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CORPORATE PARTICIPANTS

Radek Nemecek *New World Resources - Head of Investor Relations*

Gareth Penny *New World Resources - Executive Chairman*

Marek Jelinek *New World Resources - Executive Director, CFO*

Jan Fabian *New World Resources - Executive Director, CEO of OKD*

CONFERENCE CALL PARTICIPANTS

Roger Bell *JPMorgan - Analyst*

Romy Kruger *Exane BNP Paribas - Analyst*

Michael Boam *RBS - Analyst*

Bartlomiej Kubicki *Raiffeisen Centrobank - Analyst*

Bram Buring *Wood & Co. - Analyst*

PRESENTATION

Radek Nemecek - *New World Resources - Head of Investor Relations*

Good morning, ladies and gentlemen. And thank you for joining us this morning for the presentation of New World Resources 2012 results, as well as introduction of the new strategic outlook for the Company.

Today, we are joined by Gareth Penny who became Executive Chairman of NWR in October 2012, Marek Jelinek, the Executive Director and Chief Financial Officer, and also Jan Fabian, Executive Director and from January 2013, CEO of OKD, our mining subsidiary.

I'd like also to remind you that this event is being webcast. And at the end of the presentation, we will hold a Q&A session. With that, I would like to hand over to Gareth.

Gareth Penny - *New World Resources - Executive Chairman*

Marek, Jan, Radek, and ladies and gentlemen, and everybody both present here and in the greater audience. Good morning to you. Can I start by saying just something on a personal level? This is obviously my first presentation to you as executive chairman of New World Resources.

I'm very pleased to have joined the Company and taken over from Mike Salamon at the beginning of October last year. I have a huge respect for Mike and I think he did an extraordinarily good job in driving the Company forward. And I'm excited about the prospects and the opportunities that exist for the business today.

What we want to do this morning -- if we can go to the next slide -- Radek, can I just check? How do I move the slides or do they move for me? Doing that? The usual forward-looking statement.

If I move on to the architecture of today's presentation, we want to start by talking very briefly about the 2012 performance.

Marek is then going to give us a financial review of the Company and also the outlook for 2013. And some market guidance. Jan is going to talk about the business review and OKD. And then I want to talk about what we think is an exciting strategy and where we plan to take NWR over the next five years.

So, very briefly, let's then look at our financial summary for 2012. I mean, clearly, we have to say a difficult year. And driven overwhelmingly by one factor, and that's price.

And in this business, in terms of our coking coal price, went from EUR177 a tonne to an average of EUR124 a tonne, so, a drop of 30%. And that, of course, led to that revenue line that you see there down to EUR1.3 billion, down 20%, EBITDA down 50%, 51% to EUR223 million, and our net debt now at EUR551 million.

I think it's important to make a note here that while we paid an interim dividend of EUR0.06, we have passed on the final dividend, and that's in line with the Company's dividend policy of paying 50% of net earnings. And, clearly, that hasn't been there in the second half of the year. And, hence, the decision on the dividend.

But one thing is important to say is that all the controllable costs, the things that are in management's control, has been extremely well dealt with, in my view, over the course of 2012.

So, you see here, for example, on the slide that our mining unit costs at EUR81 return, as opposed to EUR82 this time last year, show a flat or slightly declined mining unit cost, which, I think, is very noteworthy. And, as we look at slide six, again, you find the same evidence, I think, of exceptional management.

Our lost time injury frequency rate is down by a further 2.5%, so we're now below 7.5. Jan will talk a little bit later about some of the stretch targets we're setting ourselves in this space. You will see that the mix between thermal and met continues to progress to a situation we're now 51% of our production was in coking coal.

And you will see that, in terms of other variables in this business, I think they have been well-controlled. So, mining costs are flat. Safety has improved.

You see on the right-hand side of that slide the extent to which daily longwall productivity is improved from 1,700 tons a day to 1,800 tons a day. And I think they all talk to the real focus of management in this business on things that can be controlled.

I want to make just a few other points while we're on this slide. And, again, I think Marek and Jan will talk to the same in more detail.

But, clearly, we've booked inventories over the course of this year -- in particular, thermal coal. And you'll see that the reason for the net loss in the Company was the adjustment that we took on those inventories, which we think was the right and prudent thing to do.

Of course, it may be that if those inventories get revalued at the point that they sell, we may write those back up again. But it was the right thing to do at this time.

You also see that we make mention here of the Debiensko project. This has clearly been a very important project in over the last few years for New World Resources. I think we made important progress in Debiensko. And I have to say coming in, I've looked at the project, obviously, with completely new and fresh eyes.

It's a tremendously important project for us -- 190 million tons of high quality metallurgical coal. It's right on strategy. And it's certainly going to be something that is important to NWR as our long term future. And I don't want to steal Jan's thunder, but he will give you a lot more color and a lot more detail around that.

So, really with that, let me hand over to Marek. And I'm going to talk further about the forward picture and our strategy in a few minutes.

Marek Jelinek - *New World Resources - Executive Director, CFO*

Thank you, Gareth, and good morning, everyone. Before I start talking about specifics about the actual numbers, let me just give you what I think our five factors that are the key drivers of our performance last year -- some of them mentioned by Gareth earlier.

First, the single most important driver, obviously, last year was coking coal price. I'll talk about the pricing environment a little bit in a minute. But we have seen quarterly deterioration of coking coal price throughout the year until about EUR100 a ton in the fourth quarter. That's obviously not a great pricing environment.

We have done a lot of hard work offsetting the impact of this pressing environment. Critically, I think we have delivered on our target of maintaining flat unit costs in the mining segment. In fact, unit costs went marginally down. So, we have outperformed on that.

We have also delivered on the improvement in the product mix. Fifty-one percent of our sales last year were coking coal. I think we have now dealt with the product mix issue that we have been dealing with the past two or three years.

Going forward, we think that the product mix has now been stabilized for the next few years. For example, for 2013, we expect the same product mix as in 2012.

CapEx we have spent about EUR230 million on CapEx. As you know, we have suspended CapEx in Debiensko in the course of 2012 for a number of reasons. But one of them was simply the pricing environment and our limited ability to finance a large growth project of this kind.

But, important to say, I think, about 10% of that EUR230 million went into the Karvina project, which is one of the most advanced growth situations. And we'll talk about that in a moment.

And, finally, one technical thing that I think is worth mentioning, at the end of the year, as of December 31, we have written down some of our thermal coal aventurine. The charge is about EUR15 million. And that obviously flows through the entire P&L. And so, the net loss of EUR1 million, for example, is post-a EUR15 million write off in inventory.

Let me talk in a bit more detail about the pricing environment. You can see -- those of you who can see the slide -- you can see for yourself the situation in coking coal throughout the year. Obviously, EUR100 a ton in the fourth quarter is not a great price.

We have seen a marginal improvement in the first quarter of 2013 already. There's about EUR2 or EUR3 improvement in the coking coal price -- still not where we would want the market to be. And we do expect a further appreciation in the coking coal price in the course of 2013.

Thermal -- that was a very different story in 2012. We have seen an improvement in the price year-on-year. As you probably know, we sell thermal coal on a calendar year contract.

So, we have seen, as a result of a significant levels of inventory in Central Europe, not just at our own operations, but in particular in Poland. We have seen a deterioration in the thermal coal price for this year to about EUR60 a ton.

I think this simply highlights the fact that in our view of our business, thermal coal is rather a byproduct of production of coking coal. It helps cover some of the fixed costs, but it's not where the margin is created. The margin is created predominantly in coking coal and, to some extent, in coke as well.

Just a brief note on the coke price -- it generally follows the dynamics of the coking coal pricing. We have seen that in effect throughout 2012. And I think we will see a continuation of that in this year as well.

Moving on to the key factors that have driven EBITDA last year -- obviously -- again, those of you who see the slides, you can see the single largest factor there is the coking coal price.

The coal improvement in the product mix has helped to a very significant extent. Again, 51% of our external sales is now coking coal. And the cost control that I mentioned has helped as well last year -- about EUR80 million was added by reduction in OpEx.

Moving on to a sort of more granule analysis of the coal segment's performance. In coking coal, revenues were down about 27% on a combination of a weak price, partly offset by an improvement in the volume -- in the product mix.

Thermal coal revenues were down about 11%, which was, again, a combination of a relative positive pricing with a lower weighting of thermal coal in the overall product mix. So, the EBITDA in the coal segment was EUR222 million.

Moving on to a similar view on coke. We had seen a relative weak coke market throughout 2012. Sales in terms of volume were flat. Prices were declining. And the outcome is about 20% drop in coke revenues.

However, the EBITDA in the coke segment, even though in absolute terms is not huge, but it has actually doubled year-on-year. The main reason for that is cheaper inputs, the weak price of coking coal. Even though it hurts us on the coking coal side, it helps tremendously on the profitability of the coke segment.

As regards our financial position in our projects -- we have some technical difficulties here. As regards our financial position at the end of the year, net debt of EUR550 million. Importantly, we have -- this is, obviously, post-balance sheet date -- but we have recently refinanced a part of our debt. We have refinanced what used to be the 2015 note with a new 2021 note.

The new note occupies the same place in the capital structure as the old one. It's an unsecured note of EUR275 million with a coupon of seven and seven-eights. So, identical to the still-outstanding EUR500 million secured note that matures in 2018. And that 2018 is also the year of our nearest significant debt maturity.

So, I think we have done a pretty good job taking advantage of a positive market and, basically, getting any near term refinancing out of our hair for the time being.

In terms of a summary of what we expect in 2013, we are targeting a coal production of 10 million to 11 million tons, and coke production of 800,000 tons. We expect to sell externally between 9.5 million and 10.5 million tons of coals, with the same product mix as last year. So, about 50% coking and 50% thermal. And we also expect to sell 700,000 tons of coke.

Thermal coal has now been priced at EUR60 a ton for 2013. One important note here, traditionally, we were selling thermal coal on an annual calendar year contract. That is still the case for the vast majority of our volume.

However, the EUR60 a ton now applies to 80% of what we expect to sell in 2013. The balance, the 20%, is for now, at least, is priced quarterly. And I think this development relates to the general state of the thermal coal market in Europe and the quite high level of nervousness about the market among the market participants.

Coking coal is now in the current first quarter 2013 priced at EUR103 a ton. We expect that about 45% of the tonnage will be mid-vol hard coking coal, 47% semi-soft and 8% PCI.

And we do expect a further appreciation of the coking coal price. How soon and to what extent, obviously, is a good question. But one that's very difficult to answer. And I will not attempt to do that now.

Coke in the first quarter is priced at EUR253 a ton. We think about 75% of the tonnage will be foundry coke, 15% blast furnace, and about 10% other types of coke.

In terms of cost management, we continue to target essentially the same target as in 2012. So, we are looking to maintain flat mining unit costs in the mining business and the same in the coke business.

As far as CapEx is concerned, we expect to spend between EUR120 million and EUR130 million in 2013, which is about a 50% drop year-on-year. Two notes on that -- one, about EUR10 million of that target is to be spent on Debiensko. And that's the top of what we think we will be spending this year in Debiensko.

In terms of where the rest of the significant CapEx comes from, I think it's important to realize that about a 60% cut will happen in acquisitions of new mining equipment. And only about a 25% cut will happen in spending on gateroad developments.

This is significant. And those of you who have been following us for a few years will remember that we have cut CapEx very aggressively in 2009. And, as a result, we have since struggled with the product mix.

One of the issues that we dealt with was not enough historical CapEx in developing new gateroads. We are not repeating that mistake in 2013. The gateroad development CapEx reduction is limited. Again, the number here is 35%.

I think that concludes the financial summary. And I would like to hand over to Jan to give you an operational update. Thank you.

Jan Fabian - *New World Resources - Executive Director, CEO of OKD*

Thank you, Marek. Good morning, everybody. As usual, I would like to start the NWR business review section with a view on our core priority. And that is health and safety.

As you can see from the slide, we have been, again, able to decrease our lost time frequency rate. This is a very positive trend. We ended up the year with 7.45. Lost time injuries per 1 million hours worked, which is well below our regional peers.

And here I would like to stop for a while and comment on two things that Gareth and Marek were mentioning. Some of the items that my own statement that might seem contradictory to the safety performance.

We have said we have been able to keep our cash costs under control. Again, second consecutive year after each other. We have been able to increase our productivity from longwalls to the historically highest level in OKD.

And as Marek was recently mentioning in the last slide, we are looking on CapEx cuts -- very dramatic CapEx cuts -- to 50%. But this doesn't mean that we are going to compromise on safety.

In opposite, we are going to try to drive this positive trend further down. We have set an internal target of five lost time frequency rate by 2015. And this should fortify our position, our position of a regional leader in safety in underground coal mining in the whole region.

When asking about how we achieved these results and how we want to proceed further, I have to say that we have been spending, and we will be spending, money in the latest technology. And we do focus on promoting a safety first culture throughout the organization. And we do that through continuous education and very high quality training programs for all employees.

In addition to that, the board of NWR also made stronger links between safety and financial performance at all levels of the group.

Now, I would like to focus a little bit more on regional market dynamics affecting our business. As you all very well know, the structural weakness in the Euro zone continues to impact the steel environment, especially, in our customer markets.

Now, when talking about our customer markets, I am meaning here besides the Czech Republic, all the four neighboring countries, plus Hungary. And in these six countries in Central and Eastern Europe, the steel production in 2012 was 68 million tons last year, which is 2% to 4% down, compared to 2010 and 2011; however, almost 30% higher than in 2009.

When looking on the world steel capacity utilization ratio, in December 2012, the ratio was at the level of 73. However, in our region, especially in the belt going down from Poland, Czech, Slovak Republic and Austria, in these coal markets, the utilization ratio was higher. So, in other words, the over-capacity is lower in this region. And we have not seen any capacity closures in this region, unlike western and southern parts of Europe.

These core Central European regions prove to be more resilient compared to Western Europe also in the past year. And this was also thanks to the fact that we have an increasing trend towards high end steel products, such as high speed railways, automotive, mechanical engineering and similar.

When looking now on some of the examples of our clients, you can see that NWR has a long standing relationship with blue chip customers in the region. And if you look more into detail on this map, you see that our steel customers have, again, a long standing relationship and very near customers, basically, at the doorsteps of their operations.

So, all these combined with high industrial concentration in this region, efficient supply chain, which NWR is a part of, and a very knowledgeable and skilled work force in the region makes a big advantage for the region also going forward.

NWR wants to participate in the global high end steel business. And we feel very good that we are today already exposed to more than 40% of our revenues towards these industries that I was mentioning before that are growing.

With that, I would like to go to our growth project. As Gareth mentioned earlier, we completed our review of Debiensko and the project remains an attractive venture for us. But a couple of key points I want to highlight here.

The big issue we had last year when we started the review, the water management and the liabilities of our waters, this issue has now been mitigated. Furthermore, we have done our homework in completely reviewing the operational plans of Debiensko. And as a result of that, we come up now with an increased production per annum in the plants going forward.

Now we are considering options for developing the site further. And therefore, we start already the CapEx spending of EUR10 million for surface facilities for value engineering. And this value engineering goes for looks on different options of development, of this unique mine in Central Europe.

And notwithstanding one of the options, this is, of course, a potential partnership for this project. But I want to make here very clear that there are no concrete steps with any party at this moment. This is just an option that we will be looking at.

And as we see from the review that we have done, the project is a viable value proposition for NWR on a stand-alone basis. And, therefore, we are going to spend this money and do the value engineering this year.

However, Marek mentioned that, already, in the current environment and given the financial strength of NWR, we are not going to rush our capital spending in 2013. We have to be very cautious about that. But very important to remember that Debiensko is a 190 million tons, very high quality coking coal, very unique reserve in Central Europe.

This is the type of quality that is being imported into the region from overseas. And we have a 50-year mining license for that. So, Debiensko is a core asset for NWR, definitely.

Looking now on Morcinek. That's another Polish project, Polish-Czech project on the border with the Czech Republic. There, we have reached a significant milestone in 2012. And that was that the deposit was included into Poland's official list of reserves, which is a crucial step towards getting a mining license later on.

At this stage, we cannot talk about clean JORC reserves, but the resources -- the whole documentation covers a resource of more than 650 million tons of predominantly coking coal. We have continued last year in exploratory drillings. We have been further doing the dewatering, as planned.

And for those of you that do not follow the project, more in detail I would just like to remind that we do intend to develop this deposit since it is neighboring to one of our existing operations, from our existing Czech OKD operation.

Last but not least, Frenstat. That's a purely Czech development project. At Frenstat we are still in the exploratory phase. As we started in 2011, we said it would be, roughly, a four-year exploratory phase that we go through.

We feel that it is in NWR's responsibility, not only towards the local community, but also towards the Czech state and also towards the shareholders that do finance, for example today, the preservation mode of this prepared mine -- to do more diligent exploration of the deposit.

All the information we have today are based on 30 and more years geological survey that was done in the past times. So, we definitely want to proceed further and go through the exploration phases. And in any case, Frenstat is a very interesting long term project for NWR.

And with that, I would like to hand it over again to Gareth.

Gareth Penny - *New World Resources - Executive Chairman*

Jan, thank you. And so, what I want to talk about now is how we see the next five years. I mean, we have spent a lot of time in the last quarter of last year thinking very carefully about New World Resources' strategy.

And, clearly, I think coming in as the new chairman, it gives us an opportunity to recalibrate and look at the things that we do really well today. And how do we take those strengths and evolve an appropriate strategy for the next five years. And so, we want to talk a little bit about that now.

And, really, it's summarized, I think, on this slide. On the left-hand side you've seen where NWR has been and where we are today. Coal producer, trusted supplier in Central Europe to the steel and the energy markets.

We've been mining and supplying about 5 million tons, as Jan and Marek have talked about, of coking coal into the region. And the mix that we've been supplying in the orange bubble has been, obviously, determined overwhelmingly by that which we have produced.

We've also focused on safety. You've seen an improving record over time to the time to the point where at 7.5 LTIFR, we are a regional leader in comparison with other comparable type of mining operations. And where we've been spending around EUR200 million in CapEx. So, that's where we've been up to now.

Where do we seek to be in the next five years? What is it that I think we can achieve as a company? Well, firstly, we see no reason why we can't take the 5 million tons of coking coal that we sell and double that to something like 10 million. And we'll explain some of the reasons behind our thinking in a minute.

We think we can supply a much broader range of qualities. We have already been, to some extent, importing coking coal and blending with our own mix in relatively small quantities -- around 150,000 tons per annum.

And we think that's a business that we now have traction with and that we can grow into something more meaningful and become more of a -- if you like -- a "one stop shop." And, again, I want to talk a little bit more about that in subsequent slides.

But, of course, we're going to continue to focus on our core business. And so we want to make sure that we optimize the existing mines, we improve our safety record down to five that Jan talked about.

And we lower our CapEx spend because, of course, we've already spent very considerable amounts of money behind CapEx in those existing operations. And we think we can now be more cash generative when this market returns a more normal price structure. And that that will be important from the point of view of shareholder returns.

So, let's start by looking at that -- if you like -- that red bubble. Why do we think that there's an opportunity to expand from something like 5 million tons to something like 10 million tons of coking coal in our region?

And here are just a few -- if you like -- proof points. In the top left-hand side, color shaded, shows you the concentration of industrial employment as a percentage of economic activity in Europe.

And you will immediately see in the dark blue those countries where there's a very high concentration of greater than 22%. And, of course, that's where we're sitting. If you move to the bottom of that slide, you will see the extent to which heavy industry has been shifting into Central Europe over a period of time. And, again, why is that important to us, because our business is about supplying heavy industry. That's what we do.

75% of our revenues come from coking coal. And, overwhelmingly, those go into construction and automobiles -- exactly the kind of industry that has been shifting into our part of Europe.

If you look at the top right-hand corner of the slide, you see interestingly Slovakia and the Czech Republic today are the two highest producers in the world in terms of automobiles per capita, which, I think, is an extraordinary achievement. And that's largely driven by the bottom right-hand side, which shows you the importance of labor, the kind of skills, professional productive labor that you have in the region.

And I think all of this talks to the potential and the future of the industrial base building and maintaining in Central and Eastern Europe, which, clearly, is a very important part of this whole thesis.

The second thing we then said is if on the demand side we believe there's going to continue to be demand for steel and for the coking coal that goes into the manufacture of steel, where is that coking coal going to come from? And where does it come from today? And how might that change over the months and years ahead?

And so we spent some time with the help of RolandBerger and other consulting companies looking at the flows of coke and coal around the world. And very interestingly, identifying where the major coking coal flows come from today.

And you that, overwhelmingly, that supply is coming from North America, to some extent Australia as well -- 17 million tons. But 29 million tons coming into the greater European region, and some coming in from places like Russia and elsewhere. And this has given us, I think, a cue to say, "So, where do we think we need to look to in terms of future growth?"

I think this is a particularly enlightening slide. And I want to spend a minute or two on it because on the left-hand side you see in that black line the extent to which the production of coking coal has been declining in Europe.

And that's no surprise to any of us. And that line is going to continue in that direction because, of course, you've got the German industry, for example, by 2018, for all intents and purposes, cease to exist.

You know, I think the story there that the subsidies to the German industry will have by then entirely withdrawn. And I think the three or four remaining mining operations will have closed. So, that line in terms of the production of coking coal in Europe will continue down. I'm happy to say, while we maintain our production.

What you can then see in the blue lines is if you look, again, on the right-hand side of that graph is -- so where does the supply come from to supply that gap that exists in Central Europe. And overwhelmingly, as you would expect from the previous slide, that's coming from North America -- the dark blue portion of that slide.

If you move to the right, you will see that today Europe imports about 50 million tons of coking coal. That's the existing import from producers around the world. And that number is set to grow to about 70 million tons over this five-year period. So, as Europe declines in production, as industry starts to rebuild in Europe, the amount of imported coking coal in Europe doesn't just remain at the 50 million, it grows to 70 million. And in all of this we see the opportunity for ourselves to build on our existing skills.

We know our customers. We've got very strong logistics. We understand our product mix. We understand where and how to use, and in some instances we supply a miniscule percentage of the needs and demands of some of our customers.

And I've been deeply encouraged by the conversations that we've had with people that said if you can give us more Paskov type material, high quality coking coal, please do that. And the way that you blend it and the way that you've prepared our particular product mix, is of deep interest.

So, in terms of the rationale and the supply gap, not just that exists today but is growing, we think that is a very interesting economic proposition. If we move from that -- let's call it the supply side picture -- to the demand side picture -- that orange bubble.

Again, some thoughts here. You know, we've been supplying regionally qualities of coking coal. We have been importing, as I've alluded to, small amounts of imported coking coal all ready to blend into our mix.

But we see therein an exciting potential opportunity. Not necessarily just to supply to Central and Eastern Europe. But, obviously, given the numbers that I've just shared with you, to a wider audience. And, particularly, obviously, given what's happening in Germany, we think that there are a number of major players out there with very specialized steel manufacturing businesses with whom our relationship could grow quite significantly over time.

So, building on the trading side of the business, building on our marketing capabilities, becoming -- if you like -- a "one stop shop," is something we think is a very interesting part of our strategy going forward. And then, lastly, just looking at that third bubble, how do we optimize our existing business?

And, clearly, in most businesses the most immediate unlocking of value is by addressing your existing business. And so, really three areas just to mention. I think we've spoken already at some length about safety.

Marek has talked to this question how do we lower the EUR200 million down to a run rate to between EUR100 million and EUR150 million of CapEx. And something, interestingly, that we want to do though, as well, is spend more money with regional suppliers.

There are some very, very good Czech and Polish producers of underground coalmining equipment that we want to partnership with. And, again, I think that talks to sustainability, which I'll come to in a minute.

And then in terms of the sales mix, we are already at a situation where 45% has moved to 51% in terms of coking coal. But we see that moving with the kinds of projects that Jan has been speaking about. Overwhelmingly, coking coal projects. We see that this period moving to a 60% product mix up from where we are today.

So, even if we were mining, say, 10 million tons, you might find that 6 million of those were coking coal and four thermal as we move forward into the future. So, together these three parts really, I think, talk to you about how we see the next five years. But, of course, in any mining company, maintaining a social license to operate is key. And so, whether it be the amount of land we rehabilitated, whether it be the emissions of nitrogen, or sulfur or carbon, these are very important parts of our business.

I think we've shown an important trend to being on the right side of history in terms of how we think about the business and how we run it, and in terms of our social license to operate, and in particular, in terms of all our contributions to the communities where we are.

And I think -- you know -- I've been encouraged by the discussions we've had with the consuls, with senior officials in the region, about how they see the contribution that NWR and its subsidiaries in OKK and OKD make towards the community.

So, let me summarize all of that into two short slides. What are we planning to do in the short term? Continued focus on efficiency and cost control on our current operations. You know, right now, this is the time to stay really, really focused on what we need to do.

The pricing structure in the first six months, at least, of this year is going to continue to be very challenging. And we need to just make sure that we keep our costs under control, we lower our capital spending, we're deeply rigorous in our approach to each and every Euro we spend. And we make sure that we don't need to spend more than is necessary at this time. We plan to right size our CapEx and our cost space.

The challenge that we've set management in our operations is to be cash neutral at current prices. And you can imagine that's a big ask with 60-euro thermal and 103-euro mets. But if we can be cash neutral at an operating level at these prices at this point in the cycle, you can imagine how cash generative we could be once we start putting 120, 130 coking coal prices into the mix.

We need to build on our core strengths, our research expertise, our strong customer relationships. We've identified the strong and growing supply gap in Central Europe and in Europe as a whole. And we think that's a real opportunity. And in a single sentence, what do we think we want to achieve? And that's to reposition ourselves as Europe's leading miner and marketer of metallurgical coal.

And that strategy, really, is summarized by this slide, which we will put up now frequently in front of you as we say where are we in terms of delivery. And so what we want to make sure is there are no surprises.

So when we come to talk about mining efficiency and how we've lowered costs there and what we're doing with our projects, those things would fall into a blue bucket. If we talked about something we may acquire because it's deeply valued generative, we're not going to do anything that doesn't create shareholder return. This is not about growth for growth's sake.

I mean, in today's market, I think every shareholder community wants to know that management team are not proposing anything or engaging in a process that is not going to generate real shareholder value.

And, lastly, how do we expand on this extraordinary set of relationships we have in the region to become a supplier of choice, a preferred supplier, to each and every one of our customers. And a broader base of customers in the region.

So, I think with that, we'll pause there. And I think let's take any questions.

QUESTIONS AND ANSWERS

Roger Bell - *JPMorgan - Analyst*

Hi. It's Roger Bell at JPMorgan. First question is for Marek.

Could you just confirm what your debt covenants are? And just could you just comment on where you see the, sort of, net debt to EBITDA metric going in light of -- you know -- if we're generous and we take second half EBITDA, it's annualizing it around net debt to EBITDA of over four times. So, in light of what, how often is the covenant tested? And where do you see that metric going?

And then, second question is really around the marketing strategy. You mentioned there's obviously demand in the region. But have you spoken to the people you're currently importing high quality coking coal from? And are they willing to supply extra volume to you and allow you to make a margin on that volume? Or do you have to do more work in locking up supplies of premium coking coal?

Marek Jelinek - *New World Resources - Executive Director, CFO*

All right. On the covenants, Roger, there are two facilities in the debt structure that have maintenance covenants. One is the revolving credit facility and the other one is the equipment loan -- the export credit facility.

They both have the same set of covenants. They require a net leverage of 3.25 and fixed charge cover of 3.5 times. They are tested on a quarterly basis and it's 12-month trailing test. Where we will get with the levels is, obviously, critically dependent on coking coal price.

So, the true answer is I don't know. But because I don't know, we are now well in the process of dealing with the lenders to address a potential issue with the covenants.

One more thing that I would add to this is if you look at the two facilities, the RCF that's EUR100 million undrawn -available but undrawn. The other one, the equipment loan, is, I think, EUR78 million at the moment.

So, I'm confident that we will get to where we need to with the lenders. But even on the off chance that we don't we have full control over the situation. And on March 31, we can simply cancel the RCF and get rid of the problem. So, this is within our hands, unlike coking coal prices, I think. I mean, maybe just to say on the marketing side, clearly, this is early days, Roger.

But we have spoken to a number of players. I think they are -- I think it's important we speak to people who are used to and whose business model is already supplying coal into Europe. We have spoken to a number of parties in the last few months. And I think we're encouraged by their desire to do business with us. So, while there's nothing specific, we are looking now actively at a number of opportunities.

Are there any further questions?

Romy Kruger - *Exane BNP Paribas - Analyst*

Thank you. It's Romy Kruger with Exane BNP Paribas. I have quite a few questions, actually.

So, I'd like to talk with a couple of questions on your cash costs for the guidance next year is constant cash cost and constant currency. And I'd just like you to elaborate a little bit more on that.

I mean, you've already mentioned that you were looking to maybe change suppliers and to have some economies there. But I was wondering if you could elaborate a little bit further. I mean, yesterday, BHP were citing they were renegotiating labor costs. Is that an option for you? They also said that some of their variable costs like explosives were coming down. What is your expectation on the variable side?

And also, overall, what is really the controllable part of your cost base and your total fixed costs? And what do you think you can do there? Do you think you can rely on further productivity gains, some more fixed cost amortization there? That's my first question.

Gareth Penny - *New World Resources - Executive Chairman*

Right. On the generally -- I may want to comment on some of the optimization issues. But generally speaking, as you know, Romy, 50% of our OpEx is labor. And that is composed of two elements. One is payroll employees and the other one is contractors.

We have already in the fourth quarter last year -- and we continue right now -- with optimization of the contractor portion. The benefit there is that there's a lot of flexibility in terms of dealing with the headcount of the contractors.

What I'd like to make clear is that we are not planning any mass layoffs. You will see in the payroll employee category -- you will see similar numbers that you have seen in the last two or three years. Just basically natural attrition. But we have addressed a portion of the labor costs through contractors. That's number one.

Number two, something that I think sort of escapes people's attention, but I talked earlier about the fact that we actually doubled our EBITDA in the coke segment.

There's two parts to that story. One is controlling the conversion costs, which we succeeded at last year. But also relatively cheap coking coal means that your cost of inputs is relatively low. But actually I think those are the two largest factors that we've seen last year and that we're still seeing right now.

Overall, the effort at maintaining flat unit costs -- and I think Jan can sort of testify to that -- is just a composite of a very large number of little initiatives. None of them would sort of give you a huge win. But all of them combined result in what we've seen last year and what we'll see this year again.

Jan Fabian - *New World Resources - Executive Director, CEO of OKD*

And maybe something, too, to add more flavor -- to add more flavor to that. You know, the development was not a surprise to us already in the third and fourth quarter. So, we were preparing for that.

We started already at the end of the year to carefully assess some of the gateroad development needs. The entire gateroad development, which is actually basically the preparing ground for having the longwall panel operated later on.

We set up for 2013 in a sense that we cannot destroy our preparation for the production of 2014. So, whatever we do in 2013 has to go then smoothly into 2014. And if the markets start picking up, even throughout this year we can increase, let's say, the gateroad development even this year.

And you can do that in mining in a small period of time, as we did in 2009. Very flexible. You cannot withhold your preparations of longwalls for two, three, four years. But in a year or a couple of months, you can do that. So, this is one item that we looked at very carefully.

Material costs, which is other item that adds to the total OpEx. The prices of our commodities are going down, so you can imagine all the steel inputs and all other materials are also going down so we are able to negotiate flexible with our suppliers. And the productivity gains, again, that's something that is our daily bread and butter.

Just a comparison -- in 2007 and 2008, we were operating 34 longwall panels to produce some 11 million, 11.5 million. Last year, we had on average 18 longwall panels to produce almost the same amount. And we have some quarters now where we are able to produce with 14, 14.5 longwall panels on average. So, all these add up, then, to being able to keep costs under control. And we have proved that over two consecutive years not to increase the cash costs.

Romy Kruger - *Exane BNP Paribas - Analyst*

Maybe just as a follow-up to this, in terms of production, you're guiding a rather large range of production. I was just wondering -- assuming that you would be maybe closer to your lower end of production -- what is the impact that we should assume on costs given that you have relatively high fixed base?

Gareth Penny - *New World Resources - Executive Chairman*

As I said before, we have a certain flexibility. And the flexibility can be -- you know -- the earlier you start, the flexibility is larger. We have a certain flexibility to react to the demands on the market and to react further on [flashing] costs through our base --

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Romy Kruger - *Exane BNP Paribas - Analyst*

So, you're confident on your cash count guidance, even if you're at the lower end of production. Okay. And maybe just come back on production. Maybe now that we are two months in the year, I was wondering what is the current trend on your production? Are you maybe already producing on a little bit lower rate than last year? Or, what are you doing here right now?

And also given that your coking coal sales have been going well in terms of prices. But the kind of [echo] that we get from the steel producers that the steel market continues to be a bit shaky. So, just -- you know -- the first two months in the year, what have you done here on production for coking coal and the other coal?

Jan Fabian - *New World Resources - Executive Director, CEO of OKD*

I will just start with some comments on production. We are above the targets that we have set up for us for the first months of the year. We have to take into account that we have some 1.3 million tons of coal on stocks. So, we are not going to rush crazy throughout the first quarter while the prices are down. So, this is also something that we want to manage carefully. And in terms of coke production, we are also well above target and very well also in terms of selling.

Marek Jelinek - *New World Resources - Executive Director, CFO*

Just to add to that, the budget throughout the year is structured so that the first quarter is the slowest in terms of production. We are sort of meeting that budget for the time being, but it's slow because of the inventory situation that Jan mentioned. Also, there is no denying that prices are still where they are so the environment is still very tough.

The good news is that the most recent management accounts that we have available are for January and they are actually quite substantially better than what we budgeted for. But it's still reflective of the pricing environment that we live in.

Romy Kruger - *Exane BNP Paribas - Analyst*

So, when you talk about your internal targets, that's like mid-point of the guided range? Or is it -- I mean, the range is relatively large. So, in terms of comparison to Q1 last year, where would you say you are?

Marek Jelinek - *New World Resources - Executive Director, CFO*

In terms of absolute volume, it's definitely lower than Q1 last year. But this comes out of the situation, as I said, we are preparing already the third and fourth quarter for a slow pickup in the beginning of the year, especially thermal coal because there are huge inventories all over the region.

Romy Kruger - *Exane BNP Paribas - Analyst*

Thank you. And then maybe if I can follow up with a question on the strategy. Just to get a bit more of a feel what you're actually planning to do with the doubling of your sales -- first of all, if you could maybe give us even some more color on which countries you're actually targeting with the increased sales?

And also maybe a little bit more color on the competitiveness -- I mean, someone has already alluded to that, but on a deliver basis, given that you have to transfer presumably by rail into Western Europe. And there's a certain proximity there with the inboard ports. What do you think is your competitive position on a delivered basis, including freight costs?

And also in terms of maybe the handling capacities that you would need? And also maybe some machinery for the blending and all those things? I mean, this all would ask for a certain investment. What do you think would be the investment?

And also looking maybe at other coal traders and overall the profitability? I mean, it's a trading business, so it's not necessarily the same profitability in your existing -- I mean, we are talking about maybe other coal traders that want the EBIT margin, something in that kind of -- you know -- amounts. And what is really your expectation on the profitability of this kind of business?

Gareth Penny - *New World Resources - Executive Chairman*

Why don't you start and I'll --

Marek Jelinek - *New World Resources - Executive Director, CFO*

On the freight costs and the whole story about how can we compete on a delivered basis. Well, even though what we are doing today, and what we have done -- being doing at least since 2008, is small in absolute numbers. We are, actually, importing coal. In this case, it is from North America. And we are blending it with our existing product. And we are ultimately selling it to our customers as coke.

So, I think the trick is not just look at right now, say, EUR103 a tonne of coking coal. But try to unpack that average, look at the various qualities and see that there's some very high quality hard coking coal that sells at a much higher price. And relative to that price, the freight cost is such that you can actually deliver it competitively to Central Europe.

So, we are not trying to develop our future based on an untested concept. This is something that we have been doing for years, and very successfully. We are just looking to scale it up to a very significant extent.

But if you later sort of revisit the slides that Gareth showed, there is 50 million odd tons of coking coal imported into Europe profitably. Otherwise, people wouldn't be doing it. And there's about 4 million tons of coal imported to Central Europe. And, again, profitably because otherwise, people wouldn't be doing it. And we are going to build on what we think is a trend of significant increase in size of this trait.

Romy Kruger - *Exane BNP Paribas - Analyst*

Okay. So, in terms of profitability, do you have any kind of flavor, what you would expect? I mean, would you expect --

Gareth Penny - *New World Resources - Executive Chairman*

Romy, let me say, obviously, on that kind of business where you're right is that the margin that you make is much smaller. But because of deployment of capital is much lower, you can actually get a very interesting return on the capital that you employ.

Romy Kruger - *Exane BNP Paribas - Analyst*

But do you have a target on return?

Gareth Penny - *New World Resources - Executive Chairman*

No. I think there's some industry statistics you could choose, and they probably wouldn't be very different from what we've been experiencing.

Romy Kruger - *Exane BNP Paribas - Analyst*

Okay. Thank you.

Gareth Penny - *New World Resources - Executive Chairman*

Are there further questions in the room? Are there questions on the line?

Operator

We have one question from Michael Boam from RBS. Please go ahead.

Michael Boam - *RBS - Analyst*

Hi. I have three questions, if I can. At the time of the bond roadshow, you kind of didn't allude to the covenant issues. And it seems to me that it's highly likely that you will breach covenants in the first quarter and thereafter. Can you sort of comment on what sort of reset or waivers you're actually looking for? Are you looking for suspension through the rest of the year? Or exactly how is that going to play out?

Marek Jelinek - *New World Resources - Executive Director, CFO*

Right. Michael, I understand that this is interesting, but I'm not going to go into the specifics on this. We are in the process of addressing this issue. And I very much prefer to deal with the bankers face-to-face than over a conference call. So, we will get back to you on this once we have a deal.

Michael Boam - *RBS - Analyst*

Okay. And then secondly it seems that you have become more reserved, shall we say, with respect to your expectation of coking coal prices moving up. I guess this is in line with the launch of [JSW]. But it seems to me that you (inaudible) any sort of -- well, I mean, there is not going to be material price increases this year, it would appear?

Gareth Penny - *New World Resources - Executive Chairman*

Michael, maybe I can take that. I mean, clearly, the European steel industry declined 4% last year. It is projected to decline 0.7% this year, and to grow next year at 3%. Those are the numbers that we have. So, in that environment, it would be surprising to see some immediate bounce back in coking coal price.

What we have already seen, as you know, is a -- I think we're off the bottom now so our particular blend of coking coal, we've gone from 100 to 103. We may see some modest improvement in the second quarter. And we'll be more hopeful, I think, in the second half. But it would be wrong to guide you to say we see some instant bounce back. I don't think we do.

And it's going to continue to be a very challenging environment, which is why we need to ensure that our business is such that it's pretty robust at these lower prices.

In the medium term, beyond this, we're bullish. I mean, I think as Europe returns to growth, given the overall situation with the kind of economic concentration in our region, I think all the examples we've provided today -- you know -- we're optimistic. But we need to make sure that we're in reasonable shape to get there.

Michael Boam - *RBS - Analyst*

And then just one follow-up question, I guess, really follows on from a question that someone else has asked.

I know that you're talking about importing certain grades. But one of the sort of -- I guess -- key things that have been presented to investors historically is the fact that given the land lock that you -- sort of situation of the region -- that has been supportive of what are ultimately high cost global -- say high cost on a global basis coal produces.

You now seem to be sort of moving away from that in terms of the fact you're saying there is fairly significant imports coming into the region already. Is that fair or not?

Marek Jelinek - *New World Resources - Executive Director, CFO*

Can I maybe just start addressing this, Michael, by saying if you look at our guidance for the product mix for 2013, there's about, I think, 47% of our product is to be -- of coking coal is to be subbituminous of coking coal.

I think it will be a long while before somebody starts importing subbituminous coal from overseas simply because of what price it captures in the market and how the cost of logistics impact the competitiveness of those imports. They are not competitive.

However, if you look at some of the higher grades or higher qualities of coking coal, you will find that a) you can deliver them from overseas competitively, and b) they are increasingly less and less available in Central Europe. And so, I think your question doesn't have a yes or no answer.

Some qualities will continue to be supplied locally because they capture lower market price and it's more competitive to supply them locally. Other qualities will grow in their imports from overseas. And that's the part of the market that we are looking to target.

Michael Boam - *RBS - Analyst*

Okay. Thank you very much for your time.

Marek Jelinek - *New World Resources - Executive Director, CFO*

Thank you.

Gareth Penny - *New World Resources - Executive Chairman*

Are there other questions on the line?

Operator

(Operator instructions). We'll now take our next question from Bartlomiej Kubicki from RCB. Please go ahead.

Bartlomiej Kubicki - *Raiffeisen Centrobank - Analyst*

Hi, this is Bartlomiej Kubicki from Raiffeisen Central Bank. Actually, I have, I think, three or four questions.

First relates to the thermal coal you are talking about. Equal split thermal and coking coal in 2013, which actually is very bearish for the thermal coal because it means the sales will not be too high. So, you will be still stuck to very high inventories at the end of the year, according to your estimates.

So, I would like you to elaborate a little bit on the thermal coal situation. I mean, if you see you can actually increase sales versus 2012.

Also, on the back of the fact that we've had EUR60 per ton and you actually have -- at least, among the original producers -- you actually have the cheapest coal on the market. And also if you think this low pricing -- I mean, is actually even cheaper than Bogdanka's prices -- if it could actually bode negatively on 2014 pricing later on.

Jan Fabian - *New World Resources - Executive Director, CEO of OKD*

Let me answer those. I mean, firstly, in terms of -- as I understood the question, we are guiding a production of 10 million to 11 million tons, about 50-50 thermal and coking.

And the question might be why are you producing so much thermal if you've already got stocks. But the answer is that you can't produce the one with the other, most of the time. To be selectively mining is a very dangerous thing to do because you sterilize an [all body].

So, in most instances, it is necessary to mine the thermal coal to get the coking coal in many of our operations. So, where that isn't necessary, we're clearly not going to mine things that we're not going to sell. But it's difficult to pick and choose your way through it.

It terms of the thermal coal price at EUR60, remember that in 2010 we also had a thermal price of EUR60. So, perhaps last year was something of an anomaly at EUR74. I mean, somewhere between EUR60 and EUR70 would be a range that we've been in for some time.

I can't comment on how that compares to the prices that others are charging. I mean, clearly, these are different products we have in our relationships. And we try to maximize the price that we can get for our product.

But I think Marek put it rather well. You know, going forward we see thermal coal as a byproduct of our business. Even today with the 50-50 mix of thermal and mets, 75% of our revenues are from metallurgical coking coal and only 25% from thermal.

And clearly given what we've been telling you now, that is going to move to a position where 80% and more of our business is determined by our metallurgical coal prices. And that's really what's going to drive the fortunes of New World Resources. And I think where the value creation will come from.

Bartlomiej Kubicki - *Raiffeisen Centrobank - Analyst*

I understand you, of course. You cannot separate between coking and thermal in terms of mining. But what I mean here is that the momentum will come not really from the volumes of coking coal because actually you are selling almost everything what you have would come from prices. But also I would like to see momentum in terms of thermal coal volumes.

And given what you're saying here and also given the price you are actually having for 2013, looks like the outlook is still not too good. So, as I said, the inventories will remain, in my opinion, very high if this is actually the case if you're only going to sell, say, 50% of the external targets with the thermal coal. (Inaudible) second question.

Jan Fabian - *New World Resources - Executive Director, CEO of OKD*

I certainly agree. But, you know, we don't see ourselves selling down that 1.3 million tons of thermal coal quickly. And I think it would be irresponsible to do so. And, you know, it's not just us that's sitting on additional stocks of thermal coal. The whole region is. We've had a relatively mild winter. And so the pull through of demand hasn't been there. But, you know, we think it will be there in due course.

Bartlomiej Kubicki - *Raiffeisen Centrobank - Analyst*

Okay. So, you even think even with the EUR60 per ton -- which, again, is a competitive price in the region, in my opinion -- you cannot increase the sales and cannot gain new clients?

Jan Fabian - *New World Resources - Executive Director, CEO of OKD*

We may be able to. But I think for the time being we're following a very prudent approach.

Bartlomiej Kubicki - *Raiffeisen Centrobank - Analyst*

Okay. Thank you. The second question regarding the Debiensko project. So, you say, okay, this is a value (inaudible) project. My question would be is there any CapEx revision, meaning versus what you are publishing before? Have you somehow increased the CapEx estimates for the project?

Jan Fabian - *New World Resources - Executive Director, CEO of OKD*

We have revised -- we have gone through a detailed sort of bottom-up review of the project. So, we basically wiped the slate clean at some point -- mid-2012, I think -- and came up with a whole new set of parameters.

All the data has been reviewed. And I think that the relevant thing for us is that it shows now, even in the current -- call it pricing environment -- it shows what we consider an attractive return on the investment.

I think, practically, though, given where our cash flow generation is right now, this all is, in my eyes, not really relevant. We are simply not going to be spending massive amounts of money on Debiensko in the near term. We will have to wait for the market to improve.

Bartlomiej Kubicki - *Raiffeisen Centrobank - Analyst*

Okay. Thank you. And third, and the last question, you are talking about maybe changing the machine suppliers to the local producers, Polish and Czech.

In these terms, are you going to cut on them on the number of machines you are going to purchase? Or are you simply going to cut on prices? And if so, what do you think the saving could be?

Marek Jelinek - *New World Resources - Executive Director, CFO*

This is not about cutting some of the machines in mining or any other business. You have to renew machine technology all the time. And what we are saying is basically in the past three to four years, we have gone through a very dramatic or very important change in terms of shifting to newer level of technology that we are using for mining in the longwalls and for gateroad development.

However, we say there are also many other areas, including the two areas that I mentioned, plus transportation, plus hoisting, plus air conditioning and things like that where we can profit more from having suppliers that are nearer to our operations. We see some very good producers in the region on the Czech side as well on the Polish side.

So, that's what we are saying. It's not about cutting down some of the machines. We will just be renewing the machines and very carefully taking into consideration also local suppliers. And it's hard to assess what kind of savings you can gain there because this is the year where we are starting with this -- with including all these suppliers into the portfolio. So, I cannot tell you today what it is.

Bartlomiej Kubicki - *Raiffeisen Centrobank - Analyst*

Okay. Thank you very much. That's all from my side.

Gareth Penny - *New World Resources - Executive Chairman*

Are there any more questions on the line? One more.

Operator

We'll now take our next question from Bram Buring from Wood and Company. Please go ahead. Your line is open.

Bram Buring - *Wood & Co. - Analyst*

Yes. Good morning. I'll limit myself to one question, please, regarding to the credit coal market in Europe.

Maybe if you could share with us the insight that you gained over looking at this market for the last few months? Specifically, I'm interested in to what extent are you going to be competing with other coal traders in the market? And to what extent with the trading activities of the big steel mills, who are certainly importing on their own volumes of coal?

Do you have the assets for trading and blending already in-house at NWR? Are you going to need to add something here because it's something you can do from Ostrava? Or is it something you might need to establish a small operation in Western Europe to handle the west European clients?

Gareth Penny - *New World Resources - Executive Chairman*

Hi, Bram. Thanks for the question. In terms of the sort of competitive environment in coal trading, I mean, clearly there are some very large and also a large number of smaller players in Western and in Eastern Europe. And yes, we are going to be competing with them.

What these people -- if they are sort of pure play traders -- what they don't have is their own production and their own long term relationship with customers where we can build on the existing product that we are producing today at -- you know -- spice it up, blend it with imported product. And place it, basically, as a start, as a first step. Place it to the same market or the same customer portfolio that we have been serving for, as you know, for many, many decades.

So, yes, we will be competing with people who are in that same business today. And we think we have a very significant edge over them.

In terms of what does that mean in terms of equipment and investments and building up teams -- yes, we are in the process of significantly upgrading our sales and marketing team with people who have the background and the CV and the capability of turning our sales and marketing operation today into something that's much more ambitious and in line with the strategy that we've been talking about here today.

Bram Buring - *Wood & Co. - Analyst*

Is that something that will be visible in the costs in 2013?

Gareth Penny - *New World Resources - Executive Chairman*

Can you please repeat that, please, Bram?

Bram Buring - *Wood & Co. - Analyst*

Will that be visible in costs in 2013?

Marek Jelinek - *New World Resources - Executive Director, CFO*

No. I don't think that's very likely. No. It will entail some costs, but it will be such that you will not see it in the overall numbers.

Bram Buring - *Wood & Co. - Analyst*

Okay. (Inaudible). Sorry.

Gareth Penny - *New World Resources - Executive Chairman*

I think that's probably the end. Is there any -- let me come back to the room and see if there are any last questions here. And if not, let me move to close, then. And just say, firstly, thank you for being either on the line or here present.

I mean, clearly, in summary 2012 has been a very challenging year, particularly the fourth quarter. That isn't going to change dramatically in the first two quarters of this year. And I think we need to be very straightforward about that.

It's all about price. I think the controllable elements of this business are being extremely well-handled, be they safety, be they productivity, be they costs, mining method and the like, and I think a commendable effort from management and the whole team there.

We have also taken other steps which I think make us more robust. Marek, in particular, has spoken about the refinancing of the 2015 note and pushing that out so that the next major refinancing that we have to do in this business is 2018.

We have a relatively strong balance sheet compared to other players in the sector. We have quite a bit of cash on our balance sheet. And I think we're in fairly good shape there. What we are going to do is stick to the knitting. Be very focused on the business, look to control our CapEx very carefully.

We haven't spoken about OpEx, but really just to assure all of you that the same attention to detail that's happening on the capital side is happening on the operating side.

So, if we do have a lower run rate in terms of production, that means we've got to be even more keen on the OpEx side of this business to maintain the current cost per ton, which becomes, obviously, the measurement that we use. And so, right across the [as is] business, we're going to be extremely focused on what needs to happen.

But we don't want to miss out on, I think, some really exciting opportunities that we believe are there in the future, be that the existing projects that we have, the three that Jan has mentioned -- Debiensko, Frenstat and Morcinek, the Karvina expansion, which we've been busy with. Be that the opportunity to get some of that increasing supply gap as you see the production tailing off by other producers in the region, we think we're in a pretty unique opportunity to take advantage of that.

And then, thirdly, by building on these existing supply relationships that we have by doing something that's important to emphasize isn't new for us. It's really just an expansion of something we've tried and tested over the last few years, and I think proven to ourselves can be an element of our business in our overall growth strategy.

So, thank you very much for all being here today. We look forward to talking to you again at the end of the first half. And, obviously, any dialogue that ensues in between.

We're excited about the journey ahead and we are challenged by while recognizing that these are difficult circumstances we're currently in. Thank you very much, all of you.