

Essen, 11 July 2007

Foundation "RAG-Stiftung" now established

- **RAG head Dr. Werner Müller: Formation of the RAG-Stiftung is a seminal turning-point in the history of the RAG Group**
- **Wilhelm Bonse-Geuking, head of the RAG-Stiftung: The foundation model can now be swiftly implemented**

On July, 10, 2007, the District Government of Dusseldorf approved RAG Beteiligungs-AG's application to establish the RAG-Stiftung. This effectively establishes the foundation.

Dr. Werner Müller, Management Board Chairman of RAG Aktiengesellschaft and RAG Beteiligungs-AG, Essen, states: "In establishing the RAG-Stiftung, we have reached a further milestone on the path being taken by RAG Beteiligungs-AG (chemicals, energy, real estate) towards capital markets. At the same time it brings us much closer to ensuring that the adaptation process of the German hard coal mining sector up to the year 2018 can be effected in a socially compatible manner." The RAG head describes the formation of the RAG-Stiftung as a "seminal turning-point in the history of the RAG Group".

Wilhelm Bonse-Geuking, Board Chairman of the RAG-Stiftung, emphasizes, "Today, a major prerequisite has been created in terms of separating the hard coal mining activities and the industrial activities with its chemicals, energy and real estate business areas still this year, and leading them both to a good future under the umbrella of the RAG-Stiftung. I am very pleased that the foundation concept has left the blueprint stage and is now taking on reality".

The RAG-Stiftung has the task of supporting the further development of RAG Beteiligungs-AG with its chemicals, energy and real estate business areas on the one hand, and on the other of mastering the adaptation process of the German hard coal mining sector in a socially compatible manner by 2018.

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To this end, the public authorities have agreed to finance the winding down of active hard coal mining operations including inherited liabilities with limited duration ("Altlasten") and have also agreed to guarantee the financing of RAG Aktiengesellschaft's inherited liabilities with unlimited duration ("Ewigkeitslasten") from hard coal mining activities. In 2012, the German parliament will review its resolution to phase out hard coal mining in the light of economics, reliability of energy supply and energy policy issues.

A further task of the RAG-Stiftung will be to release RAG Beteiligungs-AG from its joint liability with RAG Aktiengesellschaft and to float it on the stock exchange as an integrated industrial group with its chemicals, energy and real estate business areas. The possibility of placing shares in RAG Beteiligungs-AG with a third investor before the initial public offering is also in line with the intentions of the foundation. The RAG-Stiftung will be using the proceeds accruing from the capitalization of RAG Beteiligungs-AG to lastingly finance the hard coal mining-related liabilities with unlimited duration.