New World Resources unaudited results for the first quarter 2010

Amsterdam, 19 May 2010 – New World Resources N.V. ("NWR" or the "Company"), Central Europe's leading hard coal and coke producer, announces its financial results for the quarter ended 31 March 2010 (the "period").

Highlights

- 1Q 2010 results reflect higher revenues driven by increased coking coal and coke sales volumes relative to 1Q 2009
    - Coal and coke production of 2,747kt and 251kt, respectively
    - Total external sales of 2,652kt of coal and 279kt of coke, up 30% and 171% respectively due to improved market conditions
    - Consolidated revenues for continuing operations of EUR 329 million, up 37%
    - Change in inventories reduced EBITDA by EUR 8 million in 1Q 2010, having increased EBITDA by EUR 63 million in 1Q 2009. This inventories' movement resulted in a negative impact of EUR 71 million in EBITDA between the two periods
    - Main operating costs up 2% on a constant currency basis, up 8% including the impact of foreign exchange fluctuations
    - EBITDA from continuing operations of EUR 57 million, up 1%
- Mining cash cost per tonne at EUR 72, up 8% on a constant currency basis largely due to a 12% decrease in production compared to 1Q 2009. On a constant production run rate basis, cash cost per tonne was stable
- Adjusted loss per A share of EUR (0.06) for 1Q 2010
- Unrestricted cash of EUR 481 million as at 31 March 2010
- Completed EUR 500 million debt financing in April 2010 with no significant debt maturities until 2015
- Continued improvement in safety with LTIFR[1] in mining operations down 36% in 1Q 2010 compared to 1Q 2009
- Production targets for FY 2010 of 11.5Mt of coal and 1Mt of coke on track
- Expected total external sales of 10.5Mt of coal for FY2010, 5.5 Mt of coking coal and 5Mt of thermal coal
- Successfully negotiated new coal and coke prices in April 2010 securing significant increases in prices as well as more closely aligning pricing with global coal markets

[1] LTIFR represents the number of reportable injuries after three days of absence divided by total number of hours worked expressed in millions of hours.

- 80% of total expected coking coal sales priced at a blended average of EUR 163/t for JFY 2010; the remaining 20% priced quarterly at an average of EUR 135/t for 2Q 2010
- Thermal coal priced at an average of EUR 65/t for calendar year 2010
- Coke sales priced at EUR 255/t for 2Q 2010

· Longwall productivity rose 16% on the average performance for 2009 following implementation of the POP 2010 investment programme

Chairman's statement

"NWR performed well in the first quarter of 2010 as our markets continued to recover from the impact of the financial crisis. Revenues rose by more than a third compared to a year ago on the back of significant sales volume increases for all of our products.

We continued to focus on controlling unit operating costs, although these rose marginally in the quarter as a result of decreased production. For the remainder of the year, the continued weakness of the Euro against the Czech Koruna, rising input costs and increasing underground development are likely to exert further upward pressure on operating costs. To some extent, these impacts should be mitigated through having the full benefit of our POP 2010 investment.

Coal markets generally continue to reflect the improving environment with coking coal and coke in particular being causes for optimism. Mirroring other regions, steel production increases in Central and Eastern Europe have been strong and thus we maintain our positive outlook for coal and coke markets.

The European economy does, however, continue to exhibit fragility and uncertainty and hence we believe that our decision to lock in prices for 80% of coking coal production for JFY 2010 in line with world market prices was a sensible strategy with a view to ensuring much improved margins and profitability.

We were also pleased to recently place our EUR 500 million Senior Secured Notes due 2018, significantly extending the maturity of any potential refinancing by NWR and providing much greater balance sheet security for our growth projects."

Mike Salamon, Executive Chairman of NWR

Marek Jelinek, Executive Director and Chief Financial Officer will host a conference call today, Wednesday 19 May at 11:00 CET / 10:00 BST. A live webcast of the conference call will also be made available on the Company's website at www.newworldresources.eu.

Dial in details:

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Selected financial and operational data

(EUR thousand, unless otherwise stated)	1Q 2010	1Q 2009	% chg	4Q 2009	% chg
Revenues[(1)]	328,563	240,412	37%	341,183	(4%)
Operating result[(1)]	17,907	17,168	4%	19,910	(10%)
Profit before tax[(1)]	(13,522)	(50)		18,154	
Profit from continuing operations	(15,635)	(3,705)		10,153	
Profit for the period	(14,485)	(2,141)		7,457	
EBITDA from continuing operations[(1)]	57,278	56,783	1%	68,091	(16%)
of which: Coal mining[(2)]	*50,190*	*59,297*	*(15%)*		
Coke production[(2)]	*3,759*	*(1,819)*	*307%*		
Total assets	2,216,725	2,182,808	2%	2,215,531	0%
Net cash flow from operations	26,929	(1,130)		156,941	
Net debt	526,222	458,860	15%	485,860	8%
Net working capital	6,721	76,512	(91%)	(1,455)	
CAPEX	63,458	98,023	(35%)	28,722	121%
Adjusted earnings per A share[(3)] (in EUR)	(0.06)	(0.01)			
Coal and coke sales volumes[(4)]	2,931	2,142	37%	3,333	(12%)
Total coal production[(4)]	2,747	3,113	(12%)	2,970	(8%)
Period end coal inventories[(4)]	216	1,111	(81%)	341	(37%)
Period end coke inventories[(4)]	175	246	(29%)	219	(20%)
Average number of staff[(5)]	18,779	19,877	(6%)	-	-
Lost-time Injury Frequency Rate – OKD[(6)]	8.34	13.08	(36%)	-	-
Lost-time Injury Frequency Rate – OKK[(7)]	0.00	6.68	(100%)	-	-

(1) From continuing operations, excluding NWR Energy, a.s. ("NWR Energy")
(2) The Company's businesses are represented in three segments; "Coal mining segment", "Coking segment" and "Other". The full disclosure on all Operational Segments including the consolidation adjustments and eliminations as well as details on the segment accounting policies, measurement and disclosure is presented in the Operating and Financial Review for the three-month period ended 31 March 2010.
(3) Adjusted to current number of shares, see also Earnings per Share section
(4) In thousands of tonnes
(5) Including contractors
(6) OKD, a.s. ("OKD") is a subsidiary of NWR
(7) OKK Koksovny, a.s. ("OKK") is a subsidiary of NWR

Please note that the table above excludes the results of NWR Energy, which is presented as discontinued operations in the financial statements (please refer to the Operating Financial Review for the three-month period ended 31 March 2010 for further details).

Operating Segments

In order to increase the transparency of our reporting and better reflect how NWR's businesses are managed, from 1Q 2010 the Company will report on the performance of its operating segments - the “Coal mining segment”, the “Coking Segment” and “Other”. These will be discussed throughout this announcement along with the Company’s consolidated results.

Full disclosure on all Operational Segments including the consolidation adjustments and eliminations as well as details on the segment accounting policies, measurement and disclosure is presented in the Operating and Financial Review for the three-month period ended 31 March 2010.

Production & sales volumes

Total coal production in the first quarter of 2010 was 12% lower than in the same period of 2009, reflecting the high production volume recorded in the first quarter of 2009. Coal sales to third parties increased by 30% due to improved market conditions during the first quarter of 2010, allowing the Company to reduce inventories by 126kt in contrast to the inventory build-up of 820kt seen in the same period of 2009.

Coal performance indicators (kt)

	1Q 2010	1Q 2009	Chg.	% chg.
Coal production	2,747	3,113	(366)	(12%)
Sales to OKK	(206)	(230)	24	(11%)
Sales to NWR Energy	(18)	(23)	5	(22%)
Internal consumption	3	(1)	4	
Coal production available for sale	**2,526**	**2,859**	**(333)**	**(12%)**
Inventory sale / (build-up)	126	(820)	946	
Total net external sales	**2,652**	**2,039**	**613**	**30%**
of which				
Coking coal	1,374	930	444	48%
Thermal coal	1,278	1,109	169	15%
Period end inventory	216	1,111	(895)	(81%)

Coke production increased by 8% in 1Q 2010 compared to the same period of 2009, while coke sales increased by 171% due to better coke market conditions. Coke inventory decreased slightly, compared to a build-up in 1Q 2009.

Coke performance indicators (kt)

	1Q 2010	1Q 2009	Chg.	% chg.
Coke production	251	233	18	8%
Coke sales	279	103	176	171%
Period end inventory	175	246	(71)	(29%)

Average realised prices[2]

(EUR/t)

Price	**1Q 2010**	**1Q 2009**	**Chg.**	**% chg.**
Coking coal	98	103	(5)	(5%)
Thermal coal	63	75	(12)	(16%)
Coke	193	200	(7)	(4%)

[2] Realised prices are influenced by a variety of factors including exchange rate fluctuations, quality mix and time of deliveries throughout the year and they may, therefore, differ from previously announced average prices for the period.

As pricing settlements for the year 2009 were not concluded until late February 2009, some of the coal sales in the first quarter of 2009 were sold at 2008 prices.

Coking coal sales in the first quarter of 2010 were made up of approximately 38% hard coking coal and 62% semi-soft coking coal. The average price realised presented above is the blended average price for all qualities of coal, including hard and semi-soft.

Thermal coal sales in the period were approximately 85% coal and 15% middlings. The average price realised is the blended average price for all qualities of coal, including middlings.

Coke sales in the first quarter of 2010 were approximately 58% blast furnace coke, 26% foundry coke and 16% other types. The average price realised is the blended average price for all types of coke.

During the first quarter of 2010 NWR also reached agreements with its customers for coking coal sales for the period April 2010 to March 2011 as well as coke sales for the second calendar quarter of 2010. In line with the Company's strategy of more closely aligning its pricing cycle with international global coal markets, coking coal contracts for 2010 now largely follow the Japanese Fiscal Year ("JFY") with the balance subject to quarterly pricing.

The average price of the JFY 2010 coking coal settlements is approximately EUR 163 per tonne. The price for the remaining 20% of the sales volumes, which are mostly semi-soft coking coal, will be renegotiated on a quarterly basis. The average price achieved for these settlements in Q2 2010 is approximately EUR 135 per tonne.

There were no changes in the time frame for pricing thermal coal (calendar year basis) and coke (quarterly). Thermal coal has been priced at an average of EUR 65/t for the calendar year 2010, whilst coke sales were priced at EUR 255/t for the second quarter of 2010.

The above prices are based on an exchange rate of CZK/EUR 24.50.

Revenues[3]
(EUR thousand)

	1Q 2010	**1Q 2009**	**Chg.**	**% chg.**	**% chg. Ex-FX**
Revenues	328,563	240,412	88,151	37%	27%
Coal mining segment	*278,656*	*227,952*	*50,704*	*22%*	*14%*
Coking segment	*62,950*	*25,350*	*37,600*	*148%*	*133%*

The Company's revenues increased by 37% in the first quarter of 2010 compared to the first quarter of 2009, mainly due to increased sales of both coking coal and coke compared to the first quarter of 2009. This performance was achieved against a general price environment that was significantly weaker than the comparative period in 1Q 2009, which partly benefited from the 2008 prices, as pricing negotiations for 2009 took longer than usual.

[3] The Company's businesses are represented in three segments; "Coal mining segment", "Coking segment" and "Other". The full disclosure on all Operational Segments including the consolidation adjustments and eliminations as well as details on the segment accounting policies, measurement and disclosure is presented in the Operating and Financial Review for the three-month period ended 31 March 2010.

Change in inventories

Inventory levels that had built up during the first quarter of 2009, when demand was adversely affected by the economic crisis, resulted in a positive impact on the Company's EBITDA of approximately EUR 63 million. Conversely during the first quarter of 2010 NWR reduced its inventory levels as demand improved and this had a negative impact on EBITDA of approximately EUR 8 million. Overall the movement in inventories between the two periods resulted in a negative EBITDA impact of approximately EUR 71 million.

In line with its accounting policy, NWR records inventory build up at cost.

Operating costs[4]

Main operating costs (comprising consumption of material and energy, service and personnel expenses) for continuing operations increased by 8% in the period compared to 1Q 2009. The increase was mainly driven by higher consumption of materials and energy and higher services expenses, combined with the effect of the appreciation of the Czech Koruna against the Euro. This was partly offset by lower personnel costs. Excluding the impact of the appreciation of the Czech Koruna, main operating expenses were up 2%.

Consolidated expenses *(EUR thousand)*	**1Q 2010**	**1Q 2009**	**Chg.**	**% chg.**	**% chg. Ex-FX**
Consumption of material and energy	89,238	80,392	8,846	11%	5%
Service expenses	77,543	64,184	13,359	21%	14%
Personnel expenses(1)	91,541	94,997	(3,456)	(4%)	(9%)
Total expenses	**258,322**	**239,573**	**18,749**	**8%**	**2%**

(1) Excluding employee benefits

Note: From continuing operations only. The Electricity Trading Segment is classified and presented as discontinued operations (see Discontinued Operations section in the notes of the Operating and Financial Review for the twelve-month period ended 31 March 2009).

Coal mining segment expenses
(EUR thousand)

	1Q 2010	**1Q 2009**	**Chg.**	**% chg.**	**% chg. Ex-FX**
Consumption of material and energy	70,473	69,444	1,029	1%	(5%)
Service expenses	66,353	56,159	10,194	18%	11%
Personnel expenses	83,280	85,817	(2,537)	(3%)	(9%)
Total expenses	**220,106**	**211,420**	**8,686**	**4%**	**(2%)**

[4] The Company's businesses are represented in three segments; "Coal mining segment", "Coking segment" and "Other". The full disclosure on all Operational Segments including the consolidation adjustments and eliminations as well as details on the segment accounting policies, measurement and disclosure is presented in the Operating and Financial Review for the three-month period ended 31 March 2010.

Coking segment expenses
(EUR thousand)

	1Q 2010	1Q 2009	Chg.	% chg.	% chg. Ex-FX
Consumption of material and energy	42,864	33,227	9,637	29%	21%
Coal purchase charges	*37,235*	*28,463*	*8,772*	*31%*	*23%*
Service expenses	8,201	4,540	3,661	81%	69%
Personnel expenses	5,361	5,624	(263)	(5%)	(11%)
Total expenses	**56,426**	**43,391**	**13,035**	**30%**	**22%**

The increase in materials and energy costs in the period was mainly driven by increased purchases of third party coking coal as coke production was ramped up to meet increased demand. More intensive underground development works also contributed to this trend, partly offset by a decrease in electricity prices.

NWR expects the cost of materials to increase further during the remainder of this year, as prices of third party coking coal are expected to be higher from 2Q 2010, in line with NWR's own contract price increases. Furthermore, as the Company intensifies underground development works in order to achieve its increased production target there will be greater demand for materials and spare parts which, combined with higher steel prices, is expected to lead to higher materials costs.

In the first quarter of 2010 energy costs for the coal mining segment decreased by 14% due to a 12% decline in the price of electricity and distribution in the Czech Republic in EUR terms, as well as lower electricity consumption volumes. The cost of energy for coke production remained stable, as the decrease in electricity prices was offset by an increase in the consumption of heat due to the very cold European winter. Heat represented 57% of the energy costs for coke production in 1Q 2010.

The increase in services expenses is attributable to higher maintenance costs both at OKD and OKK as production is increased in 2010 compared to 2009, and higher transportation costs as a result of increasing sales volumes. Transportation costs are re-invoiced to customers, impacting the revenues correspondingly and thus have no material effect on the bottom line.

Expenses for contractors, which are included in service expenses, increased by 7% in EUR terms, but remained flat in CZK terms as the increase in the number of shifts was moderated by lower costs per shift.

Personnel expenses excluding employee benefits decreased by 4% in the period. The decrease reflects a headcount reduction of 6%, partly offset by a 2% increase in average wages at OKD (in CZK terms). Personnel expenses also include the costs for share-based payments to Directors and employees (please see the Operating and Financial Review for the three-month period ended 31 March 2010 for more details on the Share-based payments).

Mining cash cost per tonne

(EUR)	1Q 2010	1Q 2009	Chg.	% chg.	% chg. Ex-FX
Mining cash cost per tonne	72	63	9	15%	8%

Mining cash cost per tonne increased by 8% on a constant currency basis mainly due to the 12% reduction in production in 1Q 2010 compared to the same period in 2009. On a constant production run rate cash cost per tonne was stable

Cash cost per tonne reflects the operating costs incurred in mining both coking coal and thermal coal. The main line items included are consumption of material and energy, service expenses, personnel expenses and other operating expenses.

Coke conversion cash cost per tonne

(EUR)	1Q 2010	1Q 2009	Chg.	% chg.	% chg. Ex-FX
Coke cash cost per tonne	59	57	2	3%	(3%)

The increase in coke conversion unit cash cost is solely due to currency movements. On a constant currency basis, coke conversion costs decreased by 3% as a result of higher coke production in 1Q 2010 compared to 1Q 2009.

EBITDA from continuing operations[5]
(EUR thousand)

	1Q 2010	1Q 2009	Chg.	% chg.	% chg. Ex-FX
EBITDA	57,278	56,783	495	1%	(12%)
Coal mining segment	*50,190*	*59,297*	*(9,107)*	*(15%)*	(24%)
Coking segment	*3,759*	*(1,819)*	*5,578*		

EBITDA from continuing operations of EUR 57 million for 1Q 2010 was 1% higher than 1Q 2009 due to increased revenues, which were largely offset by inventory movements and slightly higher operating costs.

Operating income[5]
(EUR thousand)

	1Q 2010	1Q 2009	Chg.	% chg.	% chg. Ex-FX
Operating income	17,907	17,168	739	4%	(24%)
Coal mining segment	12,472	22,945	(10,473)	(46%)	(57%)
Coking segment	2,179	(3,659)	5,838		

Operating income from continuing operations for the period was EUR 17.9 million.

After financial expenses the Company made a loss of EUR 14.5 million. The net impact of financial expenses rose by 83% primarily as a result of currency effects.

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5 The Company's businesses are represented in three segments; "Coal mining segment", "Coking segment" and "Other". The full disclosure on all Operational Segments including the consolidation adjustments and eliminations as well as details on the segment accounting policies, measurement and disclosure is presented in the Operating and Financial Review for the three-month period ended 31 March 2010.

The adjusted loss per A share for the three-month period ended 31 March 2010 was EUR (0.06).

Efficiency gains & development projects

The implementation of the POP 2010 capital investment programme was successfully completed at the end of 2009 and the new equipment continues to show improved performance. As a result of the new equipment, overall longwall productivity in OKD continues to improve and rose by approximately 16% in the first three months of 2010 when compared to the average performance for 2009.

NWR's Coking Optimisation Programme 2010 (COP 2010) continues to progress on schedule and to budget. The first phase of battery No. 8 refurbishment and battery No. 10 construction have been completed. The Company expects to finalise this investment programme by the end of the year.

The Company also continues to work on the development of its Debiensko project in Poland and is currently in the process of having the mining license amended to reflect its revised plans for the development of this deposit.

Health and safety

NWR has stringent and sophisticated safety procedures, monitoring systems and practices in place throughout its mines and coking plants. These are applied rigorously and diligently at all times to ensure as safe as possible operations in underground hard coal mining at depth. In this way, NWR endeavours to better manage geological hazards arising, inter alia, from rock stresses and methane, in order to provide a safer working environment for its people.

Regrettably, despite the overall improvement in the safety trend, one of our people died in an accident at work during the first quarter of 2010.

At the end of 2008, the Company launched a comprehensive programme entitled "SAFETY 2010" within the framework of its main subsidiary, OKD, with the intention of further improving safety conditions in its work environment. The aim of the programme is to fully replace current personal protection devices with new and better quality gear. The programme is expected to be completed by the end of 2010, with the total investment amounting to approximately EUR 17 million and the first results already show a substantial decrease in LTIFR.

Time lost due to injuries is a recognised measure of the effectiveness of general safety procedures in force at any time and, in this respect, NWR's safety record is comparable to international industry standards. The Lost Time Injury Frequency Rate (LTIFR) at OKD dropped by 36% to 8.34 in 1Q 2010, compared to 13.11 in 1Q 2009, and 12.00 for FY 2009.

At OKK, LTIFR dropped to zero in the first quarter of 2010, a significant achievement for the coking operations.

Exchange rates

The Czech Koruna appreciated against the Euro by approximately 6% between 1Q 2009 and 1Q 2010. The average exchange rate for 1Q 2010 was of CZK/EUR 25.87.

The Company's current policy is to hedge approximately 70% of its cash flow exposure to currency fluctuations. Approximately 43% of the forecasted exposure for the period between April and December 2010 is currently covered by forward currency contracts. The expected proceeds from the sale of NWR Energy will cover the balance of the expected 2010 cash flow exposure.

Operating cash flow

Net operating cash flow for 1Q 2010 amounted to EUR 27 million, EUR 28 million higher than in the same period of 2009. This increase was mainly attributable to improved working capital management. The lower cash inflow from operating activities before working capital changes was partly offset by lower income tax paid.

NWR entered into a factoring agreement in March 2010. The Group sold trade receivables amounting to approximately EUR 43 million in a non-recourse factoring and received cash in the amount of EUR 40 million, which is reflected in the positive changes in working capital in 1Q 2010.

Liquidity and capital resources

As at 31 March 2010, the Company's net debt was EUR 526 million with no significant debt maturities until 2015.

NWR issued and sold 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 186 million cash were used to repay in full the outstanding amounts under the Senior Secured Facilities, accrued interest and fees. On [18] May 2010, NWR issued and sold 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%.

Unrestricted cash on hand amounted to EUR 481 million at 31 March 2010. The restricted payment basket, as defined by the Indenture, currently amounts to approximately EUR 148 million.

For more information, please refer to the Liquidity and Capital Resources section in the notes of the Operating and Financial Review for the three-month period ended 31 March 2010.

CAPEX

Total capital expenditure in 1Q 2010 was 35% below 1Q 2009 levels primarily as a result of the completion of the POP 2010 investment programme.

CAPEX (EUR million)	**1Q 2010**	**1Q 2009**
POP 2010	*23.0*	*51.6*
OKD	*17.0*	*34.1*
OKK	*19.1*	*9.4*
Projects in Poland	*0.3*	*0*
Other	*4.1*	*2.9*
TOTAL	***63.5***	**98.0**

Sale of NWR Energy

As previously announced, on 8 January 2010, NWR entered into an agreement to sell its subsidiary NWR Energy to Dalkia Ceska Republika, a.s. for approximately EUR 122 million[6] in cash, to be further adjusted on the basis of NWR Energy's 2009 consolidated EBITDA, the performance of the electricity trading portfolio of Czech Karbon and net debt. The EBITDA price adjustment is expected to result in an increase of the purchase price of approximately EUR 6 million. The adjustment related to the performance of Czech Karbon's electricity-trading portfolio could result in a reduction of the purchase price of no more than approximately EUR 2 million.

NWR Energy and its subsidiaries will continue to supply OKD with key utilities and services under a long-term agreement.

The transaction is expected to close by the end of June 2010 following the fulfilment of the remaining conditions. A number of the conditions precedent of the transaction have already been met, including approvals by the relevant antitrust offices (subject to coming into force). The Company expects to use the net proceeds from the sale for capital expenditure.

Corporate Governance

The shareholders of NWR approved all nine resolutions proposed at its Annual General Meeting ("AGM"), which took place on 27 April 2010, at 10:00 CET, in Amsterdam, The Netherlands. A detailed overview of the resolutions can be found in the Explanatory Notes to the agenda of the AGM, published on 31 March 2010 and available on the Company's website. The full minutes of the AGM are available on the Company's website.

On 15 April 2010 NWR was informed by BXR Mining B.V. ("BXRM"), the holder of 168,274,654 A shares in NWR (representing approximately 63.66% of the voting rights of the issued ordinary A shares) that, further to an intragroup reorganisation on 14 April 2010, BXR Group Limited has replaced RPG Partners Limited as the ultimate parent company of BXRM. There is no change in the ultimate ownership of BXRM.

Outlook

The gradual recovery in the coal markets continues with the trends in the coking coal segment in particular giving cause for optimism. As seen across a number of steel markets, volume increases in production in Central Eastern Europe are strong and we maintain our positive outlook for the coal and coke markets despite continuing economic uncertainty.

With an average coking coal price 87% higher than last year's locked in for 80% of our expected coking coal sales to March 2011, NWR is well positioned to focus on managing its operating costs for the year ahead and further improve its safety performance during a period of continued uncertainty for many European markets.

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[6] The proceeds of this transaction will be received in CZK and are subject to certain adjustments. The EUR amounts are based on the exchange rate of the day the deal was announced (CZK/EUR 26.311), thus the EUR amounts are subject to exchange rate fluctuations

Disclaimer and Cautionary Note on Forward Looking Statements and Notes on Certain Other Matters

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 NWR’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 are as described in the Company’s annual report.

Forward-looking statements are made 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.

In this Quarterly Financial Report and the Operating and Financial Review for the three month period ended 31 March 2010, the Company provides information that is required to be published in interim management statements under Directive 2004/109/EC, on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market and amending Directive 2001/34/EC, and the national laws implementing such Directive.

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New World Resources N.V.

NWR is the sole owner of OKD, a.s., the Czech Republic's largest hard coal mining company and one of the largest producers in Central Europe by revenue and volume. Serving customers in the Czech Republic, Slovakia, Austria, Poland, Hungary and Germany, the Company produced 11Mt of coal and 843kt of coke in 2009.

Consolidated financial information

for the three-month period

ended 31 March 2010

New World Resources N.V.

Consolidated income statement

EUR thousand	1 January 2010 - 31 March 2010	1 January 2009 - 31 March 2009
Revenues	328,563	240,412
Change in inventories of finished goods and work-in-progress	(7,931)	62,606
Consumption of material and energy	(89,238)	(80,392)
Service expenses	(77,543)	(64,184)
Personnel expenses	(92,744)	(96,908)
Depreciation	(37,225)	(38,517)
Amortisation	(2,192)	(2,312)
Reversal of impairment of receivables	(2)	1
Net gain from material sold	702	1,017
Gain from sale of property, plant and equipment	46	1,214
Other operating income	746	833
Other operating expenses	(5,275)	(6,602)
Operating income	17,907	17,168
Financial income	15,239	28,511
Financial expense	(46,668)	(45,729)
Profit/(loss) before tax	(13,522)	(50)
Income tax expense	(2,113)	(3,655)
Profit/(loss) from continuing operations	**(15,635)**	**(3,705)**
Discontinued operations		
Profit from discontinued operations	1,150	1,564
Profit/(loss) for the period	**(14,485)**	**(2,141)**
Attributable to:		
Non-controlling interests	0	0
SHAREHOLDERS OF THE COMPANY	**(14,485)**	**(2,141)**
EARNINGS PER SHARE ***(in EUR/share)***		
Basic earnings per A share	(0.06)	(0.01)
Diluted earnings per A share	(0.06)	(0.01)
Basic earnings per A share from continuing operations	(0.06)	(0.02)
Diluted earnings per A share from continuing operations	(0.06)	(0.02)
Basic earnings per A share from discontinued operations	0.00	0.01
Diluted earnings per A share from discontinued operations	0.00	0.01
Basic earnings per B share	52.10	162.80
Diluted earnings per B share	52.10	162.80

The notes on pages 23 to 56 are an integral part of this condensed consolidated financial information.

New World Resources N.V.

Consolidated statement of comprehensive income

For the three-month period ended 31 March 2010

EUR thousand	*Foreign exchange translation reserve*	*Restricted reserve*	*Hedging reserve*	*Loss for the period*	***Total comprehensive income***
Loss for the period	0	0	0	(14,485)	**(14,485)**
Other comprehensive income					
Foreign currency translation differences	43,971	5,119	1,106	0	**50,196**
Derivatives - change in fair value	0	0	3,419	0	**3,419**
Derivatives - transferred to profit and loss	0	0	(1,674)	0	**(1,674)**
Other movements	0	0	0	940	**940**
Total other comprehensive income for the period including tax effects	43,971	5,119	2,851	940	**52,881**
Total comprehensive income for the period attributable to shareholders of the Company	**43,971**	**5,119**	**2,851**	**(13,545)**	**38,396**

For the three-month period ended 31 March 2009

EUR thousand	*Foreign exchange translation reserve*	*Restricted reserve*	*Hedging reserve*	*Loss for the period*	***Total comprehensive income***
Loss for the period	0	0	0	(2,141)	**(2,141)**
Other comprehensive income					
Foreign currency translation differences	(19,445)	(2,326)	(74)	0	**(21,845)**
Derivatives - transferred to profit and loss	0	0	(1,199)	0	**(1,199)**
Other movements	0	0	0	(328)	**(328)**
Total other comprehensive income for the period including tax effects	(19,445)	(2,326)	(1,273)	(328)	**(23,372)**
Total comprehensive income for the period attributable to shareholders of the Company	**(19,445)**	**(2,326)**	**(1,273)**	**(2,469)**	**(25,513)**

All components of Other comprehensive income are presented net of tax. There is no tax related to Foreign currency translation differences and Other movements as these items are non-taxable.

The notes on pages 23 to 56 are an integral part of this condensed consolidated financial information.

New World Resources N.V.

Consolidated statement of financial position

EUR thousand	31 March 2010	31 December 2009	31 March 2009
ASSETS			
Property, plant and equipment	1,235,851	1,158,332	1,085,279
Mining licences	166,096	161,757	162,085
Long-term receivables	1,226	1,568	17,434
Deferred tax asset	8,347	7,710	391
Restricted cash	10,843	13,926	25,831
Derivatives	58	251	104
TOTAL NON-CURRENT ASSETS	1,422,421	1,343,544	1,291,124
Inventories	84,199	85,819	129,026
Accounts receivable and prepayments	122,668	149,656	200,370
Derivatives	3,127	0	0
Income tax receivable	728	660	5,700
Cash and cash equivalents	480,636	547,827	556,588
Restricted cash	0	2,771	0
TOTAL CURRENT ASSETS	691,358	786,733	891,684
ASSETS HELD FOR SALE	102,946	85,254	0
TOTAL ASSETS	**2,216,725**	**2,215,531**	**2,182,808**
EQUITY			
Share capital	105,736	105,736	105,524
Share premium	60,449	60,449	54,971
Foreign exchange translation reserve	63,049	19,078	(14,717)
Restricted reserve	131,185	126,066	121,854
Equity-settled share based payments	15,284	13,424	10,628
Hedging reserve	32,798	29,947	33,055
Retained earnings	191,930	205,475	264,603
EQUITY ATRIBUTABLE TO THE SHAREHOLDERS OF THE COMPANY	600,431	560,175	575,918

New World Resources N.V.

Consolidated statement of financial position (continued)

EUR thousand	31 March 2010	31 December 2009	31 March 2009
LIABILITIES			
Provisions	104,953	103,133	99,711
Long term loans	92,691	679,854	626,925
Bond issued	260,378	260,096	290,718
Employee benefits	101,733	96,588	88,462
Deferred revenue	2,901	2,675	3,642
Deferred tax liability	106,131	101,512	96,861
Other long-term liabilities	609	648	572
Derivatives	21,300	18,649	17,047
TOTAL NON-CURRENT LIABILITIES	690,696	1,263,155	1,223,938
Provisions	13,513	10,175	9,055
Accounts payable and accruals	200,146	236,930	252,884
Accrued interest payable on bond	7,400	2,467	8,298
Derivatives	4,600	2,144	931
Income tax payable	1,008	1,840	13,478
Current portion of long-term loans	653,779	74,842	63,617
Short-term loans	10	18,895	34,188
Cash-settled share-based payments payable	1,636	2,371	501
TOTAL CURRENT LIABILITIES	882,092	349,664	382,952
LIABILITIES CLASSIFIED AS HELD FOR SALE	43,506	42,537	0
TOTAL LIABILITIES	1,616,294	1,655,356	1,606,890
TOTAL EQUITY AND LIABILITIES	**2,216,725**	**2,215,531**	**2,182,808**

The notes on pages 23 to 56 are an integral part of this condensed consolidated financial information.

New World Resources N.V.

Consolidated statement of cash flows

EUR thousand	1 January 2010-31 March 2010	1 January 2009-31 March 2009
Cash flows from operating activities		
Profit/(loss) before tax and minority interest from continuing operations	(13,522)	(50)
Profit before tax and minority interest from discontinued operations	1,419	2,067
Profit/(loss) before tax and minority interest	(12,103)	2,017
Adjustments for:		
Depreciation	37,225	38,517
Amortisation	2,192	2,312
Changes in provisions	4,465	2,305
Profit on disposal of property, plant and equipment	(46)	(1,214)
Interest expense, net	10,322	12,903
Change in fair value of derivatives	4,378	7,988
Cash-settled share-based payment transactions	(735)	146
Equity-settled share-based payment transactions	1,860	2,591
Unrealised foreign exchange gains on long-term borrowings	6,019	(5,931)
Profit before working capital changes	53,577	61,634
(Increase) / Decrease in inventories	1,695	(62,965)
(Increase) / Decrease in receivables	18,092	25,134
(Decrease) / Increase in payables	(40,900)	(6,307)
Changes in deferred revenue	457	(1,952)
(Increase) / Decrease in restricted cash	6,277	2,561
Currency translation and other non-cash movements	(3,264)	(1,829)
Cash generated from operating activities	35,934	16,276
Interest paid	(7,266)	(10,051)
Corporate income tax paid	(1,740)	(7,355)
Net cash flows from operating activities	**26,928**	**(1,130)**
Cash flows from investing activities		
Interest received	558	2,350
Purchase of land, property, plant and equipment	(63,458)	(98,023)
Proceeds from sale of property, plant and equipment	344	1,221
Net cash flows from investing activities	**(62,556)**	**(94,452)**

New World Resources N.V.

Consolidated statement of cash flows (continued)

EUR thousand	1 January 2010- 31 March 2010	1 January 2009- 31 March 2009
Cash flows from financing activities:		
Repayments of syndicated loan	(32,083)	(31,309)
Proceeds of long-term borrowings	18,253	0
Repayments of short-term borrowings	(18,885)	(7)
Proceeds of short-term borrowings	4,151	6,189
Net cash flows from financing activities	**(28,564)**	**(25,127)**
Net effect of currency translation	1,617	(1,598)
Net increase/(decrease) in cash and cash equivalents	(62,575)	(122,307)
Cash and Cash Equivalents at the beginning of period classified as Assets held for sale	11,471	
Cash and Cash Equivalents at the beginning of period	547,827	678,895
Cash and Cash Equivalents classified as Assets held for sale	**16,087**	**0**
Cash and Cash Equivalents at the end of period	**480,636**	**556,588**

The notes on pages 23 to 56 are an integral part of this condensed consolidated financial information.

New World Resources N.V.

Consolidated statement of changes in equity

For the three-month period ended 31 March 2010

EUR thousand	*Share capital*	*Share premium*	*Foreign exchange translation reserve*	*Restricted reserve*	*Equity-settled share based payment*	*Hedging reserve*	*Retained earnings*	***Total***
Balance at 1 January 2010	105,736	60,449	19,078	126,066	13,424	29,947	205,475	**560,175**
Total comprehensive income for the period attributable to shareholders of the company*	0	0	43,971	5,119	0	2,851	(13,545)	**38,396**
Transaction with owners recorded directly in equity								
Contributions by and distributions to owners								
Share options for A Shares	0	0	0	0	1,860	0	0	**1,860**
Total transactions with owners	0	0	0	0	1,860	0	0	**1,860**
Balance at 31 March 2010	**105,736**	**60,449**	**63,049**	**131,185**	**15,284**	**32,798**	**191,930**	**600,431**

* see consolidated statement of comprehensive income on page 16.

The notes on pages 23 to 56 are an integral part of this condensed consolidated financial information.

New World Resources N.V.

Consolidated statement of changes in equity

For the three-month period ended 31 March 2009

EUR thousand	*Share capital*	*Share premium*	*Foreign exchange translation reserve*	*Restricted reserve*	*Equity-settled share based payment*	*Hedging reserve*	*Retained earnings*	***Total***
Balance 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 shareholders of the company*	0	0	(19,445)	(2,326)	0	(1,273)	(2,469)	**(25,513)**
Transaction with owners recorded directly in equity								
Contributions by and distributions to owners								
Dividends declared to A shareholders	0	0	0	0	0	0	(47,484)	**(47,484)**
Share options for A shares	0	0	0	0	2,591	0	0	**2,591**
Total transactions with owners	0	0	0	0	2,591	0	(47,484)	**(44,893)**
Balance at 31 March 2009	**105,524**	**54,971**	**(14,717)**	**121,854**	**10,628**	**33,055**	**264,603**	**575,918**

* see consolidated statement of comprehensive income on page 16.

The notes on pages 23 to 56 are an integral part of this condensed consolidated financial information.

New World Resources N.V.
Operating and Financial Review
for the three-month period ended 31 March 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. 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 thermal coal sales are based on long-term framework agreements, which are re-priced mainly on an annual basis. The majority of coking coal sales agreements is re-priced in the Japanese Fiscal Year cycle.

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 52% and 46% of the tonnage of coal sold to third parties for the three-month period ended 31 March 2010 and 2009 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 134,459 thousand and EUR 96,068 thousand in external sales during the three-month period ended 31 March 2010 and 2009 respectively. Additionally, external thermal coal sales amounted to EUR 80,715 thousand in the three-month period ended 31 March 2010 and EUR 82,723 thousand in the same period in 2009. Net coke sales totalled EUR 53,767 thousand during the three-month period ended 31 March 2010, compared to EUR 20,637 thousand in the same period in 2009.

Financial Results Overview

Revenues. The Company's revenues increased by 37%, from EUR 240,412 thousand in the three-month period ended 31 March 2009 to EUR 328,563 thousand in the three-month period ended 31 March 2010. This increase is mainly attributable to the increase in revenues from coking coal and coke, driven by higher sales volumes.

Operating expenses. Total operating expenses increased from EUR 288,914 thousand to EUR 304,219 thousand or by 5% for the three-month period ended 31 March 2010 compared to the same period in 2009. The increase is mainly due to a EUR 7,679 increase in Polish coal consumption for coking, a EUR 6,744 thousand increase in coal and coke transportation costs, which are re-invoiced and thus impact the revenues correspondingly, as well as a EUR 4,460 thousand increase in mining material consumption at OKD.

EBITDA. EBITDA from continuing operations increased by 1% from EUR 56,783 thousand in the three-month period ended 31 March 2009 to EUR 57,278 thousand in the three-month period ended 31 March 2010. Total EBITDA, including the results of both, continuing and discontinued operations, increased slightly from EUR 59,583 thousand in the three-month period ended 31 March 2009 to EUR 59,653 thousand in the three-month period ended 31 March 2010. This is mainly due to an increase revenues from continuing operations of EUR 88,151 thousand, compensated by a decrease in change in inventories of EUR 70,537 thousand and an increase in operating expenses of EUR 15,305 thousand.

Basis of Presentation

General information
The condensed consolidated interim financial information ("financial information") presented in this document is prepared for the three-month period ended 31 March 2010. The financial information for the three-month period ended 31 March 2009 represents the comparative period.

The financial information includes New World Resources N.V. and its following subsidiaries (together "the Group") as of 31 March 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
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 26 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") and NWR Energetyka PL Sp. z o.o., which are 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 Annual Report 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.

Summary of changes in accounting policies

The accounting policies applied by the Group in these interim consolidated financial statements are the same as 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 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.

Next to the divisional segment reporting, the Group has started to review and present the financial information of the Group's continuing operations separated into three segments, the coal mining segment, the coking segment and the remaining part of the Group containing the holding entity and the energy business.

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 March 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 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:

	Three-month period ended 31 March	
(CZK/EUR)	**2010**	**2009**
Average exchange rate	25.86805	27.60080
Balance sheet exchange rate	25.44000	27.38800

The Czech Koruna appreciated (based on the average exchange rate) by 6% between the three-month period ended 31 March 2009 and the three-month period ended 31 March 2010.

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 increased by 37% to EUR 328,563 thousand in the three-month period ended 31 March 2010.

(EUR thousand)	Three-month period ended 31 March		Change		
Revenues	**2010**	**2009**	**y-y**	**y/y %**	**ex-FX**
External coking coal sales (EXW)	134,459	96,068	38,391	40%	31%
External thermal coal sales (EXW)	80,715	82,723	(2,008)	(2%)	(9%)
External coke sales (EXW)	53,767	20,637	33,130	161%	144%
Coal and coke transport by OKD	30,151	18,765	11,386	61%	51%
Sale of coke by-products	3,452	3,109	343	11%	4%
OKD other sales	10,267	4,965	5,302	107%	57%
Other revenues	15,752	14,145	1,607	11%	4%
Total	**328,563**	**240,412**	**88,151**	**37%**	**27%**

The increase mainly reflects an increase in revenues from coking coal and coke sales, which is mainly attributable to an increase in volumes of coking coal and coke sold to third parties, partly offset by a decrease in coking coal and coke prices.

	Three-month period ended 31 March	
Average sales prices per ton (EUR)	**2010**	**2009**
Coking coal	98	103
Thermal coal	63	75
Coke	193	200

The following table reflects coal production and sales for the three-month periods ended 31 March 2010 and 2009.

	Three-month period ended 31 March		Change	
Coal performance indicators (kt)	**2010**	**2009**	**y-y**	**y/y %**
Coal production	2,747	3,113	(366)	(12%)
Sales to OKK	(206)	(230)	24	(10%)
Sales to NWR Energy, a.s.	(18)	(23)	5	(22%)
Internal consumption	3	(1)	4	(400%)
Coal production available for sale	**2,526**	**2,859**	**(333)**	**(12%)**
Inventory sale / (build-up)	126	(820)	946	(115%)
Total net sales	**2,652**	**2,039**	**613**	**30%**
- of which				
Coking coal	1,374	930	444	48%
Thermal coal	1,278	1,109	169	15%

Total production of coal in the three-month period ended 31 March 2010 decreased by 12% compared production volume in the same period of 2009. However volumes of coal sold to third parties increased by 30% due to a sale of 126 kt of inventory compared to a build-up of 820 kt of inventory in the three-month period ended 31 March 2009.

The following table reflects coke production and sales for the years 2010 and 2009.

	Three-month period ended 31 March		Change	
Coke performance indicators (kt)	**2010**	**2009**	**y-y**	**y/y %**
Coke production	251	233	18	8%
Internal consumption	(16)	(19)	3	(16%)
Inventory sale / (build-up)	44	(111)	155	(140%)
Coke sales	279	103	176	171%

Coke production increased by 8% in the three-month period ended 31 March 2010, when compared to the same period in 2009, while coke sales increased by 171%. Higher sales volumes resulted from sale of inventory in the three-month period ended 31 March 2010, compared to a build-up of inventory in the same period of 2009.

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 increased from EUR 288,914 thousand to EUR 304,219 thousand or by 5% for the three-month period ended 31 March 2010 compared to the same period in 2009. The increase is mainly due to a EUR 7,679 increase in Polish coal consumption for coking, a EUR 6,744 thousand increase in coal and coke transportation costs, which are re-invoiced and thus impact the revenues correspondingly, as well as a EUR 4,460 thousand increase in mining material consumption at OKD.

Consumption of Material and Energy

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

(EUR thousand)	Three-month period ended 31 March		Change		
Consumption of material and energy	**2010**	**2009**	**y-y**	**y/y %**	**ex-FX**
Mining material	29,992	25,532	4,460	17%	10%
Spare parts	13,139	11,406	1,733	15%	8%
Polish coal consumption for coking	10,947	3,268	7,679	235%	214%
Energy for coal mining (OKD)	25,189	29,285	(4,096)	(14%)	(19%)
Energy for coking (OKK)	3,835	3,798	37	1%	(5%)
Other consumption of material and energy	6,136	7,103	(967)	(14%)	(13%)
Total	**89,238**	**80,392**	**8,846**	**11%**	**5%**

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, partly offset by a production decrease of 12% and drivage decrease of 3%.

The consumption of externally purchased Polish coal for coking operations increased mainly due to substitution of coal produced internally by the Group by externally purchased coal.

In the three-month period ended 31 March 2010 the cost of energy consumption for coal mining decreased by 14% due to the decrease in price of electricity and distribution in the Czech Republic by 12% in Euro terms and a decrease in electricity consumptions volumes. The costs of energy for coking remained stable, since the consumption of heat, which represents 57% of the energy costs for coking in the three-month period ended 31 March 2010, increased, mainly due to very cold winter in 2010, while electricity prices decreased.

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 increased by 21% as set forth in the table below.

(EUR thousand)	Three-month period ended 31 March		Change		
Service expenses	**2010**	**2009**	**y-y**	**y/y %**	**ex-FX**
Coal and coke transport costs	29,356	22,613	6,743	30%	22%
Contractors OKD	19,770	18,524	1,246	7%	0%
Maintenance for OKD and OKK	6,543	3,676	2,867	78%	67%
Advisory expenses on holding level	2,184	2,740	(556)	(20%)	(25%)
Other service expenses	19,690	16,631	3,059	18%	14%
Total	**77,543**	**64,184**	**13,359**	**21%**	**14%**

The increase in service expenses is mainly attributable to an increase in coal and coke transport costs, which result from higher sales volume and are re-invoiced to the Group's customers and thus are just a pass-through item with no material impact on the Group's profit. Therefore the same increase is reflected in the Group's revenues. Expenses for contractors increased by 7% in EUR terms, however they remained flat in CZK terms, as the increase in number of shifts by 2% was compensated by lower costs per shift (ex-FX).

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 three-month period ended 31 March 2010.

Contractors headcount	**2010**	**2009**	**y-y**	**y/y %**
Total	3,204	3,247	(43)	(1%)
- of which OKD mining	2,878	2,915	(37)	(1%)

Personnel Expenses

The following table reflects personnel expenses excluding employee benefits for the three-month periods ended 31 March 2010 and 2009.

	Three-month period ended 31 March		Change		
(EUR thousand)	**2010**	**2009**	**y-y**	**y/y %**	**ex-FX**
Personnel expenses excl. employee benefits	91,541	94,997	(3,456)	(4%)	(9%)

Personnel expenses excluding employee benefits decreased by 4%. The decrease reflects a headcount decrease of 6% partly offset by a 2% increase of average wages at OKD in CZK terms. Personnel expenses also include the costs for share-based payments to Directors and employees in the amount of EUR 2,656 thousand and EUR 2,988 thousand for the three-month period ended 31 March 2010 and 2009 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:

	Three-month period ended 31 March		Change	
Employees headcount	**2010**	**2009**	**y-y**	**y/y %**
Own employees	15,575	16,597	(1,022)	(6%)
- of which OKD mining	9,637	10,221	(584)	(6%)

For the three-month period ended 31 March 2010, the number of employees decreased by 6% compared to the number of employees in the same period of 2009, mainly due to the decrease in coal production.

Other Operating Income and Expenses

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

	Three-month period ended 31 March		Change		
(EUR thousand)	**2010**	**2009**	**y-y**	**y/y %**	**ex-FX**
Other operating income	746	833	(87)	(10%)	(16%)
Other operating expenses	(5,275)	(6,602)	1,327	(20%)	(25%)
Net other operating income	**(4,529)**	**(5,769)**	**1,240**	**(21%)**	**(26%)**

Other operating income and expenses reflect insurance costs and payments, mining damage and indemnity, related provisions and their release and other fees. Other operating expenses decreased mainly due to a decrease in mineral tax expense due to lower coal production in the three-month period ended 31 March 2010.

EBITDA

The following table compares EBITDA for the three-month period ended 31 March 2010 and 2009.

	Three-month period ended 31 March		Change		
(EUR thousand)	**2010**	**2009**	**y-y**	**y/y %**	**ex-FX**
EBITDA from continuing operations	57,278	56,783	495	1%	(12%)
EBITDA from discontinued operations	2,375	2,800	(425)	(15%)	(21%)
Total EBITDA	59,653	59,583	70	0%	(12%)

The Company's EBITDA from continuing operations for the three-month period ended 31 March 2010 was EUR 57,278 thousand, which is EUR 495 thousand higher than in the three-month period ended 31 March 2009 and represents a 1% 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.

	Three-month period ended 31 March	
(EUR thousand)	**2010**	**2009**
Net Profit after Tax from Continuing Operations	(15,635)	(3,705)
Income Tax	2,113	3,655
Net Financial Expenses	31,429	17,218
Depreciation and Amortisation	39,417	40,829
Gains/Losses from Sale of PPE	(46)	(1,214)
EBITDA from continuing operations	**57,278**	**56,783**

	Three-month period ended 31 March	
(EUR thousand)	**2010**	**2009**
Net Profit after Tax from Discontinued Operations	1,150	1,564
Income Tax	269	503
Net Financial Expenses	956	731
Depreciation and Amortisation	0	2
Gains/Losses from Sale of PPE	0	0
EBITDA from discontinued operations	**2,375**	**2,800**

Depreciation

The following table reflects depreciation for the presented periods.

	Three-month period ended 31 March		Change		
(EUR thousand)	**2010**	**2009**	**y-y**	**y/y %**	**ex-FX**
Depreciation	(37,225)	(38,517)	1,292	(3%)	(9%)

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 decreased by 9%. This decrease is mainly due a decrease in depreciation of the Group's coke production facilities by EUR 1,484 thousand in the three-month period ended 31 March 2010. Two coking batteries were fully depreciated during the year 2009 and were not replaced by a new battery yet, therefore the depreciation decreased in the three-month period ended 31 March 2010.

Financial Income and Expense

Net financial loss increased by 83% for the three-month period ended 2010 compared to the year 2009 as set forth in the table below.

(EUR thousand)	Three-month period ended 31 March 2010	2009	Change y-y	y/y %
Financial income	15,239	28,511	(13,272)	(47%)
Financial expense	(46,668)	(45,729)	(939)	2%
Financial result	**(31,429)**	**(17,218)**	**(14,211)**	**83%**

Financial income decreased by EUR 13,272 thousand to EUR 15,239 thousand for the three-month period ended 31 March 2010. Financial expense increased only by EUR 939 thousand to EUR 46,668 thousand for the three-month period ended 31 March 2010. The net decrease in the financial result of EUR 14,211 thousand is mainly due to a decrease in unrealised foreign exchange gains and losses.

The appreciation of CZK between 31 December 2009 and 31 March 2010 resulted in an unrealized FX loss on the CZK denominated part of the Senior Secured Facilities ("SSF") on the Company level. The positive impact of FX revaluation of the EUR part of the SSF on OKD level was offset with the revaluation of significant cash balances denominated in EUR held by OKD. Thus the appreciation of CZK had a negative impact on realized and unrealized foreign exchange gains and losses of EUR 13 million.

Profit/(Loss) from Continuing Operations before Tax

Loss from continuing operations before tax for the three-month period ended 31 March 2010 was EUR 13,522 thousand, a decrease of EUR 13,472 thousand compared to a loss of EUR 50 thousand for the same period of 2009. The factors affecting this decrease in profits are discussed above.

Income Tax

The income tax expense decreased from EUR 3,655 thousand to EUR 2,113 thousand for the three-month period ended 31 March 2010. The decrease is due to a higher loss before tax in the three-month period ended 31 March 2010.

Profit/(Loss) from Discontinued Operations

Profit from discontinued operations, reflecting the result of the electricity trading business, decreased from EUR 1,564 thousand in the three-month period ended 31 March 2009 to EUR 1,150 thousand in the same period of 2010.

Profit/(Loss) for the Period

Loss for the three-month period ended 31 March 2010 was EUR 14,485 thousand, which was EUR 12,344 thousand lower than in the same period of 2009. 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).

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 tranche 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 in the income statement. The impact of granting shares to the Independent Directors on the income statement for the three-month period in 2009 equals to EUR 247 thousand. This amount relates fully to accrued expenses for the second tranche of granted shares.

b) 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 1,224 thousand for the three-month period ended 31 March 2010.

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.

c) 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 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 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. 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 share market price as of 31 March 2010, 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 three-month period ended 31 March 2010 was GBP 6.5987. The dilutive impact of the second tranche is 1,831,709 shares.

The third tranche of granted options is in the money. The average share price for the period from granting to 31 March 2010 was GBP 7.4586. The dilutive impact of the second tranche is 12,875 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	Three-month period ended 31 March 2010	2009
Independent Directors	0	247
Mr. Miklos Salamon	1,224	2,344
Mr. Klaus-Dieter Beck	796	151
Other	636	246
Total	**2,656**	**2,988**

Earnings per Share ("EPS")

The diluted earnings per A Share amounted to EUR (0.06) per A Share for the three-month period ended 31 March 2010 compared to EUR (0.01) per A Share for the same period in 2009.

Earnings per share	**Three-month period ended 31 March 2010**		
(EUR)	A Shares	B Shares	The Company
Basic EPS	(0.06)	52.10	(0.05)
Number of shares	264,330,100	10,000	264,340,100
Adjusted EPS	(0.06)	52.10	(0.05)
Adjusted number of shares*	264,330,100	10,000	264,340,100
Diluted EPS	(0.06)	52.10	(0.05)
Diluted number of shares	266,174,685	10,000	266,184,685

Earnings per share	**Three-month period ended 31 March 2009**		
(EUR)	A Shares	B Shares	The Company
Basic EPS	(0.01)	162.80	(0.01)
Number of shares	263,799,259	10,000	263,809,259
Adjusted EPS	(0.01)	162.80	(0.01)
Adjusted number of shares*	264,330,100	10,000	264,340,100
Diluted EPS	(0.01)	162.80	(0.01)
Diluted number of shares	264,186,855	10,000	264,196,855

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

Cash Flow

The following table compares the main cash flow categories for the three-month period ended 31 March 2010 and 2009.

(EUR thousand)	**Three-month period ended 31 March**	
Cash flow	**2010**	**2009**
Net cash flows from operating activities	26,928	(1,130)
Net cash flows from investing activities	(62,556)	(94,452)

Net cash flows used in financing activities	(28,564)	(25,127)

Cash Flow from Operating Activities

Net operating cash flow for the three-month period ended 31 March 2010 amounted to EUR 26,928 thousand, EUR 28,058 thousand higher than in the same period of 2009. This increase in the net operating cash flow was mainly attributable to the improved working capital management resulting in a increase of working capital of EUR 29,150 thousand. The lower cash inflow from operating activities before working capital changes was partly offset by lower income tax paid.

The Group entered into a factoring agreement in March 2010. The Group sold trade receivables in the total value of approximately EUR 43,332 thousand in a non-recourse factoring and received cash in the amount of EUR 39,971 thousand, which is reflected in the positive changes of working capital in 2010.

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 98,023 thousand for the three-month period ended 31 March 2009 by EUR 34,565 thousand to EUR 63,458 thousand for the three-month period ended 31 March 2010, of which approximately EUR 23,034 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

The Group paid regular instalments on Facility 1 of the SSF in February 2010 and February 2009. The EUR equivalent of the regular instalments in 2010 was EUR 32,083 thousand. The EUR equivalent in 2009 was EUR 31,309 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 18,253 thousand in the three-month period ended 31 March 2010.

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 and the SSF, 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 March 2010, the Group had cash and cash equivalents of approximately EUR 480,636 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 business cycle.

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.

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.

	Three-month period ended 31 March		**Change**	
(EUR thousand)	**2010**	**2009**	**y-y**	**y/y %**
Revenues (OKD hedging)	2,104	1,784	320	18%
Consumption of material and energy	157	0	157	-
Service expenses	200	0	200	-
Personnel expenses	329	0	329	-

As at 31 March 2010 the Company's net debt was EUR 526,222 thousand.

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. Reflecting the waiver to be applicable to such calculation agreed with the banks in April 2010, the Group was in compliance with those covenants.

The Company sold 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. Therefore the SSF are classified as short-term in the balance sheet of the Group.

The restricted payment basket as defined by the Indenture amounts as of 18 May 2010 to approximately EUR 147,852 thousand.

Unrestricted Subsidiaries and Non-Core Real Estate

There was no consolidated subsidiary defined as Unrestricted Subsidiary for the three-month period ended 31 March 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.

In 2010, the Company decided to provide an additional set of segments. 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 presents separate segments for its main operating activities, i.e. coal mining and coking. To provide understandable and useful information, the Company decided not to combine the divisional and operational disclosure and present each of the views separately, as it is also reviewed internally.

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, 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 March 2010 was EUR 296,728 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 2010 amounts to EUR 3,830 thousand, after it was adjusted 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 March 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 March 2010 was EUR 15,133 thousand. The book value of the land provided as of 31 March 2010 was EUR 16,948 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 three-month period ended 31 March 2010 mainly of the CAP (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) received, expenses allocated to the RED capped by EUR 100 thousand in accordance with the Divisional Policy Statements. The revenues and expenses also include depreciation, change in deferred tax, and other immaterial revenues and expenses related to assets allocated to the RED, not provided to the MD.

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.

	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		
	1/1/2010 - 31/3/2010	1/1/2010 - 31/3/2010	1/1/2010 - 31/3/2010	**1/1/2010 - 31/3/2010**	1/1/2010 - 31/3/2010	**1/1/2010 - 31/3/2010**	**1/1/2010 - 31/3/2010**	1/1/2010 - 31/3/2010	**1/1/2010 - 31/3/2010**
	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	327,264	0	0	**327,264**	*0*	**327,264**	**78**	*0*	**327,342**
Sales to discontinued sub-segment	1,221	0	(1,221)	**0**	*1,221*	**1,221**	**0**	*0*	**1,221**
Inter-segment sales	0	0	0	**0**	*0*	**0**	**193**	*(193)*	**0**
Discontinued operations									
Sales to third party	0	28,357	0	**28,357**	*(28,357)*	**0**	**0**	*0*	**0**
Sales to continuing sub-segment	0	12,319	(12,319)	**0**	*0*	**0**	**0**	*0*	**0**
Total revenues	328,485	40,676	(13,540)	**355,621**	*(27,136)*	**328,485**	**271**	*(193)*	**328,563**

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*		
	1/1/2010 - 31/3/2010	*1/1/2010 - 31/3/2010*	*1/1/2010 - 31/3/2010*	***1/1/2010 - 31/3/2010***	*1/1/2010 - 31/3/2010*	***1/1/2010 - 31/3/2010***	***1/1/2010 - 31/3/2010***	*1/1/2010 - 31/3/2010*	***1/1/2010 - 31/3/2010***
	EUR'000	*EUR'000*	*EUR'000*	***EUR'000***	*EUR'000*	***EUR'000***	***EUR'000***	*EUR'000*	***EUR'000***
Operating income	17,674	2,375	0	**20,049**	*(2,375)*	**17,674**	**233**	*0*	**17,907**
Financial income				**16,959**	*(1,728)*	**15,231**	**980**	*(972)*	**15,239**
Financial expenses				**(49,755)**	*2,684*	**(47,071)**	**(569)**	*972*	**(46,668)**
Profit before tax				**(12,747)**	*(1,419)*	**(14,166)**	**644**	*0*	**(13,522)**
Income tax expense				**(2,259)**	*269*	**(1,990)**	**(123)**	*0*	**(2,113)**
PROFIT/(LOSS) FOR THE PERIOD				**(15,006)**	*(1,150)*	**(16,156)**	**521**	*0*	**(15,635)**
Assets and liabilities as of 31 March 2010									
Total segment assets	2,152,737	49,483	(2,464)	**2,199,756**			**35,139**	*(18,170)*	**2,216,725**
Total segment liabilities	1,588,117	29,814	(2,464)	**1,615,467**			**18,997**	*(18,170)*	**1,616,294**

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 - 31/3/2009	1/1/2009 - 31/3/2009	1/1/2009 - 31/3/2009	**1/1/2009 - 31/3/2009**	1/1/2009 - 31/3/2009	**1/1/2009 - 31/3/2009**	**1/1/2009 - 31/3/2009**	1/1/2009 - 31/3/2009	**1/1/2009 - 31/3/2009**
	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	239,449	0	0	**239,449**	*0*	**239,449**	**58**	*0*	**239,507**
Sales to discontinued sub-segment	905	0	(905)	**0**	*905*	**905**	**0**	*0*	**905**
Inter-segment sales	0	0	0	**0**	*0*	**0**	**191**	*(191)*	**0**
Discontinued operations									
Sales to third party	0	30,759	0	**30,759**	*(30,759)*	**0**	**0**	*0*	**0**
Sales to continuing sub-segment	0	16,432	(16,432)	**0**	*0*	**0**	**0**	*0*	**0**
Total revenues	240,354	47,191	(17,337)	**270,208**	*(29,854)*	**240,354**	**249**	*(191)*	**240,412**

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 - 31/3/2009	*1/1/2009 - 31/3/2009*	*1/1/2009 - 31/3/2009*	***1/1/2009 - 31/3/2009***	*1/1/2009 - 31/3/2009*	***1/1/2009 - 31/3/2009***	***1/1/2009 - 31/3/2009***	*1/1/2009 - 31/3/2009*	***1/1/2009 - 31/3/2009***
	EUR'000	*EUR'000*	*EUR'000*	***EUR'000***	*EUR'000*	***EUR'000***	***EUR'000***	*EUR'000*	***EUR'000***
Operating income	16,663	2,797	0	**19,460**	*(2,797)*	**16,663**	**505**	*0*	**17,168**
Financial income				**31,219**	*(2,879)*	**28,340**	**1,546**	*(1,375)*	**28,511**
Financial expenses				**(50,697)**	*3,609*	**(47,088)**	**(16)**	*1,375*	**(45,729)**
Profit/(loss) on disposal of interest in subsidiaries				**0**	*0*	**0**	**0**	*0*	**0**
Profit before tax				**(18)**	*(2,067)*	**(2,085)**	**2,035**	*0*	**(50)**
Income tax expense				**(3,751)**	*503*	**(3,248)**	**(407)**	*0*	**(3,655)**
PROFIT/(LOSS) FOR THE PERIOD				**(3,769)**	*(1,564)*	**(5,333)**	**1,628**	*0*	**(3,705)**
Assets and liabilities as of 31 March 2009									
Total segment assets	2,121,100	50,022	(508)	**2,170,614**			**31,182**	*(18,988)*	**2,182,808**
Total segment liabilities	1,570,145	37,327	(508)	**1,606,964**			**18,914**	*(18,988)*	**1,606,890**

Disclosures on main financial assets allocated between the divisions

EUR thousand	Mining division *31/03/2010*	Real Estate division *31/03/2010*	Eliminations & Adjustments *31/03/2010*	Total Group ***31/03/2010***
Land	5,024	18,980		**24,004**
Buildings and constructions	633,211	363		**633,574**
Plant and equipment	483,465	0		**483,465**
Other assets	7,290	0		**7,290**
Construction in progress	87,518	0		**87,518**
Rights to use land of Real Estate Division	15,133	0	(15,133)	**0**
Mining licences	166,096	0		**166,096**
Long-term receivables	1,226	0		**1,226**
Deferred tax asset	8,347	0		**8,347**
Restricted cash	10,843	0		**10,843**
Derivatives	58	0		**58**
TOTAL NON-CURRENT ASSETS	1,418,211	19,343	(15,133)	**1,422,421**
Inventories	84,199	0		**84,199**
Accounts receivable and prepayments	124,409	271	(2,012)	**122,668**
Derivatives	3,127	0		**3,127**
Income tax receivable	1,671	0	(943)	**728**
Cash and cash equivalents	465,615	15,021		**480,636**
Restricted cash	0	0		**0**
TOTAL CURRENT ASSETS	679,021	15,292	(2,955)	**691,358**
ASSETS HELD FOR SALE	102,524	504	(82)	**102,946**
TOTAL ASSETS	**2,199,756**	**35,139**	**(18,170)**	**2,216,725**
TOTAL EQUITY	**584,289**	**16,142**	**0**	**600,431**
Provisions	104,953	0		**104,953**
Long-term loans	92,691	0		**92,691**
Bond issued	260,378	0		**260,378**
Employee benefits	101,733	0		**101,733**
Deferred revenue	2,901	14,366	(14,366)	**2,901**
Deferred tax liability	106,131	0		**106,131**
Other long-term liabilities	609	0		**609**
Derivatives	21,300	0		**21,300**
TOTAL NON-CURRENT LIABILITIES	690,696	14,366	(14,366)	**690,696**
Short-term provisions	13,513	0		**13,513**
Accounts payable and accruals	200,418	2,507	(2,779)	**200,146**
Accrued interest payable on bond	7,400	0		**7,400**
Derivatives	4,600	0		**4,600**
Income tax payable	1	1,950	(943)	**1,008**
Current portion of long-term loans	653,779	0		**653,779**
Short-term loans	10	0		**10**
Cash-settled share-based payments payable	1,636	0		**1,636**
TOTAL CURRENT LIABILITIES	881,357	4,457	(3,722)	**882,092**
LIABILITIES RELATED TO ASSETS HELD FOR SALE	43,414	174	(82)	**43,506**
TOTAL LIABILITIES	**1,615,467**	**18,997**	**(18,170)**	**1,616,294**
TOTAL EQUITY AND LIABILITIES	**2,199,756**	**35,139**	**(18,170)**	**2,216,725**

Operational Segment Disclosure

The main business activities of the Group include coal mining and coking operations, representing the Coal mining and Coking segments. The Company also holds entities active in electricity distribution and trading, however these entities are held for sale and therefore are not reviewed by the CODM as a separate segment and are allocated to the segment “Other” together with the operations of the holding entity, which provides mainly holding and financing activities to all entities of the Group.

Coal mining segment

The Coal mining 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 segment aggregates the following entities (with adjustments to their standalone financial performance as described below):

OKD

NWR Karbonia

OKD, HBZS, a.s.

Coking segment

The Coking 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 segment

The Other 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, a.s. and its subsidiaries, NWR ENERGETYKA PL Sp. z o.o. and CZECH-KARBON, s.r.o. are active in electricity trading and distribution, production of heat and compresses air. Electricity trading activities are classified as discontinued operations and thus they do not impact the segment result represented by operating income from continuing 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.

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 Coking segment.

Coal purchased by OKD from third parties for the purpose of coking is included in the financial information of the Coking segment. Any inventory on such coal is allocated to the Coking 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 segment Other.

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. These data include the operational part of the income statement, the value of total assets per segment and CAPEX per segment defined as purchase of property, plant and equipment. CAPEX is allocated based on the segment using the assets acquired.

EUR thousand	Coal	Coke	Other	Consolidation adjustments and elimination	Consolidated group
	Continuing segments				
	1/1/2010 - 31/03/2010	1/1/2010 - 31/03/2010	1/1/2010 - 31/03/2010	1/1/2010 - 31/03/2010	**1/1/2010 - 31/03/2010**
Sales to third party	251,922	62,918	12,502	0	**327,342**
Sales to continuing segment	26,708	32	17,042	(43,782)	**0**
Sales to discontinued sub-segment	26	0	1,195		**1,221**
SEGMENT REVENUES	**278,656**	**62,950**	**30,739**	**(43,782)**	**328,563**
Change in inventories of finished goods and work-in-progress	(5,156)	(2,266)	0	(509)	**(7,931)**
Consumption of material and energy	(70,473)	(42,864)	(19,592)	43,691	**(89,238)**
Service expenses	(66,353)	(8,201)	(3,606)	617	**(77,543)**
Personnel expenses	(83,280)	(5,361)	(4,103)	0	**(92,744)**
Depreciation	(35,542)	(1,566)	(117)	0	**(37,225)**
Amortization	(2,192)	0	0	0	**(2,192)**
Reversal of impairment of receivables	(2)	0	0	0	**(2)**
Net gain from material sold	677	16	9	0	**702**
Gain from sale of property, plant and equipment	16	(14)	44	0	**46**
Other operating income	440	64	264	(22)	**746**
Other operating expenses	(4,319)	(579)	(382)	5	**(5,275)**
SEGMENT OPERATING INCOME	**12,472**	**2,179**	**3,256**		**17,907**
SEGMENT EBITDA	**50,190**	**3,759**	**3,329**		**57,278**
SEGMENT ASSETS*	**1,946,449**	**204,756**	**571,627**	**(506,107)**	**2,216,725**
CAPEX	**40,747**	**19,092**	**3,619**		**63,458**

*…segment assets of segment "OTHER" include assets held for sale

EUR thousand	Coal	Coke	Other	*Consolidation adjustments and elimination*	**Consolidated group**
	Continuing segments				
	1/1/2009 - 31/03/2009	*1/1/2009 - 31/03/2009*	*1/1/2009 - 31/03/2009*	*1/1/2009 - 31/03/2009*	***1/1/2009 - 31/03/2009***
Sales to third party	202,958	25,326	11,223	0	**239,507**
Sales to continuing segment	24,982	24	17,818	(42,824)	**0**
Sales to discontinued sub-segment	12	0	893		**905**
SEGMENT REVENUES	**227,952**	**25,350**	**29,934**	**(42,824)**	**240,412**
Change in inventories of finished goods and work-in-progress	46,996	16,596	0	(986)	**62,606**
Consumption of material and energy	(69,444)	(33,226)	(20,907)	43,185	**(80,392)**
Service expenses	(56,159)	(4,540)	(4,126)	641	**(64,184)**
Personnel expenses	(85,817)	(5,624)	(5,467)	0	**(96,908)**
Depreciation	(34,044)	(3,050)	(1,423)	0	**(38,517)**
Amortization	(2,312)	0	0	0	**(2,312)**
Reversal of impairment of receivables	2	(1)	0	0	**1**
Net gain from material sold	995	22	0	0	**1,017**
Gain from sale of property, plant and equipment	4	1,210	0	0	**1,214**
Other operating income	766	61	21	(15)	**833**
Other operating expenses	(5,994)	(457)	(150)	(1)	**(6,602)**
SEGMENT OPERATING INCOME	**22,945**	**(3,659)**	**(2,118)**		**17,168**
SEGMENT EBITDA	**59,297**	**(1,819)**	**(695)**		**56,783**
SEGMENT ASSETS*	**1,804,488**	**202,997**	**230,936**	**(55,613)**	**2,182,808**
CAPEX	**85,720**	**9,423**	**2,880**		**98,023**

*…segment assets of segment "OTHER" include assets held for sale

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 following table shows the detail of discontinued operations:

EUR thousand	1 January 2010 - 31 March 2010	1 January 2009 - 31 March 2009
Revenues	40,676	47,250
Change in inventories of finished goods and work-in-progress	0	0
Consumption of material and energy	(39,457)	(43,728)
Service expenses	(67)	(68)
Personnel expenses	(156)	(181)
Depreciation	0	0
Amortisation	0	(2)
Impairment of receivables	0	(458)
Net gain from material sold	0	0
Gain from sale of property, plant and equipment	0	0
Other operating income	1,418	0
Other operating expenses	(39)	(15)
Operating profit	2,375	2,798
Financial income	1,728	2,878
Financial expense	(2,684)	(3,609)
Profit before tax	1,419	2,067
Income tax expense	(269)	(503)
PROFIT FROM DISCONTINUED OPERATIONS	**1,150**	**1,564**

EBITDA from discontinued operations decreased to EUR 2,375 thousand for the three-month period ended 31 March 2010 from EUR 2,800 thousand in 2009.

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 March 2010
Property, plant and equipment	38,887
Trade and other receivables	53,077
Cash and cash equivalents	16,087
Other assets	225
Employee benefits	(837)
Deferred tax liability	(3,617)
Trade and other payables	(44,382)
Equity	**59,440**

The following table shows the cash flows from discontinued operations:

EUR thousand	1 January 2010 - 31 March 2010	1 January 2009 - 31 March 2009
Net cash flows from operating activities	(9,183)	(8,752)
Net cash flows from investing activities	(2)	0
Net cash flows from financing activities	4,082	4,992
Net effect of currency translation	331	(260)
Net cash flow from discontinued operations	**(4,772)**	**(4,020)**

Net cash flows from operating activities for the three-month period ended 31 March 2010 were 5% lower than in the same period of 2009 due to lower profit of the electricity trading operations resulting mainly from decrease of electricity prices on the market. Net cash flows from financing activities for the presented periods reflect drawdowns under an overdraft facility of CZECH-KARBON s.r.o.

Subsequent Events

The Company sold 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 and sold 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%.

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 36 million translated with the exchange rate at 31 March 2010), of which CZK 815 million (EUR 32 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 is included in the 2009 annual report 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.

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 March 2010.

(EUR thousand)	1/4/2010 - 31/3/2011	1/4/2011 - 31/3/2013	After 31/3/2013
7.375% Senior Notes due 2015	0	0	267,565
Senior Secured Facilities*	64,559	581,901	0
ECA loan	13,032	26,065	71,678
Other short term loans	0	0	0
TOTAL	**77,591**	**607,966**	**339,243**

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

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 floating interest rate can be fixed for maximum six months.

The following table presents proforma contractual obligations reflecting the repayment of the SSF on 27 April 2010 using the proceeds from the issue of the 8.875% notes due 2018 and available cash of the Company.

(EUR thousand)	1/4/2010 - 31/3/2011	1/4/2011 - 31/3/2013	After 31/3/2013
7.375% Senior Notes due 2015	0	0	267,565
7.875% Senior Notes due 2018	0	0	475,000
Senior Secured Facilities*	180,837	0	0
ECA loan	13,032	26,065	71,678
Other short term loans	0	0	0
TOTAL	**193,869**	**26,065**	**814,243**

*amount paid out of available cash, based on the exchange rate of 25.514 CZK/EUR, assuming fees of the offering of 2% resulting in repayment of EUR 465,500 thousand out of the proceeds from the offering

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 97 million, of which EUR 32 million result from the POP 2010 programme and EUR 17 million result from the COP 2010 programme relating to construction of a new coking battery.

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 147,852 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 are 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.

Amsterdam, 18 May 2010

Board of Directors

Directors' Statement of Responsibility

The Directors are responsible for preparing the consolidated financial report in accordance with the Dutch laws and regulations implementing the Transparency Directive[7]. The Directors hereby declare that, to the best of his or her knowledge:

(a) The condensed consolidated financial information, which has been prepared based on IFRS recognition and measurement criteria as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation as a whole, and

(b) The management report includes a fair review of important events that have occurred during the three-month period, and their impact on the condensed set of financial statements, together with a description of the principal risks and uncertainties for the remaining three months of the financial year, as well as of major related parties transactions.

Marek Jelínek
Director, Chief Financial Officer
18 May 2010

[7] Transparency Directive in full is called:
Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004 on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market and amending Directive 2001/34/EC.