NEW WORLD RESOURCES N.V.

Additional 2010 Financial Disclosure

The disclosures set forth in the Additional 2010 Financial Disclosure contain an operating and financial review and certain additional financial disclosures. The Company is making this information available to investors and prospective investors in its shares and in its debt securities. This Additional 2010 Financial Disclosure should be read in connection with the Company's 2010 Annual Report, which is published on the Company's website.

For purposes of holders of the Company's 7.375 per cent Senior Notes and 7.875 per cent Senior Secured Notes (together the "Notes"), the annual report provided for under the indenture governing the Notes consists of the Company's 2010 Annual Report and this Additional 2010 Financial Disclosure.

Operating and Financial Review
for the year ended 31 December 2010

Operating and Financial Review
for the year ended 31 December 2010

Corporate Information

New World Resources N.V. ("the Company") is a public limited liability company with its registered office at Jachthavenweg 109h, 1081 KM Amsterdam, the Netherlands. The Company is the sole producer of hard coal in the Czech Republic and a leading producer of hard coal in Central Europe on the basis of revenues and volume, and serves customers in the Czech Republic, Poland, Austria, Slovakia, Hungary and Germany, among others. The Company is primarily focused on hard coal mining and coke production.

The Company operates four mines and four coking batteries in the Czech Republic and serves several large Central and Eastern European steel and energy producers. Among its key customers belong Arcelor Mittal Steel, US Steel, Dalkia, Moravia Steel, voestalpine, Verbund and ČEZ. The majority of coal sales are based on long-term framework agreements, with thermal coal being priced on an annual calendar year basis and the majority of coking coal sales currently being priced for the Japanese Fiscal Year.

The Company's hard coal mining business is conducted through OKD, a.s. ("OKD"), a wholly-owned subsidiary of the Company. OKD produces coking coal, which is used in steel production, and high quality thermal coal, which is used in power generation. Coking coal accounted for 49% and 51% of the tonnage of coal sold to third parties for the year ended 31 December 2010 and 31 December 2009 respectively.

The Company's largest source of revenue is coking coal, which accounted for EUR 738,909 thousand and EUR 448,624 thousand in external sales during the year ended 31 December 2010 and 31 December 2009 respectively. Additionally, external thermal coal sales amounted to EUR 342,797 thousand in the year ended 31 December 2010 and EUR 351,379 thousand in the same period in 2009. External coke sales totalled EUR 302,689 thousand during the year ended 31 December 2010, compared to EUR 105,092 thousand in the same period in 2009.

Financial Results Overview

Revenues. The Company's revenues increased by 42%, from EUR 1,116,838 thousand in the year ended 31 December 2009 to EUR 1,589,990 thousand in the year ended 31 December 2010. This increase is mainly attributable to the increase in revenues from coking coal and coke, driven by higher sales volumes and prices.

Operating expenses. Total operating expenses increased from EUR 1,137,433 thousand to EUR 1,271,446 thousand or by 12% for the year ended 31 December 2010 compared to the same period in 2009. This increase is attributable to the increase in coal production and development in OKD, resulting in higher mining material consumption, personnel expenses and contractor cost, and to the increase in coke production, resulting mainly in higher external coal consumption used for coking.

EBITDA. EBITDA from continuing operations increased by 160% from EUR 178,685 thousand in the year ended 31 December 2009 to EUR 464,177 thousand in the year ended 31 December 2010. Total EBITDA, which includes the results of both,

continuing and discontinued operations, increased from EUR 185,680 thousand in the year ended 31 December 2009 to EUR 467,923 thousand in the year ended 31 December 2010. This is mainly due to an increase in revenues from continuing operations of EUR 473,152 thousand, partially offset by a decrease in change in inventories of EUR 53,823 thousand and an increase in operating expenses of EUR 136,514 thousand.

Basis of Presentation

General information

The condensed consolidated interim financial information ("financial information") presented in this document is prepared for the year ended 31 December 2010. The financial information for the year ended 31 December 2009 represents the comparative period.

The financial information includes New World Resources N.V. and its following subsidiaries (collectively "the Group") as of 31 December 2010:

Consolidated subsidiaries

Entity	*% Equity voting*	*Nature of Activity*
Entities directly owned by New World Resources N.V.:		
OKD, a.s.	100 %	Coal mining
OKK Koksovny, a.s.	100 %	Coke production
NWR KARBONIA Sp. z o.o.	100 %	Coal mining
Entity directly owned by OKD, a.s.:		
OKD, HBZS, a.s.	100 %	Emergency services, waste processing

The objective of the Company is to act as a holding and financing entity for the Group.

See note "Changes in the consolidated group" on page 6 for information on the comparable period.

All of the Company's consolidated subsidiaries are incorporated in the Czech Republic, with the exception of NWR KARBONIA Sp. z o.o. ("NWR Karbonia"), which is incorporated in Poland.

Statement of compliance

The presented unaudited financial information is prepared based on IFRS recognition and measurement criteria as adopted by the European Union.

The financial information has been prepared on the basis of accounting policies and methods of compilation consistent with those applied in 31 December 2009 annual financial statements contained within the 2009 Annual Report and Accounts of the Group, which is available on the Company's website at www.newworldresources.eu. Changes in accounting policies are described in the following section.

Accounting policies

The accounting policies applied by the Group in these consolidated financial statements are identical to those applied in the 31 December 2009 annual consolidated financial statements.

Basis of preparation

The financial information is prepared on the historical cost basis, except for derivative and other financial instruments, which are stated at their fair value. It is presented in Euros (EUR) and is rounded to the nearest thousand. Financial information of operations with functional currency other than EUR was translated to the Group presentation currency (EUR).

The functional currency of the Company is EUR. The functional currency of NWR KARBONIA is Polish Zloty (PLN). The functional currency of the remaining consolidated companies is Czech Koruna (CZK).

The Group is organised into two divisions: the Mining Division and the Real Estate Division. The Company had A Shares and B Shares outstanding for the presented periods. The A Shares and B Shares are tracking stocks, which are designed to reflect the financial performance and economic value of the two divisions. The A Shares track the financial performance and economic value of the Mining Division, but do not track the financial performance or economic value of the Real Estate Division, which is represented by the B Shares. The B Shares are owned solely by the BXR Group, which also holds approximately 64% of the A Shares. The ownership of the A Shares and the B Shares represents an ownership interest in the Group as a whole, but does not represent a direct legal interest in the assets and liabilities of the assets of the Mining Division or the Real Estate Division, respectively. The financial statements of the Group reflect the results of operations and the financial position and performance of the assets and businesses currently owned and operated by the Mining Division and the Real Estate Division. As the A Shares and B Shares are tracking stocks of the same legal entity, separate financial statements are not provided. With effect from 31 December 2007, the Group has tracked the financial performance of the two divisions and presents corresponding financial information in the segmental information in its consolidated financial statements. See “Divisions and segments” for the segmental analysis of the Group.

In addition to the divisional segment reporting, the Group presents within the Mining Division the financial information on its main operations in four sub-segments: the coal sub-segment, the coke sub-segment and the other sub-segment, containing the holding entity and the electricity distribution business, within the continuing operations and the electricity trading sub-segment, within the discontinued operations. The financial performance of the electricity trading business has been followed and presented as separate sub-segment since July 2008. The energy business was sold on 21 June 2010. See also next section Changes in the consolidated group.

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing these consolidated financial statements, the significant judgements made by the management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those

applied to the consolidated financial statements for the year ended 31 December 2009.

Changes in the consolidated group

The changes listed below include all changes in the consolidated group for the period from 1 January 2009 to 31 December 2010 to ensure comparability of the presented periods.

A business combination involving entities or businesses under common control is a business combination in which all of the Group entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and such control is not transitory.

In the absence of more specific guidance, the Group entities consistently applied the book value measurement method to all common control transactions. Differences between consideration paid and carrying value of acquired net assets are recognised as a change in consolidated equity.

On 24 June 2009 the Board of Directors of the Company ("the Board") approved its intention to sell the energy business of the Group. The energy business of the Group entailed NWR Energy, a.s. ("NWR Energy"), NWR Energetyka PL Sp. z o.o. ("NWR Energetyka PL") and CZECH-KARBON s.r.o. ("Czech Karbon"). Based on the Board's decision to sell the energy business, part of the energy business, which historically was presented as the electricity trading segment, is presented as discontinued operations in this financial information.

On 21 June 2010, NWR closed the sale of NWR Energy (including its subsidiaries NWR Energetyka PL and Czech Karbon) to Dalkia Česká Republika, a.s. Net assets of the disposed companies amounted to EUR 52,696 thousand as at 21 June 2010. NWR Energy was sold for CZK 3,370,000 thousand (equivalent EUR 130,823 thousand) plus additional CZK 213,379 thousand (equivalent EUR 8,333 thousand) received in fourth quarter 2010 resulting from net debt adjustment. The realised gain from the sale of EUR 81,976 thousand also reflects secondary transaction costs of EUR 3,844 thousand of the Company and additional discount in selling price of approximately EUR 640 thousand, not paid yet. In the last interim financial statement for the nine month period ended 30 September 2010, the whole gain was included within the result of continuing operations. As a final agreement was reached related to the net debt adjustment, the Company was able to split the gain between continuing and discontinued operations and presents EUR 9,585 thousand as the gain related to the electricity trading sub-segment that is included within the profit from discontinued operations and EUR 72,391 thousand as the gain on disposal of the energy business reported within continuing operations. The sale price is still subject to an adjustment relating to the performance of Czech Karbon's electricity trading portfolio, which may result in a reduction of the sale price of no more than approximately EUR 2 million. This potential reduction relates to audited results for the years 2010 and 2011. The sale price is also subject to standard representations and warranties resulting from the share purchase agreement. In connection with the sale of NWR Energy, NWR will continue to purchase utilities from NWR Energy (renamed to Dalkia Industry, a.s. after sale) and CZECH-KARBON under a long term agreement, expiring in 2029.

Non-IFRS Measures

The Company defines EBITDA as net profit after tax from continuing operations before non-controlling interest, income tax, net financial costs, depreciation and amortisation, impairment of property, plant and equipment (“PPE”) and gains/losses from sale of PPE. While the amounts included in EBITDA are derived from the Company's condensed consolidated financial statements, it is not a financial measure determined in accordance with IFRS. Accordingly, EBITDA should not be considered as an alternative to net income or operating income as an indication of the Company's performance or as an alternative to cash flows as a measure of the Company's liquidity. The Company currently uses EBITDA in its business operations to, among other things, evaluate the performance of its operations, develop budgets, and measure its performance against those budgets. The Company considers EBITDA a useful tool to assist in evaluating performance because it excludes interest, taxes and other non-cash charges.

The financial information shows the results from electricity trading as profit from discontinued operations. To present comparable figures with previously published financial information, the Company presents Total EBITDA, which is defined as the total of EBITDA from continuing operations and EBITDA from discontinued operations. Discontinued operations are also presented in a separate part of this document.

The Company defines net debt as total debt less cash and cash equivalents. Total debt includes issued bonds, long-term interest-bearing loans and borrowings, including their current portions, plus short-term interest-bearing loans and borrowings. Total debt is defined as gross amount of debt less related expenses. Interest-bearing loans, bond issues, and borrowings are measured at amortised cost.

Exchange Rates

The following table presents the FX rates used:

	Year ended 31 December	
(CZK/EUR)	**2010**	**2009**
Average exchange rate	25.284	26.435
End of period exchange rate	25.061	26.473

The Czech Koruna appreciated (based on the average exchange rate) by 4% between the year ended 31 December 2009 and the same period of 2010.

Throughout this presentation of the operating results, the financial results and performance compared to the prior period, both in Euros and percentage terms, are expressed in Euros. The Company may also, where deemed significant, present variances in terms of constant foreign exchange rates, marked ex-FX, which exclude the effect of currency translation differences and is a non-IFRS financial measure.

This discussion does not eliminate the effects resulting from the conversion of amounts from CZK into EUR on the comparability of financial information of the Group in different periods. This can lead to an over- or understatement of change in revenue and expenses from period-to-period when compared to the change in revenues in CZK. The financial information and described trends could differ considerably if the financial information was presented in CZK.

Financial Performance

Revenues

Revenues of the Group increased by 42% to EUR 1,589,990 thousand in the year ended 31 December 2010 compared to the same period in 2009.

(EUR thousand)	Year ended 31 December		Change		
Revenues	**2010**	**2009**	**y-y**	**y/y %**	**ex-FX**
External coking coal sales (EXW)	738,909	448,624	290,285	65%	61%
External thermal coal sales (EXW)	342,797	351,379	(8,582)	(2%)	(5%)
External coke sales (EXW)	302,689	105,092	197,597	188%	185%
Coal and coke transport by OKD	124,054	114,413	9,641	8%	6%
Sale of coke by-products	14,182	12,492	1,690	14%	9%
OKD other sales	41,241	46,271	(5,030)	(11%)	(24%)
Other revenues	26,118	38,567	(12,449)	(32%)	(35%)
Total	**1,589,990**	**1,116,838**	**473,152**	**42%**	**39%**

The increase mainly reflects an increase in revenues from coking coal and coke sales, which is attributable to an increase in volumes and prices of coking coal and coke sold to third parties. The increase is partly offset by a decrease in revenues from thermal coal attributable to a decrease in thermal coal prices (see table below). As the energy business was sold on 21 June 2010, other revenues for the year 2010 contains electricity distribution revenues up to the date of sale while the other revenues for the year 2009 contains electricity distribution revenues for the full year, resulting in a negative impact on revenues of EUR 11,975 thousand.

	Year ended 31 December		Change		
Average sales prices per ton (EUR)	**2010**	**2009**	**y-y**	**y/y %**	**ex-FX**
Coking coal	141	87	54	62%	58%
Thermal coal	63	72	(9)	(13%)	(14%)
Coke	275	149	126	85%	82%

The following table shows coal production and sales for the year ended 31 December 2010 and 2009.

	Year ended 31 December		Change	
Coal performance indicators (kt)	**2010**	**2009**	**y-y**	**y/y %**
Coal production	11,443	11,001	442	4%
Sales to OKK	(780)	(829)	49	(6%)
External coal sales	**10,712**	**10,061**	**651**	**6%**
- of which				
Coking coal	5,257	5,170	87	2%
Thermal coal	5,455	4,891	564	12%
Period end inventory	261	341	(80)	(23%)

Total production of coal in the year ended 31 December 2010 increased by 4% compared to production volume in the same period of 2009. Volumes of coal sold to third parties increased by 6% resulting in decrease of inventories by 80kt in the year ended 31 December 2010 compared to a build-up of 50kt in the same period in 2009.

The following table shows coke production and sales for the year ended 31 December 2010 and 2009.

	Year ended 31 December		Change	
Coke performance indicators (kt)	**2010**	**2009**	**y-y**	**y/y %**
Coke production	1,006	843	163	19%
Coke sales	1,100	705	395	56%
Period end inventory	50	219	-169	-77%

Significant improvement in demand for coke in the year ended 31 December 2010 allowed for higher sales volumes and production resulting in a 169kt decrease in coke inventories, compared to a 85kt build-up of inventory in the same period of 2009. Coke production increased by 19% in the year ended 31 December 2010, when compared to the same period in 2009, while coke sales increased by 56%.

The electricity trading business is classified as discontinued operations and is presented in a separate section Discontinued operations in this document. The electricity trading business was disposed as part of the energy business on 21 June 2010.

Operating Expenses

Total operating expenses increased from EUR 1,137,433 thousand to EUR 1,271,446 thousand or by 12% for the year ended 31 December 2010 compared to the same period in 2009. This increase is attributable to the increase in coal production and development in OKD, resulting in higher mining material consumption (EUR 32,452 thousand), personnel expenses (EUR 24,006 thousand) and contractor cost (EUR 19,991 thousand), and to the increase in coke production, resulting mainly in higher external coal consumption used for coking (EUR 45,772 thousand).

Consumption of Material and Energy

The following table sets out the Group's costs for the consumption of material and energy:

(EUR thousand)	Year ended 31 December		Change		
Consumption of material and energy	**2010**	**2009**	**y-y**	**y/y %**	**ex-FX**
Mining material	129,823	97,371	32,452	33%	28%
Spare parts	49,613	38,967	10,646	27%	23%
External coal consumption for coking	64,275	18,503	45,772	247%	244%
Energy for coal mining (OKD)	94,824	110,867	(16,043)	(14%)	(18%)
Energy for coking (OKK)	13,587	14,291	(704)	(5%)	(9%)
Other consumption of material and energy	21,031	12,314	8,717	71%	76%
Total	**373,153**	**292,313**	**80,840**	**28%**	**24%**

The consumption of externally purchased Polish and US coal for coking operations increased due to increased prices of coal in combination with higher consumed volumes, attributed to increased coke production and to substitution of coal produced internally by the Group with externally purchased coal.

The increase in the line items Mining material and Spare parts results from a combination of following factors: increase in the number of new longwalls to be equipped combined with higher costs per equipped longwall due to more demanding geological conditions, mining in greater depth and an operational drivage increase of 1.3% in meter terms.

In the year ended 31 December 2010 the cost of energy consumption for coal mining decreased by 14% mainly due to a decrease in price of electricity and distribution in the Czech Republic by 22% in Euro terms partly offset by an increase in electricity consumption volumes by 4%. In addition, year 2010 saw lower costs of compressed air by 20% due to its lower prices and lower consumption. The cost of energy for coking decreased by 5%, as a combination of decreased electricity prices and increased consumption of heat, which represents 54% of the energy costs for coking in the year ended 31 December 2010, followed by relatively stable heat prices.

The electricity trading business is classified as discontinued operations and is presented in a separate section Discontinued operations of this document. The electricity trading business was disposed as part of the energy business on 21 June 2010.

Service Expenses

Service expenses increased by 16% as set forth in the table below.

(EUR thousand)	Year ended 31 December		Change		
Service expenses	**2010**	**2009**	**y-y**	**y/y %**	**ex-FX**
Coal and coke transport costs	122,179	111,069	11,110	10%	8%
Contractors OKD	86,394	66,403	19,991	30%	24%
Maintenance for OKD/OKK	39,860	30,897	8,963	29%	24%
Advisory expenses on holding level	9,758	8,111	1,647	20%	15%
Other service expenses	83,652	77,091	6,561	9%	6%
Total	**341,843**	**293,571**	**48,272**	**16%**	**13%**

The increase in service expenses is, among others, attributable to an increase in coal and coke transport cost, which is direct result of higher sales volumes. Transportation costs are mostly passed on to customers and thus do not have a material impact on the Group's profitability.

The increase in maintenance costs is due to an increase in repairs in both the coal mining and coking operations. The increase in coal mining operations is partly due to a higher concentration of repairs of longwall equipment in the year ended 31 December 2010 postponed from the year before.

The increase in Contractors costs (OKD) is the result of an 8% increase of unit costs per shift combined with a 20% increase in number of shifts worked. The increased number of shifts resulted in increased number of contractor headcount as reflected in the table below.

Advisory expenses include one off costs related to the attempted acquisition of Bogdanka in the amount of EUR 3,628 thousand.

	Year ended 31 December		**Change**	
Contractors headcount	**2010**	**2009**	**y-y**	**y/y %**
Total	3,407	2,906	501	17%
- of which OKD mining	3,060	2,610	450	17%

Personnel Expenses

The following table shows personnel expenses excluding employee benefits for the year ended 31 December 2010 and 2009.

(EUR thousand)	**Year ended 31 December**		**Change**		
	2010	**2009**	**y-y**	**y/y %**	**ex-FX**
Personnel expenses excl. employee benefits	367,201	343,195	24,006	7%	3%

Personnel expenses excluding employee benefits increased by 7%. The increase is due to, including a holiday allowance payment of EUR 10,387 thousand paid out in 2010 to OKD employees, a 12% increase in average payroll expenses per employee at OKD in CZK which is partly offset by a headcount decrease of 6%. Personnel expenses also include the costs for share-based payments to Directors and employees in the amount of EUR 12,486 thousand and EUR 12,441 thousand for the year ended 31 December 2010 and 2009, respectively. Share-based payments are described in detail in the Share-based payments section of this document.

The following table shows the average number of employees:

	Year ended 31 December		**Change**	
Employees headcount	**2010**	**2009**	**y-y**	**y/y %**
Own employees	15,146	16,044	(898)	(6%)
- of which OKD mining	9,486	9,911	(425)	(4%)

For the year ended 31 December 2010, the average number of employees decreased by 6% compared to the average number of employees in the same period

of 2009. The decrease in own employees headcount is partly offset by the increase in contractors headcount. The total number of workers decreased mainly due to higher productivity at mines and due to the shut-down of two coking batteries during the year 2009 and 2010.

Other Operating Income and Expenses

The following table reflects other operating income and expenses for the year ended 31 December 2010 and 2009.

(EUR thousand)	**Year ended 31 December**		**Change**		
	2010	**2009**	**y-y**	**y/y %**	**ex-FX**
Other operating income	5,062	3,514	1,548	44%	38%
Other operating expenses	(25,064)	(28,812)	3,748	(13%)	(16%)
Net other operating income	**(20,002)**	**(25,298)**	**5,296**	**(21%)**	**(24%)**

Other operating income and expenses reflect insurance costs and payments, mining damage and indemnity, related provisions and their release and other fees. Since the amounts are relatively low, they are sensitive to one-time effects and seasonal fluctuations. Other operating income for the year ended 31 December 2010 also includes a one-off EUR 2,250 thousand write-off of liabilities, related to dividend and share price claims of former minority shareholders of OKD. Other operating expenses were lower in the year ended 31 December 2010 mainly due to lower charitable donations when compared to the amount of EUR 4,319 thousand donated in the same period in 2009.

EBITDA

The following table compares EBITDA for the year ended 31 December 2010 and 2009.

(EUR thousand)	**Year ended 31 December**		**Change**		
	2010	**2009**	**y-y**	**y/y %**	**ex-FX**
EBITDA from continuing operations	464,177	178,685	285,492	160%	157%
EBITDA from discontinued operations*	3,746	6,995	(3,249)	(46%)	(49%)
Total EBITDA	467,923	185,680	282,243	152%	150%

* EBITDA from discontinued operations in 2010 includes the result of electricity trading business till 21 June 2010 when the energy business was sold.

The Company's EBITDA from continuing operations for the year ended 31 December 2010 was EUR 464,177 thousand, which is EUR 285,492 thousand higher than in the year ended 31 December 2009 and represents a 160% increase.

As EBITDA is a non-IFRS measure, the following tables provide a reconciliation of EBITDA from continuing operations and EBITDA from discontinued operations to IFRS line items of the income statement.

Continuing Operations

(EUR thousand)	Year ended 31 December	
	2010	**2009**
Net Profit/(Loss) after Tax from Continuing Operations	221,269	(63,731)
Income Tax	30,811	5,811
Net Financial Expenses	114,855	67,873
Depreciation and Amortisation	170,348	172,849
Profit on Sale of Energy Business	(72,391)	-
Gains from Sale of PPE	(715)	(4,117)
EBITDA from continuing operations	**464,177**	**178,685**

Discontinued Operations

(EUR thousand)	**"Six-month" period ended 21 June**	**Year ended 31 December**
	2010	**2009**
Net Profit after Tax from Discontinued Operations	12,045	2,135
Income Tax	473	1,555
Net Financial Expenses	810	3,300
Depreciation and Amortisation	-	5
Profit on Sale of Energy Business – Discontinued Part	(9,585)	-
Losses from Sale of PPE	3	-
EBITDA from discontinued operations	**3,746**	**6,995**

Depreciation

The following table shows depreciation for the respective periods.

(EUR thousand)	**Year ended 31 December**		**Change**		
	2010	**2009**	**y-y**	**y/y %**	**ex-FX**
Depreciation	(161,145)	(164,497)	3,352	(2%)	(6%)

The majority of property, plant and equipment of the Group is located in the Czech Republic. Therefore most of the depreciation is recorded in CZK. Excluding the impact of changes in the exchange rate, depreciation decreased by 6%. This decrease is result of higher depreciation charges on new mining equipment, in particular the POP 2010 mining equipment, which is more than offset by a decrease of depreciation in coking operations due to accelerated depreciation of two coking batteries during the year 2009.

Financial Income and Expense

Net financial loss increased by 69% for the year ended 31 December 2010 compared to 2009 as set forth in the table below.

(EUR thousand)	Year ended 31 December		Change	
	2010	**2009**	**y-y**	**y/y %**
Financial income	35,518	48,931	(13,413)	(27%)
Financial expense	(150,373)	(116,804)	(33,569)	29%
Financial result	**(114,855)**	**(67,873)**	**(46,982)**	**69%**

Financial income decreased by 27% to EUR 35,518 thousand for the year ended 31 December 2010. This decrease is mainly due to a decrease in realized and unrealized foreign exchange gains by EUR 13,395 thousand, which is partly offset by a decrease in realized and unrealized foreign exchange losses by EUR 4,005 thousand. Net loss on derivative instruments, which do not qualify for hedge accounting, increased by EUR 8,281 thousand. Increase in financial expenses is due to a one-off amortization of expenses relating to the Senior Secured Facilities in the amount of EUR 5,699 thousand, due to interest expense on the new bond 2018 and due to one-off expenses related to unrealized bridge loan facility of EUR 14,146 thousand (attempted acquisition of Bogdanka).

Profit/(Loss) from Continuing Operations before Tax

Profit from continuing operations before tax for the year ended 31 December 2010 was EUR 252,080 thousand, an increase of EUR 310,000 thousand compared to a loss of EUR 57,920 thousand for the same period of 2009. Apart from the factors discussed above, the increase is due to a one-off profit on disposal of energy business of EUR 72,391 thousand.

Income Tax

The Group recorded a net income tax expense of EUR 30,811 thousand in the year ended 31 December 2010, compared to a net income tax expense in the amount of EUR 5,811 thousand in the same period of 2009. The net tax expense in the current period comprises an income tax expense of EUR 54,006 thousand offset by a one off tax reclaim in the amount of EUR 23,195 thousand caused by the reversal of Czech tax authority's position on certain interest expense which was previously deemed non tax-deductible. The profit on disposal of interest in subsidiaries held by the Company is tax exempt.

Profit from Discontinued Operations

Profit from discontinued operations, reflecting the result of the electricity trading business, equals to EUR 2,135 thousand for the year ended 31 December 2009. As the energy business was sold on 21 June 2010, the profit from discontinued operations of EUR 12,045 thousand for the year ended 31 December 2010 reflects only the result till the date the Company lost control over the business in amount of EUR 2,460 thousand and profit on sale of energy business related to discontinued operations of EUR 9,585 thousand.

Profit/(Loss) for the Period

Profit for the year ended 31 December 2010 was EUR 233,314 thousand, which represents an increase of EUR 294,909 thousand compared to the loss of EUR 61,595 thousand for the same period of 2009. The increase was the result of increase in profit before tax, partly reduced by an increase in the income tax expense.

Share-based Payments

Introduction to share-based payments of the Company

The cost of equity-settled transactions with employees is measured by reference to the fair value at the grant date and is recognised as an expense over the vesting period, which ends on the date on which the relevant employees become fully entitled to the award. The fair value is determined by reference to the share price on the grant date. In valuing equity-settled transactions of the Company, no account is taken of any vesting conditions because no market conditions apply for vesting. At each balance sheet date, before the end of the vesting period, the cumulative expense is calculated, representing the extent to which the vesting period has expired and of the number of equity instruments that is expected to ultimately vest. The movement in cumulative expense compared to the previous balance sheet date is recognised in the income statement, with a corresponding entry in equity or liability, based on the type of share-based scheme.

For cash-settled share-based payment transactions, the Company measures the liability incurred at the fair value of the liability. The Company re-measures the fair value of the liability at the date of settlement and at the end of each reporting period until the liability is settled, with any changes in fair value recognised in profit or loss for the period.

The impact of the Group's share-based remuneration schemes on the diluted earnings per share is calculated according to the requirements of IFRS 2 and IAS 33.

The Company offers independent members of the Board and certain employees of the Group share-based remuneration packages (see below).

a) Shares granted to Independent Directors

The Company granted each of its five Independent Directors A Shares in the value of EUR 200 thousand vesting on 9 May 2009. The Company settled the award by issuing 266,490 ordinary A Shares with nominal value of EUR 0.40 each on 20 May 2009. The Company's Annual General Meeting of Shareholders approved an additional grant of A Shares in the value of EUR 200 thousand to each of its five Independent Directors on 27 April 2010. The Company settled the award by issuing 103,465 ordinary A Shares with nominal value of EUR 0.40 each on 21 May 2010. The number of shares granted was determined as the average of opening prices of an A Share on the London Stock Exchange over a period of five business days preceding the date of share issue.

Since the grant value is fixed in the same way as if settlement were to be made in cash for the shares vesting on 9 May 2009, the settlement was accrued for as a financial liability. The corresponding expenses are shown as share-based payments under personnel expense in the income statement. The impact of granting shares to the Independent Directors on the income statement for the year ended 2009 equals

to EUR 353 thousand. This amount relates fully to accrued expenses for the second tranche of granted shares. The impact of granting shares to the Independent Directors on the income statement for the year ended 2010 equals to EUR 1,000 thousand.

b) Shares and share options granted to Executive Directors

On 31 August 2008 Mr. Miklos Salamon was granted options for A Shares with exercise price of EUR 0.01 in the amount equal to 0.5 % of the issued share capital of the Company. This remuneration package classifies as an equity settled share-based payment transaction and is presented correspondingly, in a separate equity category in the balance sheet of the Company. 263,800, 264,351 and 265,150 options vested on 1 September 2008, 1 September 2009 and 1 September 2010, respectively. On each of the following two subsequent anniversaries an additional 20% of the granted options will vest. The accrued expense for the granted share options has an impact of EUR 4,833 thousand for the year ended 31 December 2010, compared to EUR 8,381 thousand for the same period in 2009.

Mr. Salamon's option plan has no dilutive impact as the stock option plan forms an integral part of Mr. Salamon's base compensation, i.e. the fair value of the weighted average number of shares that would have been issued at average market price is offset by the fair value of services the Company received from Mr. Salamon.

According to his employment contract with OKD, the Executive Director of the Company and the Chief Executive Officer of OKD, Mr. Klaus-Dieter Beck is entitled to receive 250,045 A Shares for each full year of his engagement, starting as of 1 July 2007, up to a maximum total amount of 1,250,225 A Shares. The remuneration package classifies as an equity-settled share-based payment transaction with cash alternative and is presented accordingly as a short-term liability.

Mr. Beck's incentive plan has no dilutive impact as the share plan forms an integral part of Mr. Beck's base compensation, i.e. the fair value of the weighted average number of shares that would have been issued at average market price is offset by the fair value of services the Group received from Mr. Beck.

c) Share options granted to employees of the Group

A group of eligible employees and Directors of the Group were granted options for A Shares of the Company in accordance with its Stock Option Plan for Executive Directors, senior management and key employees ("the NWR Share Option Plan"). This remuneration package is classified as equity-settled. The Company grants options once a year. The exercise price of the options granted on 9 May 2008 is GBP 13.25. The corresponding vesting period for these share options, numbering 599,590 in total, runs from 9 May 2008 to 9 May 2011. The second granting of options to certain employees and Directors took place on 24 June 2009. The exercise price of these options is GBP 2.8285. The corresponding vesting period for these share options, numbering 3,110,075 in total, runs from 24 June 2009 to 24 June 2012. The third granting of options to certain employees and Directors took place on 17 March 2010. The exercise price of these options is GBP 7.1280. The corresponding vesting period for these share options, numbering 1,742,631 in total, runs from 17 March 2010 to 17 March 2013.

Similarly to the options granted to Mr. Salamon, the fair value of the options per grant date was calculated by using the Black-Scholes model.

Due to the Company's average share price for the year ended 31 December 2010, which is lower than the exercise price of options granted under the NWR Share Option Plan on 9 May 2008, these are out-of-the-money and therefore, do not have any dilutive potential regarding the calculation of the diluted earnings per share.

The second tranche of granted options is in-the-money. The average share price for the year ended 31 December 2010 was GBP 7.4825. The dilutive impact of the second tranche is 1,934,424 shares.

The third tranche of granted options is in-the-money. The average share price for the period from granting to 31 December 2010 was GBP 7.7582. The dilutive impact of the second tranche is 112,473 shares.

The following table presents the impact of the various share-based remuneration schemes on the profit of the Company.

Share-based remuneration schemes

(EUR thousand)	**Year ended 31 December**	
	2010	**2009**
Independent Directors	1,000	353
Mr. Miklos Salamon	4,833	8,381
Mr. Klaus-Dieter Beck	2,732	2,013
Other	3,921	1,694
Total	**12,486**	**12,441**

Earnings per Share ("EPS")

The diluted earnings per A Share amounted to EUR 0.85 per A Share for the year ended 31 December 2010 compared to EUR (0.25) per A Share for the same period of 2009.

Earnings per share		**Year ended 31 December 2010**	
(EUR)	A Shares	B Shares	The Company
Basic EPS	0.86	699.30	0.88
Number of shares	264,413,937	10,000	264,423,937
Adjusted EPS	0.86	699.30	0.88
Adjusted number of shares*	264,698,715	10,000	264,708,715
Diluted EPS	0.85	699.30	0.88
Diluted number of shares	266,460,834	10,000	266,470,834

Earnings per share		**Year ended 31 December 2009**	
(EUR)	A Shares	B Shares	The Company
Basic EPS	(0.25)	384.60	(0.23)
Number of shares	264,044,650	10,000	264,054,650
Adjusted EPS	(0.25)	384.60	(0.23)
Adjusted number of shares*	264,330,100	10,000	264,340,100
Diluted EPS	(0.25)	384.60	(0.23)
Diluted number of shares	264,519,226	10,000	264,529,226

* adjusted to the actual number of A Shares as of 31 December 2010

Cash Flow

The following table compares the main cash flow categories for the year ended 31 December 2010 and 2009.

(EUR thousand)	Year ended 31 December	
Cash flow	**2010**	**2009**
Net cash flows from operating activities	315,167	176,225
Net cash flows from investing activities	(88,787)	(239,411)
Net cash flows used in financing activities	(255,161)	(58,518)
Net effect of currency translation	(1,276)	2,107
Total cash flow	**(30,057)**	**(119,597)**

Cash Flow from Operating Activities

The Group's primary source of cash is its operating activities. Net cash flows from operating activities for the year ended 31 December 2010 amounted to EUR 315,167 thousand, EUR 138,942 thousand higher than in the same period of 2009. This increase in the net operating cash flow was attributable to higher EBITDA, driven mainly by increased sales of coking coal and coke, and positive corporate income tax return received in cash in the amount of EUR 22,488 thousand in the second quarter of 2010.

Cash Flow from Investing Activities

Capital expenditure decreased from EUR 250,201 thousand for the year ended 31 December 2009 by EUR 29,330 thousand to EUR 220,871 thousand for the year ended 31 December 2010. As of end of June 2010 the Group sold the energy business with positive effect on cash flow from investing activities of EUR 124,631 thousand.

Cash Flow Used in Financing Activities

The Group issued 7.875% Senior Notes in the total value of EUR 500,000 thousand. The related transaction costs amounted to EUR 16,796 thousand. The Group used the net proceeds of the offering and existing cash to repay the outstanding amounts under the Senior Secured Facilities ("SSF"), accrued interest and fees. The total principal amount repaid under the SSF amounts to EUR 678,284 thousand. The Group repaid an overdraft facility in January 2010 in the amount of EUR 18,885 thousand. The Group also drew down additional part of the ECA (Export Credit Agency) loan facility in the amount of EUR 27,967 thousand and repaid EUR 13,639 thousand during the year ended 31 December 2010. Next to that the Group paid interim dividend of EUR 55,531 thousand in October 2010, EUR 8,047 thousand more than total dividend paid in the year ended 31 December 2009.

Liquidity and Capital Resources

The Company is a holding company and relies on dividends or other distributions from subsidiaries, inter-company loans or other capital contributions to fund its liquidity requirements. The liquidity requirements of the Group arise primarily from working capital requirements, interest and principal payments on the ECA loan, the Company's 7.375% Senior Notes and the 7.875% Senior Notes, dividend payments, the need to fund capital expenditures and, on a selective basis, acquisitions. The

dividends, distributions or other payments from subsidiaries are expected to be funded by cash from their operations. The Group continuously reviews its cash flow and operations, and believes that the cash generated from its operations and borrowing capacity will be sufficient to meet its principal uses of cash, which include future planned operating expenditures, anticipated capital expenditures (including acquisitions or mining equipment), scheduled debt and interest payments and distributions. To augment the existing cash and liquidity resources, the Company continues to evaluate a range of transactions, including debt financings. The Company may consider, from time to time, carrying out transactions to acquire, repay or discharge its outstanding debt (or portions thereof). The Group is leveraged at a standard level and its debt obligations consist of mandatory interest and principle payments.

As at 31 December 2010, the Group held cash and cash equivalents of EUR 529,241 thousand.

The Group's cash position was strengthened by the decision not to pay a year-end dividend for the year 2009 due to the global economic crisis. The Group's stated dividend policy is to pay dividends amounting to 50% of net profit over the business cycle.

The Company entered into a share sale and purchase agreement with Dalkia Česká republika, a.s. ("Dalkia Ceska") on 8 January 2010. The sale was closed on 21 June 2010. The Company received CZK 3,370,000 thousand (EUR 130,823 thousand) in cash for the shares of NWR Energy. In last quarter the Company received additional CZK 213,739 thousand (EUR 8,333 thousand) resulting from an adjustment for net debt as at closing. The proceeds of EUR 139,156 thousand from the sale were further reduced by EUR 3,844 thousand of the secondary transaction costs resulting in the net proceeds from the sale of subsidiary of EUR 135,312 thousand. The sale price is still subject to an adjustment relating to the performance of Czech Karbon's electricity trading portfolio, which may result in a reduction of the sale price of no more than approximately EUR 2 million. This potential reduction relates to audited results for the years 2010 and 2011 and therefore is not included in the purchase price and in the gain of disposal of energy business yet.

The Company's aim is to hedge up to 70% of foreign currency exposure of the Group on a yearly basis. The Group currently uses forwards to cover such exposure and applies hedge accounting for such forward currency contracts. The following table shows the impact of realised forward currency contracts in the respective periods.

	Year ended 31 December		**Change**	
(EUR thousand)	**2010**	**2009**	**y-y**	**y/y %**
Revenues (OKD hedging)	8,835	7,993	842	11%
Consumption of material and energy	1,215	785	430	55%
Service expenses	1,514	1,097	417	38%
Personnel expenses	2,554	2,211	343	16%

As at 31 December 2010 the Company's net debt was EUR 320,916 thousand.

The Indenture governing the 7.375% Senior Notes ("the 7.375% Indenture") and Indenture governing the 7.875% Senior Notes ("the 7.875% Indenture") also impose restrictions on the Company's ability to pay dividends. Generally the Company may not pay dividends or make other restricted payments, which exceed, in the

aggregate, 50% of consolidated net income since 1 April 2007 (as such amounts are accrued on a quarterly basis) plus the net proceeds from the primary tranche of the 2008 IPO and certain other adjustments (the "restricted payment build-up capacity"). The purchase price for investments in entities other than majority owned subsidiaries would also constitute restricted payments.

The Company issued EUR 475 million senior secured notes due 2018 on 27 April 2010. The notes were issued with a coupon of 7.875%. The net proceeds of the offering together with approximately EUR 181 million cash were used to repay in full the outstanding amounts under the Senior Secured Facilities, accrued interest and fees. On 18 May 2010, the Company issued an additional EUR 25 million of senior secured notes due 2018 in a private placement. The additional notes are entitled to the same rights and privileges as the EUR 475 million of Senior Secured Notes due in 2018, including a coupon of 7.875%.

The Group is subject to certain covenants under the ECA loan agreement. The Group was in compliance with those covenants in the reported periods.

The restricted payment basket as defined by the 7.375% Indenture and the 7.875% Indenture amounted to approximately EUR 195,373 thousand as of 31 December 2010.

Unrestricted Subsidiaries and Non-Core Real Estate

There was no consolidated subsidiary defined as Unrestricted Subsidiary for the year ended 31 December 2010.

Divisions and Segments

Introduction

IFRS requires an entity to report information about operating segments which are separately available and which are regularly evaluated by the so called "chief operating decision maker" ("CODM"). IFRS 8 requires an entity to identify a single set of components to identify a segment. Due to the listing of the Company's A shares the Company has to provide segment reporting showing separately the performance of the Mining Division ("MD"), tracked by the A shares, and the Real Estate Division ("RED"), tracked by the B shares. The accounting principles of such segment disclosures are described below.

The divisional segment reporting is driven by its listing and is essential for the evaluation of the equity attributable to the listed part of the Group. However to enable users of the Group's financial statements to evaluate the nature, performance and financial effects of its business activities, the Company furthermore presents separate sub-segments for its main operating activities, i.e. coal mining and coking. To provide understandable and useful information, the Company decided to combine the divisional and operational disclosure in one table, with coal, coke and other sub-segments within mining division.

Divisional Segment Disclosure

In 2007 the Company separated the real estate of the Group into a new division in order to provide higher transparency to the mining and real estate assets. The Group began operating two segments determined by differences in their assets and products and services produced and provided. The segments were represented by

the Mining Division ("the MD") and the Real Estate Division ("the RED"), established internally by the Divisional Policy Statements as of 31 December 2007, at 23:59. The segments are organised and managed separately according to the nature of the products and services provided, with each segment representing a separate strategic division that offers different products and services. The MD engages in coal extraction, production of coke and related operations and businesses. The RED solely provides inter-divisional service, i.e. provides real estate to the MD (see below). In connection to the newly operated segments MD and RED, no legal entity was established. The Company issued B Shares to track the financial performance of the RED. As of 1 January 2008 the divisions are operated separately for accounting and reporting purposes to reflect the results of operations and the financial position of each division and to provide relevant information to the holders of the A Shares and B Shares, the CODM for the two reportable segments is the Board.

The RED comprises all of all real estate assets owned by the Group at the time of the establishment of the divisions ("the Real Estate Assets").

In order to ensure fair treatment of all shareholders, the Company has adopted the Divisional Policy Statements. The fundamental and overriding principles are that the MD has the right to maintain:

- the undisturbed continuation of its mining, coking and related operations that are currently, or which are expected by the Board to be in the future, conducted using certain of the Real Estate Assets; and
- unrestricted access to the Real Estate Assets in connection with such mining, coking and related operations.

Based on these principles the MD is provided with unrestricted access to all Real Estate Assets necessary for its mining, coking and related operations for the time period, until these operations cease to exist. The Real Estate Assets include two groups of assets - buildings, constructions and similar real estate assets ("the Buildings") and land.

Disclosures on Buildings

The RED provides the Buildings to the MD based on the fundamental principles provided by the Divisional Policy Statements. The management considers this relation between the divisions as a leasing relationship, where the RED provides property to the MD against remuneration. Following this approach, for the Buildings the following criteria for identifying the relation between the divisions as financial leasing are met:

- the lease term is for the major part of the economic life of the asset, and
- the leased assets are of such a specialised nature that only the lessee can use them without major modifications.

The Buildings are recorded at the carrying amount in the balance sheet of the MD. Commencing 1 January 2008 the MD depreciates the Buildings. The deferred tax assets, liabilities and their impacts on the financial result of the Group related to the Real Estate Assets are divided between the divisions correspondingly to the allocation of the assets.

The Company did not revaluate the Real Estate Assets for the purpose of presentation in the segment reporting. The assets are presented in the segment reporting at book values. These values also represent the basis for depreciation. Under IFRS finance lease assets shall be valued at the present value of minimum lease payments, which would also be the basis for depreciation under standard

finance lease conditions. The RED does not charge lease payments to the MD for the access to the Real Estate Assets. Therefore, the Group decided to apply the book values for the allocation of the Real Estate Assets value between the divisions. The value of the Buildings provided to the MD at 31 December 2010 was EUR 261,212 thousand.

When the demand for unrestricted access to certain Real Estate Assets by the MD terminates, the overriding rules do not apply anymore and the Real Estate Assets are transferred back from the MD to the RED. This transfer becomes effective when the assets are not used for mining, coking and related operations anymore. Since the respective Buildings meet the criteria mentioned above, they will generally be fully depreciated at the moment, when mining, coking and related operations stop in the future. Therefore, the transfer should include only fully depreciated assets with a zero book value. IAS 16 assumes some residual value of assets, which should equal to its estimated market value at the end of its useful life. However, the Company is unable to make a reliable estimate of such residual value due to the character of the assets.

The Divisional Policy Statements determined in 2008 the annual fee paid for Real Estate Assets provided by the RED to the MD (the “CAP”) to be EUR 3,600 thousand per year (subject to inflation and other adjustments). The annual fee paid by the MD to the RED represents the financing costs on the Buildings provided. The CAP is accounted for as financial expense in the MD and as financial revenue in the RED. The CAP for the year 2010 amounts to EUR 3,692 thousand, after it was adjusted according to the Divisional Policy Statements and reflects the sale of energy business (the original CAP after adjustments amounts to EUR 3,830 thousand).

There is no consideration required from the MD to repay the present value of the Buildings provided in compliance with the Divisional Policy Statement. Therefore, the respective amount, or the book value, of the Buildings provided to the MD as at 31 December 2010 is presented in the equity of the MD.

Disclosures on land

Land is provided to the MD without any consideration. However the IFRS criteria for financial leasing cannot be met for land. IFRS do not provide a specific guideline for the presentation of such relationship. The Company decided to present this relationship in the segment analysis as a right to use land by the MD granted by the RED. The right is depleted over the expected lifetime of mining, coking and related businesses using a linear amortisation method. Management determined the value of the right being the book value of land at 31 December 2007, the date when the divisions were established. The residual amount of the right as of 31 December 2010 was EUR 14,685 thousand. The book value of the land provided as of 31 December 2010 was EUR 17,003 thousand.

Deferred revenue corresponding to the amount of the right to use is presented in the balance sheet of the RED. The deferred revenue will be released into revenues over the period correspondingly to the depletion of the right to use the land.

The revenues and expenses of the Real Estate Division consisted for the year ended 31 December 2010 mainly of the CAP received, expenses allocated to the RED capped by EUR 100 thousand in accordance with the Divisional Policy Statements (subject to inflation and other adjustments). The revenues and expenses also include depreciation, income tax and other immaterial revenues and expenses related to assets allocated to the RED, not provided to the MD and the impact of the sale of the energy business.

Sale of energy business

On 21 June 2010 the Company completed the sale of its energy business. Some of the energy assets were originally allocated to the RED. Due to the sale, buildings previously allocated to the RED and used by the MD had to be returned by the MD back to the RED. The net asset value of the buildings was EUR 22,829 thousand. Part of the right to use land related to the energy business was written off at the MD and the corresponding deferred revenue was released at the RED. Thus the net asset value of the energy assets allocated to the RED as at the date of sale was EUR 23,275 thousand. Part of the sale price was allocated to the RED based on the fair value of the assets of the RED. The fair value of real estate was determined by an independent expert. The sale price part attributable to the RED amounted to EUR 27,665 thousand. Also secondary costs relating to the sale in the amount of EUR 763 thousand were allocated to the RED. The net profit from the sale allocated to the RED amounted to EUR 3,612 thousand.

Operational Segment Disclosure (within Mining division)

The main business activities of the Group include coal mining and coking operations, representing the Coal and Coke sub-segments. The Company also held entities active in electricity distribution and trading, which were sold. Electricity distribution is not reviewed by the CODM as a separate sub-segment and is allocated to the Other sub-segment together with the operations of the holding entity, which provides mainly holding and financing activities to all entities of the Group. Electricity trading is treated as separate sub-segment within discontinued operations.

Coal sub-segment

The Coal sub-segment comprises of entities with core activities related to actual or potential extraction, processing and sale of coal and direct supporting activities (safety). Therefore this sub-segment aggregates the following entities (with adjustments to their standalone financial performance as described below):
OKD
NWR Karbonia
OKD, HBZS, a.s.

Coke sub-segment

The Coke sub-segment comprises of OKK Koksovny, a.s. (“OKK”), the only entity with coke production as its core business (with adjustments to its standalone financial performance as described below).

Other sub-segment

The Other sub-segment aggregates other entities with different types of business activities. New World Resources N.V. is the holding entity providing holding and financing activities to the Group. NWR Energy and its subsidiaries, NWR ENERGETYKA PL and Czech Karbon were sold on 21 June 2010. The entities were active in electricity trading and distribution, production of heat and compressed air. The results of the electricity distribution are included only till the date of sale and are part of other sub-segment.

Electricity trading

In 2008, the electricity-trading activities saw robust growth in sales volume, thus the management of the Group decided to present and follow the financial performance of the electricity trading business separately. In June 2009 the Board approved the

intention to dispose of the energy business. Therefore the electricity trading sub-segment is classified and presented as discontinued operations.

Segment accounting policies, measurement and disclosure

The operational segment information is based on standalone financial statements of entities as allocated above, prepared under IFRS. Intercompany transactions between entities allocated to the same segment are fully eliminated. Intercompany transactions between entities allocated to different segments are eliminated in the reconciliation of the segment results to the Group's consolidated results. The operational segment information includes also the impact of Divisional Statements Policy application.

Sales between segments are priced on arm's length basis. However margin on inventory held, not yet consumed by the acquiring segment, is eliminated from the sales of the selling segment in such period. The inventory value of the acquiring segment is adjusted correspondingly. The adjustment is reversed when the inventory is consumed. Thus the margin becomes realized only in the period when the acquiring segment (in a customer's position) consumes the purchased goods.

The Group is selling coal and coke through the sales department at OKD. Thus all coke is first sold from OKK to OKD and then from OKD to third parties. Sales from OKK to OKD are eliminated as described above. OKD's coke sales, coke inventory and all related costs, including transportation and charge or reversal of coke inventory price adjustments are included in the financial information of the Coke sub-segment.

Coal purchased by OKD from third parties for the purpose of coking is included in the financial information of the Coke sub-segment. Any inventory on such coal is allocated to the Coke sub-segment as well.

The operating income represents the segment result as reviewed by the CODM. The allocation of other items of the income statement would decisively depend on assumptions made by the management. Therefore such items are not allocated to individual segments and are not reviewed by the CODM. The CODM only reviews results from continuing operations.

The result of foreign exchange rate hedging operations in the operating income of the Group results from the financing role of the holding entity and is therefore presented in the Other sub-segment.

All assets, except for special items described in this section, are allocated to the segments based on the allocation of the entities holding such assets except for advance payments for property, plant and equipment. Those are allocated based on the segment using the assets to be acquired. Investments in other entities of the Group and related intercompany balances (liabilities, receivables and other similar rights) are eliminated from the value of assets for the purpose of segment presentation.

Other than previously mentioned consolidation adjustments and eliminations are not allocated to individual segments.

The following tables present the financial data reviewed by the CODM for the presented periods.

Business Segments *EUR thousand*	***Mining division segment***						***Real Estate division segment***	*Inter-segment eliminations & adjustments*	***Continuing operations total***
	Coal sub-segment	*Coke sub-segment*	*Other sub-segment*	*Electricity trading sub-segment*	*Eliminations & adjustments*	***Mining division segment - total***			
	Continuing operations	*Continuing operations*	*Continuing operations*	*Discontinued operations*		*Continuing operations*	*Continuing operations*		
	1/1/2010 - 31/12/2010	*1/1/2010 - 31/12/2010*	*1/1/2010 - 31/12/2010*	*1/1/2010 - 21/6/2010*	*1/1/2010 - 31/12/2010*	***1/1/2010 - 31/12/2010***	***1/1/2010 - 31/12/2010***	*1/1/2010 - 31/12/2010*	***1/1/2010 - 31/12/2010***
Segment revenues									
Continuing operations									
Sales to third parties	1,229,033	341,529	17,145	-	-	**1,587,707**	**285**	-	**1,587,992**
Sales to continuing sub-segments	127,346	113	30,176	-	*(157,635)*	**-**	**-**	-	**-**
Sales to discontinued sub-segment	43	-	1,955	-	-	**1,998**	**-**	-	**1,998**
Inter-segment sales	-	-	-	-	-	**-**	**950**	*(950)*	**-**
Discontinued operations									
Sales to third parties	-	-	-	51,224	*(51,224)*	**-**	**-**	-	**-**
Sales to continuing sub-segments	-	-	-	22,828	*(22,828)*	**-**	**-**	-	**-**
Total revenues	**1,356,422**	**341,642**	**49,276**	**74,052**	*(231,687)*	**1,589,705**	**1,235**	*(950)*	**1,589,990**
Change in inventories of finished goods and work-in-progress	(4,505)	(29,042)	*(31)*	**-**	*(1,376)*	**(34,954)**	**-**	-	**(34,954)**
Consumption of material and energy	(284,807)	(216,666)	(29,133)	(72,502)	*229,965*	**(373,143)**	**(10)**	-	**(373,153)**
Service expenses	(288,663)	(43,139)	(11,616)	(148)	*1,730*	**(341,836)**	**(7)**	-	**(341,843)**
Personnel expenses	(326,845)	(20,080)	(14,089)	(297)	*300*	**(361,011)**	**(106)**	-	**(361,117)**
Depreciation	(150,133)	(10,779)	(153)	-	-	**(161,065)**	**(80)**	-	**(161,145)**
Amortization	(9,203)	-	-	-	-	**(9,203)**	**-**	-	**(9,203)**
Amortization of rights to use land - divisional adjustment	(546)	(322)	(82)	-	-	**(950)**	**-**	*950*	**-**
Reversal of impairment of receivables	80	(1)	-	-	-	**79**	**-**	-	**79**
Net gain from material sold	4,988	171	18	-	-	**5,177**	**-**	-	**5,177**
Gain from sale of property, plant and equipment	(193)	-	727	(3)	*3*	**534**	**181**	-	**715**
Other operating income	4,353	359	430	2,718	*(2,772)*	**5,088**	**5**	*(31)*	**5,062**
Other operating expenses	(21,508)	(2,571)	(1,004)	(77)	*94*	**(25,066)**	**(29)**	*31*	**(25,064)**
SEGMENT OPERATING INCOME/(LOSS)	**279,440**	**19,572**	***(5,657)***	**3,743**	*(3,743)*	**293,355**	**1,189**	**-**	**294,544**
EBITDA	**439,515**	**30,673**	**(6,149)**	**3,746**	*(3,746)*	**464,039**	**1,088**	*(950)*	**464,177**

Business Segments *EUR thousand*	*Mining division segment*						***Real Estate division segment***	*Inter-segment eliminations & adjustments*	***Continuing operations total***
	Coal sub-segment	*Coke sub-segment*	*Other sub-segment*	*Electricity trading sub-segment*	*Eliminations & adjustments*	***Mining division segment - total***			
	Continuing operations	*Continuing operations*	*Continuing operations*	*Discontinued operations*		*Continuing operations*	*Continuing operations*		
	1/1/2010 - 31/12/2010	*1/1/2010 - 31/12/2010*	*1/1/2010 - 31/12/2010*	*1/1/2010 - 21/6/2010*	*1/1/2010 - 31/12/2010*	***1/1/2010 - 31/12/2010***	***1/1/2010 - 31/12/2010***	*1/1/2010 - 31/12/2010*	***1/1/2010 - 31/12/2010***
Financial income						**35,373**	**3,849**	*(3,704)*	**35,518**
Financial expenses						**(153,211)**	**(866)**	*3,704*	**(150,373)**
Profit on disposal of energy business						**68,779**	**3,612**	-	**72,391**
Profit before tax						**244,296**	**7,784**	-	**252,080**
Income tax expense						**(30,020)**	**(791)**	-	**(30,811)**
PROFIT FOR THE YEAR						**214,276**	**6,993**	-	**221,269**
Assets and liabilities as of 31.12.2010									
Total segment assets	1,917,383	222,806	*954,795*	-	*(884,801)*	**2,210,183**	**63,077**	*(15,049)*	**2,258,211**
Total segment liabilities	1,055,261	145,028	*1,131,016*	-	*(884,801)*	**1,446,504**	**17,361**	*(15,049)*	**1,448,816**
Other segment information:									
Capital expenditures	169,699	47,925	3,248	**-**	-	**220,871**	**-**	-	**220,871**
Interest income	1,456	15	22,137	9	*(20,272)*	**3,345**	**107**	-	**3,452**
Interest income - divisional CAP	-	-	-	-	-	**-**	**3,692**	*(3,692)*	**-**
Interest expense	20,520	4,812	60,390	13	*(20,272)*	**65,463**	**-**	-	**65,463**
Interest expense-divisional CAP	3,202	351	139	-	-	**3,692**	**-**	*(3,692)*	**-**

Business Segments
EUR thousand

	Mining division segment						*Real Estate division segment*	*Inter-segment eliminations & adjustments*	*Continuing operations total*
	Coal sub-segment	*Coke sub-segment*	*Other sub-segment*	*Electricity trading sub-segment*	*Eliminations & adjustments*	***Mining division segment - total***			
	Continuing operations	*Continuing operations*	*Continuing operations*	*Discontinued operations*		*Continuing operations*	*Continuing operations*		
	1/1/2009 - 31/12/2009	*1/1/2009 – 31/12/2009*	*1/1/2009 - 31/12/2009*	*1/1/2009 - 31/12/2009*	*1/1/2009 - 31/12/2009*	***1/1/2009 - 31/12/2009***	***1/1/2009 - 31/12/2009***	*1/1/2009 - 31/12/2009*	***1/1/2009 - 31/12/2009***
Segment revenues									
Continuing operations									
Sales to third parties	954,657	130,812	27,079	-	-	**1,112,548**	**212**	-	**1,112,760**
Sales to continuing sub-segments	89,437	196	62,120	-	*(151,753)*	**-**	**-**	-	**-**
Sales to discontinued sub-segment	75	-	4,003	-	-	**4,078**	**-**	-	**4,078**
Inter-segment sales	-	-	-	-	-	**-**	**1,785**	*(1,785)*	**-**
Discontinued operations									
Sales to third parties	-	-	-	117,406	*(117,406)*	**-**	**-**	-	**-**
Sales to continuing sub-segments	-	-	-	70,172	*(70,172)*	**-**	**-**	-	**-**
Total revenues	**1,044,169**	**131,008**	**93,202**	**187,578**	*(339,331)*	**1,116,626**	**1,997**	*(1,785)*	**1,116,838**
Change in inventories of finished goods and work-in-progress	4,661	13,918	-	**-**	*290*	**18,869**	**-**	-	**18,869**
Consumption of material and energy	(255,923)	(124,701)	(60,561)	(173,513)	*322,388*	**(292,310)**	**(3)**	-	**(292,313)**
Service expenses	(246,579)	(31,304)	(17,921)	(300)	*2,944*	**(293,160)**	**(411)**	-	**(293,571)**
Personnel expenses	(305,128)	(27,947)	(17,806)	(689)	*695*	**(350,875)**	**(197)**	-	**(351,072)**
Depreciation	(140,789)	(19,867)	(2,632)	(5)	*5*	**(163,288)**	**(1,209)**	-	**(164,497)**
Amortization	(8,352)	-	-	-	-	**(8,352)**	**-**	-	**(8,352)**
Amortization of rights to use land - divisional adjustment	(1,474)	(307)	(4)	-	-	**(1,785)**	**-**	*1,785*	**-**
Reversal of impairment of receivables	1,187	(3)	-	(445)	*445*	**1,184**	**-**	-	**1,184**
Net gain from material sold	3,870	137	41	-	-	**4,048**	**-**	-	**4,048**
Gain from sale of property, plant and equipment	(157)	2,809	980	-	-	**3,632**	**485**	-	**4,117**
Other operating income	2,709	363	548	19	*(125)*	**3,514**	**-**	-	**3,514**
Other operating expenses	(24,570)	(3,151)	(1,135)	(5,654)	*5,698*	**(28,812)**	**-**	-	**(28,812)**
SEGMENT OPERATING INCOME/(LOSS)	**73,624**	**(59,045)**	***(5,288)***	**6,991**	*(6,991)*	**9,291**	**662**	**-**	**9,953**
EBITDA	**224,396**	**(41,680)**	**(3,632)**	**6,996**	*(6,996)*	**179,084**	**1,386**	*(1,785)*	**178,685**

Business Segments
EUR thousand

	Mining division segment						***Real Estate division segment***	*Inter-segment eliminations & adjustments*	***Continuing operations total***
	Coal sub-segment	*Coke sub-segment*	*Other sub-segment*	*Electricity trading sub-segment*	*Eliminations & adjustments*	***Mining division segment - total***			
	Continuing operations	*Continuing operations*	*Continuing operations*	*Discontinued operations*		*Continuing operations*	*Continuing operations*		
	1/1/2009 - 31/12/2009	*1/1/2009 - 31/12/2009*	*1/1/2009 - 31/12/2009*	*1/1/2009 - 31/12/2009*	*1/1/2009 - 31/12/2009*	***1/1/2009 - 31/12/2009***	***1/1/2009 - 31/12/2009***	*1/1/2009 - 31/12/2009*	***1/1/2009 - 31/12/2009***
Financial income						**48,979**	**4,544**	*(4,592)*	**48,931**
Financial expenses						**(121,105)**	**(291)**	*4,592*	**(116,804)**
Profit on disposal of energy business						**-**	**-**	-	**-**
Profit before tax						**(62,835)**	**4,915**	-	**(57,920)**
Income tax expense						**(4,742)**	**(1,069)**	-	**(5,811)**
PROFIT/(LOSS) FOR THE YEAR						**(67,577)**	**3,846**	-	**(63,731)**
Assets and liabilities as of 31.12.2010									
Total segment assets	1,934,096	169,878	*162,629*	41,290	*(108,698)*	**2,199,195**	**33,356**	*(17,020)*	**2,215,531**
Total segment liabilities	921,866	118,372	*697,973*	24,437	*(108,698)*	**1,653,950**	**18,426**	*(17,020)*	**1,655,356**
Other segment information:									
Capital expenditures	222,241	23,550	4,410	**-**	-	**250,201**	**-**	-	**250,201**
Interest income	2,773	290	4,032	90	*(1,429)*	**5,756**	**48**	-	**5,804**
Interest income - divisional CAP	-	-	-	-	-	**-**	**3,819**	*(3,819)*	**-**
Interest expense	17,959	1,475	36,640	41	*(1,380)*	**54,735**	**-**	-	**54,735**
Interest expense-divisional CAP	3,145	396	278	-	-	**3,819**	**-**	*(3,819)*	**-**

Disclosures on main assets and liabilities allocated between the divisions

EUR thousand	Mining division *31/12/2010*	Real Estate division *31/12/2010*	Eliminations & Adjustments *31/12/2010*	Total Group *31/12/2010*
Land	6,327	19,158	-	**25,485**
Buildings and constructions	606,028	309	-	**606,337**
Plant and equipment	607,555	-	-	**607,555**
Other assets	7,601	-	-	**7,601**
Construction in progress	33,914	-	-	**33,914**
Rights to use land of Real Estate Division	14,685	-	(14,685)	**-**
Mining licences	161,586	-	-	**161,586**
Long-term receivables	12,872	-	-	**12,872**
Deferred tax asset	8,601	-	-	**8,601**
Restricted cash	11,025	-	-	**11,025**
Derivatives	58	-	-	**58**
TOTAL NON-CURRENT ASSETS	1,470,252	19,467	(14,685)	**1,475,034**
Inventories	56,013	-	-	**56,013**
Accounts receivable and prepayments	197,781	17	(52)	**197,746**
Derivatives	34	-	-	**34**
Income tax receivable	455	-	(312)	**143**
Cash and cash equivalents	485,648	43,593	-	**529,241**
TOTAL CURRENT ASSETS	739,931	43,610	(364)	**783,177**
TOTAL ASSETS	**2,210,183**	**63,077**	**(15,049)**	**2,258,211**
TOTAL EQUITY	**763,679**	**45,716**	**-**	**809,395**
Provisions	106,491	-	-	**106,491**
Long-term loans	89,377	-	-	**89,377**
Bond issued	745,497	-	-	**745,497**
Employee benefits	95,892	-	-	**95,892**
Deferred revenue	2,524	13,912	(13,912)	**2,524**
Deferred tax liability	118,938	-	-	**118,938**
Other long-term liabilities	576	-	-	**576**
Derivatives	19,280	-	-	**19,280**
TOTAL NON-CURRENT LIABILITIES	1,178,575	13,912	(13,912)	**1,178,575**
Short-term provisions	5,820	-	-	**5,820**
Accounts payable and accruals	204,793	825	(825)	**204,793**
Accrued interest payable on bond	9,029	-	-	**9,029**
Derivatives	4,771	-	-	**4,771**
Income tax payable	26,826	2,624	(312)	**29,138**
Current portion of long-term loans	15,276	-	-	**15,276**
Short-term loans	7	-	-	**7**
Cash-settled share-based payments payable	1,407	-	-	**1,407**
TOTAL CURRENT LIABILITIES	267,929	3,449	(1,137)	**270,241**
TOTAL LIABILITIES	**1,446,504**	**17,361**	**(15,049)**	**1,448,816**
TOTAL EQUITY AND LIABILITIES	**2,210,183**	**63,077**	**(15,049)**	**2,258,211**

Discontinued Operations and Assets Held for Sale

On 21 June 2010 the Company sold the energy business of the Group, represented by NWR Energy, NWR Energetyka PL and Czech Karbon. The assets and liabilities of these entities were presented as assets and liabilities held for sale before the sale was closed. Part of the energy business, presented as Electricity trading sub-segment in the past, is presented as discontinued operations in this financial information. The results of the Electricity trading sub-segment are included only till 21 June 2010, when the Company transferred control over the operations and includes the gain on the sale of the Electricity trading sub-segment of EUR 9.585 thousand.

The following table shows the detail of discontinued operations:

EUR thousand	1 January 2010 - 21 June 2010	1 January 2009 - 31 December 2009
Revenues	74,052	187,578
Consumption of material and energy	(72,502)	(173,514)
Service expenses	(148)	(300)
Personnel expenses	(297)	(689)
Depreciation	-	(5)
Impairment of receivables	-	(445)
Gain from sale of property, plant and equipment	(3)	-
Other operating income	2,718	19
Other operating expenses	(77)	(5,655)
Operating profit	3,743	6,991
Financial income	2,091	8,123
Financial expense	(2,901)	(11,423)
Profit from sale of energy business	9,585	-
Profit before tax	12,518	3,690
Income tax expense	(473)	(1,555)
PROFIT FROM DISCONTINUED OPERATIONS	**12,045**	**2,135**

EBITDA from discontinued operations for the year ended 31 December 2009 amounted EUR 6,995 thousand and for the period ended 21 June 2010, when the energy business was sold, the EBITDA amounted to EUR 3,746 thousand.

The revenues of the segment were presented as electricity trading in the detailed analysis of revenues of the Group before the operations were classified as discontinued.

The following table shows the cash flows from discontinued operations:

EUR thousand	1 January 2010 - 21 June 2010	1 January 2009 - 31 December 2009
Net cash flows from operating activities	86	344
Net cash flows from investing activities	28,127	-
Net cash flows from financing activities	89	1
Net effect of currency translation	126	440
Net cash flow from discontinued operations	**28,428**	**785**

The net cash flow from investing activities includes the net proceeds of EUR 28,129 thousand from the sale of discontinued operations.

Subsequent Events

On 7 February 2011, the Company entered into revolving credit facility with Česká sporitelna, a.s., Československá obchodní banka a.s., Citigroup Global Markets Limited, Komercni Banka, a.s. and ING BANK N.V., Prague branch, as arrangers and original lenders. It provides for a bank loan facility of EUR 100 million, which will be available for 3 years after date of signing. The proceeds of the RCF will be used for general corporate purposes.

Consistent with the Company's dividend policy, the Directors have declared a final dividend of EUR 0.22 per A share, which will be paid to A shareholders in the form of an interim dividend on 15 April 2011. Together with the dividend of EUR 0.21 per A share paid in October 2010, this takes the full year dividend payable to A shareholders to EUR 0.43 per share in respect of the year ended 31 December 2010. Next to it, on 22 February 2011, NWR's Board of Directors approved an interim distribution from the dividend reserve B to the sole holder of the B shares, RPG Property B.V., in the amount of EUR 40 million. The dividend is mostly comprised of the proceeds from the sale of NWR Energy attributable to the Real Estate Division.

Off-Balance Sheet Arrangements

In the ordinary course of business, the Group is a party to certain off balance sheet arrangements. These arrangements include assets related to the construction and related geological survey work at Frenštát. These assets are maintained by OKD but are not reflected in its books. The assets were booked as costs and have not been utilized. The original cost of these assets, spent in the years 1980 to 1989, was CZK 921 million (equivalent of EUR 37 million translated with the exchange rate as of 31 December 2010), of which CZK 815 million (EUR 33 million) was the value of assets located under ground and CZK 106 million (EUR 4 million) is the value of assets located on the surface. Liabilities related to these arrangements are not reflected in the Group's balance sheet and management does not expect that these off balance sheet arrangements will have material adverse effects on the Group's financial condition, results of operations or cash flows.

Other Commitments

Contingent liabilities

Contingent liabilities include clean-up liabilities related to a decommissioned coking plant owned by OKK, and the Group's involvement in several litigation proceedings. It is not possible to estimate the exact potential exposure related to such proceedings, as the monetary value of some of the claims have not been specified and the likely outcome of such proceedings cannot be assessed at this time. However, based on advice of counsel, management believes that the current litigation and claims will not have a significant impact on the Group's financial position. An updated summary of the main litigation proceedings will be included in the 2010 annual financial statements of the Company.

The Group is liable for all environmental damage caused by mining activities since the original privatisation. These future costs can be broadly split into two categories of restoration and mining damages. Restoration liabilities are liabilities to restore the

land to the condition it was in, prior to the mining activities or as stated in the exploration project. Mining damages are liabilities to reimburse all immediate danger caused by mining activities to third party assets.

Provisions for restoration costs are recognised as the net present value of the estimated costs. Restoration costs represent a part of the acquisition cost of fixed assets and such assets are amortised over the useful life of the mines using the sum of the digits method. The provision is compounded every year to reflect the current price level. In addition the Group analyses the accuracy of the estimated provision annually. Any change in the estimate of restoration costs is recognised within fixed assets and is depreciated over the remaining useful life of the mines.

The sale and purchase agreement between the Company and Dalkia Česká Republika, a.s. provides for put and call options, as well as a pre-emption right of NWR, in respect of the energy assets and businesses transferred to Dalkia or replacing such energy assets or businesses upon the occurrence of certain events.

Contractual obligations

The Group is subject to commitments resulting from its indebtedness. These result mainly from the loans drawn by the Group and notes issued. The following table includes contractual obligations resulting from the ECA loan, the 7.375% Senior Notes due 2015 and the 7.875% Senior Notes due 2018 as of 31 December 2010 in nominal values.

(EUR thousand)	**1/1/2011 - 31/12/2011**	**1/1/2012 - 31/12/2013**	**After 31/12/2013**
7.375% Senior Notes due 2015	-	-	267,565
7.875% Senior Notes due 2018	-	-	500,000
ECA loan	14,246	28,493	64,109
Other short term loans*	7	-	-
TOTAL	**14,253**	**28,493**	**831,674**

*calculated with the CZK/EUR exchange rate as of 31 December 2010

Interest has to be paid semi-annually on both the 7.375% Senior Notes and the 7.875% Senior Notes.

The interest rate on the ECA loan is fixed for a total period of six months with a payment period of six months. The interest rate is based on EURIBOR with a fixed margin.

The Group has contractual obligations to acquire property, plant and equipment in the total amount of EUR 83 million, of which EUR 50 million result from the PERSPective 2015 programme relating to the general improvement of coal operations. PERSPective focuses not only on technological development, but also on improvement in areas like People, Efficiency, Reserves, Safety and Predictability.

The Group is also subject to contractual obligations under lease contracts in the total amount of EUR 15 million, of which EUR 3 million are short-term obligations.

The restricted payment basket as defined by the Indenture amounts currently to EUR 195,373 thousand.

Operating and Financial Review
for the year ended 31 December 2009

Operating and Financial Review
for the year ended 31 December 2009

Corporate Information

New World Resources N.V. ("the Company") is a public limited liability company with its registered office at Jachthavenweg 109h, 1081 KM Amsterdam, the Netherlands. The Company is the sole producer of hard coal in the Czech Republic and a leading producer of hard coal in Central Europe on the basis of revenues and volume, and serves customers in the Czech Republic, Poland, Austria, Slovakia, Hungary and Germany. The Company is primarily focused on hard coal mining and coke production.

The Company operates four mines and two coking facilities in the Czech Republic and serves several large Central and Eastern European steel and energy producers. Its key customers are Arcelor Mittal Steel, US Steel, DALKIA, Moravia Steel, Voestalpine and ČEZ. The majority of coal sales are based on long-term framework agreements, which are re-priced mainly on an annual basis.

The Company's hard coal mining business is conducted through OKD, a.s. ("OKD"), a wholly-owned subsidiary of the Company. OKD produces coking coal, which accounted for 51% and 55% of the tonnage of coal sold to third parties for the year ended 31 December 2009 and 2008 respectively, and is used in steel production, and high quality thermal coal, which is used in power generation.

The Company's largest business in terms of revenue is the production of coking coal, which accounted for EUR 448,624 thousand and EUR 859,718 thousand in external sales during the year ended 31 December 2009 and 2008 respectively. Additionally, external thermal coal sales amounted to EUR 351,379 thousand in the year ended 31 December 2009 and EUR 352,295 thousand in the same period in 2008. Net coke sales totalled EUR 105,092 thousand during the year ended 31 December 2009, compared to EUR 332,506 thousand in the same period in 2008.

Financial Results Overview

Revenues. The Company's revenues decreased by 38%, from EUR 1,814,785 thousand in the year ended 31 December 2008 to EUR 1,116,838 thousand in the year ended 31 December 2009. This decrease is mainly attributable to the decrease in revenues from coking coal and coke.

Operating expenses. Total operating expenses decreased from EUR 1,348,550 thousand to EUR 1,137,433 thousand or by 16% for the year ended 31 December 2009 compared to the same period in 2008. The decrease is mainly due to a EUR 84,896 thousand decrease in personnel expenses (excluding employee benefits), a EUR 36,219 thousand decrease in Polish coal consumption for coking, as well as EUR 19,501 thousand decrease in expenses for contractors.

EBITDA. EBITDA from continuing operations decreased by 74% from EUR 683,568 thousand in the year ended 31 December 2008 to EUR 178,685 thousand in the year ended 31 December 2009. Total EBITDA, including the results of both, continuing and discontinued operations, decreased by EUR 511,326 thousand from EUR 697,006 thousand in the year ended 31 December 2008 to EUR 185,680 thousand in the year ended 31 December 2009. This is mainly due to a decrease in operating result from continuing operations of EUR 507,156 thousand, as lower expenses did

not compensate for the decrease in revenues driven mainly by the decline of both coking coal and coke prices and volumes.

Basis of Presentation

General information
The condensed consolidated financial information ("financial information") presented in this document is prepared for the year ended 31 December 2009. The financial information for the year ended 31 December 2008 represents the comparative period.

The financial information includes New World Resources N.V. and its following subsidiaries (together "the Group") as of 31 December 2009:

Consolidated subsidiaries

Entity	*% Equity = voting*	*Nature of Activity*
Entities directly owned by New World Resources N.V.:		
OKD, a.s.	100 %	Coal mining
OKK Koksovny, a.s.	100 %	Coke production
NWR KARBONIA Sp. z o.o.	100 %	Coal mining
NWR Energy, a.s.*	100 %	Energy production and sale
Entities directly owned by OKD, a.s.:		
OKD, HBZS, a.s.	100 %	Emergency services, waste processing
Entities directly owned by NWR Energy, a.s.:		
CZECH-KARBON s.r.o.*	100 %	Electricity trading
NWR Energetyka PL Sp. z o.o.*	100 %	Energy production and sale

**presented as assets held for sale*

The objective of the Company is to act as a holding and financing entity for the Group.

See note "Changes in the consolidated group" on page 6 for information on the comparable period.

All of the Company's consolidated subsidiaries are incorporated in the Czech Republic, with the exception of NWR KARBONIA Sp. z o.o. and NWR Energetyka PL Sp. z o.o., which are incorporated in Poland.

Statement of compliance
The presented financial information is prepared based on IFRS recognition and measurement criteria as adopted by the European Union.

The financial information has been prepared on the basis of the accounting policies and methods described in the notes to financial statements contained in the 2009 Annual Report of the Group.

Summary of changes in accounting policies

Except as described below, the accounting policies applied by the Group in the consolidated financial statements for the year ended 31 December 2009 are the

same as those applied in the consolidated financial statements for the year ended 31 December 2008.

The Group started to apply revised IAS 1 Presentation of Financial Statements, which is effective for annual periods starting 1 January 2009. As a result, the Group presents in the consolidated statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the consolidated statement of comprehensive income. The Group also started to apply revised IAS 23, which requires the capitalization of borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. This presentation has been applied in this financial information.

Basis of preparation

The financial information is prepared on the historical cost basis, except for derivative and other financial instruments, which are stated at their fair value. It is presented in Euros (EUR) and is rounded to the nearest thousand. Financial information of operations with functional currency other than EUR was translated to the Group presentation currency (EUR).

The functional currency of the Company is EUR. The functional currency of NWR KARBONIA Sp. z o.o. and NWR Energetyka PL Sp. z o.o. is the Polish Zloty (PLN). The functional currency of the remaining consolidated companies is the Czech Koruna (CZK).

The Group is organised into two divisions: the Mining Division and the Real Estate Division. The Company had A Shares and B Shares outstanding for the presented periods. The A Shares and B Shares are tracking stocks, which are designed to reflect the financial performance and economic value of the two divisions. The A Shares track the financial performance and economic value of the Mining Division, but do not track the financial performance or economic value of the Real Estate Division, which is represented by the B Shares. The B Shares are owned solely by the BXR Group, which also holds approximately 64% of the A Shares. The ownership of the A Shares and the B Shares represents an ownership interest in the Group as a whole, but does not represent a direct legal interest in the assets and liabilities of the assets of the Mining Division or the Real Estate Division, respectively. The financial statements of the Group reflect the results of operations and the financial position and performance of the assets and businesses currently owned and operated by the Mining Division and the Real Estate Division. As the A Shares and B Shares are tracking stocks of the same legal entity, separate financial statements are not provided. With effect from 31 December 2007, the Group has tracked the financial performance of the two divisions and presents corresponding financial information in the segmental information in its consolidated financial statements. See "Divisions and segments" for the segmental analysis of the Group.

Since July 2008 the Company has presented and followed the financial performance of the electricity trading business separately. Consequently, the Mining Division is represented by two sub-segments, one representing the coal & coke business and the other representing the electricity trading business. The electricity trading activities are presented as discontinued operations.

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing these consolidated financial statements, the

significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended 31 December 2008.

Changes in the consolidated group

The changes listed below include all changes in the consolidated group for the period from 1 January 2008 to 31 December 2009 to ensure comparability of the presented periods.

A business combination involving entities or businesses under common control is a business combination in which all of the Group entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and such control is not transitory.

In the absence of more specific guidance, the Group entities consistently applied the book value measurement method to all common control transactions. Differences between consideration paid and carrying value of acquired net assets are recognised as a change in consolidated equity.

An ownership interest transfer agreement between OKD, as a seller of its 100% share in NWR KARBONIA Sp. z o.o., and the Company as a buyer, was signed on 16 January 2008. The sale was executed on 25 January 2008. This transfer of ownership has no impact on the consolidated financial statements of the Company because NWR KARBONIA Sp. z o.o. remains under the control of the Company after the transfer.

With effective date 1 January 2008 the 100% share in OKD, Rekultivace, a.s. ("Rekultivace"), the 49% share in Garáže Ostrava, a.s. and OKD's internal business unit IMGE were spun-off from OKD into four legal entities. On 30 September 2008, the Company distributed these four entities together with certain promissory notes received from the sale of real estate assets not used for its mining activities to the holder of B Shares (see section "Divisions and segments").

OKK Koksovny, a.s. ("OKK") merged with NWR Coking, a.s. with effective date 1 January 2008, with OKK as the legal successor. The control at the Company level did not change.

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 were spun-off from NWR KARBONIA Sp. z o.o. in the first quarter of 2009. The entities do not perform any other activities than those related to this purpose. The control at the Company level did not change.

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.

On 24 June 2009 the Board of Directors of the Company ("the Board") approved the intention to sell the energy business of the Group under defined conditions. The

energy business of the Group is represented by NWR Energy, a.s., NWR Energetyka PL Sp. z o.o. and CZECH-KARBON s.r.o. Based on the Board's determination to sell the energy business, the assets and liabilities of these entities are classified as held for sale. Part of the energy business, which historically has been presented as the Electricity trading segment in the past, is presented as discontinued operations in this financial information.

On 13 October 2009, the Company contributed all its shares in NWR Energetyka PL Sp. z o.o. to its other subsidiary, NWR Energy, a.s. Thus all energy business is now consolidated under NWR Energy, a.s.

Non-IFRS Measures

The Company defines EBITDA as net profit after tax from continuing operations before minority interest, income tax, net financial costs, depreciation and amortisation, impairment of property, plant and equipment ("PPE") and gains/losses from sale of PPE. While the amounts included in EBITDA are derived from the Company's condensed consolidated financial statements, it is not a financial measure determined in accordance with IFRS. Accordingly, EBITDA should not be considered as an alternative to net income or operating income as an indication of the Company's performance or as an alternative to cash flows as a measure of the Company's liquidity. The Company currently uses EBITDA in its business operations to, among other things, evaluate the performance of its operations, develop budgets, and measure its performance against those budgets. The Company considers EBITDA a useful tool to assist in evaluating performance because it excludes interest, taxes and other non-cash charges.

The financial information shows the results from Electricity trading as profit from discontinued operations. To present comparable figures with previously published financial information, the Company presents Total EBITDA, which is defined as the total of EBITDA from continuing operations and EBITDA from discontinued operations. Discontinued operations are also presented in a separate part of this document.

The Company defines net debt as total debt less cash and cash equivalents. Total debt includes issued bonds, long-term interest-bearing loans and borrowings, including their current portions, plus short-term interest-bearing loans and borrowings. Total debt is based on gross amount of debt less related expenses. Interest-bearing loans, bond issues, and borrowings are measured at amortised cost.

Exchange Rates

The following table presents the FX rates used:

	Year ended 31 December	
(CZK/EUR)	**2009**	**2008**
Average exchange rate	26.435	24.946
Balance sheet exchange rate	26.473	26.875

The Czech Koruna depreciated (based on the average exchange rate) by 6% between the year ended 31 December 2008 and the year ended 31 December 2009.

Throughout the discussion of the operating results, the financial results and performance compared to the prior period, both in Euros and percentage terms, are given in Euros. The Company may also, where deemed significant, present variances in terms of constant foreign exchange rates, marked ex-FX, which exclude the effect of currency translation differences and is a non-IFRS financial measure.

This discussion does not eliminate the effects resulting from the conversion of amounts from CZK into EUR on the comparability of financial information of the Group in different periods. This can lead to an over- or understatement of change in revenue and expenses from period-to-period when compared to the change in revenues in CZK. The financial information and described trends could differ considerably if the financial information was presented in CZK.

Financial Performance

Revenues

Revenues of the Group decreased by 38% to EUR 1,116,838 thousand in the year ended 31 December 2009.

(EUR thousand)	**Year ended 31 December**		**Change**		
Revenues	**2009**	**2008**	**y-y**	**y/y %**	**ex-FX**
External coking coal sales (EXW)	448,624	859,718	(411,094)	(48%)	(45%)
External thermal coal sales (EXW)	351,379	352,295	(916)	(0%)	6%
External coke sales (EXW)	105,092	332,506	(227,414)	(68%)	(67%)
Coal and coke transport by OKD	114,413	107,034	7,379	7%	13%
Sale of coke by-products	12,492	22,384	(9,892)	(44%)	(41%)
OKD other sales	46,271	83,150	(36,879)	(44%)	(33%)
Reclamation works	0	20,952	(20,952)	(100%)	(100%)
Other revenues	38,567	36,746	1,821	5%	11%
Total	**1,116,838**	**1,814,785**	**(697,947)**	**(38%)**	**(34%)**

The decrease mainly reflects a decrease in revenues from coking coal and coke sales. The decrease in coking coal and coke sales is mainly attributable to a decrease in coking coal and coke prices, as well as a decrease in volumes of coking coal and coke sold to third parties.

	Year ended 31 December	
Average sales prices per ton (EUR)	**2009**	**2008**
Coking coal	87	137
Thermal coal	72	69
Coke	149	302

The following table reflects coal production and sales for the years 2009 and 2008.

Coal performance indicators (kt)	Year ended 31 December		Change	
	2009	2008	y-y	y/y %
Coal production	11,001	12,663	(1,662)	(13%)
Sales to OKK	(829)	(1,094)	265	(24%)
Sales to NWR Energy, a.s.	(49)	0	(49)	-
Internal consumption	(11)	(42)	31	(74%)
Coal production available for sale	**10,112**	**11,527**	**(1,415)**	**(12%)**
(Inventory build-up)	(51)	(140)	89	(64%)
Total net sales	**10,061**	**11,387**	**(1,326)**	**(12%)**
- of which				
Coking coal	5,170	6,293	(1,123)	(18%)
Thermal coal	4,891	5,094	(203)	(4%)

Total production of coal in the year ended 31 December 2009 decreased by 13% compared to total production in the year ended 31 December 2008. Volumes of coal sold to third parties decreased by 12%.

The following table reflects coke production and sales for the years 2009 and 2008.

Coke performance indicators (kt)	Year ended 31 December		Change	
	2009	2008	y-y	y/y %
Coke production	843	1,296	(453)	(35%)
Internal consumption	(53)	(78)	25	(32%)
(Inventory build-up)	(85)	(115)	30	(26%)
Coke sales	705	1,103	(398)	(36%)

Coke production decreased by 35% in the year ended 31 December 2009, when compared to the same period in 2008, while coke sales decreased by 36%. Lower volumes of sales compared to production volumes resulted in a build-up of inventory in both years. The decline of production was due in part to the fact that the Group decreased its utilization of certain coking facilities in 2009 as a result of the decreased demand for coke, resulting from the global economic downturn.

The Company distributed Rekultivace (which was the entity that provided reclamation works) to the B shareholders of the Company on 30 September 2008. Therefore, the Group did not provide any reclamation works to third parties in 2009.

Due to the transfer of energy assets from OKD into NWR Energy, a.s. on 30 June 2008, Other sales of OKD decreased by EUR 16,027 thousand. OKD other sales further decreased by EUR 16,745 thousand due to lower revenue from foreign currency forwards, which classify for hedge accounting.

The electricity trading business is classified as discontinued operations and is presented in a separate section Discontinued operations in this document.

Operating Expenses

Operating expenses decreased from EUR 1,348,550 thousand to EUR 1,137,433 thousand or by 16% for the year ended 31 December 2009 compared to the same period in 2008. The decrease is mainly due to a EUR 84,896 thousand decrease in personnel expenses, a EUR 36,219 thousand decrease in Polish coal consumption for coking, as well as EUR 19,501 thousand decrease in expenses for contractors.

Consumption of Material and Energy

The following table sets out the Group's costs for the consumption of material and energy for the years 2009 and 2008:

(EUR thousand)	**Year ended 31 December**		**Change**		
Consumption of material and energy	**2009**	**2008**	**y-y**	**y/y %**	**ex-FX**
Mining material	97,371	117,209	(19,838)	(17%)	(12%)
Spare parts	38,967	40,134	(1,167)	(3%)	3%
Polish coal consumption for coking	18,104	54,323	(36,219)	(67%)	(65%)
Energy for coal mining (OKD)	110,867	95,375	15,492	16%	23%
Energy for coking (OKK)	14,291	14,696	(405)	(3%)	3%
Other consumption of material and energy	12,713	46,295	(33,582)	(73%)	(74%)
Total	**292,313**	**368,032**	**(75,719)**	**(21%)**	**(16%)**

In the year ended 31 December 2009 the cost of energy consumption for coal mining increased by 16%. The increase in price of electricity and distribution in the Czech Republic by 33% in Euro terms was partly offset by lower consumption volumes of energy and material consumed for coal mining and coking. The line item Energy for coal mining (OKD) includes EUR 25,576 thousand in costs for compressed air for the year ended 31 December 2009, increased from EUR 13,124 thousand for the year ended 31 December 2008. The increase is principally driven by an organisational change within the Group: As of 1 July 2008 energy assets of OKD were transferred to a separate entity, NWR Energy, a.s. Before the transfer, compressed air was produced internally at OKD and costs associated with the production of compressed air (e.g. electricity, labour) were each included in the appropriate line item. Since the transfer of OKD's energy assets to NWR Energy, a.s., OKD has procured compressed air from NWR Energy, a.s. and accounts for its entire cost under Energy for coal mining.

The decrease in the line item Mining material reflects the reduction in coal production by 13% combined with the decrease in unit price of mining material by 7%. The decrease in Spare parts consumption is caused mainly by the decrease in production, which is partly offset by higher consumption of spare parts due to increasing depth of mining. The consumption of externally purchased Polish coal for

coking operations decreased mainly due to lower production levels of coke that require lower volumes of coal input as well as by substitution of externally purchased coal by coal produced internally by the Group.

Other consumption of material and energy decreased by 73%, primarily due to the distribution of Rekultivace on 30 September 2008 and the sale of OKD, Bastro, a.s. in December 2008.

The electricity trading business is classified as discontinued operations and is presented in a separate section Discontinued operations of this document.

Service Expenses

Service expenses decreased by 16% for the year 2009 compared to the year 2008 as set forth in the table below.

(EUR thousand)	**Year ended 31 December**		**Change**		
Service expenses	**2009**	**2008**	**y-y**	**y/y %**	**ex-FX**
Coal and coke transport costs	111,069	107,931	3,138	3%	9%
Contractors OKD	66,403	85,904	(19,501)	(23%)	(18%)
Maintenance for OKD and OKK	30,897	42,536	(11,639)	(27%)	(23%)
Advisory expenses on holding level	8,111	17,244	(9,133)	(53%)	(50%)
Reclamation works	0	12,148	(12,148)	(100%)	(100%)
Other service expenses	77,091	85,703	(8,612)	(10%)	(7%)
Total	**293,571**	**351,466**	**(57,895)**	**(16%)**	**(12%)**

The decrease in Service expenses is mainly attributable to a decrease in expenses for contractors by 23% and the decrease in maintenance costs by 27%. The decrease in Contractors costs is the result of a 12% decrease of unit costs per shift combined with a 13% decrease in number of shifts worked (which is also reflected in a decrease in the average number of contractors as reflected in the table below), corresponding to the decrease of coal production. The decrease in Maintenance costs is due to intensive cost reduction measures resulting in less maintenance works at the mines, partly due to the implementation of new mining technology. The Group did not provide reclamation works to third parties in 2009 due to the distribution of OKD Rekultivace, a.s. on 30 September 2008.

Coal and coke transport costs represent a significant portion of the service expenses. However, almost all transportation expenses are incurred in relation to the deliveries of coal and coke to customers and are then re-invoiced to these customers and included in the revenue, which means that transportation costs are just a pass-through item and do not have a material impact on the Group's financial results.

Contractors headcount	**2009**	**2008**	**y-y**	**y/y %**
Total	2,906	3,501	(595)	(17%)
- of which OKD mining	2,610	3,002	(392)	(13%)

Personnel Expenses

The following table reflects personnel expenses excluding employee benefits for the years 2009 and 2008.

	Year ended 31 December		**Change**		
(EUR thousand)	**2009**	**2008**	**y-y**	**y/y %**	**ex-FX**
Personnel expenses excl. employee benefits	343,195	428,091	(84,896)	(20%)	(16%)

Personnel expenses excluding employee benefits decreased by 20%. The decrease reflects a wage freeze agreed with the Group's trade unions as well as the decision not to pay certain bonuses and other extra payments to the employees of the Group in 2009. Personnel expenses also include the costs for share-based payments to Directors and employees in the amount of EUR 12,441 thousand and EUR 16,295 thousand for the year ended 31 December 2009 and 2008 respectively. Share-based payments are described in detail in the Share-based payments section of this document.

The following table reflects the number of employees for the years 2009 and 2008:

	Year ended 31 December		**Change**	
Employees headcount	**2009**	**2008**	**y-y**	**y/y %**
Own employees	16,044	17,738	(1,694)	(10%)
- of which OKD mining	9,911	10,374	(463)	(4%)

For the year ended 31 December 2009, the number of employees decreased by 10% compared to the number of employees in 2008, due to the decrease in production.

Other Operating Income and Expenses

The following table reflects other operating income and expenses in 2009 compared to 2008.

	Year ended 31 December		**Change**		
(EUR thousand)	**2009**	**2008**	**y-y**	**y/y %**	**ex-FX**
Other operating income	3,514	4,080	(566)	(14%)	(9%)
Other operating expenses	(28,812)	(27,625)	(1,187)	4%	11%
Net other operating income	**(25,298)**	**(23,545)**	**(1,753)**	**7%**	**14%**

Other operating income and expenses reflect insurance costs and payments, mining damage and indemnity, and related provisions and their release. Other operating expenses increased mainly due to an increase in charitable contributions to the OKD foundation by EUR 2,108 thousand.

EBITDA

The following table compares EBITDA for the year ended 31 December 2008 and 2009.

	Year ended 31 December		Change		
(EUR thousand)	**2009**	**2008**	**y-y**	**y/y %**	**ex-FX**
EBITDA from continuing operations	178,685	683,568	(504,883)	(74%)	(70%)
EBITDA from discontinued operations	6,995	13,438	(6,443)	(48%)	(45%)
Total EBITDA	185,680	697,006	(511,326)	(73%)	(70%)

The Company's EBITDA from continuing operations for the year ended 31 December 2009 was EUR 178,685 thousand, which is EUR 504,883 thousand lower than in the year ended 31 December 2008 and represents a 74% decrease.

As EBITDA is a non-IFRS measure, the following tables provide a reconciliation of EBITDA from continuing operations and EBITDA from discontinued operations to IFRS line items of the income statement.

	Year ended 31 December	
(EUR thousand)	**2009**	**2008**
Net Profit after Tax from Continuing Operations	(63,731)	341,096
Income Tax	5,811	117,673
Net Financial Expenses	67,873	58,340
Depreciation and Amortisation	172,849	168,511
Gains/Losses from Sale of PPE	(4,117)	(2,052)
EBITDA from continuing operations	**178,685**	**683,568**

	Year ended 31 December	
(EUR thousand)	**2009**	**2008**
Net Profit after Tax from Discontinued Operations	2,135	10,543
Income Tax	1,555	2,843
Net Financial Expenses	3,300	48
Depreciation and Amortisation	5	4
Gains/Losses from Sale of PPE	0	0
EBITDA from discontinued operations	**6,995**	**13,438**

Depreciation

The following table reflects depreciation for 2009 and 2008.

(EUR thousand)	Year ended 31 December 2009	2008	Change y-y	y/y %	ex-FX
Depreciation	(164,497)	(158,346)	(6,151)	4%	10%

The majority of property, plant and equipment of the Group is located in Czech Republic. Therefore most of the depreciation is recorded in CZK. After elimination of the exchange rate impact on the historical costs, depreciation increased by 10%. This increase is mainly due to higher values of new equipment, in particular the Production Optimisation Programme ('POP 2010') mining equipment, as compared to the original gross values of the replaced equipment.

Financial Income and Expense

Financial result decreased by 15% for the year ended 2009 compared to the year 2008 as set forth in the table below.

(EUR thousand)	**Year ended 31 December 2009**	**2008**	**Change y-y**	**y/y %**
Financial income	48,931	106,011	(57,080)	(54%)
Financial expense	(116,804)	(165,198)	48,394	(29%)
Financial result	**(67,873)**	**(59,187)**	**(8,686)**	**15%**

Financial income decreased by 54% to EUR 48,931 thousand for the year ended 31 December 2009. Financial expense decreased by EUR 48,394 thousand to EUR 116,804 thousand for the year ended 31 December 2009. The decrease in realised and unrealised foreign exchange gains of EUR 41,683 thousand was partly offset by the decrease in realized and unrealized foreign exchange losses of EUR 12,951 thousand. Loss on derivative instruments, which do not qualify for hedge accounting, decreased by EUR 18,820 thousand. Net interest expense decreased slightly as a result of lower market interest rates.

Profit/(Loss) from Continuing Operations before Tax

Loss from continuing operations before tax for the year 2009 was EUR 57,920 thousand, a decrease of EUR 516,689 thousand compared to a profit of EUR 458,769 thousand for the year 2008. The factors affecting this decrease in profits are discussed above.

Income Tax

The effective income tax rate of the Group was 26% in 2008. In 2009, the effective income tax rate was minus 10%, as the Group had income tax expense of EUR 5,811 thousand despite recording a loss in 2009. The income tax expense is negatively influenced by the tax non-deductibility of some expenses, especially the interest expense on the part of the Senior Secured Facilities, and by the fact that the holding company recorded a loss before tax for the year ended 31 December 2009, for which no deferred tax asset was recognised as at 31 December 2009, while majority of the operating entities recorded a profit and corresponding income tax. The Group income tax expense for the year ended 31 December 2009 is decreased by the recognition of a deferred tax asset resulting from the 2009 tax loss of OKK.

Profit/(Loss) from Discontinued Operations

Profit from discontinued operations, reflecting the result of the electricity trading business, decreased from EUR 10,543 thousand in 2008 to EUR 2,135 thousand in 2009.

Profit/(Loss) for the Period

Loss for the year 2009 was EUR 61,596 thousand, which was EUR 413,235 thousand lower than profit for the year 2008. The decrease was the result of decrease in profit before tax, which was partly offset by a decrease in the income tax expense.

Share-based Payments

Introduction to share-based payments of the Company

The cost of equity-settled transactions with employees is measured by reference to the fair value at the grant date and is recognised as an expense over the vesting period, which ends on the date on which the relevant employees become fully entitled to the award. The fair value is determined by reference to the share price on the grant date. In valuing equity-settled transactions of the Company, no account is taken of any vesting conditions because no market conditions apply for vesting. At each balance sheet date, before the end of the vesting period, the cumulative expense is calculated, representing the extent to which the vesting period has expired and of the number of equity instruments that will ultimately vest. The movement in cumulative expense compared to the previous balance sheet date is recognised in the income statement, with a corresponding entry in equity or liability, based on the type of share-based scheme.

For cash-settled share-based payment transactions, the Company measures the liability incurred at the fair value of the liability. The Company re-measures the fair value of the liability at the date of settlement and at the end of each reporting period until the liability is settled, with any changes in fair value recognised in profit or loss for the period.

The impact of the Group's share-based remuneration schemes on the diluted earnings per share is calculated according to the requirements of IFRS 2 and IAS 33.

The Company offers independent members of the Board and certain employees of the Group share-based remuneration packages (see below).

d) Shares granted to Independent Directors

The Company granted each of its five Independent Directors A Shares in the value of EUR 200 thousand vesting on 9 May 2008 and A Shares in the same value vesting on 9 May 2009. The Company settled the first tranche by issuing 59,260 ordinary A Shares with nominal value of EUR 0.40 each on 16 May 2008. The value of the transaction was determined by means of the market share price as per 16 May 2008. The second and final tranche was settled by issuing 266,490 ordinary A Shares with nominal value of EUR 0.40 each on 20 May 2009. The number of shares granted was determined as the average of opening prices of an A Share on the London Stock Exchange over a period of five business days preceding the date of share issue.

Since the return is fixed in the same way as if settlement were to be made in cash for the shares vesting on 9 May 2009, the settlement was accrued for as a financial liability. The corresponding expenses are shown as Share-based payments under Personnel expense. The impact of granting shares to the Independent Directors on the income statement for the period in 2009 equals to EUR 353 thousand. This amount relates fully to accrued expenses for the second tranche of granted shares.

e) Shares and share options granted to Executive Directors

Mr. Miklos Salamon was granted options for A Shares with exercise price of EUR 0.01 in the amount equal to 0.5 % of the issued share capital of the Company. This remuneration package classifies as an equity settled share-based payment transaction and is presented correspondingly, in a separate equity category in the balance sheet of the Company. 263,800 options vested on 1 September 2008. 264,351 options vested on 1 September 2009. On each subsequent anniversary an additional 20% of the granted options will vest. The accrued expense for the granted share options has an impact of EUR 8,381 thousand for the year ended 31 December 2009.

Mr. Salamon's option plan has no dilutive impact since the fair value of the weighted average number of options that would have been issued at average market price would equal the fair value of the services the Company received from Mr. Salamon.

According to his employment contract with OKD, the Executive Director of the Company and the Chief Executive Officer of OKD, Mr. Klaus-Dieter Beck is entitled to receive 250,045 A Shares for each full year of his three-year term, starting as of 1 July 2007, up to a maximum total amount of 1,250,225 A Shares. The remuneration package classifies as an equity settled share-based payment transaction with cash alternative and is presented accordingly as a short-term liability.

Mr. Beck's incentive plan has no dilutive impact since the fair value of the weighted average number of shares that would have been issued at average market price would equal to the fair value of the services the Group received from Mr. Beck.

f) Share options granted to employees of the Group

Several eligible employees and Directors of the Group were granted options for A Shares of the Company in accordance with its Stock Option Plan for Executive Directors, senior management and key employees ("the NWR IPO Share Option Plan"). This remuneration package is classified as equity settled. The exercise price of the options granted on 9 May 2008 is GBP 13.25. The corresponding vesting period for these share options, numbering 619,878 in total, runs from 9 May 2008 to 9 May 2011. The second granting of options to certain employees and Directors took place on 24 June 2009. The exercise price of these options is GBP 2.8285. The corresponding vesting period for these share options, numbering 3,325,762 in total, runs from 24 June 2009 to 24 June 2012.

Similarly to the options granted to Mr. Salamon, the fair value of the options per grant date was calculated by using the Black-Scholes model.

Due to the Company's share market price as of 31 December 2009, which is lower than the exercise price of options granted under the NWR IPO Share Option Plan on 9 May 2008, these are out-of-the-money and therefore, do not have any dilutive potential regarding the calculation of the diluted earnings per share.

The second tranche of granted options is in the money. The average share price for the period was GBP 3.9443. The dilutive impact of the second tranche is 474,576 shares.

The following table presents the impact of the various share-based remuneration schemes on the profit of the Company.

Share-based remuneration schemes

EUR thousand	01/01/2009 - 31/12/2009	01/01/2008 - 31/12/2008
Independent Directors	353	1,846
Mr. Miklos Salamon	8,381	8,090
Mr. Klaus-Dieter Beck	2,013	5,764
Other	1,694	595
Total	**12,441**	**16,295**

Earnings per Share (“EPS”)

The diluted earnings per A Share amounted to EUR -0.25 per A Share for the year ended 31 December 2009 compared to EUR 1.33 per A Share for the same period in 2008.

Earnings per share	**Year ended 31 December 2009**			
(EUR)	A Shares	B Shares	C Share	The Company
Basic EPS	(0.25)	384.60	-	(0.23)
Number of shares	264,044,650	10,000	0	264,054,650
Adjusted EPS	(0.25)	384.60	-	(0.23)
Adjusted number of shares*	264,330,100	10,000	0	264,340,100
Diluted EPS	(0.25)	384.60	-	(0.23)
Diluted number of shares	264,519,226	10,000	0	264,529,226

Earnings per share	**Year ended 31 December 2008**			
(EUR)	A Shares	B Shares	C Share	The Company
Basic EPS	1.33	746.80	0.00	1.36
Number of shares**	258,981,995	10,000	0.24	258,991,996
Adjusted EPS	1.30	746.80	-	1.33
Adjusted number of shares*	264,330,100	10,000	0	264,340,100
Diluted EPS	1.33	746.80	0.00	1.36
Diluted number of shares	259,032,528	10,000	0.24	259,042,529

* adjusted to the actual number of A Shares as of 31 December 2009
** restated for the stock split of 2.5 that occurred on 5 May 2008

Cash Flow

The following table compares the main cash flow categories for the year ended 31 December 2009 and 2008.

(EUR thousand)	**Year ended 31 December**	
Cash flow	**2009**	**2008**
Net profit before taxation and minority interest	(54,230)	472,155
Adjustments for non-cash income items	249,180	248,924
Working capital changes	52,491	25,613
Interest paid	(52,852)	(65,989)
Corporate income tax paid	(18,364)	(157,047)
Net cash flows from operating activities	**176,225**	**523,656**
Net cash flows from investing activities	**(239,411)**	**(260,872)**
Proceeds from/(Repayments of) borrowings	(11,034)	(38,804)
Net proceeds from issued shares	0	217,188
Dividends paid	(47,484)	(235,536)
Net cash flows used in financing activities	**(58,518)**	**(57,152)**

Cash Flow from Operating Activities

Net operating cash flow for the year ended 31 December 2009 amounted to EUR 176,225 thousand, compared with EUR 523,656 thousand for the year 2008. This decrease in the net operating cash flow was mainly attributable to the decrease in net result due to lower revenues caused by lower prices and volumes of coal and coke sold. The impact of lower sales was partly offset by improved working capital management resulting in a positive cash flow resulting from the changes of receivables and payables in the amount of EUR 59,910 thousand. The lower cash inflow from operating activities was also partly offset by lower income tax paid.

The Group entered into a factoring agreement in December 2009. The Group sold trade receivables in the total value of approximately EUR 38,318 thousand in a non-recourse factoring and received cash in the amount of 90% of the nominal value of the receivables (EUR 34,426 thousand), which is reflected in the positive changes of working capital in 2009.

Cash Flow from Investing Activities

Net investing cash flow is negative, since capital expenditure is higher than the proceeds from sale of long-term assets. Capital expenditure decreased from EUR 285,094 thousand for the year ended 31 December 2008 by EUR 34,893 thousand to EUR 250,201 thousand for the year ended 31 December 2009, of which approximately EUR 128,890 thousand is related to the POP 2010 equipment. The decrease is mainly due to the decrease in POP 2010 related capital expenditure.

Cash Flow Used in Financing Activities

Cash flow used in financing activities was influenced by the proceeds from an initial public offering ("IPO") in May 2008, dividends paid, proceeds and repayments of loans and a partly redemption of the Company's Senior Notes. The net proceeds

from the IPO in 2008 amounted to EUR 217,188 thousand. The Company paid dividends in the total amount of EUR 47,484 thousand in May 2009, compared to dividends in the amount of EUR 235,536 thousand paid in 2008. The Group also paid regular instalments on Facility 1 of the Syndicated Loan in February and August 2008 and February and August 2009. The EUR equivalent of the regular instalments in 2008 was EUR 65,148 thousand. The EUR equivalent in 2009 was EUR 63,486 thousand. The Group also repaid short-term borrowings in the amount of EUR 15,930 thousand in 2009 and drew down part of the ECA (Export Credit Agency) loan facility in the amount of EUR 92,521 thousand in 2009. In October 2009 the Company repaid and cancelled part of its 7.375% Senior Notes in the nominal amount of EUR 32,435 thousand. The notes were purchased with a discount of EUR 2,270 thousand.

Liquidity and Capital Resources

The Company is a holding company and relies on dividends or other distributions from subsidiaries, inter-company loans or other capital contributions to fund its liquidity requirements. The liquidity requirements of the Group arise primarily from working capital requirements, interest and principal payments on the ECA loan, the Company's 7.375% Senior Notes, dividend payments, the need to fund capital expenditures and, on a selective basis, acquisitions. The dividends, distributions or other payments from subsidiaries are expected to be funded by cash from their operations. The Group continuously reviews its cash flow and operations, and believes that the cash generated from its operations and borrowing capacity will be sufficient to meet its principal uses of cash, which include future planned operating expenditures, anticipated capital expenditures (including acquisitions or mining equipment), scheduled debt and interest payments and distributions. To augment the existing cash and liquidity resources, the Company continues to evaluate a range of transactions, including debt financings. The Company may consider, from time to time, carrying out transactions to acquire, repay or discharge its outstanding debt (or portions thereof). The Group is leveraged at a standard level and its debt obligations consist of mandatory interest and principle payments.

As at 31 December 2009, the Group had cash and cash equivalents of approximately EUR 547,827 thousand. The Group's cash position was strengthened by the decision not to pay a year-end dividend due to the global economic crisis. The Group's stated dividend policy is to pay dividends amounting to 50% of net profit over the cycle.

The Company purchased EUR 32,435 thousand in aggregate principal amount of its 7.375% Senior Notes in October 2009. All purchased Notes were irrevocably and unconditionally cancelled, which reduced the outstanding principal amount of the Notes to EUR 267,565 thousand. The Notes that were purchased were acquired at a purchase price of EUR 930 for each EUR 1,000 in principal amount of Notes. The total purchase price for the Notes was EUR 30,165 thousand excluding the accrued interest.

In August 2009, the Company closed the ECA loan agreement for approximately EUR 141 million to finance Phase II of the POP 2010 capital investment programme. This loan will cover 85% of the net purchase price of five new longwall sets. The facility's availability period ends in June 2010 and NWR will repay the full facility in seventeen semi-annual linear instalments. As of 31 December 2009 the Company has drawn down EUR 92,521 thousand.

The Company entered into a share sale and purchase agreement with Dalkia Česká republika, a.s. ("Dalkia Ceska") on 8 January 2010 which provides for the sale by the

Company to Dalkia Ceska of 100% of the ownership in the Energy Subsidiaries for CZK 3.209 billion in cash (the "SPA"). The purchase price is subject to certain adjustments based on the financial performance of the sold entities. The Group expects the closing of the sale of NWR Energy prior to June 2010, although there can be no assurances that the closing will occur prior to such date or at all.

As a direct result of the volatile economic environment, the Group unwound its EUR/CZK hedge contracts in October 2008, which allowed the Group to reassess its position with regard to developments in the financial and foreign exchange markets. During the first quarter of 2009 the Company was 100% unhedged for foreign currency exposure. New hedging structures to cover the Group's net cash outflows in CZK were initiated in the second and fourth quarter of 2009 in line with the Company's stated policy to hedge 70% of foreign currency exposure for the Group for the rest of the year. The Group applies hedge accounting for such forward currency contracts. The following table shows the impact of realised forward currency contracts.

	Year ended 31 December		**Change**	
(EUR thousand)	**2009**	**2008**	**y-y**	**y/y %**
Revenues (OKD hedging)	7,993	24,738	(16,745)	(68%)
Consumption of material and energy	785	0	785	-
Service expenses	1,097	0	1,097	-
Personnel expenses	2,211	0	2,211	-

The Company paid out a final A Share dividend in the amount of EUR 47,484 thousand, EUR 0.18 per share on 22 May 2009. The dividend was paid in EUR, CZK, GBP and PLN based on the currency elections by the shareholders. No interim dividend was paid in October 2009.

As at 31 December 2009 the Company's net debt was EUR 485,860 thousand.

Unrestricted cash on hand amounted to EUR 547,827 thousand as at 31 December 2009.

The Indenture governing the 7.375% Senior Notes ("the Indenture") also imposes restrictions on the Company's ability to pay dividends. Generally the Company may not pay dividends or make other restricted payments, which exceed, in the aggregate, 50% of consolidated net income since 1 April 2007 (as such amounts are accrued on a quarterly basis) plus the net proceeds from the primary part of the IPO and certain other adjustments (the "restricted payment build-up capacity"). The purchase price for investments in entities other than majority owned subsidiaries would also constitute restricted payments.

The Group is subject to certain covenants under the Senior Secured Facilities agreement. As of 31 December 2009, the Group is in compliance with those covenants.

The restricted payment basket as defined by the Indenture amounts as of 5 February 2010 to approximately EUR 155,095 thousand.

Unrestricted Subsidiaries and Non-Core Real Estate

There was no consolidated subsidiary defined as Unrestricted Subsidiary for the year ended 31 December 2009.

Divisions and Segments

Introduction

In 2007 the Group early adopted IFRS 8 – Operating Segments. This standard requires an entity to report information about operating segments which is separately available and which is regularly evaluated by the so called "Chief Operating Decision Maker" ("the CODM").

Real Estate Division and Mining Division

In 2007 the Company separated the real estate of the Group into a new division in order to provide higher transparency to the mining and real estate assets. The Group began operating two segments determined by differences in their assets and products and services produced and provided. The segments were represented by the Mining Division ("the MD") and the Real Estate Division ("the RED"), established internally by the Divisional Policy Statements as of 31 December 2007, at 23:59. The segments are organised and managed separately according to the nature of the products and services provided, with each segment representing a separate strategic division that offers different products and services. The MD engages in coal extraction, production of coke and related operations and businesses. The RED solely provides inter-divisional service, i.e. provides real estate to the MD (see below). In connection to the newly operated segments MD and RED, no legal entity was established. The Company issued B Shares to track the financial performance of the RED.

Electricity trading

In 2008, the electricity-trading activities saw robust growth in sales volume, thus the management of the Group decided to present and follow the financial performance of the electricity trading business separately. Consequently, the MD is currently represented by two sub-segments, one representing the coal & coke business and the other representing the electricity trading business. In June 2009 the Board approved the intention to dispose of the energy business. Therefore the electricity trading segment is classified and presented as discontinued operations.

Relationship between the RED and the MD

As of 1 January 2008 the divisions are operated separately for accounting and reporting purposes to reflect the results of operations and the financial position of each division and to provide relevant information to the holders of the A Shares and B Shares, the CODM for the two reportable segments is the Board.

The RED comprised of the shares and corresponding investments in OKD, Rekultivace, a.s. and Garáže Ostrava, a.s., all of the assets and liabilities in the IMGE, former internal business unit of OKD and all real estate assets owned by the Group at the time of the establishment of the divisions ("the Real Estate Assets"). IMGE was an internal business unit of OKD specialised in land reclamation works, attributed with all real estate of OKD that was not being used for its mining and related operations. As the RED was established as of 31 December 2007, at 23:59,

the segment did not have any revenues or expenses in the year ended 31 December 2007.

On 30 September 2008 the first distribution of assets of the Real Estate Division to RPG Industries SE, the sole holder of the B Shares, was effected. The assets included the shares and corresponding investments in RPG Rekultivace, a.s. (the sole shareholder in OKD, Rekultivace, a.s.), RPG Garáže, a.s. (the sole shareholder in Garáže Ostrava, a.s.), all of the assets and liabilities in IMGE (spun-off for the purpose of the distribution to special purpose entities named Dukla Industrial Zone, a.s. and RPG RE Property, a.s.) and certain promissory notes received for the sale of real estate assets.

In order to ensure fair treatment of all shareholders, the Company has adopted the Divisional Policy Statements, approved by RPG Industries SE. The fundamental and overriding principles are that the MD has the right to maintain:

- the undisturbed continuation of its mining, coking and related operations that are currently, or which are expected by the Board to be in the future, conducted using certain of the Real Estate Assets; and
- unrestricted access to the Real Estate Assets in connection with such mining, coking and related operations.

Based on these principles the MD is provided with unrestricted access to all Real Estate Assets necessary for its mining, coking and related operations for the time period, until these operations cease to exist. The Real Estate Assets include two groups of assets - buildings, constructions and similar real estate assets ("the Buildings") and land.

Disclosures on Buildings

The RED provides the Buildings to the MD based on the fundamental principles provided by the Divisional Policy Statements. The management considers this relation between the divisions as a leasing relationship, where the RED provides property to the MD against remuneration. Following this approach, for the Buildings the following criteria for identifying the relation between the divisions as financial leasing are met:

- the lease term is for the major part of the economic life of the asset, and
- the leased assets are of such a specialised nature that only the lessee can use them without major modifications.

The Buildings are recorded at the carrying amount in the balance sheet of the MD. Commencing 1 January 2008 the MD depreciates the Buildings. The deferred tax assets, liabilities and their impacts on the financial result of the Group related to the Real Estate Assets are divided between the divisions correspondingly to the allocation of the assets.

The Company did not revaluate the Real Estate Assets for the purpose of presentation in the segment reporting. The assets are presented in the segment reporting at book values. These values also represent the basis for depreciation. Under IFRS finance lease assets shall be valued at the present value of minimum lease payments, which would also be the basis for depreciation under standard finance lease conditions. The RED does not charge lease payments to the MD for the access to the Real Estate Assets. Therefore, the Group decided to apply the book values for the allocation of the Real Estate Assets value between the divisions. The value of the Buildings provided to the MD at 31 December 2009 was EUR 290,416 thousand.

When the demand for unrestricted access to certain Real Estate Assets by the MD terminates, the overriding rules do not apply anymore and the Real Estate Assets are transferred back from the MD to the RED. This transfer becomes effective when the assets are not used for mining, coking and related operations anymore. Since the respective Buildings meet the criteria mentioned above, they will generally be fully depreciated at the moment, when mining, coking and related operations stop in the future. Therefore, the transfer should include only fully depreciated assets with a zero book value. IAS 16 assumes some residual value of assets, which should equal to its estimated market value at the end of its useful life. However, the Company is unable to make a reliable estimate of such residual value due to the character of the assets.

The Divisional Policy Statements determined in 2008 the annual fee paid for Real Estate Assets provided by the RED to the MD (the "CAP") to be EUR 3,600 thousand per year. The annual fee paid by the MD to the RED represents the financing costs on the Buildings provided. The CAP is accounted for as financial expense in the MD and as financial revenue in the RED. The CAP for the year 2009 amounts to EUR 3,807 thousand, after it was adjusted for the disposal of OKD, BASTRO, a.s. in 2008 and for the inflation index of 2008 according to the Divisional Policy Statements.

There is no consideration required from the MD to repay the present value of the Buildings provided in compliance with the Divisional Policy Statement. Therefore, the respective amount, or the book value, of the Buildings provided to the MD as at 31 December 2009 is presented in the equity of the MD.

Disclosures on land

Land is provided to the MD without any consideration. However the IFRS criteria for financial leasing cannot be met for land. IFRS do not provide a specific guideline for the presentation of such relationship. The Company decided to present this relationship in the segment analysis as a right to use land by the MD granted by the RED. The right is depleted over the expected lifetime of mining, coking and related businesses using a linear amortisation method. Management determined the value of the right being the book value of land at 31 December 2007, the date when the divisions were established. The residual amount of the right as of 31 December 2009 was EUR 14,730 thousand. The book value of the land provided as of 31 December 2009 was EUR 18,258 thousand.

Deferred revenue corresponding to the amount of the right to use is presented in the balance sheet of the RED. The deferred revenue will be released into revenues over the period correspondingly to the depletion of the right to use the land.

The revenues and expenses of the Real Estate Division consisted for the year ended 31 December 2008 mainly of the financial performance of the IMGE internal business unit of OKD and Rekultivace, which were allocated to the Real Estate Division at the date, when the divisions were set up. The financial income of the Real Estate Division also includes the fee that the Real Estate Division charges to the Mining Division for the use of the real estate provided according to the Divisional Policy Statements. The expenses include depreciation, change in deferred tax, a part of the costs relating to the spin-off and distribution of the assets of the Real Estate Division and other expenses related to the assets allocated to the Real Estate Division.

	Mining division segment						Real Estate division segment	Inter-segment Eliminations & adjustments	Continuing operations total
	Coal&Coke sub-segment	Electricity trading sub-segment	Eliminations & adjustments	Mining division consolidated - total	Eliminations & adjustments to discontinued operations	Mining division continuing operations - total			
	Continuing operations	Discontinued operations					Continuing operations		
	1/1/2009 - 31/12/2009	*1/1/2009 - 31/12/2009*	*1/1/2009 - 31/12/2009*	***1/1/2009 - 31/12/2009***	*1/1/2009 - 31/12/2009*	***1/1/2009 - 31/12/2009***	***1/1/2009 - 31/12/2009***	*1/1/2009 - 31/12/2009*	***1/1/2009 - 31/12/2009***
	EUR'000	*EUR'000*	*EUR'000*	***EUR'000***	*EUR'000*	***EUR'000***	***EUR'000***	*EUR'000*	***EUR'000***
Segment revenues									
Continuing operations									
Sales to third party	1,112,548	0	0	**1,112,548**	*0*	**1,112,548**	**212**	*0*	**1,112,760**
Sales to discontinued sub-segment	4,078	0	(4,078)	**0**	*4,078*	**4,078**	**0**	*0*	**4,078**
Inter-segment sales	0	0	0	**0**	*0*	**0**	**1,785**	*(1,785)*	**0**
Discontinued operations									
Sales to third party	0	117,406	*0*	**117,406**	*(117,406)*	**0**	**0**	*0*	**0**
Sales to continuing sub-segment	0	70,172	*(70,172)*	**0**	*0*	**0**	**0**	*0*	**0**
Total revenues	1,116,626	187,578	*(74,250)*	**1,229,954**	*(113,328)*	**1,116,626**	**1,997**	*(1,785)*	**1,116,838**

Business Segments	***Mining division segment***						***Real Estate division segment***	*Inter-segment Eliminations & adjustments*	***Continuing operations total***
	Coal&Coke sub-segment	*Electricity trading sub-segment*	*Eliminations & adjustments*	***Mining division consolidated - total***	*Eliminations & adjustments to discontinued operations*	***Mining division continuing operations - total***			
	Continuing operations	*Discontinued operations*					*Continuing operations*		
	1/1/2009 - 31/12/2009	*1/1/2009 - 31/12/2009*	*1/1/2009 - 31/12/2009*	***1/1/2009 -** 31/12/2009*	*1/1/2009 - 31/12/2009*	***1/1/2009 - 31/12/2009***	***1/1/2009 - 31/12/2009***	*1/1/2009 - 31/12/2009*	***1/1/2009 - 31/12/2009***
	EUR'000	*EUR'000*	*EUR'000*	***EUR'000***	*EUR'000*	***EUR'000***	***EUR'000***	*EUR'000*	***EUR'000***
Segment result	9,291	6,991	*0*	**16,282**	*(6,991)*	**9,291**	**662**	*0*	**9,953**
Financial income				**57,101**	*(8,122)*	**48,979**	**4,544**	*(4,592)*	**48,931**
Financial expenses				**(132,528)**	*11,423*	**(121,105)**	**(291)**	*4,592*	**(116,804)**
Profit before tax				**(59,145)**	*(3,690)*	**(62,835)**	**4,915**	*0*	**(57,920)**
Income tax expense				**(6,297)**	*1,555*	**(4,742)**	**(1,069)**	*0*	**(5,811)**
PROFIT/(LOSS) FOR THE PERIOD				**(65,442)**	*(2,135)*	**(67,577)**	**3,846**	*0*	**(63,731)**
Assets and liabilities as of 31 December 2009									
Total segment assets	2,160,816	41,290	*(2,911)*	**2,199,195**			**33,356**	*(17,020)*	**2,215,531**
Total segment liabilities	1,632,425	24,436	*(2,911)*	**1,653,950**			**18,426**	*(17,020)*	**1,655,356**

Business Segments	*Mining division segment*						***Real Estate division segment***	*Inter-segment Eliminations & adjustments*	***Continuing operations total***
	Coal&Coke sub-segment	*Electricity trading sub-segment*	*Eliminations & adjustments*	***Mining division consolidated - total***	*Eliminations & adjustments to discontinued operations*	***Mining division continuing operations - total***			
	Continuing operations	*Discontinued operations*					*Continuing operations*		
	1/1/2008 - 31/12/2008	*1/1/2008 - 31/12/2008*	*1/1/2008 - 31/12/2008*	***1/1/2008 - 31/12/2008***	*1/1/2008 - 31/12/2008*	***1/1/2008 - 31/12/2008***	***1/1/2008 - 31/12/2008***	*1/1/2008 - 31/12/2008*	***1/1/2008 - 31/12/2008***
	EUR'000	*EUR'000*	*EUR'000*	***EUR'000***	*EUR'000*	***EUR'000***	***EUR'000***	*EUR'000*	***EUR'000***
Segment revenues									
Continuing operations									
Sales to third party	1,792,522	0	*0*	**1,792,522**	*0*	**1,792,522**	**21,613**	*0*	**1,814,135**
Sales to discontinued sub-segment	650	0	*(650)*	**0**	*650*	**650**	**0**	*0*	**650**
Inter-segment sales	1,924	49	*0*	**1,973**	*0*	**1,973**	**4,544**	*(6,517)*	**0**
Discontinued operations									
Sales to third party	0	226,994	*0*	**226,994**	*(226,994)*	**0**	**0**	*0*	**0**
Sales to continuing sub-segment	0	60,129	*(60,129)*	**0**	*0*	**0**	**0**	*0*	**0**
Total revenues	1,795,096	287,172	*(60,779)*	**2,021,489**	*(226,344)*	**1,795,145**	**26,157**	*(6,517)*	**1,814,785**

Business Segments	*Mining division segment*						***Real Estate division segment***	*Inter-segment Eliminations & adjustments*	***Continuing operations total***
	Coal&Coke sub-segment	*Electricity trading sub-segment*	*Eliminations & adjustments*	***Mining division consolidated - total***	*Eliminations & adjustments to discontinued operations*	***Mining division continuing operations - total***			
	Continuing operations	*Discontinued operations*					*Continuing operations*		
	1/1/2008 - 31/12/2008	*1/1/2008 - 31/12/2008*	*1/1/2008 - 31/12/2008*	***1/1/2008 - 31/12/2008***	*1/1/2008 - 31/12/2008*	***1/1/2008 - 31/12/2008***	***1/1/2008 - 31/12/2008***	*1/1/2008 - 31/12/2008*	***1/1/2008 - 31/12/2008***
	EUR'000	*EUR'000*	*EUR'000*	***EUR'000***	*EUR'000*	***EUR'000***	***EUR'000***	*EUR'000*	***EUR'000***
Segment result	514,426	13,434	*0*	**527,860**	*(13,434)*	**514,426**	**2,683**	*0*	**517,109**
Financial income				**112,583**	*(6,743)*	**105,840**	**3,784**	*(3,613)*	**106,011**
Financial expenses				**(175,550)**	*6,792*	**(168,758)**	**(53)**	*3,613*	**(165,198)**
Profit/(loss) on disposal of interest in subsidiaries				**(2,140)**	*0*	**(2,140)**	**2,987**	*0*	**847**
Profit before tax				**462,753**	*(13,385)*	**449,368**	**9,401**	*0*	**458,769**
Income tax expense				**(118,582)**	*2,842*	**(115,740)**	**(1,933)**	*0*	**(117,673)**
PROFIT/(LOSS) FOR THE PERIOD				**344,171**	*(10,543)*	**333,628**	**7,468**	*0*	**341,096**
Assets and liabilities as of 31 December 2008									
Total segment assets	2,205,749	41,947	*(3,572)*	**2,244,124**	*0*	**0**	**29,970**	*(24,556)*	**2,249,538**
Total segment liabilities	1,581,264	30,979	*(3,572)*	**1,608,671**	*0*	**0**	**19,099**	*(24,556)*	**1,603,214**

Disclosures on main financial assets allocated between the divisions

EUR thousand	Mining division *31/12/2009*	Real Estate division *31/12/2009*	Eliminations & Adjustments *31/12/2009*	Total Group ***31/12/2009***
Land	4,750	18,258		**23,008**
Buildings and constructions	610,150	368		**610,518**
Plant and equipment	434,290	0		**434,290**
Other assets	6,450	0		**6,450**
Construction in progress	84,066	0		**84,066**
Rights to use land of Real Estate Division	14,730	0	(14,730)	**0**
Mining licences	161,757	0		**161,757**
Long-term receivables	1,568	0		**1,568**
Deferred tax asset	7,710	0		**7,710**
Restricted cash	13,926	0		**13,926**
Derivatives	251	0		**251**
TOTAL NON-CURRENT ASSETS	1,339,648	18,626	(14,730)	**1,343,544**
Inventories	85,819	0		**85,819**
Accounts receivable and prepayments	151,423	189	(1,956)	**149,656**
Derivatives	0	0		**0**
Income tax receivable	821	0	(161)	**660**
Cash and cash equivalents	533,698	14,129		**547,827**
Restricted cash	2,771	0		**2,771**
TOTAL CURRENT ASSETS	774,532	14,318	(2,117)	**786,733**
ASSETS HELD FOR SALE	85,015	412	(173)	**85,254**
TOTAL ASSETS	2,199,195	33,356	(17,020)	**2,215,531**
TOTAL EQUITY	545,245	14,930	0	560,175
Provisions	103,133	0		**103,133**
Long-term loans	679,854	0		**679,854**
Bond issued	260,096	0		**260,096**
Employee benefits	96,588	0		**96,588**
Deferred revenue	2,675	13,994	(13,994)	**2,675**
Deferred tax liability	101,512	0		**101,512**
Other long-term liabilities	648	0		**648**
Derivatives	18,649	0		**18,649**
TOTAL NON-CURRENT LIABILITIES	1,263,155	13,994	(13,994)	**1,263,155**
Short-term provisions	10,175	0		**10,175**
Accounts payable and accruals	237,115	2,508	(2,693)	**236,930**
Accrued interest payable on bond	2,467	0		**2,467**
Derivatives	2,144	0		**2,144**
Income tax payable	231	1,770	(161)	**1,840**
Current portion of long-term loans	74,842	0		**74,842**
Short-term loans	18,895	0		**18,895**
Cash-settled share-based payments payable	2,371	0		**2,371**
TOTAL CURRENT LIABILITIES	348,240	4,278	(2,854)	**349,664**
LIABILITIES RELATED TO ASSETS HELD FOR SALE	42,555	154	(172)	42,537
TOTAL LIABILITIES	1,653,950	18,426	(17,020)	**1,655,356**
TOTAL EQUITY AND LIABILITIES	2,199,195	33,356	(17,020)	**2,215,531**

Discontinued Operations

On 24 June 2009 the Board approved the intention to sell the energy business of the Group under defined conditions. The energy business of the Group is represented by NWR Energy, a.s., NWR Energetyka PL Sp. z o.o. and CZECH-KARBON s.r.o. Based on the decision, the assets and liabilities of these entities are classified as held for sale. Part of the energy business, presented as Electricity trading segment in the past, is presented as discontinued operations in this financial information.

The segment was not classified as discontinued operations in 2008 and the comparative information of income statement, statement of comprehensive income and statement of cash flows has been re-presented to show the discontinued operations separately from continuing operations.

The following table shows the detail of discontinued operations:

EUR thousand	1 January 2009 - 31 December 2009	1 January 2008 - 31 December 2008
Revenues	187,578	287,172
Change in inventories of finished goods and work-in-progress	0	0
Consumption of material and energy	(173,514)	(272,520)
Service expenses	(300)	(368)
Personnel expenses	(689)	(782)
Depreciation	(5)	(4)
Amortisation	0	0
Impairment of property, plant and equipment	0	0
Impairment of receivables	(445)	0
Net gain from material sold	0	0
Gain from sale of property, plant and equipment	0	0
Other operating income	19	0
Other operating expenses	(5,655)	(64)
Operating profit	6,991	13,434
Financial income	8,123	6,743
Financial expense	(11,423)	(6,792)
Profit before tax	3,690	13,386
Income tax expense	(1,555)	(2,843)
PROFIT FROM DISCONTINUED OPERATIONS	**2,135**	**10,543**

EBITDA from discontinued operations decreased to EUR 6,995 thousand for the year ended 31 December 2009 from EUR 13,438 thousand in 2008.

The revenues of the segment were presented as electricity trading in the detailed analysis of revenues of the Group before the operations were classified as discontinued. The consumption of material and energy was presented as consumption of material and energy for electricity trading. These lines do not appear in the analysis of continuing operation due to the new classification of these operations.

The following table shows the detail of assets and liabilities held for sale:

EUR thousand	31 December 2009
Property, plant and equipment	37,288
Trade and other receivables	36,143
Cash and cash equivalents	11,471
Other assets	352
Employee benefits	(804)
Deferred tax liability	(3,302)
Trade and other payables	(38,431)
Equity	**42,717**

The following table shows the cash flows from discontinued operations:

EUR thousand	1 January 2009- 31 December 2009	1 January 2008- 31 December 2008
Net cash flows from operating activities	344	2,960
Net cash flows from investing activities	0	0
Net cash flows from financing activities	1	(5,919)
Net effect of currency translation	440	207
Net cash flow from discontinued operations	**785**	**(2,752)**

Net cash flows from operating activities for the year ended 31 December 2008 were higher due to beneficial mark to market positions from electricity trading activities. Net cash flows from financing activities present a dividend paid to the Company in 2008.

Subsequent Events

The Company entered into a share sale and purchase agreement with Dalkia Česká republika, a.s. ("Dalkia Ceska") on 8 January 2010 which provides for the sale by the Issuer to Dalkia Ceska of 100% of the ownership in the Energy Subsidiaries for CZK 3,209 million in cash (the "SPA"). The purchase price is subject to certain adjustments based on the financial performance of the sold entities. The Group expects the closing of the sale of NWR Energy prior to June 2010, although there can be no assurances that the closing will occur prior to such date or at all.

OKD has repaid its short-term loan in the amount of CZK 500 million (EUR 18,887 thousand) on 27 January 2010.

The Company has drawn EUR 3,013 thousand under the ECA facility on 10 February 2010.

The Company has drawn EUR 8,888 thousand under the ECA facility on 15 February 2010.

Off-Balance Sheet Arrangements

In the ordinary course of business, the Company is a party to certain off-balance sheet arrangements. These arrangements include assets related to the construction and related geological survey work at Frenštát. These assets are maintained by OKD but are not reflected in its books. The assets were booked as costs and have not

been utilised. The original cost of these assets, spent in the years 1980 to 1989, was CZK 921 million (equivalent of EUR 35 million translated with the exchange rate at 31 December 2009), of which CZK 815 million (EUR 31 million) was the value of assets located under ground and CZK 106 million (EUR 4 million) is the value of assets located on the surface. Liabilities related to these arrangements are not reflected in the Company's balance sheet and management does not expect that these off-balance sheet arrangements will have material adverse effects on the Company's financial condition, results of operations or cash flows.

Other Commitments

Contingent liabilities

Contingent liabilities include clean-up liabilities related to a decommissioned coking plant owned by OKK, and the Group's involvement in several litigation proceedings. It is not possible to estimate the exact potential exposure related to such proceedings, as the monetary value of some of the claims have not been specified and the likely outcome of such proceedings cannot be assessed at this time. However, based on advice of counsel, management believes that the current litigation and claims will not have a significant impact on the Group's financial position. An updated summary of the main litigation proceedings will be included in the annual financial statements of the Company for the year ended 31 December 2009.

The Group is liable for all environmental damage caused by mining activities since the original privatisation. These future costs can be broadly split into two categories of restoration and mining damages. Restoration liabilities are liabilities to restore the land to the condition it was in, prior to the mining activities or as stated in the exploration project. Mining damages are liabilities to reimburse all immediate danger caused by mining activities to third party assets.

Provisions for restoration costs are recognised as the net present value of the estimated costs. Restoration costs represent a part of the acquisition cost of fixed assets and such assets are amortised over the useful life of the mines using the sum of the digits method. The provision is compounded every year to reflect the current price level. In addition the Group analyses the accuracy of the estimated provision annually. Any change in the estimate of restoration costs is recognised within fixed assets and is depreciated over the remaining useful life of the mines.

Contractual obligations

The Group is subject to commitments resulting from its indebtedness. These result mainly from the loans drawn by the Group and notes issued. The following table includes contractual obligations resulting from the Syndicated Loan Agreement, the ECA loan and the 7.375% Senior Notes due 2015 as of 31 December 2009.

(EUR thousand)	**2010**	**2011-2012**	**After 2012**
7.375% Senior Notes due 2015	0	0	267,565
Senior Secured Facilities*	63,870	347,137	259,775
ECA loan	10,885	21,770	59,867
Other short term loans	18,887	0	0
TOTAL	**93,642**	**368,907**	**587,207**

*calculated with the CZK/EUR exchange rate as of 31 December 2009

Interest has to be paid semi-annually on the 7.375% Senior Notes.

The Company may elect the interest period on the Senior Secured Facilities. The interest rate can be fixed for a total period of six months with a maximum payment period of three months. The interest rate is based on EURIBOR for the EUR part and PRIBOR for the CZK part of the loan with a margin between 0.65% and 1.5% p.a. based on the financial situation of the Group.

The interest rate on the ECA loan is fixed for a total period of six months with a payment period of six months. The interest rate is based on EURIBOR with a fixed margin.

The Group has contractual obligations to acquire property, plant and equipment in the total amount of EUR 93 million, of which EUR 39 million result from the POP 2010 programme and EUR 30 million result from the COP 2010 programme relating to the overhaul of two coking batteries.

The Group is also subject to contractual obligations under lease contracts in the total amount of EUR 17 million, of which EUR 3 million are short-term obligations.

The restricted payment basket as defined by the Indenture amounts currently to EUR 155,095 thousand.

Forward Looking Statements

Certain statements in this document are not historical facts and are or are deemed to be “forward-looking”. The Company’s prospects, plans, financial position and business strategy, and statements pertaining to the capital resources, future expenditure for development projects and results of operations, may constitute forward-looking statements. In addition, forward-looking statements generally can be identified by the use of forward-looking terminology including, but not limited to; “may”, “expect”, “intend”, “estimate”, “anticipate”, “plan”, “foresee”, “will”, “could”, “may”, “might”, “believe” or “continue” or the negatives of these terms or variations of them or similar terminology. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurance that these expectations will prove to have been correct. These forward-looking statements involve a number of risks, uncertainties and other facts that may cause actual results to be materially different from those expressed or implied in these forward-looking statements because they relate to events and depend on circumstances that may or may not occur in the future and may be beyond the Company’s ability to control or predict. Forward-looking statements are not guarantees of future performances.

Factors, risk and uncertainties that could cause actual outcomes and results to be materially different from those projected include, but are not limited to, the following: risks relating to changes in political, economic and social conditions in the Czech Republic, Poland and the CEE region; future prices and demand for the Company's products and demand for the Company's customers' products; coal mine reserves; remaining life of the Company's mines; coal production; trends in the coal industry and domestic and international coal market conditions; risks in coal mining operations; future expansion plans and capital expenditures; the Company's relationship with, and conditions affecting, the Company's customers; competition; railroad and other transportation performance and costs; availability of specialist and qualified workers; and weather conditions or catastrophic damage; risks relating to Czech or Polish law, regulations and taxation, including laws, regulations, decrees and decisions governing the coal mining industry, the environment and currency and exchange controls relating to Czech and Polish entities and their official interpretation by governmental and other regulatory bodies and by the courts; and risks relating to global economic conditions and the global economic environment. Additional risk factors will be described in the Company’s annual report for the year ended 31 December 2009.

Forward-looking statements speak only as of the date of this document. The Company expressly disclaims any obligation or undertaking to release, publicly or otherwise, any updates or revisions to any forward-looking statement contained in this report to reflect any change in its expectations or any change in events, conditions, assumptions or circumstances on which any such statement is based unless so required by applicable law.

Consolidated Financial Statements

For the year ended 31 December 2009

New World Resources N.V.

Financial Statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union

for the year ended 31 December 2009

CONTENTS

GENERAL INFORMATION 67
DIRECTORS´ REPORT 69
CONSOLIDATED INCOME STATEMENT 76
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME 77
CONSOLIDATED STATEMENT OF FINANCIAL POSITION 81
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 82
CONSOLIDATED CASH FLOW STATEMENT 84
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS 85
1. GENERAL INFORMATION 85
a) Corporate information 85
b) The Group 85
c) Statement of compliance 86
d) Basis of preparation 86
e) Changes in the consolidated group 87
(i) Business combination involving entities under common control 87
(ii) Distribution in kind 87
(iii) Sale of OKD, Bastro, a.s. 88
(iv) Discontinued operations and classification as held for sale 88
2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES 89
a) New IFRS 89
b) Basis of consolidation 90
c) Principles for preparation of the cash flow statement 90
d) Foreign currency 91
e) Derivative financial instruments 91
f) Property, plant and equipment 93
g) Intangible assets 94
h) Investments 95
i) Trade and other receivables 95
j) Inventories 96
k) Cash and cash equivalents 96
l) Restricted cash 96
m) Impairment 96
n) Non-controlling interest 97
o) Interest-bearing borrowings 97
p) Employee benefits 97
q) Share-based payment transactions 97
r) Provisions 98
s) Trade and other payables 98
t) Revenue 99
u) Expenses 100
v) Segment reporting 100
w) Non-current assets held for sale and discontinued operations 100
x) Earnings per share 101
3. SEGMENT INFORMATION 102
4. PERSONNEL EXPENSES 118
5. OTHER OPERATING EXPENSES 119
6. OWN WORK CAPITALIZED 119
7. FINANCIAL INCOME AND EXPENSES 120
8. INCOME TAX EXPENSE 121
9. DISCONTINUED OPERATIONS 122
10. ASSETS AND LIABILITIES HELD FOR SALE 124
11. DIVIDENDS 124
12. RELATED PARTY DISCLOSURES 125
13. PROPERTY, PLANT AND EQUIPMENT 127
14. MINING LICENCES 130
15. LONG-TERM RECEIVABLES 131
16. RESTRICTED CASH 131
17. INVENTORIES 132
18. ACCOUNTS RECEIVABLE AND PREPAYMENTS 133
19. INCOME TAX RECEIVABLE 134

20. FINANCIAL INSTRUMENTS 135
21. CASH AND CASH EQUIVALENTS 145
22. ACCOUNTS PAYABLE AND ACCRUALS 145
23. INTEREST-BEARING LOANS AND BORROWINGS 146
24. BOND ISSUED 148
25. SHARE CAPITAL AND RESERVES 148
26. PROVISIONS 154
27. DEFERRED REVENUE 155
28. EMPLOYEE BENEFITS 156
29. SHARE-BASED PAYMENTS 159
30. DEFERRED TAX 162
31. FUTURE COMMITMENTS 164
32. CONTINGENT ASSETS AND LIABILITIES 164
33. OTHER MATERIAL MATTERS 167
34. SUBSEQUENT EVENTS 168
NON-CONSOLIDATED INCOME STATEMENT 169
NON-CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME 170
NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION 171
NON-CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 172
NON-CONSOLIDATED CASH FLOW STATEMENT 173
35. GENERAL INFORMATION 174
a) Corporate Information 174
b) Statement of compliance 174
c) Basis of preparation 174
36. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES 174
37. OPERATING REVENUE 175
38. OPERATING EXPENSES 175
39. FINANCIAL RESULT 176
40. DIVIDEND INCOME FROM SUBSIDIARIES 176
41. NON-CONSOLIDATED INCOME TAX EXPENSE 177
42. PROPERTY, PLANT AND EQUIPMENT 177
43. INVESTMENTS IN SUBSIDIARIES 178
44. FINANCIAL INSTRUMENTS 180
45. INTEREST RECEIVABLE 180
46. LOAN PROVIDED TO THE GROUP 180
47. ACCOUNTS RECEIVABLE AND PREPAYMENTS 181
48. CASH AND CASH EQUIVALENTS 181
49. RESTRICTED CASH 181
50. SHARE CAPITAL 182
51. SHARE PREMIUM 183
52. SHARE-BASED PAYMENTS 183
53. RETAINED EARNINGS 184
54. BOND ISSUED 185
55. LONG-TERM LOANS 186
56. DEFERRED REVENUE 187
57. INTEREST PAYABLE 187
58. TAX PAYABLE 187
59. ACCOUNTS PAYABLE AND ACCRUALS 188
60. RELATED PARTY TRANSACTIONS 188
61. DIRECTORS’ REMUNERATION 191
62. RISK ANALYSIS 192
63. FUTURE COMMITMENTS 193
64. CONTINGENT ASSETS AND LIABILITIES 193
65. OTHER MATERIAL MATTERS 193
66. FEES OF THE AUDITOR 194
OTHER INFORMATION 196
i. Statutory provisions 196
ii. Proposed appropriation 196
AUDITOR’S REPORT 197

GENERAL INFORMATION

Executive directors

Miklos Salamon (Chairman)
Klaus-Dieter Beck
Marek Jelínek

Non-executive directors

Zdenek Bakala
Peter Kadas
Hans-Jürgen Mende
Pavel Telička
Kostyantin Zhevago

Non-executive independent directors

Bessel Kok
Hans-Jörg Rudloff
Steven Schuit
Paul M. Everard
Barry J. Rourke

As of 31 December 2009, the Board of Directors consisted of 3 executive directors and 10 non-executive directors, 5 of whom qualified as independent. The Company may be represented by any executive director. The Board of Directors adopts its resolutions by an absolute majority of votes cast. Further distinction between an executive director and a non-executive director follows from the Articles of Association and is described in more detail in the Annual Report.

Registered Office

Jachthavenweg 109h
1081 KM Amsterdam
The Netherlands

Company Registration Number

Trade Register Amsterdam 34239108

Auditors

KPMG Accountants N.V., Amsterdam, The Netherlands

DIRECTORS' REPORT

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 2009.

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.

The Company has a one-tier Board of Directors (the "Board") comprising of both executive and non-executive directors. Currently the Board consists of 13 directors, which includes 5 independent directors. Such Board composition ensures the effective achievement of the corporate objectives, the protection of the interests of Company's shareholders and stakeholders and the governance of the Group. Non-executive directors monitor the performance of executive directors and management of goals and objectives of the Company. Non-executive independent directors are judged to be independent of the Group and free of material relationships with the Group and its affiliated entities.

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. While the committees advise the Board in its work, 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 (tracking the performance of the Mining Division) and B shares (tracking the performance of the Real Estate Division). On 5 May 2008 the Company has converted one A share into a C share held by RPG Industries SE, the Company's former majority shareholder ("RPGI"). The C share was used for a distribution of the share premium allocated to the C share to RPGI at the time of the IPO (as defined below). The C share was cancelled on 22 July 2008. On 22 December 2008, RPGI, the sole holder of the B shares at that time, transferred all 10,000 B shares to its indirect subsidiary, RPG Property B.V. In July 2009, RPGI transferred its A shares held in the Company to its wholly owned subsidiary BXR Mining B.V. In December 2009, RPGI disposed of its shares in BXR Mining. As a result of the disposal, RPGI no longer has any interest in the Company. RPG Partners Limited continues to have an indirect interest in the same number of A shares in the Company.

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, the sole holder of the A shares prior to the offering, offered 81,965,345 existing shares in the IPO reducing its share in the Company to approximately 64%. 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 and coke 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:

1. Improving efficiency and profitability of mining operations;
2. Strengthening reserve base from existing mines;
3. Actively pursuing growth opportunities in Poland, the rest of Central Europe and elsewhere;
4. Maintaining strong health and safety record;
5. Seeking to implement and maintain international best practice in corporate governance.

Employees

During the year 2009 the Company and its subsidiaries employed an average of 16,044 employees (including discontinued operations) and utilized an average of 2,906 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. In 2009, the average wage decreased due to a wage freeze agreed with the Group's trade unions as well as the decision not to pay certain bonuses and other extra payments to the employees of the Group.

Investments

In 2009, the Group continued to implement its Productivity Optimisation Programme POP 2010. All 10 longwall sets have been successfully installed and are now fully operational. The new equipment is delivering expected results, thus improving productivity, efficiency as well as labour safety. In the long term the equipment should enhance the Group's reserve base, since the new equipment is better suited to the existing coal seams and provides improved strength to allow deeper mining.

The Company has also implemented an investment programme aimed at the refurbishment and a reconstruction of its coking plants (COP 2010). The programme is well on track to be completed by the end of 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 purchased as part of POP 2010 involves further automation of extraction and enhances the safety environment for the Group's workforce. A number of safety initiatives were introduced in recent years, including new personal protective equipment, safety audits and safety briefings, resulting in a steady positive trend in the safety environment of the Group.

Capital expenditures of the Group reached EUR 250,201 thousand for the year 2009.

Changes in the Group

In April 2009, the energy assets operated by the Company's Polish subsidiary, NWR KARBONIA Sp. z o.o., were spun off into NWR ENERGETYKA PL Sp. z o.o. Subsequently, in October 2009, the Company contributed the shares held in NWR ENERGETYKA PL Sp. z o.o. to its Czech subsidiary, NWR Energy, a.s., thus consolidating the energy assets in NWR Energy, a.s.

On 24 June 2009 the Board approved the intention to sell the Group's energy assets represented by NWR Energy, a.s. and its two subsidiaries, NWR ENERGETYKA PL Sp. z o.o. and CZECH-KARBON s.r.o. (the "Energy Subsidiaries"). Based on the Board's determination to sell the energy business, the assets and liabilities of these entities have been classified as held for sale in the financial statements. Part of the energy business, which historically has been presented as the Electricity trading segment, is presented as discontinued operations in the financial statements.

On 8 January 2010, the Company entered into a share sale and purchase agreement with Dalkia Česká republika, a.s. which provides for the sale of the Energy Subsidiaries by the Company to Dalkia Česká republika, a.s. for CZK 3.209 billion in cash. The purchase price is subject to certain adjustments based on the financial performance of the Energy Subsidiaries. The Group expects the closing of the sale of the Energy Subsidiaries prior to June 2010, although there can be no assurances that the closing will occur prior to such date or at all.

Financial information

On the back of the regional and global economic downturn, demand for steel declined rapidly during the first half of 2009 leading to significantly lower sales of both coking coal and coke and resulting in a difficult period particularly for our coking operations. Thermal coal, however, proved to be a stabilising factor, generating consistent revenues throughout the year. The severity of the economic downturn in our region pushed the management to react swiftly and reduce production and cut costs, including headcount reduction. As a result of the efforts in operations and cost saving measures the Group achieved savings across all expense categories, leading to stable mining unit cash costs for the year despite significantly lower production. During the second half of the year, the market started to show signs of improvement. Monthly steel production in the customer markets began to recover. This led to steadily improving demand for the Group's coking coal and coke. Increased sales combined with prudent cost management resulted in improved performance ultimately leading to a strong and profitable last quarter of 2009. This positive trend is expected to continue into 2010. Recovering production in the steel sector resulted in higher demand for the Group's products and improved pricing.

Weaker market conditions and reduced demand for steel led to significantly lower sales during the year ended 31 December 2009 compared to the previous year. The Company's revenues declined 38%, mainly due to the decrease in prices and sales volumes for both coking coal and coke.

In May 2009, the Company paid out a dividend to the holders of the A shares in the equivalent of EUR 47,484 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 2009 accounted for approximately EUR 1,117 million. The Group's largest business in terms of revenue is the production of coking coal, which accounted for approximately EUR 449 million of sales to third parties in 2009 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 351 million of sales in 2009 on an EXW basis. The Group also produces coke, primarily from its own coking coal, for sale to steel producers and foundries. Coke sales to third parties for 2009 were approximately EUR 105 million. The Group also generates revenue from the sale of coke by-products 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. The sources of additional revenues represented approximately EUR 212 million in 2009.

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 localized 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 stabilizing 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 also experienced decreased operating costs for consumption of mining material, spare parts and personnel expenses as a result of internal cost saving measures, higher efficiency of new mining equipment, as well as decreased production levels. The Group has experienced increased operating costs for energy attributable to increased energy prices in Czech Republic.

Despite the challenging global economic environment, the liquidity and solvency position of the Group was stable as of 31 December 2009. The management will take appropriate measures to keep the stable position going forward.

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. 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. Receivable balances are monitored on an ongoing basis with the result that the Group’s exposure to bad debts is not significant. In addition, part of the receivables is insured. Currently the Group does not record any material overdue receivables.

To mitigate the potential credit risk the Group entered into a factoring agreement in December 2009. The Group sold trade receivables in the total value of approximately EUR 38,318 thousand in a non-recourse factoring and received cash in the amount of 90% of the nominal value of the receivables (EUR 34,426 thousand). The remaining 10% of the nominal value of the receivables will be paid to the Group by the factoring company when and if the customer settles the original receivable.

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 Group 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 Group’s exposure to the risk of changes in market interest rates relates primarily to the Group’s loans with floating interest rates. To manage this, the Group entered into interest rate swaps and interest rate collars.

Liquidity risk refers to the possibility of the Group 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 Group aims to mitigate foreign currency exposure risks resulting from operations in currencies other than the functional currency of the Company (EUR) by entering into forward exchange rate contracts (par forwards) with financial institutions. Hedging is done at the Group level to enable to hedge the net position for the Group. The aim is to minimize 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 maximize 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 Senior Secured Facilities 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 centralized 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 the Group level. Its tasks are to ensure coverage of main risks and internal control issues at Group level, to oversee and align operational risk and control reviews performed by local teams at subsidiary level where applicable, to create and maintain a group-wide risk and internal control approach and mechanism and to inform the Board of issues and developments in these areas. The Group internal auditor 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 management. OKD has its own internal audit team and the audit committee. The OKD’s internal auditor assesses whether the internal control, risk management, and governance processes, as designed and represented by the management, are adequate and effective. Internal audit in the other Czech and Polish operations is carried out by the Group internal audit function.

Remuneration of the Board

The members of the Board received EUR 10,692 thousand for their services in the year 2009, of which EUR 8,847 thousand was received in shares and share options. The amounts correspond to values recorded in the books of the Company for the year 2009, including accruals. Please see also the Remuneration Report of the 2009 Annual Report of the Company.

Other

Please see also the Corporate Governance and Shareholder Information sections of the 2009 Annual Report, which includes information required by the Takeover Directive.

Amsterdam, 17 March 2010

Members of the Board of Directors,

……………….. Miklos Salamon	……………….. Klaus-Dieter Beck	……………….. Marek Jelínek
……………….. Zdenek Bakala	……………….. Peter Kadas	……………….. Kostyantin Zhevago
……………….. Bessel Kok	……………….. Hans-Jörg Rudloff	……………….. Hans-Jürgen Mende
……………….. Steven Schuit	……………….. Paul M. Everard	……………….. Barry J. Rourke
……………….. Pavel Telička		

CONSOLIDATED INCOME STATEMENT PREPARED IN ACCORDANCE WITH IFRS AS ADOPTED BY THE EUROPEAN UNION

FOR THE YEAR ENDED 31 DECEMBER 2009

	Note	1 January 2009 - 31 December 2009	1 January 2008 - 31 December 2008
		EUR thousand	*EUR thousand*
Revenues	*3*	1,116,838	1,814,785
Change in inventories of finished goods and work-in-progress		18,869	34,242
Consumption of material and energy		(292,313)	(368,032)
Service expenses		(293,571)	(351,466)
Personnel expenses	*4,28,29*	(351,072)	(432,962)
Depreciation	*13*	(164,497)	(158,346)
Amortisation	*14*	(8,352)	(10,165)
Reversal of impairment of receivables		1,184	46
Net gain from material sold		4,048	10,500
Gain from sale of property, plant and equipment		4,117	2,052
Other operating income		3,514	4,080
Other operating expenses	*5*	(28,812)	(27,625)
OPERATING INCOME		9,953	517,109
Financial income	*7*	48,931	106,011
Financial expense	*7*	(116,804)	(165,198)
Profit/loss on disposal of interest in subsidiaries		-	847
PROFIT/(LOSS) BEFORE TAX		(57,920)	458,769
Income tax expense	*8*	(5,811)	(117,673)
PROFIT/(LOSS) FROM CONTINUING OPERATIONS		**(63,731)**	341,096
DISCONTINUED OPERATIONS			
PROFIT FROM DISCONTINUED OPERATIONS	*9*	2,135	10,543
PROFIT/(LOSS) FOR THE PERIOD		**(61,596)**	**351,639**
Attributable to:			
Non-controlling interests		-	-
SHAREHOLDERS OF THE COMPANY		**(61,596)**	351,639
EARNINGS PER SHARE	*25*		
Basic earnings per A share (EUR/share)		(0.25)	1.33
Diluted earnings per A share (EUR/share)		(0.25)	1.33
Basic earnings per A share from continuing operations (EUR/share)		(0.26)	1.29
Diluted earnings per A share from continuing operations (EUR/share)		(0.26)	1.29
Basic earnings per A share from discontinued operations (EUR/share)		0.01	0.04
Diluted earnings per A share from discontinued operations (EUR/share)		0.01	0.04
Basic earnings per B share (EUR/share)		384.60	746.80
Diluted earnings per B share (EUR/share)		384.60	746.80
Basic earnings per C share (EUR/share)		n/a	0.00
Diluted earnings per C share (EUR/share)		n/a	0.00

The Notes on pages 85 to 168 are an integral part of these consolidated financial statements

Consolidated statement of comprehensive income
For the year ended 31 December 2009

	Foreign exchange translation reserve EUR'000	*Restricted reserve EUR'000*	*Hedging reserve EUR'000*	*Loss for the period EUR'000*	***Total comprehensive income** EUR'000*
Loss for the period	-	-	-	**(61,596)**	**(61,596)**
Other comprehensive income					
Foreign currency translation differences	14,350	1,886	1,038	-	**17,274**
Derivatives - change in fair value for the period	-	-	(76)	-	**(76)**
Derivatives - reclassification through profit and loss	-	-	(5,343)	-	**(5,343)**
Other movements	-	-	-	(1)	**(1)**
Total other comprehensive income fot the period including tax effects	14,350	1,886	(4,381)	(1)	**11,854**
Total comprehensive income for the period attributable to the shareholders of the Company	**14,350**	**1,886**	**(4,381)**	**(61,597)**	**(49,742)**

The Notes on pages 85 to 168 are an integral part of these consolidated financial statements.

Tax charge or credit on items of other comprehensive income

As of 31 December 2009

Tax effects on other comprehensive income	*Before tax* *EUR'000*	*Tax (charge) credit* *EUR'000*	***Total comprehensive income net off tax*** *EUR'000*
Other comprehensive income			
Foreign currency translation differences	17,274	-	**17,274**
Derivatives - change in fair value for the period	(76)	-	**(76)**
Derivatives - reclassification through profit and loss	(6,679)	1,336	**(5,343)**
Other movements	(1)	-	**(1)**
Total	10,518	1,336	**11,854**

The Notes on pages 85 to 168 are an integral part of these consolidated financial statements.

Consolidated statement of comprehensive income
For the year ended 31 December 2008

	Foreign exchange translation reserve EUR'000	*Restricted reserve EUR'000*	*Hedging reserve EUR'000*	*Profit for the period EUR'000*	***Total comprehensive income*** *EUR'000*
Profit for the period	-	-	-	**351,639**	**351,639**
Other comprehensive income					
Foreign currency translation differences	(23,677)	(1,189)	-	-	**(24,866)**
Derivatives - change in fair value for the period	-	-	34,328	-	**34,328**
Derivatives - reclassification through profit and loss	-	-	-	-	**-**
Other movements	-	-	-	(534)	**(534)**
Total other comprehensive income fot the period including tax effects	(23,677)	(1,189)	34,328	(534)	**8,928**
Total comprehensive income for the period attributable to the shareholders of the Company	**(23,677)**	**(1,189)**	**34,328**	**351,105**	**360,567**

The Notes on pages 85 to 168 are an integral part of these consolidated financial statements.

Tax charge or credit on items of other comprehensive income

As of 31 December 2008

Tax effects on other comprehensive income	*Before tax EUR'000*	*Tax (charge) credit EUR'000*	***Total comprehensive income net off tax*** *EUR'000*
Other comprehensive income			
Foreign currency translation differences	(24,866)	-	**(24,866)**
Derivatives - change in fair value for the period	42,616	(8,288)	**34,328**
Derivatives - reclassification through profit and loss	-	-	
Other movements	(534)	-	**(534)**
Total	17,216	(8,288)	**8,928**

The Notes on pages 85 to 168 are an integral part of these consolidated financial statements.

NEW WORLD RESOURCES N.V.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION PREPARED IN ACCORDANCE WITH IFRS AS ADOPTED BY THE EUROPEAN UNION

AS OF 31 DECEMBER 2009

	Note	31 December 2009 EUR thousand	31 December 2008 EUR thousand
ASSETS			
Property, plant and equipment	13	1,158,332	1,088,053
Mining licences	14	161,757	167,553
Long-term receivables	15	1,568	11,173
Deferred tax asset	30	7,710	154
Restricted cash	16	13,926	25,861
Derivatives		251	39
TOTAL NON-CURRENT ASSETS		1,343,544	1,292,833
Inventories	17	85,819	66,060
Accounts receivable and prepayments	18	149,656	201,671
Income tax receivable	8,19	660	7,055
Cash and cash equivalents	21	547,827	678,895
Restricted cash	16	2,771	3,024
TOTAL CURRENT ASSETS		786,733	956,705
ASSETS HELD FOR SALE	10	85,254	-
TOTAL ASSETS		**2,215,531**	2,249,538
SHAREHOLDERS EQUITY			
Share capital	25	105,736	105,524
Share premium	25	60,449	54,971
Foreign exchange translation reserve	25	19,078	4,728
Restricted reserve	25	126,066	124,180
Equity-settled share based payments	25	13,424	8,037
Hedging reserve	25	29,947	34,328
Retained earnings	25	205,475	314,556
EQUITY ATRIBUTABLE TO THE SHAREHOLDERS OF THE COMPANY	25	560,175	646,324
LIABILITIES			
Provisions	26	103,133	103,962
Long term loans	23	679,854	661,961
Bond issued	24	260,096	290,425
Employee benefits	28	96,588	88,188
Deferred revenue	27	2,675	5,594
Deferred tax liability	30	101,512	105,385
Other long-term liabilities		648	752
Derivatives		18,649	8,124
TOTAL NON-CURRENT LIABILITIES		1,263,155	1,264,391
Provisions	26	10,175	5,569
Accounts payable and accruals	22	236,930	221,980
Accrued interest payable on bond		2,467	2,766
Derivatives	20	2,144	888
Income tax payable	8	1,840	11,890
Current portion of long-term loans	23	74,842	66,835
Short-term loans	23	18,895	28,540
Cash-settled share-based payments payable		2,371	355
TOTAL CURRENT LIABILITIES		349,664	338,823
LIABILITIES CLASSIFIED AS HELD FOR SALE	10	42,537	-
TOTAL LIABILITIES		1,655,356	1,603,214
TOTAL EQUITY AND LIABILITIES		**2,215,531**	2,249,538

The Notes on pages 85 to 168 are an integral part of these consolidated financial statements.

NEW WORLD RESOURCES N.V.
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY PREPARED IN ACCORDANCE WITH IFRS AS ADOPTED BY THE EUROPEAN UNION
FOR THE YEAR ENDED 31 DECEMBER 2009

	Share capital EUR'000	*Share premium EUR'000*	*Foreign exchange translation reserve EUR'000*	*Restricted reserve EUR'000*	*Equity-settled share based payment EUR'000*	*Hedging reserve EUR'000*	*Retained earnings EUR'000*	***Total* EUR'000**
Balance as at 1 January 2009	**105,524**	**54,971**	**4,728**	**124,180**	**8,037**	**34,328**	**314,556**	**646,324**
Total comprehensive income for the period attributable to shareholder of the Company*	-	-	14,350	1,886	-	(4,381)	(61,597)	**(49,742)**
Transaction with owners recorded directly in equity								
Contribution by and distribution to owners								
Shares granted to independent directors	107	893	-	-	-	-	-	**1,000**
Shares from share options vested	105	4,585	-	-	(4,688)	-	-	**2**
Dividends paid	-	-	-	-	-	-	(47,484)	**(47,484)**
Share options	-	-	-	-	10,075	-	-	**10,075**
Transactions with owners	212	5,478	-	-	5,387	-	(47,484)	**(36,407)**
Balance as at 31 December 2009	**105,736**	**60,449**	**19,078**	**126,066**	**13,424**	**29,947**	**205,475**	**560,175**

The Notes on pages 85 to 168 are an integral part of these consolidated financial statements

NEW WORLD RESOURCES N.V.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY PREPARED IN ACCORDANCE WITH IFRS AS ADOPTED BY THE EUROPEAN UNION FOR THE YEAR ENDED 31 DECEMBER 2008

	Notes	*Share capital EUR'000*	*Share premium EUR'000*	*Foreign exchange translation reserve EUR'000*	*Restricted reserve EUR'000*	*Equity-settled share based payment EUR'000*	*Hedging reserve EUR'000*	*Retained earnings EUR'000*	***Total* *EUR'000***
1 January 2008		100,100	3,679	38,389	129,990	-	-	105,305	**377,463**
Total comprehensive income for the period attributable to shareholder of the company		-	-	(23,677)	(1,189)	-	34,328	351,105	**360,567**
Transaction with owners recorded directly in equity									
Contribution by and distribution to owners									
A shares issued in IPO		5,400	211,788	-	-	-	-	-	**217,188**
A shares issued to independent directors		24	1,176	-	-	-	-	-	**1,200**
Dividends paid to A shareholders		-	(86,672)	-	-	-	-	(73,864)	**(160,536)**
Dividends paid to C shareholders		-	(75,000)	-	-	-	-	-	**(75,000)**
Stock options for A shares		-	-	-	-	8,037	-	-	**8,037**
Distribution in kind to B shareholder		-	-	(9,984)	-	-	-	(72,611)	**(82,595)**
Reclassification Restricted reserve		-	-	-	(4,621)	-	-	4,621	**-**
Transactions with owners		5,424	51,292	(9,984)	(4,621)	8,037	-	(141,854)	**(91,706)**
31 December 2008		**105,524**	**54,971**	**4,728**	**124,180**	**8,037**	**34,328**	**314,556**	**646,324**

The Notes on pages 85 to 168 are an integral part of these consolidated financial statements.

NEW WORLD RESOURCES N.V.

CONSOLIDATED STATEMENT OF CASH FLOWS PREPARED IN ACCORDANCE WITH IFRS AS ADOPTED BY THE EUROPEAN UNION

FOR THE YEAR ENDED 31 DECEMBER 2009

	Note	1 January 2009- 31 December 2009 *EUR thousand*	1 January 2008- 31 December 2008 *EUR thousand*
Cash flows from operating activities			
Net profit/(loss) before taxation and non-controlling interest from continuing operations	*3*	(57,920)	458,769
Net profit before taxation and non-controlling interest from discontinued operations	*3*	3,690	13,386
Net profit/(loss) before taxation and minority interest		(54,230)	472,155
Adjustments for:			
Depreciation	*13*	164,497	158,346
Amortisation	*14*	8,352	10,165
Changes in provisions		6,633	(4,722)
Profit on disposal of property, plant and equipment		(4,117)	(2,052)
Profit on disposal of other financial investments		-	(846)
Interest expense, net		52,491	50,723
Change in fair value of derivatives		7,476	27,679
Cash-settled share-based payment transactions		2,016	355
Equity-settled share-based payment transactions		11,078	9,237
Unrealized foreign exchange gains on long-term borrowings		754	39
Profit before working capital changes		194,950	721,079
(Increase) / Decrease in inventories		(19,843)	(39,540)
(Increase) / Decrease in receivables		41,258	(17,130)
(Decrease) / Increase in payables		25,548	24,026
Changes in deferred revenue		(1,875)	(4,701)
(Increase) / Decrease in restricted cash		12,438	(4,448)
Net proceeds from closed currency derivatives		-	99,913
Currency translation and other non-cash movements		(5,035)	(32,507)
Cash generated from operating activities		247,441	746,692
Interest paid		(52,852)	(65,989)
Corporate income tax paid		(18,364)	(157,047)
Net cash flows from operating activities		**176,225**	**523,656**
Cash flows from investing activities			
Interest received		6,441	21,686
Purchase of land, property, plant and equipment	*13*	(250,201)	(285,094)
Proceeds from sale of other financial investments		-	5,929
Cash and cash equivalents of distributed subsidiaries (in kind)		-	(6,117)
Proceeds from sale of property, plant and equipment		4,349	2,724
Net cash flows from investing activities		**(239,411)**	**(260,872)**
Cash flows from financing activities:			
Repayments of syndicated loan	*23*	(63,486)	(65,146)
Proceeds of long-term borrowings	*23*	82,335	-
Bond redemption		(30,165)	-
Fees paid on bond redemption		(1,236)	-
Repayments of short-term borrowings		(15,930)	(5,350)
Proceeds of short-term borrowings		17,448	31,692
Proceeds from issued shares (IPO)		-	219,078
Transaction costs from issued shares (IPO)		-	(1,890)
Dividends paid		(47,484)	(235,536)
Net cash flows from financing activities		**(58,518)**	**(57,152)**
Net effect of currency translation		2,107	(897)
Net increase/(decrease) in cash and cash equivalents		(119,597)	204,735
Cash and Cash Equivalents at the beginning of period		678,895	474,160
Cash and Cash Equivalents classified as Assets held for sale		**11,471**	**-**
Cash and Cash Equivalents at the end of period		**547,827**	**678,895**

The Notes on pages 85 to 168 are an integral part of these consolidated financial statements.

1. GENERAL INFORMATION

a) Corporate information

New World Resources N.V. (the "Company") is a public limited liability company incorporated under the laws of the Netherlands on 29 December 2005. The registered office of the Company is at Jachthavenweg 109h, 1081 KM Amsterdam, The Netherlands.

The objectives of the Company are to act as a holding and finance company.

BXR Mining B.V., a European public limited company, is the major shareholder of the Company, holding approximately 64% of the Company's A shares and all of its B shares. The financial information of the Company is included in the consolidated financial statements of RPGI. A shares of the Company are listed on stock exchanges in London, Warsaw and Prague. New World Resources B.V. was converted to New World Resources N.V. before it issued shares on the stock exchanges.The ultimate parent of the Company is RPG Partners Limited.

These financial statements were approved by the Board of Directors and authorised for issue on 17 March 2009.

b) The Group

The consolidated financial statements include New World Resources N.V. and the following subsidiaries (together "the Group") as of 31 December 2009:

Consolidated subsidiaries	Abbreviation	% Equity = voting	Nature of Activity
Entities directly owned by the Company:			
OKD, a.s. *	OKD	100 %	Coal mining
OKK Koksovny, a.s.**	OKK	100 %	Coke production
NWR KARBONIA Sp. z o.o. ***	-	100 %	Coal mining and electricity sales
NWR Energy, a.s.	-	100 %	Electricity production
Entities directly owned by NWR Energy, a.s.:			
CZECH-KARBON s.r.o.	-	100 %	Electricity trading
NWR ENERGETYKA PL Sp. z o.o.	-	100 %	Electricity sales
Entities directly owned by OKD:			
OKD, HBZS, a.s.	-	100 %	Emergency services, waste processing

* In the Notes the abbreviation OKD is used to refer to OKD, a.s.

** OKD, OKK, a.s. was renamed to OKK Koksovny, a.s. on 1 December 2009. In the Notes, the abbreviation OKK is used and refers for the respective periods to OKK Koksovny, a.s. and OKD, OKK, a.s.

*** „KARBONIA PL" Sp. z o.o. was renamed to NWR KARBONIA Sp. z o.o. on 2 July 2009. In the Notes, the new name of NWR KARBONIA Sp. z o.o. is used and refers for the respective periods to NWR KARBONIA Sp. z o.o. resp. „KARBONIA PL" Sp. z o.o.

All of the Company's consolidated subsidiaries are incorporated in the Czech Republic, with the exception of NWR KARBONIA Sp. z o.o. and NWR ENERGETYKA PL sp. z o.o., which are incorporated in Poland.

See paragraph e) below for changes in the Group during the presented period.

As of 31 December 2008 the consolidated financial statements included New World Resources N.V. and the following subsidiaries (together "the Group"):

Consolidated subsidiaries	% Equity = voting	Nature of Activity
Entities directly owned by the Company:		
OKD, a.s.	100 %	Coal mining
OKK Koksovny, a.s.	100 %	Coke production
NWR KARBONIA Sp. z o.o.	100 %	Coal mining and electricity sales
NWR ENERGETYKA PL Sp. z o.o.	100 %	Electricity sales
NWR Energy, a.s.	100 %	Electricity production
Entities directly owned by NWR Energy, a.s.:		
CZECH-KARBON s.r.o.	100 %	Electricity trading
Entities directly owned by OKD, a.s.:		
OKD, HBZS, a.s.	100 %	Emergency services, waste processing

c) Statement of compliance

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

d) Basis of preparation

The consolidated financial statements are prepared on the historical cost basis except for derivative and other financial instruments, which are stated at their fair value. They are presented in Euro (EUR) and rounded to the nearest thousand. Financial statements of operations with functional currency other than EUR were translated to the Group presentation currency (EUR). Functional currency of the Company is EUR. Functional currency of NWR KARBONIA Sp. z o.o. and NWR ENERGETYKA PL Sp. z o.o. is Polish Zloty (PLN). Functional currency of the remaining consolidated companies is Czech Crown (CZK). For details refer to the Note 2d(ii). The accounting policies have been applied consistently by the Group entities.

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 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.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following Notes:

Note 13 - Property, plant and equipment
Note 20 - Financial instruments
Note 26 - Provisions
Note 28 - Employee benefits
Note 29 - Share based payments, and
Note 32 - Contingent assets and liabilities.

e) Changes in the consolidated group

(i) Business combination involving entities under common control

A business combination involving entities or businesses under common control is a business combination in which all of the Group entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory.

In the absence of more specific guidance, the Group entities consistently applied the book value measurement method to all common control transactions. Differences between consideration paid and carrying value of acquired net assets is recognised as a change in consolidated equity.

OKD sold its 100% share in NWR KARBONIA Sp. z o.o., to the Company on 25 January 2008. NWR KARBONIA Sp. z o.o. remains under the control of the Company.

The Company established two new entities, 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 were spun-off from NWR KARBONIA Sp. z o.o. on 1 April 2009. The control at the Company level did not change.

On 13 October 2009, 100% ownership interest in NWR ENERGETYKA PL Sp. z o.o. was transferred from the Company to NWR Energy, a.s. NWR ENERGETYKA PL Sp. z o.o. remains under the control of the Company.

With effective date of 1 January 2008 the 100% share in OKD, Rekultivace, a.s., the 49% share in Garáže Ostrava, a.s. and OKD’s internal business unit IMGE were spun-off from OKD into four legal entities (RPG RE Property, a.s., Dukla Industrial Zone, a.s., RPG Rekultivace, a.s. and RPG Garáže, a.s.) 100% owned by the Company. The Company as the sole shareholder approved the project of the spin-off from OKD, a.s., acting as the sole shareholder of the new entities on 30 June 2008. The control at the Company level did not change by the spin-off.

(ii) Distribution in kind

On 30 September 2008, the Company distributed its shares in 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.

(iii) Sale of OKD, Bastro, a.s.

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. Net assets of disposed company amounted EUR 5,099 thousand as of 1 December 2008. The company was sold for EUR 5,946 thousand and a gain from sale of EUR 847 thousand was realised.

(iv) Discontinued operations and classification as held for sale

On 24 June 2009 the Board of Directors of the Company (“the Board”) approved the intention to sell the energy business of the Group under defined conditions. The energy business of the Group is represented by NWR Energy, a.s., CZECH-KARBON s.r.o. and NWR ENERGETYKA PL Sp. z o.o. Based on the Board´s resolution, the assets and liabilities of these entities were classified as held for sale. Neither comparative financial statements nor related comparative disclosures were re-presented.

Part of the energy business, presented as the Electricity trading segment in the past, is presented as discontinued operations in these financial statements. The segment was not classified as discontinued operations in 2008 and the comparative information in the income statement, statement of comprehensive income and statement of cash flows and related notes has been re-presented to show the discontinued operations separately from continuing operations. Discontinued operations are described in the Note 9 Discontinued operations.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) New IFRS

New standards and interpretations adopted during the financial year

In 2009, the Group adopted the following new or amended International Financial Reporting Standards and IFRIC Interpretations, which were relevant for the Group:

- IFRS 7 Financial Instruments: Disclosures (Amendments)
- IAS 1 Presentation of Financial Statements (Amendments)
- IAS 23 Borrowing Costs (Amendments)
- IAS 39 Financial Instruments: Recognition and Measurement (Amendments)

The principal effects of the changes are as follows:

IFRS 7 Financial Instruments: Disclosures (Amendments)
The amended standard requires additional disclosures about fair value measurement and liquidity risk. Fair value measurements related to items recorded at fair value are to be disclosed by source of inputs using a three level fair value hierarchy, by class, for all financial instruments recognised at fair value. In addition, reconciliation between the beginning and ending balance for level 3 fair value measurements is now required, as well as significant transfers between levels in the fair value hierarchy. The amendments also clarify the requirements for liquidity risk disclosures with respect to derivative transactions and assets used for liquidity management. The fair value measurement disclosures are presented in the Note 20. The liquidity risk disclosures are not significantly impacted by the amendments and are presented in the Note 20.

IAS 1 Presentation of Financial Statements (Amendments)
The revised standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, the non-owner changes in equity are presented in a reconciliation of each component of equity. In addition, the standard introduces the statement of comprehensive income: it presents all items of recognised income and expense, either in one single statement, or in two linked statements. The Group has elected to present two statements i.e. statement of comprehensive income and statement of changes in equity. Comparative information has been re-presented to be in conformity with revised standard.

IAS 23 Borrowing Costs (Amendments)
The revised IAS 23 requires capitalisation of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. The Group’s previous policy was to expense borrowing costs as they were incurred. In accordance with the transitional provisions of the amended IAS 23, the Group has adopted the standard on a prospective basis (comparative figures were not restated). Therefore, borrowing costs are capitalised on qualifying assets with a commencement date on or after 1 January 2009. Disclosure on capitalised borrowing costs is presented in the Note 13.

IAS 39 Financial Instruments: Recognition and Measurement (Amendments)
The amendment clarifies that an entity is permitted to designate a portion of the fair value changes or cash flow variability of a financial instrument as a hedged item. This also covers the designation of inflation as a hedged risk or portion in particular situations. The Group has concluded that the amendment will have no impact on the financial position or performance of the Group, as the Group has not entered into any such hedges.

Improvements to IFRSs
In April 2009, the IASB (International Accounting Standards Board) issued its first omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. The Group has early adopted amendments to the following standards:

IAS 7 Statement of Cash Flows: Explicitly states that only expenditure that results in recognising an asset can be classified as a cash flow from investing activities. This amendment will not impact the presentation in the statement of cash flows of the contingent consideration on the business combinations completed upon cash settlement.

IAS 18 Revenue: The IASB has added guidance (which accompanies the standard) to determine whether an entity is acting as a principal or as an agent. The Group has assessed its revenue arrangements against the criteria defined by the IASB and concluded that it is acting as principal in all arrangements. The revenue recognition accounting policy has been updated accordingly.

New IFRS Standards and Interpretations issued but not yet effective

The Group is currently assessing the potential impacts of the new and revised standards that will be effective for annual periods beginning after 1 January 2009 of later. The Group currently does not expect that the new standards and interpretations would have a significant effect on the Group's results and financial position.

The principal effects of these changes are as follows:

IFRS 3 Business Combinations and IAS 27 Consolidated and Separate Financial Statements (Revised)
The revised standards were issued in January 2008 and are effective for annual reporting periods beginning on or after 1 July 2009. Amended IFRS 3 introduces a number of changes in the accounting for business combinations that will impact the amount of goodwill recognised, the reported results in the period of acquisition, and future reported results. The amended IAS 27 requires that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as an equity transaction. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. The changes by revised IFRS 3 and IAS 27 will affect future acquisitions or loss of control and transactions with non-controlling interests.

b) Basis of consolidation

The financial statements include the accounts of New World Resources N.V. and its subsidiaries presented in the Note 1.

(i) Subsidiaries
Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated statements from the date that control commences until the date that control ceases.

(ii) Transactions eliminated on consolidation
Intragroup balances and transactions and unrealised gains arising from intragroup transactions, are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

c) 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 as it mainly relates to investments. Interest paid is classified as an operating activity as it significantly affects the net profit.

d) 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 reporting 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.

(ii) Foreign operations

Assets and liabilities of operations with functional currency other than EUR, including goodwill and fair value adjustments arising on acquisition, are translated to EUR at the exchange rate at the reporting date; income statement items of operations with functional currency other than EUR are translated at exchange rates approximating the rates at the dates of the transactions. Equity items are translated at historical exchange rates. The exchange differences arising on the translation are recognised directly in other comprehensive income. On disposal of an operation with functional currency other than EUR (in full or in part), the relevant amount of accumulated exchange differences is transferred to the income statement.

Goodwill and fair value adjustments arising on the acquisition of an operation with functional currency other than EUR are treated as assets and liabilities of the operation and are translated at the closing exchange rate.

e) Derivative financial instruments

The Group uses derivative financial instruments (such as forward currency contracts, interest rate swap and interest rate collar contracts) to hedge its exposure to foreign exchange risk and interest risk. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value on derivatives during the year that do not qualify for hedge accounting and the ineffective portion of an effective hedge, are taken directly to the income statement.

The fair value of forward currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles. The fair value of interest rate swap and interest rate collar contracts is the estimated amount that the Group would receive or pay to terminate the contract at the reporting date, taking into account current interest rates and the current creditworthiness of the swap counterparties.

For the purpose of hedge accounting, hedges are classified as:

- fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment (except for foreign currency risk); or
- cash flow hedges when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment; or
- hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedges item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designed.

Hedges which meet the strict criteria for hedge accounting are accounted for as follows:

Fair value hedges
The change in the fair value of a hedging derivative is recognised in the income statement. The change in the fair value of the hedged item attributable to the risk hedged is recorded as a part of the carrying value of the hedged item and is also recognised in the income statement.

For fair value hedges relating to items carried at amortised cost, the adjustment to carrying value is amortised through the income statement over the remaining term to maturity. Amortisation may begin as soon as an adjustment exists and shall begin no later than when the hedges item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedge item is derecognised, the unamortised fair value is recognised immediately in the income statement.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in the income statement.

Cash flow hedges
The effective portion of the gain or loss on the hedging instrument is recognised directly as other comprehensive income in the hedging reserve, while any ineffective portion is recognised immediately in the income statement.

Amounts recognised as other comprehensive income are transferred to the income statement when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecasted sale or expenditure occurs. Where the hedged item is a non-financial asset or non-financial liability, the amounts recognised as other comprehensive income are transferred to the initial carrying amount of the non-financial asset or liability.

If the forecasted transaction or firm commitment is no longer expected to occur, amounts previously recognised in the other comprehensive income are transferred to the income statement. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, amounts previously recognised in other comprehensive income remain in other comprehensive income until the forecasted transaction or firm commitment occurs.

In the periods beginning on 1 January 2008 and 1 January 2009 the Group applied hedge accounting for forward exchange rate contracts used as hedges of its exposure to foreign currency risk in forecasted transactions and firm commitments. We refer to the Note 20 for more details.

The Group has an interest rate swap that is used as a hedge for the cash flow exposure resulting from its Senior Secured Facilities (in the past called Syndicated Loan). See Note 20 for more details.

Current versus non-current classification

Derivative instruments that are not a designated and effective hedging instrument are classified as current or non-current or separated into a current and non-current portion based on an assessment of the facts and circumstances (i.e., the underlying contracted cash flows).

- Where the Group will hold a derivative as an economic hedge (and does not apply hedge accounting), for a period beyond 12 months after the reporting date, the derivative is classified as non-current (or separated into current and non-current portions) consistent with the classification of the underlying item).
- Embedded derivates that are not closely related to the host contract are classified consistent with the cash flows of the host contract.
- Derivative instruments that are designated as, and are effective hedging instruments, are classified consistent with the classification of the underlying hedged item. The derivative instrument is separated into a current portion and non-current portion only if a reliable allocation can be made.

f) 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 l). Cost includes expenditures that are directly attributable to the acquisition of the asset including borrowing costs for long-term construction projects if the recognition criteria are met. 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) Borrowing costs
Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

The Group capitalises borrowing costs for all eligible assets where construction was commenced on or after 1 January 2009. The Group continues to expense borrowing costs relating to construction projects that commenced prior to 1 January 2009.

(iii) 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 dependant 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 gives 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 Group substantially all the risks and benefits related 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.

(iv) 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 Group 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.

(v) 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 assets in construction are not depreciated.

The estimated useful lives are as follow:

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

Mining works are depreciated on a straight-line basis based on their estimated useful life.

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 Group will obtain ownership by the end of the lease term.

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

g) Intangible assets

(i) Licenses
Licenses represent the coal reserve license owned by OKD. The coal reserve is the exclusive deposit and creates the mineral wealth of the Czech Republic and the licenses allow OKD to extract coal from this deposit. Licences are stated at cost less amortisation and impairment losses.

When determining fair value of the coal reserve license in the year 2004, OKD used an income approach, specifically the Multi-period excess earning method (MEEM), taking into account the specific finite horizon of OKD coal-mining operations. Amortisation for the period was calculated as a proportion of the coal amount actually mined in this period to the total economically exploitable coal reserves as estimated by management.

The plan used for valuation comprises the whole projected period of future OKD coal-mining operations.

(ii) Research and development
Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge, is recognised in the income statement as an expense as incurred.

Expenditure on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalised if the product or process is technically and commercially feasible and the Group has sufficient resources to complete development. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads.

Other development expenditure is recognised in the income statement as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and impairment losses.

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

(iv) 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. Amortization methods, useful lives and residual values are reviewed at each reporting date.

(v) Emission rights
Emission rights represent the right of the owner of a facility, which in the course of its operation emits greenhouse gases, to emit during the calendar year an equivalent of one ton of carbon dioxide (CO_2). Based on the National Allocation Plan in 2009, 2008, 2007, 2006 and 2005 certain companies of the Group were granted emission rights free of charge. These companies are responsible for determining and reporting the amount of greenhouse gases produced by its facilities in the calendar year and this amount has to be audited by an authorized person.

As at April, 30, of the following year, at the latest, these companies are required to remit a number of certificates representing the number of tonnes of CO_2 actually emitted. If a company does not fulfil this requirement and does not remit necessary number of emission rights, then the company has to pay a penalty in the amount of EUR 40 per 1 ton of CO_2.

Emission rights are accounted for using the net liability method (EFRAG). Under this method, emission rights allocated from the Government are measured at their nominal amount, which is nil. Purchased emission rights (acquired when the number of rights on hand is insufficient to cover the actual emissions made) are recognised as intangible assets, measured at cost and charged to income when disposed of. Emission rights are not amortised.

The Company recognises a provision equal to the fair value of emission rights that would be needed if the actual emissions made could not be settled by emission rights on hand.

(vi) Exploration for and Evaluation of Mineral Resources
Expenditures on exploration for and evaluation of mineral resources are charged to expense as incurred.

h) Investments

Investments in equity securities held by the Group are classified as being available-for-sale.

Available-for-sale investments are recognised/de-recognised by the Group on the date it commits to purchase/sell the investments.

After initial measurement, available for sale financial assets are measured at fair value with unrealized gains or losses being recognised directly in other comprehensive income except in the case of impairment losses. Where the fair value cannot be reliably determined, investments are stated at cost.

When the investment is disposed of, the cumulative gain or loss previously recognised as other comprehensive income is recognised in the income statement. Interest earned or paid on the investments is reported as interest income or expense using the effective interest rate. Dividends earned on investments are recognised in the income statement as 'Dividends received' when the right of payment has been established.

i) 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).

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

j) 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.

k) 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).

l) Restricted cash

Restricted balances of cash, which are shown under non-current financial assets as restricted funds (see Note 16), relate to mining damages and restoration expenses. The non-current classification is based on the expected timing of the release of the funds of the Group.

m) Impairment

The carrying amounts of the Group's assets, excluding inventories (see accounting policy j) and deferred tax assets (see accounting policy u), are reviewed at each reporting 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 reporting 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 fair value less costs to sell 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.

(ii) Reversals of impairment

An impairment loss in respect of receivables carried at amortized 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 amortization, if no impairment loss had been recognised.

n) Non-controlling interest

The non-controlling interest in the statement of financial position and income statement represents the non-controlling proportion of the net assets of the consolidated but not wholly owned subsidiaries at the year-end and a share on results for the year, which is attributable to the non-controlling shareholders.

o) 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.

p) Employee benefits

The Group provides a number of different benefits to its employees – jubilee, loyalty, retirement and special miners' benefits.

The Group's obligation in respect of long-term service benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using the projected unit credit method and is discounted to its present value and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on Czech government bonds that have maturity dates approximating the terms of the Group's obligations.

q) Share-based payment transactions

Employees (including senior executives) of the Group receive remuneration for their services in the form of share-based payment transactions ("equity-settled transactions").

In situations where equity instruments are issued and some or all of the goods or services received by the entity as consideration cannot be specifically identified, the unidentified goods or services received (or to be received) are measured as the difference between the fair value of the share-based payment and the fair value of any identifiable goods or services received at the grant date. This is then capitalized or expensed as appropriate.

Equity-settled transactions

The cost of equity-settled transactions with employees for awards granted, is measured by reference to the fair value at the date on which they are granted. The fair value is determined based on the market price as per stock exchange and whenever appropriate using option pricing models.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("the vesting date"). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The income statement expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, the minimum expense recognised is the expense as if the terms had not been modified. An additional expense is recognised for any modification, which increases the

total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee as measured as the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the entity or the counterparty are not met. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share (further details are given in the Note 25).

Transactions with cash-alternative

The cost of transactions with a cash-alternative is measured initially at fair value at the grant date. This fair value is expensed over the period until the vesting date with recognition of a corresponding liability. The liability is remeasured to fair value at each reporting date up to and including the settlement date with changes in fair value recognised in the income statement.

r) Provisions

A provision is recognised in the statement of financial position when the Group 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.

Restoration and mining damages provisions

The Group is liable for all environmental damage caused by mining activities. These future costs can generally be split into two categories – restoration costs and mining damages costs. Restoration costs and clean-up of land used for mining activities are liabilities to restore the land to the condition it was in prior to the mining activities or as stated in the exploration project.

Provisions for restoration costs are recognised as the net present value of the estimated outflow of economic resources to settle the obligation. Restoration costs represent a part of the acquisition cost of fixed assets and such assets are depreciated over the useful life of the mines using the sum of the digits method. Any change in the estimate of restoration costs is recognised within fixed assets and is depreciated over the remaining useful life of the mines.

The effects of changes in estimates relating to decommissioning liabilities, arising as a result of change of estimated cash flows that would be required to settle these liabilities or as a result of discount rate changes, are added to (or deducted from) the amount recognised as the related asset.

Mining damages costs are liabilities to reimburse all immediate damages caused by mining activities to third party assets. Mining damages costs are assessed by the Group for each individual exploration project. This assessment is reviewed and approved by the Czech Mining Authority.

s) 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 amortized cost.

t) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates and sales taxes or duty. The Group assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements. The following specific recognition criteria must also be met before revenue is recognised:

(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 reporting 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.

(ii) Revenues from electricity contracts

The Group concludes sale and purchase contracts for physical delivery of specified commodities (defined quantity of electricity) over the counter and through energy exchanges. These transactions are entered into and continue to be held for the ultimate purpose of physical receipt or delivery of the commodity in accordance with the Group's expected sale or purchase requirements, are designated into an own use category at inception and are not within the scope of IAS 39.

Revenues from realised electricity sales are recognised in the income statement based on actual deliveries and when the significant risks and rewards of ownership have been transferred to the buyer in line with the contract conditions, recovery of the consideration is probable, the associated costs can be estimated reliably and there is no continuing management involvement with the delivered commodity. Revenue is stated net of value added tax and excise duties and comprises the value of sales of commodity made in the normal course of business.

Gains and losses arising from changes in fair value on contracts on energy exchanges, which result in cash inflows or outflows to and from an energy exchange, are recognised on statement of financial position and upon settlement in the income statement.

The Group recognises provisions for obligations resulting from the settlement of electricity purchase contracts, for which the customer defaulted or is probable to default to buy the commodity. The expense is recognised in line other opearating expenses in the income statement.

(iii) Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the income statement over the expected useful life of the relevant asset by equal annual instalments.

The Group receives operating subsidies to cover the social costs related to the closure of mines and incurred before the privatisation of OKD in 1993. The subsidies are recognised in the income statement on the accrual basis with related expenses.

u) 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.

(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, foreign exchange gains and losses, and gains and losses on hedging instruments that are recognised in the income statement (see accounting policy e).

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. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised in equity or other comprehensive income.

A current tax liability is calculated in accordance with the tax regulations of the states of residence of the Group companies and is based on the income or loss reported under local accounting regulations, adjusted for appropriate permanent and temporary differences from taxable income. Income taxes are calculated on an individual company basis as the tax laws do not permit consolidated tax returns.

A deferred tax is recognised in respect of 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.

v) Segment reporting

In 2007, the Group early adopted IFRS 8 – Operating Segments. An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. A start-up operation can be treated as an operating segment while it has yet to earn revenues.

w) Non-current assets held for sale and discontinued operations
Immediately before classification as held for sale, the measurement of the assets (and all assets and liabilities in a disposal group) is brought up-to-date in accordance with applicable IFRS. Then, on initial classification as held for sale, non-current assets and disposal groups are recognised at the lower of carrying amount and fair value less costs to sell.

Impairment losses on initial classification as held for sale are included in profit or loss. The same applies to gains and losses on subsequent re-measurement.

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. A disposal group that is to be abandoned may also qualify. When an operation is classified as discontinued operation, the comparative income statement and statement of cash flows are re-presented as if the operation had been discontinued from the start of the comparative period.

x) 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.

3. SEGMENT INFORMATION

a) Introduction to segment information

IFRS requires an entity to report information about operating segments which are separately available and which are regularly evaluated by the so called “chief operating decision maker” (“CODM”).

On 31 December 2007, the Company separated all real estate owned by the Group at that time (“Real Estate Assets”) into a new division in order to provide higher transparency to the mining and real estate assets. The Group began operating two segments determined by differences in their assets and products and services produced and provided. The segments were represented by the Mining Division segment (“MD”) and the Real Estate Division segment (“RED”), established internally by the Divisional Policy Statements as of 31 December 2007. The Company issued B shares to track the financial performance of the RED. A shares track the financial performance of the MD. The CODM for the two reportable segments is the Board. In order to ensure fair treatment to all shareholders the Company prepared and adopted the Divisional Policy Statements, approved by the B shareholder. The fundamental and overriding principles state that the MD has the right to maintain:

- the undisturbed continuation of its mining, coking and related operations that are currently, or which are expected by the Board to be in the future, conducted using certain of the Real Estate Assets; and
- unrestricted access to the Real Estate Assets in connection with such mining, coking and related operations.

Based on these overriding rules the MD is provided with unrestricted access to all Real Estate Assets necessary for its mining, coking and related operations for the time period, until these operations cease to exist. The Real Estate Assets include two groups of assets:

- buildings, constructions and similar real estate assets (“Buildings”) and
- land.

The RED comprised of the shares and corresponding investments in the subsidiaries OKD, Rekultivace, a.s. and Garáže Ostrava, a.s., all of the assets and liabilities in the IMGE internal business unit of OKD and all real estate assets owned by the Group at the time of the establishment of the divisions (“Real Estate Assets”). IMGE was an internal business unit of OKD specialized in land reclamation works, attributed with all real estate of OKD that was not being used for its mining and related operations.

The segments are managed and operated separately for accounting and reporting purposes according to the nature of the products and services provided to reflect the results and the financial position of each division and to provide relevant information to the holders of the A and B shares. The MD relates to coal extraction, production of coke and related operations and businesses. Except for activities of OKD, Rekultivace, a.s. and Garáže Ostrava, a.s., which were distributed to the shareholder of B shares on 30 September 2008, the RED mainly provides inter-divisional service i.e. provides real estate to MD (see below). In connection to the newly operated segments MD and RED, no legal entity was established.

On 30 September 2008, the Group distributed the shares and corresponding investments in the subsidiaries RPG Rekultivace, a.s. (the sole holder of the share in OKD, Rekultivace, a.s.), RPG Garáže, a.s. (the sole holder of the share in Garáže Ostrava, a.s.), all of the assets and liabilities in the IMGE internal business unit of OKD (spun-off for the purpose of the distribution to special purpose entities named Dukla Industrial Zone, a.s. and RPG RE Property, a.s.) and certain promissory notes received by the RED for the sale of certain Real Estate Assets in the nominal value of CZK 42,597 thousand (EUR 1,731 thousand) to the sole holder of the B shares. The impact of the dividend in kind on the consolidated equity of the Group was EUR 82,595 thousand.

In 2008, electricity trading activities incurred robust growth in sales volume. As a result the management of the Group decided to present and follow the financial performance of the electricity trading business separately.

3. SEGMENT INFORMATION (CONTINUED)

Consequently, the MD segment is currently represented by two sub-segments, one representing the coal & coke business and the other representing the electricity trading business. On 24 June 2009 the Board approved the intention to sell the energy business of the Group under defined conditions. Electricity trading, as part of the energy business, is presented as discontinued operations in these financial statements.

The Group provides its products to customers in different geographical areas and therefore provides information on geographical segments as well.

b) Disclosures on Buildings

The RED provides Buildings to the MD based on the overriding rules. The management considers this relation between the divisions as a kind of leasing relationship, where the RED provides property to the MD against remuneration. Following this approach of the Company, for Buildings the following criteria for identifying the relation between the divisions as financial leasing are met:

- the lease term is for the major part of the economic life of the asset,
- the leased assets are of such a specialised nature that only the lessee can use them without major modifications.

The Buildings are recorded at the carrying amount in the balance sheet of the MD. As of 1 January 2008 MD depreciates the Buildings provided by the RED. The deferred tax assets, liabilities and their impacts on the financial result of the Group related to the Real Estate Assets are divided between the divisions correspondingly to the allocation of the assets.

The Company did not revaluate the Real Estate Assets for the purpose of presentation in the segment reporting. The assets are presented in the segment reporting at book values. These values also represent the basis for depreciation. Under IFRS finance lease assets shall be valued at the present value of minimum lease payments, which would also be the basis for depreciation under standard finance lease conditions. The RED does not charge lease payments to the MD for the access to the Real Estate Assets. Therefore the Group decided to apply the book values for the allocation of the Real Estate Assets value between the divisions. The value of Buildings provided to the MD at 31 December 2009 is EUR 290,416 thousand (2008: EUR 322,168 thousand).

When the demand for unrestricted access to certain Real Estate Assets by the MD terminates, the overriding rules do not apply anymore and the Real Estate Assets are transferred back from the MD to the RED. This transfer becomes effective when the assets are not used for mining, coking and related operations anymore. Since the respective Buildings meet the criteria mentioned above, they will generally be fully depreciated at the moment, when mining, coking and related operations stop in the future. Therefore the transfer should include only fully depreciated assets with a zero book value. IAS 16 assumes some residual value of assets which should be equal to its estimated market value at the end of its useful life. However the Company is unable to make a reliable estimate of such residual value due to the character of the assets.

The Divisional Policy Statements determine the annual fee paid for Real Estate Assets provided by the RED to the MD (the “CAP”) to be EUR 3,600 thousand per year in 2008, adjusted for inflation in subsequent years. The annual fee paid by MD to RED represents the financing costs on the Buildings provided. The CAP is accounted for as financial expense in the MD and as financial revenue in the RED. For the year 2009 the fee was determined in line with the Divisional Policy Statement in an amount of EUR 3,807 thousand.

There is no consideration required from the MD to repay the present value of the Buildings provided in compliance with the Divisional Policy Statement. Therefore the respective amount i.e. the book value of the Buildings provided to the MD as of 31 December 2009 is presented in the equity of the MD.

3. SEGMENT INFORMATION (CONTINUED)

c) Disclosures on land

Land is provided to the MD without any consideration. However the IFRS criteria for financial leasing cannot be met for land. IFRS do not provide a specific guideline for the presentation of such relationship. The Company decided to present this relationship in the segment analysis as a right to use land by the MD granted by RED. The right is depleted over the expected lifetime of mining, coking and related businesses using a linear amortization method. The management determined the original value of the right being the book value of land at 31 December 2007 i.e. the date when the divisions were established. The residual amount as of 31 December 2009 and 31 December 2008 was EUR 14,730 thousand and EUR 16,344 thousand respectively.

Deferred revenue corresponding to the amount of the right to use land is presented in the balance sheet of the RED. The deferred revenue will be released into revenues over the period correspondingly to the depletion of the right to use the land.

d) Disclosures on assets allocated to the RED and not provided for mining, coking and related operations

Real Estate Assets currently not used for mining, coking and related operations are presented in the Real Estate Division.

3. SEGMENT INFORMATION (CONTINUED)

e) Presentation of business segments

Business Segments	*Mining division segment*						***Real Estate division segment***	*Inter-segment Eliminations & adjustments*	***Continuing operations total***
	Coal&Coke sub-segment	Electricity trading sub-segment	*Eliminations & adjustments*	**Mining division consolidated - total**	*Eliminations & adjustments to discontinued operations*	***Mining division continuing operations - total***			
	Continuing operations	*Discontinued operations*					***Continuing operations***		
	1/1/2009 - 31/12/2009	*1/1/2009 - 31/12/2009*	*1/1/2009 - 31/12/2009*	***1/1/2009 - 31/12/2009***	*1/1/2009 - 31/12/2009*	***1/1/2009 - 31/12/2009***	***1/1/2009 - 31/12/2009***	*1/1/2009 - 31/12/2009*	***1/1/2009 - 31/12/2009***
	EUR '000	*EUR '000*	*EUR '000*	***EUR '000***	*EUR '000*	***EUR '000***	***EUR '000***	*EUR '000*	***EUR '000***
Segment revenues									
Continuing operations									
Sales to third party	1,112,548	-	-	**1,112,548**	-	**1,112,548**	**212**	-	**1,112,760**
Sales to discontinued sub-segment	4,078	-	*(4,078)*	**-**	*4,078*	**4,078**	**-**	-	**4,078**
Inter-segment sales	-	-	-	**-**	-	**-**	**1,785**	(1,785)	**-**
Discontinued operations									
Sales to third party	-	117,406	-	**117,406**	*(117,406)*	**-**	**-**	-	**-**
Sales to continuing sub-segment	-	70,172	*(70,172)*	**-**	-	**-**	**-**	-	**-**
Total revenues	1,116,626	187,578	*(74,250)*	**1,229,954**	*(113,328)*	**1,116,626**	**1,997**	*(1,785)*	**1,116,838**

3. SEGMENT INFORMATION (CONTINUED)

Business Segments	Mining division segment						Real Estate division segment	*Inter-segment Eliminations & adjustments*	Continuing operations total
	Coal&Coke sub-segment	Electricity trading sub-segment	*Eliminations & adjustments*	**Mining division consolidated - total**	*Eliminations & adjustments to discontinued operations*	**Mining division continuing operations - total**			
	Continuing operations	Discontinued operations					**Continuing operations**		
	1/1/2009 - 31/12/2009	*1/1/2009 - 31/12/2009*	*1/1/2009 - 31/12/2009*	***1/1/2009 - 31/12/2009***	*1/1/2009 - 31/12/2009*	***1/1/2009 - 31/12/2009***	***1/1/2009 - 31/12/2009***	*1/1/2009 - 31/12/2009*	***1/1/2009 - 31/12/2009***
	EUR '000	*EUR '000*	*EUR '000*	***EUR '000***	*EUR '000*	***EUR '000***	***EUR '000***	*EUR '000*	***EUR '000***
Segment Result									
Segment result	9,291	6,991	-	**16,282**	*(6,991)*	**9,291**	**662**	-	**9,953**
Financial income				**57,101**	*(8,122)*	**48,979**	**4,544**	*(4,592)*	**48,931**
Financial expenses				**(132,528)**	*11,423*	**(121,105)**	**(291)**	*4,592*	**(116,804)**
Profit/(loss) before tax				**(59,145)**	*(3,690)*	**(62,835)**	**4,915**	-	**(57,920)**
Income tax expense				**(6,297)**	*1,555*	**(4,742)**	**(1,069)**	-	**(5,811)**
PROFIT/(LOSS) FOR THE PERIOD				**(65,442)**	*(2,135)*	**(67,577)**	**3,846**	-	**(63,731)**
Assets and liabilities as of 31.12.2009									
Total segment assets	*2,160,816*	*41,290*	***(2,911)***	**2,199,195**			**33,356**	*(17,020)*	**2,215,531**
Total segment liabilities	*1,632,424*	*24,437*	***(2,911)***	**1,653,950**			**18,426**	*(17,020)*	**1,655,356**
Other segment information:									
Capital expenditures	250,201	-	**-**	**250,201**	-	**250,201**	**-**	-	**250,201**
Depreciation	163,288	5	**-**	**163,293**	*(5)*	**163,288**	**1,209**	-	**164,497**
Amortization	10,137	-	**-**	**10,137**	-	**10,137**	**-**	*(1,785)*	**8,352**
Creation or (Reversal) of provisions	(6,875)	-	**-**	**(6,875)**	-	**(6,875)**	**-**	-	**(6,875)**
Interest income	5,756	90	**-**	**5,846**	*(90)*	**5,756**	**3,867**	*(3,819)*	**5,804**
Interest expense	58,554	41	**-**	**58,595**	*(41)*	**58,554**	**-**	*(3,819)*	**54,735**

3. SEGMENT INFORMATION (CONTINUED)

Business Segments	*Mining division segment*						***Real Estate division segment***	*Inter-segment Eliminations & adjustments*	***Continuing operations total***
	Coal&Coke sub-segment	Electricity trading sub-segment	*Eliminations & adjustments*	**Mining division consolidated - total**	*Eliminations & adjustments to discontinued operations*	***Mining division continuing operations - total***			
	Continuing operations	*Discontinued operations*					*Continuing operations*		
	1/1/2008 - 31/12/2008	*1/1/2008 - 31/12/2008*	*1/1/2008 - 31/12/2008*	***1/1/2008 - 31/12/2008***	*1/1/2008 - 31/12/2008*	***1/1/2008 - 31/12/2008***	***1/1/2008 - 31/12/2008***	*1/1/2008 - 31/12/2008*	***1/1/2008 - 31/12/2008***
	EUR '000	*EUR '000*	*EUR '000*	***EUR '000***	*EUR '000*	***EUR '000***	***EUR '000***	*EUR'000*	***EUR'000***
Segment revenues									
Continuing operations									
Sales to third party	1,792,522	-	-	**1,792,522**	-	**1,792,522**	**21,613**	-	**1,814,135**
Sales to discontinued sub-segment	650	-	*(650)*	**-**	*650*	**650**	**-**	-	**650**
Inter-segment sales	1,924	49	-	**1,973**	-	**1,973**	**4,544**	(6,517)	**-**
Discontinued operations									
Sales to third party	-	226,994	-	**226,994**	*(226,994)*	**-**	**-**	-	**-**
Sales to continuing sub-segment	-	60,129	*(60,129)*	**-**	*-*	**-**	**-**	-	**-**
Total revenues	1,795,096	287,172	*(60,779)*	**2,021,489**	*(226,344)*	**1,795,145**	**26,157**	*(6,517)*	**1,814,785**

3. SEGMENT INFORMATION (CONTINUED)

Business Segments	**Mining division segment**						**Real Estate division segment**	*Inter-segment Eliminations & adjustments*	**Continuing operations total**
	Coal&Coke sub-segment	Electricity trading sub-segment	*Eliminations & adjustments*	**Mining division consolidated - total**	*Eliminations & adjustments to discontinued operations*	**Mining division continuing operations - total**			
	Continuing operations	Discontinued operations					**Continuing operations**		
	1/1/2008 - 31/12/2008	*1/1/2008 - 31/12/2008*	*1/1/2008 - 31/12/2008*	***1/1/2008 - 31/12/2008***	*1/1/2008 - 31/12/2008*	***1/1/2008 - 31/12/2008***	***1/1/2008 - 31/12/2008***	*1/1/2008 - 31/12/2008*	***1/1/2008 - 31/12/2008***
	EUR '000	*EUR '000*	*EUR '000*	***EUR '000***	*EUR '000*	***EUR '000***	***EUR '000***	*EUR'000*	***EUR'000***
Segment Result									
Segment result	514,426	13,434	-	**527,860**	*(13,434)*	**514,426**	**2,683**	-	**517,109**
Financial income				**112,583**	*(6,743)*	**105,840**	**3,784**	*(3,613)*	**106,011**
Financial expenses				**(175,550)**	*6,792*	**(168,758)**	**(53)**	*3,613*	**(165,198)**
Profit/(Loss) on disposal of interest in subsidiaries				**(2,140)**	-	**(2,140)**	**2,987**	-	**847**
Profit before tax				**462,753**	*(13,385)*	**449,368**	**9,401**	-	**458,769**
Income tax expense				**(118,582)**	*2,842*	**(115,740)**	**(1,933)**	-	**(117,673)**
PROFIT FOR THE PERIOD				**344,171**	*(10,543)*	**333,628**	**7,468**	-	**341,096**
Assets and liabilities as of 31.12.2008									
Total segment assets	2,205,749	41,947	*(3,572)*	**2,244,124**			**29,970**	*(24,556)*	**2,249,538**
Total segment liabilities	1,581,264	30,979	*(3,572)*	**1,608,671**			**19,099**	*(24,556)*	**1,603,214**
Other segment information:									
Capital expenditures	284,497	-	-	**284,497**	-	**284,497**	**597**	-	**284,094**
Depreciation	157,119	4	-	**157,123**	*(4)*	**157,119**	**1,227**	-	**158,346**
Amortization	11,267	-	-	**11,267**	-	**11,267**	**-**	*(1,102)*	**10,165**
Creation or (Reversal) of provisions	(4,668)	-	-	**(4,668)**	-	**(4,668)**	**(54)**	-	**(4,722)**
Interest income	21,712	529	-	**22,241**	*(529)*	**21,712**	**3,739**	*(3,613)*	**21,838**
Interest expense	76,170	98	-	**76,268**	*(98)*	**76,170**	**7**	*(3,613)*	**72,564**

3. SEGMENT INFORMATION (CONTINUED)

f) Detailed presentation of the Mining and the Real Estate Divisions

As of 31 December 2009 and 2008 assets and liabilities of the divisions and the reconciliation to the consolidated statement of financial position are as follows:

	Mining division	Real Estate division	*Eliminations & Adjustments*	**Total**
	31/12/2009	*31/12/2009*	*31/12/2009*	**31/12/2009**
	EUR ´000	*EUR ´000*	*EUR ´000*	**EUR ´000**
Land	4,750	18,258	-	**23,008**
Buildings and constructions	610,150	368	-	**610,518**
Plant and equipment	434,290	-	-	**434,290**
Other assets	6,450	-	-	**6,450**
Construction in progress	84,066	-	-	**84,066**
Rights to use land of Real Estate Division	14,730	-	*(14,730)*	**-**
Mining licences	161,757	-	-	**161,757**
Long-term receivables	1,568	-	-	**1,568**
Deferred tax asset	7,710	-	-	**7,710**
Restricted cash	13,926	-	-	**13,926**
Derivatives	251	-	-	**251**
TOTAL NON-CURRENT ASSETS	1,339,648	18,626	*(14,730)*	**1,343,544**
Inventories	85,819	-	-	**85,819**
Accounts receivable and prepayments	151,423	189	*(1,956)*	**149,656**
Income tax receivable	821	-	*(161)*	**660**
Cash and cash equivalents	533,698	14,129	-	**547,827**
Restricted cash	2,771	-	-	**2,771**
TOTAL CURRENT ASSETS	774,532	14,318	*(2,117)*	**786,733**
ASSETS HELD FOR SALE	85,015	412	*(173)*	**85,254**
TOTAL ASSETS	**2,199,195**	**33,356**	***(17,020)***	**2,215,531**
TOTAL EQUITY	**545,245**	14,930	**-**	560,175
Provisions	103,133	-	-	**103,133**
Long-term loans	679,854	-	-	**679,854**
Bond issued	260,096	-	-	**260,096**
Employee benefits	96,588	-	-	**96,588**
Deferred revenue	2,675	13,994	*(13,994)*	**2,675**
Deferred tax liability	101,512	-	-	**101,512**
Other long-term liabilities	648	-	-	**648**
Derivatives	18,649	-	-	**18,649**
TOTAL NON-CURRENT LIABILITIES	1,263,155	13,994	*(13,994)*	**1,263,155**
Short-term provisions	10,175	-	-	**10,175**
Accounts payable and accruals	237,115	2,508	*(2,693)*	**236,930**
Accrued interest payable on bond	2,467	-	-	**2,467**
Derivatives	2,144	-	-	**2,144**
Income tax payable	231	1,770	*(161)*	**1,840**
Current portion of long-term loans	74,842	-	-	**74,842**
Short-term loans	18,895	-	-	**18,895**
Cash-settled share-based payments payable	2,371	-	-	**2,371**
TOTAL CURRENT LIABILITIES	348,240	4,278	*(2,854)*	**349,664**
LIABILITIES CLASSIFIED AS ASSETS HELD FOR SALE	42,555	154	*(172)*	**42,537**
TOTAL LIABILITIES	1,653,950	18,426	*(17,020)*	**1,655,356**
TOTAL EQUITY AND LIABILITIES	**2,199,195**	**33,356**	***(17,020)***	**2,215,531**

3. SEGMENT INFORMATION (CONTINUED)

	Mining division	Real Estate division	*Eliminations & Adjustments*	**Total**
	31/12/2008	*31/12/2008*	*31/12/2008*	**31/12/2008**
	EUR ´000	*EUR ´000*	*EUR ´000*	**EUR ´000**
Land	1,588	19,298	-	**20,886**
Buildings and constructions	669,415	966	-	**670,381**
Plant and equipment	313,288	-	-	**313,288**
Other assets	4,677	-	-	**4,677**
Construction in progress	78,821	-	-	**78,821**
Rights to use land of Real Estate Division	16,344	-	*(16,344)*	**-**
Mining licences	167,553	-	-	**167,553**
Long-term receivables	11,173	-	-	**11,173**
Deferred tax asset	154	-	-	**154**
Restricted cash	25,861	-	-	**25,861**
Derivatives	39	-	-	**39**
TOTAL NON-CURRENT ASSETS	1,288,913	20,264	*(16,344)*	**1,292,833**
Inventories	66,060	-	-	**66,060**
Accounts receivable and prepayments	203,402	5,732	*(7,463)*	**201,671**
Income tax receivable	7,804	-	*(749)*	**7,055**
Cash and cash equivalents	674,921	3,974	-	**678,895**
Restricted cash	3,024	-	-	**3,024**
TOTAL CURRENT ASSETS	955,211	9,706	*(8,212)*	**956,705**
ASSETS HELD FOR SALE	-	-	-	**-**
TOTAL ASSETS	**2,244,124**	**29,970**	***(24,556)***	**2,249,538**
TOTAL EQUITY	635,453	10,871		**646,324**
Provisions	103,962	-	-	**103,962**
Long-term loans	661,961	-	-	**661,961**
Bond issued	290,425	-	-	**290,425**
Employee benefits	88,188	-	-	**88,188**
Deferred revenue	5,593	15,566	*(15,565)*	**5,594**
Deferred tax liability	105,385	-	-	**105,385**
Other long-term liabilities	752	-	-	**752**
Derivatives	8,124	-	-	**8,124**
TOTAL NON-CURRENT LIABILITIES	1,264,390	15,566	*(15,565)*	**1,264,391**
Short-term provisions	5,569	-	-	**5,569**
Accounts payable and accruals	227,615	2,607	*(8,242)*	**221,980**
Accrued interest payable on bond	2,766	-	-	**2,766**
Derivatives	888	-	-	**888**
Income tax payable	11,713	926	*(749)*	**11,890**
Current portion of long-term loans	66,835	-	-	**66,835**
Short-term loans	28,540	-	-	**28,540**
Cash-settled share-based payments payable	355	-	-	**355**
TOTAL CURRENT LIABILITIES	344,281	3,533	*(8,991)*	**338,823**
LIABILITIES CLASSIFIED AS ASSETS HELD FOR SALE	-	-	-	**-**
TOTAL LIABILITIES	1,608,671	19,099	*(24,556)*	**1,603,214**
TOTAL EQUITY AND LIABILITIES	**2,244,124**	**29,970**	***(24,556)***	**2,249,538**

3. SEGMENT INFORMATION (CONTINUED)

Revenues and expenses of the divisions for the year 2009 and reconciliation to the consolidated income statement are presented in the following table:

	Mining division	Real Estate division	*Eliminations & Adjustments*	**Total**
	1/1/2009 - 31/12/2009	*1/1/2009 - 31/12/2009*	*1/1/2009 - 31/12/2009*	**1/1/2009 - 31/12/2009**
	EUR ´000	*EUR ´000*	*EUR ´000*	**EUR ´000**
Revenues	1,116,626	1,997	*(1,785)*	**1,116,838**
Change in inventories of finished goods and work-in-progress	18,869	-	-	**18,869**
Consumption of material and energy	(292,310)	(3)	-	**(292,313)**
Service expenses	(293,160)	(411)	-	**(293,571)**
Personnel expenses	(350,875)	(197)	-	**(351,072)**
Depreciation	(163,288)	(1,209)	-	**(164,497)**
Amortization	(10,137)	-	*1,785*	**(8,352)**
Reversal of impairment of property, plant and equipment	-	-	-	**-**
Reversal of impairment of receivables	1,184	-	-	**1,184**
Net gain from material sold	4,048	-	-	**4,048**
Gain from sale of property, plant and equipment	3,632	485	-	**4,117**
Other operating income	3,514	-	-	**3,514**
Other operating expenses	(28,812)	-	-	**(28,812)**
OPERATING INCOME	9,291	662	-	**9,953**
Financial income	48,979	4,544	*(4,592)*	**48,931**
Financial expense	(121,105)	(291)	*4,592*	**(116,804)**
Profit/loss on disposal of interest in subsidiaries	-	-	-	**-**
PROFIT/(LOSS) FROM CONTINUING OPERATIONS - BEFORE TAX	(62,835)	4,915	-	**(57,920)**
Income tax expense	(4,742)	(1,069)	-	**(5,811)**
PROFIT/(LOSS) FROM CONTINUING OPERATIONS	(67,577)	3,846	-	**(63,731)**
DISCONTINUED OPERATIONS				
PROFIT FROM DISCONTINUED OPERATIONS	2,135	-	-	**2,135**
PROFIT/(LOSS) FOR THE PERIOD	(65,442)	3,846	-	**(61,596)**

3. SEGMENT INFORMATION (CONTINUED)

In 2009 RED revenues include revenues from release of deferred revenues (refer to point 3c) in an amount of EUR 1,785 thousand (2008: EUR 1,102 thousand) and revenues from rental of Real Estate Assets to third parties. Revenues from release of deferred revenues are eliminated in the Group's financial statements by an adjustment of EUR (1,785) presented under Eliminations & Adjustments.

MD amortised rights to use land, which were provided by RED to MD (refer to point 3c), in an amount of EUR 1,785 thousand (2008: EUR 1,102 thousand). Amortisation charge is as an adjustment presented under Eliminations & Adjustments in the table above.

Financial income of RED comprises mainly of CAP interest income (refer to point b) of EUR 3,819 thousand (2008: EUR 3,613 thousand). The amount of CAP interest revenue includes impact of translation differences of EUR 12 thousand (2008: EUR 13 thousand). MD was charged with interest expense of EUR 3,819 (2008: EUR 3,613thousand). The amount of CAP interest expense includes impact of translation differences of EUR 12 thousand (2008: EUR 13 thousand). Such inter-segment transactions in the amount of EUR 4,592 thousand are eliminated on Group level, as presented under Elimination & Adjustments above.

3. SEGMENT INFORMATION (CONTINUED)

Revenues and expenses of divisions for the year 2008 and reconciliation to the consolidated income statement:

	Mining division	Real Estate division	*Eliminations & Adjustments*	**Total**
	1/1/2008 - 31/12/2008	*1/1/2008 - 31/12/2008*	*1/1/2008 - 31/12/2008*	**1/1/2008 - 31/12/2008**
	EUR ´000	*EUR ´000*	*EUR ´000*	**EUR ´000**
Revenues	1,795,145	26,157	*(6,517)*	**1,814,785**
Change in inventories of finished goods and work-in-progress	34,303	(61)	-	**34,242**
Consumption of material and energy	(365,379)	(2,835)	*182*	**(368,032)**
Service expenses	(341,665)	(14,671)	*4,870*	**(351,466)**
Personnel expenses	(427,433)	(5,529)	-	**(432,962)**
Depreciation	(157,119)	(1,227)	-	**(158,346)**
Amortization	(11,267)	-	*1,102*	**(10,165)**
Reversal of impairment of property, plant and equipment	-	-	-	**-**
Reversal of impairment of receivables	93	(47)	-	**46**
Net gain from material sold	10,459	41	-	**10,500**
Gain from sale of property, plant and equipment	765	1,287	-	**2,052**
Other operating income	4,023	149	*(92)*	**4,080**
Other operating expenses	(27,499)	(581)	*455*	**(27,625)**
OPERATING INCOME	514,426	2,683	-	**517,109**
Financial income	105,840	3,784	*(3,613)*	**106,011**
Financial expense	(168,758)	(53)	*3,613*	**(165,198)**
Profit/loss on disposal of interest in subsidiaries	(2,140)	2,987	-	**847**
PROFIT FROM CONTINUING OPERATIONS - BEFORE TAX	449,368	9,401	-	**458,769**
Income tax expense	(115,740)	(1,933)	-	**(117,673)**
PROFIT FROM CONTINUING OPERATIONS	333,628	7,468	-	**341,096**
DISCONTINUED OPERATIONS				
PROFIT FROM DISCONTINUED OPERATIONS	10,543	-	-	**10,543**
PROFIT FOR THE PERIOD	344,171	7,468	-	**351,639**

Revenues and expenses of the RED included revenues and expenses resulting from operations of the distributed entities until the moment of distribution on 30 September 2008.

Revenues of MD and RED included revenues from inter-segment transactions related to the distributed entities. Such transactions in a value of EUR 5,415 thousand were eliminated on Group level. Other eliminations and adjustments included mainly elimination of RED revenue from release of deferred revenue (refer to point 3c) in an amount of EUR (1,102).

3. SEGMENT INFORMATION (CONTINUED)

MD equity amounts to 545,245 (2008: EUR 635,453) thousand, out of which share capital amounts to EUR 105,732 thousand (2008: EUR 105,520 thousand) as of 31 December 2009.

Restricted reserve in an amount of EUR 126,066 thousand (2008: EUR 124,180 thousand) is included in the equity of the MD as of 31 December 2009.

RED equity amounts to EUR 14,930 thousand (2008: EUR 10,871 thousand), out of which share capital amounts to EUR 4 thousand (2008: EUR 4 thousand) as of 31 December 2009.

3. SEGMENT INFORMATION (CONTINUED)

g) Geographical information

Geographical Segments	*Czech Republic*	*European Union members - Central Europe **	*European Union - Other members***	*Other*	*Total*
	1/1/2009 - 31/12/2009	*1/1/2009 - 31/12/2009*	*1/1/2009 - 31/12/2009*	*1/1/2009 - 31/12/2009*	*1/1/2009 - 31/12/2009*
	EUR '000	*EUR '000*	*EUR '000*	*EUR '000*	*EUR '000*
Sales – Continuing operations[1]	**437,538**	**486,496**	**169,891**	**22,913**	**1,116,838**
- Continuing operations – sales to third party	433,460	486,496	169,891	22,913	1,112,760
- Continuing operations – sales to discontinued sub-segment	4,078	-	-	-	4,078
Sales – Discontinued operations[1]	**176,754**	**210**	**10,614**	**-**	**187,578**
- Discontinued operations – sales to third party	106,582	210	10,614	-	117,406
- Discontinued operations – sales to continuing operations	70,172	-	-	-	70,172
Non-current assets[2]	**1,316,433**	**3,317**	**339**	**-**	**1,320,089**
- Continuing operation	1,316,392	3,317	339	-	1,320,048
- Discontinued operations	41	-	-	-	41
Capital expenditure[3]	**248,634**	**1,462**	**105**	**-**	**250,201**
- Continuing operation	248,631	1,462	105	-	250,198
- Discontinued operations	3	-	-	-	3

* Austria, Hungary, Poland, Slovakia. Czech Republic is presented separately

** Belgium, Bulgaria, Cyprus, Denmark, Estonia, Finland, France, Great Britain, Greece, Germany, Ireland, Italy, Latvia, Lithuania, Luxemburg, Malta, The Netherlands, Portugal, Romania, Spain, Sweden, Slovenia

[1] Sales allocation is based on registered domicile of customer

[2] Includes Property plant and equipment and Mining licence. Split of non-current assets is based on the physical location of non-current assets

[3] CAPEX is located per country based on the physical allocation of acquired non-current assets

3. SEGMENT INFORMATION (CONTINUED)

Geographical Segments	*Czech Republic*	*Central Europe - European Union members**	*European Union - Other members***	*Other*	*Total*
	1/1/2008 - 31/12/2008	*1/1/2008 - 31/12/2008*	*1/1/2008 - 31/12/2008*	*1/1/2008 - 31/12/2008*	*1/1/2008 - 31/12/2008*
	EUR '000	*EUR '000*	*EUR '000*	*EUR '000*	*EUR '000*
Sales – Continuing operations[1]	**772,154**	**684,891**	**328,582**	**29,158**	**1,814,785**
- Continuing operations – sales to third party	771,504	684,891	328,582	29,158	1,814,135
- Continuing operations – sales to discontinued sub-segment	650	-	-	-	650
Sales – Discontinued operations[1]	**258,316**	**88**	**28,719**	**-**	**287,123**
- Discontinued operations – sales to third party	198,187	88	28,719	-	226,994
- Discontinued operations – sales to continuing operations	60,129	-	-	-	60,129
Non-current assets[2]	**1,252,281**	**3,090**	**235**	**-**	**1,255,606**
- Continuing operation	1,252,253	3,090	235	-	1,255,578
- Discontinued operations	28	-	-	-	28
Capital expenditure [3]	**277,091**	**1,698**	**6,305**	**-**	**285,094**
- Continuing operation	277,091	1,698	6,305	-	285,094
- Discontinued operations	-	-	-	-	-

* Austria, Hungary, Poland, Slovakia. Czech Republic is presented separately

** Belgium, Bulgaria, Cyprus, Denmark, Estonia, Finland, France, Great Britain, Greece, Germany, Ireland, Italy, Latvia, Lithuania, Luxemburg, Malta, The Netherlands, Portugal, Romania, Spain, Sweden, Slovenia

[1] Sales allocation is based on registered domicile of customer

[2] Includes Property plant and equipment and Mining licence. Split of non-current assets is based on the physical location of non-current assets

[3] CAPEX is located per country based on the physical allocation of acquired non-current assets

3. SEGMENT INFORMATION (CONTINUED)

External revenues attributed to countries on the basis of customer's registered location:

	Central Europe - European Union members	*Central Europe - European Union members*
	1/1/2009 - 31/12/2009	*1/1/2008 – 31/12/2008*
	EUR '000	*EUR '000*
Austria	281,941	317,014
Slovakia	180,302	277,755
Poland	18,886	83,012
Hungary	5,367	7,110
Total	**486,496**	**684,891**

	European Union - Other members	*European Union - Other members*
	1/1/2009 - 31/12/2009	*1/1/2008 – 31/12/2008*
	EUR '000	*EUR '000*
Germany	73,268	147,451
Cyprus	46,836	165,621
Luxemburg	40,321	-
Great Britain	5,072	3,453
France	3,236	5,514
Italy	760	1,003
Belgium	-	1,816
Slovenia	-	2,643
Other	398	1,081
Total	**169,891**	**328,582**

	Other	*Other*
	1/1/2009 - 31/12/2009	*1/1/2008 – 31/12/2008*
	EUR '000	*EUR '000*
Bosna and Herzegovina	14,928	-
Switzerland	7,940	21,508
Russia	-	5,533
Other	45	2,117
Total	**22,913**	**29,158**

3. SEGMENT INFORMATION (CONTINUED)

Significant customers outside the Group

External revenue from three significant customers amounted to EUR 404,458 thousand (2008: three significant customers, revenue in total EUR 728,800 thousand), arising from sales of products of the Coal and coke sub-segment.

The split of revenues between sales of own products and merchandise and services rendered is as follows:

	01/01/2009 - 31/12/2009	*01/01/2008 - 31/12/2008*
	EUR'000	*EUR'000*
Sales of own products and merchandise	1,066,667	1,750,684
Services rendered	50,171	64,101
	1,116,838	1,814,785

Please refer to Note 9 for the split of revenues from discontinued operations.

4. PERSONNEL EXPENSES

	01/01/2009 - 31/12/2009	*01/01/2008 - 31/12/2008*
	EUR '000	*EUR '000*
Wages and salaries	230,483	285,374
Social insurance costs	73,264	95,673
Pensions	2,185	2,668
Net benefit expense (see Note 28)	17,199	15,378
Share based payments (see Note 29)	12,440	16,295
Social security and other payroll costs	15,501	17,574
	351,072	**432,962**

Average number of employees in the period:

Managers	126	122
Staff	15,882	17,601
	16,008	**17,723**

Total remuneration and variable benefits received by the management were EUR 28,293 thousand (2008: EUR 47,434 thousand), out of which the social and health insurance were EUR 1,144 thousand (2008: EUR 1,181 thousand). The stated amount includes share-based payments to the management in the amount of EUR 12,440 thousand (2008: EUR 16,295 thousand).

4. PERSONNEL EXPENSES (CONTINUED)

Management comprises executive and non-executive members of boards of directors, supervisory boards and senior management of the Company and its subsidiaries. OKD includes also mine managers, mine operation managers and managers of non-mining internal business units.

Total remuneration received by the directors of the Company amounts to EUR 10,692 thousand in 2009 and EUR 11,864 thousand in the comparable period, of which share-based payments amount to EUR 8,847 thousand (2008: EUR 9,936 thousand). The amounts include accrued expenses for share-based payments vesting after 31 December 2009.

See Note 29 presenting the share-based payment remuneration of the Group.

See section Remuneration report of the Annual Report of the Company for detailed disclosure.

5. OTHER OPERATING EXPENSES

Other operating expenses comprise:	*1/1/2009 – 31/12/2009*	*1/1/2008 – 31/12/2008*
	EUR'000	*EUR'000*
Compensation for mining damages	14,525	16,421
Property taxes and government fees	5,906	8,321
Insurance	4,261	2,490
Loss on sale and write-off of receivables	1,524	152
Compensation of employees for injuries, loss on wages, employment related illness etc.	154	189
Changes in provisions	(6,875)	(9,568)
Other*	9,317	9,620
Total other operating expenses	**28,812**	**27,625**

* includes gifts and donations and variety of sundry expenses

6. OWN WORK CAPITALIZED

Own work capitalized in the amount of EUR 20,231 thousand (2008: EUR 33,137 thousand) is not recognised in the revenues. It reduces expenses as follows:

	1/1/2009 – 31/12/2009	*1/1/2008 – 31/12/2008*
	EUR'000	*EUR'000*
Consumption of material and energy	14,312	25,823
Service expenses	19	349
Personnel expenses	2,668	1,752
Net gain from material sold	3,232	5,213
Total	**20,231**	**33,137**

7. FINANCIAL INCOME AND EXPENSES

Financial income comprise:

	1/1/2009 – 31/12/2009	*1/1/2008 – 31/12/2008*
	EUR'000	*EUR'000*
Realized and unrealised foreign exchange gains	41,469	82,987
Bank interest received	5,646	21,657
Investment income	160	1,107
Other interest received	158	181
Proceeds on disposal of investment	35	-
Other*	1,463	79
Total financial income	**48,931**	**106,011**

* out of which EUR 1,333 thousand represents income from bond redemption (difference between principal amount and purchase price of EUR 2,270 thousand minus amortized fees to the redeemed part of EUR 937 thousand).

Financial expenses comprise:	*1/1/2009 – 31/12/2009*	*1/1/2008 – 31/12/2008*
	EUR'000	*EUR'000*
Realised and unrealised foreign exchange losses	42,820	55,771
Bank interest expense	29,482	45,873
Bond interest expense	21,563	22,125
Other interest expense	3,690	4,566
Loss on derivative instruments	12,772	31,757
Bank fees*	229	171
Other**	6,248	4,935
Total financial expenses	**116,804**	**165,198**

* out of which EUR 16 thousand represents bank fees of redeemed part of bond
**out of which EUR 1,220 thousand represents advisory fees of redeemed part of bond

For detailed information on bond redemption see Note 24.

Please refer to the note Other comprehensive income for the financial income and expenses recognised directly in equity.

8. INCOME TAX EXPENSE

The corporate income tax in 2009 and 2008 is calculated in accordance with tax regulations applied in the country of the entity's residence, (i.e. for the Czech entities at the rate of 21% in 2008, 20% in 2009 and 19% in and after 2010 is reflected in the deferred tax, Dutch entity 25.5% in 2009 and 2008, Polish entities 19% in 2009 and 2008).

Due to the fact that the Dutch entity suffered fiscal losses in this and previous periods, no corporate income tax is due in the Netherlands. No deferred tax was recognised, as it is not probable that future taxable profit will be available to utilize the benefits from the deferred tax assets.

Components of tax expense:	*1/1/2009 - 31/12/2009 EUR'000*	*1/1/2008 - 31/12/2008 EUR'000*
Income statement:		
Current tax expense	13,857	123,720
Deferred tax expense	(8,046)	(6,047)
Income tax expense	**5,811**	**117,673**

Part of the deferred tax asset which is expected to be recovered is recognised on remaining impairment loss in OKD, HBZS, a.s. (both 2009 and 2008); (refer to the Note 13).

Reconciliation of the statutory and effective tax rates:	*1/1/2009 - 31/12/2009 EUR'000*	*1/1/2008 - 31/12/2008 EUR'000*
Profit before tax from continuing operations	(57,920)	458,769
Profit before tax from discontinued operations	3,690	13,386
Profit before tax	**(54,230)**	**472,155**
Tax at the applicable rate of 20% (2008: 21%)	**(10,846)**	**99,153**
Tax effect of:		
- Non-deductible expense	8,613	11,691
- Other tax allowable credits	(849)	(256)
- Change in deferred tax rate	-	65
- Loss on the sale of interests in subsidiaries	-	6
- Tax exempt income	(26)	(3,063)
- Change in unrecognised deferred tax asset	13,800	15,910
Effect of the applicable tax rates other than 20% (2008: 21%) in other jurisdictions	(3,326)	(2,990)
Prior period income tax adjustment		
Tax expense	7,366	120,516
Effective tax rate	(14%)	26%
Tax expense reported in the financial statements	5,811	117,673
Income tax attributable to discontinued operations	1,555	2,843
Tax expense	7,366	120,516

8. INCOME TAX EXPENSE (CONTINUED)

The movement in the corporate income tax receivable/(payable) is as follows:

	31/12/2009	*31/12/2008*
	EUR'000	*EUR'000*
Net tax receivable/(payable) at the beginning of the period	(4,835)	(32,724)
Current tax movements - reclassified to held for sale and discontinued operations	1,983	(2,843)
Current tax movements - subsidiaries distributed	-	38
Current and supplementary tax charges	(13,857)	(123,720)
Tax paid (2009: continuing operations), net	15,362	157,047
Currency translation	167	(2,633)
Net tax payable at the end of the period	**(1,180)**	**(4,835)**
Current income tax receivable	660	7,055
Current income tax payable	(1,840)	(11,890)

9. DISCONTINUED OPERATIONS

Part of the energy business, presented as the Electricity trading segment in the past, is presented as discontinued operations in these financial statements. The segment was not classified as discontinued operations in 2008 and the comparative information of income statement, statement of comprehensive income and statement of cash flows and related notes has been re-presented to show the discontinued operations separately from continuing operations.

In 2009 discontinued operations consist of: CZECH-KARBON s.r.o. (1 January 2009 - 31 December 2009), part of NWR ENERGETYKA PL Sp. z o.o. operations directly related to electricity trading i.e. after spin-off for the period 1 April 2009 – 31 December 2009 and part of NWR KARBONIA Sp. z o.o energy business operations directly related to electricity trading by spin-off i.e. for the period 1 January 2009 – 31 March 2009. Above stated discontinued operations of NWR ENERGETYKA PL Sp. z o.o. and NWR KARBONIA Sp. z o.o. are defined as "Polish discontinued operations in 2009".

Discontinued operations in 2008 consist of: CZECH-KARBON s.r.o. (1 January 2008 - 31 December 2008) and part of NWR KARBONIA Sp. z o.o energy business operations directly related to electricity trading for the period 1 January – 31 December 2008 defined as "Polish discontinued operations in 2008".

The results of CZECH-KARBON s.r.o. and Polish discontinued operations in 2009 are presented below:

	CZECH-KARBON s.r.o.	Polish discontinued operations in 2009
	1/1/2009 - 31/12/2009	*1/1/2009 - 31/12/2009*
	EUR´000	*EUR´000*
Operating revenue	187,522	18,584
Operating expense	(181,097)	(18,018)
Operating profit	**6,425**	**566**
Financial expense	(3,298)	(3)
Profit before tax from discontinued operations	**3,127**	**563**
Income tax expense	(1,448)	(107)
Profit for the period from discontinued operations	**1,679**	**456**

9. DISCONTINUED OPERATIONS (CONTINUED)

Operating revenue of discontinued operations consists of sales of goods EUR 206,102 thousand (2008: EUR 302,484 thousand) and sales of services in an amount of EUR 4 thousand (2008: EUR 3 thousand). The net cash flows of CZECH-KARBON s.r.o. and Polish discontinued operations in 2009 for the period to distribution were as follows:

	CZECH-KARBON s.r.o.	Polish discontinued operations in 2009
	1/1/2009 - 31/12/2009	*1/1/2009 - 31/12/2009*
	EUR´000	*EUR´000*
Operating	(563)	907
Investing	-	-
Financing	1	-
Currency translation	115	325
Net cash inflow/(outflow)	**(447)**	**1,232**

The results of CZECH-KARBON s.r.o. and Polish discontinued operations in 2008 for the period 1 January 2008 to 31 December 2008 are presented below:

	CZECH-KARBON s.r.o.	Polish discontinued operations in 2008
	1/1/2008 - 31/12/2008	*1/1/2008 - 31/12/2008*
	EUR´000	*EUR´000*
Operating revenue	287,136	15,351
Operating expense	(274,151)	(14,902)
Operating profit	12,985	449
Financial expense	(42)	(7)
Profit before tax from discontinued operations	**12,943**	**442**
Income tax expense	(2,759)	(83)
Profit for the period from discontinued operations	**10,184**	**359**

The net cash flows of CZECH-KARBON s.r.o. and Polish discontinued operations in 2008 for the period 1/1/2008 -31/12/2008 are as follows:

	CZECH-KARBON s.r.o.	Polish discontinued operations in 2008
	1/1/2008 - 31/12/2008	*1/1/2008 - 31/12/2008*
	EUR´000	*EUR´000*
Operating	2,878	82
Investing	-	-
Financing	(5,919)	-
Currency translation	119	88
Net cash inflow/(outflow)	**(2,922)**	**170**

For the calculation of basic and diluted earnings per share for discontinued operations we refer to the Note 25.

10. ASSETS AND LIABILITIES HELD FOR SALE

The energy business of the Group is represented by NWR Energy, a.s., CZECH-KARBON s.r.o. and NWR ENERGETYKA PL Sp. z o.o. The assets and liabilities of these entities are classified as held for sale. Neither comparative financial statements nor related comparative disclosures were re-presented.

	31/12/2009
	EUR´000
Property, plant and equipment	37,287
Trade and other receivables	36,143
Cash and cash equivalents	11,471
Other assets	353
Employee benefits	(804)
Deferred tax liability	(3,302)
Trade and other payables	(38,431)
	42,717

11. DIVIDENDS

Dividends in 2009:

On 22 May 2009, the Company paid A share dividends in the total amount of EUR 47,484 thousand, EUR 0.18 per share.

Dividends in 2008:
On 27 March 2008, the Company paid a dividend of CZK 2,200,000 thousand (EUR 86,672 thousand) to RPG Industries SE. Dividend per share amounted to CZK 21.98 (EUR 0.87).

On 9 May 2008, the Company declared and paid a dividend of EUR 75,000 thousand to the C shareholder (RPG Industries SE). Dividend per share amounted to EUR 75,000 thousand.

On 29 September 2008, the Company distributed in kind its shares in RPG RE Property, a.s., Dukla Industrial Zone, a.s., RPG Rekultivace, a.s., including OKD Rekultivace, a.s. and RPG Garáže, a.s. and certain promissory notes received for the sales of real estate assets to RPG Industries SE, the sole holder of the B shares.

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. Dividend per share amounted to EUR 0.28.

12. RELATED PARTY DISCLOSURES

During the period the Group had transactions in the normal course of operations with related parties. This includes transactions with the ultimate parent company, RPG Partners Limited, entities under common control, shareholders and key management personnel of the Group (i.e. those charged with governance, including executives and persons whose responsibility is derived from the Act on Mining of the Czech Republic), and companies of which they are principal owners. All transactions with related parties were made on terms equivalent to those that prevail in arm's length transactions.

The sales to RPG Byty s.r.o. relate mainly to heating. The sales to Green Gas DPB, a.s. relate mainly to extracted gas, whereas the purchases from this company relate mainly to mine and safety services. The purchases from OKD, Doprava, akciová společnost relate to coal transport services. The purchases from Bakala Crossroads Partners, a.s. relate to consultancy services.

Transactions with related parties included in the statement of financial position are as follows*:

Statement of financial position	*31/12/2009*	*31/12/2008*
	EUR '000	*EUR '000*
Receivables from related parties under common control		
Green Gas, DPB, a.s.	1,641	1,459
OKD, Doprava, akciová společnost	763	941
RPG Byty, s.r.o.	44	238
OKD, Rekultivace, a.s.**	32	56
RPG RE Commercial, s.r.o.	7	41
RPG Služby, s.r.o.	23	13
Other related parties	12	45
Receivables from related parties in total	**2,522**	**2,793**
Payables to related parties under common control		
OKD, Doprava, akciová společnost	19,936	7,177
Green Gas, DPB, a.s.	1,838	2,700
OKD, Rekultivace, a.s.**	1,666	742
RPG Byty, s.r.o.	786	3,648
RPG RE Commercial, s.r.o.	266	231
Bakala Crossroads Partners, a.s. (RPG Advisors, a.s.)	187	13
BXL Consulting SE	25	-
Other related parties	977	28
Payables to related parties in total	**25,681**	**14,539**

On 19 November 2008 the related party RPG Advisors, a.s. was renamed to Bakala Crossroads Partners, a.s.

* The table does not include share-based payment transactions and compensation of key management personnel. Compensation of key management personnel is detailed in Note 4, share-based payments are detailed in the Note 29.

** Includes receivables and payables from related parties from transactions originated only for the period after the entity was distributed from the Group.

Receivables from related parties form part of the balance of accounts receivable and prepayments shown in the statement of financial position. Similarly, payables to related parties form part of the balance of accounts payable and accruals.

12. RELATED PARTIES DISCLOSURES (CONTINUED)

Receivables classified as assets held for sale as of 31 December 2009 include EUR 171 thousand receivables from related parties under common control. Payables classified as liabilities held for sale as of 31 December 2009 include EUR 2,499 thousand payables from related parties under common control.

Transactions with related parties included in the income statement in continuing operations are as follows:

Income statement under common control	*1/1/2009 - 31/12/2009 EUR '000*	*1/1/2008 - 31/12/2008 EUR '000*
Sales to related parties		
RPG Byty, s.r.o.	22,001	17,361
Green Gas, DPB, a.s.	9,529	6,024
OKD, Doprava, akciová společnost	2,117	3,492
RPG RE Commercial, s.r.o.	1,414	2,491
ICS Trading AG	649	20,036
OKD, Rekultivace, a.s.*	164	199
RPG Služby, s.r.o.	143	381
RPG RE Property, a.s.	17	40
Other related parties	223	1,137
Sales to related parties in total	**36,257**	**51,161**
Purchases from related parties under common control		
OKD, Doprava, akciová společnost	73,401	54,327
Green Gas, DPB, a.s.	13,733	10,049
RPG RE Property, a.s.	8,519	-
OKD, Rekultivace, a.s.*	4,759	1,013
RPG RE Commercial, s.r.o.	1,065	1,681
Bakala Crossroads Partners, a.s. (RPG Advisors, a.s.)	1,528	2,686
Milan Jelinek	542	813
BXL Consulting SE	300	300
RPG Byty, s.r.o.	298	437
Depos Horní Suchá, a.s.	215	189
Other related parties	240	445
Purchases from related parties in total	**104,601**	**71,940**

* Includes sales and purchases from related parties from transactions originated only for the period after the entity was distributed from the Group.

Transactions with related parties included in the income statement as discontinued operations are made from: sales amounted to EUR 1,015 thousand (2008: EUR 1,023 thousand) and purchases amounted to EUR 11,897 thousand (2008: EUR 6,105 thousand). Purchases are made mainly from purchase of “green” electricity (renewable resources) from Green Gas, DPB, a.s.

There were no significant transactions with other related parties.

13. PROPERTY, PLANT AND EQUIPMENT

	Land and Buildings	*Plant and Equipment*	*Other assets*	*Construction in Progress*	*Total*
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*	*EUR'000*
Cost:					
As of 1 January 2009	1,112,117	651,017	7,933	80,944	1,852,011
Additions	14,359	139,114	3,546	96,416	253,435
Disposal	(2,768)	(9,008)	(1,518)	(175)	(13,469)
Disposal of subsidiaries	-	-	-	-	-
Distribution of subsidiaries in kind	-	-	-	-	-
Transfers	34,553	55,554	-	(90,107)	-
Classified as assets held for sale	(41,667)	(23,094)	(6)	(1,247)	(66,014)
Currency translation	17,710	9,865	518	1,081	29,174
As of 31 December 2009	1,134,304	823,448	10,473	86,912	2,055,137
Accumulated depreciation and impairment losses					
As of 1 January 2009	420,850	337,729	3,256	2,123	763,958
Depreciation charge for the year	90,141	72,958	711	687	164,497
Depreciation charge for the year - disposed and distributed subsidiaries	-	-	-	-	-
Depreciation charge for the year-discontinued operations	-	5	-	-	5
Disposals	(1,999)	(8,979)	-	-	(10,978)
Disposals of subsidiaries	-	-	-	-	-
Distribution of subsidiaries in kind	-	-	-	-	-
Accumulated depreciation related to assets classified as held for sale	(14,868)	(16,884)	(6)	-	(31,758)
Currency translation	6,654	4,329	62	36	11,081
As of 31 December 2009	500,778	389,158	4,023	2,846	896,805
Net book value as of 31 December 2009	**633,526**	**434,290**	**6,450**	**84,066**	**1,158,332**
Net book value as of 1 January 2009	**691,267**	**313,288**	**4,677**	**78,821**	**1,088,053**

The net book value of plant and equipment as of 31 December 2009 includes EUR 171 thousand (31 December 2008: EUR 532 thousand) in respect of assets held under finance leases.

Annual review of restoration provision as of 31 December 2009 resp 31 December 2008 did not result in any change of the value of the provision or property, plant and equipment.

Research and development expenditure recognised as an expense during the period amounts to EUR 59 thousand (31 December 2008: EUR 66 thousand).

As of 24 June 2009 were land and buildings, plant and equipment, other assets and items included in construction in progress of entities NWR Energy, a.s., CZECH-KARBON s.r.o. , NWR ENERGETYKA PL Sp. z o.o. classified as assets held for sale (refer to the Note10). Fixed assets classified as held for sale are not depreciated starting 1 July 2009.

The Group identified assets financed through the ECA loan as qualifying assets for capitalisation of borrowing costs. Borrowing costs in the amount of EUR 816 thousand were capitalised in 2009 (2008: EUR 0). The borrowing costs were determined using the capitalisation rate of 6,797%.

13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Land and Buildings	*Plant and Equipment*	*Other assets*	*Construction in Progress*	*Total*
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*	*EUR'000*
Cost:					
As of 1 January 2008	1,204,890	485,460	3,783	33,344	1,727,477
Additions	12,322	192,070	4,908	73,757	283,057
Disposal	(26,031)	(11,381)	(184)	(14)	(37,610)
Disposal of subsidiaries	(3,735)	(3,593)	(35)	(52)	(7,415)
Distribution of subsidiaries in kind	(83,540)	(5,308)	(11)	(249)	(89,108)
Transfers	12,489	9,641	-	(22,130)	-
Currency translation	(4,278)	(15,872)	(528)	(3,712)	(24,390)
As of 31 December 2008	1,112,117	651,017	7,933	80,944	1,852,011
Accumulated depreciation and impairment losses					
As of 1 January 2008	375,380	297,550	3,003	2,163	678,096
Depreciation charge for the year	94,974	61,536	323	-	156,833
Depreciation charge for the year - disposed and distributed subsidiaries	689	818	6	-	1,513
Depreciation charge for the year – discontinued operations	-	4	-	-	4
Disposals	(25,240)	(11,027)	-	-	(36,267)
Disposals of subsidiaries	(1,997)	(1,963)	(9)	-	(3,969)
Distribution of subsidiaries in kind	(15,710)	(2,906)	(7)	-	(18,623)
Accumulated depreciation related to assets classified as held for sale	-	-	-	-	-
Currency translation	(7,246)	(6,283)	(60)	(40)	(13,629)
As of 31 December 2008	420,850	337,729	3,256	2,123	763,958
Net book value as of 31 December 2008	**691,267**	**313,288**	**4,677**	**78,821**	**1,088,053**
Net book value as of 1 January 2008	**829,510**	**187,910**	**780**	**31,181**	**1,049,381**

13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Accumulated impairment losses were as follows:

	31/12/2009	*31/12/2008*
	EUR '000	*EUR '000*
OKD, HBZS, a.s.	6,712	6,612
	6,712	6,612

Accumulated impairment losses as of 31 December 2009

Impairment losses recognised in OKD, HBZS, a.s. were reassessed as of 31 December 2009 and 31 December 2008 and no indication that they may be reversed has been determined.

OKK

OKK, the coke production unit and one of the cash generating units ("CGU") of the Group recorded a loss in 2009. Therefore OKK was tested for a possible impairment of its assets by calculating the recoverable value of the CGU based on discounted future cash flows. The calculation requires the management to make some assumption and estimates. The main assumptions and estimates include future prices of coking coal and coke and the weighted average cost of capital ("WACC"). In estimating future coal and coke prices the management relies on external expert forecasts and historical trends, the WACC is calculated for the whole Group using the capital asset pricing model (CAPM). The recoverable value of the CGU did not result in any impairment charge.

OKK continued in implementation of the Coking Plant Optimisation Programme (COP 2010) (described in the Note 33a). In line with COP 2010 were put to use buildings and constructions with acquisition costs of EUR 869 thousand in year 2009 (2008: EUR 254 thousand). However, significant part of the property, plant and equipment acquired under COP 2010 is still uncompleted and therefore classified as a construction in progress in an amount of EUR 29,506 thousand as of 31 December 2009 (2008: EUR 3,889 thousand).

During 2009, certain parts of the Šverma coking plant (refer to Note 33a) were closed, as a result of the coking optimisation programme, COP 2010. One coking battery stays in operation. Shortened expected useful life of relevant long-term assets resulted in an increase of depreciation of EUR 6,947 thousand in 2009.

Construction of mine "Frenštát"
Assets relating to the construction of the mine "Frenštát" relate to geological survey work. These assets are maintained by OKD but are not historically reflected in its books. The original cost of these assets amounts to EUR 34,786 thousand, of which EUR 30,791 thousand is the value of assets located in the mine and EUR 3,995 thousand is the value of assets located on the surface.

14. MINING LICENCES

	Cost	*Accumulated amortization*	*Net book value*
	EUR'000	*EUR'000*	*EUR'000*
At 1 January 2009	208,087	(40,534)	167,553
Amortisation for the period	-	(8,352)	(8,352)
Currency translation	3,160	(604)	2,556
At 31 December 2009	**211,247**	**(49,490)**	**161,757**

	Cost	*Accumulated amortization*	*Net book value*
	EUR'000	*EUR'000*	*EUR'000*
At 1 January 2008	210,081	(31,398)	178,683
Amortisation for the period	-	(10,165)	(10,165)
Currency translation	(1,994)	1,029	(965)
At 31 December 2008	**208,087**	**(40,534)**	**167,553**

Amortisation for the period was calculated as a proportion of the coal quantity actually mined in this period to the total economically exploitable coal reserves. Mining licences were acquired by the Group through business combinations in September 2006 via contribution of OKD - the cost is based on the revalued amount as of 31 Octrober 2004, when the Company acquired the control over the Group.

The Group was also granted a mining licence regarding Dębieńsko 1 in Poland in June 2008. The licence was granted for 50 years for mine construction and operations. The mining licence Dębieńsko 1 was granted after the business combination in September 2006 and therefore is not included in the above mining licence figure.

The table below summarises all granted concessions to mining areas.

Mining area	**Expiry date of permits**
Darkov	No expiry date
Karviná - Doly ll.	No expiry date
Stonava l.	No expiry date
Doubrava	No expiry date
Karviná – Doly I	No expiry date
Lazy	No expiry date
Staříč	No expiry date
Trojanovice	No expiry date
Louky	No expiry date
Dolní Suchá	No expiry date
Petřvald I	No expiry date
Dębieńsko 1	Year 2058

NWR KARBONIA Sp. z o.o. was granted exploration concessions related to mining area of closed mine Morcinek in Poland.

15. LONG-TERM RECEIVABLES

	31/12/2009 *EUR'000*	*31/12/2008* *EUR'000*
Trade receivables	118	135
Long-term advances granted	23	10,354
Other	1,427	684
	1,568	**11,173**

The maturity dates of these receivables do not exceed 5 years.

Long-term advances as of 31 December 2008 relate to deposits that were paid to cover settlement of trading transactions on European commodities markets and Prague Energy Exchange market. Deposits covered contracts that will terminate in the period 2010-2013. In 2009 the long-term receivables were re-classified to assets held for sale.

16. RESTRICTED CASH

As of 31 December 2009 and 31 December 2008, the Company had long-term restricted cash of EUR 13,926 thousand and EUR 25,861 thousand, respectively, kept in relation to mining damages and restoration expenditures. The amount of restricted cash corresponds to mining and restoration provision created by OKD since 1 January 2004 according to Czech legal requirements and can be used only to settle the mining damages and restoration expenditures.

As of 31 December 2009, the Company had short-term restricted cash of EUR 2,771 thousand (31 December 2008: EUR 3,024 thousand). The short-term restricted cash recognised as of 31 December 2009 results from guarantee terms related to supplies of POP 2010 mining equipment. Short-term restricted cash as of 31 December 2008 related to electricity trading contracts.

17. INVENTORIES

	31/12/2009	*31/12/2008*
	EUR'000	*EUR'000*
Finished goods	48,385	16,478
Raw materials and spare parts	27,125	26,336
Merchandise	7,038	20,154
Work-in-progress and semi-finished goods	3,271	3,092
	85,819	**66,060**

The inventories are disclosed net of write-downs for slow-moving and obsolete inventories of EUR 10,107 thousand (31 December 2008: EUR 5,567 thousand). Write-downs are included in consumption of material and energy and change in inventories of finished goods and work-in-progress.

18. ACCOUNTS RECEIVABLE AND PREPAYMENTS

	31/12/2009 EUR'000	*31/12/2008 EUR'000*
Trade and other receivables		
Trade accounts and notes receivable	97,691	152,457
Other receivables, estimated accounts receivables	11,068	9,457
VAT and other tax receivables	4,474	3,881
Subtotal	113,233	165,795
Advance payments		
Advance payments for property, plant and equipment	26,296	26,413
Advance payments for financial investments	1,964	1,767
Other advance payments	5,566	5,616
Subtotal	33,826	33,796
Prepayments and accrued revenue		
Prepayments and accrued revenue	2,597	2,080
Subtotal	2,597	2,080
Total accounts receivable and prepayments	**149,656**	**201,671**

For terms and conditions relating to related party receivables, refer to the Note 12.

Trade receivables are non-interest bearing and are generally on 20-45 days' terms.

Total receivables are stated net of a provision for impairment of trade and other receivables. Movements in the provision for impairment of trade receivables and other receivables were as follows:

	01/01/2009 - 31/12/2009 EUR'000	*01/01/2008 - 31/12/2008 EUR'000*
At the beginning of the period	1,940	2,281
Charge for the year	114	180
Amounts written off	(1,293)	(84)
Unused amounts reversed	-	(94)
Distribution to shareholders	-	(119)
Sale of subsidiary	-	(180)
Currency translation	41	4
Other	(48)	(48)
At the end of the period	**754**	**1,940**

18. ACCOUNTS RECEIVABLE AND PREPAYMENTS (CONTINUED)

As of 31 December 2009 and 31 December 2008, the analysis of accounts receivable that were either not past due or past due but not impaired is as follows:

		Past due but not impaired					
EUR '000	Neither past due nor impaired	<30 days	31 - 90 days	91 - 180 days	181 - 360days	>360 days	Total
31 December 2009	109,139	2,744	1,329	18	1	2	113,233
31 December 2008	150,920	14,150	709	7	9	0	165,795

Based on past experience, the Company believes that no impairment allowance is necessary in respect of accounts receivable due.

As of 31 December 2009 receivables in nominal value of EUR 0 thousand (31 December 2008: EUR 33,034 thousand) were pledged as security for loans.

OKD has sold its receivables for a price equal to its nominal value of EUR 38,318 thousand to HSBC bank in December 2009. OKD has received an advance payment equal to 90% of the nominal value of sold receivables. Such advance is non-regress, i.e. the amount of 90% of the nominal value will stay with OKD, even if the customer does not settle the receivable. The remaining 10% will be paid to OKD only when and if the customer pays the receivables to HSBC bank. Accordingly OKD derecognised the receivable towards the original customers in the amount of 90% of its nominal value.

19. INCOME TAX RECEIVABLE

All income tax receivables are not past due. No impairment allowance needs to be created.

20. FINANCIAL INSTRUMENTS

Risk management

The Group's principal financial instruments, other than derivatives, comprise bank loans and overdrafts, high yield bonds, finance leases, trade payables, cash-settled share-based payments payable 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 rate risks on sales and purchases in foreign currencies, interest rates tied to variable market interest rates, volatility risk and credit risk as an increase in secondary insolvency of key Czech and Slovak customers, which might occur especially in the steel industry.

CZECH-KARBON s.r.o., a subsidiary of the Company, enters into purchase and sale transactions for electricity on European Energy Exchange and Prague Energy Exchange for operational purposes. Purpose of such transactions is to fix price and volume for subsequent tenders for physical delivery of electricity to end customers mainly in the Czech Republic. As the management intention is not to generate short-term profits on market price fluctuations, such transactions on exchange are closed following a tender, i.e. it lasts for days only.

CZECH-KARBON s.r.o. is, however, exposed to commodity price risk as the value of these contracts fluctuates daily with changes in commodity market prices. CZECH-KARBON s.r.o. manages its commodity price risk exposure by entering into such exchange contracts for very short periods.

The Board reviews and agrees policies for managing each of these risks which are summarized below.

The Group enters into derivative transactions, primarily interest rate swaps, interest rate collars and forward currency contracts. The purpose is to manage the interest rate and currency risks arising from the Group's operations and its sources of finance.

It is, and has been throughout 2009 and 2008 the Group's policy that no speculative trading in derivatives shall be undertaken.

Credit Risk

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. For OKD, representing the main part of the Company’s receivables, the Chief Commercial Officer is responsible for the customer management database, systematic monitoring of customers, their ratings and corresponding risks.

To mitigate the potential credit risk the Group entered into a factoring agreement in December 2009. The Group sold trade receivables in the total value of approximately EUR 38,318 thousand in a non-recourse factoring and received cash in the amount of 90% of the nominal value of the receivables (EUR 34,426 thousand). The remaining 10% of the nominal value of the receivables will be paid to the Group by the factoring company when and if the customer settles the original receivable. The fees paid for the factoring transaction are below 1% of the transaction volume. (See also Note 18).

20. FINANCIAL INSTRUMENTS (CONTINUED)

With respect to credit risk arising from other financial assets of the Group, which comprise cash, cash equivalents and restricted cash and certain derivative instruments, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments, which is stated in the table at the end of this Note. There was no impairment of financial assets other than trade receivables recognised as of 31 December 2009 and 31 December 2008.

Liquidity risk

Liquidity risk refers to the possibility of the Group being unable to meet its financial obligations, when they fall due, mainly in relation to the settlement of amounts due to suppliers, bond holders 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, financial assets (eg accounts receivables, other financial assets), financial liabilities 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 with the aim to have sufficient liquidity to meet its due obligations under any conditions.

The table below summarizes the maturity profile of the Group's financial liabilities at 31 December 2009 and 31 December 2008 based on contractual undiscounted payments including accrued interest.

As of 31.12.2009	**< 1 year**	**1 to 5 years**	**> 5 years**	**Total**
	EUR '000	**EUR '000**	**EUR '000**	**EUR '000**
Loans	93,737	643,328	36,526	773,591
Bond issued	2,467	-	260,096	262,563
Other long-term liabilities	-	126	522	648
Accounts payable and accruals	236,930	-	-	236,930
Derivatives	2,144	18,649	-	20,793

As of 31.12.2008	**< 1 year**	**1 to 5 years**	**> 5 years**	**Total**
	EUR '000	**EUR '000**	**EUR '000**	**EUR '000**
Loans	95,375	661,961	-	757,336
Bond issued	2,766	-	290,425	293,191
Other long-term liabilities	-	551	201	752
Accounts payable and accruals	221,980	-	-	221,980
Derivatives	888	8,124	-	9,012

20. FINANCIAL INSTRUMENTS (CONTINUED)

The Company has a long-term debt facility not drawn in amount EUR 48,965 thousand as of 31 December 2009. The commitment fee relating to the not drawn facility amounts to 0.825%.

The table below provides overview of unused credit lines as of 31 December 2008:

Credit Line	Currency	Credit Line Size		Remaining Availabilitiy		Interest rate	Maturity Date
		Currency	EUR	Currency	EUR		
		´000	'000	´000	'000		
OKD*	CZK/EUR	500,000	18,605	-	-	1M PRIBOR + 0.65%	2010
OKK	CZK	300,000	11,163	33,255	1,237	PRIBOR + 0.50%	2010
CZECH-KARBON s.r.o.	CZK	150,000	5,581	150,000	5,581	PRIBOR + 0.75%	2009
NWR KARBONIA Sp. z o.o.	PLN	5,000	1,203	5,000	1,203	WIBOR + 1.5%	2009

* OKD could select currency and type of loan drawn, which would have impact on interest rate p.a. The table presents the CZK credit volume.

Market risk

Market risk arises from the possible variations in the value of assets and liabilities due to fluctuations in foreign exchange rates, interest rates and commodities (electricity). The Group has implemented policies and methods of monitoring these risks.

Foreign exchange rate risk

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. Approximately 39% of the entities' sales in 2009 from continued operations (2008: 33% from continued operations) are denominated in currencies other (primarily EUR) than the functional currency of the operating unit making the sale (primarily CZK), whilst most of the costs are denominated in the unit's functional currency.

At the end of 2008, the Group 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. This amount is recognised in the income statement when the hedged item (portion of coal and coke sales) is recorded.

As of January 2009, the Group aims to mitigate foreign currency exposure risks resulting from operations in currencies other than EUR by entering into forward exchange rate contracts (par forwards) with financial institutions. The Company entered in 2009 into foreign exchange forward contracts to hedge the CZK denominated outflows of its subsidiaries. Hedging is therefore managed at the Group level to enable to hedge the net position for the Group. The aim is to minimize earnings volatility for the Group resulting from movements in foreign exchange rates. The Group’s policy is to cover 70% of its currency exposure.

20. FINANCIAL INSTRUMENTS (CONTINUED)

The Company had the following CZK-denominated balances and the consolidated subsidiaries had the following EUR-denominated balances:

	31/12/2009			31/12/2008		
	EUR denominated	*CZK denominated*	*Total*	*EUR denominated*	*CZK denominated*	*Total*
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*	*EUR'000*	*EUR'000*
Cash & bank balances (including restricted cash)	399,316	(2,295)	397,021	442,310	7,270	449,580
Accounts receivable	71,890	-	71,890	77,547	-	77,547
Accounts payable	(42,426)	(239)	(42,665)	(23,834)	(86)	(23,920)
Loans	(269,144)	(98,014)	(367,158)	(316,034)	(96,909)	(412,943)
Gross balance sheet exposure	**159,636**	**(100,548)**	**59,088**	**179,989**	**(89,725)**	**90,264**

The following table demonstrates the sensitivity of weakening CZK to EUR exchange rate by 1%, with all other variables held unchanged, of the Group's profit after tax (due to changes in the fair value of monetary assets and liabilities and derivatives). The effect of depreciation (i.e. weakening) or strengthening CZK to EUR is fully included in Group's profit, i.e. there is no amount to be taken directly to equity.

	31/12/2009			31/12/2008		
Depreciation of CZK against EUR	*Effect on profit after tax*	*Effect on profit after tax*	*Total effect on profit after tax*	*Effect on profit after tax*	*Effect on profit after tax*	*Total effect on profit after tax*
	EUR denominated	*CZK denominated*		*EUR denominated*	*CZK denominated*	
by 1%	*EUR'000*	*EUR'000*	*EUR'000*	*EUR'000*	*EUR'000*	*EUR'000*
Cash & bank balances (including restricted cash)	3,234	23	3,257	3,494	(72)	3,422
Accounts receivable	582	-	582	613	-	613
Accounts payable	(344)	2	(342)	(188)	1	(187)
Loans	(2,180)	980	(1,200)	(2,497)	969	(1,528)
Total	**1,292**	**1,005**	**2,297**	**1,422**	**898**	**2,320**

The depreciation of the CZK towards EUR by 1%, with all other variables held unchanged would result in profit after tax EUR 2,297 thousand (2008: profit after tax EUR 2,320 thousand).

20. FINANCIAL INSTRUMENTS (CONTINUED)

Interest rate risk

The Group aims to minimize the exposure to the risk of changes in market interest rates. This risk relates primarily to the Group’s Senior Secured Facilities for which floating interest rates are applicable. In order to mitigate this long-term risk, the Group has entered into interest rate swaps and interest rate collars, covering approximately 69% of the interest payments under the Senior Secured Facilities in 2009 (in 2008 76% of Senior Secured Facilities). From 2010 interest rate swaps and collars will cover approximately 100% of the Group´s expected interest rate exposure resulting from the Senior Secured Facilities and the ECA loan.

The maturity of interest rate swaps and interest rate collars is matched to the repayments of Senior Secured Facilities.

For short-term loans outstanding, which comprise approximately 1.8% of the total outstanding debt, no interest rate hedging is in place, mostly due to the immateriality and the nature of these credit lines compared to the long-term loans.

Exposure to the interest rate risk of floating rate bank loans is presented by way of sensitivity analysis. This sensitivity analysis shows effects of changes in market interest rates on Group’s profit after tax as if market interest rates had been 0.25% higher respectively lower over the whole period from 1 January 2009 to 31 December 2009 with all other variables held unchanged. The interest rate sensitivity analysis is calculated from all loans and all interest rates swap contracts and interest rate collar contracts. The hypothetical effect on profit after tax amounts to EUR (999) thousand respectively EUR 999 thousand (2008: EUR (827) thousand respectively EUR 827 thousand).

High-yield bond bears a fixed interest rate and is stated at amortized cost. Therefore the change in the market interest rates and subsequent change in the fair value of the bond does not have any impact on the effective interest rate and carrying value of the bond, as recorded in the financial statements.

The increase in the market fair value of the high-yield bond attributable to the change in the specific credit risk amounted to EUR 114,356 thousand of the total fair value adjustment of the bond (2008: decrease EUR 142,306 thousand). The change in the fair value attributable to the credit risk is calculated as the change triggered by factors other than changes in bench-mark interest rate, which is the average yield of the 6-year German Sovereign Rate (2008: 8-year German Sovereign Rate), as stated in the indenture governing the bond. Change in the fair value of own credit risk as of 31 December 2009 is mainly a result of current financial markets mood.

It is the Group's policy to negotiate the terms of the derivatives to match the terms of the item at risk to maximize effectiveness of the derivative. In the period beginning on 1 January 2008 the Group started to apply hedge accounting for forward exchange rate contracts used as hedges of its exposure to foreign currency risk in forecasted transactions and commitments. See Note 2. e) for the detailed application of the hedge accounting policies. For the remaining hedging instruments, hedge accounting is not applied.

20. FINANCIAL INSTRUMENTS (CONTINUED)

The following derivative financial instruments were entered into to mitigate the above risks:

Fair value of derivative instruments	*31/12/2009*		*31/12/2008*	
	Assets	*Liabilities*	*Assets*	*Liabilities*
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*
Forward exchange contracts CZK-EUR	-	346	-	-
Forward exchange contracts CZK-PLN	-	-	-	888
Interest rates swap contracts	165	18,980	-	7,288
Interest rates collar contracts	86	1,467	39	836
	251	**20,793**	**39**	**9,012**

Nominal value of derivative instruments	*31/12/2009*		
	Czech crown denominated contracts	*Polish zloty denominated contracts*	*Euro denominated contracts*
	EUR'000	*EUR'000*	*EUR'000*
Forward exchange contracts	47,821	-	-
Interest rates swap contracts	1,167,426	-	3,130,547
Interest rates collar contracts	68,919	-	191,250
	1,284,166	**-**	**3,321,797**

Nominal value of derivative instruments	*31/12/2008*		
	Czech crown denominated contracts	*Polish zloty denominated contracts*	*Euro denominated contracts*
	EUR'000	*EUR'000*	*EUR'000*
Forward exchange contracts	-	24,372	-
Interest rates swap contracts	938,495	-	2,084,027
Interest rates collar contracts	93,401	-	262,500
	1,031,896	**24,372**	**2,346,527**

Nominal value of interest rates swap contracts and interest rates collar contracts presented in the above tables is made from the sum of concluded individual contracts that cover future installments of Senior Secured Facilities and ECA loan after the reporting date. Each interest rate swap or collar contract aims to cover individual interest payments under the covered loan and each of the contracts is settled on the date of the expected interest payment. As of 31 December 2009, the nominal value of contracts that cover the nearest installment of the Senior Secured Facilities in 2010 is EUR 439,571 thousand (2008: EUR 535,140 thousand for the nearest installment of the Senior Secured Facilities in 2009). Nominal values of the interest rates swap contracts and interest rates collar contracts will decrease over time in line with the outstanding future balances of Senior Secured Facilities and the ECA loan, except for year 2010, when some new contracts concluded in 2009 will start and hence increase nominal values (one-off impact).

20. FINANCIAL INSTRUMENTS (CONTINUED)

At the beginning of January 2010, the Company concluded additional forward exchange contracts. For details refer to the Note 34.

Starting 1 January 2008, changes in the fair value of forward exchange contracts were accounted in the hedging reserve, that is part of equity. The reserve amounts to EUR 29,947 thousand as of 31 December 2009 (2008: EUR 34,328) thousand. The hedging reserve is recognised in the income statement when the hedged item (portion of coal and coke sales) is recorded. The amount recognised in equity is then transferred to the income statement. The impact in the income statement during the year 2009 was EUR 4,381 thousand (2008: EUR 24,738 thousand) .

Changes in the fair value of interest rate swaps and collars were recorded directly in the income statement.

For policy on option programme see Note 29.

Capital management

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 maximize shareholder’s value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. From the acquisition of the Group the majority shareholders performed significant restructuring of the Group and considered the international standards of gearing in the mining industry. The management monitors the gearing.

The Group monitors capital using a gearing ratio defined as net debt divided by EBITDA (calculated on a twelve month rolling basis for the corresponding group).

The Company and its subsidiaries are not subject to externally imposed capital requirements.

There were no changes in the Group’s approach to capital management during the year 2009.

20. FINANCIAL INSTRUMENTS (CONTINUED)

The Group includes interest bearing short-term and long-term loans and borrowings and issued bonds, less cash and cash equivalents, within net debt. Assets classified as assets held for sale and/or liabilities related to assets held for sale are not included. The Company defines EBITDA as net profit after tax from continuing operations before non-controlling interest, income tax, net financial costs, depreciation and amortization, impairment of property, plant and equipment ("PPE") and gains/losses from sale of PPE.

	31/12/2009 EUR'000	*31/12/2008 EUR'000*
Interest bearing loans and borrowings		
Long-term loans	679,854	661,961
Bond issued	260,096	290,425
Current portion of long-term loans	74,842	66,835
Short-term loans	18,895	28,540
	1,033,687	1,047,761
Less Cash and cash equivalents	547,827	678,895
Net debt	485,860	368,866

	1/1/2009 - 31/12/2009 EUR '000	*1/1/2008 - 31/12/2008 EUR '000*
EBITDA:		
Profit before tax	(57,920)	458,769
Financial costs/revenues (including loss on disposal of interest in subsidiaries)	67,873	58,340
Reversal of impairment of property, plant and equipment	-	-
Gain from sale of property, plant and equipment	(4,117)	(2,052)
Depreciation	164,497	158,346
Amortisation	8,352	10,165
EBITDA	178,685	683,568
Gearing ratio	**2.72**	**0.54**

The Group's policy is to target a gearing ratio of 2.0 over the cycle (international standards of such gearing in the mining industry state the maximum at 3.5). The gearing ratio for the year ended 31 December 2009 and 31 December 2008 is calculated on annual basis. The Company is required under the Senior Secured Facilities agreement to hold a gearing ratio of senior indebtedness below 2.75 and a gearing ratio of total indebtedness below 3.25. The Senior Secured Facilities agreement requires the gearing ratio to be calculated using the results of both continuing operations and discontinuing operations, including items classified as held for sale. Such gearing ratio of total indebtedness amounts to 2.55 as of 31 December 2009.

20. FINANCIAL INSTRUMENTS (CONTINUED)

Fair value

Fair value is defined as the amount at which the instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in a forced or liquidation sale. Fair values are obtained from quoted market prices, discounted cash flow models and option pricing models, as appropriate.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments:

Cash and cash equivalents, current investments

The carrying amount of cash and other current financial assets approximates fair value due to the relatively short-term maturity of these financial instruments.

Receivables and Payables

The carrying amount of short-term receivables and payables approximates fair value due to the short-term maturity of these financial instruments.

Share-based payments

See Note 29 for valuation of specific share-based payment transactions. Share based payments are valued by determining whether they are liability or equity instrument. For equity instruments the fair value is assessed at the grant date based on specific valuation methods applicable for each specific instrument. Liability instruments are valued at fair value as at the end of the each reporting period.

Short-term loans

The carrying amount approximates fair value because of the floating interest rate and the short period to maturity of those instruments.

Bonds

The fair value of bonds is based upon the quoted price on the Irish Stock Exchange (stock exchange Euro MTF).

Long-term debt

The carrying amount of long-term debt and other payables with variable interest rates approximates their fair values as interest reprises at a minimum each twelve months.

Derivatives

The fair value of derivatives is based upon mark to market valuations.

20. FINANCIAL INSTRUMENTS (CONTINUED)

Carrying amounts and the estimated fair values of financial assets and liabilities at 31 December 2009 and 31 December 2008 are as follows:

	31/12/2009		*31/12/2008*	
	Carrying Value	*Fair Value*	*Carrying Value*	*Fair Value*
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*
Financial assets				
Fair value through profit&loss				
Derivatives	251	251	39	39
Loans & receivables				
Long-term receivables	1,568	1,452	11,173	10,330
Accounts receivable and prepayments	149,656	149,656	201,671	201,671
Available for sale				
Restricted cash	16,697	16,697	28,885	28,885
Cash and cash equivalents	547,827	547,827	678,895	678,895

	31/12/2009		*31/12/2008*	
	Carrying Value	*Fair Value*	*Carrying Value*	*Fair Value*
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*
Financial liabilities				
Fair value through profit&loss				
Derivatives	20,793	20,793	9,012	9,012
Other				
Long-term loans	679,854	679,854	661,961	661,961
Bond issued (including accrued interest)	262,563	238,428	293,191	139,571
Other long-term liabilities	648	648	752	752
Accounts payable and accruals	236,930	236,930	221,980	221,980
Current portion of long-term loans	74,842	74,842	66,835	66,835
Short-term bank loans	18,895	18,895	28,540	28,540
Cash-settled share-based payments payable	2,371	2,371	355	355

21. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise the following statement of financial positition amounts:

	31/12/2009	*31/12/2008*
	EUR'000	*EUR'000*
Cash in bank	547,716	677,053
Short-term deposits	-	1,712
Cash on hand and cash in transit	111	130
Cash and cash equivalents	**547,827**	**678,895**

Cash at the bank earns interest at floating rates based on daily bank deposit rates. Certain bank accounts are used for cash pooling. Short-term deposits are made for varying periods, typically one or two weeks or one month, depending on the immediate cash requirements of the Group, and earn interest at short-term deposit rates.

22. ACCOUNTS PAYABLE AND ACCRUALS

	31/12/2009	*31/12/2008*
	EUR'000	*EUR'000*
Trade accounts and notes payable	153,819	136,257
Wages and salaries payable	23,657	23,812
Social and health insurance payable	11,846	15,747
Advance payments received	6,678	3,783
VAT and other tax payable	5,500	10,277
Dividends payable	1,444	1,480
Other payables and estimated accounts payable	33,986	30,577
Accrued expenses	-	47
	236,930	**221,980**

23. INTEREST-BEARING LOANS AND BORROWINGS

Long-term loans and borrowings:

The long-term bank loans include Senior Secured Facilities (also called Syndicated Loan in previous financial statements) and the ECA loan. Senior Secured Facilities are represented by facilities provided by a banking syndicate.

Long-term bank loans	*Currency*	*Effective interest rate*	*Maturity*	*31/12/2009 EUR '000*	*31/12/2008 EUR '000*
Bank loan - facility 1	CZK	6M PRIBOR + 0,85 %*	2010-2011	25,199	40,880
Bank loan - facility 2	CZK	6M PRIBOR + 1,35 %	2012	82,591	81,759
Bank loan - facility 3	CZK	6M PRIBOR + 1,50 %	2013	87,318	86,140
Bank loan - facility 1	EUR	6M EURIBOR + 0,85 %*	2010-2011	69,478	114,840
Bank loan - facility 2	EUR	6M EURIBOR + 1,35 %	2012	230,840	232,726
Bank loan - facility 3	EUR	6M EURIBOR + 1,50 %	2013	171,372	172,451
ECA loan	EUR	EURIBOR+1.65%	2010-2018	87,898	-
Total long-term loans				754,696	728,796
of which current portion**				74,842	66,835
Total long-term loans				**679,854**	**661,961**
Long-term liabilities from finance leases				-	-
Total long-term interest-bearing loans				**679,854**	**661,961**

* The margin rate can vary between 0.65% and 1.35% p.a. with respect to the actual gearing ratio
** Includes also interest accrual for the Senior Secured Facilities and ECA loan

In 2008 and 2009 the Senior Secured Facilities were secured by shares of OKD and OKK. In 2009 NWR Energy, a.s., CZECH-KARBON s.r.o. and NWR ENERGETYKA PL Sp. z o.o. became additional guarantors of that loan.

OKD is a guarantor of the part of the Senior Secured Facilities drawn by the Company in 2007.

The Company closed the ECA loan agreement in August 2009. The facilities available under the ECA loan agreement amount to approximately EUR 141 million and shall be used for financing of the POP 2010 capital investment programme. The loan will cover 85% of the net purchase price of five longwall sets. The facility's availability period ends in June 2010 and the Company will repay the full facility in seventeen semi-annual linear instalments.

6M PRIBOR stands for 6-month Prague interbank offered rate and was 1.820% on 31 December 2009 (31 December 2008: 3.750%). 6M EURIBOR stands for Euro interbank offered rate and was 0.994% on 31 December 2009 (31 December 2008: 2.971%).

The total long-term bank loans exclude the current portion of long-term bank loans. These are included in short-term bank loans. All interest-bearing loans and borrowings are repriced at least once a year.

23. INTEREST-BEARING LOANS AND BORROWINGS (CONTINUED)

Repayment schedule for long-term bank loans and borrowings:

	31/12/2009 EUR '000	*31/12/2008 EUR '000*
up to 31 December 2009	-	66,835
up to 31 December 2010	74,842	60,945
up to 31 December 2011	40,852	30,302
up to 31 December 2012	323,581	312,889
up to 31 December 2013	268,925	257,825
up to 31 December 2014	9,970	-
up to 31 December 2015	10,167	-
up to 31 December 2016	10,376	-
up to 31 December 2017	10,602	-
up to 31 December 2018	5,381	-
	754,696	**728,796**

Short-term loans and borrowings:

Short-term bank loans include credit lines that finally mature in 2010 - they are operating loans with withdrawal option in the form of an overdraft or revolving that may be repaid whenever before the maturity date.

As of 31 December 2009, there is an off-balance sheet guarantee bill of exchange for short term bank loan of EUR 18,887 thousand (2008: guarantee bill of exchange for short term bank loan of EUR 18,604 thousand).

Short-term bank loans	*Currency*	*Effective interest rate*	*Maturity*	*31/12/2009 EUR '000*
Overdraft	CZK	1M PRIBOR + 0,95	31.1.2010	18,887
Credit cards liability	CZK	0%*	N/A	8
Total short-term interest-bearing loans				**18,895**

* Credit cards

As of 31 December 2008:

Short-term bank loans	*Currency*	*Effective interest rate*	*Maturity*	*31/12/2008 EUR '000*
Overdraft	CZK	1M PRIBOR+ 0.65%	31.12.2009	18,604
Overdraft	CZK	O/N PRIBOR + 0.5%	20.7.2010**	9,925
Credit cards liability	CZK	0%*	N/A	11
Total short-term interest-bearing loans				**28,540**

* Credit cards
** Overdraft agreement is valid until 2010

24. BOND ISSUED

The Company issued a high-yield bond on the Irish Stock Exchange (stock exchange Euro MTF) on 18 May 2007. The aggregate principal amount of the 7.375% Senior notes due 2015 ("7.375% Senior Notes") was EUR 300,000 thousand. Issue costs of the notes were EUR 11,320 thousand. Effective interest rate is 8.184%.

The Company purchased EUR 32,435 thousand in aggregate principal amount of its 7.375% Senior Notes in October 2010. All purchased Notes were irrevocably and unconditionally cancelled, which reduced the outstanding principal amount of the Notes to EUR 267,565 thousand. The Notes that were purchased were acquired at a purchase price of EUR 930 for each EUR 1,000 in principal amount of Notes. The total purchase price for the Notes was EUR 30,165 thousand, excluding the accrued interest. The net gain on the redemption of the Notes was EUR 97 thousand.

25. SHARE CAPITAL AND RESERVES

	31/12/2009	*31/12/2008*
	EUR'000	*EUR'000*
Share capital	105,736	105,524
Share premium	60,449	54,971
Restricted reserve	126,066	124,180
Equity-settled share based payments	13,424	8,037
Hedging reserve	29,947	34,328
Retained earnings	205,475	314,556
Foreign exchange translation reserve	19,078	4,728
Total	560,175	646,324
Non-controlling interests	-	-
Equity total	**560,175**	**646,324**

Share Capital

Based on the Articles of Association of the Company the authorised share capital amounts to EUR 450,000,000. It is divided into 1,124,989,000 A shares with a nominal value of EUR 0.40 each and 11,000 B shares with a nominal value of EUR 0.40 each. As of 31 December 2009 the issued capital consists of 264,330,100 ordinary A shares with nominal value of EUR 0.40 each and 10,000 ordinary B shares with nominal value of EUR 0.40 each (2008: 263,799,255 ordinary A shares with nominal value EUR 0.40 each and 10,000 ordinary B shares with nominal value of EUR 0.40 each), of which :

- 18,000 A shares with nominal value of EUR 1 each were issued and paid-up as per 30 June 2006,
- as per 7 September 2006 the Company issued 100,000,000 new ordinary A shares with nominal value of EUR 1 each, which were paid-up,
- on 14 December 2007 the Company issued 82,000 new ordinary A shares of EUR 1 each which were paid up,
- on 21 December 2007 the Company converted 4,000 ordinary A shares into B shares (see description below),

25. SHARE CAPITAL AND RESERVES (CONTINUED)

- on 5 May 2008 the Company effected a share split converting all of its shares into new shares with nominal value of EUR 0.40 each and subsequently converted one A share into a C share, resulting in 250,239,999 A shares, 10,000 B shares and 1 C share issued and outstanding,
- on 9 May 2008 the Company issued 13,500,000 new ordinary A shares with nominal value of EUR 0.40 each. The Company offered these shares together with 69,513,344 existing A shares offered by existing shareholders in its initial public offering on the London, Prague and Warsaw stock exchange.
- On 16 May 2008 the Company issued 59,260 ordinary A shares with nominal value of EUR 0.40 each. These shares were granted to 5 independent directors, members of the Board.
- On 20 May 2009 the Company issued 266,490 new ordinary A shares with nominal value of EUR 0.40 each. These shares were granted to 5 independent directors, members of the Board.
- On 10 September 2009 the Company issued 264,351 new ordinary A shares with nominal value of EUR 0.40 each. These shares were used to settle the executed share options of Miklos Salamon, the Executive Chairman of the Board, which he received as part of his remuneration, as described in the IPO Prospectus and the Annual Report of the Company. These shares have been admitted for trading on the main market of the London Stock Exchange, the Prague Stock Exchange and the Warsaw Stock Exchange.

Rights, preferences and restrictions attaching to B shares in the share capital of the Company, restrictions on the distribution of dividends and the repayment of capital

The Company separated the mining business and the real estate business into separate divisions. Each division is legally indivisible within the Group.

The amendment to the Articles of Association was approved on 21 December 2007, whereby the Company converted 4,000 ordinary (registered) shares into 4,000 B shares of EUR 1.00 each. The amendment states that the divisions are established and separately tracked with effect from 31 December 2007. An amount of EUR 90 million of the general share premium reserve and retained earnings in the amount of EUR 4,411,614 recorded in the standalone financial statements of the Company have been allocated to the Dividend Reserve B (see below) on 31 December 2007.

The Real Estate Division's financial performance and any dividends or other distributions in respect of, or attributable to, the performance or assets of the Real Estate Division will be attributed solely to the holders of the B shares. Upon adoption of the annual accounts and on an after tax basis the amount of equity available for the pay out of dividends to the holders of the B shares ("Dividend Reserve B") shall be credited for an amount equal to the positive result relating to the Real Estate Division and shall be debited for an amount equal to the negative result. The allocation of the result of the divisions and the rules governing the pay out of dividend from the Real Estate Division relate to the period after 31 December 2007, when the Real Estate Division was established.

The Articles of Association include provisions which state, subject to the limitations of applicable law, that the holders of B shares will be entitled to receive distributions from the Dividend Reserve B (whether in cash or in specie) when declared by the Board upon the proposal of the meeting of the holders of the B shares. A payment to the holder(s) of B shares at the expense of a Dividend Reserve B can only be made to the extent that the aggregate balance of the entitlement of all shares of that specific class held by such holder to the share premium reserves and dividend reserves is positive.

The existing distributable reserves (Dividend Reserve B) along with future retained earnings will be used in the future to allow the transfer of the Assets of the Real Estate Division via dividends or distributions (whether in cash or in specie) to the holders of the B shares. It is intended that all of the assets of the Real Estate Division will be paid out in dividends and distributions to the holders of the B shares until no assets remain in the Real Estate Division.

25. SHARE CAPITAL AND RESERVES (CONTINUED)

In addition to the foregoing, the Articles of Association of the Company provide the following rights to the (meeting of) holders of the B shares:

- Each resolution to issue B shares shall require the prior or simultaneous approval of the meeting of holders of class B shares.
- Upon issue of A shares and B shares, each holder of A shares and B shares shall have a pre-emption right in respect of the A shares and B shares to be issued, in proportion to the aggregate amount of his shares.
- Each resolution to restrict or exclude pre-emptive rights with respect to an issuance of B shares shall require the prior or simultaneous approval of the meeting of holders of class B shares.
- The meeting of holders of the B shares has the right to nominate one director at the Company's general meeting as part of the binding nomination system set out in the Articles of Association.
- Each holder of B shares has the right to request an investigation into the affairs of the Company with the Enterprise Chamber of the Court of Appeal in Amsterdam.
- The prior or simultaneous approval of the meeting of holders of class B shares shall be required for resolutions of the Board:
  a. to acquire any real estate or other assets for the Real Estate Division or to mortgage, charge, grant a license or otherwise encumber the assets of the Real Estate Division (or any of them); and
  b. to finance the Real Estate Division from third party funding sources.

- The prior or simultaneous approval of the General Meeting and the meeting of holders of class B shares shall be required for resolutions of the Board to amend, rescind or suspend the part of the Divisional Policy Statements relating to the fundamental and overriding rights of the Mining Division, the payments for use of and access to Real Estate Assets by the Mining Division, the allocation of costs for overhead and support services and the principles contained in the Divisional Policy Statements, or any additions or exceptions thereto. The Board shall not seek to make any determinations to amend, rescind or suspend any other aspects of the Divisional Policy Statements, or make exceptions to them or adopt additional policies or exceptions unless there shall have been prior consultation between the Board and the meeting of holders of the B shares and the Board shall have given due consideration to any representations made.

- A proposal to amend the Articles of Association changing the authorized share capital B shall be changed requires the prior or simultaneous approval of the meeting of holders of class B shares.

- A proposal to amend the Articles of Association whereby any change would be made in the rights which vest in the holders of B shares shall require the prior approval of the meeting of holders of B shares.

- Following a liquidation of the Company, the remaining balance of assets of the Company shall be distributed in accordance with the entitlements of each class of shares under the rules agreed upon for the distribution of reserves.

Any restrictions under Dutch corporate law with respect to the reduction of share capital, distribution of dividend and/or reserves and other corporate matters also apply to the (holders of) B shares.

As of 31 December 2009 100% of the B shares are owned by RPG Property B.V. (31 December 2008: RPG Industries SE).

Rights, preferences and restrictions attaching to A shares in the share capital of the Company, restrictions on the distribution of dividends and the repayment of capital

25. SHARE CAPITAL AND RESERVES (CONTINUED)

An amount of EUR 90 million of the general share premium reserve and retained earnings in the amount of EUR 4,411,614 recorded in the standalone financial statements of the Company has been allocated the Dividend Reserve B on 31 December 2007. The remaining part of the share premium reserve has been allocated the share premium reserve A. In case statutory reserves recorded in the standalone balance sheet of the Company as at 31

December 2007, if any, are (partially) released, the amounts thereof shall be credited to the dividend reserve A.

The Mining Division's financial performance and any dividends or other distributions in respect of, or attributable to, the performance or Assets of the Mining Division will be attributed solely to the holders of the A shares. Upon adoption of the annual accounts and on an after tax basis the amount of equity available for the pay out of dividends to the holders of the A shares ("Dividend Reserve A") shall be credited for an amount equal to the positive result relating to the Mining Division and shall be debited for an amount equal to the negative result. The allocation of the result of the divisions and the rules governing the pay out of dividend from the Mining Division relate to the period after 31 December 2007, when the Mining Division was established.

The Articles of Association include provisions which state, subject to the limitations of applicable law, that the holders of A shares will be entitled to receive distributions from the Dividend Reserve A when declared by the Board. A payment to the holder(s) of A shares at the expense of a Dividend Reserve A can only be made to the extent that the aggregate balance of the entitlement of all shares of that specific class held by such holder to the share premium reserves and dividend reserves is positive.

In addition to the foregoing, the Articles of Association of the Company provide the following rights to the (meeting of) holders of the A shares:

- Upon issue of A shares and B shares, each holder of A shares and B shares shall have a pre-emption right in respect of the A shares and B shares to be issued, in proportion to the aggregate amount of his shares.

- A proposal to amend the Articles of Association whereby any change would be made in the rights which vest in the holders of A shares shall require the prior approval of the meeting of holders of A shares.

- Following a liquidation of the Company, the remaining balance of assets of the Company shall be distributed in accordance with the entitlements of each class of shares under the rules agreed upon for the distribution of reserves.

Any restrictions under Dutch corporate law with respect to the reduction of share capital, distribution of dividend and/or reserves and other corporate matters also apply to the (holders of) A shares.

The total issued A shares and other issued class shares constitute the General Meeting of shareholders. Under the Articles of Association, the Divisional Policy Statements and Dutch (corporate) law, the General Meeting of shareholders has certain rights with respect to changes to the corporate structure, changes to the Divisional Policy Statements as well as rights relating to changes to the capital structure, repurchase of shares and significant changes in the identity or nature of the Company or its enterprise. As the issued A shares currently form a majority in the entire issued share capital of the Company, any voting in the General Meeting of shareholders can be influenced by the holders of the A shares.

Share Premium

On 14 December 2007, share premium was increased by EUR 3,679 thousand by converting payables to RPG Industries SE.

On 27 March 2008, the Company paid a dividend of EUR 86,672 thousand out of A share premium.

On 5 May 2008, the Company allocated EUR 75,000 thousand to the C share premium from the A share premium.

25. SHARE CAPITAL AND RESERVES (CONTINUED)

On 9 May 2008, A share premium of the Company was increased by EUR 213,678 thousand as a result of the sale of new A shares in the initial public offering of the Company. The expense relating to the proceeds from the

primary initial public offering amounted to EUR 1,890 thousand. The total impact of the initial public offering on the A share premium of the Company was EUR 211,788 thousand.

On 9 May 2008, the Company paid a dividend of EUR 75,000 thousand out of C share premium to RPGI, the sole holder of the C share.

On 16 May 2008, the Company issued 59,260 ordinary A shares granted to 5 independent directors of the Board of the Company. The A share premium attributable to these shares amounted to EUR 1,176 thousand.

On 20 May 2009 the Company issued 266,490 new ordinary A shares granted to 5 independent directors, members of the Board. The A share premium attributable to these shares amounted to EUR 893 thousand.

On 10 September 2009 the Company issued 264,351 new ordinary A shares to Miklos Salamon, the Executive Chairman of the Board, as part of his remuneration, as described in the IPO Prospectus and the Annual Report 2008. The A share premium attributable to these shares amounted to EUR 4,585 thousand.

Restricted reserve

In accordance with Czech regulations, joint stock companies ("a.s.") are required to establish an undistributable statutory reserve for contingencies against possible future losses and other events. Contributions must be at a minimum of 20% of after-tax profit in the first year in which profits are made and 5% of after-tax profit each year thereafter, until the fund reaches at least 20% of share capital. The fund can only be used to offset losses.

Foreign exchange translation reserve

Translation reserve includes foreign exchange rate effects of translation of the balance sheet and the income statement from the functional currency to the presentation currency.

Hedging reserve

Starting 1 January 2008, changes in the fair value of forward exchange rate contracts were accounted via the hedging reserve that is part of equity. For more details see Note 20.

Earnings per share

The calculation of the average number of outstanding shares, both A and B, reflects the 2.5 for 1 conversion of shares per 5 May 2008. Also the A shares issued at the initial public offering, 13.5 million and 59,260, A shares issued to independent directors and A shares issued to settle stock options executed by Miklos Salamon are included in the calculation. Finally, the creation and the subsequent cancellation of the C share is reflected as well, to arrive at the average numbers of 258,991,996 and 264,054,650 outstanding shares during 2008 and 2009 respectively. Based on the numbers of average outstanding shares the basic earnings per share are calculated.

In the calculation of the diluted earnings per A share the dilutive potential of the "NWR IPO Share Option Plan", "NWR Stock Option Plan for Executive Directors", "Long-term Incentive Plan" and "Share issue agreement with independent directors" is taken into account. Additional explanation on the dilutive potential is detailed in Note 29 Share-based payments.

25. SHARE CAPITAL AND RESERVES (CONTINUED)

	01/01/2009 - 31/12/2009 EUR´000	*01/01/2008 - 31/12/2008 EUR´000*
Total net profit/(loss) after tax from continuing operations	(63,731)	341,096
Total net profit after tax from discontinued operations	2,135	10,543
Total net profit/(loss) after tax	(61,596)	351,639
of that:		
Total net profit/(loss) after tax attributable to A shareholders	(65,442)	344,171
Total net profit/(loss) after tax from continuing operations attributable to A shareholders	(67,577)	333,628
Total net profit after tax from discontinuing operations attributable to A shareholders	2,135	10,543
Total net profit after tax attributable to B shareholders	3,846	7,468
Total net profit after tax from continuing operations attributable to B shareholders	3,846	7,468
Total net profit after tax from discontinuing operations attributable to B shareholders	-	-
Total net profit after tax attributable to C shareholders		
Weighted average number of shares outstanding during the period	264,054,650.00	258,991,995.60
of that:*		
Weighted average number of A shares outstanding during the period	264,044,650.00	258,981,995.36
Weighted average number of B shares outstanding during the period	10,000.00	10,000.00
Weighted average number of C shares outstanding during the period		0.24
Weighted average number of shares outstanding during the period adjusted for effect of dilution	264,529,225.92	259,519,967.63
of that:		
Diluted weighted average number of A shares outstanding during the period	264,519,225.92	259,509,967.39
Diluted weighted average number of B shares outstanding during the period	10,000.00	10,000.00
Diluted weighted average number of C shares outstanding during the period		0.24
Basic earnings per A share (EUR/share)	(0.25)	1.33
Diluted earnings per A share (EUR/share)	(0.25)	1.33
Basic earnings per A share from continuing operations (EUR/share)	(0.26)	1.29
Diluted earnings per A share from continuing operations (EUR/share)	(0.26)	1.29
Basic earnings per A share from discontinued operations (EUR/share)	0.01	0.04
Diluted earnings per A share from discontinued operations (EUR/share)	0.01	0.04
Basic earnings per B share (EUR/share)	384.60	746.80
Diluted earnings per B share (EUR/share)	384.60	746.80
Basic earnings per B share from continuing operations (EUR/share)	384.60	746.80
Diluted earnings per B share from continuing operations (EUR/share)	384.60	746.80
Basic earnings per B share from discontinued operations (EUR/share)	0.00	0.00
Diluted earnings per B share from discontinued operations (EUR/share)	0.00	0.00
Basic earnings per C share (EUR/share)	0.00	0.00
Diluted earnings per C share (EUR/share)	0.00	0.00

* year 2008 reflects the stock split of 2.5 that occurred on 5 May 2008

26. PROVISIONS

The provision balances are as follows:

	At 1 January 2009 EUR'000	*Charged EUR'000*	*Utilised EUR'000*	*Held for sale EUR'000*	*Subsidiary sold EUR'000*	*Unwinding of discount EUR'000*	*Currency translation EUR'000*	*At 31 December 2009 EUR'000*
Restoration provision	90,338	-	(2,617)	-	-	3,360	1,371	92,452
Mining damage	12,365	7,549	(10,703)	-	-	-	194	9,405
Dukla Mine closure	-	-	-	-	-	-	-	-
Other restoration costs	1,259	-	-	-	-	-	17	1,276
Total long-term provisions	**103,962**	**7,549**	**(13,320)**	**-**	**-**	**3,360**	**1,582**	**103,133**
Employee redundancy	-	7,263	(2,056)	-	-	-	(7)	5,200
Unpaid vacation	3,053	6,845	(7,228)	(11)	-	-	47	2,706
Buy-out (family houses)	1,979	-	(537)	-	-	-	31	1,473
Other	537	613	(362)	-	-	-	8	796
Total short-term provisions	**5,569**	**14,721**	**(10,183)**	**(11)**	**-**	**-**	**79**	**10,175**

	At 1 January 2008 EUR'000	*Charged EUR'000*	*Utilised EUR'000*	*Distribution of subsidiaries EUR'000*	*Subsidiary sold EUR'000*	*Unwinding of discount EUR'000*	*Currency translation EUR'000*	*At 31 December 2008 EUR'000*
Restoration provision	90,209	56	(2,653)	(519)	-	4,171	(926)	90,338
Mining damage	15,841	8,787	(12,370)	-	-	-	107	12,365
Dukla Mine closure	150	-	(160)	-	-	-	10	-
Other restoration costs	1,903	1	(163)	(520)	-	-	38	1,259
Total long-term provisions	**108,103**	**8,844**	**(15,346)**	**(1,039)**	**-**	**4,171**	**(771)**	**103,962**
Employee redundancy	3	46	(4)	-	(46)	-	1	-
Unpaid vacation	3,222	7,314	(7,332)	(111)	(21)	-	(19)	3,053
Buy-out (family houses)	1,983	1,409	(1,392)	-	-	-	(21)	1,979
Dukla Mine closure	3,288	-	(3,509)	-	-	-	221	-
Other	680	560	(297)	(243)	(169)	-	6	537
Total short-term provisions	**9,176**	**9,329**	**(12,534)**	**(354)**	**(236)**	**-**	**188**	**5,569**

Annual review of restoration provision as of 31 December 2009 and 31 December 2008 did not result in any change of estimates.

Due to the long-term nature of the restoration provision, the biggest uncertainty in estimating the provision is the costs that will be incurred. The Group has assumed that the site will be restored using technology and materials that are available currently. As of 31 December 2009 the provision has been calculated using discount rates in range between 2.8% - 3.3% p.a. (31 December 2008: range between 3.8% – 4.1% p.a.)

26. PROVISIONS (CONTINUED)

The employment redundancy provision relates to the intention to fully shut down the OKK´S Sverma facility as part of the COP 2010 programme.

On 27 February 2006 the Board of Directors of OKD decided to cease coal mining operations at the Dukla site, part of the Paskov Mine, as of 31 December 2006 and to begin physical liquidation of property, plant and equipment and to begin the site restoration of this site on 1 January 2007. The preparatory work to commence restoration of the Dukla site began in 2006. The site restoration and liquidation was finished in 2008.

27. DEFERRED REVENUE

	Government grants EUR'000	*Other EUR'000*	*Total EUR'000*
At 1 January 2009	2,277	3,317	5,594
Liabilities held for sale	-	(2,297)	(2,297)
Sale of subsidiaries	-	-	-
Change in the period	(211)	(479)	(690)
Currency translation	36	32	68
At 31 December 2009	**2,102**	**573**	**2,675**

	Government grants EUR'000	*Other EUR'000*	*Total EUR'000*
At 1 January 2008	2,509	7,790	10,299
Distribution of subsidiaries	-	(3)	(3)
Sale of subsidiaries	-	(4)	(4)
Change in the period	(224)	(4,823)	(5,047)
Currency translation	(8)	357	349
At 31 December 2008	**2,277**	**3,317**	**5,594**

The Group has received government grants to cover environmental improvements. Government grants are being amortised over the expected useful life of the assets acquired with funds from government subsidies.

The change in government grants fully represents the amortization of existing grants. No new grants were received in the period.

28. EMPLOYEE BENEFITS

The Group provides a number of different benefits to its employees – special miners' benefits, severance payments, vouchers, loyalty benefits and other. The Group's net obligation in respect of long-term service benefits is the amount of benefits that are payable 12 months after the balance sheet date and that the employees have earned in return for their service in the current and prior periods.

The Group's employee benefit scheme covers the legal requirements valid for the mining industry and other benefits concluded with the labour union in the general labour agreement. All benefits are unfunded. The significant benefits are listed below.

	31/12/2009	*31/12/2008*
	EUR'000	*EUR'000*
Special miners benefits	63,657	57,607
Severance payment	18,521	17,749
Vouchers	11,614	-
Loyalty benefits	1,796	11,523
Employees' jubilee	34	292
Other long-term benefits	966	1,017
Total employee benefits	**96,588**	**88,188**

Increase in employee benefits as of 31 December 2009 compared to 31 December 2008 is a cumulative result of updated assumptions that are disclosed at the end of this Note (in addition to the effect of reclassification of employee benefits into liabilities classified as held for sale in 2009 and changes in benefits in 2009).

Changes in benefits in 2009
As of 1 January 2009 OKD amended its collective agreement with its labour union. Major loyalty benefits (anniversary benefits and retirement anniversary benefit) existing as of 31 December 2008 were replaced by new benefit vouchers since 1 January 2009.

Special miner's benefits
Length-of-service benefit for miners is paid to all employees in mining profession once a year and is based on the length of employment relationship. The benefit is required by current legislation of the Czech Republic.

Special miner benefits are assigned to employees working underground once they achieve 100% of the highest allowable exposure to mine dust, in case of both position transfer or employment termination. Those bonuses are paid monthly, until the pension entitlement arises or the age of 60 is reached. The benefit is required by current legislation of the Czech Republic.

Health-related severance payment is based on the collective agreement of OKD and its labour union. Entitled persons are employees whose employment relationship was dissolved owing to their inability for health reasons to continue performing their work and who are not entitled to receive other severance payment. This benefit is a one-time payment calculated as a multiple of average monthly wage in connection with years of service.

Retirement benefits are based also on a collective agreement of OKD and its labour union and are paid to employees who terminate their employment contract upon becoming entitled to draw an old age pension. The one-time payment is a multiple of average monthly wage.

28. EMPLOYEE BENEFITS (CONTINUED)

Severance payments
Severance payments are based on Czech law. Entitled persons are employees whose employment relationship was dissolved owing to having achieved 100% of the highest allowable exposure to mine dust or occupational injury or incidence of occupational illness and inability to find another suitable position for them within the entity. The payment is made as one-time disbursement.

Vouchers
This new benefit was recognised at OKD as of 1 January 2009 based on amendment to the collective agreement of OKD and its labour union. All employees are granted vouchers semi-anually and the amout is based on the length of employment relationship. Employees may use these vouchers for health, cultural, sporting, educational and holiday purposes.

Loyalty benefits
Stabilization premiums are defined in the collective agreements of individual Group entities and belong to all current employees who are not entitled to length-of-service benefits for miners. This bonus is paid once a year and the amount is calculated based on the length of the uninterrupted service.

As a consequence of amendment to the collective agreement of OKD and its labour union anniversary benefits and retirement anniversary benefit that were included in loyalty benefits as of 31 December 2008 were derecognised at OKD as of 1 January 2009.

Length-of-service bonuses are defined in the collective labour agreements of individual Group entities and paid based on the specific provisions of collective agreements, tied to years of uninterrupted service. This benefit is designed as one-time payment.

Changes in the present value of the defined benefit obligation:

	01/01/2009 - 31/12/2009	*01/01/2008 - 31/12/2008*
	EUR'000	*EUR'000*
Defined benefit obligation at the beginning of the period	88,188	85,634
Movements in the period - subsidiaries distributed	-	(404)
Movements in the period - subsidiaries disposed	-	(836)
Classified as held for sale	(1,130)	-
Benefits paid	(9,037)	(10,507)
Net benefit expense	17,199	15,378
Currency translation	1,368	(1,077)
Defined benefit obligation at the end of the period	**96,588**	**88,188**

28. EMPLOYEE BENEFITS (CONTINUED)

The following table summarizes the components of net benefit expense recognised in the income statement and the funded status and amounts recognised in the statement of financial position for the respective plan:

	01/01/2009 - 31/12/2009	*01/01/2008 - 31/12/2008*
	EUR'000	*EUR'000*
Current service cost	5,068	5,110
Interest cost on benefit obligation	3,274	3,541
Past service costs	10,295	-
Curtailments	(10,319)	-
Actuarial loss/(gain)	8,881	6,727
Net benefit expense	**17,199**	**15,378**

Anniversary benefits and retirement anniversary benefit that were derecognised as of 1 January 2009 form balance of curtailments. Past service costs are made from benefit vouchers that was recognised in 2009.

The principal financial and demographic assumptions used in determining post-employment benefits and other long-term employee benefits are shown below:

Discount rate - Discount rates are derived from the linear approximation of the yield curve of the Czech government bonds as of balance sheet date. Average period of payment is considered. Discount rates used for the calculation of employee benefits as of 31 December 2009 range between 3.9% - 4.05% p.a. (as of 31 December 2008: 4.1% - 4.4% p.a.).

Wage increase - This assumption is relevant where the benefit depends on the future wage. In all these cases the Group estimates the steadily average wage increase of 8,1% per annum as of 31 December 2009 (5% per annum as of 31 December 2008). Higher steadily average wage increase is mainly consequence of fall in actual average wages in 2009 while in long-term period it is assumed that average salaries would not be affected by crisis.

Mortality - Model mortality for the relevant benefit calculation is undertaken from the statistical tables published by the Czech statistical office.

Retirement age - The retirement age is according the former and current Czech legislation, as follows: for retirements before 31 December 1995 the retirement age is 60 for men and 57 – 53 for women (depending on the number of children). The retirement age after the year 2013 is 63 for men and 63 – 59 for women (depending on the number of children). The retirement age between those two years mentioned above is determined by the linear approximation.

Number of employees – estimated future number of employees per each year is derived from estimated future output (production) in particular year.

29. SHARE-BASED PAYMENTS

a) Introduction to share-based payments of the Company

The cost of equity-settled transactions with employees is measured by reference to the fair value at the grant date and is recognised as an expense over the vesting period, which ends on the date on which the relevant employees become fully entitled to the award. The fair value is determined by reference to the share price on the grant date. In valuing equity-settled transactions of the Company, no account is taken of any vesting conditions because no market conditions apply for vesting. At each balance sheet date, before the end of the vesting period, the cumulative expense is calculated, reflecting the extent to which the vesting period has expired and the number of equity instruments that will ultimately vest. The movement in cumulative expense compared to the previous balance sheet date is recognised as personnel expense in the income statement, with a corresponding entry in equity or liability, based on the type of share-based scheme.

For cash-settled share-based payment transactions, the Company measures the liability incurred at the fair value of the liability. The Company re-measures the fair value of the liability at the date of settlement and at the end of each reporting period until the liability is settled, with any changes in fair value recognised in profit or loss for the period.

The impact of the Group's share-based remuneration schemes on the diluted earnings per share is calculated according to the requirements of IFRS 2 and IAS 33.

The Company offers independent members of the Board and certain employees of the Group share-based remuneration packages (see below).

b) Shares granted to Independent Directors

The Company granted each of its five independent directors A shares in the value of EUR 200 thousand vesting on 9 May 2008 and the same amount on 9 May 2009. The Company settled the first tranche by issuing 59,260 ordinary A shares with nominal value of EUR 0.40 each on 16 May 2008. The value of the transaction was determined by means of the market price as per 16 May 2008. The second tranche was settled by issuing 266,490 ordinary A shares with nominal value of EUR 0.40 each on 20 May 2009. The corresponding expenses are shown in the category of share-based payments personnel expense. The number of shares granted was determined as the average of opening prices of an A share on the London Stock Exchange over a period of five business days preceding the date of share issue. The impact on the income statement for 2009 of granting shares to the independent directors equals to EUR 353 thousand (2008: EUR 1,846 thousand). This amount relates fully to accrued expenses for the second tranche of granted shares.

There is no dilutive impact resulting from shares granted to independent directors since the fair value of the weighted average number of A shares that would have been issued at average market price would equal the fair value of the services the Company received from the independent directors. Resulting from this, the additional cost and income for the Company would be the same resulting in a zero impact on the earning per share figure

c) Shares and share options granted to executive directors

Mr. Miklos Salamon was granted options for A share with exercise price of EUR 0.01 in the amount equal to 0.5% of the issued share capital of the Company. This remuneration package classifies as an equity-settled share-based payment transaction and is presented correspondingly, in a separate equity category in the balance sheet of the Company.263,800 options vested on 1 September 2008. 264,351 options vested on 1 September 2009. The options vested on 1 September 2009 were exercised on 10 September 2009. On each subsequent anniversary an additional 20% of the granted options will vest. The accrued expense for the granted share options has an impact of EUR 8,381 thousand, of which EUR 1,676 thousand was accrued for the options that vested on 1 September 2009 and EUR 6,705 thousand was accrued for the tranches that vest in years 2010 to 2012.

29. SHARE BASED PAYMENTS (CONTINUED)

The calculation of the fair value of the options per grant date was performed by using the Black-Scholes model. The value of the input variables in the model were: share price per grant date 1 September 2008 of GBP 15.63; exercise price of GBP 0.01; time to expiry of 8 years; risk-free rate of 4 percent and a volatility of 15 percent. The 8-year expiry period consists of a 3-year vesting period and a consecutive 5-year exercise period. The discount rate is equal to the Czech government bond rates that have maturity dates similar to the terms of the Group's obligations. The used volatility percentage is based on the Group's management professional judgement taking into account stock prices of peer companies.

Miklos Salamon's option plan has no dilutive impact since the fair value of the weighted average number of options that would have been issued at average market price would equal the fair value of the services the Company received from Miklos Salamon.

Executive director of the Company and Chief Executive Officer of OKD Mr. Klaus-Dieter Beck is granted a certain amount of A shares according to his employment contract with OKD. This remuneration package classifies as an equity settled share-based payment transaction with cash alternative and is presented correspondingly as a short-term liability. The agreement specifies that Mr. Beck will be granted 250,045 A shares every year, starting as of 1 July 2007, up to a maximum total amount of 1,250,225 A shares granted.

Klaus-Dieter Beck's incentive plan has no dilutive impact since the fair value of the weighted average number of shares that would have been issued at average market price would equal the fair value of the services the Company received from Klaus-Dieter Beck.

d) Share options granted to employees of the Group

Several eligible employees and Directors of the Group were granted options for A shares of the Company under the "NWR IPO Share Option Plan". This remuneration package classifies as equity settled. The options, which were granted on 9 May 2008, have an exercise price of GBP 13.25. The corresponding vesting period for these share options, numbering 619,878 in total, is 9 May 2008 to 9 May 2011. The second granting of options to certain employees and Directors took place on 24 June 2009. The exercise price of these options is GBP 2.8285. The corresponding vesting period for these share options, numbering 3,325,762 in total, runs from 24 June 2009 to 24 June 2012.

Similarly to the option granted to Mr. Salamon, the fair value of the options per grant date was calculated by using the Black-Scholes model.

Due to the Company's share market price as of 31 December 2009, which is currently lower than the exercise price of the options granted on 9 May 2008, these are out-of-the-money and therefore do not have any dilutive potential regarding the calculation of the diluted earnings per share.

The second tranche of granted options is in the money. The average share price for the period was GBP 3.9443. The dilutive impact of the second tranche is 474,576 shares.

29. SHARE BASED PAYMENTS (CONTINUED)

The following table presents the impact of the various share-based remuneration schemes on the profit of the Company.

Share-based remuneration schemes	*01/01/2009 - 31/12/2009 EUR '000*	*01/01/2008 - 31/12/2008 EUR '000*
Independent directors	353	1,846
Miklos Salamon	8,381	8,090
Klaus-Dieter Beck	2,012	5,764
Other	1,694	595
	12,440	**16,295**

30. DEFERRED TAX

	2009	*2008*
	EUR'000	*EUR'000*
Deferred tax asset:		
At 1 January	23,455	21,490
Deferred tax charge for the period	7,368	3,685
Impact of changed deferred tax rate	(281)	(96)
Deferred tax movement - distribution in kind	-	(384)
Deferred tax movement - sold subsidiary	-	(960)
Deferred tax movement - assets held for sale	(164)	
Currency translation	345	(280)
At 31 December	**30,723**	**23,455**

Deferred liability:	*EUR'000*	*EUR'000*
At 1 January	128,686	123,572
Deferred income tax related to items charged or credited directly to equity:		
Net gain/(loss) on revaluation of cash flow hedges	(1,599)	9,167
Deferred tax charge for the period	(678)	(2,362)
Impact of changed deferred tax rate	(371)	(31)
Deferred tax movement - distribution in kind	-	(832)
Deferred tax liability movement - liabilities related to assets for sale	(3,466)	
Currency translation	1,953	(828)
At 31 December	**124,525**	**128,686**
Deferred tax liability net	**93,802**	**105,231**
out of which presented in balance sheet		
Deferred tax asset	**7,710**	**154**
Deferred tax liability	**101,512**	**105,385**

Deferred tax presented in the balance sheet is stated net of liability and asset per individual consolidated entities. Deferred tax presented in the above table is stated per individual temporary differences.

30. DEFERRED TAX (CONTINUED)

Deferred tax asset relates to the following:	*31/12/2009 EUR'000*	*31/12/2008 EUR'000*
Fixed assets	-	154
Allowances, adjustments and provisions	5,630	6,800
Employee benefits	18,152	16,501
Tax losses carried forward	6,898	-
Other	43	-
	30,723	**23,455**

Deferred taxes liability relates to the following:	*31/12/2009 EUR'000*	*31/12/2008 EUR'000*
Fixed assets	117,488	119,597
Allowances, adjustments and provisions	-	522
Derivatives	7,037	8,510
Other	-	57
	124,525	**128,686**

Tax losses to be carried forward and offset against future taxable income are available in New World Resources N.V. Due to insufficient taxable revenues of the Company deferred tax asset is not recognised from incurred tax losses.

	31/12/2009 EUR'000	*31/12/2008 EUR'000*
Tax losses arising in 2006	342	342
Tax losses arising in 2007	40,036	40,036
Tax losses arising in 2008	55,132	55,549
Tax losses arising in 2009	49,820	
	145,330	**95,927**
Deferred tax at the applicable rate of 25.5% (The Netherlands)	37,059	24,461
Provision for unrecognised deferred tax asset	(37,059)	(24,461)
Deferred tax asset recognised in respect of tax losses carried forward	**-**	-

30. DEFERRED TAX (CONTINUED)

Amendment of Czech Income tax legislation enacted in 2007 lead to the change of the income tax rates as follows:

- 2008: 21%
- 2009: 20%
- from 2010 onwards: 19%

Deferred tax was calculated by using above the stated rates based on the expected period of settlement of the deferred tax. This resulted in reduction of deferred tax asset by EUR 281 thousand (in 2008 by EUR 96 thousand) and reduction of deferred tax liability by EUR 371 thousand (in 2008 by EUR 31 thousand).

31. FUTURE COMMITMENTS

The Group has the following commitments in respect of:

	31/12/2009	*31/12/2008*
	EUR'000	*EUR'000*
Non-cancellable operating and non-capitalized finance leases		
Instalments due within one year	3,251	3,047
Instalments due between two and five years	13,927	12,519
	17,178	**15,566**
Acquisition of property, plant and equipment		
From third parties*	93,274	288,140

* the amounts include contractual obligations in the amount of EUR 39,290 thousand for mining equipment under the POP 2010 programme and EUR 30,240 thousand for refurbishing of coking facilities under the COP 2010 programme as of 31 December 2009.

The majority of operating lease contracts is concluded as indefinite term and short notice period. Leased items include equipment, land and buildings. There are none with term exceeding 5 years. Operating lease expense in 2009 was EUR 3,521 thousand (2008: EUR 3,300 thousand).

32. CONTINGENT ASSETS AND LIABILITIES

The Group has following significant contingent assets and contingent liabilities as of 31 December 2009:

a) Transfer of certain old mines

Until 2000, OKD had concentrated all discontinued mines into a division called Odra Mine. The main purpose of this division was to supervise reclamation works at the closed mines and to administer claims and obligations towards current and former employees of the discontinued mining units. Effective 2002 OKD sold closed mines administration. Effective 2004, OKD sold mine Barbora to DIAMO s.p. At this time DIAMO, s.p. also assumed all of OKD's obligations vis-`a-vis all its former employees. Simultaneously, ČMD sold its closed mines in the Kladno area to state owned Palivový kombinát Ústí, s.p. (''PKU'') in a similar transaction. By operation of law, OKD is the statutory guarantor of the obligations assumed by DIAMO and PKU existing at the time of the transfer.

32. CONTINGENT ASSETS AND LIABILITIES (CONTINUED)

b) Environmental issues

(i) OKD:

In accordance with privatizations projects, the National Property Fund of the Czech Republic ("NPF") reimburses acquirers of privatized assets in respect of expenses incurred for the clean-up of environmental damage relating to the pre-privatization period. In 1993, OKD asked NPF to reimburse its expenses for cleaning-up damages in accordance with government decision No. 123 dated 17 March 1993. On 18 April 1996 contract no. 131/96 was concluded between NPF and OKD relating to environmental issues in the area in the entity's ownership. Based on addendum to Environmental Contract No. 131/96 between the NPF (respectively Czech Ministry of Finance), OKD and OKK all rights and obligations concerning environmental issues were transferred to OKK, as the fixed assets to which environmental issues relate, were concentrated in OKK .

(ii) OKK :

The entity's assets include the grounds of the former ČSA coking plant located in Karviná-Doly. Coking operations were discontinued at 30 June 1997 and the grounds were classified by the Czech Ministry of the Environment as an old source of environmental burden. For this reason, an *Old environmental burden risk analysis* addressing the scope of contamination and restoration work was drawn up for this site in 1997-1998. Restoration works should be financed by the Czech Ministry of Finance (MF), which overtook liabilities of NPF (NPF ceased its activities). To date, no addendum to Environmental Contract No. 131/96 between the NPF (respectively Ministry of Finance) and OKD on the updating of this risk analysis and the holding of a tender for an improvement work contractor has been executed.

Entity's assets include the grounds of the former Trojice coking plant in Slezská Ostrava. These grounds were classified as an old source of environmental burden and an *Old environmental burden risk analysis* is being drafted for it. Decontamination of the grounds is contingent on the conclusion of an addendum to Contract No. 131/96 between the NPF and OKD

The entity operates the grounds of the Svoboda and Šverma coking plants for which risk analyses are being drafted to address post-operations improvement work. The exact time-frame, percentage share of the state in eradicating past damage and the value and duration of the contingent liabilities accrual are not yet known.

In 2008, all fixed assets with above mentioned environmental issues were concentrated in OKK by a merger of OKK and NWR Coking, a.s.

c) Claims and litigations

- NWR KARBONIA Sp. z o.o. and NWR Energetyka PL Sp. z o.o. have been jointly and severally claimed against for damages by Vattenfall Sales Poland Sp. z o.o. (VSP) in relation to the negotiations for the purchase of electricity for the calendar year 2009 which were held between NWR KARBONIA Sp. z o.o. and VSP. Due to the failure to satisfy one of the conditions, namely the receipt of a guarantee, NWR Karbonia refused to conclude the final power purchase agreement. VSP claims it incurred damages and lost profit in a total amount of approximately EUR 3 million. However, VSP is only seeking part of such damages, namely the amount of PLN 1 million. The management of NWR KARBONIA Sp. z o.o. and NWR Energetyka PL Sp. z o.o. disagree with legal title of the claim and with the claimed amount and took appropriate legal actions to defend the claim. By law, NWR Energetyka PL Sp. z o.o. may be claimed against because it overtook energy assets which were spun-off from NWR KARBONIA Sp. z o.o. on 1 April 2009.

- Claims in connection with purchases of certain minority shares in ČMD, a. s., METALIMEX a. s. (former subsidiaries of OKD) and OKD:
  - Petition to review the appropriateness of consideration for shares of ČMD, a. s. (court in Ostrava) was rejected by the court in March 2009.

32. CONTINGENT ASSETS AND LIABILITIES (CONTINUED)

- Petition to review the appropriateness of consideration for shares of OKD was rejected by the court in February 2009. The petitioner gave an appeal to which in May 2009 OKD gave an explanation .
- Petition to review the appropriateness of consideration for shares of METALIMEX a.s. was rejected by the court in March 2009. The petitioner gave an appeal in July 2009, to which in September 2009 OKD gave an explanation.
- Petition to review the appropriateness of consideration for shares of ČMD, a. s. (court in Prague) – in 2008 entitled entities were defined by court. OKD is currently preparing its opinion. Court in its decision on 6 June 2008 decided that legal successors of OKD that ceased to exist (ID: IČ 26863154) are: OKD (ID: IČ 26863154), Green Gas DPB, a.s., OKD Doprava, akciová společnost, RPG Byty, s.r.o. RPG RE Commercial, s.r.o. RPG RE Land, s.r.o. and RPG Trading, s.r.o..

- Litigation between claimant OKD and defendant Financial Directorate in Ostrava – action against decision issued by administrative body according to the Act No. 150/2002 Coll. Under action OKD enforces cancelation of decision issued by Financial Directorate in the affairs of income tax for tax period 1 July 2006 – 31 December 2006. Litigation is still in progress.

- Mr and Mrs Macura filed an action for damages caused by mining activity of OKD The value of the claim was EUR 4 thousand. In March 2009 the litigation was settled out.

- Mr and Mrs Macura in June 2009 filed an action for damages caused by mining activity of OKD The value of the claim is EUR 574 thousand.

- Mr and Mrs Kolakowski in July 2009 filed an action for damages caused by mining activity of OKD The value of the claim is EUR 32 thousand. OKD sent an explanation to the court in November and December 2009. The proceeding was not yet set.

- Litigation between claimant, Ing. Vilém Sikora and defendant, OKD from February 2006 concerning action for damages of claimant's properties caused by mining activity in Karviná – Doly. Mr Sikora claims EUR 447 thousand as compensation for the damage. In 2008 was prepared expert's report, OKD proposed to prepare another expert's report. The court decided to prepare a revision expert´s report, OKD sent a list of questions for the expert.

- Litigation between claimants, Ing. Larisa Gerychová and Ing. Aleš Gerych and defendant, OKD After lose of the son, who died in result of work injury OKD is claimed EUR 400 thousands as a compensation of non-property rights in money. OKD refuses its responsibility and argues that all legal claims were covered arises from union contract and law. On 2 July 2008 the court has rejected the petition of claimants. The claimants gave an appeal in December 2009. New proceeding was not set yet.

- Litigation between claimants, Prague Investment Holdings (Cyprus), Prague Capital Partners Limited, Blanet-Shop, s.r.o. and defendants, OKD and Prosper Trading, a.s. concerning action for damages at the amount of EUR 256 thousand and EUR 536 thousand. The damage was caused by acting in concert in 1997 when defendants purchased shares of company Moravskoslezské teplárny at lower price (CZK 800 per shares) than at price for which the shares would be sold when offered publicly to shareholders. In 2008 the court has rejected the petition of claimants. The claimants gave an appeal. New proceeding was not set yet.

No provision has been set up as of 31 December 2009 for the litigations. At the financial statements' preparation date, based on advise of counsel, the management of the Group believes that the litigations have no significant impact on the Group's financial position as of 31 December 2009.

32. CONTINGENT ASSETS AND LIABILITIES (CONTINUED)

d) Guarantee bills of exchange

As of 31 December 2009 there were following off–balance sheet liabilities:

- guarantee bills of exchange for coal delivery System S.A. – Kombinat Koksochemiczny, Zabrze of EUR 2,499 thousand
- guarantee bill of exchange for short term bank loan of EUR 18,887 thousand

As of 31 December 2008 there were following off–balance sheet liabilities:

- guarantee bills of exchange for coal delivery System S.A. – Kombinat Koksochemiczny, Zabrze of EUR 2,505 thousand
- guarantee bill of exchange for short term bank loan of EUR 18,604 thousand

33. OTHER MATERIAL MATTERS

a) Program POP 2010

In 2009, the Group continued to implement its Productivity Optimisation Programme POP 2010. All 10 longwall sets have been successfully installed and are now fully operational. The new equipment is delivering expected results, thus improving productivity, efficiency as well as labour safety. In the long term the equipment should enhance the Group’s reserve base, since the new equipment is better suited to the existing coal seams and provides improved strength to allow deeper mining.

Future commitments (see Note 31) relating to acquisition of property, plant and equipment relating to POP 2010 amount to EUR 39,290 thousand.

a) Program COP 2010

The Coking Plant Optimisation Programme (COP 2010) at OKK continues on schedule. Planned works on coking battery No. 8 at the Svoboda plant were completed according to schedule on 29 September 2009. The remainder of the work planned within the COP 2010 programme is expected to be concluded by 2010. Project work on the coking battery No. 10 continues according to schedule.
On 10 September 2009, the Company announced its decision to keep the last remaining battery of the Sverma coke production facility operational, nevertheless the Company reiterates its intention to fully shut down the Sverma facility as part of its COP 2010 programme and will continue to closely monitor local developments to ensure precise phasing out is in line with market conditions.

Future commitments (see Note 31) relating to acquisition of property, plant and equipment relating to COP 2010 amount to EUR 30,240 thousand.

b) Agreement in principle to issue tracking stock over certain real estate assets in the Company

In addition to mining assets, the Company, through OKD and other subsidiaries, is the owner of a significant portfolio of real estate on which its mines have been developed. Under Czech mining laws any real estate necessary for the mining activities of OKD must remain under OKD’s ownership for the duration of all mining activities.

In order to provide higher transparency to the mining and real estate assets, the Company decided to separate the real estate of the Group into a new division and to issue a new security – B Class shares – to track the financial performance of the Real Estate Division as of 31 December 2007. Procedures and safeguards will be built-in to the provisions of the A and B shares in the Company to ensure that each shareholder class is fairly treated. From 1 January 2008 the divisions are operated separately for accounting and reporting purposes to reflect the results of operations and the financial position of each division and provide relevant information to the holders of the A and B Class share. The chief operating decision maker for the two reportable segments is the board of directors

of the Company, advised by a separate committee of the board composed of independent directors. All of the B shares were issued to RPG Industries SE. See also Note 3 and Note 25.

34. SUBSEQUENT EVENTS

The Company entered into a share sale and purchase agreement with Dalkia Česká republika, a.s. ("Dalkia Ceska") on 8 January 2010 which provides for the sale by the Company to Dalkia Ceska of 100% of the ownership of its subsidiary NWR Energy, a.s. for CZK 3,209 million in cash (the "SPA"). The purchase price is subject to certain adjustments based on the financial performance of the sold entities. The Group expects the closing of the sale of NWR Energy prior to June 2010, although there can be no assurances that the closing will occur prior to such date or at all. NWR Energy and its subsidiaries will continue to supply OKD with key utilities and services under a long-term agreement.

OKD has repaid its short-term loan in the amount of CZK 500 million (EUR 18,887 thousand) on 27 January 2010.

The Company has drawn EUR 3,013 thousand under the ECA facility on 10 February 2010.

The Company has drawn EUR 8,888 thousand under the ECA facility on 15 February 2010.

RPG Property B.V., as the B shareholder of the Company approved on 27 January 2010 that OKD, a.s. ("OKD") will sell part of OKD´s enterprise consisting of the Mining Museum Internal Accounting Unit (movable and immovable assets, rights and obligations of operational character and employees) in the Landek area (Ostrava-Petřkovice) to the third party (VÍTKOVICE, a.s.) with obligations to procure the operation of the Mining Museum and the Landek Area for a period of 20 years for the purchase price amounting CZK 1 in compliance with expert valuation.

The Company concluded additional forward exchange contracts in the total nominal value of CZK 1,900,680 thousand (EUR 71,797 thousand translated with the CZK/EUR exchange rate as of 31 December 2009) at the beginning of January 2010.

NON-CONSOLIDATED INCOME STATEMENT

	Note	1 January 2009- 31 December 2009 *thousands EUR*	1 January 2008- 31 December 2008 *thousands EUR*
Operating revenue	*37*	1,286	1,214
Operating expenses	*38*	(23,708)	(33,401)
Operating result		(22,422)	(32,187)
Financial result	*39*	(38,441)	(34,235)
INCOME BEFORE TAXATION		(60,863)	(66,422)
Dividend income subsidiaries	*40*	85,561	244,279
		85,561	244,279
NET PROFIT/(LOSS) BEFORE TAXATION		**24,698**	**177,857**
Income tax expense	*41*	-	(22)
TOTAL NET PROFIT/(LOSS) AFTER TAX FOR THE PERIOD		**24,698**	**177,835**
Attributable to:			
Shareholders of the Company		**24,698**	**177,835**
EARNINGS/(LOSS) PER SHARE			
Basic earnings/(loss) per A share (EUR)	*50*	0.09	0.69
Diluted earnings/(loss) per A share (EUR)	*50*	0.09	0.69
Basic earnings/(loss) per B share (EUR)	*50*	0	0
Diluted earnings/(loss) per B share (EUR)	*50*	0	0

NON-CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the year ended 31 December 2009	
EUR thousand	*Profit for the period*	***Total comprehensive income***
Loss for the period	24,698	**24,698**
Other comprehensive income	-	**-**
Total comprehensive income for the period attributable to the shareholders of the Company	24,698	**24,698**

	For the year ended 31 December 2008	
EUR thousand	*Profit for the period*	***Total comprehensive income***
Loss for the period	177,835	**177,835**
Other comprehensive income	-	**-**
Total comprehensive income for the period attributable to the shareholders of the Company	177,835	**177,835**

NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	31 December 2009 *thousands EUR*	31 December 2008 *thousands EUR*
ASSETS			
Investments in subsidiaries	*43*	1,339,662	1,200,819
Property, plant and equipment	*42*	340	12,825
Long-term derivatives	*44*	165	-
TOTAL NON-CURRENT ASSETS		1,340,167	1,213,644
Interest receivable	*45*	234	315
Loan provided to Group entities	*46*	66,937	-
Accounts receivable and prepayments	*47*	12,160	26,079
Cash and cash equivalents	*48*	30,203	175,020
Restricted cash	*49*	2,771	-
TOTAL CURRENT ASSETS		112,305	201,414
TOTAL ASSETS		**1,452,472**	**1,415,058**
EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Share capital	*50*	105,736	105,524
Share premium	*51*	451,392	493,398
Share-based payments	*52*	13,424	8,037
Retained earnings	*53*	166,872	(10,963)
Result for the period	*53*	24,698	177,835
EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE COMPANY		762,122	773,831
LIABILITIES			
Bond issued	*55*	260,096	290,425
Long-term loans	*56*	379,402	301,213
Long-term derivatives	*44*	1,145	-
Deferred revenue		616	-
TOTAL NON-CURRENT LIABILITIES		641,259	591,638
Short-term part of long-term bank loans	*56*	10,185	-
Interest payable	*57*	5,160	5,342
Short-term derivatives	*44*	2,144	-
Tax payable	*58*	708	405
Accounts payable and accruals	*59*	30,893	43,842
TOTAL CURRENT LIABILITIES		49,091	49,589
TOTAL LIABILITIES		690,350	641,227
TOTAL EQUITY AND LIABILITIES		**1,452,472**	**1,415,058**

NON-CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2009

	Note	*Share capital thousands EUR*	*Share premium thousands EUR*	*Restricted reserve thousands EUR*	*Share-based payments thousands EUR*	*Retained earnings thousands EUR*	*Total thousands EUR*
1 January 2009		105,524	493,398	-	8,037	166,872	773,831
Distribution of share premium	*51*	-	(47,484)	-	-	-	(47,484)
Issuance 266,490 shares A re indep directors	*50,51*	107	893	-	-	-	1,000
Shares/options granted to employees	*50,51*	-	-	-	10,075	-	10,075
Issuance 264,351shares A re employees	*52*	105	4,585	-	(4,688)	-	2
Comprehensive income for the period		-	-	-	-	24,698	24,698
31 December 2009		105,736	451,392	-	13,424	191,570	762,122

FOR THE YEAR ENDED 31 DECEMBER 2008

	Share capital thousands EUR	*Share premium thousands EUR*	*Restricted reserve thousands EUR*	*Share-based payments thousands EUR*	*Retained earnings thousands EUR*	*Total thousands EUR*
1 January 2008	100,100	531,984	-	-	62,901	694,985
Distribution of share premium	-	(251,550)	-	-	-	(251,550)
Issuance 13.5M share A re IPO	5,400	211,788	-	-	-	217,188
Issuance 59,620 shares A re indep directors	24	1,176	-	-	-	1,200
Shares/options granted to employees	-	-	-	8,037	-	8,037
Interim dividends	-	-	-	-	(73,864)	(73,864)
Comprehensive income for the period	-	-	-	-	177,835	177,835
31 December 2008	105,524	493,398	-	8,037	166,872	773,831

NON-CONSOLIDATED CASH FLOW STATEMENT

		1 January 2009 - 31 December 2009 *thousands EUR*	1 January 2008 - 31 December 2008 *thousands EUR*
Cash flows from operating activities			
Net profit before taxation		24,698	177,857
Adjustments for:			
Depreciation	42	429	661
Amortisation costs bond issue	55	1,168	1,109
Gain on partly redemption bond	55	(1,333)	-
Amortisation costs green shoe	56	327	326
Dividend income	40	(85,561)	(244,279)
Interest expense / (revenue), net	39	33,631	31,931
Change in fair value of derivatives	44	3,124	-
Share-based payments	51	10,429	10,531
Unrealized foreign exchange gains on long-term borrowings	56	1,472	(888)
Unrealized foreign exchange loss on loans provided to subsidiaries	46	425	-
Profit before working capital changes		(11,192)	(22,752)
(Decrease) / Increase accounts payable and accruals	60	(17,329)	28,329
(Increase) / Decrease accounts receivable and prepayments	47	(25,658)	(23,303)
(Decrease) / Increase tax payable	59	-	368
(Increase) / Decrease in restricted cash	49	(2,771)	-
Other non-cash movements	-	(45)	938
Cash generated from operating activities		(45,802)	6,333
Net cash flows from operating activities		**(56,995)**	**(16,419)**
Cash flows from investing activities			
Increase / (Decrease) loan provided to subsidiaries	46	(67,362)	-
Purchase of tangible fixed assets	42	(448)	(13,258)
Share capital increase in subsidiaries	43	(86,679)	(177,939)
Prepayment to increase investment in Karbonia PL	43	-	(24,081)
Interest received	45	3,897	8,836
Dividends received	40	85,561	236,584
Net cash flows used in investing activities		**(65,031)**	**30,142**
Cash flows from financing activities:			
Proceeds from issued shares	50	3	219,078
Activation IPO transaction costs	50	-	(1,890)
Dividends paid in cash	40	(47,484)	(235,536)
Interest paid	58	(37,629)	(40,575)
Bond redemption	55	(30,165)	-
Proceeds from long-term borrowings	56	82,336	-
Proceeds from short -term borrowings	56	10,185	-
Net cash flows used in financing activities		**(22,753)**	**(58,923)**
Net increase in cash and cash equivalents		(144,779)	(45,201)
Effect of exchange rate fluctuations on cash held		(38)	3,697
Cash and Cash Equivalents at the beginning of period		175,020	216,523
Cash and Cash Equivalents at the end of period	48	**30,203**	**175,020**

35. GENERAL INFORMATION

a) 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.

b) Statement of compliance

The non-consolidated financial statements have been prepared in accordance with IAS 27 Consolidated and Separate Financial Statements under International Financial Reporting Standards (IFRS) as adopted by the European Union. The non-consolidated financial statements also comply with the requirements of Book 2 Title 9 of the Netherlands’ Civil Code.

c) 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 authorized for issue effective on 17 March 2009.

36. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The investments in subsidiaries are stated at historic cost.

The carrying amounts of the Company’s assets, excluding inventories (see Note 2 of the consolidated report, accounting policy j) and deferred tax assets (see Note 2 of the consolidated report, accounting policy u), 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 recognized 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 recognized in the income statement. Impairment losses recognized 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.

Please see Note 2 Summary of significant accounting policies of the consolidated report for the summary of other significant accounting policies and for the effect of new standards and interpretations on the financial statements of the Company.

37. OPERATING REVENUE

	1/1/2009 - 31/12/2009 EUR '000	*1/1/2008 - 31/12/2008 EUR '000*
Service fee OKD	600	600
Service fee NWRT	68	102
Service fee GGI	-	56
Service fee BXR REI	22	32
Operational lease of equipment to OKD	75	360
Office rent (sub-lease)	23	64
Other operating revenue	498	-
	1,286	1,214

The Company has entered into agreements with related parties OKD, a.s. (“OKD”), New World Resources Transportation B.V. (“NWRT”) and BXR Real Estate Investments B.V. (“BXR REI”) for the providing of advisory and holding services.

Operational lease of equipment refers to revenues from the lease of mining equipment by the Company 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.

Other operating revenue concerns the re-invoicing of technical services provided by a third party to OKD.

38. OPERATING EXPENSES

	1/1/2009 - 31/12/2009 EUR '000	*1/1/2008 - 31/12/2008 EUR '000*
Salary expenses	3,616	2,772
Personnel expenses	499	561
Share-based payments	10,429	10,531
Legal fees	2,210	7,017
Audit fees	1,121	2,170
Advisory fees	3,829	7,089
Service expenses other	939	968
Consumption of material and energy	95	35
Depreciation	429	661
Donation	428	1,013
Other operating expenses	113	585
	23,708	33,401

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 in costs of EUR 5,077 thousands.

38. OPERATING EXPENSES (CONTINUED)

In 2009 one additional tranche of vested options has been exercised resulting in costs of EUR 4,688 thousands. Accrued expenses till 31 December 2009 for share based payments amount to EUR 8,400 thousands. See note 29 for additional information on share based payments.

During the year 2008 the Company employed an average of 11 employees. In 2009 the Company employed an average of 21 employees.

39. FINANCIAL RESULT

	1/1/2009 - 31/12/2009 EUR '000	*1/1/2008 - 31/12/2008 EUR '000*
Interest income	3,815	8,929
Interest expense	(37,447)	(40,860)
Unrealised derivatives income	165	-
Unrealised derivatives expense	(3,289)	-
Realised derivatives income	4,096	0-
Realised derivatives expense	(2)	0-
Guarantee fee income	858	961
Guarantee fee expense	(2,899)	(2,065)
Amortisation costs bond issue	(1,168)	(1,109)
Amortisation costs green shoe	(327)	(326)
Bank charges	(1,311)	(30)
Currency exchange result	(2,571)	265
	(38,441)	(34,235)

40. DIVIDEND INCOME FROM SUBSIDIARIES

	1/1/2009 - 31/12/2009 EUR '000	*1/1/2008 - 31/12/2008 EUR '000*
OKD, a.s.	38,226	244,279
OKK Koksovny, a.s.	28,180	-
NWR Energy, a.s.	19,155	-
	85,561	244,279

41. NON-CONSOLIDATED INCOME TAX EXPENSE

Due to the fact that the Company suffered a taxable loss during the period 1 January 2009 until 31 December 2009, no corporate income tax is due. Losses carried forward amount to EUR 95,510 thousand as at 31 December 2009, 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 55,133 for the period 1 January 2008 until 31 December 2008.

The reconciliation between net profit before taxation as at 31 December 2009 and tax loss as at 31 December 2009 can be detailed as follows:

	EUR '000
Net profit before taxation 2009	24,698
Non-taxable dividend income subsidiaries	(85,561)
Non-deductible costs related to stock options and charges granted to employees	10,429
Non-deductible donations	416
Linear amortization bond issue costs	247
Non-deductible mixed costs	56
Taxable loss 2009	(49,715)

42. PROPERTY, PLANT AND EQUIPMENT

	31/12/2009 *EUR '000*	*31/12/2008* *EUR '000*
As of 1 January 2009	12,825	227
Additions	238	9,994
Additions of assets under construction	(3,265)	3,265
Contributed POP2010 equipment	(9,912)	-
Depreciation charge for the year	454	(661)
As of 31 December 2009	340	12,825

The amounts presented for 2008 relate primarily to mining equipment which the Company owned and had leased through an operational lease to OKD. 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. Per 1 March 2009 the mining equipment referred to, including the assets under construction, was contributed to OKD.

Per 31 December 2009 tangible fixed assets consist of various electronic office equipment and office furniture.

43. INVESTMENTS IN SUBSIDIARIES

The investments in subsidiaries can be detailed as follows:

	31/12/2009	*31/12/2008*
	EUR '000	*EUR '000*
OKD, a.s. (100%)	1,125,187	984,551
OKK Koksovny, a.s. (100%)	71,916	71,916
Karbonia, PL Sp. z o.o. (100%)	25,660	31,629
NWR Energy, a.s. (100%)	116,899	112,708
NWR Energetyka PL Sp. z o.o. (100%)	-	15
	1,339,662	1,200,819

As of 31 December 2009, the shares of OKD are pledged in favour of Citibank Europe plc, organizační složka, Czech Republic.

The movements in the investment in OKD can be detailed as follows:

	EUR '000
As of 1 January 2009	984,551
Contribution Sandvik and DHMS Phase I equipment contracts	13,318
Contribution Bucyrus and DHMS Phase II equipment contracts	127,318
As of 31 December 2009	1,125,187

During the first half of 2009 the investment in OKD increased in two steps. The first step was completed through the contribution of the POP2010 Phase I purchase contracts between the Company and Sandvik and Deilmann-Haniel Mining systems. The second step was carried out by the contribution of the POP2010 Phase II purchase contracts between the company and Bucyrus and Deilmann-Haniel Mining systems. The Company contributed all rights and obligations under the contracts 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 contributions was determined by an independent expert's valuation.

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

	EUR '000
As of 1 January 2009	31,629
Spin off energy assets to NWR Energetyka PL	(4,176)
FX loss on prepayment to increase investment	(1,793)
As of 31 December 2009	25,660

43. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

On 31 May 2009 the Company spun off energy assets from KARBONIA PL, Sp. z o.o. ("KARBONIA PL") to NWR Energetyka PL, Sp. z o.o. ("NWR ENERGETYKA PL") for the amount of EUR 4,176 thousand. In November 2008 the Company made a prepayment of PLN 100,019 (EUR 24,081 thousand) to increase the investment in KARBONIA PL. On 2 June 2009 the increase in share capital of KARBONIA PL was registered by the court and the receivable was translated into an investment. The loss resulting from foreign currency exchange rate fluctuations in the period from 1 January 2009 till 2 June 2009 amounts to EUR 1,793 thousand.

The movements in the investment in NWR Energetyka PL can be detailed as follows:

	EUR '000
As of 1 January 2009	15
Spin off energy assets from KARBONIA PL to NWR Energetyka PL	4,176
Capital transfer NWR Energetyka PL shares to NWR Energy	(4,191)
As of 31 December 2009	-

NWR Energetyka PL was established in the second quarter of 2008. The purpose of the entity is to manage and operate energy assets, which were spun-off from KARBONIA PL on 31 May 2009. The entity does not perform any other activities than those related to this purpose. On 13 October 2009 the share in NWR Energetyka PL Sp. z o.o. was transferred to NWR Energy, a.s.

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

	EUR '000
As of 1 January 2009	112,708
Capital transfer NWR Energetyka PL shares to NWR Energy	4,191
As of 31 December 2009	116,899

NWR Energy 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. On 13 October 2009 the share capital in NWR Energetyka PL was transferred to NWR Energy.

44. FINANCIAL INSTRUMENTS

The following derivative financial instruments were entered into to mitigate the risk associated with foreign currency exchange rate exposure and interest rate risk:

Fair value of derivative instruments	*31/12/2009*		*31/12/2008*	
	Assets	*Liabilities*	*Assets*	*Liabilities*
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*
Forward exchange contracts CZK-EUR	-	346	-	-
Interest rates swap contracts	165	2,943	-	-
	165	**3,289**	**-**	**-**

Short-term and long-term part Fair value of derivative instrumentsper31/12/09	*short-term*		*long-term*	
	Assets	*Liabilities*	*Assets*	*Liabilities*
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*
Forward exchange contracts CZK-EUR	-	346	-	-
Interest rates swap contracts	-	1,798	165	1,145
	-	**2,144**	**165**	**1,145**

45. INTEREST RECEIVABLE

The interest receivable relates to interest receivable on the Bank Mendes Gans cash pool and on short-term deposits held with Citibank,Van Lanschot Bankiers and Fortis BNP Paribas as at 31 December 2009.

46. LOAN PROVIDED TO THE GROUP

The Company has agreed to lend and advance to its subsidiary OKK a principal amount of CZK 1,600,000 thousand and EUR 8,000 thousand. Per 31 December 2009 the drawn amount by OKK was EUR 66,937 thousand.

47. ACCOUNTS RECEIVABLE AND PREPAYMENTS

The accounts receivable and prepayments can be detailed as follows:

	31/12/2009	*31/12/2008*
	EUR '000	*EUR '000*
Prepayments for tangible fixed assets	7,520	22,349
Prepayments for long-term investments	1,964	1,767
Guarantee fee and rent prepaid	671	888
VAT receivable	-	82
Advisory fee receivable	310	71
Insurance fee receivable	-	1
Other receivables	853	-
Other prepaid expenses	842	921
	12,160	26,079

Prepayments for tangible fixed assets refer to amounts paid to Bucyrus for mining equipment which was not delivered per 31 December 2009. Prepayments for long-term investments refer to payments to Provide, s.r.o. in anticipation of a future increase on the ownership in this entity.

The amount stated as guarantee fee prepaid relates to payments made by the Company to OKD, Czech-Karbon s.r.o. and NWR Energetyka PL for being a loan guarantor, and guarantee payments made to office and apartment rental agencies.

Other prepaid expenses relate to prepayments for Company directors' and officers' legal liability insurances and to payments for office rent.

48. 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), Deutsche Bank in the Netherlands (EUR, CZK and GBP account), Barclays in Switzerland (EUR, GBP, CZK and USD account) and cash in hand. Besides the current accounts at the mentioned banks the Company had three outstanding deposits per 31 December 2009. These were held at Citibank in the Czech Republic, Fortis BNP Paribas in the Czech Republic and Van Lanschot Bankiers in the Netherlands. The fair value of cash and cash equivalents is equal to the carrying value.

49. RESTRICTED CASH

As of 31 December 2009, the Company had short-term restricted cash of EUR 2,771 thousand. Short-term restricted cash recognised by the Company as of 31 December 2009 results from guarantee terms related to POP 2010 supplies.

50. SHARE CAPITAL

The following movements in issued share capital occurred during 2009:

- on 20 May 2009, the Company issued 266,490 A shares to be granted to its independent directors. This issue of shares resulted in a share capital increase of EUR 107 thousand.
- on 10 September 2009, the Company issued 264,351 A shares to be granted to one of its executive directors. This resulted in a share capital increase of EUR 106 thousand.

As of 31 December 2009 the issued capital consists of 264,330,100 ordinary A shares of EUR 0.40 each, and 10,000 B shares of EUR 0.40 each.

In the following table the calculation of the earnings per share is shown:

	01/01/2009 - 31/12/2009 EUR '000	*01/01/2008 - 31/12/2008 EUR '000*
Total net profit/(loss) after tax from continuing operations	24,698	177,835
Total net profit/(loss) after tax from discontinued operations	0	0
Total net profit/loss after tax	24,698	177,835
Weighted average number of shares outstanding during the period	264,044,650	258,981,995
Basic earnings/(loss) per A share (EUR/share)	0.09	0.69
Diluted earnings/(loss) per A share (EUR/share)	0.09	0.69
Basic earnings/(loss) per A share from continuing operations (EUR/share)	0.09	0.69
Diluted earnings/(loss) per A share from continuing operations (EUR/share)	0.09	0.69
Basic earnings/(loss) per A share from discontinued operations (EUR/share)	0	0
Diluted earnings/(loss) per A share from discontinued operations (EUR/share)	0	0
Basic earnings/(loss) per B share (EUR/share)	0	0
Diluted earnings/(loss) per B share (EUR/share)	0	0

51. SHARE PREMIUM

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

	01/01/2009 - 31/12/2009 EUR '000	*01/01/2008 - 31/12/2008 EUR '000*
Balance at the beginning of the period	493,398	531,984
Dividend paid in cash	(47,484)	(161,672)
Dividend paid in kind	-	(89,877)
Share premium of newly issued shares	5,478	212,964
Balance at the end of the period	451,392	493,398

On 24 May 2009, a dividend in the amount of EUR 47,484 thousand was paid out. For financial year 2009 no interim dividend was declared.

On 11 May 2009 and on 10 September 2009 new shares were issued for certain directors' remuneration plans resulting in an increase of the share premium.

52. SHARE-BASED PAYMENTS

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

	01/01/2009 - 31/12/2009 EUR '000	*01/01/2008 - 31/12/2008 EUR '000*
Equity-settled		
Opening balance	8,037	0
Stock options - general	1,694	595
Stock options – executive directors	3,693	7,442
Closing balance	**13,424**	**8,037**
Cash-settled		
Opening balance	647	0
Shares granted independent directors	353	647
Closing balance	**1,000**	**647**

On 9 May 2008, 5 independent directors of the Company were granted with 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 in 2008 and EUR 353 thousand in 2009, is reflected in personnel expenses from share based payments and in the equity split between share capital and share premium per the issue date of the shares of 11 May 2009.

Under the NWR Stock Option Plan for Executive Directors 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 2009, the second tranche amounting to 264,351 options vested.

52. SHARE-BASED PAYMENTS (CONTINUED)

These options were exercised on 10 September 2009. The total cost incurred by the Company for the second tranche of options was EUR 4,688 thousand, of which EUR 1,676 thousand was recognised in 2009. During 2009 an additional amount of EUR 6,705 thousand was accrued for the following tranches of granted options.

In June 2009, the Company granted under the NWR IPO Share Option Plan certain stock options to its employees and to the employees of other entities controlled by the Company. These granted stock options have characteristics similar to the stock options granted in May 2008. 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 the stock option at the grant date (24 June 2009). 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 2009 the related amount is EUR 1,694 thousand, consisting out of EUR 999 thousand for the options granted in 2008 and EUR 695 thousand for the options granted in 2009.

53. RETAINED EARNINGS

	EUR '000
As of 1 January 2009	166,872
Result period (1 January 2009 to 31 December 2009)	24,698
As of 31 December 2009	191,570

The retained earnings as of 31 December 2009 include the retained earnings per 31 December 2008 and the earnings for the period 1 January 2009 to 31 December 2009.

53. RETAINED EARNINGS (CONTINUED)

Reconciliation of non-consolidated shareholders' equity to Consolidated shareholders' equity as of 31 December 2009

	EUR'000
Shareholder's equity on the non-consolidated balance sheet as of 31 December 2009	762,122
Shareholder's equity on the consolidated balance sheet as of 31 December 2009	560,178
Difference due to valuation of investments in subsidiaries using the equity method	201,944

	EUR'000
Shareholder's profit on the non-consolidated income statement for the year ended 31 December 2009	24,698
Dividends received by the Company from subsidiaries	(85,561)
Capitalization of interest for consolidation	817
Reclassification of revaluation of foreign exchange rate derivatives to hedging reserve on consolidated level	346
Elimination of foreign exchange gains and losses between the Company and its subsidiaries	425
Net profit of subsidiaries after adjustments for transactions between subsidiaries	(2,321)
Shareholder's loss on the consolidated income statement for the year ended 31 December 2009	(61,596)

54. BOND ISSUED

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

	01/01/2009 - 31/12/2009 EUR '000	*01/01/2008 - 31/12/2008 EUR '000*
Opening Balance	290,425	289,316
Value redeemed part of bond	(32,435)	-
Amortization issue costs	2,106	1,109
Closing Balance	260,096	290,425

On 5 October 2009 the Company redeemed EUR 32,435 thousand of the outstanding bond. The amortization of bond issue costs in 2009 is EUR 2,106 thousand, of which EUR 937 thousand relates to the redeemed part of the bond.

55. LONG-TERM LOANS

The long-term bank loans include the Senior Secured Facilities and the ECA loan:

				31/12/2009
	Currency	*Effective interest rate*	*Maturity*	*EUR '000*
Bank loan - facility 2	EUR	6M EURIBOR+1.35%	2012	111,092
Bank loan - facility 3	EUR	6M EURIBOR+1.50%	2013	94,558
Bank loan - facility 2	CZK	6M PRIBOR+1.35%	2012	39,122
Bank loan - facility 3	CZK	6M PRIBOR+1.50%	2013	33,307
Bank loan - facility 3 additional	CZK	6M PRIBOR+1.50%	2013	25,951
Issue costs CZK-facilities (book value)				(353)
Issue costs EUR-facilities (book value)				(667)
ECA loan	EUR	EURIBOR+1.65%	2010-2018	86,577
Total loans				**389,587**
Of which current portion				10,185
Total long-term portion of interest-bearing loans				**379,402**

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 crown in 2009 was a loss of EUR 1,472 thousand.

The ECA loan is a EUR 141 million nine year loan facility guaranteed by Euler Hermes, the export credit agency ("ECA") of the Federal Republic of Germany. The facility serves to finance the acquisition of five new longwall sets under the second stage of POP 2010. The EUR 141 million loan is being provided by mandated lead arrangerss: Ceska sporitelna (Erste Bank Group), Ceskoslovenska obchodni banka (KBC Group), KBC Bank Deutschland AG and Natixis. KBC Bank Deutschland AG acts as the Hermes Agent, Natixis is the Facility Agent and Documentation Agent. The loan finances 85% of the net purchase price of the longwall sets and the related ECA premium. The facility's availability period ends in June 2010 and NWR will repay the full facility in seventeen semi-annual linear installments. Per 31 December 2009 the Company had withdrawn EUR 93,509 thousands of the available funds. Including the amortization of related costs (based on the effective interest rate method) the shown balance per 31 December 2009 equals EUR 86,577 thousands.

The Company is required under the Senior Secured Facilities agreement to hold a gearing ratio of senior indebtedness below 2.75 and a gearing ratio of total indebtedness below 3.25. The Company is also required under the Senior Secured Facilities agreement to hold a fixed cover ratio (EBITDA to net interest expense) above 3.5. The Company is required under the ECA loan agreement to hold a gearing ratio of total indebtedness below 3.25. The Group is in compliance with these covenants.

56. DEFERRED REVENUE

The deferred revenue relates primarily to the compensation the Company received for taking over the rental contract from the previous tenant of the Company's current office premises. The compensation will be offset against future rental expenses.

57. INTEREST PAYABLE

The interest payable can be detailed as follows:

	31/12/2009 *EUR'000*	*31/12/2008* *EUR'000*
Interest payable on bond issued	2,467	2,766
Interest payable on Senior Secured Facilities	1,095	2,576
Interest payable on ECA loan	1,321	-
Interest payable on bank overdraft	277	-
	5,160	5,342

58. TAX PAYABLE

The amount in tax payable relates to wage taxes payable and to VAT payable to the tax authorities.

	31/12/2009 *EUR'000*	*31/12/2008* *EUR'000*
Wage tax payable	552	405
VAT payable	156	-
	708	405

59. ACCOUNTS PAYABLE AND ACCRUALS

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

	31/12/2009	31/12/2008
	EUR'000	EUR'000
Creditors	15,120	17,098
Liabilities from subscribed unpaid stock	14,560	17,557
Deferred revenue from POP2010 discount	-	6,000
Accrual for advisory fees	643	1,033
Personnel expenses payable	282	840
Guarantee fee received prepayment	98	1,188
Guarantee fee expenses not yet invoiced	164	-
Other accounts payable	25	126
	30,893	43,842

60. RELATED PARTY TRANSACTIONS

Related parties of the Company are, next to consolidated subsidiaries and key management personnel, the following companies:

- BXR Real Estate Investments 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.

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

RPG Industries SE
RPG Industries SE (RPGI) 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. This advisory agreement was terminated per 30 September 2009.

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.

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

60. RELATED PARTY TRANSACTIONS (CONTINUED)

Company. The services agreement ended with Milan Jelinek's passing away on 16 August 2009.

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. The consulting agreement was terminated per 1 July 2009.

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):

Balance sheet	*31/12/2009*	*31/12/2008*
	EUR'000	*EUR'000*
Investments in related parties		
OKD, a.s.	1,125,187	984,551
OKD, OKK, a.s.	71,916	71,916
KARBONIA PL Sp. z o.o.	25,660	7,548
NWR Energy, a.s.	116,899	112,708
NWR Energetyka PL Sp. z o.o.	-	15
	1,339,662	1,176,738
Receivables from related parties		
OKD, a.s.	100	50
BXR Real Estate Investments B.V.	2	7
New World Resources Transportation B.V.	-	18
Green Gas International B.V.	-	3
	102	78
Payables to related parties		
OKD, a.s.	1	2
Bakala Crossroad Partners, a.s.	-	309
BXL Consulting	25	-
	26	311

For an explanatory note of the investments in related parties please see Note 9.

60. RELATED PARTY TRANSACTIONS (CONTINUED)

Income statement	*1/1/2009 - 31/12/2009 EUR'000*	*1/1/2008 - 31/12/2008 EUR'000*
Operating income from related parties		
OKD, a.s.	1,174	960
BXR Real Estate Investments B.V.	22	32
New World Resources Transportation B.V.	68	102
Green Gas International B.V.	-	56
	1,264	1,150
Operating expenses to related parties		
OKD, a.s.	(2,104)	(28)
Bakala Crossroad Partners, a.s.	(453)	(1,264)
Milan Jelinek	(457)	(801)
BXL Consulting	(300)	(300)
American Metals & Coal International, Inc.	(249)	(131)
	(3,563)	(2,525)
Financial revenues from related parties		
Guarantee fee from OKD, a.s.	915	961
Interest loan to OKK Koksovny, a.s.	1,339	-
	2,254	961
Financial expenses to related parties		
Guarantee fee to OKD, a.s.	(2,054)	(2,065)
Guarantee fee to NWR Energy, a.s.	(767)	-
Guarantee fee to NWR Energetyka PL Sp. z o.o.	(24)	-
	(2,845)	(2,065)
Write-off investments/receivables regarding related parties		
ReceivablesfromRPGIndustries,a.s.	-	-
	-	-
Dividend income subsidiaries		
OKD, a.s.	38,226	244,279
OKK Koksovny, a.s.	28,180	-
NWR Energy, a.s.	19,155	-
	85,561	244,279
Revaluation subsidiaries		
Revaluation DPB to current fair value	-	-
	-	-

There were no other significant transactions with related parties.

61. 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 14,329 thousand (full year 2008: EUR 13,479 thousand) for directors and former directors of the Company.

The Company granted to one executive director 264,351 options on shares of the Company at the second anniversary (in 2009) of his employment with the Company. The total cost for these options regarding the second anniversary equals EUR 4,688 thousand, of which EUR 1,676 thousand was recognised in 2009. 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 3 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 2009 the cost related to the options granted for the subsequent three years of employment with the Company were EUR 6,706 thousand.

The company granted also options to other directors and management personnel. Per the end of 2009 these granted options, consisting out of two tranches, had a total cost of EUR 1,694 thousand.

On 11 May 2009, 5 independent directors of the Company were granted shares. The 266,490 shares vested in 2009 have a value of EUR 1,000 thousand.

Please see note 52 "Share-based payments" and the Remuneration Report of the 2009 Annual Report for additional information about the directors' remuneration.

62. RISK ANALYSIS

Foreign exchange rate risk
The Company is exposed to currency exchange rate risks. As at 31 December 2009 the Company had cash balances and long-term liabilities in non-EUR currencies, as shown in table below. Outstanding non-EUR invoices, short-term receivables and payables per 31 December 2009, combined, resulted in a net payable of EUR 18,916 thousand.

Exchange rate	*CZK/EUR*	*PLN/EUR*	*GBP/EUR*
31/12/2008	26.8750	4.1535	0.9525
31/12/2009	26.4730	4.1045	0.8881

		Non-EUR balance	*EUR balance*	*Impact on balances as of 31*
		31/12/2009	*31/12/2009*	*December 2009*
		Non-EUR'000	*EUR'000*	*EUR'000*
Cash	CZK	(60,754)	(2,295)	(34)
	PLN	(178)	(43)	(1)
	GBP	(41)	(46)	(3)
			(2,385)	**(38)**
Long-term liabilities	CZK	(2,604,431)	(98,381)	(1,472)
	PLN	-	-	-
	GBP	-	-	-
			(98,381)	**(1,472)**
Invoices, short-term receivables and payables	CZK	(500,932)	(18,922)	(283)
	PLN	28	7	-
	GBP	(1)	(1)	-
			(18,916)	**(283)**
Total			**(119,682)**	**(1,793)**

The foreign exchange rate fluctuation during 2009 based on the total net currency exposure per 31 December 2009 of CZK 3,166 thousand (EUR 119,598 thousand), PLN 149 thousand (EUR 36 thousand) and GBP 42 thousand (EUR 47 thousand) would have had a negative total impact of EUR 1,793 thousand. Except for loans denominated in Czech crowns, as presented in note 23 “Interest bearing loans and borrowings”, there are no other material long-term receivables or payables.

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 2009 to 31 December 2009. The interest rate sensitivity analysis is calculated from all bank loan facilities relating to the green shoe option and ECA loan, drawn by the Company. The hypothetical effect on unconsolidated profit before tax amounts to EUR -3,241 thousand respectively EUR 3,241 thousand per year. During 2009 the Company did not make use of financial instruments to hedge against unfavorable interest rate movements.

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

63. FUTURE COMMITMENTS

The Company has the following commitments in respect of:

	1/1/2009 - 31/12/2009 EUR'000	*1/1/2008 - 31/12/2008 EUR'000*
Non-cancellable operating leases		
Installments due within one year	257	222
Installments due within two and five years	2,989	1,501
	3,246	1,723

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.

Refer to the Note 55 for maturity of the Company's loans.

64. 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 2008 was EUR 961 thousand. The guarantee fee income for 2009 is EUR 915 thousand. The last installment 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. The guarantee fee expense for the 2009 was EUR 1,948 thousand. The last installment of the Additional Loan is to be paid on 14 February 2013.

OKD provided also a guarantee for the amount drawn down under the ECA Loan Agreement by the Company. The guarantee fee expense for the total period of the ECA loan is denominated in Euros and equals EUR 1,500 thousand. Since the first amount was drawn in September 2009, the guarantee fee expense in 2009 for the Company was EUR 107 thousand. The ECA loan is to be repaid in 17 equal installments of which the last one is expected to be paid in April 2018.

The Company has contractual obligations to acquire property, plant and equipment in the total amount of EUR 39 million resulting from the POP 2010 program (see Subsequent events).

65. OTHER MATERIAL MATTERS

a) Contribution Sandvik and Deilmann-Haniel Mining systems contracts to OKD
In March 2009 the Company contributed the contracts with Sandvik and Deilmann-Haniel Mining systems for the purchase of equipment under the Phase I of the POP2010 project, to its wholly owned subsidiary OKD. The contribution was valued at EUR 13,318 thousand.

b) Contribution Bucyrus and Deilmann-Haniel Mining systems contracts to OKD
In April 2009 the Company contributed the contracts with Bucyrus and Deilmann-Haniel Mining systems for the purchase of equipment under the Phase II of the POP2010 project, to its wholly owned subsidiary OKD. The contribution was valued at EUR 127,319 thousand.

66. FEES OF THE AUDITOR

The costs for the Group and statutory audit amounted to EUR 697 thousand and EUR 691 thousand in 2009 and 2008 respectively. The costs for audit related services amounted to EUR 331 thousand and EUR 556 thousand in 2009 and 2008 respectively. The costs for tax services provided by the Company's auditor amounted to EUR 0 thousand and EUR 20 in 2009 and 2008 respectively. The costs for other services provided by the Company's auditor amounted to EUR 35 thousand and EUR 1,726 thousand in 2009 and 2008 respectively.

	KPMG Accountants N.V.	*Other KPMG member firms and affiliates*	*Total KPMG*
	2009	*2009*	2009
	EUR '000	*EUR '000*	*EUR '000*
Statutory audit of financial statements	135	562	697
Other assurance services	122	209	331
Tax advisory services	0	0	0
Other non-audit services	0	35	35
Total	257	806	1,063
	2008	*2008*	2008
	EUR '000	*EUR '000*	*EUR '000*
Statutory audit of financial statements	120	571	691
Other assurance services	117	439	556
Tax advisory services	0	20	20
Other non-audit services	432	1,294	1,726
Total	669	2,324	2,993

APPROVED BY THE BOARD OF DIRECTORS OF NEW WORLD RESOURCES N.V.

Amsterdam, 17 March 2009

Members of the Board of Directors:

……………….. Miklos Salamon	……………….. Klaus-Dieter Beck	……………….. Marek Jelínek
……………….. Zdenek Bakala	……………….. Peter Kadas	……………….. Kostyantin Zhevago
……………….. Bessel Kok	……………….. Hans-Jörg Rudloff	……………….. Hans-Jürgen Mende
……………….. Steven Schuit	……………….. Paul M. Everard	……………….. Barry J. Rourke
……………….. Pavel Telička		

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) See notes to consolidated financial statements for subsequent events.

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

AUDITOR'S REPORT

Report on the financial statements
We have audited the accompanying financial statements for the year ended 31 December 2009 of New World Resources N.V., Amsterdam, The Netherlands, set out on pages 11 to page 134, which comprise the consolidated and company statement of financial position as at 31 December 2009, the consolidated and company statements of comprehensive income, changes in equity and cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Management's responsibility
Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code, and for the preparation of the Director's report in accordance with Part 9 of Book 2 of the Netherlands Civil Code. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility
Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Dutch law. This law requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements give a true and fair view of the financial position of New World Resources N.V., Amsterdam, The Netherlands, as at 31 December 2009, and of its result and its cash flow for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code.

Report on other legal and regulatory requirements
Pursuant to the legal requirement under 2:393 sub 5 part of the Netherlands Civil Code, we report, to the extent of our competence, that the Director's report, set out on pages 5 to 10, is consistent with the financial statements as required by 2:391 sub 4 of the Netherlands Civil Code.

Amstelveen, 17 March 2010

KPMG Accountants N.V.
J.Humme RA