Management hereby presents to the shareholders consolidated and non-consolidated financial statements of New World Resources N.V. (the "Company") for the year ended 31 December 2008.

General information

The principal business of the Company and its subsidiaries (the "Group") is hard coal mining and coke production. The Group, through OKD, a.s. ("OKD"), is the Czech Republic's largest hard coal mining producer and is a leading producer of hard coal in the Czech Republic and in Central Europe, serving customers in the Czech Republic, Slovakia, Austria, Poland, Hungary and Germany. It is one of the largest industrial groups in the Czech Republic in terms of revenues and employees. Development is being carried out also in Poland. In June 2008, a 50-year mining licence for the Dębieńsko mine located in southern Poland was granted and the Company began the process of acquiring key surface infrastructure and preparations for the geological exploration in the area.

The Board of Directors of the Company (the "Board") has a one-tier board structure consisting of at least 9 and maximum of 20 directors. Currently the Board has 15 directors maintaining a balance of non-executive and executive directors that is effective for the promotion of the corporate objective, the protection of the interests of all shareholders of the Company and the governance of the Group. The Board strives to have a majority of directors who are non-executive and are judged by the Board to be independent of judgement and character and free of material relationships with the Group and other entities and people that might influence or would be perceived by shareholders to influence such judgement.

The decision-making of the Board is supported by five committees established by the Board in 2007: the Audit and Risk Management Committee, the Remuneration Committee, the Health, Safety and Environment Committee, the Finance and Investment Committee and the Real Estate Committee, each of them with defined responsibilities and own rules, which were approved by the Board. The committees advise the Board in its work but the Board remains responsible for its decisions.

On 31 December 2007, the Company established the Mining Division and the Real Estate Division which act as separate accounting and reporting units, and divided its share capital into A shares (attributable to the Mining Division) and B shares (attributable to the Real Estate Division). On 5 May 2008 the Company has converted one A Share into a C Share held by RPG Industries SE ("RPGI"). The C Share was cancelled on 22 July 2008. On 22 December 2008, RPGI transferred 10,000 B shares held by RPGI to RPG Property B.V.

The Company completed a successful Initial Public Offering ("IPO") in May 2008 to raise additional financing of its activities. The Company offered 13,500,000 new shares while RPGI offered 81,965,345 existing shares in the IPO reducing its share in the Company to approximately 64 per cent. The legal form of the Company was transformed from the private limited liability company (*besloten vennootschap*) to the public limited liability company (*naamloze vennootschap*) in connection with the IPO. The net proceeds from the primary offer amounted to EUR 217,188 thousand (calculated as gross proceeds from the primary offering reduced by the underwriting fee and by the portion of advisory fees attributed to the primary offer).

Business strategy

The Group seeks to distinguish itself from its competitors in terms of responsiveness to customer specifications, production of high quality coal products, timeliness of delivery and knowledge of market trends to maintain its leading market position in the Czech Republic and Central Europe. The Group intends to accomplish this by pursuing the following focused business strategy:

— improving efficiency and profitability of mining operations;
— strengthening reserve base from existing mines;
— actively pursuing growth opportunities in Poland, the rest of Central Europe and elsewhere;
— maintaining strong health and safety record; and
— seeking to implement and maintain international best practice in corporate governance.

Employees

During the year 2008 the Company and its subsidiaries employed an average of 17,738 employees and utilised an average of 3,501 workers employed by contractors. The Company expects a gradual decrease of the headcount in the future, following its aim to increase the productivity and efficiency of its operations. The development of average wage depends on negotiations with labour unions, which take place generally once a year.

Investments

In 2008, the Group continued with the implementation of the Productivity Optimisation Programme POP 2010. Through the programme, 10 complete sets of longwall equipment and 12 sets of gateroad development systems shall be implemented in two phases. The objective of this capital investment is to improve productivity in the short-term and enhance the Group's reserve base in the long term. The new equipment is better suited to the existing coal seams and provides improved strength to allow deeper mining and improvements in overall productivity, efficiency and safety. The first sets of the equipment were put into operation in 2008.

The Company has also implemented an investment programme aimed at the refurbishment and a reconstruction of its coking plants (COP 2010).

The Group focuses on maintaining a safe work environment to minimise injuries to its workforce and maintain the efficiency of its operations. The Group believes that its emphasis on safety is one of the key drivers of its relationship with its employees. The Group's ability to avoid lost-time injuries fosters good relationships with its employees, regulatory agencies and regional and municipal governmental authorities, which ultimately enhances the Group's business. The equipment to be purchased as part of POP 2010 involves further automation of extraction and is expected to enhance the safety environment for the Group's workforce. In 2008, a number of safety initiatives were introduced, including new personal protective equipment, safety audits and safety briefings.

Capital expenditures of the Company and its current subsidiaries reached EUR 285,094 thousand for the year 2008.

Restructuring

In January 2008, the Company acquired a 100 per cent share in "KARBONIA PL" Sp. z o.o. ("KARBONIA PL") from its subsidiary OKD. The sale was executed on 25 January 2008. The ownership transfer has no impact on the consolidated financial statements of the Company because "KARBONIA PL" Sp. z o.o. remains under the control of the Company.

As of 30 April 2008, NWR Coking, a.s. has merged into OKD, OKK, a.s. OKD, OKK, a.s. is a direct subsidiary to the Company, with effective date 1 January 2008.

On 30 June 2008, the 100 per cent share in OKD, Rekultivace, a.s., the 49 per cent share in Garáže Ostrava, a.s. and OKD's internal business unit IMGE were spun-off from OKD into four legal entities owned by the Company (the assets of IMGE being split between RPG RE Property, a.s. and Dukla Industrial Zone, a.s.), with effective date 1 January 2008. The control at the Company level did not change. On 30 September 2008, the Company effected a distribution from the share premium reserve B to RPGI, the sole holder of the B shares. The distribution was satisfied by the transfer of (a) shares in the above mentioned four entities and (b) certain promissory notes belonging to the Real Estate Division received from the sale of certain real estate assets not used for its mining activities to RPGI. The value of the dividend in kind distributed from the standalone balance sheet of the Company was EUR 89,877 thousand. The impact on the consolidated equity was EUR 82,595 thousand.

On 1 December 2008, OKD sold its subsidiary OKD, BASTRO, a.s. to Bucyrus DBT Europe GmbH, the German subsidiary of Bucyrus International, Inc., a mining equipment manufacturer.

In the second quarter of 2008, the Company established two special purpose vehicles, NWR Energy, a.s. and NWR Energetyka PL Sp. z o.o., to manage and operate its energy assets. NWR Energy, a.s. manages and operates energy assets, which were spun-off from OKD with effective date 1 July 2008. The energy assets currently operated by KARBONIA PL are anticipated to be spun off into NWR Energetyka PL Sp. z o.o. in April 2009. The entities do not perform any other activities.

Financial information

During the period under review, the Company business and performance indicators developed in line with expectations. The Company's strategic and financial targets were met and the consolidated entities showed balanced and stable financial performance supporting the ongoing restructuring and recapitalisation.

On 25 January 2007, the Company paid a dividend of EUR 800,425 thousand to RPGI (paid as EUR 572,603 thousand and CZK 6,412,733 thousand). On 18 October 2007, the Company paid a dividend of EUR 276,335 thousand to the shareholder. On 28 June 2007 the Company has distributed in kind to the shareholder, RPG Industries SE, its shares in its mine and landfill gas extraction business, Green Gas International B.V. (Green Gas), and its transportation business, Doprava, in the total net book value of EUR 95,948 thousand. The Company has contributed EUR 12,018 thousand to Green Gas International B.V. On 27 March 2008 the Company paid a dividend of EUR 86,672 thousand to RPGI. On 9 May 2008 the Company paid a dividend of EUR 75,000 thousand to RPGI, the sole holder of the C Share. On 23 October 2008 the Company paid out a dividend to the holders of the A Shares in the equivalent of EUR 73,864 thousand, split into EUR, CZK, GBP and PLN based on the currency elections of the holders of the A Shares of the Company.

After merging two mines in 2008, the Group now operates four mines and two coking facilities in the Czech Republic and serves several large steel and energy producers in Central and Eastern Europe. The Group's revenues for the year ended 31 December 2008 accounted for approximately EUR 2,041 million. The Group's largest business in terms of revenue is the production of coking coal, which accounted for approximately EUR 860 million of sales to third parties in 2008 on an EXW basis ("EXW" refers to the "Ex Works" Incoterm, which is an international delivery condition under which the seller fulfils his obligation to deliver upon having the goods available at his premises to the buyer). Coking coal is sold to steel producers and to independent coke producers. The Group also produces thermal coal, which accounted for approximately EUR 352 million of sales in 2008 on an EXW basis. While thermal coal generally results in lower profit margins, it provides a more stable demand from year to year than coking coal. The Group also produces coke, primarily from its own coking coal, for sale to steel producers and foundries. Coke sales to third parties for 2008 were approximately EUR 333 million. The Group also generates revenue from the sale of coke by-products, electricity trading and the sales of coal-bed methane. As part of invoicing its customers, the Group passes on the majority of the cost for coal and coke transportation. These sources of additional revenues represented approximately EUR 496 million in 2008.

Due to its landlocked nature and the significant cost of transportation for coal importers outside of Europe (Asia, Australia), the Czech Republic and neighbouring Central European countries represent a largely localised market for coal. The only significant regional coal producers capable of importing into the Czech market at competitive prices are mines in Poland, where there is significant domestic coal demand. As a result, historically there have been limited imports of coal into the Czech Republic with the majority of imports from Poland. Driven by low wages, skilled labour force, a stabilising economic and political environment and the proximity to established and other emerging markets, Central and Eastern Europe has been experiencing significant private sector investments in industrial production and manufacturing capacity in recent years.

The Group has experienced increased operating costs for spare parts, mining materials and fuel partly attributable to increased economic activity worldwide and in Central and Eastern Europe. The Group has also experienced increases in labour costs as a result of admission of the Czech Republic to the EU and increased economic activity in the Czech Republic. The Group has in recent years used outside contractors to provide miners. The lower costs of contracted workers compared to own employees have increased the labour productivity of the Group's mining operations. In addition, the Group is currently reducing the level of employees in above ground operations and intends to reduce headcount further in connection with planned modernisation of its mining equipment through the capital investment programme, which is expected to improve the operational efficiency of its mines.

In the last quarter of 2008, the Group decided to reflect the turbulences in the financial environment and carefully considered their possible impact on its operations. The Group has taken measures to mitigate any possible liquidity risks. As of the date of this report the Company did not register any liquidity problems in its operations. The Group is paying its liabilities in time and does not record any material overdue receivables.

Environmental and personnel related information

The hard coal mining industry in the Czech Republic is principally regulated by the Mining Act and the Czech Act No. 61/1988 Sb., as amended, (the "Act on Mining Activities"). There are a number of implementing regulations issued under these two statutes. Besides regulations specific to the mining industry, the Group is subject to other relevant legislation, including governing environmental, health and safety and employment matters. One of the relevant obligations under the Mining Act is the duty to reclaim the land affected by the exploitation and to compensate any damage caused to third-parties. To be able to cover future reclamation expenses and pay damages, the Group is required to make mandatory reserves. The Environmental Impact Assessment Act ("EIA") sets forth a duty to conduct in certain cases an EIA prior to the approval of a new investment project by the relevant authorities. The public is allowed to participate actively in the intended investment project from when the investor applies for EIA analysis.

The Health, Safety and Environment Committee assists the Board in its oversight of health, safety and environmental risks within the Group; oversees the performance of the Group in relation to health, safety and environmental matters; reviews the Group's policies and systems for ensuring compliance with applicable health, safety and environmental, legal and regulatory requirements; and discusses with senior management in the Company's subsidiaries the effectiveness of the Group's policies and systems for identifying and managing health and safety risks material to the achievement of the corporate objective.

Information regarding financial instruments

The Group's principal financial instruments, other than derivatives, comprise bank loans and overdrafts, high yield bonds, finance leases, trade payables and leasing contracts. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various financial assets such as trade receivables, cash, restricted cash and short-term deposits, which arise directly from its operations.

The most significant risks that the Group is exposed to are foreign exchange risks on sales in foreign currencies and interest rate risks tied to all variable interest rates.

Credit risk arises from the potential inability of debtors to meet their obligations as they fall due. Credit risks are addressed by top management through efficient operation of the sales and related departments to prevent excessive bad debts. At the balance sheet date there are concentrations of credit risk to steel producers. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet. The Group trades only with recognised, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. Currently the Group does not record any material overdue receivables.

Market risk arises from the possible variations in the value of assets and liabilities due to fluctuations in foreign exchange rates, interest rates and prices of commodities (electricity). The Company has implemented policies and methods of monitoring these risks. The Company reduces foreign currency exposure risks by closing its open position by entering into forward exchange rate contracts "par forwards" with financial institutions.

The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's syndicated bank loan with floating interest rates. To manage this, the Company entered into interest rate swaps and interest rate collars.

Liquidity risk refers to the possibility of the Company being unable to meet its cash obligations mainly in relation to the settlement of amounts due to suppliers and bank loans and facilities. The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial investments and financial assets (e.g. accounts receivables, other financial assets) and projected cash flows from operations. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, issued bonds and finance leases contracts.

The Group has significant transactional currency exposures. Such exposure arises from sales or purchases by an operating unit in currencies other than the unit's functional currency. The Company aims to mitigate foreign currency exposure risks resulting from operations in currencies other than the functional currency by entering into forward exchange rate contracts (par forwards) with financial institutions. For the year 2008, forward contracts have been in place expiring monthly, aimed at covering 70 per cent of the expected opened position as of 31 December 2008. At the end of 2008, the Company reviewed its hedging strategy and unwound and cashed all the existing hedges maturing in 2009 until 2013 that were in place. The revaluation difference of EUR 44,373 thousand (CZK 1,192,531 thousand), prior to income tax effect, remained in equity and will be gradually recognised in the income statement when the hedged item is recorded. The new hedging strategy that is in place from 1 January 2009 concerns open exposure to currencies other than the functional currency of the Company (i.e. other than EUR) or exposure in other than functional currencies of other entities of the Group (i.e. other than CZK for Czech entities and PLN for Polish entities). Hedging will be done at the Group level to enable to hedge the net position for the Group. The aim is to minimise earnings volatility for the Group resulting from movements in foreign exchange rates.

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. In recent years the Group went through a process of significant financial restructuring, taking into consideration international standards of gearing in the mining industry. The management monitors the gearing. The Group's policy is to target a gearing ratio of 2.0 over the cycle. The Company is required under the Syndicated Loan agreement to hold a gearing ratio of senior indebtedness below 2.75 and a gearing ratio of total indebtedness below 3.25. The Group is in compliance with these covenants.

Information technology

The Group is providing information to investors primarily through the webpage of the Company, www.newworldresources.eu, and through the webpage of OKD, www.okd.cz, in the Czech Republic. Internally the Group is using a single system for controlling and accounting with unified processes and a centralised internal administration centre. OKD has developed its internal information system for production data related to coal mining.

Internal audit
The Company has created an internal audit function at Group level. Its tasks are (1) to ensure coverage of main risks and internal control issues at Group level, (2) to oversee and align operational risk and control reviews performed by local teams at subsidiary level where applicable, (3) to create and maintain a group-wide risk and internal control approach and mechanism and (4) to inform the Board of Directors of issues and developments in these areas. The head of internal audit at Group level has a direct reporting line to the chairman of the Audit and Risk Management Committee and works in close cooperation with the risk manager of the Company and the members of the executive team. There are internal audit teams at the Group level and in OKD. The team at Group level is reviewing and monitoring the internal audit organisation to have sufficient resources in place in key positions. For the subsidiaries that do not have internal audit teams active, the Group level function organises and supports the activities in this area until the internal audit organisation has been fully established and functioning.

Remuneration of the Board of Directors
The Directors of the Company received for the year 2008 remuneration in the amount of EUR 11,895 thousand, of which EUR 9,936 thousand was received in shares and share options.

Future outlook
NWR believes that the fundamentals for both thermal and coking coal markets remain positive in the long-term. Hence its strategy is to ensure that it will be well positioned to take full advantage of the opportunities that will arise when the economy and the coal markets begin to recover.

Please see also section Corporate Governance of the annual report and a specific section of the annual report presenting information required by the Takeover Directive.

25 March 2009

Members of the Board of Directors,

Mike Salamon
Klaus-Dieter Beck
Marek Jelínek
Zdeněk Bakala
Peter Kadas
Alex T. Krueger
Hans Mende
Christiaan Norval
Milan Jelinek
Bessel Kok
Hans-Jörg Rudloff
Pavel Telička
Steven Schuit
Paul Everard
Barry Rourke