

Ladies and Gentlemen,

I present the financial statements of the Grupa Azoty Group for the first half of 2015, which give an overview of the important decisions and developments at the Group during these past six months.

One of the key challenges we faced in the period was to secure funding for our investment programme scheduled for completion by 2020. As a result, we prepared a comprehensive financing programme for our planned CAPEX projects, some of which have already entered the execution phase. Thanks to the skills and experience of our finance team, by April we had negotiated and signed a revolving facility agreement with a bank syndicate comprising PKO BP, Bank Gospodarstwa Krajowego, Bank Zachodni WBK, and ING Bank. With that agreement, we secured PLN 1.5bn of investment funds. It was only the first step in our fundraising programme, followed by further financing agreements, signed in late May in London, this time with the European Investment Bank and the European Bank for Reconstruction and Development, which committed a total of PLN 700m in long-term financing. We have thus secured external funding in excess of PLN 2.2bn.

Regarding our capital investment programme itself – in the past six months we made some crucial corporate decisions. Our key projects scheduled to start soon include an over PLN 1bn package of investments in Tarnów. Two projects in the package are the Polyamide 6 Production Plant and the Mechanical Granulation Plant. We officially laid the foundation stone for the latter together with the Polish Minister of State Treasury Andrzej Czerwiński.

In addition, the Group plans to build Europe's largest and most advanced PDH unit for propylene production, sited in the town of Police. The PLN 1.7bn CAPEX project involves the construction of a process unit and power generating unit, and extension of the Police port facilities to include a handling terminal for liquid chemicals. Also, the construction of a CHP plant and liquid urea




ammonium nitrate fertilizer production plant has already commenced in Kędzierzyn. The budget for all these projects is estimated at nearly PLN 630m. In Puławy, after the required corporate approvals had been obtained, we commenced the construction of a state-of-the-art 400 MWe power station to be configured to operate with the upgraded coal-fired CHP plant. The new power plant, intended to improve the company's energy efficiency, will be a low-emission facility, generating no waste thanks to the use of natural gas. The new gas-powered unit will cost PLN 1.125bn. We also resolved to upgrade the nitric acid and mechanical granulation units. The capital outlay on these projects will exceed PLN 1bn, adding flexibility to our product portfolio and significantly improving production efficiency.

All projects are progressing according to the approved schedule. As originally planned, in the past six months we officially placed in service a new non-phthalate plasticizer unit. With this unit, Grupa Azoty ZAK will produce 50,000 tonnes of Oxoviflex™ per year. This innovative product has already gained recognition from the market and the Polish Agency for Enterprise Development, which has named it the Polish Product of the Future.

In the last six months, we also actively engaged in efforts to strengthen the Group's international position. Our presence at the World Economic Forum was an opportunity to network with decision-makers from across the chemical sector. On behalf of the Group, we also initiated a debate on food security, which is becoming one of the most pressing global concerns. Our voice is being heard in the industry. Following a semi-annual review of the FTSE indices, we were selected to feature in the prestigious FTSE Emerging Markets index. This confirms our continued strategy towards international expansion and reflects our global ambitions. In June, the Board of Directors of the International Fertilizers Association (IFA) appointed me the Chairman of the Technical & SHE Committee. Soon after that, the General Meeting of Fertilizers Europe reappointed Marek Kapłucha as Vice-President of the Board for a new two-year term. At the same time, Andrzej Skolmowski was reappointed to the position of FE Board Member and Chairman of the Statistics Committee. All these appointments prove our growing prominence in the global fertilizers industry.

Now that I have presented a summary of key events and achievements of the Grupa Azoty Group in the past six months, all that is left for me is to wish you an enjoyable read.

Paweł Jarczewski

President of the Management Board
Grupa Azoty S.A.