

Results for the nine months ended 30 September 2009

Wednesday 18 November 2009

Marek Jelinek, Executive Director & Chief Financial Officer



Agenda

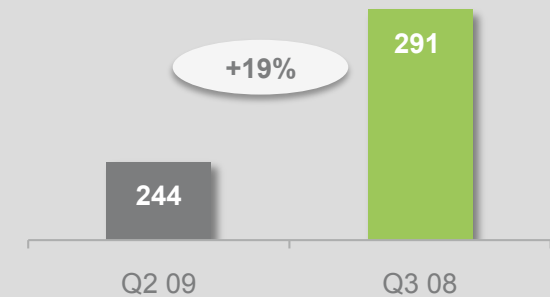
- **Highlights**
- Financial and Operations
- Projects and Outlook

Highlights Q3 vs.Q2

- Continued quarter on quarter recovery in sales and earnings in Q3.
- EBITDA of EUR 35mIn, up 79%.
- Consolidated revenues of EUR 291mIn, up 19%.
- Coal and coke production up 5% and 14% respectively.
- Coal and coke sales up 25% and 6% respectively.
- Coal and coke inventory down 35% and 10% respectively.
- Main operating costs remained flat.
- Positive net operating cash flow of EUR 46mIn.
- Unrestricted cash of EUR 433mIn.
- POP 2010 Phase II proceeding to plan and delivering results as expected.

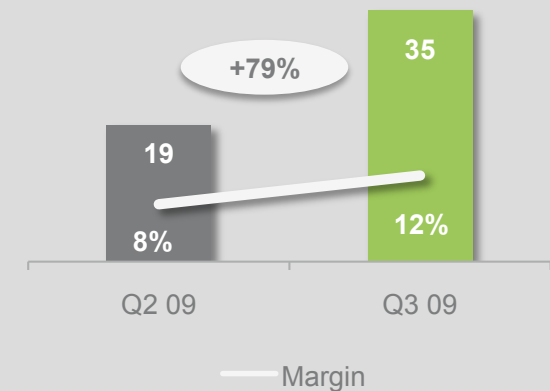
Revenues

EUR mln



EBITDA

EUR mln

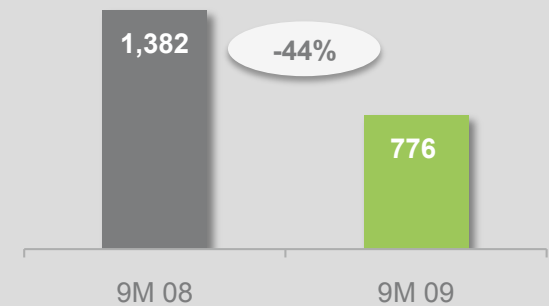


Highlights 9M

- Results for nine months ended September 2009 reflect significantly lower coal and coke prices and volumes.
- Consolidated revenues of EUR 776mIn.
- EBITDA of EUR 111mIn.
- Coal and coke production of 8Mt and 591kt respectively.
- Total external coal sales of 6.9Mt and 498kt of coke.
- Main operating costs remain under tight control, down 23%.
- Mining cash cost per tonne flat year-on-year at EUR 74 despite lower production volumes.
- Positive net operating cash flow of EUR 19mIn.
- Continued improvement in safety with LTIFR in mining operations down 12%.

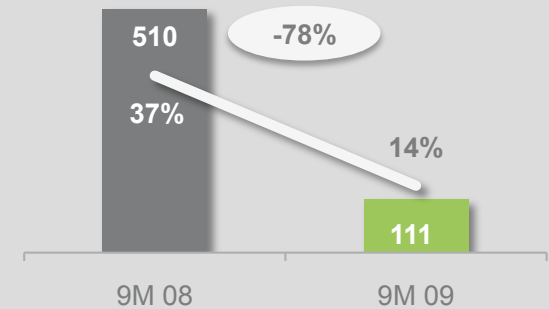
Revenues

EUR mIn



EBITDA

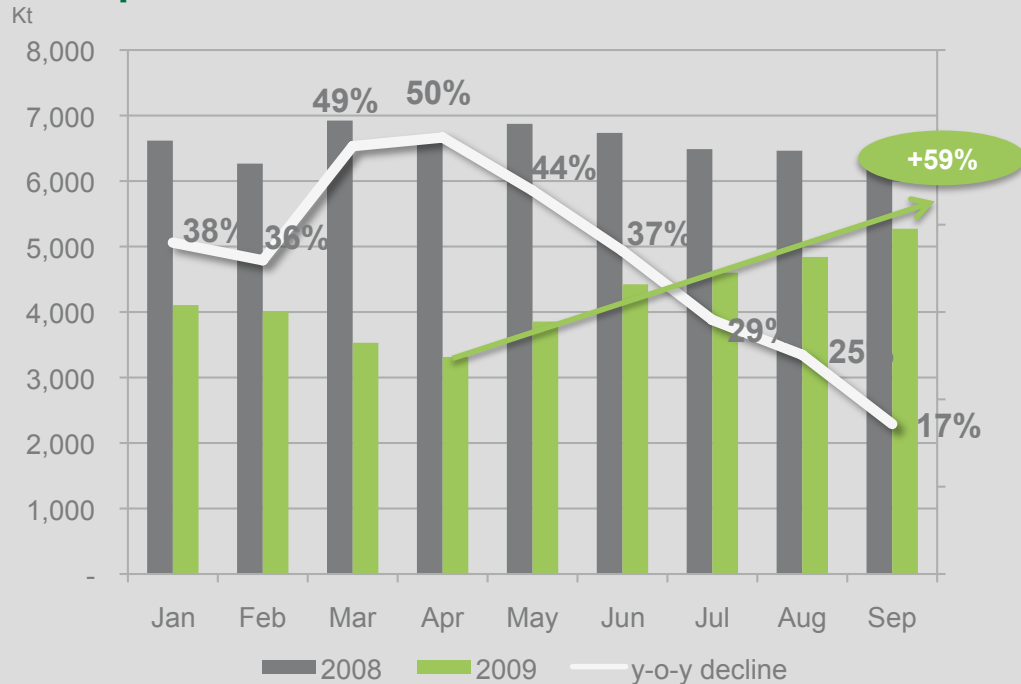
EUR mIn



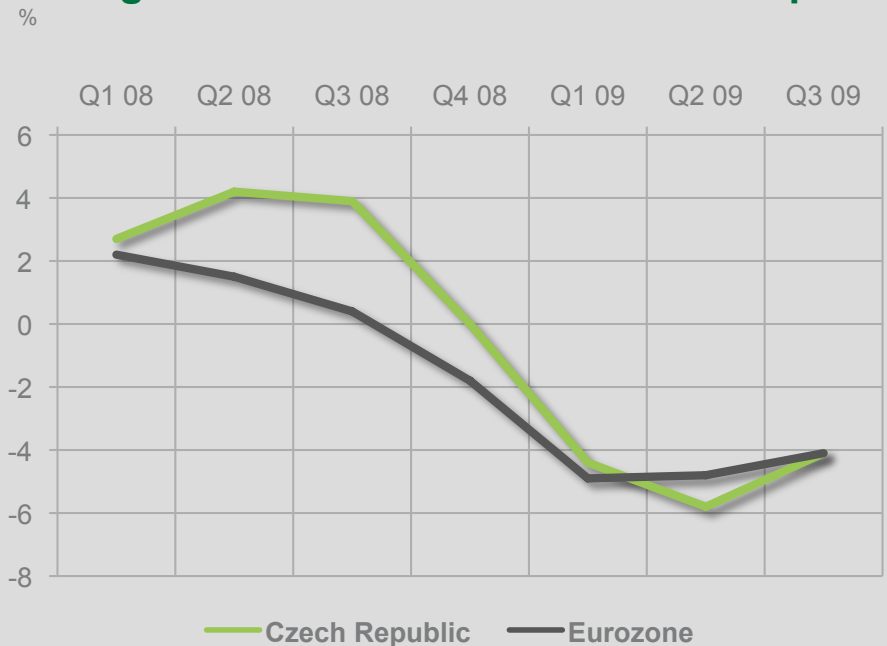
— Margin

Macro environment

Steel production in NWR's main customer markets¹



GDP growth in Eurozone and Czech Republic



- Although steel production in NWR's main customer markets increased by 59% in the April-September period, 9M production remained 36% below 9M 2008 levels.
- Both Czech and Eurozone GDP down 4.1% y/y in Q3. Up 0.8% q/q in CR, and up 0.4 q/q in Eurozone.
- In 2009, GDP is expected to fall by 3.8% in the Eurozone and by 4.3% in the Czech Republic (Bloomberg).

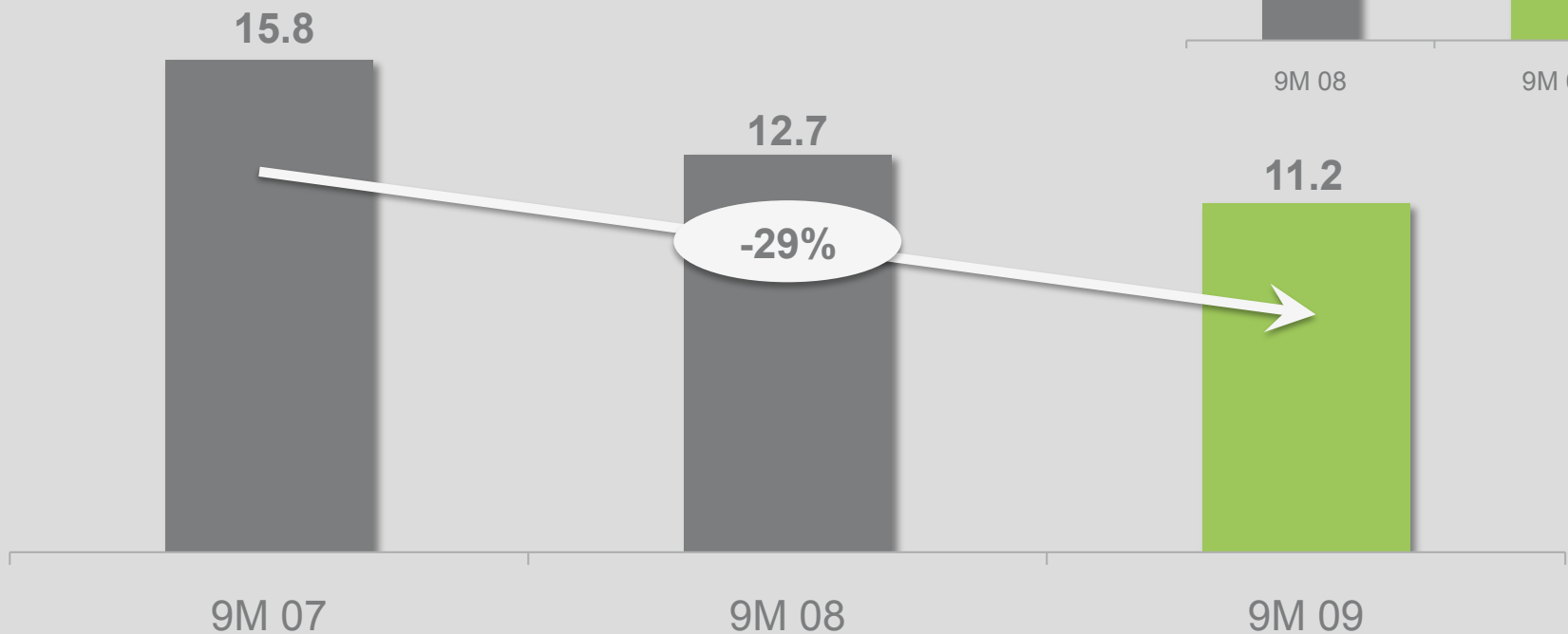
¹ NWR customer markets include Czech Republic, Germany, Austria, Poland, and Slovakia.
Source: International Iron and Steel Institute, Bloomberg, Czech Statistical Office.

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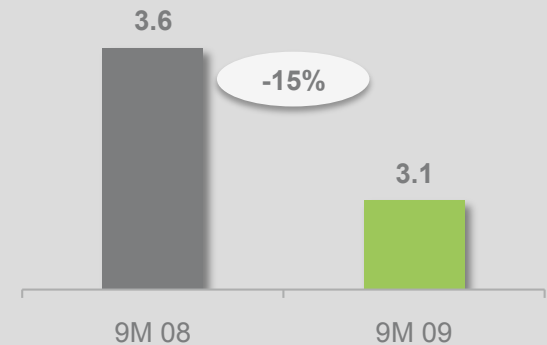
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Safety

Mining lost time injury frequency rate¹ (OKD)



Coking lost time injury frequency rate¹ (OKK)



- LTIFR at POP 2010 coal faces down 60% compared to other coal faces.

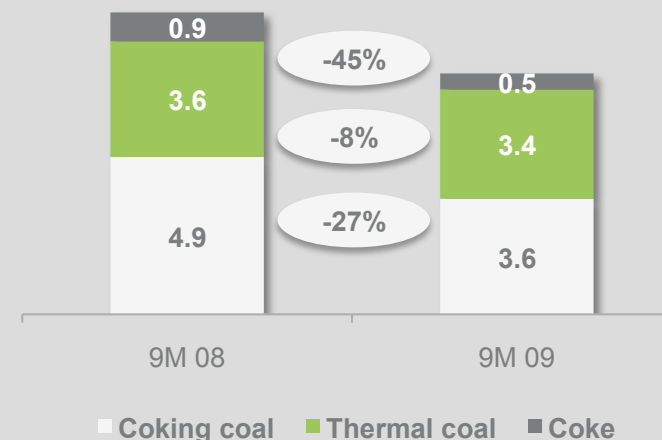
¹LTIFR = number of reportable injuries after three days of absence divided by total hours worked expressed in millions of hours.

Operations

	9M/9M	Q3/Q2
Coal Production	(15%)	+5%
Coal Sales	(19%)	+25%
Coal inventories (eop)	+343%	(35%)
Coke Production	(40%)	+14%
Coke Sales	(45%)	+6%
Coke inventories (eop)	+400%	(10%)

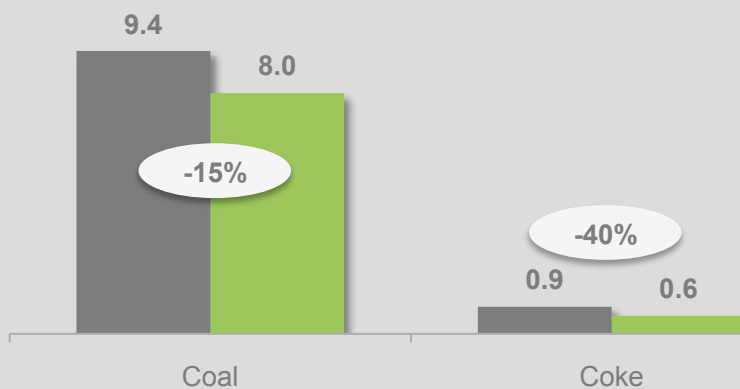
Sales

Mt



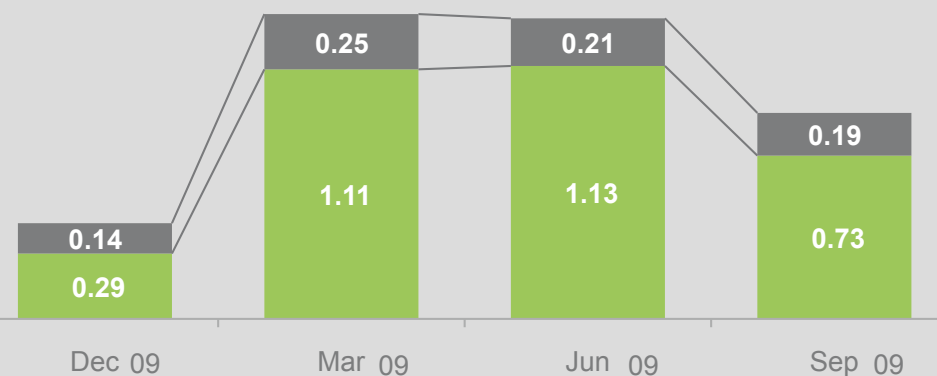
Production

Mt



Inventories

Mt



■ 9M 08 ■ 9M 09

■ Coal ■ Coke

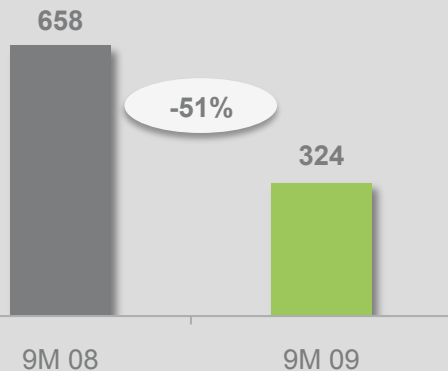
Key financials

EUR mln	9M 09	9M 08	Q3 09	Q2 09
Revenues	776 ↓	1,382	291 ↑	244
EBITDA	111 ↓	510	35 ↑	19
<i>Margin</i>	14% ↓	37%	12% ↑	8%
Operating profit	(10) ↓	385	(10) ↑	(17)
<i>Margin</i>	(1%) ↓	28%	(4%) ↑	(7%)
Net profit	(69) ↓	259	(28) ↑	(39)
Operating CF	19 ↓	359	46 ↑	(26)
Average CZK/EUR	26.6 ↑	24.8	25.6 ↑	24.8

Coal and coke revenues

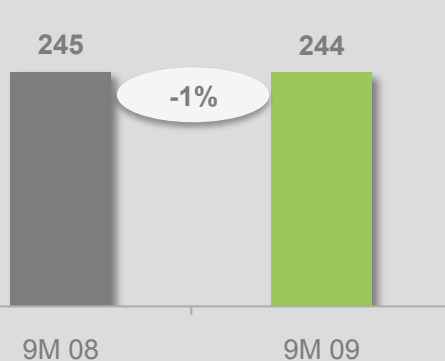
Coking coal Revenues

EUR mln



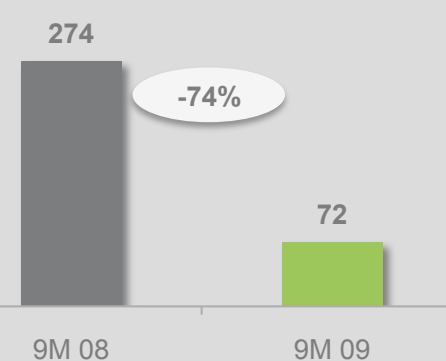
Thermal coal Revenues

EUR mln

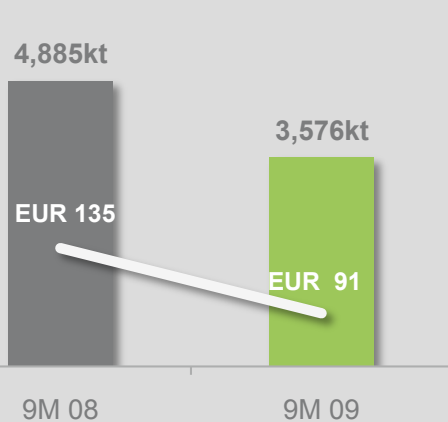


Coke Revenues

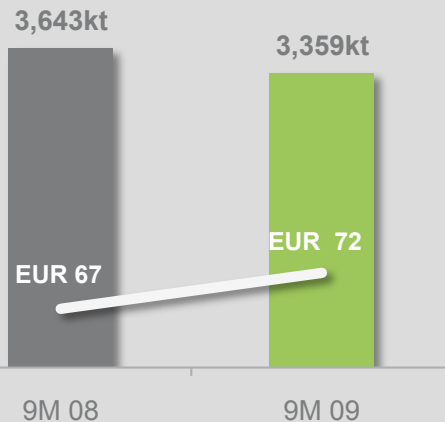
EUR mln



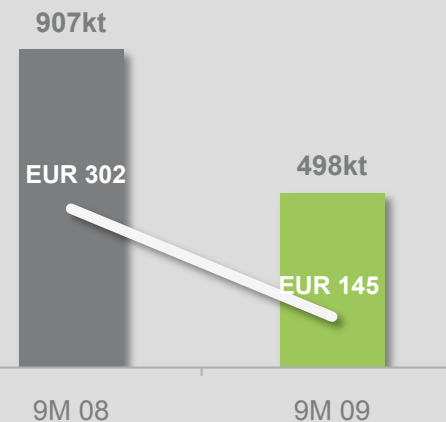
Volumes and prices



Volumes and prices



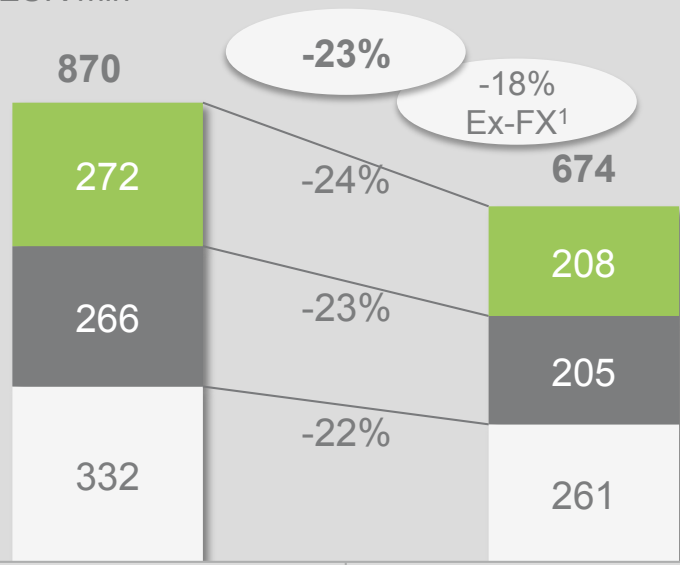
Volumes and prices



Operating costs

Costs

EUR mln

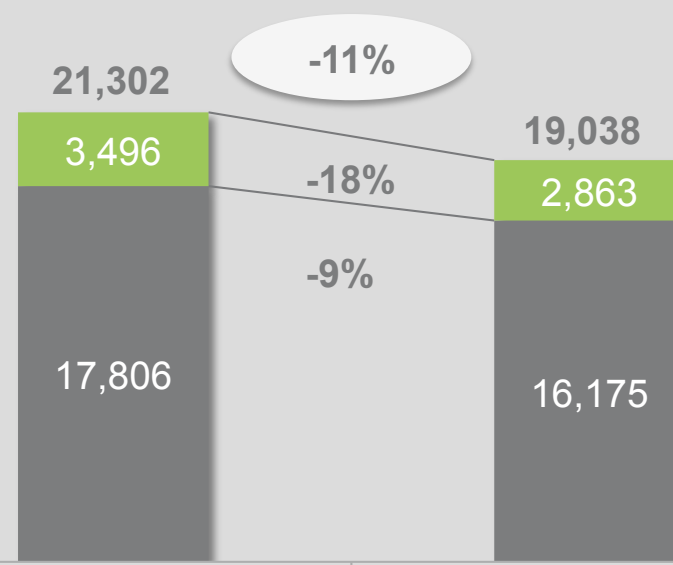


9M 08

9M 09

■ Personnel ■ Services ■ Material and energy

Average headcount



9M 08

9M 09

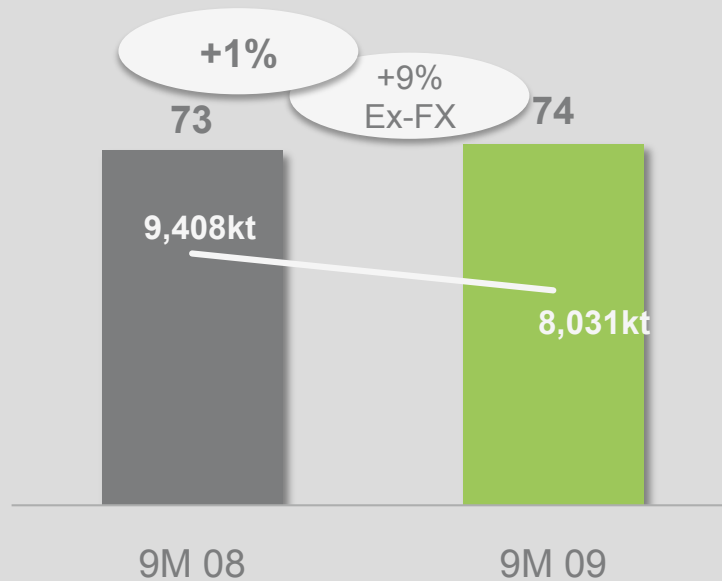
■ Own staff ■ Contractors

¹ Constant foreign exchange rate.

Cash costs per tonne

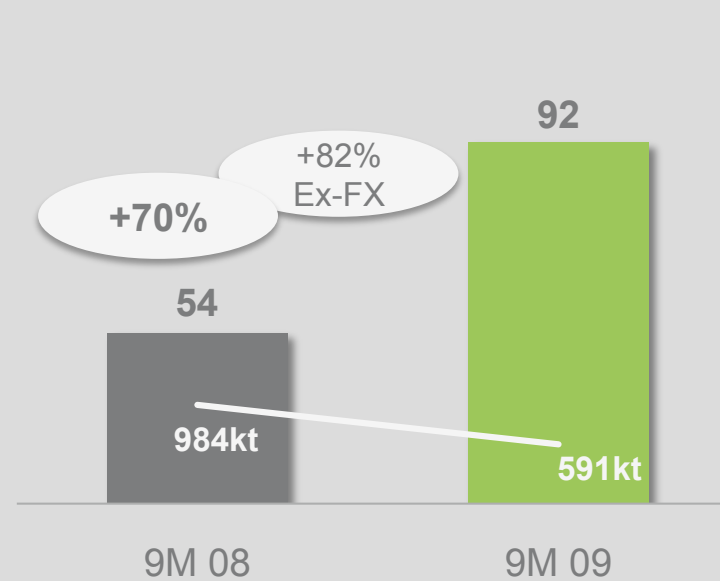
Coal mining (OKD)

EUR



Coke conversion (OKK)

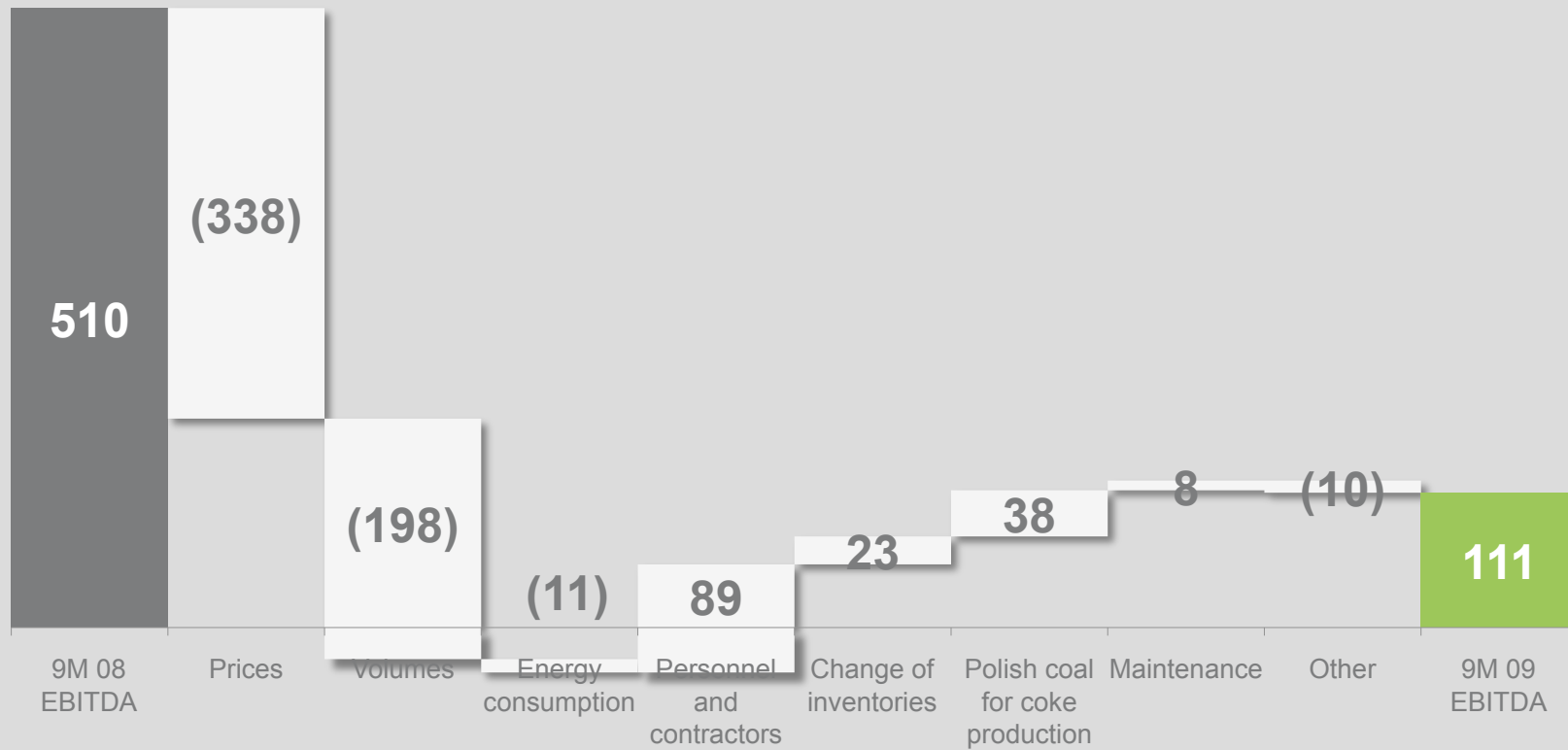
EUR



- Despite 15% decrease in production, mining unit cash costs remained flat due to stringent cost cutting measures and FX benefit.
- Increase in coke unit cash costs is due to significantly lower production and one off costs of ca EUR 7mln related to the shutdown of one coking battery at Sverma coking plant.

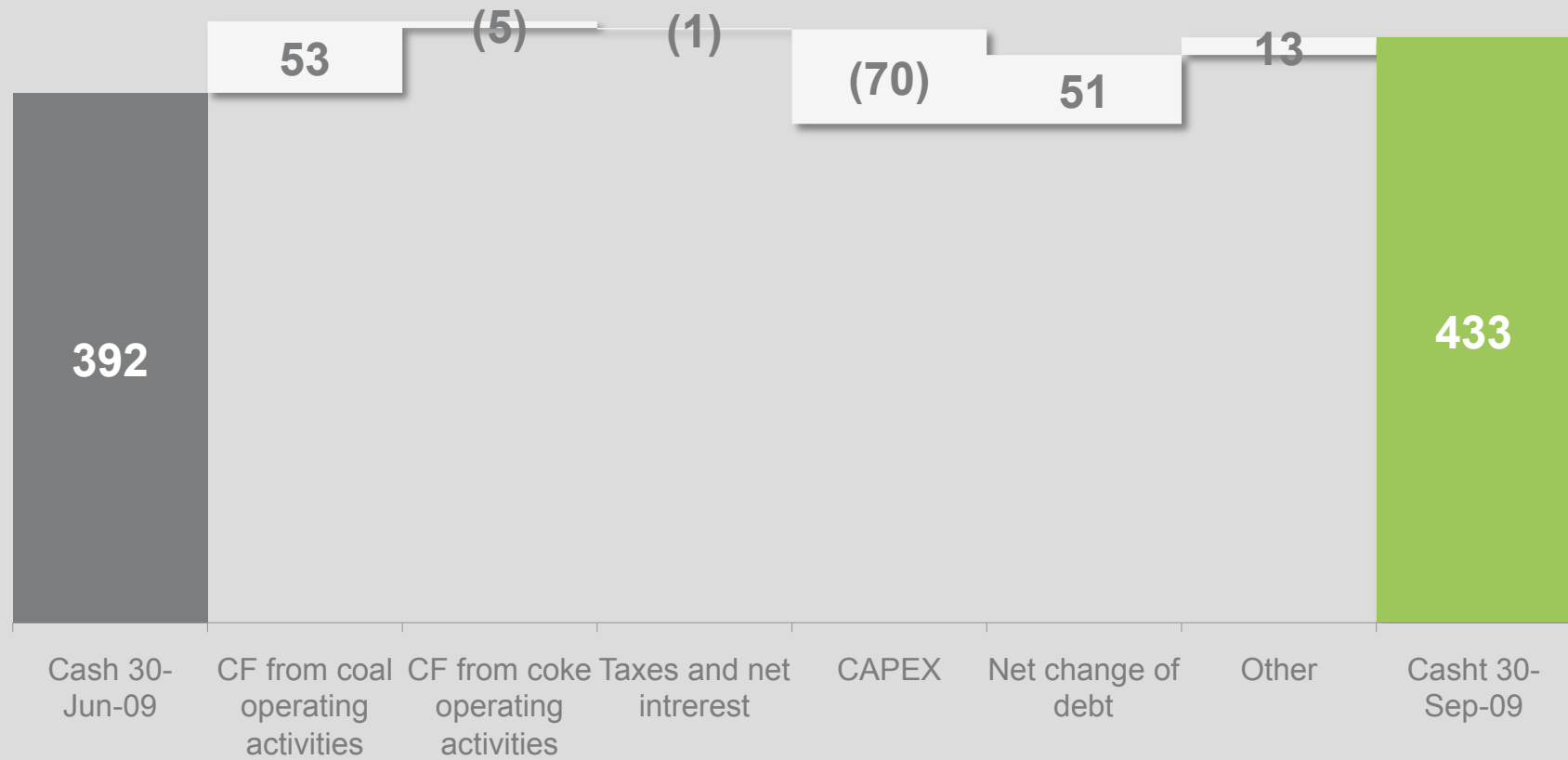
EBITDA

EUR mln



Cash

EUR mln



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- **Projects and Outlook**

Projects overview

POP 2010

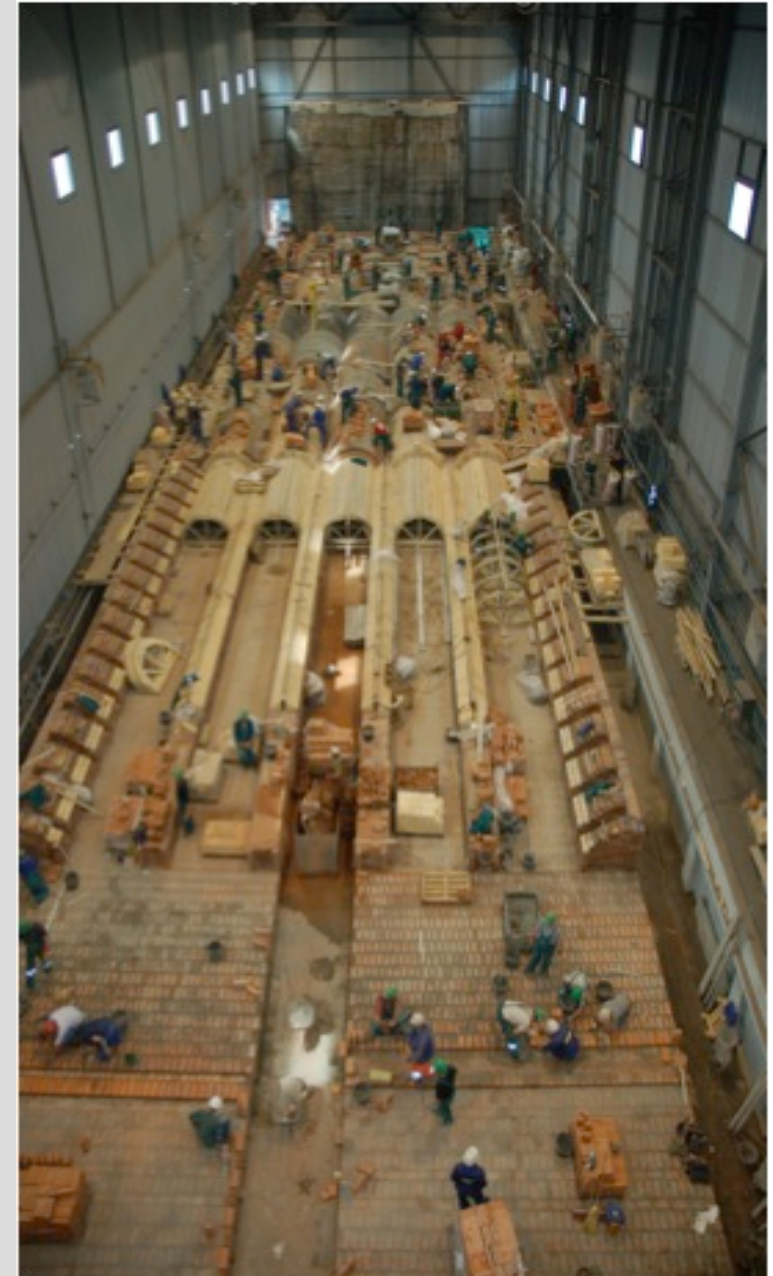
- Total of eight new longwalls fully operational.
- Next longwall expected to start operation at the end of December 09.
- Three longwalls of Phase I already moved to new coal panels.

COP 2010

- Further stage refurbishment of coking battery No. 8 at Svoboda coking plant completed to schedule.
- Construction of coking battery No. 10 underway.
- Both projects on track for completion in 2010.

Debiensko

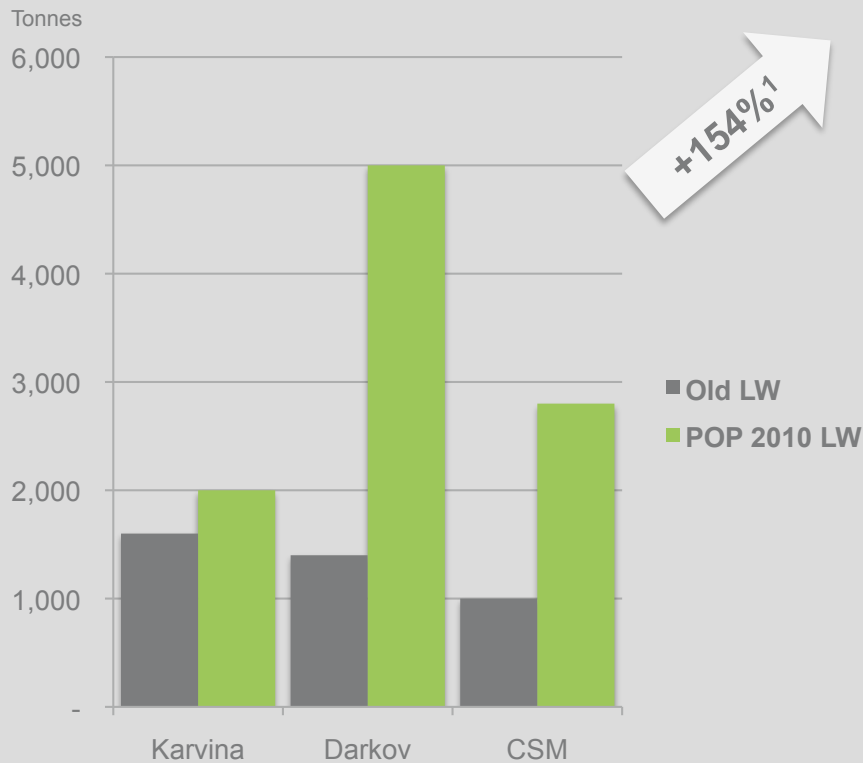
- Alternative development plan being finalised and inspected internally.
- Provided positive outcome of this process, NWR to apply for extension of current mining license.



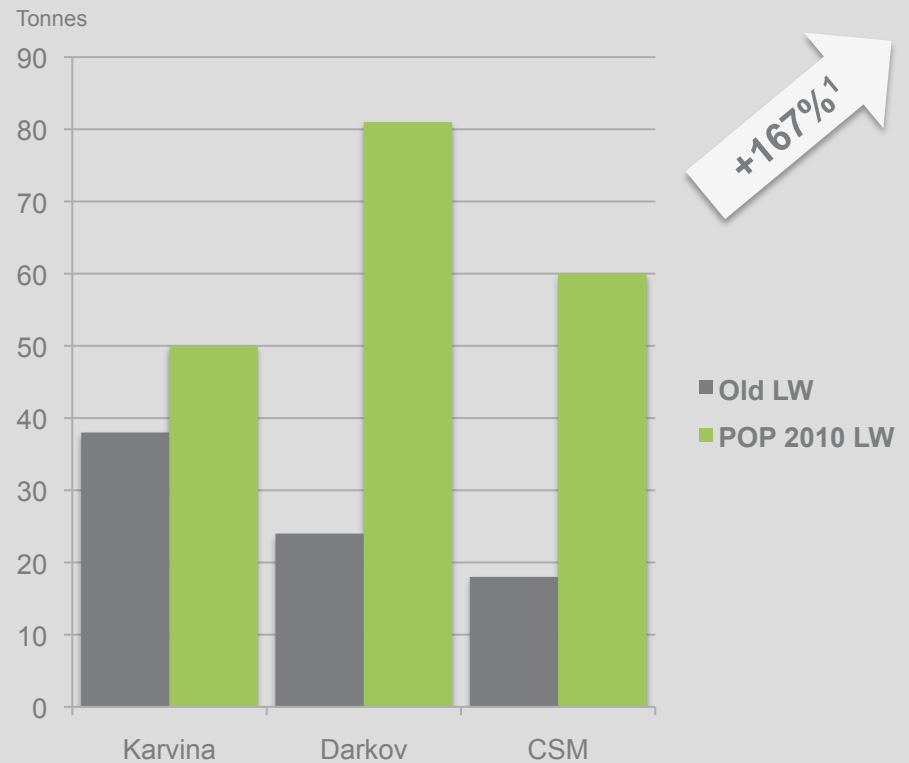
Construction of coking battery No. 10.

POP 2010 efficiencies

9M average daily production at LW



9M average daily output per manshift



¹ Unweighted average growth across Karvina, Darkov, and CSM mines.

FY 2009 Outlook

Production

- Production target increased by 0.5Mt to 11Mt of coal reflecting improved sales and decreasing inventories.
- Coke production target increased by 130kt to 840kt.

Sales volumes

- Q4 sales in line or above Q3 levels of 2.7Mt of coal and 203kt of coke, depending on market conditions.

Prices

- FY 09 average prices in line or slightly below guidance.
- Coke prices subject to market conditions.

Costs

- Continuing strict OPEX and CAPEX management.
- Risk of further CZK strengthening.

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