Notes to the non-consolidated financial statements prepared in accordance with IFRS as adopted by the European Union For the year ended 31 December 2010

Non-consolidated cash flow statement

	Note	**1 January 2010 – 31 December 2010 EUR'000**	1 January 2009 – 31 December 2009 EUR'000
Cash flows from operating activities			
Net profit before taxation		**445,792**	24,698
Adjustments for:			
Depreciation	38	**475**	429
Amortisation costs on long-term loans and bonds	39	**5,441**	1,495
Gain on partly redemption bond		**–**	(1,333)
Gain on disposal of subsidiary	40	**(17,774)**	–
Dividend income	41	**(516,004)**	(85,561)
Interest expense/(revenue), net	39	**34,184**	33,631
Change in fair value of derivatives	45	**9,990**	3,124
Share-based payments	53	**9,754**	10,429
Unrealised foreign exchange gains on long-term borrowings		**–**	1,472
Unrealised foreign exchange loss on loans received from subsidiaries	57	**40**	–
Unrealised foreign exchange loss on loans provided to subsidiaries	47	**(5,523)**	425
Cash flow before working capital changes		**(33,625)**	(11,192)
(Decrease)/Increase accounts payable and accruals	59	**34,669**	(17,329)
(Increase)/Decrease accounts receivable and prepayments	48	**303**	(25,658)
(Increase)/Decrease in restricted cash	50	**2,771**	(2,771)
Other non-cash movements		**375**	(45)
Cash generated from operating activities		**38,118**	(45,802)
Net cash flows from operating activities		**4,492**	(56,995)
Cash flows from investing activities			
Loan provided to the Group	47	**6,153**	(67,362)
Purchase of tangible fixed assets	43	**(4,997)**	(448)
Share capital increase in subsidiaries	44	**(104,635)**	(86,679)
Proceeds from sale of subsidiary	40	**135,312**	–
Prepayment for long-term investments	48	**(792)**	–
Interest received	46	**10,018**	3,897
Dividends received	41	**17,678**	85,561
Net cash flow from investing activities		**58,737**	(65,031)
Cash flows from financing activities:			
Proceeds from issued shares	51	**3**	3
Dividends paid	52	**(55,531)**	(47,484)
Interest paid	58	**(50,722)**	(37,629)
Poceeds from bonds issue	55	**500,000**	–
Transaction costs related to issued bonds	55	**(16,797)**	–
Bond redemption		**–**	(30,165)
Proceeds from long-term borrowings	56	**27,966**	92,521
Repayments of ECA loan	56	**(13,639)**	–
Repayments of syndicated loan	55	**(304,031)**	–
Increase of cash pool liabilities	57	**217,453**	–
Net cash flow from financing activities		**304,702**	(22,753)
Net increase in cash and cash equivalents		**367,932**	(144,779)
Effect of exchange rate fluctuations on cash held		**(5,053)**	(38)
Cash and Cash Equivalents at the beginning of year		**30,203**	175,020
Cash and Cash Equivalents at the end of year	49	**393,082**	30,203

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'), which is the functional currency of the Company and rounded to the nearest thousand. They are prepared on the historical cost basis.

The preparation of financial statements in conformity with IFRS requires management to make judgments, 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 judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

These non-consolidated financial statements were approved by the Board of Directors and authorised for issue effective on 14 March 2011.

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 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.

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 January 2010 – 31 December 2010 EUR'000	1 January 2009 – 31 December 2009 EUR'000
Service fee OKD	**600**	600
Service fee AWT	**–**	68
Service fee BXR REI	**29**	22
Operational lease of equipment to OKD	**335**	75
Office rent (sub-lease)	**106**	23
Other operating revenue	**28**	498
	1,098	1,286

The Company has entered into agreements with related parties OKD, a.s. ('OKD') and BXR Real Estate Investments B.V. ('BXR REI') for the providing of advisory and holding services. A similar agreement with Advanced World Transport B.V. ('AWT') had been discontinued per the end of 2009.

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 in 2009 concerns the re-invoicing of technical services provided by a third party to OKD.

Notes to the non-consolidated financial statements prepared in accordance with IFRS as adopted by the European Union For the year ended 31 December 2010 continued

38. Operating expenses

	1 January 2010 – 31 December 2010 EUR'000	1 January 2009 – 31 December 2009 EUR'000
Personnel expenses	**3,969**	4,115
Share-based payments	**9,754**	10,429
Legal fees	**4,056**	2,210
Audit fees	**853**	1,121
Advisory fees	**4,036**	3,829
Service expenses other	**798**	939
Consumption of material and energy	**67**	95
Depreciation	**475**	429
Donation	**283**	428
Other operating expenses	**117**	113
	24,408	23,708

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 provided to independent directors and employees. In 2009 one tranche of granted and vested options has been exercised. Total costs for this tranche were EUR 4,688 thousand, of which EUR 3,102 thousand was recognised in 2009. Additionally accrued expenses during 2009 for share-based payments were EUR 6,974 thousand. Share-based payments include also EUR 353 thousand relating to shares granted to the Independent Directors.

In 2010 one additional tranche of granted and vested options was exercised. Total costs for this tranche were EUR 5,022 thousand, of which EUR 1,663 thousand was recognised in 2010. Additionally accrued expenses during 2010 for share-based payments were EUR 7,091 thousand. Share-based payments include also EUR 1,000 thousand relating to shares granted to the Independent Directors. See Note 29 for additional information on share based payments.

In 2009 the Company employed an average of 21 employees. During the year 2010 the Company also employed an average of 21 employees.

39. Financial result

	1 January 2010 – 31 December 2010 EUR'000	1 January 2009 – 31 December 2009 EUR'000
Interest income	**22,055**	3,815
Interest expense	**(56,239)**	(37,447)
Unrealised derivatives income	**1,108**	165
Unrealised derivatives expense	**(11,097)**	(3,289)
Realised derivatives income	**5,622**	4,096
Realised derivatives expense	**(4,124)**	(2)
Guarantee fee income	**281**	858
Guarantee fee expense	**(2,645)**	(2,899)
Amortisation costs bond issue	**(2,198)**	(1,168)
Bond redemption gain	**–**	1,333
Amortisation costs ECA loan	**(2,223)**	–
Amortisation costs syndicated loan	**(1,020)**	(327)
Bank charges	**(13,170)**	(1,311)
Currency exchange result	**(1,027)**	(2,265)
	(64,677)	(38,441)

40. Disposal of subsidiary

On 21 June 2010 the Company sold its subsidiary NWR Energy a.s., together with its two subsidiaries, CZECH-KARBON s.r.o. and NWR ENERGETYKA PL Sp. z o.o. Please refer to the Note 1e) on notes to consolidated financial statements. On standalone basis the Company realised a gain of EUR 17,774 thousands.

	EUR'000
Selling price	138,518
Associated selling costs	(3,845)
Cost of investment	(116,899)
Gain on disposal	**17,774**

41. Dividend income from subsidiaries

	1 January 2010 – 31 December 2010 EUR'000	1 January 2009 – 31 December 2009 EUR'000
OKD, a.s.	**502,887**	38,226
OKK Koksovny, a.s.	**–**	28,180
NWR Energy, a.s.	**13,117**	19,155
	516,004	85,561

On 12 July 2010 the Company as the sole shareholder of OKD decided to convert the dividend receivable from OKD into an intercompany loan.

42. Non-consolidated income tax expense

Due to the fact that the Company suffered a taxable loss during the period 1 January 2010 until 31 December 2010, no corporate income tax is due.

	EUR'000
Tax lossed from years	
2005	145
2006	196
2007	40,036
2008	55,133
2009	48,306
2010	78,480
Taxable loss 2010	**222,296**

The reconciliation between net profit before taxation as at 31 December 2010 and tax loss as at 31 December 2010 can be detailed as follows:

	EUR'000
Net profit before taxation 2010	445,792
Non-taxable dividend income subsidiaries	(533,778)
Non-deductible costs related to stock options and charges granted to employees	9,754
Non-deductible donations	283
Linear amortisation bond issue costs	(586)
Non-deductible mixed costs	55
Taxable loss 2010	**(78,480)**

43. Property, plant and equipment

	31 December 2010 EUR'000	31 December 2009 EUR'000
As of 1 January	**340**	12,825
Additions	**6,138**	238
Additions of assets under construction	**–**	(3,265)
Contributed POP 2010 equipment	**(5,794)**	(9,912)
Depreciation charge for the year	**(475)**	454
As of 31 December	**209**	340

The amounts presented for 2010 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. Per 11 November 2010 the mining equipment referred to was contributed to OKD.

Per 31 December 2010 tangible fixed assets consist of various electronic office equipment and office furniture.

Notes to the non-consolidated financial statements prepared in accordance with IFRS as adopted by the European Union For the year ended 31 December 2010 continued

44. Investments in subsidiaries

The investments in subsidiaries can be detailed as follows:

	31 December 2010 EUR'000	31 December 2009 EUR'000
OKD, a.s. (100 per cent)	**1,182,419**	1,125,187
OKK Koksovny, a.s. (100 per cent)	**71,916**	71,916
KARBONIA, PL Sp. z o.o. (100 per cent)	**25,660**	25,660
NWR Energy, a.s. (100 per cent)	**–**	116,899
	1,279,995	1,339,662

As of 31 December 2010, the shares of OKD, OKK Koksovny and NWR KARBONIA 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 2010	1,125,187
Contribution of equipment contracts as of 29 March 2010	15,642
Contribution of equipment contracts as of 24 May 2010	35,797
Contribution of equipment contracts as of 1 November 2010	5,793
As of 31 December 2010	**1,182,419**

During the first half of 2010 the investment in OKD increased in two steps. The first step was completed on 29 March 2010 through the contribution of the POP 2010 Phase IV purchase contracts between the Company and Sandvik and the POP 2010 Phase III purchase contract between the Company and Deilmann-Haniel Mining Systems. Additionally, a testing contract between the Company and Eickhoff was contributed.

The second step was carried out on 24 May 2010 by the contribution of the amended and added part of the POP 2010 Phase II purchase contract between the Company and Bucyrus. 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 Company contributed also a testing contract signed with RAG.

In the second half of 2010 a third contribution was executed. On 1 November 2010 the Company increased its investment in OKD furthermore by contributing the POP 2010 Phase III purchase contract with Sandvik to its subsidiary OKD.

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

	EUR'000
As of 1 January 2010	116,899
Disposal of NWR Energy a.s.	(116,899)
As of 31 December 2010	**–**

Please see Note 40 for more detail.

45. 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:

	31 December 2010		31 December 2009	
Fair value of derivative instruments	**Assets EUR'000**	**Liabilities EUR'000**	Assets EUR'000	Liabilities EUR'000
Forward foreign exchange contracts CZK–EUR	**34**	**1,206**	–	346
Interest rates swap contracts	**–**	**11,940**	165	2,943
	34	**13,146**	165	3,289

	Short-term		Long-term	
Short-term and long-term part fair value of derivative instruments per 31 December 2010	**Assets EUR'000**	**Liabilities EUR'000**	Assets EUR'000	Liabilities EUR'000
Forward foreign exchange contracts CZK–EUR	**34**	**1,206**	–	–
Interest rates swap contracts	**–**	**3,564**	–	8,376
	34	**4,770**	–	8,376

	Short-term		Long-term	
Short-term and long-term part fair value of derivative instruments per 31 December 2009	**Assets EUR'000**	**Liabilities EUR'000**	Assets EUR'000	Liabilities EUR'000
Forward foreign exchange contracts CZK-EUR	**–**	**346**	165	–
Interest rates swap contracts	**–**	**1,798**	–	1,145
	–	**2,144**	165	1,145

46. Interest receivable

The shown amount for interest receivable of EUR 12,364 thousand relates primarily to the intercompany loan provided to OKD. Per 31 December 2010 the Company recognised EUR 11,794 of interest receivable from OKD.

Additionally, the interest receivable relates to cash pool accounts and short-term deposits held with Citibank, Van Lanschot Bankiers, Fortis BNP Paribas, HSBC and Commerzbank as at 31 December 2010.

47. Loan provided to the Group

Per 7 January 2010 the Company amended the Intercompany Revolving Credit Agreement and agreed to lend and advance to its subsidiary OKK Koksovny a principal amount of approximately EUR 143,649 thousand[1] (CZK 3,600,000 thousand) and EUR 8,000 thousand. Per 31 December 2010 the drawn amount by OKK Koksovny was approximately EUR 98,160 thousand[1] (CZK 2,460,000 thousand).

OKK Koksovny	**31 December 2010 EUR'000**	31 December 2009 EUR'000
Balance at the end of the year	**98,160**	66,938

The Company and its subsidiary OKK Koksovny agreed that approximately EUR 29,847 thousand[1] (CZK 748,000 thousand) of funds provided to OKK through the Intercompany Revolving Credit Agreement will be contributed to OKK Koksovny in exchange for shares. This agreement will take effect per 1 January 2011.

On 12 July 2010 the Company entered into a loan agreement with OKD whereby the Company provided a loan of approximately EUR 505,528 thousand (CZK 12,802,500 thousand). With the signing of the loan agreement the Company agreed to offset the dividend receivable from OKD with a loan receivable from OKD. See also Note 41.

OKD	**31 December 2010 EUR'000**	31 December 2009 EUR'000
Balance at the end of the year	**469,291**	–

1 Calculated with exchange rate as per 31 December 2010.

Next to the intercompany loans provided by the Company to OKD and OKK Koksovny, per 31 December there is also EUR 1,743 thousand of cash pool receivables outstanding from funds provided to OKD HBZS. See also Note 57 for more information about the cash pool.

OKD, HBZS	**31 December 2010 EUR'000**
Cash pool receivables	
OKD, HBZS	**1,743**
	1,743

Notes to the non-consolidated financial statements prepared in accordance with IFRS as adopted by the European Union For the year ended 31 December 2010 continued

48. Accounts receivable and prepayments

The accounts receivable and prepayments can be detailed as follows:

	31 December 2010 EUR'000	31 December 2009 EUR'000
Prepayments for tangible fixed assets	**4,653**	7,520
Prepayments for long-term investments	**2,873**	1,964
Guarantee fee and rent prepaid	**1,338**	671
Advisory fee receivable	**180**	310
Other receivables	**305**	853
Other prepaid expenses	**456**	842
	9,805	12,160

Prepayments for tangible fixed assets refer to amounts paid to Bucyrus for mining equipment which was not delivered per 31 December 2010. 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, OKK Koksovny and KARBONIA, PL Sp. z o.o. for being loan guarantors, and guarantee payments made to office and apartment rental agencies.

Other prepaid expenses relate to prepayments for Company Directors' and officers' legal liability insurances.

49. Cash and cash equivalents

Cash and cash equivalents relate to several bank accounts with Bank Mendes Gans in the Netherlands (EUR, CZK, PLN and GBP account), Deutsche Bank in the Netherlands (EUR, CZK and GBP account) and cash in hand. Besides the current accounts at the mentioned banks the Company had three outstanding deposits per 31 December 2010. These were held at Citibank in the Czech Republic, Fortis BNP Paribas in the Czech Republic, HSBC in the Czech Republic, Commerzbank 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.

50. Restricted cash

Short-term restricted cash recognised by the Company as of 31 December 2009 results from guarantee terms related to POP 2010 supplies. In February 2010 the Company had transferred restricted funds to the Deilmann-Haniel Mining Systems resulting in the expiration of the guarantee.

51. Share capital

The following movements in issued share capital occurred during 2010:

> On 21 May 2010, the Company issued 103,465 A shares to be granted to its Independent Directors. This issue of shares resulted in a share capital increase of EUR 41 thousand.
> On 3 December 2010, the Company issued 265,150 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 2010 the issued capital consists of 264,698,715 ordinary A shares of EUR 0.40 each, and 10,000 B shares of EUR 0.40 each.

For futher disclosure on the dividend reserves A and B, reference is made to Note 25 to the consolidated financial statements.

In the following table the calculation of the earnings per share is shown:

	1 January 2010 – 31 December 2010 EUR'000	1 January 2009 – 31 December 2009 EUR'000
Total net profit after tax from continuing operations	**445,792**	24,698
Total net profit after tax from discontinued operations	**–**	–
Total net profit after tax	**445,792**	24,698
Weighted average number of shares outstanding during the year	**264,413,937**	264,044,650
Basic earnings per A share (EUR/share)	**1.69**	0.09
Diluted earnings per A share (EUR/share)	**1.67**	0.09
Basic earnings per A share from continuing operations (EUR/share)	**1.69**	0.09
Diluted earnings per A share from continuing operations (EUR/share)	**1.67**	0.09
Basic earnings per A share from discontinued operations (EUR/share)	**–**	–
Diluted earnings per A share from discontinued operations (EUR/share)	**–**	–
Basic earnings per B share (EUR/share)	**–**	–
Diluted earnings per B share (EUR/share)	**–**	–

52. Share premium

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

	1 January 2010 – 31 December 2010 EUR'000	1 January 2009 – 31 December 2009 EUR'000
Balance at the beginning of the year	**451,392**	493,398
Dividend paid	**–**	(47,484)
Share premium of newly issued shares	**5,877**	5,478
Balance at the end of the year	**457,269**	451,392

On 21 May 2010 and on 3 December 2010 new shares were issued for certain Directors' remuneration plans resulting in an increase of the share premium.

53. Share-based payments

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

	1 January 2010 – 31 December 2010 EUR'000	1 January 2009 – 31 December 2009 EUR'000
Equity-settled		
Opening balance	**13,424**	8,037
Stock options – general	**3,921**	1,694
Stock options – Executive Directors	**(188)**	3,693
Closing balance	**17,157**	13,424
Cash-settled		
Opening balance	**–**	647
Accrued expenses shares independent directiors	**1,000**	353
Shares granted Independent Directors	**(1,000)**	(1,000)
Closing balance	**–**	–

On 9 May 2008, five Independent Directors of the Company were granted with shares in the value of EUR 200 thousand for each Director with execution date 10 May 2010. The expense for this remuneration, EUR 1,000 thousand in 2010 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 21 May 2010.

Under the NWR Stock Option Plan for Executive Directors a number of options equal to 0.5 per cent of the issued shares of the Company was granted to Mr. Mike Salamon. According to the employment agreement, Mr. Mike Salamon shall be vested with 0.1 per cent of the issued A shares at each anniversary of his employment for the period of five years. On 1 September 2010, the third tranche amounting to 265,150 options vested.

These options were exercised on 3 December 2010. The total cost (based on the Black & Scholes calculation) incurred by the Company for the third tranche of options was EUR 4,996 thousand, of which EUR 1,663 thousand was recognised in 2010. During 2010 an additional amount of EUR 2,907 thousand was accrued for the future tranches of granted options. The vesting and exercise of the third tranche resulted in a decrease of the share-based payments equity account balance of EUR 3,095 thousand. Since this amount exceeded the increase due to accrued expenses of future tranches of EUR 2,907 thousand, the share-based payments equity balance decreased with EUR 188 thousand in 2010.

In March 2010, 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 and June 2009. The options have a vesting period of three years from the grant day. The vesting conditions include a service condition of three 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 (17 March 2010). 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 2010 the related amount is EUR 3,921 thousand, consisting out of EUR 1,014 thousand for the options granted in 2008, EUR 1,336 thousand for the options granted in 2009 and EUR 1,571 thousand for the options granted in 2010.

Notes to the non-consolidated financial statements prepared in accordance with IFRS as adopted by the European Union For the year ended 31 December 2010 continued

54. Retained earnings

	EUR'000
As of 1 January 2010	191,570
Dividends paid	(55,531)
Profit for the year	445,792
As of 31 December 2010	**581,381**

Reconciliation of non-consolidated shareholders' equity to Consolidated shareholders' equity as of 31 December 2010

	EUR'000
Shareholder's equity on the non-consolidated balance sheet as of 31 December 2010	1,162,139
Shareholder's equity on the consolidated balance sheet as of 31 December 2010	809,395
Difference due to valuation of investments in subsidiaries using the equity method	352,744

Reconciliation of non-consolidated shareholders' profit to Consolidated shareholders' profit for the year ended 31 December 2010

	EUR'000
Shareholder's profit on the non-consolidated income statement for the year ended 31 December 2010	445,792
Net profit of subsidiaries after adjustments for transactions between subsidiaries	248,639
Dividends received by the Company from subsidiaries	(516,004)
Capitalization of interest for consolidation	216
Reclassification of revaluation of foreign exchange rate derivatives to hedging reserve on consolidated level	827
Elimination of foreign exchange gains and losses between the Company and its subsidiaries	(12,818)
Gain on disposal of subsidiary	54,617
Profit from discontinued operations	12,045
Shareholder's profit on the consolidated income statement for the year ended 31 December 2010	233,314

55. Bonds issued

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

	1 January 2010 – 31 December 2010 EUR'000	1 January 2009 – 31 December 2009 EUR'000
Opening Balance	**260,096**	290,425
Bond issued (nominal value)	**500,000**	–
Issue costs (book value)	**(16,797)**	–
Value redeemed part of bond	**–**	(32,435)
Amortisation issue costs	**2,198**	2,106
Closing Balance	**745,497**	260,096

On 27 April 2010 the Company issued a new EUR 475 million Senior Secured Notes due 2018 on Global Exchange Market of the Irish Stock Exchange. During the bond issue the Company incurred issue related expenses for the amount of EUR 16,797 thousand.

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.

During 2010 an amount of EUR 2,198 thousand of bond issue costs was amortised.

56. Long-term loans

At the beginning of 2010 the long-term bank loans included the syndicated loan and the ECA loan.

The syndicated loan was repaid in full on 27April 2010, together with the proceeds of the bond issued on the same date and own cash.

	Currency	Effective interest rate	Maturity	**31 December 2010 EUR'000**
ECA loan	EUR	EURIBOR+1.65%	2010–2018	**103,127**
Of which current portion				**13,750**
Total long-term portion of interest-bearing loans				**89,377**

56. Long-term loans continued

The ECA loan is an 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 arrangers: 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 per cent of the net purchase price of the longwall sets and the related ECA premium. The facility's availability period ended in June 2010 until which date NWR drew a total amount of EUR 120,488 thousand. NWR will repay the full facility in 17 semi-annual linear instalments. Per 31 December 2010 the Company repaid EUR 13,639 thousands of the drawn funds. Including the amortisation of related costs (based on the effective interest rate method) the balance per 31 December 2010 equals EUR 103,127 thousands.

The Company is required under the ECA loan agreement to hold a gearing ratio of total net debt to EBITDA below or equal to 3.25. The Company is also required under the ECA loan agreement to hold a fixed cover ratio (EBITDA to net interest expense) equal to or above 3.5. The Group is in compliance with these covenants.

57. Short-term liabilities from cash pool

The Company operates with its subsidiaries a zero-balance group cash pool arrangement at Bank Mendes Gans. The funds are denominated in the following currencies: EUR, CZK and PLN. Per 31 December 2010 the Company had a cash pool liability balance of EUR 217,493 thousand.

	31 December 2010 EUR'000
Cash pool liabilities	
OKD	**195,887**
OKK	**38**
KARBONIA PL Sp. z o.o.	**21,568**
	217,493

58. Interest payable

The interest payable can be detailed as follows:

	31 December 2010 EUR'000	31 December 2009 EUR'000
Interest payable on bonds issued	**9,029**	2,467
Interest payable on syndicated loan	**–**	1,095
Interest payable on ECA loan	**1,526**	1,321
Interest payable on bank overdraft	**139**	277
Interest payable on letters of credit	**105**	–
	10,799	5,160

59. Accounts payable and accruals

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

	31 December 2010 EUR'000	31 December 2009 EUR'000
Creditors	**6,032**	15,120
Liabilities from subscribed unpaid stock	**30**	14,560
Accrual for advisory fees	**2,982**	643
Accrual for discount in selling price (disposal of subsidiary)	**638**	–
Personnel expenses payable	**368**	282
Guarantee fee received prepayment	**–**	98
Guarantee fee expenses not yet invoiced	**187**	164
Wage tax payable	**907**	552
Dutch VAT payable	**–**	156
Czech VAT payable	**1,159**	–
Deffered revenue	**67**	–
Other accounts payable	**112**	25
	12,482	31,600

Per 31 December 2010 the Company had a tax payable to the Czech Tax Authorities resulting from a contributed mining equipment contract to its subsidiary OKD.

Notes to the non-consolidated financial statements prepared in accordance with IFRS as adopted by the European Union For the year ended 31 December 2010 continued

60. Related party transactions

Related parties of the Company are, next to consolidated subsidiaries and key management personnel, for example the following companies:

> BXR Real Estate Investments B.V.
> BXR Mining B.V.
> Advanced World Transport B.V.
> BXR Partners, a.s.
> BXL Consulting

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 December 2010 EUR'000**	31 December 2009 EUR'000
Investments in related parties		
OKD, a.s.	**1,182,419**	1,125,187
OKK Koksovny, a.s.	**71,916**	71,916
KARBONIA PL Sp. z o.o.	**25,660**	25,660
NWR Energy, a.s.[1]	**–**	116,899
	1,279,995	1,339,662

1 After disposal of NWR Energy this company is no longer a related party.

Receivables from related parties		
OKD, a.s.	**150**	100
BXR Real Estate Investments B.V.	**7**	2
Advanced World Transport B.V.	**14**	–
	171	102
Payables to related parties		
OKD, a.s.[1]	**195,888**	1
OKK Kokosovny, a.s.[1]	**1,206**	–
KARBONIA PL Sp. z o.o.[1]	**21,568**	–
Economia, a.s.	**7**	–
Respekt Publishing a.s.	**4**	–
BXL Consulting	**50**	25
	218,723	26

1 Including cash pooling.

Loans to related parties		
OKD, a.s.	**469,291**	–
OKK Koksovny, a.s.	**98,160**	66,938
OKD, HBZS, a.s.[1]	**1,743**	–
	569,194	66,938

1 Including cash pooling.

For an explanatory note of the investments in related parties please see Note 44.

60. Related party transactions continued

Income statement	1 January 2010 – 31 December 2010 EUR'000	1 January 2009 – 31 December 2009 EUR'000
Operating income from related parties		
OKD, a.s.	**935**	1,174
BXR Real Estate Investments B.V.	**37**	22
Advanced World Transport B.V.	**10**	68
Green Gas International B.V.	**13**	–
	995	1,264
Operating expenses to related parties		
OKD, a.s.	**(10)**	(2,104)
BXR Partners, a.s.	**(3,824)**	(453)
Economia, a.s.	**(37)**	–
Respekt Publishing, a.s.	**(19)**	–
Milan Jelinek	**–**	(457)
BXL Consulting	**(300)**	(300)
American Metals & Coal International, Inc.	**–**	(249)
	(4,190)	(3,563)
Financial revenues from related parties		
Guarantee fee from OKD, a.s.	**281**	915
Interest from loan to OKD, a.s.	**14,662**	–
Interest from loan to OKK Koksovny, a.s.	**4,804**	1,339
Interest from cash pool loan to OKD, HBZS, a.s.	**21**	–
	19,768	2,254
Financial expenses to related parties		
Guarantee fee to OKD, a.s.	**(2,214)**	(2,054)
Guarantee fee to OKK Koksovny, a.s.	**(64)**	–
Guarantee fee to KARBONIA PL Sp. z o.o.	**(32)**	–
Guarantee fee to NWR Energy, a.s.	**(283)**	(767)
Guarantee fee to CZECH-KARBON s.r.o.	**(35)**	–
Guarantee fee to NWR ENERGETYKA PL Sp. z o.o.	**(12)**	(24)
	(2,640)	(2,845)
Dividend income subsidiaries		
OKD, a.s.	**502,887**	38,226
OKK Koksovny, a.s.	**–**	28,180
NWR Energy, a.s.	**13,117**	19,155
	516,004	85,561

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 7,789 thousand (full year 2009: EUR 10,692 thousand) for Directors and former Directors of the Company.

The Company granted to Mr. Mike Salamon 265,150 options on shares of the Company at the third anniversary (in 2010) of his employment with the Company. The total cost for these options regarding the third anniversary equals EUR 5,022 thousand. The Company also committed to grant this Executive Director a similar amount of options for each full year of employment in subsequent years, with a maximum of two subsequent years This agreement will enable the Executive Director to acquire up to a maximum of 0.5 per cent of the Company's outstanding share capital. Per the end of 2010 the cost related to the options granted for the subsequent two years of employment with the Company were EUR 6,517 thousand.

The Company granted also options to other Directors and management personnel. Per the end of 2010 these granted options, consisting out of three tranches, had a total cost of EUR 3,921 thousand.

On 21 May 2010, five Independent Directors of the Company were granted shares. The 103,465 shares vested in 2009 have a value of EUR 1,000 thousand.

Please see Note 53 'Share-based payments' and the Remuneration Report of the 2010 Annual Report for additional information about the Directors' remuneration.

Notes to the non-consolidated financial statements prepared in accordance with IFRS as adopted by the European Union For the year ended 31 December 2010 continued

62. Risk analysis

Foreign exchange rate risk

The Company is exposed to currency exchange rate risks. As at 31 December 2010 the Company had cash balances, long-term and short-term receivables and liabilities in non-EUR currencies, as shown in table below. Outstanding non-EUR invoices, short-term receivables and payables per 31 December 2010, combined, resulted in a net receivable of EUR 1,565 thousand.

		Non-EUR balance 31 December 2010 Non-EUR'000	EUR balance 31 December 2010 EUR'000	Impact on balances as of 31 December 2010 EUR'000	Non-EUR balance 31 December 2009 Non-EUR'000	EUR balance 31 December 2009 EUR'000	Impact on balances as of 31 December 2009 EUR'000
Cash	CZK	**(2,661,979)**	**(106,220)**	**(5,665)**	(60,754)	(2,295)	(34)
	PLN	**85,445**	**21,495**	**678**	(178)	(43)	(1)
	GBP	**303**	**352**	**11**	(41)	(46)	(3)
			(84,373)	**(4,976)**		(2,385)	(38)
Long-term receivables	CZK	**1,299,150**	**51,840**	**2,765**		–	–
	PLN	**–**	**–**	**–**		–	–
	GBP	**–**	**–**	**–**		–	–
			51,840	**–**		–	–
Long-term liabilities	CZK	**–**	**–**	**–**	(2,604,431)	(98,381)	(1,472)
	PLN	**–**	**–**	**–**	–	–	–
	GBP	**–**	**–**	**–**	–	–	–
		–	**–**			(98,381)	(1,472)
Invoices, short-term receivables and payables	CZK	**580,735**	**23,173**	**1,236**	(500,932)	(18,922)	(283)
	PLN	**(85,560)**	**(21,525)**	**(679)**	28	7	–
	GBP	**(72)**	**(83)**	**(3)**	(1)	(1)	–
			1,565	**554**		(18,916)	(283)
Total			**(30,968)**	**(1,657)**		(119,682)	(1,793)

The foreign exchange rate fluctuation during 2010 based on the total net currency exposure per 31 December 2010 of CZK 782,093 thousand (EUR 31,208 thousand), PLN 116 thousand (EUR 29 thousand) and GBP 231 thousand (EUR 267 thousand) would have had a negative total impact of EUR 1,657 thousand (using FX rates per the end of 2009).

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 per cent higher, respectively lower, over the whole period from 1 January 2010 to 31 December 2010. The interest rate sensitivity analysis is calculated from all bank loan facilities relating to the syndicated loan and ECA loan, drawn by the Company. The hypothetical effect on unconsolidated profit before tax amounts to EUR –2,106 thousand respectively EUR 2,106 thousand per year. During 2010 the Company did not make use of financial instruments to hedge against unfavorable interest rate movements.

63. Future commitments

The Company has the following commitments in respect of:

	1 January 2010 – 31 December 2010 EUR'000	1 January 2009 – 31 December 2009 EUR'000
Non-cancellable operating leases		
Instalments due within one year	**419**	257
Instalments due within two and five years	**1,678**	2,989
	2,097	3,246

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 five years.

Refer to the Note 56 for maturity of the Company's loans.

64. Contingent assets and liabilities

The three Company's subsidiaries provided a guarantee for the bond issued by the Company on 27 April 2010. The guarantee fee expense for 2010 for the bond equals EUR 1,362 thousand. Total guarantee fee expense amount is split as follows: EUR 1,266 thousand for OKD, EUR 64 thousand for OKK and EUR 32 thousand for Karbonia.

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 guarantee fee expense for full year 2010 was EUR 317 thousand. The ECA loan is to be repaid in 17 equal installments of which the last one is expected to be paid in June 2018.

The Company has contractual obligations to acquire property, plant and equipment in the total amount of EUR 29 million resulting from the Perspective 2015 programme (purchase of mining equipment for OKD).

65. Fees of the auditor

The costs for the Group and statutory audit, other assurance, tax advisory and other non-audit services are shown in below table for 2010 and 2009.

	KPMG Accountants N.V. 2010 EUR'000	Other KPMG member firms and affiliates 2010 EUR'000	Total KPMG 2010 EUR'000
Statutory audit of financial statements	**140**	**520**	**660**
Other assurance services	**156**	**186**	**342**
Tax advisory services	**0**	**0**	**0**
Other non-audit services	**631**	**372**	**1,003**
Total	**927**	**1,078**	**2,005**

	2009 EUR'000	2009 EUR'000	2009 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

Approved by the Board of Directors of New World Resources N.V.

Amsterdam, 14 March 2011

Members of the Board of Directors:
Mike Salamon
Klaus-Dieter Beck
Marek Jelínek
Zdeněk Bakala
Peter Kadas
Kostyantin Zhevago
Bessel Kok
Hans-Jörg Rudloff
Hans-Jürgen Mende
Steven Schuit
Paul M. Everard
Barry J. Rourke
Pavel Telička