

London, 24 February 2015

Unaudited FY 2014 Results

New World Resources Plc ('NWR' or the 'Company') today announces its unaudited financial results for the full year 2014. Comparative information, unless otherwise stated, is for the full year 2013.

FY 2014 Financial summary

- Revenues from continuing operations of EUR 676 million, down 20%.
- Coking coal average realised price of EUR 85/t, down 13%; thermal coal average realised price of EUR 54/t, down 4%.
- Cash mining unit costs¹ of EUR 67/t, down 14% (9% on a constant currency basis) on 2% lower production.
- Selling and administrative expenses from continuing operations down 18% to EUR 135 million.
- EBITDA from continuing operations of EUR 11 million, up EUR 21 million.
- Non-cash impairment charge of EUR 183 million to reflect non-current assets' recoverable value (EUR 807 million charge in FY 2013).
- Non-cash gain from capital restructuring of EUR 342 million including EUR 45 million of transaction costs of which EUR 8 million were reflected directly in equity.
- Basic loss from continuing operations per A share of EUR (0.01).
- Net debt of EUR 281 million, including cash of EUR 128 million as of 31 December 2014.
- Going concern basis of accounting applied; auditor's report likely to refer to the directors' description of the material uncertainty relating to the use of the going concern basis.

FY 2014 Operational summary

- Regrettably, eight miners lost their lives during 2014.
- Safety metrics LTIFR² of 8.18 vs. 7.41 in FY 2013.
- Coal production of 8.6Mt, down 2% and coal sales of 8.3Mt, down 14%.
- Coal sales mix of 57% coking coal and 43% thermal coal.
- CAPEX of EUR 60 million, down 45%.
- Coal Inventory of 668kt, up 76% year on year.
- Total headcount from continuing operations including contractors down 7%.
- 186 million tonnes of JORC-compliant marketable reserves identified at Debiensko project; now exploring opportunities to attract funding for the estimated two-year feasibility stage.
- Financial aid for the closure of the Paskov mine approved by the European Commission.

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-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.

2015 Outlook³

- The average price for 74% of NWR's 2015 expected coking coal production agreed and fixed for the full year 2015 at EUR 93 per tonne, up 9% on 2014 average realised coking coal price.
- The average price for NWR's 2015 whole expected thermal coal production agreed at EUR 52 per tonne, down 4% on 2014 average realised thermal coal price.
- Production and sales volume targets of 7.5 – 8.0Mt and 8.0Mt respectively.
- Sales mix target of 60% coking coal and 40% thermal coal.
- Cash mining unit costs of around EUR 65 per tonne.
- CAPEX of EUR 30-40 million.
- Improvement in LTIFR towards the target of below 5.

3 All prices are expressed as blended averages between the different qualities both for coking and thermal coal and are ex-works. All of the announced prices are indicative prices, and are based on an exchange rate of EUR/CZK of 27.5. 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, may influence final realised prices. The actual realised price for the period may therefore differ from the average prices announced.

Chairman's statement

2014 Review

The key event of the year was the successful restructuring of our balance sheet, a process that we initiated at the beginning of the year and concluded in October. With the support and participation of our stakeholders, this has placed NWR on a much firmer and more sustainable financial footing to better withstand prevailing market coal prices that remain depressed, a period of market weakness that is unprecedented in terms of both its length and severity.

In summary, EUR 185 million of new capital was raised resulting in a reduction in total debt from EUR 825 million to EUR 535 million and a significant fall in debt servicing costs. Furthermore, the maturity of the new senior notes has been extended from 2018 to 2020.

The low pricing environment was clearly reflected in our revenues for the year, which were down by 20%. A further challenge has been that as we mine deeper the geological conditions become more challenging in terms of seismic risks, and this will naturally impact our future coal production. We produced 8.6 million tonnes of coal in 2014 - which was in line with 2013 and so a concerted effort by all concerned - with higher priced coking coal making up a larger share of sales at 57% (2013: 48%). However, we do expect production levels to decline steadily from now on.

To mitigate these top line pressures, it has been imperative to optimise our current operations. Cash mining unit costs for the year were at EUR 67 a tonne for 2014 (2013: EUR 78 a tonne), in line with guidance. We have also continued to deliver significant structural decreases in our capital expenditure. We will continue to focus on driving down costs, which will be more critical as production volumes start to decline steadily.

Safety

Deep underground coal mining is inherently fraught with risks and we will always strive to minimise those risks as far as we possibly can. This does not just mean full compliance with health and safety regulations, which is of course non-negotiable, but also includes initiatives designed to instil important behavioural changes.

Despite our strong, continual emphasis on safety, it is with great sadness that we report eight fatalities during the year and we express our sincere condolences to the families and friends of those who lost their lives. We will always strive towards a zero fatality target.

2015 Outlook

In terms of our current operations this year we are targeting production of between 7.5 and 8.0 million tonnes and sales of around 8.0 million tonnes, while holding average cash mining costs at around EUR 65 a tonne. We estimate that headcount, including contractors, will fall by about 10 per cent, of which our trade unions are fully cognisant. We are looking at 2015 CAPEX of EUR 30-40 million.

As I write, I can report that we have reached stable agreements with all of our key customers for 2015, at average prices of EUR 93 and EUR 52 for a tonne of coking coal and thermal coal, respectively.

2017 Strategy

The strategy that we outlined at the beginning of 2013 remains firmly in place - i.e. to become Europe's leading miner and marketer of coking coal by 2017 in a safe and sustainable way. This strategy is underpinned by three key pillars.

The first goal was to optimise our current operations by the end of 2014. We have largely achieved this; although I would stress that we will not become complacent as there will always be efficiencies to make as business conditions continue to evolve.

Our second objective is to offer a full range of coking coal qualities to our existing and expanded customer base, becoming a 'one-stop shop' for the coking coal needs of European steel producers. The third pillar to our strategy is to develop our future business around both existing resources and new opportunities. As our existing production capacity declines, we aim to deliver our strategy through a combination of mining projects and new marketing initiatives, including the import of seaborne coking coal. Our Sales and Marketing team and our New Business Development team have both made great strides towards achieving these two objectives.

In the past, we had imported relatively small volumes of coking coal, blending them with our own coal production to meet specific customer requirements, unique insights into which have been built up through our long-standing relationships. However, from 2015, we intend to significantly increase our trading and blending capability and import much greater volumes of coking coal to service our customer needs.

Debiensko

In early 2013, due to adverse market conditions we suspended development of our Polish development project, Debiensko, which has a huge coal resource of 556 million tonnes of predominantly hard coking coal. However, we have now completed the pre-feasibility study of the project, which resulted in 186 million tonnes being re-classified as JORC-compliant marketable hard coking coal reserves. Our next step is to identify a suitable strategic partner, or partners, to help develop the site, which could take up to eight years before commercial production starts.

Conclusion

We are now much better positioned to withstand the current pricing conditions than we were a year ago, and are well placed to benefit from any price recovery. However, with no imminently visible upturn in global coal prices, it is crucial that we continue to look at ways in which we can drive down costs and optimise our operations still further.

Complementing this focus on operational efficiency, progress has been made towards developing our sales and marketing efforts, and identifying new business opportunities. I therefore remain confident that our vision of becoming Europe's leading miner and marketer of coking coal by 2017 will be achieved, largely due to the hard work of all our employees, for which I continue to be very grateful.

Gareth Penny
Executive Chairman of NWR

Selected financial and operational data (continuing operations) ⁴

(EUR m, unless stated otherwise)	FY 2014	FY 2013	Chg
Revenues	676	850	(20%)
Cost of sales	616	844	(27%)
Excluding Change in inventories	635	785	(19%)
Cash mining unit costs (EUR/t) ⁵	67	78	(14%)
Gross profit	60	7	808%
Selling and administrative expenses	135	165	(18%)
EBITDA	11	(10)	-
Impairment loss on PPE	183	807	-
Operating loss	(258)	(973)	-
Capital restructuring	342	-	-
Loss for the period	(21)	(914)	-
Basic Loss per A share (EUR)	(0.01)	(1.19)	-
Total assets	583	920	(37%)
Cash and cash equivalents	128	184	(30%)
Net debt	281	625	(55%)
Net cash flow from operations	(56)	(43) ⁶	-
CAPEX	60	109 ⁶	(45%)
Total headcount incl. contractors	14,657	15,735	(7%)
LTIFR	8.18	7.41	10%

⁴ More detail and analysis are in the Operating and Financial Review further in this document.

⁵ 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.

⁶ Including OKK, which was sold on 6 December 2013.

Production & Sales (kt)	FY 2014	FY 2013	Chg
Coal production	8,601	8,800	(2%)
Total coal sales	8,315	9,709	(14%)
Coking coal ⁷	4,768	4,630	3%
Thermal coal ⁸	3,547	5,079	(30%)
Period end inventory	668	380	76%
Average realised prices (EUR/t)			
Coking coal	85	98	(13%)
Thermal coal	54	56	(4%)

FY 2014 earnings call and webcast:

NWR's management will host an analyst and investor conference call on 24 February 2015 at 10:00 GMT (11:00 CET). 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:

Conference call details are:

UK & Europe +44 (0)203 427 1904
USA & North America +1 646 254 3388

Participants code 1118663

7 In FY 2014 approx. 43% of coking coal sales were mid-volatility hard coking coal, 46% were semi-soft coking coal and 11% were PCI coking coal.

8 In FY 2014 approx. 82% of thermal coal sales were thermal coal and 18% middlings.



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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.

**Operating and financial review and
Unaudited consolidated financial statements
for the year
ended 31 December 2014**

New World Resources Plc
Consolidated statement of comprehensive income

	Year ended 31 December		Three-month period ended 31 December	
<i>EUR thousand</i>	2014	2013	2014	2013
Continuing operations				
Revenues	676,381	850,456	172,324	216,145
Cost of sales	(616,457)	(843,857)	(152,897)	(179,748)
Gross profit	59,924	6,599	19,427	36,397
Selling expenses	(63,586)	(86,497)	(16,113)	(11,870)
Administrative expenses	(71,000)	(78,541)	(18,075)	(17,067)
Impairment loss on property, plant and equipment	(182,642)	(806,964)	(182,642)	(497,251)
(Loss) / gain from sale of property, plant and equipment	(258)	(7,375)	53	4
Other operating income	2,576	3,236	391	699
Other operating expenses	(2,521)	(3,008)	(816)	(795)
Operating loss	(257,507)	(972,550)	(197,775)	(489,883)
Finance income	7,987	25,420	3,332	12,709
Finance expenses	(67,498)	(113,666)	(13,653)	(43,276)
Capital restructuring	342,253	-	366,500	-
Profit / (loss) before tax	25,235	(1,060,796)	158,404	(520,450)
Income tax (expense) / benefit	(46,319)	146,438	(51,477)	54,309
(Loss) / profit from continuing operations	(21,084)	(914,358)	106,927	(466,141)
Discontinued operations				
(Loss) / profit from discontinued operations, net of tax	-	(55,913)	-	23,816
(Loss) / profit for the period	(21,084)	(970,271)	106,927	(442,325)
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss:				
Foreign currency translation differences	(2,016)	(69,674)	(1,035)	(37,667)
Foreign currency translation differences relating to discontinued operations	(2,453)	(58,697)	(1,329)	(31,394)
		(10,030)	-	(10,030)
Derivatives - change in fair value	-	(2,412)	-	(496)
Derivatives - transferred to profit or loss	-	(7,462)	-	(1,482)
Income tax relating to components of other comprehensive income	437	8,927	294	5,735
Items that will never be reclassified to profit or loss	-	-	-	-
Total other comprehensive income for the period, net of tax	(2,016)	(69,674)	(1,035)	(37,667)
Total comprehensive income for the period	(23,100)	(1,039,945)	105,892	(479,992)
(Loss) / profit attributable to:				
Shareholders of the Company	(21,084)	(970,271)	106,927	(442,325)
Total comprehensive income attributable to:				
Shareholders of the Company	(23,100)	(1,039,945)	105,892	(479,992)
EARNINGS / (LOSS) PER SHARE (EUR)				
A share				
Basic (loss) / earnings	(0.01)	(1.19)	0.13	(0.54)
Diluted (loss) / earnings	(0.01)	(1.19)	0.13	(0.54)
Basic (loss) / earnings from continuing operations	(0.01)	(1.13)	0.13	(0.58)
Diluted (loss) / earnings from continuing operations	(0.01)	(1.13)	0.13	(0.58)
Basic (loss) / earnings from discontinued operations	-	(0.06)	-	0.04
Diluted (loss) / earnings from discontinued operations	-	(0.06)	-	0.04
B share				
Basic earnings / (loss)	330.40	(954.60)	95.40	(788.00)
Diluted earnings / (loss)	330.40	(954.60)	95.40	(788.00)

The notes on pages 13 to 26 are an integral part of these consolidated financial statements.

New World Resources Plc
Consolidated statement of financial position

<i>EUR thousand</i>	31 December 2014	31 December 2013
ASSETS		
Property, plant and equipment	322,374	533,737
Accounts receivable	3,062	5,769
Deferred tax	-	44,747
Restricted deposits	22,037	23,742
TOTAL NON-CURRENT ASSETS	347,473	607,995
Inventories	40,841	29,681
Accounts receivable and prepayments	64,219	89,352
Derivatives	2,629	-
Income tax receivable	-	2,243
Cash and cash equivalents	128,035	183,665
Restricted cash	-	7,000
TOTAL CURRENT ASSETS	235,724	311,941
TOTAL ASSETS	583,197	919,936
EQUITY		
Share capital	108,458	105,863
Share premium	142,363	2,368
Foreign exchange translation reserve	28,779	30,897
Restricted reserve	-	121,680
Equity-settled share based payments	15,868	15,421
Merger reserve	(1,631,161)	(1,631,161)
Other distributable reserve	1,684,463	1,684,463
Retained earnings	(508,638)	(609,629)
TOTAL EQUITY	(159,868)	(280,098)
LIABILITIES		
Provisions	147,567	167,449
Long-term loans	83,726	34,598
Bonds issued	325,669	760,870
Employee benefits	36,956	49,308
Deferred revenue	747	2,369
Deferred tax	801	814
Other long-term liabilities	300	526
Cash-settled share-based payments	146	1,279
Derivatives	2,408	6,303
TOTAL NON-CURRENT LIABILITIES	598,320	1,023,516
Provisions	2,867	2,945
Accounts payable and accruals	130,989	141,496
Accrued interest payable	4,341	16,548
Derivatives	6,299	1,734
Income tax payable	168	240
Current portion of long-term loans	-	13,555
Cash-settled share-based payments	81	-
TOTAL CURRENT LIABILITIES	144,745	176,518
TOTAL LIABILITIES	743,065	1,200,034
TOTAL EQUITY AND LIABILITIES	583,197	919,936

The notes on pages 13 to 26 are an integral part of these consolidated financial statements.

New World Resources Plc

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Consolidated statement of cash flows

<i>EUR thousand</i>	Year ended 31 December		Three-month period ended 31 December	
	2014	2013	2014	2013
Cash flows from operating activities				
Profit / (loss) before tax from continuing operations	25,235	(1,060,796)	158,404	(520,450)
(Loss) / profit before tax from discontinued operations	-	(53,513)	-	24,357
Profit / (loss) before tax	25,235	(1,114,309)	159,822	(496,093)
Adjustments for:				
Depreciation and amortisation	85,258	151,546	21,792	32,433
Impairment loss on property, plant and equipment	182,642	806,964	182,642	497,251
Loss on disposal of discontinued operations	-	64,650	-	(21,619)
Changes in provisions	(27,734)	(48,675)	(13,684)	(27,016)
Changes in inventory allowance	3,404	(1,802)	1,448	(7,491)
Loss / (gain) on disposal of property, plant and equipment	258	7,050	(53)	(31)
Interest expense, net	57,050	61,857	8,917	18,231
Change in fair value of derivatives	(4,065)	(16,098)	1	(4,162)
Change in fair value of Convertible Notes	157	-	157	-
Loss on early bond redemption	-	8,116	-	-
Capital restructuring	(342,253)	-	(366,500)	-
Equity-settled share-based payment transactions	660	1,594	183	334
Operating cash flows before working capital changes	(19,388)	(79,107)	(6,693)	(8,163)
(Increase) / decrease in inventories	(14,564)	79,182	(180)	24,120
Decrease / (increase) in receivables	27,794	27,040	(10,831)	(12,369)
(Decrease) / increase in payables and deferred revenue	(18,981)	(28,337)	7,934	(31,507)
Decrease / (increase) in restricted cash and restricted deposits	1,458	(13,224)	2,803	1,975
Currency translation and other non-cash movements	693	39,096	1,672	25,363
Cash generated from operating activities	(22,988)	24,650	(5,295)	(581)
Interest paid	(34,146)	(58,251)	(2,898)	(21,151)
Corporate income tax refunded / (paid)	841	(2,293)	(27)	2
Net cash flows from operating activities	(56,293)	(35,894)	(8,220)	(21,730)
Cash flows from investing activities				
Interest received	493	2,338	22	1,026
Purchase of land, property, plant and equipment	(59,632)	(109,272)	(14,194)	(6,904)
Proceeds from sale of property, plant and equipment	863	5,430	70	154
Proceeds from disposal of discontinued operations	7,000	83,447	-	83,447
Net cash flows from investing activities	(51,276)	(18,057)	(14,102)	77,723
Cash flows from financing activities				
Senior Notes due 2018 redemption	(60,000)	-	(60,000)	-
Senior Notes due 2021 redemption	(30,000)	-	(30,000)	-
Senior Notes due 2015 redemption	-	(257,565)	-	-
Fees paid on Senior Notes due 2015 redemption	-	(4,749)	-	-
Proceeds from long-term loans	35,000	-	35,000	-
Repayments of other long term loans	-	(28,493)	-	(21,370)
Proceeds from Senior Notes due 2021 issue	-	275,000	-	-
Transaction costs related to Senior Notes due 2021	-	(4,328)	-	-
Transaction costs related to capital restructuring	(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	52,219	(20,135)	73,174	(21,370)
Net effect of currency translation	(280)	(9,260)	(255)	(8,114)
Net (decrease) / increase in cash and cash equivalents	(55,630)	(83,346)	50,597	26,509
Cash and Cash Equivalents at the beginning of period classified as Assets held for sale	-	-	-	8,691
Cash and Cash Equivalents at the beginning of period	183,665	267,011	77,438	148,465
Cash and Cash Equivalents at the end of period	128,035	183,665	128,035	183,665

The notes on pages 13 to 26 are an integral part of these consolidated financial statements.

New World Resources Plc
Consolidated statement of changes in equity

<i>EUR thousand</i>	<i>Share capital</i>	<i>Share premium</i>	<i>Foreign exchange translation reserve</i>	<i>Restricted reserve</i>	<i>Equity-settled share based payment</i>	<i>Hedging reserve</i>	<i>Merger reserve</i>	<i>Other distributable reserve</i>	<i>Retained earnings</i>	Consolidated group total
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)
Balance at 1 January 2013										
Balance at 1 January 2013	105,863	2,368	81,735	132,691	13,827	7,825	(1,631,161)	1,684,463	360,642	758,253
Loss for the year	-	-	-	-	-	-	-	-	(970,271)	(970,271)
Total other comprehensive income, net of tax	-	-	(50,838)	(11,011)	-	(7,825)	-	-	-	(69,674)
Total comprehensive income for the year	-	-	(50,838)	(11,011)	-	(7,825)	-	-	(970,271)	(1,039,945)
Transaction with owners recorded directly in equity										
Share options for A Shares	-	-	-	-	1,594	-	-	-	-	1,594
Total transactions with owners	-	-	-	-	1,594	-	-	-	-	1,594
Balance at 31 December 2013	105,863	2,368	30,897	121,680	15,421	-	(1,631,161)	1,684,463	(609,629)	(280,098)

The notes on pages 13 to 26 are an integral part of these consolidated financial statements.

New World Resources Plc

Operating and Financial Review

for the year ended 31 December 2014

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

On 6 December 2013, the Group completed the sale of OKK Koksovny, a.s. ('OKK'), representing its entire Coke segment, whose results are presented as a discontinued operation in the comparative period.

Continuing Operations

Revenues. The Group's revenues decreased by 20% (18% on a constant currency basis), from EUR 850 million in 2013 to EUR 676 million in 2014. This is mainly attributable to lower sales volumes of thermal coal; and to lower realised prices of coking coal.

Cost of sales. Cost of sales decreased from EUR 844 million to EUR 616 million or by 27% (23% on a constant currency basis) in 2014 compared to 2013. This is mainly attributable to:

- lower depreciation following the impairment charge recognised in 2013;
- less development work combined with lower input costs per equipped coal panel resulting in lower consumption of mining material and spare parts;
- lower consumption of energy combined with lower energy prices resulting in lower energy costs; and
- reduction in headcount combined with the finalisation of the Collective Bargaining Agreement in November 2013 which led to lower personnel benefit allowances and accordingly, in lower personnel expenses.

Cost of sales are further positively affected by a EUR 77 million year on year inventory impact following the build-up of inventories in 2014 compared to the reduction in inventories in 2013.

Selling expenses. Selling expenses decreased from EUR 86 million to EUR 64 million or by 26% (24% on a constant currency basis) in 2014, attributable mainly to lower sales volumes and the Group's ability to negotiate lower transport prices.

Administrative expenses. Administrative expenses decreased from EUR 79 million to EUR 71 million or by 10% (5% on a constant currency basis) mainly due to reduction in administrative headcount resulting in lower personnel expenses and due to savings on advisory services (advisory costs associated with the Capital Restructuring are described below).

EBITDA. 2014 saw a positive EBITDA from continuing operations of EUR 11 million, an increase of EUR 21 million compared to negative EBITDA of EUR 10 million recorded in 2013, attributable mainly to the decrease in operating expenses that outweighed the decrease in revenues.

Impairment loss on property, plant and equipment. The continuing challenging market environment, a further decrease in long term forecasted coking and thermal coal prices and an updated long term mine plan resulted in the Group undertaking an impairment review of its cash generating units and subsequently recognised an impairment charge of EUR 183 million to reflect non-current assets' recoverable value. The impairment review was carried out as at 31 December 2014. This compares to the impairment charge taken at 31 December 2013 of EUR 807 million.

Capital Restructuring. The Group completed the Capital Restructuring on 7 October 2014 by raising additional capital and reducing long-term debt (as described in note 3 and 7), resulting in a gain being recognised of EUR 342 million, net of the costs incurred of EUR 45 million (of which EUR 8 million are directly attributable to the equity component of the transaction and reflected directly in equity).

Underlying loss. The reported loss from continuing operations is EUR 21 million, compared to the loss of EUR 914 million in 2013. Excluding the impact of impairment charges and capital restructuring, the Group would recognise a loss of EUR 181 million in 2014 (loss of EUR 230 million in 2013).

3. Basis of Presentation

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

- for the year ended 31 December 2014, with the year ended 31 December 2013 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 2013, which are contained within the 2013 Annual Report and Accounts of the Company, available on the Group's website at www.newworldresources.eu. Full annual financial statements as at and for the year ended 31 December 2014 which will be contained within the 2014 Annual Report and Accounts are planned to be issued on 19 March 2015.

The financial statements set out above do not constitute the Company's statutory accounts for the years ended 31 December 2014 and 2013. The financial statements for 2013 are derived from the statutory accounts for 2013, which have been delivered to the registrar of companies. The auditor has reported on the 2013 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 statutory accounts for 2014 will be finalised on the basis of the financial statements presented by the Directors in this preliminary announcement, and will be delivered to the registrar of companies in due course. The potential effects on the auditors' report is described under 'Going concern basis of accounting' below.

Going concern basis of accounting

The Group manages its liquidity through cash (EUR 128 million (31 December 2013: EUR 184 million)) and receivable financing. The new senior secured notes and the new convertible notes have features which would result in interest being able to be paid in kind rather than in cash in certain circumstances.

At the present market prices for coal, the Group is currently cash flow negative and the current low coal price environment has placed significant pressure on the Group's liquidity position and also on its solvency resulting in the Group having net liabilities of EUR 160 million at 31 December 2014.

The prolonged global pressure on both coking and thermal coal prices, the expiry of the Group's RCF credit line and a likely downward revision of coal resource and reserve balances (as a direct result of the deterioration in the long term coal price outlook), triggered the Directors to initiate a review of the Group's capital structure on 22 January 2014. Following this review, the Group commenced the Capital Restructuring announced on 6 June 2014 which included a rights issue and placing of shares in the Company as well as the financial, debt and corporate restructuring of the Group.

The Capital Restructuring was completed on 7 October 2014, raising 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. The Group repurchased all the existing notes for a mixture of cash and new debt, comprising (i) cash consideration of EUR 90 million (ii) new senior secured notes with a face amount of EUR 300 million (iii) new convertible notes with a face amount of EUR 150 million, and (iv) new contingent value rights with a face amount of EUR 35 million.

Subsequently, the Export Credit Agency ('ECA') facility lenders have provided their consent to amend the EUR 49 million ECA Facility, including amending the repayment profile and waiving breaches of the terms of that agreement as at 30 September 2014, caused by, the Group having moved its Centre of Main Interest to England and having commenced negotiations with its creditors as part of the Capital Restructuring without consent having been obtained by the ECA Facility lenders that time.

Based on the current projections, the Directors consider that the Group has sufficient cash available to meet its funding requirements for at least the next 12 months following the date of this report.

There is a risk that the cash available to the Group is not sufficient for funding requirements over this period. In particular, in the event of unexpected production or other operating issues, or further deterioration in coal prices (although coal prices are fixed for most of the Group's anticipated 2015 sales, the Group is exposed to prices on approximately 25% of its coking coal sales in 2015 and to all sales in 2016), the Group could run out of cash in Q4 2015. The EUR 35 million Super Senior Credit Facility, which is fully drawn, requires the Group to maintain a minimum cash balance of EUR 40 million and this is first tested as at 31 October 2015. Although the Group's projections indicate that it

would have more than this minimum cash balance, the excess over this amount is limited and the Group would have very little flexibility to manage the position. If this were to occur, the ECA Facility would also be capable of acceleration and, should that acceleration be reasonably probable, all of the remaining debt of the Group could become immediately repayable. In those circumstances, if it were able to, the Group would most likely repay any amount outstanding under the Super Senior Credit Facility prior to 31 October 2015 which would result in a minimal amount of cash being available.

In the event that it becomes likely that there will be a shortfall in available cash, the Group proposes to seek alternative sources of liquidity, which could include the sale of the assets of OKD and NWR Karbonia, or raising additional debt (to the extent permitted by the New Senior Notes Indenture, the Super Senior Credit Facility and the ECA Facility) or equity or, if no viable alternative solutions are then available, attempting to sell OKD and NWR Karbonia thus effectively liquidating the Group's assets.

The Directors recognise that these circumstances represent a material uncertainty that may cast significant doubt as to the Group's and the Company's ability to continue as a going concern and that they may be unable to realise all of their assets and discharge all of their liabilities in the normal course of business. Nevertheless, the Directors expect that the risks associated with a deterioration in coal prices and/or other operating issues have been appropriately taken into consideration 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 and the Company were unable to continue as a going concern.

We anticipate issuing our audited Annual Report in late March 2015. In the event that the status of these matters have changed by then we will update the above disclosures and the auditors' report will take account of these amendments. On the assumption that the position does not change substantially, the auditors' report is expected to include an Emphasis of Matter paragraph drawing attention to the material uncertainty regarding the Group's and 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 2013, with the exception described below.

The effect of Capital Restructuring on accounting policies is described in more detail in note 7 under Capital Restructuring. The Group has elected to account for the call option feature of the New Senior Secured Notes, the New Convertible Notes and the Contingent Value Rights at fair value with any changes in fair value being reflected in profit or loss as part of net finance costs.

New standards and interpretations

The Group adopted the following new/revised standards, which are effective for its accounting period starting 1 January 2014:

- IAS 27 *Separate Financial Statements* (as revised in 2011, effective 1 January 2014)
- IAS 28 *Investments in Associates and Joint Ventures* (as revised in 2011, effective 1 January 2014)
- Amendment to IAS 32 *Financial Instrument: Presentation* – Offsetting Financial Assets and Financial Liabilities (effective 1 January 2014)
- Amendment to IAS 36 *Impairment of Assets* on recoverable amount disclosures (effective 1 January 2014)
- IFRS 10 *Consolidated Financial Statements* (effective 1 January 2014)
- IFRS 11 *Joint Arrangements* (effective 1 January 2014)
- IFRS 12 *Disclosure of Interests in Other Entities* (effective 1 January 2014)

The adoption of the new/revised standards has no impact on the recognised assets, liabilities and comprehensive income of the Group. Other standards, amendments and interpretations which are effective for the financial year beginning on 1 January 2014 have similarly no impact on the consolidated financial statements.

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 consolidated financial statements, the significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements of the Company as at and for the year ended 31 December 2013.

5. Non-IFRS Measures

The Company defines:

- EBITDA as net profit/(loss) before income tax, net financial costs, 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 (for example impairment of PPE or capital restructuring).

While the amounts included in EBITDA are derived from the Group's financial information, 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.

The Company defines net debt as total debt less cash and cash equivalents. Total debt includes issued bonds, long-term and short-term interest-bearing loans and borrowings, less related expenses. Interest-bearing loans, bond issues, and borrowings are measured at amortised cost.

6. Exchange Rates

(EUR/CZK)	2014	2013	y/y %
Average exchange rate	27.536	25.980	6%
End of year exchange rate	27.735	27.427	1%

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

7. Financial Performance of Continuing Operations

Revenues

The Group's largest source of revenue is the sale of coking coal, which accounted for 60% of total revenues in 2014, whilst the sale of thermal coal accounted for 28% of total revenues.

(EUR thousand)	2014	2013	y-y	y/y %	ex-FX
External coking coal sales (EXW)*	406,438	454,701	(48,263)	(11%)	(7%)
External thermal coal sales (EXW)*	192,589	283,720	(91,131)	(32%)	(30%)
Coal transport	47,326	71,791	(24,465)	(34%)	(32%)
Sale of coal by-products	17,949	19,592	(1,643)	(8%)	(3%)
Other revenues	12,079	20,652	(8,573)	(42%)	(38%)
Total revenues	676,381	850,456	(174,075)	(20%)	(18%)

*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 isolate the impact of changing transport revenues from changes in the underlying achieved price for the products sold.

Total revenues decreased by 20% mainly as a result of lower sales volumes of thermal coal and lower realised prices of coking coal (see below). Lower sales volumes and lower transport charges also resulted in a decrease of transport revenues, with a similar decrease in transport costs, with no material impact on profitability.

**Average realised sales prices
(EUR per tonne)**

	2014	2013	y-y	y/y %	ex-FX
Coking coal (EXW)	85	98	(13)	(13%)	(10%)
Thermal coal (EXW)	54	56	(2)	(4%)	0%

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

Total production of coal in 2014 decreased by 2% compared to 2013. Coal volumes sold were lower by 14% mainly as a result of lower thermal coal sales, principally relating to the sell down of significant inventory level during 2013 that were held as at the end of 2012. Coal inventories increased by 288kt in 2014 compared to a decrease of 907kt in 2013.

Coal performance indicators (kt)	2014	2013	y-y	y/y %
Coal production	8,601	8,800	(199)	(2%)
External coal sales	8,315	9,709	(1,394)	(14%)
Coking coal	4,768	4,630	138	3%
Thermal coal	3,547	5,079	(1,532)	(30%)
Period end inventory*	668	380	288	76%

* 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)	2014	2013	y-y	y/y %	ex-FX
Consumption of material and energy	200,995	254,828	(53,833)	(21%)	(17%)
of which : mining material and spare parts	122,581	146,028	(23,447)	(16%)	(13%)
: energy consumption	66,557	96,897	(30,340)	(31%)	(27%)
Service expenses	142,105	149,225	(7,120)	(5%)	1%
of which : contractors	72,428	74,194	(1,766)	(2%)	3%
: maintenance	31,048	30,897	151	0%	5%
Personnel expenses	206,339	233,264	(26,925)	(12%)	(6%)
Depreciation and amortisation	79,753	141,741	(61,988)	(44%)	(40%)
Net gain from material sold	(3,214)	(4,433)	1,219	(27%)	(23%)
Change in inventories of finished goods and work in progress	(18,382)	58,570	(76,952)	-	-
Other operating expenses, net	8,861	10,662	(1,801)	(17%)	(12%)
Total cost of sales	616,457	843,857	(227,400)	(27%)	(23%)
Excluding the change in inventories impact	634,839	785,287	(150,448)	(19%)	(15%)

Excluding the EUR 77 million year on year impact in change in inventories driven by the Group producing on stock, cost of sales decreased by EUR 150 million, principally as a result of:

- lower depreciation following the impairment charge recognised in 2013;
- a decrease in development work combined with lower input costs per equipped coal panel lowering consumption of mining material and spare parts;
- a decrease in consumption of energy combined with lower energy prices resulting in lower energy costs; and
- reduction in headcount by 9% combined with the finalisation of the Collective Bargaining Agreement in November 2013 which led to lower personnel benefit allowances and accordingly, in lower personnel expenses.

Selling Expenses

(EUR thousand)	2014	2013	y-y	y/y %	ex-FX
Transport costs	45,030	70,857	(25,827)	(36%)	(35%)
Personnel expenses	2,802	3,379	(577)	(17%)	(13%)
Allowance for inventories on stock	5,517	711	4,806	676%	722%
Other expenses	10,237	11,550	(1,313)	(11%)	(6%)
Total selling expenses	63,586	86,497	(22,911)	(26%)	(24%)

Lower sales volumes together with the Group's ability to negotiate lower transport charges resulted in a reduction in transport costs by 36%, with a similar decrease in transport revenues, with no material impact on profitability. Higher volumes of low quality thermal coal on stock together with lower thermal coal prices resulted in recognition of higher allowance for inventories compared to 2013.

Administrative Expenses

(EUR thousand)	2014	2013	y-y	y/y %	ex-FX
Personnel expenses	42,033	45,143	(3,110)	(7%)	(2%)
Service expenses	15,048	19,036	(3,988)	(21%)	(17%)
Other expenses	13,919	14,362	(443)	(3%)	2%
Total administrative expenses	71,000	78,541	(7,541)	(10%)	(5%)

Administrative expenses decreased by 10% mainly due to reduction in administrative headcount resulting in lower personnel expenses and due to savings on advisory services.

Total Personnel Expenses and Headcount

(EUR thousand)	2014	2013	y-y	y/y %	ex-FX
Personnel expenses	264,429	319,291	(54,862)	(17%)	(12%)
Employee benefit provision	(11,890)	(36,874)	24,984	(68%)	(66%)
Share-based payments	(263)	590	(853)	-	-
Total personnel expenses	252,276	283,007	(30,731)	(11%)	(6%)

Total personnel expenses have reduced principally through lower headcount (see below) and lower holiday and Christmas allowances based on the new Collective Bargaining Agreement signed in November 2013.

	2014	2013	y-y	y/y %
Employees headcount (average)	11,488	12,606	(1,118)	(9%)
Contractors headcount (average)	3,169	3,130	39	1%
Total headcount (average)	14,657	15,736	(1,079)	(7%)

EBITDA

(EUR thousand)	2014	2013	y-y	y/y %	ex-FX
EBITDA from continuing operations	10,651	(10,062)	20,713	-	-

The Group's EBITDA from continuing operations increased by EUR 21 million compared to 2013 mainly as a result of lower operating expenses that outweigh the decrease in revenues.

As EBITDA is a non-IFRS measure, the following table provides a reconciliation of EBITDA from continuing operations and loss after tax.

(EUR thousand)	2014	2013
Loss after tax from continuing operations	(21,084)	(914,358)
Income tax	46,319	(146,438)
Net finance expense	59,511	88,246
Capital restructuring	(342,253)	-
Depreciation and amortisation	85,258	148,149
Impairment loss on property, plant and equipment	182,642	806,964
Loss from sale of PPE	258	7,375
EBITDA from continuing operations	10,651	(10,062)

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 2014. As a result, an impairment loss of EUR 183 million (2013: EUR 807 million) has been recognised.

The recoverable amount of the CGUs was based on value in use. Value in use was determined by discounting the future cash flows expected to be generated from the continuing use of the CGUs. Value in use as at 31 December 2014 was based on the following key assumptions:

- cash flows were forecasted based on past experience, actual operating results, approved budget and long term business plan. 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 year 2015. The anticipated annual revenue movement included in the cash flow projections ranged from 0% to 18% for the years 2016 to 2019 and are based on the average of a range of publically available data (market consensus);
- a post-tax discount rate of 12.60% (2013: 11.73%) 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; and
- cash mining unit costs anticipated of EUR 64 per tonne in 2015 and subsequent periods.

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 21 million (2013: EUR 38 million); a 2.50% increase in the discount rate would give rise to an additional impairment loss of EUR 34 million (2013: EUR 61 million); a 5% reduction in sales prices would give rise to an additional impairment loss of EUR 95 million (2013: EUR 144 million) and a EUR 5 per tonne increase on operating expenses would give rise to an additional impairment loss of EUR 110 million (2013: EUR 164 million).

Finance Income and Expenses

(EUR thousand)	2014	2013	y-y	y/y %
Finance income	(7,987)	(25,420)	17,433	(69%)
Finance expenses	67,498	113,666	(46,168)	(41%)
Net finance expense	59,511	88,246	(28,735)	(33%)

A decrease in net finance expense of EUR 29 million in 2014 compared to 2013 is mainly attributable to the decrease of EUR 16 million in realised and unrealised FX losses recognised in comparative period (zero in 2014) and to EUR 8 million loss recognised in the comparative period due to the repayment of the Senior Notes due 2015, consisting of the write off of unamortised transaction costs (EUR 4 million) and the cost of early redemption (EUR 4 million).

Capital Restructuring

The Group completed the Capital Restructuring on 7 October 2014, raising 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. The Group repurchased the Existing Notes for a mixture of cash and new debt, comprising (i) cash consideration of EUR 90 million (ii) New Senior Secured Notes of EUR 300 million (iii) New Convertible Notes of EUR 150 million, and (iv) New Contingent Value Rights of EUR 35 million. The contractual terms of these financial instruments is explained further in note 14.

Equity component

The Company issued in total 6,394,436,852 new A shares through the Rights Issue and Placing by which it raised EUR 150 million, of which EUR 90 million was used to repurchase the Existing Notes (see below). The net proceeds by the Group are EUR 142 million (EUR 150 million gross proceeds less direct issue costs of EUR 8 million).

Debt component

The exchange of the Existing Notes for a mixture of cash and newly issued instruments has been accounted for as an extinguishment of the Existing Notes and the recognition of the new instruments issued as the terms of the newly issued instruments are substantially different from the Existing Notes. The gain of EUR 342 million (net of EUR 37 million of costs incurred and recognised directly into profit or loss) represent the difference between the carrying amount of the Existing Notes (including accumulated accrued interest) immediately prior to extinguishment and the fair value of the new instruments issued.

(EUR thousand)	Existing Senior Secured Notes	Existing Senior Unsecured Notes	Total
De-recognition of Existing Notes:			
Nominal value	(500,000)	(275,000)	(775,000)
Unamortised transaction costs	8,512	3,622	12,134
Accrued interest	(17,063)	(15,761)	(32,824)
			(795,690)
Fair value of exchange consideration:			
Cash paid to Existing Note holders	60,000	30,000	90,000
New Senior Secured Notes*	248,299	-	248,299
New Convertible Notes	54,194	16,494	70,688
Contingent Value Rights	-	7,207	7,207
			416,194
Transaction costs			37,243
Total gain recognised			342,253

The total fair value of the New Senior Secured Notes (nominal EUR 300 million) and the New Convertible Notes (nominal EUR 150 million) has been estimated based on the market value of the new notes as at 7 October 2014, the effective date of the Capital Restructuring or early thereafter.

The fair value of the Contingent Value Rights (tranche one with a nominal value of EUR 20 million and tranche two with a nominal value of EUR 15 million) has been estimated based on the forward commodity curves for coking coal using Monte Carlo simulations and the pricing thresholds for the Group's reported average realised price in Euro per tonne for coking coal, which must be exceeded for two consecutive quarters in order for funds to be paid out in respect of the Contingent Value Rights.

Categories of newly issued financial instruments

The Group, on completion of the Capital Restructuring, designated the new financial instruments as follows:

New financial instruments	Category
New Senior Secured Notes	Financial liability held at amortised cost
Call option under New Senior Secured Notes (embedded derivative)	Financial asset held at fair value through profit or loss
New Convertible Notes	Financial liability held at fair value through profit or loss
Contingent Value Rights (derivative)	Financial liability held at fair value through profit or loss

On 30 July, the Group published a prospectus and circular relating to, among other things, the proposed rights issue and placing in connection with the consensual restructuring transaction. The prospectus describes the Capital Restructuring in more details and the defined terms used above have the meaning given in the prospectus.

Profit from Continuing Operations before Tax

The profit before tax in 2014 was EUR 25 million compared to a loss of EUR 1,061 million in 2013.

Income Tax

The Group recorded a net income tax expense of EUR 46 million in 2014, compared to a net income tax benefit of EUR 146 million in 2013.

During the year 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. As a result, the associated deferred tax asset recognised as at 31 December 2013 has been derecognised.

Loss from Continuing Operations

The Group recognised a loss from continuing operations of EUR 21 million in 2014 compared to the loss of EUR 914 million in 2013.

8. Earnings / (Loss) per Share

The calculation of earnings/(loss) per share was based on profit/(loss) attributable to the shareholders of the Company and a weighted average number of shares outstanding during the year ended 31 December:

(EUR thousand)	2014		2013	
	Total	Continuing operations	Discontinued operations	Total
Loss for the year	(21,084)	(914,358)	(55,913)	(970,271)
Loss attributable to A shares	(24,463)	(911,363)	(47,294)	(958,657)
Profit / (loss) attributable to B shares	3,304	(9,546)	-	(9,546)
Eliminations between Mining and Real Estate divisions	75	6,551	(8,619)	(2,068)
		2014	2013 (adjusted)*	
Weighted average number of A shares (basic)		2,246,642,534	805,045,854	
Weighted average number of A shares (diluted)		2,249,155,832	805,909,085	
Weighted average number of B shares (basic)		10,000	10,000	
Weighted average number of B shares (diluted)		10,000	10,000	

*On 7 October 2014, the Company completed a EUR 150 million capital increase via a 1:19 fully underwritten rights issue and a placing. The number of ordinary A shares issued under the Rights Issue was 5,030,100,717. The current and prior period basic and diluted earnings per share have been adjusted by the bonus element associated with the Rights Issue.

During the period ended 30 September 2014, the Company undertook a sub-division of its share capital, whereby, one A share with nominal value of EUR 0.40 was subdivided into one A share with nominal value of EUR 0.0004 and 999 D shares with nominal value of EUR 0.0004 per share. Altogether the Company issued 264,477,400,857 D shares. These have no rights to dividends and there is no impact on the EPS calculation as a result of the issuance of the D shares.

9. Cash Flow

(EUR thousand)	2014	2013
Net cash flows from operating activities	(56,293)	(35,894)
Net cash flows from investing activities	(51,276)	(18,057)
Net cash flows from financing activities	52,219	(20,135)
Net effect of currency translation	(280)	(9,260)
Total decrease in cash	(55,630)	(83,346)

Cash Flow from Operating Activities

Cash outflows arising from operating activities, after working capital changes and before interest and tax in 2014 were EUR 23 million, reflecting amongst others the fact the Group was producing on stock; and represents a EUR 48 million decrease compared to cash inflows of EUR 25 million in 2013. The comparative period was affected by material sell down of low quality thermal coal inventories.

Cash Flow from Investing Activities

Capital expenditures amounted to EUR 60 million in 2014, a decrease of EUR 49 million when compared to EUR 109 million spent in 2013 (of which EUR 9 million spent in coke segment in 2013).

Cash flow from investing activities was positively influenced by a release of EUR 7 million from an escrow account related to the sale of the Coke segment in December 2013 (the Coke segment was sold for EUR 95 million with EUR 7 million paid into an escrow account to be released three months after the date of sale, subject to the satisfaction of any claims by the purchaser under the OKK Share Purchase Agreement).

Cash Flow from Financing Activities

Cash flow from financing activities reflects the outcome of Capital Restructuring, through which 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 on costs related to Capital Restructuring.

Cash flow from financing activities in the comparative period was influenced by the issuance of new EUR 275 million Senior Notes due 2021 (the '2021 Notes') that were used to repay in full the outstanding amount of EUR 258 million under the Senior Notes due 2015 (the '2015 Notes').

Additional transaction costs of EUR 9 million were incurred in connection with the refinancing. Cash flow from financing activities in the comparative period also included a scheduled repayment of an instalment of the ECA Facility of EUR 28 million.

10. Borrowings, Liquidity and Capital Resources

The liquidity requirements of the Group arise primarily from the need to fund operating losses, working capital requirements and the need to fund capital expenditures. The principal uses of cash are anticipated to fund planned operating expenditures, capital expenditures, scheduled debt service on the Senior Notes and other borrowings, and other distributions.

Indebtedness and liquidity

As at 31 December 2014, the Group held cash and cash equivalents of EUR 128 million and had indebtedness of EUR 409 million (carrying value), none of which is contractually repayable in the next 12 months (see below). This results in a net debt position for the Group of EUR 281 million, 55% lower when compared to EUR 625 million as at 31 December 2013.

For more information about the review, liquidity and going concern basis of accounting please refer to note 3 Basis of Presentation.

As part of the Capital Restructuring, the ECA Facility Lenders have provided their consent to amend the EUR 49 million ECA Facility, including amending the repayment profile and waiving the breaches as at 30 September 2014, whereby, the Group had moved its Centre of Main Interest to England and having commenced negotiations with its creditors as part of the Capital Restructuring without consent having been obtained by the ECA Facility Lenders.

11. Financial Instruments

Financial assets and liabilities by category

The following table shows the carrying amounts and fair value 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 if the carrying amount is a reasonable approximation of fair value (for example accounts receivable or accounts payable).

EUR thousand	31 December 2014			31 December 2013		
	Carrying Value	Fair value Level 1	Level 2	Carrying Value	Fair value Level 1	Level 2
Financial assets:						
At fair value through profit or loss						
Embedded option	2,629	-	2,629	-	-	-
Loans and receivables						
Long-term receivables	3,062	-	-	5,769	-	-
Accounts receivable and prepayments	64,219	-	-	89,352	-	-
Cash and cash equivalents						
Restricted deposits	22,037	-	-	30,742	-	-
Cash and cash equivalents	128,035	-	-	183,665	-	-
Total	219,982			309,528		
Financial liabilities:						
At fair value through profit or loss						
Interest rates derivatives	3,402	-	3,402	8,037	-	8,037
Convertible Notes	70,845	70,845	-	-	-	-
Contingent value rights	5,305	-	5,305	-	-	-
Cash-settled share-based payments	227	227	-	1,279	1,279	-
Other						
Long-term loans including accrued interest	84,067	-	-	48,153	-	-
Bonds issued including accrued interest	258,824	236,125	-	777,418	492,845	-
Other long-term liabilities	300	-	-	526	-	-
Accounts payable and accruals	130,989	-	-	141,496	-	-
Total	553,959			976,909		

Fair value hierarchy

The table below 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 valuers in which all significant inputs were based on observable market data.

12. Segments and Divisions

Until the end of 2013, NWR's business was organised into two main segments - Coal and Coke segment. On 6 December 2013, the Group completed the sale of its entire Coke segment, which is now presented separately as discontinued operations within comparative period (see Note 13). Financial and other performance measures of the remaining Coal segment are regularly evaluated by the Chief Operating Decision Maker ('CODM'). The CODM is the Company's Board of Directors.

The Group is further 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 periods. 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 whole Mining Division represents the Coal segment.

Business Segments	Year ended 31 December 2014				Year ended 31 December 2013 (restated)			
	Mining division	Real Estate division	Eliminations & adjustments ¹	Group operations total	Mining division	Real Estate division	Eliminations & adjustments ¹	Group operations total
<i>EUR thousand</i>								
Segment revenues								
Sales to third parties	676,381	-	-	676,381	798,980	-	-	798,980
Sales to continuing segments	-	510	(510)	-	-	5,905	(5,905)	-
Sales to discontinued segments	-	-	-	-	51,476	-	-	51,476
Total revenues	676,381	510	(510)	676,381	850,456	5,905	(5,905)	850,456
Cost of sales	(617,060)	-	603	(616,457)	(844,426)	(116)	685	(843,857)
Gross profit	59,321	510	93	59,924	6,030	5,789	(5,220)	6,599
Selling expenses	(63,586)	-	-	(63,586)	(86,497)	-	-	(86,497)
Administrative expenses	(70,885)	(115)	-	(71,000)	(78,553)	12	-	(78,541)
Impairment loss on property, plant and equipment	(182,642)	-	-	(182,642)	(806,964)	-	-	(806,964)
(Loss) / gain from sale of property, plant and equipment	(288)	30	-	(258)	(194)	(4,802)	(2,379)	(7,375)
Other operating income	2,576	-	-	2,576	3,236	247	(247)	3,236
Other operating expenses	(2,521)	-	-	(2,521)	(3,008)	(90)	90	(3,008)
SEGMENT OPERATING (LOSS) / INCOME	(258,025)	425	93	(257,507)	(965,950)	1,156	(7,756)	(972,550)
EBITDA	10,766	395	(510)	10,651	(10,050)	5,965	(5,977)	(10,062)
Financial income	7,985	3,602	(3,600)	7,987	24,457	24,316	(23,353)	25,420
Financial expenses	(71,097)	(1)	3,600	(67,498)	(117,032)	(33,093)	36,459	(113,666)
Capital restructuring	342,253	-	-	342,253	-	-	-	-
Profit / (loss) before tax	21,116	4,026	93	25,235	(1,058,525)	(7,621)	5,350	(1,060,796)
Income tax (expense) / benefit	(45,579)	(722)	(18)	(46,319)	147,162	(1,925)	1,201	146,438
(LOSS) / PROFIT FROM CONTINUING OPERATIONS	(24,463)	3,304	75	(21,084)	(911,363)	(9,546)	6,551	(914,358)
Attributable to:								
SHAREHOLDERS OF THE COMPANY	(24,463)	3,304	75	(21,084)	(911,363)	(9,546)	6,551	(914,358)
Assets and liabilities								
Total segment assets	548,804	44,415	(10,022)	583,197	907,299	41,188	(28,551)	919,936
Total segment liabilities	743,222	7,997	(8,154)	743,065	1,218,699	7,886	(26,551)	1,200,034
Other segment information:								
Capital expenditures	59,632	-	-	59,632	100,310	-	-	100,310
Depreciation and amortisation	85,861	-	(603)	85,258	148,737	-	(588)	148,149
Interest income	466	-	-	466	1,397	1	-	1,398
Interest income - divisional CAP	-	3,438	(3,438)	-	-	3,729	(3,729)	-
Interest expense	57,499	-	-	57,499	63,289	-	-	63,289
Interest expense - divisional CAP	3,438	-	(3,438)	-	3,729	-	(3,729)	-

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

13. Discontinued Operations

On 6 December 2013, the Group completed the sale of OKK, representing its entire Coke segment. As such, the Coke segment is presented as discontinued operations in the comparative consolidated statement of comprehensive income.

a) Result of discontinued operations

<i>EUR thousand</i>	2013
Revenues	160,059
Cost of sales	(125,138)
Gross profit	34,921
Selling expenses	(20,801)
Administrative expenses	(3,755)
Other operating income	917
Other operating expenses	(170)
Operating income	11,112
Finance income	382
Finance expense	(357)
Profit before tax	11,137
Income tax expense	(2,400)
Profit from discontinued operations (operating activities)	8,737
Loss on disposal of discontinued operations	(74,680)
FX translation differences relating to discontinued operations and reclassified to profit or loss	10,030
Loss on disposal of discontinued operations, total	(64,650)
Loss from discontinued operations	(55,913)

b) Cash flows from discontinued operations

<i>EUR thousand</i>	2013
Net cash flows from operating activities	19,122
Net cash flows from investing activities	(8,503)
Net cash flow from discontinued operations	10,619

14. 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 2014 for any of the litigation proceedings. At the date of these financial statements, based on the advice of legal counsel, management of the Group believes that the litigation proceedings have no significant impact on the Group's financial position as at 31 December 2014. A summary of the main litigation proceedings is included in the 2013 Annual Report and Accounts of the Company. There have been no significant developments in any of these matters since.

Contractual obligations

The Group is subject to commitments resulting from its indebtedness. These result mainly from the loans drawn by the Group and Notes issued. The following table includes the contractual obligations resulting from the loans and Notes issued as at 31 December 2014 in nominal values.

(EUR thousand)	1/1/2015 - 31/12/2015	1/1/2016 - 31/12/2017	After 31/12/2017
Senior Secured Notes due 2020	-	-	300,000
Convertible Notes due 2020	-	-	150,000
ECA Facility	-	12,500	37,363
Super Senior Credit Facility	-	35,000	-
TOTAL	-	47,500	487,363

Interest is to be paid semi-annually on New Senior Secured Notes (fixed coupon rate of 8% p.a.). Subject to 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).

Interest is to be paid annually on New Convertible Notes (fixed coupon rate of 4% p.a.). The Group may elect to pay PIK interest at a rate of 8%.

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 is increasing each quarter by 1.5%.

The Group has contractual obligations to acquire property, plant and equipment in the total amount of EUR 13 million, of which EUR 4 million is spread over one year. The Group is also subject to contractual obligations under lease contracts in the total amount of EUR 4 million, of which EUR 1 million are short-term obligations.

15. Subsequent Events and Other Information

European Commission approves the Czech State's aid for Paskov

On 12 February 2015, the European Commission has approved, under EU state aid rules, public funding by the Czech State to facilitate the closure of the Paskov mine operated by its wholly owned subsidiary OKD. The aid aims to ease the closure process and provide financial support to those working in the Paskov mine. The Czech state will contribute, under the conditions set out in the agreement reached with OKD in April 2014, an amount of CZK 600 million to cover the social costs of the closure, provided that OKD would keep the mine open until the end of 2017. The agreement was conditional upon the approval of the European Commission and has now come into full force.

Background

In 2013, as one of the outcomes of NWR's strategic operational review, the Paskov mine was concluded to remain loss making in the medium term due to its high-cost nature. Consequently in January 2014, the Company entered into discussions with the Czech government about the closure of the mine.

In April 2014, an agreement with the Czech government was reached: the State would provide an amount of CZK 600 million covering the social costs of the closure, provided that OKD would keep the mine open until 31 December 2017.

Further elements of the agreement are:

- a) If hard coking coal benchmark prices drop below 110 USD per tonne for three consecutive quarters in period of between 1 July 2014 and 31 December 2017, the agreement is invalid and both parties will renegotiate the agreement in good faith;
- b) OKD retains the flexibility to continue mining at Paskov after 2017 should it decide so;
- c) The agreement also becomes invalid if the net result of the Paskov mine is positive (in sum) for at least four consecutive quarters.

16. Certain Relationships and Related Party Transactions

A description of the relationship between the Group, CERCL Holdings Ltd. (the controlling Shareholder, former BXR Holdings Ltd.) and entities affiliated to the CERCL Holdings Ltd. is included on pages 87-89 of the 2013 Annual Report and Accounts of NWR. There have been no substantive changes to the nature, scale or terms of these arrangements during the year ended 31 December 2014.

Forward Looking Statements

Certain statements in this document are not historical facts and are or are deemed to be 'forward-looking'. The Company's prospects, plans, financial position and business strategy, and statements pertaining to the capital resources, future expenditure for development projects and results of operations, may constitute forward-looking statements. In addition, forward-looking statements generally can be identified by the use of forward-looking terminology including, but not limited to; 'may', 'expect', 'intend', 'estimate', 'anticipate', 'plan', 'foresee', 'will', 'could', 'may', 'might', 'believe' or 'continue' or the negatives of these terms or variations of them or similar terminology. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurance that these expectations will prove to have been correct. These forward-looking statements involve a number of risks, uncertainties and other facts that may cause actual results to be materially different from those expressed or implied in these forward-looking statements because they relate to events and depend on circumstances that may or may not occur in the future and may be beyond the Company's ability to control or predict. Forward-looking statements are not guarantees of future performances.

Factors, risk and uncertainties that could cause actual outcomes and results to be materially different from those projected include, but are not limited to, the following: risks relating to changes in political, economic and social conditions in the Czech Republic, Poland and the CEE region; future prices and demand for the Company's products and demand for the 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 2013 Annual Report and Accounts and prospectus issued on 30 July 2014 in relation to among other things, the proposed rights issue and placing in connection with the consensual restructuring transaction.

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 2015

Board of Directors