

Press release

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Launch of an offering of EUR 500 million new bonds exchangeable into shares of Evonik Industries AG

Essen, 9 March 2017 – RAG-Stiftung (the "Issuer") announces today the launch of EUR 500 million senior unsecured bonds due 2023 (the "Bonds") exchangeable into ordinary registered shares of Evonik Industries AG ("Evonik"). The Bonds will be offered in an accelerated bookbuilding to institutional investors outside of the U.S. only.

The base offering size will be EUR 500 million. The base offering size may be increased by up to EUR 100 million at the Issuer's discretion before pricing. Based on an issue size of EUR 500 million, the number of underlying Evonik shares will initially be approx. 12.4 - 12.9 million, representing approx. 2.7 - 2.8% of the current share capital of Evonik.

The Bonds will be issued at 104% - 106% of their principal amount and will bear no periodic interest. The exchange price will be set at a premium of 30% - 35% above the VWAP (Volume Weighted Average Price) of the Evonik share on XETRA between launch and pricing. The Bonds are callable by the Issuer after 6 April 2021 if the Evonik share price (over a certain period) exceeds 130% of the then applicable exchange price. The Bonds will be redeemed at 100% of their principal amount on 16 March 2023, the final maturity date.

The final terms are expected to be determined and announced today and settlement is expected to take place on or about 16 March 2017. It is intended that an application will be made for the Bonds to be traded on the Open Market (*Freiverkehr*) segment of the Frankfurt Stock Exchange.

The Issuer will use the net proceeds of the offering to increase its existing financial assets and for the implementation of its investment strategy. The issuer does not have any financial debt other than the existing EUR 600 million exchangeable bonds due 2018, the existing EUR 500 million exchangeable bonds due 2021 and today's announced offering of new Bonds.



In the context of the transaction, the Issuer has committed to a lock-up of 90 days in respect to Evonik shares.

Citigroup Global Markets Limited, Deutsche Bank AG and UBS Investment Bank are acting as Joint Bookrunners in relation to the offering of the Bonds.

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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