

THE PAST
SHAPES
THE FUTURE

Our origins show us the way.

The RAG-Stiftung, which was founded in 2007, is ensuring that the RAG Aktiengesellschaft can discontinue subsidised coal mining in a socially acceptable manner by the end of 2018. Beginning in 2019, the RAG-Stiftung will finance RAG's perpetual coal mining obligations. The foundation will finance these obligations with the proceeds from the sale of shares in Evonik Industries AG, through investment income and through the revenue generated from its diverse financial assets.

KEY FIGURES

BALANCE SHEET					
In EUR million	31/12/2011	31/12/2012	31/12/2013	31/12/2014	31/12/2015
Non-current assets	1,685.2	1,779.3	3,062.9	3,571.4	4,522.6
Current assets	899.6	1,019.9	821.0	1,243.1	1,164.1
Total assets	2,584.9	2,799.2	3,883.9	4,814.5	5,686.7
Equity	2.0	2.0	2.0	2.0	2.0
Provisions	2,397.2	2,595.5	3,793.6	4,148.4	4,502.3
Obligations	185.7	201.7	88.3	664.1	1,178.1
Total liabilities	2,584.9	2,799.2	3,883.9	4,814.5	5,686.7

INCOME STATEMENT					
In EUR million	2011	2012	2013	2014	2015
Annual profit (= allocated to the provision for perpetual obligations)	177.1	194.7	1,190.6	351.1	334.3

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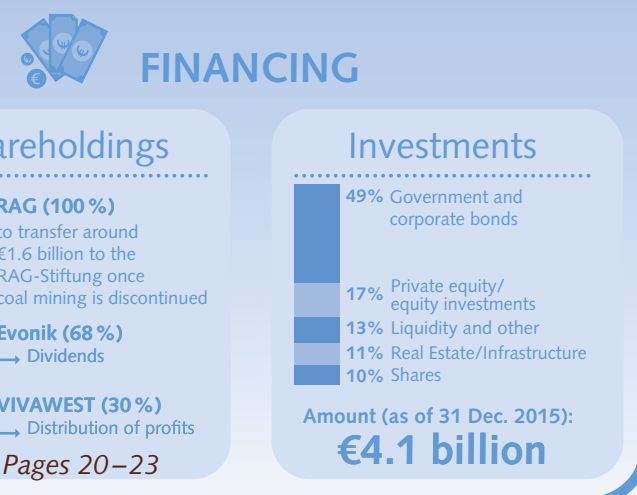
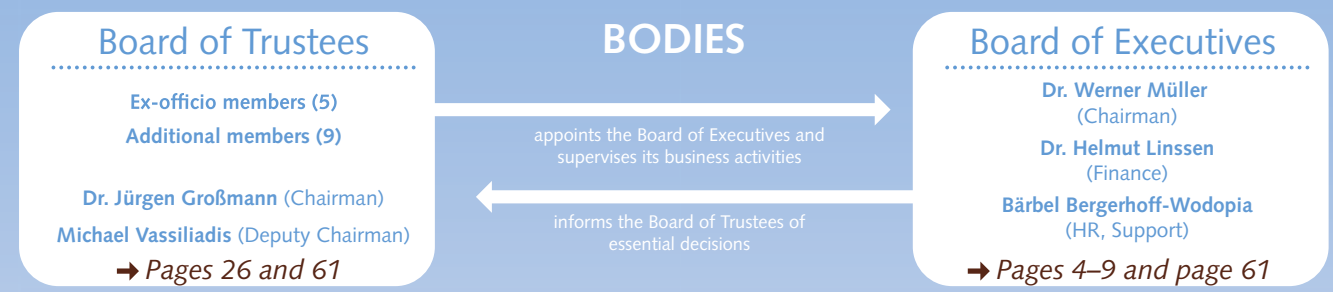
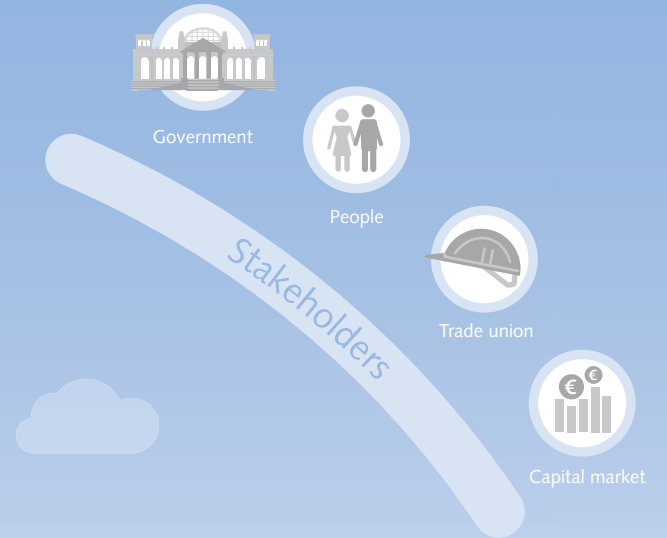
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THE RAG-STIFTUNG AT A GLANCE

FOUNDED 2007



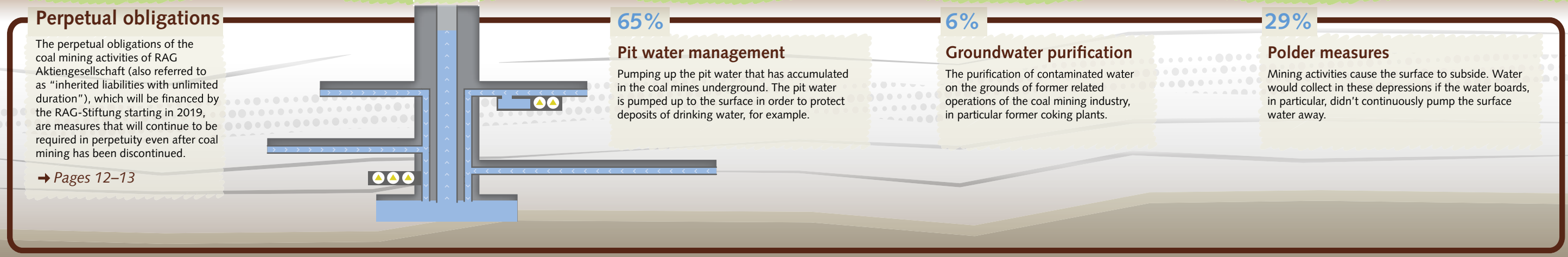
Starting point
Discontinuation of subsidised coal mining (end of 2018)

The purpose of the RAG-Stiftung is to ensure the orderly and socially acceptable transition to the post-coal era and to permanently finance the perpetual obligations.

Support in 2015: **€7.5 million**
Support in 2016: **€10.5 million**

Support for education, science and culture.
Project funding is for mining-related activities in the Ruhr and Saar regions. Funding is provided for two key tasks:
Mining heritage & Transition support

Amount required each year to finance perpetual obligations beginning in 2019: **approx. €220 million**





THE PAST SHAPES THE FUTURE

People's origins tell us a lot about where they come from and where they will go. The paths we take are of course not preordained. We have the freedom to decide whether to turn right or left or to go straight ahead at the next intersection. But the factors that have shaped us in the past influence us throughout our lives. The people who live in the coal mining regions of Germany know what makes their origins special: a natural resource that has enabled entire cities to grow up around it. Coal is a raw material that made this country prosperous. It's a mineral that initially had to be extracted from the ground under dangerous conditions. The miners who took up this challenge shared certain values: solidarity, team spirit, directness, resilience and optimism. These values will live on, even after the last mine is shut down at the end of 2018. At the RAG-Stiftung, we too will make sure of that. We are providing the capital that is needed to finance the remaining perpetual obligations, and we are helping to safeguard the legacy of the mining industry. Through the projects we sponsor, we are helping to bring about a successful transformation.

FOREWORD BY DR. MÜLLER

THE FUTURE GROWS OUT OF THE PAST

Helping to make the future bright—this is a goal that many people are pursuing. And in the regions of Germany where hard coal mining will soon come to an end, this goal is extremely urgent. Fortunately, the skills that are needed for this task are abundantly available here. The third-last German mine, Auguste Victoria in Marl, was closed down at the end of 2015. Only two mines will continue operating until the end of 2018, and at that point a new era without mines or miners will begin.

Meanwhile, at the RAG-Stiftung we are continuing our work. We are helping to open up new opportunities for the people who live in the former mining regions and enabling them to have a bright future. That's why this Annual Report is devoted to our multifaceted activities that are supporting the future.

The prerequisite for these activities is our foresighted and secure pursuit of the original purpose of our foundation: financing the perpetual obligations of the mining industry, especially the permanent tasks of water drainage and water management. We are also on the right track toward enhancing our foundation's assets and increasing our annual surplus—even after 2019, the year in which we must start paying the annual costs of the perpetual obligations.

We have set ourselves an unconditional goal: when the mining industry is closed down, we must permanently end our claim to public assistance. The financial section of this report documents the fact that we will reach this goal and shows how we will do so.

In line with its articles of association, the RAG-Stiftung is supporting the socially responsible termination of the German hard coal mining industry and bringing it to a good end. We are doing this in close cooperation with the mine operator RAG and its works councils, who are facing this huge challenge with strong commitment and who have also been able to place many former miners in future-oriented jobs.

At the same time, we are promoting the future well-being of the former coal mining regions through targeted projects. We have increased our support for these projects by an additional €3 million to a total of €10.5 million for 2016. This Annual Report provides an overview of the multifaceted support we are providing for the three project areas of education, science and culture.

Furthermore, we are preparing for the year 2018, whose end will mark the final closure of a historic industrial sector. If this economic sector had not existed, the industrial growth and prosperity of Germany would have been impossible. We would like to organize a farewell programme that is worthy of this sector under the name "Glückauf Zukunft!" in cooperation with our social partner IG BCE as well as RAG and Evonik Industries AG.

We would like to express our thanks and to convey the message that we can have a bright future even in the absence of the mining industry and the miners who made it strong. We want to do this especially because the mining industry has brought all of us far more riches than problems.

The RAG-Stiftung will mobilize all its resources and continue to be a dependable partner as it helps to perpetuate a good quality of life in the regions where the German hard coal mining industry will soon be ending. We are supporting our visions with concrete facts and solutions—because of our responsibility to contribute to a bright future.

The best of luck to you! Sincerely,

Dr. Werner Müller
Chairman of the Board of Executives of the RAG-Stiftung

"At the RAG-Stiftung we support our visions with concrete facts and solutions."

Dr. Werner Müller



“Complaining will not be part of our portfolio in the future either.”

Dr. Helmut Linssen



FOREWORD BY DR. LINSSSEN

NO LACK OF GOOD FINANCIAL IDEAS

The ongoing phase of low income rates is making it difficult for almost all of the thousands of foundations in Germany to increase their capital. But it wouldn't help matters if in my capacity as the Chief Financial Officer I merely complained about the interest rates' stubborn refusal to rise. We have to look for creative solutions! And that's why I'm still optimistic. The mix of sources of income that are helping to increase the RAG-Stiftung's assets is crisis-proof, and it's distributed across a number of pillars that have different kinds of strengths. The financial section of this Annual Report 2015 shows the details of this distribution.

At this point in time I can already present you with a positive interim report: we are already receiving more money per year than we will have to spend annually from 2019 on to finance the perpetual obligations of the German hard coal mining industry. We could finance these obligations, which include the cost of draining the pit water and are expected to amount to about €220 million annually, solely from the current dividend transfers of our strategic shareholding in Evonik.

In the reporting year 2015 we received not only the dividends from Evonik, which are paid out reliably, but also good returns on our capital investments. We make global and broadly diversified investments in liquid capital assets such as shares, pension funds and corporate loans, as well as in illiquid capital assets such as private equity and infrastructure and real estate funds. By means of a special fund of our own we make equity investments in dynamic medium-sized companies. Our investment company operates successfully in the mechanical engineering, automation and industrial services sectors.

In this Annual Report, we would like to draw your attention to a special class of assets that generate returns for us in a rather discreet but positive way: real estate! When it comes to residential properties, we can rely on the tried and tested solidity of our strategic shareholding in VIVAWEST, which manages more than 120,000 flats.

But that's not the whole story. In line with the capital investment guideline that was approved by the Board of Trustees at the end of 2013, we are permitted to invest up to 15 per cent of our financial resources in real estate in order to receive solid and dynamic returns. Our portfolio of commercial properties is distributed among about a dozen carefully selected funds that are managed by specialists. Here we are benefiting from the international trend toward "concrete gold" as a secure, constant form of investment that nonetheless offers rich opportunities. Our commercial properties are situated in top locations in major cities around the world and rented out at good rates over the long term. In addition, occasionally we are also owner-builders. For example, on the premises of the UNESCO World Heritage Site Zollverein in Essen, we are currently building the future shared headquarters of RAG and the RAG-Stiftung. In effect, we are building a home for our future.

Whether interest rates are high or low, the RAG-Stiftung will not run out of good investment ideas. Complaining will not be part of our portfolio in the future either.

The best of luck to you! Sincerely,

Dr. Helmut Linssen
Chief Financial Officer of the RAG-Stiftung

"Promoting training activities at former mining sites is an important task."

Bärbel Bergerhoff-Wodopia

AN INTERVIEW WITH BÄRBEL BERGERHOFF-WODOPIA

"WE HAVE TAKEN ON A SHARED RESPONSIBILITY"

Bärbel Bergerhoff-Wodopia has been Head of Human Resources at the RAG-Stiftung since the end of 2012. In this position she benefits from the multifaceted experience she has gathered at the mining company RAG. In this interview she explains why it requires a special knack to support socially acceptable job reductions in the mining industry and to promote training in former mining locations.

Ms. Bergerhoff-Wodopia, the third-largest coal mine in Germany, Auguste Victoria in Marl, was closed down at the end of 2015 after 115 years.

How did you experience the closing ceremony?

I found it very moving, in large part because I'm a child of the mining industry too. I've already experienced a whole series of mine closures in my various functions over the years. But this closure was especially moving—I think one of the reasons is that now there are only two active mines left, so we can very clearly see the end approaching. In the final phase of operations, only about 2,000 people were employed in Marl. On 18 December 2015, the miners pulled out the last wagon and gave the state premier of North Rhine-Westphalia the last piece of coal from the mine. That was a very moving moment.

The municipal authorities of Marl are planning to develop the mining complex and thus create many new jobs in various trades. Will the structural transformation in Marl be successful?

I'm convinced that Marl will succeed in attracting new companies to settle there. However, this kind of area development and marketing takes time. It's certainly not going to create as many new jobs as the number that the mine offered at its peak. But of course the closure did not catch the town unprepared, so it was able to make plans for the future ahead of time. In order to implement these plans, many partners, including political decision-makers, have to work together.

The planned reduction of capacities and jobs in Germany's hard coal mining industry, which used to employ some 600,000 people, should not cause any miner to fall through the social safety net. What role is the RAG-Stiftung playing in this process?

Ever since the foundation was established in 2007 we have shared the responsibility for ensuring that the mining industry can be closed down in a socially acceptable manner. Nonetheless, the success of this process is primarily due to RAG itself and especially also to the trade union IG BCE. They were the partners of the political decision-makers in the many rounds of ultimately successful negotiations regarding Germany's withdrawal from the coal industry by 2018. RAG had a Management Board and works councils whose members know how to organize socially acceptable job reductions. We, the RAG-Stiftung, played a supportive and coordinating role in these talks.

How is the RAG-Stiftung influencing this process on a practical level?

First of all, with the RAG Supervisory Board. Socially acceptable job reduction has been a continuing concern of the Supervisory Board down to the present day. Our Board of Executives and the RAG Management Board also meet regularly for talks. And we also hold regular discussions with the works councils of RAG.

My concept of this extensive task is influenced by my own professional experience. I've been a member of several works councils and the Operating Director for Personnel and Social Issues at the Technology and Logistics Services Ruhr/Saar Service Unit at RAG. After the last mine in the Saarland region was closed in mid-2012, many miners had to be relocated to the Ruhr region and to Ibbenbüren. This process was successfully implemented in close cooperation with the mines' representatives and administrators, the works councils and the trade union IG BCE.

The training programmes at RAG have also produced large numbers of specialized workers for the economy of the coal regions for decades. These programmes are now over. Can the RAG-Stiftung close the gaps that have opened up by promoting educational projects in these regions?

We can't replace the mining traineeships that no longer exist. However, we can do a number of things to at least partially compensate for this loss. For example, in Marl we are cooperating with the state of North Rhine-Westphalia to support training programmes at the Evonik Industries complex which is located near the decommissioned mine. The promotion of training programmes in former mining regions, including the Saar region and Ibbenbüren, is a very important challenge, and we are meeting it. This especially benefits young people who need to be given a second or third opportunity to receive some kind of training. For this group of young people, the cancellation of traineeships in the mining industry leaves them with very few opportunities to receive vocational training. **In addition to supporting training and education, your responsibility as a Board member also includes two other areas: science and culture. Why are you shouldering these additional tasks?**

Because we are determined to preserve our mining culture and to cherish its legacy after the last mine is closed in 2018. The mining industry has influenced the cities and rural communities of these regions—among other things, by perpetuating its values of solidarity, comradeship and dependability. Many cities would not even exist today if it had not been for the mining. We want to preserve this heritage for future generations. That's why we are promoting the modernization and renovation of the German Mining Mu-

seum in Bochum, for example. We also feel a sense of responsibility for the sites of former mines in the Saar region.

We cooperate closely with TH Georg Agricola University of Applied Sciences to promote our support activities for science. Here we have created a course of study and a research centre that are devoted to post-mining activity. The scientists who are working there focus on issues such as pit water management and do research to find the causes of sinkholes in the Ruhr region. The results of their research will help us to proceed more safely, and perhaps also more efficiently, in these areas.

The total budget for supporting the projects in these three areas was increased from €7.5 million at the end of 2015 to €10.5 million for 2016.

Can additional projects now expect to receive support from the RAG-Stiftung?

Yes. However, in line with our articles of association, we only support projects that are related to mining and promise to generate significant benefits. In the future, the area of education will occupy even more space in our support activities. Here we want to continue a fine old mining tradition by focusing our support on children and young people who have had limited opportunities in the past. We are also reinforcing our support for cultural activities in a number of areas, for example the Ruhrfestspiele and the Ruhr Triennale. These are both closely connected with the mining industry, and both of them reach lots of people.

In 2015 the foundation decided to launch an education programme for refugees that will receive up to €1.5 million in additional funding.

Can you tell us something about that?

Through this programme, which is called "Solidarity in the Mining Industry," we are helping to master a challenge that is facing our society as a whole. And we're doing so against the background of the traditional integration process that has characterized the mining industry. A command of the German language is essential for integration. It's the key to education, work, social participation and ultimately to a self-determined life.

The educational project that we are financing began at five former mining locations on 1 March 2016 and is designed for young refugees aged between 18 and 25. The focus is on teaching the German language and intercultural skills. The project also offers its participants insights into various fields of work. The programme lasts ten months. The prerequisite for participation is a good expectation of receiving a residency permit for Germany. We will initially be able to include about 150 young refugees in our programme at five locations, including the Saar region and Ibbenbüren. <

ORIENTED TOWARD TOMORROW

FIT FOR THE POST-MINING FUTURE

Christian Holtkamp worked as a miner for many years at the Prosper-Haniel mine in Bottrop. Because this RAG mine will close at the end of 2018, he reoriented himself and eventually found a new job at Evonik in the Marl Chemical Park. This switch to a job with a promising future was made possible by a cooperation agreement signed under the aegis of the RAG-Stiftung.

NO ONE WILL BE LEFT BY THE WAYSIDE

Christian Holtkamp began a training programme as an industrial technician at the Prosper-Haniel mine in 2000. "Back then I believed that a job in the mining industry was a safe bet," he says. "I actually wanted to stay at RAG until I was ready to retire." But then, in 2007, the policymakers decided that Germany should phase out its hard coal mining industry. The last two RAG mines that are still operating, Prosper-Haniel and Anthrazit Ibbenbüren, will be shut down by the end of 2018. After completing his training, Holtkamp



With support from RAG and the RAG-Stiftung, Christian Holtkamp took advantage of a new opportunity

had worked on the fitting-out of the mine in Bottrop. Now he was facing the end of his career as a miner. "I didn't want to wait until the bitter end, so I started looking for another job in 2013," he says. "I'm happy that my efforts were successful."

On 1 June 2015 Holtkamp began his new job as a maintenance engineer at the Technology & Infrastructure unit of Evonik Industries at the Marl Chemical Park. The fact that this new professional outlook opened up for him just in time was due not only to his personal efforts but also to the measures put in place by RAG and the RAG-Stiftung. The company and the foundation are responsible for ensuring that the phase-out of hard coal mining in Germany is done in a socially acceptable manner. The goal is to ensure that no one will be left by the wayside. Their measures pay particular attention to younger miners, such as Christian Holtkamp, who is 33. "Those who are too young to be eligible for an early retirement scheme receive support as they look for new jobs," he explains.

RAG has established a special job placement unit for this purpose. The members of this team maintain contacts with other companies and tell individual members of the workforce about specific job openings they could apply for. They also simulate job interviews with the miners, inform them about special qualification courses and help them write their job applications. These efforts have been worthwhile—for Holtkamp as well as for many other former miners who have found jobs in other sectors with the help of RAG.

A NETWORK OF PARTNERS

Nonetheless, the path to a new job is not always a straight line. For example, the placement team at RAG initially found Holtkamp a job at a waste disposal company, where he worked for a trial period. "It wasn't really the right job for me," he says. After that he started a training course at the fire department in Bottrop. He liked the job, everything was going well—until he had to participate in a respiratory protection exercise. "I had breathing difficulties after putting on the protective mask, so I had to give up the training program. That was a tough decision for me," he says. But he didn't give up hope. After returning to his old job at the Prosper-Haniel mine, he saw a job opening notice from Evonik on the bulletin board. Once again, he got in touch with his contact at the job placement unit



Christian Holtkamp is a skilled worker—formerly in a mine underground, today in a chemical park above ground

and started the familiar job application process. At the end of it, he had a new job as a maintenance technician at Evonik.

When it comes to finding new jobs for former miners, this producer of specialty chemicals is an important partner of RAG, along with the housing association VIVAWEST and the trade union IG BCE. The basis of the partnership is a cooperation agreement that was concluded by Evonik and RAG in 2013 and also signed by the RAG-Stiftung and the participating committees of the works councils. "Miners are highly qualified specialists, and Evonik always needs such people. The cooperation agreement defines the instruments with which we can offer former RAG employees a new occupational perspective at Evonik," says Andreas Kuhlmann, the Head of Special Sourcing at Evonik in Marl.

These instruments include the requirement that all job openings should be initially advertised not only at Evonik but also at RAG. They also include workshops where miners can find out about the job opportunities at the specialty chemicals company Evonik. Special qualification courses are also offered. "In these courses, former RAG employees

500 More than 500 former RAG employees have switched to Evonik so far and are still working there today.

can acquire any additional skills they need in order to do well in a new job. The training measures are very individualized, and we've had very good experiences with them so far," says Kuhlmann.

Christian Holtkamp has settled into his job very well. As a maintenance engineer, the former miner works together with his colleagues to ensure that everything runs smoothly in the chemical park's three power plants. "Here we've got one coal-fired and two gas-fired power plants. On my routine tours of inspection, I do things like checking the oil levels in the power units and changing the oil or air filters as necessary," he says.

Holtkamp is happy with his new job. What he likes especially is the workplace and his work schedule. "Instead of working on an alternating three-shift schedule, now I always work from 7 a.m. to 3 p.m. That gives me more free time in the afternoons. Compared to years gone by, I now get to see the sun a lot more often," he says. <



PIT WATER MANAGEMENT

THE INVISIBLE FORCE

The last ton of coal left Shaft XII of the Zollverein mine in 1986. However, the mine, which is a World Heritage Site and a showcase for the Ruhr region, is still accessible 30 years later. That's because the forces that lie hidden here still require a great deal of work.

ONLY A SEPARATING WALL

Today the 14th level is the deepest point of the Zollverein mine. At a depth of 950 metres, most of the roadways that were driven in order to mine hard coal were walled shut long ago. Only a few hundred metres of underground roadway still remain. That's just enough to permit ventilation via two shafts—in other words, the replacement of stale air with fresh air. A cold wind is blowing down here, because less than a kilometre further up the weather above ground is wintry.

Now that we've rattled down to this depth for well over 15 minutes in a pitch-black hoisting cage, the view of this separating wall is a bit of a disappointment. However, directly behind this wall is the pit water that is the most important concern for the people who work here. In one place, the pit water has a depth of 1.80 metres, but behind other separating walls the water is much deeper. To a visitor, its tremendous force is invisible; it can only be seen on a display panel in the engineering room at RAG.

Massive water pipes with a diameter of almost one metre rear up out of the dam and lead along the roadway toward the pumps. The pipes fill the air with loud mechanical humming.

WATER ALWAYS FINDS ITS WAY

The deeper the coal mines were dug in Germany, the more water had to be pumped out of the earth in order to make coal extraction possible. That's because the water, especially rainwater, that trickles into the soil in regions like the Ruhr flows through the hollow spaces and fissures created by mining and eventually ends up deep underground—for example, 1,200 metres below the surface in the Prosper-Haniel mine in Bottrop, where hard coal is still mined today. In order to keep water away from the mining areas underground, the mining industry has developed a sophisticated system of water management (see the "Perpetual obligations" box on the right). In the Ruhr region, for example, about 85 million cubic metres of water per year are pumped to the surface via risers.

Today, the water management site on the 14th level of the Zollverein mine is occupied by six huge, loudly humming horizontal centrifugal pumps. Each of them is about four metres long and is driven by an electric motor. The pipes, which can

Water management underground (here at the Zollverein mine): A network of pipes and pumps runs through the Ruhr region

Perpetual obligations

The hard coal mining industry is leaving us with three perpetual obligations: pit water management, groundwater purification and polder measures.

PIT WATER MANAGEMENT



In order to conduct mining operations at great depths, the quantities of water that naturally exist there have to be constantly pumped away. After the termination of hard coal mining, the level of the pit water can once again be allowed to rise, but only under strictly controlled conditions. A new technical infrastructure ensures that the level of pit water is kept at a safe distance from the deposits of drinking water that are close to the surface. The pumping-out of pit water to the surface will therefore have to be continued in perpetuity. The adjustment and supervision of this process is one of the central tasks of post-mining research.

GROUNDWATER PURIFICATION



The groundwater must be perpetually purified, especially in the mining areas that were previously used by the mining industry's related operations such as former coking plants. The pollution that was generated by these plants makes extensive protective and purification measures necessary. That's why the groundwater in the affected areas is also permanently monitored and locally purified. Extensive efforts are made to prevent the contaminated water from mixing with clean water and thus being widely distributed.

POLDER MEASURES



The mining activities have caused the land above the mines to subside. Today some parts of the Ruhr region lie as far as 20 metres below the level where they existed before the mining industry began its operations. One consequence of this is that the natural outflow of surface water no longer functions. In many places, the overflow from streams and rivers, as well as rainwater, has to be pumped out by artificial means. If the surface water were not being constantly pumped away, it would settle in the depressions.

COSTS



According to current estimates, from 2019 on the combined annual costs for all three areas of the perpetual obligations will amount to about €220 million annually. The biggest single item, comprising about two thirds of the total, will be pit water management. The key task of the RAG-Stiftung is to ensure that all of these measures will be securely financed in the future.



EDUCATION



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Research Institute of Post-Mining >> page 18

Taking on responsibility is a central mission of the RAG-Stiftung. And its key task is to finance the perpetual obligations of the German hard coal mining industry. But its diverse promotional activities are also part of its social agenda. From the very beginning, the RAG-Stiftung has supported projects in the areas of education, science and culture. In line with its articles of association, it focuses on projects that have a connection with the hard coal mining industry in the Ruhr and Saar regions. In 2015 it contributed a total of €7.5 million to 55 projects of various dimensions. In these projects, the focus is on safeguarding the legacy of mining and shaping the future of former mining regions. For example, in the area of education the RAG-Stiftung supports young people by creating additional training opportunities for them in the Ruhr and Saar regions. In the area of science, the foundation supports institutions that take mining know-how into the future—for example, the TH Georg Agricola University of Applied Sciences in Bochum. The cultural projects that are funded by the foundation also support the structural transformation of the former mining regions while safeguarding their cultural legacy. On the following pages we present the three project areas supported by the RAG-Stiftung. <

SPONSORED PROJECTS IN THE MIDST OF LIFE

In 2015 the RAG-Stiftung once again supported numerous projects and initiatives in the three areas of education, science and culture. The diverse sponsorship activities all have a common goal: making the former mining areas in the Ruhr and Saar regions fit for the future and preserving the local heritage of the mining industry.



A festival with charisma: Once a year, the ExtraSchicht event attracts night-life enthusiasts to the former mining region

SPONSORED PROJECTS: CULTURE

LOOKING BACK, LOOKING FORWARD

In 2015 ExtraSchicht – Night of Industrial Culture celebrated its 15th anniversary. Throngs of visitors enjoyed a brilliant programme of music, theatre and light shows at former mine sites and decommissioned coking plants and steelworks. The RAG-Stiftung began its financial support of this event in 2015.

BUSES SHUTTLING THROUGH THE NIGHT

What a night! On 15 June 2015, about 225,000 visitors came out to celebrate the 15th birthday of ExtraSchicht – Night of Industrial Culture in the Ruhr region. From 6 p.m. to 2 a.m., they travelled back and forth via shuttle buses and trams between 45 former sites of the mining and steel industries in order to experience a diverse cultural programme consisting of 500 individual events. About 2,000 artists and 200 cooperation partners made ExtraSchicht 2015 possible. RAG-Stiftung became a supporter of the event for the first time in 2015. “ExtraSchicht is helping to keep the legacy of mining alive and finding special new ways to use former mining sites. That’s why it fits in perfectly with our practical support programme,” says Bärbel Bergerhoff-Wodopia, a member of the RAG-Stiftung’s Board of Executives.

ExtraSchicht—“Extra Shift” in English—celebrated its première in 2001 under the aegis of Ruhr Tourismus GmbH. RAG Montan Immobilien GmbH has also been a supporter from the start. RAG AG is successfully working to redevelop former mining sites for future-oriented uses—for example, as residential and commercial areas and renewable energy sites. Some areas have also established themselves as creative centres and are now important venues for ExtraSchicht. For example, during the anniversary night in 2015 the Zollverein UNESCO World Heritage Site in Essen formed the background of the gigantic stick puppets of Dundu, and the musical fireworks display that rounded off the event was staged at the future-oriented Ewald site in Herten.

A MAGNET FOR VISITORS

The tourism statistics also reveal how valuable the ExtraSchicht event is for the Ruhr region. Since 2001, the Night of Industrial Culture has attracted more than two million people, including many guests from further afield who book overnight accommodation. “ExtraSchicht is a major reason why the industrial culture of the Ruhr metropolitan region has developed over the years into a magnet for guests from all over Germany and beyond. We are proud of that,” says Axel Biermann, the Managing Director of Ruhr Tourismus GmbH.

At the upcoming 16th ExtraSchicht on 25 June 2016, the RAG-Stiftung will once again be helping to regale guests from near and far with a brilliant cultural festival featuring international artists performing in the light of illuminated pithead gear and coking plants. As Bergerhoff-Wodopia explains, “ExtraSchicht is a bridge between the past and the future. And the history of the Ruhr region is one of the key components of the future the region is shaping for itself. That’s why we are delighted to be able to continue supporting the Night of Industrial Culture in 2016.” <

Project: ExtraSchicht

- **Mission:** Preserving the legacy of mining; using former mine sites as performance venues
- **Support:** since 2015
- **Partner:** Ruhr Tourismus GmbH

SPONSORED PROJECTS: EDUCATION

TALENTED YOUNG PEOPLE ON THE MOVE

StudienStiftungSaar launched the scholarship programme “studienpioniere.saarland” for secondary school students in February 2015. The RAG-Stiftung is one of the sponsors of the programme, which promotes fairer access to education. To achieve this aim, the programme supports secondary school students from non-academic families. One of its beneficiaries is Dilara Özpamuk.

THE FAMILY’S FIRST UNIVERSITY STUDENT

Dilara Özpamuk, a 16-year-old schoolgirl from Völklingen, already has an initial idea about her future field of study. “I have a strong sense of justice, so I can already see myself studying for a law degree,” she says. However, she’s still not completely sure about this plan, so she applied for a place in the “studienpioniere.saarland” programme in the summer of 2015. This new scholarship programme of the StudienStiftungSaar aims to help secondary school students in their fifth year and above consider their options for future careers, university study and possible fields of study. The programme targets talented young people who want to be the first in their family to get a university education. Dilara is one such person.

She comes from a mining family and is now attending a commercial secondary school in Saarbrücken. Her grandfather immigrated to the Saarland from Turkey in 1971 and worked as a coal cutter in the Warndt coal mine until 2001. Dilara’s father worked as a mining technician at the same mine until 1997. “Both of them

told me lots of stories about how things used to be,” Dilara says. She was especially impressed by the solidarity of the mineworkers, which has also shaped her own ideals. She is a trained mediator, and if there’s a conflict at her school she intervenes to seek a solution. During her free time, she also participates in charitable events.

MORE FAIRNESS IN EDUCATION

Because of her social commitment and other factors, Dilara was one of the more than 260 students selected by the “studienpioniere.saarland” programme to receive various kinds of support. During the first phase of the programme, the participants will attend courses in personal development and professional and student orientation. If the participants are accepted by a university in the Saarland, they receive financial support during the first two semesters, as well as counselling as needed in areas such as how to organize their studies. They also get help when they look for corporate jobs. In this way, the scholarship programme is making an important contribution to fairness in education and safeguarding the supply of specialists in the former mining region of the Saarland.

The “studienpioniere.saarland” programme is funded by the state government of the Saarland, the European Social Fund, the RAG-Stiftung and other sources.

During the scholarship programme, Dilara has gained some insights into the work-study programme of the ASW Berufsakademie Saarland and the research activities at the University Clinic in Homburg. She doesn’t think she will end up studying business administration or medicine, though. All the same, the events she has attended so far have made her curious. “I’m looking forward to getting to know many other professions and courses of study,” she says. “That’s because the most important thing is to eventually find something that’s really right for me.” <



The first student in the family: Dilara Özpamuk wants to go to university

Project: studienpioniere.saarland

- **Mission:** Improving educational opportunities for young people from non-academic families; ensuring a supply of skilled workers in the Saar region
- **Support:** since 2015
- **Partner:** StudienStiftungSaar

SPONSORED PROJECTS: SCIENCE

RESEARCH FOR THE POST-MINING ERA

Katrin Maslowsky is a student at TH Georg Agricola University of Applied Sciences in Bochum and a research assistant at the Research Institute of Post-Mining. Her goal is to find solutions that will help the affected regions to deal with the consequences of mining in sustainable ways.

COMPLEX CHALLENGES

Katrin Maslowsky, 29, can't complain about feeling bored. She's working toward a master's degree in Geotechnical Engineering and Post-mining at TH Georg Agricola University of Applied Sciences in Bochum. She's also a research assistant at the university's Research Institute of Post-Mining. "Because the master's programme was designed as a work-study programme, it's easy to combine it with my work at the research institute," she says. "That doesn't leave me very much time for other things, but I'm convinced the effort is worth it. I'd like to ultimately have a career in research."

The university opened the Research Institute of Post-Mining with the support of the RAG-Stiftung in 2015. As the world's first research institute in this field, it has been tackling the complex challenges connected with decommissioning mines, conducting follow-up measures and utilizing former mining sites. One focus of its research is on perpetual obligations (see pp. 12–13). "We do basic research as well as research that is commissioned by clients such as RAG and local author-

ities," Maslowsky explains. "Our overarching goal is to find solutions that will help us to sustainably manage the consequences of mining activities."

INVESTIGATING SITES AT FIRST HAND

Because the demand for post-mining specialists is growing steadily, the university also established the master's degree programme Geotechnical Engineering and Post-mining in 2013, together with a professorship of the same name—both with the help of the RAG-Stiftung. Maslowsky is one of the first candidates for this master's degree, which is unique in Germany. She is currently working on her master's thesis. As a research assistant, she also does student counselling and conducts experiments with other students at the Geotechnical Engineering and Post-mining laboratory. "There are two reasons why I find my work so exciting. First, this area of research fascinates me, and secondly, we don't have only traditional students here," she says. "We've also got students who are already working in a mining-related area and would like to gain additional qualifications in a work-study programme."

What Maslowsky likes best is to do her own research. "Driving out in our van, taking soil samples and examining them in the laboratory to find out the grain size distribution or the water content—that's the kind of research I really enjoy doing. Even though 'grain size distribution' might not sound terribly exciting to most other people," she says with a laugh. Her passion for research in this area has a lot to do with her family background. Her grandfather worked for decades as a coal miner at the Nordstern mine in Gelsenkirchen, and he told her lots of stories about his work underground. "Mineworkers like my grandfather have done a great deal for the Ruhr region," says Maslowsky. "My generation's task is now to tackle the challenges of the post-mining era and solve them on a permanent basis." <

Project: Research Institute of Post-Mining (TFH)

- **Mission:** Finding solutions for post-mining challenges
- **Support:** since 2014
- **Partner:** TH Georg Agricola University of Applied Sciences, Bochum



Katrin Maslowsky (left) carries out research for the post-mining era



Exciting perspectives: The Future Forum 2016 will take place in the SANAA building at the Zollverein site

"GLÜCKAUF ZUKUNFT!"

A FAREWELL AND A NEW BEGINNING

When the last two operating German hard coal mines are closed down at the end of 2018, this mining industry will be at an end. But there will also be new beginnings. The "Glückauf Zukunft!" initiative is accompanying the end of the hard coal mining era and the beginning of the post-mining era with numerous attention-getting projects.

A MAJOR TURNING POINT FOR ENTIRE REGIONS

Ever since the mid-19th century, generations of miners have dug up the "black gold" that was so abundant in the Ruhr and Saar regions. With untiring energy, they first powered industrialization and then raised the Federal Republic of Germany to the level of prosperity it enjoys today. In 2007 Germany's policy makers decided to discontinue hard coal mining in a socially compatible manner. The final point of this process will be the decommissioning of the last two RAG mines that are still operating, Prosper-Haniel in Bottrop and Ibbenbüren in the southern Münsterland region, at the end of 2018.

The end of the mining activities will be a major turning point for the people in the former mining regions. This is why the RAG-Stiftung cooperated with its equity investments RAG and Evonik, as well as the trade union IGBCE, to establish the "Glückauf Zukunft!" initiative. The initiative's goals are to bring the German hard coal mining industry to a dignified conclusion and to drive transformation in the former mining regions by generating new momentum. "We would like to honour the historical achievements of the mine-workers in an appropriate manner and simultaneously send a strong vote of confidence regarding the new post-mining era," says Dr. Werner Müller, Chairman of the Board of Executives of the RAG-Stiftung.

In order to implement this agenda, "Glückauf Zukunft!"—a miners' greeting to the future—will offer a broad range of attention-getting projects in the period

until the closure of Germany's hard coal mining industry. One of these projects is the Future Forum 2016. Following the pattern set by the Forum two years ago, experts from Germany and abroad will meet in order to discuss approaches to solving the challenges that will face the Ruhr region in the years ahead.

RECOMMENDATIONS FOR CHANGE

One focus of the event will be the results of a scientific study conducted by international experts from the fields of politics, business, science and the social sciences to assess the future of the former mining regions against the background of the relevant megatrends. The results of this study will be the basis of recommendations for activities supporting transformation in the Ruhr and Saar regions.

But "Glückauf Zukunft!" is not only relying on its own projects. The programme is also supporting third-party initiatives that also aim to launch various activities accompanying the end of hard coal mining in Germany. For example, the RAG-Stiftung is supporting the comprehensive renovation and remodelling of the German Mining Museum and providing up to €15 million in funds for this purpose. "The RAG-Stiftung bears a huge responsibility to preserve the memory of the mining industry and also to safeguard the attractiveness of the former mining regions," Müller says. "The name of our programme, 'Glückauf Zukunft!', expresses our conviction that it is possible to do both." <

Evonik impresses with optimised structures and future-oriented products

STRATEGIC EQUITY INVESTMENT IN EVONIK

THE FORMULA FOR THE FUTURE

The equity investment in the specialty chemicals company Evonik is currently the RAG-Stiftung's strongest financial pillar. At around 68 per cent, the RAG-Stiftung is Evonik's majority shareholder. Following the Group's restructuring in 2015, Evonik is better positioned for the future than ever before. The company is looking optimistically into the future, with a clear focus on profitable growth and a higher dividend.

THOROUGHLY TRANSFORMED

The majority interest in Evonik Industries AG is, without doubt, the RAG-Stiftung's biggest source of funding for the perpetual obligations, beginning in 2019. The foundation largely obtains these funds through income from investments as well as capital gains. The foundation achieved an important milestone in April 2013 with Evonik's IPO. The RAG-Stiftung currently owns almost 68 per cent of Evonik shares, although it plans to reduce this proportion over the long term in conformity with market developments.

Evonik has thoroughly transformed itself in recent years. On the basis of the 150-year history of its predecessor companies, Evonik had developed or acquired a large number of business units, many of which didn't belong to the core business of a chemical firm. In a multi-year refocusing process, Evonik divested itself of two major units. In 2013 the business segment Real Estate was turned into the independent real estate group VIVAWEST (see also p. 23). The next step was taken in 2014, when Evonik sold the remaining stake in its former Energy Business Area, which is now the energy company STEAG. As a result, Evonik is now solely a specialty chemi-

cals company. Evonik completed its transformation in 2015 with the introduction of a new company structure. The company is now organised into three chemical segments: Nutrition & Care, Resource Efficiency and Performance Materials. Each segment is managed by its own limited liability company and enjoys a great deal of entrepreneurial independence. A fourth segment, Services, encompasses a diverse range of services. The Executive Board operates in a management holding, where it focuses on the strategic evolution of Evonik.

A WORLD MARKET LEADER IN FUTURE-ORIENTED TRENDS

The development of Evonik is benefiting from strong global and social trends, such as the business with methionine, an amino acid that is particularly used for the environmentally compatible feeding of pigs and poultry. Evonik benefits here from the increasing demand for meat products, especially in emerging markets. The company is also the world's leading supplier of DL-methionine.

In addition, Evonik is the market and technology leader in isophorone chemistry, which is posting sustained growth as a result of the megatrend

towards resource efficiency. Composite materials based on isophorone chemistry make wind turbines more resilient and automobiles lighter. Moreover, isophorone chemistry products extend the service life of heavily stressed surfaces. This, in turn, reduces maintenance costs and often makes renovation unnecessary. Strong growth is also being posted by environmentally friendly coating technologies such as UV hardening systems and solvent-free powder coatings.

Another of the Group's numerous product lines with huge growth potential is that of lubricant additives. High-performance additives optimise the flowability and lubricant properties of motor oil and hydraulic fluids. Evonik additives reduce fuel consumption and CO₂ emissions.

Evonik owns more than 26,000 patents as well as a well-filled innovation pipeline containing more than 500 projects. "Our aim is to make Evonik one of the most innovative companies in the world," says CEO Dr. Klaus Engel. To achieve this goal, Evonik will invest more than €4 billion in research and development over the next ten years. The projects will aim to open up new fields of business and extend the company's leading market and technology positions.

INVESTMENTS IN GERMANY

The planned investments will focus on a number of regions, including Germany. Investments in growth and modernisation measures already provided momentum to the Evonik locations in Germany in 2015. Evonik invested more than €400 million here in new production machinery, modernised infrastructure systems, research and development projects and other measures. Evonik has more than 21,000 employees in Germany alone.

Moreover, Evonik is planning additional big projects in the country, including the creation of a new facility for manufacturing specialty copolyesters in Witten by 2018. Evonik is also investing in Essen as part of its global production initiative for specialty silicones. In Rheinfelden, the company is currently building a new research centre for silanes that is scheduled to be completed in 2016. However, all of these examples are only a small selection of the Evonik Group's broad research and product portfolio.

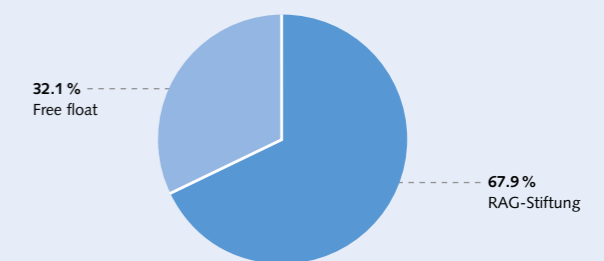
In 2015 Evonik's more than 33,500 employees generated sales of €13.5 billion and earnings before interest, taxes, depreciation and amortisation (adjusted EBITDA) of €2.47 billion. More than 75 per cent of the company's sales originate from its global business outside Germany. Evonik operates in more than 100 countries worldwide.

SIGNIFICANTLY HIGHER DIVIDEND

In May 2016, the resolution passed at the Evonik Annual Shareholders' Meeting to enable the shareholders to participate in the company's successful business development and to greatly increase the dividend by 15 per cent to €1.15 per share will have far-reaching consequences for the future capital accumulation of the RAG-Stiftung. This increase brings a correspondingly higher payout and shows how Evonik is continuing to pursue an attractive dividend policy, which focuses on dividend continuity and the disbursement of 40 per cent of the adjusted Group earnings. As Evonik's strategic partner, the RAG-Stiftung is seeing its capital formation and investment flexibility benefit from the higher dividends as well as from the company's growth, which promises to make the share price rise as well. <

Evonik Industries AG

Headquarters: Essen—over 33,500 employees—€13.5 billion in sales—€2.47 billion in earnings (EBITDA) in 2015



More than ever, the slogan "Power to create" on the flag of the specialty chemicals company stands for innovation and market opportunities

STRATEGIC EQUITY INVESTMENT IN RAG

POST-MINING RESPONSIBILITY

Even after the end of coal mining in Germany, RAG Aktiengesellschaft will continue to face major challenges in the handling of the inherited liabilities with limited duration and in the fulfilment of the perpetual obligations. In addition, RAG will support the structural transformation of the mining regions.

TASKS FOR ETERNITY

Hard coal mining has already ceased in the Saarland and in most of North Rhine-Westphalia. Only two RAG mines are still in operation: the Prosper-Haniel mine in Bottrop and the mine in Ibbenbüren. Both of these mines will be closed at the end of 2018. It will be the end of an era for North Rhine-Westphalia—an era that extensively shaped Germany's economy, society and political culture. However, RAG, which has been wholly owned by the RAG-Stiftung since 2007, will continue to play an important environmental and social role in the post-mining era. RAG is already preparing itself for these tasks.

Until the end of 2018, RAG's main task will continue to be coal mining as well as its socially acceptable discontinuation as planned. After that, RAG will turn its attention to the inherited liabilities with limited and unlimited duration that coal mining leaves behind. As is the case today, this will include the filling up of the shafts, the preparation of the former mining areas for future uses and the rectification of mining-related damage. Once these activities are completed, one of RAG's primary tasks will be the management of the underground pit water—for all eternity. RAG has to process around 110 million cubic metres of pit water each year in North Rhine-Westphalia and the Saar region.

When the last mines have been shut down, RAG will be able to shift operations to well water management. The pit water will then be able to rise to a predefined level without affecting drinking water.

RAG plans to gradually reduce the number of water management locations and prevent pit water from seeping into streams above ground. To this end, the company will pump up the water at a few central water-maintenance locations in the future and only channel it into major rivers. This concept won't be implemented until all issues have been resolved and the public authorities have analysed and approved the plan. The pit water will be strictly controlled at the points where it flows into the rivers and the environmental standards will be fulfilled far into the future. The centralised water maintenance process will environmentally enhance 240 kilometres of riverine landscape in the Ruhr Region.

REUSE OF FORMER MINING AREAS

Besides these important tasks that RAG is conducting above and below ground, its subsidiary RAG Montan Immobilien GmbH is developing promising new uses for former mining areas. Examples include the use as residential or commercial districts or as areas for alternative energy systems. The company manages more than 9,700 hectares of ground as well as about 1,300 buildings and facilities owned by RAG AG. This makes it one of the biggest property owners in Germany. With its business areas, RAG Montan Immobilien is successfully assisting the structural transformation in the Ruhr region and the Saarland. <

RAG Aktiengesellschaft

Headquarters: Herne—about 8,200 employees—around €1.8 billion in sales in 2015

100%

RAG-Stiftung

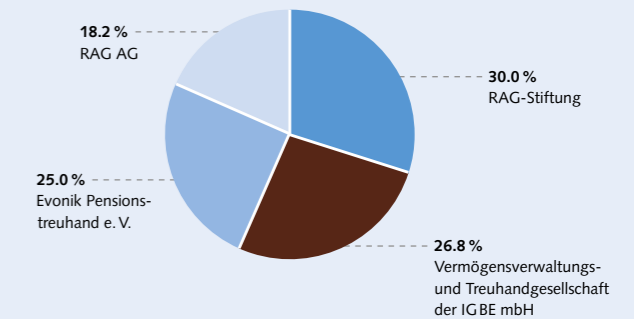
RAG headquarters in Herne: The offices will soon be moved to Essen



Headquarters in traditional surroundings: The VIVAWEST HQ at the Nordstern mine

VIVAWEST

Administrative centre: Gelsenkirchen—2,100 employees—€808.4 million in sales—€338.5 million in earnings (EBITDA) in 2015



STRATEGIC EQUITY INVESTMENT IN VIVAWEST

A TRADITION OF ATTRACTIVE HOUSING

Originally a housing construction firm for miners and steelworkers, VIVAWEST is today one of the leading providers of rental housing in North Rhine-Westphalia. With its sense of social responsibility and a clear commitment to sustainability, the company provides a home for 300,000 people.

LONG-TERM ORIENTATION

Many of VIVAWEST's tenants have been, and in some cases still are, miners. While the mining industry was booming, the company primarily built homes for miners' families in order to cover the demand for housing in the rapidly growing cities along the Rhine and Ruhr rivers. This tradition is being continued by VIVAWEST, which was created in 2012 through the merger of the predecessor companies Evonik Immobilien and THS.

Today, VIVAWEST manages more than 120,000 flats in 76 cities along the Rhine and Ruhr rivers. Its portfolio ranges from listed mining communities all the way to state-of-the-art housing for families and singles. Around 300,000 people live in VIVAWEST flats. The company, whose motto is "Living where your heart is", works hard to design liveable neighbourhoods, promote community initiatives and develop entire city districts. Thanks to its strong roots in the mining industry's social welfare tradition, VIVAWEST acts for the long term and is a reliable partner for its tenants as well as for the cities and communities in which it operates. As part of its sustainable management strategy for its real estate portfolio, the company invests in energy-saving modernisation measures, energy-efficient new buildings and affordable purchasing concepts.

As a customer-focused service provider, VIVAWEST has 14 customer centres, three branches and around 40 service offices to represent it wherever the tenants

live. Another key element of VIVAWEST's customer-focused attitude is the provision of housing-related services by its units for park management, skilled-trades services, multimedia services, and metering and invoicing services.

SOUND INVESTMENT

In 2015 VIVAWEST's approximately 2,100 employees generated sales of over €808 million and EBITDA of €338.5 million. The stability of VIVAWEST's value is confirmed by the continuously positive development of its net asset value (NAV) over time.

The RAG-Stiftung owns 30 per cent of VIVAWEST, making it the company's biggest shareholder and providing it with a profitable, secure and sustainable investment. Together with the other shareholders, the foundation is interested in maintaining the real estate company's long-term prospects. As a result, Evonik sold its remaining share (10.3 per cent) to the co-owner, RAG Aktiengesellschaft, in 2015. The other shareholders of VIVAWEST, Vermögensverwaltungs- und Treuhandgesellschaft der IG BE mbH and the Evonik Pensionstreuhand e.V. have a long-term interest in their investment. In the case of the Evonik Pensionstreuhand e.V. for example, the equity investment helps to secure the company pensions of Evonik employees. <



ONE TIMES SQUARE



BAKER STREET



GHIRARDELLI SQUARE



CORNERSTONE



VIA RIZZOLI



SHELL-HAUS

CAPITAL FORMATION WITH REAL ESTATE

STEADILY GROWING VALUES

The RAG-Stiftung's investment strategy focuses on creating a stable foundation for financing the perpetual obligations. A key "building block" of this strategy is the investment in real estate.

A RENEWED LOVE FOR "CONCRETE GOLD"

In addition to maintaining its lucrative key equity investments in Evonik and VIVAWEST, the RAG-Stiftung is also pursuing a diversified investment strategy. In doing so, it takes advantage of the complex opportunities of the capital market and of direct equity investments in promising medium-sized enterprises. Real estate investments are also lucrative due, in part, to the currently low levels of interest.

There is probably no place that exemplifies New York City as much as Times Square. Here, at the heart of the city that never sleeps, the RAG-Stiftung owns part of the One Times Square high-rise building. The foundation owns an interest in this piece of real estate through Jamestown Premier Property Fund, L. P. The income from the leases from abroad and the even higher revenues from the 24 digital advertising displays on the building's facade will help the RAG-Stiftung pay the costs of the German coal mining industry's perpetual obligations from 2019.

Finance professionals used to consider investments in buildings rather boring. However, due to the high volatility of the stock market and practically zero-income bonds, the distinctive qualities of "concrete gold" have recently put real estate into the limelight. Although real

estate does not offer the highest rates of return, it mostly generates a reliable income, and thus a stable cash flow. That's why real estate plays an important role in the investment mix of a long-term investor such as the RAG-Stiftung, which focuses on stability and protecting itself against the effects of inflation. Moreover, the RAG-Stiftung has been involved in the real estate market for many years now through its strategic investment in VIVAWEST, of which it owns 30 percent. VIVAWEST's more than 120,000 flats are currently worth as much as €1.5 billion.

WIDELY DISTRIBUTED RISK IN COMMERCIAL REAL ESTATE

The market for commercial properties is even more dynamic than the market for residential real estate. The RAG-Stiftung invests in residential real estate through channels that include a directly owned special fund and the RAGS-FundMaster special fund. In addition, it holds shares in ten very different institutional real estate funds. As a result, the associated risks are widely distributed. That's because these various types of funds invest in office buildings, social housing, medical buildings and nursing homes, large logistics centres, shopping malls and shops in

well-frequented city centres. All of these investments are scattered all over the world in order to balance out varying patterns of development in different regions. The positive result is a 7.8 per cent return in 2015.

The RAG-Stiftung pays particularly close attention to the quality and value retention of these properties. This is clearly shown by properties such as One Times Square in Manhattan. Another example is the Cornerstone business centre in Barcelona. This office ensemble in the booming business district of Poblenou has 21,000 square metres of floor space and is the first commercial property in this Catalanian metropolis to receive LEED Gold certification for fulfilling very stringent sustainability standards. The RAG-Stiftung holds shares in a variety of logistics centres in Scandinavia. In San Francisco, the foundation holds shares in the fund that owns the former Ghirardelli chocolate factory, a magnet for tourists.

The RAG-Stiftung also holds shares in other properties through its directly owned real estate special fund. In the Via Goito in Rome, for instance, the RAG-Stiftung owns an ideally situated building that includes recently renovated office space. A further example is the Shell-Haus in Berlin, which is now being rented by a reliable long-term tenant, the German Ministry of Defence. Another property that has received LEED Gold certification is the Baker Street office complex in London. In total, the foundation's equity investments in commercial properties have a value of more than €400 million.

7.8%

was the rate of return from the investments of the RAGS-FundMaster special fund in 2015.

Under the aegis of this directly owned real estate special fund, the RAG-Stiftung is also investing in a building for the renowned Folkwang University of the Arts in Essen. Together with the Essen-based project developer Kölbl Kruse, which is acting as the general contractor, the foundation is constructing a building with more than 17,000 square metres of floor space at the Zollverein UNESCO World Heritage Site. The lease will run for more than 20 years.

Kölbl Kruse is also acting as the project developer for the construction of the new shared headquarters of the RAG and the RAG-Stiftung, which has recently begun. The two-storey administration building, which is now taking shape on the site of the former coking plant at the Zollverein mine in Essen, will upon completion, offer 9,000 square metres of office space for 220 employees. The building will fulfil the sustainability standards for DGNB Gold certification—and will thus be the ideal setting for its owners' unique and sustainable future. <

REPORT BY THE CHAIRMAN OF THE BOARD OF TRUSTEES



Dr Jürgen Großmann
Chairman of the Board of Trustees

Dear reader,

“History shapes the future” is the motto of this year’s annual report, which the RAG-Stiftung is pleased to present here. It demonstrates the two poles that define the work of the RAG-Stiftung: On the one hand, there is the coal mining that will end in 2018 and which has had such a lasting impact on North Rhine-Westphalia and Saarland over centuries. On the other hand, there are tasks that will occupy us for a long time to come, commonly referred to as “perpetual obligations”.

“History shapes the future” also characterises the understanding of the Board of Trustees when performing its duties. These were also performed properly and with due diligence in 2015 by the Board, which was enlarged in the past year by a further member to now comprise 14 trustees.

In two meetings on 23 March and 30 November 2015, the Board addressed the matters of the RAG-Stiftung in detail and was informed by the Foundation’s Board of Executives about the current situation. The reports dealt with the situation in the strategic holdings of RAG Aktiengesellschaft, Evonik Industries AG, and Vivawest GmbH, as well as the other financial assets of the RAG-Stiftung. Particular attention was paid here to the continued implementation of the financial assets strategy.

Furthermore, the Board of Executives reported on the support given to projects in the areas of education, science and culture in the mining regions along the Ruhr and Saar. The budget that was available was once again higher than in the previous year.

The meetings saw the passing of resolutions on the consolidated and annual financial accounts of 2014 and the discharging of the Board of Executives, among other matters. In addition, approval was granted in two areas: firstly for an additional budget that enabled renewed placement of an exchangeable bond on Evonik shares, which has now been done and secondly for the budget presented for 2016.

I would like to highlight two other resolutions here: In order to prepare the mining industry for a worthy send-off, a special budget was approved for the project “Glück-auf Zukunft!” developed to this end.

In order to follow in the footsteps of the major integration work achieved by mining, and to live up to the responsibility of our whole Company, a special budget of EUR 1.5 million was approved specifically to aid refugees.

The Board of Trustees received quarterly reports during the year from the Foundation’s Board of Executives on business development and other relevant information regarding, among other matters, the purchase of shareholdings by the private equity companies of the RAG-Stiftung. Furthermore, as Chairman of the Board of Trustees, I am in regular contact with the Foundation’s Board of Executives, either by telephone or in personal meetings.

As a result I am happy that, with 2015, another year has drawn to a close in which the aims of the Foundation were pursued and a number even exceeded. The future – to slightly adapt the motto quoted at the beginning – can rely on this history.

The Board of Trustees would like to express its thanks for the good cooperation with the Board of Executives of the RAG-Stiftung and its employees, and looks forward to mastering the challenges of the future together.

Wishing you all *Glückauf*

Yours sincerely,

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

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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 with its headquarters in Essen. Using the principles of corporate responsibility, its mandate is to manage the transition 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 from investment income and financial assets.

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 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

The members of the RAG-Stiftung's Board of Trustees remain the following:

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

Since 1 January 2015, Monika Schulz-Strelow has been an additional member nominated by the State of North Rhine-Westphalia. Saarland has nominated Federal Minister Heiko Maas as another member from 20 February 2015. The group of other members of the Board of Trustees therefore comprises:

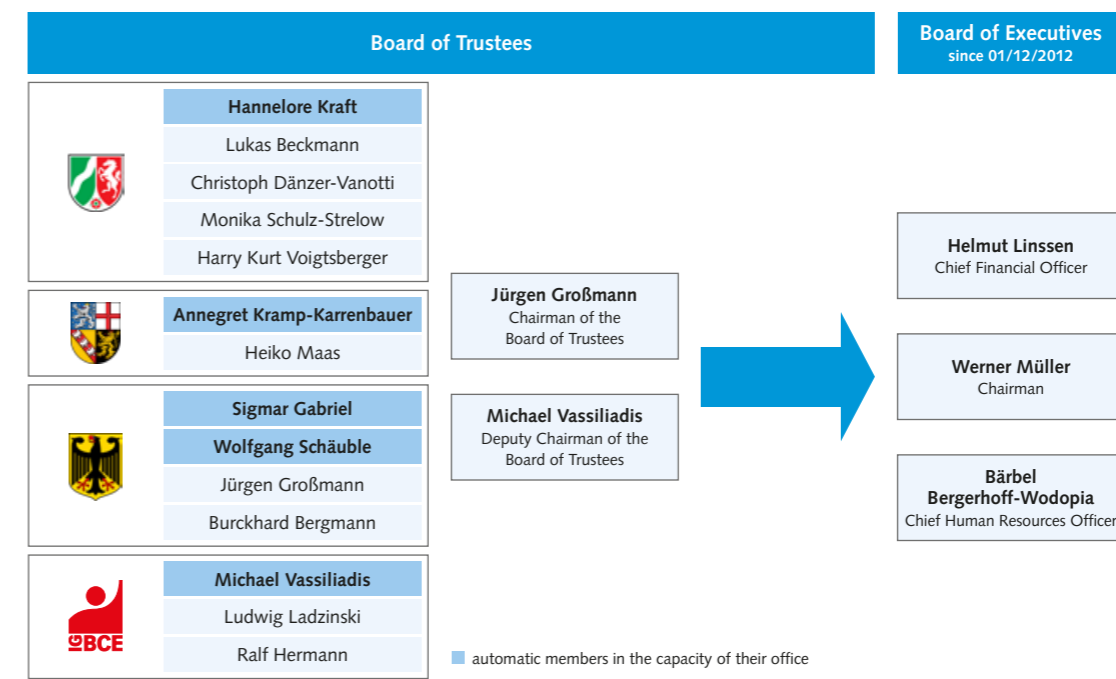
- ▲ Lukas Beckmann, Managing Director of GLS Treuhand e.V.
- ▲ Dr Burckhard Bergmann, former CEO of E.ON-RuhrGas AG
- ▲ Christoph Dänzer-Vanotti, freelance lawyer
- ▲ Dr Jürgen Großmann, former CEO of RWE AG
- ▲ Ralf Hermann, Chairman of the Group Works Council of Evonik Industries AG
- ▲ Ludwig Ladzinski, member of the Executive Board of the mining, chemical and energy industries trade union (IG BCE)
- ▲ Heiko Maas, Federal Minister of Justice and Consumer Protection
- ▲ Monika Schulz-Strelow, management consultant
- ▲ 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 Board of Executives of the RAG-Stiftung. Its members are:

- ▲ Dr Werner Müller, Chairman of the Board of Executives
- ▲ Dr Helmut Linssen, Chief Financial Officer
- ▲ Bärbel Bergerhoff-Wodopia, Chief Human Resources Officer

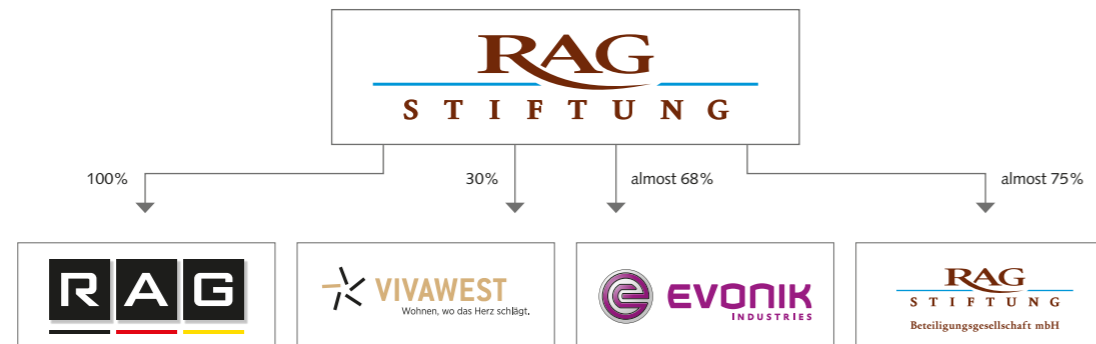
RAG-STIFTUNG BOARD OF TRUSTEES AND BOARD OF EXECUTIVES



INVESTMENT PORTFOLIO

The RAG-Stiftung's strategic holdings are RAG Aktiengesellschaft (RAG AG), Herne, Evonik Industries AG (Evonik), Essen, and Vivawest GmbH (Vivawest), Essen. RAG-Stiftung Beteiligungsgesellschaft mbH (RSBG) is also included in this category by the RAG-Stiftung.

RAG-STIFTUNG AND ITS STRATEGIC INVESTMENTS



The RAG-Stiftung holds all direct and indirect shares in RAG AG. Coal mining is the RAG Group'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, focusing on speciality chemicals.

The RAG-Stiftung has a direct stake of 30% in Vivawest. With around 120,000 apartments in its portfolio, Vivawest is one of Germany's largest housing providers.

The **RAG-Stiftung Beteiligungsgesellschaft mbH** is a traditional holding company. The RAG-Stiftung holds 74.99% of the shares, and the remaining 25.01% are held by the investment company of an experienced industrial manager. At the same time, this manager is one of the company's two managing directors. The investment strategy of RAG-Stiftung Beteiligungsgesellschaft mbH intends to further expand the company as a holding company that acquires qualified minority or majority holdings in specialised, medium-sized engineering, automation and industrial service providing companies. The investment objective is to generate ongoing income and increase the value of the invested capital over the medium and long term.

Various investment vehicles are used for RAG-Stiftung's financial assets:

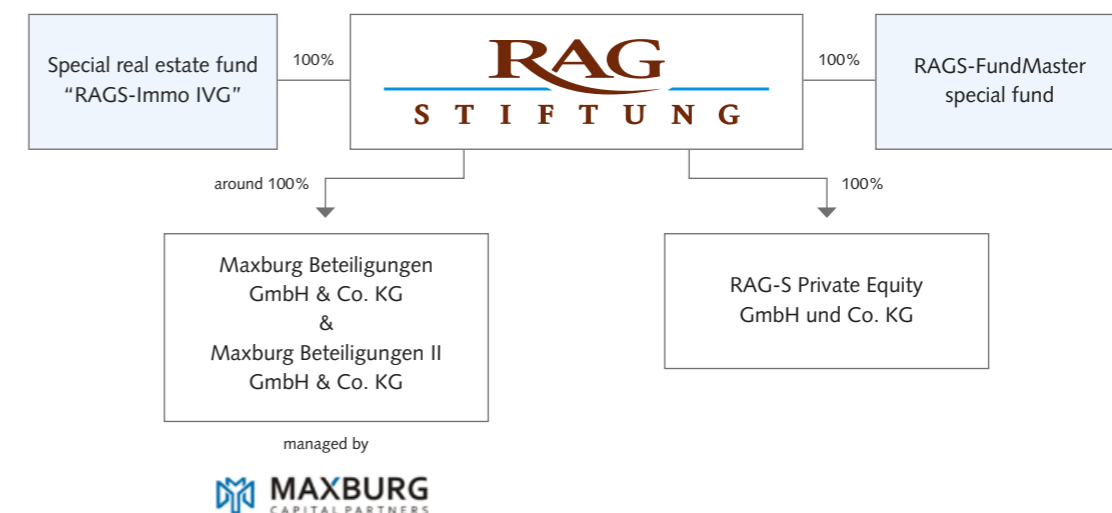
In the **"RAGS-FundMaster" special fund** managed by capital investment company Deka Investment GmbH, assets worth approximately EUR 2.4 billion are managed by external managers, each with their own specific investment order. The majority of the special fund is invested in highly liquid assets (liquid return portfolio). There are mandates issued to manage global government bonds, international corporate bonds from Europe, the USA and emerging markets, as well as global and European shares. There is also a mandate for global, inflation-linked bonds and another one for high-yield bonds. A small portion, the illiquid return portfolio, combines the aim of protecting against inflation with achieving returns well above the money market interest rate. It includes investments in commercial real estate, which are performed as indirect investments via special funds.

In addition to this, investments in European real estate are made in the **special real estate fund "RAGS-Immo IVG"** managed by TRIUVA Kapitalverwaltungsgesellschaft mbH.

The RAG-Stiftung's international private equity and infrastructure activities are pooled in **RAG-S Private Equity GmbH & Co. KG**, through which the RAG-Stiftung makes decisions on investment in specific funds managed by external managers. Critical factors for success in this case include the selection of the managers and sufficient diversification across different managers, various investment styles and, above all, across various fund ages (vintage years). Decisions on investment in companies or other funds are made exclusively by the manager.

Maxburg Beteiligungen GmbH & Co. KG¹ (Maxburg KG) is also a private equity fund. However, this was set up exclusively for the RAG-Stiftung. Maxburg Capital Partners GmbH manages Maxburg KG. It assumes responsibility for identifying and assessing potential investment projects, preparing the decisions on acquisition and possible disposal and – following a positive decision by Maxburg KG's investment committee – also for implementing the acquisition and for the possible disposal of investments. Maxburg Capital Partners GmbH also carries out the risk management. The RAG-Stiftung has the right of veto in the investment committee in the case of all investment decisions.

THE RAG-STIFTUNG'S INVESTMENT VEHICLES



¹ And the almost identical Maxburg Beteiligungen II GmbH & Co. KG.

Four strategic core holdings

Four investment vehicles with external managers for financial assets

Directly held company shares are ...

... supplemented by a classic holding company for targeted SME investment

Economic report

OVERALL STATEMENT ON THE COURSE OF BUSINESS

2015 was a very successful year for the RAG-Stiftung. We fulfilled our primary task again, which was to secure and increase the capital stock to finance the perpetual obligations. In addition to the set-up of our illiquid financial assets, a key event was the successful issue of another exchangeable bond on Evonik shares. On 11 February 2015, the RAG-Stiftung issued a second exchangeable bond on Evonik shares of EUR 500 million with a term until 18 February 2021. The interest rate was 0.0%, as with the first exchangeable bond. An issue price above par (101%) means that the bond has negative interest over the term. The initial exchange premium was 35.0% and the initial exchange price was EUR 37.98.

The underlying Evonik shares remain recognised at the RAG-Stiftung. The dividends remain attributable to the RAG-Stiftung. As is usual in the case of convertible and exchangeable bonds, full dividend protection was agreed to protect the bearer of the exchangeable bonds against a clear out of the Company's assets. This means that, although future dividends flow to the Foundation, they then lead to a respective reduction in the exchange price. Following the dividend payment on 19 May 2015, an adjusted exchange price of EUR 36.8362 was calculated.

The RAG-Stiftung has used the cash available resulting from the issue of bonds to further extend its financial assets and to invest in the implementation of its investment strategy.

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	2015	Forecast for 2015	2014
Financial performance indicators			
Net profit or loss for the year	0.0	constant	0.0
Addition to provision for perpetual obligations	334.3	slightly lower	351.1

We were able to increase the provision for perpetual obligations by EUR 334.3 million to a current total of EUR 4,449.0 million.

With regard to our financial assets in the RAGS-FundMaster special fund, the various asset classes saw overall positive developments in 2015, however, these developments varied and it was a wide range in which they occurred. The global bond mandates yielded between almost -1% and +1% in an environment of historically low interest rates. Our emerging markets bond mandate lost around 6%. Mandates for corporate bonds showed yields of between just under 0% and -2%. The European equity mandate generated an increase in value of nearly 12%, while the global equity mandate generated a performance of almost 8%. The real estate mandates yielded an average of almost 8%. Tactical investments also increased by 8%. Overall, a return of 2.0% was generated in the special fund.

By the same token, our private equity companies also saw a positive development. RAG-S Private Equity GmbH & Co. KG achieved a net profit for the year of over EUR 8 million and hidden reserves there could be significantly expanded, as with Maxburg KG.

ECONOMIC CONDITIONS

Overall, the global economic conditions have again developed slightly more slowly than expected in 2015. According to our estimates, based on data from Consensus Economics, the global economy in 2015 expanded by around 2.6% – a slower pace than in the previous year (2.7%). Growth of 3.0% for the year under review was originally anticipated at the beginning of the year.

The weaker growth was due in particular to the continued slowdown of economic activity in emerging markets, thus eclipsing the solid economic performance of developed economies.

European economic growth in 2015 gathered pace as a result of an even more expansive monetary policy of the European Central Bank, driven by the launch of its comprehensive bond-buying programme, the significant depreciation of the euro and the dramatic fall in the price of oil. Germany saw a rise primarily in private consumption as a result of the good situation on labour markets, wage increases and lower prices for fuel and heating, in contrast to industry, which only saw moderate growth.

Following temporary weaknesses at the start of 2015, the US economy recovered in the course of the year, driven primarily by private consumption. Although the appreciation of the dollar and few investments in the oil and gas sector had a dampening effect on manufacturing industries, the US economy achieved full employment in 2015. In the fourth quarter, the US Federal Reserve raised interest rates again for the first time since 2006, signalling the start of an anticipated shift in fiscal policy with this first, cautious step.

A range of factors was responsible for the lower growth levels seen in emerging markets: the economic slowdown in China, sharply declining commodity prices and a worsening of the financial position due to capital outflows and currency depreciations. Countries exporting commodities in particular were heavily affected. The recession deepened in Brazil and Russia. The pace of growth in China slowed more noticeably as a result of the transition to a new economic model focusing more on the domestic market. This put the brakes on exports from emerging markets in Asia and Western industrialised countries to China. Global uncertainty about China's further economic growth became more pronounced during the second half of the year in particular. This triggered a wave of increased volatility on the financial markets.

Industry situation of the strategic holdings

Coal:

According to initial calculations from "Energy Balance for Germany", primary energy consumption in Germany was around 1.3% above the level of the previous year. This growth was largely attributable to colder weather compared to the very mild weather in the previous year, and the associated increase in the consumption of heating energy. The greater demand for energy as a result of the positive economic development, as well as the rise in population numbers, was balanced out by improvements in energy efficiency.

Very successful 2015 financial year: illiquid financial assets expanded and second Evonik exchangeable bond placed

2015 global economic growth characterised by less dynamism in emerging markets

Solid upswing in the established economies – turning point for interest rates in the USA

Provision for perpetual obligations further increased

Proportion of coal in the energy mix falling – lower domestic production

The use of coal in power plants declined by a modest 0.8% in 2015. In contrast, sales in the iron and steel industries remained on a par with the previous year. Overall, the share of coal in the entire energy consumption of 2015 decreased to 12.7% (previous year: 12.9%). While the proportion of fossil fuels in the energy mix fell slightly overall, and consumption of energy from nuclear power declined by a further 5.8%, the consumption of renewable energies rose by 10.5%.

Of a total volume of coal of around 57.7 million tonne coal equivalent in 2015, around 11% was attributable to domestic production of 6.4 million tonne coal equivalent which was generated exclusively by the RAG Group. The most important customers of RAG remain the power industry (86% of sales) and the iron producing industry (around 8% of sales). In addition to this, smaller volumes of coal amounting to around 0.3 million tonnes were supplied to the heating markets by the mining industry with no subsidies.

Speciality chemicals

The global development of Evonik's end customer industries varied greatly among the different regions and industries in 2015.

The demand for food and animal feed continued to develop very positively. The production of consumer and care products increased particularly in North America and parts of Europe in a year-on-year comparison. The pace of growth in the electrical engineering industry in Asia, North America and occasionally in Europe slowed during the remainder of the year after a strong first six months. There was a marked decline in automobile production in Asia, while production growth continued apace in North America and Europe. However, the general industry trend in Europe and North America remained weak overall with only small increases in production.

Evonik's average raw material prices fell in 2015 in comparison to the previous year. This is due to the sharp drop in prices for crude oil, which in turn triggered a fall in most raw material prices specific to Evonik.

Residential real estate in Germany

The German residential market again developed positively in 2015: rent and purchase prices have been rising since 2010, and the number of real estate transactions, as well as the number of building permits and of completed buildings, have also increased. However, this development has varied from region to region. In particular, clear differences can be seen in rents and purchase prices from north to south and from west to east. Market trends have been influenced by cheap real estate loans as a result of the low interest rates. The greater financial leeway afforded here has enabled an increasing number of private persons to purchase real estate for their own use or as a financial investment. At the same time, the current development of interest rates is driving consolidation in the industry. This is demonstrated by mergers initiated and completed between large, listed real estate groups during the reporting year. The total transaction volume on the housing investment market was approximately EUR 23 billion. Over 250 residential packages with around 320,000 residential units changed hands.

The demand for residential space is directly connected to the number of private households and their available income. Due to the continued decline in average household size, it is expected that there will be an increase of 2.1% in the number of households in Germany by 2030. Consequently, the number of private households in North Rhine-Westphalia is expected to increase by a further 5.3% by 2040. Net basic rents for residential space have been rising moderately for several years. According to GdW's annual statistics, average current rents across Germany rose by 1.5% in 2015. Prices of new and re-rented accommodation rose much more sharply; these increased by 3.5% across Germany as in the previous year. However, the rental market in Germany is characterised by major regional differences. While price ceilings have been reached in a number of cities, rents continue to rise in other places. At the same time, growth has stagnated in structurally weak regions.

North Rhine-Westphalia increased land tax to 6.5% from 1 January 2015. This means that this tax has almost doubled within the space of just a few years. This is also in line with the development of land tax assessment rates, which are set in North Rhine-Westphalia by local government and which have increased significantly in recent years, especially in cities with a high financial burden.

Generally favourable conditions for the further development of the German housing market include stable incomes, low mortgage costs, the state programme for building renovation and high demand in prospering regions.

Capital market situation

As a major investor, the situation on the capital markets is extremely relevant to the RAG-Stiftung.

Against a backdrop of the dominating impact of central banks on the performance of capital markets and rising illiquidity on the markets, it is not surprising that many asset classes saw abrupt price changes and a greater rise in volatility during 2015. Price development in many bond, share, commodity and foreign exchange markets was turbulent at times in 2015. In this climate, 2015 was a difficult year for investors. After having achieved yields in the first quarter of 2015 that were actually expected for the entire year, the bond market collapsed in the second quarter (ten-year federal bonds lost 8% of their value within just a few weeks, and thirty-year ones almost 25%). In the third quarter, emerging market investments and many stock markets lost a significant amount of value, along with most currencies against the US dollar, while government bonds boomed and gained in value due to the risk-off behaviour of investors. The fourth quarter proceeded to be fairly calm despite the increase in interest rates made by the US Federal Reserve in December. All in all, 2015 was characterised by a continuous shift between excessively sharp rises and corresponding corrections on the stock and bond markets.

Inconsistent demand trends in speciality chemicals – relief for commodity prices

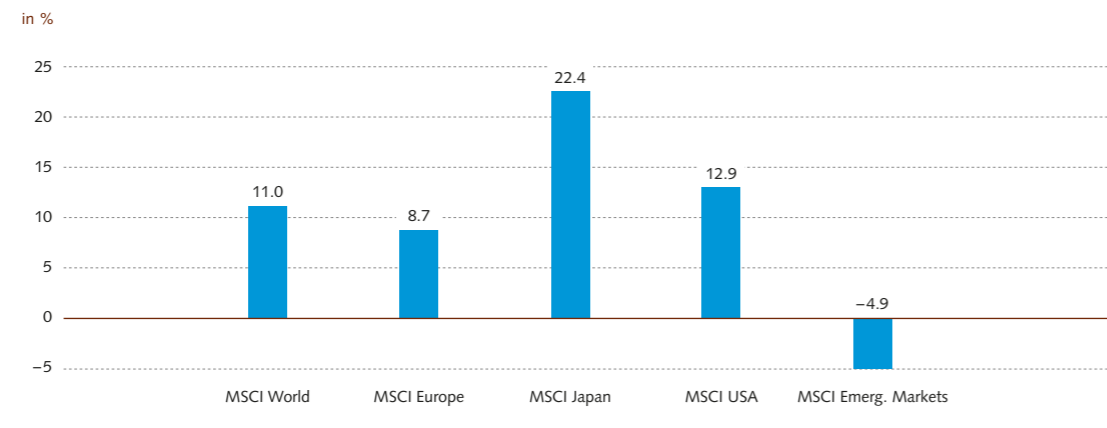
Persistently positive development on the German residential market

Capital market characterised by central bank decisions – major increase in volatility

Stock markets and key currencies developed as follows in 2015:

The development of international stock markets in 2015 was differentiated and the MSCI¹ World index gained almost 3% in local currency, and 11% in euros. In Europe, the stock market (MSCI Europe) improved by nearly 9% in euros, and in the eurozone by over 10%. Germany was around the average with almost 10%. In Asia, the MSCI Japan gained a little over 10% in local currency, and was more than 22% in euros. Despite the good development of the US economy, the stock markets in the US developed only slightly positively: the MSCI USA rose by just over 1% in US dollars, and in euros by nearly 13%. Shares in emerging markets (EM) developed poorly almost across the board: Asian EM shares lost almost 6% in local currency, with an even smaller gain of almost 1% in euros. Latin American EM shares lost around 8% in local currency, and 23% in euros.

DEVELOPMENT OF THE STOCK MARKETS IN 2015 IN EUROS

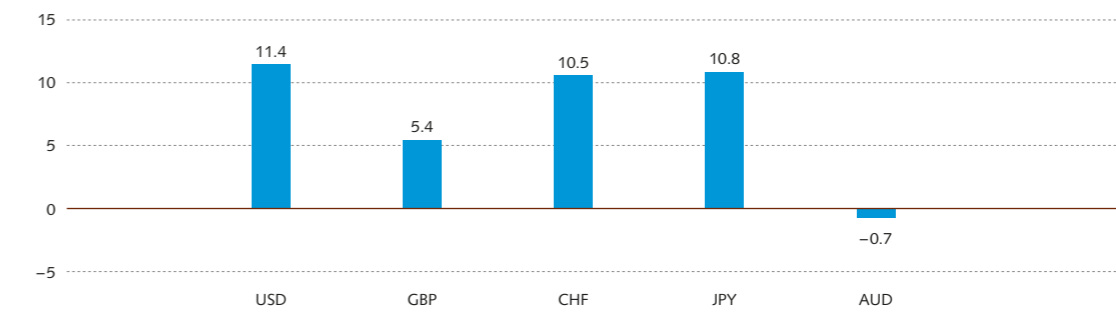


One of the aims of the highly expansive monetary policy of the ECB was to boost the economy and stimulate inflation. A driver here was the weakening of the euro's external value. This was impressively achieved in the year 2015. The euro lost over 10% of its value against the US dollar in 2015 compared to the previous year. Similarly, the euro depreciated by over 10% against the Swiss franc – due to the decision of the Swiss National Bank (SNB) on 15 January 2015 to abandon the franc's peg to the euro. Moreover, the single European currency lost more than 5% in value against the British pound and over 10% against the Japanese yen. Only currencies of commodity countries such as Canada and Australia lost value against the euro.

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

CHANGE IN IMPORTANT EXCHANGE RATES AGAINST THE EURO IN 2015

End of 2015 against end of 2014 in %



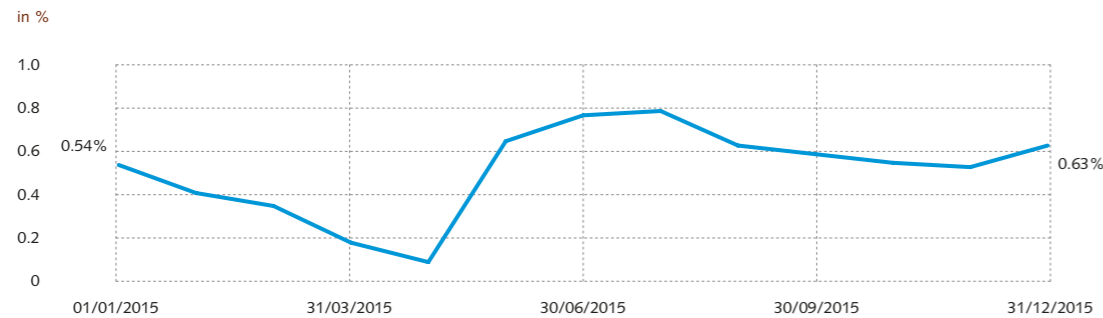
Development of the bond markets in 2015 in detail:

Performance on the global bond markets was comparatively weak on average (JPM¹ Global Bond Index), increasing by just a little more than 1%. However, the negative development of the euro improved performance from the point of view of investors with the euro as their currency of investment. The JPM Global Bond Index achieved a positive performance in euros of over 8%. However, it was only possible to realise this development if the portfolios were not hedged against currency risk in euros – which was the case for most investors.

Global bond markets with weak performance – advantages for euro investors

- ▲ Those who invested exclusively in federal bonds only saw performance of a little more than 0% in 2015.
- ▲ Yields on the German ten-year benchmark bond were highly volatile in the course of the year and levelled out on balance. While they brought a return of just 0.54% at the end of 2014, interest at the end of 2015 was 0.63% and thus only marginally higher.
- ▲ The spreads of the peripheral countries on the ten-year federal bonds continued to narrow over the course of the year: Greece from 906 bp to 776 bp, Portugal from 215 bp to 190 bp, Italy from 134 bp to 97 bp, Ireland from 70 bp to 51 bp. Only Spain saw spreads increase slightly from 107 bp to 115 bp. Eurozone bonds widely generated income of almost 2% in 2015.
- ▲ US Treasuries generated performance of almost 1%, in euros on the other hand more than 12%. Emerging market bonds lost more than 5% in euros. Emerging markets dependant on the export of raw materials in particular stood out for their poor performance: Brazil (-23%), Colombia (-16%) and South Africa (-20%).
- ▲ The real interest rates in France and Germany over the ten-year period were minus 0.39% and therefore still below the year-end value of minus 0.19%. A 30-year maturity term generated a real interest rate of 0.38% at the end of 2015, slightly above the value of the previous year of 0.35%.
- ▲ Inflation swaps, i.e. the course of inflation expected by the market, were at 1.28% at the end of December 2015 in the euro area for ten years i.e. slightly above the previous year's value of 1.14%.

¹ J.P. Morgan is a US financial services provider that calculates and publishes numerous international stock market indexes.

YIELD DEVELOPMENT OF THE TEN-YEAR FEDERAL BOND 2015**DEVELOPMENT IN THE HOLDING COMPANIES****RAG**

The 2015 financial year for RAG met with expectations and was satisfactory given the regulations stipulated by the agreements on coal policy. The annual targets for production and sales in 2015 were achieved and corresponded to the agreed fall in subsidies. This is highlighted in particular with regard to the expansion of plants to use renewable energies driven by the German Renewable Energy Act (EEG) and the resulting pressure on plants generating electricity from fossil fuels. However, sales remained on a par with the previous year's level as forecast, as special effects in 2014 had a negative impact on sales.

The programme of socially responsible workforce reduction in turn continued as planned during 2015, as a result of the use of both proven and advanced instruments.

The company's focus remains on the socially responsible discontinuation of German coal mining, whilst complying with all results, costs and production targets. The main challenge remains the socially responsible personnel adjustments. The personnel bottlenecks, loss of expertise and gaps in the filling of management positions resulting from the continued shrinking of the workforce is being dealt with by central personnel management, targeted succession management and development of further suitable measures.

The continuous optimisation of eliminating residual pollution and the processing of perpetual obligations is a long-term responsibility. The restructuring of RAG from the production phase until 2018 through the shutdown phase from 2019 to 2021 up to the perpetual phase from 2022 is being developed as part of the project "Processes and IT 2020". The business processes required here will firstly be modelled, followed by the design of the organisational set-up of the "New RAG". Then a transition concept for the migration will be developed. The Group companies RAG Montan Immobilien GmbH and RAG Verkauf GmbH, which are still closely linked to the mining sector today, also form part of this model. Strategies for longer-term company perspectives extending beyond the end of subsidised coal production have been developed for these companies.

Evonik

The Evonik Group has strategically further improved the conditions for future profitable growth with its new Group structure. It also saw success with the targeted expansion of its market positions: The new production capacities taken into service have already made a noticeable contribution to the very good business development. The company continues to invest in growth in a disciplined manner.

Overall, Evonik's operational business has developed very well. The two growth segments of Nutrition & Care and Resource Efficiency in particular saw further growth in their sales volumes courtesy of robust demand and expanded production capacities. The positive trend in prices seen since the second half of 2014 in a number of important products continued unabated until summer 2015 – prices then stabilised in the second half of the year. Selling prices in the Performance Materials segment, in contrast, have fallen dramatically as a result of the sharp decline in the price of crude oil. Overall, prices were on a par with the previous year. Sales rose by 5% to EUR 13.5 billion, while the adjusted EBITDA rose disproportionately by 31% to EUR 2.5 billion. The growth segments in particular contributed higher earnings here, whereas the result of the Performance Materials segment was only marginally below that of the previous year.

Thanks to the very successful business development in 2015, the adjusted EBITDA margin improved considerably to 18.2% and is thus at an excellent level compared to other companies in the industry. The Group's result, determined in accordance with International Financial Reporting Standards (IFRS), rose by 74% to EUR 991 million. The Executive and Supervisory Boards proposed an increase of the dividend from EUR 1.00 per share to EUR 1.15 per share to the general meeting of shareholders.

The financial profile remains good. At the end of 2015, Evonik had net financial assets of EUR 1.1 billion and generated a strong cash flow from continuing operations of EUR 2.0 billion. Free cash flow after deduction of cash outflows for fixed asset investments was, at EUR 1.1 billion, at a very high level. Evonik continues to have a stable investment grade rating (Moody's: Baa2, Standard & Poor's: BBB+).

The Evonik Group's economic development in 2015 was very successful overall. The Evonik Executive Board believes it is well positioned to meet the challenges of the 2016 financial year that may arise from the weak economic climate and geopolitical tensions.

Vivawest

The Vivawest Group's course of operating activities ran very successfully in the 2015 financial year. Carried by the robust earnings from the inventory management, and supplemented by the income and earnings from real estate sales, the financial expectations were exceeded once again. Due to a rental performance on a par with the very good level of the previous year in connection with a slightly lower fluctuation rate, the vacancy rate at the end of the year fell again significantly to 3.2% from the previous year's value of 3.5%. Of this 3.2%, 1.7 percentage points are due to demand and 1.5 percentage points to measures. Vivawest made use of the reduced deductions resulting from the lower vacancy rate to increase maintenance expenditure to improve portfolio quality and thus support the rental performance.

Strong operating development, consistently good financial profile, considerable rise in dividends for 2015

Very successful once again – financial expectations for 2015 were exceeded

Satisfactory year in 2015 – RAG restructuring continued

During the previous financial year, the Group generated sales revenue in accordance with IFRS of EUR 808 million. The Group's EBITDA came to EUR 338 million. This means that sales revenues were at the forecast level and the adjusted EBITDA slightly exceeded the forecast of around EUR 330 million – as a result of higher gains on disposals and one-off earnings in the mining follow-up management segment. Net profit for the year of EUR 103 million was EUR 6 million over the previous year's value.

At EUR 210 million, the Funds From Operations (FFO = performance data from existing business after net interest income and tax expense, not taking into account the book profit from the disposal of investment properties) performance indicator usual in the industry was noticeably above the forecast value of EUR 197 million. Despite the cash inflows received in 2014 from the sale of an investment, the value in 2015 was only slightly below the FFO of the previous year amounting to EUR 214 million.

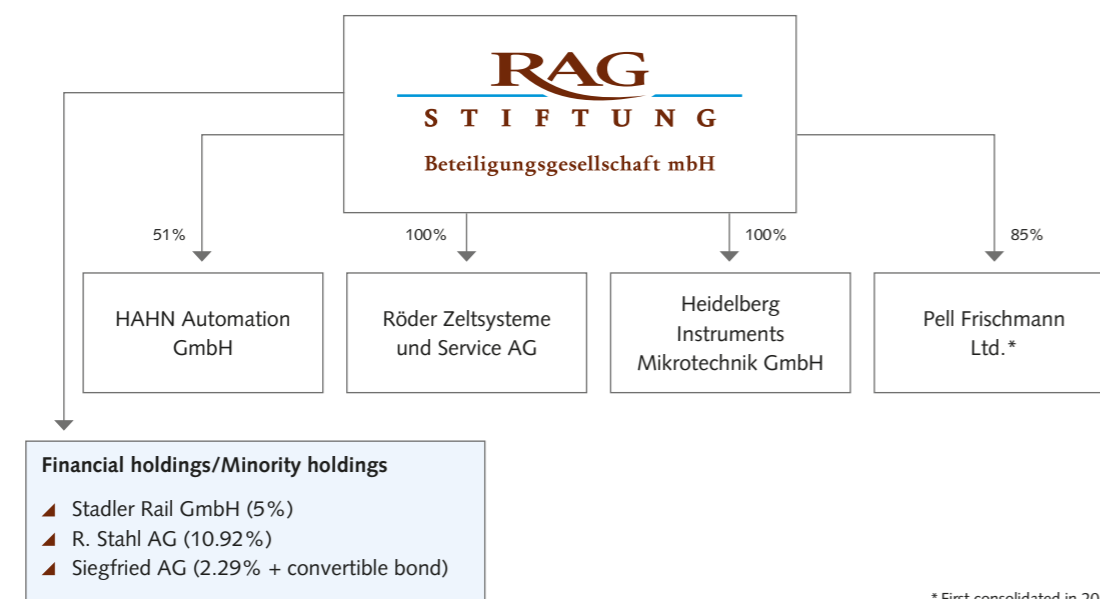
At EUR 3,348 million, Net Asset Value (NAV), a key figure of economic equity, was at the end of 2015 well above the previous year's level by EUR 226 million. The increase was mainly the result of the market value development of the real estate portfolio as a consequence of the improved management situation and earnings from valuable investments and targeted divestments. Moreover, the positive development in the year under review was supported by termination of an option liability. The loan-to-value ratio (LTV) shows the company's ratio of debt to assets. At 49.2%, the LTV was well below the previous year's level of 51.4%.

RAG-Stiftung Beteiligungsgesellschaft mbH (RSBG)

The 2015 financial year was an excellent one for RSBG. Revenue of around EUR 10.5 million was generated from the holding companies. Net profit for the year came to EUR 6.1 million. Over EUR 250 million was invested over the course of 2015.

As of 31 December 2015, the portfolio comprised four majority holdings and three financial holdings:

RAG-STIFTUNG INVESTMENT PORTFOLIO BETEILIGUNGSGESELLSCHAFT MBH ON 31/12/2015



EARNINGS POSITION

Income statement

RAG-STIFTUNG: INCOME STATEMENT

in EUR million	2015	2014	Change
Sales revenue	0.2	0.2	+0.0
Other operating income	0.5	1.8	-1.3
Personnel expenses	-5.5	-5.0	-0.5
Amortisation of intangible assets and depreciation of real estate, plant and equipment	-0.1	-0.1	+0.0
Other operating expenses	-355.7	-368.2	+12.5
Investment income	352.8	352.8	+0.0
Revenue from other securities and loans as fixed assets, including interest income and amortisation of financial assets and securities held as current assets	22.3	19.2	+3.1
Result from ordinary activities	+14.5	+0.7	+13.8
Taxes	-14.5	-0.7	-13.8
Net profit (+) or loss (-) for the year	0.0	0.0	0.0

Other operating income of EUR 0.5 million in the reporting year resulted from the transfer of expenses of a little over EUR 0.2 million, with a good EUR 0.1 million from the collection of option premiums and around EUR 0.1 million from the appreciation of currency receivables and the writing back of provisions.

Of the EUR 5.5 million reported for personnel expenses, EUR 0.6 million were attributable to the addition to the provision for pensions and EUR 0.3 million for social security.

The other operating expenses primarily concerned the addition to the provision for perpetual obligations of EUR 334.3 million. In the previous year, an amount of EUR 351.1 million was added to this provision. This item also includes expenses for "Education, Science and Culture" with the amount of EUR 7.4 million.

The investment income of EUR 352.8 million includes the dividend distribution of Evonik Industries AG of EUR 316.4 million and the profit distribution of Vivawest GmbH of EUR 36.4 million, each for the 2014 financial year. The values of the previous year were the same.

The interest result¹ was reported at EUR +22.3 million. This was the result of both earnings from securities and special real estate funds in the direct ownership of the RAG-Stiftung and at EUR 11.5 million from a tax-induced dividend of the RAGS-FundMaster special fund. With a carrying amount of EUR 2.1 billion, the majority of the financial assets are outsourced in this special fund managed by a master capital investment company. 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.

Stable dividends of nearly EUR 353 million collected

Positive interest result slightly improved

¹ Revenue from other securities and loans as fixed assets, including interest income and amortisation of financial assets and securities held as current assets.

Balanced result for 2015

The tax expense of EUR 14.5 million concerned income taxes of EUR 11.9 million and VAT of EUR 2.6 million. Income taxes were fully attributable to the Group subsidiary RAG AG, in which mainly the discrepancy between discount rates required under tax law and called for under commercial law when calculating provisions leads to a taxable result in the event of a net profit for the year of zero in accordance with the HGB German Commercial Code. The previous year's value of EUR 0.7 million related solely to VAT.

As in the previous year, the RAG-Stiftung ended the 2015 financial year with a balanced result.

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 reinvestment.

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 covered by the perpetual obligations from 2019. The RAG-Stiftung's strategic capital investment is therefore based on a regularly updated asset-liability study, which describes the payment obligations and the incoming payments expected in the future.

The RAG-Stiftung's investment strategy also provides for a wide diversification of the investments across the various asset classes and investment markets and the systematic further development of the diversification strategy, in order to stabilise earnings and to be able 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 standards for capital investment i.e. the principles of investment policy and risk controlling are laid out in a set of "General Investment Guidelines for the RAG-Stiftung" (KARL). According to market values at the end of 2015, around 60% of the financial assets are invested in the RAGS-FundMaster, a special fund managed by a capital investment company pursuant to the German capital investment act. 40% are in own holdings of the RAG-Stiftung.

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 financial assets.

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. Against this background, the capital investment strategy of the RAG-Stiftung – or Strategic Asset Allocation (SAA) – is reviewed and adjusted on an annual basis.

In own holdings, investments are made according to a buy-and-hold strategy. In addition to liquidity, it includes on the bond side both nominal securities predominantly of very good or good creditworthiness and bonds coupled with the development of inflation, and thus interest income-generating bonds predominantly of sovereign borrowers. A real estate special fund created solely for the RAG-Stiftung and RAG-S Private Equity GmbH & Co. KG (PE KG), in which the diversified international private equity and infrastructure activities of the RAG-Stiftung are bundled, are also in own holdings. In addition to PE KG, another investment fund created solely for the RAG-Stiftung exists in the form of Maxburg Beteiligungen GmbH & Co. KG (Maxburg KG).

The RAG-Stiftung's SME investments are made via RAG-Stiftung Beteiligungsgesellschaft mbH.

Another EUR 300 million was added to the RAGS-FundMaster special fund managed by the master capital investment company in February 2015, ensuring the carrying amount totals EUR 2.1 billion as of 31 December 2015. The market value at the same time was EUR 2.4 billion.

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 financial assets 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 affiliated subsidiary RAG AG to optimise the available resources 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 the financial assets of RAG AG.

Capital structure

As of the end of 2015, the RAG-Stiftung recognised financial liabilities from both exchangeable bonds on Evonik shares of EUR 1.1 billion. The liabilities side of the balance sheet continues to be dominated by the provision for perpetual obligations amounting to EUR 4.4 billion. The term of this provision is infinite.

Investments

In 2015, the RAG-Stiftung invested EUR 952 million: EUR 300 million was allocated to the RAGS-FundMaster special fund; bonds were purchased for a total of EUR 8 million; EUR 115 million was attributable to the drawing on our real estate special fund, and EUR 529 million to capital injections into our companies in which we hold private equity, infrastructure and SME investments.

Financial management is geared towards financing the perpetual obligations

Core elements of the investment strategy are broad diversification and the stabilisation of yields

"Buy-and-hold strategy" for own holdings

Volume of special fund further increased – carrying amount of EUR 2.1 billion

Provision for perpetual obligations amounts to EUR 4.4 billion

Investments in 2015 significantly increased

Liquidity

RAG-STIFTUNG: CASH FLOW STATEMENT (SUMMARY)

in EUR million	2015	2014	Change
Cash and cash equivalents at the start of the year	472.1	190.2	+281.9
Cash flow from operating activities	257.9	190.7	+67.2
Cash flow from investing activities	-952.0	-508.8	-443.2
Cash flow from financing activities	500.0	600.0	-100.0
Liquid assets as of 31 December	278.0	472.1	-194.1

The above cash flow statement deviates from German Accounting Standard no. 21 (DRS 21) to the extent that interest and dividends received totalling EUR 372.8 million are not recognised under cash flow from investment activities but rather cash flow from operating activities. This classification is better suited to the business model of the RAG-Stiftung and enables comparability with the previous year.

Starting from a balanced result for the year, which was corrected for non-cash transactions, cash flow in 2015 from current operating activities amounted to EUR 257.9 million.

The negative cash flow from investment activities of EUR 952.0 million is the result of the investments described. Fixed asset investments amounted to EUR 0.1 million.

As of 31 December 2015, cash amounted to EUR 278.0 million, of which EUR 269.8 million (previous year EUR 42.0 million) is in the financial account at RAG AG.

NET ASSETS

As of 31 December 2015, the total assets of the RAG-Stiftung amounted to EUR 5,686.7 million. This represents an increase in total assets over the previous year's value of EUR 872.2 million.

Assets – fixed and current assets

RAG-STIFTUNG: BALANCE SHEET

in EUR million	31/12/2015	31/12/2014	Change
Fixed assets	4,522.6	3,571.4	+951.2
Real estate, plant and equipment	0.2	0.2	+0.0
Financial assets	4,522.4	3,571.2	+951.2
Current assets	1,164.1	1,243.1	-79.0
Receivables and other assets	634.9	292.1	+342.8
Securities	521.0	521.0	+0.0
Liquid assets	8.2	430.0	-421.8
Prepaid expenses	0.0	0.0	0.0
Total assets	5,686.7	4,814.5	+872.2

At EUR 2,100.0 million, financial assets include primarily the special asset fund managed by the master capital investment company and long-term held securities and real estate funds of EUR 309.6 million and EUR 171.7 million, respectively. Furthermore, EUR 726.6 million is attributable to companies held via the private equity, infrastructure and SME investments of the RAG-Stiftung. The 30% stake in Vivawest GmbH, with acquisition costs of EUR 909.0 million, was also reported in fixed assets. We list the 25.1% stake in Evonik Industries AG at EUR 305.5 million under financial assets because the shares are to be retained over the long term. 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 242.8 million and a total of EUR 361.8 million in receivables due from affiliated companies, of which EUR 269.8 million concerns the financial account of RAG AG.

Liabilities – equity, provisions and obligations

RAG-STIFTUNG: BALANCE SHEET

in EUR million	31/12/2015	31/12/2014	Change
Equity	2.0	2.0	+0.0
Endowment capital	2.0	2.0	+0.0
Provisions	4,502.3	4,148.4	+353.9
Pension provisions	5.0	4.2	+0.8
Tax provisions	40.7	25.5	+15.2
Provisions for perpetual obligations	4,449.0	4,114.7	+334.3
Other provisions	7.6	4.0	+3.6
Liabilities	1,178.1	664.1	+514.0
Bonds	1,100.0	600.0	+500.0
Trade accounts payable	0.2	0.2	+0.0
Liabilities to affiliated companies	44.8	44.2	+0.6
Other liabilities	33.1	19.7	+13.4
Prepaid expenses	4.3	0.0	+4.3
Total liabilities	5,686.7	4,814.5	+872.2

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 2015 a provision of EUR 4,449.0 million. This corresponds to an increase of EUR 334.3 million over the previous year's figure of EUR 4,114.7 million.

The total amount of the discounted payments for 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. Further details about the accounting methods can be derived from the notes to the financial statements.

Cash and cash equivalents lower as a result of investments

Financial assets significantly expanded

Provision for perpetual obligations further increased

The provision for taxes was increased in the year 2015 by EUR 15.2 million. Other provisions mainly include provisions for services received but not yet billed.

The liabilities of EUR 1,178.1 million include the two exchangeable bonds on Evonik shares of EUR 1,100 million, obligations due to Group companies of EUR 44.8 million, primarily affiliated for tax purposes, and tax liabilities of EUR 30.6 million. The latter concerns VAT of EUR 21.5 million and EUR 9.1 million of capital gains tax and solidarity surcharge.

Significant non-financial issues

EMPLOYEES

The number of employees at the end of 2015 was 17; in the previous year, it was 14.

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

Risk and opportunities management (or simply: risk management) at the RAG-Stiftung is a continuous and dynamic process that begins with planning, and systematically impacts all areas. 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 for 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 division head nominated by the Board of Executives assumes the role of risk manager. This person monitors the risk management system and coordinates reporting to the Board of Executives at the RAG-Stiftung about the opportunities and risks of the strategic holdings (RAG, Evonik and Vivawest) and of the RAG-Stiftung itself. 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 month 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 which 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, in relation to net assets, financial and results position. The scales for assessing both of these indicators are presented in the table below.

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	DESCRIPTION
0% to 32%	Rather unlikely
33% to 65%	Possible
66% to 100%	Likely

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

DEGREE OF IMPACT	DEFINITION OF IMPACT
Low	Low negative impact on the net assets, financial and results position
Moderate	Moderate negative impact on the net assets, financial and results position
Significant	Significant negative impact on the net assets, financial and results position

Risks and opportunities are systematically monitored and managed

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% to 100%	Low	Medium	High
	33% to 65%	Low	Medium	Medium
	0% to 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 controlling and profit transfer agreement on 24 September 2007. RAG's business risks therefore impact directly on the RAG-Stiftung.

The RAG Group 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 AG 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 on the 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.

Risks for the RAG-Stiftung include the operating result risks from the RAG Group'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 at RAG. Unfavourable economic developments may lead to a situation where the funds approved in the 2019 notification of approval to RAG AG for financing residual pollution and other perpetual obligations are not sufficient. These can therefore – just like losses in value of RAG AG's financial assets – 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 the RAG Group's business activities from affecting the RAG-Stiftung in the coming years.

Overall, the risks arising from the participation in RAG AG have a significant effect. Due to the German hard coal financing act, the set of agreements on coal policy it is based on and the agreements made and approvals received, the risk should be manageable. However, with the approaching discontinuation of mining, RAG's available operating and accounting countermeasures are declining. We therefore assess the probability of the risks occurring as “possible”. Overall, we continue to classify this risk as a medium risk.

Evonik investment risk:

The RAG-Stiftung is the majority stakeholder in Evonik Industries AG. The Evonik Group's business risks therefore also impact indirectly on the RAG-Stiftung. As a listed company, Evonik Industries AG has an elaborate, independent and Group-wide risk management system. Pursuant to Section 107, Paragraph 3 AktG, Evonik Industries AG's Supervisory Board is responsible not only 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 Industries AG'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 RAG-Stiftung's staff supports the members of the Supervisory Board in its analyses.

The RAG-Stiftung's 67.91% stake in Evonik Industries AG 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. RAG-Stiftung intends to meet this concentration risk by further reducing its investment in Evonik. This will be done, however, with due regard to the market. For example, the issue of exchangeable bonds on Evonik shares is an instrument with which this is possible.

Due to its areas of activity, Evonik Group 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.

Overall, Evonik comes to the following assessment: The risks identified across the Group, taking into account the measures taken and planned, pose no threat to the existence of Evonik as a whole, either individually or combined; this includes Evonik Industries AG as the Group holding company.

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 Industries AG'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 in the mid-range as “possible”. Overall, we therefore continue to classify the Evonik investment risk as a medium risk.

Medium RAG investment risk

Medium Evonik investment risk

Low Vivawest investment risk

Vivawest investment risk:

The RAG-Stiftung has a 30% stake in Vivawest GmbH. Vivawest's business risks therefore also impact indirectly on 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 GmbH'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 GmbH'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, and the underlying conditions for the housing sector. Risks could arise in the medium term from demographic changes, and in the long term from changes in interest rates.

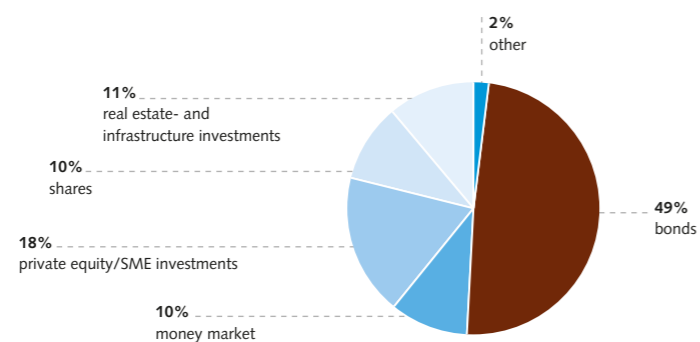
The distribution of profits the RAG-Stiftung receives from Vivawest are a significant component of the RAG-Stiftung's income. A worsening in Vivawest's economic situation is a risk with moderate repercussions for the RAG-Stiftung. Due to the non-volatile nature of Vivawest's business, we see the probability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

Medium investment risks

Investment risks:

By resolution of 9 December 2013 the Board of Trustees of the RAG-Stiftung approved and agreed to an adaptation of general capital investment guidelines for the RAG-Stiftung (KARL) in 2008. The KARL guidelines set the standards for investment, and define the principles of the investment policy as well as investment risk controlling.

STRUCTURE OF CAPITAL INVESTMENTS AT THE END OF 2015



As of the end of 2015, 49% of the RAG-Stiftung's financial assets was invested in bonds, around another 10% in shares and 11% in real estate and infrastructure investments. Altogether, almost 18% was attributable to international private equity investments and SME investments. Almost 10% were cash and cash equivalents. The remaining approximately 2% relate to volatility investments, among others. This asset allocation results in a particular interest sensitivity: rising market interest rates lead to negative market value changes, falling rates by contrast to price gains. The interim rise in interest rates in the second quarter of 2015 illustrated this once again.

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 financial assets is an integral component of the RAG-Stiftung's daily business activities. The basis for managing financial assets 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 in a risk-oriented way when the risk budget is being used up, derivative financial instruments can also be used at the RAG-Stiftung.

As of the end of 2015, almost 60% of our financial 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 KARL 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.

Of the remaining 40% of the financial assets, around 40% is in turn directly held in liquid securities and on the money market; the rest is attributable to non-liquid investments of the RAG-Stiftung in real estate, private equity and infrastructure funds.

Private equity funds as well as real estate and infrastructure investments are characterised by a very low level of liquidity. This liquidity risk, which we are well able to manage due to our obligation structure, is compensated for by a corresponding illiquidity premium. In addition, the principle of greater diversification applies to illiquid investments as it does to all our financial assets. The RAG-Stiftung invests in different managers, different segments of the private equity market, different size categories, different regions and, in particular, it invests consistently, so that it achieves a wide diversification across the individual fund ages, or "vintage years" to reduce risk. Similarly in the case of real estate and infrastructure investments, different managers are tasked with investing in different countries, regions and cities, and different classes of real estate (residential, office, high street, logistics, specialist stores, etc.).

The statements on limited liquidity also apply to the investments in SMEs by our investment companies Maxburg KG and RAG-Stiftung Beteiligungsgesellschaft mbH. We attempt to compensate for the higher risk resulting from significantly less granularity with intensive due diligence before the purchase of a holding, by further expanding investment controlling and by exercising greater influence on the Supervisory Board or Trustee Board in the case of minority holdings and by exercising direct influence on the management in the case of majority 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 wide diversification. Overall, we therefore continue to classify the investment risk as a medium risk.

Perpetual obligations risk:

On 14 August 2007, a legacy agreement relating to the socially responsible discontinuation of subsidised coal mining in Germany (Legacy Agreement) was concluded between the states of North Rhine-Westphalia, Saarland and the RAG-Stiftung. On the one hand, this agreement regulates the guarantees made by the states (and a third of which by the federal government) for the case that the assets of the RAG-Stiftung are not sufficient to finance the perpetual obligations and, on the other hand, defines the perpetual obligations of the mining operations of RAG. 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.

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 perpetual obligations). With this agreement, the RAG-Stiftung pledges to RAG AG it will finance its perpetual obligations from 2019. 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, simplified, 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 regular 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 2015, there was a risk-free seven-year average interest rate of 2.70% (previous year 3.14%) and a price development of 2.08% p.a. (previous year 2.15%), i.e. a real interest rate of 0.62% (previous year 0.99%). When calculating the perpetual annuity, this corresponds to a factor of approximately 161 (previous year 101) 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, which is to be assumed given the application of a seven-year average interest rate pursuant to Section 253, Paragraph 2(1) HGB, the perpetual obligations will increase further in the next two years at least.

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 is likely to increase again over the coming years depending on interest rates, then move at a constant or even a slightly falling level. However, our ability to finance the cash outflow, which will increase with inflation from 2019, for the sustainable financing of perpetual obligations from investment income and financial assets is independent of this. 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 the income from financial assets, are all sufficient to cover the expected cash outflows. Opportunities arise from a good development of the Evonik 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.

Medium perpetual obligations risk

Future fund outflows as a result of perpetual obligations are covered by future fund inflows from today's perspective

Outlook

We expect that the underlying global economic conditions will continue to be characterised by different regional growth trends in 2016. The continued economic upswing in developed economies will probably be dampened by slower growth in emerging markets. Overall, we anticipate slightly weaker global economic growth of 2.5% in 2016, compared to 2.6% in 2015.

We believe that a persistently expansive monetary policy and consumption impulses as a result of the low oil price will continue to foster economic growth in the developed economies in 2016. With this in mind, we expect the fragile recovery in Europe to continue.

- ▲ In Germany, we expect GDP to expand by a further 1.8% in 2016, driven, as before, primarily by private consumption.
- ▲ We continue to see the USA as a pillar of growth in the global economy, but expect a slower pace of expansion in 2016 than in 2015 at 2.2%. The appreciation of the US dollar and weaknesses in the US oil sector will hold back growth.
- ▲ We expect economic growth in China to continue losing pace. Given the government's willingness to take measures to support the economy, we anticipate an increase in gross domestic product of 6.5% in 2016.
- ▲ The current challenges facing emerging markets will in all likelihood continue to exist in 2016, and may even become more acute as a result of the monetary policy being pursued by the US Federal Reserve. If the latter raises interest rates in 2016 as expected by the market, this may accelerate the outflow of capital from emerging markets, increasing their borrowing costs at a time when debt levels are high. Overall, we expect emerging markets to see economic growth on a par with 2015, although the risk of recession remains high.

However, the anticipated development of global economic growth continues to be characterised by a high degree of uncertainty. Aside from geopolitical conflicts, it is possible that the global economy will develop differently than expected, particularly as a result of the actions of the central banks.

Following an excellent year in 2015, the Executive Board of Evonik Industries AG intends to increase the dividend for 2015 by 15% to EUR 1.15 per share (distribution in 2016). The distribution by Vivawest GmbH in 2016 is expected to be the same as that in 2015. We also expect RAG AG to be able to achieve a balanced net result for 2016 through the use of accounting options. This would mean that there is no impact on the earnings for the RAG-Stiftung in 2016 arising from the controlling and profit transfer agreement with RAG AG. As regards the investment income and distributions of RAG-Stiftung Beteiligungsgesellschaft mbH in 2016, we expect a considerable increase over the values of the previous year.

It is currently difficult to make a forecast for the development of capital markets, and this is fraught with uncertainty: investments are a particular challenge in times of pronounced asset price bubbles. It is not possible to make any serious estimates regarding the future developments of various financial market and geopolitical crises. Moreover, individual events can significantly increase volatility levels and trigger chain reactions across different regions and asset classes, as there is currently a high degree of jumpiness on the markets. Geopolitical risks (Syria, Turkey) with negative impacts on the political stability in Europe as a result of mass, crisis-induced migration or the UK's decision to leave the European Union on 23 June 2016 are just two of the risks known today. Other events may include further interest rate hikes, or lack thereof, by the US Federal Reserve. Although the low oil price is a boon for consumption, it also carries risks for oil-producing countries and their bonds and currencies, as well as for fracking companies in the USA and their funders.

Global economic growth not expected to gain additional tailwind in 2016

Forecast uncertainty remains high

Positive development in income generated from financial assets to be expected

Good capital income targeted in 2016 despite numerous risks

In spite of the uncertainties, we anticipate a moderate rise in interest rates in the eurozone and moderately increasing share prices for 2016. An interest rate increase could negatively impact the performance of our bond investments.

For 2016, we expect to achieve good capital income that exceeds 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 2015. We also expect this to be the case at the end of 2016.

OUTLOOK PERFORMANCE INDICATORS FOR 2016

in EUR million	Forecast for 2016	2015
Financial performance indicators		
Net profit or loss for the year	constant	0.0
Addition to provision for perpetual obligations	340	334.3

Overall we expect a balanced result for the RAG-Stiftung in 2016. We are likely to be able to increase the provision for perpetual obligations by around EUR 340 million. The overall obligation for perpetual obligations will very likely increase further due to the expected further decrease in the seven-year average interest rate at the end of 2016.

Report on events after the reporting period

The RAG-Stiftung carried out capital increases for RAG-Stiftung Beteiligungsgesellschaft mbH and RAG-S Private Equity GmbH & Co KG during the first two months of 2016 to refinance holding investments amounting to a total of around EUR 134 million. During the same time, an investment of EUR 30 million was made in preferred shares of DIC Real Estate GmbH.

Aside from these, no other significant events affecting the RAG-Stiftung's net assets, financial position and results occurred after 31 December 2015.

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/geschaeftsbericht2015

Balance sheet of the RAG-Stiftung

as of 31 December 2015

ASSETS

in EUR million	Notes	31/12/2015	31/12/2014
A. Fixed assets	(1)		
I. Intangible assets		0.0	0.0
II. Tangible assets		0.2	0.2
III. Financial assets			
1. Shares in affiliated companies		1,940.9	1,411.7
2. Holdings		0.0	0.0
3. Securities held as fixed assets		2,581.2	2,159.5
4. Advance payments		0.3	-
		4,522.6	3,571.4
B. Current assets			
I. Receivables and other assets	(2)		
1. Receivables due from affiliated companies		361.8	147.8
2. Other assets		273.1	144.2
II. Securities	(3)	521.0	521.0
III. Cash in hand, credit balances at banks and cheques	(4)	8.2	430.1
		1,164.1	1,243.1
C. Prepaid expenses		0.0	0.0
Total assets		5,686.7	4,814.5

LIABILITIES

in EUR million	Notes	31/12/2015	31/12/2014
A. Equity	(5)		
I. Endowment capital		2.0	2.0
		2.0	2.0
B. Provisions	(6)		
1. Provisions for pensions and similar obligations		5.0	4.2
2. Tax provisions		40.7	25.5
3. Provisions for perpetual obligations		4,449.0	4,114.7
4. Other provisions		7.6	4.0
		4,502.3	4,148.4
C. Liabilities	(7)		
1. Bonds		1,100.0	600.0
2. Trade payables		0.2	0.2
3. Payables due to affiliated companies		44.8	44.2
4. Other liabilities		33.1	19.7
		1,178.1	664.1
D. Prepaid expenses		4.3	0.0
Total liabilities		5,686.7	4,814.5

Development of fixed assets of the RAG-Stiftung

Notes to the balance sheet as of 31 December 2015

in EUR million	Acquisition and production costs			As of 31/12/2015	Depreciation				As of 31/12/2015	Book values	
	As of 01/01/2015	Additions	Disposals		As of 01/01/2015	Additions	Disposals	Write-ups		As of 31/12/2015	As of 31/12/2014
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		0.0	0.0	0.0
	0.0		0.0	0.0	0.0	0.0	0.0		0.0	0.0	0.0
II. Tangible assets											
Other equipment, office and plant equipment	0.4	0.1	0.1	0.4	0.2	0.1	0.1		0.2	0.2	0.2
	0.4	0.1	0.1	0.4	0.2	0.1	0.1		0.2	0.2	0.2
III. Financial assets											
1. Shares in affiliated companies	1,411.8	529.2		1,941.0	0.1	0.0			0.1	1,940.9	1,411.7
2. Holdings in other companies	0.0			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3. Securities held as fixed assets	2,159.5	440.4	17.9	2,582.0		0.8			0.8	2,581.2	2,159.5
4. Advance payments		0.3		0.3						0.3	
	3,571.3	969.9	17.9	4,523.3	0.1	0.8	0.0	0.0	0.9	4,522.4	3,571.2
	3,571.7	970.0	18.0	4,523.7	0.3	0.9	0.1	0.0	1.1	4,522.6	3,571.4

Income statement of the RAG-Stiftung

from 1 January to 31 December 2015

in EUR million	Notes	2015	2014
1. Sales revenue	(8)	0.2	0.2
2. Other operating income	(9)	0.5	1.8
3. Personnel expenses	(10)	5.5	5.0
4. Amortisation of intangible assets and depreciation of real estate, plant and equipment		0.1	0.1
5. Other operating expenses	(11)	355.7	368.2
6. Investment income	(12)	+352.8	+352.8
7. Income from other securities and from loans held as financial assets	(13)	21.9	18.4
8. Interest income	(14)	+1.2	+0.8
9. Write-downs of financial assets and of securities held as current assets	(15)	0.8	–
Result from ordinary activities		+14.5	+0.7
10. Taxes	(16)	–14.5	–0.7
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
Federal Minister of Economic Affairs and Energy

Dr Wolfgang Schäuble, MdB
Federal Minister of Finance

Michael Vassiliadis
Deputy Chairman of the Board of Trustees of the RAG-Stiftung
Chairman of the mining, chemical and energy industries trade union
Deputy Chairman of the Supervisory Board of Evonik Industries AG

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
Freelance lawyer

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

Heiko Maas (from 20/02/2015)
Federal Minister of Justice and Consumer Protection

Monika Schulze-Strelow (from 01/01/2015)
Management consultant

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 Linssen
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 2015

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	Event Space Engineering Hong Kong Ltd.		100.00	100.00	2015	1	0
2	HAHN Automation GmbH		51.00	51.00	2015	7	1
3	HAHN AUTOMATION Inc.		70.00	70.00	2015	2	0
4	HAHN Beteiligungs-GmbH		100.00	100.00	2015	0	0
5	HEIDELBERG INSTRUMENTS Mikrotechnik GmbH		100.00	100.00	2015	10	5
6	IES International Events Service GmbH		65.00	65.00	2015	0	1
7	Maxburg Beteiligungen GmbH & Co. KG	97.40		97.40	2015	86	-1
8	Maxburg Beteiligungen II GmbH & Co. KG	96.64		96.64	2015	107	0
9	MGG-Beteiligung Verwaltungs GmbH & Co. KG		100.00	100.00	2015	0	0
10	Orgatent AG		80.00	80.00	2015	2	0
11	Projektgesellschaft Zollverein – Im Welterbe 10 mbH & Co. KG	100.00		100.00	2015	5	0
12	RAG AKTIENGESELLSCHAFT	94.90	5.10	100.00	2015	285	PTA
13	RAG Anthrazit Ibbenbüren GmbH		100.00	100.00	2015	27	PTA
14	RAG Beteiligungs-GmbH		100.00	100.00	2015	17	PTA
15	RAG-Beteiligung Verwaltungs GmbH & Co. KG	100.00		100.00	2015	0	0
16	RAG Deutsche Steinkohle AG		100.00	100.00	2015	15	PTA
17	RAG Finanz-GmbH & Co. KG		100.00	100.00	2015	5	0
18	RAG Konzernrevision GmbH		100.00	100.00	2015	1	PTA
19	RAG Mining Solutions GmbH		100.00	100.00	2015	2	PTA
20	RAG Montan Immobilien GmbH		100.00	100.00	2015	20	0
21	RAG Ruhranalytik GmbH		100.00	100.00	2015	0	PTA
22	RAG-S Private Equity GmbH & Co. KG	100.00		100.00	2015	266	9
23	RAG-Stiftung Beteiligungsgesellschaft mbH	74.99		74.99	2015	270	6
24	RAG Verkauf GmbH		100.00	100.00	2015	1	PTA
25	RÖDER FRANCE STRUCTURES S.à.r.l.		100.00	100.00	2015	1	-1
26	Röder Hallen und Zelte GmbH		100.00	100.00	2015	0	0
27	Röder OOO		90.00	90.00	2015	8	4
28	Röder Space Design & Engineering (Shanghai) Co. Ltd.		65.00	65.00	2015	1	0
29	RÖDER (UK) Ltd.		100.00	100.00	2015	3	0
30	Röder Yapi Sistemleri Sanayi Ticaret Limited Sirketi		100.00	100.00	2015	1	0
31	Röder Zelt- und Veranstaltungsservice GmbH		100.00	100.00	2015	4	PTA
32	Röder Zeltsysteme und Service Aktiengesellschaft		100.00	100.00	2015	19	2
33	ROEDER DE MÉXICO, S.A. DE C.V.		100.00	100.00	2015	0	0
34	ROEDER ITALIA S.r.l.		100.00	100.00	2015	0	0
35	Roeder Tent Service (Shanghai) Co., Ltd.		100.00	100.00	2015	7	0
36	Udai Vermögensverwaltung GmbH		100.00	100.00	2015	18	3
37	Wemo Automation AB		70.00	70.00	2015	4	0
38	WEMO Automation GmbH		100.00	100.00	2015	2	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 %			
39	Windkraft Brinkfortsdeide GmbH	80.00	20.00	100.00	2015	2	1
40	WSA GmbH		100.00	100.00	2015	0	PTA
Non-consolidated affiliated companies (at equity)							
41	Evonik Industries AG	67.91		67.91	2015	6,027	605
42	Vivawest GmbH	30.00	43.20	73.20	2015	1,073	131
Associated companies (at equity)							
43	logport ruhr GmbH		50.00	50.00	2015	0	0
44	Zeltbau Och GmbH		20.00	20.00	2014	0	0
Non-consolidated affiliated companies							
45	Conflexia Sàrl		100.00	100.00	2015	n/a	n/s
46	Conseco International Ltd.		100.00	100.00	2014/15	0	0
47	Deutsche Montan Technologie für Rohstoff, Energie, Umwelt e. V.				2014	14	0
48	Deutsche Montan Technologie Verwaltungs GmbH		100.00	100.00	2014	30	0
49	DMT-Gesellschaft für Lehre und Bildung mbH		100.00	100.00	2014	8	0
50	Entwicklungsgesellschaft Gladbeck-Brauck mbH		66.67	66.67	2015	0	0
51	Frischmann Prabhu (India) Private Ltd.		100.00	100.00	2014/15	2	0
52	Frischmann Prabhu Software Private Ltd.		100.00	100.00	2014/15	1	0
53	Gesamtverband Steinkohle e. V.				2014	0	0
54	Gründerzentrumgesellschaft Prosper III mbH		94.00	94.00	2015	0	0
55	HAHN AUTOMATION AG		100.00	100.00	2014	0	0
56	HAHN AUTOMATION Co. Ltd.		100.00	100.00	2014	0	0
57	HAHN AUTOMATION d.o.o.		100.00	100.00	2015	0	0
58	HAHN ENERSAVE GmbH		80.00	80.00	2014	0	0
59	HAHN OTOMASYON Ltd.		100.00	100.00	2014	0	0
60	HAHN Robotics GmbH		100.00	100.00	2015	0	0
61	Heidelberg Instruments (Shenzhen) Co. Ltd.		100.00	100.00	2014	0	0
62	Heidelberg Instruments Service Japan, K.K.		100.00	100.00	2014	1	0
63	Heidelberg Instruments Service Korea Ltd.		100.00	100.00	2014	0	0
64	Heidelberg Instruments Service Taiwan Corp.		100.00	100.00	2014	1	0
65	Heidelberg Instruments, Inc.		100.00	100.00	2014	1	0
66	Landschaftsagentur Plus GmbH		100.00	100.00	2014	0	0
67	montanSOLAR Erste Projektgesellschaft mbH		100.00	100.00	2014	0	0
68	montanSOLAR GmbH		54.00	54.00	2014	0	0
69	montanWIND Planungs GmbH & Co. KG		100.00	100.00	2014	0	0
70	montanWIND Planungs Verwaltungs GmbH		100.00	100.00	2014	0	0
71	montanWIND Projekt 1 GmbH & Co. KG		100.00	100.00	2014	0	0
72	montanWIND Projekt 1 Verwaltungs GmbH		100.00	100.00	2014	0	0
73	Parc Solaire Terril Wendel S.A.S.		100.00	100.00	2015	n/a	n/s
74	Pell Frischmann Brown Beech Consulting Engineers Ltd.		100.00	100.00	2014/15	3	1
75	Pell Frischmann Consultants Ltd.		100.00	100.00	2014/15	4	0
76	Pell Frischmann Consulting Engineers Ltd.		100.00	100.00	2014/15	23	1
77	Pell Frischmann Information Technology Ltd.		100.00	100.00	2014/15	1	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 %			
78 Pell Frischmann Ltd.	London		100.00	100.00	2014/15	2	0
79 Pell Frischmann S1 Ltd.	London		85.00	85.00	2015	n/a	n/s
80 Pell Frischmann S2 Ltd.	London		85.00	85.00	2015	n/a	n/s
81 PG Projektentwicklungsgesellschaft Grimberg mbH & Co. KG	Essen		100.00	100.00	2014	5	0
82 PG Projektentwicklungsgesellschaft Grimberg Verwaltungs-GmbH	Essen		100.00	100.00	2014	0	0
83 Projektgesellschaft Zollverein – Im Welterbe 10 Verwaltungs-GmbH	Essen	100.00		100.00	2015	0	0
84 RAG Finanz-Verwaltungs-GmbH	Herne		100.00	100.00	2015	0	0
85 RAG Mining Technology (Beijing) Co., Ltd.	Beijing		100.00	100.00	2014	0	0
86 RAG-S PE Verwaltungs-GmbH	Essen	100.00		100.00	2015	0	0
87 REMAK of North America Inc.	Hebron		100.00	100.00	2014	0	0
88 RODER Atlantic Halls Ltd.	Huntingdon		100.00	100.00	2015	n/a	n/s
89 RODER Atlantic Ltd.	Huntingdon		100.00	100.00	2015	n/a	n/s
90 RÖDER Espana S.L.	Dos Hermanas		51.00	51.00	2015	n/a	n/s
91 RODER HTS KG (UK) Ltd.	Huntingdon		100.00	100.00	2015	n/a	n/s
92 RODER HTS Ltd.	Huntingdon		100.00	100.00	2015	n/a	n/s
93 RODER HTS (UK) Ltd.	Huntingdon		100.00	100.00	2015	n/a	n/s
94 Solarpark Jägersfreude GmbH & Co. KG	Saarbrücken		100.00	100.00	2015	n/a	n/s
95 Solarpark KL Dechen GmbH & Co. KG	Neunkirchen		100.00	100.00	2014	0	0
96 Solarpark Lauchhammer 1 GmbH & Co. KG	Sulzbach/Saar		100.00	100.00	2015	n/a	n/s
97 Solarpark Lauchhammer 2 GmbH & Co. KG	Sulzbach/Saar		100.00	100.00	2015	n/a	n/s
98 Solarpark Schacht Eugen GmbH & Co. KG	Neunkirchen		100.00	100.00	2014	0	0
99 Solarpark Schweizer Berg GmbH & Co. KG	Völklingen		100.00	100.00	2014	0	0
100 Solarpark Wellesweiler GmbH & Co. KG	Neunkirchen		100.00	100.00	2015	n/a	n/s
101 Windpark Bitschberg Entwicklungs UG (limited liability)	Nonnweiler		100.00	100.00	2014	0	0
102 Windpark Sengert Entwicklungs UG (limited liability)	Nonnweiler		100.00	100.00	2014	0	0
Associated companies							
103 Arbeitsgemeinschaft Windpark Hünxer Heide GbR	Hünxe		33.33	33.33	2015	n/a	n/s
104 BAV Aufbereitung Herne GmbH	Herne		49.00	49.00	2014	1	0
105 ELE-RAG Montan Immobilien Erneuerbare Energien GmbH	Bottrop		50.00	50.00	2014	0	0
106 ENNI RMI Windpark Kohlenhuck Projektgesellschaft mbH	Moers		33.33	33.33	2014	0	0
107 Entwicklungsgesellschaft Mittelstandspark West Castrop-Rauxel mbH	Castrop-Rauxel		48.00	48.00	2014	0	0
108 Entwicklungsgesellschaft Schlägel & Eisen mbH	Herten		48.00	48.00	2014	0	0
109 Entwicklungsgesellschaft Westfalia mbH	Lünen		48.00	48.00	2014	0	0
110 HAHN Automation R&D GmbH	Wiehl		50.00	50.00	2015	0	0
111 HAHN Automation s.r.o.	Uvaly		50.00	50.00	2014	0	0
112 Prasad Wemo Robot Systems Private Limited	Ammedabad		40.00	40.00	2015	n/a	n/s
113 Projekt Ewald GmbH & Co. KG	Herten		50.00	50.00	2014	1	0
114 Projekt Ewald Verwaltung GmbH	Herten		50.00	50.00	2014	0	0
115 Projektgesellschaft Gneisenau mbH	Dortmund		49.00	49.00	2014	0	0
116 Projektgesellschaft Haus Aden mbH i.L.	Bergkamen		49.00	49.00	2014	0	0
117 Projektgesellschaft "Minister Stein" mbH	Dortmund		50.00	50.00	2014	0	0
118 Projektgesellschaft "Radbod" mbH	Hamm		33.33	33.33	2014	0	0
119 Windkraft Lohberg GmbH	Dinslaken		33.33	33.33	2014	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 %			
Evonik							
Non-consolidated affiliated companies							
120 AQura GmbH	Hanau		100.00	100.00	2015	2	PTA
121 BK-Wolfgang-Wärme GmbH	Hanau		100.00	100.00	2015	-1	-1
122 CyPlus GmbH	Hanau		100.00	100.00	2015	53	PTA
123 Degussa International Inc.	Wilmington		100.00	100.00	2015	593	9
124 DSL. Japan Co., Ltd.	Tokyo		51.00	51.00	2015	9	0
125 Egesil Kimya Sanayi ve Ticaret A.S.	Istanbul		51.00	51.00	2015	12	6
126 EGL Ltd.	Milton Keynes		100.00	100.00	2015	0	0
127 Evonik (SEA) Pte. Ltd.	Singapore		100.00	100.00	2015	238	7
128 Evonik (Shanghai) Investment Management Co., Ltd.	Shanghai		100.00	100.00	2015	2	1
129 Evonik (Thailand) Ltd.	Bangkok		100.00	100.00	2015	8	1
130 Evonik Acrylics Africa (Pty) Ltd.	Johannesburg		51.00	51.00	2015	2	0
131 Evonik Aerosil France S.A.R.L.	Salaise-sur-Sanne		100.00	100.00	2015	3	0
132 Evonik Africa (Pty) Ltd.	Midrand		100.00	100.00	2015	12	2
133 Evonik Agroferm Zrt.	Kaba		100.00	100.00	2015	18	2
134 Evonik Amalgamation Ltd.	Milton Keynes		100.00	100.00	2015	0	0
135 Evonik Australia Pty Ltd.	Mount Waverley		100.00	100.00	2015	5	1
136 Evonik Beteiligungs-GmbH	Frankfurt am Main		100.00	100.00	2015	1	PTA
137 Evonik Canada Inc.	Calgary		100.00	100.00	2015	26	11
138 Evonik Catalysts India Pvt. Ltd.	Dombivli		100.00	100.00	2015	12	2
139 Evonik Catering Services GmbH	Marl		100.00	100.00	2015	0	PTA
140 Evonik CB LLC	Wilmington		100.00	100.00	2015	0	0
141 Evonik Colombia S.A.S.	Medellin		100.00	100.00	2015	0	0
142 Evonik Corporation	Parsippany		100.00	100.00	2015	2,186	154
143 Evonik Creavis GmbH	Essen		100.00	100.00	2015	5	PTA
144 Evonik Cyro Canada Inc.	Etobicoke		100.00	100.00	2015	10	3
145 Evonik Cyro LLC	Wilmington		100.00	100.00	2015	97	11
146 Evonik Dahlenburg GmbH	Dahlenburg		100.00	100.00	2015	2	PTA
147 Evonik Degussa (China) Co., Ltd.	Beijing		100.00	100.00	2014	-61	-131
148 Evonik Degussa Africa (Pty) Ltd.	Midrand		100.00	100.00	2015	10	4
149 Evonik Degussa Antwerpen N.V.	Antwerp		100.00	100.00	2015	365	27
150 Evonik Degussa Argentina S.A.	Buenos Aires		100.00	100.00	2015	11	3
151 Evonik Degussa Brasil Ltda.	São Paulo		100.00	100.00	2015	54	-8
152 Evonik Degussa Carbons, Inc.	Wilmington		100.00	100.00	2015	0	0
153 Evonik Degussa Chile S.A.	Santiago		99.90	99.90	2015	0	0
154 Evonik Degussa GmbH	Essen		100.00	100.00	2015	4,907	PTA
155 Evonik Degussa International AG	Zurich		100.00	100.00	2015	72	59
156 Evonik Dutch Holding B.V.	Amsterdam		100.00	100.00	2015	42	0
157 Evonik España y Portugal, S.A.U.	Granollers		100.00	100.00	2015	13	2
158 Evonik Fermas s.r.o.	Slovenská L'upča		100.00	100.00	2015	20	2
159 Evonik Fibres GmbH	Schörfing		100.00	100.00	2015	8	-1
160 Evonik Finance B.V.	Amsterdam		100.00	100.00	2015	77	3
161 Evonik Foams Inc.	Wilmington		100.00	100.00	2015	45	3
162 Evonik Forhouse Optical Polymers Corporation	Taichung		51.00	51.00	2015	15	-7

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 %			
163 Evonik France S.A.S.	Ham		100.00	100.00	2015	22	0
164 Evonik Goldschmidt Rewo GmbH	Essen		100.00	100.00	2015	31	4
165 Evonik Goldschmidt UK Ltd.	Milton Keynes		100.00	100.00	2015	21	-3
166 Evonik Gorapur GmbH	Wittenburg		100.00	100.00	2015	1	3
167 Evonik Gorapur Verwaltungs-GmbH	Wittenburg		100.00	100.00	2015	13	4
168 Evonik Guatemala, S.A.	Guatemala City		100.00	100.00	2015	0	0
169 Evonik Gulf FZE	Dubai		100.00	100.00	2015	0	0
170 Evonik Hanse GmbH	Geesthacht		100.00	100.00	2015	11	PTA
171 Evonik Hong Kong Ltd.	Hong Kong		100.00	100.00	2015	15	6
172 Evonik India Pvt. Ltd.	Mumbai		100.00	100.00	2015	13	0
173 Evonik Industries de Mexico, S.A. de C.V.	Mexico City		100.00	100.00	2015	55	8
174 Evonik International Costa Rica, S.A.	Santa Ana		100.00	100.00	2015	0	0
175 Evonik International Holding B.V.	Amsterdam		100.00	100.00	2015	3,169	61
176 Evonik IP GmbH	Eschborn		100.00	100.00	2015	50	90
177 Evonik Iran AG	Teheran		100.00	100.00	2015	1	0
178 Evonik Italia S.p.a.	Pandino		100.00	100.00	2015	19	3
179 Evonik Japan Co., Ltd.	Tokyo		100.00	100.00	2015	84	12
180 Evonik Jayhawk Fine Chemicals Corporation	Carson City		100.00	100.00	2015	18	1
181 Evonik Korea Ltd.	Seoul		100.00	100.00	2015	12	4
182 Evonik Limited Egypt	Cairo		100.00	100.00	2015	0	0
183 Evonik Malaysia Sdn. Bhd.	Kuala Lumpur		100.00	100.00	2015	0	0
184 Evonik MedAvox S.p.a. (i.L.)	Milan		100.00	100.00	2015	5	3
185 Evonik Membrane Extraction Technology Limited	Milton Keynes		100.00	100.00	2015	-10	-3
186 Evonik Methionine SEA Pte. Ltd.	Singapore		100.00	100.00	2015	356	131
187 Evonik Metilatos S.A.	Rosario		100.00	100.00	2015	9	2
188 Evonik Mexico, S.A. de C.V.	Mexico City		100.00	100.00	2015	10	0
189 Evonik Nutrition & Care GmbH	Essen		100.00	100.00	2015	234	PTA
190 Evonik Oil Additives Asia Pacific Pte. Ltd.	Singapore		100.00	100.00	2015	133	32
191 Evonik Oil Additives Canada Inc.	Morrisburg		100.00	100.00	2015	8	4
192 Evonik Oil Additives GmbH	Essen		100.00	100.00	2015	31	PTA
193 Evonik Oil Additives S.A.S.	Lauterbourg		100.00	100.00	2015	26	2
194 Evonik Oil Additives USA, Inc.	Horsham		100.00	100.00	2015	25	23
195 Evonik Oxeno Antwerpen N.V.	Antwerp		100.00	100.00	2015	366	0
196 Evonik Para-Chemie GmbH	Gramatneusiedl		99.00	99.00	2015	9	1
197 Evonik Pension Scheme Trustee Limited	Milton Keynes		100.00	100.00	2015	0	0
198 Evonik Performance Materials GmbH	Essen		100.00	100.00	2015	244	PTA
199 Evonik Peroxid GmbH	Weißenstein		100.00	100.00	2015	9	2
200 Evonik Peroxide Africa (Pty) Ltd.	Umbogintwini		100.00	100.00	2015	6	1
201 Evonik Peroxide Holding B.V.	Amsterdam		100.00	100.00	2015	193	0
202 Evonik Peroxide Ltd.	Morrisville		100.00	100.00	2015	13	2
203 Evonik Peroxide Netherlands B.V.	Amsterdam		100.00	100.00	2015	24	0
204 Evonik Peroxygens Holding GmbH	Essen		100.00	100.00	2015	62	0
205 Evonik Projekt-Beteiligung Verwaltungs-GmbH	Essen		100.00	100.00	2015	0	0
206 Evonik Projekt-Beteiligungs-GmbH & Co. KG	Essen		99.00	99.00	2015	344	1
207 Evonik Re S.A.	Luxemburg		100.00	100.00	2015	5	0
208 Evonik Real Estate GmbH & Co. KG	Marl		100.00	100.00	2015	204	20
209 Evonik Real Estate Verwaltungs-GmbH	Marl		100.00	100.00	2015	0	0
210 Evonik Resource Efficiency GmbH	Essen		100.00	100.00	2015	285	PTA

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 %			
211 Evonik Rexim (Nanning) Pharmaceutical Co., Ltd.	Nanning		100.00	100.00	2015	13	-2
212 Evonik Rexim S.A.S.	Ham		100.00	100.00	2015	15	1
213 Evonik Risk and Insurance Services GmbH	Essen		100.00	100.00	2015	1	PTA
214 Evonik Röhm GmbH	Essen		100.00	100.00	2015	170	PTA
215 Evonik Servicios, S.A. de C.V.	Mexico City		100.00	100.00	2015	2	1
216 Evonik Silquímica, S.A.U.	Zubillaga-Lantaron		100.00	100.00	2015	11	1
217 Evonik Speciality Organics Ltd.	Milton Keynes		100.00	100.00	2015	681	1
218 Evonik Specialty Chemicals (Jilin) Co., Ltd.	Jilin		100.00	100.00	2015	28	-23
219 Evonik Specialty Chemicals (Shanghai) Co., Ltd.	Shanghai		100.00	100.00	2015	134	-4
220 Evonik Taiwan Ltd.	Taipeh		100.00	100.00	2015	13	8
221 Evonik Tasnee Marketing LLC	Riad		75.00	75.00	2015	8	1
222 Evonik Technochemie GmbH	Essen		100.00	100.00	2015	58	PTA
223 Evonik Technology & Infrastructure GmbH	Essen		100.00	100.00	2015	303	PTA
224 Evonik Thai Aerosil Co., Ltd.	Bangkok		100.00	100.00	2015	25	6
225 Evonik Tianda (Liaoyang) Chemical Additive Co., Ltd.	Liaoyang		97.04	97.04	2015	29	2
226 Evonik Ticaret Ltd. Sirketi	Tuzla / Istanbul		100.00	100.00	2015	8	3
227 Evonik Trustee Limited	Milton Keynes		100.00	100.00	2015	0	0
228 Evonik UK Holdings Ltd.	Milton Keynes		100.00	100.00	2015	788	-77
229 Evonik United Silica (Siam) Ltd.	Rayong		70.00	70.00	2015	9	0
230 Evonik United Silica Industrial Ltd.	Taoyuan Hsien		100.00	100.00	2015	27	3
231 Evonik Venture Capital GmbH	Hanau		100.00	100.00	2015	1	PTA
232 Evonik Vietnam Limited Liability Company	Ho Chi Minh City		100.00	100.00	2015	2	1
233 Evonik Wellink Silica (Nanping) Co., Ltd.	Nanping		60.00	60.00	2015	40	7
234 Goldschmidt ETB GmbH	Berlin		100.00	100.00	2015	1	PTA
235 HD Ceracat GmbH	Frankfurt am Main		100.00	100.00	2015	0	0
236 ILaS Integrierte Logistik & Service GmbH	Marl		100.00	100.00	2015	1	PTA
237 Insilco Ltd.	Gajraula		73.11	73.11	2015	12	0
238 JIDA Evonik High Performance Polymers (Changchun) Co., Ltd.	Changchun		84.04	84.04	2015	10	4
239 KVM Vermögensverwaltungs-GmbH	Marl		100.00	100.00	2015	11	0
240 Laporte Chemicals Ltd.	Milton Keynes		100.00	100.00	2015	0	0
241 Laporte Industries Ltd.	Milton Keynes		100.00	100.00	2015	3	2
242 Laporte Nederland (Holding) B.V.	Amsterdam		100.00	100.00	2015	2	1
243 LLC "Evonik Ukraine"	Kiew		100.00	100.00	2015	0	0
244 Mönch-Kunststofftechnik GmbH	Bad König		100.00	100.00	2015	1	PTA
245 Nilok Chemicals Inc. (i.L.)	Parsippany		100.00	100.00	2015	-2	-1
246 Nippon Aerosil Co., Ltd.	Tokyo		80.00	80.00	2015	60	10
247 OOO DESTEK	Podolsk		62.25	62.25	2015	3	2
248 OOO Evonik Chimia	Moscow		100.00	100.00	2015	7	8
249 PKU Pulverkautschuk Union GmbH (i.L.)	Marl		100.00	100.00	2015	0	0
250 PT. Evonik Indonesia	Cikarang Bekasi		100.00	100.00	2015	15	7
251 PT. Evonik Sumi Asih	Bekasi Timur		75.00	75.00	2015	14	2
252 RBV Verwaltungs-GmbH	Essen		100.00	100.00	2015	848	5
253 RCIV Vermögensverwaltungs-GmbH	Essen		100.00	100.00	2015	25	-3
254 Roha B.V.	Tilburg		100.00	100.00	2015	2	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 %			
255 RÜTGERS Dienstleistungs-GmbH	Essen		100.00	100.00	2015	2	0
256 RÜTGERS GmbH	Essen		100.00	100.00	2015	334	-12
257 RÜTGERS Organics Corporation	State College		100.00	100.00	2015	-15	-3
258 Silbond Corporation	Weston		100.00	100.00	2015	39	3
259 SKC Evonik Peroxide Korea Co., Ltd.	Ulsan		55.00	55.00	2015	25	1
260 Stockhausen Nederland B.V.	Amsterdam		100.00	100.00	2015	27	0
261 Stockhausen Unterstüztzungseinrichtung GmbH	Krefeld		100.00	100.00	2015	0	0
262 Studiengesellschaft Kohle mbH	Mülheim		84.18	84.18	2014	0	0
263 Westgas GmbH	Marl		100.00	100.00	2015	8	6
Other companies							
264 ARG mbH & Co. KG	Duisburg		19.93	19.93	2015	2	39
265 ARG Verwaltungs GmbH	Duisburg		20.00	20.00	2015	0	0
266 CyPlus Idesa, S.A.P.I. de C.V.	Mexico City		50.00	50.00	2015	39	-1
267 Daicel-Evonik Ltd.	Tokyo		50.00	50.00	2015	13	1
268 dev.log GmbH i.G.	Niederkassel		50.00	50.00	2015	0	0
269 Evonik Headwaters LLP	Milton Keynes		50.00	50.00	2014	0	0
270 Evonik Lanxing (Rizhao) Chemical Industrial Co., Ltd.	Rizhao		50.00	50.00	2015	6	0
271 Evonik Treibacher GmbH	Treibach / Althofen		50.00	50.00	2015	8	1
272 Faserwerke Hüls Gesellschaft mit beschränkter Haftung	Marl		50.00	50.00	2015	1	0
273 Idevo Servicios, S.A. de C.V.	Mexico City		50.00	50.00	2015	0	0
274 Industriepark Münchsmünster GmbH & Co. KG	Münchsmünster		30.00	30.00	2014	8	0
275 Industriepark Münchsmünster Verwaltungsgesellschaft mit beschränkter Haftung	Münchsmünster		38.00	38.00	2014	0	0
276 LiteCon GmbH	Hönigsberg / Müzzzuschlag		49.00	49.00	2015	3	-1
277 Neolyse Ibbenbüren GmbH	Ibbenbüren		50.00	50.00	2015	8	0
278 ROH Delaware LLC	Deer Park		50.00	50.00	2015	1	0
279 ROH Delaware LP	Deer Park		50.00	50.00	2015	8	36
280 RSC Evonik Sweeteners Co., Ltd.	Bangkok		50.00	50.00	2015	2	0
281 Rusferm Limited	Nikosia		49.00	49.00	2015	0	0
282 Saudi Acrylic Polymers Company, Ltd.	Jubail		25.00	25.00	2015	54	-24
283 StoHaas Management GmbH	Marl		50.00	50.00	2015	0	0
284 StoHaas Marl GmbH	Marl		50.00	50.00	2015	35	18
285 StoHaas Monomer GmbH & Co. KG	Marl		50.00	50.00	2015	202	56
286 TÜV NORD InfraChem GmbH & Co. KG	Marl		49.00	49.00	2014	2	0
287 TÜV NORD InfraChem Verwaltungsgesellschaft mbH	Marl		49.00	49.00	2014	0	0
288 Umschlag Terminal Marl GmbH & Co. KG	Marl		50.00	50.00	2014	0	0
289 Umschlag Terminal Marl Verwaltungs-GmbH	Marl		50.00	50.00	2014	0	0
Vivawest							
Non-consolidated affiliated companies							
290 Aachener Bergmannsiedlungsgesellschaft mbH	Hückelhoven		100.00	100.00	2015	23	PTA
291 Bauverein Glückauf GmbH	Ahlen		100.00	100.00	2015	11	PTA
292 EBV Gesellschaft mit beschränkter Haftung	Hückelhoven		100.00	100.00	2015	86	PTA

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 %			
293 GSB Gesellschaft zur Sicherung von Bergmannswohnungen mit beschränkter Haftung	Essen		68.75	68.75	2014	0	0
294 Heinrich Schäfermeyer GmbH	Hückelhoven		100.00	100.00	2015	10	PTA
295 HVG Grünflächenmanagement GmbH	Essen		100.00	100.00	2015	3	PTA
296 Lünener Wohnungs- und Siedlungsgesellschaft mit beschränkter Haftung	Lünen		94.90	94.90	2015	28	PTA
297 Marienfeld Multimedia GmbH	Essen		100.00	100.00	2015	0	PTA
298 Nordsternurm GmbH	Gelsenkirchen		100.00	100.00	2015	0	PTA
299 Projektgesellschaft Tannenstraße mbH	Düsseldorf		100.00	100.00	2015	0	PTA
300 Rhein Lippe Holding GmbH	Essen		100.00	100.00	2015	538	PTA
301 Rhein Lippe Wohnen Gesellschaft mit beschränkter Haftung	Duisburg		94.84	94.84	2015	148	PTA
302 RHZ Handwerks-Zentrum GmbH	Gladbeck		100.00	100.00	2015	0	PTA
303 Siedlung Niederrhein Gesellschaft mit beschränkter Haftung	Dinslaken		100.00	100.00	2015	43	PTA
304 SJ Brikett- und Extrazitfabriken GmbH	Hückelhoven		100.00	100.00	2015	2	PTA
305 SKIBA Ingenieurgesellschaft für Gebäudetechnik mbH	Herne		100.00	100.00	2015	0	PTA
306 SKIBATRON Mess- und Abrechnungssysteme GmbH	Herne-Wanne		100.00	100.00	2015	0	PTA
307 THS GmbH	Essen		100.00	100.00	2015	228	PTA
308 THS Rheinland Beteiligungs GmbH & Co. KG	Essen		94.12	94.12	2015	0	0
309 THS Rheinland GmbH	Leverkusen		100.00	100.00	2015	20	PTA
310 THS Westfalen GmbH	Lünen		100.00	100.00	2015	34	PTA
311 Vestische Wohnungsgesellschaft mit beschränkter Haftung	Herne		94.90	94.90	2015	14	PTA
312 Vestisch-Märkische Wohnungsbaugesellschaft mit beschränkter Haftung	Recklinghausen		100.00	100.00	2015	69	PTA
313 Vivawest Beteiligungen GmbH & Co. KG	Essen		94.90	94.90	2015	22	0
314 Vivawest Dienstleistungen GmbH	Essen		100.00	100.00	2015	9	PTA
315 Vivawest Pensionen GmbH	Essen		100.00	100.00	2015	0	PTA
316 Vivawest Ruhr GmbH	Essen		100.00	100.00	2015	3	PTA
317 Vivawest Stiftung gemeinnützige GmbH	Gelsenkirchen		100.00	100.00	2015	0	0
318 Vivawest Wohnen GmbH	Essen		100.00	100.00	2015	8	PTA
319 Walsum Immobilien GmbH	Duisburg		94.90	94.90	2015	25	PTA
320 Wohnbau Auguste Victoria GmbH	Marl		100.00	100.00	2015	34	PTA
321 Wohnbau Westfalen GmbH	Dortmund		100.00	100.00	2015	80	PTA
322 Wohnungsbaugesellschaft mit beschränkter Haftung "Glückauf"	Moers		100.00	100.00	2015	44	PTA
Other companies							
323 Deutsche Industrieholz GmbH	Berlin		45.00	45.00	2014	0	0
324 Stadthausprojekt Düsseldorf Tannenstraße GmbH	Düsseldorf		26.00	26.00	2014	0	0
325 Wohnbau Dinslaken Gesellschaft mit beschränkter Haftung	Dinslaken		46.45	46.45	2014	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 Section 291 and Section 293 of the German Commercial Code (HGB).

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 2015, 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

Intangible assets and tangible assets are recognised at acquisition cost less depreciation, amortisation and write-downs on the basis of the lower fair value. Depreciation and amortisation are 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 shares in affiliated companies, the holdings and securities are recognised in financial assets at cost or at the lower fair value in the case of permanent impairment. Fixed income securities acquired "above par" are, where a permanent impairment of value is expected, recognised at least at the amount repayable (par).

The RAG-Stiftung intends to hold 25.1% of the shares acquired in Evonik Industries AG 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 the lower of acquisition cost or exchange rates on the day.

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 was 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 German central bank – 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.

Changes in the discount rate for the pension provisions are reported in personnel expenses. 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 (3.89%) 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 (2.00%), 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 tax 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 30.0%. Deferred tax assets on corporation and trade tax losses carried forward are measured at 16.0% and 14.0% 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 capital investment company, and a real estate special fund. There is no limit in the daily return. 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	2,100.0	2,384.5	284.5	11.5
Real estate fund	171.7	175.9	4.2	4.6
	2,271.6	2,560.4	288.8	16.1

2. Receivables and other assets

in EUR million	Maturity term		31/12/2015	31/12/2014	of which with a maturity term of over 1 year
	up to 1 year	over 1 year			
Receivables due from affiliated companies	361.8	–	361.8	147.8	–
Other assets	273.0	0.1	273.1	144.2	–
	634.8	0.1	634.9	292.0	–

Receivables due from affiliated companies are other assets of EUR 361.8 million (previous year EUR 147.8 million). EUR 26.5 million of other assets are only limitedly available due to a pledge agreement.

3. Securities

The securities are the shares in Evonik Industries AG intended for sale. Due to a pledge agreement, EUR 2.6 million of securities are limitedly available.

4. Cash in hand, credit balances at banks and cheques

This relates entirely to credit balances at banks.

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 4,449.0 million (previous year EUR 4,114.7 million) and is explained in more detail under "other information".

Other provisions

in EUR million	31/12/2015	31/12/2014
Provisions for services rendered (received)	6.2	2.7
Provisions for the workforce	1.2	1.1
Provisions for audit costs	0.1	0.1
Other provisions	0.1	0.1
	7.6	4.0

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	over 5 years	31/12/2015	31/12/2014	
Bonds	–	600.0	500.0	1,100.0	600.0	–
of which convertible	(–)	(600.0)	(500.0)	(1,100.0)	(600.0)	(–)
Trade payables	0.2	–	–	0.2	0.2	0.2
Payables due to affiliated companies	44.7	0.1	–	44.8	44.2	44.2
Other liabilities	33.1	–	–	33.1	19.7	19.7
of which						
from taxes	(30.6)	(–)	(–)	(30.6)	(19.4)	(19.4)
associated with social security	(0.0)	(–)	(–)	(0.0)	(–)	(–)
	78.0	600.1	500.0	1,178.1	664.1	64.1

Bonds include two non-subordinated and unsecured exchangeable bonds on Evonik shares, one of EUR 600.0 million (previous year EUR 600.0 million) with a term to 31 December 2018, and one of EUR 500.0 million with a term to 18 February 2021. The bonds can be exchanged for existing registered shares of Evonik Industries AG. Liabilities due to affiliated companies comprise other liabilities of EUR 44.8 million (previous year EUR 44.2 million).

NOTES TO THE INCOME STATEMENT

8. Sales revenue

Sales revenue is entirely from within Germany.

9. Other operating income

in EUR million	2015	2014
Disposal of fixed assets	0.1	0.1
Writing back provisions	0.0	0.3
Gains from currency receivables	0.1	0.6
Other remaining income	0.3	0.7
	0.5	1.8

Other operating income includes income of EUR 0.0 million (previous year EUR 0.3 million) not related to the accounting period from the writing back of provisions, and income of EUR 0.1 million (previous year EUR 0.1 million) from the disposal of fixed assets. This item also includes income from currency translation amounting to EUR 0.1 million (previous year EUR 0.6 million).

10. Personnel expenses

in EUR million	2015	2014
Wages and salaries	4.7	4.2
Social security	0.3	0.2
Welfare benefits and support	0.6	0.6
of which for pension schemes	(0.6)	(0.6)
	5.5	5.0

Average number of employees over the year

	2015	2014
Salaried employees	17	14
	17	14

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	2015	2014
Losses on the disposal of fixed assets	0.0	0.3
Depreciation and amortisation of receivables in current assets	0.4	–
Board of Trustees remuneration	0.2	0.2
Commission, fees, bank charges	10.5	9.6
Auditor's fees	0.2	0.2
Expenses from letting and leasing	0.4	0.4
Other administrative costs	1.8	1.6
Project expenses	7.5	4.4
Other insurance policies	0.4	0.4
Other expenses	334.3	351.1
	355.7	368.2

Other expenses include expenses arising from the allocation of EUR 334.3 million (previous year EUR 351.1 million) to the provision for perpetual obligations. The item other operating expenses also includes expenses of EUR 0.4 million (previous year: EUR 0.0 million) from currency translation, and expenses not related to the accounting period of EUR 0.0 million (previous year: EUR 0.3 million) from the disposal of fixed assets.

12. Investment income

	2015	2014
Income from equity interests	352.8	295.6
of which from affiliated companies	(352.8)	(295.6)
	352.8	295.6

Income from affiliated companies comprise the Evonik Industries AG dividend at EUR 316.4 million (previous year EUR 316.4 million) and the dividend of Vivawest GmbH at EUR 36.4 million (previous year EUR 36.4 million).

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 21.9 million (previous year EUR 18.4 million).

14. Interest income

in EUR million	2015	2014
Other interest and similar income from third parties and companies with which there is a participatory relationship	1.0	0.4
Other interest and similar income from affiliated companies	1.3	1.7
Other interest and similar income	2.3	2.1
Interest and similar expenses due to third parties and companies with which there is a participatory relationship	0.0	0.0
Interest expenses from the compounding of provisions	1.1	1.3
Interest and similar expenses	1.1	1.3
	1.2	0.8

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

Write-downs of EUR 0.8 million to the lower market value were incurred in financial assets during the reporting year.

16. Taxes

in EUR million	2015	2014
Income taxes	11.9	-
Other taxes	2.6	0.7
	14.5	0.7

Expenses for income taxes relate to the allocation to the provision for income taxes for the current year and previous years.

Other taxes include the allocation to the VAT provision for the current year and previous years.

The RAG-Stiftung does not levy an affiliation charge for income taxes.

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 1,590.4 million arising from temporary differences of the balance sheet items tangible assets, other assets, provision for perpetual obligations and other provisions were balanced with deferred tax assets of EUR 1,590.4 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

Financial assets include securities held as fixed assets of EUR 65.0 million, recognised over their fair value of EUR 63.2 million. No write-downs to fair values took place as a permanent decrease in value is not expected.

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.

Contingent liabilities

There are contingent liabilities arising in part from the provision of collateral for third-party liabilities amounting to EUR 0.4 million (previous year EUR 0.4 million). EUR 0.4 million of this is attributable to affiliated companies. We estimate the risk of utilisation as low. On the other hand, there are contingent liabilities arising from the guarantee for third-party services of EUR 5.7 million. We estimate the risk of utilisation as low here as well because the borrower is not expected to default.

Other financial obligations

in EUR million	31/12/2015	31/12/2014
Obligations arising from letting and leasing agreements with a maturity term of over one year	1.6	2.0
Other financial obligations	30,402.1	17,204.0
of which due to affiliated companies	(30,388.1)	(17,204.0)
Obligations in connection with investments in financial assets	515.3	457.4
of which due to affiliated companies	(485.3)	(457.4)

Other financial obligations are primarily the obligations arising from the agreement on perpetual obligations of 13 November 2007 in connection 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 shutdown costs, residual pollution and the perpetual obligations of RAG AG's coal mining operations.

On the basis of the agreement on inherited liabilities concluded on 13 November 2007 in connection with the side letter of 16/21 December 2010, the RAG-Stiftung releases RAG in its internal relationship 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/polder measures, 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 is presented in the following; RAG AG's original obligations – transferred to the RAG-Stiftung only on closure of the coal mining operations – are not accounted for in the values.

Provisions existing today at RAG AG are continued according to the principles of proper accounting and until the final closure of the coal mining operations. The corresponding cover funds are collected in the amount of the obligation, which arises according to the principles of proper accounting 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.

This claim from RAG AG against the RAG-Stiftung arising from the agreement on inherited liabilities was always orientated 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 2(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, a contra item has been created in RAG AG's balance sheet in the amount of this funding gap. This contra item 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 2015, 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

Perpetual obligations in EUR million	as of 31/12/2018		as of 31/12/2015
	As of: framework agreement	As of: 31/12/2015	discounted
Permanent mine-related damage	1,324	9,756	9,475
Groundwater purification	341	1,824	1,750
Pit water management	5,208	24,292	23,612
	6,873	35,872	34,837

The total obligation as of the balance sheet date amounts to EUR 34,837.1 million (previous year EUR 21,318.7 million). Of this, EUR 4,449.0 million (previous year EUR 4,114.7 million) is recognised as provision for the obligation to RAG AG for the financing of perpetual obligations, and EUR 30,388.1 million (previous year EUR 17,204.0 million) is recognised under other financial obligations.

The shares in Evonik Industries AG and Vivawest GmbH, as well as the existing financial 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

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 2015 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 euro interest swap rates published by the German central bank with a term of 30 years at 2.70% (previous year 3.14%). The premium, also determined by the German central bank, for the corporate bond risk amounts to 1.20% for the overall yield curve, meaning the perpetual annuity was discounted in line with Section 253, Paragraph 2 HGB at 3.90% (previous year 4.49%).
- ▲ Annual expected future price increase for non-cash benefit obligations amounts to 2.08% (previous year 2.15%).
- ▲ The funding gaps as of 31 December 2018 are discounted using an interest rate of 1.14% (previous year 1.92%), based on the seven-year average interest rate for zero-coupon euro interest swap rates for a term of three years (2018 after 2015) to 31 December 2015.

The provisions reported at RAG AG as of 31 December 2015 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/polder measures, 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/polder measures

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 2015, which was determined on the basis of a perpetual annuity with an interest rate of 3.90% and a price inflation of 2.08% (real interest rate 1.82%), was extended to 31 December 2018 allowing for a price increase of 2.08%. The provision would therefore stand at EUR 3,728.3 million. This provision includes the valuation difference of EUR 2,399.0 million arising from the application of BilMoG as opposed to HGB (previous version).

This commercial provision is compared with the economic burden, which will be calculated taking into account the parameters defined and developed in the KPMG report (zero-coupon interest swap 2.70% minus price inflation 2.08%). With a real interest rate of 0.62%, this determination results in a level of provision of EUR 11,085.3 million as of 31 December 2018.

The comparison of both values as of 31 December 2018 results in a funding gap of EUR 7,356.8 million. The funding gap discounted to 31 December 2015 of EUR 7,110.2 million and the measurement difference as of 31 December 2015 of EUR 2,364.7 million are carried as liabilities in the annual financial statements under permanent mine-related damage/polder measures.

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 2015, which was determined on the basis of a perpetual annuity with an interest rate of 3.90% and a price increase of 2.08% (real interest rate 1.82%), was extended to 31 December 2018 allowing for a price increase of 2.08%. The provision would therefore stand at EUR 702.8 million. This provision includes the valuation difference of EUR 477.2 million arising from the application of BilMoG as opposed to HGB (previous version).

This commercial provision is compared with the economic burden, which will be calculated taking into account the parameters defined and developed in the KPMG report (zero-coupon interest swap 2.70% minus price inflation 2.08%). With a real interest rate of 0.62%, this determination results in a level of provision of EUR 2,049.8 million as of 31 December 2018.

The comparison of both values as of 31 December 2018 results in a funding gap of EUR 1,347.0 million. The funding gap discounted to 31 December 2015 of EUR 1,301.8 million and the measurement difference as of 31 December 2015 of EUR 448.7 million are recognised in the annual financial statements in the corresponding provisions.

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 – absolutely no provision must be created. The annually incurred operating expenses for pit water management 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, consideration of the anticipated technology, as well as expected investment and price inflation of 2.08%. The liability for pit water management is calculated under consideration of the parameters defined and further developed in the KPMG report (zero-coupon interest swap of 2.70% minus price increase of 2.08%) and assessment bases calculated up to 2018. With a real interest rate of 0.62%, this calculation results in a total risk – and thus a funding gap for pit water management – at the time of expiry of EUR 24,292.2 million. The funding gap discounted to 31 December 2015 of EUR 23,611.7 million is carried as a liability in the annual financial statements.

Future development of 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. In line with assumptions, a seven-year average interest rate for a 30-year term of 2.70% (previous year 3.14%), calculated on the basis of the zero-coupon interest swap published by the German central bank, and a price development of 2.08% (previous year 2.15%) was set as per 31 December 2015, corresponding to a real interest rate of 0.62% (previous year 0.99%). When calculating the perpetual annuity, this corresponds to a factor of approximately 160 (previous year 101) 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	2015	2014
a. Auditing services	0.1	0.1
b. Tax consultation services	0.1	-
c. Other services	0.0	0.1
Total fees charged for the financial year	0.2	0.2
Correction for the previous year (+)/from the previous year (-)	-	-
Total fees	0.2	0.2

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 2015 financial year amounts to EUR 1.6 million (previous year EUR 1.7 million).

The remuneration of the Board of Trustees for the 2015 financial year amounts to EUR 0.2 million (previous year EUR 0.2 million).

Essen, 18 March 2016

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 – taking into account the accounting and the Management Report of the RAG-Stiftung, Essen, for the financial year from 1 January to 31 December 2015. 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, 18 March 2016

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Aktiengesellschaft
Auditing Company

Lutz Granderath
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Auditor

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THE "GLÜCKAUF ZUKUNFT!" PROJECT

The RAG-Stiftung launches "Glückauf Zukunft!" (a miners' greeting to the future). The last hard coal mine in Germany will close at the end of 2018, marking the end of an era in Germany's industrial history. "Glückauf Zukunft!" will honour the mining industry's historic achievements with numerous events until the end of 2018. The project—a joint initiative of the RAG-Stiftung, RAG, Evonik and the IG BCE—will also generate momentum for post-mining activities.

January

February

A NEW EVONIK EXCHANGEABLE BOND

The RAG-Stiftung issues a bond that is exchangeable for Evonik Industries AG shares to the value of €500 million. The proceeds will serve to increase the foundation's capital assets and enable investments in line with its holdings strategy. At an above-par issue price (101%), the interest rate of 0% will result in a negative interest rate at maturity. This model offers investors the opportunity to convert the exchangeable bond into a predefined number of shares. Conversely, for the first time, it enables the RAG-Stiftung to place a bond with a negative interest rate.

May

A SPECIAL TRAINING PROGRAMME IN MARL

Since the closure of the Auguste Victoria mine in Marl at the end of 2015, there has been a shortage of training programmes in the area around the former mine. Accordingly, a special training programme for 25 young people without apprenticeships has been initiated at Evonik's Marl location in May. The programme will continue for three and a half years. The partners cooperating in the programme are the RAG-Stiftung, the North Rhine-Westphalia state government and TÜV NORD Bildung GmbH. The training courses will begin in September 2015.

EQUITY INVESTMENT IN HEIDELBERG INSTRUMENTS

Through RAG-Stiftung Beteiligungs-gesellschaft mbH, the foundation acquires 100 per cent of the shares in Heidelberg Instruments Microtechnik GmbH in a targeted expansion of its holdings portfolio. This Heidelberg-based company, which specializes in laser lithography, effectively complements the foundation's existing equity investments in medium-sized companies in the mechanical engineering, automation and industrial services sectors.

October

OPENING OF THE CENTRE OF RESEARCH FOR POST-MINING ACTIVITIES

The world's only research centre for post-mining activities opens at the TH Georg Agricola University of Applied Sciences in Bochum. The research centre is sponsored by the RAG-Stiftung. The centre brings together the know-how that is needed to manage the after-effects of mining in terms of technology, economics and environmental compatibility. There is worldwide demand for cutting-edge research in the area of post-mining activities.

PARTICIPATION IN PELL FRISCHMANN

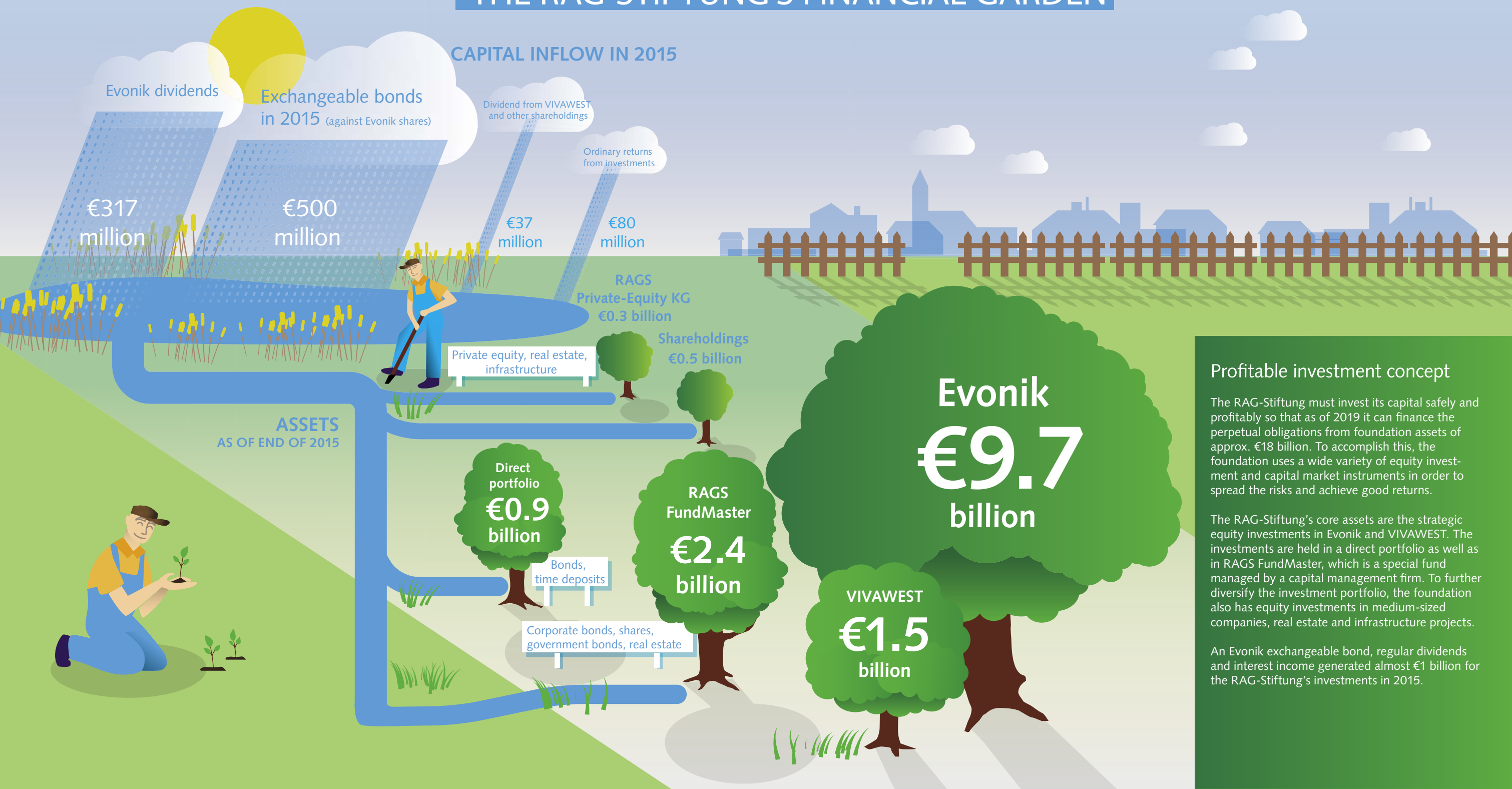
The RAG-Stiftung acquires 85 per cent of the shares in the British engineering services provider Pell Frischmann through RAG-Stiftung Beteiligungs-gesellschaft mbH. This is the foundation's first investment in a UK company. Pell Frischmann focuses on high-growth infrastructure projects in areas such as water supply, transportation and urban development.

December

€1.5 MILLION FOR REFUGEE AID

RAG-Stiftung will donate up to €1.5 million to assistance programs focusing on the integration of refugees into German society. The money will support an educational project developed specially for refugees between the age of 18 and 25 years in the former mining regions of North Rhine-Westphalia and Saarland. The planned project aims to promote the refugees' linguistic and intercultural skills and lay the groundwork for subsequent vocational training and careers.

THE RAG-STIFTUNG'S FINANCIAL GARDEN



Profitable investment concept

The RAG-Stiftung must invest its capital safely and profitably so that as of 2019 it can finance the perpetual obligations from foundation assets of approx. €18 billion. To accomplish this, the foundation uses a wide variety of equity investment and capital market instruments in order to spread the risks and achieve good returns.

The RAG-Stiftung's core assets are the strategic equity investments in Evonik and VIVAWEST. The investments are held in a direct portfolio as well as in RAGS FundMaster, which is a special fund managed by a capital management firm. To further diversify the investment portfolio, the foundation also has equity investments in medium-sized companies, real estate and infrastructure projects.

An Evonik exchangeable bond, regular dividends and interest income generated almost €1 billion for the RAG-Stiftung's investments in 2015.

Milestones of the RAG-Stiftung



February 2007

In a framework paper, the German federal government, the states of North Rhine-Westphalia and Saarland, the IG BCE trade union and RAG agree to discontinue subsidised hard coal mining by the end of 2018.



July 2007

The RAG-Stiftung is founded on 26 June in order to organise the socially acceptable discontinuation of Germany's hard coal mining industry and to finance the perpetual obligations. Former BP manager Wilhelm Bonse-Geuing is appointed Chairman of the Board of Executives. Shortly thereafter, the shareholders of RAG AG (E.ON AG, RWE AG, ThyssenKrupp AG and Société Nouvelle Sidéchar SARL) sell their shares for one euro each to the RAG-Stiftung.

June 2008

The RAG-Stiftung sells 25.01 per cent of Evonik shares to CVC Capital Partners. Both partners want the company to go public.



June 2012

Hard coal mining is discontinued in the Saar region on 30 June 2012. The closure of the Saar mine in Ensdorf concludes the last chapter in the history of coal mining in Saarland.

December 2012

Germany's former Minister for Economic Affairs Dr. Werner Müller becomes the Chairman of the RAG-Stiftung's Board of Executives. The other new members of the Board of Executives are Bärbel Bergerhoff-Wodopia (Human Resources) and Dr. Helmut Linssen (Finance).

April 2013

The IPO of Evonik Industries AG. On 25 April, the share is listed on the Frankfurt and Luxembourg stock exchanges for the first time.



July 2013

The RAG-Stiftung now directly owns 30 per cent of VIVAWEST. Germany's third-largest provider of housing is the market leader in North Rhine-Westphalia and manages more than 120,000 flats.

April 2014

In response to a prolonged phase of low interest rates, the RAG-Stiftung begins to implement its new investment strategy, according to which the foundation will invest more of its assets in illiquid material assets (real estate and equity investments).



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