



“More than just coal.”

Mitteldeutsche Braunkohlengesellschaft mbH **Annual Report 2010**

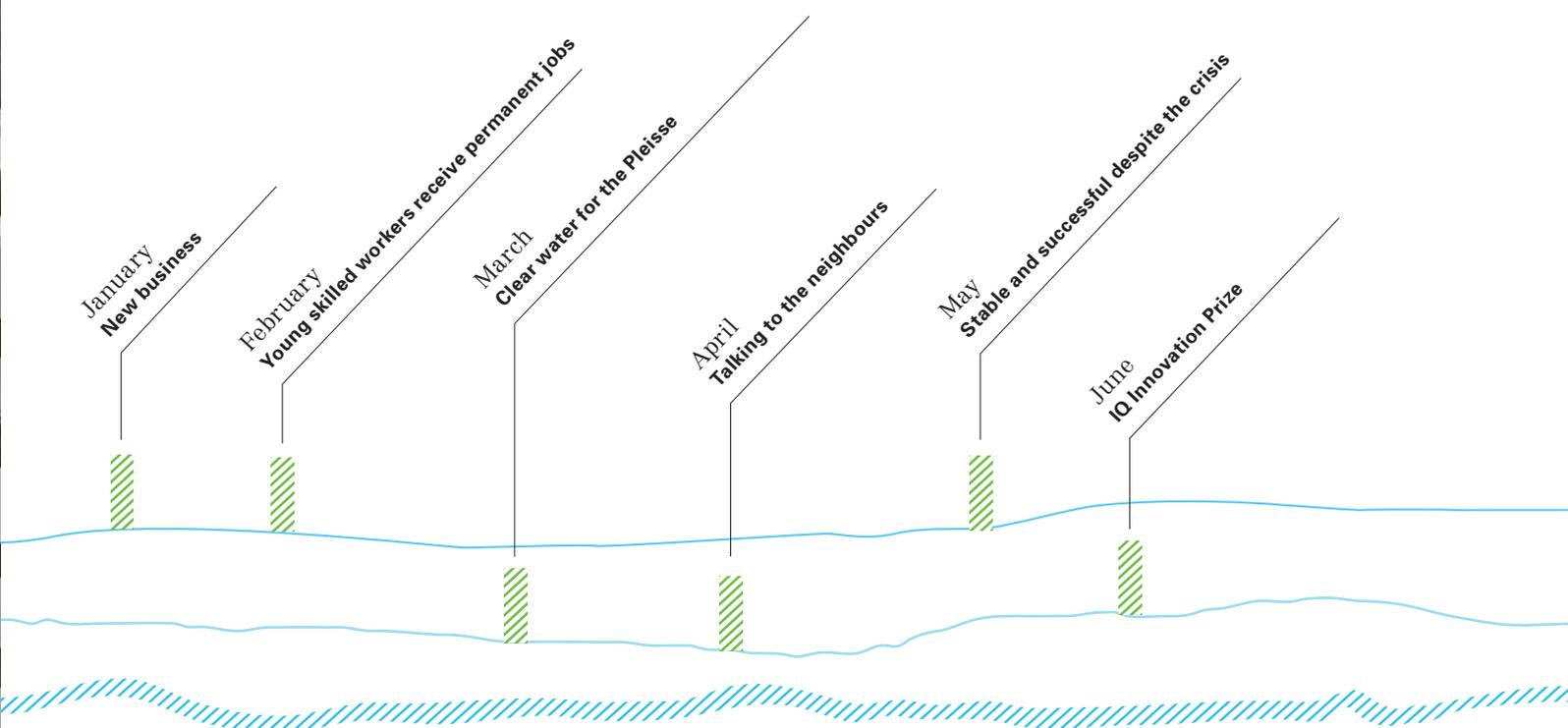


Overview

	Unit	2010	2009*
Production of raw coal	million t	19.6	19.7
Sales of raw coal	million t	17.4	17.8
Electricity generated	GWh	1,135.5	1,113.0
Electricity sold	GWh	727.3	704.7
Own consumption	GWh	408.2	408.3
Sales of heat	TJ	1,149.5	1,047.3
Sales of pulverized fuel	thousand t	193.2	169.3
Revenues from raw coal	Euro million	316.3	304.2
Revenues from electricity	Euro million	41.8	54.0
Sales revenues	Euro million	387.1	384.6
EBIT	Euro million	71.8**	59.1
EBITDA	Euro million	138.8**	135.2
Cash flow from operating activities	Euro million	113.7	131.5
Equity	Euro million	326.3	326.3
Balance sheet total	Euro million	983.1	1,005.1
Investments	Euro million	41.7	33.2
Employees as at 31.12.		2,000	1,996

* Previous year adjusted

** Taking account of one-off accounting effects



The 2010 business year

February

Young skilled workers receive permanent jobs:

Upon completing their training, 38 young people from Saxony-Anhalt, Saxony and Thuringia were taken on by MIBRAG on permanent contracts. Since 1995, more than 500 people have undergone vocational training at MIBRAG's own training centre. The company invests 2.9 million every year in training the skilled workers it depends on.

Top chances: Jürgen Walther, head of training and personnel development at MIBRAG, says the company offers top chances for young people. "School-leavers with good results from all kinds of schools have a great opportunity in the form of the 40 traineeships we offer every year. At MIBRAG's own training centre in Deuben, ten specialist trainers prepare the young people for work in the company, and they can look back on many years of success. So far, every trainee has passed the final examinations, whether it was as a maintenance mechanic, an electronics technician or an office clerk. Since 2002, MIBRAG has taken young skilled people on permanent contracts, giving them the chance to shape their own futures here in our region."

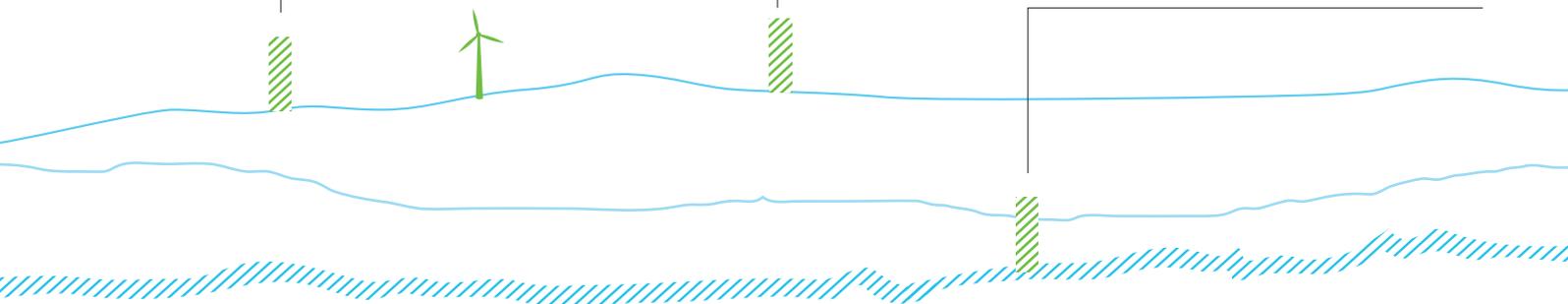


January

New business: MIBRAG Neue Energie GmbH, a wholly-owned subsidiary, is set up. It's MIBRAG's first step in a new business field, aiming to establish another secure basis for the future.

March

Clear water for the Pleisse: After a construction phase lasting just seven months and a test phase passed with flying colours, the new pit water filtration system near Neukieritzsch went into operation on 31 March. MIBRAG invested a total of Euro 18 million in the drainage and filtration system, ensuring that only clear, clean water is fed from United Schleenhain mine into the river Pleisse.



May



Stable partnership: Hans Mirschwa, Technical Director at Fernwärme GmbH Hohenmölsen-Webau, depends on MIBRAG and reliability: "We get the heat for the customers in our district heating system from MIBRAG's Wähltitz power station. Virtually every building and household in Hohenmölsen is hooked up to our network, and more are joining all the time. A major investment programme means that we have been able to win new customers and have expanded our network as far as Deuben. Thanks to our partnership with MIBRAG, it has all gone smoothly. There's a fair, business-like and correct relationship between the companies, and our customers can sense that."

Stable and successful despite the crisis: MIBRAG presented the results of a successful year 2009 on 5 May. The overall message was that prudent management had proved key to weathering the financial and economic crisis. Strong demand for coal was complemented by MIBRAG's concentration on potentials for optimisation, the expansion of energy management and the exploitation of the possibilities offered by the energy market. The company produced a total of 19.7 million tonnes of brown coal in 2009, and the year's earnings before tax and interest were Euro 59.1 million.

Active for the energy of the future: According to DE-BRIV, the association of brown coal-producing companies and their affiliated organisations in Germany, flexibility and efficiency are the two key factors for the future. Ways and means for the mining industry to contribute actively to the modernisation of Germany's energy system were the focus of discussion during an industry conference held from 6-7 May, and MIBRAG was able to show its commitment through its ultra-modern plant and its contributions to technological development in central Germany.

April

Talking to the neighbours: MIBRAG sets great store by good relationships with residents, municipalities and associations in the vicinity of its sites. This is the idea behind the "Bürgerkontaktgruppe", or citizen contact groups, which function as MIBRAG's local contact points. It is only when all stakeholders are involved that acceptance can grow and solutions be found. The Bürgerkontaktgruppe Elsteraue set up on 7 April was the second such group to be established.

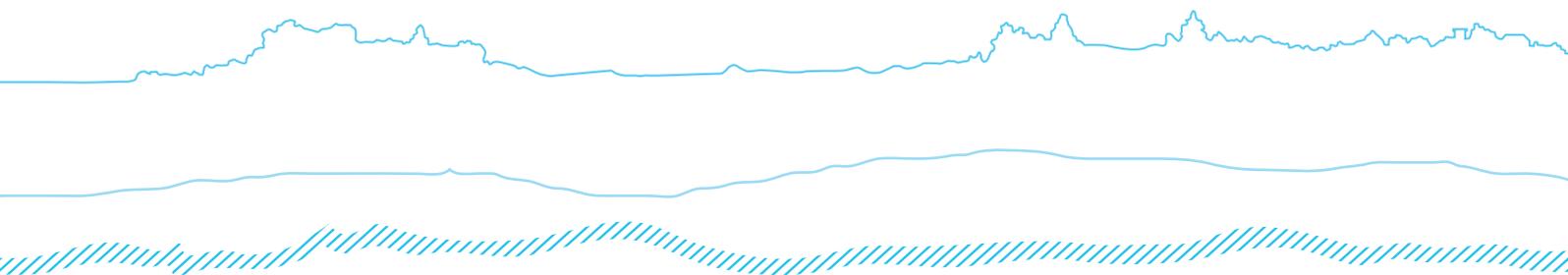
June

IQ Innovation Prize: On 17 June, MIBRAG awarded the "IQ Innovation Prize" for the second time as a part of the business initiative for central Germany. The award went to SONOTEC, a company from Halle whose patented parabolic probe for saving energy impressed the jury the most.



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Foreword

BY THE EXECUTIVE BOARD

The 2010 Business Year

The energy industry in Germany is the very backbone of the German economy. There can be no growth without affordable and stable supplies of energy. Here in central Germany, brown coal has long played a vital role in providing that energy, and there are still ample quantities available that can be offered at a cost that will remain stable for many years to come.

What are the perspectives for brown coal? Germany needs a frank discussion about its energy requirements in the future. Thinking ahead to this future was the intention of the Energy Concept that the German government launched in autumn 2010. The Energy Concept staked out the framework for the next four decades, and the energy industry hoped for a basis for the greater planning security that, after all, is crucial not only for the energy providers themselves but is also essential for contractors, related industries and, indeed, whole regions. From our point of view, the Energy Concept failed to fulfil those hopes.

The Concept as it stands is vague and imprecise regarding the future for brown coal, particularly bearing in mind that the need to safeguard grid stability and to maintain a stable supply of electricity to consumers and industry despite fluctuating output from renewables means that there is simply no alternative to fossil fuel-fired power stations in the medium term.

Nonetheless, MIBRAG is looking to the future despite the lack of commitment from the government. The company is aware of its responsibility towards the people who work for it and to the region as a whole, and is guided by words of wisdom from the Schwazer Bergbuch: "Mining is not the work of one man." It's a saying that's as true today as it was 450 years ago when the book was written. Now as then, excavating natural resources is a complex process that extends over decades rather than years, and modern mining activities bind a company and a region closely together for a long time, from the planning stage through to the re-cultivation of land. It is a central element in MIBRAG's corporate philosophy that this connection should be actively fostered, and that it is also essential for success. Aside from safeguarding jobs, providing purchasing power and giving young people life and career prospects,



Horst Schmidt, Dr. Joachim Geisler, Heinz Junge (left to right)

the relationship between company and region is also about maintaining the quality of life and reconciling interests. This last aspect was the reason that MIBRAG intensified its dialogue with local stakeholders in 2010, for example by forming contact groups with residents and partnerships with local schools.

MIBRAG is also innovating and realising new concepts. For example, the “Am Geysersberg” wind farm supplied electricity to the grid for the first time in December 2010. Also looking forwards is the “Fit für die Zukunft” programme initiated by the Executive Board in the summer of 2010 with the aim of enhancing the company’s ability to master the challenges that it will face in the future. The programme focuses on changes in the market, the expansion of renewables, and demographic change. Another constituent element is cooperation with the MIBRAG workforce to re-alise the potentials available within the company’s processes.

The response among the MIBRAG personnel to the Executive Board’s invitation to participate in the discussions has already been tremendous, and clearly demonstrates that MIBRAG will continue to accept the challenges of change in 2011.

Horst Schmidt
Technical
Director

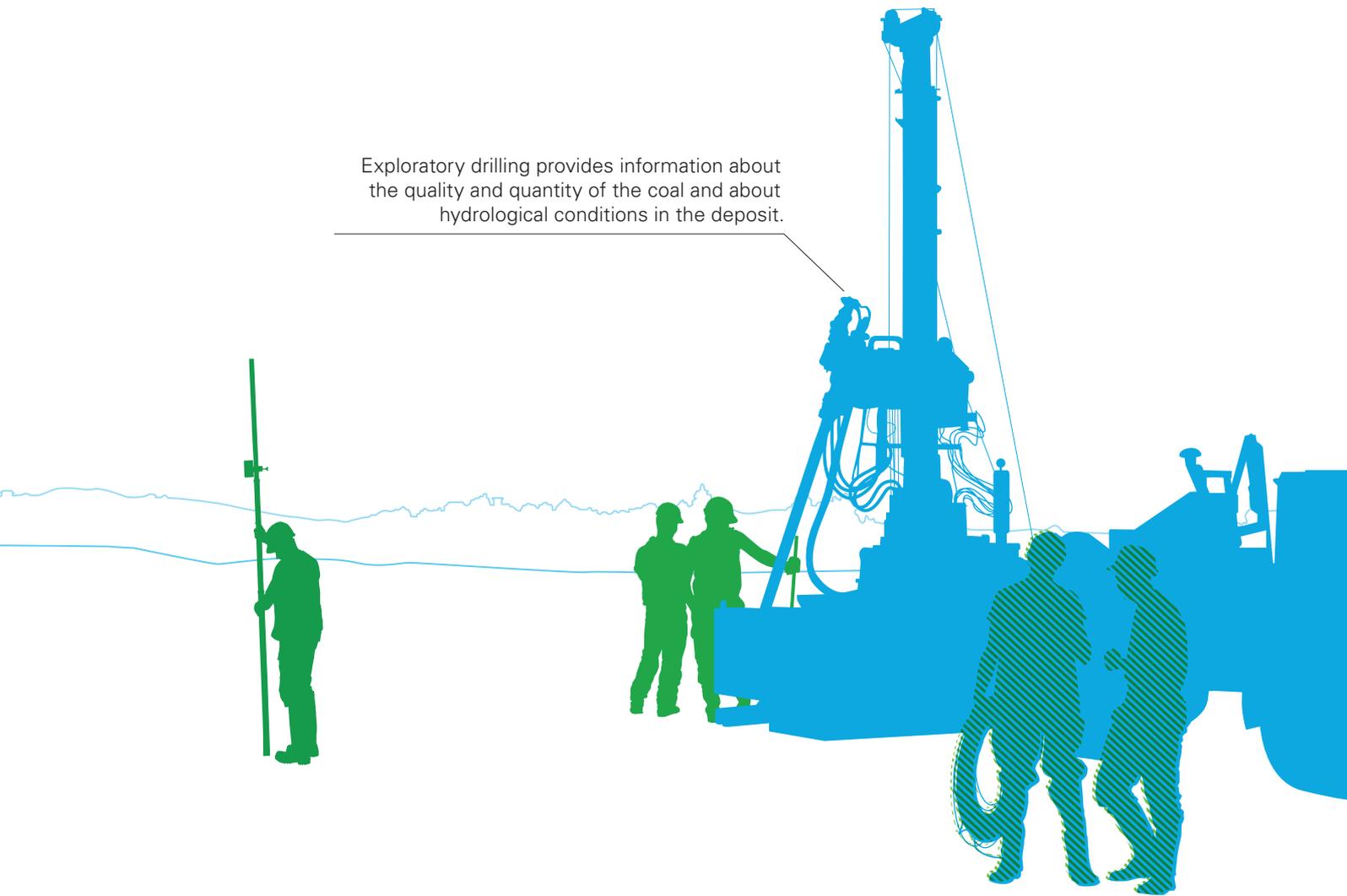
Dr. Joachim Geisler
Chairman of the
Executive Board

Heinz Junge
Personnel /
Labour Director



Geologists and hydrologists survey the deposit before it is exposed.

Exploratory drilling provides information about the quality and quantity of the coal and about hydrological conditions in the deposit.



“Mining is not the work of one man.”*

MIBRAG starts talking to experts from a wide range of disciplines long before the first coal is produced. Geological conditions have to be understood, statutory regulations must be observed, and environmentally responsible plans for interim and post-mining scenarios need to be drawn up. An important factor even at this early stage is that MIBRAG also actively seeks to involve the residents of the municipalities near its sites right from the outset. Long-term planning for mining operations also means that personnel planning has to be far-reaching, so that a sufficient number of qualified people are available throughout the process.

*Quote from the “Schwazer Bergbuch” of 1556

Mining is always a matter of public interest.

The District Administrator

Here in the Burgenland district, we are in favour of a balanced energy mix: electricity generation from brown coal and the expansion of renewables don't have to be mutually exclusive.



We are also using our business development programmes to actively support the chemicals industry in developing ultra-modern technologies that will increase the uses for brown coal as a raw material in future.

This all means that the 2000 jobs at MIBRAG and many more at other suppliers and contractors around the region can be safeguarded in the long term, and new jobs can be created in local industry.

Harri Reiche, District Administrator of Burgenlandkreis

The Personnel Director

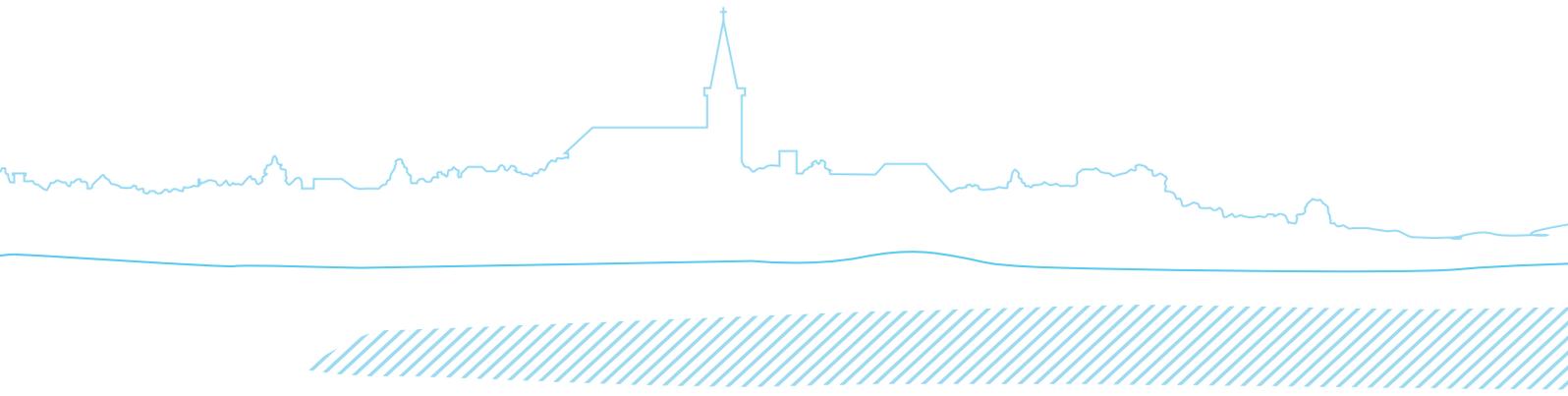
Mining requires long-term planning. That's true for personnel as well. Our staff are well-trained and highly qualified. At the moment, 70 percent of MIBRAG's employees have skilled labour qualifications, more than 10 percent are qualified master craftsmen and nearly 20 percent are graduates.



So that MIBRAG can maintain this high standard in the future, we are actively involved in bringing on the next generation of skilled workers and graduates. It all begins in schools throughout the region and continues through our co-operation with colleges and universities.

We offer internships and work placements, vocational training in our own training centre, and also our Junior Management Programme for recent graduates.

Mario Gierl, Personnel Director



The Archaeologist

As archaeologists, we are concerned to safeguard as far as possible the finite resources represented by millennia-old evidence of human activity. On the other hand, it is hard to find such an ideal opportunity to look literally so “deep” into human history on such a grand scale as in open cast mines.

So many archaeological “sensations” have been discovered in the mines in the last 15 years that they can’t really be called that any more. And of course, it’s not actually about the sensations themselves, it’s more about the extraordinary insights that the discoveries have made possible. They wouldn’t have been possible without the close co-operation of all the parties involved.

Dr. Harald Stäuble, State Office for Archaeology of the Free State of Saxony



The Legal Expert

We create acceptance and mutual trust through our actions. The public are right to expect that we respect not just statutory regulations but that we also take other legitimate interests into account. Mining is always a matter of public interest.

That’s why MIBRAG actively seeks and maintains contacts with its neighbours and environmental organisations, and keeps them informed about what we do. Dialogue helps us to find solutions to problems together. This way of doing things has always paid off and guarantees respectful dealings between all the stakeholders throughout the lifetime of mining operations.

Bernd Heggemann, General Counsel



Organs of the Company

Supervisory Board

Dr.-Ing. E.h. Wilhelm Hans Beermann, Bochum
Chairman,

Retired Chairman of the Board of Management of
Deutsche Steinkohle AG, Deputy Chairman of the
Board of Management of the Gesamtverband des
deutschen Steinkohlenbergbaus

Dr. Ralf Bartels*, Duisburg

Deputy Chairman, IG BCE, Executive Board, Division 1,
Economic Policy and Industrial Groups,
Head of Department of Mining and Energy Policy

Georg Wilhelm Adamowitsch, Haan

Further Member of the Supervisory Board, Retired Undersecretary

Uwe Bruchmüller*, Thalheim

Deputy District Manager, IG BCE, Baden-Württemberg District

Frank Frenzel*, Zwenkau

Deputy Chairman of the Works Council of MIBRAG mbH

Daniel Křetínský, Prague, Czech Republic

Chairman of the Board of Directors,
Energetický a průmyslový holding, a.s.

Tomáš Pleskač, Třebíč, Czech Republic

Member of the Board of Directors,
Chief Officer of International Division, ČEZ, a. s.

* Labour Bench Representatives



Walter Christian Steinbach*, Rötha
Retired President of the Leipzig Regional Administration

Vladimír Schmalz, Prag, Tschechische Republik
Director of Mergers & Acquisitions, ČEZ, a. s.

Marek Spurný, Průhonice, Tschechische Republik
Member of the Board of Directors,
Energetický a průmyslový holding, a.s.

Roswitha Uhlemann*, Taucha
Betriebsratsvorsitzende MIBRAG mbH

Executive Board

Dr. Joachim Geisler, Essen
Chairman of the Executive Board

Heinz Junge, Hemmingen
Personnel Managing Director/Labour Director

Horst Schmidt, Schköna
Technical Managing Director

Report by the Supervisory Board

ON THE BUSINESS YEAR 2010

*Report of the Supervisory Board of Mitteldeutsche
Braunkohlengesellschaft mbH on the business year
from 1 January to 31 December 2010*

In the business year 2010, the Supervisory Board complied fully with its obligations under the provisions of the law and company statutes. It required regular reports from the Executive Board in written form and at the four orderly meetings detailing the general development of business and significant events in operational activities, and it discussed matters of fundamental importance at its orderly meetings.

An extraordinary meeting took place on 16 March 2010 as part of the refinancing process.

The Chairman of the Supervisory Board coordinated the Supervisory Board's work. The Board, and the Chairman in particular, were in constant contact with the Executive Board in the periods between its orderly meetings and advised the Executive Directors as necessary.





In addition to the refinancing, the Supervisory Board concerned itself with the following topics during the business year 2010:

- Profen power station construction project
- Schleenhain-Süd wind farm project
- Developments on the electricity and carbon trading markets
- Current and future situations for MIBRAG's old power stations
- Corporate governance and compliance practice
- Acquisition of the business share held by Kleinwächter GmbH & Co. KG in GLG mbH
- Demographic change within the company and steps undertaken by the Executive Board
- The German government's Energy Concept 2050 from the point of view of brown-coal producers

There were no personnel changes on the Supervisory Board in the reporting year.

The Annual Report for the business year 2010 produced by the Executive Board was audited by Ernst & Young GmbH, Leipzig and found to be in accordance with statutory provisions. The audit certificate was issued without qualification.

The auditor's report on the result of the audit has been acknowledged and approved by the Supervisory Board. The Supervisory Board raises no objection to and endorses the annual results compiled by the Executive Board. The decision to adopt the annual results lies with the general meeting.

The Supervisory Board thanks the Executive Board and all personnel at MIBRAG for their commitment and hard work in the 2010 business year.

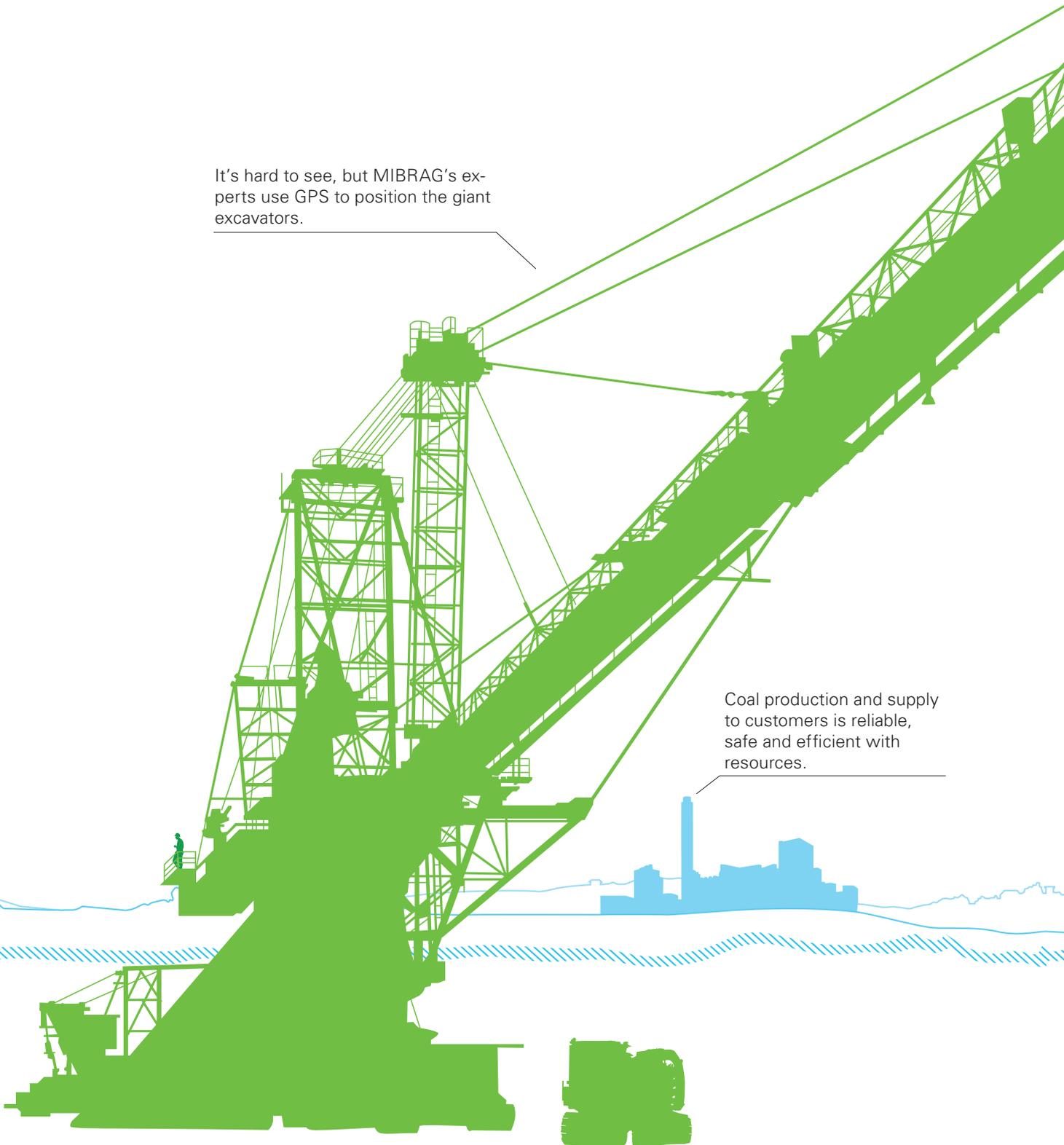
Zeitz, 15 March 2011

Chairman of the Supervisory Board

Dr.-Ing. E.h. Wilhelm Hans Beermann, Bochum

It's hard to see, but MIBRAG's experts use GPS to position the giant excavators.

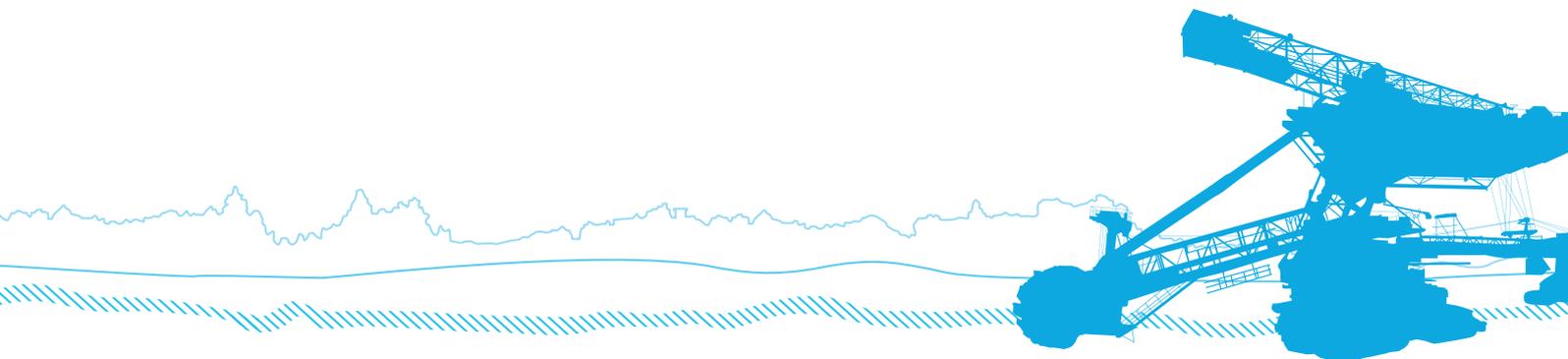
Coal production and supply to customers is reliable, safe and efficient with resources.





“Mining is a multi-level concept.”

Many hands and heads are required if a mine is to operate effectively, efficiently and safely so that customers can be supplied precisely and dependably with what they need. Mining nowadays is characterised by a vast number of activities that have to progress in parallel, be co-ordinated and be monitored. It starts with positioning the giant excavators and conveyor systems, includes the constant maintenance programme for all the equipment and machinery, and extends to timely procurement of necessary goods and services from companies in the region. But at the core is always health, safety and accident prevention – the underpinnings of all MIBRAG’s activities.



Today’s miners use state-of-the-art, precision technology to produce brown coal efficiently and in an environmentally compatible way.



MIBRAG

invests in

state-of-the-art technology.

The Engineer



In mining, everything has to work hand in hand. Communication and constantly conveying our health, safety and quality standards are the basis of our day-to-day work.

Close co-operation with our contractors and partners is the basis of our shared success, particularly when it comes to major projects such as the overhaul of the giant excavators and conveyor systems.

Dr. Stephan Uhlemann, Head of Technical Services

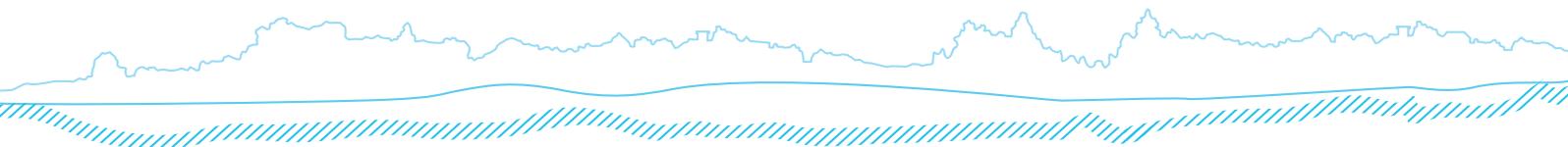
The Purchasing Director



Securing optimum supply and maintaining long-term relationships with suppliers are what makes MIBRAG successful!

We are very aware of our importance as a regional player, and we embrace the responsibility that comes with it. That's why we prefer to work with companies based here in central Germany.

Uwe Landgraf, Purchasing Director/Materials Management



The Safety Expert

MIBRAG has been a leader in health and safety at work in Germany for 15 years. We have also drawn respect and acclaim from beyond Germany's borders. We aspire to be an accident-free company with a healthy workforce and a safe working environment all round.

Everybody at MIBRAG profits from our health and safety management system. It centres on a holistic approach to health and safety, accident and fire prevention, and environmental protection.

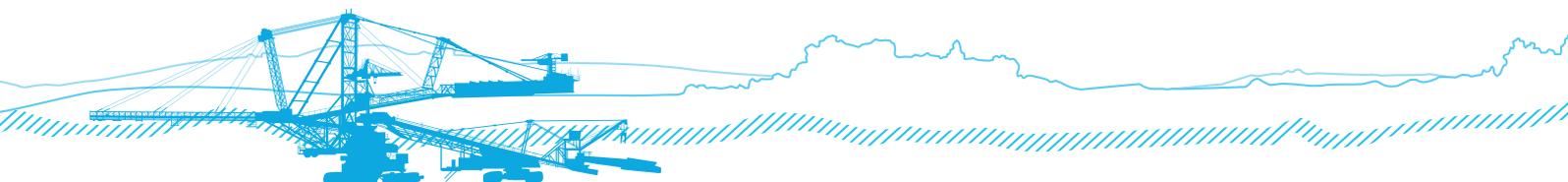
Dr. Gunther Baldermann, Health and Safety/Fire Prevention Director



The Mayor

MIBRAG is the origin and the driver in the most important economic cycle in the region. By producing brown coal, MIBRAG provides stable base load electricity generation, keeps highly qualified industrial expertise in the region, and adds value in central Germany. Coal production takes place in harmony with the objectives and planning goals of neighbouring municipalities, and also considers the rehabilitation of post-mining landscapes.

Henry Graichen, Mayor of Neukieritzsch



Management report

FOR THE CONSOLIDATED
FINANCIAL STATEMENT FOR
THE BUSINESS YEAR 2010

General conditions

Production of brown coal in Germany in 2010 was on the same level as in the year before, amounting to 169.4 million tonnes. The four major coalfields in Germany produced approximately the same share of the total as in 2009.

Despite the rising contribution to electricity generation made by renewable energy sources, brown coal (or lignite) still supplied 24.0 percent of the energy used for producing electricity and heat as it did in the previous year, proof that it still has a significant role to play in the energy mix in Germany. The necessity of providing domestic and industrial consumers with a stable energy supply and the importance of safeguarding grid stability mean that, in view of the fluctuating output from renewables, brown coal-fired power stations will continue to be needed in the medium term. In addition, brown coal is subsidy-free and makes a major contribution to keeping prices for energy from conventional sources stable.

In its Energy Concept for 2050, the German government has set out its goals for the future of energy supply and consumption. The current debate has clouded the waters in a number of areas and so is making the

task of developing new brown coal projects which will guarantee modern, efficient electricity generation to cover base load requirements all the more difficult. MIBRAG is nonetheless open to new developments. For example, the company is participating in a new inter-industry network called Innovative Braunkohlen Integration in Mitteldeutschland (ibi), developing the use of brown coal as a chemical material in order to safeguard the future of Germany as a chemical industry location, and is also building up its own generating capacity from renewables.

General development of business

In the first half of 2010, MIBRAG established MIBRAG Neue Energie GmbH as a wholly-owned subsidiary, and in December the company generated electricity for the first time from three wind turbines. This new area of activity will continue to expand in the future.

Also in the first half of the year, MIBRAG acquired Kleinwächter GmbH & Co Spedition Silotransporte-Industrieprodukte KG's holding in Gröbener Logistik GmbH (GLG), which thus also became a wholly-owned subsidiary of MIBRAG. A process to merge GLG with GALA-MIBRAG-Service GmbH (GALA) was subsequently initiated in order to take advantage of synergy effects and strengthen the benefits MIBRAG draws from its service subsidiaries.

At the beginning of the year, MIBRAG's customer portfolio was expanded by the commencement of deliveries to Stadtwerke Chemnitz AG (now eins energie in sachsen GmbH & Co.KG). This is the first step aimed at compensating for the anticipated fall in demand at MIBRAG's power stations from 2013 onwards.

The fall in sales of finished products in 2009 caused by the economic situation was largely reversed in 2010.

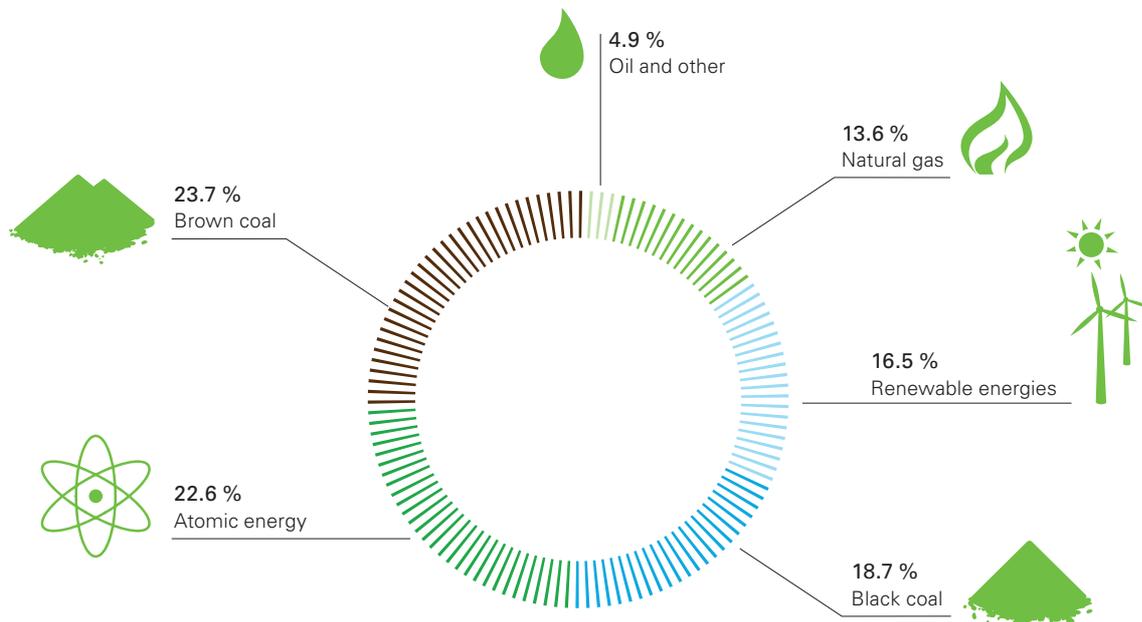
The high demand for briquettes for domestic use resulted in thoughts of re-starting briquette production at the Deuben site. Tests of briquetting brown coal were successful, and so the technical resources for recommencing production in March 2011 can be put in place. Contracts are in place to guarantee sales for the next three years.

A mine water treatment facility in United Schleenhain mine went into service at the end of the first half of 2010, ensuring that high-quality water can be fed into the river Pleiße in the long term.

In order to make certain that supply of district heating to municipal and commercial customers continues after the MIBRAG power stations are decommissioned, the networks in the territories currently supplied by MIBRAG power stations were sold to well-known operators of district heating networks. The sales agreements provided for the continuation of heat supply from MIBRAG power stations until they go offline.

In the middle of 2010, MIBRAG's management initiated a programme called "Fit für die Zukunft" in which the entire workforce is involved in discussing ways and means of putting the company in a position to

Proportion of electricity generated in Germany from brown coal in 2010*



Source: AG Energiebilanzen e.V.
 Figures provisional, some estimates (as at 02/2011)

deal with demographic change and changing market conditions. The first measures arising from it have already been realised.

The company continued to make targeted investments in United Schleenhain and Profen mines in order to safeguard the timely delivery of quality product to its customers. The main focus of the investment was and continues to be the preparations for the move into the Peres field in United Schleenhain mine. In addition, the large mining equipment in the mines was overhauled on a regular basis; in 2010, work worth Euro 9.3 million was carried out on the bucket wheel excavator 1528 and spreader 1124 combination in United Schleenhain mine.

Plans for the construction of the new power station in Profen were developed further. Calculations for the cost-effectiveness of the project continue to be hampered by the lack of a final decision by the European Commission on the shape of emissions trading in the third period after 2012 on the one hand, and by the unclear position of brown coal in the energy mix outlined in the German government's Energy Concept on the other.

Although MIBRAG reacted well to electricity price developments in 2009, the 2010 results were not at the same level. Sales of electricity generated rose by 22.6 gigawatt hours (GWh) but nevertheless revenues fell 22.7 percent below the previous year.

Aside from the fall in electricity prices, the cost effectiveness of MIBRAG's power stations was also affected by the issue of fewer CO₂ certificates free of charge. The result was a substantial shortage of certificates, and so significant quantities had to be purchased.

MIBRAG and its plant were deemed ineligible for consideration under the hardship provision in the law, and the company's administrative appeal against this decision was rejected. MIBRAG has filed legal proceedings.

Development of Production and Performance

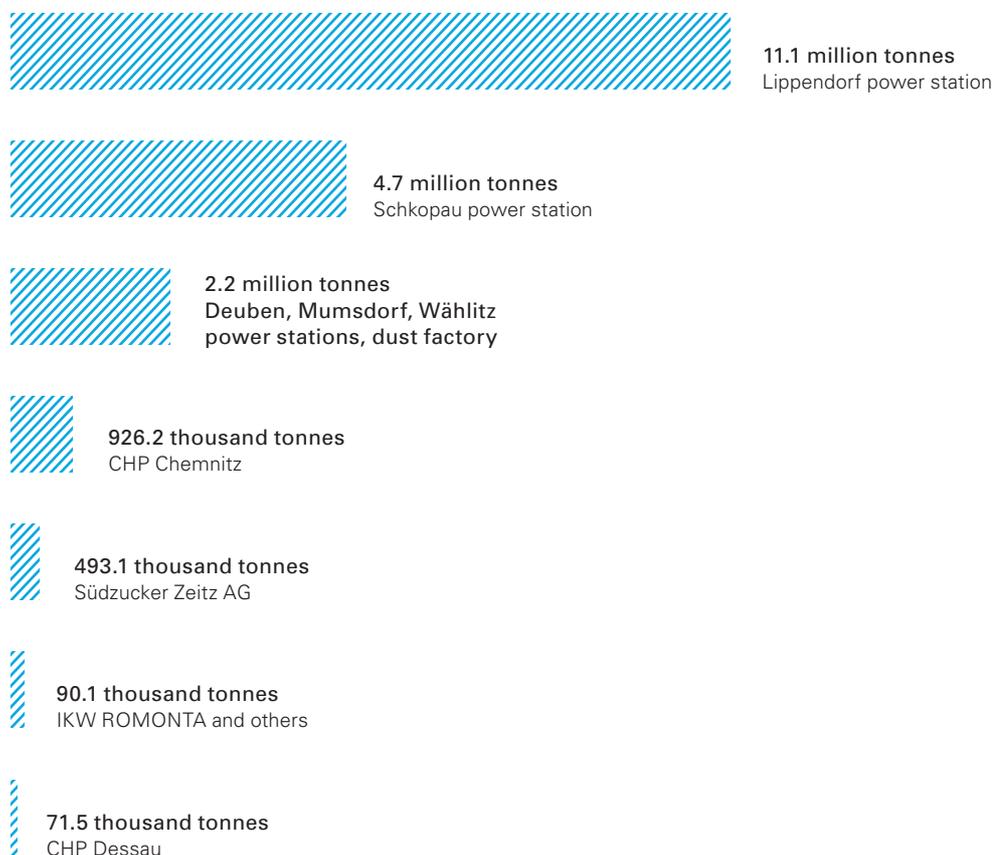
The production of brown coal was 19.6 million tonnes in 2010, and thus slightly lower than in the year before.

The main reason for this was a lengthy shut-down for maintenance at Schkopau power station. This meant that sales fell slightly, and this could not be compensated by deliveries to new customers.

Also below the previous year's level were deliveries to Lippendorf power station. The boilers showed signs of wear and these caused stoppages on several occasions. Extensive inspection and overhaul work is planned for the boilers in Lippendorf in 2011 and 2012.

MIBRAG also supplied significant amounts of brown coal to ROMONTA GmbH. This helped maintain production levels of raw montan wax as one chemical use of brown coal at the same level as in 2009.

Deliveries



A comprehensive overhaul of the Währlitz power station, which has been in continuous operation since 1994, caused a shutdown, and a major turbine malfunction in Deuben power station combined to reduce the online time of MIBRAG's power stations to 8059 operating hours, 0.7 percent below 2009 levels.

Nonetheless, net production of electricity was 1135.5 GWh, an output similar to the previous year.

The repercussions of the economic and financial crisis caused a drop in sales of pulverized fuel to the cement industry, particularly in the first half of the year. It was only when the economy began to recover in the second six months that demand picked up again. A marketing campaign was so successful that total 2010 sales were 23.9 thousand tonnes above the previous year.

Constantly growing capacities for thermal recycling of waste increased demand for substitute or refuse-derived fuels, with the result that the price of meat-and-bone meal climbed so high that co-combustion in Währlitz power station was stopped in the second Quarter on economic grounds.

The shortage of sewage sludge meant that 30.8 thousand tonnes less than in 2009 was co-incinerated in the Deuben and Mumsdorf power stations.

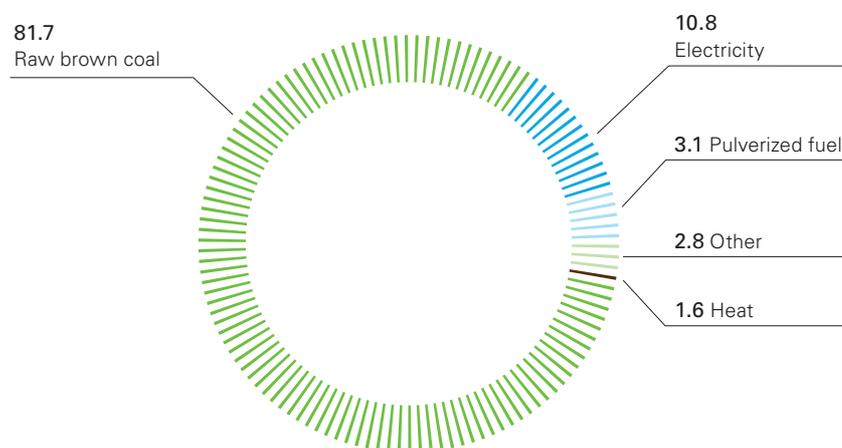
Accessory minerals such as sand, gravel and clays were sold according to demand.

Sales revenue

Total revenues amounted to Euro 387.1 million and were thus slightly above the previous year. Revenues from brown coal rose 4.0 percent over 2009 to Euro 316.3 million, despite a slightly lower sales volume. This equates to 81.7 percent of total revenues.

Revenues from electricity were lower than in 2009, amounting to Euro 41.8 million, or 10.8 percent of total revenues.

Product share in total revenue (percent)



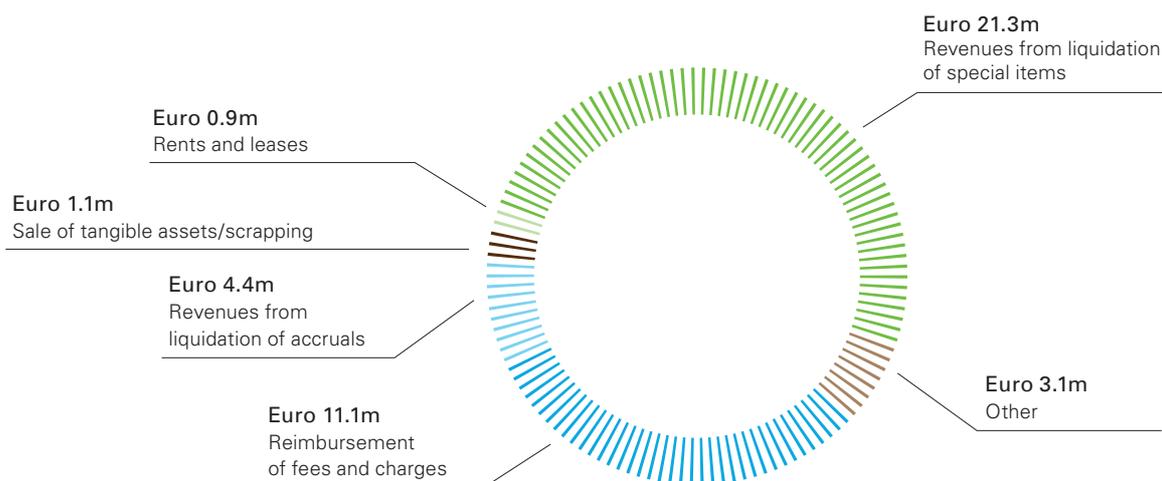
Overburden inventory amounted to 61.8 million cubic metres and was thus 7.6 percent lower than the year before. The causes of the drop were sporadic improvements in the quality of the deposit in the Schleenhain field of United Schleenhain mine and the stoppage of the first overburden line in the mine. The line was halted in order to enable the large mining equipment to be prepared for use in the new Peres field. Deliveries to customers continued apace nonetheless, as the necessary stocks had been built up in the mines in advance.

The 2010 business year saw a change in the method used to calculate the amount of overburden and its value. The change in overburden accounting policy allows for mining-related adjustments as well as necessary adjustments to production cost elements. It makes the item "overburden" in the balance sheet more meaningful for industry-wide comparison purposes. It also reduced the item by Euro 129.4 million. Other stock reductions in 2010 totalled Euro 11.6 million.

Other operating revenues contributed Euro 41.9 million to the overall revenue and as such were Euro 8.2 million higher than in the year be-

fore. The regulations of the new Act to Modernize Accounting Law (Bilanzrechtsmodernisierungsgesetzes, or BilMoG) were applied as of 1 January 2010 onwards for the first time and resulted in the liquidation of accruals for expenses totalling Euro 4.4 million.

Other operating revenues



The total operating result of Euro 288.3 million breaks down as follows:

Revenues	Euro 387.1 million
Change in inventory	Euro -141.0 million
Capitalized work	Euro 0.3 million
Other operating revenues	Euro 41.9 million

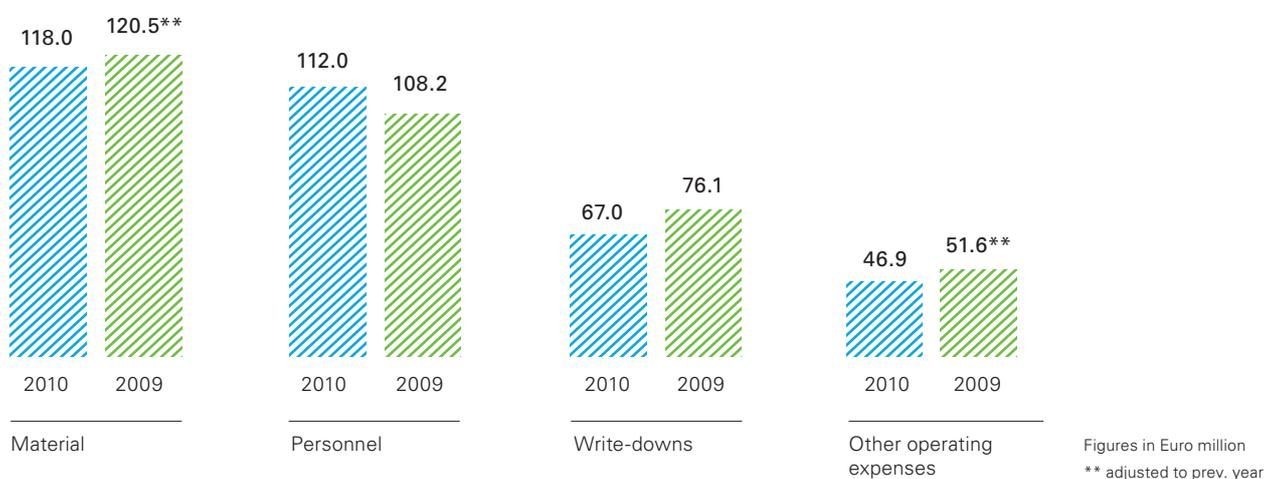
MIBRAG expended a total of Euro 118.0 million on consumables, external services and repair work. This represented an increase of 6.3 percent in comparison with 2009.

Aside from the general rise in prices, increased wear and tear on mining equipment was the main reason for the higher maintenance costs.

Other operating costs totalled Euro 46.9 million. The largest share of this total was Euro 19.0 million transportation costs for MIBRAG products. Additions to accruals in accordance with mining law amounted to Euro 10.8 million.

Write-downs on tangible fixed assets totalled Euro 67.0 million in the 2010 business year; this was Euro 9.1 million less than in the previous year. The significant reduction is the result of an extension to the service life of power station plant and the expiry of the effects of extraordinary tax and commercial write-downs.

Expenses structure*



The change in evaluation of overburden detailed above meant that pre-tax results were -Euro 55.6 million for the 2010 business year.

The financial results were on the same level as the previous year at - Euro 1.7 million. This includes revenues from holdings at Euro 1.6 million.

The application of BilMoG for the first time resulted in extraordinary expenditures of Euro 1.7 million. Operating taxes such as energy, property and vehicle tax gave rise to expenditures of Euro 5.9 million.

As MIBRAG is integrated into JTSD-Braunkohlenbergbau GmbH (JTSD) to form a single taxable entity, tax on profits is not payable by MIBRAG. Thus, 2010 ended with a net loss of -Euro 64.9 million. However, without the effects arising from adoption of the new evaluation methods for the overburden, MIBRAG would have returned better operating results than last year.

The application of BilMoG for the first time resulted in evaluation adjustments that had no effect on results and were also taken into account within the profit and loss pooling agreement.

The following table shows more detail on the explanation of the operating performance.

	2010	2009	Change
	Euro million	Euro million	Euro million
Revenues	387.1	384.6	2.5
Change in stock	-11.6	1.1	-12.7
Capitalised work	0.3	0.3	0.0
Other operating revenues	41.9	33.7	8.2
Total revenues	417.7	419.7	-2.0
Material expenses	118.0	120.5	-2.5
Personnel expenses	112.0	108.2	3.8
Depreciation and amortization	67.0	76.1	-9.1
Other operating expenses	46.9	51.6	-4.7
Other taxes	5.8	5.8	0.0
Operating expenses	349.7	362.2	-12.5
Earnings before interest and taxes	68.0	57.5	10.5
Financial result	-1.7	-1.3	-0.4
Earnings before income taxes	66.3	56.2	10.1
Reconciliation for profit and loss transfer			
Valuation affecting net income	-131.1	0.0	-131.1
Valuation not affecting net income	135.0	0.0	135.0
Income tax	0.0	4.3	-4.3
Result transferred	70.2	51.9	18.3

Investment

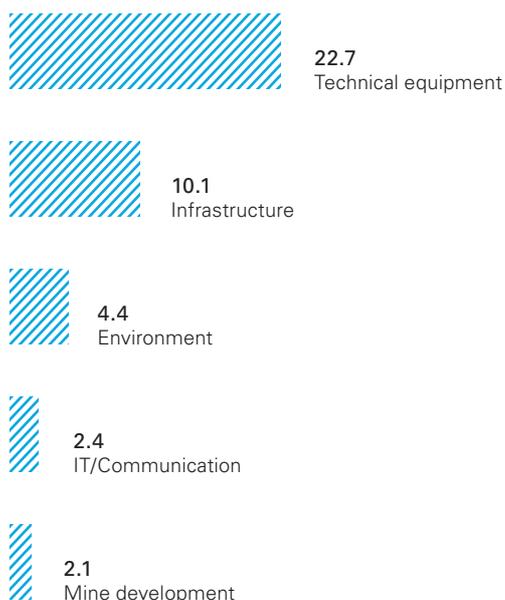
In the 2010 business year, MIBRAG invested a total of Euro 41.7 million. This was a 25.6 percent increase above the 2009 level.

Of this total, Euro 25.4 million was invested into United Schleenhain mine and Euro 9.4 million into Profen mine. Euro 1.8 million was invested in modernising MIBRAG's data processing technology. These investments were made in order to take advantage of the latest technical developments.

- An overall total of Euro 17.7 million was expended on the mine water treatment facility which went into service in June; of this sum, Euro 4.4 million was invested in the past year.
- The largest investment project was the preparation for re-routing the B 176 trunk road; the investment here in 2010 was 9.9 million.
- A total of Euro 5.1 million was invested in the modernization of the large machines in the mines.
- The extension of the mines also required new conveyor systems to be put in place, resulting in the investment of Euro 7.8 million.

Investment elsewhere in the company was focused primarily on the replacement of equipment.

Investment 2010*



Figures in Euro million

Financial standing

As at 31 December 2010, MIBRAG's total assets amounted to Euro 983.1 million, and were thus 2.2 percent lower than in the previous year.

Of this sum, capital assets accounted for Euro 837.2 million, which was an increase of Euro 126.7 million over the previous year. The rise is the result of the increase of loans granted to the shareholders.

The re-evaluation of the overburden account reduced this item by Euro 141.4 million, which broadly balanced out the development in capital assets.

The purchase of spare parts for the large machines in the mines and the centralisation of warehousing at MIBRAG had the effect of increasing stocks of raw and auxiliary materials and consumables by Euro 1.5 million compared to 2009.

Stocks of refined products and goods were at similar levels to the year before. The emissions certificates purchased and in MIBRAG's possession were assessed at current market value on the balance sheet key date. They were entered at Euro 25.1 million.

The interest receivable from the shareholders on the loan to them made a significant contribution to the change in accounts receivable.

As at 31 December 2010, liquid funds totalled Euro 16.8 million. The assets-side accrual item was entered at Euro 10.3 million.

As a result of the new statutory regulations governing long-term reserves, this item on the balance sheet declined by Euro 135.0 million. The difference was booked under retained earnings, not affecting net income.

The agreement of a syndicated loan at the same time as existing loans were paid off resulted in an increase of liabilities to credit institutes to Euro 219.7 million. Other liabilities amounted to Euro 81.6 million, the largest share of which was constituted by Euro 52.2 million of liabilities to associated companies. The main item here was a liability of Euro 50.2 million arising from the profit and loss transfer agreement with the shareholders.

There was no change in subscribed capital and capital contributions.

The special item "investment subsidies and allowances" decreased by Euro 21.3 million.

Financial situation

MIBRAG's guiding principle is the maintenance of a healthy balance between equity and debt. This aim serves the overall financial management goal of safeguarding the liquidity and credit-worthiness of the company.

In the first Quarter of 2010, MIBRAG signed a syndicated facility agreement for Euro 270.0 million with Commerzbank AG as the lead bank in a group of nine domestic and European banks.

The credit sum of Euro 250.0 million was used for the comprehensive refinancing of the bank liabilities that existed at that time.

In addition, MIBRAG has a revolving credit facility of Euro 20.0 million to cover general financing.

At the balance sheet key date, drawn debt totalled Euro 219.7 million, of which Euro 197.2 million had a residual term of more than one year.

Cash flow from current business operations totalled Euro 113.7 million in the reporting period.

Investments in capital assets totalled Euro 41.7 million; investments in financial assets amounted to Euro 3.9 million. These investments were balanced by revenues from financial asset disposals amounting to Euro 1.7 million. Thus, investment activities resulted in a capital outflow of Euro 43.4 million.

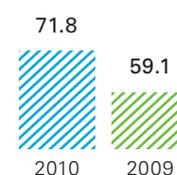
Cash flow from finance activities included repayment of liabilities at Euro 30.3 million, a loan to the shareholders of Euro 150 million and payments to the shareholders of Euro 94.8 million.

As at 31 December 2010, ancillary facilities were being used for the disbursement of bank guarantees amounting to Euro 0.2 million.

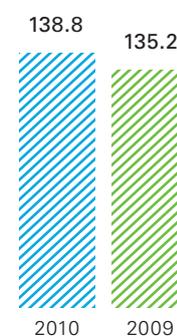
Cash flow statement, MIBRAG

	2010	2009	change
	Euro million	Euro million	Euro million
Cash flow from current business activities	113.7	131.5	-17.8
Cash flow from investment activities	- 43.4	-32.5	-10.9
Cash flow from financing activities	- 90.9	-82.9	-8.0
Cash available at 1 January	37.4	26.6	10.8
Cash available at 31 December	16.8	37.4	-20.6

Finances*



EBIT



EBITDA

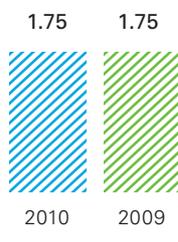
Figures in Euro million

Cash available at the end of the business year totalled Euro 16.8 million; this is Euro 20.6 million less than at 31 December 2009.

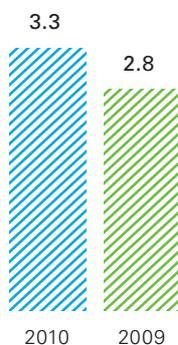
MIBRAG's financial situation was stable in the reporting period. A sufficient level of liquidity was always available to ensure payment of obligations.

The agreements made with the company's shareholders ensure that solvency is safeguarded into the future and guarantee MIBRAG's liquidity, with a tendency toward increase of the liquid assets. The profit and loss pooling agreement with JTSD ensures that MIBRAG will enjoy the support of JTSD in the event of liquidity shortage due to the loss absorption obligation. Without the payments made to JTSD under the profit and loss transfer agreement during the 2010 business year, MIBRAG would have had cash and cash equivalents at the end of the year at the same level as in 2009.

Accident statistics*



MIBRAG



Average for brown coal industry in Germany

Reportable accidents per million man-hours

Health, safety and fire prevention at work

A new health and safety protection regime was successfully introduced at MIBRAG in 2010. It is based on four core elements; safety, health protection, fire prevention and environmental protection.

2010 saw five accidents resulting in more than three days of absence from work, and so the company did not achieve its target quota of 1.25 accidents per million man-hours. Nonetheless, MIBRAG once again recorded a million man-hours without a reportable accident, which represents around four months. This was the tenth occurrence of this achievement in the company's existence.

Sickness figures, health centre and health programme

Although intensive efforts were made throughout the company to protect and improve the health of the employees, the sickness figures nonetheless increased slightly in 2010, reaching an average of 4.9 percent for the year. The increase in sick days is a trend in the German economy as a whole. MIBRAG sees the rise as a reason to examine its own activities connected with health protection and promotion, and to investigate potentials for improvement.

The age structure of the employees underlines the necessity of continuing the company's health programme, and in particular the importance of adapting it to address different age groups. In 2010, courses on active fitness, relaxation and healthy eating were once again offered to MIBRAG's employees. Also in place was a bonus system connected to a pension building block as an incentive for employees to organise small fitness groups in their free time.

The health centre was expanded with the acquisition of new fitness machines, while a comprehensive range of information material on health-related topics was available as part of the annual influenza inoculation drive.

Fire prevention

MIBRAG's facilities and plants were inspected by the company's fire insurance underwriters, who attested that the fire prevention and fighting capabilities in place are excellently organised.

Personnel

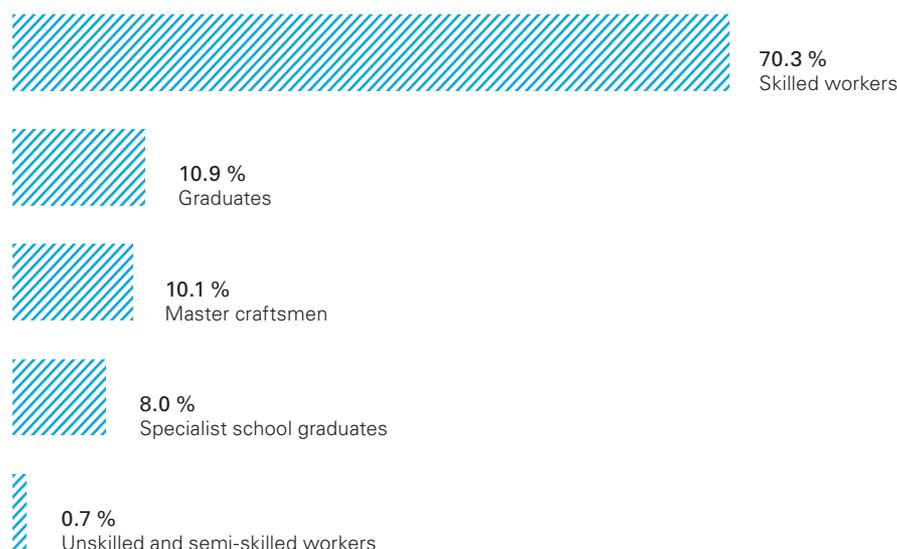
As at 31 December 2010, MIBRAG had a total of 2000 members of staff, including 151 trainees and 14 junior management trainees.

A total of 299 employees were incorporated into the company's part time working for older employees programme at the balance sheet key date, 76 in the inactive phase.

In the interests of securing a more balanced age structure within the company over the long term, MIBRAG was able to continue to offer older employees a graduated transition into retirement while opening up perspectives for young qualified personnel. In wage negotiations, it was agreed that every trainee who completes training at MIBRAG will be offered employment within the company.

MIBRAG's individually tailored junior management trainee program-

Qualifications of personnel*



me has shown itself to be an excellent introduction for graduates. The programme lasts two years, during which time the graduates have the opportunity to get to know the company. They work autonomously on finding solutions within projects and are given their own areas of responsibility. In 2010, ten graduates entered the programme; since 2002, 30 graduates have passed through the programme and have been taken on by the company on permanent contracts. These programmes are MIBRAG's approach to dealing with the challenge represented by demographic change, and they also promote active co-operation between younger and older members of staff.

MIBRAG also hosts interns, and supports student projects and dissertations.

In 2010, the company's suggestion scheme produced many proposals from personnel on ways of improving health and safety, increasing effectiveness and saving material and time. The majority of these suggestions were quickly put into practice so that MIBRAG could derive the greatest possible benefit from them.

Training and skills development

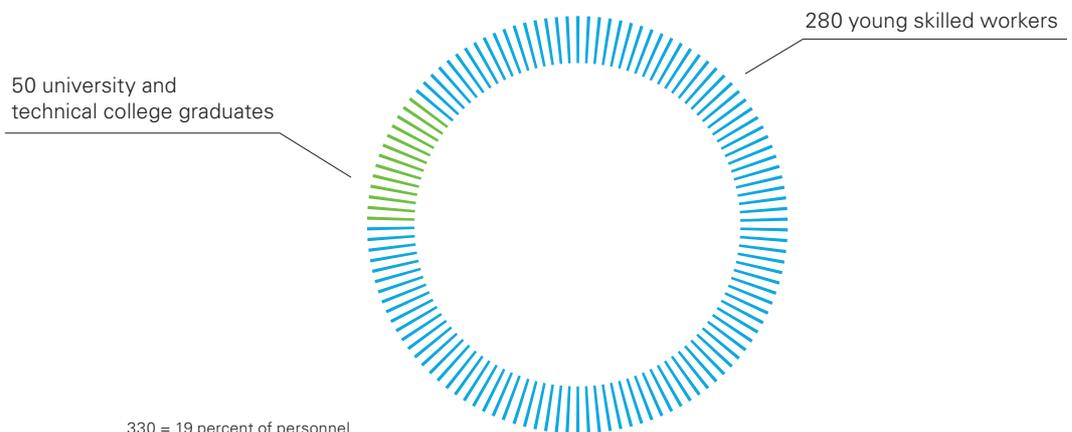
In the business year 2010, 49 trainees completed their training in the trades of industrial mechanic, electronics technician and office clerk.

The company is currently training young people in the following trades: industrial mechanic, electronics technician, office clerk, chemical laboratory technician, milling machine operator, well borer, and machine and equipment operator.

As at 31 December 2010, 151 young people were receiving vocational training at MIBRAG.

The company's internal training program gives every member of staff the opportunity to receive appropriate training and skills development. The offer was taken up by a total of 1810 participants in 307 courses in 2010.

New employees since 2001*



Fit for the future

In the summer of 2010, MIBRAG's management and staff began discussing various development options for the company and the region as part of a programme entitled "Fit für die Zukunft", or fit for the future. The programme's objective is to prepare the company for the challenges ahead in the light of rapidly changing circumstances, particularly with reference to demographic change, political decisions and changes among the company's customers.

The programme's activities concentrate on three strategic areas of action. The first of these – "Business" – focuses on developing potentials for increasing revenues and productivity. The second – "Organisation" – looks at ways of optimising operating processes within the company, while the third – "Menschen" – is dedicated to developing and making the most of the capabilities and skills possessed by the people who work at MIBRAG.

MIBRAG's personnel contributed actively to the programme and made a great number of suggestions. Core teams were created and assigned to the areas of action with the task of evaluating the ideas generated. Courses of action for the future will be developed from them.



Re-cultivation and immissions control

Work was done on a total of 325 hectares of land in the internal dumps in United Schleenhain and Profen mines in order to prepare them for later agricultural use.

The difficult weather conditions meant that work on agricultural land had to be carried out in restricted time frames. Subsoil could not be broken up to the planned extent on the new land. The soil geology was investigated in access areas for agricultural or forestry re-cultivation, and the re-cultivation work was planned as appropriate.

For the first time, agricultural land on the internal dump in Schleenhain was handed over to farmers. The first package totalled 30.0 hectares, and preparations were made to enable a further 30.0 hectares on Profen internal dump to be farmed beginning in 2011.

Track and road construction in the mines was limited by the weather, as was ditch-digging. Nonetheless, it was possible to largely conclude the work begun on the track network, including the water discharge system for Profen's internal dump.

Planting was carried out on an area of 1.6 hectares around Pödelwitz in United Schleenhain mine, and more preparatory work was done in the course of the year.

A total of 155.0 hectares was temporarily greened in both mines in order to improve immissions control. Of this, 110.0 hectares was in the operating areas in the Schwerzau field in Profen mine.

Risk and opportunity management

MIBRAG's central risk management structure undertakes the task of co-ordinating and monitoring for risk reporting in the business units, whereby the early identification of risks is incorporated into operational processes. Regular analysis of the company's circumstances and monitoring of critical risk factors is used as the basis for constantly updating the risk inventory in collaboration with the risk managers.

Potential negative deviations from the company's plans are evaluated in terms of probability of occurrence and potential for loss. Risks assessment incorporates short-term perspectives and long-term planning, and also includes residual risk after taking into account the effectiveness of any countermeasures undertaken. Operational and technical measures are introduced to limit risks as soon as any with a high probability of occurrence and potential for loss are identified, or they are taken into account in the company's balance sheet. Insurance coverage for liability and operational risks was also updated in connection with financing terms to remain in line with risk exposure.

Nonetheless, the political framework continues to take less and less account of the needs of brown coal mining, in particular long-term planning security. This factor is exacerbated by the fact that a large part of the framework is now determined on the European level and does not have a sufficiently regional outlook.

Similarly, brown coal is given inadequate consideration in the German government's Energy Concept. In the longer term, this will hinder the necessary investment in environmentally-friendly technologies which would permit the most to be made of the only subsidy-free, economically viable raw material and fuel available in Germany in sufficient quantities, and so will have a significant impact on MIBRAG's revenues.

MIBRAG has grasped the opportunities deriving from the politically-supported promotion of renewable energy sources. To this end, the company's product portfolio was extended by the establishment of MIBRAG Neue Energie GmbH, the subsequent commissioning of the first three wind generators, and the commencement of planning for a photovoltaic park at the Groitzscher Dreieck site.

Nonetheless, it must be stated that the inadequacies in the electricity grid in conjunction with increasing amounts of energy from renewables being fed into the grid has led to changes in the operating regime at power stations supplied by MIBRAG. This negatively affects the plannability of sales in the short and medium terms.

In the fourth Quarter of 2010, the German government passed several amendments to the law governing taxation on electricity and energy. These meant that energy-intensive manufacturing industry is now facing increased costs and, in view of the speed with which the amendments were implemented, MIBRAG was practically unable to react. The changes represented a further obstacle to the competitiveness of German industry.

MIBRAG countered climatic risks, heavy precipitation, storms, the early onset of winter and geo-technical risks with stricter safety standards.

Risks arising from the condition of plant were evaluated as relatively low on account of the comprehensive investment programme and continuous maintenance, particularly in the mines, together with regular inspection and servicing. Spare parts with long delivery times were purchased strategically.

The repair work and malfunctions in MIBRAG's power stations showed that a dramatically reduced pool of potential power station equipment suppliers also entails risks. The availability of expertise, especially for turbine and control systems, is now limited on the service market, and there is a serious shortage of proficiency with the old technology still in use. The unsatisfactory quality of some contracted work and long delivery times caused extra costs and long downtimes.

Risks arising from legal proceedings were taken into account as appropriate.

Outlook 2011

Despite the continuing comprehensive reconstruction programme in Schkopau power station and the long-term standstill of one boiler in Lippendorf power station, deliveries of raw brown coal in 2011 are still expected to be 17.1 million tonnes; when supplies to MIBRAG's own power stations and coal for refining are taken into account, this will mean a total coal production of 19.6 million tonnes. This forecast also gives due consideration to past experience with electricity fed into the grid from renewable sources. Producing this amount of coal will require the movement of overburden to be increased above last year's level.

Working on the basis of steady electricity generation, 90.0 percent of electrical energy destined for sale has already been presold, thus creating planning security with regard to the expected revenues.

MIBRAG has purchased all the additional CO₂ certificates necessary to generate electricity as planned. Nonetheless, the operating regimes in MIBRAG's own power stations will be adjusted to reflect price developments on the electricity market, and other market-oriented energy management options will continue to be exploited.

A recovery of the pulverized fuel market is expected as the wider economy continues to improve.

Briquette production is due to recommence by the end of the first Quarter of 2011.

As a result of the effects of changes made to the balance sheet items which will have an effect in 2011 and increased external liabilities (tax on electricity), MIBRAG does not expect a result at the level of 2010. However, the overall positive trend will not be significantly dampened by these developments. The stability of sales expectations gives cause to forecast that operative cash flows will also continue to develop in the years to come.

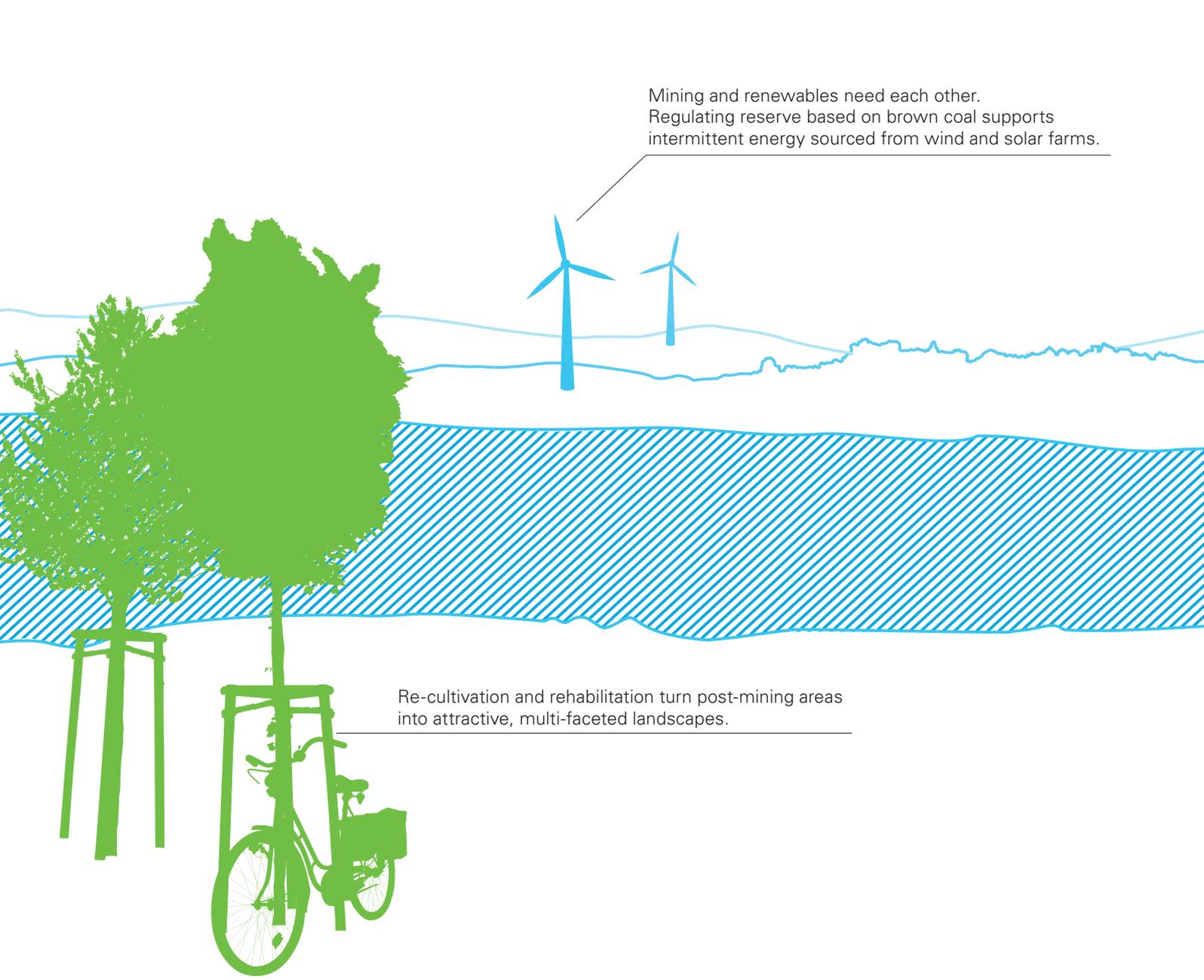
Although all details of the CO₂ certificate allocation plan for the period after 2013 are still not known, the company nonetheless must make decisions now regarding its future. Against this background, all the certificates forecast to be needed for the second trading period have already been acquired, and those required in the first years of the third period will be purchased depending on market developments.

Although the frame conditions are still uncertain, MIBRAG nevertheless considers the chances of constructing the new power station at Profen to be realistic. Highly efficient, flexible brown-coal fired power stations will continue to be required in the future to compensate for fluctuating feed-in from renewable sources, and MIBRAG believes that this factor, combined with the advantages of the location and the project's conformity with planning regulations, are favourable to the construction.

The measures necessary for exposure work to begin in the Peres field of United Schleenhain mine will continue, with the goal of being able to commence regular production of coal there in 2021.

Events subsequent to reporting date

No events of particular importance in the meaning of § 289 (2)(1) HGB [Commercial Code] occurred between the balance sheet key date and the compilation of the annual report.



Mining and renewables need each other.
Regulating reserve based on brown coal supports
intermittent energy sourced from wind and solar farms.

Re-cultivation and rehabilitation turn post-mining areas
into attractive, multi-faceted landscapes.

“Mining is more.”

Mining has a significant impact on its surroundings. Producing brown coal has a number of regional economic effects in the immediate environs and beyond. Brown coal and the value added chain based on it is about more than providing the region with energy, however – it also provides jobs, creates purchasing power and so raises quality of life. Dialogue-based, interactive and respectful relations with local people are fundamental to modern mining, and in consequence, pollution protection, re-cultivation and social commitment are central to MIBRAG’s way of working. And the new business area of MIBRAG Neue Energie GmbH is playing an ever-more complementary role, starting with the new “Am Geversberg” wind farm.

The Mondsee swimming lake near Hohenmölsen close to the Profen mine is one of the most popular recreation areas in Saxony-Anhalt.



MIBRAG helps **guarantee** economic **development** in the **region.**

The Mayor



MIBRAG is more than just a company in our region that happens to have a site in Elsteraue: it's also a company that is active in so many ways and forms on behalf of our communities, villages and organisations. For example, there was the 3rd "Dank an die Region" concert held in the mine, the photo exhibition called "Leben mit dem Tagebau" (Living with the Mine) and support for our clubs, associations and local fire brigades.

Last year saw the foundation of a citizens' contact group which responds quickly and un-bureaucratically to residents' queries and questions, helping to find solutions together. It's another example of mutual trust and respect at work.

Manfred Meißner, Mayor of Elsteraue

The Marketer



MIBRAG's success is closely linked to our business partners' success. Stable and dependable partnerships are the basis of the way we work.

Intensive customer care means that we can always react swiftly and flexibly to our customers' changing needs and to fluctuations on the energy market. Our partners profit from our development of new products, the option of putting together packages of solutions and the price stability of raw coal, our main product, over the long term.

Ulrich Single, Head of Marketing

The Planner

Mining means constantly adapting to new circumstances and changing conditions – from the exploration phase through to returning land to use after mining has finished. MIBRAG has reliable partners in this respect.

Our collaboration with universities, colleges and renowned engineering consultancies means that the latest ideas are always permeating into what we do. For example, together with the Saxon Academy of Sciences in Leipzig and the Helmholtz Centre for Environmental research, also in Leipzig, we are working on using renewable raw materials in post-mining landscapes. We are also benefitting from the expertise at the Freiberg University of Mining and Technology and the know-how on process technology concentrated at Merseburg University of Applied Sciences within joint research into using brown coal as a raw material.

Andreas Günther, Head of Technical Planning



The Businessman

MIBRAG provides reliable, quality-assured supplies of raw coal, pulverized fuel, electricity, and heat to its customers. The long-term contracts in place in turn provide a secure foundation for the company's mining activities going forward.

The stable link between supplier and consumer means that MIBRAG is a guarantor for the economic development of the region: 20 percent of the value added in the area south of Leipzig derives from it.

Any number of regional economic effects can also be shown. Among them are our contributions to employment, social welfare and the treasury, as well as our involvement in sport and culture.

Dr. Bernd-Uwe Haase, Commercial Director







Financial statement

FOR THE BUSINESS YEAR 2010

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from 1 January – 31 December 2010
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Balance sheet at 31 December 2010

ASSETS	31.12.2009	
	Euro	Euro
A. FIXED ASSETS		
I. Intangible fixed assets		
1. Trademarks and similar rights and values, licences to such rights and values	165,143,963.40	180,989,177.03
2. Goodwill	11,013,826.42	16,520,739.63
	176,157,789.82	197,509,916.66
II. Fixed assets		
1. Land, relocation work and mine property	110,151,245.67	118,600,752.79
2. Buildings	39,811,225.67	39,276,431.04
3. Mine exposure	54,514,594.38	57,173,185.38
4. Technical plant and machinery	177,029,455.73	171,941,827.68
5. Other plant, production and office equipment	21,712,057.44	19,707,371.97
6. Advance payments and construction in progress	17,906,495.28	19,810,249.15
	421,125,074.17	426,509,818.01
III. Financial assets		
1. Interests in affiliated companies	2,975,727.68	1,000,374.50
2. Loans to affiliated companies	220,000,000.00	70,000,000.00
3. Investments	11,612,878.52	12,381,875.67
4. Loans to companies in which an interest is held	5,311,123.27	3,049,473.80
	239,899,729.47	86,431,723.97
	837,182,593.46	710,451,458.64
B. OVERBURDEN	23,142,373.00	164,516,783.00
C. CURRENT ASSETS		
I. Inventory		
1. Raw material, consumables, supplies	5,335,697.48	3,832,916.41
2. Finished products	2,246,838.78	1,841,900.08
3. Emissions allowances	25,097,120.40	20,939,388.64
4. Advance payments	0.00	112,650.00
	32,679,656.66	26,726,855.13
II. Accounts receivable and other assets		
1. Accounts receivable trade	40,827,204.04	39,981,997.11
2. Accounts receivable from affiliated companies	10,166,192.61	966,852.19
3. Accounts receivable from companies in which interests are held	1,125,814.45	1,026,408.63
4. Other assets	10,784,206.66	15,720,220.85
	62,903,417.76	57,695,478.78
III. Cash balance, cash at banks	16,834,568.79	37,443,125.33
	112,417,643.21	121,865,459.24
D. ACCRUALS	10,327,180.60	8,226,197.13
	983,069,790.27	1,005,059,898.01



LIABILITIES	31.12.2009		
	Euro	Euro	Euro
A. EQUITY			
I. Subscribed capital	30,700,000.00		30,700,000.00
II. Capital reserves	295,613,132.41		295,613,132.41
	326,313,132.41		326,313,132.41
B. SPECIAL ITEM FOR INVESTMENT SUBSIDIES AND ALLOWANCES			
	200,840,173.96		222,179,438.37
C. PROVISIONS			
1. Provisions for retirement funds and similar obligations	5,000,424.65		11,470,474.85
2. Provisions for tax	4,467,301.84		4,760,148.30
3. Provisions for environmental legacies and mining obligations	102,395,003.63		230,987,452.81
4. Other provisions	42,742,461.26		42,401,287.81
	154,605,191.38		289,619,363.77
D. ACCOUNTS PAYABLE			
1. Liabilities to credit institutes	219,738,000.00		65,781,426.64
2. Accounts payable trade	12,213,059.39		13,147,317.02
3. Liabilities to affiliated companies	52,154,260.75		76,214,362.09
4. Liabilities to companies in which interests are held	1,646,945.76		1,774,978.89
5. Other accounts payable	15,554,003.77		10,028,096.20
taxes Euro 3,093,581.19 (prev. yr. Euro 1,307,716.86)			
social security Euro 212,200.80 (prev. yr. Euro 65,073.44)			
	301,306,269.67		166,946,180.84
E. DEFERRALS			
	5,022.85		1,782.62
	983,069,790.27		1,005,059,898.01

Profit and loss statement for the business year 2010

	2009	
	12 months	6 months
	Euro	Euro
1. Sales revenues	387,111,965.03	196,265,650.00
2. Change in inventory of overburden and finished products	-140,969,471.30	196,941.04
3. Other capitalised work	288,491.09	159,736.48
4. Other operating income	41,898,032.45	18,514,206.44
	288,329,017.27	215,136,533.96
5. Material costs		
a) Costs of raw material, consumables and supplies	69,455,941.80	37,361,846.14
b) Costs of purchased services	48,581,193.37	23,033,328.17
6. Personnel costs		
a) Wages and salaries	83,585,127.34	39,190,003.53
b) Social security contributions and costs for retirement funds and for support of which for retirement funds Euro 3,768,804.81 (prev. yr. Euro 2,863,611.45)	28,377,190.78	14,524,988.81
7. Write-downs on intangible fixed assets and tangible fixed assets	66,992,399.64	36,854,910.85
8. Other operating costs	46,928,808.99	26,146,697.61
	343,920,661.92	177,111,775.11
9. Income from investments of which from affiliated companies: Euro 814,128.68 (prev. yr. Euro 0.00)	1,629,368.08	25,115.44
10. Income from loans from financial assets of which from affiliated companies: Euro 7,737,710.75 (prev. yr. Euro 95,825.46)	7,737,710.75	95,825.46
11. Other interest and similar income of which from affiliated company: Euro 501,517.58 (prev. yr. Euro 380,386.87)	8,233,015.78	980,398.62
12. Interest and similar expenses of which to affiliated company: Euro 208,285.37 (prev. yr. Euro 0.00)	19,319,370.32	2,305,671.61
	-1,719,275.71	-1,204,332.09
13. Income from ordinary business activities	-57,310,920.36	36,820,426.76
14. Extraordinary expenses	1,688,424.90	0.00
15. Taxes on income	-2,461.50	498,953.26
16. Other taxes	5,861,708.56	2,995,813.74
	5,859,247.06	3,494,767.00
17. Earnings transferred on grounds of profit and loss transfer agreement	70,178,215.91	33,325,659.76
18. Earnings	-135,036,808.23	0.00
19. Earnings carried forward from previous year	0.00	41,483,837.96
20. Withdrawals from retained earnings	135,036,808.23	0.00
21. Dividend payout	0.00	41,483,837.96
22. Net earnings	0.00	0.00

Cash flow statement 31 December 201

	thousand Euro
Annual result	0
Write-downs on fixed assets	66,992
Change in provisions	-1,667
Liquidation of special item for investment subsidies and allowances	-21,339
Profit/loss from disposals of fixed assets	-317
Increase/decrease of inventories, accounts receivable trade and other assets not allocated to investment or financing activities	-1,316
Increase/decrease of accounts payable trade and other liabilities not allocated to investment or financing activities	75,216
Non-cash income/expenses from BilMoG and valuation	-3,918
Cash flow from current business activities	113,651
Proceeds from disposal of tangible assets	1,771
Proceeds from disposal of intangible assets	0
Cash outflow for investments in tangible assets	-40,636
Cash outflow for investments in intangible assets	-1,074
Cash outflow for investments in financial assets	-3,843
Proceeds from disposal of financial assets	375
Cash flow from investment activities	-43,407
In-payment resulting from agreement of loans	250,000
Cash outflow for repayment of loans	-96,043
Repayment of loan to shareholders	70,000
Payment of loan to shareholders	-220,000
Transfer of earnings to shareholders	-94,809
Cash flow from financial activities	-90,852
Change in cash funds from cash transactions	-20,608
Cash funds at start of period	37,443
Cash funds at end of period	16,835

Notes

TO THE FINANCIAL STATEMENT FOR THE BUSINESS YEAR 2010

- I. Principles of the annual financial statement
- II. Accounting and evaluation methods
- III. Notes on the balance sheet
- IV. Notes on the profit and loss statement
- V. Other information

Appendixes:

Auditor's report

Statement of Assets and Liabilities

I. Principles of the financial statement

The annual financial statement of MIBRAG mbH – Mitteldeutsche Braunkohlengesellschaft mbH – was prepared according to the provisions of §§ 242 ff and §§ 264 ff HGB (Handelsgesetzbuch, German commercial code) and the GmbH-Gesetz (German Limited Liability Companies Act). The regulations for large capital companies apply.

The balance sheet is structured according to the provisions of § 266 (2) and (3) HGB. The general structuring principles in § 265 HGB were observed.

The structure of the balance sheet has been expanded with the addition of mining-specific items such as mine exposures, overburden and mining provisions. Explanations are given in the appendix.

The profit and loss statement was prepared using the total cost methods according to § 275 (2) HGB.

CONSISTENCY OF ACCOUNTING AND EVALUATION

In the 2010 business year, a different method was used for calculating overburden moved and its value. The deviation from the principle of consistency required according to § 265 HGB was rooted in the need to give attention to changed circumstances in mining geology and to modifications in the embankment system caused by planning and excavation requirements within the production process for brown coal. The change in the method used to account for and evaluate overburden during 2010 takes both excavation and changed production costs into consideration and improves the informative value and the industry-wide comparability of the item. The influence on the company's fixed assets, finance and revenue situation is recognized separately in the appendix.

COMPARABILITY WITH PREVIOUS YEAR'S FIGURES

In consequence of the provisions of the Bilanzrechtsmodernisierungsgesetz (Act to Modernize Accounting Law, BilMoG), the previous year's figures were not adjusted according to the second sentence of Article 67 (8) EGHGB (Act Introducing the German Commercial Code).

The previous year's figures for items which also were affected by changes in accounting and evaluation were not adjusted either. Any details and consequences for the comparison of figures with the previous year are explained in the following notes on the individual balance sheet and profit and loss statement items.

II. Accounting and evaluation methods

FIXED ASSETS

The intangible assets acquired were activated at acquisition cost and are subjected to linear depreciation over the usual operating life.

Goodwill is written down over a period of 4 years.

On the basis of the agreement made in 2002 between the Bundesanstalt für Vereinigungsbedingte Sonderaufgaben (federal privatisation agency after reunification, BvS), MIBRAG B.V. Amsterdam and MIBRAG mbH as a supplement to the privatisation agreement of 18/19 December 1993, intangible assets and immovable property rights were recognized with acquisition costs of Euro 251.7 million and Euro 140.5 million. The write-down is linear over 18.75 years.

LOW-VALUE ASSETS

Low-value goods with a value of up to Euro 150 are written off completely in the year of purchase; they are assumed to have been disposed of immediately. Goods with a value of more than Euro 150 and up to Euro 1000 are collected in a compound item for the year and written down over 5 years at 20 percent per year.

OVERBURDEN

The movement of overburden is advance work performed in preparation for minerals extraction in coming periods. This means that the costs incurred are part of production costs and must be recognized as such.

On account of changes to the embankment system necessitated by planning and production requirements but not classifiable as preparatory work, the amount of overburden moved was lower. The movement of overburden as part of work on the embankment system is not an economically valuable performance in preparation for minerals extraction in coming periods, as the embankment system is a technically necessary, sales-planning relevant minimum movement of overburden that does not entail production of minerals in the future.

Unlike the previous year, the definition of includable production costs for work performed in preparation for minerals production includes only the exploitation costs. Exploitation costs include individual and relevant overhead costs, and write-downs incurred in the exploitation process.

INVENTORY

Inventories of raw materials, consumables and supplies were valued at a moving average price observing the lowest value principle.

Inventory of raw brown coal is valued at production cost (full cost), i.e. inclusive of pro rata material and production overhead costs.

Coal dust was valued as without loss.

Emissions allowances held were entered according to IDW RS HFA 15. The emissions allowances purchased and held at the balance sheet key date were valued at purchase price under observation of the lowest value principle. Emissions allowances used were entered as appropriate in a new provisions item.

RECEIVABLES AND OTHER ASSETS

Receivables and other assets are entered at their nominal values. Perceivable risks are accounted for in specific provisions. In addition, the general financial risk is taken into account in the form of compounded provisions.

SPECIAL ITEM FOR INVESTMENT SUBSIDIES AND ALLOWANCES

Investment subsidies received after 1994 are recognized according to the operational life of the goods subsidised.

On grounds of the 2002 agreement between BvS, MIBRAG B.V. and MIBRAG GmbH, a special item at Euro 383.2 million corresponding to activated intangible assets and immovable property rights was created and subjected to linear write-down over 18.75 years in an analogous way to fixed assets.

PROVISIONS

Provisions were valued according to the second sentence of § 253 (1) HGB new version at the settlement amount using reasonable commercial judgement and including forecast increases in prices and costs.

Long-term provisions with a period of more than 12 months were discounted according to the first sentence of § 253 (2) HGB new version.

The option to retain provided for in Article 67 (3) EGHGB was exercised for provisions for expenses included in previous financial statements according to the first sentence of § 249 (1) or (2) HGB old version.

The option to retain according to Article 67 (1) EGHGB was not exercised for accumulated provisions (re-cultivation provisions). The yield resulting from liquidation was allocated to retained earnings without affecting income.

Allowances in kind arising from the current wage agreement are allocated to provisions for retirement funds and similar obligations. The calculation for provisions for anniversary bonuses, allowances in kind and pension commitments was carried out according to actuarial principles.

Provisions for retirement funds were valued according to § 249 (1) in conjunction with § 253 (1) HGB. The guideline tables 2005G by Prof. Dr. Klaus Heubeck and an actuarial interest rate of 5.15 percent were used as the basis for the calculation. Reinsurance coverage was taken out to provide hedging. Insofar as the conditions of § 246 (2) in conjunction with § 266 (2a) are fulfilled, the provision is shown netted with the corresponding asset value of the reinsurance.

Provisions for partial retirements are valued according to § 249 (1) in conjunction with § 253 (1) HGB. The guideline tables 2005G by Prof. Dr. Klaus Heubeck, an actuarial interest rate of 4.8 percent

and a projected wage increase of 2.0 percent per annum were used as the basis for the calculation.

Tax provisions are for tax on income and expected property tax arrears.

LIABILITIES

Liabilities are valued at their settlement amounts.

CURRENCY CONVERSION

Assets and liabilities held in foreign currency are always converted at the average spot exchange rate on the balance sheet key date.

HEDGES

Hedge accounting is undertaken. In event that the compensating value changes arising from the hedged risk are not balanced, the net hedge presentation method is used. Balanced value changes are presented without influence on the profit and loss statement.

III. Notes on the balance sheet

1. FIXED ASSETS

The development of the individual items in fixed assets is presented in Appendix 2 to this supplement as "Statement of Assets and Liabilities."

In accordance with the third sentence of § 253 (2) HGB, extraordinary write-downs on the lower fair value of land were carried at Euro 1,718,000 in the business year.

2. FINANCIAL ASSETS

Income from investments in affiliated companies increased as a result of the issue of a loan to MUEG and the purchase of shares in GLG.

The increase in other loans is the result of the issue of a loan to the stockholders amounting to Euro 220,000,000.

Statement of investments according to § 285 No. 11 HGB:

	Equity thousand Euro	Holding %	Income thousand Euro	Book value of holding thousand Euro
Affiliated companies				
MIBRAG Neue Energie GmbH, Zeitz	- 77	100	- 102	25
GALA-MIBRAG-Service GmbH, Elsteraue	1,185	100	604	1,185
Montan Bildungs- und Entwicklungsgesellschaft mbH, Zeitz	674	100	102	25
Gröbener Logistik GmbH, Gröben	2,509	100	87	1,740
Investments				
MUEG Mitteldeutsche Umwelt- und Entsorgung GmbH, Braunsbedra	17,702*	50	1,416*	6,740
Ingenieurbüro für Grundwasser GmbH, Leipzig	490*	25	144*	19
Fernwärme GmbH Hohenmölsen-Webau, Hohenmölsen	4,407*	49	170*	4,851

*as per 2009 financial statement

3. OVERBURDEN

The change in overburden inventory by Euro 129,430,000 to Euro 141,374,00 results from the change in the accounting and valuation methods used in respect of this mining-specific item. In consequence, a cost of Euro 129,430,000 arising from the change in accounting and evaluation methods occurs in the balance sheet under results of operations.

4. INVENTORY

Write-downs at the lower fair value of Euro 4,800,000 were entered for the business year. The main share of this (Euro 4,649,000) consisted of emissions allowances purchased.

5. ACCOUNTS RECEIVABLE AND OTHER ASSETS

Receivables from the shareholders amounted to Euro 7,604,000.

Other assets include input tax refund claims of Euro 408,000 (previous year: Euro 403,000) that are not yet existent.

Accounts receivable and other assets include assets with a remaining period of over 1 year amounting to Euro 5,228,000 (previous year: Euro 11,275,000).

6. ACCRUALS AND DEFERRALS

The accruals and deferrals item includes an up-front fee of Euro 3,321,000 (previous year: Euro 213,000) pursuant to § 250 (3) HGB. This is recorded in the profit and loss statement as scheduled annual depreciation and amortization.

7. EQUITY

Equity amounts to Euro 30,700,000 and was fully available. Resulting from the application of the new commercial valuation under BilMoG, Euro 135,037,000 was allocated to other retained earnings and withdrawn again in the 2010 business year.

8. SPECIAL ITEM

The special item amounting to Euro 21,339,000 was liquidated in the business year as scheduled.

9. PROVISIONS

The following table shows the composition of provisions:

PROVISIONS	31.12.2010	31.12.2009
	Euro thousand	Euro thousand
Provisions for environmental legacies and mining obligations	102,395	230,988
Provisions for retirement funds and similar obligations	5,000	11,471
Tax provisions	4,467	4,760
Other provisions	42,743	42,401
of which:		
Partial retirement	(19,016)	(15,585)
Contingent liabilities	(24)	(208)
Deferred compensation/target agreement	(2,190)	(1,902)
Anniversaries	(857)	(1,066)
Consultancy, legal, auditing, year end closing costs	(1,255)	(1,678)
Neglected maintenance	(0)	(912)
Return of emissions allowances	(16,332)	(14,227)
Other	(3,069)	(6,823)
	154,605	289,619

PROVISIONS FOR PENSIONS AND SIMILAR OBLIGATIONS

Details for accounting according to second sentence of § 246 (2) HGB

	Euro thousand
Settlement amount of allocated debt	7,985
Fair value of assets	7,467
Allocated expenses	1,098
Allocated yields	545

10. ACCOUNTS PAYABLE

	of which remaining term				30.12.2009
	31.12.2010	up to 1 year	1 to 5 years	over 5 years	
	Euro million	Euro million	Euro million	Euro million	Euro million
Liabilities to credit institutions	219,738	22,500	197,238	0	65,781
Accounts payable trade	12,213	12,107	106	0	13,147
Liabilities to affiliated companies	52,154	52,154	0	0	76,214
of which:					
Accounts payable trade	(1,696)	(1,696)	0	0	(1,101)
Liabilities to shareholders	(50,178)	(50,178)	0	0	(74,809)
Liabilities to companies in which interests are held	1,647	1,647	0	0	1,775
Other accounts payable	15,554	15,554	0	0	10,028
of which:					
Taxes	(3,094)	(3,094)	0	0	(1,308)
Social security	(212)	(212)	0	0	(65)
	301,306	103,962	197,344	0	166,945

Endorsements of Euro 210,000 were being drawn upon at the key date.

11. GUARANTEES

Guarantees	Euro 0.028 million
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The objective is to safeguard the planned generating regime in MIBRAG's power stations. The current market value of these forward contracts at the key date was Euro 25,000.

12. OTHER FINANCIAL LIABILITIES

The total of other financial liabilities resting on the company as at 31 December 2010 is Euro 104,372,000. This amount results largely from the contractually agreed purchase of emissions allowances for the coming emissions periods.

For future supply of emissions allowances

The reduced free allocation of CO₂ emissions allowances in the second trading period 2008 to 2012 means that MIBRAG has significant costs arising from the need to purchase additional allowances. In order to safeguard cost-effective generation of electricity for its own use (coal production) and for sale to third parties (chiefly enviaM), MIBRAG is concluding forward purchasing contracts for the acquisition (physical supply) of these allowances within the framework of its risk management strategy. This approach is designed to counter the price risks entailed by the purchase of the allowances needed in the future.

13. DERIVATIVE FINANCE INSTRUMENTS

For future sales of electricity

As part of its energy management regime, MIBRAG has hedged against risks arising from the volatility of prices on the spot market by concluding forward contracts with enviaM for the supply of electricity.

So-called CO₂ certificates have been purchased in advance of the emissions allowances that will be needed. These certificates serve solely to entitle the company to acquire the allowances required to generate electricity. The certificates are recognized in the balance sheet on the grounds that the market value had dropped at the key date only insofar as no hedge existed according to the net hedge presentation method. Future purchase costs are shown under other financial liabilities. At the balance sheet key date, the negative fair value of the CO₂ certificates is Euro 12,460,000.

For the supply of EU emissions credits

In order to ensure additional liquidity, in 2009 MIBRAG concluded swap agreements (so-called maturity SWAP CER) for the supply of EU emissions credits with a credit institute. The sale of emissions credits will generate immediate liquidity on the one hand and the re-acquisition in 2011 or 2012 at an agreed fixed price below the sale price negates the risk of price volatility. These unreal repurchase transactions are recognized in the balance sheet and the changes in value caused by them are noted in the profit and loss statement.

For consolidated loan agreement of 25 March 2010 with Commerzbank AG

The consolidated loan agreed in 2010 exposes MIBRAG to an interest rate risk on account of the variable reference rate for the loan. Hedges in form of fixed-for-floating swaps were put in place to reduce this risk. The objective is to compensate higher interest payments caused by a rising reference rate with revenues from concurrent swap transactions. The basis of this business is the hedging letter to the credit agreement of 25 March 2010 pursuant to § 24.25 a. The reference interest rate is as with 3M-Euribor loan agreements and MIBRAG is currently paying interest at 1.6661 percent. The interest rate hedge runs from 30 June 2020 to 31 March 2015. The positive fair value of the interest rate hedges at the balance sheet key date is Euro 1,263,000.

IV. Notes on the profit and loss statement

The figures for the previous year refer to the abbreviated business year 1 July to 31 December 2009.

1. SALES REVENUES

Sales revenues are achieved predominantly in Germany, whereby MIBRAG's products and services are sold almost exclusively in the new Länder, primarily Saxony-Anhalt, Saxony and Thuringia.

	31.12.2010	31.12.2009 6 months
	Euro thousand	Euro thousand
Revenues from sale of raw coal and coal products including recharges	328,337	164,747
Revenues from sale of energy/heat/condensate including recharges	48,711	27,004
Other products and services	10,064	4,515
	387,112	196,266

The item "Other products and services" comprises in particular revenues from the sale of associated minerals and water.

2. OTHER OPERATING INCOME

The out-of-period income included in other operating income amounts to Euro 6,426,000 and is mainly the result of reimbursements of payments to the mining employers' liability insurance in 2009 (Euro 3,321,000) and refunds of expenses in previous years (Euro 2,649,000).

The liquidation of provisions results in income of Euro 4,371,000.

3. OTHER OPERATING COSTS

The out-of-period expenses included in other operating costs amounting to Euro 181,000 are for services performed in the previous year for which no provisions were made.

4. EXTRAORDINARY EXPENSES

Extraordinary expenses of Euro 1,688,000 result from additions to provisions within the framework of the first application of HGB in the version according to BilMoG.

5. TAXES ON INCOME

	31.12.2010	31.12.2009 6 months
	Euro thousand	Euro thousand
Corporate tax	0	253
Trade tax	-2	246
	-2	499

V. Other information

PERSONNEL

Average number of personnel

(not including trainees and interns)

	31. 12. 2010	31. 12. 2009 6 months
Waged employees	1,300	1,288
Salaried employees	540	537
	1,840	1,825
Trainees	148	167

EXECUTIVE BOARD

The members of the Executive Board are listed in Appendix 1 to this supplement, "Organs of the Company".

No advances or loans were made to the members of the Management Board.

SUPERVISORY BOARD

The members of the Supervisory Board are listed in Appendix 1 to this supplement, "Organs of the Company".

Total remunerations to the Supervisory Board were Euro 185,000. No advances or loans were made to the members of the Supervisory Board.

GROUP RELATIONS

The annual financial statement for MIBRAG mbH will be incorporated into the group annual financial statement for JTSD Braunkohlebergbau GmbH, Zeitz. The group annual financial report is available for inspection in the electronic Federal Gazette.

The JTSD group financial statement will be incorporated in the group annual report of ČEZ a. s., Prague as the head of the group according to the equity method. The ČEZ statement will be compiled according to the provisions of the International Financial Reporting Standards required to be used in the EU.

RELATED PARTY TRANSACTIONS

There are no transactions with related parties that have come into existence under unusual circumstances.

AUDITOR'S FEES

The fees paid to the auditors do not have to be reported as these are included in the annual group financial statement for JTSD Braunkohlebergbau GmbH.

Zeitz, 27 January 2011

Mitteldeutsche Braunkohlengesellschaft mbH

Dr. Joachim Geisler Horst Schmidt Heinz Junge

Auditor's report

WE HAVE ISSUED THE FOLLOWING AUDITOR'S REPORT FOR THE ANNUAL FINANCIAL STATEMENT AND ANNUAL REPORT:

"We have audited the annual financial statement – consisting of balance sheet, profit & loss statement and appendix – including the accounting and the annual report of Mitteldeutsche Braunkohlengesellschaft mbH, Zeitz, for the business year from 1 January to 31 December 2010. According to the provisions of German commercial law, accounting and compilation of the annual financial statement are the responsibility of the legal representatives of the company. We were commissioned to carry out an audit and provide an evaluation of the annual financial statement including the accounting and annual report.

We have carried out our audit of the annual financial statement in accordance with § 317 HGB (Commercial Code) and observing the German GAAP drawn up by the Institute of Public Auditors in Germany (IDW). These state that the audit is to be planned and carried out in such a way that inaccuracies and offences with significant effect on the representation of company given by the financial statement compiled in accordance with the GAAP and by the assets and financial and revenue situation of the company detailed in the annual report are shown with adequate accuracy. In determining the audit procedures, information pertaining to the audited company's business activities and to the legal circumstances of the company is taken into account, as are expectations regarding potential misstatements. The effectiveness of internal controlling systems regarding billing and evidence supporting the statements is assessed in the accounting, the financial statement and the annual report largely on the basis of random sampling. The audit includes evaluation of the accounting principles applied, review of the significant assessments made by the company's legal representatives and appraisal of the overall representation in the annual financial statement and report. We are of the opinion that our audit provides a sufficiently stable basis for our judgement.

Our audit gave rise to no objections.

In our judgement made on the basis of the audit carried out by us, the annual financial statement complies with the statutory regulations and provides on the basis of the GAAP a picture of the assets, financial and revenue situation of the company that is a true representation of the circumstances. The annual report is consistent with the annual financial statement, provides a truthful picture of the position of the company and properly depicts future opportunities and risks.”

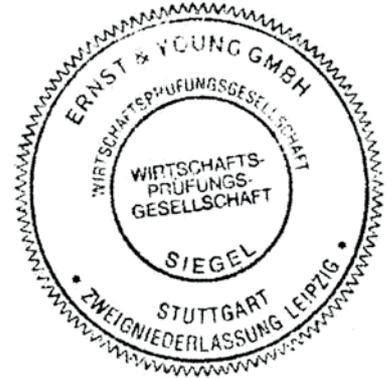
Leipzig, 29 January 2011
Ernst & Young GmbH, Auditors



Pester
Auditor



Zätzsch-Loos
Auditor



Development of fixed assets in business year 01.01.2010 - 31.12.2010

BALANCE-SHEET ITEM	ACQUISITION & PRODUCTION COSTS				As at 31.12.2010
	As at 01.01.2010	Additions	Disposals	Transfers	
I. Intangible fixed assets					
1. Concess., tradem., licences	312,296,053.79	1,074,362.84	4,391.30	857.18	313,366,882.51
2. Goodwill	22,027,652.84	0.00	0.00	0.00	22,027,652.84
3. Advances to supply	0.00	0.00	0.00	0.00	0.00
Total intangible assets	334,323,706.63	1,074,362.84	4,391.30	857.18	335,394,535.35
II. Fixed assets					
1. Real property / rights equivalent to real property	198,779,066.18	1,286,348.74	1,227,393.98	1,309,682.26	200,147,703.20
2. Buildings	132,598,163.43	1,434,322.19	2,507,178.02	2,063,872.97	133,589,180.57
3. Mine exposures	76,210,625.71	0.00	0.00	0.00	76,210,625.71
4. Tech. plant & machinery	919,258,359.70	17,565,772.88	13,226,236.11	12,109,829.06	935,707,725.53
5. Other plant, operating & business	113,824,126.27	4,955,615.58	3,435,648.26	1,813,095.64	117,157,189.23
6. Plant under construction	19,810,249.15	15,393,583.24	0.00	-17,297,337.11	17,906,495.28
Total tangible assets	1,460,480,590.44	40,635,642.63	20,396,456.37	-857.18	1,480,718,919.52
III. Financial assets					
1. Shares in assoc. companies	1,000,374.50	1,206,238.33	0.00	769,114.85	2,975,727.68
2. Loans to owners for 1+ yr	0.00	220,000,000.00	0.00	0.00	220,000,000.00
3. Shareholdings	12,381,875.67	117.70	0.00	-769,114.85	11,612,878.52
4. Loans to companies in interests are held	3,049,473.80	2,636,596.85	374,947.38	0.00	5,311,123.27
5. Non-current securities	0.00	0.00	0.00	0.00	0.00
6. Other loans	70,000,000.00	0.00	70,000,000.00	0.00	0.00
Total financial assets	86,431,723.97	223,842,952.88	70,374,947.38	0.00	239,899,729.47
Total fixed assets	1,881,236,021.04	265,552,958.35	90,775,795.05	0.00	2,056,013,184.34

AMORTIZATION & DEPRECIATION						BOOK VALUE	
As at 01.01.2010	Additions after A&D	Disposals	Transfers	Write-ups	As at 31.12.2010	As at 31.12.2010	As at 01.01.2010
131,306,876.76	16,916,751.00	0.00	708.65	0.00	148,222,919.11	165,143,963.40	180,989,177.03
5,506,913.21	5,506,913.21	0.00	0.00	0.00	11,013,826.42	11,013,826.42	16,520,739.63
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
136,813,789.97	22,423,664.21	0.00	708.65	0.00	159,236,745.53	176,157,789.82	197,509,916.66
80,178,313.39	9,840,243.21	0.00	22,099.07	0.00	89,996,457.53	110,151,245.67	118,600,752.79
93,321,732.39	2,959,336.18	0.00	2,503,113.67	0.00	93,777,954.90	39,811,225.67	39,276,431.04
19,037,440.33	2,658,591.00	0.00	0.00	0.00	21,696,031.33	54,514,594.38	57,173,185.38
747,316,532.02	24,390,597.90	0.00	13,066,486.12	37,626.00	758,678,269.80	177,029,455.73	171,941,827.68
94,116,754.30	4,719,967.14	0.00	3,353,963.65	-37,626.00	95,445,131.79	21,712,057.44	19,707,371.97
0.00	0.00	0.00	0.00	0.00	0.00	17,906,495.28	19,810,249.15
1,033,970,772.43	44,568,735.43	0.00	18,945,662.51	0.00	1,059,593,845.35	421,125,074.17	426,509,818.01
0.00	0.00	0.00	0.00	0.00	0.00	2,975,727.68	1,000,374.50
0.00	0.00	0.00	0.00	0.00	0.00	220,000,000.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	11,612,878.52	12,381,875.67
0.00	0.00	0.00	0.00	0.00	0.00	5,311,123.27	3,049,473.80
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	70,000,000.00
0.00	0.00	0.00	0.00	0.00	0.00	239,899,729.47	86,431,723.97
1,170,784,562.40	66,992,399.64	0.00	18,946,371.16	0.00	1,218,830,590.88	837,182,593.46	710,451,458.64

in Euro



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July

Strong team: The people at MIBRAG form a strong team, and this asset again manifested itself outside the company's day-to-day activities. The 9th MIBRAG Picnic on 31 July became another big family event when more than 1300 "MIBRAGians", their partners and children took over the Mondsee swimming lake near Hohenmölsen for a day of fun and relaxation in glorious sunshine, with entertainments and amusements for all ages.

Every individual counts: Roswitha Uhlemann, chair of the Works Council, is convinced of the importance of participation: "If the atmosphere at work is good and the opinions of everyone on the staff count, then we on the Works Council feel we've really achieved something. That's why we think it's good that events like the annual picnic take place. The MIBRAG family comes together for a day away from work, barbecuing together and enjoying fun and games for all ages. The MIBRAG team contributes to the company's success, year in, year out, and every individual counts. A strong company in the region is the guarantee of development and growth."

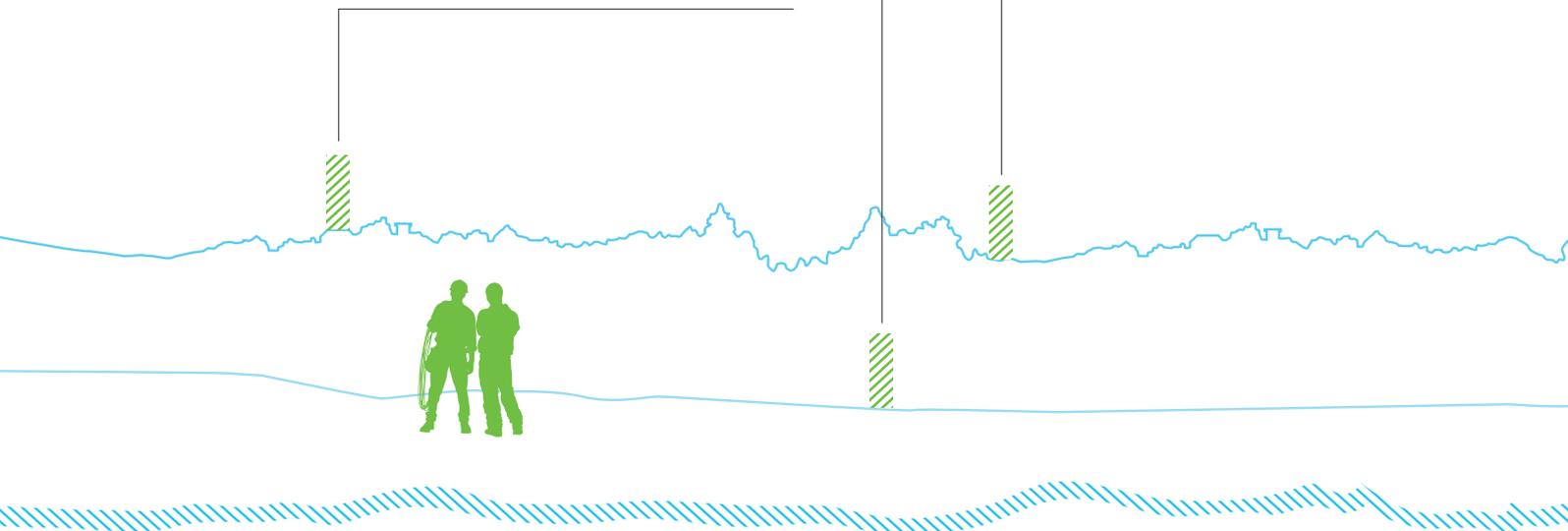


August

A warm welcome: On 9 August, 41 young people received their articles of apprenticeship at MIBRAG's training centre. The new intake from Saxony, Saxony-Anhalt and Thuringia will receive training in six different skilled jobs. The training lasts for between two and three-and-a-half years and, after completion, the chances of moving straight into full-time employment are high.

September

A window into the past opens: MIBRAG and archaeologists presented the first results of five years' exploration and study around the site of the village of Heuersdorf. The archaeologists used their time in the area before it is given over to mining activities to investigate how life was lived there in the past. The main focus was on the Tabor Church and its crypt and graves.



December

St. Barbara's Day: ROMONTA, LMBV and MIBRAG are dependable partners, employers and training providers in central Germany. Together, they offer people in the region bright prospects; so says the report on the future of the central German mining district that was presented at the traditional St. Barbara's Day festivities on 3 December, when around 500 guests from the worlds of business, research and politics came together with representatives of the three mining companies to celebrate the day of the miners' patron saint for the 21th time.

Calculated decision: Horst Schmidt, MIBRAG's Technical Director and Managing Director of MIBRAG Neue Energie GmbH in its year of establishment, is delighted with the first investment in a new area of activity.

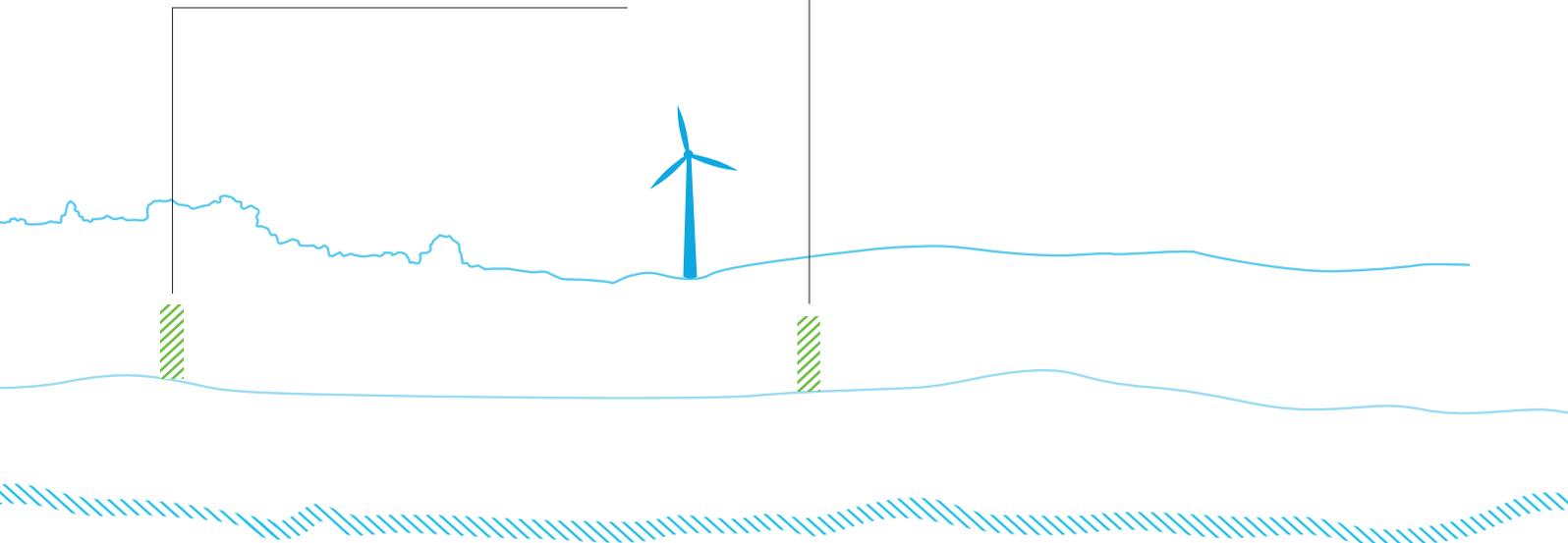
"The "Am Geysersberg" wind farm is the first project the new MIBRAG subsidiary has realised. It was a calculated decision. Of all the renewable sources of energy, wind has the greatest potential in Germany, and that's why we have been operating an onshore wind farm since December. MIBRAG has suitable sites, an innovative management regime and will generate the investment itself through its own stable business."

First MIBRAG wind farm goes online: Three wind generators with a total output of 6.9 megawatts went online on 8 December. Located on the Schleenhain dump near Groitzsch, the wind farm is the first project realised by MIBRAG Neue Energie GmbH, a wholly-owned MIBRAG subsidiary. It is also the first physical expression of MIBRAG's position with regard to renewables.



October

Rejuvenating large machines: MIBRAG completed the general overhaul of two large machines in United Schleenhain mine after just 6 months. It was the most complex repair and modernisation work yet undertaken, and at times involved up to 80 specialists from companies in the region. The cost of the investment was Euro 9 million, but the greatest challenge was the precision planning of the work and the maintenance of high safety standards. The thoroughly overhauled machinery went back into service on 4 October.



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