

Press release

Very successful financial year 2015—Foundation objectives safeguarded well into the future

- Substantial increase in provisions for inherited liabilities with unlimited duration — financial returns once again significantly higher than the anticipated cost of perpetual obligations
- Diversification of capital investments is paying off
- Dr. Werner Müller: “We continue to generate income that is substantially higher than what we will need to spend on perpetual obligations in the future.”
- Increase in funding for forward-looking projects in coal-mining regions

Essen, May 23, 2016. The RAG-Stiftung is working at full steam to prepare for the post coal-mining era. “We have everything in place that will be needed to address the challenges of the future,” said Dr. Werner Müller, Chairman of the Board of Executives of the RAG-Stiftung, during the foundation’s annual press conference today.

During the 2015 financial year, the RAG-Stiftung took another major step forward with its measures to ensure sufficient financing of its perpetual obligations. The foundation will need to achieve an average financial return of around €220 million per year starting in 2019 after coal mining operations cease. Last year’s return totalled approximately €334 million, which enabled the RAG-Stiftung to increase its provisions for inherited liabilities with unlimited duration to just under €4.5 billion. “Since the foundation was established, we have consistently generated income that is substantially higher than what we will need to spend from 2019 on,” said Müller. “This development will continue and our income will also increase further. For example, we anticipate income in excess of €400 million in 2019.” Müller stated once again that this means taxpayers will not be burdened in any way after coal mining operations have been discontinued.

At the end of 2015, the RAG-Stiftung had total assets worth just under €16 billion. The lion’s share of this amount, around €10 billion, is a result of the foundation’s 68-percent interest in Evonik Industries AG. Vivawest, in which the foundation has a 30-percent holding, accounted for approx. €1.5 billion of the foundation’s total assets as measured on the basis of the share price development of similar companies. The foundation has also been able to increase its assets through the successful management of its diversified capital investments totalling €4.1 billion.

“Our crisis-proof income mix, which is distributed among several major financial investments, has enabled us to significantly strengthen our asset position to a degree that ensures we will be able to finance the perpetual obligations,” said Dr. Helmut Linssen, Chief Financial Officer of the RAG-Stiftung. “Complaints will not be part of our portfolio in the future either.” The foundation’s expanded investment strategy has clearly paid off. The RAG-Stiftung invests globally and in a very

diversified manner in both liquid assets such as stocks and government and corporate bonds, and in non-liquid holdings in small and medium-sized businesses and private equity, infrastructure, and real estate funds. In particular, investment activities for non-liquid assets will be expanded significantly—by ten percent—in an initial step. “Our real estate investments play a major role here,” said Linssen. “Last year alone, we achieved a return of 7.8 percent with real estate investments.”

“The basic mission of the foundation is to accumulate assets and expand income as a means of financing the perpetual obligations,” Müller explained. “In our view, this primary objective has already been met for the long term. We’ve also got off to a very good start this year, and we therefore expect to achieve a return of at least €350 million in 2016.”

RAG-Stiftung Head of Human Resources Bärbel Bergerhoff-Wodopia stressed the fact that the foundation remains very much aware of its responsibility to actively shape the future development of former coal-mining regions: “This is why we have increased our funding of education, scientific, and cultural programs by a further €3 million, to €10.5 million in 2016. Here, we are specifically funding those projects that support structural transformation in the mining regions and offer opportunities to the people who live there.”

The RAG-Stiftung has also teamed up with RAG and Evonik to launch the *Glückauf Zukunft!* (a miners’ greeting to the future) initiative in cooperation with the IG BCE trade union. “Our goal is to bring the German coal mining era to an end in a dignified manner, while at the same time keeping the mining regions attractive with the help of dynamic projects and programs,” said Bergerhoff-Wodopia. Such projects include *Zukunftsforum 2016* (Future Forum 2016), in which experts from Germany and around the world are working to develop approaches to address the challenges the Ruhr region will face in the future.

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 German coal mining operations in the Ruhr and Saar region.

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

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