



*Delivering Shareholder and Community Benefits*

# **Whitehaven Coal Limited**

## **Full Year 2013 Results**

Sydney, Australia  
27 August 2013



**WHITEHAVEN COAL**

# Disclaimer



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# 2013 Full Year Results



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## Financials

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## Operations & Safety

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## Corporate Development

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## Maules Creek

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## Outlook

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# FY 2013 financial highlights



**Net loss after tax (NLAT) of \$82.2 million**

**Underlying NLAT (excluding Significant Items) of \$60.7 million**

Underlying EBITDA of \$18.6 million

Cash outflow from operations of \$16.2 million

Net cash outflow of \$403.1 million largely driven from the acquisition of Coalworks \$154.9 million and capital expenditure \$288.2 million

Strong financial position at 30 June with net assets of \$3,297 million, including \$110.5 million cash on hand and interest bearing liabilities of \$582.0 million

Lightly geared at 12.5% D/(D + E)

# FY 2013 profitability



Reported Financial Performance - A\$ millions	FY 2013	FY 2012
Revenue	622.2	618.1
NPAT/(Loss) before Significant Items	(60.7)	57.8
<b>NPAT/(Loss)</b>	<b>(82.2)</b>	<b>62.5</b>
Earnings per share (cents per share - diluted)	(8.4)	10.9
Final dividend (cents per share - fully franked)	-	3.0

Underlying Financial Performance - A\$ millions	FY2013	FY2012
Revenue excluding sales of purchased coal & net of NSW royalties	493.4	448.4
Operating costs excluding coal purchases	477.8	299.9
<b>EBITDA from own coal sales</b>	<b>15.6</b>	<b>148.5</b>
Pre-tax loss / (gain) from sales of purchased coal	2.1	6.1
Revenue not related to coal sales	(5.0)	(6.8)
Depreciation & Amortisation	58.5	39.7
<b>EBIT</b>	<b>(40.0)</b>	<b>109.5</b>
Interest	45.5	14.5
Tax	(24.8)	37.3
<b>NPAT before Significant Items</b>	<b>(60.7)</b>	<b>57.7</b>
Significant Items after tax	(21.5)	4.8
<b>NPAT</b>	<b>(82.2)</b>	<b>62.5</b>

Note: See Appendix for full reconciliations and details of the significant items

# FY 2013 cash cost – tale of two halves



		H1 FY 2013	H2 FY2013	FY 2013
Coal Sales (equity basis, excl. purchased coal)	'000t	2,639	3,355 <sup>(3)</sup>	5,994
Average revenue (excl. purchased coal & net of NSW royalties)	\$A/t	81.55 <sup>(1)</sup>	76.25	78.58
<b>Average cost of sales (excludes significant items)</b>	<b>\$A/t</b>	<b>78.45<sup>(2)</sup></b>	<b>73.15<sup>(3)</sup></b>	<b>75.48</b>
Take or Pay charges for port and rail included above	\$A/t	3.40	2.53	2.91
<b>Average cost of sales (excludes significant items and Take or Pay)</b>	<b>\$A/t</b>	<b>75.05<sup>(2)</sup></b>	<b>70.62<sup>(3)</sup></b>	<b>72.57</b>

Note 1: Excludes revenue capitalised from Narrabri development of \$24.3m

Note 2: Excludes costs capitalised from Narrabri development of \$28.0m

Note 3: Excludes closure production and costs from Sunnyside during 2<sup>nd</sup> half 2013

The combined business experienced higher first half costs from pit layout changes around Tarrawonga and mine scheduling issues at Werris Creek and Rocglen.

This has resulted in higher truck numbers (mostly high cost of hired equipment) and higher fuel consumption.

Substantial decreases in costs were achieved in the second half of the year, due to cost reviews undertaken at Tarrawonga and Rocglen and the increase in Narrabri longwall productivity.

The open cut reviews will lead to lower strip ratios over the next 2-3 years and consequently lower FOB costs at the mines.

# FY 2013 cash flow



A\$ millions	FY 2013	FY 2012
EBITDA from own coal sales	15.2	148.5
Cash impact of significant items in operating cashflows	(4.9)	(34.4)
Movement in working capital <sup>(1)</sup>	(26.5)	(111.6)
<b>Cash used in operations</b>	<b>(16.2)</b>	<b>2.5</b>
Cash paid in respect of transaction costs	(3.5)	(57.5)
Interest and tax payments	(12.6)	(16.1)
<b>Net cash used in operating activities</b>	<b>(32.3)</b>	<b>(71.2)</b>
Proceeds from sale of assets	2.6	413.7
Capital investment	(288.2)	(278.4)
Other investing activities (including cash from acquisition of subsidiaries)	(146.3)	218.5
<b>Net cash used in investing activities</b>	<b>(431.9)</b>	<b>353.8</b>
Proceeds from issue of share capital	(0.1)	22.8
Proceeds/(repayment) of borrowings	90.6	272.9
Dividends paid	(29.4)	(272.3)
<b>Net cash provided by/(used in) financing activities</b>	<b>61.1</b>	<b>23.4</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(403.1)</b>	<b>306.0</b>
Cash and cash equivalents at 1 July	513.6	207.6
<b>Cash and cash equivalents at 30 June</b>	<b>110.5</b>	<b>513.6</b>

(1) Movements in working capital:

	FY 2013	FY 2012
Receivables	(55.5)	(13.8)
Payables	79.3	(32.4)
Inventories & Def'd Stripping	(31.6)	(56.1)
Other	(18.7)	(9.3)
<b>Total</b>	<b>(26.5)</b>	<b>(111.6)</b>

# FY 2013 balance sheet – ready for Maules Creek



A\$ millions	June 30 - 2013	June 30 - 2012
<b>Cash</b>	<b>110.5</b>	<b>513.6</b>
Current receivables	87.3	70.2
Other current assets	155.8	158.3
<b>Current assets</b>	<b>353.6</b>	<b>742.1</b>
Non-current receivables	37.8	15.5
Other non-current assets	3,790.4	3,585.7
<b>Total assets</b>	<b>4,181.8</b>	<b>4,343.3</b>
Current payables	151.2	252.9
Current interest bearing loans and borrowings	25.2	294.4
Other current liabilities	59.7	29.0
<b>Current liabilities</b>	<b>236.1</b>	<b>576.3</b>
Non-current interest bearing loans and borrowings	556.8	195.0
Other non-current liabilities	91.6	147.7
<b>Total liabilities</b>	<b>884.5</b>	<b>919.0</b>
<b>Net assets</b>	<b>3,297.3</b>	<b>3,424.3</b>
Share capital	3,146.3	3,116.8
Retained earnings	69.8	181.3
Reserves	68.0	70.7
Non-controlling interests	13.2	55.5
<b>Total equity</b>	<b>3,297.3</b>	<b>3,424.3</b>



# FY 2013 capex



Capital Investment - \$ million	2013	2012
Tarrawonga <sup>1</sup>	4.4	1.6
Werris Creek	44.1	9.4
Rocglen	1.1	0.9
Sunnyside	0.2	0.3
Gunnedah CHPP	2.3	2.8
<b>Total Open-cuts <sup>1</sup></b>	<b>52.1</b>	<b>15.0</b>
<b>Narrabri (including capitalised development costs) <sup>1</sup></b>	<b>134.3</b>	<b>181.3</b>
<b>Maules Creek <sup>1</sup></b>	<b>61.4</b>	<b>20.2</b>
New coal train	-	-
Vickery	7.4	8.9
Deferred payment for Creek Resources	-	33.2
Exploration <sup>2</sup>	19.3	6.5
Land/other	13.7	13.3
<b>Total Whitehaven <sup>1</sup></b>	<b>288.2</b>	<b>278.4</b>

Note 1. Equity share

Note 2. FY 2013 includes \$10m deferred payment for acquisition of Sienna

# Hedging status



Whitehaven has a total FX fixed position of US\$67.5m at an average exchange rate of 0.9725 US\$:A\$ as at 30 June 2013

Post 30 June 2013, additional hedging has been undertaken to cover fixed price - fixed volume sales contracts that have been completed

	FY2014 1H		FY2014 2H		TOTAL	
	'000t	US\$/t	'000t	US\$/t	'000t	US\$/t
Total fixed tonnage and price Contracts	881	76.46	-	-	881	76.46

# FY 2013 operating highlights



Improved safety and environmental performance at Whitehaven's operations

Record ROM production rates from the existing open-cuts of 5.4 Mt

Continued focus on Werris Creek ramp-up to 2.5 Mt

Cost reductions in place at Tarrawonga, Rocglen & Werris Creek following detailed mine plan reviews

Narrabri produced 3.7 Mt ROM coal, and successfully moved the longwall to the second panel

Narrabri CHPP successfully operating at it's nameplate capacity of 1000tph

Productivity improvements at Narrabri obtained with shift from contractor to permanent workforce

# FY 2013 - safety performance

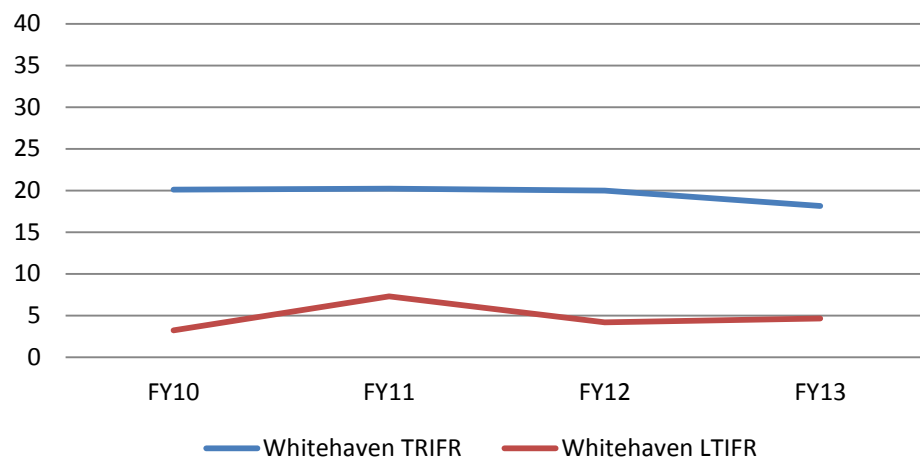


Increased focus on safety across the operations is starting to produce positive results

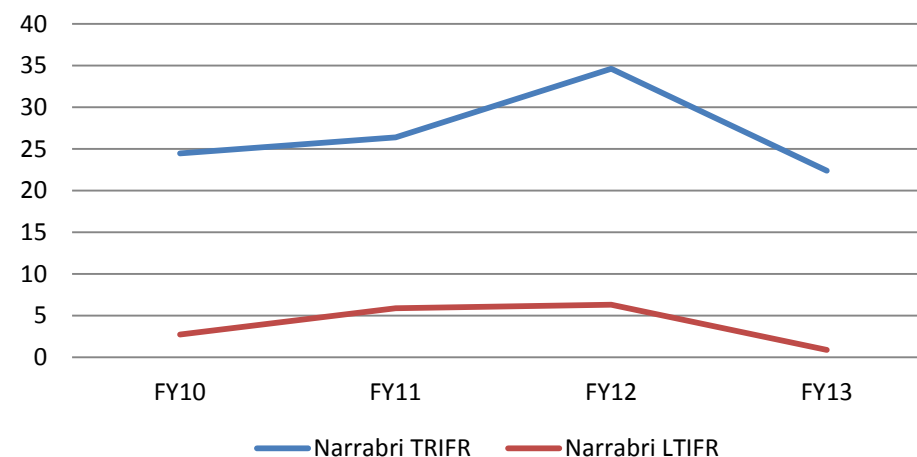
The TRIFR and LTIFR for Whitehaven in FY 2013 fell below the NSW coal industry averages for FY 2012 of 19.54 and 5.25 respectively

The performance at Narrabri is extremely pleasing for a new mine with a relatively inexperienced workforce

## Whitehaven Group Safety Statistics



## Narrabri Mine Safety Statistics



Note: Data includes WHC employees and contractors at all mine sites, Gunnedah CHPP and Corporate office. LTIFR refers to lost time injury frequency rate and TRIFR refers to total recordable injury frequency rate

# FY 2013 coal sales – new record



Equity Basis – 000t	FY 2013	FY 2012	Change
Gunnedah Operations	3,583	3,865	-7%
Werris Creek	1,510	1,407	7%
Narrabri	2,330	261	794%
<b>Whitehaven Total</b>	<b>7,423</b>	<b>5,532</b>	<b>34%</b>

100% Basis – 000t	FY 2013	FY 2012	Change
Gunnedah Operations	4,078	4,361	-6%
Werris Creek	1,510	1,407	7%
Narrabri	3,328	372	794%
<b>Whitehaven Total</b>	<b>8,916</b>	<b>6,140</b>	<b>45%</b>

# FY 2013 - saleable coal production



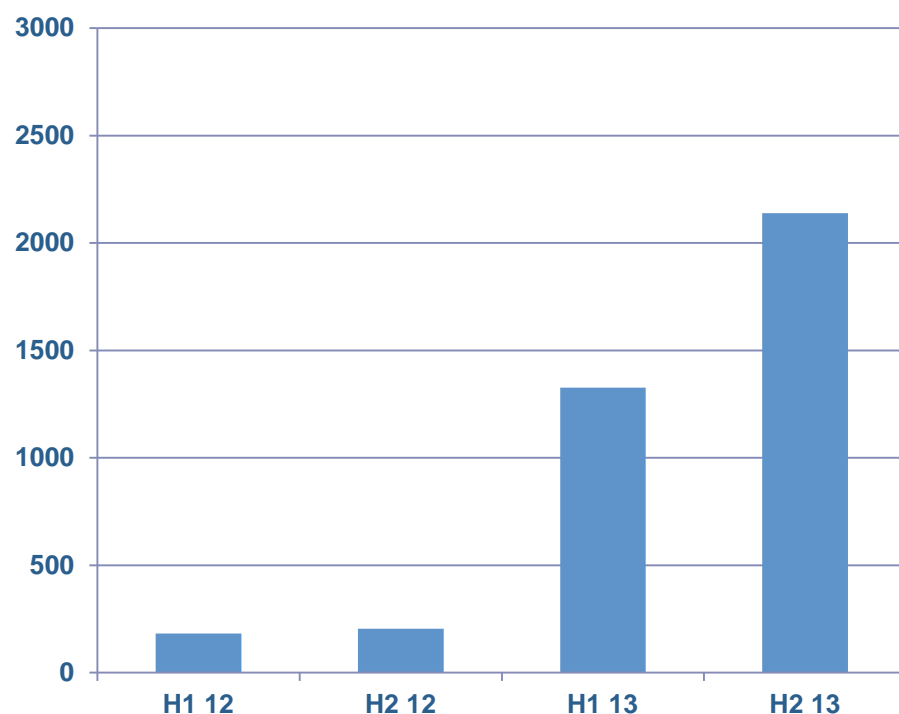
Equity Basis – 000t	FY 2013	FY 2012	Change
Gunnedah Operations	2,656	2,662	0%
Werris Creek	1,547	1,343	15%
Narrabri	2,426	270	799%
<b>Whitehaven Total</b>	<b>6,630</b>	<b>4,275</b>	<b>55%</b>

100% Basis – 000t	FY 2013	FY 2012	Change
Gunnedah Operations	3,181	3,170	0%
Werris Creek	1,547	1,343	15%
Narrabri	3,466	386	799%
<b>Whitehaven Total</b>	<b>8,195</b>	<b>4,898</b>	<b>67%</b>

# FY 2013 Narrabri milestones - Tier 1 mine



**Narrabri Saleable Coal Production**  
*by Half Year (100% basis, 000's t)*



Oct 12	Longwall commissioned
Oct 12	CHPP mechanical completion and commenced trials of PCI into COREX markets
Feb 13	Sufficient mine development in advance facilitates the reduction in development units from 4 to 3
Apr 13	PCI coals successfully trial into COREX markets with term arrangements for ~ 1Mtpa
Apr 13	Achieved CHPP nameplate throughput of 1000tph
May 13	Achieved record weekly longwall production of ~ 160kt (annualised ~7.4Mt)
May 13	Achieved record mine development rates of 1400m in the month
Jun 13	Re-commissioning of the bypass circuit to provide thermal blending capability and increase of product throughput
Jun 13	First year of contract Joint Venture off-take agreements were fully delivered into
Jul 13	First longwall bypass coal sold
Jul 13	Following the completion of mining the 1 <sup>st</sup> longwall panel, the scheduled change-out into the 2 <sup>nd</sup> longwall panel was completed safely and on time and budget
Aug 13	Confirmation of achieving Newcastle benchmark thermal coal specifications



# Narrabri mining panel 2





# FY 2013 corporate development



Received federal approval for Maules Creek - to produce 13 Mtpa with railing of first coal expected in first quarter CY2015

Completion of the succession planning of Managing Director including the broadening of the executive team

Tarrawonga project received approval from NSW Planning Assessment Commission to increase permitted production from 2 Mtpa to 3 Mtpa

Acquired remaining interest in Vickery South from Itochu now 100% owned

Secured \$1.2 B covenant "lite" corporate debt facility which underpins Maules Creek development

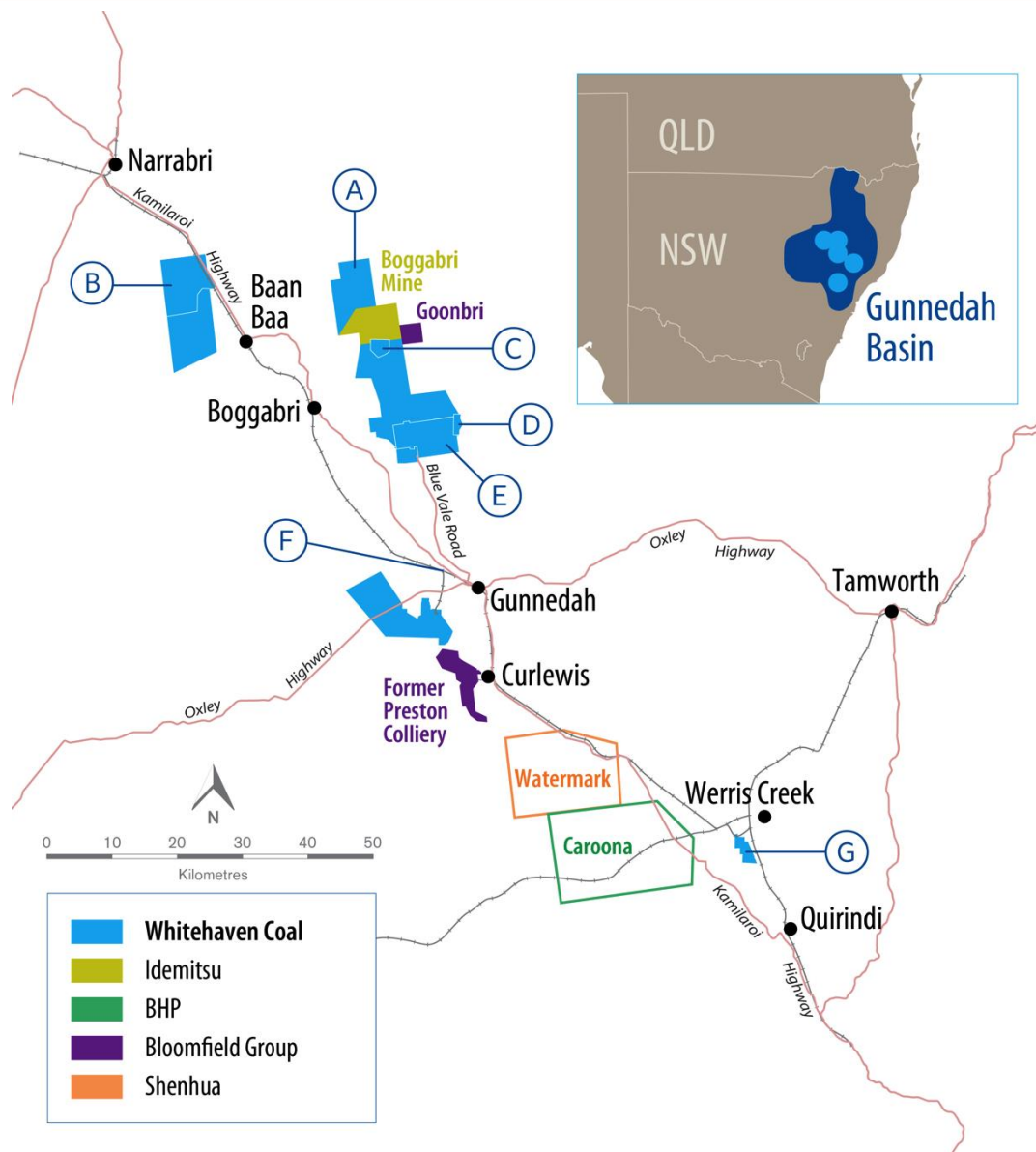
Progressing Vickery approval process

NCIG completed expansion to 66Mtpa and currently in ramp-up phase

Entered into Aurizon contract for haulage services of up to 16 Mtpa

Commenced trialling 30t axle load locomotives on the rail system ( expected > \$1/t saving on rail costs )

# Gunnedah Basin assets



## (A) Maules Creek (75%)

- Reserves to support ~ 30 years
- Permitted & Planned : 13 Mtpa ROM
- SSCC and high energy thermal

## (B) Narrabri (70%)

- Reserves to support ~ 25 years
- Permitted : 8 Mtpa ROM
- Planned : 6 Mtpa ROM
- PCI & low ash thermal coals

## (C) Tarrawonga (70%)

- Reserves to support > 20 years
- Permitted : 3 Mtpa ROM
- Planned : 2 Mtpa ROM
- SSCC and high energy thermal

## (D) Rocglen (100%)

- Reserves to support ~ 4 years
- Permitted & Planned to 1.5 Mtpa ROM
- Mainly thermal coals

## (E) Vickery (100%)

- Reserves to support ~ 30 years
- SSCC and high energy thermal
- Approval process commenced for 4.5 Mtpa ROM

## (F) Gunnedah CHPP (100%)

- Permitted to 4 Mtpa

## (G) Werris Creek Mine (100%)

- Reserves to support ~ 8 years
- Permitted & Planned to 2.5 Mtpa
- PCI and thermal coals

# Experienced team is delivering

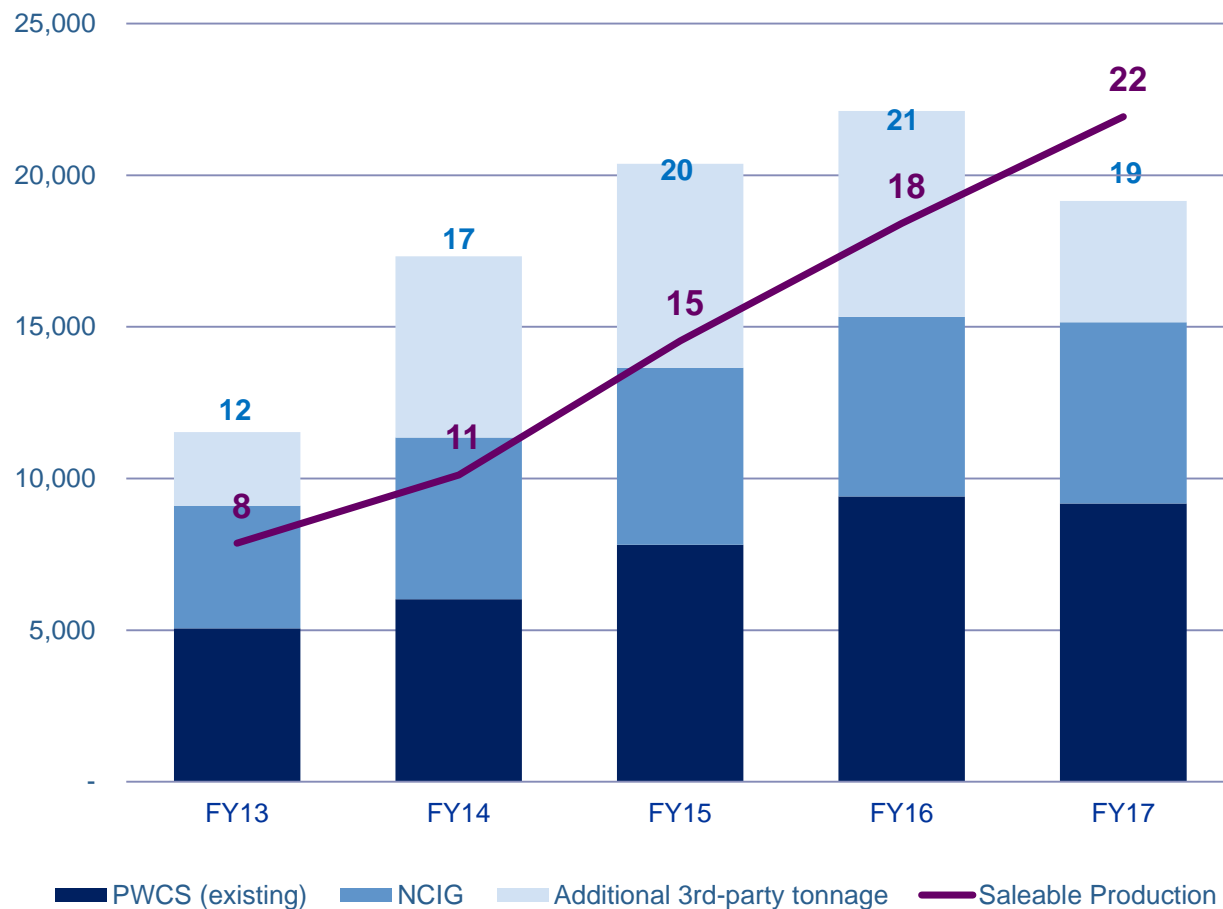


<b>Paul Flynn</b> (Managing Director)	Previously CEO & MD of the Tinkler group and prior to that was managing partner in the Sydney office for Ernst & Young and a member of its Oceania executive team.
<b>Jamie Frankcombe</b> (Executive General Mgr Operations)	More than 33 years' experience in open cut and underground coal mining including executive level roles within Australian, American and Indonesian coal operations. Most recently Jamie served as the Director of Operations for Fortescue Metals Group.
<b>Tim Burt</b> (General Counsel & Company Sec)	Joined Whitehaven as General Counsel and Company Secretary in July 2009. Prior to that, Timothy held senior legal roles at a number of listed Australian companies including Boral Ltd, United Group Ltd and Australian National Industries Limited.
<b>Brian Cole</b> (Executive General Mgr Projects)	More than 35 years' experience in heavy engineering projects and operations at an executive level in the energy related sector. Recently managed construction of the 3 stages of NCIG coal terminal development with a total capital cost of \$2.8B.
<b>Pat Markey</b> (Executive General Mgr Marketing)	Previously worked as Chief Operating Officer and as Director of Marketing for Global Coal Singapore. Before this, Pat worked in marketing, development and strategic business planning roles in the oil and related industries over fifteen years.
<b>Austen Perrin</b> (Chief Financial Officer)	Appointed the Whitehaven Chief Financial Officer and Company Secretary in October 2008. Previously CFO for Asciano Limited and Pacific National Limited and CFO and Executive Director for Toll NZ limited.
<b>Jonathan Vandervoort</b> (Executive General Mgr Infrastructure)	Jonathan's experience includes twenty years in coal industry management roles in New South Wales and Queensland, five years at PWCS and most recently the establishment and management of the Hunter Valley Coal Chain Co-ordinator as its CEO.

# Infrastructure positioning



## Port Capacity v Saleable Production



Sufficient port capacity secured for Maules Creek ramp-up.

FY 2014 take-or-pay on port capacity is ~ 7Mt. Overall take-or-pay in FY2014 is expected to be ~ \$3/t

Whitehaven will apply for additional allocation at PWCS for FY 2017 and beyond

Trial for 30t axle load locomotives underway, which increase train capacity from 6200t to 8000t expected in 2015

*Note: Data shown for the year ending 30 June. These estimates relate to planned future events and expectations and as such, involve known and unknown risks and uncertainties. The actual production is likely to vary on an annual basis as a function of supply, demand and other market conditions..*

# Maules Creek - Tier 1 open cut project



Formal approval received in July 2013.

High quality resource which can be mined at relatively low cost.

Situated 17km from the main railway line

380km from the Newcastle port

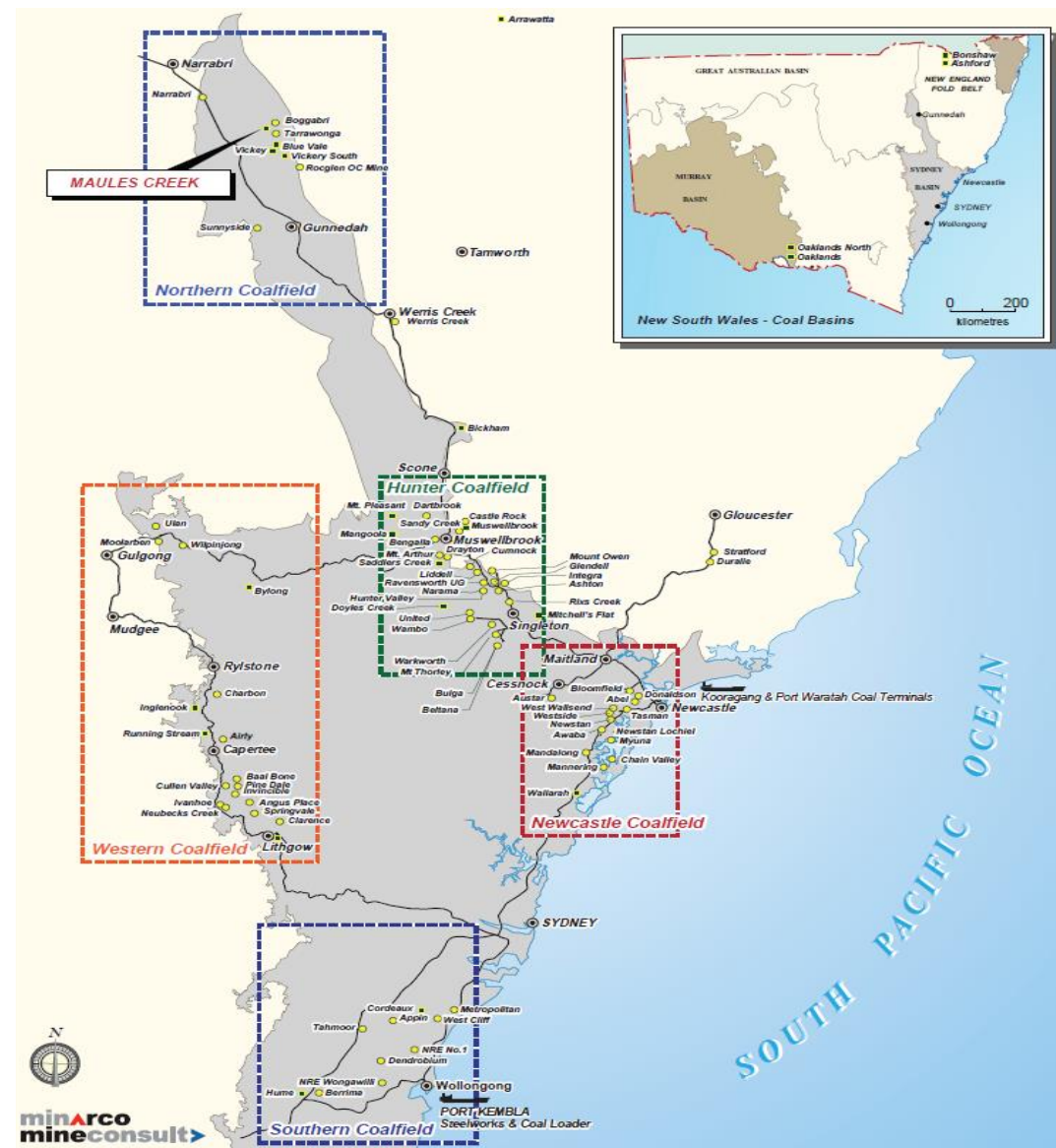
Well understood and attractive geological setting

Multiple shallow coal seams with no significant faulting identified

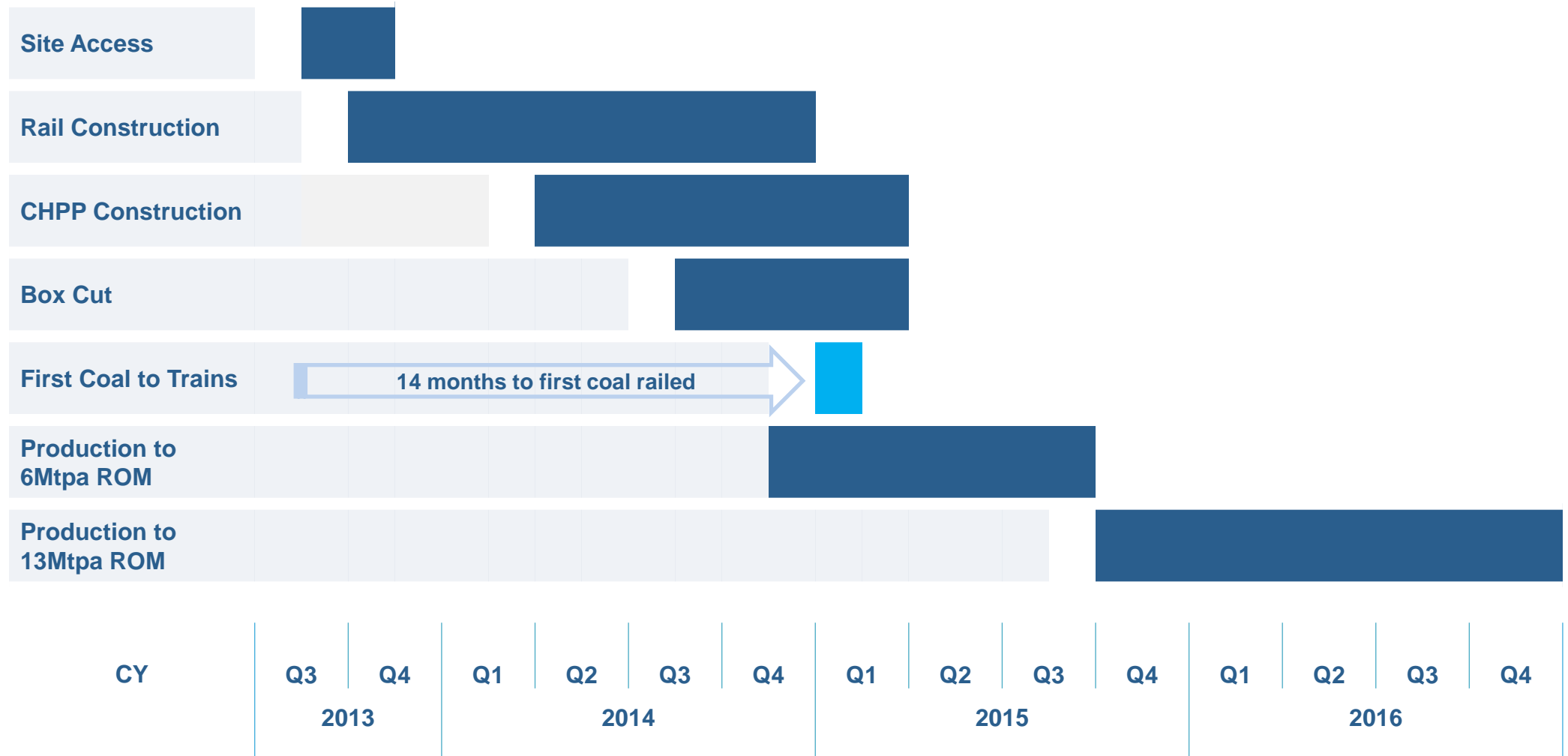
Shallow-dipping deposit (from west to east) with consistent coal quality across the largely uniform coal seams

Low strip ratio of around 6.4 consistent over first 20 years of production

First coal sales are expected to commence in Q1 CY 2015.



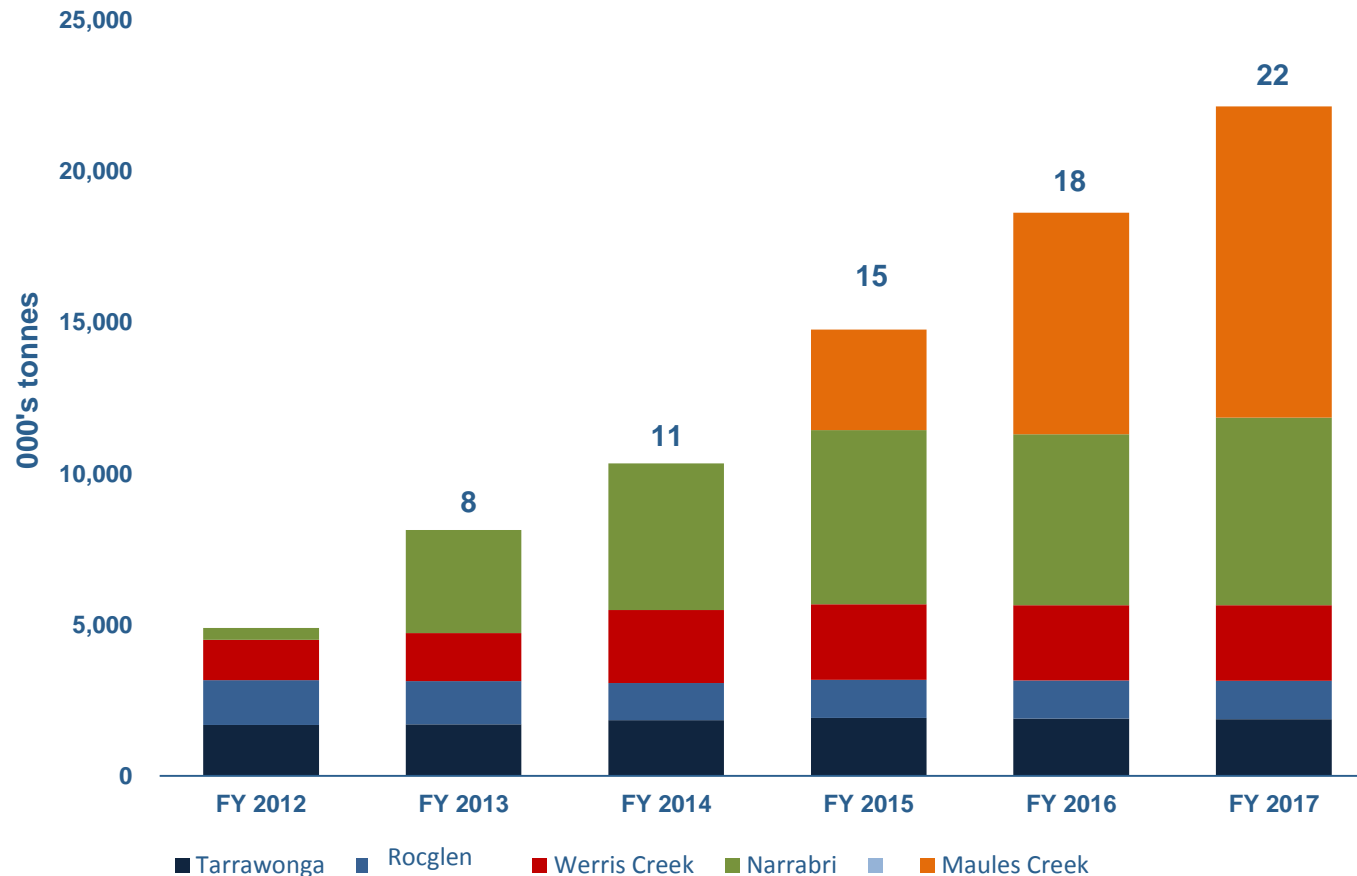
# Maules Creek - project schedule



# Outlook - production growth



## Saleable Production by Mine



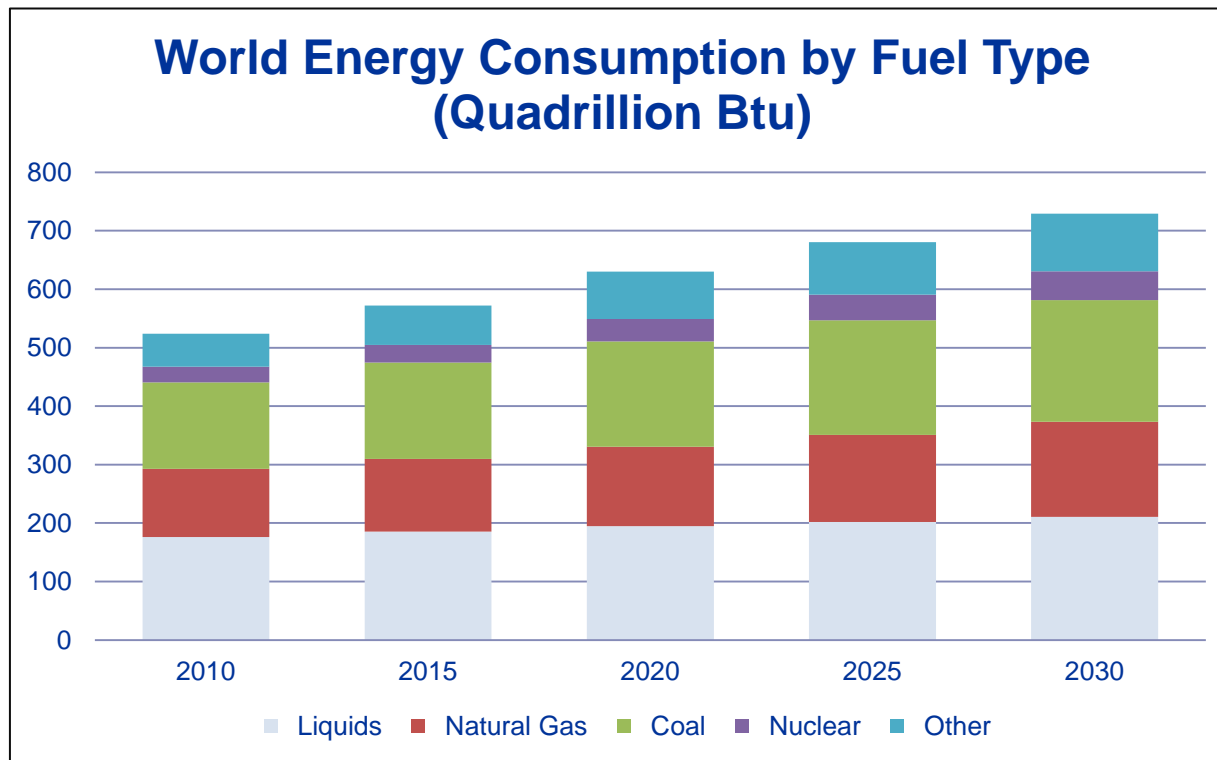
Note: Graph depicts saleable coal on a 100% basis and excludes coal purchases  
 Data shown for the year ending 30 June. These estimates relate to planned future events and expectations and as such, involve known and unknown risks and uncertainties. The actual production is likely to vary on an annual basis as a function of supply, demand and other market conditions.

The combination of the existing open cut mines and Narrabri is expected to reach 11 Mtpa saleable production in FY2014.

The development of Maules Creek open cut mine is expected to increase production to ~ 22 Mtpa by FY 2017.

Vickery provides another significant growth option for WHC.

# Coal in world energy consumption



Source: US Energy Information Administration

**Coal is forecast to maintain its share (28%) of total world energy consumption in the period to 2030 despite strong growth from a low base from other sources (renewables)**

In absolute terms coal consumption is forecast to grow by 41% from 2010 to 2030 adding significantly over 1 billion tonnes of annual consumption

The high quality thermal coals produced from Whitehaven's mines in the Gunnedah Basin are well placed to fill a share of the growth in consumption



# Coal price outlook



Global Thermal Coal Market		2010	2011	2012	2013e	2014e	2015e
<b>Global Power Generation</b>	<b>TWhr</b>	<b>20,940</b>	<b>21,455</b>	<b>21,970</b>	<b>22,484</b>	<b>22,999</b>	<b>23,514</b>
YoY growth	%	4%	2%	2%	2%	2%	2%
Coal-fired power (major economies)	%	49%	48%	48%	48%	48%	48%
Weighted average efficiency	t/MW/hr	0.480	0.480	0.481	0.481	0.481	0.481
<b>Total traded thermal coal demand</b>	<b>Mt</b>	<b>717</b>	<b>775</b>	<b>862</b>	<b>860</b>	<b>880</b>	<b>907</b>
YoY growth	%	5.4%	8.1%	11.2%	-0.2%	2.4%	3.0%
Japan imports	Mt	125.4	121.4	132.0	127.9	129.2	131.1
India imports	Mt	72.4	81.8	101.9	110.3	137.8	156.1
EU net imports	Mt	18.5	43.7	64.2	65.3	68.0	70.7
US net imports	Mt	3.4	-22.0	-39.4	-39.0	-38.9	-38.9
<b>Total traded thermal coal supply</b>	<b>Mt</b>	<b>718</b>	<b>776</b>	<b>862</b>	<b>867</b>	<b>891</b>	<b>927</b>
YoY growth	%	5.4%	8.2%	11.0%	0.6%	2.7%	4.0%
Indonesia exports	Mt	257.0	290.6	330.5	349.7	368.9	390.4
Australia exports	Mt	141.3	147.5	170.9	169.4	167.3	174.8
South Africa	Mt	70.6	69.4	75.9	69.4	72.9	76.5
Colombia	Mt	65.0	75.0	77.4	78.6	79.7	80.9
<b>China net exports</b>	<b>Mt</b>	<b>-105</b>	<b>-132</b>	<b>-177</b>	<b>-172</b>	<b>-155</b>	<b>-151</b>
<b>Balance</b>	<b>Mt</b>	<b>1</b>	<b>2</b>	<b>0</b>	<b>7</b>	<b>11</b>	<b>20</b>

The short term outlook for coal prices remains subdued as the markets for most coal types remains oversupplied despite anecdotal evidence of modest production cuts in China

Most market analysts are forecasting that the thermal coal market will remain in a modest surplus over the next two years

WHC's portfolio of low cost assets are well placed to withstand the current weak market environment

Source data : UBS Investment Bank

# Financial performance outlook



Narrabri to sell at least 650kt of PCI in FY 2014

All Narrabri coal production for FY2014 at Newcastle benchmark specification

Opportunity exists to ramp-up of PCI component at Narrabri significantly by FY 2015

FY 2014 FOB costs expected to decline from 2H FY 2013 costs

Increased volume based efficiency at both Werris and Narrabri

Average port charges to decline in FY 2014

Additional moderation of foreign exchange rate to assist A\$ coal prices

Shared service centre established in Newcastle

# Focus for FY 2014 and beyond



## *Creating the premium ASX listed independent coal company*

Whitehaven will focus on continuous improvement in safety and environmental performance across all of its operations

Narrabri production will continue to grow and achieve 6 Mtpa ROM production run rate

Mobilisation and construction at Maules Creek open-cut as soon as possible and concurrent with resolution of court challenge

Progress market development to place Maules Creek coals when production commences

Continued focus on cost control so all mines remain profitable

85% of production from WHC's mines is expected to be ~ 65/t FOB  
by FY 2017

# Thank you

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# Appendices

# Reconciliation - NPAT to Operating EBITDA



A\$ millions	FY 2013	FY 2012	Movement %
<b>Net profit/(loss) for the period attributable to members</b>	<b>(82.2)</b>	<b>62.5</b>	<b>-231%</b>
Add back: Significant items after tax <sup>(1)</sup>	21.5	(4.8)	-552%
<b>Net profit/(loss) before significant items</b>	<b>(60.7)</b>	<b>57.8</b>	<b>-205%</b>
<b>Profit/(loss) before net financing expense</b>	<b>(69.6)</b>	<b>26.0</b>	<b>-368%</b>
Add back: Depreciation and amortisation	58.5	39.7	48%
<b>Operating EBITDA</b>	<b>(11.1)</b>	<b>65.7</b>	<b>-117%</b>
Add back: Significant items before tax and financing <sup>(1)</sup>	29.7	83.5	-64%
<b>Operating EBITDA before significant items</b>	<b>18.6</b>	<b>149.2</b>	<b>-88%</b>

(1) Refer to note 7 of 30 June 2013 Financial Report

# Significant Items



A\$ millions		FY 2013	FY 2012
Included within the balances presented on the face of the Consolidated Interim Statement of Comprehensive Income:			
<b>Operating Expenses:</b>	Suspension of mining activities and office closures	(25.8)	-
<b>Operating Expenses:</b>	Loss on coal trading for legacy contracts - purchased coal	-	(7.5)
<b>Operating Income:</b>	Gain on sale of joint venture interest	-	116.2
<b>Other expenses:</b>	Share-based payment expense	(2.4)	(7.6)
<b>Other expenses:</b>	Loss on coal trading for legacy contracts - contract settlements	-	(21.9)
<b>Administrative expenses:</b>	Due diligence costs and project costs	(1.5)	(41.4)
<b>Administrative expenses:</b>	Impairment of goodwill from acquisition of Boardwalk Resources	-	(119.8)
<b>Administrative expenses:</b>	Claim settlement	-	(1.5)
<b>Significant items before tax and financing</b>		<b>(29.7)</b>	<b>(83.5)</b>
<b>Financial income:</b>	Net unrealised foreign exchange gain on translation of EDF receivable	-	23.9
<b>Financial expenses:</b>	Net realised foreign exchange losses on EDF receipts	-	(21.5)
<b>Significant items before tax</b>		<b>(29.7)</b>	<b>(81.1)</b>
Applicable income tax expense		8.2	(15.6)
Initial recognition of MRRT starting base temporary difference		-	101.5
<b>Significant items after tax</b>		<b>(21.5)</b>	<b>4.8</b>