

First Quarter 2012 Results

Wednesday 16 May 2012

Marek Jelinek, Executive Director and Chief Financial Officer



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Agenda

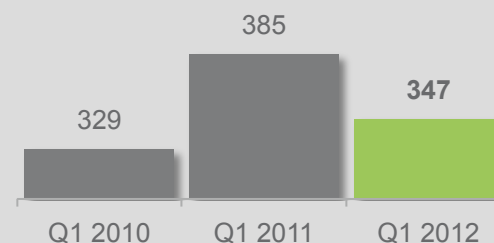
- Highlights
- Business Review
- Financial Review
- Outlook
- Appendix

Financial highlights

- Revenues of EUR 347m, down 10%
- EBITDA of EUR 54m, down 34%
- Net profit of EUR 6m, up 80%
- Basic EPS of EUR 0.02
- Cash flow from operations of EUR 80m
- Net debt of EUR 385m, down 2% since beginning of the year
- Fully repaid the EUR 100m revolving credit facility
- No significant debt maturity until 2015

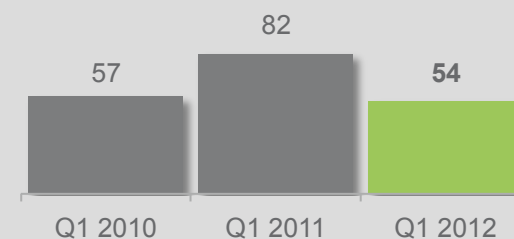
Revenue

EUR m



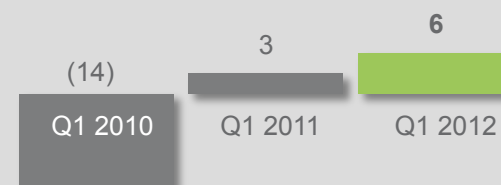
EBITDA

EUR m



Net Profit

EUR m



Operational and strategic highlights

- LTIFR¹ improved by 4% to 7.17 – the best result in the Company’s history
- Coal production of 2.4Mt, and external sales of 2.3Mt (1.3Mt coking coal)
- Coke production of 175kt, and external sales of 155kt
- Q2 coking coal and coke prices agreed at EUR 130/t and EUR 298/t respectively
- Agreement with trade unions on 3% increase in basic wages from April 2012
- 2012 guidance on production, sales, coal mix and unit costs unchanged
- Our project to access more than 30Mt of coking coal via existing operations at Karvina Mine progressing.

¹ Lost Time Injury Frequency Rate represents the number of reportable injuries in the NWR Group causing at least three days of absence per million hours worked including contractors.

Debiensko

Current status

- Review to analyse key project's parameters
- Analysis of changed water management conditions
- Review to take several months to complete
- 2012 CAPEX capped at EUR 5m



Parameters under review

- Total project costs
- Average yearly production
- Estimated unit costs
- Time to completion

Parameters unchanged

- 50-year mining license
- JORC reserves, 190Mt
- Reserve mix 7/8 coking coal and 1/8 thermal coal
- Pursuit of additional mining license for shallower levels
- Long term fundamentals of the region and demand for Debiensko-quality coal

Agenda

- Highlights
- Business Review
- Financial Review
- Outlook
- Appendix

Steel environment

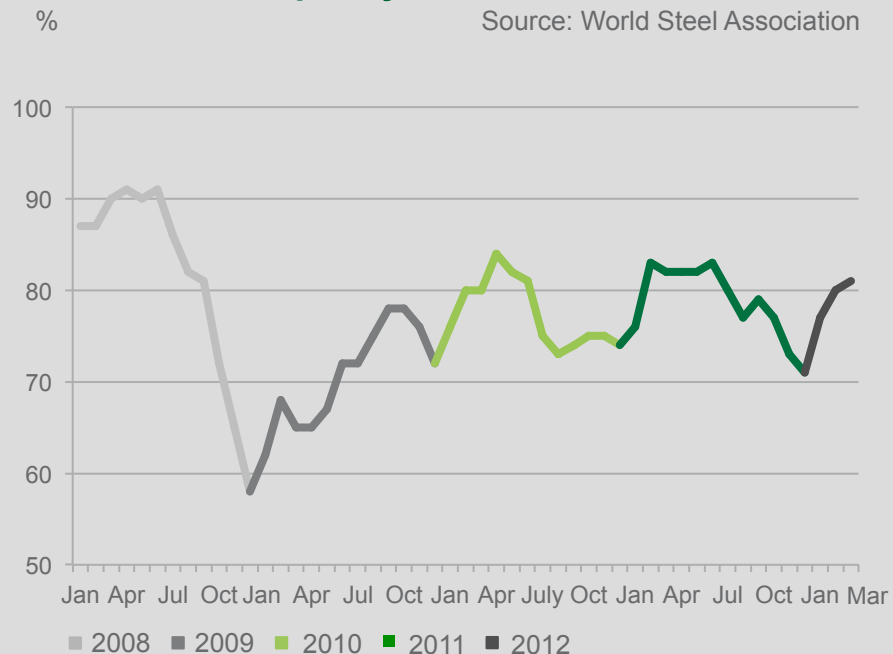
Steel production, NWR's customer markets¹

Source: World Steel Association



Global steel capacity utilisation ratio²

Source: World Steel Association



- Steel production in NWR's main customer markets was up 7% in Q1 2012 compared to the previous quarter
- Regional steel capacity utilisation ratio was between 80-90%

¹ Czech Republic, Poland, Slovakia, Germany, and Austria.

² 64 countries as reported by the World Steel Association, March report

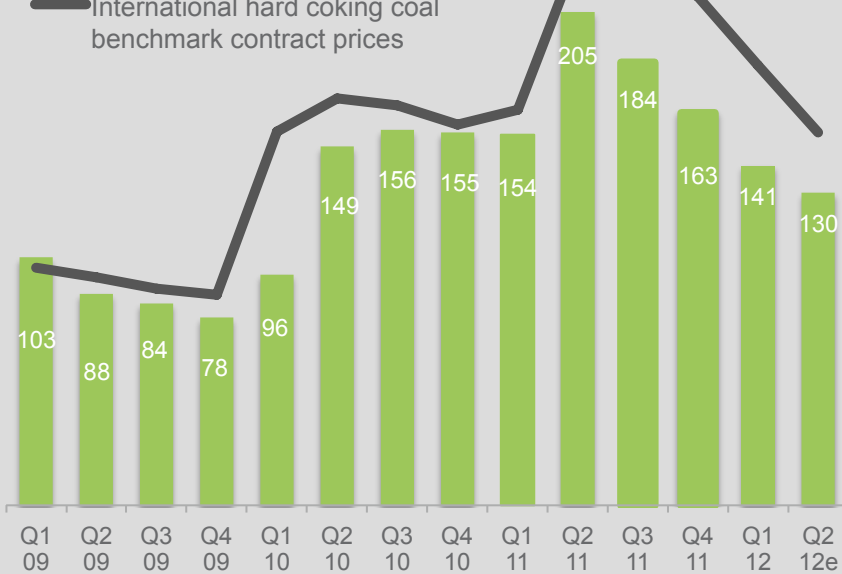
NWR quarterly prices

Coking coal

EUR/t

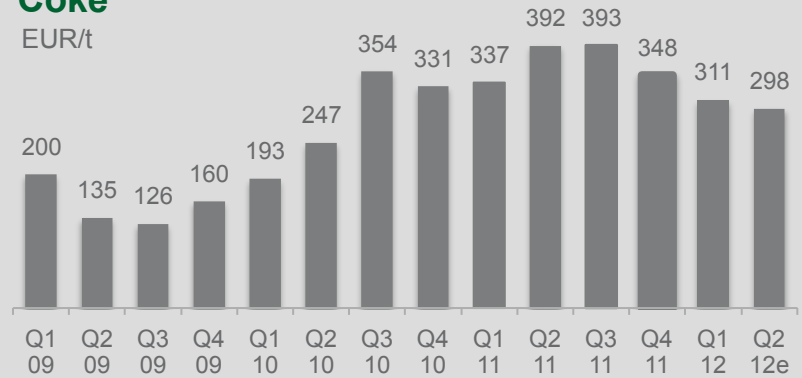
■ NWR quarterly coking coal price

— International hard coking coal benchmark contract prices



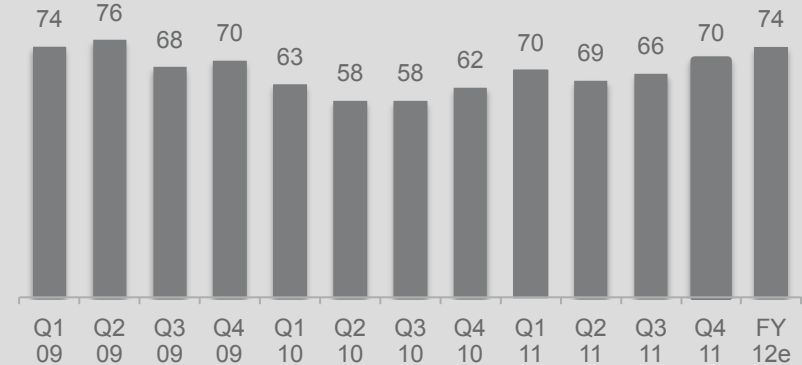
Coke

EUR/t



Thermal coal

EUR/t



Note 1: Given the ultimate consumer of PCI coking coal is the steel making industry, we reclassified its sales from Thermal coal to Coking coal as of 1 January 2012, in line with industry practice. All previous prices and volumes of Coking coal and Thermal coal have been recalculated to reflect this reclassification.

Note 2: Final realised prices can be influenced by a range of factors including, but not limited to, exchange rate fluctuations, quality mix, timing of the deliveries and flexible provisions in the individual agreements. Thus the actual realised price for the period may differ from the average agreed prices previously announced. All of the forward-looking price guidance for 2012 is based on an exchange rate of CZK/EUR of 25.0. Prices are expressed as a blended average between the different qualities of coal and coke and are ex-works.

Agenda

- Highlights
- Business Review
- Financial Review
- Outlook
- Appendix

Financial overview

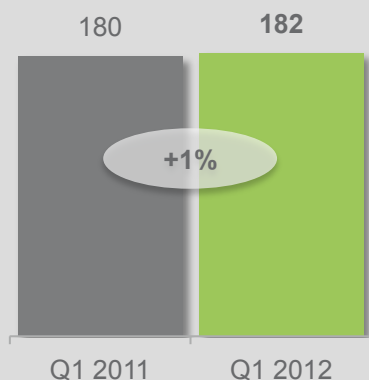
EUR m	Q1 2012	Q1 2011	Chg	Q4 2011	Chg
Revenues	347	385	(10%)	392	(11%)
EBITDA	54	82	(34%)	85	(37%)
- coal segment ¹	54	81	(33%)	102	(47%)
- coke segment ¹	6	7	(15%)	(1)	-
Margin	16%	21%	-	22%	-
Operating profit	11	38	(71%)	41	(73%)
- Net financial expense	(3)	(27)	-	(19)	-
- Income tax expense	(2)	(7)	-	(13)	-
Profit for the period	6	3	80%	9	(30%)
Net cash flow from operations	73	119	(39%)	47	54%
Average EUR/CZK	25.1	24.4	3%	25.3	(1%)

¹ The full disclosure on all operational segments including the 'Other' segment as well as consolidation adjustments and eliminations is presented in the Operating and Financial Review for the three months ended 31 March 2012.

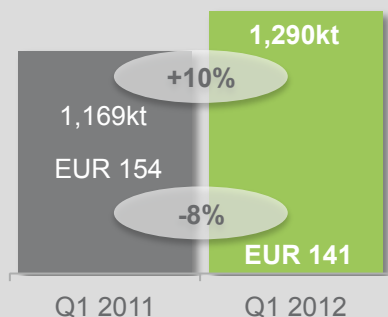
Coal segment

Coking coal revenues

EUR m

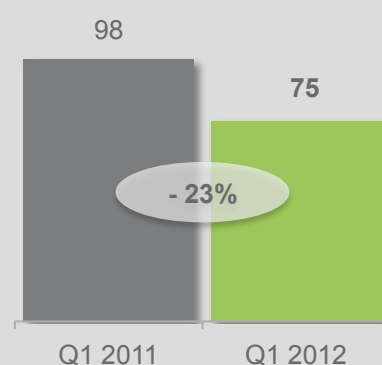


Volumes and prices¹

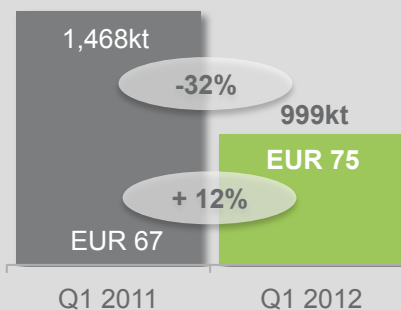


Thermal coal revenues

EUR m

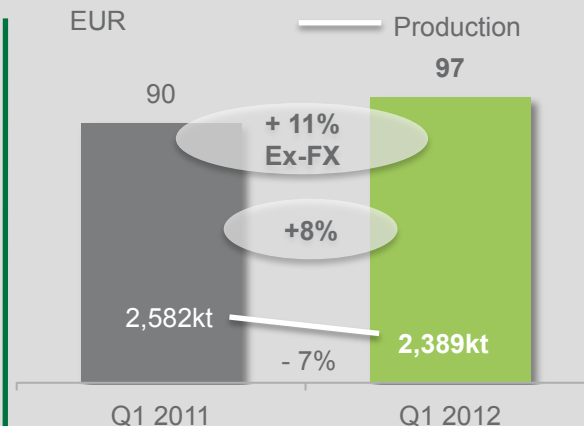


Volumes and prices²



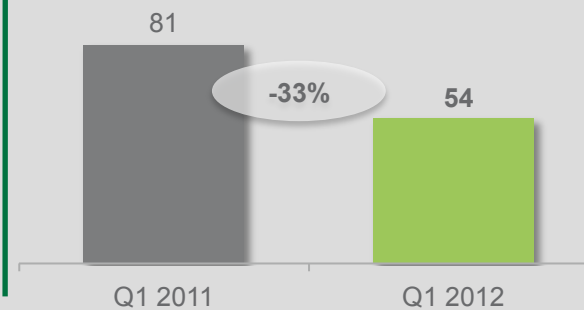
Costs per tonne³

EUR



Coal segment EBITDA⁴

EUR m



¹ Blended average across all qualities of coking coal. In Q1 2012, approx. 52% of coking coal sales was HCC, 41% was SSCC and 7% PCICC.

² Blended average price for all qualities of thermal coal. In Q1 2012, approx. 78% of thermal coal sales was thermal coal and 22% middlings.

³ Mining costs per tonne reflect the operating costs incurred in mining of both coking coal and thermal coal. They exclude transportation costs and D&A.

⁴ Includes internal sales to the coke segment. The full disclosure on operational segments is presented in the latest Operating and Financial Review.

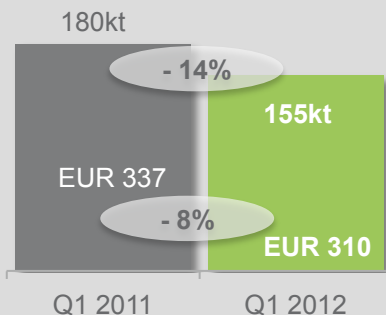
Coke segment

Coke revenues

EUR m

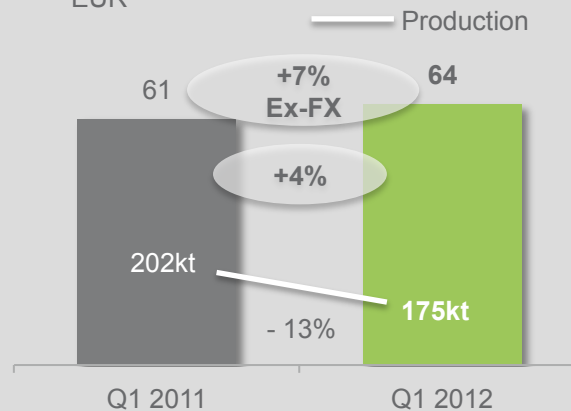


Volumes and prices¹



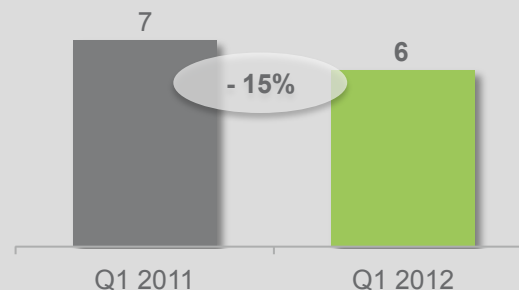
Conversion costs per tonne²

EUR



Coke segment EBITDA³

EUR m



¹ Blended average price for all types of coke. In Q1 2012, approx. 71% of coke sales was foundry coke, 21% blast furnace coke and 8% other types of coke.

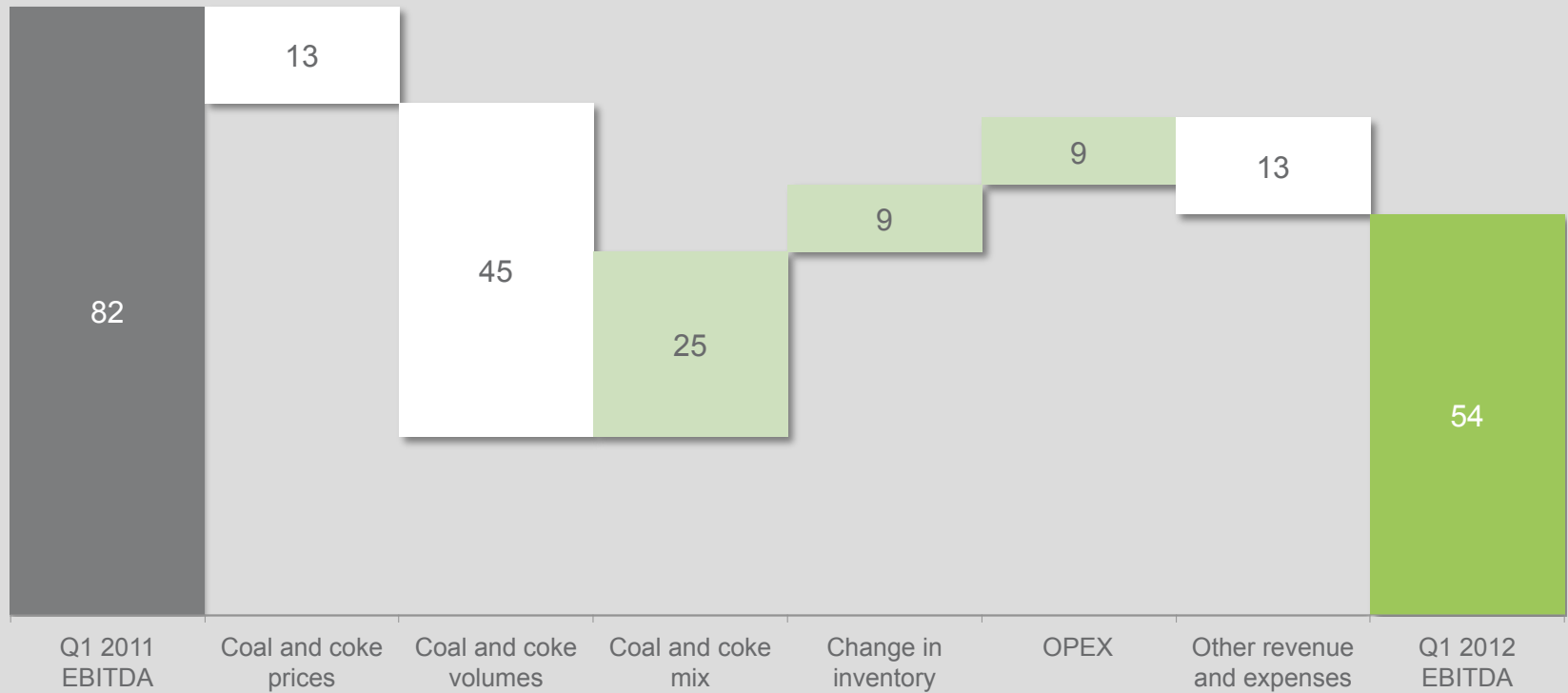
² Coke conversion costs per tonne reflect the operating costs incurred in producing all types of coke and exclude the costs of input coal, transportation costs and D&A.

³ Includes both internal and external coal charges. The full disclosure on operational segments is presented in the latest Operating and Financial Review.

EBITDA

EBITDA reconciliation

EUR m



Net Debt

Net debt development

EUR m



Agenda

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- Appendix

FY 2012 outlook

Production

- 10.8 –11Mt of coal and 700kt of coke

External sales

- Coal: 10.25 –10.5Mt of which 52% thermal coal and 48% coking coal
- Coke: 600kt

Prices¹

- Thermal coal: priced at EUR 74/t for calendar year 2012 with expected mix 82% thermal coal and 18% middlings
- Coking coal: Q2 2012 average price agreed at EUR 130/t with expected mix of 50% hard coking coal, 43% semi soft coking coal and 7% PCI coking coal
- Coke: Q2 2012 average price agreed at EUR 298/t with expected mix of 67% foundry coke, 16% blast furnace coke and 16% other types of coke

Costs

- Mining unit costs expected to be broadly flat on a constant FX basis
- Coke conversion unit costs expected to increase in line with expected decrease in production

CAPEX

- Expected CAPEX of EUR 210m, CAPEX for Debiensko capped at EUR 5m.

¹ Final realised prices can be influenced by a range of factors including, but not limited to, exchange rate fluctuations, quality mix, timing of the deliveries and flexible provisions in the individual agreements. Thus the actual realised price for the period may differ from the average agreed prices previously announced. All of the forward-looking price guidance for 2012 is based on an exchange rate of CZK/EUR of 25.00. Prices are expressed as a blended average between the different qualities of coal and coke and are ex works.

Financial calendar and conferences in 2012

17 May	CS Poland/CE3 Conference, London
July	Trading update and Q3 Prices
23 August	Half Year 2012 Results
14 November	Nine Months 2012 Results

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Agenda

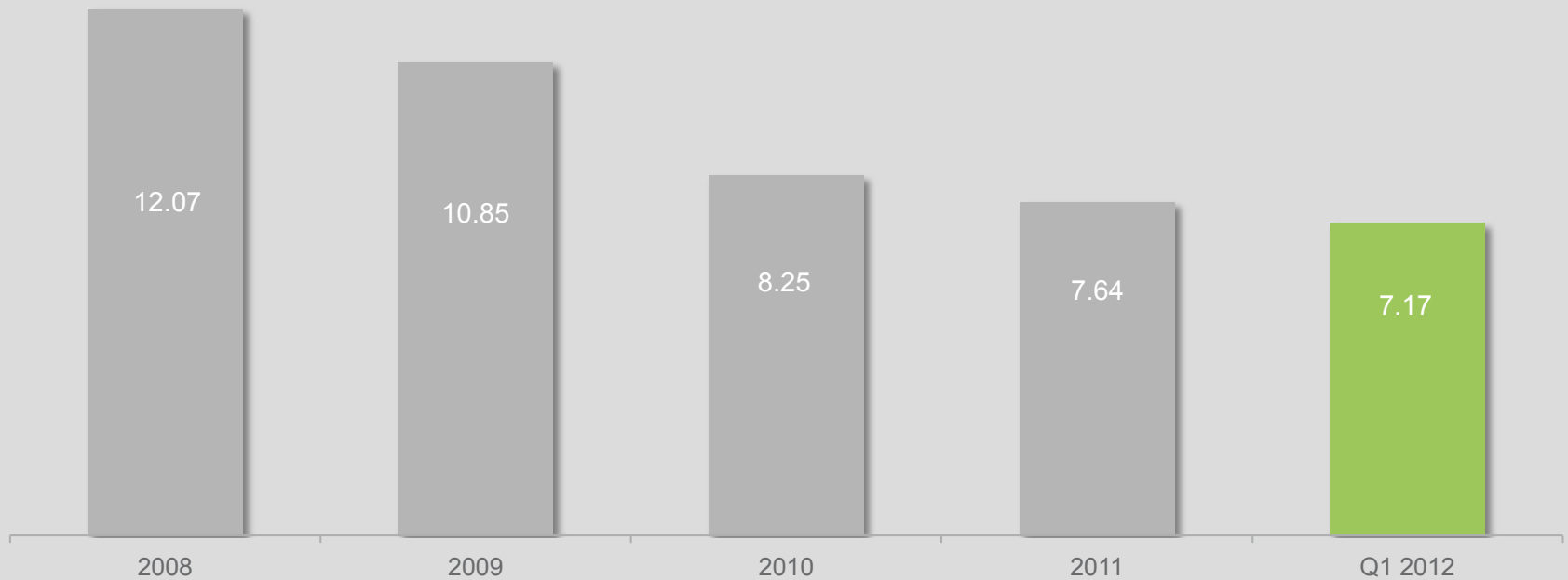
- Highlights
- Business Review
- Financial Review
- Outlook
- Appendix

Balance sheet

EUR m	31 Mar 2012	31 Dec 2011	31 Mar 2011
Total Assets	2,328	2,374	2,277
Non current assets	1,592	1,535	1,498
Property, plant & equipment	1,411	1,354	1,307
Current assets	736	839	779
Cash and cash equivalents	445	537	545
Total Equity and Liabilities	2,328	2,374	2,277
Total equity	823	753	748
Total liabilities	1,506	1,621	1,529
Long-term loans	76	76	91
Bonds issued	739	739	746
Current portion of long-term loans	15	14	15
Short term loans	0	100	0
Net Debt	385	391	307
Net Working Capital	98	81	(27)

Safety performance

Lost time injury frequency rate¹



¹ Lost Time Injury Frequency Rate represents the number of reportable injuries in the NWR Group causing at least three days of absence per million hours worked including contractors.