

Press release

We finance the future

- Pushing forward with the accumulation of the capital stock and diversification of the investment portfolio—future financing of the inherited liabilities with unlimited duration is proceeding completely according to plan
- Foundation assets as of the end of May 2015 at a record level of €16 billion—increase of around 30 per cent compared to corresponding period of the previous year
- Dr. Werner Müller: “The development of our assets is coming along very well. We are optimally equipped to fulfil our tasks. We finance the future.”
- Support for education, science und culture in the mining regions increases in importance—budget noticeably increased in the previous three years

Essen, 2 June, 2015. At today’s annual press conference, the Board of Executives of the RAG-Stiftung drew a halfway balance with respect to the most important high points of their term of office, presented the key milestones of the financial year 2014 and explained the objectives for the current year.

Since taking office in December 2012, the current Board of Executives of the RAG-Stiftung has passed key milestones in the accumulation of the foundation’s assets and the process of securing the financing of the inherited liabilities with unlimited duration resulting from coal mining activities. It has also taken further important decisions for the future. “We have been able to increase the foundation’s assets from around €11 billion at the end of 2012 to a current figure in excess of €16 billion,” said Dr. Werner Müller, Chairman of the Board of Executives of the RAG-Stiftung. “In this way, we have already established an excellent basis for the future financing of the inherited liabilities with unlimited duration.” For these liabilities, the foundation will have to provide approximately €220 million per year starting in 2019. These costs will be covered by growing annual receipts of around €350 million. Müller emphasized that “the foundation will not have recourse to the public purse to meet its annual expenditure after the discontinuation of coal mining. In other words, we neither want to, nor will we burden the taxpayer with the financing of the perpetual obligations.”

The key contribution to the foundation’s current assets is the approximately €11 billion provided by the 68 per cent shareholding in Evonik Industries AG. The 30 per cent interest in Vivawest, which the foundation purchased for around €900 million in mid-2013, makes up over €1.5 billion of the assets, if it is valued on the basis of the stock-market development of comparable companies.

The surplus for 2014 amounted to €351 million. This sum was added to the provisions for inherited liabilities with unlimited duration. These provisions have now exceeded €4 billion for the first time; at the end of 2012 they amounted to €2.6 billion. “This success is the result of solid economic endeavour and pioneering investment decisions,” said Müller. In this way and with the

agreement of the Board of Trustees, since the end of 2013 the foundation has adjusted its investment strategy, increased diversification of the capital investment portfolio with a view to spreading of risk more widely, and created the appropriate structures for this, in particular against the background of long-term low interest rates.

At present the foundation is participating in seven mid-sized expanding companies in various sectors via its two investment companies with an investment volume of around €300 million. Chief Financial Officer Dr. Helmut Linssen: “We are a reliable long-term investor who wants to achieve sustainably stable returns. The main reason for this is that we have to use these returns to finance perpetual obligations.” In addition, the foundation has invested approximately €150 million in international private equity and infrastructure funds and has thus increased the international spread of its capital investments.

Linssen said, “The total value of our diversified capital investments currently amounts to around €4 billion and thus makes up one fourth of the foundation’s assets of over €16 billion. We will continue to increase this proportion in future.”

Head of Human Resources Bärbel Bergerhoff-Wodopia emphasized the importance of education, science and culture in the regions affected by the cessation of coal mining. “The RAG-Stiftung supports these social tasks with targeted projects and has raised the support volume for 2014 by €3 million to €4.5 million and the budget for 2015 to €7.5 million to correspond with the continually increasing challenge,” she said.

Furthermore, Bergerhoff-Wodopia presented the special project “Glückauf Zukunft!” (a miner’s greeting to the future), which will run until the closure of the last pit at the end of 2018. The project features numerous initiatives honouring the historical accomplishments of the mining industry while simultaneously providing momentum for the post-mining era. This project has been brought into being as a joint initiative of the foundation, RAG and Evonik and in cooperation with the social partner IG BCE. The largest individual project in this context is the fundamental renovation of the Mining Museum in Bochum, for which the foundation has budgeted up to €15 million.

About the RAG-Stiftung

The RAG-Stiftung is a private foundation that was established in 2007. The mission of the RAG-Stiftung is to accumulate sufficient assets by the end of 2018 to enable the permanent financing, starting in 2019, of the inherited liabilities with unlimited duration related to the German coal mining industry in the Ruhr and Saar regions.

Further information on the RAG-Stiftung is available at: www.rag-stiftung.de

RAG-Stiftung media contact:

Barbara Müller (acting) / Tel. +49-201-801-3366 / e-mail: barbara.mueller@rag-stiftung.de