

Not to be released until: 10:30 a.m., 5 June 2018

Press release

RAG-Stiftung reinforces its solid financial base

- New record result in 2017: €430 million
- New Chairman of the Board of Executives, Bernd Tönjes: "Our responsibility will not end when coal mining is discontinued in Germany — that's when it will really begin."
- Today more than 40 per cent of the foundation's assets consist of diversified capital investments
- "Glückauf Zukunft!" initiative heads toward period of peak activity

Essen, 5 June 2018. In the tenth year of its existence, the RAG-Stiftung can look back on yet another successful fiscal year. At its annual press conference, which was held today for the first time at the new headquarters of the RAG-Stiftung and RAG at the UNESCO World Heritage Site Zollverein in Essen, the foundation's Board of Executives reported on the business developments of the past fiscal year and offered a look at a future without coal mining in Germany.

At the start of the annual press conference, Bernd Tönjes, who became the Chairman of the RAG-Stiftung's Board of Executives on 24 May 2018, once again praised his predecessor. "Dr. Werner Müller and his outstanding life achievement have my wholehearted respect," he said. "As the founding father of the RAG-Stiftung, he is leaving us a great legacy. It is incumbent upon me and my colleagues on the Board of Executives to continue along the path he has defined."

The RAG-Stiftung is well positioned to master the tasks that lie ahead. In 2019 it will make the first payment honouring the perpetual obligations of the German coal mining industry. For this purpose, the foundation will dependably generate the necessary income from its assets, which amount to more than €17 billion. "Our responsibility will not end when coal mining is discontinued in Germany — that's when it will really begin," Tönjes said with reference to the upcoming post-mining era.

The foundation's profit of €430 million in 2017 (2016: €393 million) once again significantly exceeded the estimated annual expenditure for the perpetual obligations, which will be approximately €220 million per year. With the exception of the years 2008 and 2013, in which significant holdings of Evonik shares were sold, this is the highest annual profit recorded since the foundation was set up. The total provision for the perpetual obligations amounted to €5.27 billion at the end of 2017 (2016: €4.84 billion).

The RAG-Stiftung's largest source of income is still its high-yielding participation in Evonik Industries AG, which once again contributed more than €360 million to the foundation's profits last year through its annual dividend payout. At the same time, the RAG-Stiftung is continuing to systematically diversify its capital investments. "To date, the foundation has invested more than 40 per cent of its assets in companies other than Evonik," said Chief Financial Officer Dr. Helmut

Linssen. In addition to its shares in Vivawest, which amount to about €1.5 billion, the foundation has other long-term equity investments totalling €5.9 billion (as of December 2017). In 2017 alone, the foundation spent almost €1.3 billion on new capital investments. “In spite of the low-interest environment, it’s still possible to make a profit in the capital market,” said Linssen. The foundation’s rate of return from its other capital investments was more than six per cent in 2017.

Bärbel Bergerhoff-Wodopia, the Board of Executives member who is responsible for human resources issues and funding activities, praised the miners’ efforts during the run-up to the discontinuation of Germany’s coal mining industry. “They deserve tremendous respect,” she said. “Although they know that mining will be discontinued at the end of 2018, they are going to their jobs highly motivated, day after day, and preparing for the closure of their mines.” In the last year of coal mining in Germany, the downsizing of the mining workforce is proceeding in a socially acceptable manner according to plan. The foundation’s funding activities were intensified even more in 2017. The foundation, which focuses its funding on educational projects for young people, is living up to its social responsibility in the soon-to-be-former mining regions and helping to make them fit for the future. In 2018 the foundation will spend a total of €16.5 million on education, science and culture. It is also continuing its support activities for refugees, and through its educational projects it is smoothing the path of young refugees into German society.

The “Glückauf Zukunft!” initiative, which was launched in 2016 to prepare for the discontinuation of Germany’s coal mining industry, has developed numerous projects and events and is currently heading toward a period of peak activity. Its activities will include street festivals and the central ceremony of farewell to mining at the Prosper Haniel mine in December 2018, which will once again commemorate the achievements of the mining industry. Since its founding, the “Glückauf Zukunft!” initiative has generated significant momentum for the further development of the mining regions — momentum that will continue to have an impact after the end of the coal mining industry. Information about all of the initiative’s projects and events can be found online at www.glueckauf-zukunft.de.

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