London, 24 February 2016

Audited FY 2015 Results

New World Resources Plc ('NWR' or the 'Company') today announces its audited financial results for the first twelve months of 2015. Comparative information, unless otherwise stated, is for the twelve months of 2014.

FY 2015 Financial summary

- Revenues of EUR 630 million, down 7%
- Coking coal average realised price of EUR 90/t, up 6%
- Thermal coal average realised price of EUR 50/t, down 7%
- Cash mining unit costs[1] of EUR 66/t, down 1% on 7% lower production
- Selling and administrative expenses down 11% to EUR 119 million
- EBITDA of EUR (4) million, vs. EUR 11 million in FY 2014
- Non-cash gain of EUR 67 million on fair value revaluation of mandatory convertible notes.
- Net debt of EUR 298 million
- Cash of EUR 86 million as of 31 December 2015
- Basic loss per A share of 3.40 eurocents compared to a basic loss per A share of 1.09 eurocents for FY 2014

FY 2015 Operational summary

- Safety metrics LTIFR[2] of 5.63 vs. 8.18 in FY 2014
- Coal production of 8.0Mt, down 7% and coal sales of 8.0Mt, down 4%
- Coal sales mix of 53% coking coal and 47% thermal coal
- CAPEX of EUR 34 million, down 42%
- Coal Inventory of 742kt, up 11% year on year
- Total headcount including contractors down 6%

Recent developments

- The Group has commenced discussions with key stakeholders, focused on securing a viable business with an appropriate capital structure which will both allow OKD to continue operating as a sustainable business in the anticipated low coal price environment and provide clarity for employees
- CERCL Mining Holdings B.V. (together with its owners and affiliated entities 'CERCL') have agreed to transfer (subject to certain conditions) to the Company for nil consideration all of their shares in the Company in order to facilitate the restructuring process
- Peter Kadas and Charles Harman have resigned their (non-independent, non-executive) directorships in all companies in the NWR Group
- New World Resources NV and the requisite majority of lenders under the Super Senior Credit Facility have agreed the terms of a standstill and temporary waiver agreement

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[1] Cash mining costs per tonne reflect the operating costs incurred in production of both coking and thermal coal. They are principally calculated by deducting the Change in inventories and D&A from the Cost of sales and then divided by total coal production. Further non-material non-cash adjustments to Cost of sales may apply in the calculation.

[2] Lost Time Injury Frequency Rate ('LTIFR') represents the number of reportable injuries in NWR's operations causing at least three days of absence per million hours worked, including contractors.

which reduces the threshold of Available Cash required to be maintained by the Group, as well as the waiver of certain other defaults which may arise as a result of the strategic options being explored

Gareth Penny, Executive Chairman commented on the 2015 results:

“Throughout 2015, NWR has had to manage its way through a very difficult market environment, characterised by a worldwide decline in the price of coking and thermal coal, and, in our region, by an over-supply of aggressively priced thermal coal. International coking and thermal coal prices have fallen continuously over the past four years in the wake of slower global industrial output.

Against this backdrop, we were obliged to maintain our focus on reducing operational and overhead costs throughout 2015. Our cost of sales were managed down by 9% while our selling and administrative expenses fell by 12% and 11% respectively. Our total headcount fell by 6% over the course of the year, and our CAPEX was down 42%, and within our target range, at EUR 34 million. Our cash mining unit costs in 2015 were EUR 66/t, against EUR 67/t in 2014.

Despite our cost saving efforts and our restructured balance sheet, it became increasingly clear as we entered the final quarter of 2015 and opened price negotiations with our customers for 2016 that the low price environment would continue, and quite possibly deteriorate still further, and that NWR could remain cash flow negative for several years to come.

In light of this and against this difficult backdrop, one of the key priorities for 2016 will be ensuring that the Group has sufficient liquidity to finance operations on an ongoing basis. The availability of funds will influence strategic decision-making in respect of the current portfolio of assets, as well as outlays for CAPEX or development projects, such as Debiensko.

As flagged in our announcement on 18 December 2015, the Group has commenced a detailed strategic review of its operations. Management's preliminary conclusion is that, absent a significant and near-term increase in coal prices, the Group will need to reduce costs yet further across its entire portfolio and to secure substantial additional liquidity. Also, while a number of the Group's mines clearly have potential, some do not. Therefore, as part of the strategic review process, the Group is evaluating its options for those low-potential mines.

In parallel with this strategic review, the Group has commenced discussions with certain key stakeholders as to an appropriate way forward, including its noteholders and shareholders and the Czech Government. These discussions, which are ongoing, are focused on securing (1) a viable business for the Group, with a sustainable portfolio of cash-generative mines; (2) a capital structure appropriate to allow that portfolio to operate as a going concern through the anticipated extended period of low coal prices; and (3) clarity for employees.

The directors are continuing to progress discussions with key stakeholders and a number of key steps have already been achieved, including the following:

- CERCL have agreed with, among others, the Company, to transfer (subject to certain conditions) to the Company for nil consideration all of its shares in the Company in order to facilitate the restructuring process by reducing the number of stakeholders involved in its negotiation and implementation. The transfer will bring to a close CERCL's association with the NWR Group. Peter Kadas and Charles Harman have resigned their directorships in all companies in the NWR Group.

- In addition, NWR NV and the requisite majority of lenders under the Super Senior Credit Facility (who are also holders of a significant amount of the Senior Secured Notes) have agreed the terms of a standstill and temporary waiver agreement which reduces the threshold of Available Cash required to be maintained by the Group, as well as the waiver of certain other defaults which may arise as a result of the strategic options being explored in connection with the anticipated comprehensive restructuring of the Group.

All stakeholders (including financial creditors, remaining shareholders, government, key operational stakeholders and employees) will need to contribute to achieve a consensual restructuring solution and the continued viability of OKD a.s. ('OKD'). The steps taken by NWR NV's lenders and by CERCL are a very welcome contribution and have given the process real momentum.

NWR is facing exceptional challenges. With no sign of an upturn in global coal prices, the Company has been obliged to review all options as it seeks a way to ensure a commercially viable hard coal mining business. This will entail optimisation of our mining assets and might, absent of any stakeholder support, lead to the closure of some mines and a reduction in our workforce, something that will be difficult, to say the least, for everyone involved. But I am confident that the Company and all of its stakeholders will work together to find a solution that will result in a sustainable business for OKD for the future."

Selected financial and operational data [3]

(EUR m, unless stated otherwise)	**FY 2015**	**FY 2014**	**Chg**
Revenues	630	676	(7%)
Cost of sales	559	616	(9%)
Excluding Change in inventories	568	635	(11%)
Cash mining unit costs (EUR/t)[4]	66	67	(1%)
Gross profit	71	60	18%
Selling and administrative expenses	119	135	(11%)
EBITDA	(4)	11	-
Impairment loss on PPE	199	183	-
Capital restructuring	-	342	-
Change in fair value of convertible notes	67	0	-
Operating loss	(248)	(258)	-
(Loss) for the period	(223)	(21)	-
Basic (loss) per A share (eurocents)	(3.40)	(1.09)	-
Total assets	319	583	(45%)
Cash and cash equivalents	86	128	(33%)
Net debt	298	281	6%
Net cash flow from operations	(7)	(56)	-
CAPEX	34	60	(42%)
Total headcount incl. contractors	13,816	14,657	(6%)
LTIFR	5.63	8.18	(31%)

3 More detail and analysis are in the Operating and Financial Review later in this document.

4 Cash mining costs per tonne reflect the operating costs incurred in production of both coking and thermal coal. They are principally calculated by deducting the Change in inventories and D&A from the Cost of sales and then divided by total coal production. Further non-cash adjustments to Cost of sales may apply in the calculation.

Production & Sales (kt)	**FY 2015**	**FY 2014**	**Chg**
Coal production	8,020	8,601	(7%)
Total coal sales	7,952	8,315	(4%)
Coking coal[5]	4,249	4,768	(11%)
Thermal coal[6]	3,703	3,547	4%
Period end inventory	742	668	11%
Average realised prices (EUR/t)			
Coking coal	90	85	6%
Thermal coal	50	54	(7%)

FY 2015 earnings call and webcast:

Senior management will host a conference call for analysts today at 11:00 CET / 10:00 GMT.

The presentation will be made available via a live audio webcast on www.newworldresources.eu and then archived on the company's website.

For those who would like to join the live call, dial in details are as follows:

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US: +1646 254 3362

Confirmation Code: 4450258

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About NWR:
New World Resources Plc is a Central European hard coal producer. NWR produces quality coking and thermal coal for the steel and energy sectors in Central Europe through its subsidiary OKD, the largest hard coal mining company in the Czech Republic.

5 In FY 2015 approx. 49% of coking coal sales were mid-volatility hard coking coal, 37% were semi-soft coking coal and 14% were PCI coking coal.

6 In FY 2015 approx. 77% of thermal coal sales were thermal coal and 23% middlings.

Operating and financial review and

Audited consolidated financial statements

for the year

ended 31 December 2015

New World Resources Plc

Consolidated statement of comprehensive income

EUR thousand	Year ended 31 December 2015	Year ended 31 December 2014 (restated)*	Three-month period ended 31 December 2015	Three-month period ended 31 December 2014 (restated)*
Revenues	629,565	676,381	184,290	172,324
Cost of sales	(558,642)	(616,457)	(162,526)	(152,897)
Gross profit	70,923	59,924	21,764	19,427
Selling expenses	(55,945)	(63,586)	(17,297)	(16,113)
Administrative expenses	(63,172)	(71,000)	(15,521)	(18,075)
Impairment loss on property, plant and equipment	(199,028)	(182,642)	(199,028)	(182,642)
Gain / (loss) from sale of property, plant and equipment	646	(258)	452	53
Other operating income	1,419	2,576	215	391
Other operating expenses	(2,785)	(2,521)	(937)	(816)
Operating loss	(247,942)	(257,507)	(210,352)	(197,775)
Finance income	13,078	7,987	666	3,332
Finance expenses	(55,283)	(67,341)	(20,215)	(13,496)
Change in fair value of Convertible Notes	66,512	(157)	19,729	(157)
Capital restructuring	-	342,253	-	366,500
(Loss) / profit before tax	(223,635)	25,235	(210,172)	158,404
Income tax benefit / (expense)	469	(46,319)	3,208	(51,477)
(Loss) / profit for the period	**(223,166)**	**(21,084)**	**(206,964)**	**106,927**
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss:	(2,536)	(2,016)	(1,618)	(1,035)
Foreign currency translation differences	(1,732)	(2,453)	(1,618)	(1,329)
Income tax relating to components of other comprehensive income	(804)	437	-	294
Items that will never be reclassified to profit or loss	-	-	-	-
Total other comprehensive income for the period, net of tax	(2,536)	(2,016)	(1,618)	(1,035)
Total comprehensive income for the period	**(225,702)**	**(23,100)**	**(208,582)**	**105,892**
(Loss) / profit attributable to:				
Shareholders of the Company	(223,166)	(21,084)	(206,964)	106,927
Total comprehensive income attributable to:				
Shareholders of the Company	(225,702)	(23,100)	(208,582)	105,892
EARNINGS / (LOSS) PER SHARE				
A share (Eurocents)				
Basic (loss) / earnings	(3.40)	(1.09)	(3.12)	1.63
Diluted (loss) / earnings	(3.40)	(1.09)	(3.12)	1.63
B share (EUR)				
Basic earnings	323.10	330.40	107.50	95.40
Diluted earnings	323.10	330.40	107.50	95.40

All activities were with respect to continuing operations.

*See Change in presentation in note 4.

The notes on pages 12 to 25 are an integral part of these consolidated financial statements.

New World Resources Plc

Consolidated statement of financial position

EUR thousand	31 December 2015	31 December 2014
ASSETS		
Property, plant and equipment	118,884	322,374
Accounts receivable	920	3,062
Restricted deposits	20,303	22,037
TOTAL NON-CURRENT ASSETS	140,107	347,473
Inventories	41,156	40,841
Accounts receivable and prepayments	52,307	64,219
Derivatives	-	2,629
Cash and cash equivalents	85,891	128,035
TOTAL CURRENT ASSETS	179,354	235,724
TOTAL ASSETS	**319,461**	**583,197**
EQUITY		
Share capital	108,460	108,458
Share premium	142,380	142,363
Foreign exchange translation reserve	26,243	28,779
Equity-settled share based payments	15,719	15,868
Merger reserve	(1,631,161)	(1,631,161)
Other distributable reserve	1,684,463	1,684,463
Retained earnings	(731,219)	(508,638)
TOTAL EQUITY	(385,115)	(159,868)
LIABILITIES		
Provisions	150,913	147,567
Long-term loans	43,981	83,726
Bonds issued	299,534	325,669
Employee benefits	37,016	36,956
Deferred revenue	494	747
Deferred tax	825	801
Other long-term liabilities	266	300
Cash-settled share-based payments	162	146
Derivatives	487	2,408
TOTAL NON-CURRENT LIABILITIES	533,678	598,320
Provisions	2,667	2,867
Accounts payable and accruals	119,912	130,989
Accrued interest payable	5,288	4,341
Derivatives	2,876	6,299
Income tax payable	24	168
Current portion of long-term loans	39,981	-
Cash-settled share-based payments	150	81
TOTAL CURRENT LIABILITIES	170,898	144,745
TOTAL LIABILITIES	704,576	743,065
TOTAL EQUITY AND LIABILITIES	**319,461**	**583,197**

The notes on pages 12 to 25 are an integral part of these consolidated financial statements.

New World Resources Plc

Consolidated statement of cash flows

EUR thousand	Year ended 31 December 2015	2014	Three-month period ended 31 December 2015	2014
Cash flows from operating activities				
(Loss) / profit before tax	(223,635)	25,235	(210,172)	158,404
Adjustments for:				
Depreciation and amortisation	45,444	85,258	11,318	21,792
Impairment loss on property, plant and equipment	199,028	182,642	199,028	182,642
Changes in provisions	(10,381)	(27,734)	(1,553)	(13,684)
Changes in inventory allowance	15,336	3,404	1,546	1,448
(Gain) / loss from sale of property, plant and equipment	(646)	258	(452)	(53)
Interest expense, net	47,584	57,050	19,878	8,917
Change in fair value of derivatives	(2,716)	(4,065)	2	1
Change in fair value of Convertible Notes	(66,512)	157	(19,729)	157
Capital restructuring	-	(342,253)	-	(366,500)
Equity-settled share-based payments	421	660	70	183
Operating cash flows before working capital changes	3,923	(19,388)	(64)	(6,693)
(Increase) / decrease in inventories	(15,651)	(14,564)	17,144	(180)
Decrease / (increase) in receivables	14,491	27,794	21,696	(10,831)
(Decrease) / increase in payables and deferred revenue	(3,232)	(18,981)	(6,835)	7,934
Decrease in restricted cash and restricted deposits	2,254	1,458	2,777	2,803
Currency translation and other non-cash movements	(2,998)	693	861	1,672
Cash generated from operating activities	(1,213)	(22,988)	35,579	(5,295)
Interest paid	(5,432)	(34,146)	(1,315)	(2,898)
Corporate income tax (paid) / refunded	(480)	841	(87)	(27)
Net cash flows from operating activities	**(7,125)**	**(56,293)**	**34,177**	**(8,220)**
Cash flows from investing activities				
Interest received	22	493	4	22
Purchase of land, property, plant and equipment	(34,297)	(59,632)	(6,167)	(14,194)
Proceeds from sale of property, plant and equipment	577	863	132	70
Proceeds from disposal of discontinued operations	-	7,000	-	-
Net cash flows from investing activities	**(33,698)**	**(51,276)**	**(6,031)**	**(14,102)**
Cash flows from financing activities				
Senior Notes due 2018 redemption	-	(60,000)	-	(60,000)
Senior Notes due 2021 redemption	-	(30,000)	-	(30,000)
Proceeds from long-term loans	-	35,000	-	35,000
Transaction costs related to capital restructuring	(1,909)	(35,334)	-	(14,379)
Proceeds from rights issue and placing of A Shares	-	150,000	-	150,000
Costs related to rights issue and placing of A Shares	-	(7,447)	-	(7,447)
Net cash flows from financing activities	**(1,909)**	**52,219**	**-**	**73,174**
Net effect of currency translation	588	(280)	308	(255)
Net (decrease) / increase in cash and cash equivalents	**(42,144)**	**(55,630)**	**28,454**	**50,597**
Cash and Cash Equivalents at the beginning of period	128,035	183,665	57,437	77,438
Cash and Cash Equivalents at the end of period	**85,891**	**128,035**	**85,891**	**128,035**

The notes on pages 12 to 25 are an integral part of these consolidated financial statements.

New World Resources Plc

Consolidated statement of changes in equity

EUR thousand	*Share capital*	*Share premium*	*Foreign exchange translation reserve*	*Restricted reserve*	*Equity-settled share-based payments*	*Merger reserve*	*Other distributable reserve*	*Retained earnings*	**Consolidated group total**
Balance at 1 January 2015	**108,458**	**142,363**	**28,779**	**-**	**15,868**	**(1,631,161)**	**1,684,463**	**(508,638)**	**(159,868)**
Loss for the year	-	-	-	-	-	-	-	(223,166)	**(223,166)**
Total other comprehensive income, net of tax	-	-	(2,536)	-	-	-	-	-	**(2,536)**
Total comprehensive income for the year	-	-	(2,536)	-	-	-	-	(223,166)	**(225,702)**
Transaction with owners recorded directly in equity									
Issue of A Shares under Deferred bonus plan	1	-	-	-	(570)	-	-	585	**16**
Share options for A Shares	-	-	-	-	421	-	-	-	**421**
Issue of A shares under Convertible Notes redemption	1	17	-	-	-	-	-	-	**18**
Total transactions with owners	2	17	-	-	(149)	-	-	585	**455**
Balance at 31 December 2015	**108,460**	**142,380**	**26,243**	**-**	**15,719**	**(1,631,161)**	**1,684,463**	**(731,219)**	**(385,115)**
Balance at 1 January 2014	**105,863**	**2,368**	**30,897**	**121,680**	**15,421**	**(1,631,161)**	**1,684,463**	**(609,629)**	**(280,098)**
Loss for the year	-	-	-	-	-	-	-	(21,084)	**(21,084)**
Total other comprehensive income, net of tax	-	-	(2,118)	102	-	-	-	-	**(2,016)**
Total comprehensive income for the year	-	-	(2,118)	102	-	-	-	(21,084)	**(23,100)**
Transaction with owners recorded directly in equity									
Utilisation of restricted reserve to cover losses incurred	-	-	-	(121,782)	-	-	-	121,782	**-**
Issue of A Shares under Deferred bonus plan	37	-	-	-	(213)	-	-	293	**117**
Share options for A Shares	-	-	-	-	660	-	-	-	**660**
Issue of A Shares under rights issue and placing	2,558	147,442	-	-	-	-	-	-	**150,000**
Costs related to rights issue and placing of A Shares	-	(7,447)	-	-	-	-	-	-	**(7,447)**
Total transactions with owners	2,595	139,995	-	(121,782)	447	-	-	122,075	**143,330**
Balance at 31 December 2014	**108,458**	**142,363**	**28,779**	**-**	**15,868**	**(1,631,161)**	**1,684,463**	**(508,638)**	**(159,868)**

The notes on pages 12 to 25 are an integral part of these consolidated financial statements.

New World Resources Plc
Operating and Financial Review
for the year ended 31 December 2015

1 Corporate Information

New World Resources Plc ('NWR' or the 'Company') is a public limited liability company with its registered office at One Silk Street, London EC2Y 8HQ, United Kingdom.

These consolidated financial statements comprise the Company and its subsidiaries (together the 'Group'). The Group is primarily involved in coal mining. The objective of the Company is to act as a holding company and to provide management services for the Group.

2 Financial Results Overview

Revenues. The Group's revenues decreased by 7% from EUR 676 million in 2014 to EUR 630 million in 2015. This is mainly attributable to lower sales volumes of coking coal and to lower realised prices of thermal coal.

Cost of sales. Cost of sales decreased from EUR 616 million to EUR 559 million or by 9% in 2015 compared to 2014. This is mainly attributable to lower depreciation following the impairment charge recognised in 2014; lower production volumes as well as lower input costs per equipped coal panel resulting in lower consumption of mining material and spare parts.

Selling expenses. Selling expenses decreased from EUR 64 million to EUR 56 million or by 12% in 2015, primarily attributable to lower sales volumes resulting in lower transport costs.

Administrative expenses. Administrative expenses of EUR 63 million decreased from EUR 71 million or by 11%, attributable to a decrease in administrative headcount, resulting in lower personnel expenses.

EBITDA. 2015 saw a negative EBITDA of EUR 4 million, representing a decrease of EUR 15 million compared to EBITDA of EUR 11 million recorded in the 2014, attributable mainly to the decrease in revenues, partially offset by the decrease in operating expenses.

Impairment loss on property, plant and equipment. The continuing challenging market environment and a further decrease in long term forecasted coking and thermal coal prices resulted in the Group undertaking an impairment review of its cash generating units and subsequently recognised an impairment charge of EUR 199 million to reflect non-current assets' recoverable value. The impairment review was carried out as at 31 December 2015. This compares to the impairment charge taken at 31 December 2014 of EUR 183 million.

Convertible Notes. Convertible Notes are financial instruments recognised at fair value through profit or loss and the EUR 67 million gain represents the decrease in their fair value between 31 December 2014 and 31 December 2015.

Loss for the year and underlying loss. The reported loss for 2015 was EUR 223 million, compared to the loss of EUR 21 million in 2014. Excluding the impact of the change in the fair value of the Convertible Notes, the impact of impairment charges and the impact of the capital restructuring in both 2015 and 2014, the Group would have recorded a loss of EUR 91 million in 2015 compared to a loss of EUR 181 million in 2014.

Senior Secured Notes Payment in Kind ('PIK') Interest. On 1 May 2015 and 1 November 2015 the Group exercised its option to pay PIK interest on the Senior Secured Notes. The result was the issue of a further EUR 16.5 million and EUR 17.4 million Senior Secured Notes at fair values of EUR 10.7 million and EUR 7.2 million respectively and having the same terms and conditions of the original Senior Secured Notes. This resulted in gains of EUR 1.3 million and EUR 5.5 million respectively being recorded in the income statement. Please refer to note 13 *Contingencies and Other Commitments* for further information.

Convertible Notes Payment in Kind Interest. On 1 November 2015 the Group exercised its option to pay PIK interest on the Convertible Notes. The result was the issue of a further EUR 12 million Convertible Notes at a fair value of EUR 1 million and having the same terms and conditions of the original Convertible Notes. This resulted in a gain of EUR 4.7 million being recorded in the income statement. Please refer to note 13 *Contingencies and Other Commitments* for further information.

3 Basis of Presentation

The consolidated financial statements (the 'financial statements') presented in this document are prepared:

- for the year ended 31 December 2015, with the year ended 31 December 2014 as the comparative period; and
- based on the recognition and measurement criteria of International Financial Reporting Standards as adopted by European Union ('adopted IFRS') and on the going concern basis (see below).

The financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements as at and for the year ended 31 December 2015, which are contained within the 2015 Annual Report and Accounts of the Company, available on the Group's website at www.newworldresources.eu.

The financial statements set out above do not constitute the Company's statutory accounts for the years ended 31 December 2015 or 2014, but is derived from those accounts. Statutory accounts for 2014 have been delivered to the registrar of companies, and those for 2015 will be delivered in due course. The auditor has reported on those accounts; their report was (i) unqualified, (ii) did include a reference to an emphasis of matter in relation to the ability of the Group to continue as a going concern without qualifying their report and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006. The effects on the auditors' report is described under 'Going concern basis of accounting' below.

Going concern basis of accounting

Challenging market conditions persist for our industry worldwide, with slower global industrial output pushing coking coal prices lower. The dynamics of the regional thermal coal market are also difficult, due to local oversupply and aggressive pricing by certain competitors.

The Group manages its liquidity (EUR 86 million as at 31 December 2015 (31 December 2014: EUR 128 million)) through receivables financing and other working capital measures.

At the present market prices of coal, the Group is cash flow negative even before any servicing of its existing financial indebtedness. The continuing low coal price environment has placed significant pressure on the Group's liquidity position and its solvency, with net liabilities of approximately EUR 385 million as at 31 December 2015, including financial indebtedness with a book value of approximately EUR 383 million and a principal amount of EUR 581 million (comprising EUR 334 million Senior Secured Notes, EUR 162 million Convertible Notes, a EUR 50 million export credit agency-backed facility ('ECA Facility') and a EUR 35 million super senior credit facility ('SSCF')). The Group's Senior Secured Notes and Convertible Notes have features that, in certain specified circumstances, result in interest being able to be paid in kind rather than in cash.

The Group completed a restructuring of its financial indebtedness in 2014. In 2015, management focused on reducing operational and overhead costs as much as possible. However, notwithstanding the steps that have been taken to date, the Group remains cash flow negative and forecasts indicate that the Group could remain cash flow negative before debt servicing for several years.

The SSCF matures in October 2016 and the full EUR 35 million principal amount (together with accrued and unpaid interest) will need to be paid at maturity or be refinanced. The SSCF currently requires New World Resources N.V. ('NWR NV') and its subsidiaries to maintain a minimum cash balance of EUR 40 million on and from 31 October 2015 (the 'Minimum Liquidity Covenant'). It is expected that the cash balances of NWR NV and its subsidiaries will breach the Minimum Liquidity Covenant in Q2 2016, causing an event of default under the SSCF (see further below – *SSCF Waiver*). If upon (i) breach of the Minimum Liquidity Covenant or the occurrence of any other event of default under the terms of the SSCF; or (ii) maturity of the SSCF, the SSCF is not repaid or refinanced, this would in turn trigger a cross-default to the ECA Facility and potential acceleration under the terms of other financial indebtedness of the Group (including the Senior Secured Notes).

Further, the Directors recognise that NWR NV, which is the issuer in respect of the Senior Secured Notes and Convertible Notes and a borrower under the ECA Facility, has significant debt repayments scheduled over the period to 2020, which it will in all likelihood not be able to meet. As a consequence, NWR NV will need to refinance or restructure these liabilities. There is no guarantee that a refinancing or restructuring can be achieved or of the terms on which it could be achieved. For example, a refinancing might be conditional on additional equity being injected into the Group.

In addition, there is currently a technical default under the terms of the ECA Facility relating to the commencement of discussions with one or more of the Group's creditors that began in January 2016, which is therefore capable of being accelerated. The Group is currently seeking a waiver of that default and the preliminary indication received from the ECA lenders is that they are supportive of providing the waiver in the near term. However, there is no guarantee that the waiver will be provided and, if provided, the terms and timing of such waiver. The standstill and temporary waiver agreement in respect of the SSCF (see further below – *SSCF Waiver*) includes a waiver of the relevant cross default provisions that would otherwise be triggered as a result of the default that has arisen under the ECA Facility, which will apply as long as the debt under the ECA Facility has not been accelerated.

In the short term, the Group also expects to incur mine closure and employee restructuring costs in relation to the planned closure of the Paskov and Lazy mines, which is viewed as inevitable in the current market conditions and will likely need to be accelerated, absent any financial support from stakeholders including the Czech Government. These costs are estimated to be in the range of EUR 85-100 million which the Group is currently unable to fund.

Strategic Review

The Group has commenced a detailed strategic review of its operations. Management's preliminary conclusion is that, absent a significant and near-term increase in coal prices, the Group will need to reduce costs yet further across its entire portfolio and to secure substantial additional liquidity. Also, while a number of the Group's mines clearly have potential, some do not. Therefore, as part of the strategic review process, the Group is evaluating its options for those low-potential mines.

In parallel with this strategic review, the Group has commenced negotiations with certain key stakeholders as to an appropriate way forward, including its noteholders and shareholders and the Czech Government. These negotiations, which are ongoing, are focused on securing (1) a viable business for the Group, with a sustainable portfolio of cash-generative mines; (2) a capital structure appropriate to allow that portfolio to operate as a going concern through the anticipated extended period of low coal prices; and (3) clarity for employees.

The directors are continuing to progress discussions with key stakeholders and a number of key steps have already been achieved, including the following:

Majority Shareholder Exit

On 23 February 2016, the Company's majority shareholder, CERCL Mining Holdings B.V. ('CERCL'), owning approximately 50.42% of the Company's A shares, and Asental Property B.V. ('Asental'), owning all of the Company's B shares, each agreed with, among others, the Company, to transfer to the Company (or its nominee) for nil consideration all of its shares in the Company. CERCL and Asental decided to exit the business in order to facilitate the restructuring process by reducing the number of stakeholders involved in its negotiation and implementation. The transfer of shares to the Company (or its nominee) is subject to satisfaction of certain conditions, in particular (i) confirmation from the UK Takeover Panel that the consummation of the transfers will not give rise to a requirement under the City Code for any existing shareholder and person(s) deemed to be acting in concert with them to make a general offer to all the shareholders of the Company and (ii) confirmation that there are no other materially onerous consequences for the remaining shareholders. All parties are working to ensure the conditions applicable to the share transfers are satisfied as soon as possible and it is expected that the transfers will be completed in advance of a long-stop date of 31 March 2016.

SSCF Waiver

On 23 February 2016, NWR NV and the requisite majority of lenders under the SSCF (who are also holders of a significant amount of the Senior Secured Notes and are also shareholders of the Company) agreed the terms of a standstill and temporary waiver agreement which reduces the minimum available cash threshold required to be maintained by NWR NV and its subsidiaries as follows: at all times on and from the date of the agreement up to and including the maturity of the SSCF, available cash should not be less than EUR 6.5 million and on 31 March 2016 and 30 June 2016, available cash shall not be less that EUR 25 million and EUR 10 million respectively. In addition, the standstill and temporary waiver agreement provides for a temporary waiver of certain other defaults which may arise as a result of the strategic options being explored in connection with the anticipated comprehensive restructuring of the Group. The agreement will remain in place until 31 July 2016 if certain customary milestones regarding the progress of negotiations and reaching of agreement on a restructuring are satisfied within defined periods. Thereafter, the waived provisions of the SSCF will once again apply in full force and effect. The milestones include:

(i) entry into (a) a non-binding heads of agreement for the implementation of a restructuring of the Group with the government of the Czech Republic, on terms which the majority lenders under the SSCF have confirmed in writing are acceptable to them, on or by 31 March 2016; and (b) a binding agreement regarding the matters referred to in (a) with the government of the Czech Republic, on terms which the majority lenders under the SSCF have confirmed in writing are acceptable to them, on or by 30 April 2016; and

(ii) completion of the transfer by CERCL and Asental of their respective shares to the Company (or its nominee) by 31 March 2016 (see above - Majority Shareholder Exit).

Negotiations are ongoing and all stakeholders recognise that the Group's current debt structure is unsustainable and that all stakeholders (i.e. including financial creditors, shareholders, government and employees) need to contribute to achieve a consensual restructuring solution. Recent correspondence from the Czech government indicates they are willing to negotiate regarding their contribution to the restructuring and in particular in relation to the employee costs resulting from mine closures. In addition, based on the discussions to date, the Directors expect the ongoing negotiations to focus on a restructuring involving all or a combination of extension of debt maturities, debt-for-equity swap and/or additional cash injection, together with contributions from operational stakeholders in the form of discounts/cost reductions.

Based on these steps and their assessment of the degree of commitment of the various parties to successfully negotiating and implementing the restructuring, the Directors are reasonably confident that an agreement will be reached by all relevant stakeholders for a restructuring of the Group that will allow the Group to meet its liabilities as they fall due over the next twelve months.

However, there can be no guarantee that these negotiations will result in an agreement being reached with all relevant stakeholders in the available time (if at all) to secure the objectives described above and, even if an agreement is ultimately reached, there is no guarantee it will take the form of any terms which may currently be under discussion.

In the event that it becomes likely that agreement cannot be reached, the Group proposes to seek a refinancing of the SSCF or if that is not possible, alternative sources of liquidity, which, absent the ability to raise any additional financing, could, for example, include the sale of certain of the assets of OKD and/or NWR Karbonia. If it becomes clear that no viable alternative liquidity solutions are available, the Group may consider selling the businesses of OKD and NWR Karbonia and if such sales are unsuccessful, the Group may be required to initiate a wind-down of some or all of its operations. Most of these actions themselves require negotiation and/or the consent of multiple stakeholders of the Group, such as (depending on the route chosen) financial creditors, governments, trade unions and shareholders.

The Directors recognise that these circumstances represent a material uncertainty that may cast significant doubt as to the Group's ability to continue as a going concern and that it may be unable to realise all of its assets and discharge all of its liabilities in the normal course of business. Nevertheless, the Directors are reasonably confident that agreement can be reached and accordingly the financial statements have been prepared on a going concern basis and do not include the adjustments that would result if the Group were unable to continue as a going concern.

The auditors' report on the Group's and the Company's financial statements for the year ended 31 December 2015 includes an Emphasis of Matter section drawing attention to the material uncertainty regarding the Group's and the Company's ability to continue as a going concern.

4 Significant Accounting Policies

The financial statements have been prepared under the historical cost convention, except for certain financial instruments, which are stated at fair value.

The financial statements have been prepared on the basis of accounting policies and methods of compilation consistent with those applied in the consolidated financial statements as at and for the year ended 31 December 2014, with the exception described below.

Change in presentation

With effect from 1 January 2015, the Group has changed the basis on which it presents expenses in the income statement. While previously classifying changes in the fair value of Convertible Notes within finance expenses, these expenses are now presented separately within the income statement. This change has been made to permit greater comparability of finance expenses excluding the changes in the fair value of the Convertible Notes.

New standards and interpretations

The Group adopted the following new interpretation, which are effective for its accounting period starting 1 January 2015:

- IFRIC 21 *Levies* (effective 17 June 2014)

The adoption of the new interpretation has no impact on the recognised assets, liabilities and comprehensive income of the Group.

Estimates

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 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 of the Company as at 31 December 2014 and for the year then ended.

5 Non-IFRS Measures

The Company defines:

- EBITDA as net profit/(loss) before income tax, net finance expense, capital restructuring impact, depreciation and amortisation, impairment of property, plant and equipment ('PPE') and gains/losses from the sale of PPE;
- Underlying profit/loss as profit/(loss) before material one-off impacts;
- Net debt as total debt (carrying amounts of all its issued bonds and interest-bearing borrowings) less cash and cash equivalents.

While the amounts included in EBITDA are derived from the Group's financial statements, it is not a financial measure determined in accordance with adopted IFRS and should not be considered as an alternative to net income or operating income as a sole indication of the Group's performance or as an alternative to cash flows as a measure of the Group's liquidity. The Company currently uses EBITDA in its business operations to, among others, evaluate the performance of its operations, develop budgets and measure its performance against those budgets.

6 Exchange Rates

EUR/CZK	**2015**	**2014**	**y/y %**
Average exchange rate	27.279	27.536	(1%)
End of year exchange rate	27.023	27.735	(3%)

Throughout this document, financial results and performance in both the current and comparative periods are expressed in Euros. Financial results and performance could differ considerably if presented in CZK. The Company may where deemed relevant, present variances using constant foreign exchange rates (constant currency basis), marked 'ex-FX', excluding the estimated effect of currency translation differences. These are non-IFRS financial measures.

7 Financial Performance

Revenues

The Group's largest source of revenue is the sale of coking coal, which accounted for 61% of total revenues in 2015, whilst the sale of thermal coal accounts for 29% of total revenues in this year.

EUR thousand	**2015**	**2014**	**y-y**	**y/y %**	**ex-FX**
External coking coal sales (EXW)*	384,200	406,438	(22,238)	(5%)	(6%)
External thermal coal sales (EXW)*	184,551	192,589	(8,038)	(4%)	(5%)
Coal transport	32,706	47,326	(14,620)	(31%)	(31%)
Sale of coal by-products	15,029	17,949	(2,920)	(16%)	(17%)
Other revenues	13,079	12,079	1,000	8%	7%
Total revenues	**629,565**	**676,381**	**(46,816)**	**(7%)**	**(7%)**

*For the purpose of this analysis, where the Group sells products on an EXW or similar basis, the notional transport element is shown separately in order to separate the impact of changing transport revenues from changes in the underlying realised revenues for the products sold.

Total revenues decreased by 7% mainly as a result of lower sales volumes of coking coal, due to lower production, and lower sales price of thermal coal. Lower sales volumes and lower transport charges also resulted in a decrease of transport revenues, with a similar decrease in transport costs, hence no material impact on profitability.

Average realised sales prices *EUR per tonne*	**2015**	**2014**	**y-y**	**y/y %**	**ex-FX**
Coking coal (EXW)	90	85	5	6%	6%
Thermal coal (EXW)	50	54	(4)	(7%)	(7%)

The majority of both coking coal and thermal coal sales have been priced on a calendar year basis in 2015, while in 2014 the Group's coking coal sales were priced on quarterly basis.

Total production of coal in 2015 decreased by 7% compared to 2014, while sales volumes decreased by 4%.Coal inventories increased by 74kt in 2015, compared to an increase by 288kt in 2014.

Coal performance indicators (kt)	**2015**	**2014**	**y-y**	**y/y %**
Coal production	8,020	8,601	(581)	(7%)
External coal sales	7,952	8,315	(363)	(4%)
Coking coal	4,249	4,768	(519)	(11%)
Thermal coal	3,703	3,547	156	4%
Year end inventory*	742	668	74	11%

* Inventory consists of coal available for immediate sale and coal that has to be converted from raw coal. Opening and closing inventory balances do not always reconcile due to various factors such as production losses.

Cost of Sales

EUR thousand	**2015**	**2014**	**y-y**	**y/y %**	**ex-FX**
Consumption of material and energy	181,341	200,995	(19,654)	(10%)	(11%)
of which : mining material and spare parts	102,680	122,581	(19,901)	(16%)	(17%)
: energy consumption	67,082	66,557	525	1%	(0%)
Service expenses	133,320	142,105	(8,785)	(6%)	(7%)
of which : contractors	72,153	72,428	(275)	(0%)	(1%)
: maintenance	23,769	31,048	(7,279)	(23%)	(24%)
Personnel expenses	207,548	206,339	1,209	1%	(0%)
Depreciation and amortisation	39,053	79,753	(40,700)	(51%)	(51%)
Net gain from material sold	(2,778)	(3,214)	436	(14%)	(14%)
Change in inventories of finished goods and work in progress	(9,200)	(18,382)	9,182	(50%)	(50%)
Other operating expenses	9,358	8,861	497	6%	5%
Total cost of sales	**558,642**	**616,457**	**(57,815)**	**(9%)**	**(10%)**
Excluding the change in inventories impact	**567,842**	**634,839**	**(66,997)**	**(11%)**	**(11%)**

Excluding the EUR 9 million year on year impact in change in inventories driven by the lower build-up of stock, cost of sales decreased by EUR 67 million, as a result of:

- lower depreciation following the impairment charge recognised in 2014;
- lower production and lower input costs per equipped coal panel resulting in lower consumption of mining material and spare parts; and
- lower maintenance works undertaken in the 2015.

Selling Expenses

EUR thousand	**2015**	**2014**	**y-y**	**y/y %**	**ex-FX**
Transport costs	32,192	45,030	(12,838)	(29%)	(29%)
Personnel expenses	2,863	2,802	61	2%	1%
Allowance for inventories on stock	10,227	5,517	4,710	85%	84%
Other expenses	10,663	10,237	426	4%	3%
Total selling expenses	**55,945**	**63,586**	**(7,641)**	**(12%)**	**(13%)**

Lower sales volumes combined with lower transport charges resulted in a reduction in transport costs by 29%, with a similar decrease in transport revenues, resulting in no material impact on profitability. Reduced coal price expectations for the upcoming period caused higher allowance for inventories in 2015.

Administrative Expenses

EUR thousand	**2015**	**2014**	**y-y**	**y/y %**	**ex-FX**
Personnel expenses	33,840	42,033	(8,193)	(19%)	(20%)
Service expenses	15,513	15,048	465	3%	2%
Other expenses	13,819	13,919	(100)	(1%)	(2%)
Total administrative expenses	**63,172**	**71,000**	**(7,828)**	**(11%)**	**(12%)**

The decrease in administrative expenses is attributable to a decrease in administrative headcount resulting in lower personnel expenses.

Total Personnel Expenses and Headcount

EUR thousand	**2015**	**2014**	**y-y**	**y/y %**	**ex-FX**
Personnel expenses	245,434	264,429	(18,995)	(7%)	(8%)
Employee benefit provision	(905)	(11,890)	10,985	(92%)	(92%)
Share-based payments	534	(263)	797	-	-
Total personnel expenses	**245,063**	**252,276**	**(7,213)**	**(3%)**	**(4%)**

Total personnel expenses (excluding contractors) decreased due to lower headcount (see below); partially offset by the costs associated with reducing this headcount.

	2015	**2014**	**y-y**	**y/y %**
Employees headcount (average)	10,635	11,488	(853)	(7%)
Contractors headcount (average)	3,181	3,169	12	0%
Total headcount (average)	**13,816**	**14,657**	**(841)**	**(6%)**

EBITDA

EUR thousand	**2015**	**2014**	**y-y**	**y/y %**	**ex-FX**
EBITDA	(4,116)	10,651	(14,767)	-	-

The Group's EBITDA decreased by EUR 15 million compared to 2014 mainly as a result of the decrease in revenues, partially offset by the decrease in operating expenses.

As EBITDA is a non-IFRS measure, the following table provides a reconciliation of EBITDA from the net profit/loss after tax.

EUR thousand	**2015**	**2014**
Net loss	(223,166)	(21,084)
Income tax	(469)	46,319
Net finance expense	42,205	59,354
Change in fair value of Convertible Notes	(66,512)	157
Capital restructuring	-	(342,253)
Depreciation and amortisation	45,444	85,258
Impairment loss on property, plant and equipment	199,028	182,642
(Gain) / loss from sale of PPE	(646)	258
EBITDA	**(4,116)**	**10,651**

Impairment Loss

Due to reduced price expectations for the Group's products, the Group undertook a re-assessment of the mine plan for future operations, which accordingly led to a re-assessment of the recoverable amount of its cash generating units ('CGUs') as at 31 December 2015. As a result, an impairment loss of EUR 199 million (2014: EUR 183 million) has been recognised.

Management identify three operating CGUs within OKD based on a combination of geographical location and shared infrastructure. This represents a change in assessment from the prior year where there were two CGUs only. This change reflects the revised operating structure of OKD. Based on the assessment performed, impairment charges of EUR 136 million, EUR 50 million and EUR 12 million have been recognised for CGU 1 (which comprises OKD1 (Karvina and Darkov)), CGU 2 (which comprises OKD2 (CSM)) and CGU 3 (which comprises OKD3 (Paskov)) respectively. Further EUR 1 million impairment charge was recognised in relation to the Debiensko development project.

The recoverable amount of the CGUs was based on value in use modelling. Value in use was determined by discounting the estimated future cash flows expected to be generated from the continuing use of the CGUs. Value in use as at 31 December 2015 was based on the following key assumptions:

- cash flows were forecasted based on past experience, actual operating results, the budget and long term business plans. Future cash flows were extrapolated using declining growth rates (reflecting decreasing production towards the end of the life of the mines);
- revenue was forecasted based on agreed prices for the first quarter of 2016 (coking coal) and agreed prices for the year 2016 (thermal coal). The anticipated annual revenue movement against these based periods included in the cash flow projections ranged from (5%) to 11% for the years 2017 to 2020 and are based on the average of a range of publically available data (market consensus);
- a post-tax discount rate of 15.18% (2014: 12.60%) was applied in determining the recoverable amount. The discount rate was estimated based on an industry average weighted-average cost of capital adjusted for the specific risks related to the Group's CGUs.

In the event that the negotiations with stakeholders referred to in note 3 under the heading "Going concern basis of preparation" are not successful the Group is unlikely to be able to recover these assets for amounts equal to their book values.

The impairment charges are particularly sensitive to the discount rate applied, the forecast sales prices of the Group's products and the operating expenses. Holding all other parameters constant a 1.50% increase in the discount rate would give rise to an additional impairment loss of EUR 4 million (2014: EUR 21 million); a 2.50% increase in the discount rate would give rise to an additional impairment loss of EUR 7 million (2014: EUR 34 million); a 5% reduction in sales prices would give rise to an additional impairment loss of EUR 44 million (2014: EUR 95 million) and a EUR 5 per tonne increase in operating expenses would give rise to an additional impairment loss of EUR 54 million (2014: EUR 110 million).

Finance Income and Expense

EUR thousand	**2015**	**2014 (restated)***	**y-y**	**y/y %**
Finance income	13,078	7,987	5,091	64%
Realised and unrealised foreign exchange gains	8,316	4,378	3,938	90%
Profit on derivative instruments	4,478	2,884	1,594	55%
Other finance income	284	725	(441)	(61%)
Finance expense	55,283	67,341	(12,058)	(18%)
Interest expenses	47,610	57,499	(9,889)	(17%)
Realised and unrealised foreign exchange losses	3,770	4,781	(1,011)	(21%)
Losses on derivative instruments	3,604	4,605	(1,001)	(22%)
Other finance expenses	299	456	(157)	(34%)

*See Change in presentation in note 4.

The decrease in interest expenses reflects the exchange of the original notes (nominal EUR 775 million) for the new notes (nominal EUR 334 million as at 31 December 2015) as part of the Capital Restructuring completed in October 2014. For more information about the terms and conditions of this indebtedness please refer to note 13 *Contingencies and Other Commitments.*

Change in fair value of Convertible Notes

Convertible Notes are designated at fair value through profit or loss ('FVTPL') and the EUR 67 million impact represents the decrease in their fair value between 31 December 2014 and 31 December 2015.

Loss before Tax

The loss before tax in 2015 was EUR 224 million, compared to a profit of EUR 25 million in 2014.

Income Tax

The Group recorded a net income tax benefit of EUR 469 thousand in 2015, compared to a net income tax expense of EUR 46 million in 2014.

As at 31 December 2015 the Group updated its assessment of its ability to utilise tax losses based on medium term projections and concluded that it was not probable that these losses would be able to be recovered within the period for utilising such losses within the jurisdiction in which they arose. As a result, the associated deferred tax asset continues not to be recognised.

Loss for the year

The Group recognised a loss of EUR 223 million in 2015 compared to the loss of EUR 21 million in 2014.

8 Earnings / Loss per Share

The calculation of earnings/loss per share is based on profit/loss attributable to the shareholders of the Company and a weighted average number of shares outstanding during the respective years:

EUR thousand	**2015**	**2014**
Loss for the year	(223,166)	(21,084)
Loss attributable to A shares	(226,473)	(24,463)
Profit attributable to B shares	3,231	3,304
Eliminations between Mining and Real Estate divisions	76	75

	2015	**2014**
Weighted average number of A shares (basic)	6,660,768,782	2,246,642,534
Weighted average number of A shares (diluted)	6,664,642,143	2,249,155,832
Weighted average number of B shares (basic)	10,000	10,000
Weighted average number of B shares (diluted)	10,000	10,000

9 Cash Flow

EUR thousand	**2015**	**2014**
Net cash flows from operating activities	(7,125)	(56,293)
Net cash flows from investing activities	(33,698)	(51,276)
Net cash flows from financing activities	(1,909)	52,219
Net effect of currency translation	588	(280)
Total decrease in cash	**(42,144)**	**(55,630)**

Cash Flow from Operating Activities
Cash outflows arising from operating activities, after working capital changes and before interest and tax in 2015 were EUR 1 million, EUR 22 million lower compared to cash outflows of EUR 23 million in 2014, following higher EBITDA (after adjustment for negative impact of both inventory allowances of EUR 12 million and provisions of EUR 18 million compared to 2014) and further working capital optimisation measures consisting of cash sale of inventories.

Cash Flow from Investing Activities
Capital expenditures amounted to EUR 34 million in 2015, a decrease of EUR 25 million when compared to 2014. Cash flow from investing activities in 2014 was positively influenced by a release of EUR 7 million from an escrow account related to the sale of the coke subsidiary in 2013.

Cash Flow from Financing Activities
Cash flow from financing activities in 2015 reflects the additional transaction costs in relation to the Capital Restructuring occurred in 2014, when the Group raised EUR 185 million of new money by way of a EUR 150 million Rights Issue and Placing and by certain noteholders providing a EUR 35 million new Super Senior Credit Facility; of which EUR 90 million was used to repurchase the Existing Notes. The Group incurred EUR 43 million of transaction costs related to Capital Restructuring in 2014.

10 Borrowings, Liquidity and Capital Resources

The principal uses of cash are anticipated to fund planned operating expenditures, working capital requirements, capital expenditures, scheduled debt service requirements, and other distributions.

Indebtedness and liquidity

As at 31 December 2015, the Group held cash and cash equivalents of EUR 86 million and had indebtedness of EUR 383 million (carrying value), of which EUR 40 million is contractually repayable in the next 12 months. This results in a net debt position for the Group of EUR 298 million (EUR 281 million as at 31 December 2014).

For more information about the liquidity and going concern basis of accounting please refer to note 3 *Basis of Presentation*. For more information about the terms and conditions of this indebtedness please refer to note 13 *Contingencies and Other Commitments.*

11 Financial Instruments

Financial assets and liabilities by category

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value where the carrying amount is a reasonable approximation of fair value (for example accounts receivable or accounts payable).

EUR thousand	31 December 2015			31 December 2014		
	Carrying Value	Fair value Level 1	Fair value Level 2	Carrying Value	Fair value Level 1	Fair value Level 2
Financial assets:						
At fair value through profit or loss						
Senior Secured Notes embedded option	-	-	-	2,629	-	2,629
Loans and receivables						
Long-term receivables	920	-	-	3,062	-	-
Accounts receivable and prepayments	52,307	-	-	64,219	-	-
Cash and cash equivalents						
Restricted deposits	20,303	-	-	22,037	-	-
Cash and cash equivalents	85,891	-	-	128,035	-	-
Total	**159,421**			**219,982**		
Financial liabilities:						
At fair value through profit or loss						
Interest rates derivatives	1,678	-	1,678	3,402	-	3,402
Convertible Notes	4,315	4,315	-	70,845	70,845	-
Contingent value rights	1,685	-	1,685	5,305	-	5,305
Cash-settled share-based payments	312	312	-	227	227	-
Other						
Long-term loans including accrued interest	84,798	-	-	84,067	-	-
Bonds issued including accrued interest	299,671	111,303	-	258,824	236,125	-
Other long-term liabilities	266	-	-	300	-	-
Accounts payable and accruals	119,912	-	-	130,989	-	-
Total	**512,637**			**553,959**		

Fair value hierarchy

The table above analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1	quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2	inputs other than quoted prices included within Level 1 that are observable for the asset or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
Level 3	inputs for the asset or liability that are not based on observable market data (unobservable inputs)

In order to determine the fair value of the financial instruments, the Company implements valuation techniques used by banks or uses third party professional evaluators; and all significant inputs have been based on observable market data.

12 Segments and Divisions

The Group is organised into two divisions: the Mining Division ('MD') and the Real Estate Division ('RED'). The Company had A Shares and B Shares outstanding for the presented years. The A Shares and B Shares are tracking stocks, which are designed to reflect the financial performance and economic value of the MD and RED, respectively. Due to the public listing of the Company's A shares, the Group provides divisional reporting showing separately the performance of the MD and RED. The main rights, obligations and relations between the RED and MD are described in the Divisional Policy Statement, available at the Company's website www.newworldresources.eu. The divisional reporting, as such, is essential for the evaluation of the equity attributable for the listed part of the Group. The Group is primarily involved in coal mining and as such presents only one segment. The whole Mining Division represents the Coal segment.

Divisions	**Year ended 31 December 2015**				**Year ended 31 December 2014 (restated)***			
EUR thousand	Mining division	Real Estate division	Eliminations & adjustments[1]	**Group operations total**	Mining division	Real Estate division	Eliminations & adjustments[1]	**Group operations total**
Revenues	629,565	589	(589)	**629,565**	676,381	510	(510)	**676,381**
Cost of sales	(559,325)	-	683	**(558,642)**	(617,060)	-	603	**(616,457)**
Gross profit	**70,240**	**589**	**94**	**70,923**	**59,321**	**510**	**93**	**59,924**
Selling expenses	(55,945)	-	-	**(55,945)**	(63,586)	-	-	**(63,586)**
Administrative expenses	(63,056)	(116)	-	**(63,172)**	(70,885)	(115)	-	**(71,000)**
Impairment loss on property, plant and equipment	(199,028)	-	-	**(199,028)**	(182,642)	-	-	**(182,642)**
Gain / (loss) from sale of property, plant and equipment	106	540	-	**646**	(288)	30	-	**(258)**
Other operating income	1,419	-	-	**1,419**	2,576	-	-	**2,576**
Other operating expenses	(2,785)	-	-	**(2,785)**	(2,521)	-	-	**(2,521)**
OPERATING (LOSS) / INCOME	**(249,049)**	**1,013**	**94**	**(247,942)**	**(258,025)**	**425**	**93**	**(257,507)**
EBITDA	**(4,000)**	**473**	**(589)**	**(4,116)**	**10,766**	**395**	**(510)**	**10,651**
Finance income	13,547	3,456	(3,925)	**13,078**	7,985	3,602	(3,600)	**7,987**
Finance expenses	(58,701)	(507)	3,925	**(55,283)**	(70,940)	(1)	3,600	**(67,341)**
Change in fair value of Convertible Notes	66,512	-	-	**66,512**	(157)	-	-	**(157)**
Capital restructuring	-	-	-	**-**	342,253	-	-	**342,253**
(Loss) / profit before tax	(227,691)	3,962	94	**(223,635)**	21,116	4,026	93	**25,235**
Income tax benefit / (expense)	1,218	(731)	(18)	**469**	(45,579)	(722)	(18)	**(46,319)**
(LOSS) / PROFIT FOR THE YEAR	**(226,473)**	**3,231**	**76**	**(223,166)**	**(24,463)**	**3,304**	**75**	**(21,084)**
Assets and liabilities								
Total assets	315,670	47,832	(44,041)	**319,461**	548,804	44,415	(10,022)	**583,197**
Total liabilities	739,083	7,690	(42,197)	**704,576**	743,222	7,997	(8,154)	**743,065**

[1] Eliminations of transactions between the divisions (e.g. lease charges, service fees, annual fees for providing real estates, etc.).

*See Change in presentation in note 4.

13 Contingencies and Other Commitments

Contingent assets and liabilities

Contingent liabilities relate to several litigation proceedings. As inherent in such proceedings, outcomes cannot be predicted with certainty and there is a risk of unfavourable outcomes to the Group. The Group disputes all pending and threatened litigation claims of which it is aware and which it considers unjustified. No provision has been recognised as at 31 December 2015 for any of the litigation proceedings. At the date of these financial statements, based on advice of legal counsel, the management of the Group believes that the litigation proceedings have no significant impact on the Group's financial position as at 31 December 2015. A summary of the main litigation proceedings is included in the 2014 Annual Report and Accounts of the Company. There have been no other significant developments in any of these matters since, except of the one below.

On 9 September 2015, the courts dismissed in its entirety the claim against OKD for unfounded enrichment brought by Mr. Otakar Černý in relation to Improvement proposal no. 31/5-15/95 for a total of CZK 1,087 million (approx. EUR 43 million). The plaintiff has lodged an appeal.

OKD have been claimed against for contractual penalty by METALIMEX a.s. for a total of EUR 11 million. METALIMEX sees its title in breach of two framework transportation contracts concluded in 2010 where it claims that during validity of these contracts OKD was providing transportation with third subject and that such transportation was provided to places negotiated in these contracts. Management is of the opinion that it is more likely than not that the case will not result in any cost to OKD and as such no provision has been included in the financial statements as at 31 December 2015.

Contractual obligations

The Group is subject to commitments resulting from its indebtedness. These result mainly from the borrowings drawn by the Group and Notes issued. The following table includes the contractual obligations resulting from the borrowings and Notes issued as at 31 December 2015 in their respective nominal values.

EUR thousand	1/1/2016 - 31/12/2016	1/1/2017 - 31/12/2018	After 31/12/2018
Senior Secured Notes due 2020	-	-	333,908
Convertible Notes due 2020	-	-	161,797
ECA Facility	5,000	15,000	29,863
Super Senior Credit Facility	35,000	-	-
TOTAL	**40,000**	**15,000**	**525,568**

Interest is to be paid semi-annually on Senior Secured Notes due 2020 (fixed coupon rate of 8% p.a.). Subject to certain liquidity condition, the Group may elect to capitalise ('PIK' interest) all but not part of the accrued interest at a higher rate (11% until the second anniversary of issuance / 9% thereafter).

In adherence to the indentures, the Group elected not to pay interest at the cash coupon rate on its Senior Secured Notes due 2020 for the interest period starting 1 November 2014 up to 1 May 2015 and for the interest period starting 1 May 2015 up to 1 November 2015, but has elected to pay all of the accrued interest in the form of PIK interest by issuing EUR 16.5 million and EUR 17.4 million of additional notes, increasing the nominal value of Senior Secured Notes due 2020 to EUR 333.9 million. These additional notes were initially recognised at fair value and subsequently held at amortised cost. The fair value of these additional notes on initial recognition was EUR 17.9 million compared to interest accrued of EUR 24.7 million.

Interest is to be paid annually on the Convertible Notes due 2020 (fixed coupon rate of 4% p.a.). The Group may elect to pay PIK interest at a rate of 8% p.a. The Convertible Notes can be redeemed at the discretion of the holder of the Convertible Notes at any point subsequent to 30 April 2015, into the share capital of the Company.

In adherence to the trust deed, the Group has not paid interest on its Convertible Notes due 2020 for the interest period starting 1 November 2014 up to 1 November 2015 in cash, but has elected to pay all of the accrued interest in the form of PIK interest by issuing EUR 11.9 million additional notes, increasing the nominal value of Convertible Notes due 2020 to EUR 161.8 million.

During the year 2015, 195,597 Convertible Notes were converted into A shares of the Company.

The interest rate on the ECA Facility is fixed and paid semi-annually, and is based on EURIBOR plus a fixed margin. The interest rate on the SSCF is fixed and paid quarterly, and is based on EURIBOR plus a fixed margin that increases each quarter by 1.5%.

The Group has contractual obligations to acquire property, plant and equipment totalling EUR 8 million, all of which are contracted to be provided within one year. The Group is also subject to contractual obligations under lease contracts in the total amount of EUR 5 million, of which EUR 1 million are short-term obligations.

The Group is liable for environmental damage caused by mining activities. These future costs generally include restoration and remediation of land and disturbed areas, mine closure costs, including the dismantling and demolition of infrastructure and the removal of residual materials. As at 31 December 2015 provisions associated with these obligations were EUR 137 million (2014: EUR 131 million). These provisions do not include any of the employee-restructuring costs associated with the closure of the Paskov and Lazy mines as detailed in the Strategic Review Process as announced 18 December 2015 on the basis that the nature, structure and timing of these closures are yet to be finalised. The estimated cost amounts to EUR 85-100 million which the Group would be unable to meet based on its current financial resources. As described in note 3 under the heading “Going concern basis of accounting”, the Group is in negotiation with its stakeholders, including the Czech Government, that may result in other parties supporting the operation of these mines and ultimately baring some or all of these employee-restructuring costs.

14 Subsequent Events and Other Information

Strategic Review

The Group has commenced a detailed strategic review of its operations. Management's preliminary conclusion is that, absent a significant and near-term increase in coal prices, the Group will need to reduce costs yet further across its entire portfolio and to secure substantial additional liquidity. Also, while a number of the Group's mines clearly have potential, some do not. Therefore, as part of the strategic review process, the Group is evaluating its options for those low-potential mines, in addition to the planned closures of the Paskov and Lazy mines.

In parallel with this strategic review, the Group has commenced negotiations with certain key stakeholders as to an appropriate way forward, including its noteholders and shareholders and the Czech Government. These negotiations, which are ongoing, are focused on securing (1) a viable business for the Group, with a sustainable portfolio of cash-generative mines; (2) a capital structure appropriate to allow that portfolio to operate as a going concern through the anticipated extended period of low coal prices; and (3) clarity for employees.

For further details refer to note 3 and going concern basis of accounting.

15 Certain Relationships and Related Party Transactions

Description of the relationship between the Group, CERCL Holdings Ltd (the controlling Shareholder) and entities affiliated to the CERCL Holdings Ltd. is included on pages 79-83 of the 2014 Annual Report and Accounts of NWR.

In May 2015, the shareholders of the Advance World Transport (‘AWT’) group (which provides rail freight and sidings services to the Group among others) finalised the sale of a majority stake in the AWT group, which is therefore from that time no longer an affiliated company to the Group.

There have been no other substantive changes to the nature, scale or terms of these arrangements during the year ended 31 December 2015.

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New World Resources Plc is also registered with the Trade Register in the Netherlands under number 55931758.

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 factors 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 Group's customers' products; coal mine reserves; remaining life of the Group'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 Group's relationship with, and conditions affecting, the Group's customers; competition; railroad and other transport 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 2014 Annual Report and Accounts. A failure to achieve either refinancing of the SSCF or further optimisation/restructuring steps for liquidity and solvency purposes would pose a significant risk of the Group ceasing to operate as a going concern.

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, 23 February 2016

Board of Directors