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The Formation of Grupa Azoty in Progress

The Management Boards of Zakłady Azotowe w Tarnowie-Mościcach S.A ("Azoty Tarnów") and Zakłady Azotowe „Puławy” S.A. ("ZA Puławy") extended the time limit until 14th November 2012 for the conclusion of the Consolidation Agreement within the range of the principles of corporate governance, the functional segmentation of the business areas and the continuation of the initiated investment projects, including those energy-related.

The Consolidation Agreement, pursuant to which ZA "Puławy" will be integrated with Grupa Azoty, is developed by the steering committee appointed on the basis of the Agreement signed on 20th September 2012, defining the principles of the cooperation and the conduct of the negotiations. The Steering Committee includes the members of the Management Boards of Azoty Tarnów, ZA Puławy and ZCh Police S.A. as well as ZAK S.A. and also legal and financial advisors. "Azoty Tarnów and ZA "Puławy" have a clear direction of their work on the Consolidation Agreement. What is more, in its fundamental part the majority of contractual provisions has already been developed by the Steering Committee. We need several days to finish everything up in detail." – says Jerzy Marciniak, the President of Azoty Tarnów. The works on the Consolidation Agreement move in the right direction. Its large part is agreed on but some contractual provisions still need to be analyzed and consulted so the parties have to have several more days to develop the final provisions of the agreement – comments Paweł Jarczewski, the President of ZA "Puławy". Both companies cooperate on the basis of the Agreement of 20th September 2012. The process is aimed at forming the leading chemical group in the region and one of the main producers of fertilizers in Europe. The Agreement specifies that the Consolidation Agreement will be concluded in two stages. - the first stage until 14th November before the increase of the share capital in Zakłady Azotowe w Tarnowie-Mościcach S.A., mainly within the range of the future capital group organization, the principles of corporate governance and the continuation of initiated investment projects, including those energy-related- the second stage in 30 days after the increase of the share capital in Zakłady Azotowe w Tarnowie-Mościcach S.A., mainly within the range of the strategy integration and the development of the future capital group.

The above division of the Consolidation Agreement conclusion for stages is the consequence of the limitation in the possibility of the information exchange between Azoty Tarnów and ZA "Puławy", resulting from the competition law. In the light of these regulations the exchange of the series of information will be possible after obtaining the consent of the suitable antitrust entity for the transaction and after its conclusion. The Consolidation Agreement will become efficient and will be performed under the condition of conducting the offer of new shares in Azoty Tarnów, provided that as a result of that offer Azoty Tarnów form the capital group with ZA "Puławy".