

NCTA Western Logistics & Planning Committee

**February 20, 2008
Hilton DFW Lakes**

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Overview

- **Coal Commodity Price Performance**
- **Coal Equity Performance**
 - ACI – Arch Coal
 - ANR – Alpha Natural Resources
 - BTU – Peabody Energy
 - CNX – Consol Energy
 - FCL – Foundation Coal
 - MEE – Massey Energy
- **What is driving the performance?**
- **Valuation**
 - Current
 - Historical
- **Where to from here?**

CAPP NYMEX (\$/Ton)



Source: Bloomberg

Australia: FOB Newcastle (\$/Tonne)



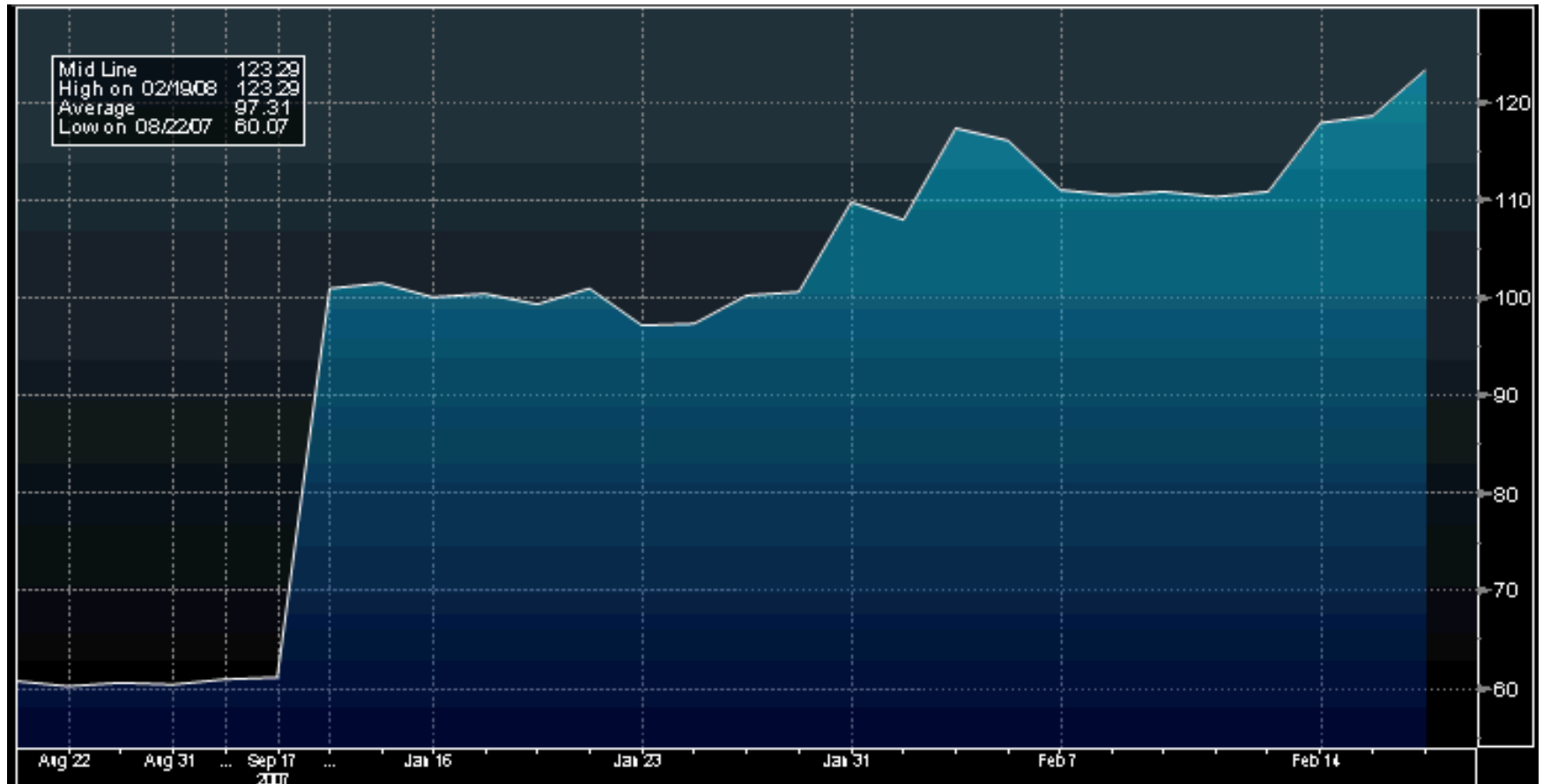
Source: Bloomberg

API2: ARA (\$/Tonne)



Source: Bloomberg

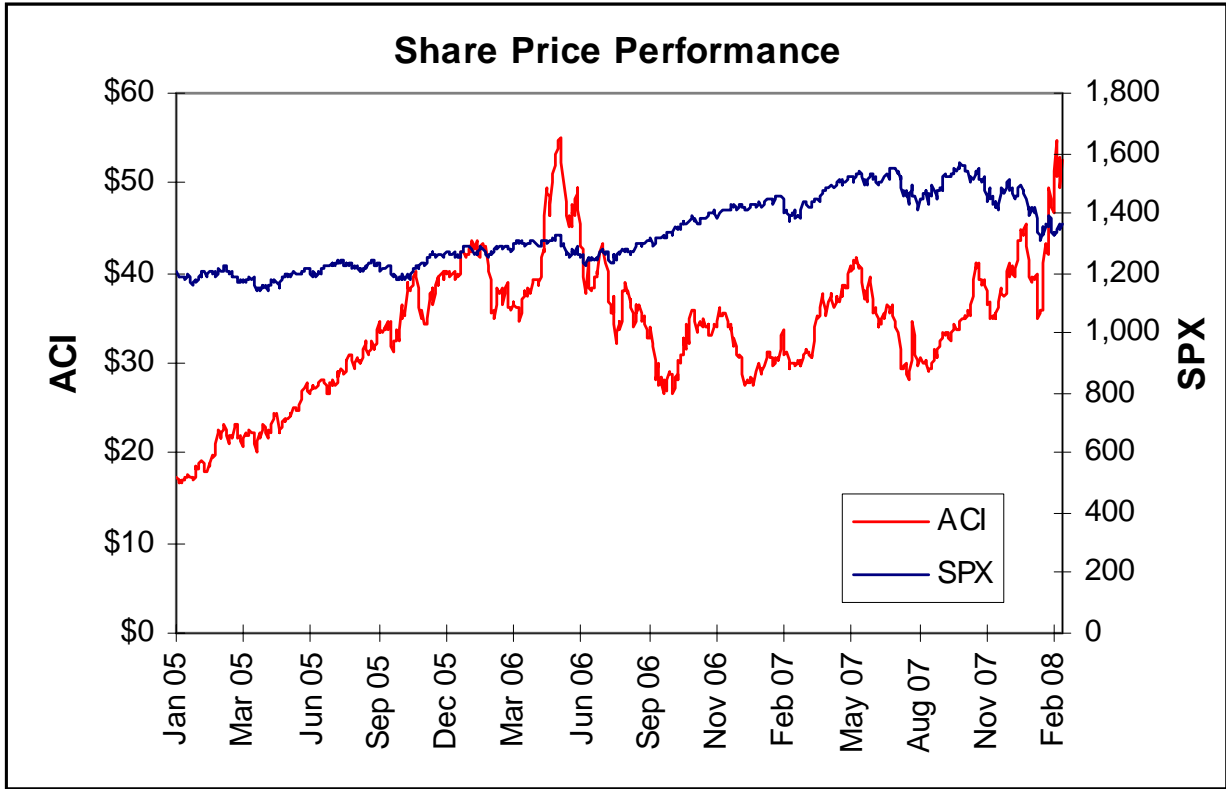
API4: Richards Bay (\$/Tonne)



Source: Bloomberg

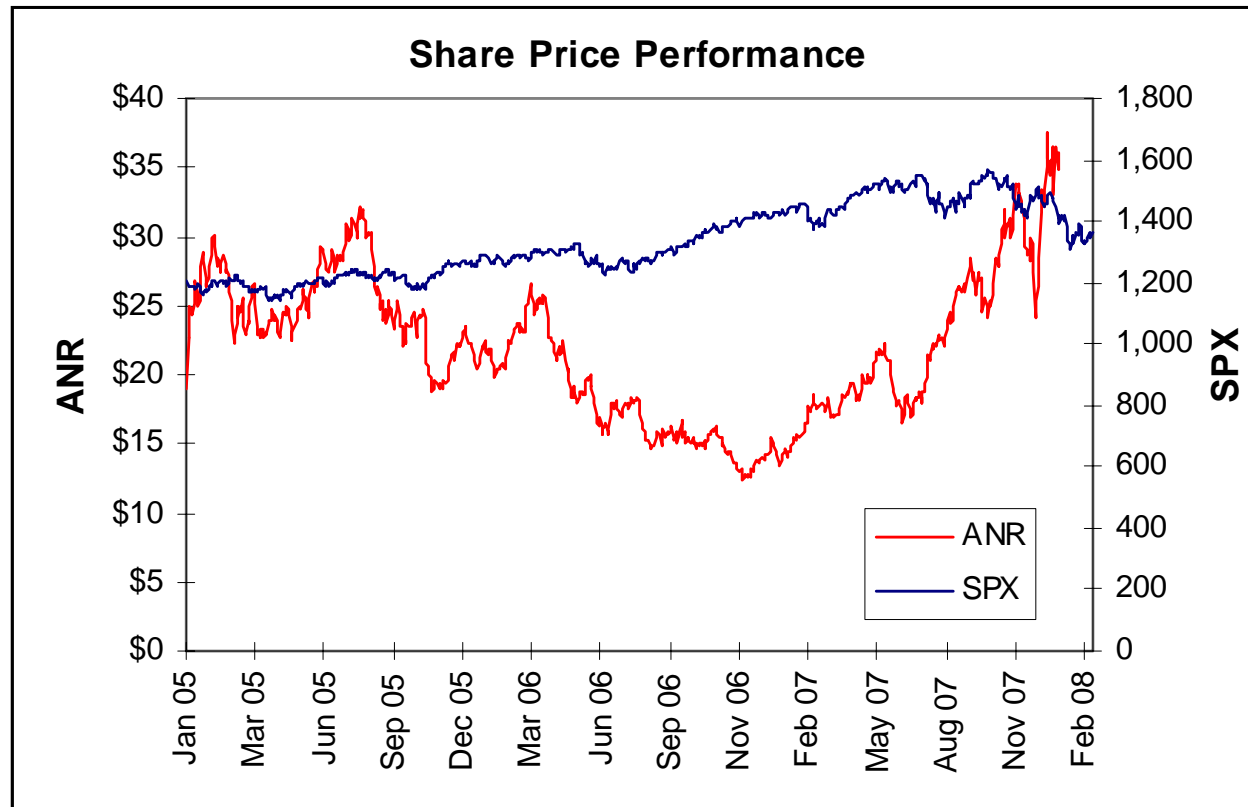
ACI – Arch Coal

- YTD – 9.9%
- 1 YR – 63.0%



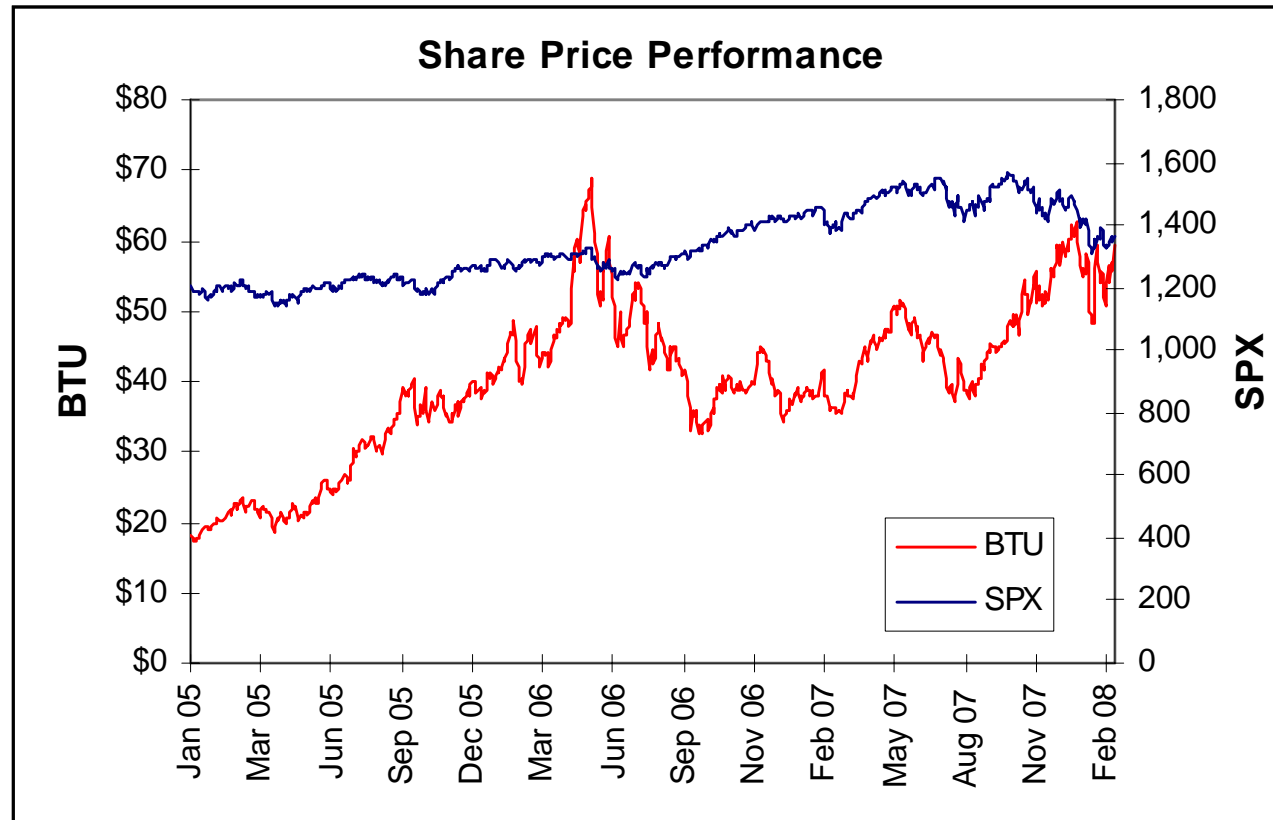
ANR – Alpha Natural Resources

- YTD – 7.5%
- 1 YR – 145.6%



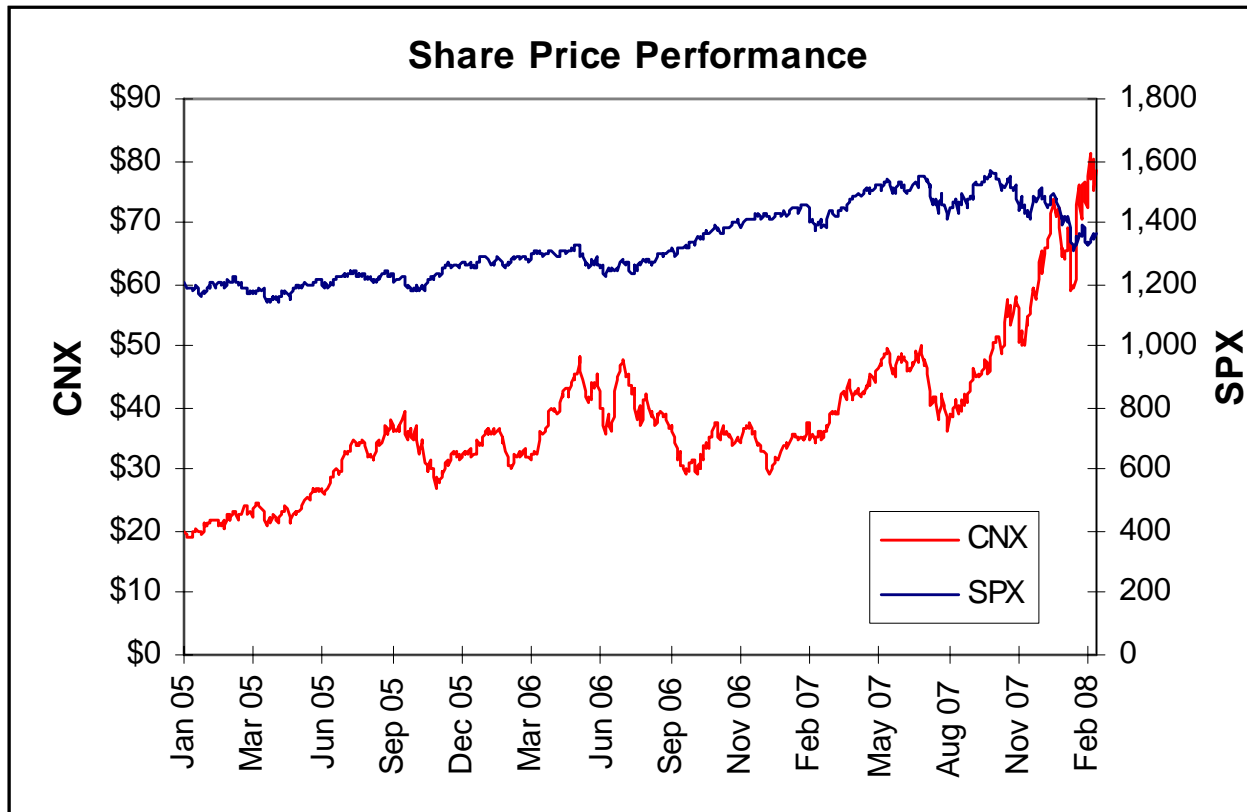
BTU – Peabody Energy

- YTD – (9.7%)
- 1 YR – 45.5%



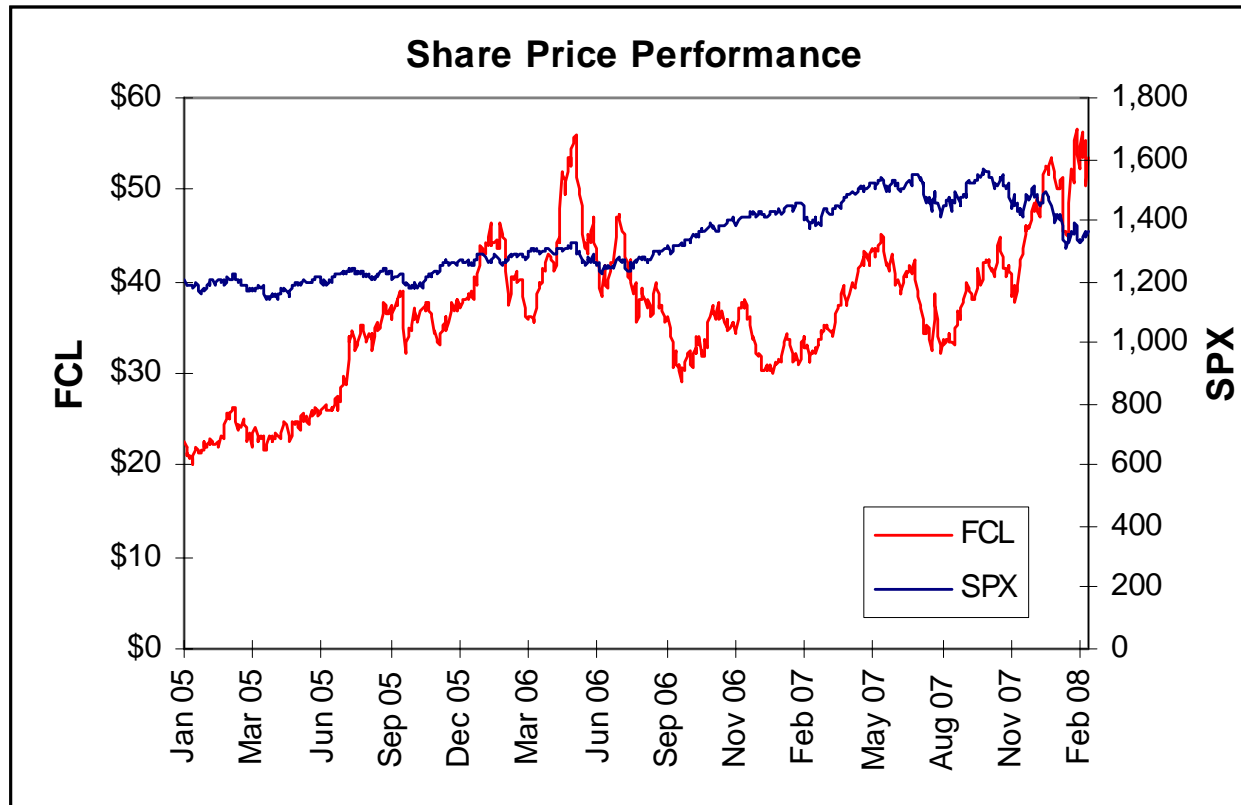
CNX – Consol Energy

- YTD – 5.1%
- 1 YR – 115.7%



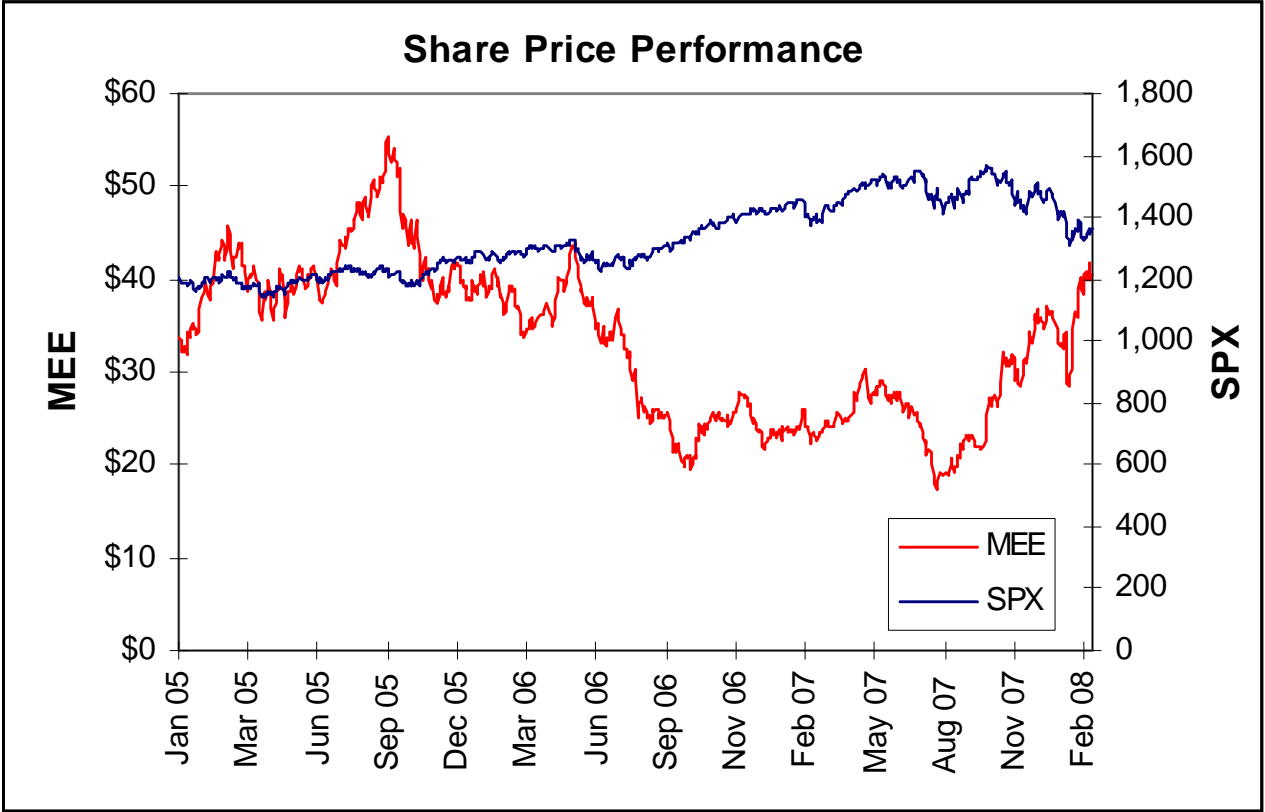
FCL – Foundation Coal

- YTD – (3.9%)
- 1 YR – 62.7%



MEE – Massey Energy

- YTD – 11.4%
- 1 YR – 67.5%



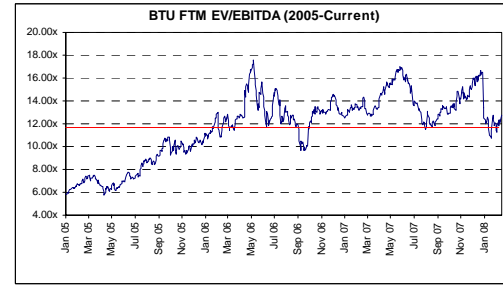
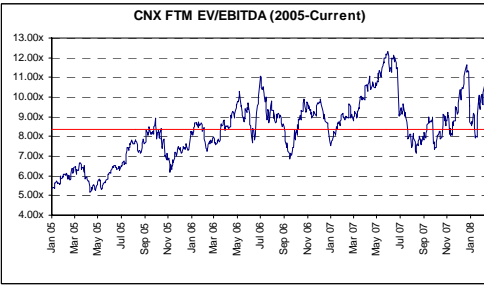
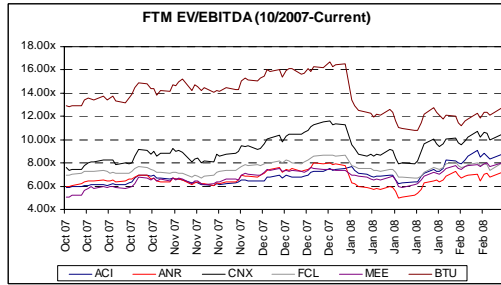
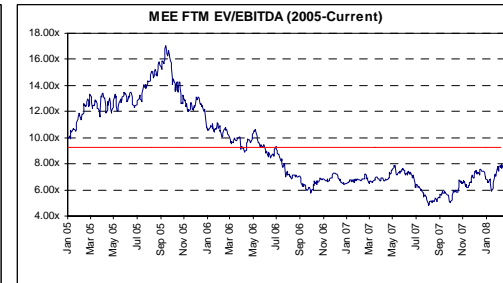
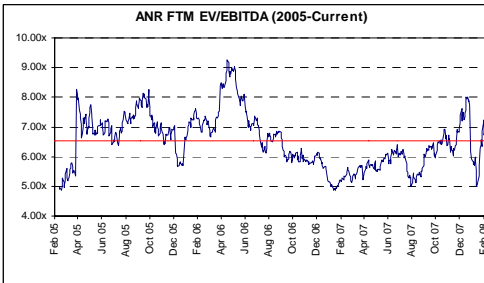
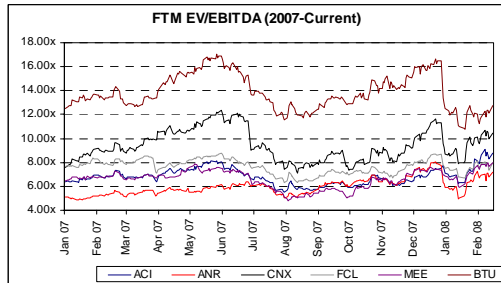
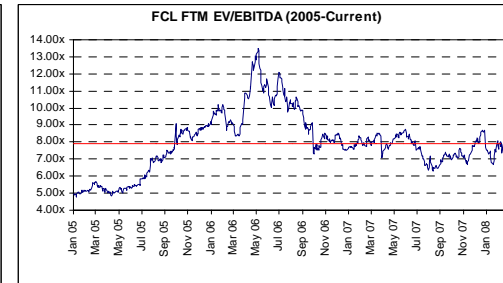
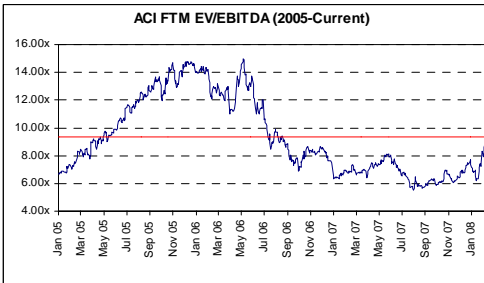
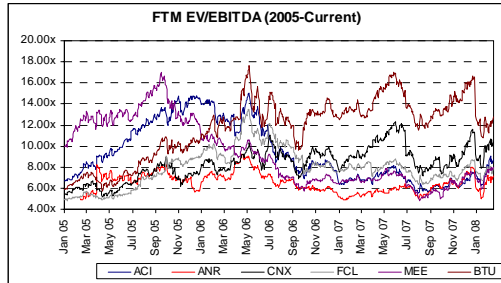
What is Driving the Performance?

- **Exports, Exports, Exports**
- **International Problems**
 - Australia
 - Port Congestion
 - Queensland Storms
 - South Africa
 - Eskom
 - Loader Out
 - Indonesia
 - Rains in 2007
 - Increasing Domestic Demand
 - Vietnam
 - Increasing Domestic Demand
 - China
 - Export Halt
 - Snow Storms
- **U.S. Issues**
 - CAPP: Chambers' Ruling
 - 2008 Election
 - MSHA

Valuation

	EV/EBITDA		Average	
	2008	2009	High	Low
ACI	11.2x	8.2x	9.9x	7.7x
ANR	8.2x	5.0x	7.6x	5.8x
BTU	11.6x	8.3x	9.6x	7.5x
CNX	11.9x	7.3x	8.4x	6.1x
FCL	8.4x	5.7x	7.6x	6.0x
MEE	8.1x	7.7x	8.5x	6.4x
Average	9.9x	7.0x	8.6x	6.6x

Valuation



Company	Ticker	2005-Current			2007-Current			10/2007- Current			2005			2006			2007			2008 YTD		
		High	Low	Average	High	Low	Average	High	Low	Average	High	Low	Average	High	Low	Average	High	Low	Average	High	Low	Average
Arch Coal	ACI	15.0x	5.5x	9.3x	9.1x	5.5x	6.8x	9.1x	5.9x	6.9x	14.8x	6.7x	10.9x	15.0x	6.5x	10.7x	8.1x	5.5x	6.7x	9.1x	6.2x	7.5x
Alpha Natural Resources	ANR	9.3x	4.9x	6.5x	8.0x	4.9x	6.0x	8.0x	5.0x	6.6x	8.3x	4.9x	6.8x	9.3x	5.2x	6.9x	8.0x	4.9x	5.9x	7.2x	5.0x	6.3x
Consol Energy	CNX	12.3x	5.2x	8.3x	12.3x	7.1x	9.4x	11.6x	7.3x	9.2x	9.0x	5.2x	6.7x	11.1x	6.9x	8.8x	12.3x	7.1x	9.4x	10.7x	7.9x	9.4x
Foundation Coal	FCL	13.5x	4.8x	7.9x	8.8x	6.3x	7.6x	8.7x	6.7x	7.5x	9.1x	4.8x	6.5x	13.5x	7.3x	9.7x	8.8x	6.3x	7.6x	8.1x	6.7x	7.5x
Massey Energy	MEE	17.0x	4.8x	9.3x	8.0x	4.8x	6.6x	8.0x	5.1x	6.7x	17.0x	9.9x	13.1x	11.1x	5.8x	8.4x	7.9x	4.8x	6.5x	8.0x	5.9x	7.1x
Peabody Energy	BTU	17.6x	5.7x	11.7x	17.0x	10.8x	13.8x	16.7x	10.8x	13.8x	10.9x	5.7x	8.2x	17.6x	9.6x	12.8x	17.0x	11.5x	14.1x	12.8x	10.8x	11.9x
Average		14.1x	5.1x	8.8x	10.5x	6.6x	8.4x	10.3x	6.8x	8.5x	11.5x	6.2x	8.7x	12.9x	6.9x	9.5x	10.4x	6.7x	8.4x	9.3x	7.1x	8.3x

Questions & Answers