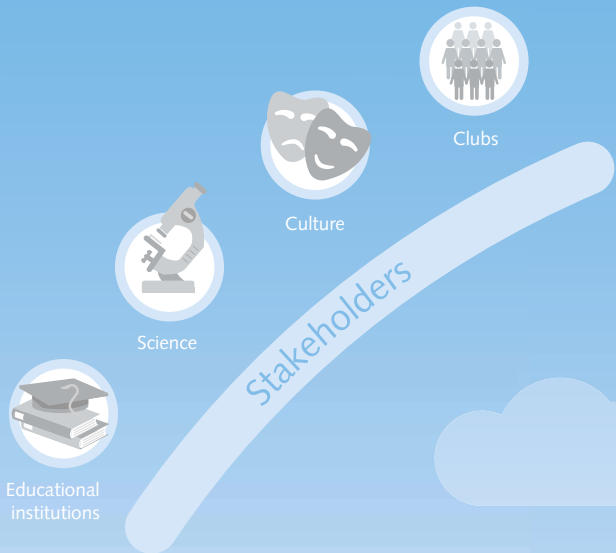




ANNUAL REPORT 2017

“The RAG-Stiftung

Found



Board of Trustees

Ex-officio members (5)
Additional members (9)

Dr. Jürgen Großmann (Chairman)
Michael Vassiliadis (Deputy Chairman)

→ Pages 26 and 61

appoints the Board
supervises its b

informs the Bo
essentia

Shareholdings

- RAG (100%)**
to transfer around €1.6 billion to
Stiftung once coal mining is disc
- RAG-Stiftung
Beteiligungsgesellschaft mbH**
→ Distribution of profits
- Evonik (68%)**
→ Dividends
- VIVAWEST (30%)**
→ Distribution of profits

Starting point

Discontinuation of subsidised coal mining (end of 2018)

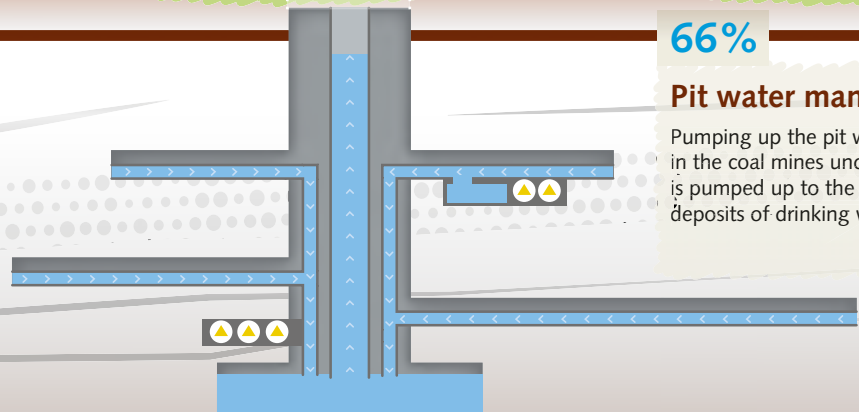
The purpose of the RAG-Stiftung is to ensure the orderly and socially acceptable transition to the post-coal era and to permanently finance the perpetual obligations.



Perpetual obligations

The perpetual obligations of the coal mining activities of RAG Aktiengesellschaft (also referred to as “inherited liabilities with unlimited duration”), which will be financed by the RAG-Stiftung starting in 2019, are measures that will continue to be required in perpetuity even after coal mining has been discontinued.

→ Pages 10–11



66%

Pit water management

Pumping up the pit water that has accumulated in the coal mines underground. The water is pumped up to the surface in order to be used as deposits of drinking water, for example.

ing at a Glance”

ed 2007

DIES

rd of Executives and
business activities

ard of Trustees of
l decisions

Board of Executives

Dr. Werner Müller
(Chairman)

Dr. Helmut Linssen
(Finance)

Bärbel Bergerhoff-Wodopia
(HR, Support)

→ Pages 2–7 and page 61



Government



People



Trade union

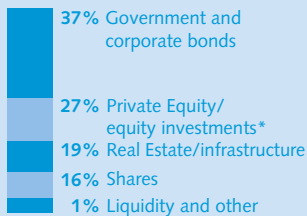


Capital market

Stakeholders

FINANCING

Investments



Amount (as of 31 December 2017):
€5.9 billion

* Incl. RAG-Stiftung Beteiligungsgesellschaft mbH

Support in 2017:
€13.2 million

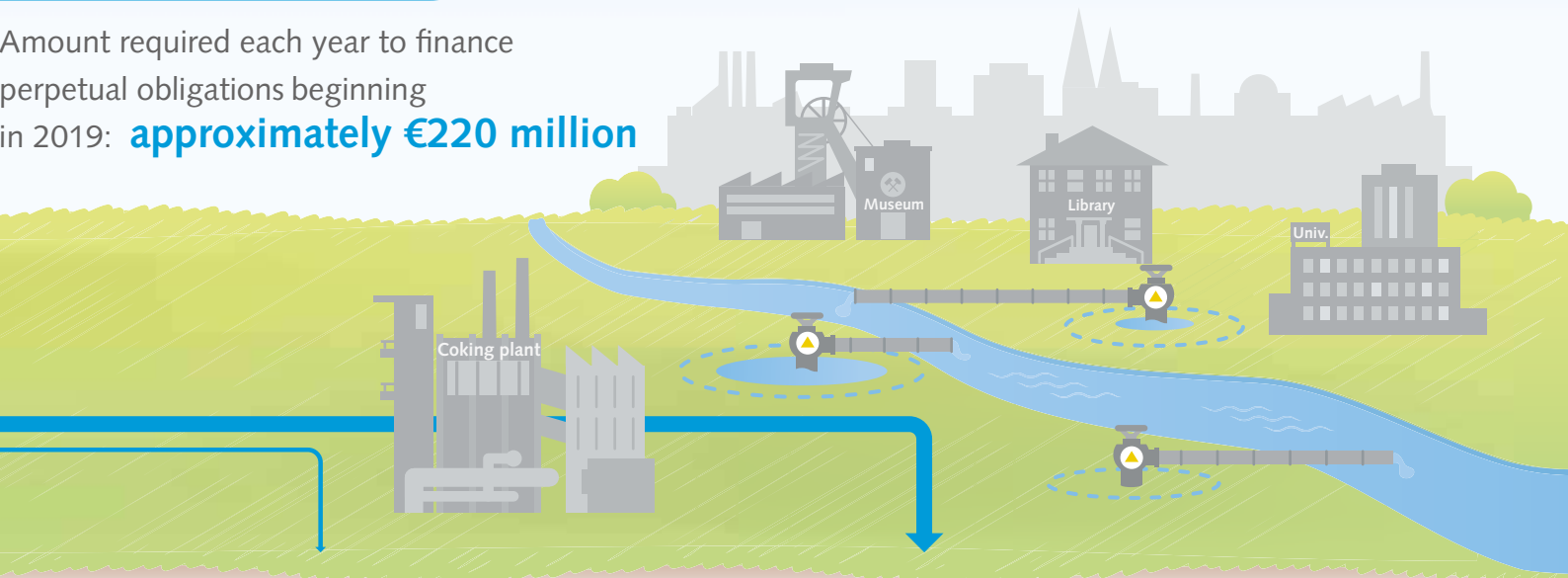
Support in 2018:
€16.5 million

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: **approximately €220 million**



5%

Ground water purification

The purification of contaminated water on the grounds of former related operations of the coal mining industry, in particular former coking plants.

29%

Polder measures

Mining activities cause the surface to subside. Water would collect in these depressions if the water boards, in particular, didn't continuously pump the surface water away.

The RAG-Stiftung celebrated its tenth anniversary in 2017. It will ensure the socially acceptable discontinuation of German coal mining by RAG Aktiengesellschaft by the end of 2018 and assume responsibility for financing the perpetual obligations resulting from this mining from 2019 on. In addition, the RAG-Stiftung supports projects in the areas of education, science and culture. The foundation finances these obligations through the income from holdings, the income from diversified capital investments and the sale of shares in Evonik Industries AG.

Key figures

BALANCE SHEET

in €millions	31/12/2013	31/12/2014	31/12/2015	31/12/2016	31/12/2017
Fixed assets	3,062.9	3,571.4	4,522.6	5,200.8	6,488.0
Current assets	821.0	1,243.1	1,164.1	899.5	712.7
Total assets	3,883.9	4,814.5	5,686.7	6,100.3	7,200.7
Equity	2.0	2.0	2.0	2.0	2.0
Provisions	3,793.6	4,148.4	4,502.3	4,925.3	5,364.6
Liabilities	88.3	664.1	1,178.1	1,169.6	1,834.1
Total liabilities	3,883.9	4,814.5	5,686.7	6,100.3	7,200.7

INCOME STATEMENT

in €millions	2013	2014	2015	2016	2017
Annual profit (= allocated to the provision for perpetual obligations)	1,190.6 ^a	351.1	334.3	392.8	430.6

^a Including Evonik's initial public offering.

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* 10 years

old in the 2017 reporting year—the RAG-Stiftung was founded on 26 June 2007 to pursue two key objectives. The first one was to discontinue Germany's hard coal mining industry in a socially acceptable manner; the second one was to finance the "perpetual obligations" after the closure of the last mines. After the first of these two objectives has been reached at the end of 2018, the foundation will start to finance the water management measures in the former hard coal mining regions in 2019. In addition, for the past decade the RAG-Stiftung has supported projects in the areas of education, science and culture. Its activities are giving the Ruhr and Saar regions and the town of Ibbenbüren crucial impetus for their future development.



FOREWORD BY DR. WERNER MÜLLER

A good balance in our anniversary year

The year of our foundation's tenth anniversary, 2017, is hardly over, and we're already well into 2018, the year when Germany's hard coal mining industry will be shut down. When the very last piece of hard coal is brought to the surface at the end of 2018, it will mark the conclusion of a significant era of Germany's economic history.

In our report on the 2017 financial year, we look back at our ongoing work to financially safeguard the perpetual obligations resulting from this closure, especially the water management measures in the former hard coal mining regions. But we also anticipate bidding a fitting farewell to an entire economic sector and celebrating our forward-looking entry into the post-mining era.

So far we have "only" made money and accumulated assets. We began with €6 billion when the foundation was formed and increased it to over €11 billion by the end of 2012 and approximately €17 billion by the end of 2017. Since 2012 we have successfully generated an average annual capital gain of approximately 9%. Starting next year, the RAG-Stiftung will also pay out approximately €220 million year after year in fulfilment of its perpetual obligations.

The foundation will then work together with RAG AG, which will continue to be responsible for these technical and operational tasks in compliance with mining law. In November 2017, RAG once again strikingly demonstrated its close alliance with the foundation when we moved into our new shared headquarters on the grounds of the coking plant of the former Zollverein mine in Essen, a World Heritage Site. This new two-story building will ensure short communication channels, good neighbourly relations and sustainable operations.

Through its materials and the design of its facade, the building reminds one of the former atmosphere of the Zollverein mine. But make no mistake: the time-honoured Zollverein location is not a monument to the past—it's a salute to the future. Many new ideas for the Ruhr region are already being developed and implemented here today. That's why a network of start-ups and innovation could and should be built up on this site—a network that can generate momentum for all of Germany and is based squarely on the cultural legacy of the mining industry.

For the RAG-Stiftung and our partners, this idea has been included since 2015 in the programme of our "Glückauf Zukunft!" initiative. It has generated a multitude of projects in the former mining regions, which we will once again present in this Annual Report. Taken together, these measures are reminding us of the mining industry's achievements and renewing the mining regions. The RAG-Stiftung's support for projects in the areas of education, science and culture is pursuing the same objectives. In the year under review, we once again successfully increased our budget for this work, which is giving the former mining regions vital assistance as they emerge into the post-mining era.

Glückauf—the best of luck to you!

Sincerely,

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



“The new headquarters of the RAG-Stiftung and RAG will ensure short communication channels, good neighbourly relations and sustainable operations.”

DR. WERNER MÜLLER





REPORT

A global perspective

About a third of the foundation's capital, which currently amounts to about €17 billion, has been invested in the financial markets by the Chief Financial Officer, Dr. Helmut Linssen, and his team. What's their investment strategy?

€1.3

BILLION
was invested by the foundation in 2017—almost double the previous average annual investment volume.

About 9,000 kilometres lie between Silicon Valley in California and the Zollverein World Heritage Site in Essen. Nonetheless, here at the new headquarters of the RAG-Stiftung a small team of finance experts is closely watching the activities of Silicon Valley, where technology companies and start-ups are using the Internet to revolutionize entire markets and industries over and over again. CFO Dr. Helmut Linssen and his team are taking an especially close look at the “disruptive” business models of the future. Why is this approach important for the foundation? “For one thing, within the framework of our widely diversified portfolio we also hold shares in successful start-ups via US umbrella funds,” Linssen explains. “For another, we need to know early on exactly where the technology boom will affect the widest possible range of sectors. That's because we have to react to these developments, among other things, in our capital investment strategy.”

Linssen and his team always begin by gaining a precise understanding of potential investment objects and possible partners. Only then does the small foundation team invest the requisite amount in order to increase the capital that will be needed to finance the perpetual obligations starting in 2019. Fewer than half a dozen experts are managing huge sums of money—always conscious of the fact that potential profits are only one side of the coin and that the risk of losses absolutely has to be minimized. This balancing act has had considerable success. “In the 2017 financial year we set a new record with provisions of approximately €431 million,” reports Linssen with satisfaction. Also in 2017, the foundation invested almost €1.3 billion, compared to the previous average annual investment volume of almost €700 million.

“We don't put all our eggs in one basket”

The team is pursuing a diversification strategy instead of putting all its eggs in one basket and thus becoming extremely vulnerable to risk. Investments in shares, government bonds, shareholdings in companies, infrastructure funds, emerging markets—“Within the framework of our investment guidelines we have many options for investing our money,” Linssen concludes. “We have globalized our investments very strongly since 2012, we've become very active in North America and Asia in particular, and we've also expanded our involvements to include South America.”

Half of the foundation's investments are recognized in RAGS-FundMaster, a special fund that is managed by the capital investment fund Deka. The equity investments here amount to about €2.8 billion, and in the reporting year 2017 they yielded an approximate return of 4.1%. “That's a very decent rate of return in a zero-interest environment,” says Linssen. He believes it's entirely



“In 2017 we added approximately €431 million to our provisions, thus setting a new record.”

DR. HELMUT LINSSSEN



possible that the zero-interest phase, which has caused headaches for all foundations for years now, could end in 2019. Interest rates are already rising in the USA, and at some point Europe will have to catch up. The foundation will then adapt its investment strategy accordingly.

And in what parts of the world do you see especially promising developments, Dr. Linssen? "In South America," he replies. "We believe that Chile, Colombia and Argentina are on the threshold of a very promising economic development. That may also benefit our real estate portfolio, if we are sufficiently careful." Investors who want to safeguard the perpetual obligations of their country's hard coal regions therefore have to have a global perspective.



"A 4.1% ROI for the RAGS-FundMaster and a total return of more than 6%—these are very decent rates of return in a zero-interest environment."

DR. HELMUT LINSSSEN

“We’re opening up training opportunities, especially for disadvantaged young people”

Bärbel Bergerhoff-Wodopia is a RAG-Stiftung Board of Executives member whose responsibilities include supporting education, science and culture. In this interview, she talks about the multifaceted funding programme.

When you joined the Board of Executives of the RAG-Stiftung in 2012, the annual budget for funding projects was €1.5 million. By 2017 it had risen to €13.5 million. How did this steady increase come about?

We want to give back to the people in the former hard coal regions some measure of the wealth that the mining industry created for our country in the past. Thanks to our improved financial opportunities, we have also been able to continually increase our funding budget over the years. Ever since it was founded, the RAG-Stiftung has spent about €43 million in all to support education, science and culture in the former coalfields. We spend two thirds of our annual funding budget in the area of education, for good reason. Over the decades, over 100,000 young people have successfully completed their training in mining occupations—these training positions will be lost after hard coal mining is discontinued. Our job was and is to partly compensate for these lost positions. Thus we’re offering mainly disadvantaged young people opportunities they would otherwise not have outside the mining industry.

Can you tell us about any experiences you’ve had during your project work that made you, as the person responsible, spontaneously feel your work has been worthwhile?

For quite a while now we have also cooperated with other sponsors to fund scholarships for schoolchildren, for example. We support talented young people whose backgrounds make it hard for them to start a successful educational career. For example, they might already be bearing a lot of responsibility in daily life for their younger siblings, without any support from their home environment. Some of these young people have personal stories that really move me. When these

young people say, in spite of everything, “I’m going to graduate, I want to do better,” it’s always a very special moment for me.

In addition, you’re continuing to cooperate with the foundation’s partners in many places to implement future-oriented ideas through the “Glückauf Zukunft!” programme. The “Coal for cool projects” campaign alone comprises more than 400 individual initiatives for young people. In this case, are you taking a scattergun approach to the funding process?

Sometimes the scattergun approach makes sense. That’s the only way we can reach 14,000 children and teenagers in the former coal mining towns. It’s a well-known fact that the youth centres there are inadequately financed. For 2018, the year when Germany’s hard coal mining industry will be closed down, we’ve purposely made it very easy to apply for €2,018 per project. With this move we wanted to promote communal activities for young people and also offer them practical help in daily life through campaigns in areas such as nutrition, communal cooking and information on mobile phone and tenancy agreements. The response has been very positive.

What other project funding highlights stood out in the year under review?

One highlight was definitely our refugee aid work. This was the second year the foundation offered education and training projects for refugees. For us it was especially important to make sure that young women made up at least 20 percent of the participants in projects for young refugees. Another highlight in the area of science is the Research Institute of Post-Mining Activities at the TH Georg Agricola University of Applied Sciences in Bochum, which is unique in Germany. We’ve established a second endowed professorship there—it’s a very successful model that is addressing a key future issue.

14,000 YOUNG PEOPLE

were reached by the RAG-Stiftung and its partners through the “Coal for cool projects” campaign, which funded over 400 initiatives as part of the “Glückauf Zukunft!” programme.



“In 2017 we once again spent two thirds of our annual funding budget in the area of education.”

BÄRBEL BERGERHOFF-WODOPIA



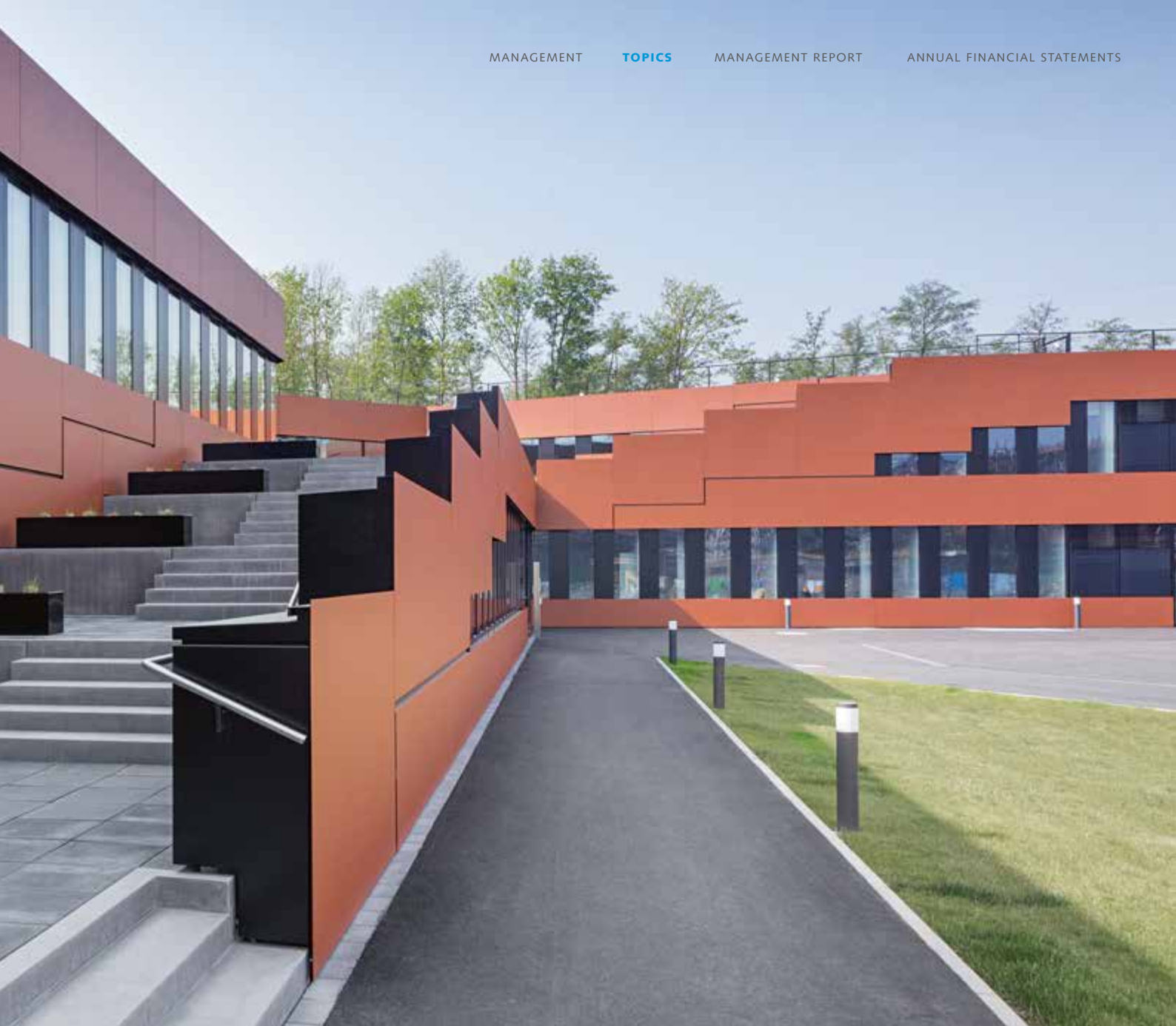
* SHARED ADMINISTRATIVE CENTRE

The future at Zollverein

The new administrative centre of the RAG-Stiftung and RAG is a commitment to the region and its history. What better place for managing the perpetual obligations than the grounds of the former coking plant at the Zollverein World Heritage Site in Essen?

The heart of industrial culture in the Ruhr region beats in the north of Essen. The Zollverein UNESCO World Heritage Site has been a striking landmark of the region for more than 180 years. Today it's an internationally visible symbol of the significant role played by the hard coal mining industry in German history. This is now the location of the new shared administrative centre of the RAG-Stiftung and RAG.

Both companies moved into the new building at the end of 2017 so that in the future they can work hand in hand to organize the post-mining era and the obligations it entails. The new close alliance between the RAG-Stiftung and RAG has a great advantage: the two companies are no longer separated by the distance between Essen and Herne. In the post-mining era, short distances will enable the employees who work here to coop-



Shared site, twice the power:
The new headquarters of the
RAG-Stiftung and RAG was
opened at the end of 2017.

erate even faster and more directly. And last but not least, RAG Montan Immobilien GmbH has also been based close by on the Zollverein site since 2014.

Through their decision to construct this shared administrative centre, the RAG-Stiftung and RAG have committed themselves to the region and to the revitalization of old mining areas. What's more, this location is close to the companies' traditional roots. Today's RAG was founded in Essen in 1968 as Ruhrkohle AG, and it had its headquarters here for many years before moving to Herne in 2007. As a result, the move to the new building on the Zollverein site is a return to the companies' home territory.

A look back at history

The architecture of the new headquarters is also a blend of modernity, future orientation and respect

for history. It fulfils all the requirements that apply to a listed monument that is also a World Heritage Site. The special characteristics of this site have led to an architectural design that fits into the overall setting but also stands out slightly from its immediate surroundings. For example, the facade is not made of the same dark-red brick as the neighbouring buildings. Instead, it's covered with striking reddish-brown metal cladding.

The walkable roof of the two-story building offers an impressive view of the coking plant of the Zollverein mine. Solar panels on the roof of the new building testify to the major role played by sustainability aspects in the planning process.

The special claims regarding the building's quality and sustainability are also to be certified. The aim is to achieve the Platinum Certificate of the German Sustainable Building Council (DGNB). ←

220

EMPLOYEES

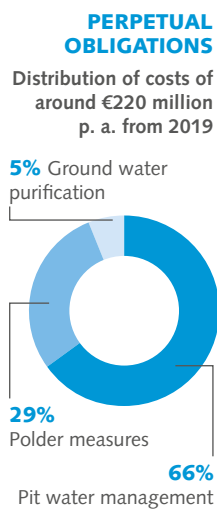
of the RAG-Stiftung and RAG work in the two-story sustainable building on the Zollverein site.



PERPETUAL OBLIGATIONS

Regulating flowing waters

The hard coal mining industry has caused entire landscapes throughout the Ruhr region to subside. To make sure that streams don't flow backwards and low-lying areas don't become waterlogged, technology must be used to regulate the water drainage. A look at how these polder measures work in practice.



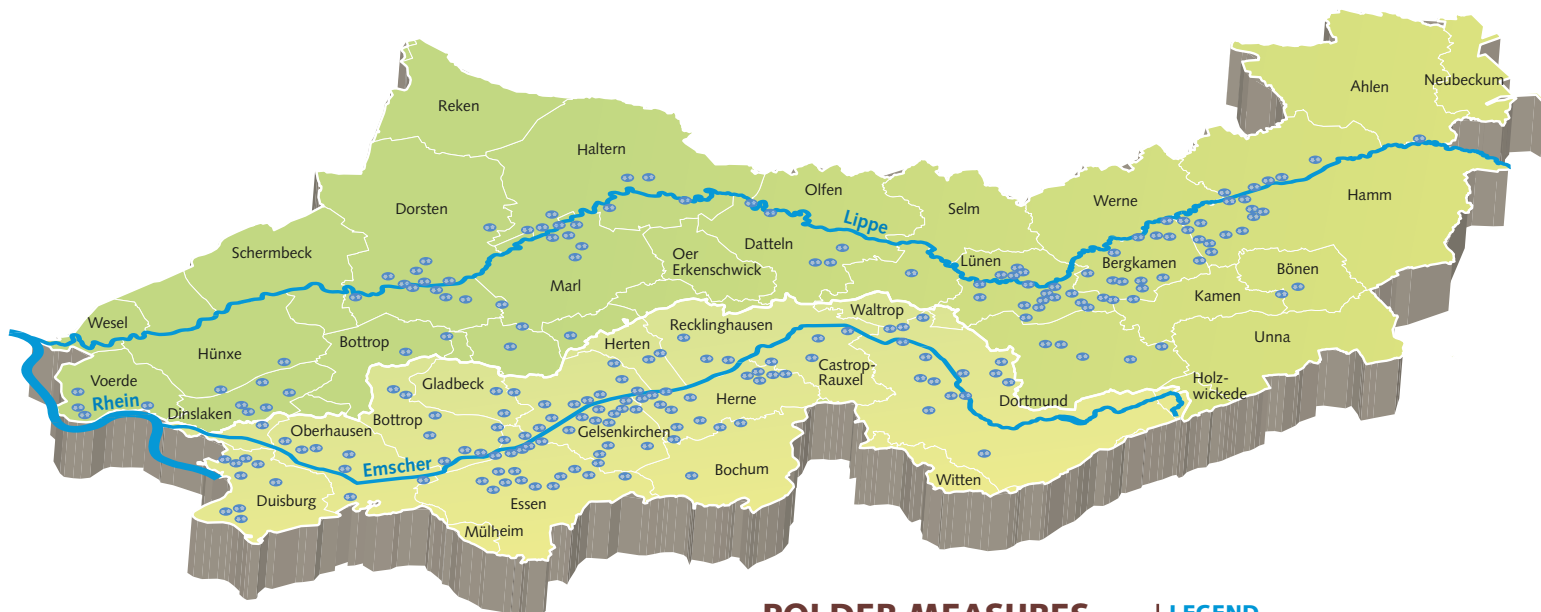
The difference in altitude between the Boye and the Emscher Rivers is almost 15 metres. This discrepancy reflects the transformation of the landscape in the region. On the one hand is the Boye, a former tributary of the Emscher that has subsided, together with the terrain, because of mining. On the other is the Emscher, whose bed has been repeatedly raised so that its waters can continue running into the Rhine near the town of Dinslaken. In order to manage the consequences of mining, a polder landscape consisting of dikes and redirected watercourses has been created in parts of the Ruhr region. In places where the surface water no longer ran off naturally, pumping stations were built. Since then, they have been pumping water in the right direction day and night.

An active industrial landscape consisting of slag heaps, a power plant, a sewage treatment plant and the Rhine-Herne Canal still exists at the intersection of federal highways 42 and B224. The two cube-shaped Boye pumping stations are hard

to spot, but they contain important infrastructure. Without these pumps, the water in the sunken bed of the Boye would soon accumulate and cause lots of wet feet in the region. Preventing this from happening is the job of Operations Manager Sebastian Daszkowski and Operating Engineer Carsten Meybohm. Both of them work for the Emscher-genossenschaft, a river management association that is over a century old and is responsible, among other things, for keeping the surface water in the Ruhr region flowing smoothly. The associated Lippeverband, which is located further north, pursues the same objective, and so do the Links-niederrheinische Entwässerungs-Genossenschaft (LINEG) along the Lower Rhine and the Ruhrverband in some of the city districts of Oberhausen and Mülheim an der Ruhr.

More than 600 pumping stations

One important task of these associations is the drainage of the polder landscapes in the region.



POLDER MEASURES

LEGEND

- Lippe region
- Emscher region
- Pumping station

Pumping stations operate in more than 600 locations. One of the most important pumping stations is located in Bottrop-Boy, because the Boye is the biggest tributary of the Emscher River. The catchment area of the Boye covers approximately 80 square kilometres—which results in a huge volume of water. That's why this station has the biggest pumps, which can be activated as needed.

During dry weather, a pumping station is responsible for "daily drainage". Two of the five pumps at Bottrop-Boy are permanently active. They pump the incoming water upward and direct it to the nearby sewage treatment plant, which ultimately releases it into the Emscher.

If it starts to rain, the water level in the Boye rises quickly. That's when the other three pumps in the pumping station spring into action. "Together, the five pumps can lift up as much as 10,000 litres of water per second," says Sebastian Daszkowski. "That's the equivalent of about 70 full bathtubs," adds Carsten Meybohm.

Precautions against heavy rain

A supplementary pumping station is held in reserve for times of especially heavy rain. It's equipped with four pumps that can lift up as much as 32,000 litres per second. Together, the two pumping stations can lift up 42,000 litres per second—a huge volume that is sufficient to deal with extreme rainfall events. The pipes of both pumping stations have diameters of up to 2.20 metres. The supplementary pumping station must go into short-term operation about a dozen times per year. "The pumps have been standing here for decades, but so far they've been used for only a few operating hours," says Daszkowski. To make sure that all of the pumps will reliably start up in an emergency, the location is connected with two separate power grids, and the electrical installations are designed redundantly. The electric motors of most of the pumps lie above the highest possible water level, so that they can go on operating even in the worst-case scenario. Sebastian Daszkowski and Carsten Meybohm therefore have complete confidence in their pumps. And the region can also be confident that this perpetual obligation will be conscientiously fulfilled in the post-mining era as well. ←

WORK FOR ALL ETERNITY

The coal mining industry's "perpetual obligations" include the water management measures in the Ruhr region, Ibbenbüren and the Saarland that will continue even after the last mines have been shut down. The RAG-Stiftung ensures the funding of these measures.



PIT WATER MANAGEMENT

The pit water that seeps into underground coal mines has to be continuously pumped to the surface. The pit water will be allowed to rise in a controlled manner after the last mine is closed at the end of 2018. Submersible pumps will keep the water at a predefined level in order to prevent contamination of drinking water reservoirs.



GROUND WATER PURIFICATION

At specific locations, pollutants will have to be perpetually removed from the ground water, especially in the mining areas that were previously used by the mining industry's by-product facilities such as former coking plants. The contamination caused by these plants extends too deep into the ground for the soil to be cleaned up or replaced. That's why the ground water in the affected areas is being permanently monitored, contained and purified on site.



POLDER MEASURES

Centuries of coal mining have also changed the local landscape. Entire regions have sunk, in some cases by as much as 25 metres. In these areas, the surface water from streams and rivers has to be continuously regulated to prevent it from collecting in the depressions. Pumping stations and the regulation of the gradients of flowing water must be used to ensure that the water is drained off harmlessly.



COSTS

The RAG-Stiftung estimates that it will spend €220 million per year to fulfil the perpetual obligations starting in 2019. Pit water management alone will account for about two thirds of these costs. The RAG-Stiftung is dedicated to permanently financing these obligations in order to reduce the cost to the public sector, and thus to the taxpayer. Incidentally, the perpetual obligations do not include handling surface damage due to mining.



PROJECT FUNDING

Roots in the past, paths to the future



Promoting talent, research and monument protection: In 2017 the RAG-Stiftung once again supported many projects related to mining in the Ruhr and Saarland regions and Ibbenbüren, thus linking the past and the future. It's preserving the cultural legacy of mining—and creating new perspectives. A tour through the RAG-Stiftung's multifaceted project funding activities.





Education: “Shaping the social environment”

Children discover their strengths and develop self-confidence through play. That’s the vision that guides the initiative “Lebenswelten aktiv gestalten” (actively shaping the social environment) of the educational centre Bildungszentrum des Handels. In small groups, fifth and sixth-graders are supported in their personal development through cultural education and other activities. Educators promote the children’s individual talents and equip them with the basic skills they need for a successful start in training programs and careers. The RAG-Stiftung has supported the project since 2017 in cooperation with the federal state of North Rhine-Westphalia, the European Social Fund and the Mercator Foundation. The support will continue until 2020.

Momentum for the transformation of the Ruhr and Saar regions and Ibbenbüren, and the preservation of the mining tradition: the RAG-Stiftung has pursued these goals through its funding activities ever since its foundation in 2007. It supports many projects in the areas of education, science and culture. The funding volume of the RAG-Stiftung has increased dramatically in the past five years, from €1.5 million to €13.5 million in 2017.

Creating opportunities: Funding for education

In 2017 the focus was once again on funding for education, with a total volume of €9 million—with good reason. In the past, the mining industry made sure that young people could receive high-quality and formally recognized training and further education, as well as participate in the integration measures that are important for immigrants. The discontinuation of Germany’s hard coal mining industry means that local young people now lack these career prospects. That’s especially difficult for children and young people from socially disadvantaged families, who lack adequate support from home and often fail to graduate from school or complete a vocational training programme. →

The basic conviction: Everyone has talents

Science: Centre of Research for Post-mining Activities

As hard coal mining comes to an end, the mining regions are facing challenges such as pit water management and the rehabilitation and reuse of decommissioned mining sites. At the Research Institute of Post-Mining Activities at the TH Georg Agricola University of Applied Sciences in Bochum, scientists are developing sustainable solutions for the consequences of mining. This institute is the first of its kind worldwide, and the RAG-Stiftung has supported it from the very start.

→ The RAG-Stiftung is firmly convinced that the coal mining regions cannot afford to lose sight of their young people who need support. Every one of these young people has talents—they only need to be discovered. As a result, in 2017 the funding for education projects once again primarily focused on projects that give children and young people with limited opportunities a chance to successfully shape their own future.

The funding covers a range of educational levels and phases of life. For example, schoolchildren in the Ruhr region were supported through the “Lebenswelten aktiv gestalten” programme of the state of North Rhine-Westphalia (see box on p. 13) and the “RuhrTalente” scholarship programme. Students were able to apply for Deutschlandstipendium scholarships, which are co-financed by the RAG-Stiftung at 12 universities in the Ruhr region and the Saarland. This programme supports “educational climbers”: young adults who are the first members of their families to study at a university.

Culture: Stiftung Industriedenkmalpflege und Geschichtskultur

Former mining complexes are more than just old buildings—they embody the history and culture of the Ruhr and Saar regions. That makes it all the more important to preserve the central locations and make them accessible to visitors. The Stiftung Industriedenkmalpflege und Geschichtskultur is currently responsible for 14 historical mining-related listed structures in the Ruhr region, many of which were formerly owned by RAG. The RAG-Stiftung has funded this important work for years as part of its responsibility for the legacy of the German hard coal mining industry.

Retrospection and vision: Funding for scientific research

One focal point of the foundation's support for scientific research is a series of research projects devoted to the post-mining era. Last year a major emphasis was once again on pit water management. The most important partner in this area is the TH Georg Agricola University of Applied Sciences, which has operated the Research Institute of Post-Mining Activities with the support of the RAG-Stiftung since 2015 (see box p. 14).

The RAG-Stiftung is also supporting research in the area of mining history. For example, it finances an information centre and a research project on the history of hard coal mining at the German Mining Museum in Bochum. The Stiftung Geschichte des Ruhrgebiets (History of the Ruhr Region foundation) also received funding for a promotional project and a conference on the history of education in the mining regions.

In Saarland, the RAG-Stiftung has cooperated since 2017 with the Fraunhofer Institute for Non-destructive Testing, which is using innovative methods to test the stability of listed buildings. Materials science is also a field of research in the Ruhr region, for example at the German Mining Museum. This work is creating a good basis for more intense future cooperation between the Ruhr and Saar regions on similar post-mining issues.

Protecting regional heritage: Funding for cultural projects

The foundation's support for culture focuses on preserving the structures and traditions of the mining industry. The states of North Rhine-Westphalia and Saarland are cooperating with the municipalities, the RAG-Stiftung and RAG to develop concepts for making the region's mining heritage part of its future. Research results such as those from the Fraunhofer Institute flow into the strategies for preserving the built heritage and help to develop sustainable and cost-efficient preservation methods.

In the area of monument preservation, the foundation supported the Stiftung Industriedenkmalpflege und Geschichtskultur, among other organizations (see the box above). Funding also went to cultural events focussing on mining themes, such as ExtraSchicht, the RuhrTriennale and the Ruhrfestspiele. ←





"GLÜCKAUF ZUKUNFT!"

A calendar full of highlights

In 2018, the final year of Germany's hard coal mining industry, the initiators and partners of the "Glückauf Zukunft!" programme are presenting numerous events as a farewell to coal—and as a celebration of the future of the soon-to-be-former coal mining regions. Here is a small selection:

1

25 February 2017–
1 March 2019
A dialogue between generations
The Catholic academy "Die Wolfsburg" is organizing numerous events that bring schoolchildren, trainees and young professionals together with miners.
Wolfsburg Catholic Academy
Falkenweg 6
Mülheim an der Ruhr

2

22 March–
23 December 2018
Shift change—Football in the Ruhr region
Mining and football have shaped the identity of the region between the Ruhr and Emscher Rivers. This is documented by an exhibition covering over 100 years of football history in the Ruhr region.
German Football Museum
Platz der Deutschen Einheit 1
Dortmund

3

25 April–30 October 2018
Event series
"The end of mining. What's left?"
For example:
29 October 2018
Connections between the church and the mining industry
The Institute for Church and Society of the Evangelical Church of Westphalia is hosting a discussion on which values of the mining industry and the church can be transferred to the working environment of the future.
Haus Villigst
Iserlohner Straße 25
Schwerte

4

27 April–
11 November 2018
The age of coal. A European story
A special exhibition at the Ruhr Museum in cooperation with the German Mining Museum in Bochum.
A presentation of 1,000 large exhibits and rare items from European coal mining regions.
UNESCO World Heritage Site Zollverein, Area C (coking plant)
Kokereiallee 71
Essen

5

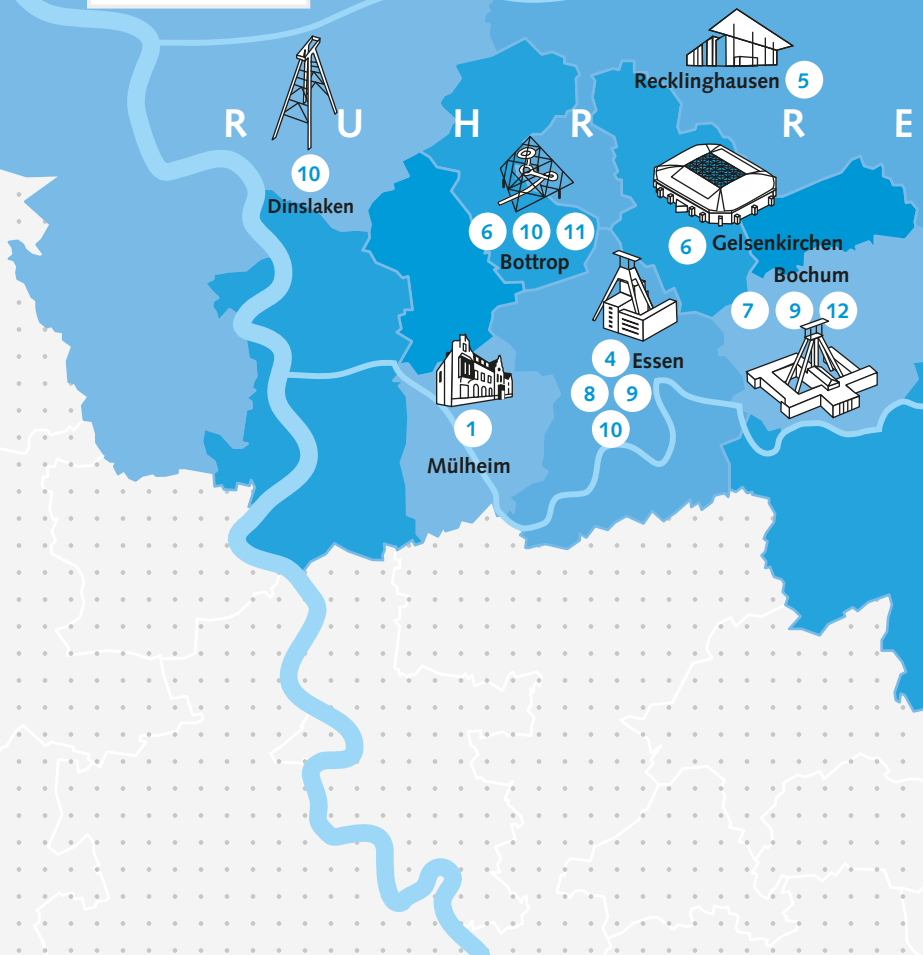
Ruhrfestspiele
Recklinghausen
Theatre festival from 1 May to 17 June 2018
For example:
13 June 2018
Die verlorene Oper. Ruhrepos (The Lost Opera. A Ruhr epic), premiere
The dramatist Albert Ostermaier creates a scenario that playfully interweaves the history, present and future of the Ruhr region to form a new myth.
Ruhrfestspielhaus Otto-Burmeister-Allee 1
Recklinghausen

9

30 June–1 July 2018
13th German Miners' and Smelters' Day
A cultural weekend focusing on mining: A get-together for miners' choirs, orchestras, marching bands and costume groups in the Ruhr region. First day: World Heritage Site Zollverein, **Essen**; Second day: Venues include the German Mining Museum, **Bochum**

10

3 November 2018
Thanks, mate!
A farewell to the coal mining industry in **Bottrop, Dinslaken, Essen, Hamm and Ibbenbüren**: Events for the miners and the local population are being held in five locations.





10

Ibbenbüren

PROFILE: "GLÜCKAUF ZUKUNFT!"

The initiative "Glückauf Zukunft!" was founded by the RAG-Stiftung, RAG Aktiengesellschaft, Evonik Industries AG and the trade union IG BCE. "Glückauf Zukunft!" aims to bid the mining industry a fitting farewell and simultaneously generate momentum for the future of the soon-to-be-former mining regions. Major institutions in the Ruhr region are cooperating closely on this successful project; the advisory council includes politicians and celebrities. Countless artists are making 2018 a year that focuses intensely on the legacy of industrial mining. The locations shaped by this industrial culture are serving as showcases for the region's power and creativity. The historical break that marks the end of hard coal mining is also the beginning of a new chapter that will be written as a cooperative enterprise. The name "Glückauf Zukunft!" sums it all up. This is by no means the end of the story—the future has barely begun!

3 May–16 June 2018
Special exhibition "Art and Coal"
 "Black gold" has shaped the Ruhr region, its landscape, its architecture and its inhabitants. Last but not least, this special substance is still inspiring artists today. Numerous individual exhibitions are shining a spotlight on the close relationship between coal and the creative arts. Exhibitions in 17 RuhrKunst museums in 13 cities throughout the Ruhr region

27 May 2018
The "Glückauf Zukunft!" race

This special race, which leads from the last active mine to a former mine, is part of the sixth VIVAWEST Marathon, the ultimate racing event in the Ruhr region.
Start: Prosper II, Bottrop
Finish: Nordstern, Gelsenkirchen

30 June 2018
ExtraSchicht – Night of Industrial Culture

Around 2,000 artists perform at former industrial facilities, museums and landmarks. 500 events featuring music, theatre, comedy and light installations at some 50 venues ranging from Moers to Hamm. **In 22 cities of the Ruhr region**

Starting on 17 August 2018

RuhrTriennale

A festival of the arts in the Ruhr metropolis. In coking plants and turbine buildings, on spoil heaps and brownfield sites, visitors can participate in unique events. Diverse venues, including the Jahrhunderthalle in Bochum
 An der Jahrhunderthalle 1
 Bochum

10 October–14 October 2018
lit.RUHR

Following the successful premiere of this literature festival in 2017, prominent artists will once again present themselves at readings, lectures, interviews and discussions in 2018. **Diverse venues, including the Zollverein mine**

G I O N



2 Dortmund



3 Schwerte



10 Hamm

21 December 2018
Central farewell event (not open to the public)

The political finale of "Glückauf Zukunft!" The achievements of the miners and of the hard coal mining industry will be honoured in an official ceremony.
 Franz Haniel Shaft
 Fernewaldstraße 1
 Bottrop

December 2018
Reopening of the German Mining Museum in Bochum

After a successful renovation and with a modernized concept, the German Mining Museum in Bochum will be open for visitors in 2019 and offer four new tours.
 German Mining Museum
 Am Bergbaumuseum 28
 Bochum

The 2018/2019 school year
Winding Tower of Ideas

A new edition of the popular contest for schoolchildren. The best ideas from the Saarland, the Ruhr region and Ibbenbüren will be implemented.
 NRW, Saarland

The entire updated event calendar of "Glückauf Zukunft!" is available online at www.glueckauf-zukunft.de/kalender

* "GLÜCKAUF JUGEND!"

A circus in the “second home”

As part of its “Glückauf Zukunft!” programme, the RAG-Stiftung supported over 400 projects for children and teenagers from socially disadvantaged families in 2017 via the initiative “Glückauf Jugend – Kohle für coole Projekte” (best of luck to young people—coal for cool projects). One such project is the SJD-Falken circus group at the Lalok Libre children’s and youth centre in Gelsenkirchen.

One more deep breath, and then it’s Eleni’s turn. Her fellow performers, dressed in pirate costumes, are lined up along the edge of the circus ring, and the soundtrack of “Pirates of the Caribbean” is playing. Eleni, who is seven, steps forward and quickly does two backward somersaults. Proudly, she raises her arms and takes a bow. Behind her, the next artist is already doing the splits.

These acrobatics are the prelude of a circus show that the kids at the Lalok Libre children’s and youth centre have been rehearsing since autumn 2017. For the past 38 years, Lalok Libre has been a point of contact for children from socially disadvantaged families in Gelsenkirchen-Schalke, most of them with a migration or refugee background. Eleni, for example, is from Greece, and her fellow performers are from Bulgaria, Romania or Syria. German children come here as well.

Most of the children come directly to the youth centre after school, Monday to Friday. They have lunch together and do their homework. After that,

it’s time for the group programme, which is different every day of the week. On some days the children do flamenco dancing, on others hip hop. And in recent months, Monday afternoons have been devoted to circus acts.

“You can achieve more together”

The circus ensemble consists of 15 girls ranging in age from six to 13. They have an ambitious goal: to stage several shows that will be open to the public in 2018. “We tell the children very clearly that if they participate in the rehearsals they will also be performing for the public. That’s because reliability is important and it has to be learned,” explains Venetia Harontzas, 61, the centre’s voluntary director. She has been working with socially disadvantaged children from the neighbourhood for more than 18 years. The idea of the circus project came from two volunteers at the centre. As teachers, they have already run circus projects at their schools, and they are now supervising the rehearsals.

Proud of their achievements: At the Lalok Libre children’s and youth centre in Gelsenkirchen, the kids are encouraged to be creative—for example, in the circus show (top right).



In addition to patient circus directors, what the children need most of all is a good supply of exotic costumes, diabolos, juggling plates and a magical cupboard. "We already had some of these materials before we began the rehearsals, and we have been able to acquire the rest in recent months," says Harontzas. For example, they now have a big circus carpet that will add real flair to the performance.

Supplies like these are expensive. In order to finance these investments, the centre applied for funding to the "Glückauf Jugend – Kohle für coole Projekte" initiative. Their application was successful. This circus group is one of 409 projects that are being funded in 2018, the year when mining will be discontinued, by the RAG-Stiftung and its partner IG BCE, the Mining, Chemical and Energy Industrial Union. Each project has received a one-time payment of €2,018.

Youth centres in the Ruhr region, Ibbenbüren and the Saarland are eligible for the programme. The organizers were looking for projects that either promote children's personal development or help children develop their social skills (see the box on the right).

For example, in the circus group at the Lalok Libre children's and youth centre in Gelsenkirchen, the young artists are learning not only how to juggle but also, even more importantly, how to work in a group and develop confidence in their own abilities. "We believe it's very important to teach the children that you can achieve much more if you work together," says Harontzas.

Naomie, a 13-year-old Romanian girl, thinks this feeling of togetherness is something very special. "I think it's very good that we're learning so much together as a group," she says. As one of the oldest girls in the ensemble, she's playing a very responsible role: acting as one of the clowns, but also keeping an eye on the overall performance. Naomie is wearing a black coat with colourful pom-poms and a top hat. Even during the funny scenes, she always has to stay focused. When one of the younger clowns forgets her script, she whispers the missing lines to her. It's all part of good teamwork.

There's a lot of fooling around in the group

The team experience promotes the children's personal development. "As they rehearse their acts, they develop more and more self-confidence," says Harontzas. "Every time I see a child taking on a slightly bigger challenge afterwards, I'm happy." The reason this works so well is that the volunteers teach the kids their circus acts in a spirit of play. Of course discipline and concentration play a role, but the girls also laugh and fool around a lot.

The fact that they have different mother tongues and countries of origin is largely ignored. "The children who come here regard themselves as absolutely equal, whatever country they are from," Harontzas explains. They rarely have any problems in expressing themselves, even though some of them don't speak German very well yet. That's how it is in the circus arena, she says: "In the circus, it's all about movement. You don't have to talk very much, just do things." ←

€2,018

IS PAID OUT

to each supported project. It's a symbolic amount: the German coal mining industry will be shut down at the end of 2018.



MORE EQUAL OPPORTUNITIES IN THE REGION

"Glückauf Jugend – Kohle für coole Projekte" was a joint initiative of the RAG-Stiftung and the IG BCE as part of "Glückauf Zukunft!" programme. The initiative was sponsored by Christina Kampmann, the NRW Minister for Family Affairs at the time it was launched, and Monika Bachmann, the Minister for Family Affairs in the Saarland. The "Glückauf Zukunft!" programme marks the discontinuation of Germany's hard coal mining industry at the end of 2018—and that's why the payout was exactly €2,018 per project. Approximately 14,000 young people in 69 cities were reached in this way. The total funding amounted to about €825,000. The youth centres that received support took very different approaches to helping young people orient themselves. For example, Arbeiterwohlfahrt Essen offered a cooking project in which children learned through play how to have a healthy and balanced diet. In the process, they improved their social and language skills. And in a gardening project run by the city of Gelsenkirchen, young people and senior citizens worked hand in hand to plant crops and harvest them.



Racing brains: The creative competitors worked in groups to develop good ideas to market maturity.

Thinking is silver, sharing it is gold: Amiaz Habtu (right) interviews a hackathon participant.

* #NEXTLEVELRUHR

Swarm intelligence for the Ruhr

At the #NextLevelRuhr hackathon, 85 creative thinkers competed to generate the winning idea for the Ruhr region. Students, media designers, developers, traffic planners and other experts spent 24 hours producing brilliant ideas for making the region more attractive.

24

HOURS

is the length of a typical hackathon. Theoretically, it's also possible to work on a project all through the night—many hackers are night owls anyhow.

The atmosphere is buzzing like a beehive. Dozens of people, mostly young, are busting around the room, four men are standing around a table and looking at a flip-chart, and a team member is writing "Integration" on a whiteboard. In a small group, people are listing questions such as "Whom do we want to address?" and "Where can we get use permits?" Other people are sitting around typing in their notebooks. It's 4:10 p.m. on a cold and wet Saturday in November. Outside, the first rain is falling on the Boiler House in Oberhausen—part of the LVR Industrial Museum of the Regional Association of the Rhineland. Inside, where steam used to be produced for generating energy, the participants' brains are racing.

The #NextLevelRuhr hackathon is now in its fourth hour. That means the participants still have slightly more than 20 hours to come up with results in this around-the-clock competition. The word "hackathon" is a combination of the terms "to hack" (to use freewheeling methods for writing programs) and "marathon." This newfangled concept refers to events, primarily in the area of IT, that are used to arrive at quick solutions within a short period of time. This format has also proved to be useful for tackling social issues. In this case, 85 competitors aged between 18 and 55—with an average age of 29—are working in teams consisting of

at least five participants to develop ideas and concepts for the future of the Ruhr region. Some people have arrived in groups, while others have formed groups on site because they have similar ideas for projects. But all of them have the same goal: convincing the jury on the following day with a five-minute presentation of their idea of how to structure the future of the Ruhr region.

Wanted: Bold ideas that wake people up

#NextLevelRuhr is part of the "Glückauf Zukunft!" programme, which was initiated two years ago by the RAG-Stiftung, RAG Aktiengesellschaft, Evonik Industries AG and a social partner, the IG BCE trade union. The key question of the day is "How can the Ruhr region become a top destination for young people in the next ten years?"

The competition's key themes are "the digital transformation," "quality of life and future outlooks" and "organization and participation." The organizers are looking for bold answers that wake people up and are new and different.

In the Boiler House, Dr. Werner Müller, Chairman of the Board of Executives of the RAG-Stiftung, is looking over the shoulders of the participants. As the Chairman of the jury, he has this to say about the motivation for this event: "I'm convinced that young people have a different perspective than we



The future in your lap: The most important tool was the ever-present laptop with Wi-Fi.



Triumph: Jury members Bärbel Bergerhoff-Wodopia (left) and Andreas Tyrock (right) with the winning team "A.I. Ruhr".

older ones regarding the conditions we need to create here if the Ruhr region is to become a top destination for them."

Stephan Stratmann, a 35-year-old online marketing manager, is one of the young people who have very concrete ideas about what should be happening in the former mining region in the future. He is competing together with his "Team Potential" (a play on "Ruhrpott"—the colloquial term for the region), which also includes two of his friends who are IT developers, an urban planner, and a linguist. They have developed a smartphone app that informs users about cultural events, restaurant recommendations and local transport connections in the region and enables users to make reservations. Stratmann, who comes from Dortmund, is satisfied with his team's progress so far. "Tomorrow we go live with our PaulaPOTTbot!" he says. But now it's just before 11 p.m., and he's on his way to a nearby hostel to catch some sleep. Early tomorrow morning they'll continue.

After a short night for many of the participants it's already Sunday noon. The host, Amiaz Habtu, who is known for a start-up show on television, welcomes the audience. In a moment, the 14 teams will present their results. Then there will be a meeting of the seven-person jury, which includes Thomas Wessel, the Chief Human Resources Officer at Evonik; Andreas Tyrock, Editor in Chief of the *Westdeutsche Allgemeine Zeitung* newspaper; and Simon Schnetzer, Managing Director of the "Gründervilla" network.

Off they go—the "#Ruhr – smartes Shopping im Revier" team presents a video that was shot just that morning. It demonstrates how augmented-reality glasses can lead a customer to the right shop and then to his or her desired product. The purpose is to reinforce retail stores in the region in their competition with dealers who only operate online. The "Projektbüro Vatter & Söhne" has come up

with a machine that is imitated during the presentation by a young woman from the team. The machine could be placed in various locations in the Ruhr region and "fed" by local people with tips about event dates or special offers in the area. Passers-by could spend a few cents to buy the beautifully illustrated tips from the machine.

The jury's expectations are fully met

The jury is now spoiled for choice. After it has met, it announces at about 4 p.m. that two groups have jointly taken third place, each winning a prize of €1000: "Team Potential" led by Stephan Stratmann and the "...aus Gründen" team, which aims to inspire start-up founders in the Ruhr region. Second place and €2,500 go to the "Projektbüro Vatter & Söhne" and its machines. First place, with the top prize of €5,000, goes to the "A.I. Ruhr" team (the "A.I." stands for "Attractiveness Index"). The group has designed a search engine for apartments in the Ruhr region, which registers the individual needs of people who are looking for an apartment, evaluates the appropriate area, and shows available properties. The search engine uses a variety of data such as the local public transportation network, kindergartens in the area and nearby restaurants. And the areas where the Attractiveness Index could be improved would be a matter of interest for the urban planners in the region.

Bärbel Bergerhoff-Wodopia, a member of the Board of Executives of the RAG-Stiftung and a jury member, says, "I was impressed by all of the presentations. Every one fulfilled our expectation that these ideas would move the region forward. It was a great event! I'm sure that we'll be hearing more about some of these ideas." The RAG-Stiftung's extensive network is now available for this very purpose: with the help of cooperation partners, the feasibility of the winning ideas will be studied and they will be put into practice where possible. ←

14

HACKATHON TEAMS

presented their ideas for promoting the Ruhr region in the post-mining era. Four of the teams went home with prize money.



RAG: This mine operator's know-how is also indispensable in the post-mining era.



Evonik: The specialty chemicals group uses state-of-the-art technology to pursue its ambitious goals.



STRATEGIC SHAREHOLDINGS

The foundation for the future

The strategic equity investments of the RAG-Stiftung form the foundation of its work. RAG will begin to implement its perpetual obligations in 2019. The foundation will receive most of the returns it needs to finance the perpetual obligations from its three other strategic shareholdings.

RAG: Transitioning to the post-mining era

At the end of 2018, the mines Prosper-Haniel and Anthrazit Ibbenbüren, which are owned by RAG, will be closed down, thus concluding the era of active hard coal mining in Germany. RAG, which has been a wholly owned subsidiary of the RAG-Stiftung since 2007, will continue to be a key partner for the diverse tasks of the post-mining era. These tasks include filling in the mine shafts, rectifying damage caused by mining activities, and making personnel adjustments in a socially acceptable manner.

The main task of RAG is the modification and operation of pit water management in the former mining regions. This is the most expensive of the three "perpetual obligations" (see also pp. 10/11). The water management practiced by the active mining industry will be replaced by well water management. This technology requires less fund-

ing, personnel, and energy and also needs fewer locations.

RAG will also be responsible for the revitalization of former mining areas. The plan to encourage businesses to use such areas for new purposes is making great progress. Because major logistics locations are scarce in the region along the Rhine and Ruhr Rivers, the RAG subsidiary RAG Montan Immobilien GmbH and Duisburger Hafen AG have founded a joint company called logport ruhr GmbH.

Evonik: The creative force in the specialty chemicals sector

The Evonik Group, a leading global specialty chemicals company, is enjoying profitable growth. Its dividend payments currently form the largest contribution to the financing of RAG's perpetual obligations, which will begin in 2019. The RAG-Stiftung holds almost 68 percent of the shares in Evonik,



VIVAWEST: This leading provider of residential housing in North-Rhine Westphalia provides homes for approximately 300,000 people.

a listed company that operates with over 36,000 employees in more than 100 countries. In the 2017 financial year the Group generated sales of €14.4 billion and earnings before interest, taxes, depreciation and amortisation (adjusted EBITDA) of €2.36 billion. A dividend of €1.15 per share was paid out in 2017; the payout to the RAG-Stiftung amounted to more than €360 million.

Evonik's Executive Board announced in mid-2017 that the Group aims to become the best specialty chemicals company in the world. In order to reach this target, Evonik is relying above all on its employees' expertise and innovative power. Another key competitive advantage is Evonik's closeness to its customers, which enables it to offer solutions that are tailor-made for individual companies.

The Group's ongoing internationalization and its systematic focus on growth markets and high-margin businesses are further measures that will help it reach its goal. In this connection, Evonik acquired the special additives business of the US group Air Products and the silica business of the US company J.M. Huber in 2017. In order to continue increasing its earnings in the years ahead, Evonik is counting not only on market success but also on sustained cost discipline.

VIVAWEST: Vibrant neighbourhoods

Miners have traditionally lived close to the places where they work. Many neighbourhoods of the cities in the Ruhr region have grown along

the mine locations. This is where the roots of VIVAWEST lie. This real estate company was created in 2012 through the operational merger of Evonik Immobilien and THS. VIVAWEST is one of the leading providers of residential housing in North Rhine-Westphalia, with more than 120,000 living units in the Rhine and Ruhr regions. The company is also expanding its real estate holdings at attractive locations further along the Rhine and in the Münsterland region. The RAG-Stiftung is the biggest shareholder of VIVAWEST, holding 30 per cent of the shares.

Altogether, VIVAWEST provides homes for about 300,000 people in around 100 municipalities. Through a continuing program of energy-related modernization, VIVAWEST is renovating 1,800 living units every year. It's also building new housing and developing urban districts. Last but not least, VIVAWEST is a major employer in the region, with more than 2,000 employees. In 2017 the company generated revenues of almost €890 million and EBITDA of €373 million.

An investment company: Long-term growth

RAG-Stiftung Beteiligungsgesellschaft mbH (RSBG), which was founded in 2014, invests in successful medium-sized companies as a long-term strategic partner. As an investment company, it focuses its activities on attractive and dynamic sectors such as automation technology (see the two following pages). ←



Acquire and develop

Medium-sized enterprises are the backbone of the German economy when it comes to growth, employment and innovation. The RAG-Stiftung Beteiligungsgesellschaft mbH (RSBG) invests in sustainably successful medium-sized enterprises in order to help finance its perpetual obligations.

Three preconditions should be fulfilled by an enterprise before the RAG-Stiftung Beteiligungsgesellschaft (RSBG) will consider acquiring a majority of its shares. Firstly, the sector of which it is a part is innovative and is posting strong growth; secondly, the company is already successfully positioned in the market; and thirdly, it has above-average potential for further appreciation. This is the sustainable approach pursued by the investment company RSBG, which was founded in 2014 under the aegis of the RAG-Stiftung. The RSBG's objective is to boost the further development of strong companies over the long term, for the mutual advantage of both partners.

It acquired its first majority shareholding in 2014. The company in question was HAHN Automation GmbH, an expert in the automation of production and assembly lines. This owner-managed medium-sized enterprise with

headquarters in the Hunsrück region had previously acquired an outstanding reputation, especially among major international automotive suppliers. In 2014 its 370 employees generated annual turnover of approximately €60 million. Starting on Day One, the partnership between RSBG and Hahn Automation pursued a focused buy-and-build strategy—in other words, using the great potential of this technology company to open up new market segments and applications.

A long-term partnership

“Our approach is to become a long-term partner of the medium-sized enterprises in which we have a majority holding. That distinguishes us from private equity funds, and it corresponds to the foundation's long-term task of financing its perpetual obligations,” says Helmut Linsen, the Chief Financial Officer of the RAG-Stiftung. “Of course we

A complex combination of various disciplines delivers benefits for customers—an assembly cell for an automotive supplier, the core sector for HAHN Automation.



have to generate income through our equity investments. But we regard ourselves as partners of the companies, and we promote and support their growth into new markets and regions. The buy-and-build strategy is the ideal way to do that."

Thanks to its close and trusting cooperation with the RSBG, HAHN Automation has posted above-average results in the past three years. Today the HAHN Group operates as a holding company with three industrial segments. As part of the buy-and-build strategy, it has acquired four specialty companies that ideally complement and reinforce its portfolio. "In the three and a half years since RSBG's equity investment, we have been able to significantly speed up our successful growth course," says Thomas Hähn, CEO of the HAHN Group. "In addition to our regional expansion into numerous new markets, we also opened up new sectors and successfully gained new customers." Today the HAHN Group is optimally positioned in the future-oriented global market segments Automotive, Medical Technology and Consumer Goods.

The RSBG has thus provided an impressive example of the successful implementation of its investment strategy. The HAHN Group was also able to post successful organic growth, thanks to its reinforced sales structures. Today its 17 companies in 11 countries form a unique automation cluster that crosses sector and national boundaries. "Since the entry of the RSBG, we've doubled our workforce and almost tripled our turnover. We are very

well set up, and we're confident that we can make a sustainable contribution to reaching the foundation's target," says the Group's joint owner and CEO Thomas Hähn.

13 equity investments to date

The HAHN Group is an outstanding example of how the RAG-Stiftung's shareholdings in successful medium-sized companies form an additional pillar for financing the foundation's perpetual obligations. Since the RSBG was established, it has acquired eight innovative and fast-growing majority shareholdings with a total workforce of 4,800, combined turnover of approximately €760 million and an EBITDA margin of more than ten percent. In addition, it has acquired five strategic minority shareholdings, two of which are in listed joint stock companies. At the end of 2017 its invested capital amounted to approximately €840 million.

Attractive foreign markets

Medium-sized enterprises outside Germany also offer promising opportunities. The London-based engineering company Pell Frischmann, in which the RAG-Stiftung Beteiligungsgesellschaft has been the majority shareholder since 2015, is a successful partner in the area of ambitious infrastructure projects in the UK and India. This company, which was founded in 1926, is enjoying strong demand due to its extensive know-how and expertise in the new construction and modernization of complex infrastructure systems for traffic engineering and urban development. Pell Frischmann is a good example of the RAG-Stiftung's internationalization of its shareholding strategy and the systematic implementation of its investment strategy. Through its acquisition of four specialty enterprises, Pell Frischmann has significantly expanded its range of engineering services in the last two years. And as a result of organic growth and the integration of these acquisitions after RSBG became its majority shareholder, Pell Frischmann doubled its revenues to approximately €70 million in 2017. ←

€760

MILLION

in turnover is posted annually by the eight companies of which the RSBG is the majority shareholder. They have a combined workforce of about 4,800 employees.



MANY PATHS LEAD TO OVERALL SUCCESS

The RAG-Stiftung aims to achieve long-term returns as a partner of medium-sized enterprises, not only through its own investment company but also in other ways.

Maxburg Capital

In addition to the activities of its investment company, since 2014 the RAG-Stiftung has been investing in an investment fund that was exclusively established by Maxburg Capital Partners. This fund was set up to yield stable and attractive returns over the long term. The assets of the fund, which is managed by Maxburg and aims to successfully support medium-sized enterprises in the German-speaking region with flexible capital, increased to about €600 million in 2017. As a result, sufficient resources will also be available for this purpose in the years ahead.

Report by the Chairman of the Board of Trustees



Dr Jürgen Großmann
Chairman of the Board of Trustees

Dear reader,

The title page of this report has been given the simple and proud “number of the year” of 10. On 26 June 2017, RAG-Stiftung celebrated its tenth anniversary. In this time, the Foundation has performed its statutory tasks and has already accomplished a great deal. For example, the socially responsible handling of the German coal mining industry has almost been completed. By the same token, the capital stock to finance the perpetual obligations has been nearly tripled since its founding. In addition, the RAG-Stiftung has sponsored a large number of educational, scientific and cultural projects that benefit people in the coal regions of Ruhr and Saar.

All 14 members of the Board of Trustees again performed their duties with dedication in the 2017 anniversary year. The board dealt with matters relating to the Foundation in two meetings – on 27 March and 5 December – in the course of which the Board of Trustees was informed by the Board of Executives about a range of current topics and passed the necessary resolutions. This included passing resolutions on the consolidated and annual financial statements for 2016, the discharging of the Board of Executives and the approval of the budget for the RAG-Stiftung for 2018, which again includes a special budget for refugee support. An additional budget was also approved for what is now the third exchangeable bond of RAG-Stiftung on Evonik shares, which again generated high demand on the capital market.

The Foundation's Board of Executives informed the Board of Trustees extensively, both in meetings and on the basis of quarterly reporting, about all developments relevant to the RAG-Stiftung. One area of focus here was the reporting on the situation in the strategic holdings Evonik Industries AG, RAG Aktiengesellschaft, Vivawest GmbH and RAG-Stiftung Beteiligungsgesellschaft mbH. On the other hand, the Board of Executives reported on the continuously diversified financial assets and the successfully progressing accumulation of assets.

The Board of Trustees was also informed about fundamental issues related to corporate governance and compliance structures in the Foundation group.

The Board of Executives also went on to explain to us the current situation of subsidised projects in the fields of education, science and culture. Happily, the budget was increased again by EUR 3 million compared to the previous year – in line with the articles of association – for RAG-Stiftung's sponsorship activities in the Ruhr and Saar regions shaped by mining. I would also like to highlight in particular the progress of the “Glückauf Zukunft!” project, to say a worthy goodbye to coal mining in 2018. The programme of events is very diverse, preserving the balance between saying goodbye and making a fresh start.

In their December meeting, the members of the Board of Trustees confirmed Michael Vassiliadis as Deputy Chairman of the Board of Trustees and me as Chairman. I would like to take this opportunity to say thank you again for your confidence in us. Due to the election and the expiry of terms of office, six new members were welcomed to the fourteen-member Board of Trustees in 2017. I would like to thank the retired members of the Board of Trustees for their successful work and look forward to the future collaboration and lively exchange in this new team.

On behalf of the entire Board of Trustees, I would like to thank the Board of Executives and all employees of the RAG-Stiftung for their impressive performance and their ever constructive and trusting cooperation in 2017.

Wishing you all “Glückauf”!

Yours sincerely,

A handwritten signature in blue ink that reads "Jürgen Großmann".

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

Management report

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Basic principles of the Company

Socially responsible
discontinuation of
subsidised coal mining
in Germany

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.

Sustainable financing
of perpetual obligations
with dividends from
Evonik as well as
other investment and
capital income

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 the respective rate of price increases from 2019, for the sustainable financing of perpetual obligations from investment income and financial assets.

RESPONSIBILITIES OF THE RAG-STIFTUNG'S MANAGEMENT BODIES

According to the articles of association, 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 are the following:

- ▲ Hannelore Kraft, MdL, Premier of the State of North Rhine-Westphalia (until 27 June 2017)
- ▲ Armin Laschet, MdL, Premier of the State of North Rhine-Westphalia (from 27 June 2017)
- ▲ Annegret Kramp-Karrenbauer, MdL, Premier of the State of Saarland (until 29 February 2018)
- ▲ Tobias Hans, MdL, Premier of the State of Saarland (from 1 March 2018)
- ▲ Sigmar Gabriel, MdB, Federal Minister of Economic Affairs and Energy (until 27 January 2017)
- ▲ Brigitte Zypries, MdB, acting Federal Minister of Economic Affairs and Energy (from 27 January 2017 until 14 March 2018)
- ▲ Dr Wolfgang Schäuble, MdB, Federal Minister of Finance (until 24 October 2017)
- ▲ Peter Altmaier, MdB, acting Federal Minister of Finance (from 24 October 2017 to 14 March 2018), Federal Ministry of Economic Affairs and Energy (from 14 March 2018)
- ▲ Olaf Scholz, Federal Minister of Finance (from 14 March 2018)
- ▲ Michael Vassiliadis, Chairman of the mining, chemical and energy industries trade union

The group of other members of the Board of Trustees comprises:

- ▲ Lukas Beckmann, Managing Director of GLS Treuhand e. V. (until 20 August 2017)
- ▲ Dr Burckhard Bergmann, member of various supervisory boards
- ▲ Christoph Dänzer-Vanotti, freelance lawyer (until 20 August 2017)
- ▲ Dr Jürgen Großmann, shareholder of Georgsmarienhütte Holding GmbH
- ▲ Ralf Hermann, member of the works council of the Marl joint operation of Evonik Industries AG
- ▲ Ludwig Ladzinski, member of the Executive Board of the mining, chemical and energy industries trade union (IG BCE)
- ▲ Prof Norbert Lammert, former President of the German Parliament; Chairman of the Konrad Adenauer Foundation (from 8 November 2017)
- ▲ Heiko Maas, MdB, Minister of Foreign Affairs
- ▲ Thomas Kufen, Mayor of the City of Essen (from 8 November 2017)
- ▲ Dr Andreas Reichel, member of the Board of Executives of E.DIS AG (from 8 November 2017)
- ▲ Monika Schulz-Strelow, management consultant
- ▲ Harry Kurt Voigtsberger, Former Minister of State (until 20 August 2017)

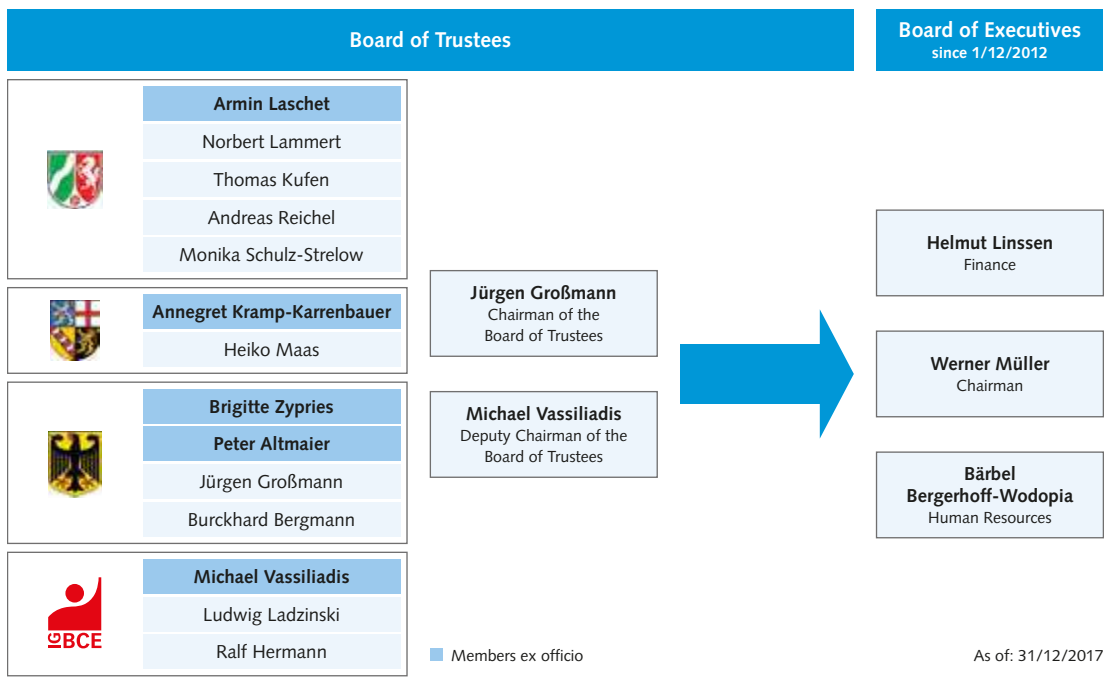
The Board of Trustees is chaired by Dr Jürgen Großmann; Michael Vassiliadis is Deputy Chairman.

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

Three members of the Board of Executives manage the RAG-Stiftung

BOARD OF TRUSTEES AND BOARD OF EXECUTIVES OF THE RAG-STIFTUNG

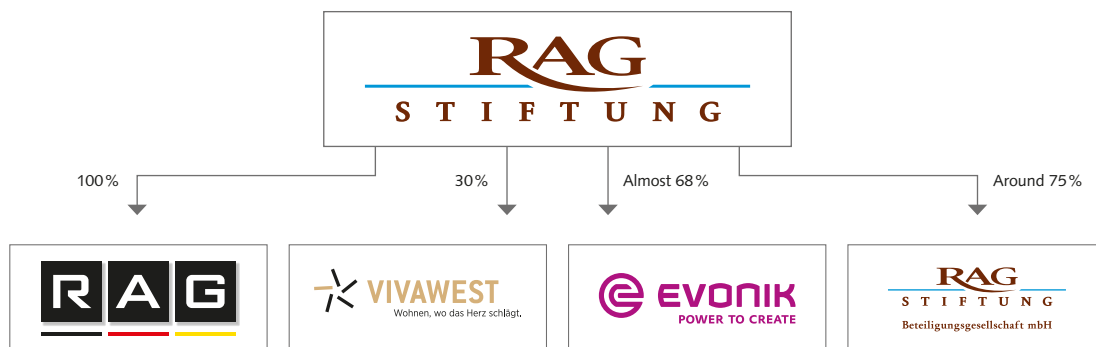


Four strategic core holdings

INVESTMENT PORTFOLIO

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

THE RAG-STIFTUNG AND ITS STRATEGIC HOLDINGS



The three directly-held company shares are supplemented ...

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

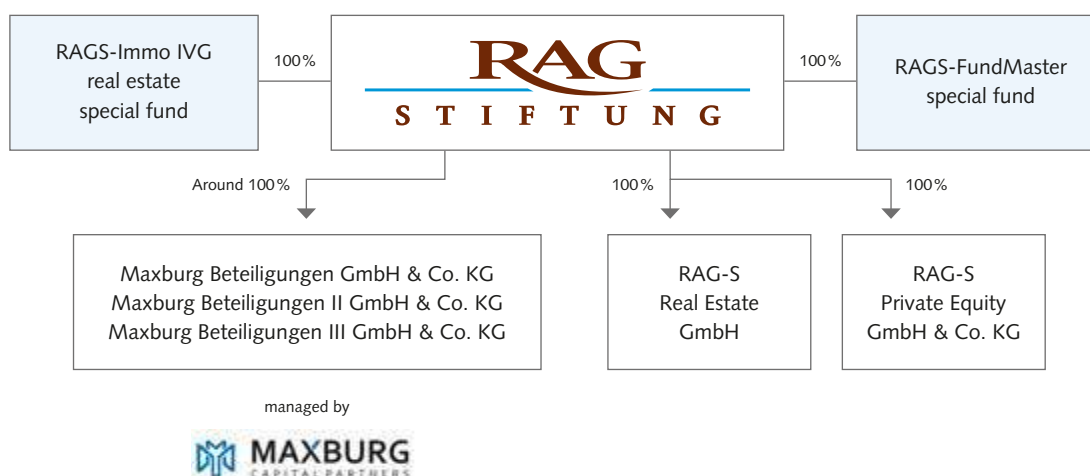
The RAG-Stiftung indirectly holds just under 68% of the shares in **Evonik Industries AG**. Evonik Industries AG is the holding company of the globally active Evonik Group, focusing on speciality chemicals.

The RAG-Stiftung has a direct stake of 30.0% in **Vivawest**. With more than 120,000 apartments in its portfolio, Vivawest is one of Germany's largest housing providers.

... by a holding company for medium-sized companies in selected fields of technology.

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 is to further expand the Company as a holding company that acquires minority or majority holdings in specialised, medium-sized engineering, automation and industrial service 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 the RAG-Stiftung's financial assets:

VEHICLES OF THE RAG-STIFTUNG FOR FINANCIAL ASSETS


In the **“RAGS-FundMaster” special fund** managed by the capital investment company Deka Investment GmbH, assets worth approximately EUR 2.9 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; and global and European shares. There is also one mandate for global, inflation-linked bonds and another mandate 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.

Established vehicle for the management of capital investments supplemented by a company for US real estate in 2017

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. For US real estate investments, we founded **RAG-S Real Estate GmbH** in 2017, in which three investments were made by the end of 2017.

The RAG-Stiftung’s international private equity, infrastructure activities and other non-European real estate investments are pooled in **RAG-S Private Equity GmbH & Co. KG**. In the case of investments in the “private equity” asset class, RAG-Stiftung decides on investments in 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. Infrastructure and real estate activities of RAG-Stiftung suitable for non-special funds are also held in the KG.

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.

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

Economic report

Another successful financial year in 2017: substantial increase to capital stock to finance perpetual obligations

OVERALL STATEMENT ON THE COURSE OF BUSINESS

2017 was another very successful year for the RAG-Stiftung. We again fulfilled our primary task, which was to secure and increase the capital stock to finance the perpetual obligations.

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

KEY PERFORMANCE INDICATORS: FORECAST AND ACTUAL VALUES

in EUR million	2017	Forecast for 2017	2016
Financial performance indicators			
Net profit or loss for the year	0.0	constant	0.0
Addition to provision for perpetual obligations	430.6	Approx. 390	392.8

Clear, positive performance of our financial assets and private equity companies

We were able to increase the provision for perpetual obligations by EUR 430.6 million to a current total of EUR 5,272.4 million due to higher income from equity investments and interest and higher other income.

With regard to our financial assets in the RAGS-FundMaster special fund, the various asset classes saw consistent positive performance in 2017: the global bond mandates yielded between 0.2% and 0.6% in a setting of low interest rates. Our emerging markets bond mandate gained 0.5%. Mandates for European corporate bonds showed yields of around 2%, and the US mandate nearly 6%. The "high yield" segment performed well with a solid 4%. The two share mandates each achieved 10%. We achieved 5% with our volatility mandates. Tactical investments showed yields of 5%. On the illiquid side, real estate mandates returned an average of 7%. Overall, a return of 4.1% was generated in the special fund.

By the same token, our private equity companies also saw positive developments. RAG-S Private Equity GmbH & Co. KG achieved a net profit for the year of almost EUR 23 million and hidden reserves there could be expanded, as with Maxburg KG. In 2017, for the first time, Maxburg KG paid out a larger amount of EUR 11 million.

ECONOMIC CONDITIONS

Global economy picked up pace in 2017 and expanded more than expected

The global economic conditions have developed better than expected in 2017. According to estimates by the World Bank, the global economy expanded by 3.0% in 2017 – a stronger pace than in the previous year (2.4%). Growth of 2.6% was originally anticipated for the year under review at the beginning of the year.

The global upturn was broad when viewed at the regional level. The economy picked up both in emerging markets and developed countries. In Western Europe, the moderate upswing continued. The economies were supported by the continued expansive monetary policy of the European Central Bank and moderately rising prices. In Germany, consumer spending, the positive foreign trade contribution and the revival of investment activity were the main drivers of the economy. According to calculations by the German Federal Statistical Office, the price-adjusted gross domestic product in 2017 was 2.3% above the previous year's value. This means that the German economy grew for the eighth year in succession.

Global economic upswing on a broad basis – Germany continues its growth course

The strong growth in North America resulted primarily from the increase in domestic consumption and business investment. Due to the good economic situation, the US Federal Reserve continued to slowly tighten its monetary policy, raising its key interest rate in three steps by a total of 0.75 percentage points to 1.5%. A recovery may be seen in Central and South America, even if growth was fairly low up to now. Political uncertainties, high unemployment and private debt, along with structural problems, served to dampen a very bright economic outlook.

Strong economic growth in North America despite rising interest rates

The Asia/Pacific region continued to achieve high growth rates. In Japan, the moderate pace of growth continued, driven by high levels of exports, while the economy in China stabilised primarily through an expansive fiscal and monetary policy. A cash reform and the introduction of a nationwide uniform VAT dampened the economic momentum in India.

Asian economic zones on the up

Industry situation of the strategic holdings

Coal

According to initial calculations from "Energy Balance for Germany", primary energy consumption in Germany was around 0.8% above the level of the previous year. Growth is largely due to the colder weather conditions at the start of the year compared with the previous year, as well as the persistently positive economic performance. In the field of conventional power generation, there were displacement effects from renewable energies and natural gas-fired combined heat and power plants. In addition to this, energy supply companies took coal power plants off the grid.

The share of coal in the entire energy consumption of 2017 decreased to 11.0% (previous year: 12.2%). While the percentage of energy coming from fossil fuels declined slightly overall, and the share of energy consumed coming from atomic power fell to 6.1% (previous year: 6.9%), the share of renewable energies increased slightly to 13.1% (previous year: 12.6%).

Proportion of energy produced from coal reduced further in 2017, domestic production fell again

Of a total volume of coal of around 50.8 million tonne of coal equivalent in 2017, around 7% was attributable to domestic production of 3.7 million tonne of coal equivalent, which was generated exclusively by the RAG Group. The most important customers of RAG remain the power industry (82% of sales) and the iron producing industry (around 12% 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.

Prices for both steam coal and coking coal have recovered tremendously. The average BAFA price of EUR 92/tonne of coal equivalent at the end of 2017 was therefore around EUR 25/tonne of coal equivalent above the previous year's value of EUR 67.07/tonne of coal equivalent.

Speciality chemicals

The global development of Evonik's end customer industries varied greatly among the different regions and industries in 2017.

Demand for consumer and personal care products increased in Europe due to improved consumer sentiment with falling unemployment and remained high in Asia/Pacific. In North America, the pace of growth in the food and feed markets accelerated, while slowing down slightly in Central and South America. The construction industry recorded slightly higher growth than in the previous year, mainly due to higher investment activity in Europe. By contrast, production in the automotive and mechanical engineering sectors was weaker in Asia/Pacific following the removal of tax breaks and declined in North America.

Overall, the general industrial trend has improved in almost all regions of the world.

Due to the rise in crude oil prices and the tightened environmental regulations in China towards the end of the year, Evonik's average commodity prices increased in 2017 compared to the previous year.

In comparison to the most important foreign currency for Evonik, the US dollar, the euro appreciated slightly in 2017 (2016: USD 1.10 per euro) with an average exchange rate of USD 1.13 per euro.

Residential real estate in Germany

The German residential market continued to see a stable performance in 2017. The persistently low level of interest rates, which ensures favourable real estate loans, continues to be a major driver of the investment demand of institutional investors. At EUR 15.7 billion, the transaction volume on the residential investment market was almost 15% higher than in 2016, reaching its third-highest value after 2015 and 2013 within the past ten years. Despite a transaction volume of around EUR 2 billion more than in the previous year, some 129,200 apartments changed owners, around 8,000 fewer than in 2016. This reflects the significant price increase of the traded portfolios.

The demand for residential space is directly connected to the number of private households and their available income. Due to the high level of immigration from abroad, the population and number of households in Germany have risen steadily in recent years. The trend of increasing household numbers is being reinforced by the ageing population and the associated increase in one and two-person households. 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.

Net basic rents for residential space continued to rise moderately. The market for rented accommodation in Germany, however, performed in varying ways. While markets in some rural and structurally weak regions have stagnated, demand for apartments in major cities and metropolitan areas has increased significantly. This effect was particularly noticeable in the "Schwarmstädte" (swarm cities), which are characterised by high migratory movements and inflows of young age groups.

Special chemicals in 2017 with heterogeneous performance according to segment and region – commodity prices rose

Stable development in the German housing market in 2017 with overall favourable conditions

From January to November 2017, 7.8% or 26,400 fewer new housing units were approved in Germany than in the same period of the previous year. This indicates that in 2017, for the first time since 2008, there has been a decline in the number of approved apartments. In total, real estate developers had 313,700 housing projects approved by the responsible authorities. Completed buildings developed in line with building permits, with a corresponding time lag. 300,000 new residential units are calculated to have been built in Germany during the whole of 2017. However, in order to meet housing needs, 360,000 to 400,000 new homes would have to be built each year.

Generally favourable conditions for the further development of the German housing market include a steadily rising number of inhabitants and above all households, stable incomes and a rising number of active workers, anticipated ongoing low financing costs, the state programme for building renovation and new builds for apartments and high demand for residential units in prospering regions.

Capital market situation

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

The past year of 2017 was an unexpectedly good year overall for investors. The only surprise was the weakness of the US dollar and the Swiss franc. Inversely, the euro's strength despite the increasing interest differential between US Treasuries (10Y: 2.41%) and federal bonds (10Y: 0.42%) up to the end of 2017 is attributed to the surprisingly positive economic development in Europe and the absence of political turmoil (elections in the Netherlands, France, Austria and Germany).

Surprisingly positive 2017 on the international capital markets

The nearly nine-year phase of hyperexpansive monetary policy seems to be gradually over, at least in the United States. After the fifth rate hike in December 2017, the US Federal Reserve will probably further raise interest rates in 2018 and gradually reduce its balance sheet. It is thus on a long-term path to normalise monetary policy. The European Central Bank (ECB) is expected to continue its relaxed monetary policy (quantitative easing) with interest rates remaining low for some time, even though since January 2018 asset purchases have been reduced from EUR 60 billion a month to EUR 30 billion.

Phase of extremely loose monetary policy and low interest rates in the US come to an end

The feared sharp rise in interest rates thus did not materialise in 2017. Nevertheless, it was not possible to achieve an attractive performance with government bonds in 2017. In view of the historically very low yield level with only a slight increase in interest rates, the bond markets trended predominantly sideways. The leap to higher interest-bearing assets as well as the improved economic outlook narrowed the credit risk spreads significantly in 2017 and helped the corporate bonds asset class to perform very positively. In what is now the ninth year of the global bull market, equity investors were again able to generate high profits. The volatility on the stock markets, which reached its lowest ever level despite existing uncertainties, caused confusion. In the assessment of the market participants, the risks at the end of 2017 faded into the background. Such a phase of excessive optimism can last for a long time, but then spontaneously discharge itself in a "Minsky moment".

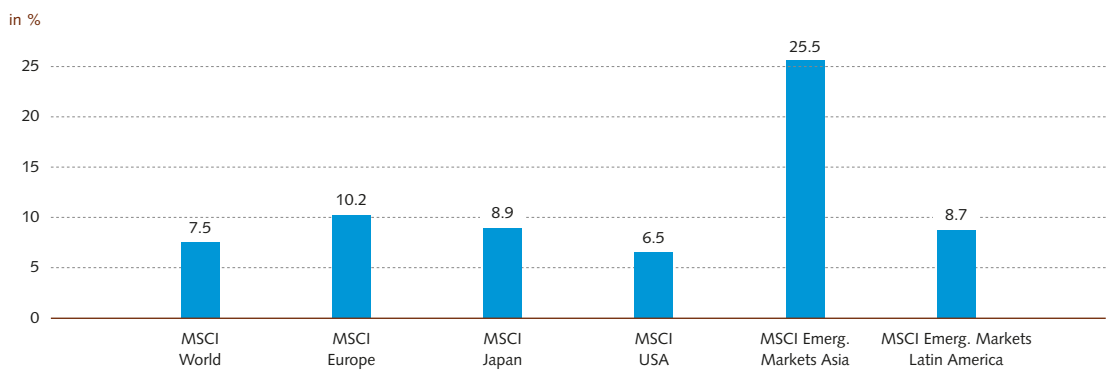
Government and corporate bonds benefited from the gradual interest rate turnaround in 2017, but stock market optimism persisted

Sharp price increases for shares around the globe

Stock markets and key currencies performed as follows in 2017:

The international stock markets developed exceptionally positively in 2017. The MSCI¹ World gained 18.5% in local currency and 7.5% in euros. In Europe, the stock market (MSCI Europe) improved by 10.2% in euros, and in the eurozone by 12.5%. At 12.2%, Germany was close to the weighted average. In Asia, the MSCI Japan gained around 19.8% in local currency, and 8.9% in euros. Stock markets in the USA developed very positively. The MSCI USA rose by 21.2% in US dollars and by 6.5% in euros. Shares in emerging markets (EM) also developed positively: Asian EM shares gained 35.9% in local currency, and 25.5% in euros. Latin American EM stock gained 22.1% locally, and gained 8.7% in euros.

PERFORMANCE OF STOCK MARKETS IN 2017 IN EUROS



Strong tailwind for the euro in 2017

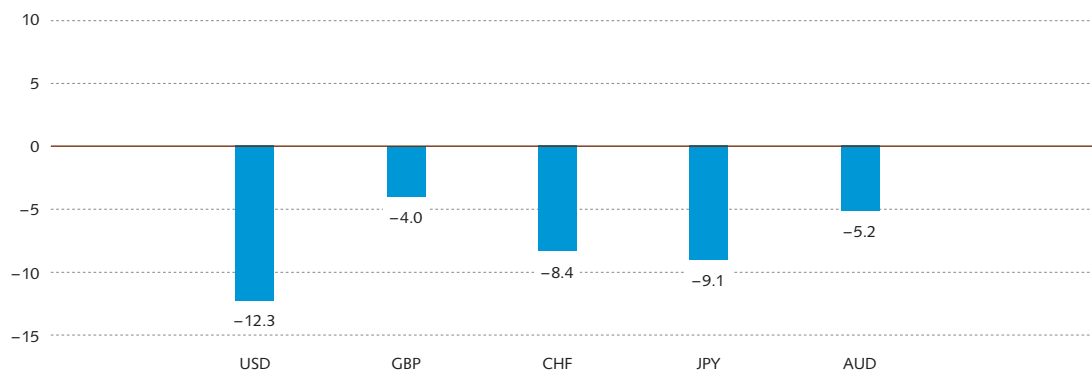
The euro appreciated strongly against all relevant currencies in 2017.

The US dollar lost 12.3% of its value against the euro in 2017 compared to the end of the previous year. The Swiss franc depreciated by 8.4% against the euro, and the pound sterling dropped another 4%, after losing more than 13% in the previous year. The Japanese yen and the Australian dollar also lost 9.1% and 5.2% respectively 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 KEY EXCHANGE RATES AGAINST THE EURO IN 2017

End of 2017 against the end of 2016 in %



Development of the bond markets in 2017 in detail:

Performance on the global bond markets in 2017 was marginally positive on average (JPM¹ Global Bond Index), increasing by 1.3%. However, the development of the euro had a considerably negative impact on performance from the point of view of investors with the euro as their currency of investment. The JPM Global Bond Index achieved a performance in euros of minus 6.2%.

Slight gains on the global bond markets – but negative performance from the euro point of view

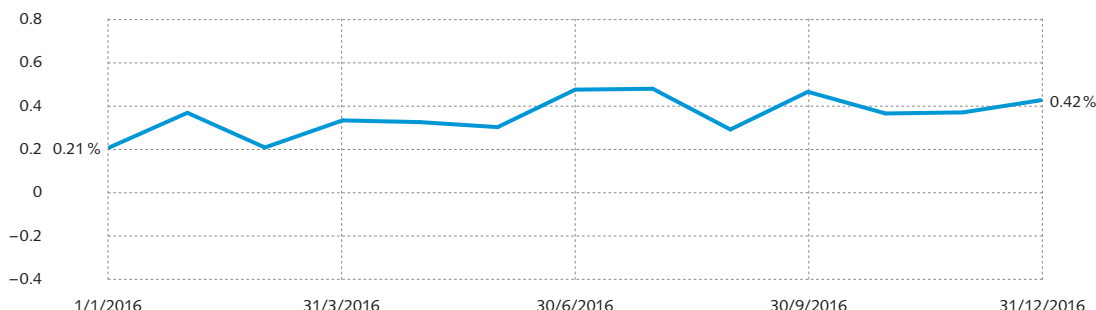
- ▲ Those who invested exclusively in federal bonds saw performance of minus 1.45% in 2017.
- ▲ The yield on the German ten-year benchmark bond fluctuated significantly over the course of the year with a yield high on 13 July 2017 of 60 basis points² (bp). After yielding just 21 bp at the end of 2016, the return of the benchmark bond at the end of 2017 was 42 bp.
- ▲ The spreads of eurozone countries on the ten-year federal bonds narrowed in almost all countries: Greece improved significantly from 683 bp to 370 bp, Portugal also rose sharply from 355 bp to 151 bp, while Italy improved only marginally from 163 bp to 157 bp. Spain also remained virtually unchanged with a spread of 115 bp compared with 119 bp at the end of the previous year. Eurozone bonds widely generated income of 0.41% in 2017.
- ▲ US Treasuries generated performance of 2.5%, euros on the other hand minus 10.0%. Emerging market yields gained 8.9% in local currency and only 1.2% in euros.
- ▲ The real interest rates in France and Germany over the ten-year period were minus 0.82% at the end of 2017 and therefore virtually on a par with the previous year-end value of minus 0.86%. A 30-year maturity term generated a real interest rate of minus 0.48% at the end of 2017, well below the value of the previous year of minus 0.22%.
- ▲ At the end of December 2017, inflation swaps, i.e. the course of inflation expected by the market, were at 1.56% in the euro area for ten years, i.e. slightly above the previous year's value of 1.47%.

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

² 100 bp = 1%.

YIELD DEVELOPMENT OF THE TEN-YEAR FEDERAL BOND IN 2017

in %



DEVELOPMENT IN THE HOLDING COMPANIES

RAG

2017: Another satisfying year with planned development

The 2017 financial year for RAG met expectations and was satisfactory given the regulations stipulated by the agreements on coal policy. In terms of production and sales, the annual targets for 2017 were exceeded by the good production situation at the Prosper-Haniel mine. Revenue rose slightly, with sales virtually unchanged. The bottom line was balanced out again in this financial year. It was therefore not necessary for the RAG-Stiftung to absorb any losses again.

The programme of socially responsible workforce reduction in turn continued as planned in 2017, 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 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. RAG faces fundamental restructuring as it changes from a coal producer to a company dealing with the consequences of mining. The restructuring from the production phase until the end of 2018 through to the shutdown phase from 2019 to 2021 up to the perpetual phase from 2022 has been outlined as part of the "Processes and IT 2020" project. The result is that the basic structure of the Company will continue to be process-based, and consist of core, central and service areas with the allocated business processes. The organisational set-up of the "New RAG" will subsequently be designed and a transition concept for the migration developed. The disappearance of production-oriented information technology after 2018 offers the possibility of designing an IT landscape for the post-mining company with significantly reduced complexity.

Evonik

As part of the further development of the corporate strategy, Evonik has defined four strategic pillars of growth – Specialty Additives, Animal Nutrition, Smart Materials and Health & Care – for the growth segments of Nutrition & Care and Resource Efficiency. Evonik's Board of Executives intends to focus on acquisitions and R&D spending on these growth pillars, which offer particularly promising prospects, and thus improve the growth momentum of the Group.

2017: Operationally successful; strengthened business with targeted acquisitions

With the acquisition of the speciality additives business of Air Products and Chemicals, Inc., Allentown (Pennsylvania, USA), the Company's leading position on the attractive growth market for Specialty Additives has been strengthened. The acquisition of the silica business of J.M. Huber Corporation, Atlanta (Georgia, USA) strengthens its activities in the Smart Materials pillar of growth. The two acquired businesses have similar business models to Evonik and ideally complement the defined pillars of growth.

Overall, operational business has developed very well. With global demand for Evonik's products growing, the pace at which volumes increased in the growth segments was higher than global economic growth. Sales prices developed differently in the individual segments, but increased overall. Thanks to organic revenue growth of 5% and the inclusion of acquired businesses, total revenue increased by 13% to EUR 14,419 million. Adjusted EBITDA improved by 9% to EUR 2,360 million. The Resource Efficiency segment, which benefited both from higher volumes and from acquired businesses, performed very well. The Performance Materials segment posted a significant year-on-year increase, in particular due to a favourable supply/demand situation. In the Nutrition & Care segment, on the other hand, the noticeably lower selling prices again had a negative impact.

The adjusted EBITDA margin of 16.4% is below the previous year's level (17.0%) as well as the medium-term target corridor of 18% to 20%.

The Group's earnings decreased by 15% to EUR 717 million, partly due to higher acquisition-related expenses. Adjusted for special effects, the Group's earnings increased by 9% to EUR 1,010 million, reflecting the development of operating earnings. The Board of Executives and Supervisory Board of Evonik are again proposing a dividend of EUR 1.15 per share to the general meeting of shareholders.

The financial profile continues to be good: Evonik has a robust investment grade rating. With EUR 1,551 million, a good cash flow from operating activities was generated. Free cash flow after deduction of cash outflows for fixed asset investments was, at EUR 511 million, very positive. At the end of 2017, net financial indebtedness of EUR 3.0 billion was reported due to the acquisitions.

Vivawest

The Vivawest Group's operating activities ran very successfully in the 2017 financial year. Carried again by robust earnings from the inventory management and the much higher income and earnings from real estate sales, the financial expectations were exceeded once again. With consistently good rental performance in connection with a further decline in the fluctuation rate, the vacancy rate at the end of 2017 was kept constant at 2.7%. Demand-related vacancies fell further to 1.3% (previous year: 1.4%). The revenue losses thereby avoided and the significantly improved rental performance as a result of the successful acquisition of existing real estate, as well as consistently taking advantage of the potential for rent increases, has enabled VIVAWEST to once again increase its maintenance expenses to strengthen its inventory quality. Together with the earnings contributions from the sale of real estate, which benefited from year-round high demand for detached and semi-detached houses as well as undeveloped plots, but especially from an unscheduled package sale of 808 residential apartment units, an adjusted EBITDA was achieved that significantly exceeded expectations.

2017: Financial expectations exceeded thanks to strong real estate sales, inventory management stable

During the previous financial year, the Group generated sales revenue in accordance with IFRS of EUR 888 million (previous year: EUR 834 million). The Group's adjusted EBITDA came to EUR 373 million (previous year: EUR 348 million). This means that sales revenue and the adjusted EBITDA well exceeded the previous year's values. Earnings after tax (EAT) of EUR 133 million also comfortably exceeded the previous year's value of EUR 105 million.

At EUR 228 million, the Group's 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), a performance indicator usual in the industry was slightly above the previous year's value of EUR 218 million. Aside from the EBITDA increase resulting from the inventory management, this development is also due to improvements in the net interest income paid.

At EUR 4,082 million, net asset value (NAV), a key figure of economic equity, was at the end of 2017 well above the previous year's level by EUR 389 million. In addition to the market value of investment property, the NAV includes net financial indebtedness at the repayment value as well as non-current provisions for pensions and obligations from the mining follow-up management segment. The increase was mainly the result of the market value development of the real estate portfolio as a consequence of the improved operating performance and earnings from valuable investments and targeted divestments. The positive development in the year under review was also driven by the market-related reduction of the discounting interest rate used to value real estate.

2017: Net profit for the year nearly doubled

RAG-Stiftung Beteiligungsgesellschaft mbH (RSBG)

The 2017 financial year was a good one for RSBG. Revenue of around EUR 25.9 million was generated from the holding companies. In addition, there were gains from the sale of fixed assets of EUR 3.7 million. Net profit for the year came to EUR 24.9 million after EUR 12.9 million in the previous year. Around EUR 280 million was invested over the course of 2017 (2016: EUR 240 million).

EARNINGS POSITION

Income statement

RAG-STIFTUNG: INCOME STATEMENT

in EUR million	2017	2016	Change
Sales revenue	0.2	0.2	+0.0
Other operating income	11.6	4.7	+6.9
Personnel expenses	-6.2	-6.0	-0.2
Amortisation of intangible assets and depreciation of real estate, plant and equipment	-0.1	-0.1	+0.0
Other operating expenses	-463.2	-427.0	-36.2
Investment income	425.2	405.4	+19.8
Revenue from other securities and loans as fixed assets, including interest income and amortisation of financial assets and securities held as current assets	44.1	41.6	+2.5
Income taxes	-9.9	-17.5	+7.6
Earnings after taxes	+1.7	+1.3	+0.4
Other taxes	-1.7	-1.3	-0.4
Net profit (+) or loss (-) for the year	0.0	0.0	0.0

Other operating income of EUR 11.6 million in the year under review resulted from a covered call programme, amounting to EUR 10.1 million from selling call options for Evonik stock in the course of the year. Other income of EUR 0.6 million resulted from the sale of securities. On top of this came cost reimbursements and the reversal of provisions no longer required.

Of the EUR 6.3 million reported for personnel expenses, EUR 0.9 million were attributable to the addition to the provision for pensions and EUR 0.3 million for social security.

The other operating expenses amounting to EUR 463.2 million primarily concerned the addition to the provision for perpetual obligations of EUR 430.6 million (2016: EUR 392.8 million). Other operating expenses also include expenses for education, science and culture – one of the goals of the articles of association – in the amount of EUR 13.2 million.

The investment income of EUR 425.2 million includes the dividend distribution of Evonik Industries AG of EUR 363.8 million and the profit distribution of Vivawest GmbH of EUR 36.4 million as well as profit distributions of RAG-Stiftung Beteiligungsgesellschaft mbH (EUR 11.7 million) and Maxburg Beteiligungen GmbH & Co. KG (EUR 11.1 million), each for the 2016 financial year.

Investment result again significantly increased in 2017 and other financial result further improved

The other financial income¹ was reported at EUR +44.2 million. This was the result both of earnings from securities and special real estate funds in the direct ownership of the RAG-Stiftung and from a dividend of the RAGS-FundMaster special fund of EUR 17.4 million. With a carrying amount of EUR 2.4 billion at the end of 2017 (market value: EUR 2.9 billion), half 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.

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

Income taxes of EUR 9.9 million were due in no small amount to the Group subsidiary RAG AG. Mainly the discrepancy between discounting rates required under tax law and called for under commercial law when calculating provisions led to significantly higher taxable income, also in the event of a net profit for the year of zero pursuant to the German Commercial Code (HGB).

Balanced budget
for 2017

As in the previous year, the RAG-Stiftung ended the 2017 financial year with a balanced budget as a result of the system of creating provisions.

FINANCIAL POSITION

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

Financial management
is geared towards
financing the perpetual
obligations

The RAG-Stiftung's principle task is to finance RAG's perpetual obligations following the discontinuation of subsidised coal mining in Germany.

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 an asset-liability approach, which takes into account the long-term payment obligations and the incoming payments expected on an ongoing basis.

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 low rates of interest in general and to future inflation risks, investments are to be further expanded into higher yielding tangible assets (including private equity, direct holdings and real estate/infrastructure).

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

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 2017, around 50% of the financial assets were invested in the RAGS-FundMaster, a special fund managed by a capital investment company pursuant to the German capital investment act.

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, which is 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, on the other side, bonds coupled with the development of inflation and thus interest income-generating, predominantly of sovereign borrowers. In addition to its own portfolio, apart from a real estate special fund set up exclusively for the RAG-Stiftung, there are also companies that invest in private equity investments and real estate.

Buy-and-hold strategy for own holdings

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

Another EUR 200 million was added to the RAGS-FundMaster special fund managed by the master capital investment company in 2017, ensuring the carrying amount totalled EUR 2.4 billion as of 31 December 2017. The market value at the same time was around EUR 2.9 billion.

Special investment fund continued to grow in 2017 – market value significantly above carrying amount

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 monthly 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 agreement and profit-and-loss 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 risk reporting system was also extended to the financial assets of RAG AG.

Capital structure

As of the end of 2017, the RAG-Stiftung recognised financial liabilities from three exchangeable bonds on Evonik shares of EUR 1.6 billion. The liabilities side of the balance sheet continues to be dominated by the provision for perpetual obligations amounting to EUR 5.3 billion. The term of this obligation is infinite.

The provision for perpetual obligations in 2017 increased to EUR 5.3 billion

Investments

In 2017, the RAG-Stiftung invested a total of EUR 1,287 million: EUR 200 million was allocated to the RAGS-FundMaster special fund; EUR 50 million was attributable to the net drawing on our real estate special fund, and EUR 773 million to capital injections into our companies in which we hold real estate, private equity, infrastructure and SME investments. Shares in stock corporations were purchased for EUR 276 million. Maturing bonds in the amount of around EUR 21 million net were repaid, EUR 10 million of which was attributable to a down payment made.

Liquidity

RAG-STIFTUNG: CASH FLOW STATEMENT (SUMMARY)

in EUR million	2017	2016	Change
Cash and cash equivalents at the start of the year	122.6	278.0	-155.4
Cash flow from operating activities	507.5	519.7	-12.2
Cash flow from investing activities	-1,278.2	-675.3	-602.9
Cash flow from financing activities	497.8	0.0	+497.8
Exchange rate-related change in cash funds	0.0	0.2	-0.2
Cash and cash equivalents as of 31 December	-150.3	122.6	-272.9

The above cash flow statement deviates from German Accounting Standard No. 21 (DRS 21) to the extent that interest and dividends received totalling EUR 451.2 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 budget for the year, which was corrected for non-cash transactions, cash flow in 2017 from current operating activities amounted to EUR 507.5 million.

Investment activity
roughly doubled in 2017

The negative cash flow from investing activities of EUR 1,278.2 million was due to the investments described above, along with cash inflows and outflows as part of short-term financial planning. Fixed asset investments were at EUR 0.3 million.

The positive cash flow from financing activities is dominated by the issue of an exchangeable bond in March 2017 with a nominal value of EUR 500 million.

Cash and cash equivalents as of 31 December 2017 amounted to minus EUR 150.3 million, of which EUR 0.1 million were bank balances. The balance was financed by the financial account of RAG AG.

NET ASSETS

As of 31 December 2017, the total assets of the RAG-Stiftung amounted to EUR 7,200.7 million. This represents an increase of EUR 1,100.4 million in total assets over the previous year's value.

Assets – fixed and current assets

RAG-STIFTUNG: BALANCE SHEET

in EUR million	31/12/2017	31/12/2016	Change
Fixed assets	6,488.0	5,200.8	+1,287.2
Real estate, plant and equipment	0.4	0.2	+0.2
Financial assets	6,487.6	5,200.6	+1,287.0
Current assets	712.7	899.5	-186.8
Receivables and other assets	192.6	328.5	-135.9
Securities	520.0	520.9	-0.9
Liquid assets	0.1	50.1	-50.0
Prepaid expenses	0.0	0.0	0.0
Total assets	7,200.7	6,100.3	+1,100.4

At EUR 2,400.4 million, financial assets include the special asset fund managed by the master capital investment company and long-term held securities and real estate funds of EUR 555.0 million and EUR 296.1 million, respectively. Moreover, in addition to a down payment, EUR 2,021.7 million was attributable to companies that invest in private equity, real estate, infrastructure and SME investments via 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 shares are recognised under securities held as current assets, because these shares are being held for sale.

Financial assets increased to EUR 6.5 billion in 2017

Receivables and other assets primarily include receivables due from revenue authorities for imputable tax of EUR 169.6 million and a total of EUR 20.0 million in receivables due from affiliated companies.

Equity and liabilities – equity, provisions and obligations

RAG-STIFTUNG: BALANCE SHEET

in EUR million	31/12/2017	31/12/2016	Change
Equity	2.0	2.0	+ 0.0
Endowment capital	2.0	2.0	+ 0.0
Provisions	5,364.6	4,925.3	+ 439.3
Pension provisions	7.1	6.0	+ 1.1
Tax provisions	55.0	49.4	+ 5.6
Provisions for perpetual obligations	5,272.4	4,841.8	+ 430.6
Other provisions	30.1	28.1	+ 2.0
Liabilities	1,814.1	1,169.6	+ 644.5
Bonds	1,600.0	1,100.0	+ 500.0
Trade accounts payable	0.3	0.1	+ 0.2
Liabilities to affiliated companies	187.1	41.3	+ 145.8
Other liabilities	26.7	28.2	- 1.5
Deferred income	20.0	3.4	+ 16.6
Total equity and liabilities	7,200.7	6,100.3	+ 1,100.4

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 2017 a provision of EUR 5,272.4 million. This corresponds to an increase of EUR 430.6 million over the previous year's figure of EUR 4,841.8 million.

The provisions for perpetual obligations increased by some EUR 430 million in 2017

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.

The provision for taxes was increased in the year 2017 by EUR 5.6 million net. Other provisions mainly include provisions for services received but not yet billed.

Liabilities predominantly characterised by Evonik exchangeable bonds

The liabilities of EUR 1,814.1 million include the three exchangeable bonds on Evonik shares of EUR 1,600 million, EUR 187.1 million in liabilities to affiliated companies, of which EUR 150.4 million relates to the financial account of RAG AG, and tax liabilities of EUR 25.2 million. The latter concerns VAT of EUR 11.3 million and EUR 13.9 million of capital gains tax and solidarity surcharge.

Significant non-financial issues

EMPLOYEES

The number of employees at the end of 2017 was 18; in the previous year, it was also 18.

OCCUPATIONAL, HEALTH AND ENVIRONMENTAL PROTECTION

Modern occupational healthcare management for our employees

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.

Risks and opportunities are systematically monitored and managed

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 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: 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 what risks most likely represent a threat to the objectives or the existence of the RAG-Stiftung, the risks are classified according to their probability of occurrence and their effects, in relation to financial position and financial performance. 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	CHANGE
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 financial position and financial performance
Moderate	Moderate negative impact on the financial position and financial performance
Significant	Significant negative impact on the financial position and financial performance

According to their estimated probability of occurrence and their effects on the financial position and financial performance 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

High investment risk
RAG – but manageable

The RAG-Stiftung and RAG AG concluded a controlling and profit-and-loss transfer agreement (BGAV) 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 statutory monitoring requirements. This means that according to Section 107, Paragraph 3 of the German Stock Corporation Act (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 RAG AG's Supervisory Board. The RAG-Stiftung is kept informed by 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 developments in costs. Developments in interest rates and costs are decisive factors determining the amount of provision required at the RAG Group. 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 income statement 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 2018. From 2019 to 2021, the controlling and profit transfer agreement to balance RAG AG's earnings will probably have to be used. This is mainly due to higher charges as a result of the persistently low interest rates and the resulting higher interest expenses for provisions.

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. As a result, we now allocate the probability of occurrence of the risks described to the category "probable". Overall, we therefore continue to classify this risk as a "high risk". Nonetheless, despite this classification, we believe that the risk is manageable.

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 by regular reports, and checks the effectiveness of the risk management system using analyses of the risks and measures. RAG-Stiftung employees support the chairman of the Supervisory Board in his analysis.

Medium Evonik investment risk

The RAG-Stiftung's nearly 68% 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 more than EUR 300 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 markets having a volatile and cyclical nature can generally arise in all segments. They can have a significant negative impact on the financial performance. 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, the Board of Executives of 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. This assessment is shared by the RAG-Stiftung.

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 in the mid-range, we see the probability of occurrence of this risk as "possible". Overall, we therefore continue to classify the Evonik investment risk as a "medium risk".

Low Vivawest investment risk

Vivawest investment risk

The RAG-Stiftung has a 30% stake in Vivawest GmbH. RAG AG also holds an additional 18.2% of the shares in the Company. 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 by 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 long term from demographic changes and from changes in interest rates.

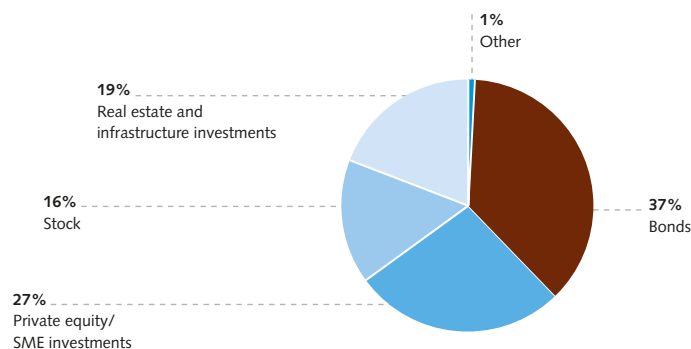
The distribution of profits the RAG-Stiftung receives from Vivawest are a not insignificant component of the RAG-Stiftung's income. A worsening in Vivawest's economic situation is a risk with moderate repercussions for the RAG-Stiftung. Due to the non-volatile nature of Vivawest's business, we see the probability of occurrence as "rather unlikely". Overall, we therefore continue to classify the Vivawest investment risk as "low risk".

Medium investment risks

Investment risks

By resolution of 5 December 2016, the RAG-Stiftung's Board of Trustees approved and agreed to occasional adjustments to the general investment guidelines for the RAG-Stiftung (KARL) in 2008. The KARL guidelines set the standards for investment – with the exception of investments in Vivawest and Evonik – and define the principles of the investment policy as well as investment risk controlling.

STRUCTURE OF FINANCIAL ASSETS AT THE END OF 2017



As of the end of 2017, 37% of the RAG-Stiftung's financial assets were invested in bonds, around another 16% in shares and 19% in real estate and infrastructure investments. Altogether, some 27% were attributable to international private equity investments and SME investments. Just under 2% were liquidity and "other investments". The latter relates partly to our volatility investments. This asset allocation results in a high interest sensitivity: rising market interest rates lead to negative market value changes, falling rates in contrast to price gains.

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, documented and reported to the Board of Executives, 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, derivative financial instruments can also be used at the RAG-Stiftung in the RAGS FundMaster special fund.

As of the end of 2017, around 50% of our financial assets were 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 have to be in accordance with the RAG-Stiftung's general investment guidelines (KARL). 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.

50% of financial assets invested in special funds

Of the remaining 50% of the financial assets, some are directly held in liquid securities; the rest are attributable to non-liquid investments in real estate and infrastructure funds on the one hand, and private equity funds and direct company investments on the other.

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, hotel, high street, logistics, specialist stores, etc.).

Generally very broad diversification for illiquid investments

The statements on limited liquidity also apply to the investments in SMEs by RAG-Stiftung Beteiligungsgesellschaft mbH. The management attempts 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.

The RAG-Stiftung uses a professional service provider, RMC Risk-Management-Consulting GmbH, Frankfurt, to assess and calculate investment risks.

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".

Medium perpetual obligations 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) in the case that the assets of the RAG-Stiftung are not sufficient to finance the perpetual obligations and, on the other, 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 that 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 economic value of the perpetual obligations as of the end of 2018 is, simplified, the present value of a perpetual series of payments, which will increase in line with the respective rate of price inflation from 2019. The present value of a perpetual annuity is calculated by dividing the initial regular payment by the interest rate while taking into account the price increases resulting from the real interest rate, i.e. the difference between interest rate and price inflation. The amount of the perpetual obligations is therefore particularly dependent on future developments in price and interest rates, in addition to the development of the assessment bases. As of 31 December 2017, a risk-free seven-year average interest rate of 2.05% (previous year: 2.30%) and a price development of 1.73% p.a. (previous year: 2.01%) were recognised, i.e. a real interest rate of 0.32% (previous year: 0.29%). When calculating the perpetual annuity, this corresponds to a factor of approximately 312 (previous year: 345) of the assessment basis. The changes in the obligations compared with the previous year primarily result from the 25 bp change in the interest rate parameter as well as from the 28 bp lower price increase expectation at present. 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, even in the case of slowly rising interest rates in the future, the present value of perpetual obligations will continue to increase further. As the results become absurd, at least by the time a negative real interest rate is reached, a viable solution has to be found for such a scenario which reflects a true and fair view of the financial position and financial performance of the Company.

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 continue to classify the risk arising from the perpetual obligations as a "medium risk".

Overall assessment of the risk and opportunities situation

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 good performance of the Evonik share price and from a successful investment.

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

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

Outlook

Based on the World Bank's forecasts, we expect the global economic environment to develop slightly better in 2018 than in the 2017 financial year. Overall, we anticipate slightly stronger global economic growth of 3.1% in 2018, compared to real GDP growth of 3.0% in 2017.

Recovery of the global economy is expected to continue in 2018 ...

We expect the positive economic development in Europe to continue, albeit with slightly lower growth than in 2017. Supportive measures include sustained monetary stimulus, a weaker fiscal policy headwind and rising confidence among companies and households. However, economic growth could be adversely affected by risks in the political environment and in the financial sector.

- ▲ In Germany, we are optimistic and expect GDP to expand by a further 2.7% in 2018. The ifo Business Climate Index, an important leading indicator, is at peak levels and tax cuts announced by the next government (solidarity surcharge) and a more expansionary fiscal policy could provide additional growth momentum in 2018 and 2019. Private consumption will thus be a driver of growth. However, investment in equipment should drive the economy even more strongly.
- ▲ In North America, we expect a further recovery in the economy. Growth is driven by private consumption, driven by declining unemployment as well as rising incomes and household wealth. The tax reform passed in the United States will reduce the tax burden on businesses and individuals and provide additional stimulus to the US economy through increased corporate investment and private consumption. The US Federal Reserve will continue with its policy of raising interest rates in several steps due to rising prices.
- ▲ In Asia/Pacific, growth will remain at a high level. We expect that lower investment and credit growth as well as environmental measures will dampen Chinese economic growth somewhat in the future. The economy in Japan is expected to weaken slightly compared to the previous year. In India, on the other hand, growth will accelerate again after the cash reform and the introduction of a nationwide uniform VAT.
- ▲ Favoured by the revival of the Brazilian economy, growth in Central and South America should continue to pick up. Political uncertainties, high unemployment and private debt, however, serve to dampen a very bright economic outlook in the region.

However, the anticipated development of global economic growth continues to be characterised by a certain degree of uncertainty. Risks currently arise in particular from the geopolitical uncertainties resulting from the numerous trouble spots. Moreover, it is possible that the global economy will develop differently than we expect as a result of the actions of central banks. In addition to the continued uncertainty surrounding the effects of the United Kingdom's departure from the European Union, uncertainty is growing in the USA about the economic course being taken in the country, particularly regarding trade barriers. Global growth could also be dampened by a stronger slowdown in the Chinese economy.

... however numerous risks can jeopardise development

In 2018, slightly rising interest rates and moderately higher equity prices in the eurozone are to be expected

It is 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 nervousness on the markets. In the USA, President Trump's geopolitical and economic course of action remains uncertain. Above all, it remains unclear how far the aggressively pronounced protectionism and anti-globalisation sentiment will impact on global trade and thus weaken global growth. Europe is facing a number of upcoming political events that may cause uncertainty on the capital markets. The progress and outcome of the difficult Brexit negotiations between the United Kingdom and the European Union are difficult to estimate from today's perspective. In Italy, the populists and thus EU-critical forces were strengthened in the national elections; it seems to be difficult to form a government.

In spite of the uncertainties, we anticipate a moderate rise in interest rates in the eurozone and moderately increasing share prices for 2018. An interest rate increase could negatively impact the performance of our bond investments.

Projected increase in the provision for perpetual obligations of approximately EUR 400 million in 2018

As in the previous year, we expect a dividend of EUR 1.15 per share (distribution in May 2018) at Evonik Industries AG. The distribution by Vivawest GmbH for 2017 is expected to be the same as that of 2016. RAG AG is also expected to be able to achieve a balanced budget for 2018 through the use of accounting options. This would mean that there is no impact on the earnings for the RAG-Stiftung arising from the profit-and-loss transfer agreement with RAG AG. The distribution of RAG-Stiftung Beteiligungsgesellschaft mbH in 2018 will clearly exceed the distribution from the previous year. We expect investment income of the RAG-Stiftung in 2018 to be on a par with 2017.

OUTLOOK PERFORMANCE INDICATORS FOR 2018

in EUR million	Forecast for 2018	2017
Financial performance indicators		
Net profit or loss for the year	constant	0.0
Addition to provision for perpetual obligations	Approx. 400	430.6

Overall we expect a balanced budget for the RAG-Stiftung in 2018. We are likely to be able to increase the provision for perpetual obligations by around EUR 400 million.

Report on events after the end of the reporting period

Events of particular importance that occurred after the end of the reporting period are listed in the Notes under "Report on events after the reporting period".

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/geschaeftsbericht2017

Balance sheet of the RAG-Stiftung

as of 31 December 2017

ASSETS

in EUR million	Notes to the annual financial statements	31/12/2017	31/12/2016
A. Fixed assets	(1)		
I. Intangible assets		0.0	0.0
II. Real estate, plant and equipment		0.4	0.2
III. Financial assets		6,487.6	5,200.6
		6,488.0	5,200.8
B. Current assets			
I. Receivables and other assets	(2)	192.6	328.5
II. Securities	(3)	520.0	520.9
III. Cash in hand, central bank balances, bank balances and cheques	(4)	0.1	50.1
		712.7	899.5
C. Prepaid expenses		0.0	0.0
Total assets		7,200.7	6,100.3

LIABILITIES

in EUR million	Notes to the annual financial statements	31/12/2017	31/12/2016
A. Equity	(5)		
1. Endowment capital		2.0	2.0
		2.0	2.0
B. Provisions	(6)		
1. Provisions for pensions and similar obligations		7.1	6.0
2. Tax provisions		55.0	49.4
3. Provision for perpetual obligations		5,272.4	4,841.8
4. Other provisions		30.1	28.1
		5,364.6	4,925.3
C. Liabilities	(7)	1,814.1	1,169.6
D. Deferred income		20.0	3.4
Total equity and liabilities		7,200.7	6,100.3

Development of fixed assets of the RAG-Stiftung

Notes to the balance sheet as of 31 December 2017

in EUR million	Acquisition and production costs				As of: 31/12/2017
	As of: 1/1/2017	Additions	Disposals	Transfers	
A. Fixed assets					
I. Intangible assets					
Acquired concessions, industrial property rights and similar rights and values as well as licences to such rights and values	0.0	0.0	0.0		0.0
	0.0	0.0	0.0		0.0
II. Real estate, plant and equipment					
Other equipment, office and plant equipment	0.5	0.3	0.2		0.6
	0.5	0.3	0.2		0.6
III. Financial assets					
1. Shares in affiliated companies	2,423.8	753.4	10.9		3,166.3
2. Holdings in other companies	30.0	0.0			30.0
3. Securities held as fixed assets	2,747.7	585.9	50.0		3,283.6
4. Advance payments	0.0	10.0			10.0
	5,201.5	1,349.3	60.9		6,489.9
	5,202.0	1,349.6	61.1		6,490.5

Depreciation and amortisation						Carrying amounts		
As of: 1/1/2017	Deprecia- tion and amortisa- tion	Write-ups	Changes to total depreciation and amortisation in relation to			As of: 31/12/2017	As of: 31/12/2017	As of: 31/12/2016
			Additions	Disposals	Transfers/ other changes			
0.0	0.0			0.0		0.0	0.0	0.0
0.0	0.0			0.0		0.0	0.0	0.0
0.3	0.1			0.2		0.2	0.4	0.2
0.3	0.1			0.2		0.2	0.4	0.2
0.1						0.1	3,166.2	2,423.7
0.0						0.0	30.0	30.0
0.8	1.4					2.2	3,281.4	2,746.9
							10.0	
0.9	1.4			0.0		2.3	6,487.6	5,200.6
1.2	1.5			0.2		2.5	6,488.0	5,200.8

Income statement of the RAG-Stiftung

from 1 January to 31 December 2017

in EUR million	Notes to the annual financial statements	2017	2016
1. Sales revenue	(8)	0.2	0.2
2. Other operating income	(9)	11.6	4.7
3. Personnel expenses	(10)	6.2	6.0
4. Amortisation of intangible assets and depreciation of real estate, plant and equipment		0.1	0.1
5. Other operating expenses	(11)	463.2	427.0
6. Investment income	(12)	+425.2	+405.4
7. Income from other securities and from loans held as financial assets	(13)	43.2	32.2
8. Interest income	(14)	+2.3	+9.4
9. Write-downs of financial assets and securities classified as current assets	(15)	1.4	0.0
10. Income taxes	(16)	-9.9	-17.5
Earnings after taxes		1.7	1.3
11. Other taxes	(16)	-1.7	-1.3
Net profit (+) or loss (-) for the year		0.0	0.0

RAG-Stiftung management bodies

BOARD OF TRUSTEES

Hannelore Kraft, MdL (until 27 June 2017)

Premier of the State of North Rhine-Westphalia
(until 27 June 2017)

Armin Laschet, MdL (from 27 June 2017)

Premier of the State of North Rhine-Westphalia
(from 27 June 2017)

**Annegret Kramp-Karrenbauer, MdL
(until 28 February 2018)**

Premier of the State of Saarland
(until 28 February 2018)

**Tobias Hans, MdL (from 1 March 2018),
Premier of the State of Saarland (from 1 March 2018)**

**Sigmar Gabriel, MdB (until 27 January 2017),
Federal Minister of Economic Affairs and Energy
(until 27 January 2017)**

**Brigitte Zypries, MdB (from 27 January 2017
until 14 March 2018)**

Acting Federal Minister of Economic Affairs
and Energy
(from 27 January 2017 until 14 March 2018)

**Dr Wolfgang Schäuble, MdB
(until 24 October 2017)**

Federal Minister of Finance
(until 24 October 2017)

Peter Altmaier, MdB (from 24 October 2017)

Acting Federal Minister of Finance
(from 24 October 2017 until 14 March 2018)
Federal Minister of Economic Affairs and Energy
(from 14 March 2018)

Olaf Scholz (from 14 March 2018)

Federal Minister of Finance (from 14 March 2018)

Michael Vassiliadis

Deputy Chairman of the Board of Trustees
of the RAG-Stiftung
CEO of IG BCE

Dr Jürgen Großmann

Chairman of the Board of Trustees of the
RAG-Stiftung
Shareholder of Georgsmarienhütte Holding GmbH

Lukas Beckmann (until 20 August 2017)

Managing Director of GLS Treuhand e. V.

Dr Burckhard Bergmann

Member of various supervisory boards

**Christoph Dänzer-Vanotti
(until 20 August 2017)**

Freelance lawyer

Ralf Hermann

Member of the works council
Marl joint operation
Evonik Industries AG

Ludwig Ladzinski

Member of the Executive Board of the mining,
chemical and energy industries trade union (IG
BCE)

**Prof Norbert Lammert
(from 8 November 2017)**

Former President of the German Parliament
Chairman of the Konrad Adenauer Foundation
(from 1 January 2018)

Heiko Maas

Federal Minister of Foreign Affairs
(from 14 March 2018)
Federal Minister of Justice and Consumer
Protection (until 14 March 2018)

Thomas Kufen (from 8 November 2017)

Mayor of the City of Essen

Dr Andreas Reichel (from 8 November 2017)

Member of the Board of Executives of E.DIS AG

Monika Schulz-Strelow

Management consultant

Harry Kurt Voigtsberger (until 20 August 2017)

Former Minister of State

VORSTAND

Dr. Werner Müller

Vorsitzender des Vorstandes der RAG-Stiftung
Vorsitzender des Aufsichtsrates der RAG AG
Vorsitzender des Aufsichtsrates der Evonik
Industries AG

Bärbel Bergerhoff-Wodopia

Mitglied des Vorstandes der RAG-Stiftung
Mitglied des Aufsichtsrates der RAG AG
Mitglied des Aufsichtsrates der Vivawest GmbH

Dr. Helmut Linszen

Mitglied des Vorstandes der RAG-Stiftung
Mitglied des Aufsichtsrates der RAG AG
Vorsitzender des Aufsichtsrates der
Vivawest GmbH

RAG-Stiftung list of shareholdings

as of 31 December 2017

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 in %	Indirect in %	Total in %			
Consolidated affiliated companies							
1 BDC Dorsch Consult Ingenieurgesellschaft mbH	Berlin, DE		100.00	100.00	2017	-1.2	0.1
2 Dorsch Business Development JLT	Dubai, AE		100.00	100.00	2017	-1.6	0.0
3 Dorsch Consult (India) Private Limited	Mumbai, IN		85.00	85.00	2017	1.4	0.1
4 Dorsch Consult Asia Co. Ltd.	Bangkok, TH		95.00	95.00	2017	0.6	0.0
5 Dorsch Consult Asia Holding Co. Ltd.	Bangkok, TH		99.98	99.98	2017	0.0	0.0
6 Dorsch Consult Egypt LLC	Cairo, EG		100.00	100.00	2017	-0.3	-0.2
7 Dorsch Consult Verkehr und Infrastruktur GmbH	Wiesbaden, DE		100.00	100.00	2017	-1.2	-0.1
8 Dorsch Holding GmbH	Offenbach am Main, DE		70.00	70.00	2017	47.8	12.0
9 Dorsch International Consultants GmbH	Munich, DE		95.00	95.00	2017	7.0	PTA
10 Dorsch Qatar LLC	Doha, QA		49.00	49.00	2017	27.1	12.0
11 Event Space Engineering Hong Kong Ltd.	Hong Kong, HK		100.00	100.00	2017	0.6	0.3
12 HAHN Automation GmbH	Rheinböllen, DE		60.00	60.00	2017	11.2	7.1
13 HAHN AUTOMATION Inc.	Hebron, US		70.00	70.00	2017	1.3	-2.8
14 HAHN Beteiligungs-GmbH	Rheinböllen, DE		100.00	100.00	2017	1.4	0.5
15 HAHN CO-INVEST GmbH	Bergisch Gladbach, DE		90.00	90.00	2017	3.4	0.1
16 HAHN CO-INVEST GmbH & Co. KG	Bergisch Gladbach, DE	90.00		90.00	2017	34.6	1.3
17 HAHN Group GmbH	Rheinböllen, DE		100.00	100.00	2017	57.1	2.3
18 HAHN Robotics GmbH	Reinheim, DE		60.00	60.00	2017	0.2	0.3
19 HEIDELBERG INSTRUMENTS Mikrotechnik GmbH	Heidelberg, DE		100.00	100.00	2017	7.4	4.5
20 IES International Events Service GmbH	Büdingen-Wolferborn, DE		65.00	65.00	2017	0.0	0.8
21 Maxburg Beteiligungen GmbH & Co. KG	Grünwald ^b , DE	97.40		97.40	2017	120.5	13.6
22 Maxburg Beteiligungen II GmbH & Co. KG	Grünwald ^b , DE	96.64		96.64	2017	117.2	-0.6
23 Maxburg Beteiligungen III GmbH & Co. KG	Munich ^b , DE	97.40		97.40	2017	26.7	-2.0
24 MGG-Beteiligung Verwaltungs GmbH & Co. KG	Bochum ^b , DE		100.00	100.00	2017	0.1	0.0
25 Orgatent AG	Großwangen, CH		80.00	80.00	2017	2.4	1.0
26 Projektgesellschaft Zollverein – Im Welterbe 10 mbH & Co. KG	Essen ^b , DE	100.00		100.00	2017	35.0	0.1
27 RAG AKTIENGESELLSCHAFT	Essen, DE	94.90	5.10	100.00	2017	285.4	PTA
28 RAG Anthrazit Ibbenbüren GmbH	Ibbenbüren, DE		100.00	100.00	2017	27.0	PTA
29 RAG Beteiligungs-GmbH	Essen ^{b,c} , DE		100.00	100.00	2017	21.4	PTA
30 RAG-Beteiligung Verwaltungs GmbH & Co. KG	Düsseldorf, DE	100.00		100.00	2017	0.1	0.0
31 RAG Deutsche Steinkohle AG	Essen ^b , DE		100.00	100.00	2017	15.4	PTA
32 RAG Finanz-GmbH & Co. KG	Essen ^b , DE		100.00	100.00	2017	58.7	1.2
33 RAG Konzernrevision GmbH	Herne ^b , DE		100.00	100.00	2017	0.6	PTA
34 RAG Mining Solutions GmbH	Herne ^b , DE		100.00	100.00	2017	2.0	PTA
35 RAG Montan Immobilien GmbH	Essen, DE		100.00	100.00	2017	20.9	0.6
36 RAG-S Private Equity GmbH & Co. KG	Essen, DE	100.00		100.00	2017	673.3	22.5
37 RAG-S Real Estate GmbH	Essen, DE	100.00		100.00	2017	96.7	0.0
38 RAG-Stiftung Beteiligungsgesellschaft mbH	Essen, DE	74.99		74.99	2017	874.9	24.9
39 RAG Verkauf GmbH	Herne ^b , DE		100.00	100.00	2017	1.3	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 in %	Indirect in %	Total in %			
40 RÖDER ARCHITECTURE TECHNOLOGY (SHANGHAI) CO., LTD.	Shanghai, CN		100.00	100.00	2017	4.9	0.1
41 ROEDER DE MÉXICO, S.A. DE C.V.	Mexico City, MX		100.00	100.00	2017	-0.7	-0.4
42 RÖDER FRANCE STRUCTURES S.à.r.l.	Beauvais, FR		100.00	100.00	2017	-0.1	-0.5
43 Röder Hallen und Zelte GmbH	Schletta, DE		100.00	100.00	2017	0.1	0.0
44 ROEDER ITALIA S.r.L.	Brixen, IT		100.00	100.00	2017	0.0	0.0
45 Röder OOO	Moscow, RU		90.00	90.00	2017	10.7	2.1
46 Röder Space Design & Engineering (Shanghai) Co. Ltd.	Shanghai, CN		65.00	65.00	2017	0.6	0.0
47 RÖDER (UK) Ltd.	Cam-bridgeshire, GB		100.00	100.00	2017	2.3	0.0
48 Röder Yapi Sistemleri Sanayi Ticaret Limited Sirketi	Istanbul, TR		100.00	100.00	2017	0.9	-0.6
49 Röder Zelt- und Veranstaltungsservice GmbH	Büdingen-Wolferborn, DE		100.00	100.00	2017	3.5	PTA
50 Röder Zeltsysteme und Service GmbH	Büdingen-Wolferborn, DE		100.00	100.00	2017	17.9	2.2
51 TBP S.C.S.	Luxembourg, LU	90.00		90.00	2017	36.3	-0.6
52 Wemo Automation AB	Värnamo, SE		100.00	100.00	2017	3.7	0.9
53 WEMO Automation GmbH	Reinheim, DE		100.00	100.00	2017	1.7	0.2
54 Windkraft Brinkfortsheide GmbH	Marl, DE	80.00	20.00	100.00	2017	4.5	0.4
Non-consolidated affiliated companies (equity-accounted)							
55 Evonik Industries AG	Essen, DE	67.82		67.82	2017	6,568.0	374.5
56 Vivawest GmbH	Essen, DE	30.00	43.20	73.20	2017	1,206.6	210.6
Associated companies (equity-accounted)							
57 GAW Beteiligungs GmbH	Graz, AT		25.00	25.00	2016/2017	16.4	2.8
58 logport ruhr GmbH	Duisburg, DE		50.00	50.00	2017	1.4	0.6
59 Zeltbau Och GmbH	Ronneburg, DE		20.00	20.00	2016	0.0	0.0
Non-consolidated affiliated companies							
60 4way Consulting Ltd.	Warwick, GB		100.00	100.00	2017	n/a	n/a
61 4way Holding Ltd.	London, GB		100.00	100.00	2017	n/a	n/a
62 AHT GROUP AG	Essen, DE		70.00	70.00	2017	2.4	0.5
63 ASUP Beteiligungs Verwaltungs GmbH	Munich, DE		100.00	100.00	2016	0.0	0.0
64 ASUP GmbH	Seevetal, DE		100.00	100.00	2016	9.7	2.7
65 ASUP Immobilien GmbH	Seevetal, DE		94.89	94.89	2016	1.6	0.2
66 ASUP Immobilien II GmbH	Seevetal, DE		94.89	94.89	2016	0.9	0.2
67 ASUP Schweiz GmbH	Herisau, CH		100.00	100.00	2016	1.4	0.9
68 ASUP Technik GmbH	Seevetal, DE		100.00	100.00	2016	2.6	0.5
69 Bergbau-Verwaltungsgesellschaft mit beschränkter Haftung	Herne, DE		100.00	100.00	2016	0.1	0.0
70 Conflexia S.à.r.l.	Luxembourg, LU		100.00	100.00	2016	105.7	-0.2
71 Conseco International Ltd.	London, GB		100.00	100.00	2017	-0.2	-0.4
72 Decad (Asia) Inc.	Makati City, PH		100.00	100.00	2016	0.0	0.0
73 Desco (2011) Ltd.	London, GB		100.00	100.00	2017	2.7	1.6
74 Desco (Design & Consultancy) Ltd.	London, GB		100.00	100.00	2017	2.8	1.7
75 Desco Qatar Mechanical and Electrical Consulting Engineers WLL	Doha, QA		100.00	100.00	2016	1.0	-0.2

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 in %	Indirect in %	Total in %			
76 Deutsche Montan Technologie für Rohstoff, Energie, Umwelt e.V.	Essen, DE				2016	13.9	0.0
77 Deutsche Montan Technologie Verwaltungs GmbH	Essen, DE		100.00	100.00	2016	27.1	-0.9
78 DMT-Gesellschaft für Lehre und Bildung mbH	Bochum, DE		100.00	100.00	2016	7.7	-0.1
79 DOC S.r.l.	Milan, IT		100.00	100.00	2016	0.3	0.1
80 Dorsch GmbH	Vienna, AT		100.00	100.00	2017	0.0	0.0
81 Dorsch International Austria GmbH	Vienna, AT		100.00	100.00	2017	-0.3	-0.1
82 Entwicklungsgesellschaft Gladbeck-Brauck mbH	Gladbeck, DE		66.67	66.67	2017	0.0	0.0
83 Erbkönig Preziosen GmbH	Munich, DE		83.00	83.00	2017	n/a	n/a
84 European Consulting Group FZ-LLC	Ras al-Khaimah, AE		80.00	80.00	2017	n/a	n/a
85 FP INDIA PROJECT MANAGEMENT CONSULTANCY SERVICES PRIVATE LIMITED	Mumbai, IN		100.00	100.00	2015/2016	0.8	-0.9
86 FRISCHMANN PRABHU INDIA DESIGN SERVICES PRIVATE LIMITED	Mumbai, IN		100.00	100.00	2015/2016	0.5	0.0
87 Froschkönig Preziosen GmbH	Erbes-Büdesheim, DE		100.00	100.00	2017	n/a	n/a
88 Gesamtverband Steinkohle e.V.	Essen, DE				2016	0.4	0.0
89 Gründerzentrumgesellschaft Prosper III mbH	Bottrop, DE		94.00	94.00	2017	-0.1	-0.1
90 HAHN AUTOMATION AG	Schwarzenburg, CH		100.00	100.00	2017	0.2	0.2
91 HAHN AUTOMATION Co. Ltd.	Kunshan, CN		100.00	100.00	2017	0.2	0.1
92 HAHN AUTOMATION d.o.o.	Zagreb, HR		100.00	100.00	2017	0.1	0.1
93 HAHN Automation s.r.o.	Uvaly, CZ		60.00	60.00	2017	0.0	0.4
94 HAHN ENERSAVE GmbH	Wiehl, DE		80.00	80.00	2017	0.2	0.0
95 HAHN OTOMASYON Ltd.	Istanbul, TR		100.00	100.00	2017	-0.1	0.0
96 Hefi SAS	Strasbourg, FR		80.00	80.00	2016	0.7	0.0
97 Heidelberg Instruments (Shenzhen) Co. Ltd.	Shenzhen, CN		100.00	100.00	2016	-0.2	0.0
98 Heidelberg Instruments Service Japan, K.K.	Tokyo, JP		100.00	100.00	2016	1.3	0.0
99 Heidelberg Instruments Service Korea Ltd.	Daejeon, KR		100.00	100.00	2016	0.4	0.2
100 Heidelberg Instruments Service Taiwan Corp.	Hsinchu, TW		100.00	100.00	2016	1.0	0.3
101 Heidelberg Instruments, Inc.	Los Angeles, US		100.00	100.00	2016	1.1	0.0
102 Ingenieurbüro Dipl.-Ing. Bernhard Donath GmbH	Hamburg, DE		60.00	60.00	2017	n/a	n/a
103 Invotec Engineering Inc.	Miamisburg, US		70.00	70.00	2017	3.6	1.9
104 Landschaftsagentur Plus GmbH	Essen, DE		100.00	100.00	2016	0.7	0.4
105 Maltego Technologies GmbH	Munich, DE		100.00	100.00	2017	n/a	n/a
106 Masco Group S.r.l.	Milan, IT		80.00	80.00	2017	91.0	2.5
107 Maxburg Beteiligungen III Beteiligungsverwaltungs GmbH	Munich, DE		100.00	100.00	2017	n/a	n/a
108 MBC Group Limited	London, GB		100.00	100.00	2017	n/a	n/a
109 McBains Consulting Ltd.	London, GB		100.00	100.00	2017	n/a	n/a
110 McBains Cooper Consulting Limited	London, GB		100.00	100.00	2017	n/a	n/a
111 McBains Cooper Hellas Technical Consulting SA	Kifisia, GR		100.00	100.00	2017	n/a	n/a
112 McBains Cooper International Limited	London, GB		100.00	100.00	2017	n/a	n/a
113 McBains Cooper Mexico SA de CV	Mexico City, MX		100.00	100.00	2017	n/a	n/a
114 McBains Cooper Mexico Services SA de CV	Mexico City, MX		100.00	100.00	2017	n/a	n/a
115 McBains Cooper USA Limited	London, GB		100.00	100.00	2017	n/a	n/a
116 McBains Limited	London, GB		100.00	100.00	2017	n/a	n/a
117 montanSOLAR Erste Projektgesellschaft mbH	Ensdorf, DE		100.00	100.00	2016	0.0	0.0

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		Direct in %	Indirect in %	Total in %			
118 montanSOLAR GmbH	Ensdorf, DE		54.00	54.00	2016	0.4	0.0
119 montanWIND Planungs GmbH & Co.KG	Sulzbach, DE		100.00	100.00	2016	0.0	0.0
120 montanWIND Planungs Verwaltungs GmbH	Ensdorf, DE		100.00	100.00	2016	0.0	0.0
121 montanWIND Projekt 1 GmbH & Co.KG	Sulzbach, DE		100.00	100.00	2016	0.0	0.0
122 montanWIND Windpark Erkershöhe GmbH & Co. KG	Merchweiler, DE		100.00	100.00	2016	0.0	0.0
123 montanWIND Windpark Fröhn GmbH & Co. KG	Riegelsberg, DE		100.00	100.00	2016	0.0	0.0
124 montanWIND Windpark Gohlocher Wald GmbH & Co. KG	Lebach, DE		100.00	100.00	2016	0.0	0.0
125 montanWIND Windpark Verwaltungs GmbH	Ensdorf, DE		100.00	100.00	2016	0.0	0.0
126 Olsa S.p.A.	Milan, IT		100.00	100.00	2016	2.2	0.8
127 Olsa SASU	Sannois, FR		100.00	100.00	2016	0.6	0.0
128 Olsa USA LLC	West Chester, US		100.00	100.00	2016	0.4	0.0
129 Parc Solaire Terril Wendel S.A.S.	Forbach, FR		90.00	90.00	2016	0.0	0.0
130 Paterva Proprietary Limited	Hatfield, ZA		51.00	51.00	2017	0.4	2.2
131 Pell Frischmann Brown Beech Consulting Engineers Ltd.	London, GB		100.00	100.00	2017	0.1	0.0
132 Pell Frischmann Consultants Ltd.	London, GB		100.00	100.00	2017	1.2	0.9
133 Pell Frischmann Consulting Engineers Ltd.	London, GB		100.00	100.00	2017	4.6	1.9
134 Pell Frischmann Information Technology Ltd.	London, GB		100.00	100.00	2017	0.7	0.0
135 Pell Frischmann Ltd.	London, GB		100.00	100.00	2017	0.2	-0.1
136 Pell Frischmann S2 Ltd.	London, GB		85.00	85.00	2017	0.0	0.0
137 PERLKÖNIG Perlen & Schmuck & Zubehör GmbH	Erbes-Büdesheim, DE		100.00	100.00	2017	1.4	1.3
138 PG Projektentwicklungsgesellschaft Grimberg mbH & Co. KG	Essen, DE		100.00	100.00	2016	4.5	0.1
139 PG Projektentwicklungsgesellschaft Grimberg Verwaltungs-GmbH	Essen, DE		100.00	100.00	2016	0.0	0.0
140 Pixel Holding GmbH	Munich, DE		100.00	100.00	2017	n/a	n/a
141 Pixel Verwaltungs GmbH	Munich, DE		100.00	100.00	2017	n/a	n/a
142 Projektgesellschaft Zollverein – Im Welterbe 10 Verwaltungs-GmbH	Essen, DE	100.00		100.00	2017	0.0	0.0
143 Qvest Media ApS	Copenhagen, DK		100.00	100.00	2017	n/a	n/a
144 Qvest Media FZ LLC	Dubai, AE		100.00	100.00	2016	26.7	14.9
145 Qvest Media GmbH	Cologne, DE		100.00	100.00	2015/2016	7.7	2.9
146 Qvest Media GmbH	Schaffhausen, CH		100.00	100.00	2017	n/a	n/a
147 Qvest Media Group GmbH	Cologne, DE		75.00	75.00	2016	0.0	0.0
148 Qvest Media Ltd.	Henley-on-Thames, GB		100.00	100.00	2017	n/a	n/a
149 Qvest Media Pte. Ltd.	Singapore, SG		100.00	100.00	2015/2016	0.4	0.4
150 Qvest Media South Europe S.L.	Madrid, ES		100.00	100.00	2017	n/a	n/a
151 RAG Finanz-Verwaltungs-GmbH	Essen, DE		100.00	100.00	2017	0.0	0.0
152 RAG-S PE Verwaltungs-GmbH	Essen, DE	100.00		100.00	2017	0.0	0.0
153 REMAK of North America Inc.	Hebron, US		100.00	100.00	2016	0.0	0.0
154 RODER Atlantic Halls Ltd.	Huntingdon, GB		100.00	100.00	2017	n/a	n/a
155 RODER Atlantic Ltd.	Huntingdon, GB		100.00	100.00	2017	n/a	n/a
156 RÖDER Espana S.L.	Dos Hermanas, ES		51.00	51.00	2017	n/a	n/a
157 RODER HTS KG (UK) Ltd.	Huntingdon, GB		100.00	100.00	2017	n/a	n/a

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158 RODER HTS Ltd.	Huntingdon, GB		100.00	100.00	2017	n/a	n/a
159 RODER HTS (UK) Ltd.	Huntingdon, GB		100.00	100.00	2017	n/a	n/a
160 Roschmann Glas GmbH	Gersthofen, DE		100.00	100.00	2016	0.1	0.5
161 Roschmann Holding GmbH	Gersthofen, DE		76.00	76.00	2016	1.7	0.3
162 Roschmann IDL GmbH	Gersthofen, DE		100.00	100.00	2016	0.0	0.0
163 Roschmann Konstruktionen aus Stahl und Glas GmbH	Gersthofen, DE		100.00	100.00	2016	14.9	5.0
164 Roschmann Konstruktionen aus Stahl und Glas Schweiz AG	Zofingen, CH		80.00	80.00	2016	0.0	-0.1
165 Roschmann Steel and Glass Constructions Inc.	New Haven, US		80.00	80.00	2016	5.7	4.6
166 RSBG INVESTMENT HOLDING LIMITED	London, GB		100.00	100.00	2017	70.9	1.7
167 RSBG INVESTMENT LTD	London, GB		85.00	85.00	2017	8.2	2.1
168 Safety & Technical Supplies GmbH	Seevetal, DE		100.00	100.00	2016	8.3	-1.2
169 Safety & Technical Supplies Holding GmbH	Munich, DE		48.00	48.00	2016	9.5	0.0
170 Solaranlagen Blechhammer GmbH & Co. KG	Ensdorf, DE		100.00	100.00	2017	n/a	n/a
171 Solarpark Lauchhammer 1 GmbH & Co. KG	Ensdorf, DE		100.00	100.00	2016	0.0	0.0
172 Solarpark Lauchhammer 2 GmbH & Co. KG	Ensdorf, DE		100.00	100.00	2016	0.0	0.0
173 Solarpark Quellenbusch GmbH & Co. KG	Ensdorf, DE		100.00	100.00	2017	n/a	n/a
174 Solarpark Schacht Eugen GmbH & Co. KG	Neunkirchen, DE		100.00	100.00	2016	0.0	0.0
175 Stilmas S.p.A.	Milan, IT		100.00	100.00	2016	4.8	2.7
176 Stilmas Shanghai Water Treatment System Co. Ltd.	Shanghai, CN		100.00	100.00	2016	6.2	0.1
177 Stilmas USA LLC	West Chester, US		100.00	100.00	2016	0.7	0.3
178 Tenado GmbH	Bochum, DE		100.00	100.00	2016	0.9	0.6
179 Tenado Holding GmbH	Munich, DE		100.00	100.00	2017	n/a	n/a
180 Tenado Verwaltungs GmbH	Munich, DE		100.00	100.00	2017	n/a	n/a
181 WALDORF TECHNIK GmbH	Engen, DE		70.00	70.00	2017	3.6	2.4
182 Waldorf Technik Inc.	Geneva, US		100.00	100.00	2017	-0.3	0.0
183 Windkraft Lünen GmbH	Essen, DE		100.00	100.00	2016	0.5	-0.1
184 Windpark Bitschberg Entwicklungs UG (haftungsbeschränkt)	Nonnweiler, DE		100.00	100.00	2016	0.0	0.0
185 Windpark Hünxe GmbH	Hünxe, DE		60.00	60.00	2016	0.4	0.0
186 Windpark Sengert Entwicklungs UG (haftungsbeschränkt)	Nonnweiler, DE		100.00	100.00	2016	0.0	0.0
187 Windpark Spechenwald GmbH & Co. KG	Lebach, DE		100.00	100.00	2016	0.0	0.0
Associated companies							
188 BAV Aufbereitung Herne GmbH	Herne, DE		49.00	49.00	2016	1.2	0.1
189 DAH ^b GmbH	Duisburg, DE		50.00	50.00	2016	0.4	-0.1
190 ELE-RAG Montan Immobilien Erneuerbare Energien GmbH	Bottrop, DE		50.00	50.00	2016	0.1	0.0
191 ENNI RMI Windpark Kohlenhuck GmbH	Moers, DE		33.33	33.33	2016	3.9	-0.1
192 Entwicklungsagentur CreativRevier Heinrich Robert GmbH	Hamm, DE		20.00	20.00	2017	n/a	n/a
193 Entwicklungsgesellschaft Mittelstandspark West Castrop-Rauxel mbH	Essen, DE		48.00	48.00	2016	0.0	0.0
194 Entwicklungsgesellschaft Schlägel & Eisen mbH	Herten, DE		48.00	48.00	2016	0.0	0.0
195 GP+Q GmbH	Dortmund, DE		50.00	50.00	2016	0.1	0.0
196 HAHN Automation R&D GmbH	Wiehl, DE		50.00	50.00	2017	0.2	0.0
197 Norafin Verwaltungs GmbH	Mildenaue, DE		28.85	28.85	2016	20.9	0.5
198 Prasad Wemo Robot Systems Private Limited	Ammedabad, IN		40.00	40.00	2016	0.1	0.0

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199 Projekt Ewald GmbH & Co. KG	Herten, DE		50.00	50.00	2016	0.8	0.4
200 Projekt Ewald Verwaltung GmbH	Herten, DE		50.00	50.00	2016	0.0	0.0
201 Projektgesellschaft Gneisenau mbH	Dortmund, DE		49.00	49.00	2016	0.0	0.0
202 Projektgesellschaft „Minister Stein“ mbH. i.L.	Dortmund, DE		50.00	50.00	2016	0.0	0.0
203 Projektgesellschaft „Radbod“ mbH	Hamm, DE		33.33	33.33	2016	0.0	0.0
204 S.A.E.T.I. S.A.	Algiers, DZ		33.33	33.33	2017	n/a	n/a
205 Windkraft Lohberg GmbH	Dinslaken, DE		33.33	33.33	2016	1.0	0.1
206 Windpark Hünxer Heide GmbH	Hünxe, DE		33.33	33.33	2017	n/a	n/a
Other companies							
207 Constantia LUX Parent S.A.	Luxembourg, LU		11.31	11.31	2016	929.4	-0.5
208 Deutsche Immobilien Chancen Real Estate GmbH	Frankfurt am Main, DE	33.33		33.33	2017	n/a	n/a
209 Entwicklungsgesellschaft Neu-Oberhausen mbH-ENO	Oberhausen, DE		0.16	0.16	2016	0.7	0.0
210 Gesellschaft für Wirtschaftsförderung Duisburg mbH – GFW Duisburg –	Duisburg, DE		5.00	5.00	2016	0.7	0.0
211 Gründerfonds Ruhr GmbH & Co. KG	Essen, DE	7.69	7.69	15.38	2017	n/a	n/a
212 Innovation City Management GmbH	Bottrop, DE		10.00	10.00	2016	0.4	0.0
213 Joblinge gemeinnützige AG Ruhr	Essen, DE	18.18		18.18	2017	n/a	n/a
214 Landesgartenschau Kamp-Lintfort 2020 GmbH	Kamp-Lintfort, DE		5.56	5.56	2016	0.1	0.0
215 RACER Benchmark Group GmbH	Landsberg am Lech, DE		18.18	18.18	2016	0.1	0.0
216 Stadtmarketing Herne GmbH	Herne, DE		3.00	3.00	2016	0.5	-0.2
217 Wasserverbund Niederrhein Gesellschaft mit beschränkter Haftung	Krefeld, DE		8.00	8.00	2016	11.2	0.6
218 WiN Emscher-Lippe Gesellschaft zur Strukturverbesserung mbH	Herten, DE		0.83	0.83	2016	0.0	-0.3
Evonik							
Non-consolidated affiliated companies							
219 BK-Wolfgang-Wärme GmbH	Hanau, DE		100.00	100.00	2017	1.8	0.8
220 CyPlus GmbH	Hanau, DE		100.00	100.00	2017	8.4	PTA
221 Degussa International, Inc.	Wilmington, US		100.00	100.00	2017	1,234.9	21.3
222 DSL Japan Co., Ltd.	Tokyo, JP		51.00	51.00	2017	10.1	1.5
223 Egesil Kimya Sanayi ve Ticaret A.S.	Istanbul, TR		51.00	51.00	2017	9.8	8.3
224 EGL Ltd.	Milton Keynes, GB		100.00	100.00	2016	0.0	0.0
225 Evonik (Philippines) Inc.	Taguig Stadt, PH		99.99	99.99	2017	0.1	-0.1
226 Evonik (SEA) Pte. Ltd.	Singapore, SG		100.00	100.00	2017	364.9	1.8
227 Evonik (Shanghai) Investment Management Co., Ltd.	Shanghai, CN		100.00	100.00	2017	3.0	0.1
228 Evonik (Thailand) Ltd.	Bangkok, TH		100.00	100.00	2017	8.3	1.3
229 Evonik Acrylics Africa (Pty) Ltd.	Johannesburg, ZA		100.00	100.00	2017	2.5	-0.1
230 Evonik Advanced Botanicals S.A.S.	Parcay Meslay, FR		100.00	100.00	2016	0.2	-0.1
231 Evonik Aerosil France S.A.R.L.	Salaise-sur-Sanne, FR		100.00	100.00	2017	3.0	0.2
232 Evonik Africa (Pty) Ltd.	Midrand, ZA		100.00	100.00	2017	14.6	0.7
233 Evonik Agroferm Zrt.	Kaba, HU		100.00	100.00	2017	20.9	2.6
234 Evonik Amalgamation Ltd.	Milton Keynes, GB		100.00	100.00	2017	0.3	0.0

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235 Evonik Animal Nutrition GmbH	Essen, DE		100.00	100.00	2017	0.5	0.0
236 Evonik Antwerpen NV	Antwerp, BE		100.00	100.00	2017	404.6	19.3
237 Evonik Argentina S.A.	Buenos Aires, AR		100.00	100.00	2017	21.3	-1.2
238 Evonik Australia Pty Ltd.	Mount Waverley, AU		100.00	100.00	2017	5.4	0.8
239 Evonik Beteiligungs-GmbH	Frankfurt am Main, DE		100.00	100.00	2017	0.7	PTA
240 Evonik Brasil Ltda.	São Paulo, BR		100.00	100.00	2017	205.9	-62.6
241 Evonik Canada Inc.	Calgary, CA		100.00	100.00	2017	40.1	10.5
242 Evonik Catalysts India Pvt. Ltd.	Dombivli, IN		100.00	100.00	2017	18.6	5.9
243 Evonik Catering Services GmbH	Marl, DE		100.00	100.00	2017	0.3	PTA
244 Evonik Chemicals Ltd.	Milton Keynes, GB		100.00	100.00	2017	103.7	47.1
245 Evonik Chile S.A.	Santiago, CL		99.99	99.99	2017	0.5	0.2
246 Evonik Colombia S.A.S.	Medellín, CO		100.00	100.00	2017	0.2	0.1
247 Evonik Corporation	Parsippany, US		100.00	100.00	2017	2,895.6	-12.5
248 Evonik Creavis GmbH	Essen, DE		100.00	100.00	2017	5.0	PTA
249 Evonik Cyro Canada Inc.	Burlington, CA		100.00	100.00	2017	10.8	-0.1
250 Evonik Cyro LLC	Wilmington, US		100.00	100.00	2017	121.0	32.0
251 Evonik Dahlenburg GmbH	Dahlenburg, DE		100.00	100.00	2017	1.8	PTA
252 Evonik Degussa (China) Co., Ltd.	Beijing, CN		100.00	100.00	2016	21.1	-34.8
253 Evonik Degussa Africa (Pty) Ltd.	Midrand, ZA		100.00	100.00	2017	11.4	0.0
254 Evonik Degussa GmbH	Essen, DE		100.00	100.00	2017	4,906.6	PTA
255 Evonik Digital GmbH	Essen, DE		100.00	100.00	2017	3.0	PTA
256 Evonik Dr. Straetmans GmbH	Hamburg, DE		100.00	100.00	2017	15.7	1.8
257 Evonik Dutch Holding B.V.	Amsterdam, NL		100.00	100.00	2017	42.1	0.0
258 Evonik East Africa Limited	Nairobi, KE		100.00	100.00	2017	0.0	0.0
259 Evonik España y Portugal, S.A.U.	Granollers, ES		100.00	100.00	2017	26.3	2.1
260 Evonik Fermas s.r.o.	Slovenská L'upča, SK		100.00	100.00	2017	19.2	1.8
261 Evonik Fibres GmbH	Schörrfling, AT		100.00	100.00	2017	12.7	1.6
262 Evonik Finance B.V.	Amsterdam, NL		100.00	100.00	2017	229.1	6.9
263 Evonik Foams Inc.	Wilmington, US		100.00	100.00	2017	48.4	5.1
264 Evonik Forhouse Optical Polymers Corporation	Taichung, TW		51.00	51.00	2017	12.7	-0.4
265 Evonik France S.A.S.	Ham, FR		100.00	100.00	2017	15.1	0.2
266 Evonik Functional Solutions GmbH	Essen, DE		100.00	100.00	2017	19.9	PTA
267 Evonik Goldschmidt Rewo GmbH	Essen, DE		100.00	100.00	2017	55.4	9.2
268 Evonik Goldschmidt UK Ltd.	Milton Keynes, GB		100.00	100.00	2017	22.1	1.0
269 Evonik Gorapur GmbH	Wittenburg, DE		100.00	100.00	2017	1.4	4.5
270 Evonik Gorapur Verwaltungs-GmbH	Wittenburg, DE		100.00	100.00	2017	21.7	4.1
271 Evonik Guatemala, S.A.	Guatemala City, GT		100.00	100.00	2017	0.1	0.0
272 Evonik Gulf FZE	Dubai, AE		100.00	100.00	2017	0.5	0.0
273 Evonik Hong Kong Ltd.	Hong Kong, HK		100.00	100.00	2017	11.7	1.9
274 Evonik India Pvt. Ltd.	Mumbai, IN		100.00	100.00	2017	16.1	2.6
275 Evonik Industries de Mexico, S.A. de C.V.	Mexico City, MX		100.00	100.00	2017	52.1	3.7
276 Evonik International AG	Zürich, CH		100.00	100.00	2017	6.8	2.5
277 Evonik International Costa Rica, S.A.	Santa Ana, CR		100.00	100.00	2017	1.1	-0.4
278 Evonik International Holding B.V.	Amsterdam, NL		100.00	100.00	2017	4,768.5	71.5
279 Evonik International Trading (Shanghai) Co., Ltd.	Shanghai, CN		100.00	100.00	2016	0.0	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 in %	Indirect in %	Total in %			
280 Evonik IP GmbH	Gründau, DE		100.00	100.00	2017	29.1	110.2
281 Evonik Iran AG	Tehran, IR		100.00	100.00	2017	1.2	0.0
282 Evonik Italia S.r.l.	Pandino, IT		100.00	100.00	2017	13.5	0.9
283 Evonik Japan Co., Ltd.	Tokyo, JP		100.00	100.00	2017	108.5	24.4
284 Evonik Jayhawk Fine Chemicals Corporation	Carson City, US		100.00	100.00	2017	13.5	-1.3
285 Evonik Korea Ltd.	Seoul, KR		100.00	100.00	2017	18.0	4.5
286 Evonik Limited Egypt	Cairo, EG		100.00	100.00	2017	0.1	0.1
287 Evonik Logistics Services GmbH	Marl, DE		100.00	100.00	2017	0.5	PTA
288 Evonik Malaysia Sdn. Bhd.	Kuala Lumpur, MY		100.00	100.00	2017	1.4	0.3
289 Evonik Materials Corporation	Wilmington, US		100.00	100.00	2017	144.4	-10.5
290 Evonik Materials GmbH	Marl, DE		100.00	100.00	2017	13.1	PTA
291 Evonik Materials Netherlands B.V.	Utrecht, NL		100.00	100.00	2017	4.1	3.4
292 Evonik Membrane Extraction Technology Limited	Milton Keynes, GB		100.00	100.00	2017	-6.1	0.3
293 Evonik Methionine SEA Pte. Ltd.	Singapore, SG		100.00	100.00	2017	437.6	13.4
294 Evonik Metilatos S.A.	Rosario, AR		100.00	100.00	2017	12.1	2.6
295 Evonik Mexico, S.A. de C.V.	Mexico City, MX		100.00	100.00	2017	8.5	0.6
296 Evonik Nutrition & Care GmbH	Essen, DE		100.00	100.00	2017	234.0	PTA
297 Evonik Oil Additives Asia Pacific Pte. Ltd.	Singapore, SG		100.00	100.00	2017	99.8	34.7
298 Evonik Oil Additives Canada Inc.	Morrisburg, CA		100.00	100.00	2017	7.4	5.5
299 Evonik Oil Additives GmbH	Essen, DE		100.00	100.00	2017	31.3	PTA
300 Evonik Oil Additives S.A.S.	Lauterbourg, FR		100.00	100.00	2017	13.0	3.4
301 Evonik Oil Additives USA, Inc.	Horsham, US		100.00	100.00	2017	21.9	14.0
302 Evonik Oxeno Antwerpen NV	Antwerp, BE		100.00	100.00	2017	89.3	10.3
303 Evonik Para-Chemie GmbH	Gramatneusiedl, AT		99.00	99.00	2017	8.8	3.3
304 Evonik Pension Scheme Trustee Limited	Milton Keynes, GB		100.00	100.00	2017	0.0	0.0
305 Evonik Performance Materials GmbH	Essen, DE		100.00	100.00	2017	243.5	PTA
306 Evonik Peroxid GmbH	Weißenstein, AT		100.00	100.00	2017	8.3	1.1
307 Evonik Peroxide Africa (Pty) Ltd.	Umbogintwini, ZA		100.00	100.00	2017	8.0	0.9
308 Evonik Peroxide Holding B.V.	Amsterdam, NL		100.00	100.00	2017	193.5	0.0
309 Evonik Peroxide Ltd.	Morrinsville, NZ		100.00	100.00	2017	17.3	2.3
310 Evonik Peroxide Netherlands B.V.	Amsterdam, NL		100.00	100.00	2017	15.2	0.8
311 Evonik Peroxygens Holding GmbH	Essen, DE		100.00	100.00	2017	62.4	0.0
312 Evonik Perú S.A.C.	Lima, PE		100.00	100.00	2017	2.3	0.2
313 Evonik Projekt-Beteiligung Verwaltungs-GmbH	Essen, DE		100.00	100.00	2017	0.0	0.0
314 Evonik Projekt-Beteiligungs-GmbH & Co. KG	Essen, DE		99.00	99.00	2017	343.1	0.0
315 Evonik Re S.A.	Luxembourg, LU		100.00	100.00	2017	5.1	0.0
316 Evonik Real Estate GmbH & Co. KG	Marl, DE		100.00	100.00	2017	203.8	20.2
317 Evonik Real Estate Verwaltungs-GmbH	Marl, DE		100.00	100.00	2017	0.0	0.0
318 Evonik Resource Efficiency GmbH	Essen, DE		100.00	100.00	2017	284.5	PTA
319 Evonik Rexim (Nanning) Pharmaceutical Co., Ltd.	Nanning, CN		100.00	100.00	2017	15.2	4.2
320 Evonik Rexim S.A.S.	Ham, FR		100.00	100.00	2017	9.8	-2.8
321 Evonik Risk and Insurance Services GmbH	Essen, DE		100.00	100.00	2017	1.3	PTA
322 Evonik Röhm GmbH	Essen, DE		100.00	100.00	2017	170.3	PTA
323 Evonik Schlüchtern GmbH	Schlüchtern, DE		100.00	100.00	2017	20.3	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 in %	Indirect in %	Total in %			
324 Evonik Servicios, S.A. de C.V.	Mexico City, MX		100.00	100.00	2017	1.1	0.1
325 Evonik Silica Belgium BVBA	Ostend, BE		100.00	100.00	2017	9.0	0.6
326 Evonik Silica Finland Oy	Hamina, FI		100.00	100.00	2017	58.7	43.8
327 Evonik Silquimica, S.A.U.	Zubillaga-Lantaron, ES		100.00	100.00	2017	11.8	1.0
328 Evonik Speciality Organics Ltd.	Milton Keynes, GB		100.00	100.00	2017	304.4	0.0
329 Evonik Specialty Chemicals (Jilin) Co., Ltd.	Jilin, CN		100.00	100.00	2017	-48.8	-31.9
330 Evonik Specialty Chemicals (Nanjing) Co., Ltd.	Nanjing, CN		100.00	100.00	2017	-9.3	-4.2
331 Evonik Specialty Chemicals (Shanghai) Co., Ltd.	Shanghai, CN		100.00	100.00	2017	191.2	57.8
332 Evonik Specialty Chemicals GmbH	Essen, DE		100.00	100.00	2017	3.2	PTA
333 Evonik Taiwan Ltd.	Taipei, TW		100.00	100.00	2017	11.0	2.5
334 Evonik Tasnee Marketing LLC	Riyadh, SA		75.00	75.00	2017	8.6	0.9
335 Evonik Technochemie GmbH	Essen, DE		100.00	100.00	2017	57.9	PTA
336 Evonik Technology & Infrastructure GmbH	Essen, DE		100.00	100.00	2017	303.0	PTA
337 Evonik Thai Aerosil Co., Ltd.	Bangkok, TH		100.00	100.00	2017	21.0	6.0
338 Evonik Tianda (Liaoyang) Chemical Additive Co., Ltd.	Liaoyang, CN		97.04	97.04	2017	29.3	3.5
339 Evonik Ticaret Ltd. Sirketi	Tuzla/Istanbul, TR		100.00	100.00	2017	6.6	2.3
340 Evonik Trustee Limited	Milton Keynes, GB		100.00	100.00	2017	0.0	0.0
341 Evonik UK Holdings Ltd.	Milton Keynes, GB		100.00	100.00	2017	699.0	0.9
342 Evonik United Silica (Siam) Ltd.	Rayong, TH		70.00	70.00	2017	16.0	5.6
343 Evonik United Silica Industrial Ltd.	Taoyuan Hsien, TW		100.00	100.00	2017	33.3	8.9
344 Evonik Venture Capital GmbH	Hanau, DE		100.00	100.00	2017	5.5	PTA
345 Evonik Vietnam Limited Liability Company	Ho Chi Minh City, VN		100.00	100.00	2017	2.0	0.3
346 Evonik Wellink Silica (Nanping) Co., Ltd.	Nanping, CN		60.00	60.00	2017	38.5	8.3
347 HD Ceracat GmbH	Frankfurt am Main, DE		100.00	100.00	2017	0.0	0.0
348 Insilco Ltd.	Gajraula, IN		73.11	73.11	2017	12.2	0.3
349 J.M. Huber India Pvt. Ltd.	Mumbai, IN		100.00	100.00	2017	15.5	-0.1
350 JIDA Evonik High Performance Polymers (Changchun) Co., Ltd.	Changchun, CN		84.04	84.04	2017	17.3	8.8
351 KMV Vermögensverwaltungs-GmbH	Marl, DE		100.00	100.00	2017	9.9	-1.4
352 Laporte Chemicals Ltd.	Milton Keynes, GB		100.00	100.00	2017	0.0	0.0
353 Laporte Industries Ltd.	Milton Keynes, GB		100.00	100.00	2017	2.6	0.2
354 Laporte Nederland (Holding) B.V.	Amsterdam, NL		100.00	100.00	2017	31.3	0.2
355 LLC „Evonik Ukraine“	Kiev, UA		100.00	100.00	2016	0.1	0.0
356 MedPalett AS	Sandnes, NO		100.00	100.00	2017	3.4	2.2
357 Mönch-Kunststofftechnik GmbH	Bad König, DE		100.00	100.00	2017	0.5	PTA
358 Nilok Chemicals Inc. (i.L.)	Parsippany, US		100.00	100.00	2017	-5.7	-0.3
359 Nippon Aerosil Co., Ltd.	Tokyo, JP		80.00	80.00	2017	63.1	16.1
360 OOO DESTEK	Podolsk, RU		65.25	65.25	2017	5.0	5.5
361 OOO Evonik Chimia	Moscow, RU		100.00	100.00	2017	15.6	4.5
362 PKU Pulverkautschuk Union GmbH (i.L.)	Marl, DE		100.00	100.00	2017	0.0	0.0
363 PT. Evonik Indonesia	Cikarang Bekasi, ID		99.98	99.98	2017	7.1	0.2

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 in %	Indirect in %	Total in %			
364 PT. Evonik Sumi Asih	Bekasi Timur, ID		75.00	75.00	2017	10.9	0.6
365 Qingdao Evonik Silica Materials Co., Ltd.	Qingdao, CN		100.00	100.00	2017	38.2	0.2
366 RBV Verwaltungs-GmbH	Essen, DE		100.00	100.00	2017	878.0	19.6
367 RCIV Vermögensverwaltungs-GmbH	Essen, DE		100.00	100.00	2017	25.9	-0.6
368 Roha B.V.	Tilburg, NL		100.00	100.00	2017	1.7	0.1
369 RÜTGERS Dienstleistungs-GmbH	Essen, DE		100.00	100.00	2017	5.7	PTA
370 RÜTGERS GmbH	Essen, DE		100.00	100.00	2017	313.3	-10.9
371 RÜTGERS Organics Corporation	State College, US		100.00	100.00	2017	-8.7	-1.2
372 Silbond Corporation	Weston, US		100.00	100.00	2017	48.4	8.3
373 SKC Evonik Peroxide Korea Co., Ltd.	Ulsan, KR		55.00	55.00	2017	30.2	5.6
374 Stockhausen Nederland B.V.	Amsterdam, NL		100.00	100.00	2017	0.6	0.5
375 Stockhausen Unterstützungseinrichtung GmbH	Krefeld, DE		100.00	100.00	2017	0.0	0.0
376 StoHaas Marl GmbH	Marl, DE		100.00	100.00	2017	35.4	20.2
377 Studiengesellschaft Kohle mbH	Mülheim, DE		84.18	84.18	2016	0.0	0.0
378 Westgas GmbH	Marl, DE		100.00	100.00	2017	8.1	10.6
Other companies							
379 ABCR Laboratorios, S.L.	Forcarei, ES		50.00	50.00	2017	7.8	1.2
380 ARG mbH & Co. KG	Duisburg, DE		19.93	19.93	2017	7.8	34.1
381 ARG Verwaltungs GmbH	Duisburg, DE		20.00	20.00	2017	0.0	0.0
382 Biosynthetic Technologies, LLC	Havre, US		5.75	5.75	2016	-8.5	-12.1
383 CyPlus Idesa, S.A.P.I. de C.V.	Mexico City, MX		50.00	50.00	2017	25.4	-8.2
384 Daicel-Evonik Ltd.	Tokyo, JP		50.00	50.00	2017	16.8	4.2
385 dev.log GmbH	Niederkassel, DE		50.00	50.00	2017	0.6	0.1
386 Evonik Headwaters LLP	Milton Keynes, GB		50.00	50.00	2016	0.0	0.0
387 Evonik Lanxing (Rizhao) Chemical Industrial Co., Ltd.	Rizhao, CN		50.00	50.00	2017	5.2	-0.3
388 Evonik Treibacher GmbH	Treibach/Althofen, AT		50.00	50.00	2017	12.7	2.5
389 HPNow ApS	Copenhagen, DK		21.19	21.19	2016	0.0	0.0
390 Idevo Servicios, S.A. de C.V.	Mexico City, MX		50.00	50.00	2017	0.0	0.0
391 LiteCon GmbH	Hönigsberg/Mürzzuschlag, AT		49.00	49.00	2017	2.0	-0.8
392 Neolyse Ibbenbüren GmbH	Ibbenbüren, DE		50.00	50.00	2017	16.9	-0.5
393 RSC Evonik Sweeteners Co., Ltd.	Bangkok, TH		50.00	50.00	2016	2.1	0.0
394 Rusferm Limited	Nicosia, CY		49.00	49.00	2017	0.0	0.0
395 San-Apro Ltd.	Kyoto, JP		50.00	50.00	2016	8.4	3.3
396 Saudi Acrylic Polymers Company, Ltd.	Jubail, SA		25.00	25.00	2016	47.3	-5.1
397 StoHaas Management GmbH	Marl, DE		50.00	50.00	2017	0.0	0.0
398 TÜV NORD InfraChem GmbH & Co. KG	Marl, DE		49.00	49.00	2016	2.1	0.2
399 TÜV NORD InfraChem Verwaltungsgesellschaft mbH	Marl, DE		49.00	49.00	2016	0.0	0.0
400 Umschlag Terminal Marl GmbH & Co. KG	Marl, DE		50.00	50.00	2017	0.4	0.3
401 Umschlag Terminal Marl Verwaltungs-GmbH	Marl, DE		50.00	50.00	2017	0.0	0.0
402 Veramaris (USA) LLC	Blair, US		50.00	50.00	2017	0.0	0.0
403 Veramaris V.O.F.	Delft, NL		50.00	50.00	2017	0.0	0.0
404 Vestaro GmbH	Munich, DE		49.00	49.00	2016	0.9	-0.1

Name	Company headquarters	Including shares pursuant to Section 16 AktG			Financial year	Equity in EUR million ^a	Net profit or loss for the year in EUR million ^a	
		Direct in %	Indirect in %	Total in %				
Vivawest								
Non-consolidated affiliated companies								
405	Aachener Bergmannssiedlungsgesellschaft mbH	Hückelhoven, DE		100.00	100.00	2017	23.0	PTA
406	Artemis Stadtсанierungsgesellschaft Objekt Benrath mbH & Co.KG	Essen, DE		94.90	94.90	2016	0.0	-0.3
407	Bauverein Glückauf GmbH	Ahlen, DE		94.90	94.90	2017	11.2	PTA
408	EBV Gesellschaft mit beschränkter Haftung	Hückelhoven, DE		100.00	100.00	2017	85.7	PTA
409	GSG Gesellschaft zur Sicherung von Bergmannswohnungen mit beschränkter Haftung	Essen, DE		68.75	68.75	2016	0.1	0.0
410	GSG Wohnungsbau Braunkohle GmbH	Cologne, DE		94.90	94.90	2017	46.9	0.6
411	Heinrich Schäfermeyer GmbH	Hückelhoven, DE		100.00	100.00	2017	10.2	PTA
412	HVG Grünflächenmanagement GmbH	Gelsenkirchen, DE		100.00	100.00	2017	3.5	PTA
413	Lünener Wohnungs- und Siedlungsgesellschaft mit beschränkter Haftung	Lünen, DE		94.90	94.90	2017	28.3	PTA
414	Mariefeld Multimedia GmbH	Gelsenkirchen, DE		100.00	100.00	2017	0.2	PTA
415	Nordsternturn GmbH	Gelsenkirchen, DE		100.00	100.00	2017	0.0	PTA
416	Projektgesellschaft Tannenstraße mbH	Düsseldorf, DE		100.00	100.00	2017	0.3	PTA
417	Rhein Lippe Holding GmbH	Essen, DE		100.00	100.00	2017	537.7	PTA
418	Rhein Lippe Wohnen Gesellschaft mit beschränkter Haftung	Duisburg, DE		94.84	94.84	2017	147.5	PTA
419	RHZ Handwerks-Zentrum GmbH	Gelsenkirchen, DE		100.00	100.00	2017	0.1	PTA
420	Siedlung Niederrhein Gesellschaft mit beschränkter Haftung	Dinslaken, DE		100.00	100.00	2017	42.7	PTA
421	SJ Brikett- und Extrazitfabriken GmbH	Hückelhoven, DE		100.00	100.00	2017	1.8	PTA
422	SKIBA Ingenieurgesellschaft für Gebäudetechnik mbH	Gelsenkirchen, DE		100.00	100.00	2017	0.1	PTA
423	SKIBATRON Mess- und Abrechnungssysteme GmbH	Gelsenkirchen, DE		100.00	100.00	2017	0.3	PTA
424	THS GmbH	Essen, DE		100.00	100.00	2017	228.4	PTA
425	THS Rheinland Beteiligungs GmbH & Co. KG	Essen, DE		94.12	94.12	2017	0.1	0.1
426	THS Rheinland GmbH	Leverkusen, DE		100.00	100.00	2017	20.5	PTA
427	THS Westfalen GmbH	Lünen, DE		100.00	100.00	2017	33.8	PTA
428	Unterstützungseinrichtung „GSG/WBG“ Gesellschaft mit beschränkter Haftung	Cologne, DE		100.00	100.00	2017	0.3	0.0
429	Vestische Wohnungsgesellschaft mit beschränkter Haftung	Herne, DE		94.90	94.90	2017	14.1	PTA
430	Vestisch-Märkische Wohnungsbaugesellschaft mit beschränkter Haftung	Recklinghausen, DE		100.00	100.00	2017	69.5	PTA
431	Vivawest Dienstleistungen GmbH	Gelsenkirchen, DE		100.00	100.00	2017	34.6	PTA
432	Vivawest Pensionen GmbH	Essen, DE		100.00	100.00	2017	0.0	PTA
433	Vivawest Ruhr GmbH	Essen, DE		100.00	100.00	2017	3.0	PTA
434	Vivawest Stiftung gemeinnützige GmbH	Gelsenkirchen, DE		100.00	100.00	2017	0.0	0.0
435	Vivawest Westfalen GmbH	Dortmund, DE	5.10	94.90	100.00	2017	0.0	PTA
436	Vivawest Wohnen GmbH	Essen, DE		100.00	100.00	2017	39.1	PTA
437	Walsum Immobilien GmbH	Duisburg, DE		94.90	94.90	2017	24.5	PTA
438	Wohnbau Auguste Victoria GmbH	Marl, DE		100.00	100.00	2017	33.9	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 in %	Indirect in %	Total in %			
439 Wohnbau Westfalen GmbH	Dortmund, DE		100.00	100.00	2017	80.4	PTA
440 Wohnungsbaugesellschaft für das Rheinische Braunkohlenrevier Gesellschaft mit beschränkter Haftung	Cologne, DE		94.90	94.90	2017	28.0	-1.6
441 Wohnungsbaugesellschaft mit beschränkter Haftung "Glückauf"	Moers, DE		100.00	100.00	2017	44.5	PTA
Other companies							
442 Deutsche Industrieholz GmbH	Berlin, DE		45.00	45.00	2014	0.1	-0.3
443 Deutsche Netzmarketing GmbH	Cologne, DE		2.56	2.56	2015	2.3	0.3
444 EBZ Servive GmbH	Bochum, DE		13.23	13.23	2015	5.4	0.2
445 Hammer gemeinnützige Baugesellschaft mit beschränkter Haftung	Hamm, DE		5.42	5.42	2016	18.8	0.1
446 Rheinwohnungsbau Gesellschaft mit beschränkter Haftung	Düsseldorf, DE		5.00	5.00	2016	74.6	6.6
447 Stadthausprojekt Düsseldorf Tannenstraße GmbH	Düsseldorf, DE		26.00	26.00	2016	0.4	0.0
448 Stadtmarketing-Gesellschaft Gelsenkirchen mbH	Gelsenkirchen, DE		2.39	2.39	2016	0.1	0.0
449 STEAG Kraftwerks-Grundstückgesellschaft mbH	Duisburg, DE		5.20	5.20	2015	0.1	0.0
450 VBW BAUEN UND WOHNEN GMBH	Bochum, DE		1.33	1.33	2016	97.2	7.5
451 Wohnbau Dinslaken Gesellschaft mit beschränkter Haftung	Dinslaken, DE		46.45	46.45	2016	44.1	6.9
452 WRW Wohnungswirtschaftliche Treuhand Rheinland-Westfalen Gesellschaft mit beschränkter Haftung	Düsseldorf, DE		9.29	9.29	2007	6.4	0.3

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

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

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

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 2017, 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.

Reporting is made in EUR million with one decimal place, with amounts rounded to below EUR 0.1 million being presented as EUR 0.0 million.

ACCOUNTING AND VALUATION PRINCIPLES

Intangible assets and real estate, plant and equipment are recognised at acquisition cost less depreciation, amortisation and impairment on the basis of the lower fair value. Depreciation and amortisation are calculated on a straight-line, pro-rata basis. The useful life is determined on the basis of the official depreciation tables.

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 combined 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 advance payments are recognised at nominal value.

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. The calculation of the provisions for perpetual obligations is explained from page 26. Future price and cost increases are taken into account where there was sufficient objective indication on the reporting date that they would occur. In accordance with Section 253, Paragraph 2 HGB, short and long-term provisions are discounted using the average market interest rate with their respective expected maturity terms. With the amendment to commercial law on 17 March 2016, the average interest rate of the past ten financial years applies to provisions for pensions. The interest rate averaged over a seven-year period applies to pension-like obligations and all other provisions. Compounding and discounting effects arising from the change in the discount rate are always shown in the interest income. 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 pension obligations are discounted on a flatrate basis with the average market interest rate arising from an assumed maturity term of 15 years. The interest rate (3.68%) 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 (2.75%), pension increases (1.80%) and 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 reversed 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 here in the daily return. Another special investment fund managed by Investment KG is limited in its daily return. Securities held as fixed assets with a carrying amount of EUR 25.0 million are shown above their fair value of EUR 24.6 million. Since the value is expected to recover by the end of the term of the securities, the decision was taken not to write them down to the fair value. Of the financial assets, EUR 2.0 million (previous year EUR 2.0 million) is allocated to endowment capital.

Investment objective in EUR million	Carrying amount	Value as defined by Section 36 of the Investment Company Act (InvG)	Difference to the carrying amount	Distributions received in the financial year
Mixed fund	2,400.4	2,867.0	466.6	17.4
Real estate fund	326.1	331.9	5.8	15.4
	2,726.5	3,198.9	472.4	32.8

2. Receivables and other assets

in EUR million	Maturity term		31/12/2017	31/12/2016	of which with a maturity term of over 1 year
	up to 1 year	over 1 year			
Receivables due from affiliated companies	20.0	–	20.0	153.0	–
Other assets	171.5	1.1	172.6	175.5	0.5
	191.5	1.1	192.6	328.5	0.5

Receivables due from affiliated companies are other assets of EUR 20.0 million (previous year EUR 153.0 million).

3. Securities

The securities are the shares in Evonik Industries AG intended for sale. Due to a pledge agreement, EUR 7.4 million of securities are limitedly available due to the options issued on Evonik shares.

4. Cash in hand, central bank balances, bank balances 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

Provisions for pensions and similar obligations

The difference for provisions for pensions and similar obligations between the recognition of provisions in accordance with the corresponding average market interest rate of the past ten financial years and the recognition of provisions in accordance with the corresponding average market interest rate of the past seven financial years is EUR 1.1 million.

Provision for the financing of perpetual obligations

The provision for the financing of perpetual obligations amounts to EUR 5,272.4 million (previous year EUR 4,841.8 million) and is explained in more detail under "other information".

Other provisions

in EUR million	31/12/2017	31/12/2016
Provisions for services rendered (received)	28.5	26.8
Provisions for the workforce	1.2	1.2
Provisions for audit costs	0.1	0.1
Other provisions	0.3	0.0
	30.1	28.1

7. Liabilities

in EUR million	Maturity term			Total		of which with a maturity term of up to 1 year	of which with a maturity term of over 1 year
	up to 1 year	over 1 year	of which more than 5 years	31/12/2017	31/12/2016		
Bonds	600	500	500	1,600	1,100	–	1,100
of which convertible	(600)	(500)	(500)	(1,600)	(1,100)	(–)	(1,100)
Trade payables	0.3	–	–	0.3	0.1	0.1	–
Payables due to affiliated companies	186.0	1.1	–	187.1	41.3	40.8	0.5
Other liabilities	26.2	0.5	–	26.7	28.2	26.1	2.1
of which from taxes	(25.2)	(–)	(–)	(25.2)	(25.7)	(25.7)	(–)
associated with social security	(–)	(–)	(–)	(–)	(0.0)	(–)	(0.0)
	812.5	501.6	500.0	1,814.1	1,169.6	67.0	1,102.6

Bonds include three 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, one of EUR 500.0 million (previous year: EUR 500.0) with a term to 18 February 2021, and another one of EUR 500.0 million with a term to 16 March 2023. The bonds can be exchanged for existing registered shares of Evonik Industries AG. Liabilities due to affiliated companies comprise other liabilities of EUR 187.1 million (previous year EUR 41.3 million).

NOTES TO THE INCOME STATEMENT

8. Sales revenue

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

9. Other operating income

Other operating income primarily includes income of EUR 9.1 million (previous year EUR 2.0 million) from the sale of securities held as current assets, and income of EUR 0.6 million (previous year EUR 0.8 million) from the disposal of fixed assets. This item also includes income of EUR 0.1 million (previous year EUR 0.1 million) not related to the accounting period from the reversal of provisions, as well as income of EUR 0.0 million (previous year EUR 0.2 million) from currency translation.

10. Personnel expenses

in EUR million	2017	2016
Wages and salaries	5.0	4.9
Social security	0.3	0.3
Welfare benefits and support	0.9	0.8
of which for pension schemes	(0.9)	(0.8)
	6.2	6.0

Average number of employees over the year

	2017	2016
Salaried employees	18	18
	18	18

11. Other operating expenses

Other operating expenses include expenses arising from the allocation of EUR 430.6 million (previous year EUR 392.8 million) to the provision for perpetual obligations. This item also includes expenses of EUR 0.0 million (previous year: EUR 0.1 million) from currency translation, and expenses not related to the accounting period of EUR 0.0 million (previous year: EUR 0.0 million).

12. Investment income

in EUR million	2017	2016
Income from equity interests	425.2	405.4
of which from affiliated companies	(423.5)	(405.4)
	425.2	405.4

Income from affiliated companies comprise the Evonik Industries AG dividend at EUR 363.8 million (previous year EUR 363.9 million), the dividend of Vivawest GmbH at EUR 36.4 million (previous year EUR 36.4 million), the dividend of RAG-Stiftung Beteiligungsgesellschaft mbH at EUR 11.7 million (previous year EUR 4.7 million), the dividend of Maxburg Beteiligungen GmbH & Co. KG at EUR 11.1 million, the dividend of Windkraft Brinkfortsheide GmbH at EUR 0.3 million (previous year EUR 0.4 million) and the dividend of HAHN CO-INVEST GmbH & Co. KG. at EUR 0.2 million.

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

This item includes income from other long-term securities amounting to EUR 43.2 million (previous year EUR 32.2 million).

14. Interest income

in EUR million	2017	2016
Other interest and similar income from third parties and companies with which there is a participatory relationship	4.9	9.3
Other interest and similar income from affiliated companies	1.1	1.5
Other interest and similar income	6.0	10.8
Interest and similar expenses due to third parties and companies with which there is a participatory relationship	1.8	–
Interest expenses from the compounding of provisions	1.9	1.4
Interest and similar expenses	3.7	1.4
	2.3	9.4

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

Write-downs of EUR 1.4 million (previous year EUR 0.0 million) to the lower market value were incurred in financial assets during the reporting year.

16. Taxes

in EUR million	2017	2016
Income taxes	9.9	17.5
Other taxes	1.7	1.3
	11.6	18.8

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 as well as non-deductible input taxes.

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 1,686.6 million arising from temporary differences of the balance sheet items real estate, plant and equipment; other assets; provision for perpetual obligations and other provisions were balanced with deferred tax assets of EUR 1,686.6 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

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 from the provision of collateral for third-party liabilities amounting to EUR 0.9 million (previous year EUR 0.7 million). EUR 0.9 million of this is attributable to affiliated companies. We estimate the risk of utilisation as low here because the borrower is not expected to default.

Other financial obligations

in EUR million	31/12/2017	31/12/2016
Obligations arising from letting and leasing agreements with a maturity term of over one year	10.2	1.1
Other financial obligations	69,048.6	75,167.2
of which due to affiliated companies	(69,048.6)	(75,165.2)
Obligations in connection with investments in financial assets	415.0	207.8
of which due to affiliated companies	(415.0)	(207.8)
	69,473.8	75,376.1

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 for this 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 at RAG 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 by RAG on the respective reporting date partly comprises the funding gap discounted to the respective balance sheet date as of 31 December 2018, which is calculated with a risk-free interest rate on the basis of the KPMG report, and partly comprises the measurement difference arising from the application of the German Balance Sheet Modernisation Act (BilMoG) as opposed to the old version of the HGB. 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, less the provision for perpetual obligations recognised as of 31 December 2017, is included in other financial obligations in the RAG-Stiftung's annual financial statements.

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

	as of 31/12/2018		as of 31/12/2017
	As of: framework agreement	As of: 31/12/2017	discounted
Perpetual obligations in EUR million			
Permanent mine-related damage	1,324	20,461	20,376
Groundwater purification	341	3,782	3,756
Pit water management	5,208	50,277	50,189
	6,873	74,520	74,321

The total obligation as of the balance sheet date amounts to EUR 74,321.0 million (previous year EUR 80,006.9 million). Of this, EUR 5,272.4 million (previous year EUR 4,841.8 million) is recognised as provision for the obligation to RAG AG for the financing of perpetual obligations, and EUR 69,048.6 million (previous year EUR 75,165.2 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 2017 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 2.05% (previous year 2.30%). The premium, also determined by the German central bank, for the corporate bond risk amounts to 0.88% for the overall yield curve, meaning the perpetual annuity was discounted in line with Section 253, Paragraph 2 HGB at 2.93% (previous year 3.31%).
- ▲ As in the previous year, a separate index reflecting the peculiarities of water-related burdens has been determined for perpetual obligations. After adjustments, this amounted to 1.73% (previous year: 2.01%).

The provisions reported at RAG AG as of 31 December 2017 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, 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 2017, which was determined on the basis of a perpetual annuity with an interest rate of 2.93% and a price and cost increase of 1.73% (real interest rate 1.20%), was extended to 31 December 2018 allowing for a price and cost increase of 1.73%. The provision would therefore stand at EUR 5,718.5 million. This provision includes the valuation difference of EUR 4,369.4 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 2.05% less price and cost inflation 1.73%). With a real interest rate of 0.32%, this determination results in a level of provision of EUR 21,809.7 million as of 31 December 2018.

The comparison of both values as of 31 December 2018 results in a funding gap of EUR 16,091.2 million. The funding gap discounted to 31 December 2017 of EUR 16,029.9 million and the measurement difference as of 31 December 2017 of EUR 4,345.9 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 at former sites

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 2017, which was determined on the basis of a perpetual annuity with an interest rate of 2.93% and a price and cost increase of 1.73% (real interest rate 1.20%), was extended to 31 December 2018 allowing for a price and cost increase of 1.73%. The provision would therefore stand at EUR 1,072.5 million. This provision includes the valuation difference of EUR 844.8 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 2.05% less price and cost inflation 1.73%). With a real interest rate of 0.32%, this determination results in a level of provision of EUR 4,009.3 million as of 31 December 2018.

The comparison of both values as of 31 December 2018 results in a funding gap of EUR 2,936.8 million. The funding gap discounted to 31 December 2017 of EUR 2,925.7 million and the measurement difference as of 31 December 2017 of EUR 830.4 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 and cost inflation of 1.73%. The liability for pit water management is calculated under consideration of the parameters defined and further developed in the KPMG report (zero-coupon interest rate of 2.05% minus price and cost inflation of 1.73%) and assessment bases calculated up to 2018. With a real interest rate of 0.32%, this calculation results in a total risk – and thus a funding gap for pit water management – at the time of expiry of EUR 50,277.5 million. The funding gap discounted to 31 December 2017 of EUR 50,189 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 2.05% (previous year 2.30%), calculated on the basis of the zero-coupon interest swap published by the German central bank, and a price and cost development of 1.73% (previous year 2.01%) was set for water-related perpetual obligations as per 31 December 2017, corresponding to a real interest rate of 0.32% (previous year 0.29%). When calculating the present values of the perpetual annuities, this corresponds to a factor of 312 (previous year: 345) 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 GmbH Wirtschaftsprüfungsgesellschaft, Düsseldorf, of the annual financial statements are reported in the income statement:

in EUR million	2017	2016
a. Auditing services	0.1	0.1
b. Tax consultation services	(-)	(-)
c. Other services	0.1	0.0
Total fees charged for the financial year	0.2	0.1
Correction for the previous year (+)/from the previous year (-)	(-)	(-)
Total fees	0.2	0.1

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

The total remuneration of the Board of Executives for the 2017 financial year amounts to EUR 1.8 million (previous year EUR 1.8 million).

The remuneration of the Board of Trustees for the 2017 financial year amounts to EUR 0.2 million (previous year EUR 0.2 million).

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 2018 to refinance holding investments amounting to a total of around EUR 68.0 million.

Aside from these, no other significant events affecting the RAG-Stiftung's financial position and financial performance occurred after 31 December 2017.

Essen, 22 March 2018

RAG-Stiftung
The Board of Executives



Dr Müller



Bergerhoff-Wodopia



Dr Linssen

Independent Auditor's Certificate

To the RAG-Stiftung, Essen

Audit opinions

We have audited the annual financial statements of the RAG-Stiftung, Essen – comprising the balance sheet as of 31 December 2017 and the income statement for the financial year from 1 January to 31 December 2017 as well as the notes to the annual financial statements, including the presentation of the accounting and valuation methods. Furthermore, we have audited the Management Report of the RAG-Stiftung for the financial year from 1 January to 31 December 2017.

According to our assessment, based on the findings gained in the audit,

- ▲ the accompanying annual financial statements comply with German commercial law in all material respects and, taking into account the German generally accepted accounting principles, give a true and fair view of the net assets and financial position of the Foundation as of 31 December 2017 and its results of operations for the financial year from 1 January to 31 December 2017 and
- ▲ the accompanying management report provides a true picture of the situation of the Foundation. In all material respects, this management report is consistent with the annual financial statements, complies with German statutory provisions and accurately presents the opportunities and risks of future development.

Pursuant to Section 322, Paragraph 3 (1) HGB, we declare that our audit has not led to any objections to the regularity of the annual financial statements and the management report.

Basis for the audit opinions

We have conducted our audit of the annual financial statements and the management report 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). Our responsibilities under these rules and policies are described further in the section entitled "Auditors' Responsibilities for the Audit of the Annual Financial Statements and the Management Report" of our certificate. We are independent of the company in accordance with the German commercial and professional regulations and have fulfilled our other German professional obligations in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to serve as a basis for our opinions on the annual financial statements and management report.

Other information

The legal representatives are responsible for the other information. The annual report is expected to be made available to us after the date of the certificate.

Our audit opinions on the annual financial statements and the management report do not extend to the other information and, accordingly, we provide neither an opinion nor any other form of audit conclusion.

In connection with our audit, we have the responsibility to read the other information and to assess whether the other information

- ▲ is materially inconsistent with the annual financial statements, the management report or our knowledge acquired during the audit, or
- ▲ appears to be otherwise substantially misrepresented.

Responsibility of the legal representatives for the annual financial statements and the management report

The legal representatives are responsible for the preparation of the annual financial statements, which comply with German commercial law in all material respects and for ensuring that the annual financial statements give a true and fair view of the net assets, financial position and results of operations of the Foundation in accordance with German generally accepted accounting principles. In addition, the legal representatives are responsible for the internal controls that they have determined to be necessary in accordance with German generally accepted accounting principles to enable the preparation of annual financial statements that are free from material misstatement, whether intentional or unintentional.

In preparing the annual financial statements, the legal representatives are responsible for assessing the Foundation's ability to continue its business (going concern). Furthermore, they have the responsibility to state facts related to the continuation of business, if relevant. In addition, they are responsible for accounting for the continuation of business on the basis of the accounting principle, unless contrary to fact or law.

In addition, the legal representatives are responsible for the preparation of the management report, which collectively conveys an accurate picture of the situation of the Foundation, is in all material respects consistent with the annual financial statements, complies with German legal requirements and accurately reflects the opportunities and risks of future development. In addition, the legal representatives are responsible for the arrangements and measures (systems) that they considered necessary to enable the preparation of a management report in accordance with the applicable German statutory provisions and to be able to provide sufficient suitable evidence for the statements in the management report.

Auditors' responsibilities for the audit of the annual financial statements and the management report

Our objective is to obtain reasonable assurance as to whether the annual financial statements as a whole are free from material misstatement, whether intentional or unintentional, and whether the management report gives a true and fair view of the situation of the Foundation overall and is in all material respects consistent with the annual financial statements and the findings of the audit, in accordance with German legal requirements and correctly reflects the opportunities and risks of future development, and to issue an audit certificate, which includes our audit opinions on the annual financial statements and the management report.

Reasonable assurance gives a high degree of certainty, but no guarantee that an audit conducted in accordance with Section 317 HGB and in compliance with the German generally accepted standards for the audit of financial statements as stipulated by the Institute of Auditors (IDW) will always uncover a material misstatement. Misstatements can result from any breach or inaccuracy and are considered material if they could reasonably be expected to influence, individually or collectively, the economic decisions of addressees made on the basis of these annual financial statements and management report.

During the audit, we exercise due discretion and maintain a critical attitude. Furthermore,

- ▲ we identify and assess the risks of material misstatement, whether intentional or unintentional, in the financial statements and management report, and schedule and perform audit procedures in response to such risks, and obtain audit evidence that is sufficient and appropriate to serve as a basis for our audit opinions. The risk that material misstatements will not be detected is higher for violations than for inaccuracies, as violations may include fraudulent interaction, falsification, intentional incompleteness, misrepresentation or overriding of internal controls.

- ▲ we gain an understanding of the internal control system relevant for the audit of the annual financial statements and the provisions and measures relevant to the audit of the management report, so as to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of such systems.
- ▲ we assess the appropriateness of the accounting policies used by the legal representatives and the reasonableness of the estimates and related disclosures made by the legal representatives.
- ▲ we draw conclusions about the appropriateness of the accounting principle applied by the legal representatives for the continuation of business as well as, on the basis of the audit evidence obtained, whether there is material uncertainty related to events or circumstances that may raise significant doubts about the Foundation's ability to continue the business. If we conclude that there is material uncertainty, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and management report or, if these disclosures are inadequate, to modify our respective audit opinion. We draw our conclusions on the basis of the audit evidence obtained up to the date of our audit certificate. However, future events or circumstances may result in the Foundation being unable to continue its business.
- ▲ We assess the overall presentation, structure and content of the annual financial statements including the information and whether the annual financial statements present the underlying transactions and events in such a way that the annual financial statements provide a true and fair view of the net assets, financial position and results of operations of the Foundation in accordance with German generally accepted accounting principles.
- ▲ we assess the consistency of the management report with the annual financial statements, its legislation and the image it conveys of the situation of the Foundation.
- ▲ we conduct audits of the forward-looking statements presented by the legal representatives in the management report. On the basis of sufficient suitable audit evidence, we will in particular look closely at the significant assumptions on which the forward-looking statements presented by the legal representatives are based, and assess the proper derivation of the forward-looking statements from these assumptions. We do not issue an independent audit opinion on the forward-looking statements and the underlying assumptions. There is a significant, unavoidable risk that future events will differ materially from the forward-looking statements.

Among other things, we discuss the planned scope and timing of the audit with the responsible individuals, as well as significant audit findings, including any deficiencies in the internal control system that we identify during our audit.

Düsseldorf, 22 March 2018

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* Milestones of the RAG-Stiftung

NOVEMBER 2017

The RAG-Stiftung and RAG Aktiengesellschaft move into their new headquarters at the World Heritage Site Zollverein in Essen. The new building offers ideal conditions for the continuing improvement of cooperation between the RAG-Stiftung and RAG in the post-mining era that will start in 2019.

DECEMBER 2016

In its meeting on 5 December 2016, the Board of Trustees of the RAG-Stiftung unanimously confirms the Board of Executives in office for a further five-year period starting at the end of 2017.

APRIL 2014

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

JULY 2013

The RAG-Stiftung now directly owns 30 per cent of VIVAWEST. VIVAWEST is one of the largest providers of private flats in North Rhine-Westphalia, managing more than 120,000 flats.

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.

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 are Bärbel Bergerhoff-Wodopia (Human Resources) and Dr. Helmut Linssen (Finance).

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 the Saarland.

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 2007

The RAG-Stiftung is founded on 26 June in order to organize the socially acceptable discontinuation of Germany's hard coal mining industry and to finance the perpetual obligations. Former BP manager Wilhelm Bonse-Geuking 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.

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 subsidized coal mining by the end of 2018.

The RAG-Stiftung

CAPITAL INFLOW IN 2017

Exchangeable bond

€500 million

Evonik dividends

€364 million

Additional income from holdings

€61 million

Ordinary returns from investments

€88 million

ASSETS

As of: END OF 2017

RAGS Private-Equity KG
€0.7 billion

Private equity, real estate, infrastructure

Share-holdings
€1.3 billion

Direct portfolio
€1.0 billion

Bonds, shares, time deposits

RAGS FundMaster
€2.9 billion

Corporate bonds, shares, government bonds, real estate



g's Financial Garden



Evonik
€10
billion

VIVAWEST
€1.5
billion

Profitable investment concept

The RAG-Stiftung must invest its capital safely and profitably so that it can finance the perpetual obligations beginning in 2019. 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.

Regular dividends and interest income generated around €510 million for the RAG-Stiftung's investments in 2017. An exchangeable bond was also issued at the face value of €500 million.



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