



## News release...

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### Coal & Allied earnings outlook for 2003

Coal & Allied today announced that the company expects to report a loss of approximately A\$20 million for the full year for 2003 as a result of the stronger Australian dollar, lower coal prices and increased demurrage costs.

Full-year earnings for 2002 were A\$159.7 million and half year earnings for the six months to 30 June 2003 were A\$7.2 million.

Managing Director of Coal & Allied, Mr Gary Goldberg said, "Revenues continue to be adversely affected by the extremely strong Australian dollar and increased demurrage costs as a result of continued congestion due to a shortage of capacity in the Hunter Valley rail system. We have made good progress throughout 2003 in implementing operational and other cost reduction changes and are continuing to explore further options to reduce our costs and improve our performance for 2004 and beyond".

"Year to date, the Australian dollar has averaged 64.1 US cents compared with 54.3 US cents for 2002 and has been above 74 US cents today. This, together with lower average realised coal prices for 2003 and demurrage costs averaging US\$1 per tonne over the year, will adversely affect our results," he said.

Every one cent increase in the value of the Australian dollar against the US dollar reduces Coal & Allied's annual net profit after tax by around A\$9 million. Similarly, for every one US dollar fall in the export coal price, or increase in demurrage costs, Coal & Allied's annual net profit after tax is reduced by around A\$22 million.

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