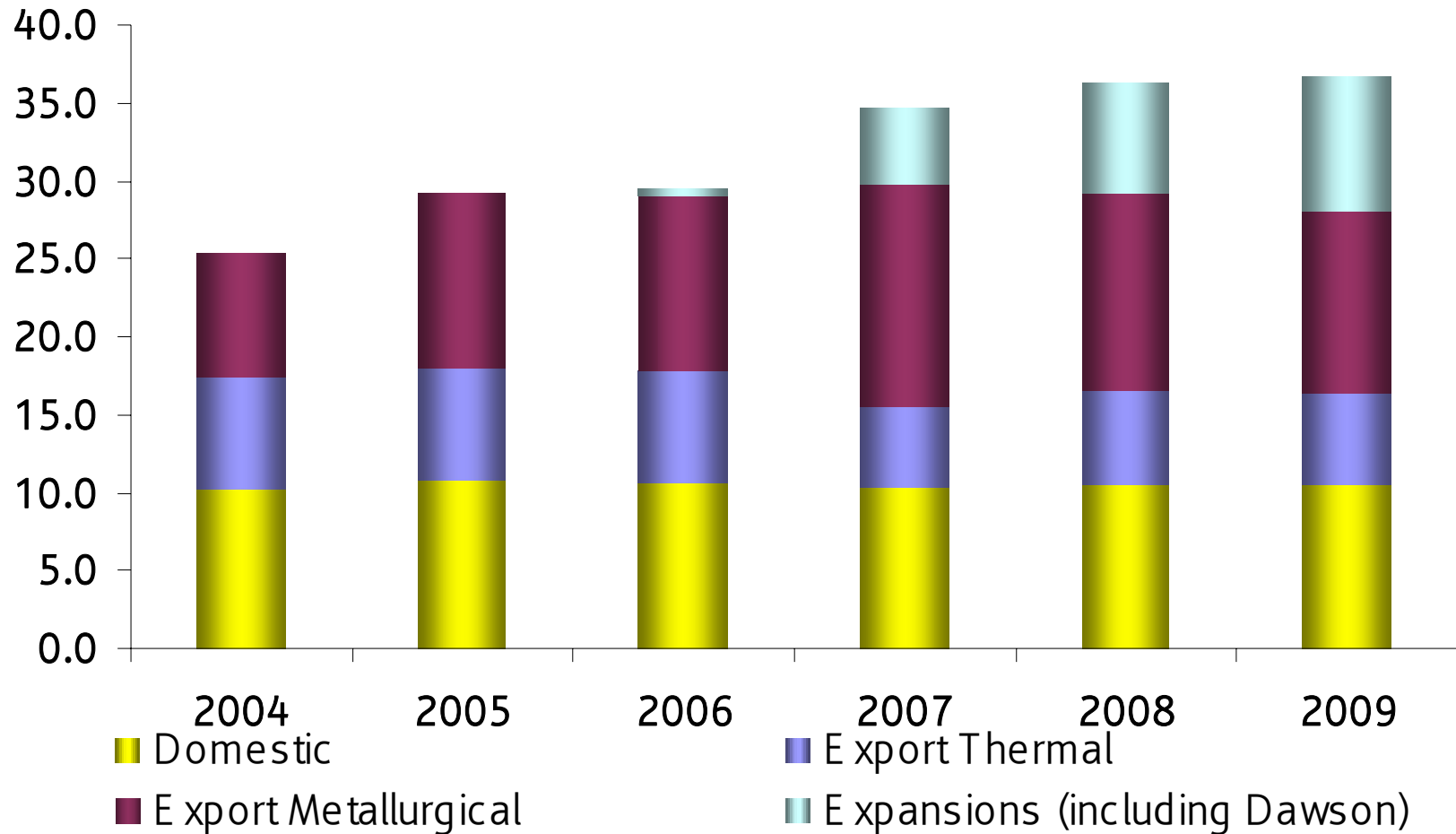


- ▶ Revenue US\$ 840m
- ▶ Operating Profit US\$ 79m
- ▶ Headline Earnings US\$ 73m
- ▶ Capex 2004 US\$ 137m
- ▶ Strong cash flow position
- ▶ Performance impacted by Moranbah North

Coal Sales Projection



Anglo Share Of Coal Sales (Mtpa)



- ▶ Significant growth ahead:
 - Brownfield
 - Grasstree
 - Dawson
 - Coal Seam Methane
 - Greenfield
 - Lake Lindsay
 - Moranbah South
 - Grosvenor
 - Saddlers Creek
 - Monash Energy

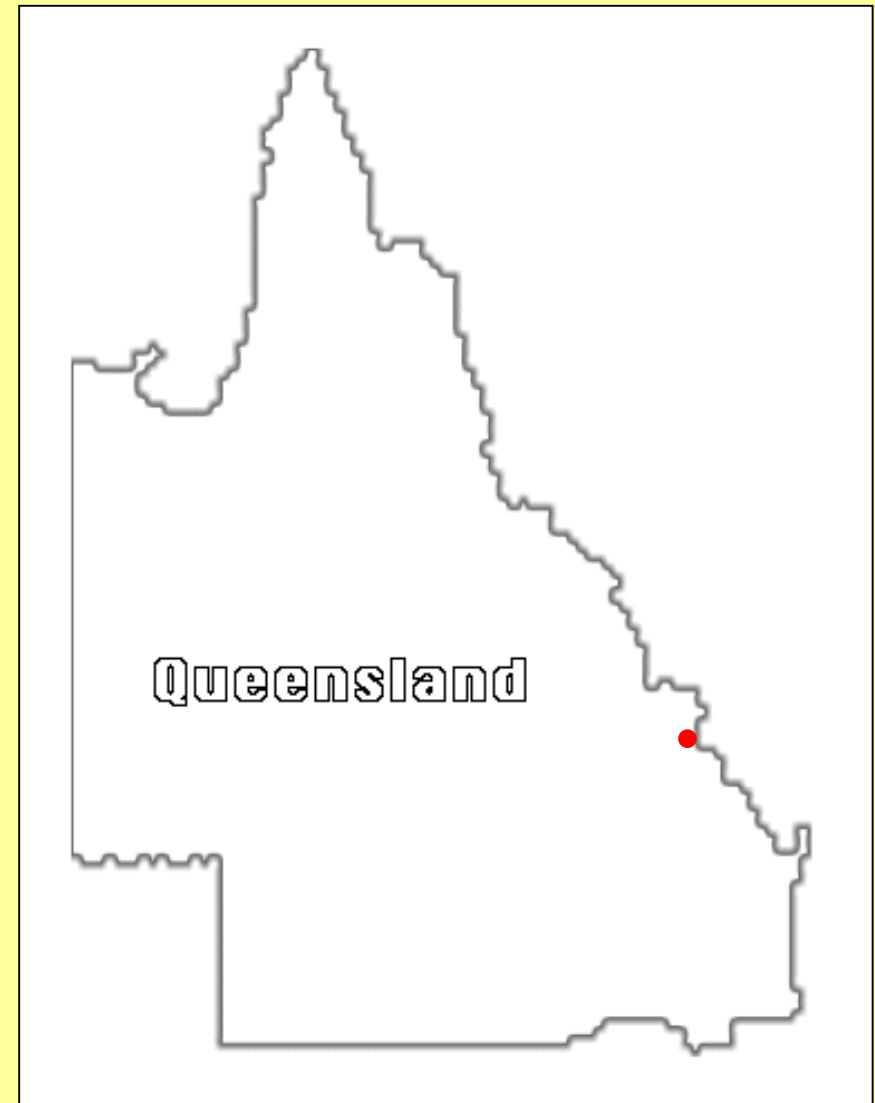
- ▶ **Metallurgical**
- ▶ **Export Thermal**
- ▶ **Domestic Thermal**
- ▶ **Coal Seam Methane**
- ▶ **Skills**
- ▶ **Materials**
- ▶ **Contractors**
- ▶ **Legislation**

- ▶ **Strong global environment**
- ▶ **Good expansion projects**
- ▶ **Operational excellence**
- ▶ **M & A opportunities**

Dawson Overview

Mike O'Brien

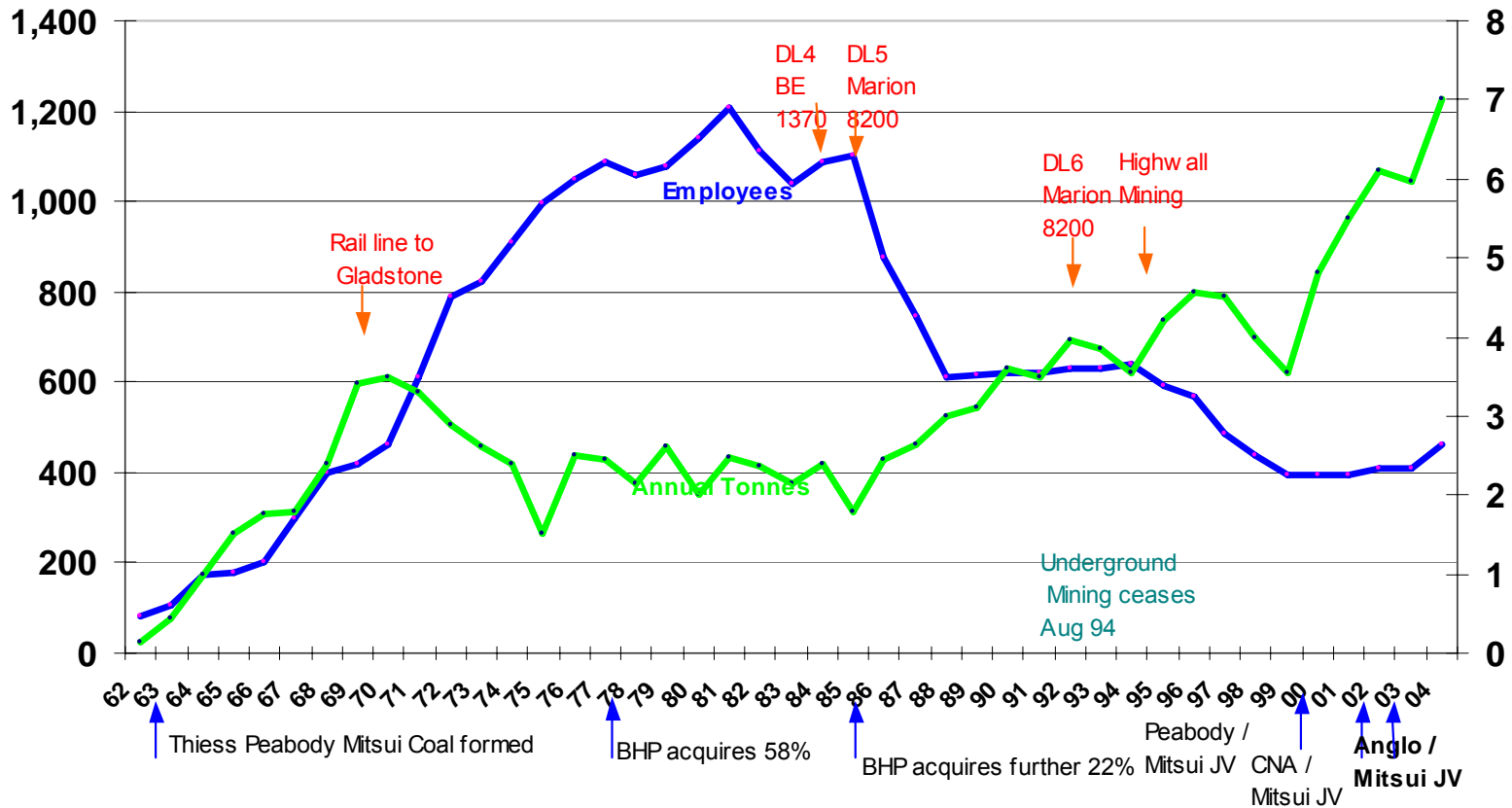
Dawson Location



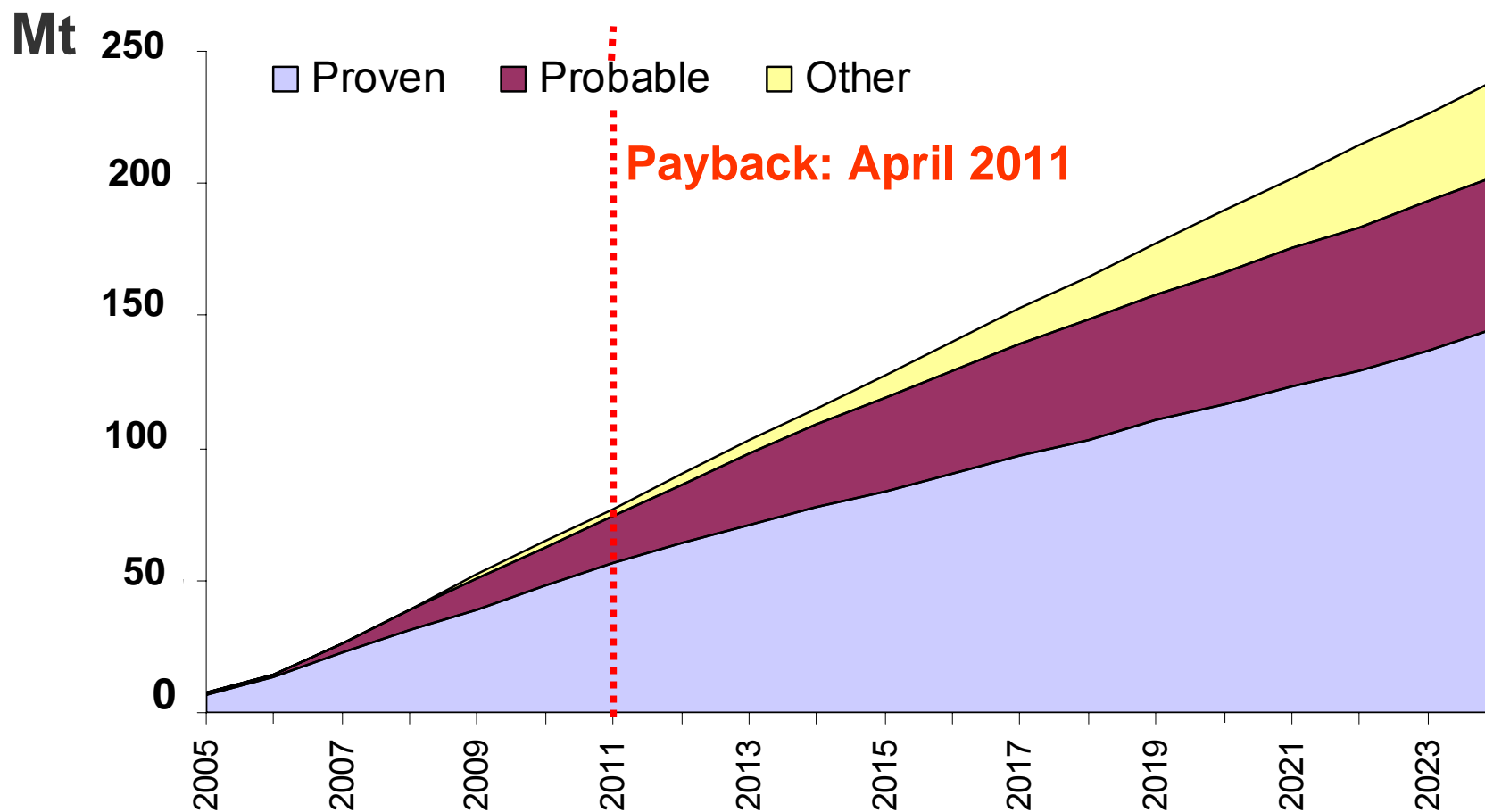
Historic Slide

Number of
Employees

Sales
Million's
Tonnes

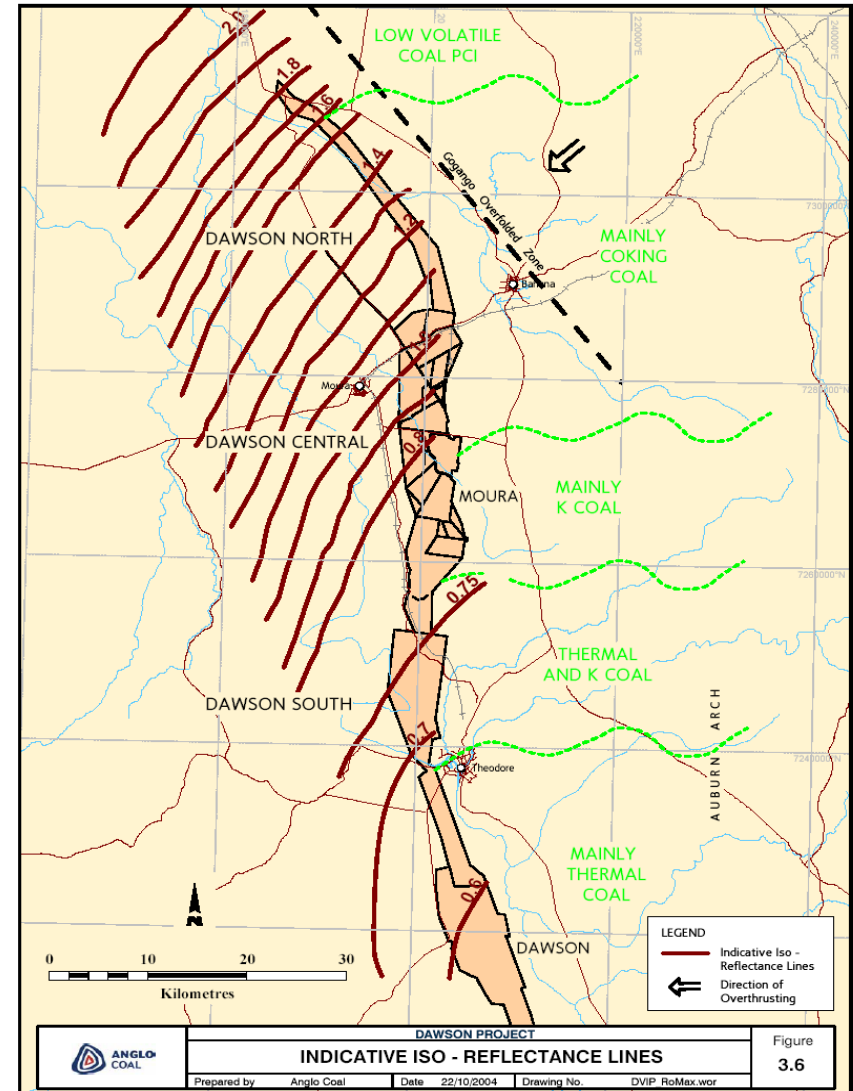


Reserves



Coal Rank

- ▶ Well understood rank trend dictates coal quality and products
- ▶ Rank reduces from ~ 1.6 in north to 0.7 in south
- ▶ Ranges from:
 - ▶ sub-anthracite in north
 - ▶ hard coking in the centre
 - ▶ to thermal in the south



Dawson Pit 68



Dawson Pit 68



Capital Expenditure

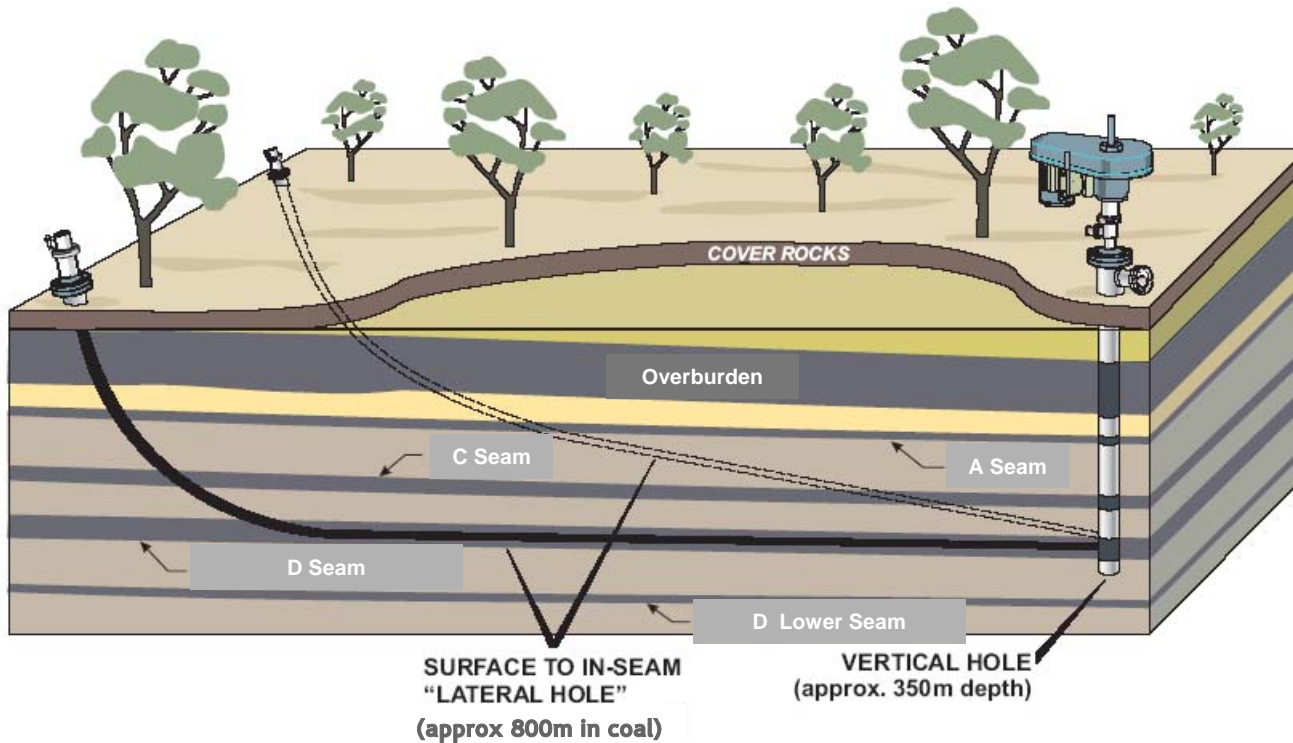
- ▶ Total capital expenditure is US\$653m
 - US\$225m mining equipment
 - US\$294m conveyors, coal handling and preparation infrastructure
 - US\$134m Infrastructure and land

- ▶ Agreements for the provision of port and rail infrastructure in place

Operating Costs

- ▶ The expansion and recapitalisation of Dawson will deliver improvements in unit operating costs of 15%
- ▶ This is achieved through a combination of economies of scale, improved mining schedules, and the use of larger more efficient equipment

Seam Gas



- Moura is currently contracted to produce 6.5 PJ per annum (approximately 5% of the Queensland market)
- The extraction and sale of seam gas may provide future carbon credits

Source: Geogas Systems

- ▶ Strong community support
- ▶ Agreements with traditional owners
- ▶ Special Act Lease complies with mainstream environmental management practices
- ▶ New mining plan addresses historically approved rehabilitation liability
- ▶ ISO14001 and AS4801 compliant
- ▶ Nature refuge 'Willawa' established

Dawson Overview

Rod Elliott

► Metallurgical Coal

- Moura C
- Dawson HV
- Dawson LV



Prime Coking

- Moura 'K'
- Soft coking



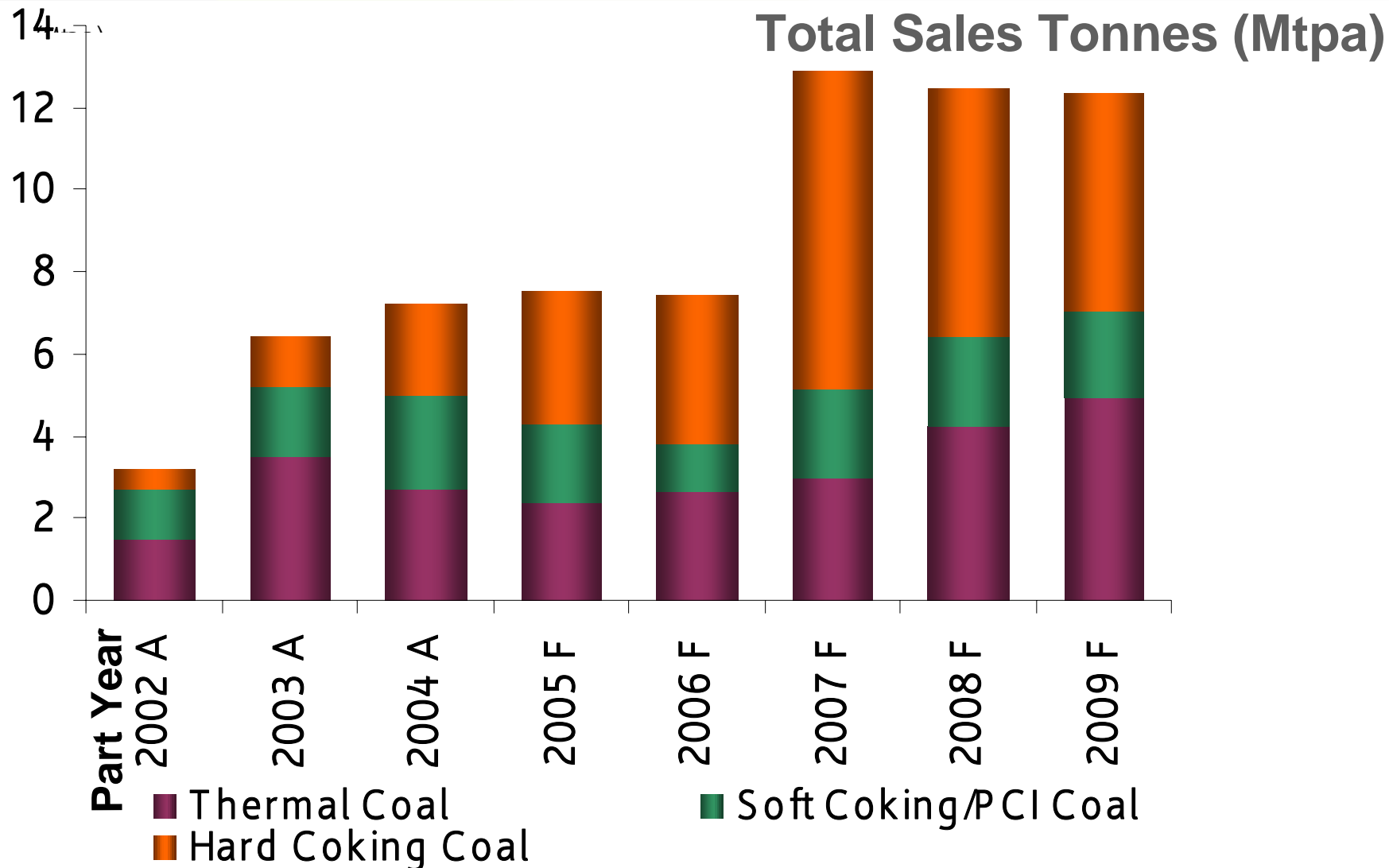
Soft Coking

- Thermal
- Moura



Thermal

Dawson Product Mix



Marketing Strategy

- ▶ Established brands and market presence
- ▶ Term contracts covering thermal and metallurgical coal
- ▶ Strong portfolio of buyers:
 - Asian thermal coal focus
 - Diversified metallurgical coal sales strategy
- ▶ Reliable infrastructure:
 - Queensland Rail
 - Port of Gladstone
- ▶ Anglo and Mitsui global marketing strength



Questions & Answers