35 General information

Corporate Information

New World Resources N.V. ("the Company", "NWR") is a public limited liability company with its registered seat at Jachthavenweg 109h, 1081 KM Amsterdam.

Statement of compliance

The non-consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and in accordance with the requirements of Book 2 Title 9 of the Netherlands' Civil Code.

Basis of preparation

The non-consolidated financial statements are presented in Euros (EUR), rounded to the nearest thousand, which is the functional currency of the Company. They are prepared on the historical cost basis.

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

These non-consolidated financial statements were approved by the board of directors and authorised for issue effective on 25 March 2009.

36 Summary of significant accounting policies

a) Basis of preparation

The financial statements include the accounts of New World Resources N.V.

The investments in subsidiaries are stated at historic cost.

The Company currently does not expect that the new standards and interpretations would have a significant effect on the Company's results and financial position.

b) Principles for preparation of the cash flow statement

Cash flow is presented using the indirect method. Net cash flows from operating activities are reconciled from profit before tax from continuing operations. Interest received is classified as an investing activity, it mainly relates to deposits. Interest paid is classified as a financial activity on the holding level as it is used to finance the activities of the whole group.

c) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to functional currency at the foreign exchange rates which approximate rates ruling at the dates the values were determined. Foreign exchange differences arising on translation are recognised in the income statement.

36 Summary of significant accounting policies (continued)

d) Property, plant and equipment

(i) Owned assets

Items of property, plant and equipment are stated at cost less accumulated depreciation (see below) and impairment losses (see accounting policy m). Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labour and an appropriate proportion of production overheads. The cost also includes the estimated cost of dismantling and removing the asset and restoring the site, to the extent that it is recognised as a provision under IAS 37, Provisions, Contingent Liabilities and Contingent Assets.

Where an item of property, plant and equipment is comprised of major components having different useful lives, they are accounted for as separate items of property, plant and equipment.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the income statement.

(ii) Leased assets

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset. A reassessment is made after inception of the lease only if one of the following applies:

(a) There is a change in contractual terms, other than a renewal or extension of the arrangement;
(b) A renewal option is exercised or extension granted, unless the term of the renewal or extension was initially included in the lease term;
(c) There is a change in the determination of whether fulfilment is dependent on a specified asset; or
(d) There is a substantial change to the asset.

Where a reassessment is made, lease accounting shall commence or cease from the date when the change in circumstances gave rise to the reassessment for scenarios a), c) or d) and at the date of renewal or extension period for scenario b).

For arrangements entered into prior to 1 January 2005, the date of inception is deemed to be 1 January 2005 in accordance with the transitional requirements of IFRIC 4.

Finance leases, which transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are reflected in the income statement.

Operating lease payments are recognised as an expense in the income statement on a straight line basis over the lease term.

(iii) Subsequent expenditure

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iv) Depreciation

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of items of property, plant and equipment, and major components that are accounted for separately. Land and construction-in-progress are not depreciated.

The estimated useful lives are as follows:

— Buildings	30-45 years
— Plant and equipment	4-15 years
— Other	3-4 years

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term.

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

36 Summary of significant accounting policies (continued)

e) Intangible assets

(i) Intangible assets
Other intangible assets that are acquired by the Company are stated at cost less accumulated amortisation (see below) and impairment losses (see accounting policy m). Expenditure on internally generated goodwill and brands are recognised in the income statement as an expense as incurred.

(ii) Amortisation
Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets. Other intangible assets are amortised from the date they are available for use. Amortisation methods, useful lives and residual values are reviewed at each reporting date.

f) Trade and other receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement receivables are subsequently carried at their amortised cost using the effective interest method less any allowance for impairment (see accounting policy m).

g) Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of inventories is based on the weighted average principle and includes expenditure incurred in acquiring the inventories, the cost of conversion and other costs incurred in bringing them to their existing location and condition. The cost of merchandise is the acquisition cost on the weighted average basis. The cost of raw materials is the purchase cost on a weighted average basis. The cost of work-in-progress and finished goods is a standard cost based on the cost of direct materials and labour plus attributable production overheads based on a normal level of activity. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and variable selling expenses.

h) Cash and cash equivalents

Cash and cash equivalents comprise cash balances, call deposits and investments in marketable securities that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value (with original maturity of three months and less).

i) Impairment

The carrying amounts of the Company's assets, excluding inventories (see accounting policy g) and deferred tax assets (see accounting policy n), are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For goodwill and intangible assets that are not yet available for use, the recoverable amount is estimated at each balance sheet date. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups. Impairment losses are recognised in the income statement. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

(i) Calculation of recoverable amount
The recoverable amount of receivables is calculated as the present value of expected future cash flows, discounted to their present value using the financial asset's original effective interest rate. Receivables with a short duration are not discounted.

The recoverable amount of other assets is the greater of their net selling price and their value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

36 Summary of significant accounting policies (continued)

i) Impairment (continued)

(ii) Reversals of impairment
An impairment loss in respect of receivables carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

Any impairment loss recognised in respect of goodwill is not reversed under any situation. For other assets, impairment losses are recognised: prior periods are assessed at each reporting date for indications that the loss has decreased or no longer exist.

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation and Amortisation, if no impairment loss had been recognised.

j) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value, less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised costs with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis. Related gains and losses are recognised in the income statement at the settlement date.

k) Provisions

A provision is recognised in the balance sheet when the Company has a legal or constructive obligation as a result of a past event that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of time value of money is material, provisions are determined by discounting the expected cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

l) Trade and other payables

Trade and other payables are recognised for amounts to be paid in the future for goods or services received, whether or not invoiced by the supplier. Trade and other payables are stated at amortised cost.

m) Revenue

(i) Goods sold and services rendered
Revenue from the sale of goods is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably and there is no continuing management involvement with the goods. Revenue is stated net of value added tax and excise duties and comprises the value of sales of own products, goods and services made in the normal course of business.

Revenue from services rendered is recognised in the income statement in proportion to the stage of completion of the transaction at the balance sheet date. The stage of completion is assessed by reference to surveys of work performed. In instances where the contract outcome cannot be measured reliably, revenue is recognised only to the extent of the expenses incurred that are recoverable.

n) Expenses

(i) Operating lease payments
Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised in the income statement as an integral part of the total lease expense.

36 Summary of significant accounting policies (continued)

n) Expenses (continued)

(ii) Net financing costs

Net financing costs comprise interest payable on borrowings calculated using the effective interest rate method, interest receivable on funds invested, dividend income and foreign exchange gains and losses.

Revenue is recognised as interest accrues (using the effective interest method which uses the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset). Dividend income is recognised in the income statement on the date that the dividend is declared.

The interest expense component of finance lease payments is recognised in the income statement using the effective interest rate method.

(iii) Income tax

Income tax on the profit and loss for the year comprises current and deferred tax, if applicable. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax liability is calculated in accordance with the tax regulation of the Netherlands and is based on the income or loss reported under local accounting regulations, adjusted for appropriate permanent and temporary differences from taxable income.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted in the expected period of settlement of deferred tax.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

o) Segment reporting

The Company is a holding company. There are no distinguishable segments on the level of the holding company. Segments are reported only in consolidated financial statements of the Company and its subsidiaries.

p) Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent (after deducting interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all dilutive potential ordinary shares into ordinary shares.

q) Share-based payment transactions

(i) Stock options granted to employees

Certain employees and directors of the Group were granted options for A shares of the Company under the "NWR IPO Share Option Plan" and the "NWR Stock Option Plan for Executive Directors". The remuneration package classifies as equity settled. The options under the NWR IPO Share Option Plan were granted on 9 May 2008. The corresponding vesting period for these share options, numbering 619,878 in total, is 9 May 2008 to 9 May 2011. The options under the NWR Stock Option Plan for Executive Directors were granted on 1 September 2008. The number of these options equals to 0.5% of the issued A shares of the Company. The number of options equal to 0.1% of the issued A shares shall vest at each anniversary of his employment, the first vesting date being 1 September 2008. The options that vested on 1 September 2008 were exercised on 25 November 2008. The grant date fair value of all options granted is gradually recognised as personnel expense, with a corresponding increase in equity, over the vesting period. The amount recognised as an expense is adjusted to reflect the actual number of share options that are expected to vest in the future.

(ii) Shares granted to directors

Certain directors of the Company are granted with a variable number of shares determined by a fixed amount representing the fair value of the shares granted. These are recognised as directors' remuneration, with a corresponding increase in liability, over the period that the directors become entitled to the shares. The amount recognised as an expense reflects the expired portion of the vesting period. At settlement date the fair value is re-measured and recognised as an expense.

37 Operating revenue

	1/1/2008 – 31/12/2008 EUR '000	1/1/2007 – 31/12/2007 EUR '000
Service fee OKD	600	600
Service fee NWRT	102	45
Service fee RPGRE	32	12
Service fee GGI	56	–
Operational lease equipment OKD	360	–
Office rent (sub-lease)	64	47
	1,214	**704**

The Company has entered into agreements with related parties OKD, a.s. ("OKD"), New World Resources Transportation B.V. ("NWRT"), Green Gas International B.V. ("GGI") and RPG Real Estate B.V. ("RPGRE") for the providing of advisory and holding services.

Operational lease of equipment refers to the lease revenues from Company-owned mining equipment which is leased to OKD. The lessee OKD uses the equipment in regular mining operations.

Office rent relates to revenues from sub-leasing part of the Company's office space to third parties.

38 Operating expenses

	1/1/2008 – 31/12/2008 EUR '000	1/1/2007 – 31/12/2007 EUR '000
Salary expenses	2,772	3,833
Personnel expenses	561	181
Share-based payments	10,531	–
Legal fees	7,017	446
Audit fees	2,170	389
Advisory fees	7,089	17,407
Service expenses other	968	–
Consumption of material and energy	35	86
Depreciation	661	37
Donation	1,013	75
Write-off receivable	–	–
Other operating expenses	585	1,258
	33,401	**23,711**

Share based payments refer to shares granted to independent directors and options granted to certain employees. The granting procedure includes a vesting period in which certain operational and/or financial targets need to be achieved for shares or options actually to be granted. In 2008 one tranche of granted and vested options has been exercised resulting in costs of EUR 5,077 thousands. Accrued expenses till 31 December 2008 for share-based payments amount to EUR 5,454 million. See note 49 for additional information on share-based payments.

During the year 2007 the Company employed an average of 7 employees. In 2008 the Company employed an average of 11 employees.

39 Financial result

	1/1/2008 – 31/12/2008 EUR '000	1/1/2007 – 31/12/2007 EUR '000
Interest income	8,929	6,839
Interest expense	(40,860)	(20,016)
Guarantee fee income	961	846
Guarantee fee expense	(2,065)	(752)
Amortisation costs bond issue	(1,109)	(636)
Amortisation costs green shoe	(326)	(118)
Bank charges	(30)	(2,170)
Currency exchange result	265	4,392
	(34,235)	**(11,615)**

40 Dividend income subsidiaries

	1/1/2008 – 31/12/2008 EUR '000	1/1/2007 – 31/12/2007 EUR '000
OKD	244,279	65,708
Green Gas DPB, a.s.	–	2,325
	244,279	**68,033**

41 Income tax expense

Due to the fact that the Company suffered a taxable loss during the period 1 January 2008 until 31 January 2008, no corporate income tax is due. Losses carried forward amount to EUR 95,927 thousand as at 31 December 2008, consisting of a loss of EUR 342 thousand for the period 29 December 2005 until 31 December 2006, a loss of EUR 40,036 thousand for the period 1 January 2007 until 31 December 2007 and a loss of EUR 55,549 for the period 1 January 2008 until 31 December 2008.

The reconciliation between net profit before taxation as at 31 December 2008 and tax loss as at 31 December 2008 can be detailed as follows.

	EUR '000
Net profit before taxation 2008	177,857
Non-taxable dividend income subsidiaries	(244,279)
Non-deductible costs related to stock options and charges granted to employees	10,531
Non-deductible mixed costs	36
Linear amortisation bond issue costs	306
Taxable loss 2008	(55,549)

42 Property, plant and equipment

	31/12/2008 EUR '000	31/12/2007 EUR '000
As of 1 January 2008	227	–
Purchase	9,994	264
Assets under construction	3,265	–
Depreciation charge	(661)	(37)
As of 31 December 2008	**12,825**	**227**

The presented amounts relate primarily to mining equipment which the Company owns and has leased through an operational lease to OKD. According to the Company's accounting policies, mining equipment is recognised as a tangible fixed asset only after it has been delivered and commissioned. The mentioned equipment is delivered by the manufacturers Sandvik and Deilmann-Haniel Mining systems.

The amount recognised as assets under construction refers to the delivered part under the equipment contract with Sandvik. This is presented as assets under construction because it was not commissioned as of 31 December 2008.

Next to the mentioned mining equipment the tangible fixed assets amount also includes various electronic office equipment and office furniture.

43 Investments in subsidiaries

The investments in subsidiaries can be detailed as follows:

	31/12/2008 EUR '000	31/12/2007 EUR '000
OKD, a.s. (100%)	984,551	1,005,910
OKD, OKK, a.s. (100%)	71,916	–
KARBONIA, PL Sp. z o.o. (100%)	31,629	–
NWR Energy, a.s. (100%)	112,708	–
Energetyka PL Sp. z o.o. (100%)	15	–
NWR Coking, a.s. (100%)	–	71,916
Dukla Industrial Zone, a.s. (100%)	–	76
RPG RE Property, a.s. (100%)	–	76
	1,200,819	**1,077,978**

As of 31 December 2008, the shares of OKD are pledged in favour of Citibank Europe plc, organizační složka, Czech Republic.

The movements in the investment in OKD, a.s. can be detailed as follows:

	EUR '000
As of 1 January 2008	1,005,910
Capitalisation promissory notes	2,966
Contribution Bucyrus DBT equipment contract	157,556
Real Estate Spin-off	(87,994)
Contribution Sandvik equipment contract	18,736
ENDO Spin-off	(112,623)
As of 31 December 2008	**984,551**

During the first half of 2008 the investment in OKD increased in two steps. The first step was completed through capitalisation of promissory notes held by the Company, issued originally by OKD. The second step was completed through the contribution of the purchase contract between the Company and Bucyrus DBT (POP2010 project). The Company contributed all rights and obligations under the contract other than the obligation to pay all the components of the purchase price and the obligations directly related to such obligation to pay the purchase price. The value of the contribution was determined by an independent expert's valuation.

43 Investments in subsidiaries (continued)

With effective date 1 January 2008 OKD's 100% share in OKD, Rekultivace, a.s., OKD's 49% share in Garáže Ostrava, a.s. and OKD's internal business unit IMGE were spun-off from OKD into four legal entities ("Real Estate Spin-off"). The four entities are RPG RE Property, a.s., Dukla Industrial Zone, a.s, RPG Rekultivace, a.s. and RPG Garáže, a.s. The Company as the sole shareholder has approved the project of the spin-off from OKD, a.s., acting as the sole shareholder of the new entities. The control at the Company level did not change. The values of the spun-off property were determined in an expert's valuation report. These values were used for the split of the investment in OKD. The Company distributed these four entities together with certain promissory notes received from sale of real estate assets not used for mining activities of the Group to the holders of B shares in August 2008.

During the second half of 2008 changes in the investment in OKD occurred twice. The investment was increased due to the contribution of the purchase contract between the Company and Sandvik (POP 2010 project). The Company contributed all rights and obligations under the contract other than the obligation to pay all the components of the purchase price and the obligations directly related to such obligation to pay the purchase price. The value of the contribution was determined by an independent expert's valuation.

The second change in the OKD investment reflects the spin-off of NWR Energy, a.s. with effective date 1 July 2008 ("ENDO Spin-off"). NWR Energy, a.s. was established in the second quarter of 2008 as a special purpose vehicle. The entity's purpose is to manage and operate energy assets spun-off from OKD.

The movements in the investment in Dukla Industrial Zone, a.s. can be detailed as follows:

	EUR '000
As of 1 January 2008	76
Spin-off OKD real estate	19,187
Real estate dividend B shares	(19,263)
As of 31 December 2008	–

The increase in the investment in Dukla Industrial Zone, a.s. is due to above mentioned spin-off of real estate from OKD. On 30 September 2008 the Company distributed the entity Dukla Industrial Zone, a.s. to the holders of B shares.

The movements in the investment in RPG RE Property, a.s. can be detailed as follows:

	EUR '000
As of 1 January 2008	76
Spin-off OKD real estate	42,557
Real estate dividend B shares	(42,633)
As of 31 December 2008	–

The increase in the investment in RPG RE Property, a.s. is due to above mentioned spin-off of real estate from OKD. On 30 September 2008 the Company distributed the entity RPG Property, a.s. to the holders of B shares.

The movements in the investment in RPG Rekultivace, a.s. can be detailed as follows:

	EUR '000
As of 1 January 2008	–
Spin-off OKD real estate	22,967
Real estate dividend B shares	(22,967)
As of 31 December 2008	–

The increase in the investment in RPG Rekultivace, a.s. is due to above mentioned spin-off of real estate from OKD. On 30 September 2008 the Company distributed the entity RPG Rekultivace, a.s. to the holders of B shares.

43 Investments in subsidiaries (continued)

The movements in the investment in RPG Garáže, a.s. can be detailed as follows:

	EUR '000
As of 1 January 2008	–
Spin-off OKD real estate	3,283
Real estate dividend B shares	(3,283)
As of 31 December 2008	**–**

The increase in the investment in RPG Garáže, a.s. is due to above mentioned spin-off of real estate from OKD. On 30 September 2008 the Company distributed the entity RPG Garáže, a.s. to the holders of B shares.

The movements in the investment in KARBONIA PL, Sp. z o.o. can be detailed as follows:

	EUR '000
As of 1 January 2008	–
Acquisition	7,548
Prepayment to increase investment	24,081
As of 31 December 2008	**31,629**

On 16 January 2008, the Company acquired KARBONIA PL, Sp. z o.o. from OKD. The fair value for the transaction was determined by an independent expert at CZK 196,645 thousand (EUR 7,548 thousand). The control at the Company level did not change. In November 2008 a prepayment was made of PLN 100,019 thousand (EUR 24,081 thousand) to increase the investment in KARBONIA PL, which will be formalized in 2009.

The movements in the investment in NWR Energetyka PL Sp. z o.o. can be detailed as follows:

	EUR '000
As of 1 January 2008	–
Acquisition	15
As of 31 December 2008	**15**

NWR Energetyka PL Sp. z o.o. is a special purpose vehicle established in the second quarter of 2008. The purpose of the entity is to manage and operate energy assets, which will be spun-off from KARBONIA PL, Sp. Z o.o. in the first half of 2009. The entity does not perform any other activities than those related to this purpose.

The movements in the investment in NWR Energy, a.s. can be detailed as follows:

	EUR '000
As of 1 January 2008	–
Acquisition	85
Spin-off Endo	112,623
As of 31 December 2008	**112,708**

NWR Energy, a.s. is a special purpose vehicle established in the second quarter of 2008. The purpose of the entity is to manage and operate energy assets spun-off from OKD in the second half of the year 2008.

44 Interest receivable

The interest receivable relates to interest receivable on short-term deposits held with Citibank, Van Lanschot Bankiers, ING Bank and Barclays as at 31 December 2008.

45 Accounts receivable and prepayments

The accounts receivable and prepayments can be detailed as follows:

	31/12/2008 EUR '000	31/12/2007 EUR '000
Prepayments for tangible fixed assets	22,349	–
Prepayments for long-term investments	1,767	–
Guarantee fee prepaid	888	763
VAT receivable	82	606
Service fee receivable	21	7
Advisory fee receivable	50	393
Insurance fee receivable	1	49
Other prepaid expenses	921	460
Promissory notes held towards OKD	–	2,921
Receivable from creditors for overcharged amounts	–	543
	26,079	5,742

Prepayments for tangible fixed assets refer to amounts paid to Bucyrus DBT and Sandvik for mining equipment which has not been delivered yet. Prepayments for long-term investments refer to payments to KARBONIA PL, Sp. Z o.o. and Provide, s.r.o. in anticipation of future increase in the ownerships in these entities.

The amount stated as guarantee fee prepaid relates to payments made to OKD for being a loan guarantor, and guarantee payments made to office and apartment rental agencies.

The tax receivable relates to the VAT reclaimed from the Dutch tax authorities. Other prepaid expenses relate to payments for legal liability insurances for Company's directors and officers and to payments for office rent.

46 Cash and cash equivalents

Cash and cash equivalents relate to several bank accounts with Rabobank in the Netherlands (EUR, CZK and GBP account), Bank Mendes Gans in the Netherlands (EUR, CZK, PLN and GBP account),Citigroup (EUR account) in the Netherlands, Barclays in Switzerland (EUR, GBP, CZK and USD account) and cash in hand. The fair value is equal to the carrying value.

47 Share capital

Based on the amended Articles of Association of the Company, dated 21 December 2007, the number of authorised shares increased to 450,000,000. As of 31 December 2007 the issued capital consisted of 100,096,000 ordinary A shares of EUR 1 each and 4,000 B shares of EUR 1 each. The following movements in issued share capital occurred during 2008:

— on 5 May 2008 the issued and outstanding 100,096,000 A shares of the Company with a nominal value of EUR 1.00 were converted into 250,240,000 A shares with a nominal value of EUR 0.40;
— on 5 May 2008 the issued and outstanding 4,000 B shares of the Company with a nominal value of EUR 1.00 were converted into 10,000 B shares with a nominal value of EUR 0.40;
— subsequently on 5 May one C share was created through the conversion of one A share with a nominal value of EUR 0.40;
— on 9 May 2008, at the Initial Public Offering of New World Resources N.V. 13.5 million A shares, with a nominal value of EUR 0.40 each, were issued. Correspondingly, the share capital was increased with EUR 5.4 million;
— on 16 May 2008, the Company issued 59,260 A shares to be granted to its independent directors. This resulted in a share capital increase of EUR 24 thousand.
— On 31 July 2008 the one C share outstanding was cancelled.

As of 31 December 2008 the issued capital consists of 263,799,259 ordinary A shares of EUR 0.40 each, and 10,000 B shares of EUR 0.40 each.

48 Share premium

The movements in the share premium can be detailed as follows:

	01/01/2008 – 31/12/2008 EUR '000	01/01/2007 – 31/12/2007 EUR '000
Balance at the beginning of the period	531,984	1,578,296
Dividend paid in cash	(161,672)	(1,076,760)
Dividend in kind	(89,877)	(179,342)
Release of restricted reserve to share premium	–	206,111
Share premium on newly issued shares	212,964	3,679
Balance at the end of the period	**493,398**	**531,984**

On 27 March 2008, a dividend in the amount of CZK 2,200,000 thousand (EUR 86,672 thousand) was paid out. On 9 May 2008 a dividend of EUR 75,000 thousand was distributed to RPG INDUSTRIES SE, the sole holder of the C share. On 31 August 2008 an interim dividend of EUR 73,864 thousand was declared and paid out from retained earnings on 23 October 2008 to the holders of the A shares.

On 30 September 2008 a dividend in kind of certain real estate assets and promissory notes was distributed to RPG INDUSTRIES SE, the sole holder of the B shares, in the value of EUR 89,877 thousand.

49 Share-based payments

The share-based payments are presented in the balance sheet of the Company as follows:

	01/01/2008 – 31/12/2008 EUR '000	01/01/2007 – 31/12/2007 EUR '000
Opening Balance	–	–
Stock options – general	595	–
Stock options – executive directors	7,442	–
Equity-settled	8,037	–
Shares granted independent directors	647	–
Cash-settled	647	–
Closing Balance	8,684	–

5 independent directors of the Company were granted shares in the value of EUR 200 thousand for each director on 9 May 2008. The shares were issued on 16 May 2008 in the total value of EUR 1,200 thousand. This amount is reflected in personnel expenses and in the equity split between share capital (the par value of the shares) and share premium.

The independent directors are also granted shares in the value of EUR 200 thousand for each director with execution date 9 May 2009. The expense for this remuneration, EUR 647 thousand, is reflected in personnel expenses and in current liabilities.

One employee of the Company was granted with the number of options equal to 0.5% of the issued shares of the Company. According to the employee's employment agreement, he shall be vested with 0.1% of the issued A shares at each anniversary of his employment for the period of five years. On 1 September 2008, the first tranche amounting to 263,800 options vested. These options were exercised on 25 November 2008. The cost incurred by the Company for the first tranche of options was EUR 5,077 thousand. During the remainder of 2008 an additional amount of EUR 3,013 thousand was accrued for following tranches of granted options.

In May 2008, the Company has granted certain stock options to its employees and to the employees of other entities controlled by the Company. The options have a vesting period of three years from the grant day. The vesting conditions include a service condition of 3 years and performance conditions, including production volume, costs and EBITDA. No market conditions are applicable. In accordance with IFRS2 the Company determined the fair value of a stock option at the grant date (9 May 2008). At each subsequent date IFRS requires to determine the costs for a stock option plan as the product of the grant date fair value of an option, the current best estimate of the number of awards that will vest and the expired portion of the vesting period. The personnel expense impact and the appropriate impact on equity are calculated accordingly. As of 31 December 2008 the related amount is EUR 595 thousand.

50 Retained earnings

	EUR '000
As of 1 January 2007	(5,415)
Result previous period (1 January 2007 to 31 December 2007)	68,315
Distributions from retained earnings during 2008	(73,863)
Result period (January 1 to December 31, 2008)	177,835
As of 31 December 2008	166,872

51 Reconciliation of non-consolidated shareholders' equity and profit to consolidated shareholders' equity and profit as of 31 December 2008

	EUR '000
Shareholders' equity on the non-consolidated balance sheet as of 31 December 2008	773,831
Shareholders' equity on the consolidated balance sheet as of 31 December 2008	646,324
Difference due to valuation of investments in subsidiaries using the equity method	**127,507**

	EUR '000
Shareholders' profit on the non-consolidated income statement for the year ended 31 December 2008	177,835
Dividends received by the Company from subsidiaries	(244,296)
Net profit of subsidiaries after adjustments for transactions between subsidiaries	418,100
Shareholders' profit on the consolidated income statement for the year ended 31 December 2007	**351,639**

52 Bond issued

The movements in the issued high-yield bond can be detailed as follows:

	01/01/2008 – 31/12/2008 EUR '000	01/01/2007 – 31/12/2007 EUR '000
Opening Balance	289,316	–
Bond issued (nominal value)	–	300,000
Issue costs (book value)	–	(11,320)
Amortisation issue costs	1,109	636
Closing Balance	**290,425**	**289,316**

The Company issued a high-yield bond on the Irish Stock Exchange on 18 May 2007. The aggregate principal amount of the 7.375% Senior notes due 2015 is EUR 300,000 thousand. Issue costs of the notes were EUR 11,320 thousand. The issue costs are amortised using the IRR-method. The effective interest rate is 8.184%.

53 Long-term loans

The long-term loans include only the Senior Secured Facilities:

	Currency	Effective interest rate	Maturity	31/12/2008 EUR '000
Bank loan – facility 2	EUR	3M EURIBOR+1.35%	2012	111,092
Bank loan – facility 3	EUR	3M EURIBOR+1.50%	2013	94,558
Bank loan – facility 2	CZK	3M PRIBOR+1.35%	2012	38,537
Bank loan – facility 3	CZK	3M PRIBOR+1.50%	2013	32,809
Bank loan – facility 3 additional	CZK	3M PRIBOR+1.50%	2013	25,563
Issue costs CZK-facilities (book value)				(465)
Issue costs EUR-facilities (book value)				(881)
				301,213
Of which current portion				–
Total long-term interest-bearing loans				**301,213**

Each facility is to be repaid at maturity date for its full nominal amount.

In 2007 the Company entered into the existing Senior Secured Facilities between Citibank, N.A., Citibank, a.s. and OKD. As of 29 February 2008 the part of the Senior Secured Facilities drawn by the Company was secured by shares of the Company and OKD.

The unRealised foreign currency revaluation result from the long-term loans due to the movement in the exchange rate of the Czech crowns in 2008 was a gain of EUR 928 thousand.

54 Interest payable

The interest payable can be detailed as follows:

	31/12/2008 EUR '000	31/12/2007 EUR '000
Interest payable on bond issued	2,766	2,766
Interest payable on Senior Secured Facilities	2,576	2,291
	5,342	5,057

55 Tax payable

The amount in tax payable relates to wage taxes payable to tax authorities.

	31/12/2008 EUR '000	31/12/2007 EUR '000
Wage tax payable	405	37
VAT payable	–	–
	405	37

56 Accounts payable and accruals

The accrued expenses and accounts payable can be detailed as follows:

	31/12/2008 EUR '000	31/12/2007 EUR '000
Creditors	17,098	4,027
Liabilities from subscribed unpaid stock	17,557	–
Deferred revenue from POP 2010 discount	6,000	–
Accrual for advisory fees	1,033	2,366
Personnel expenses payable	840	2,966
Guarantee fee received prepayment	1,188	109
Other accounts payable	126	45
	43,842	9,513

57 Related party transactions

Related parties of the Company are, next to consolidated subsidiaries and key management personnel, the following:
— RPG Real Estate B.V.
— RPG INDUSTRIES SE
— New World Resources Transportation B.V.
— Bakala Crossroad Partners, a.s.
— Milan Jelinek
— BXL Consulting
— American Metals & Coal International, Inc.

An explanation on the related parties and the type of relation is given below.

RPG Real Estate B.V.

This is an entity held by the indirect majority shareholder of the Company, RPG Partners Limited. The Company charges a fee to RPG Real Estate B.V. for arranging board meetings.

RPG Industries SE

This is the majority shareholder of the Company.

New World Resources Transportation B.V.

This is an entity held by RPGI. The Company has entered into an advisory agreement with NWRT, effectively starting July 2007, for the provision of certain non-exclusive advisory services by the Company to NWRT.

Bakala Crossroad Partners, a.s.

This is an entity held by the majority shareholder of the Company, RPG Partners Limited. The Company has entered into an advisory agreement with Bakala Crossroad Partners, a.s. starting 2006, for the provision of certain non-exclusive advisory services by Bakala Crossroad Partners, a.s. to the Company. The original name of this entity was RPG Advisors, a.s. and was changed to the above-mentioned name in 2008.

Milan Jelinek

In 2006 the Company entered into a services agreement with Milan Jelinek, a member of the Company's board of directors, including advice in respect of new projects of the Company and cost and quality improvement for the Company.

BXL Consulting Ltd

In October 2006, the Company entered into a consultancy agreement with BXL Consulting Ltd. in respect of certain consultancy services. Pavel Telička, a member of the Company's board of directors, is the co-founder and Director in charge of the Brussels office of BXL Consulting Ltd.

American Metals & Coal International, Inc.

In August 2006, the Company entered into a consulting agreement with the indirect shareholder American Metals & Coal International, Inc. (AMCI) in respect of the provision of certain advisory services by AMCI to the Company effective as of January 2006. Under the consulting agreement, the Company agreed to pay AMCI an annual advisory fee of USD 200 thousand in semi-annual payments.

During the period the Company had transactions in the normal course of operations with related parties. All transactions with related parties were made on terms equivalent to those that prevail in arm's length transactions.

Transactions with related parties in the balance sheet and income statement are as follows (in thousand EUR):

57 Related party transactions (continued)

Balance sheet

	31/12/2008 EUR '000	31/12/2007 EUR '000
Investments in related parties		
OKD, a.s.	984,551	1,005,910
OKD, Doprava, a.s.	–	–
OKD, DPB, a.s.	–	–
RPG Industries, a.s.	–	–
NWR Coking, a.s.	–	71,916
OKD, OKK, a.s.	71,916	–
Dukla Industrial Zone, a.s.	–	76
RPG RE Property, a.s.	–	76
KARBONIA PL Sp. z o.o.	7,548	–
NWR Energy, a.s.	112,708	–
Energetyka PL Sp. z o.o.	15	–
	1,176,738	1,077,978
Receivables from related parties		
RPG INDUSTRIES SE	–	–
OKD, a.s.	50	4,114
OKD, OKK, a.s.	–	5
OKD, Rekultivace, a.s.	–	1
CZECH-KARBON s.r.o.	–	1
OKD, BASTRO, a.s.	–	1
RPG Real Estate B.V.	7	8
New World Resources Transportation B.V.	18	–
Green Gas International B.V.	3	–
	78	4,130
Payables to related parties		
RPG INDUSTRIES SE	–	30
OKD, a.s.	2	117
Milan Jelinek	–	63
Bakala Crossroad Partners, a.s.	309	262
RPG Industries, a.s.	–	35
BXL Consulting	–	25
	311	532

For an explanatory note of the investments in related parties please see Note 43.

57 Related party transactions (continued)

Income statement

	1/1/2008 – 31/12/2008 EUR '000	1/1/2007 – 31/12/2007 EUR '000
Operating income from related parties		
OKD, a.s.	960	600
RPG Real Estate B.V.	32	12
New World Resources Transportation B.V.	102	45
Green Gas International B.V.	56	–
	1,150	**657**
Operating expenses to related parties		
OKD, a.s.	(28)	19
Bakala Crossroad Partners, a.s.	(1,264)	(685)
Milan Jelinek	(801)	(1,505)
BXL Consulting	(300)	(300)
American Metals & Coal International, Inc.	(131)	(300)
	(2,525)	**(2,771)**
Financial revenues from related parties		
Guarantee fee from OKD, a.s.	961	846
Interest loan to RPG Industries, a.s.	–	197
Interest loan provided to RPG INDUSTRIES SE	–	3
	961	**1,046**
Financial expenses to related parties		
Guarantee fee to OKD, a.s.	(2,065)	(752)
Interest loan from RPG INDUSTRIES SE	–	(2)
Interest loan from RPG PARTNERS LIMITED	–	(1)
	(2,065)	**(755)**
Write-off investments/receivables regarding related parties		
Investment in RPG Industries, a.s.	–	–
Receivables from RPG Industries, a.s.	–	(197)
	–	**(197)**
Dividend income subsidiaries		
OKD, DPB, a.s.	–	2,325
OKD, a.s.	244,279	65,708
	244,279	**68,033**
Revaluation subsidiaries		
Revaluation DPB to current fair value	–	35,101
	–	**35,101**

There were no other significant transactions with related parties.

58 Directors' remuneration

The emoluments as intended in Section 2:383(1) of the Netherlands Civil Code, which were charged in the financial year to the Company, amounted to EUR 11,895 thousand (full year 2007: EUR 374 thousand) for directors and former directors of the Company. These amounts include shares and share options granted to the directors.

The Company granted to one executive director 263,800 options on shares of the Company at the first anniversary (in 2008) of his employment with the Company. The total cost for these options regarding the first anniversary equals EUR 5,077 thousand. The Company also committed to grant this executive director a similar amount of options for each full year of employment in subsequent years, with a maximum of 4 subsequent years This agreement will enable the executive director to acquire up to a maximum of 0.5% of the Company's outstanding share capital. Per the end of 2008 the cost related to the options granted for the subsequent four years of employment with the Company were EUR 3,013 thousand.

The company granted also options to other directors and management personnel. Per the end of 2008 these granted options had a cost of EUR 595 thousand.

On 9 May 2008, 5 independent directors of the Company were granted shares and are promised a similar amount of additional shares on 9 May 2009. The 59,260 shares vested in 2008 have a value of EUR 1,200 thousand.

The 59,260 shares to vest in 2008 have an estimated value of EUR 647 thousand per 31 December 2008.

Please see note 49 "Share-based payments" for additional information about the Directors' remuneration.

59 Risk analysis

Foreign exchange rate risk

The Company is exposed to currency exchange rate risks. As at 31 December 2008 the Company had cash balances and long-term liabilities in non-EUR currencies, as shown in the table below. Outstanding non-EUR invoices, short-term receivables and payables per 31 December 2008, combined, resulted in a net payable of EUR 118,405 thousand.

Cash	Non-EUR balance 31/12/2008 Non-EUR '000	EUR balance 31/12/2008 EUR '000	Impact on balances as of 31/12/2008 EUR '000
CZK	195,633	7,279	(68)
PLN	(100,720)	(24,249)	3,779
GBP	49	52	(15)
		(16,918)	**3,696**
Long-term liabilities			
CZK	(2,604,431)	(96,909)	899
PLN	–	–	–
GBP	–	–	–
		(96,909)	**899**
Invoices, short-term receivables and payables			
CZK	(3,181,736)	(118,390)	1,098
PLN	–	–	–
GBP	(14)	(15)	4
		(118,405)	**1,103**
Total		**(232,232)**	**5,697**

Exchange rate	CZK/EUR	PLN/EUR	GBP/EUR
31/12/07	26.6280	3.5935	0.7334
31/12/08	26.8750	4.1535	0.9525

The foreign exchange rate fluctuation during 2008 based on the total net currency exposure per 31 December 2008 of CZK 5,591 thousand (EUR 208,020 thousand), PLN 100,720 thousand (EUR 24,249 thousand) and GBP 35 thousand (EUR 37 thousand) would have had a positive total impact of EUR 5,697 thousand. Except for loans denominated in Czech crowns, as presented in note 53 "Long-term loans", there are no other material long-term receivables or payables.

59 Risk analysis (continued)

Interest rate risk

Exposure to the interest rate risk is presented by way of sensitivity analysis. This sensitivity analysis shows the effect of changes in market interest rates on the Company's profit before tax as if market interest rates had been 1% higher, respectively lower, over the whole period from 1 January 2008 to 31 December 2008. The interest rate sensitivity analysis is calculated from all bank loan facilities relating to the green shoe option, drawn by the Company. The hypothetical effect on unconsolidated profit before tax amounts to EUR -2,807 thousand respectively EUR 2,807 thousand per year. The Company does not make use of financial instruments to hedge against unfavourable interest rate movements.

Other risks

The remaining risks of the holding Company depend entirely on operations of its subsidiaries.

60 Future commitments

The Company has the following commitments in respect of:

	1/1/2008 – 31/12/2008 EUR '000	1/1/2007 – 31/12/2007 EUR '000
Non-cancellable operating leases		
Instalments due within one year	222	275
Instalments due within two and five years	1,501	1,100
	1,723	**1,375**

The majority of the operating lease contracts are concluded as indefinite term and short notice period. Leased items include office space, office equipment, apartments for the use by certain employees and one company car. There are no items with terms exceeding 5 years.

61 Contingent assets and liabilities

The Company is a guarantor under the Syndicated Loan Agreement for OKD for the amount drawn by OKD. The full year guarantee fee income for the Company in 2007 was EUR 846 thousand. The guarantee fee income for 2008 is EUR 961 thousand. The last instalment on the Syndicated Loan is to be paid on 14 February 2013.

OKD provided a guarantee for the amount drawn down under the Additional Loan Option under the Syndicated Loan Agreement by the Company. The full year guarantee fee expense for the Company is denominated in Czech Crowns and equals CZK 40,625 thousand. Since the amount was drawn in August 2007, the guarantee fee expense in 2007 was EUR 752 thousand only. The guarantee fee expense for 2008 was EUR 2,065 thousand. The last instalment of the Additional Loan is to be paid on 14 February 2013.

The Company has contractual obligations to acquire property, plant and equipment in the total amount of EUR 158 million resulting from the POP 2010 program (see Subsequent events).

62 Other material matters

a) Sale of "KARBONIA PL" Sp. z o.o.

On 16 January 2008, the Company purchased 100% share in "KARBONIA PL" Sp. z o.o. from OKD, a.s. After the transfer "KARBONIA PL" Sp. z o.o. remains under the control of the Company.

b) OKD Foundation

OKD established its foundation in January 2008. The foundation will support educational, health, cultural projects and other beneficial activities for the region, where the Company has its operating activities. OKD plans to support the Foundation from 2008 by donating 1% of its profit before tax. In June 2008 the Company donated EUR 1,000 thousand to the OKD Foundation.

c) Initial Public Offering

The Company completed a successful Initial Public Offering in May 2008 to raise additional financing of its activities. The Company offered 13,500,000 new shares and its shareholder offered 81,965,345 existing shares (including the Over-Allotment Option). The net proceeds from the primary offer amounted to EUR 217,188 thousand (calculated as gross proceeds from the primary offer reduced by the underwriting fee and by the portion of advisory fees attributed to the primary offer).

d) Contribution DBT Bucyrus contract to OKD

In June 2008 the Company contributed the contract with DBT Bucyrus for the purchase of equipment under Phase 1 of the POP 2010 project, to its wholly owned subsidiary OKD. The contribution was valued at EUR 157,597 thousand.

e) Spin-off Real Estate assets

With effective date 1 January 2008 OKD's 100% share in OKD, Rekultivace, a.s., 49% share in Garáže Ostrava, a.s. and OKD's internal business unit IMGE were spun-off from OKD into four legal entities. The Company as the sole shareholder has approved the project of the spin-off from OKD, a.s., acting as the sole shareholder. The control at the Company level did not change. On 30 September 2008, the Company distributed its shares in the four legal entities RPG RE Property, a.s., Dukla Industrial Zone, a.s., RPG Rekultivace, a.s. (holding the shares of OKD, Rekultivace, a.s.) and RPG Garáže, a.s. (holding the shares of Garáže Ostrava, a.s.) together with certain promissory notes received from sale of real estate assets not used for its mining activities to the holder of B Shares.

f) Contribution Sandvik contract to OKD

In October 2008 the Company contributed the contract with Sandvik for the purchase of equipment under Phase II of the POP 2010 project, to its wholly owned subsidiary OKD. The contribution was valued at EUR 18,742 thousand.

g) Spin-off Energy assets

The Company established two special purpose vehicles, NWR Energy, a.s. and NWR Energetyka PL Sp. z o.o. in the second quarter of 2008. OKD's internal business unit Energetika, operating the energy assets of OKD, and the 100% share in CZECH-KARBON, s.r.o. were spun-off from OKD into NWR Energy, a.s. with effective date 1 July 2008. The purpose of NWR Energy, a.s. is to manage and operate these energy assets. The purpose of NWR Energetyka PL Sp. z o.o. is to manage and operate energy assets, which are anticipated to be spun-off from "KARBONIA PL" Sp. z o.o. in April 2009. The Company as the sole shareholder has approved the project of the spin-off from OKD, a.s., acting as the sole shareholder. The control at the Company level did not change.

63 Fees of the auditor

The costs for the Group and statutory audit amounted to EUR 691 thousand and EUR 556 thousand in 2008 and 2007 respectively. The costs for audit related services amounted to EUR 556 thousand and EUR 483 thousand in 2008 and 2007 respectively. The costs for tax services provided by the company's auditor amounted to EUR 20 thousand and EUR 0 in 2008 and 2007 respectively. The costs for other services provided by the company's auditor amounted to EUR 1,726 thousand and EUR 956 thousand in 2008 and 2007 respectively.

	KPMG Accountants N.V. 2008 EUR '000	Other KPMG member firms and affiliates 2008 EUR '000	Total KPMG 2008 EUR '000
Statutory audit of financial statements	120	571	691
Other assurance services	117	439	556
Tax advisory services	–	20	20
Other non-audit services	432	1,294	1,726
Total	**669**	**1,753**	**2,993**

	2007 EUR '000	2007 EUR '000	2007 EUR '000
Statutory audit of financial statements	75	481	556
Other assurance services	70	413	483
Tax advisory services	–	–	–
Other non-audit services	405	551	956
Total	**550**	**964**	**1,995**

Approved by Boards of Directors of new world resources N.V.

Amsterdam, 25 March 2009

Members of the Board of Directors:

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

Other information

a) Appropriation of result

i) Statutory provisions

In accordance with Articles 29 and 30 of the Articles of Association, the result for the year shall be allocated to the dividend reserve A and dividend reserve B respectively.

ii) Proposed appropriation

The entire profit is added to the retained earnings. This is incorporated in the financial statements.

b) Subsequent events

Dividend payout financial year 2008

On 24 February 2009, the Company declared a dividend to the holders of the A Shares in the equivalent of EUR 0.18 per share, taking the full year post-IPO dividend to EUR 0.46.

The management is not aware of other events that took place after balance sheet date that could have a material effect on the financial position of the Company.

c) Auditor's report

The auditor's report is set out on the next page.