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FUTURE

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MANAGEMENT REPORT

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Basic principles of the Company

ESTABLISHMENT, PURPOSE AND BUSINESS MODEL OF THE RAG-STIFTUNG

On the basis of the agreements on coal policy, the RAG-Stiftung was established on 26 June 2007 with an endowment capital of EUR 2.0 million as a legally capable foundation under civil law and with its headquarters in Essen. Using the principles of corporate responsibility, its mandate is to manage the adjustment process in German coal mining until the end of 2018 and ensure the further development of the Evonik Group (Evonik).

The RAG-Stiftung's objective is the transition, management and support of the German coal mining industry bundled within the RAG Group (RAG), subject to the legal and other conditions for the socially responsible discontinuation of subsidised coal mining in Germany. This also involves support in eliminating and avoiding subsequent costs of coal mining within RAG to the environment within the framework of the legal obligations. A further purpose of the RAG-Stiftung is the promotion of education, science and culture in connection with German coal mining in the mining regions of North-Rhine Westphalia and Saarland.

The RAG-Stiftung's business model aims to ensure the financing of perpetual obligations of RAG's coal mining activities with the proceeds from the sale of shares in Evonik Industries AG and their reinvestment, with dividends from Evonik Industries AG and other investment income, as well as with revenue generated from its diverse financial assets. In accordance with this business model, our primary objective is to finance the cash outflow, which will increase with inflation from 2019, for the sustainable financing of perpetual obligations initially averaging approximately EUR 224 million p.a. from investment income and financial assets.

The RAG-Stiftung ensures the sustainable financing of the perpetual obligations resulting from RAG's coal mining operations

RESPONSIBILITIES OF THE RAG-STIFTUNG'S MANAGEMENT BODIES

The Board of Trustees monitors the Foundation's Board of Executives in its management of the RAG-Stiftung's operations.

The articles of association cover the holding and administration of a stake in Evonik Industries AG, also after the stock market flotation in April 2013. In accordance with Section 12 of the articles of association, the Foundation's Board of Executives' decision on the extent of the participation in Evonik Industries AG requires the agreement of the Board of Trustees. Decisions which fundamentally change the Foundation's net assets, financial or earnings position, or which change the creation of the budget, or significant deviations from the budget, require the agreement of the Board of Trustees. In accordance with the clause stipulating the approval of the Board of Trustees, the Board of Trustees is unable to impose additional business operations on the Foundation's Board of Executives.

The Foundation's Board of Executives manages the RAG-Stiftung's business operations and is its legal and extrajudicial representative. The Foundation's Board of Executives manages the RAG-Stiftung according to the Foundation's purpose and articles of association on its own responsibility.

CHANGES TO THE RAG-STIFTUNG'S MANAGEMENT BODIES

Following the 2013 elections in the German Bundestag and the nomination of ministers to Angela Merkel's cabinet in her third term of office, the following changes took place to the ex officio members of the RAG-Stiftung's Board of Trustees: Sigmar Gabriel, Minister of Economic Affairs and Energy replaced Dr Philipp Rösler, Former Minister of Economics and Technology. The RAG-Stiftung's Board of Trustees now includes the following members:

- ▲ Hannelore Kraft, MdL, Premier of the State of North Rhine-Westphalia
- ▲ Annegret Kramp-Karrenbauer, MdL, Premier of the State of Saarland
- ▲ Dr Wolfgang Schäuble, MdB, Minister of Finance
- ▲ Sigmar Gabriel, MdB, Minister of Economic Affairs and Energy
- ▲ Michael Vassiliadis, Chairman of the mining, chemical and energy industries trade union.

In 2013, there were no further changes to the other members who are:

- ▲ Lukas Beckmann, Managing Director of GLS Treuhand e.V.
- ▲ Dr Burckhard Bergmann, former CEO of E.ON-Ruhrgas AG
- ▲ Christoph Dänzer-Vanotti, Lawyer
- ▲ Dr Jürgen Großmann, former CEO of RWE AG
- ▲ Ralf Hermann, Chairman of the Group Works Council of Evonik Industries AG
- ▲ Ludwig Ladzinski, member of the Executive Board of the mining, chemical and energy industries trade union (IG BCE)
- ▲ Prof. Andreas Pinkwart, Rector of the HHL Leipzig Graduate School of Management
- ▲ Harry Kurt Voigtsberger, Former Minister of State

The Board of Trustees is chaired by Dr Jürgen Großmann; Michael Vassiliadis is Deputy Chairman.

There were no changes to the Executive Board of the RAG-Stiftung. Its members are:

- ▲ Dr Werner Müller, Chairman of the Executive Board
- ▲ Dr Helmut Linssen, Chief Financial Officer
- ▲ Bärbel Bergerhoff-Wodopia, Personnel Director

INVESTMENT PORTFOLIO

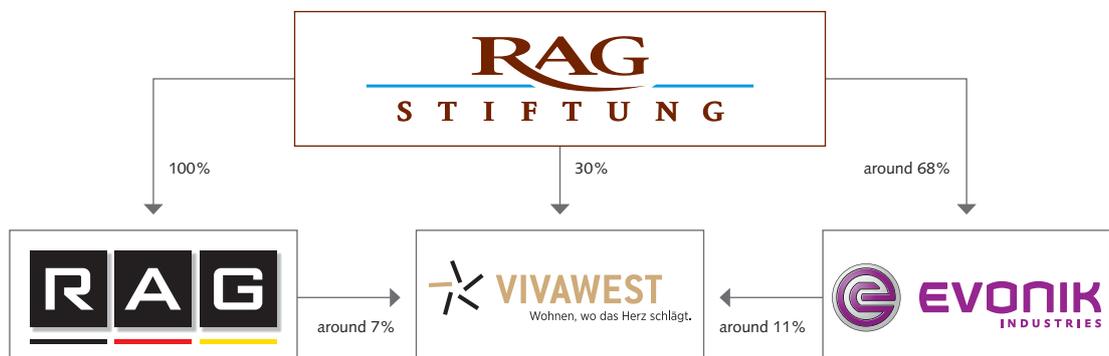
The RAG-Stiftung's major holdings are RAG Aktiengesellschaft (RAG AG), Herne, Evonik Industries AG, Essen, and Vivawest GmbH, Essen.

The RAG-Stiftung holds all direct and indirect shares in RAG AG. Coal mining is RAG's primary business activity.

The RAG-Stiftung indirectly holds just under 68% of the shares in Evonik Industries AG. Evonik Industries AG is the holding company of the globally active Evonik Group (Evonik), focusing on speciality chemicals.

The RAG-Stiftung has an indirect stake of 30% in Vivawest GmbH (Vivawest). With around 120,000 apartments in its portfolio, Vivawest is Germany's third-largest housing provider.

INVESTMENT PORTFOLIO



Economic report

OVERALL STATEMENT ON THE COURSE OF BUSINESS

2013 was a successful year for the RAG-Stiftung. We fulfilled our primary task, which was to secure and increase the capital stock to finance the perpetual obligations. The most important event was the successful, staggered placement of shares in Evonik Industries AG with institutional investors associated with the start of trading of the shares on the stock markets in Frankfurt am Main (prime standard) and Luxembourg on 25 April 2013. In the process, the RAG-Stiftung sold just under 33 million shares, equivalent to 7.08% of the Evonik shares. The Evonik share was taken up by the Deutsche Börse in the MDAX on 23 September 2013. At the same time, the Evonik share was taken up into the STOXX Europe 600 and in the corresponding sub-indexes, including the DJ STOXX 600 ChemicalsSM. Another important event for the RAG-Stiftung was the signing on 5 July 2013 of the purchase agreement for the acquisition of 30% of shares in Vivawest GmbH from Evonik Industries AG. The purchase price of EUR 909 million is concordant with the proportional and objective valuation of the company as ascertained by experts. The purchase price was paid on conclusion of the purchase agreement on 17 July.

The provision for perpetual obligations increased to almost EUR 3.8 billion

As in previous years, the RAG-Stiftung worked very efficiently, undercutting the budget in administrative expenditure.

KEY PERFORMANCE INDICATORS: FORECAST AND ACTUAL VALUES

in EUR million	2013	Forecast for 2013	2012
Financial performance indicators			
Net profit or loss for the year	0.0	constant	0.0
Addition to provision for perpetual obligations	1,190.6	moderately increasing	193.2

We were able to significantly increase the provision for perpetual obligations by EUR 1,190.6 million to a current total of EUR 3,763.6 million.

With regard to our capital assets in the RAGS-FundMaster special fund, the various asset classes developed differently in 2013: while the equity mandates generated just under 20% increases in value and the material assets mandates (private equity/infrastructure) also increased by over 10%, the global bond mandates lost between 1% and 2% as a result of interim interest rate increases. Both mandates with European corporate bonds gained between 1% and 2%; US corporate bonds by contrast lost just under 1%. Overall, a return of 2.7% was generated in the bond portfolio.

As in the previous year, EUR 1.5 million was made available – in line with the articles of association – to sponsor projects in the areas of education, science and culture. The sponsorship concerned four topic areas:

1. Sponsoring the legacy of mining

Sponsorship of the exhibition on the legacy of mining in Saarland which began in 2012, was continued in 2013 at the request of the Saarland state government.

Further sponsorship was extended for the city of Bottrop's museum for prehistory and local history to support the restoration and redesign of the museum's exhibits. The museum exhibits important natural history finds that provide a clear picture of the formation of coal in the Ruhr area. The role coal plays as a raw material and economic factor is a focal point of the new museum design.

The RAG-Stiftung supports both the transitional period in the mining regions and the preservation of the legacy of coal mining

The preservation and maintenance of the mining legacy against the background of the imminent discontinuation of German coal mining is a central task of the RAG-Stiftung, which it carries out by supporting mining-related educational and cultural institutions. These include the Library of the Ruhr Foundation, the foundation for industrial heritage preservation and the Zollverein foundation. Funds were made available to the Industriedenkmalpflege Stiftung to support the "Zollverein and the industrial-cultural landscape of the Ruhr area" world heritage expansion application project. The Zollverein foundation is involved with the "Welterbe Zollverein – Mittendrin" world heritage project with the aim of strengthening the relationship with the newly named district of VI Zollverein. The RAG-Stiftung also provided funds for a history project involving residents of the district.

2. Accompanying the transition

The endowed professorship for geological engineering and post-mining studies, sponsored by the RAG-Stiftung for five years from 2012, for the development of a post-mining centre of excellence at the Technische Fachhochschule Georg Agricola (Georg Agricola University of Applied Sciences) in Bochum has gained new importance after accreditation of a relevant Master's degree course. The course addresses scientific issues relating to the post-mining age and perpetual obligations.

The RAG-Stiftung is also involved in initiatives focused on shaping the transition period in the areas affected by pit closures. As part of the associated "InnovationCity Bottrop" project, the Foundation approved a two-year sponsorship in 2011 for a Zentrum für Information und Beratung (centre for information and advice) as a contribution towards stimulating the project. The demand for advice from the population, and in particular from many mining families, exceeded expectations. Additional funds were therefore made available for 2013.

3. Promoting the education of young people

The RAG-Stiftung is helping to compensate for the loss of training and education provision in mining by promoting educational projects. Fostering talent in schools and through vocational training is particularly important for the mining regions. In connection with this, the RAG-Stiftung sponsored Initiativkreis Ruhr's "TalentMetropole Ruhr" initiative in 2013 with the "Get Ready" project and the "JOBLINGE" module, in which secondary school pupils and school-leavers without any qualifications are offered career support and help in their search for apprenticeship places.

Further financial support was given to scholarship programmes. These programmes also extend to school pupils and students from mining areas. Payments were made to the University of Duisburg-Essen, the Technische Fachhochschule Georg Agricola in Bochum and to StudienStiftungSaar in support of the Germany Scholarship for a total of 30 students. A new addition is the German School Scholarship in Saarland, which the Roland Berger Foundation has been establishing since mid-2013 in Saarland for a total of 30 pupils. The pupils come from low-income families who are unable to adequately nurture their children's talent. The RAG-Stiftung is committed to building up this scholarship programme.

The RAG-Stiftung has again sponsored Teach First Germany in the Ruhr area – as it has done for several years. With the support of the ministry of education in North-Rhine Westphalia, this project places university graduates in schools in the Ruhr area as fellows for two years. They are mainly placed in suburbs and towns in mining regions. The fellows support specialist teachers in their classes as supplementary teachers, and in special research programmes in the schools whilst also organising additional extracurricular activities.

4. Support for cultural institutions

The RAG-Stiftung supports cultural facilities that improve the attractiveness of the mining regions and contribute to the preservation of the cultural legacy of mining. The approval in 2013 of the ChorForum Essen for the preservation and furnishing of the former St Engelbert church is consistent with this principle. The facility will in future be available to mining choirs and orchestras as a cost-free venue for practice and events.

ECONOMIC CONDITIONS

After making little progress in the second half of 2012, the global economy also made a weak start to 2013. It accelerated slightly over the course of the year, but the annual average for 2013 of 2.5% meant slower growth than in the previous year, which saw only moderate growth of 2.6%.

Challenging overall global economic environment in 2013

The German economy improved over the course of 2013, although the expected upswing did not occur. The lowest growth rates since the economic and financial crisis were seen, where exports and industrial production in particular tended to be weak.

In Europe, and discounting Germany, consolidation towards reducing government debt continued to put a strain on demand and consumers as well as investors appeared extremely uncertain. However, in contrast with the previous year, the decrease in gross domestic product in Europe (except Germany) was stopped.

Production growth rates in the Asian emerging economies fell even more sharply than in the advanced economies. On the one hand there was a lack of stimulus in demand in the advanced economies, and on the other hand, domestic economic problems slowed growth. There were also periods of significant capital outflows in a number of countries over the summer.

Capital market situation

The situation on the capital markets is extremely relevant to the RAG-Stiftung as a major investor. In 2013, the significant influencing factors included the gradual economic revival in the industrial countries, coupled with the improvements in important early indicators and the monetary policy of important central banks. At the end of the year – later than initially advised – the US Federal Reserve limited the massive bond purchases, while the British and Japanese central banks continued their expansive monetary course. The ECB also reduced the key interest rate in two steps to a historical low. The European debt crisis also moved gradually into the background. In this environment, the development of the various asset classes was extremely varied during 2013:

Capital markets tense as a result of delayed economic recovery and a more relaxed monetary policy

Shares were the clear winner on the capital market in 2013. Government bonds of good credit-worthiness lost out due to the rise in the rate of interest, and inflation-proof bonds also experienced a disappointing year. While longer-term inflation expectations did not change significantly, investors priced in lower inflation rates, driven by falling prices of raw materials and by the pervasive expectation that inflation will remain under control despite the expansive monetary policy.

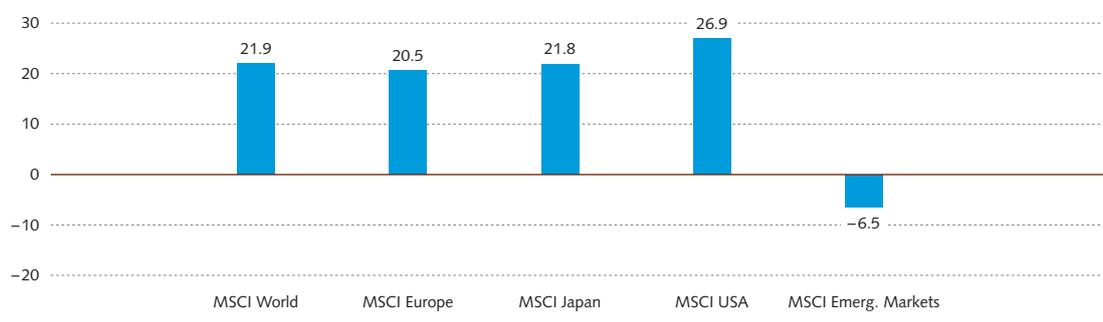
Upsurge in share prices in the industrial countries in 2013

Development of the stock markets in detail:

The international stock markets overall developed well in 2013. The MSCI¹ World gained almost 30% in local currency and just under 22% in euros. In Europe, the stock market (MSCI Europe) improved by a good 20%, and in the eurozone by a good 24%. In Asia, the MSCI Japan gained around 55% in local currency, and remained at plus 22% in euros. The stock market in the US developed very positively: the MSCI USA rose by almost 33% in US dollars, and in euros by just under 27%. In contrast, the emerging economies developed much more weakly: they improved slightly in local currencies, but lost 6.5% in euros. Latin American stocks were hit especially hard, losing 17% (in euros).

STOCK MARKET DEVELOPMENT 2013 IN EUROS

in %

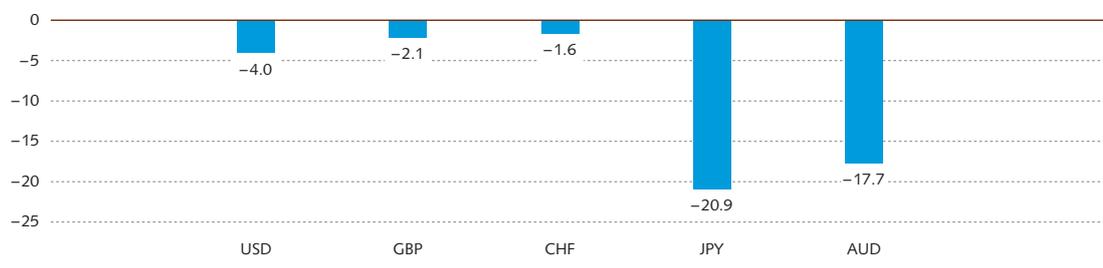


Significant appreciation of the euro in some areas in 2013

The euro made some significant gains against all relevant global currencies in 2013. The appreciation of the euro against the Japanese yen was particularly evident: it lost 21% against the euro, which had less to do with the eurozone than with the Japanese central bank's aggressive devaluation policy. The currencies of those countries dependent on raw materials also made significant losses against the euro. The Australian dollar was put under especially heavy pressure and lost a good 17% against the euro. The sharply falling prices of raw materials had a particularly strong impact. If we disregard these special factors, the currency movements were contained. The US dollar fell by 4.0%; the Swiss franc and the British pound dropped 1.6% and 2.1% respectively – overall a relatively stable currency framework.

STRONG EURO APPRECIATION IN 2013

Change in the exchange rate against the euro in %



¹ Morgan Stanley Capital International (MSCI) is a US financial services provider that calculates and publishes numerous international stock market indexes.

Apart from the Japanese bond market, which can almost be viewed as state-controlled, virtually all relevant government bond markets closed 2013 at their highest levels. In contrast, the performance of the bond markets was negative in 2013.

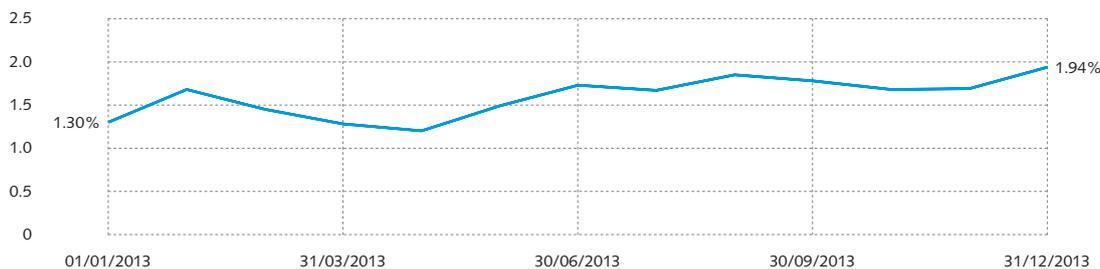
Bond markets
predominantly under
pressure in 2013

Development of the bond markets in detail:

- ▲ Those who invested exclusively in federal bonds suffered a negative performance of minus 2.3% in 2013.
- ▲ A significant increase was seen in the yield on the German ten-year benchmark bond. Yielding just 1.30% at the end of 2012, by the end of 2013 they had reached levels of 1.94%.
- ▲ The spreads of the periphery countries on the ten-year federal bond decreased significantly over the course of the year. Eurozone bonds therefore generally yielded a return in 2013 of plus 2.4%.
- ▲ US treasuries showed a performance of minus 7.6%, but still fared better than Canada (minus 12.8%), Australia (minus 17.5%) and Japan (minus 19.6%) (each in euros).
- ▲ The European real interest rates in AAA countries over the ten-year period were 0.71% and therefore above the year-end value of minus 0.21%. A thirty-year maturity term generated a real interest rate of 1.23% at the end of 2013.
- ▲ Inflation swaps, i.e. the inflation expected by the market, was at 1.90% at the end of December 2013 in the euro area for ten years, i.e. slightly below the previous year's value of 1.99%.

YIELD DEVELOPMENT OF THE TEN-YEAR FEDERAL BOND

in %



DEVELOPMENT IN THE HOLDING COMPANIES

RAG

The 2013 financial year for RAG met expectations and was satisfactory given the regulations stipulated by the agreements on coal policy. A balanced balance sheet result was also achieved during the year. This also necessitated withdrawals from revenue reserves as a result of the lower market prices and the resulting devaluation of inventories. The decreased sales were the result of agreed falling aid lines. These were also the reasons for the reduction in production and sales. Despite the expansion of renewable energies driven by the German Renewable Energy Act (EEG) and the resulting pressure on fossil fuels, both production and sales targets were achieved.

RAG: satisfactory
development

A programme of socially responsible workforce reduction and the use of proven instruments recently developed in the collective wage agreement of 2012, made it possible to scale down the size of the workforce more than expected during the reporting year.

The Supervisory Board decided on the closure of the Auguste Victoria mine on 11 December 2013. The mine will finally end production on 31 December 2015 and close on 1 January 2016.

Evonik: strategically very successful – financial profile improved

Evonik

2013 was strategically very successful for Evonik. Two long-term objectives were achieved: Evonik shares have been traded on the stock exchanges in Frankfurt (Prime Standard) and Luxembourg since 25 April 2013. Following the majority sale of real estate activities, Evonik is today purely a speciality chemicals company.

In operations, Evonik faced a more difficult overall economic environment than expected in 2013. This led overall to tangible pressure on the sales prices and significant price falls were seen for some important products. In contrast, the continued high demand for Evonik products was extremely pleasing and was also driven by global mega-trends. In reaction to the challenging environment, Evonik intensified its efforts to optimise its cost position. The sales and operating result decreased overall, however, compared with the excellent results from the previous year.

Despite the decreasing trend in operating business, Evonik maintained overall a pleasing level of earnings: the adjusted EBITDA margin reached 15.6% (previous year 18.5%) and at 14.5% (previous year 20.4%), ROCE was significantly above Evonik's rate of capital cost. The Group's result rose significantly from EUR 1.2 billion in the previous year to EUR 2.1 billion as a consequence of the gain on disposal of the majority sale of the real estate activities.

The financial profile was also improved once again and, at the end of 2013, Evonik had net financial assets for the first time as a result of the real estate transaction. With cash flow from operating activities of EUR 1.1 billion, the investments of EUR 1.1 billion – increased again as part of the growth course – could be fully financed. Evonik retains a robust investment grade rating.

Economic development in 2013 was overall successful, despite being weaker than in the very good previous year.

Vivawest

Vivawest: operatively slightly better than expected

The course of business over the short financial year from 1 April to 31 December 2013 was characterised by the inclusion in the Vivawest Group of the former subsidiaries THS and Vivawest Wohnen and their associated companies. This process had been prepared in the previous years and finally realised in summer 2013. This had a significant impact during the reporting year on the Vivawest Group's net assets, financial position and results position. The surplus dividend to the former sole shareholder in May 2013 and the necessary outside financing of EUR 650 million had a significant impact on the Group's capital structure.

The Vivawest Group's course of operating activities generally ran successfully in the reporting period. Carried by the robust earnings from the inventory management, the economic expectations of the property segment were slightly exceeded and supplemented by the income and earnings from the real estate sales. Together with one-off earnings in the mining follow-up management segment, this positive development fully compensated for the partly unsatisfactory course of business in the real estate services segment.

During the previous short financial year, the Group generated sales revenue of EUR 459 million and a Group result after taxes of EUR 402 million, of which some EUR 337 million can be attributed to non-cash income from the takeover of THS and Vivawest Wohnen with their subsidiaries.

EARNINGS POSITION

Income statement

RAG-STIFTUNG: INCOME STATEMENT

in EUR million	2013	2012	Change
Sales revenue	0.2	0.2	+0.0
Other operating income	921.9	1.0	+920.9
Personnel expenses	-6.0	-6.1	+0.1
Amortisation of intangible assets and depreciation of real estate, plant and equipment	0.0	-0.1	+0.1
Other operating expenses	-1,222.4	-206.7	-1,015.7
Investment income	295.6	200.7	+94.9
Revenue from other securities and loans as fixed assets, including interest income and amortisation of financial assets and securities held as current assets	16.9	14.4	+2.5
Result from ordinary activities	+6.2	+3.4	+2.8
Taxes	-6.2	-3.4	-2.8
Net profit (+) or loss (-) for the year	0.0	0.0	0.0

The "other operating result" of EUR 921.9 million was primarily the result of the gain of EUR 921.2 million from the sale of 32.997 million Evonik shares (7.08%) as part of the premarket private placement. EUR 0.5 million is attributable to the cost transfer of tax expenses to RAG AG and another EUR 0.1 million to the reversal of provisions.

Personnel expenses reported at EUR 6.0 million were reduced slightly compared with the previous year.

The other operating expenses primarily concerned the addition to the provision for perpetual obligations of EUR 1,190.6 million. In the previous year, an amount of EUR 193.2 million was added to this provision. Expenses for the premarket private placement and the floatation of Evonik Industries AG amounted to EUR 25.8 million.

The investment income of EUR 295.6 million is entirely attributable to the dividend of Evonik Industries AG for the 2012 financial year. The previous year's value of EUR 200.7 million was the remaining balance from the dividend payout from Evonik Industries AG of EUR 318.7 million and the loss of RAG AG amounting to EUR 118.0 million. This loss transfer to RAG-Stiftung took place as scheduled in the general agreements on coal policy.

The interest result was reported at plus EUR 16.9 million. This was mainly the result of earnings from securities and special real estate funds directly owned by the RAG-Stiftung and a tax-induced dividend from the RAGS-FundMaster special fund amounting to EUR 10.5 million. With a book value of EUR 1.55 billion, the majority of the capital assets are outsourced in this via a Master-KAG managed special fund. Investment income from the securities of the RAGS-FundMaster is only recognised as income for the RAG-Stiftung when it is distributed as a dividend.

Tax expenditure of EUR 6.2 million comprised EUR 5.6 million of income tax and almost EUR 0.6 million non-deductible VAT, a large proportion of which, however, could be passed on to RAG.

As in the previous year, the RAG-Stiftung ended the 2013 financial year with a balanced result.

Partial placement of Evonik shares facilitated a substantial increase in the perpetual obligations regarding capital stock

FINANCIAL POSITION

Principles and objectives of the RAG-Stiftung's financial management

The RAG-Stiftung's principle task is to finance the perpetual obligations following the discontinuation of subsidised coal mining in Germany. The funds required for this should primarily be generated through dividends and gains from the disposal of shares in Evonik Industries AG and their investments.

Pursuant to Section 3, Paragraph 6 of the articles of association, the RAG-Stiftung's assets must be invested in such a way as to ensure the greatest possible security and return with sufficient liquidity, whilst preserving an appropriate mix and diversification. The primary aim of the investment is the sustainable financing of the perpetual obligations. The risks and opportunities within the investment portfolio are optimised with the proviso that these obligations will remain covered. The cornerstones of the investment are therefore the assets and the expected inflow of funds, and the cash outflows for the perpetual obligations to be covered from 2019. To do this, the RAG-Stiftung's strategic investment policy builds on an asset-liability study, which describes the payment obligations and the inflow of funds expected in the future.

The Board of Trustees of the RAG-Stiftung approved general investment guidelines for the RAG-Stiftung (general investment guidelines) in 2008. These guidelines set the standards for investment, and define the principles of the investment policy and investment risk controlling. Furthermore, the investment guidelines serve as support for the persons and organisational units involved in the investment process by documenting clear principles for their investment activities. The investment company act (InvG) of 15 December 2003, which constitutes the legal framework for the RAG-Stiftung's investment, has been repealed by the German Bundestag. The InvG has been replaced by the German capital investment act (KAGB) of 4 July 2013. The regulations of the InvG and its terminology have been changed to some extent, necessitating an amendment to the KARL guidelines.

The RAG-Stiftung's investment strategy also provides for even wider diversification of investment across the various asset classes and investment markets, as well as the systematic further development of diversification in order to stabilise earnings and to react to the current uncertainties on the financial markets. In response to the current low rates of interest in general and to future inflation risks, the investments are to be further expanded into higher yielding tangible assets (including private equity, direct holdings and real estate). The implementation of this investment strategy also necessitated a change to the KARL guidelines.

The RAG-Stiftung's general investment guidelines were therefore adjusted correspondingly by a Board of Trustees resolution of 9 December 2013.

The rules and limits of these general investment guidelines apply to all of the RAG-Stiftung's investment activities. According to market values, 23% of these were invested in own holdings at the end of 2013 and 77% in the RAGS-FundMaster, a special fund managed by a capital investment company pursuant to the German capital investment act (KAGB).

Using just a single "global custodian" bank and a single master capital investment company creates the basis for a uniform risk controlling system and the transparent presentation of the total holdings of the RAG-Stiftung's investments.

As part of a regularly updated asset-liability study, the structures of the liabilities from the perpetual obligations are analysed and the profile of the payment streams to be paid by the RAG-Stiftung is determined. The RAG-Stiftung's investment strategy is examined and adjusted annually on this basis.

Over three quarters of capital assets were invested in the "RAGS-FundMaster"

In own holdings, investments are made according to a “buy-and-hold strategy”. It includes both nominal bonds of very good credit-worthiness and inflation-linked bonds, generating real interest income predominantly from sovereign borrowers, and thus interest income-generating bonds predominantly of sovereign borrowers. Investments were also made in special real estate funds and private equity funds.

Another EUR 300 million was added to the Master-KAG administered RAGS-FundMaster special fund in March 2013, ensuring the carrying amount totals EUR 1,550 million as of 31 December 2013. The market value at the same time was EUR 1,707 million.

Significant value increase in the special assets fund

The objective of risk controlling is to manage the results of investments and to avoid value adjustments. Regular risk reporting is made in a weekly and monthly risk report. The risk budget forms the basis for the management of the return portfolio, which is oriented to the risk-bearing capability. The capacity of the risk budget is regularly calculated and documented, while the current risk of the investment is measured using the value-at-risk (VAR) approach. In addition to the analysis of the current risk budget, the RAG-Stiftung's investments are analysed in relation to a number of key risk indicators such as rating, duration, modified duration and credit risk.

A coordinated capital investment takes place with the subsidiary RAG AG, affiliated via the controlling and profit transfer agreement. The same bank limits therefore apply to the term deposit investments of the RAG-Stiftung and RAG AG, and are regularly reviewed. The RAG-Stiftung's reporting system was also extended to cover RAG AG's investments.

Capital structure

As of the end of 2013, the RAG-Stiftung accounts for no financial liabilities. The liabilities side of the balance sheet is dominated by the provision for perpetual obligations. The term of this provision is infinite, and the duration amounts to more than 60 years.

Investments

The RAG-Stiftung invested EUR 1,284 million in 2013. This was primarily EUR 909 million for the purchase of 30% of the shares in Vivawest GmbH and EUR 300 million for the endowment of the RAGS-FundMaster special asset fund. The remaining EUR 75 million can be apportioned to the purchase of securities, primarily bonds, but also to withdrawals on a special real estate fund and private equity funds.

Investment characterised by the acquisition of a 30% stake in Vivawest

Liquidity

RAG-STIFTUNG: CASH FLOW STATEMENT (SUMMARY)

in EUR million	2013	2012	Change
Cash and cash equivalents at the start of the year	300.0	190.0	+110.0
Cash flow from operating activities	1,174.4	204.1	+970.3
Cash flow from investing activities	-1,284.2	-94.1	-1,190.1
Cash flow from financing activities	-	-	-
Liquid assets as of 31 December	190.2	300.0	-109.8

Starting from a balanced result for the year, which was corrected for non-cash transactions, cash flow from current operating activities amounts to EUR 1,174.4 million.

The negative cash flow from investment activities of EUR 1,284.2 million is primarily the result of the acquisition of shares in Vivawest GmbH for EUR 909.0 million and from the endowment of the RAGS-FundMaster special assets fund at EUR 300.0 million. Securities and borrower's note loans amounting to EUR 187.9 million were purchased. By contrast, bonds and borrower's note loans in the value of EUR 112.7 million matured in 2013. Fixed asset investments amounted to EUR 0.1 million.

As of 31 December 2013, cash amounted to EUR 190.2 million, of which EUR 39.6 million (previous year EUR 30.0 million) is in the financial account at RAG AG.

NET ASSETS

As of 31 December 2013 the total assets of the RAG-Stiftung amounted to EUR 3,883.9 million. This represents an increase in total assets over the previous year of EUR 1,084.7 million.

Assets – fixed and current assets

RAG-STIFTUNG: BALANCE SHEET

in EUR million	31/12/2013	31/12/2012	Change
Fixed assets	3,062.9	1,779.3	+1,283.7
Real estate, plant and equipment	0.2	0.2	0.0
Financial assets	3,062.7	1,779.1	+1,283.6
Current assets	821.0	1,019.9	-198.9
Receivables and other assets	149.4	142.7	+6.7
Securities	521.0	607.2	-86.2
Liquid assets	150.6	270.0	-119.4
Prepaid expenses	0.0	0.0	0.0
Total assets	3,883.9	2,799.2	+1,084.7

Significant accumulation of fixed assets

Financial assets primarily include long-term held securities of EUR 298.0 million and the Master-KAG administered special asset fund of EUR 1,550.0 million. The 30% stake in Vivawest GmbH, with acquisition costs of EUR 909.0 million, was also reported in fixed assets. Because the shares are to be retained over the long term, we list the 25.1% stake in Evonik Industries AG at EUR 305.5 million under financial assets. The remaining 42.81% of the shares are recognised under securities held as current assets, since these shares are being held for sale.

Receivables and other assets primarily include receivables due from revenue authorities for imputable tax of EUR 72.0 million and a total of EUR 74.4 million in receivables due from affiliated companies, of which EUR 39.6 million concerns the financial account of RAG AG.

Liabilities – equity, provisions and obligations

RAG-STIFTUNG: BALANCE SHEET

in EUR million	31/12/2013	31/12/2012	Change
Equity	2.0	2.0	0.0
Endowment capital	2.0	2.0	0.0
Provisions	3,793.6	2,595.5	+1,198.2
Pension provisions	3.6	2.7	+0.9
Tax provisions	24.0	17.3	+6.7
Provisions for perpetual obligations	3,763.6	2,573.0	+1,190.6
Other provisions	2.4	2.5	-0.1
Liabilities	88.3	201.7	-113.4
Total liabilities	3,883.9	2,799.2	+1,084.7

When the RAG-Stiftung was established it was endowed with an endowment capital (basic assets) of EUR 2.0 million, which has been retained in full.

For its obligations to RAG AG for the financing of perpetual obligations, the RAG-Stiftung reports as of 31 December 2013 a provision of EUR 3,763.6 million, an increase of EUR 1,190.6 million over the previous year's figure of EUR 2,573.0 million.

Provision for perpetual obligations was significantly increased

The amount of the perpetual obligations is primarily dependent on the future development of price and interest rates, as well as the development of the assessment base. Changes to these parameters have a crucial influence on the amount of the corresponding obligation. The exact accounting methods can be derived from the notes to the financial statements.

The provision for taxes was increased in 2013 by EUR 6.7 million. Other provisions mainly include provisions for services received but not yet billed.

The liabilities of EUR 88.3 million include obligations to Group companies affiliated for tax purposes of EUR 45.5 million, and EUR 42.7 million from tax obligations. The latter concerns VAT of EUR 19.7 million and EUR 22.9 million of capital gains tax and solidarity surcharge.

Significant non-financial issues

EMPLOYEES

The number of employees at the end of 2013 was 14; in the previous year, it was 16. Retired employees were replaced by the use of services from Group companies.

OCCUPATIONAL, HEALTH AND ENVIRONMENTAL PROTECTION

We make use of a modern corporate health management programme, which goes beyond traditional occupational health promotion. In addition to the medical check-ups available to employees, the care also provides both individual consultations and innovative prevention schemes. Qualified cooperation partners – in particular Evonik's medical services – offer a comprehensive range of preventative measures and health promotion.

No occupational accidents occurred during the reporting period.

RESEARCH AND DEVELOPMENT

Research and development does not take place at the RAG-Stiftung.

Risks and opportunities report

Risks and opportunities are systematically monitored and managed

The RAG-Stiftung has an opportunities and risk management system (referred to below as risk management). Risk management is understood as a continuous and dynamic process that begins with planning and impacts all areas consistently. The risk management system integrates all systematic measures into an overall approach for the purposes of identification, analysis, assessment, management and control of risks that could hinder the achievement of the RAG-Stiftung's objectives.

The standards of risk management are set out in the "Risk Management Guidelines". In addition to organisational security measures and internal control systems, the RAG-Stiftung's risk management also includes RAG Konzernrevision GmbH as a process-independent supervisory authority.

The head of "controlling, accounting and taxes" assumes the role of risk manager. He monitors risk management and coordinate reporting to the Board of Executives of the RAG-Stiftung about the opportunities and risks position of Evonik Industries AG, RAG AG and the RAG-Stiftung. The respective division heads of the RAG-Stiftung are responsible for the identification and assessment of risks, as well as the formulation and implementation of measures for risk management. The divisions of the RAG-Stiftung are charged with the following tasks and responsibilities with regard to risk management: monthly reporting on opportunities and risks as part of the monthly report, presentation of opportunities and risks as part of medium-term planning and immediate reporting to the Board of Executives where necessary.

In order to determine what risks most likely represent a threat to the objectives or the existence of the RAG-Stiftung, the risks are classified according to their probability of occurrence and their effects, related to the net assets, financial and results position. The scales for assessing both of these indicators are presented in the table below.

- Significant non-financial issues
- Risks and opportunities report

The RAG-Stiftung classifies the assessment of the probability of a risk occurring according to the criteria "rather unlikely", "possible" or "likely".

PROBABILITY OF OCCURRENCE

0% to 32%
33% to 65%
66% to 100%

CHANGE

Rather unlikely
Possible
Likely

The possible effects are assessed according to qualitative criteria of increasing value: "low", "moderate", and "significant".

DEGREE OF IMPACT

Low
Moderate
Significant

DEFINITION OF IMPACT

Low negative impact on the net assets, financial and results position
Moderate negative impact on the net assets, financial and results position
Significant negative impact on the net assets, financial and results position

According to their estimated probability of occurrence and their effects on the financial, asset and earnings position of the RAG-Stiftung, risks are classified as "high", "medium" or "low".

RISK CLASSIFICATION MATRIX

Probability of occurrence	66% bis 100%	Low	Medium	High
	33% bis 65%	Low	Medium	Medium
	0% bis 32%	Low	Low	Medium
		Low	Moderate	Significant
		Degree of impact		

The following major risk categories arise from the RAG-Stiftung's main risk areas:

RAG investment risk

The RAG-Stiftung and RAG AG concluded a control and profit transfer agreement on 24 September 2007. RAG's business risks therefore impact directly on the RAG-Stiftung.

RAG has an independent risk management system, as this is where the original risk responsibility for the business risks and their management lies. As a public limited company, RAG is subject to the new monitoring requirements of the German balance sheet modernisation act (BilMoG). This means that according to Section 107, Paragraph 3 AktG, the Supervisory Board is responsible not only for monitoring the accounting process, but is also obliged to address the effectiveness of the internal controlling system, the risk management system and the internal audit system. These requirements are met by representatives of the RAG-Stiftung in RAG AG's Supervisory Board. The RAG-Stiftung is kept informed with regular reports and checks the effectiveness of the risk management system using analyses of the risks and measures.

Five primary risk categories for the RAG-Stiftung

Risks for the RAG-Stiftung include the operating result risks from RAG's business activities and the cash outflows for perpetual obligations from 2019. These are dependent on the development of costs. The development in interest rates and costs are decisive factors determining the amount of provision required. Unfavourable economic developments may lead to a situation where the funds approved in the 2019 notification of approval to RAG for financing residual pollution and perpetual obligations are not sufficient. These can therefore – just like a depreciation of stocks for solid fuels due to a sharp price drop or losses in value of RAG AG's investments – affect the RAG-Stiftung's annual result via the controlling and profit transfer agreement. We currently assume that the financial framework of the German hard coal financing act is flexible enough to prevent risks arising from RAG's business activities from affecting the RAG-Stiftung.

Overall, the risks arising from the participation in RAG have a significant effect. Due to the existing German hard coal financing act, the set of agreements on coal policy it is based on and the agreements made and approvals received, as well as RAG's available operating and accounting counter measures, we assess the probability of occurrence of the risks described as rather unlikely. Overall, we classify this risk as a medium risk.

Evonik investment risk

The RAG-Stiftung is the majority stakeholder in Evonik. Evonik's business risks therefore also impact indirectly on the RAG-Stiftung. As a listed company, Evonik has an elaborate, independent risk management system. Pursuant to Section 107, Paragraph 3 AktG, Evonik's Supervisory Board is not only responsible for monitoring the accounting process, but is also obliged to address the effectiveness of the internal controlling system and the internal audit system. These requirements are met by Evonik's Supervisory Board. It is kept informed with regular reports and checks the effectiveness of the risk management system using analyses of the risks and measures. The divisions of the RAG-Stiftung support the members of the Supervisory Board in its analyses.

The RAG-Stiftung's 67.91% stake in Evonik is its principle asset. For every change of one euro in the Evonik share price, there is a change in the assets of the RAG-Stiftung of EUR 316 million. There is therefore a significant concentration risk associated with the Evonik holding. It is the intention of the RAG-Stiftung to meet this concentration risk by further reducing its investment in Evonik.

Due to its areas of activity, Evonik is constantly confronted both nationally and internationally with changing political, societal, demographic, legal and economic conditions. Market risks occurring as a result of volatility and cyclicity in the markets can generally arise in all segments. They can have a significant impact on the earnings situation. The occasional regional changes in economic demand can influence price and sales opportunities with a corresponding impact on results. Evonik confronts these risks by anticipating market developments and consistently developing its portfolio in accordance with its Group strategy.

The dividends the RAG-Stiftung receives from Evonik are a substantial component of the RAG-Stiftung's income. A worsening in Evonik's economic situation limiting Evonik's ability to pay dividends is a risk with significant ramifications for the RAG-Stiftung. Due to Evonik's diversified orientation as a speciality chemical company, we see the probability of this risk occurring as mid-range. Overall, we therefore classify the Evonik investment risk as a medium risk.

Vivawest investment risk

The RAG-Stiftung has a 30% stake in Vivawest. Vivawest's business risks therefore also impact indirectly the RAG-Stiftung. Vivawest has an independent risk management system, as this is where the original risk responsibility for the business risks and their management lies. Vivawest's Supervisory Board not only monitors the accounting process, but also addresses the effectiveness of the internal control, risk management and internal auditing systems. These tasks are carried out by the representatives of the RAG-Stiftung in Vivawest's Supervisory Board. The RAG-Stiftung is kept informed with regular reports and checks the effectiveness of the risk management system using analyses of the risks and measures.

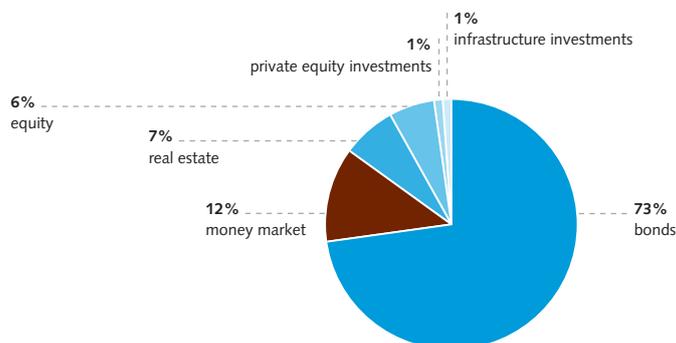
Due to its area of activities, Vivawest is highly dependent on the housing market in North-Rhine Westphalia. Risks arise in the medium term from demographic changes, and in the long term from changes in interest rates.

The distribution of profits the RAG-Stiftung receives from Vivawest are a component of the RAG-Stiftung's income. A worsening in Vivawest's economic situation is a risk with moderate repercussions for the RAG-Stiftung. Due to the non-volatile nature of Vivawest's business, we see the probability of occurrence as "rather unlikely". Overall, we therefore classify the Vivawest investment risk as low.

Investment risks

As of the end of 2013, over 70% of the RAG-Stiftung's capital was invested (without the investments in Evonik and Vivawest) in bonds, almost another 7% in special real estate funds and some 6% in equities funds. Somewhat more than 1% was attributable to private equity participations and just under 1% to infrastructure investments. The rest was invested on the money market. This asset allocation results in an unusual sensitivity to interest rates: rising market interest rates lead to negative market value changes, while falling rates lead to price gains.

STRUCTURE OF CAPITAL INVESTMENTS AT THE END OF 2013



Financial risks at the RAG-Stiftung generally concern borrowing and market price risks arising from the investment of financial resources to cover the provision for perpetual obligations. The aim of the Company's policy is to limit these risks with systematic risk management. This cannot mean the total exclusion of financial risks, but they are managed within defined limits. Monitoring its investments is an integral component of the RAG-Stiftung's daily business activities. The basis for managing investments is the relevant risk budget, which is oriented to the risk-bearing capacity and which in turn is determined by the RAG-Stiftung's investment committee. The capacity of the risk budget is regularly calculated and documented, while the current risk of the investment is measured using the value-at-risk (VAR) approach. In order to reduce financial risks, to carry out currency hedging and to flexibly adjust the asset classes when the risk budget is being used up, derivative financial instruments can also be used at the RAG-Stiftung.

By resolution of 9 December 2013, the RAG-Stiftung's Board of Trustees adapted the general investment guidelines for the RAG-Stiftung (general investment guidelines) which it approved in 2008. These guidelines set the standards for investment, and define the principles of the investment policy and investment risk controlling. The rules and limits of these general investment guidelines apply to all of the RAG-Stiftung's investment activities.

As of the end of 2013, over 75% of our capital assets was invested in the RAGS-FundMaster, a special fund managed by a capital investment company pursuant to the German capital investment act (KAGB). Various asset managers in this special fund have received specific investment mandates from the RAG-Stiftung. Each of these investment mandates is subject to investment guidelines that are in accordance with the RAG-Stiftung's general investment guidelines. The capital investment company is also obliged to ensure that these investment guidelines are adhered to at all times. All securities of the RAG-Stiftung are held in safe custody by a single, global custodian bank, which creates the basis for uniform risk controlling and transparent presentation of the RAG-Stiftung's total holdings.

When assessing investment risks overall, we classify the probability of occurrence as "possible" in view of the measures taken, and the degree of impact as "moderate" given the high level of diversification. Overall, we therefore classify the investment risk as a medium risk.

Perpetual obligations risk

On 13 November 2007, an agreement was signed between RAG AG and the RAG-Stiftung for the financing of the perpetual obligations arising from the mining operations of RAG (agreement on inherited liabilities). Perpetual obligations in this sense mean measures for the implementation of pit water management, groundwater purification at contaminated sites and measures for the management, processing or elimination of permanent damage in the form of subsidence of the ground surface caused by mining. With this agreement, the RAG-Stiftung releases RAG from its perpetual obligations from 2019 onwards. The future development of the perpetual obligations and the resulting risks and opportunities are therefore especially important. This development is primarily determined by the premises on which the authoritative report is based that may develop a significant leverage effect, such as price index, interest rate, and technical level.

The amount of the perpetual obligations as of the end of 2018 is the cash value of a perpetual series of payments, which will increase in line with the respective rate of price inflation from 2019. The cash value of a perpetual annuity is calculated by dividing the initial payment by the interest rate while taking the price increases resulting from the real interest rate, i.e. the difference between interest rate and price inflation, into account. The amount of the perpetual obligations is therefore particularly dependent on the future development of price and interest rates, in addition to the development of the assessment bases. As of 31 December 2013, a risk-free seven-year average interest rate of 3.51% (previous year 3.75%) and a price development of 2.21% p.a. (previous year 2.21%) were recognised, i.e. a real interest rate of 1.30% (previous year 1.54%). For the calculation of the perpetual annuity, this corresponds to a factor of approximately 77 (previous year 65) of the assessment basis. The changes in the obligations compared with the previous year primarily result from the change in the interest rate parameter and from slightly altered assessment bases for the perpetual obligations. If the real interest rate falls further, an indication of which is given by the application of a seven-year average interest rate pursuant to Section 253, Paragraph 1(1) HGB, the perpetual obligations will increase further in the next two years.

In the overall assessment of the risks arising from perpetual obligations, we classify the probability of occurrence as “likely”, but the degree of impact as only “moderate”. The provision requirement for perpetual obligations will probably increase again over the coming years depending on interest rates, then move at a constant or even a slightly falling level. Independent of this is our ability to finance the cash outflow – increasing with inflation from 2019 – for the sustainable financing of perpetual obligations of initially approximately EUR 224 million p.a. on average from dividends and investment income. Overall, we therefore classify the risk arising from the perpetual obligations as a medium risk.

Overall assessment of the risk and opportunities position

The RAG-Stiftung must finance the perpetual obligations of subsidised coal mining of RAG in Germany following its discontinuation. From a current perspective, the cash inflows from the disposal of other shares in Evonik Industries AG, from Evonik dividends and the dividends of the Vivawest holding, as well as from income from capital stock, are all sufficient to cover the expected cash outflows. Opportunities arise from a good development of the Evonik's share price and from a successful investment.

The overall assessment of the RAG-Stiftung's risk situation shows that the existing risks pose no threat to the existence of the RAG-Stiftung, either individually or combined given the measures taken and planned.

Outlook

For 2014 we expect a slight revival in global growth compared with 2013. Global gross domestic product is likely to increase by 3.3%. Economic development is likely to vary depending on region; the industrial nations in North America and Europe should contribute to the recovery of the global economy for the first time in years.

The global economy is likely to experience a slight revival in 2014...

This projection is characterised by a great deal of uncertainty. Global economic development could be subdued if the economic stimulus measures are phased out too quickly. In particular, the imminent return of the expansive monetary policy by the central banks could result in both weaker growth in North America as well as slower than expected growth in the emerging economies. The announcement alone of the withdrawal of “cheap money” could cause confusion on the capital markets.

...boosting the development of our investment income

In consideration of all aspects, we expect a dividend per share of Evonik Industries AG for 2014 no lower than that of the previous year and receipt of a dividend from Vivawest GmbH of over EUR 30 million. We also expect RAG AG to be able to achieve a balanced net result for 2014 due to the financial aid given in the notification of approval, the market income expected in coal, and through the use of accounting options; there is no impact on earnings for the RAG-Stiftung arising from the controlling and profit transfer agreement with RAG AG.

Ordinary capital income expected to be stable in 2014

The outlook for the development of the capital markets is difficult: along with the majority of experts, we expect a moderate rise in interest rates and slightly increasing share prices for 2014. The interest rate increase will negatively impact the performance of our bond investments. For 2014 we expect to achieve ordinary capital income of at least the level of the previous year. We expect continued robust value increases for our liquid assets. The investment market values significantly exceeded the carrying amounts at the end of 2013. We also expect this to be the case at the end of 2014.

OUTLOOK PERFORMANCE INDICATORS FOR 2014

in EUR million	Forecast for 2014	2013
Financial performance indicators		
Net profit or loss for the year	constant	0.0
Addition to provision for perpetual obligations	significantly falling	1,190.6

Overall we expect a balanced result for the RAG-Stiftung in 2014. We will likely be able to increase the provision for perpetual obligations by over EUR 330 million. The overall obligation for perpetual obligations will very likely continue increasing due to the expected further decrease in the seven-year average interest rate at the end of 2014.

Report on events after the reporting period

No significant events affecting the RAG-Stiftung's net assets, financial position and results occurred after 31 December 2013.

This report contains forward-looking statements relating to the current expectations, assumptions and forecasts of the Board of Executives, as well as any information currently available to it. These forward-looking statements are not to be understood as guarantees of future developments or the events they describe. On the contrary, these future developments and events are dependent on a number of factors; they contain risks and uncertainties and are based on assumptions that may prove inaccurate.

ANNUAL FINANCIAL STATEMENTS

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The consolidated financial statements of the RAG-Stiftung can be found online at www.rag-stiftung.de/geschaeftsbericht2013

Balance sheet of the RAG-Stiftung

as of 31 December 2013

ASSETS

in EUR million	Notes	31/12/2013	31/12/2012
A. Fixed assets	(1)		
I. Intangible assets		0.0	0.0
II. Real estate, plant and equipment		0.2	0.2
III. Financial assets			
1. Shares in affiliated companies		1,214.7	305.8
2. Holdings		0.0	0.0
3. Securities held as fixed assets		1,848.0	1,473.3
		3,062.9	1,779.3
B. Current assets			
I. Receivables and other assets	(2)		
1. Receivables due from affiliated companies		74.4	77.1
2. Other assets		75.0	65.6
II. Securities	(3)	521.0	607.2
III. Liquid assets	(4)	150.6	270.0
		821.0	1,019.9
C. Prepaid expenses		0.0	0.0
Total assets		3,883.9	2,799.2

LIABILITIES

in EUR million	Notes	31/12/2013	31/12/2012
A. Equity	(5)		
I. Endowment capital		2.0	2.0
		2.0	2.0
B. Provisions	(6)		
1. Provisions for pensions and similar obligations		3.6	2.7
2. Tax provisions		24.0	17.3
3. Provisions for perpetual obligations		3,763.6	2,573.0
4. Other provisions		2.4	2.5
		3,793.6	2,595.5
C. Liabilities	(7)		
1. Trade payables		0.1	0.0
2. Payables due to affiliated companies		45.5	164.7
3. Other liabilities		42.7	37.0
		88.3	201.7
Total liabilities		3,883.9	2,799.2

Development of fixed assets of the RAG-Stiftung

Enclosure to the balance sheet as of 31 December 2013

in EUR million	Acquisition and production costs			As of 31/12/2013
	As of 01/01/2013	Additions	Disposals	
A. Fixed assets				
I. Intangible assets				
Acquired concessions, industrial property rights and similar rights	0.0		0.0	0.0
	0.0		0.0	0.0
II. Property, plant and equipment				
Other equipment, office and plant equipment	0.4	0.0	0.0	0.4
	0.4	0.0	0.0	0.4
III. Financial assets				
1. Shares in affiliated companies	305.8	909.0		1,214.8
2. Holdings in other companies	0.0			0.0
3. Securities held as fixed assets	1,473.3	387.7	12.6	1,848.4
	1,779.1	1,296.7	12.6	3,063.2
	1,779.5	1,296.7	12.6	3,063.6

	Depreciation				Book values		
	As of 01/01/2013	Additions	Disposals	Write-ups	As of 31/12/2013	As of 31/12/2013	As of 31/12/2012
	0.0	0.0	0.0		0.0	0.0	0.0
	0.0	0.0	0.0		0.0	0.0	0.0
	0.2	0.0	0.0		0.2	0.2	0.2
	0.2	0.0	0.0		0.2	0.2	0.2
		0.1			0.1	1,214.7	305.8
	0.0				0.0	0.0	0.0
		0.4			0.4	1,848.0	1,473.3
	0.0	0.5			0.5	3,062.7	1,779.1
	0.2	0.5	0.0		0.7	3,062.9	1,779.3

Income statement of the RAG-Stiftung

from 1 January to 31 December 2013

in EUR million	Notes	2013	2012
1. Sales revenue	(8)	0.2	0.2
2. Other operating income	(9)	921.9	1.0
3. Personnel expenses	(10)	-6.0	-6.1
4. Amortisation of intangible assets and depreciation of real estate, plant and equipment		-0.0	-0.1
5. Other operating expenses	(11)	-1,222.4	-206.7
6. Investment income	(12)	+295.6	+200.7
7. Income from other securities and from loans held as financial assets	(13)	18.1	14.3
8. Interest income	(14)	-0.7	+0.1
9. Write-downs of financial assets and of securities held as current assets	(15)	-0.5	-0.0
Result from ordinary activities		+6.2	+3.4
10. Taxes	(16)	-6.2	-3.4
Net profit (+) or loss (-) for the year		0.0	0.0

RAG-Stiftung management bodies

BOARD OF TRUSTEES

Hannelore Kraft, MdL
Premier of the State of
North Rhine-Westphalia

Annegret Kramp-Karrenbauer, MdL
Premier of the State of Saarland

Sigmar Gabriel, MdB (from 17/12/2013)
Minister of Economic Affairs and Energy

Dr Philipp Rösler, MdB (until 16/12/2013)
Former Minister of
Economics and Technology

Dr Wolfgang Schäuble, MdB
Minister of Finance

Michael Vassiliadis
Deputy Chairman of the Board of
Trustees of the RAG-Stiftung
CEO of IG BCE
Deputy Chairman of the
Supervisory Board of Evonik Industries AG
Deputy Chairman of the
Supervisory Board of STEAG GmbH

Dr Jürgen Großmann
Chairman of the Board of Trustees
of the RAG-Stiftung

Lukas Beckmann
Managing Director of GLS Treuhand e.V.

Dr Burckhard Bergmann
Member of various supervisory boards

Christoph Dänzer-Vanotti
Lawyer

Ralf Hermann
Chairman of the Group Works Council
of Evonik Industries AG

Ludwig Ladzinski
Member of the Executive Board of IG BCE
Chairman of the working group
of the RAG-Stiftung Works Councils
(until 31/03/2013)
Chairman of the working group
of the RAG Group Works Councils
(until 31/03/2013)

Prof. Andreas Pinkwart
Rector of the HHL Leipzig
Graduate School of Management

Harry Kurt Voigtsberger
Former Minister of State

THE BOARD OF EXECUTIVES

Dr Werner Müller
Chairman of the Board of Executives
of the RAG-Stiftung
Chairman of the Supervisory Board of RAG AG
Chairman of the Supervisory Board
of Evonik Industries AG

Bärbel Bergerhoff-Wodopia
Member of the Board of Executives
of the RAG-Stiftung
Member of the Supervisory Board of RAG AG
Member of the Supervisory Board
of Vivawest GmbH

Dr Helmut Linsen
Member of the Board of Executives
of the RAG-Stiftung
Member of the Supervisory Board of RAG AG
Chairman of the Supervisory Board
of Vivawest GmbH

RAG-Stiftung list of shareholdings

as of 31 December 2013

Name	Company headquarters	Including shares pursuant to Section 16 AktG			Financial year	Equity in EUR million ^a	Net profit or loss for the year in EUR million ^a
		Direct %	Indirect %	Total %			
Consolidated affiliated companies							
1 MGG-Beteiligung Verwaltungs GmbH & Co. KG	Bochum ^b		100.00	100.00	2013	0	0
2 RAG AKTIENGESELLSCHAFT	Herne	94.90	5.10	100.00	2013	285	^d
3 RAG Anthrazit Ibbenbüren GmbH	Ibbenbüren		100.00	100.00	2013	27	^d
4 RAG Beteiligungs-GmbH	Herne ^{b,c}		100.00	100.00	2013	18	^d
5 RAG-Beteiligung Verwaltungs GmbH & Co. KG	Düsseldorf	100.00		100.00	2013	0	0
6 RAG Deutsche Steinkohle AG	Herne ^b		100.00	100.00	2013	15	^d
7 RAG Konzernrevision GmbH	Herne ^b		100.00	100.00	2013	1	^d
8 RAG Mining Solutions GmbH	Herne ^{b,c}		100.00	100.00	2013	2	^d
9 RAG Montan Immobilien GmbH	Essen		100.00	100.00	2013	19	1
10 RAG Ruhranalytik GmbH	Herne ^b		100.00	100.00	2013	0	^d
11 RAG Verkauf GmbH	Herne ^{b,c}		100.00	100.00	2013	1	^d
12 WSA GmbH	Essen ^b		100.00	100.00	2013	0	^d
Non-consolidated affiliated companies (at equity)							
13 Evonik Industries AG	Essen	67.91		67.91	2013	5,287	1,815
14 Vivawest GmbH	Essen	30.00	43.20	73.20	2013	1,064	136
Associated companies (at equity)							
15 logport ruhr GmbH	Duisburg		50.00	50.00	2013	0	0
Non-consolidated affiliated companies							
16 Deutsche Montan Technologie für Rohstoff, Energie, Umwelt e.V.	Essen				2012	14	0
17 Deutsche Montan Technologie Verwaltungs GmbH	Essen		100.00	100.00	2012	40	0
18 DMT – Gesellschaft für Lehre und Bildung mbH	Bochum		100.00	100.00	2012	8	0
19 Entwicklungsgesellschaft Gladbeck-Brauck mbH	Gladbeck		66.67	66.67	2013	0	0
20 Gesamtverband Steinkohle e.V.	Herne				2012	0	0
21 Gründerzentrumgesellschaft Prosper III mbH	Bottrop		94.00	94.00	2013	0	0
22 Landschaftsagentur Plus GmbH	Essen		100.00	100.00	2012	0	0
23 montanWIND Planungs GmbH & Co. KG	Sulzbach/Saar		75.10	75.10	2013	0	n/a
24 montanWIND Planungs Verwaltungs GmbH	Sulzbach/Saar		75.10	75.10	2013	0	n/a
25 montanWIND Projekt 1 GmbH & Co. KG	Sulzbach/Saar		75.10	75.10	2013	0	n/a
26 montanWIND Projekt 1 Verwaltungs GmbH	Sulzbach/Saar		75.10	75.10	2013	0	n/a
27 PG Projektentwicklungsgesellschaft Grimberg mbH & Co. KG	Essen		100.00	100.00	2013	5	n/a
28 PG Projektentwicklungsgesellschaft Grimberg Verwaltungs-GmbH	Essen		100.00	100.00	2013	0	n/a
29 RAG Mining Technology (Beijing) Co., Ltd.	Beijing		100.00	100.00	2013	0	0
30 Windkraft Brinkfortsheide GmbH	Marl		100.00	100.00	2013	1	n/a

Name	Company headquarters	Including shares pursuant to Section 16 AktG			Financial year	Equity in EUR million ^a	Net profit or loss for the year in EUR million ^a
		Direct %	Indirect %	Total %			
31 Windpark Bitschberg Entwicklungs UG (haftungsbeschränkt)	Schmelz		100.00	100.00	2013	0	n/a
32 Windpark Sengert Entwicklungs UG (haftungsbeschränkt)	Schmelz		100.00	100.00	2013	0	n/a
Associated companies							
33 BAV Aufbereitung Herne GmbH	Herne		49.00	49.00	2012	1	0
34 ELE-RAG Montan Immobilien Erneuerbare Energien GmbH	Bottrop		50.00	50.00	2012	0	0
35 ENNI RMI Windpark Kohlenhuck Projektgesellschaft mbH	Moers		33.33	33.33	2012	0	0
36 Entwicklungsgesellschaft Mittelstandspark West Castrop-Rauxel mbH	Castrop-Rauxel		48.00	48.00	2012	0	0
37 Entwicklungsgesellschaft Schlägel & Eisen mbH	Herten		48.00	48.00	2012	0	0
38 Entwicklungsgesellschaft Westfalia GmbH	Lünen		48.00	48.00	2012	0	0
39 Gladbeck-Wind GmbH	Gladbeck		50.00	50.00	2012	0	0
40 montanSOLAR GmbH	Sulzbach/Saar		50.00	50.00	2012	1	1
41 Projektgesellschaft Gneisenau mbH	Dortmund		49.00	49.00	2012	0	0
42 Projektgesellschaft Haus Aden mbH	Bergkamen		49.00	49.00	2012	0	0
43 Projektgesellschaft "Minister Stein" mbH	Dortmund		50.00	50.00	2012	0	0
44 Projektgesellschaft "Radbod" mbH	Hamm		33.33	33.33	2012	0	0
45 Windkraft Lohberg Projektgesellschaft mbH	Dinslaken		33.33	33.33	2012	0	0
Evonik							
Non-consolidated affiliated companies							
46 AQura GmbH	Hanau		100.00	100.00	2013	2	^d
47 BHS Liegenschaften GmbH & Co. KG	Peißenberg		100.00	100.00	2013	1	0
48 BHS Liegenschaften Verwaltungs-GmbH	Peißenberg		100.00	100.00	2013	0	0
49 BK-Wolfgang-Wärme GmbH	Hanau		100.00	100.00	2013	1	0
50 CyPlus GmbH	Hanau		100.00	100.00	2013	53	^d
51 Degussa International Inc.	Wilmington		100.00	100.00	2013	454	9
52 Degussa Limited (i.L.)	Crawley		100.00	100.00	2013	0	0
53 Degussa SKW Co.	Milton Keynes		100.00	100.00	2013	749	0
54 Egesil Kimya Sanayi ve Ticaret A.S.	Istanbul		51.00	51.00	2013	11	7
55 EGL Ltd.	Milton Keynes		100.00	100.00	2013	0	0
56 Evonik (SEA) Pte. Ltd.	Singapore		100.00	100.00	2013	211	6
57 Evonik (Shanghai) Investment Management Co., Ltd.	Shanghai		100.00	100.00	2013	n/a	n/a
58 Evonik (Thailand) Ltd.	Bangkok		100.00	100.00	2013	6	0
59 Evonik Acrylics Africa (Pty) Ltd.	Midrand		51.00	51.00	2013	5	1

Name	Company headquarters	Including shares pursuant to Section 16 AktG			Financial year	Equity in EUR million ^a	Net profit or loss for the year in EUR million ^a
		Direct %	Indirect %	Total %			
60 Evonik Aerosil France S.A.R.L.	Salaise-sur-Sanne		100.00	100.00	2013	3	0
61 Evonik Africa (Pty) Ltd.	Johannesburg		100.00	100.00	2013	4	2
62 Evonik Agroferm Zrt.	Kaba		100.00	100.00	2013	18	2
63 Evonik Amalgamation Ltd.	Milton Keynes		100.00	100.00	2013	7	2
64 Evonik Australia Pty Ltd.	Mount Waverley		100.00	100.00	2013	4	0
65 Evonik Beteiligungs-GmbH	Frankfurt am Main		100.00	100.00	2013	1	^d
66 Evonik Canada Inc.	Calgary		100.00	100.00	2013	14	13
67 Evonik Carbon Black Nederland B.V. (i.L.)	Rotterdam		100.00	100.00	2013	6	0
68 Evonik CB LLC	Wilmington		100.00	100.00	2012	0	0
69 Evonik Chempower GmbH	Essen		100.00	100.00	2013	0	0
70 Evonik Corporation	Parsippany		100.00	100.00	2013	1,480	124
71 Evonik Cristal Materials Corporation	Taipei		52.00	52.00	2013	1	-1
72 Evonik Cyro Canada Inc.	Etobicoke		100.00	100.00	2013	6	1
73 Evonik Cyro LLC	Wilmington		100.00	100.00	2013	77	12
74 Evonik Dahlenburg GmbH	Dahlenburg		100.00	100.00	2013	2	^d
75 Evonik Degussa (China) Co., Ltd.	Beijing		100.00	100.00	2012	-10	-57
76 Evonik Degussa Africa (Pty) Ltd.	Midrand		100.00	100.00	2013	14	0
77 Evonik Degussa Antwerpen N.V.	Antwerp		100.00	100.00	2013	310	29
78 Evonik Degussa Argentina S.A.	Buenos Aires		100.00	100.00	2013	12	0
79 Evonik Degussa Brasil Ltda.	São Paulo		100.00	100.00	2013	82	-7
80 Evonik Degussa Carbons, Inc.	Wilmington		100.00	100.00	2013	0	0
81 Evonik Degussa Chile S.A.	Santiago		99.99	99.99	2013	0	0
82 Evonik Degussa France Groupe S.A.S.	Ham		100.00	100.00	2013	13	0
83 Evonik Degussa GmbH	Essen		100.00	100.00	2013	4,907	^d
84 Evonik Degussa Ibérica S.A.	Granollers		100.00	100.00	2013	11	-8
85 Evonik Degussa International AG	Zürich		100.00	100.00	2013	21	17
86 Evonik Degussa Iran AG	Tehran		100.00	100.00	2013	1	0
87 Evonik Degussa Italia S.p.A.	Pandino		100.00	100.00	2013	77	1
88 Evonik Degussa Mexico S.A. de C.V.	Mexico City		100.00	100.00	2013	43	9
89 Evonik Degussa Mexico Servicios, S.A. de C.V.	Mexico City		100.00	100.00	2013	1	1
90 Evonik Degussa Peroxid GmbH	Weißenstein		100.00	100.00	2013	8	1
91 Evonik Degussa Services LLC	Wilmington		100.00	100.00	2012	0	0
92 Evonik Degussa Ticaret Ltd. Sirketi	Tuzla / Istanbul		100.00	100.00	2013	7	2
93 Evonik Degussa UK Holdings Ltd.	Milton Keynes		100.00	100.00	2013	857	26
94 Evonik Dutch Holding B.V.	Amsterdam		100.00	100.00	2013	42	0
95 Evonik Fermas s.r.o.	Slovenská L'upča		100.00	100.00	2013	20	2
96 Evonik Fibres GmbH	Schörfling		100.00	100.00	2013	7	-1
97 Evonik Finance B.V.	Amsterdam		100.00	100.00	2013	53	1
98 Evonik Foams Inc.	Wilmington		100.00	100.00	2013	21	3

Name	Company headquarters	Including shares pursuant to Section 16 AktG			Financial year	Equity in EUR million ^a	Net profit or loss for the year in EUR million ^a
		Direct %	Indirect %	Total %			
99 Evonik Forhouse Optical Polymers Corporation	Taichung		51.00	51.00	2013	21	-1
100 Evonik Goldschmidt Corp.	Wilmington		100.00	100.00	2013	146	45
101 Evonik Goldschmidt Rewo GmbH	Essen		100.00	100.00	2013	14	3
102 Evonik Goldschmidt UK Ltd.	Milton Keynes		100.00	100.00	2013	20	1
103 Evonik Gorapur GmbH	Wittenburg		100.00	100.00	2013	1	^d
104 Evonik Guatemala, S.A.	Guatemala City		100.00	100.00	2012	0	0
105 Evonik Gulf FZE	Dubai		100.00	100.00	2013	0	0
106 Evonik Hanse GmbH	Geesthacht		100.00	100.00	2013	11	^d
107 Evonik Hong Kong Ltd.	Hong Kong		100.00	100.00	2013	7	5
108 Evonik India Pvt. Ltd.	Mumbai		100.00	100.00	2013	7	2
109 Evonik International Holding B.V.	Amsterdam		100.00	100.00	2013	3,488	67
110 Evonik IP GmbH	Eschborn		100.00	100.00	2013	50	50
111 Evonik Japan Co., Ltd.	Tokyo		100.00	100.00	2013	106	-7
112 Evonik Jayhawk Fine Chemicals Corporation	Carson City		100.00	100.00	2013	16	3
113 Evonik Korea Ltd.	Seoul		100.00	100.00	2013	15	3
114 Evonik Limited Egypt	Cairo		100.00	100.00	2013	0	0
115 Evonik Litarion GmbH	Kamenz		100.00	100.00	2013	8	^d
116 Evonik Malaysia Sdn. Bhd.	Kuala Lumpur		100.00	100.00	2013	0	0
117 Evonik MedAvox S.p.A. (i.L.)	Milan		100.00	100.00	2013	2	0
118 Evonik Membrane Extraction Technology Limited	Milton Keynes		100.00	100.00	2013	-3	-1
119 Evonik Methionine SEA Pte. Ltd.	Singapore		100.00	100.00	2013	205	6
120 Evonik Metilatos S.A.	Rosario		100.00	100.00	2013	5	-1
121 Evonik Mexico S.A. de C.V.	Mexico City		100.00	100.00	2013	7	1
122 Evonik Monosilane Japan Co., Ltd.	Tokyo		100.00	100.00	2013	-7	-9
123 Evonik Oil Additives Asia Pacific Pte. Ltd.	Singapore		100.00	100.00	2013	69	28
124 Evonik Oil Additives Canada Inc.	Morrisburg		100.00	100.00	2013	18	5
125 Evonik Oil Additives GmbH	Darmstadt		100.00	100.00	2013	31	^d
126 Evonik Oil Additives S.A.S.	Lauterbourg		100.00	100.00	2013	21	2
127 Evonik Oil Additives USA, Inc.	Horsham		100.00	100.00	2013	64	16
128 Evonik Oxeno Antwerpen N.V.	Antwerp		100.00	100.00	2013	346	34
129 Evonik Para-Chemie GmbH	Gramatneusiedl		99.00	99.00	2013	14	1
130 Evonik Pension Scheme Trustee Limited	Milton Keynes		100.00	100.00	2013	0	0
131 Evonik Peroxide Africa (Pty) Ltd.	Umbogintwini		100.00	100.00	2013	5	0
132 Evonik Peroxide Holding B.V.	Amsterdam		100.00	100.00	2013	193	0
133 Evonik Peroxide Ltd.	Morrinsville		100.00	100.00	2013	18	2
134 Evonik Peroxygens Holding GmbH	Essen		100.00	100.00	2013	63	0
135 Evonik Projekt-Beteiligung Verwaltungs-GmbH	Essen		100.00	100.00	2013	0	0
136 Evonik Projekt-Beteiligungs-GmbH & Co. KG	Essen		99.00	99.00	2013	343	0
137 Evonik Re S.A.	Luxembourg		100.00	100.00	2013	5	0
138 Evonik Real Estate GmbH & Co. KG	Marl		100.00	100.00	2013	134	17
139 Evonik Real Estate Verwaltungs-GmbH	Marl		100.00	100.00	2013	0	0

Name	Company headquarters	Including shares pursuant to Section 16 AktG			Financial year	Equity in EUR million ^a	Net profit or loss for the year in EUR million ^a
		Direct %	Indirect %	Total %			
140 Evonik Rexim (Nanning) Pharmaceutical Co., Ltd.	Nanning		100.00	100.00	2013	13	-2
141 Evonik Rexim S.A.S.	Ham		100.00	100.00	2013	1	-5
142 Evonik Risk and Insurance Services GmbH	Essen		100.00	100.00	2013	1	^d
143 Evonik Röhm GmbH	Darmstadt		100.00	100.00	2013	170	^d
144 Evonik Services GmbH	Essen		100.00	100.00	2013	2	^d
145 Evonik Silquimica S.A.	Zubillaga-Lantaron		100.00	100.00	2013	11	1
146 Evonik Speciality Organics Ltd.	Milton Keynes		100.00	100.00	2013	771	2
147 Evonik Specialty Chemicals (Chongqing) Co., Ltd.	Chongqing		100.00	100.00	2013	-5	-3
148 Evonik Specialty Chemicals (Jilin) Co., Ltd.	Jilin		100.00	100.00	2013	50	0
149 Evonik Specialty Chemicals (Shanghai) Co., Ltd.	Shanghai		100.00	100.00	2013	111	-29
150 Evonik Taiwan Ltd.	Taipei		100.00	100.00	2013	45	12
151 Evonik Tasnee Marketing LLC	Riyadh		75.00	75.00	2013	5	0
152 Evonik Technochemie GmbH	Dossenheim		100.00	100.00	2013	58	^d
153 Evonik Thai Aerosil Co. Ltd.	Bangkok		100.00	100.00	2013	12	3
154 Evonik Tianda (Liaoyang) Chemical Additive Co., Ltd.	Liaoyang		97.04	97.04	2013	22	2
155 Evonik Trustee Limited	Milton Keynes		100.00	100.00	2013	0	0
156 Evonik United Silica (Siam) Ltd.	Rayong		70.00	70.00	2013	8	1
157 Evonik United Silica Industrial Ltd.	Tao Yuan Hsien		100.00	100.00	2013	25	2
158 Evonik Venture Capital GmbH	Hanau		100.00	100.00	2013	1	^d
159 Evonik Vietnam Limited Liability Company	Ho Chi Minh City		100.00	100.00	2013	0	0
160 Evonik Wellink Silica (Nanping) Co., Ltd.	Nanping		60.00	60.00	2013	30	7
161 Goldschmidt ETB GmbH	Berlin		100.00	100.00	2013	1	^d
162 HD Ceracat GmbH	Frankfurt am Main		100.00	100.00	2013	0	0
163 Hüls Service GmbH	Marl		100.00	100.00	2013	0	^d
164 Industriepark Wolfgang GmbH	Hanau		100.00	100.00	2013	5	^d
165 Infracor GmbH	Marl		100.00	100.00	2013	67	^d
166 Infracor Lager- und Speditions-GmbH	Marl		100.00	100.00	2013	1	^d
167 Insilco Ltd.	Gajraula		73.11	73.11	2013	10	-1
168 JIDA Evonik High Performance Polymers (Changchun) Co., Ltd.	Changchun		84.04	84.04	2013	4	0
169 JSSi GmbH	Freiberg		100.00	100.00	2013	0	-2
170 KMV Vermögensverwaltungs-GmbH	Marl		100.00	100.00	2013	12	0
171 Laporte Chemicals Ltd.	Milton Keynes		100.00	100.00	2013	0	0
172 Laporte Industries Ltd.	Milton Keynes		100.00	100.00	2013	0	0
173 Laporte Nederland (Holding) B.V.	Amsterdam		100.00	100.00	2013	2	0
174 Li-Tec Battery GmbH	Kamenz		50.10	50.10	2013	-15	-89
175 Mönch-Kunststofftechnik GmbH	Bad König		100.00	100.00	2013	1	^d
176 Nilok Chemicals Inc. (i.L.)	Parsippany		100.00	100.00	2013	0	0

Name	Company headquarters	Including shares pursuant to Section 16 AktG			Financial year	Equity in EUR million ^a	Net profit or loss for the year in EUR million ^a
		Direct %	Indirect %	Total %			
177 Nippon Aerosil Co., Ltd.	Tokyo		80.00	80.00	2013	52	10
178 OOO Destek	Podolsk		62.25	62.25	2013	5	1
179 OOO Evonik Chimia	Moscow		100.00	100.00	2013	7	1
180 PKU Pulverkautschuk Union GmbH (i.L.)	Marl		100.00	100.00	2013	0	0
181 PT. Evonik Indonesia	Cikarang Bekasi		100.00	100.00	2013	5	-1
182 PT. Evonik Sumi Asih	Bekasi Timur		75.00	75.00	2013	10	2
183 Qingdao Evonik Chemical Co., Ltd.	Jiaozhou		52.00	52.00	2013	28	2
184 R & B Industrieanlagenverwertung GmbH	Essen		100.00	100.00	2013	3	1
185 RBV Verwaltungs-GmbH	Essen		100.00	100.00	2013	643	46
186 RCIV Vermögensverwaltungs-GmbH	Essen		100.00	100.00	2013	29	-1
187 Roha B.V.	Tilburg		100.00	100.00	2013	2	0
188 RÜTGERS Dienstleistungs-GmbH	Essen		100.00	100.00	2013	2	0
189 RÜTGERS GmbH	Essen		100.00	100.00	2013	355	-12
190 RÜTGERS Organics Corporation	State College		100.00	100.00	2013	-10	-2
191 RÜTGERS Rail Verwaltungs GmbH	Essen		100.00	100.00	2013	50	4
192 SKC Evonik Peroxide Korea Co., Ltd.	Ulsan		55.00	55.00	2013	25	3
193 St. Bernard Reinsurance Company S.A.	Luxembourg		100.00	100.00	2013	1	0
194 Stockhausen Nederland B.V.	Amsterdam		100.00	100.00	2013	22	0
195 Stockhausen Unterstützungseinrichtung GmbH	Krefeld		100.00	100.00	2013	0	0
196 Studiengesellschaft Kohle mbH	Mülheim		69.99	69.99	2012	0	0
197 Th. Goldschmidt-Fürsorge GmbH (i.L.)	Essen		100.00	100.00	2013	0	0
198 Westgas GmbH	Marl		100.00	100.00	2013	8	8
Other companies							
199 ARG mbH & Co. KG	Duisburg		19.93	19.93	2013	8	27
200 ARG Verwaltungs GmbH	Duisburg		20.00	20.00	2013	0	0
201 CyPlus Idesa S.A.P.I de C.V.	Mexico City		50.00	50.00	2013	n/a	n/a
202 Daicel-Evonik Ltd.	Tokyo		50.00	50.00	2013	13	0
203 DSL. Japan Co., Ltd.	Tokyo		51.00	51.00	2012	6	1
204 Evonik Headwaters LLP	Milton Keynes		50.00	50.00	2013	0	0
205 Evonik Lanxing (Rizhao) Chemical Industrial Co., Ltd.	Rizhao		50.00	50.00	2013	3	0
206 Evonik Treibacher GmbH	Treibach-Althofen		50.00	50.00	2013	10	1
207 Faserwerke Hüls Gesellschaft mit beschränkter Haftung	Marl		50.00	50.00	2012	1	0
208 Industriepark Münchsmünster GmbH & Co. KG	Münchsmünster		30.00	30.00	2012	8	0
209 Industriepark Münchsmünster Verwaltungsgesellschaft mit beschränkter Haftung	Münchsmünster		38.00	38.00	2012	0	0
210 LiteCon GmbH	Mürzzuschlag		49.00	49.00	2013	2	0
211 Perorsa – Peróxidos Orgánicos S.A. (i.L.)	Barcelona		50.00	50.00	2013	0	0
212 Rusferm Limited	Nicosia		49.00	49.00	2013	24	0

Name	Company headquarters	Including shares pursuant to Section 16 AktG			Financial year	Equity in EUR million ^a	Net profit or loss for the year in EUR million ^a
		Direct %	Indirect %	Total %			
213 Saudi Acrylic Polymers Company, Ltd.	Jubail		25.00	25.00	2012	84	0
214 STEAG GmbH	Essen		49.00	49.00	2012	435	103
215 StoHaas Management GmbH	Marl		50.00	50.00	2013	0	0
216 StoHaas Monomer GmbH & Co. KG	Marl		50.00	50.00	2013	202	50
217 TÜV NORD InfraChem GmbH & Co. KG	Marl		49.00	49.00	2012	2	0
218 TÜV NORD InfraChem Verwaltungsgesellschaft mbH	Marl		49.00	49.00	2012	0	0
219 Umschlag Terminal Marl GmbH & Co. KG	Marl		50.00	50.00	2012	0	0
220 Umschlag Terminal Marl Verwaltungs-GmbH	Marl		50.00	50.00	2012	0	0

Vivawest

Non-consolidated affiliated companies

221 Aachener Bergmannsiedlungsgesellschaft mbH	Hückelhoven		100.00	100.00	2013	23	^d
222 Ariens Steenfabriek I B.V.	Almelo		100.00	100.00	2012	0	0
223 Bauverein Glückauf GmbH	Ahlen		100.00	100.00	2013	11	^d
224 EBV Gesellschaft mit beschränkter Haftung	Hückelhoven		100.00	100.00	2013	86	^d
225 Evonik Wohnen GmbH	Essen		100.00	100.00	2013	3	^d
226 GSB Gesellschaft zur Sicherung von Bergmannswohnungen mit beschränkter Haftung	Essen		68.75	68.75	2012	0	0
227 Heinrich Schäfermeyer GmbH	Hückelhoven		100.00	100.00	2013	10	^d
228 HVG Grünflächenmanagement GmbH	Essen		100.00	100.00	2013	5	1
229 Lünener Wohnungs- und Siedlungsgesellschaft mit beschränkter Haftung	Lünen		94.90	94.90	2013	28	^d
230 Marienfeld Multimedia GmbH	Essen		100.00	100.00	2013	0	^d
231 Nordsternturn GmbH	Gelsenkirchen		100.00	100.00	2013	0	^d
232 Projektgesellschaft Tannenstraße mbH	Düsseldorf		100.00	100.00	2013	0	^d
233 Rhein Lippe Holding GmbH	Essen		100.00	100.00	2013	538	^d
234 Rhein Lippe Wohnen Gesellschaft mit beschränkter Haftung	Duisburg		94.84	94.84	2013	148	^d
235 RHZ Handwerks-Zentrum GmbH	Gladbeck		100.00	100.00	2013	0	-2
236 RIAG Immobilienverwaltung GmbH	Essen		100.00	100.00	2013	3	^d
237 Siedlung Niederrhein Gesellschaft mit beschränkter Haftung	Dinslaken		100.00	100.00	2013	43	^d
238 SJ Brikett- und Extrazitfabriken GmbH	Hückelhoven		100.00	100.00	2013	2	^d
239 SKIBA Ingenieurgesellschaft für Gebäudetechnik mbH	Herne		100.00	100.00	2013	0	^d
240 SKIBATRON Mess- und Abrechnungssysteme GmbH	Herne-Wanne		100.00	100.00	2013	0	^d
241 THS GmbH	Essen		100.00	100.00	2013	228	^d
242 THS Nordstern Gesellschaft für Projektentwicklung und -beratung mbH	Gelsenkirchen		100.00	100.00	2013	0	^d
243 THS Rheinland Beteiligungs GmbH & Co. KG	Essen		94.12	94.12	2013	0	0
244 THS Rheinland GmbH	Leverkusen		100.00	100.00	2013	20	^d
245 THS Westfalen GmbH	Lünen		100.00	100.00	2013	34	^d

Name	Company headquarters	Including shares pursuant to Section 16 AktG			Financial year	Equity in EUR million ^a	Net profit or loss for the year in EUR million ^a
		Direct %	Indirect %	Total %			
246 Vestische Wohnungsgesellschaft mit beschränkter Haftung	Herne		94.90	94.90	2013	14	^d
247 Vestisch-Märkische Wohnungsbaugesellschaft mit beschränkter Haftung	Recklinghausen		100.00	100.00	2013	69	^d
248 Vivawest Beteiligungen GmbH & Co. KG	Essen		94.90	94.90	2013	85	2
249 Vivawest Dienstleistungen GmbH	Essen		100.00	100.00	2013	0	0
250 Vivawest Pensionen GmbH	Essen		100.00	100.00	2013	0	^d
251 Vivawest Stiftung gemeinnützige GmbH	Gelsenkirchen		100.00	100.00	2013	0	0
252 Vivawest Wohnen GmbH	Essen		100.00	100.00	2013	5	^d
253 Walsum Immobilien GmbH	Duisburg		94.90	94.90	2013	25	^d
254 Wohnbau Auguste Victoria GmbH	Marl		100.00	100.00	2013	34	^d
255 Wohnbau Westfalen GmbH	Dortmund		100.00	100.00	2013	80	^d
256 Wohnungsbaugesellschaft mit beschränkter Haftung "Glückauf"	Moers		100.00	100.00	2013	44	^d
Other companies							
257 BMB Geschäftsführung GmbH	Essen		48.00	48.00	2012	0	0
258 BMB GmbH & Co. KG	Essen		49.50	49.50	2012	4	3
259 Deutsche Industrieholz GmbH	Essen		45.00	45.00	2012	1	0
260 Interkommunale Entwicklungsgesellschaft Hückelhoven-Wassenberg mbH i.L.	Hückelhoven		25.00	25.00	2013	0	0
261 Stadthausprojekt Düsseldorf Tannenstraße GmbH	Düsseldorf		26.00	26.00	2012	0	0
262 Wohnbau Dinslaken Gesellschaft mit beschränkter Haftung	Dinslaken		46.45	46.45	2012	43	6

^a The foreign currency values are translated for equity using the mean rate on the balance sheet date, and using the average rate for the year for the profit/loss for the year.

^b Application of simplified rules pursuant to Section 264 (3) and Section 264b of the German Commercial Code (HGB).

^c Application of simplified rules pursuant to Sections 291 and Section 293 of the German Commercial Code (HGB).

^d Profit transfer agreement.

Notes to the annual financial statements of the RAG-Stiftung

GENERAL PRINCIPLES

The annual financial statements of the RAG-Stiftung for the financial year from 1 January to 31 December 2013, have been prepared in observance of the German endowments and foundations act NRW and IDW RS HFA 5 in accordance with the accounting standards of the German Commercial Code (HGB).

The RAG-Stiftung was recognised by the State of North Rhine-Westphalia on 10 July 2007 in line with Section 2 of the endowments and foundations act. Its headquarters are in Essen and it is registered in Commercial Register A at the Essen local court, no. HRA 9004.

As the topmost parent company of a group of companies, the RAG-Stiftung is a foundation under German law and prepares its consolidated financial statements in accordance with Section 11 et seq. of the German disclosure act (PublG) pursuant to Section 290, Paragraphs 2–5 HGB.

On 24 September 2007, a controlling and profit transfer agreement was concluded between RAG AG and the RAG-Stiftung for a fixed term until at least 31 December 2027; the agreement became effective on its entry into the commercial register on 13 November 2007. According to the agreement, RAG AG subordinates the management of its company to the RAG-Stiftung. RAG AG is also obliged to transfer its profits to the RAG-Stiftung. The RAG-Stiftung is obliged to offset any net loss for the year incurred by RAG AG during the term of the agreement.

ACCOUNTING AND VALUATION PRINCIPLES

The Company's intangible assets and real estate, plant and equipment are recognised as acquisition costs deducted from scheduled depreciations or, if lower, at fair values. Scheduled depreciation is calculated on a straight-line, pro-rata basis.

Low-value fixed assets with acquisition costs of up to EUR 150 are recognised as an expense in the year of acquisition. Low-value fixed assets whose net acquisition or production costs are greater than EUR 150 but do not exceed EUR 1,000 are recognised under a collective item in the year of acquisition. This is charged to expenses in the year of addition and in the following four years, one fifth in each year.

The financial assets are always recognised at acquisition cost and are written down where a permanent impairment of value is expected, according to the moderate lowest value principle.

Fixed income securities acquired "above par" are, where a permanent impairment of value is expected, written down to a maximum of the amount repayable ("par").

The RAG-Stiftung intends to hold 25.1% of the shares acquired in Evonik Industries AG (Evonik) for the long term; the additional existing shares are accounted for in current assets due to the intention to sell in the near term.

Receivables and other assets are recognised at nominal value. Assets and liabilities denominated in foreign currencies with a maturity term of over one year are valued at the exchange rate on the day of acquisition or at the lower respective average spot exchange rate on the balance sheet date. In the case of a maturity term of one year or less, assets and liabilities denominated in foreign currencies are recognised at the average spot exchange rate.

The securities held as current assets are recognised at acquisition cost and the balancing takes place according to the strict lowest value principle. The acquisition costs are written down to the lowest market value as of the respective reporting date. Possible later write-ups are only made up to the amount of the acquisition costs.

Deposits with banks are always reported at their nominal value with the value date.

Provisions are recognised at the amount necessary to settle the obligation according to prudent commercial assessment. Future price and cost increases are taken into account where there is sufficient objective indication on the reporting date that they will occur. In accordance with Section 253, Paragraph 2 HGB, short and long-term provisions are discounted using the average market interest rate of the past seven financial years – published by the Deutsche Bundesbank – with their respective expected maturity terms. Compounding and discounting effects arising from the change in the discount rate are always shown in the interest result.

The provisions for company pensions are valued according to the modified entry age process. The expenditure for future pension payments is distributed equally throughout the entire period of service of the person entitled to benefit. Provisions for company pensions are discounted on a flat-rate basis with the average market interest rate arising from an assumed maturity term of 15 years. The interest rate (4.88%) published by the German central bank is used for the expert evaluation of the obligation as of 31 December. The valuation of the pension obligations include future changes in salaries (3.25%) and pension increases (2.20%), company-specific fluctuation, as well as mortality and disability probabilities according to the "2005 G mortality tables" by Klaus Heubeck.

Liabilities are measured at the amount at which they will be repaid.

Deferred taxes are recognised for differences between the commercial valuations of assets, debts and prepaid expenses and their tax valuations, which will likely be released in later financial years. In calculating deferred taxes assets, tax losses carried forward and interest carried forward are recognised in the amount of offset expected within the next five years. The tax rates applicable on, or announced for – according to current legislation – the date on which the temporary differences will likely be eliminated or the losses carried forward offset, are used to determine the deferred taxes. The balance sheet differences are measured with a tax rate of 30%. Deferred tax assets on corporation and trade tax losses carried forward are measured at 16% and 14% respectively. Where there is an overall lowering of tax burden (net asset position), the capitalisation option pursuant to Section 274, Paragraph 1(2) HGB was not exercised. A resulting tax burden is reported in the balance sheet as a deferred tax liability.

NOTES TO THE BALANCE SHEET

1. Fixed assets

Financial assets include, among other things, the RAGS-FundMaster special fund managed by a Master-KAG, a special real estate fund and a private equity fund. There is no limit in the daily return for the RAGS-FundMaster.

Of the financial assets, EUR 2.0 million (previous year EUR 2.0 million) is allocated to endowment capital.

Investment objective in EUR million	Book value	Value as defined by Section 36 investment com- pany act (InvG)	Difference to book value	Distributions received in the financial year
Mixed fund	1,550.0	1,707.5	157.5	10.5
Real estate fund	37.2	38.8	1.6	0.9
Private equity fund	4.7	8.0	3.3	–
	1,591.9	1,754.3	162.4	11.4

2. Receivables and other assets

in EUR million	Maturity term		31/12/2013	31/12/2012	of which with a maturity term of over 1 year
	up to 1 year	over 1 year			
Receivables due from affiliated companies	74.4	–	74.4	77.1	–
Other assets	75.0	–	75.0	65.6	–
	149.4	–	149.4	142.7	–

Receivables due from affiliated companies are other assets of EUR 74.4 million (previous year EUR 77.1 million), resulting primarily from transactions of the tax affiliation and the financial account with RAG AG.

Other assets are primarily receivables due from revenue authorities.

3. Securities

in EUR million	31/12/2013	31/12/2012
Shares in affiliated companies		
Evonik Industries AG	521.0	607.2
	521.0	607.2

The securities are the shares in Evonik Industries AG intended for sale. Shares were sold in the 2013 financial year.

4. Liquid assets

Liquid assets primarily include assets in short-term deposits.

5. Equity

The endowment capital (basic assets) of the RAG-Stiftung remains unchanged at EUR 2.0 million.

6. Provisions

Financing of perpetual obligations

The provision for the financing of perpetual obligations amounts to EUR 3,763.6 million (previous year EUR 2,573.0 million) and is explained in more detail under "other information".

Other provisions

in EUR million	31/12/2013	31/12/2012
Provisions for services rendered (received)	1.1	0.9
Provisions for the workforce	1.0	1.2
Provisions for audit costs	0.1	0.1
Other provisions	0.2	0.3
	2.4	2.5

7. Liabilities

in EUR million	Maturity term		Total		of which with a maturity term of up to 1 year
	up to 1 year	1 to 5 years	31/12/2013	31/12/2012	
Trade payables	0.1	–	0.1	0.0	0.0
Payables due to affiliated companies	45.5	–	45.5	164.7	164.7
Other liabilities	42.7	0.0	42.7	37.0	37.0
of which from taxes	(42.6)	(–)	(42.6)	(37.0)	(37.0)
associated with social security	(–)	(0.0)	(0.0)	(0.0)	(0.0)
	88.3	0.0	88.3	201.7	201.7

Liabilities due to affiliated companies are other liabilities of EUR 45.4 million (previous year EUR 164.4 million) and primarily result from the chargeable taxes of Group companies to be settled via the RAG-Stiftung as parent company, as well as trade payables of EUR 0.1 million (previous year EUR 0.3 million).

NOTES TO THE INCOME STATEMENT

8. Sales revenue

Sales revenue results from services and can be apportioned from entirely within Germany.

9. Other operating income

in EUR million	2013	2012
Disposal of fixed assets	0.0	0.0
Write-ups to fixed assets	–	0.1
Writing back provisions	0.1	0.4
Sale of securities held as current assets	921.2	–
Other remaining income	0.6	0.5
	921.9	1.0

Other operating income results primarily from the sale of Evonik shares amounting to EUR 921.2 million. It also includes income not related to the accounting period from the writing back of provisions amounting to EUR 0.1 million (previous year EUR 0.4 million). An additional EUR 0.6 million (previous year EUR 0.4 million) is attributable to the caused-based cost transfer to RAG AG of additional value added tax (VAT) expenditure arising from internal audits. This item also includes income from the currency translation amounting to EUR 0.0 million (previous year EUR 0.0 million).

10. Personnel expenses

in EUR million	2013	2012
Wages and salaries	4.9	5.4
Social security	0.3	0.3
Welfare benefits and support	0.8	0.4
of which for pension schemes	(0.8)	(0.4)
	6.0	6.1

Average number of employees over the year

	2013	2012
Salaried employees	14	15
	14	15

A quarter of the total of the figures for employees on each of 31 March, 30 June, 30 September and 31 December represent the average number of employees.

11. Other operating expenses

in EUR million	2013	2012
Board of Trustees remuneration	0.2	0.3
Commission, fees, bank charges	27.3	9.0
Auditor's fees	0.1	0.1
Expenses from letting and leasing	0.4	0.4
Other administrative costs	1.6	1.6
Project expenses	1.5	1.4
Other insurance policies	0.5	0.4
Other expenses	1,190.8	193.5
	1,222.4	206.7

Other expenses include expenses arising from the allocation of EUR 1,190.6 million (previous year EUR 193.2 million) to the provision for perpetual obligations. This item also includes expenses from the currency translation amounting to EUR 0.0 million (previous year EUR 0.0 million).

12. Investment income

Income from affiliated companies originate from Evonik Industries AG.

13. Income from other securities and from loans held as financial assets

This item includes income from other securities held as fixed assets amounting to EUR 18.1 million (previous year EUR 14.3 million).

14. Interest income

in EUR million	2013	2012
Interest income		
from banks	0.1	0.5
from affiliated companies	0.1	0.3
Interest expenses		
due to affiliated companies	–	0.1
from the compounding of provisions	0.9	0.6
	–0.7	0.1

15. Write-downs of financial assets and of securities held as current assets

Negligible unscheduled write-downs of EUR 0.5 million (previous year EUR 0.0 million) to the lower market value were incurred in financial assets during the reporting year.

16. Taxes

in EUR million	2013	2012
Income taxes	5.6	3.0
Other taxes	0.6	0.4
	6.2	3.4

Income taxes primarily include expenses for the allocation to the provisions for corporation and trade tax for previous years. The RAG-Stiftung does not levy an affiliation charge for income taxes.

Other taxes include non-deductible VAT from RAG AG, which at the RAG-Stiftung are allocated to the provisions under the tax affiliation.

The RAG-Stiftung is the parent company of an income tax affiliation, meaning that the deferred taxes are allocated to the Company on temporary differences of the subsidiary companies (formal approach). Deferred tax liabilities of EUR 1,541.7 million arising from temporary differences of the balance sheet items real estate, plant and equipment, other assets, provision for perpetual obligations, and other provisions were balanced with deferred tax assets of EUR 1,541.7 million arising from temporary differences of the balance sheet items receivables due from affiliated companies arising from perpetual obligations, provisions for pensions, and other provisions.

OTHER INFORMATION

Securities held as fixed assets include inflation-linked bonds at a book value of EUR 105.9 million (previous year EUR 65.2 million) (market value EUR 113.6 million (previous year EUR 76.7 million)). The embedded derivatives and underlying instruments are not recognised divided or separated since the issuer guarantees the repayment and the RAG-Stiftung can and intends to hold the bonds until final maturity.

In addition, financial assets include securities held as fixed assets of EUR 47.9 million, recognised at their fair values of EUR 46.7 million. No write-down to fair value took place as only temporary effects are involved, partly due to the current interest rate development and the current inflation rate, and a permanent depreciation in value is not expected in that regard.

The annual review of transactions with affiliated persons and companies has shown that all transactions have come about at conditions normal for the market. No transactions with affiliated persons and affiliated companies at the RAG-Stiftung are subject to a duty of disclosure as defined by Section 285 No. 21 HGB.

Other financial obligations

in EUR million	31/12/2013	31/12/2012
Obligations arising from letting and leasing agreements with a maturity term of over one year	2.4	2.8
Other financial obligations	10,023.8	8,079.1
of which due to affiliated companies	(10,023.8)	(8,079.1)
Obligations in connection with investments in financial assets	154.6	–

Other financial obligations are those arising from the agreement on perpetual obligations of 14 August 2007 along with the agreement of 16/21 December 2010 resulting from the discontinuation of subsidised coal mining operations from 2019 onwards.

Perpetual obligations

The basis for the scope and determination of the perpetual obligations, the financing of which the RAG-Stiftung will assume from 2019, is the KPMG report created in 2006 on the valuation of shut-down costs, residual pollution and the perpetual obligations of RAG AG's coal mining operations.

On the basis of the agreement on perpetual obligations concluded on 13 November 2007 along with the agreement of 16/21 December 2010, the RAG-Stiftung releases RAG AG from all creditor claims arising from the perpetual obligations from the time of closure of the subsidised coal mining operations. Perpetual obligations as defined by the agreement are measures for the management, processing or elimination of permanent damage, measures for groundwater purification, groundwater monitoring and post-closure obligations at contaminated sites and measures for the implementation of pit water management.

The obligation for the financing of perpetual obligations are outlined as follows: RAG AG's original obligations – transferred to the RAG-Stiftung on closure of the coal mining operations – are not accounted for in the figures.

The current setting aside of reserves at the RAG AG will be continued in accordance with accounting regulations until the final closure of the coal mining operations. The corresponding covering funds are collected to the amount of the obligation, which arises in accordance with accounting regulations in the version applicable at the time of the agreement on coal policy (HGB old version: nominal value and reporting date principle), in the form of liquid assets and transferred to the RAG-Stiftung upon closure of the subsidised coal mining operations. The claim against the RAG-Stiftung recognised on the respective reporting date partly comprises the measurement difference arising from the difference in calculation according to the regulations of the German Balance Sheet Modernisation Act (BilMoG) and the regulations according to the old version of the HGB, and partly the funding gap discounted to the respective balance sheet date as of 31 December 2018. The funding gap is the result of the comparison of the commercial provision continued on 31 December 2018 and the economic burden as of 31 December 2018 determined on the basis of the KPMG report with a risk-free interest rate. In the Legacy Agreement of 14 August 2007 between the RAG-Stiftung and the states of North Rhine-Westphalia and Saarland, the federal states undertake to assume responsibility for the financing of the perpetual obligations in the case that the RAG-Stiftung is not able to do so. Should the states claim under this contract, the federal government will provide one third of the amounts to be paid.

These claims from RAG AG against the RAG-Stiftung arising from the agreement on inherited liabilities were always oriented towards the economic burdens associated with the perpetual obligations, as determined by the KPMG report with a risk-free interest rate. When the BilmoG comes into effect, only market-oriented interest rates pursuant to Section 253, Paragraph 1(1) HGB averaged over a seven-year period may be applied in the balance sheet. These are not risk-free, but contain a premium reflecting the yield gap between market-wide euro-denominated corporate bonds with a seven-year average rate of return, and the risk-free interest rate, also averaged over seven years, from the zero-coupon euro interest-swap curve. This results in a gap between the commercial provision and the higher equalisation claims for fulfilment of the economic burdens. Due to the agreement between the RAG-Stiftung and RAG AG of 16/21 December 2010, an off-set entry has been created in RAG AG's balance sheet to the amount of this funding gap. This off-set entry is causally linked, as defined by Section 246, Paragraph 1 HGB, to the claims and provisions for perpetual obligations and is therefore reported as of the balance sheet date under the relevant provisions for perpetual obligations. To determine the equalisation claims of RAG AG, the corresponding burdens are determined with a risk-free average interest rate to 31 December 2018 and the funding gap determined in this way is discounted to the balance sheet date.

RAG AG has recognised the claim against the RAG-Stiftung resulting from the balancing of the perpetual obligations. The obligation, minus the provision for perpetual obligations recognised as of 31 December 2013, is included in other financial obligations in the RAG-Stiftung's annual financial statements.

TAKING OVER THE FINANCING OF THE OBLIGATION BY THE RAG-STIFTUNG

	as of 31/12/2018		as of 31/12/2013
	As of: framework agreement	As of: 31/12/2013	discounted
Perpetual obligations in EUR million			
Permanent mine-related damage	1,324	4,133	3,680
Groundwater purification	341	703	622
Pit water management	5,208	10,806	9,485
	6,873	15,642	13,787

The total obligation as of the balance sheet date amounts to EUR 13,787.4 million (previous year EUR 10,652.1 million). Of this, EUR 3,763.6 million (previous year EUR 2,573.0 million) is recognised as provision for the obligation to RAG AG for the financing of perpetual obligations, and EUR 10,023.8 million (previous year EUR 8,079.1 million) is recognised under other financial obligations.

The shares in Evonik Industries AG and Vivawest GmbH, as well as the existing capital assets and the resulting income, are designated to cover the total obligation. The allocation to the provision for perpetual obligations is made in the amount of the income realised minus expenses of the RAG-Stiftung.

Basis for the determination of the perpetual obligations of the mining unit of RAG AG

The funding gaps were determined in the KPMG report from the comparison of the commercial provisions continued until 31 December 2018 and the provisions calculated to 31 December 2018 using current parameters. These funding gaps are reported in detail at RAG AG and, due to their release by the RAG-Stiftung, are recognised as provisions for perpetual obligations or as other financial obligations. The provision for perpetual obligations was reported on 31 December 2013 using the following parameters, which result primarily from the pursuance of the KPMG approach as part of the 2008 report:

- ▲ To determine the provisions (perpetual annuity), the interest rate averaged over seven years was calculated from the zero-coupon fixed-interest rate swaps published by the German central bank with a term of 30 years at 3.51% (previous year 3.75%). The premium, also determined by the German central bank, for the corporate bond risk amounts to 1.28% for the overall yield curve, meaning the perpetual annuity was discounted in line with Section 253, Paragraph 1 HGB at 4.79% (previous year 4.94%).
- ▲ Annual expected future price increase for non-cash benefit obligations: 2.21% (previous year 2.21%).
- ▲ The funding gaps as of 31 December 2018 are discounted using an interest rate of 2.64% (previous year 3.16%), based on the seven-year average interest rate for zero-coupon fixed-interest swaps for a term of five years to 31 December 2013.

The provisions reported at RAG AG as of 31 December 2013 consist of the commercially measured provision – with the exception of pit water management – and a provision equal to the present value of the funding gaps arising until 31 December 2018.

RAG AG's provisions for permanent mine-related damage, groundwater purification, groundwater monitoring and post-closure obligations and pit water management are non-cash benefit obligations. Because the obligations are a permanent liability for which there is no return, the non-cash benefit obligations are reported at their present value using an appropriate interest rate. In view of the characteristics described and in line with commercial standards, the determination of the underlying interest rate must also account for the future price increase, ensuring the funding gaps are determined on the basis of a real interest rate. This arises on the respective balance sheet date from the difference between the German central bank's interest rate averaged over seven years for a 30-year term and future price inflation.

The perpetual obligations comprise the following:

Permanent mine-related damage

The mining activities have altered the surface of the ground, which has led to areas of subsidence and has impacted on the natural drainage of water. This kind of damage cannot usually be repaired. The provision existing as of 31 December 2013, which was determined on the basis of a perpetual annuity with an interest rate of 4.79% and a price inflation of 2.21% (real interest rate 2.58%), was extended to 31 December 2018 allowing for a price increase of 2.21%. The provision would therefore stand at EUR 2,784.3 million. This provision includes the valuation difference of EUR 1,378.7 million arising from the application of BilMoG as opposed to HGB (previous version).

The commercial provision is compared with the economic burden, which was calculated taking into account the parameters defined and developed in the KPMG report (risk-free interest rate 3.51% minus price increase 2.21%). With a real interest rate of 1.30%, this determination results in a level of provision of EUR 5,538.5 million as of 31 December 2018.

The comparison of both values as of 31 December 2018 results in a funding gap of EUR 2,754.2 million. The funding gap discounted to 31 December 2013 amounts to EUR 2,417.6 million and represents the equalisation claim of RAG AG of EUR 3,680.2 million, including the difference in valuation as of 31 December 2013 of EUR 1,262.6 million.

Groundwater purification, groundwater monitoring and post-closure obligations

The processing of contaminated plant areas – in particular former coking plant areas – usually involves restorative measures including the construction of a sealed landfill in combination with a groundwater purification plant. Since the pollutants will evidently not fall below the legal limits for groundwater determined by the authorities, no end to the measures is foreseeable. The provision existing as of 31 December 2013, which was determined on the basis of a perpetual annuity with an interest rate of 4.79% and a price increase of 2.21%, was further developed as of 31 December 2018 taking into account a price increase of 2.21%. The provision would therefore stand at EUR 458.2 million. This provision includes the valuation difference of EUR 250.0 million arising from the application of BilmoG as opposed to HGB (previous version).

The commercial provision is compared with the economic burden, which will be calculated taking into account the parameters defined and developed in the KPMG report (risk-free interest rate 3.51% minus price inflation 2.21%). With a real interest rate of 1.30%, this determination results in a level of provision of EUR 911.5 million as of 31 December 2018.

The comparison of both values as of 31 December 2018 results in a funding gap of EUR 453.3 million. The funding gap discounted to 31 December 2013 amounts to EUR 397.9 million and represents the equalisation claim of RAG AG of EUR 622.0 million, including the difference in valuation as of 31 December 2013 comprising EUR 224.1 million.

Pit water management

Pit water management underground involves pumping the water that is accumulated during the production phase for maintaining coal output above ground and directing it to an outlet channel. Until the closure of the last mine, pit water management must therefore be allocated to ongoing operations and – apart from the funding gap – no provision must be created. The operating expenses currently incurred for the maintenance of production are projected to 31 December 2018, taking into consideration a correspondingly updated development in the future volume of water to be pumped, along with expected investment and price inflation of 2.21%.

The economic burden is calculated under consideration of the current parameters defined and further developed in the KPMG report (risk-free interest rate of 3.51% minus price increase of 2.21%) and assessment bases. With the resulting real interest rate of 1.30%, there arises as of 31 December 2018, a total risk – and thus a funding gap for pit water management – of EUR 10,806.2 million. The funding gap discounted to 31 December 2013 amounts to EUR 9,485.2 million and represents RAG AG's equalisation claim.

Future development of the perpetual obligations

The amount of the perpetual obligations is dependent in particular on the future development of price and interest rates, in addition to the development of the assessment bases. As of 31 December 2013, a risk-free seven-year average interest rate of 3.51% (previous year 3.75%) and a price development of 2.21% (previous year 2.21%) were recognised, i.e. a real interest rate of 1.30% (previous year 1.54%). For the calculation of the perpetual annuity, this corresponds to a factor of approximately 77 (previous year 65) of the assessment basis. The changes in the obligations compared with the previous year primarily result from the changed interest rates and from slightly altered assessment bases for the perpetual obligations. If the price and interest rate assumptions develop differently it will lead to higher or lower funding gaps and corresponding provisions.

Auditor's fees

The following fees for the services rendered by the auditor, PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Düsseldorf, of the annual financial statements are reported in the income statement:

in EUR million	2013	2012
a. Auditing services	0.1	0.1
correction to be carried out for the previous year (+)/ from the previous year (-)	(0.0)	(0.0)
b. Other services	0.0	0.0
Total fees charged for the financial year	0.1	0.1
Correction for the previous year (+)/from the previous year (-)	0.0	0.0
Total fees	0.1	0.1

Total remuneration of the Board of Executives, the Board of Trustees, and former members of the Board of Executives

The total remuneration of the Board of Executives for the 2013 financial year amounts to EUR 1.6 million (previous year EUR 1.3 million). The remuneration of former members of the Board of Executives amounts to EUR 0.3 million (previous year EUR 0.8 million).

The remuneration of the Board of Trustees for the 2013 financial year amounts to EUR 0.2 million (previous year EUR 0.3 million).

Essen, 11 March 2014

RAG-Stiftung
The Board of Executives



Dr Müller



Bergerhoff-Wodopia



Dr Linssen

Auditor's Certificate

To the RAG-Stiftung, Essen

We have audited the annual financial statements – comprising the balance sheet, income statement and notes to the annual financial statements – including the accounting and the management report of the RAG-Stiftung, Essen, for the financial year from 1 January to 31 December 2013. The accounting and the creation of the annual financial statements and management report in accordance with the German commercial regulations and the supplementary provisions of the articles of association are the responsibility of the Board of Executives of the Foundation. It is our task to submit an assessment of the annual financial statements, including the accounting and the management report on the basis of the audit we have conducted.

We have conducted our audit of the annual financial statements in accordance with Section 317 HGB in compliance with the German principles of proper auditing of financial statements as stipulated by the Institute of Auditors (IDW). The audit must then be planned and carried out in such a way that inaccuracies and violations that have material effects on the presentation of the projected image of the net assets, financial position and results provided by the annual financial statements, in compliance with the principles of proper accounting, and provided by the management report are recognised with sufficient certainty. Findings on the Foundation's business activities and its economic and legal environment, as well as expectations regarding possible errors, are taken into account when determining the audit procedures. The audit will predominately assess the effectiveness of the accounting-based internal controlling system as well as the evidence for the information given in the accounts, the annual financial statements and management report on the basis of spot checks. The audit encompasses the assessment of the balance sheet principles applied and the material estimates of the Board of Executives, as well as an appraisal of the overall presentation of the annual financial statements and the management report. We believe that our audit forms a sufficiently secure basis for our assessment.

Our audit did not result in any objections.

According to our assessment, based on the findings gained in the audit, the annual financial statements conform to the German commercial regulations and the supplementary provisions of the articles of association and convey, in compliance with the principles of proper accounting, an accurate picture of the Foundation's net assets, financial position and results. The management report complies with the annual financial statements, conveys an accurate picture of the Foundation's situation as a whole and accurately presents the opportunities and risks of future development.

Düsseldorf, 11 March 2014

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