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## **Strategy operationalisation and development plans of the Grupa Azoty Group at the meeting of the Grupa Azoty Council**

**September 17th 2014 saw the second meeting of the Grupa Azoty Council, appointed in December last year.**

The meeting, held in Tarnów, focused on a summary of the consolidation efforts undertaken to date, review of the current position of the Grupa Azoty Group, and its development strategy until 2020.

It was the first meeting which included new Council members, appointed by Mr Paweł Jarczewski, President of the Grupa Azoty Management Board. Nominations were given to Marek Zatorski, member of the Management Board of Grupa Azoty Polskie Konsorcjum Chemiczne sp. z o.o., and Zbigniew Snopkiewicz, member of the Management Board of Grupa Azoty Kopalnie i Zakłady Chemiczne SIARKOPOL S.A.

The speakers presented the results of the consolidation process and development plans for the Group. Marek Kapłucha and Andrzej Skolmowski, Vice-Presidents of the Grupa Azoty Group, summarised synergies following from the merger of Grupa Azoty S.A. and Grupa Azoty Zakłady Azotowe PUŁAWY S.A. One benefit is the implementation of the AzotyPRO Operational Excellence Programme, which will bring financial improvement, strengthen integration between the companies, enhance the organisational culture and stimulate an innovative approach to development. The Operational Excellence Programme is a significant component of the Group's strategy. Operationalisation of the strategy was presented to the Council members by Paweł Jarczewski, President of the Grupa Azoty Management Board. He discussed the key objectives set out in the document, relative to the current position of the Grupa Azoty Group in the Polish, European and global markets. Apart from the AzotyPRO Programme, Mr Jarczewski focused on organic growth, mergers and acquisitions.

"We expect that the implementation of the strategy will bring tangible benefits, especially in the form of savings coming from the implementation of the Operational Excellence Programme. We estimate the savings at approximately PLN 300m annually," said Paweł Jarczewski, adding that PLN 7bn is also planned to be allocated for investment projects as part of organic growth.

The Grupa Azoty Council was appointed in December 2013 by a resolution of the Grupa Azoty Management Board. It consists of management board members of Grupa Azoty S.A. and its subsidiaries, and the Managing Director of Grupa Azoty S.A. The Council, appointed in connection with the ongoing consolidation process, has advisory, opining and proposing powers.