

# Teck

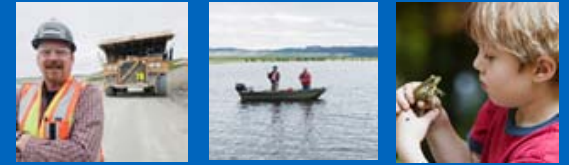


## Fourth Quarter 2010

Investor Conference Call and Webcast

February 9, 2011

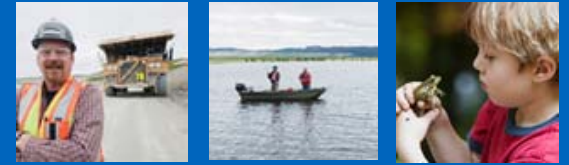
# Forward Looking Information



Both these slides and the accompanying oral presentation contain certain forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995 and forward-looking information within the meaning of the Securities Act (Ontario). Forward-looking statements can be identified by the use of words such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variation of such words and phrases or state that certain actions, events or results “may”, “could”, “should”, “would”, “might” or “will” be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Teck to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

These forward-looking statements include estimates, forecasts, and statements as to management’s expectations with respect to, among other things, our future earnings and cash flow, our future interest expense, expected progress and costs of growth projects, the impact of our recently announced agreement with CP Rail, the sensitivity of our earnings to changes in commodity prices and exchange rates, the potential impact of transportation and other potential production disruptions, the impact of currency exchange rates, future trends for the company, future production and sales volumes, capital expenditures and mine production costs, demand and market outlook for commodities, future commodity prices and treatment and refining charges, the settlement of coal contracts with customers, and the outcome of mine permitting currently underway.

# Forward Looking Information

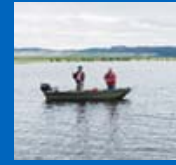


These forward-looking statements involve numerous assumptions, risks and uncertainties and actual results may vary materially. These statements are based on a number of assumptions, including, but not limited to, assumptions regarding general business and economic conditions, interest rates, the supply and demand for, inventories of, and the level and volatility of prices of zinc, copper, coal and gold and other primary metals and minerals produced by Teck as well as oil, natural gas and petroleum products, the timing of receipt of regulatory and governmental approvals for Teck's development projects and other operations, the availability of financing for Teck's development projects on reasonable terms, Teck's costs of production and production and productivity levels, as well as those of its competitors, power prices, market competition, the accuracy of Teck's reserve estimates (including, with respect to size, grade and recoverability) and the geological, operational and price assumptions on which these are based, tax benefits, the resolution of environmental and other proceedings, our ongoing relations with our employees and partners and joint venturers, performance by customers and counterparties of their contractual obligations, and the future operational and financial performance of the company generally.

The foregoing list of assumptions is not exhaustive. Events or circumstances could cause actual results to differ materially. Factors that may cause actual results to vary include, but are not limited to: adverse developments in business and economic conditions in the principal markets for Teck's products, in credit markets, or in the supply, demand, and prices for metals and other commodities to be produced, changes in interest and currency exchange rates, failure of customers or counterparties to perform their contractual obligations, inaccurate geological or metallurgical assumptions (including with respect to the size, grade and recoverability of mineral reserves and resources), changes in taxation regimes, legal disputes or unanticipated outcomes of legal proceedings, unanticipated operational difficulties (including failure of plant, equipment or processes to operate in accordance with specifications or expectations, cost escalation, unavailability of materials and equipment, government action or delays in the receipt of permits or government approvals, industrial disturbances or other job action, and unanticipated events related to health, safety and environmental matters), political risk, social unrest, lack of available financing for Teck or its partners or co-venturers, and changes in general economic conditions or conditions in the financial markets.

Certain of these risks are described in more detail in the annual information form of the company available at [www.sedar.com](http://www.sedar.com) and in public filings with the SEC. The company does not assume the obligation to revise or update these forward-looking statements after the date of this document or to revise them to reflect the occurrence of future unanticipated events, except as may be required under applicable securities laws.

# Q4 Investor Conference Call



## *Speakers*

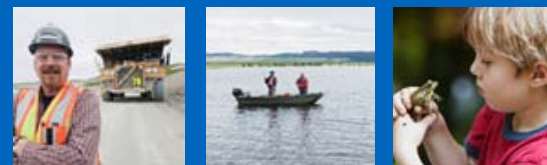
**Don Lindsay**

**President & CEO**

Ron Millos

SVP Finance & CFO

# 2010 Highlights



Revenues up 22%, Op Profit up 30%

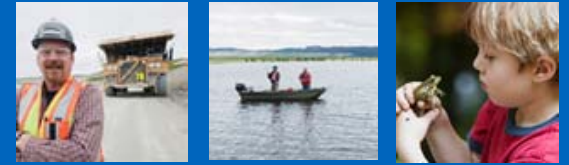
Record Revenues \$ 9,339 million

Operating Profit \$ 3,555 million

Earnings  
(attributable to shareholders) \$ 1,860 million

EBITDA \$ 4,297 million

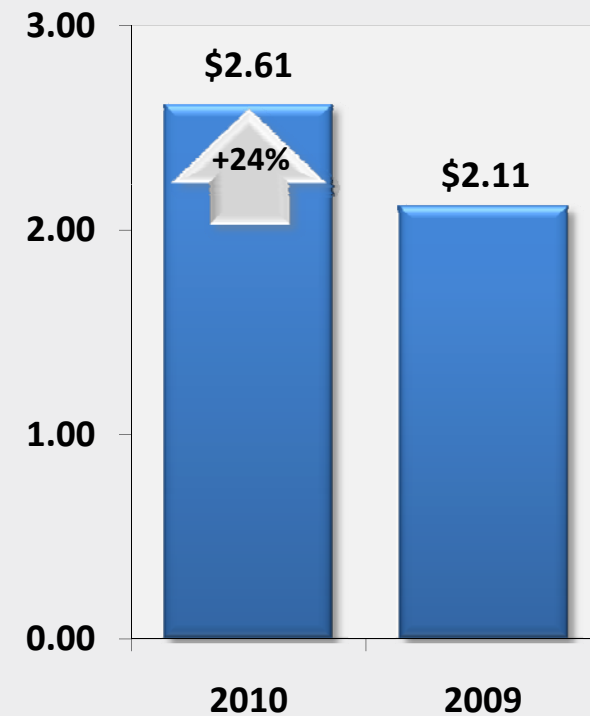
# 2010 Earnings



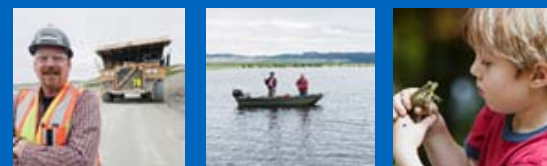
## Adjusted Earnings

	<u>2010</u>	<u>2009</u>
Earnings (\$millions)	\$1,543	\$1,131
EPS - Basic	\$2.62	\$2.12
Diluted	\$2.61	\$2.11

Earnings per Share (C\$)



# 4th Quarter 2010 Highlights



Revenues up 30%, Op Profit up 55%

Revenues \$ 2,809 million

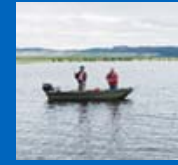
Operating Profit \$ 1,204 million

Earnings  
(attributable to shareholders) \$ 361 million

Adjusted Earnings  
(before pricing adjustments) \$ 548 million

EBITDA \$ 1,030 million

# 4th Quarter 2010 Highlights

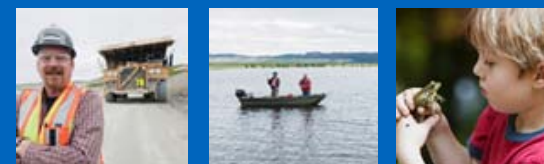


## Strong Business Fundamentals

- Andacollo achieved commercial production
- Premium coal contracted for Q1 at ~US\$225/t
- Repurchased US\$0.9b high yield debt
- 50% increase in semi-annual dividend
- Updated Fort Hills development schedule



# Comparative Earnings



(\$ millions, net of taxes)

## Earnings attributable to Shareholders as Reported

Asset Sales & Other

F/X (gains) losses on net debt

Derivative (gains) losses

Financing items & Impairment charges

Tax Items

(Earnings) loss from discontinued Ops

## Adjusted Earnings

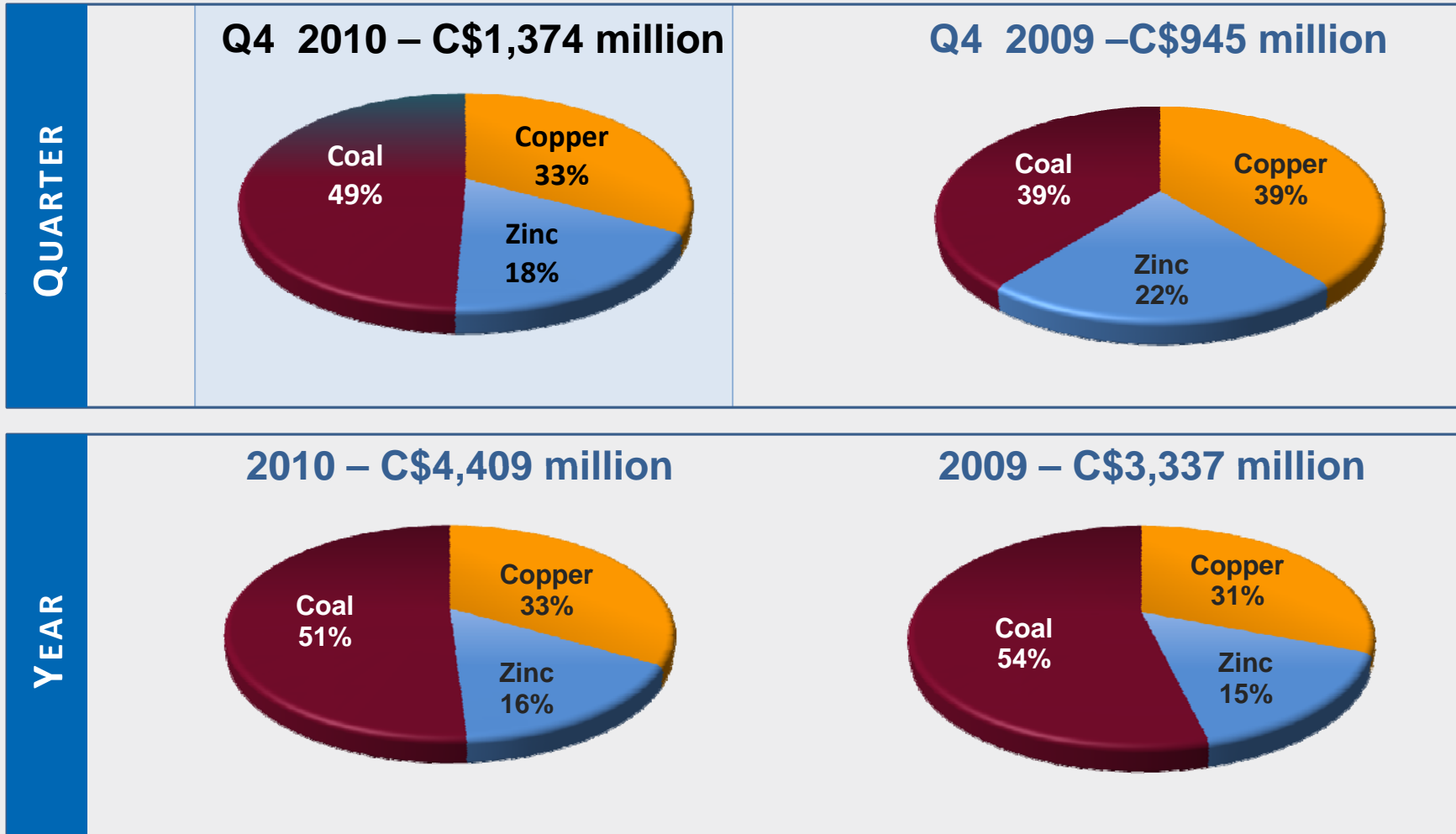
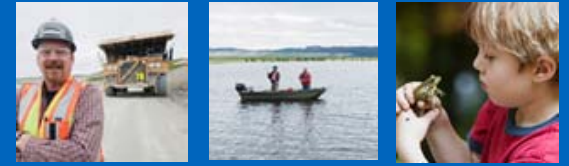
EPS Fully Diluted

Pricing Adjustments

## Comparative Earnings

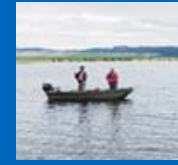
	<b>Q4 '10</b>	<b>Q4 '09</b>	<b>Q3 '10</b>
	<b>\$ 361</b>	<b>\$ 411</b>	<b>\$ 331</b>
	(2)	(137)	(127)
	(25)	(35)	(26)
	(86)	(4)	(51)
	289	72	340
	11	0	0
	0	5	0
	<b>548</b>	<b>312</b>	<b>467</b>
	<b>\$ 0.93</b>	<b>\$ 0.53</b>	<b>\$ 0.79</b>
	(38)	(58)	(62)
	<b>\$ 510</b>	<b>\$ 254</b>	<b>\$ 405</b>

# Diversified Operating Profit



Operating Profit before Depreciation & Pricing Adjustments

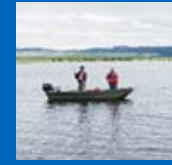
# Q4 Guidance



## Guidance met except for coal costs

Red Dog zinc & lead sales 190 kt	✓	216 kt
Q4 2010 coal sales 5.8 to 6.6 Mt	✓	6.0 Mt
Coal pricing US \$200/t to \$205/t	✓	\$200/t
Coal costs ~C\$59/t site, ~C\$32/t tpt for 2010	x	\$91 vs. 90/t
Settlement adjustments	✓	Positive

# Coal



## Coal - Mt

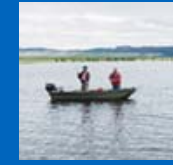
**Production**  
**Sales**  
**Average Price (US\$/t)**  
**(C\$/t)**  
**Site Costs (C\$/t)**  
**Transportation Costs (C\$/t)**

	<b>Q4 2010</b>	<b>Q4 2009</b>	<b>Q3 2010</b>
	6.0	5.4	5.5
	6.0	5.4	5.5
	200	139	200
	204	151	208
	54	52	62
	35	30	33
	C\$ millions		
	1,215	810	1,150
	679	372	622

## Financial Results

**Revenue**  
**Operating Profit**  
 (before depreciation)

# Copper



## Copper in Concentrate (kt)

Production<sup>1</sup>

Sales<sup>1</sup>

## Copper Cathode (kt)

Production

Sales

## Moly in Concentrate (M lbs)

Production

Sales

## Financial Results

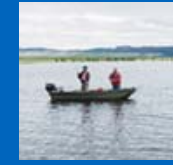
Revenue

Operating Profit

(before Depreciation and Price Adjustments)

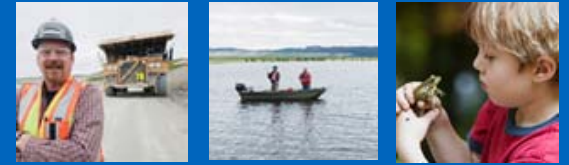
	Q4 2010	Q4 2009	Q3 2010
Copper in Concentrate (kt)			
Production <sup>1</sup>	60	53	44
Sales <sup>1</sup>	55	50	48
Copper Cathode (kt)			
Production	25	26	23
Sales	26	27	23
Moly in Concentrate (M lbs)			
Production	2.7	2.2	2.2
Sales	2.3	2.3	1.9
Financial Results	C\$ millions		
Revenue	852	664	639
Operating Profit	453	368	306

# Zinc



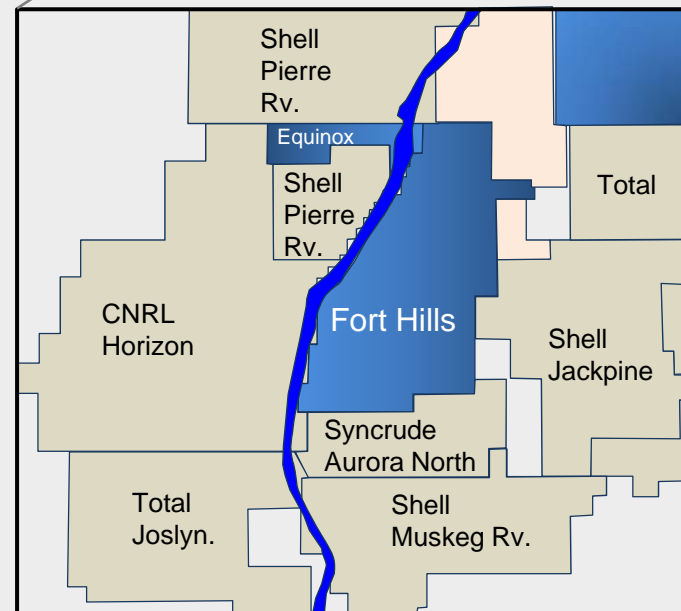
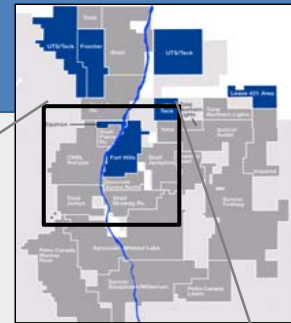
	<b>Q4 2010</b>	<b>Q4 2009</b>		<b>Q3 2010</b>
<b>Zinc in Concentrate (kt)</b>				
<b>Production</b>	153	189		162
<b>Sales</b>	241	242		193
<b>Refined Zinc (kt)</b>				
<b>Production</b>	70	66		69
<b>Sales</b>	68	64		70
<b>Lead in Concentrate (kt)</b>				
<b>Production</b>	17	36		27
<b>Sales</b>	41	46		86
<b>Refined Lead (kt)</b>				
<b>Production</b>	13	16		17
<b>Sales</b>	13	17		16
<b>Financial Results</b>	C\$ millions			
<b>Revenue</b>	742	693		731
<b>Operating Profit</b> (before Depreciation and Price Adjustments)	242	205		204

# Fort Hills Update



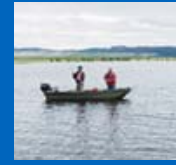
## Target for > 30 kbpd by 2016

- **Teck 20% (Suncor 41%, Total 39%)**
  - Managed by Suncor
- **~3.4 Billion bbls bitumen resource \***
  - ~50 year life
- **164,000 bpd \* Phase 1**
  - ~11 million bpa Teck share
  - Up to 320,000 bpd Phase 2
- **Production planned mid-2016 \***
- **Engineering Update 2011**
  - Teck share of capex ~\$54 M



\* Contingent resource as at December 31, 2009  
100% project basis and subject to project sanction

# Q4 Investor Conference Call



## ***Speakers***

Don Lindsay

President & CEO

**Ron Millos**

**SVP Finance & CFO**



# 4th Quarter 2010 - Cash Changes



	<u>\$Millions</u>
<b>Cash Flow from Operations</b>	<b>900</b>
Working Capital Changes	59
Capital Expenditures / Investments	(309)
Decrease in Debt	(1,171)
Non-controlling Interests	(33)
Exchange, Discontinued Ops & Other	209
Cash & STI Decrease	345
<b>Cash at quarter end</b>	<b>\$832</b>

# Final Pricing Revenues



## Outstanding from Q3 & Settled in Q4

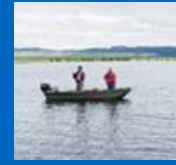
	Valued		Settled		Revenue Adj. (C\$ M)	
	<u>M lbs</u>	<u>US\$/lb</u>	<u>M lbs</u>	<u>US\$/lb</u>	<u>Before Tax*</u>	<u>After Tax*</u>
Copper	93	\$3.65	81	\$3.90	(23)	
Zinc	145	\$0.99	136	\$1.06	(7)	
Lead	72	\$0.92	72	\$1.08	<u>(7)</u>	
<b>Total</b>					<b>\$37</b>	<b>\$23</b>
<b>Adjustments on Settlements within Q3</b>					<b>\$50</b>	<b>\$31</b>
<b>Total Final Pricing Adjustments Q3</b>					<b>\$87</b>	<b>\$54</b>

## Outstanding Q4

	M lbs	Valued US\$/lb
Copper	98	\$4.39
Zinc	140	\$1.11
Lead	2	\$1.17

\*Net of treatment and refining charges, tax, royalties & non-controlling interests

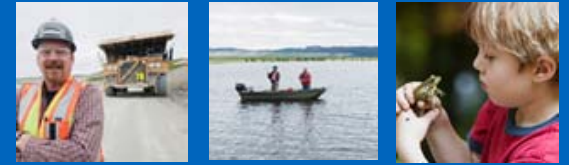
# 2011 Guidance



## Production

Coal	24.5 to 25.5 M tonnes
Copper	350,000 tonnes
Zinc in Concentrate	620,000 tonnes
Refined Zinc	285,000 tonnes

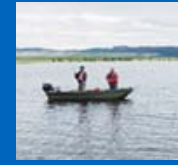
# Q1 Guidance



## Factors to consider

- Red Dog sales zinc sales ~90 kt, lead ~0kt
- Coal sales 5.0 to 5.5 Mt
- Coal pricing US \$206/t to \$211/t
- Coal costs ~C\$59-63/t site, ~C\$30-34/t tpt for 2010
- Settlement adjustments

# Leverage to Strong Commodities



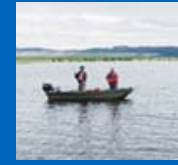
2010 Adjusted EBITDA

\$4.0Bn

	<u>2010 avg</u>	<u>EBITDA <math>\Delta</math></u>
• Coal	US\$181/t	\$25 M / \$1 $\Delta$
• Copper	US\$3.42/lb	\$7 M / \$.01 $\Delta$
• Zinc	US\$0.98/lb	\$10 M / \$.01 $\Delta$
• \$C/\$US	\$1.03	\$80 M / \$.01 $\Delta$

Volume and cost changes from 2010 need to be taken into account in estimates of EBITDA for 2011

# Q4 Investor Conference Call



## ***Speakers***

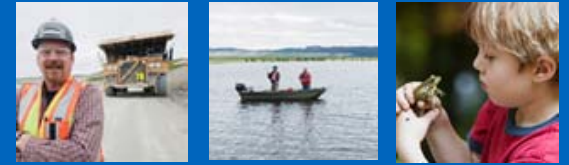
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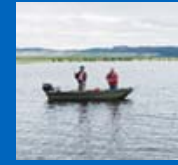
**President & CEO**

# Project Developments



- **Quebrada Blanca Copper Concentrate**
  - Feasibility study expected early 2012
- **Relincho Copper Mine**
  - Pre-feasibility study expected Q3 2011
- **Galore Creek Copper Mine**
  - Pre-feasibility expected Q2 2011
- **Frontier / Equinox Oil Sands Mine Projects**
  - Pre-feasibility and regulatory application expected Q4 2011
- **Quintette Coal Mine**
  - Feasibility Study expected mid-2011

# Summary



Strong balance sheet

Strong cash flow

Coal Production increasing

Copper Production increasing

Development Projects advancing



# Teck



## Fourth Quarter 2010

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February 9, 2011