



福山國際能源集團有限公司
Fushan International Energy Group Limited

2010 Interim Results

Presentation

August 2010



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- Results and Events Highlights
- Financial Review
- Market and Business Review
- Business Outlook



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Results Highlights



Operations experienced steady growth in interim 2010:

- Revenue up by 28% to HK\$2,659 million
- Net Profit up by 15% to HK\$1,060 million
- EBITDA up by 12% to HK\$1,586 million
- Excluding non-cash share-base compensation expense¹, the Group's net profit would be HK\$1,207 million, substantially increased 31% over the same period of 2009
- Recommended interim dividend of HK5 cents per share
- Change of long wall in two of our mines in 2nd Quarter to upgrade recovery efficiency and to provide a better working environment to miners

Note : 1. Granted share options in August 2009 resulted in incurred a non-cash share-base compensation expense of HK\$147 million



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Financial Review

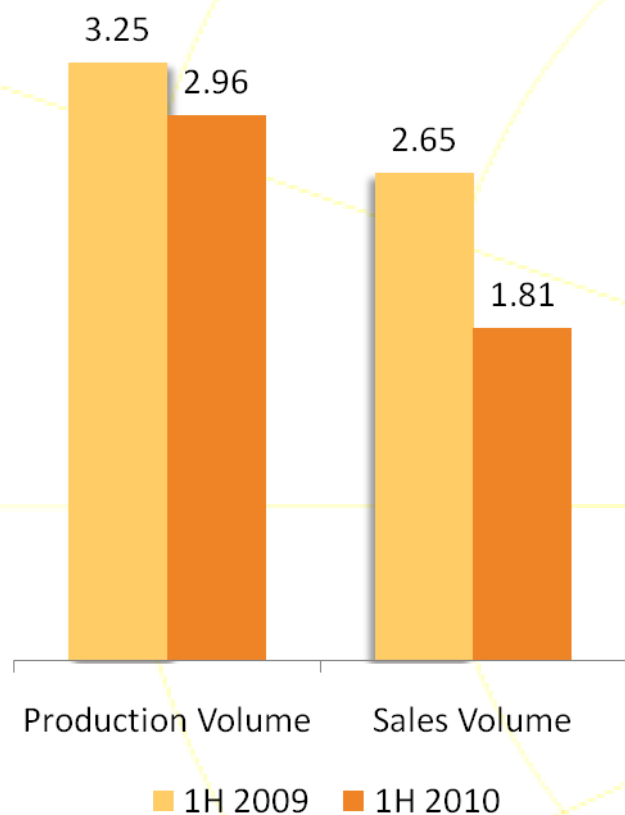


Operating Data



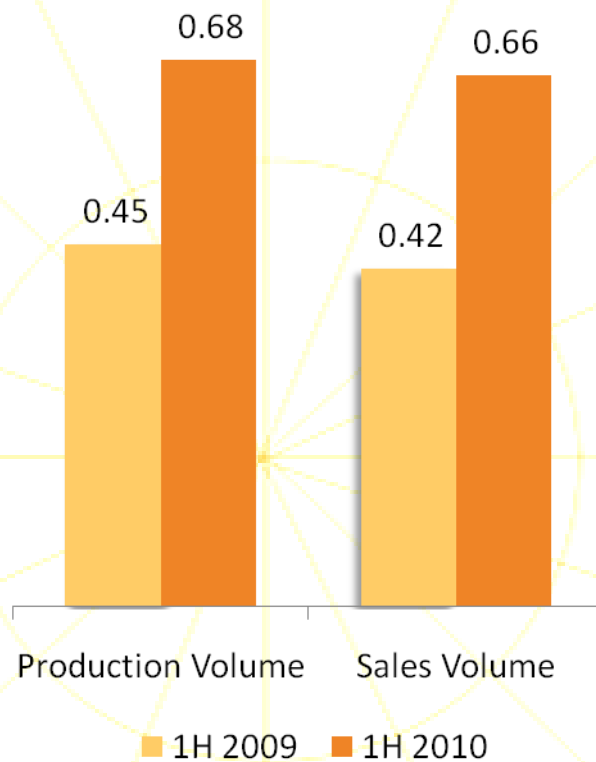
Production and Sales Volumes of Raw Coking Coal

(million tonnes)



Production and Sales Volume of Clean Coking Coal

(million tonnes)

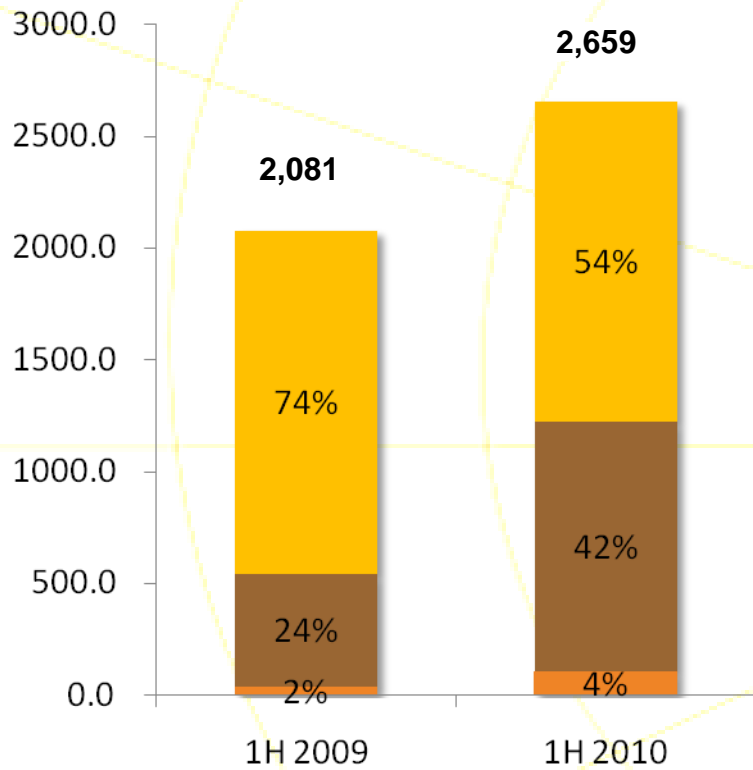


Efficient Operations leads to a Huge Profit



Revenue

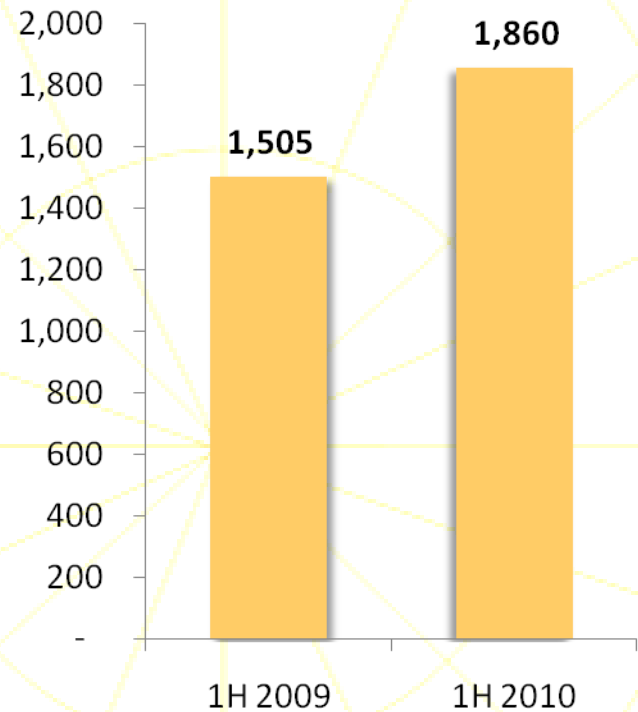
(HK\$ million)



■ Coke ■ Clean Coal ■ Raw Coal

Gross Profit

(HK\$ million)

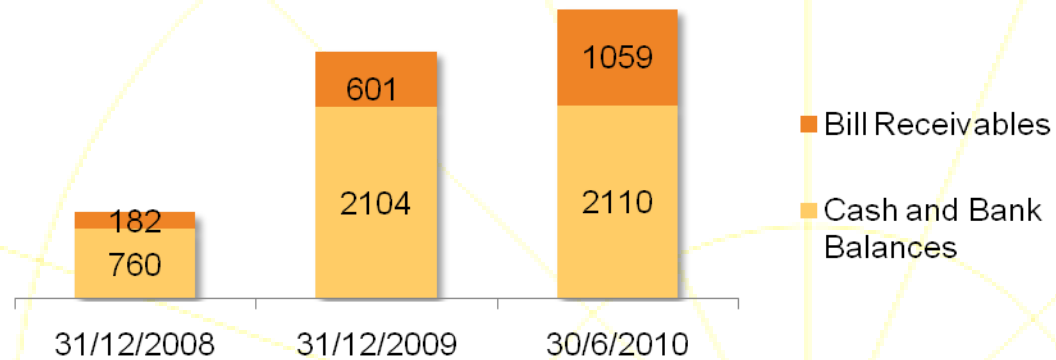


Strong Financial Position



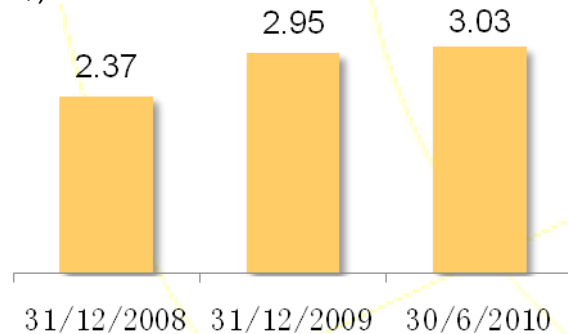
Cash and Cash Equivalents

(HK\$ million)

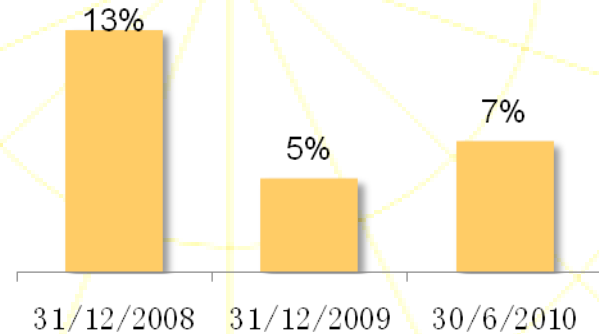


Net Asset Value Per Share

(HK\$)



Gearing Ratio





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Market and Business Review



China Coking Coal Production and Consumption

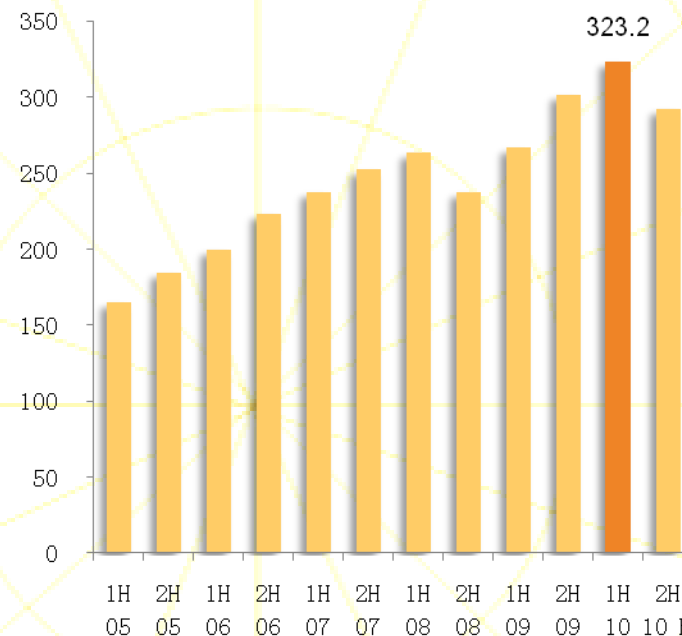
(million tonnes)



Source: BP Statistical Review of World Energy 2008, World Energy Outlook 2009 (OECD/IEA), CRU

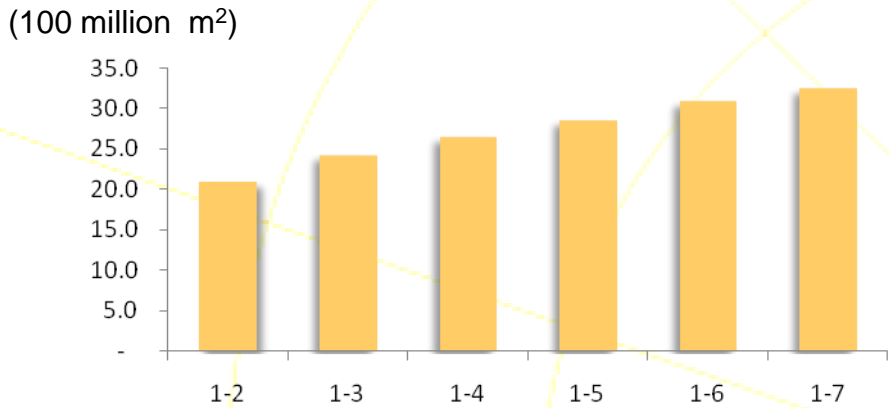
China Crude Steel Production

(million tonnes)



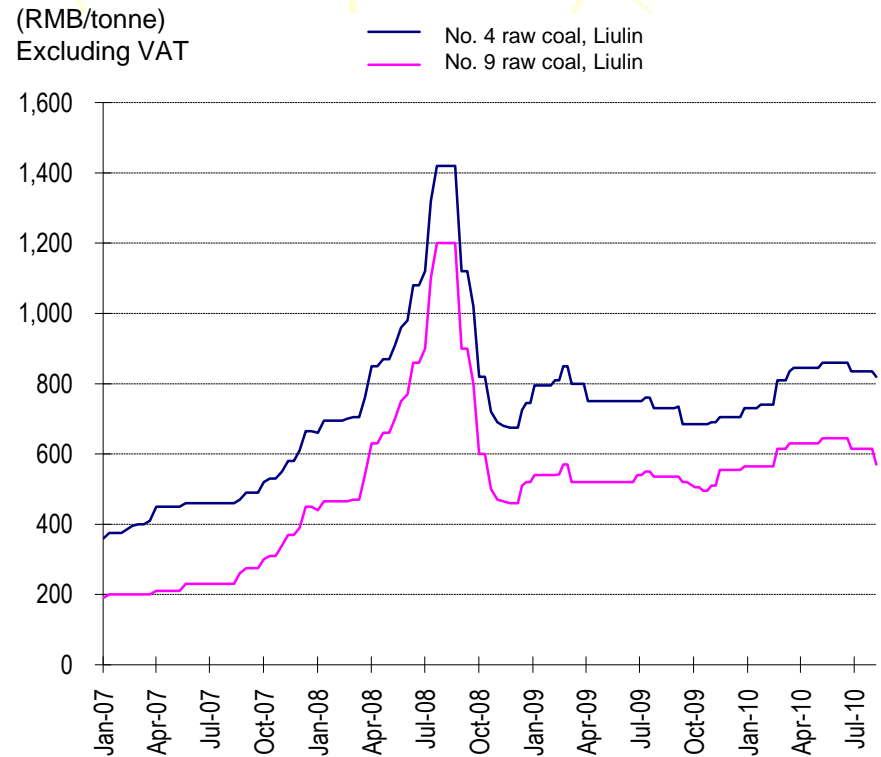
Source: National Bureau of Statistics of China, BOA Merrill Lynch

Property Construction by Floor Area in China



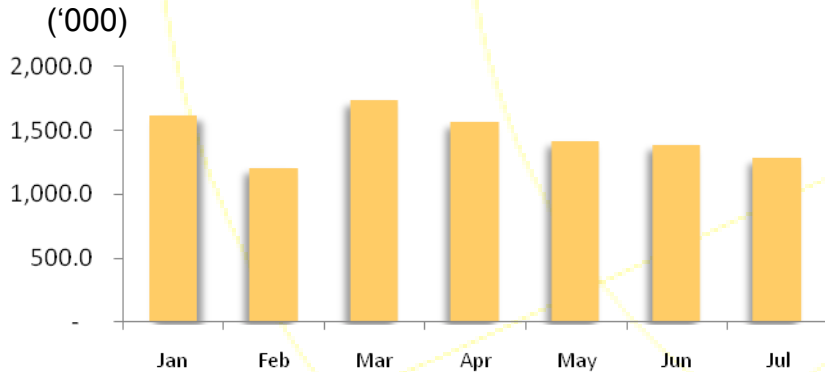
Source: National Bureau of Statistics of China

Liulin's No. 4 and No. 9 Raw Coal Price



Source: China Coal Resources Net

Automobile Production Volume in China



Source: China Association of Automobile Manufacturers

Jinjazhuang Preparation Plant

- Commenced operation in June 2009
- Annual input processing capacity of 3 million tons
- Uses state-of-the-art dense medium technology for coal processing

(Dense medium technology is currently the most effective means of sorting coal and has a higher sorting accuracy than other processing methods. Besides, it is highly adaptable to handling different volumes of raw coal with diverse qualities.)

- Equipped with advanced monitoring system



Zhaiyadi Preparation Plant

- Scheduled to commence operation end of 2010
- Annual input processing capacity of 2.1 million tons
- Also uses dense medium technology for raw coal processing



Business Review – Coal Mines in Liulin



Efforts on improving coal mines

Production safety improvement plan

- Conducting regular on-the-job safety training to workers
- Safety certificate awarded by the China National Coal Association (CNCA) every year
- Large-scale pumps and advanced alert systems to tackle water leakage accidents
- Powerful ventilation and degassing systems
- Significant investments for enhancing safety measures

Environmental protection works

- Investing to build a “green” environment for our employees
- Utilize wastewater recycling system for coal processing
- Gas collected for power generation



Good relationship with key steelmakers



Business Review – Mount Gibson Iron (MGX.AU)



- Fushan directly and indirectly owns about 18.14% equity interest in Mount Gibson Iron
- MGX operates iron ore mines in Koolan Island and Talling Peak (hematite ores) of Australia with production volume of about 7 Mtpa
- Extension Hill, the 3rd mine of MGX, scheduled to start shipments in FY2011/12
- Underpinned by strong demand for iron ore in the global market, Mount Gibson recorded revenue of AUD 294 million, an increase of 45% year-on-year; net profit after tax increased more than two fold to AUD 93 million

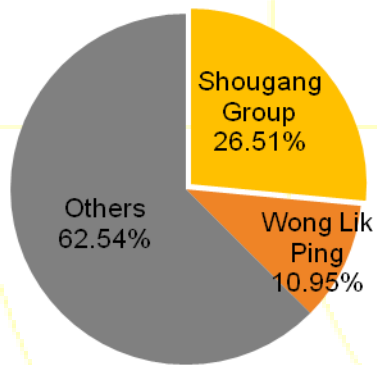
		6 months ended 30-6-2009 (Unaudited)	6 months ended 31-12-2009 (Unaudited)	6 months ended 30-6-2010 (Unaudited)
Tonnes mined	Mil. tons	3.12	3.68	3.60
Tonnes sold	Mil. tons	3.00	3.38	3.10
Revenue	Mil. AUD	202.7	242.3	294.0
Operating profit before interest and tax	Mil. AUD	49.6	64.6	141.9
Net profit after tax	Mil. AUD	29.3	39.4	93.0



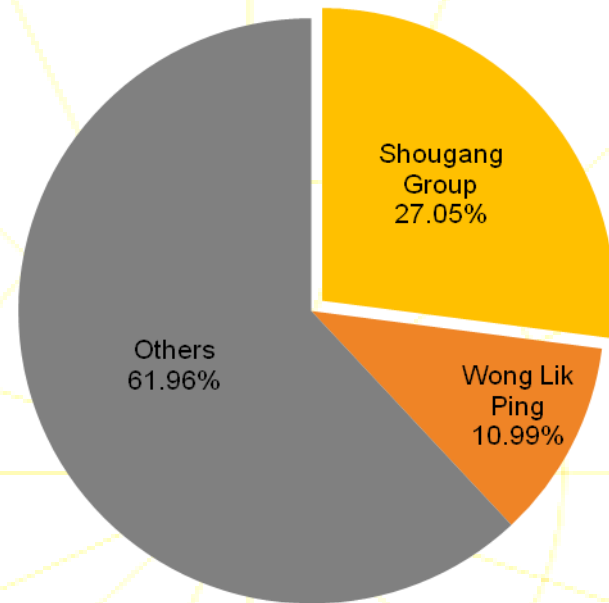
Strong Support from Shougang Group



Shougang Group owns 1,455 million shares of Fushan Energy (equity interest of 27.05%)



As of 31 December 2009



As of 30 June 2010



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Business Outlook



- Expanding coking coal business with a focus in Shanxi Province
- Continue to provide a green and safe working environment for staff
- Gradually shifting our product mix to clean coking coal sales
- Strengthen relationships with Shougang and other key domestic steelmakers
- Seeking acquisition opportunities to enlarge production capacity and market share



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Thank you!

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