



## CREDIT SUISSE GLOBAL METALS & MINING CONFERENCE

25 September 2008

*Marek Jelinek, Executive Director & CFO*

## LEADING HARD COAL PRODUCER

- NWR produces high quality coking coal, thermal coal and coke from assets in Poland and the Czech Republic for the steel and energy sectors in Central Europe
- Principal subsidiary OKD is the Czech Republic's largest hard coal mining company
- Strategically located within CEE; supplies to a blue chip customer base in the region
- 419 Mt of JORC proven and probable reserves
- Four active coal mines
- 13.1 Mt of total coal sold in 2007, including 7.8Mt<sup>1</sup> of coking coal
- Two coking plants producing blast furnace and foundry coke
- 1.3 Mt of coke sold in 2007

1. Including internal coking coal sales to OKK

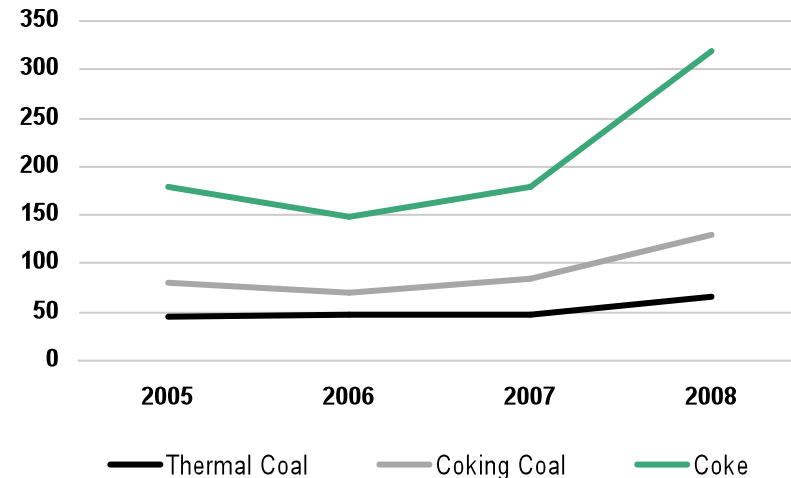
## FINANCIAL HIGHLIGHTS

EUR m	H1 2008	FY 2007	H1 2007	H1 on H1 % chg
Revenues	1,037	1,367	648	60%
EBITDA	356	351	184	93%
<i>Margin</i>	<b>34.3%</b>	<i>25.7%</i>	<b>28.4%</b>	
Operating Profit	271	208	105	159%
Net Earnings	189	196	43	340%
Net debt	415	612	466	(11%)

**CAPITALISING ON STRONG GROWTH IN COAL PRICES**

- Coking coal prices up 54% in H1 2008 compared to H1 2007
- Thermal coal prices up 35% in H1 2008 compared to H1 2007
- Coke semi-annual contracts fixed at EUR 477 per tonne for H2 2008
- Average coke prices for the year at EUR 320 per tonne, up 21%
- Negotiations for 2009 contracts to start in the fourth quarter

Coke and Coal Price Development (EUR /t)

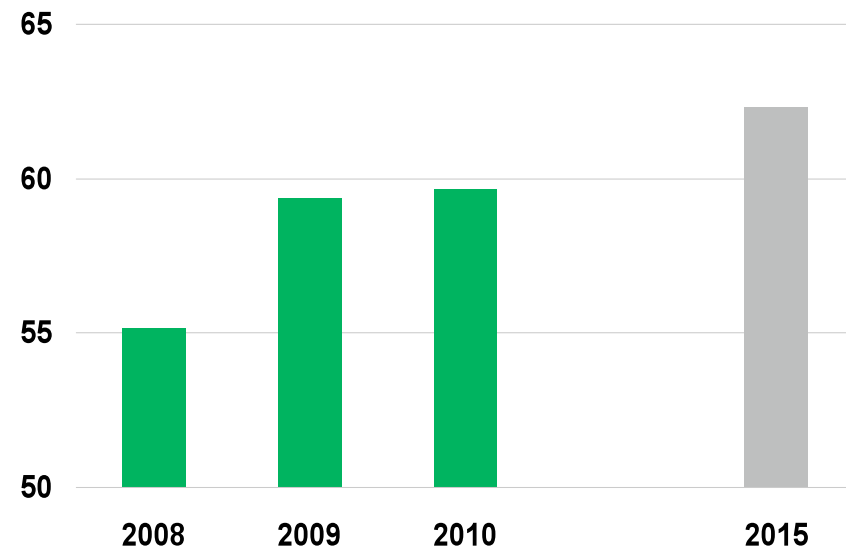


Price (EUR /t)	H1 2008	H1 2007	Change
Coking coal	129	84	54%
Thermal coal	65	48	35%
Coke	295	165	79%

## POSITIVE MARKET OUTLOOK

- ❑ Limited development of new supplies, both globally and locally
- ❑ CEE region increasing industrial and manufacturing presence
- ❑ GDP growth to continue driving coal demand
- ❑ Transportation costs remain high
- ❑ Local production likely to continue to be outweighed by demand

Central European Coking Coal Demand (Mtpa)



Source: McCloskey estimates

## CEE PRICING DYNAMICS

- ❑ Long-term framework agreements between customers and suppliers
- ❑ Contracts re-priced on a yearly basis and for specified volumes
- ❑ Prices contracted for full calendar year, negotiated in the fourth quarter of the previous year
- ❑ No pricing formulas nor regional benchmarks; negotiations are done on a one-on-one basis with each individual customer
- ❑ Global pricing impacts the regional negotiations as current shortage in the region is met via imports
- ❑ Landlocked nature of the region implies pricing premium driven by transportation costs

## NWR EVOLVES TO BECOME TOP REGIONAL PLAYER

- ❑ **RPG acquired NWR from the Czech government and from management in 2004**
- ❑ **RPG initiated a massive restructuring aimed at focusing the company on its core coal and coke businesses**
- ❑ **Capital structure aided by an EUR 1.1 billion senior bank facility and an EUR 300 million bond**
- ❑ **International management team joined to implement best practice engineering and management standards**
- ❑ **In May 2008 NWR listed on London, Prague and Warsaw Stock Exchanges**

## INCREASING EFFICIENCY IN CURRENT OPERATIONS

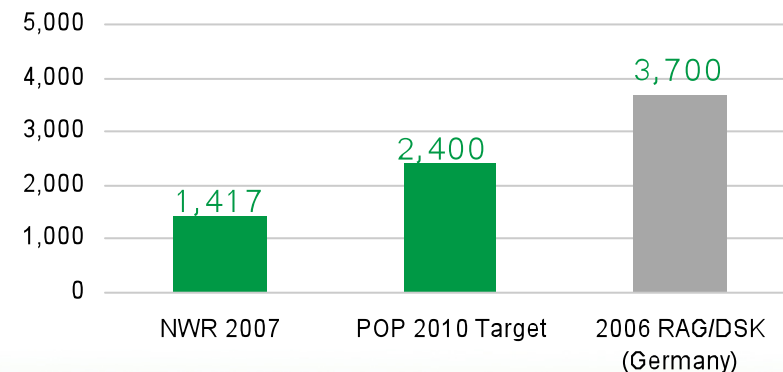
### Productivity Optimisation Programme POP 2010 objective:

- ❑ Maintain current levels of production
- ❑ Improve safety and reliability
- ❑ Increase reserve base
- ❑ Estimated cost reductions<sup>1</sup>
  - c.10% of labour costs
  - c.20% of maintenance costs
  - c. 4% of other operating and energy costs
- ❑ Total investment of EUR 330 million

1. Affecting OKD mining operating costs only



### Productivity per Longwall Face



Source: NWR estimates

## REGIONAL GROWTH STRATEGY – DEBIENSKO

- ❑ Mining licence for Debiensko granted in June 2008
- ❑ 190 Mt of coking coal reserves in well defined and predictable geology
- ❑ Capex of EUR 600m to EUR 800m
- ❑ Target production run-rate of > 4 Mt
  - Lower unit operating cost than OKD
- ❑ Feasibility study by JT Boyd in progress
- ❑ Land acquisition by Karbonia progressing according to plan
- ❑ Top tier management recruitment in progress

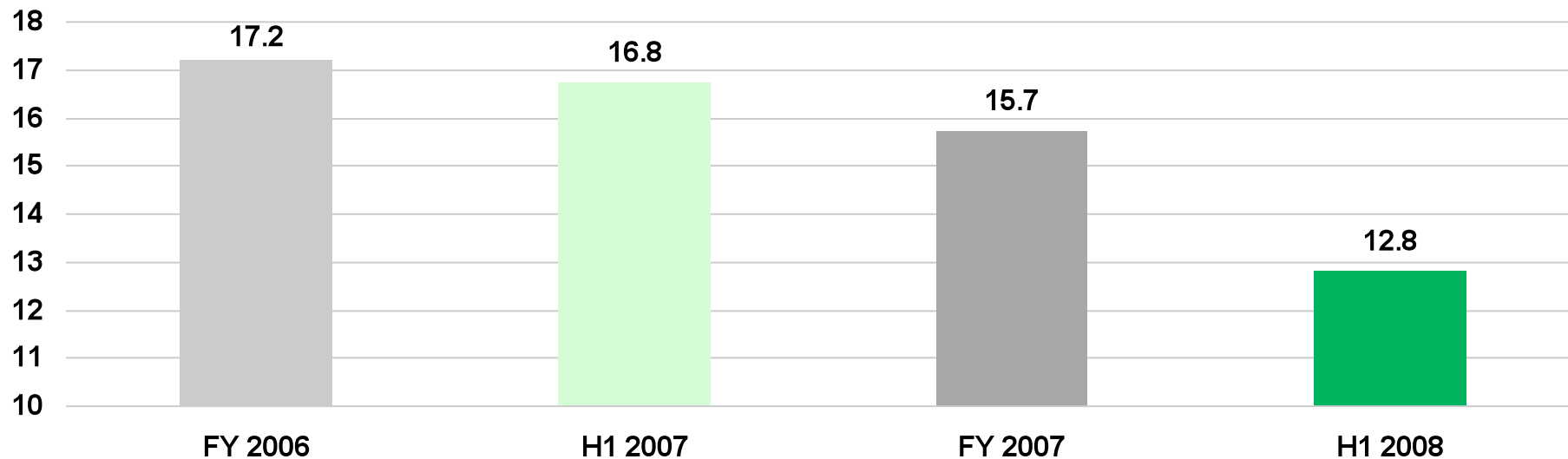
## REGIONAL GROWTH STRATEGY – MORCINEK

- ❑ Letter of intent signed with JSW in October 2007
- ❑ Conceptual study commenced based on drilling results
- ❑ Cross-border mining treaty signed by the Czech and Polish authorities on 20 August 2008
- ❑ Legal framework now in place to enable the project to move forward
- ❑ Next steps: completion of geological research and feasibility study

## HEALTH & SAFETY

- The health and safety of our people is our key priority
- We continue to work hard to improve safety standards

### Lost time injury frequency rate



Source: NWR

**POSITIONED FOR SUSTAINED PROFITABLE GROWTH**

- **Attractive local market conditions**
- **Critical supplier to regional steel and energy producers**
- **Improving operational efficiencies and profitability**
- **Enhancing lives of existing mines**
- **Actively pursuing regional growth opportunities**
- **Striving for improved health and safety**

# APPENDIX

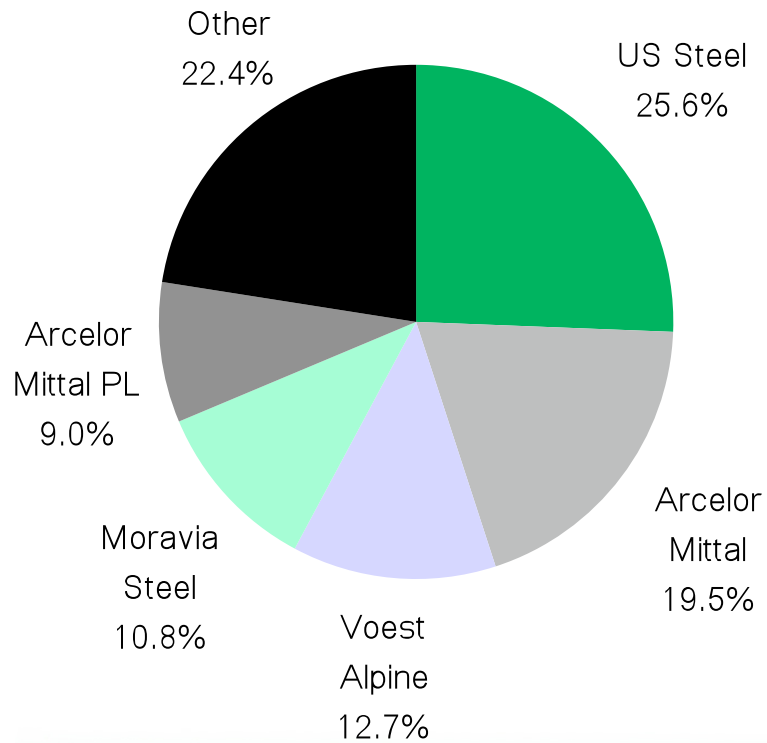


## PREFERRED SUPPLIER TO REGION

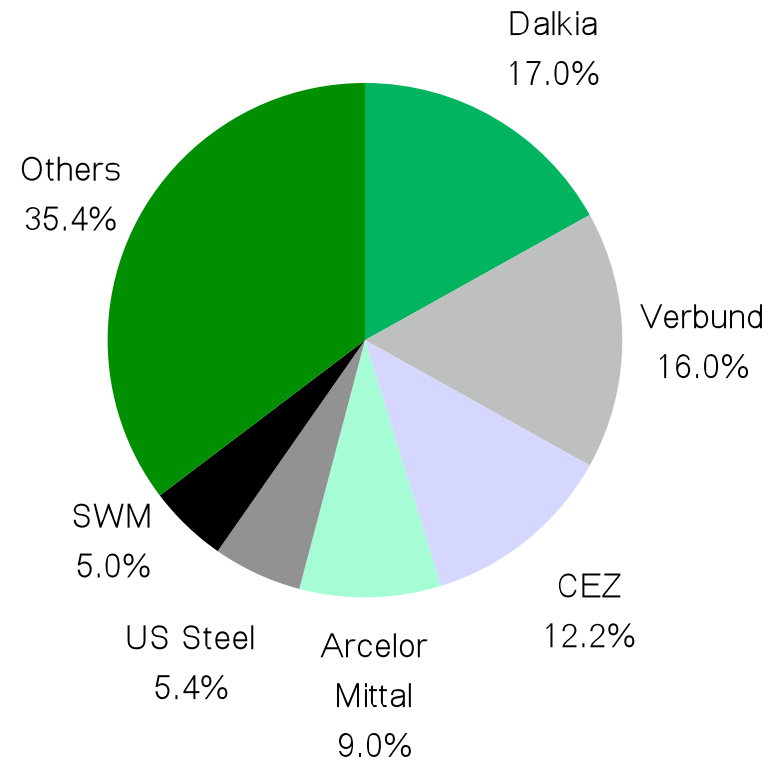
- Long-term relationships with key customers supported by geographic proximity and governed by framework agreements
- Customer production facilities configured for the company's coal specifications
- Ability to serve customer base efficiently supported by good logistic links to all customers
- Regional blue chip customers, including Arcelor Mittal, US Steel, Voestalpine, Moravia Steel and Dalkia
- Production of high quality coal products through existing reserves, timely delivery and knowledge of market trends

REVENUE BREAKDOWN as of 31 December 2007

Coking coal customers



Thermal coal customers



## ACTIVE COAL MINE SITES

Mine	Country	Reserves (mt)	Coal Type
Karvina (Lazy & CSA)	Czech Rep	95	Hard and semi-hard coking / Thermal
Darkov	Czech Rep	51	Semi-Hard Coking / Thermal
Paskov	Czech Rep	28	Hard Coking
ČSM	Czech Rep	55	Hard Coking
<b>Total</b>		<b>229</b>	



Source: JT Boyd

## SALES & PRODUCTION

### Coal and coke produced ('000 tonnes)

	H1 2008	H1 2007	Change
Coal	6,677	6,517	2%
Coke	662	665	(0%)
<b>Total volume</b>	<b>7,339</b>	<b>7,182</b>	<b>2%</b>

### Coal and coke sold ('000 tonnes)

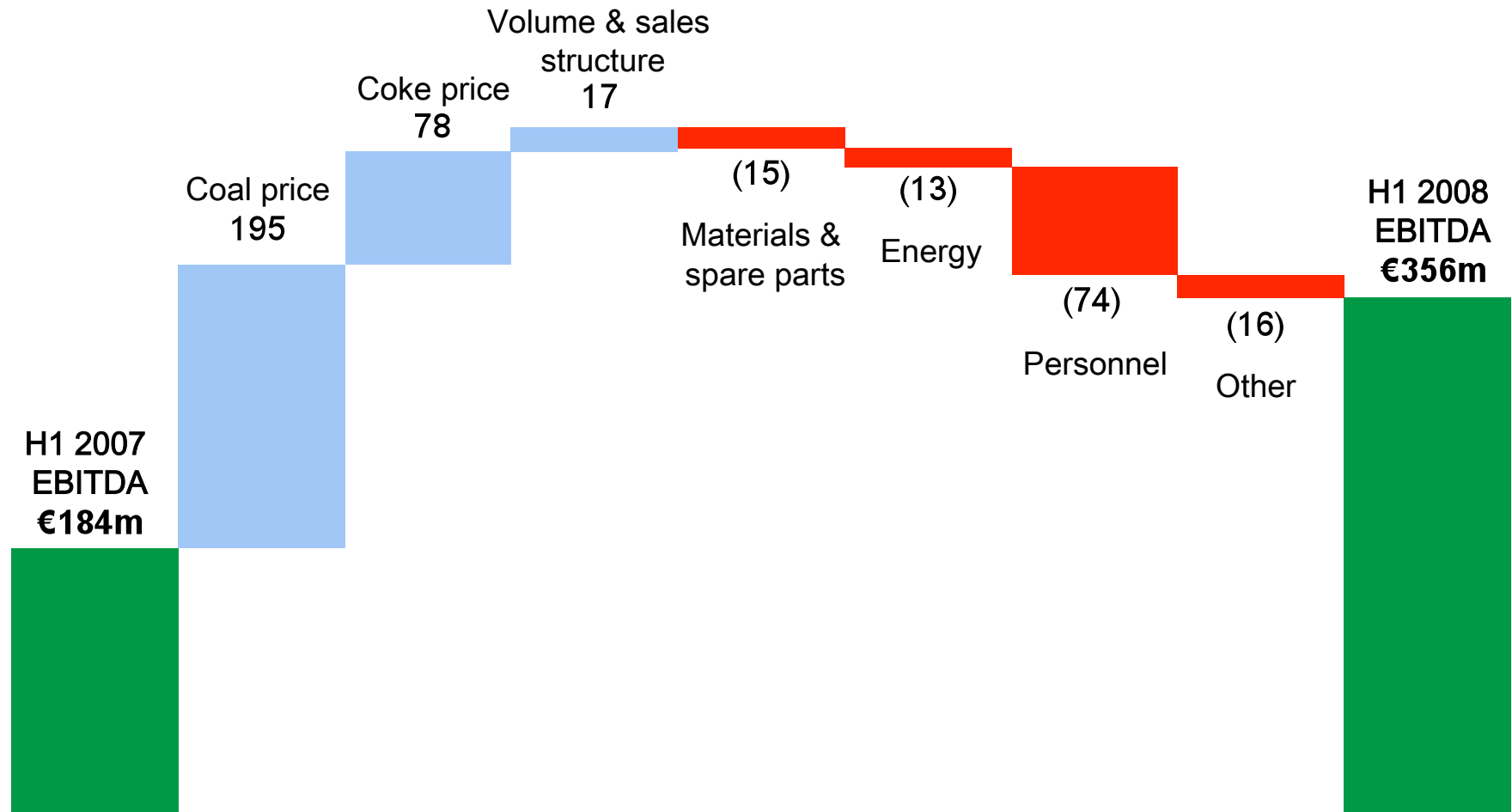
	H1 2008	H1 2007	Change
Coking coal*	4,017	3,900	3%
Thermal coal	2,437	2,467	(1%)
Coke	621	594	5%
<b>Total volume*</b>	<b>7,075</b>	<b>6,961</b>	<b>2%</b>
*of which coking coal sold internally	526	495	6%

## UPDATE ON OPERATING PERFORMANCE

### OKD Operating Performance

	Q1 2008	Q2 2008
Underground production	3.55 Mt	2.91 Mt
Longwall production days	2058	1907
Average seam thickness mined	2.74m	2.48m
Average longwall operational time per day (%)	31.5%	28.5%

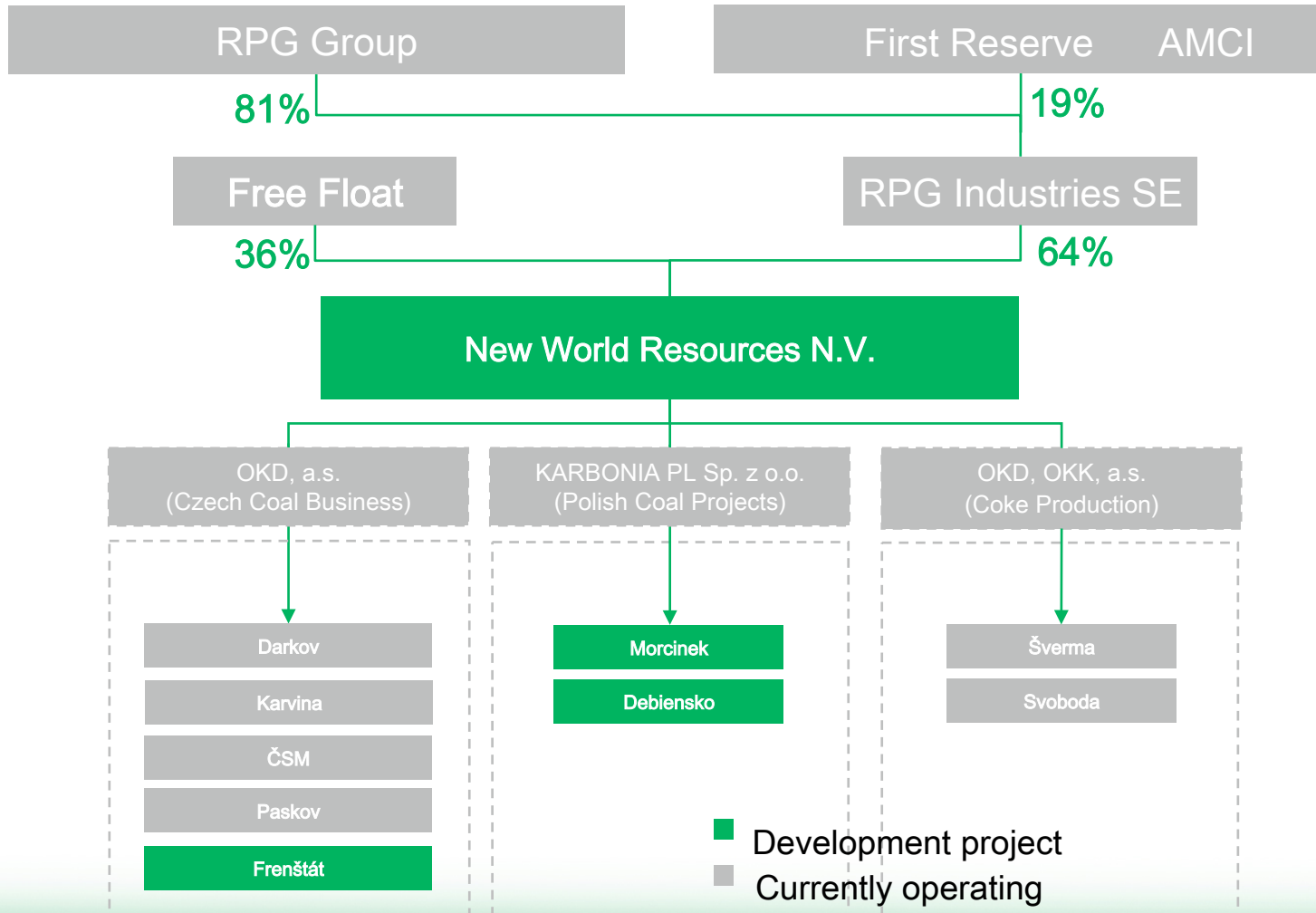
# STRONG GROWTH IN EBITDA



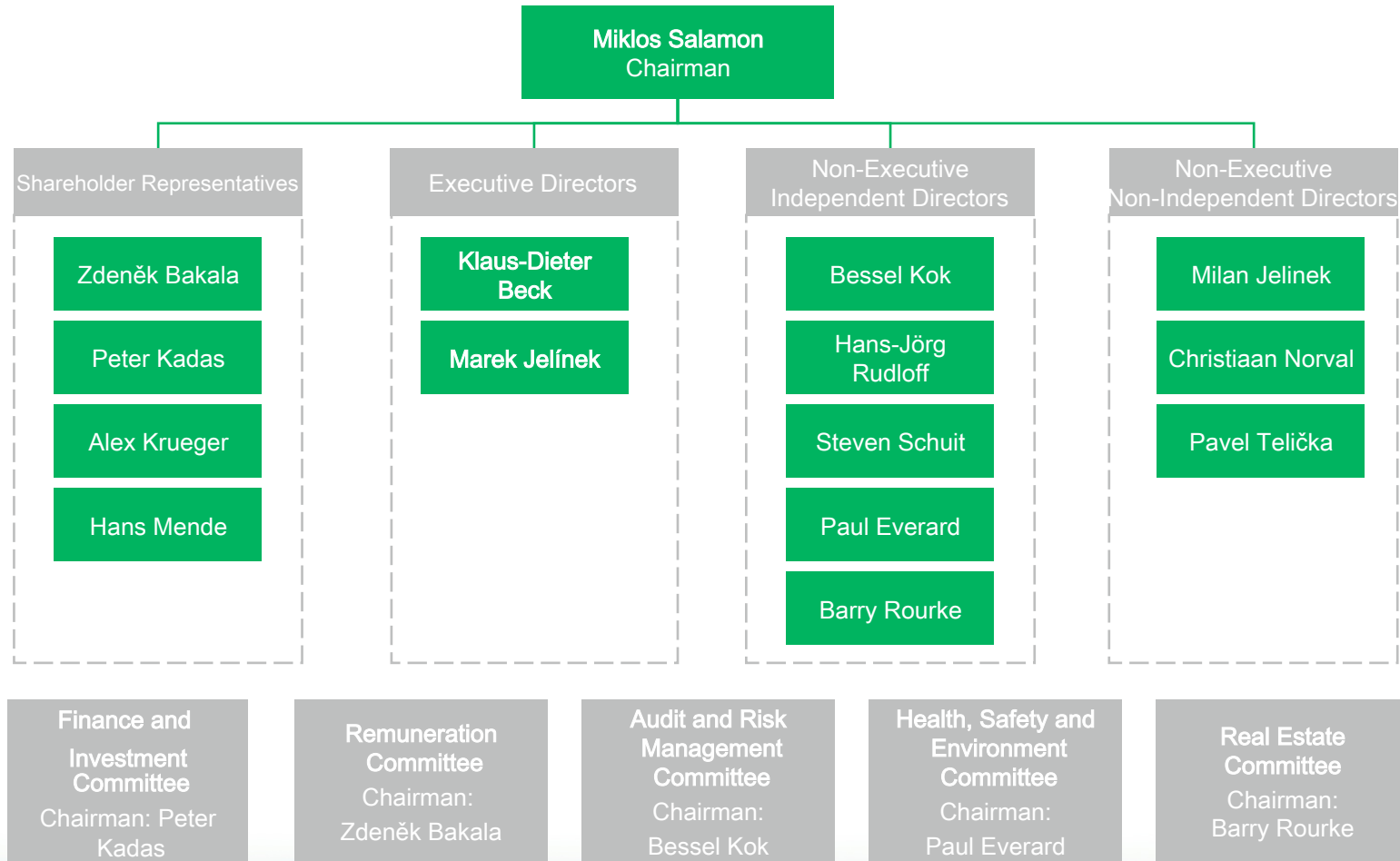
## COSTS DETAILED

EUR m	H1 2008	H1 2007	% chg
Materials & energy	289	179	61%
<i>Electricity trading</i>	104	43	
Service expenses	170	139	22%
<i>Advisory costs</i>	11	3	
Personnel expenses	227	165	38%
<i>Performance bonuses</i>	10	-	
<i>Share based payments</i>	12	-	
<b>Total</b>	<b>686</b>	<b>483</b>	<b>42%</b>
<b>Total (excluding specified items)</b>	<b>549</b>	<b>437</b>	<b>26%</b>
FX effects	59	-	
<b>Total (excluding specified items &amp; FX)</b>	<b>490</b>	<b>437</b>	<b>12%</b>

# SHAREHOLDER STRUCTURE

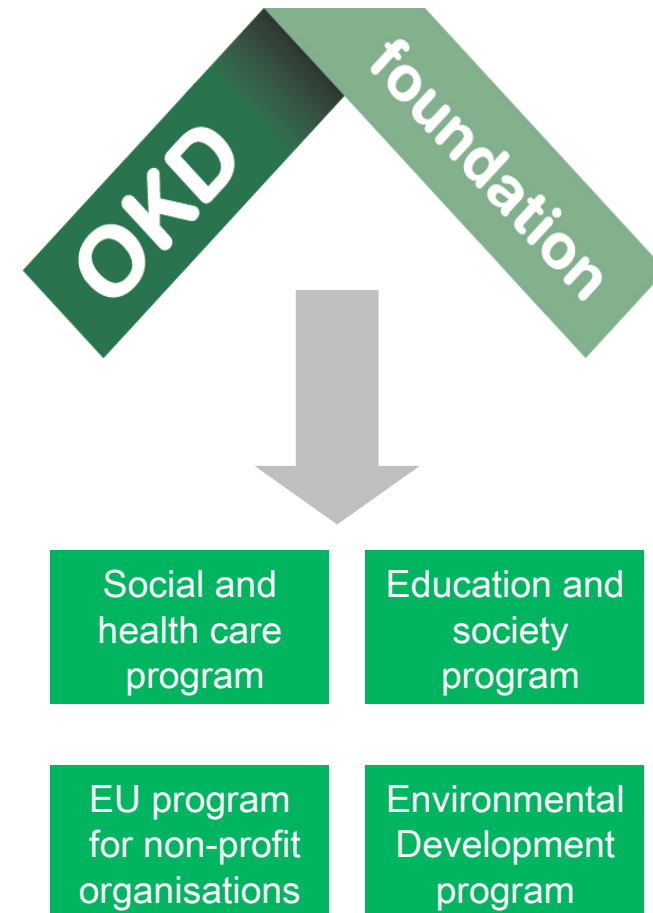


# CORPORATE GOVERNANCE STRUCTURE



## RESPONSIBILITY TO SOCIETY

- The main pillar of NWR's corporate social responsibility is the OKD Foundation, which received a grant of EUR 1 million
- The projects receiving support are Johan Cruyff Foundation (Netherlands) and Mulunguzi School in Malawi

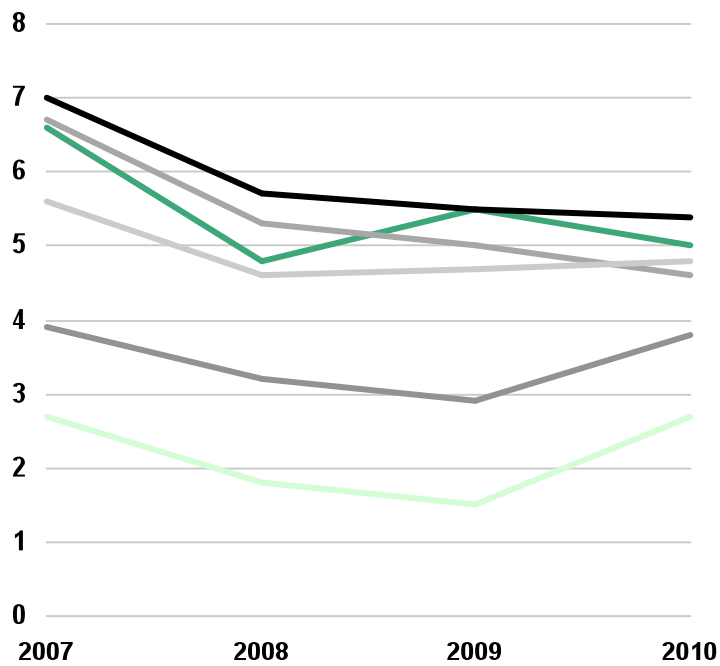


## HISTORY

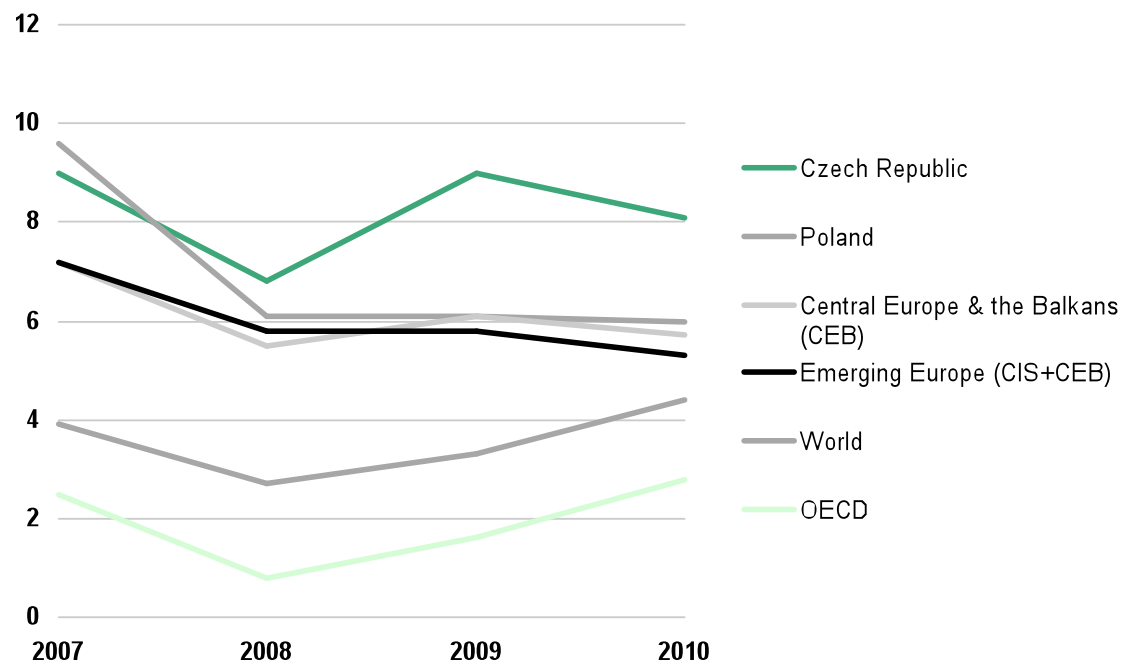
- 1782 Regular mining activities in the northeast region of today's Czech Republic commenced
- Prior to 1946, the hard coal mining business in the Ostrava Karviná region was under the control of several companies, including the Salomon Mayer Rothschild family.
- 1946 Government of the former Czechoslovakia nationalized the hard coal mining industry.
- Early 1990's State enterprises engaged in coal mining were converted into two joint stock companies OKD and ČMD, to prepare them for privatisation. Former OKD comprised most of the mining industry located in the Ostrava-Karviná region, while ČMD operated hard-coal mines in the Kladno region and Ostrava-Karviná region (ČSM in Stonava).
- 1994-1997 40% of OKD shares and 45% of ČMD shares respectively were privatised through a voucher privatization program and purchased by individuals and investment funds.
- 1998-2004 Karbon Invest acquired controlling stakes in ČMD and OKD from minority shareholders. A majority stake in Metalimex, a commodities trader, was acquired by ČMD and K.O.P., a.s. In 1998, Former OKD purchased all of the outstanding shares of K.O.P., a.s., a majority shareholder of Metalimex.
- 2004 Karbon Invest purchased 46% of the shares of OKD from the National Property Fund of the Czech Republic. Shortly thereafter, Karbon Invest was acquired by the RPG Group.
- 2005 Minority shareholders bought out, consolidating RPG's holdings in OKD, ČMD and Metalimex. New World Resources B.V. was incorporated as a Dutch private limited liability company to serve as the holding company for NWR's coal mining operations, coking business and certain related businesses.
- May 2008 New World Resources B.V. was converted to New World Resources N.V. and listed on the London, Warsaw and Prague Stock Exchanges.

CEE ECONOMIC OUTLOOK

GDP growth (%)



Industrial production growth %



Source: Global Insight's World Overview