

moderator: Welcome to our live Q&A chat session with Paweł Łapiński, Grupa Azoty's Vice-President for Finance. The subject of today's meeting is Grupa Azoty's fundamentals after publication of Q3 2016 results, as well as our growth prospects.

moderator: Let me remind you about the rules of our chat room: you first send your questions to the moderator; the questions selected by our Guests will be published together with the answers; you can see the order of questions at the bottom of the screen; the moderator has the right to discard questions which do not comply with the rules.

moderator: Information for the journalists present in the chat room: citing today's chat in your publications requires indicating the source. If you have any questions or doubts, please contact: biuro@stockwatch.pl

moderator: You may now send your questions. Our Guest will start answering them at 2 pm sharp. In case you don't see the answer, please use the F5 key to refresh the page.

Paweł Łapiński: A very warm welcome to you all, even though the weather is rather unwelcoming. I am looking forward to your questions.

M.S J.S B.Z *unverified*: Good afternoon. We are a group of third-grade students at Cracow University of Economics, currently working on a Balanced Scorecard as part of our Strategic Controlling course. We have chosen Grupa Azoty S.A. as our subject for the project, but there is no way of gaining access to certain information that we require to get our project done. That is why we have joined this chat today. We are well aware that certain information cannot be made public as it is confidential. However, we hope you can answer at least some of our questions. 1. What is Grupa Azoty's customer structure? In addition to farmers, what are other client groups? Are there any foreign companies? 2. What steps are you taking to attain your strategic targets? 3. As we are working on a Balanced Scorecard, we would like to find out more about the procedures you have in place or plan to introduce for internal processes and your R&D plans. Thank you in advance for your answers!

Paweł Łapiński: Now, this is a rather in-depth and complicated question. Please refer to our recently published 2015 Annual Report - it is a valuable source of information about the Group.

Guest *unverified*: Revision of the strategy is in the works, but some projects have probably been already launched and their time frames are known. Do you expect the 2017 capex to be close to this year's assumed capex of PLN 1.6bn? What will be the most cash-intensive projects in 2017?

Paweł Łapiński: As we have already made known, 2017 capex, which will include organic growth projects, is expected to be close to the actual capex for 2016. We will finish financing big projects, such as the new polyamide line at Tarnów, CHP plant at Kędzierzyn-Koźle, or modernisation of the CHP plant at Police, and we will launch construction and upgrade of the nitric acid unit at Puławy.

Guest *unverified*: What is the planned direct involvement of Grupa Azoty (without the intermediation of Police) and what will be the direct participation of Grupa Police in the PDH project?

Paweł Łapiński: The target shareholding structure of the PDH project is not yet known. As Włodzimierz Zasadzki (VP of the ZCh Police) mentioned at the conference, we are negotiating with a number of potential participants of this project. I cannot give you any specific information at this point.

icemann: Hello. I have noticed that Grupa Azoty focuses on nitrogen and nitrate fertilizers rather than on urea, also in terms of promotions. Why so? Why aren't urea-based fertilizers a priority for Grupa Azoty?

Paweł Łapiński: The Group focuses on those fertilizers which are important to the clients. And the farmers always know what is best for their crops. Weather conditions are the single most significant factor for plant growth, and our offering is tailored to meet those needs. New prilled nitrate fertilizers contain two forms of nitrogen (ammonium -- which is retained in soil, and nitrate - which is released and taken up quickly). As a result, it is the most universal form of nitrogen fertilizers. This includes ammonium nitrate and calcium ammonium nitrate. In addition, given the rising depletion of sulfur in soil, the Group is developing the portfolio of nitrogen fertilizers containing sulfur, both prilled and liquid, such as Saletrosan (ammonium sulphate nitrate), Salmag with sulfur, or UAN+S. Those fertilizers are and will remain our key products. As for urea-based fertilizers, we attach a great weight to UAN, which is based on urea and is taken up better by plants during dry periods (which have recently become more common in Poland and across Europe). This focus is reflected in our promotional activities - for example, we launched a TV commercial campaign during summer holidays.

Beata *unverified*: Hello. Maybe this will come across a little bit off-topic, but I would like to know more about your customer structure. What is the number of clients using your products and services per year? How do you measure client satisfaction levels? Do you apply any specific methods or procedures? I would appreciate your answer. Best regards!

Paweł Łapiński: The customer structure across the Group is segment-specific. In general, we can allocate our clients to two major groups: B2C - which covers the Fertilizers segment, and B2B - which includes the Plastics and Chemicals segments. The number of clients is given in hundreds in the B2C and in thousands in the B2B segment, the latter being highly fragmented. We determine client satisfaction levels based on annual customer satisfaction surveys. The Group uses Customer Satisfaction Index (SCI) as the measure of consumer satisfaction. Main indicators and measures are determined depending on the key issues in specific segments. However, the issue that is always taken into account is product quality.

Obywatel *unverified*: How did GA ZAK perform in the third quarter?

Paweł Łapiński: In a nutshell – in Q3 2016, Grupa Azoty Kędzierzyn reported revenue at nearly PLN 380m, EBITDA at more than PLN 18m, and net loss of PLN - 2.7m. We discussed Kędzierzyn's performance in more detail at the Q3 conference, which is now available online on our YouTube channel.

agronom: How will the Group secure additional funds for such a wide-ranging investment programme? Which capex projects are to be limited or extinguished?

Paweł Łapiński: No organic growth projects are to be limited or extinguished. Our periodic reports have clearly shown that Grupa Azoty has a very safe, even conservative financing structure. We enjoy a good reputation with financing institutions; as a result, we have secured sufficient facility and credit line limits, and our financing partners have a very open approach towards other financing instruments.

Agronom *unverified*: What are the main threats to successful implementation of the programme aimed at maintaining the Group's share of Poland's nitrogen NPK fertilizer market?

Paweł Łapiński: Poland is EU's third largest market in terms of consumption of nitrogen and compound fertilizers, which makes it a very attractive market for sellers of large product volumes. Our market lies on the east-west transit route from Asia (Russia in particular), and big producers (importers) of fertilizers are also located south of Poland (Hungary, Slovakia and the Czech Republic). As Poland's leading producer of fertilizers, Grupa Azoty has developed certain market share protection mechanisms, including storage depots and long-term trade contracts. However, the major threat faced by the Group are cost trends. In some countries key feedstocks, namely gas (in the case of nitrogen fertilizers) or phosphorites/apatites and potassium chloride (for compound fertilizers) are cheaper and more available, or are subsidized by the state. Moreover, the European Union's liberal approach to trade policy may also become an obstacle.

Guest *unverified*: In supporting and developing innovative solutions, does Grupa Azoty SA take advantage of EU funding programmes?

Paweł Łapiński: The Grupa Azoty Group companies always keep an eye on major European financing programmes and participate both in EU grant programmes and borrowing programmes.

Guest *unverified*: WHAT ABOUT THE Q3 BONUS?

Paweł Łapiński: It will be calculated in line with our internal regulations.

agronom: Both foreign producers and Polish importers of fertilizers show enormous interest in Poland's fertilizer market. Are you considering exerting higher pressure to increase customs duties, given the abnormally low prices of energy used in the production of imported fertilizers?

Paweł Łapiński: Poland is not considering exerting any pressure toward increasing customs duties. We want to remain competitive on the market by

offering high-quality fertilizers and responding quickly to ever-changing needs of farmers, to meet them halfway. We are able to supply fertilizers all around Poland efficiently via a network of authorised distributors, and farmers are given access to the complete portfolio of fertilizer products, all year long.

bullit *unverified*: Hello. Any news on ZAK's consolidation with the Grupa Azoty Group? Have you agreed on any schedule?

Paweł Łapiński: Consolidation of all Grupa Azoty companies is in progress. It is a long-term process, which involves all core operations - from procurement through production up to sales. Time and again, we have stressed that the Group should ultimately operate as a single company.

Guest *unverified*: Why has the volume of fertilizer sales dropped this year and what is the current capacity utilisation?

Paweł Łapiński: This year, we had longer cycles of maintenance shutdowns, which naturally resulted in lower volumes. Current production should be close to our planned output. Also, please note that in Q3 the market expected a decline in prices, and farmers delayed their purchases of fertilizer products. In Q4, the situation seems to have reversed.

Guest *unverified*: According to available data, how big are phosphorite deposits in the Company's licence areas in Senegal? How much capex is needed to launch commercial production?

Paweł Łapiński: All information on our licence assets is published on an on-going basis in current reports. Verification audit is currently under way, and the results will be published early next year.

usa: Hello. Which of the Company's key markets are likely to be affected by Donald Trump's victory in US presidential election, and how? Will America's choice prove good or bad for the Company?

Paweł Łapiński: Well, there is no doubt that this change will have a global impact. However, I would rather not overate it, although we have observed significant, if transient, volatility of exchange rates on currency markets. As a general rule, appreciation of foreign currencies is to our advantage.

Kamil: Are there any plans for delisting the Company from the WSE?

Paweł Łapiński: Now, where did that come from? There are no such plans. Quite the opposite - one of the key objectives of our strategy is having our stock listed under the WSE main index.

FB: In terms of the Company's ability to sell products as well as their innovative edge and profit margins, don't you think that the position of the Tarnów plant is worryingly weak and requires major growth projects, not only in the form of investments?

Paweł Łapiński: Grupa Azoty Group's strategy contains overall innovation goals. In all key Group companies, we are running planned, long-term R&D projects. The very nature of R&D initiatives prevents us from disclosing details of our plans in this area. As we reach project milestones, we will surely make them public.

epresso: Good afternoon. I believe that questions regarding the prospects for any company or sector will be of little help to us when making investment decisions. Still, I would like to ask you the following question: how will you maintain or deliver planned results in the current year and the year after?

Paweł Łapiński: Over the past several months, global fertilizer markets have seen major price corrections. These are broader trends, observed not only on the agricultural market, but also affecting key feedstocks used in fertilizer production. Bearing that in mind, we focus on generating optimum profit margins for Grupa Azoty. We are doing our best to make sure that we continue to stay ahead of the competition and deliver our investment plans despite a spell of market downturn.

Guest *unverified*: What is your general assessment of the Q3 performance?

Paweł Łapiński: In general, we delivered good results in Q3, which is in line with the market's assessment (see analysts' market consensus). Please bear in mind that we operate in a global market, which is driven by global market mechanisms. Looking at the performance of our global competitors, we can see ourselves at the upper end of the list. This proves that our market risk management policy (in the context of current market downturn) allows us to respond flexibly to the emerging pressures on prices and margins, while maintaining flexibility in delivering investment plans and related expenditure.

Ozzy *unverified*: Are there any forecasts for next year's export and levels? Apart from Europe, which market do you consider the most attractive?

Paweł Łapiński: Obviously, we have made certain plans. Outside the European market, we want to boost export sales in Africa and South America.

Dominik *unverified*: Are there any plans for moving your headquarters to, say, Warsaw?

Paweł Łapiński: Not to my knowledge.

***unverified*:** What does the situation in Q4 look like? Do you see any signs of improvement, quarter on quarter?

Paweł Łapiński: In Q4, the macroeconomic environment looks more promising. Urea prices have been rising in the past couple of weeks, which will have a direct impact on the prices of nitrate fertilizers. Between October 17th and November 30th 2016, advance payments of 70% will be made on account of direct payments to farmers. In total, farmers will receive nearly PLN 10bn. Even in the short term, depreciation of PLN against EUR and

USD will have an impact on our export performance (bearing in mind that we export around 30% of our fertilizer volume).

mm *unverified*: Any news on the coal gasification project? Is the decision regarding construction of the unit in Kędzierzyn still pending?

Paweł Łapiński: Clean coal technologies, and the coal gasification project in particular, are subject to extremely meticulous analyses, feasibility studies and early-stage design work. There is also an additional issue - how to manage by-products? After completion of the so-called pre-FEED in Q1 2017, we can talk about the time limits for the decision.

Guest *unverified*: According to information found on other websites, you are building the second line for mechanical granulation of Saletrosan at Tarnów. Are there any plans to increase Saletrosan's production volumes by adding other formulas?

Paweł Łapiński: We have launched construction of the second line for mechanical granulation of nitrate fertilizers at Tarnów. Flexibility in developing new fertilizer formulas is, indeed, one of the key intended benefits we expect from this project.

olek *unverified*: How did Siarkopol perform in Q3? Did the company report a loss on the back of major sulfur price declines?

Paweł Łapiński: Siarkopol is one of the Group's key companies and its performance is important; however, it accounts for less than 3% of the consolidated result (we cannot give you any more precise information). In addition to Siarkopol's results, we also attach a great weight to the access to high-quality feedstocks at the lowest prices possible. And, by working together, we have managed to achieve that goal.

marcin *unverified*: After advance payments on account of direct subsidies were received by farmers, have you noticed any increase in demand for Grupa Azoty's fertilizer products in Q4?

Paweł Łapiński: Not yet. We produce fertilizers all year long, delivering our products to the authorised distribution network. Payment of subsidies has no direct effect on the sales of fertilizers at the Group. We create our demand policy based on longer-term horizons.

H2NO4 *unverified*: The chart shows a heavy downward bearing on the stock price since April... My question is, what steps have you taken to mitigate this effect? It is true that the price fell by 10 percentage points only, but I really can't see when and where the rebound could take place.

Paweł Łapiński: Unfortunately, the downward trend in stock prices has affected the entire chemicals industry. Similar stock price declines hit our competitors around the world, in line with the overall trends at their respective stock markets and their free float.

mm *unverified*: The Management Board has been talking about acquisitions for quite some time now. Is any such transaction planned for this year?

Paweł Łapiński: Acquisitions are part of the Group's growth strategy. We keep a watchful eye on investment opportunities, and we have already analysed many potential acquisitions; this is obvious, as the chemicals segment is very dynamic and is constantly evolving. In line with our reporting obligations, we will officially publish our acquisition plans after specific projects have been internally verified and given a green light.

Guest *unverified*: What is your best guess on the movement in fertilizer prices in coming months? Up or down?

Paweł Łapiński: I have no doubt - there is an uptrend. Why is that?
First of all, we already saw a strong decline in prices in June and July. In addition, we are entering the season when the interest of end users (farmers) is building up. We also receive more enquiries from foreign clients, also from non-EU countries. And let us not forget the impact of urea prices on nitrogen fertilizers - we have already discussed it.

olek *unverified*: The next General Meeting will be held on December 2nd - will there be any changes in the Management Board's composition?

Paweł Łapiński: Correction - agenda of the upcoming Extraordinary General Meeting to be held on December 2nd 2016 includes voting on changes in the Supervisory Board's composition.

Guest *unverified*: Is there a final decision on the power plant project at Puławy? According to Mariusz Bober's announcements, this information was to be published by the end of October.

Paweł Łapiński: The SPV Grupa Azoty ZA Puławy received bids in the contract award procedure relating to the power plant project. Those bids will now be verified for compliance with the Terms of Reference. Then, by the end of November, we will clarify all differences and discrepancies regarding the object of the contract, and in December the Management Board will receive recommendation from the project team. We can expect the final decision by the end of the year.

marek *unverified*: Does any Management Board member sit on the Board of Fertilizers Europe?

Paweł Łapiński: Yes, the Management Board President - Mariusz Bober, and myself.

marcin *unverified*: In the context of the Group's weak performance, don't you think that your wide-ranging investment plan should be resized to fit within current market reality?

Paweł Łapiński: We are taking steps to adjust the planned capex levels by giving priority to mandatory investments (required by law, mainly in relation to the energy sector), as well as projects offering highest rates of return. We are analysing various financing options for our investment plan, while maintaining a safe cash buffer in the event that the current market downturn should persist; however, the recent increase in urea prices may be a sign that market trends are rebounding.

wally *unverified*: Why did the Group's cash decline by more than PLN 100m quarter on quarter? Did the Group report negative cash flows and "burn" free cash?

Paweł Łapiński: I believe that your question concerns a year-on-year comparison of cash as at the end of September 2016 vs. 2015. A decrease in cash of around PLN 100m is mainly due to a decline in performance vs. 2015. However, despite lower profitability, net cash flows in Q3 are higher than in the corresponding period of the previous year. This shows that we manage cash and debt across the Group responsibly.

Guest *unverified*: Do you want to increase your market share, and if so - how?

Paweł Łapiński: Of course we do! Grupa Azoty builds value for shareholders based on three pillars: day-to-day operational improvement, organic growth involving capital investments, as well as mergers and acquisitions (M&A). For the purposes of decision-making processes, those three pillars underlying the operationalisation of our strategy are referred to the market and the market share we want to capture and keep. To that end, we have identified five strategic areas of our business: Fertilizers, Plastics, Oxoplast, Pigments and Melamine.

marcin *unverified*: Given your wide-ranging investment plans, will you pay dividend for 2016?

Paweł Łapiński: The Company's dividend policy remains unchanged. The Management Board will recommend payment of dividend at 40-60% of annual stand-alone net profit; however, prior to recommending dividend payment to the Supervisory Board, the Management Board will consider the need to ensure an optimum level of financial ratios, financial standing or capital required to finance the Group's further growth. The final decision on dividend payment and its amount will be taken by shareholders at the Annual General Meeting.

marek *unverified*: The company announced that negotiations with PKN Orlen regarding the acquisition of Anwil were broken off. I believe this puts an end to the planned acquisition of Anwil?

Paweł Łapiński: As announced earlier, this project is closed for the time being, but we can come back to it one day, in one way or another.

marek *unverified*: Today's GDP writes that Deputy Minister of the Treasury, Mr Grzegorzcyk, will replace Mariusz Bober in the position of Management Board

President. Is this true? Can we expect such major changes in the Board's composition?

Paweł Łapiński: Not to my knowledge. Pursuant to the Company's Articles of Association, only the Supervisory Board has the authority to change the Management Board's composition.

marcin *unverified*: Current stock price is close to the share exchange ratio on the acquisition of Puławy, i.e. PLN 45. This means that the Group's value is nearly at where it was prior to the acquisition of Puławy. Why such a dramatic decline in your stock price?

Paweł Łapiński: The stock price is currently at about PLN 53. Obviously, this does not make us happy. As I have mentioned before - global sentiment in the chemicals industry is not at its best.

marek *unverified*: How much can the Group generate on sales of Graphene next year?

Paweł Łapiński: Our genuine interest in innovative products, especially those which could diversify Grupa Azoty's current core business, translates into concrete research and investment projects. However, we do not publish detailed revenue forecasts for our new products.

MK *unverified*: In your opinion, how did the Plastics segment perform?

Paweł Łapiński: The Plastics segment is still under strong price pressures from clients, which has a heavy bearing on its performance, mainly in terms of caprolactam sales. Therefore, the sector is witnessing first attempts aimed at reducing the supply of caprolactam in Europe (taken by BASF, for instance). This means that the market prompted producers to put a cap on their production volumes. Given the solid demand from the automotive market, as well as the construction, textile, and food (packagings) industries, unfavourable margin trends for the entire sector should reverse. In the case of Grupa Azoty, moving towards highly processed products is another contributing factor.

agronom: Is your current policy on monitoring market prices and determining the direction and level of price changes sufficient? Are you able to effectively respond to the dynamic market developments with your price policy?

Paweł Łapiński: It's not clear whether your question refers to prices of products or raw materials.

Guest: Can you unveil the amount of capex for the coming year?

Paweł Łapiński: As I have mentioned before, 2017 capex, which will include organic growth projects, is expected to be close to the actual capex for 2016 in terms of the value, technical complexity and organisational structure of projects.

Guest *unverified*: What are the price and margin levels in the Fertilizers and Chemicals segments in the current quarter?

Paweł Łapiński: I will refer you to the Q3 report, especially the section discussing segment performance. It shows clearly that the Group is able to respond flexibly to market developments, allocating resources (feedstocks) to the production of higher-margin products (acids, melamine, etc.) This policy has driven the EBITDA margin in the Chemicals segment up to 12% vs. 3% reported for Q3 2015, just as the margins in the Fertilizers segment started to fall noticeably.

marko: What was the main driver behind the improvement in the Chemicals segment's performance?

Paweł Łapiński: The key drivers for improved bottom line and margins in the Chemicals segment included: Flexibility in the allocation of feedstocks (gas) to urea products (melamine). Higher margins in the OXO segment on the back of lower propylene prices and higher prices of the new product - Oxoviflex. Improved economic parameters in the Pigments segment, due mainly to a more favourable relation of product prices vs. key feedstock prices (ilmenite and titanium slag).

Guest *unverified*: What about CETA? Isn't Canada a producer of fertilizers based on cheap gas? Will NAFTA and CETA trigger a major inflow of fertilizers from the USA?

Paweł Łapiński: At this point, we do not expect that Canada will pose a major competitive threat as a producer of fertilizers. Grupa Azoty exports fertilizer products to Canada, and there is a potential for growth also in this area.

antek: In the Plastics segment, at the EBIT level you reported a loss of more than PLN 100m for the last twelve months. When will the Plastics segment be on the plus side? In its current shape, that segment seems to be cash consuming .

Paweł Łapiński: In determining whether a segment is cash consuming, you have to remember about segment costs and general and administrative expenses (indirect costs) allocated to the segment using a Group-wide cost allocation key. Under that approach, the Plastics segment is actually on the plus side. After launching the new Polyamide plant, which will process unprofitable caprolactam (being the main cause weighing down on the segment's performance), the Plastics segment should cover its general indirect expenses and generate additional margins. We attach a great weight to the issue of costs, and the Group-wide costs (general and administrative expenses) for Q3 2016 are down relative to Q3 2015.

modest *unverified*: What is going on with the stock price? Today, it hit its lows again, dropping below PLN 53. Are there any skeletons in your closet? The correction from PLN 113 to PLN 53 does not bode well.

Paweł Łapiński: To complete my previous answer about the stock price, I would like to add that we do our utmost to inform investors about any significant events which may have a bearing on the stock price, including one-offs. We are keeping a watchful eye on our environment; however, there is nothing we can do about investor sentiment.

marek *unverified*: Does the weak Polish currency have a significant impact on the spot prices of gas and the prices of other feedstocks such as phosphorites or ilmenite?

Paweł Łapiński: At the consolidated level, Grupa Azoty reported a positive exposure in the EUR/PLN and USD/PLN currency pairs, which has a positive effect on our performance whenever PLN depreciates against EUR or USD.

Guest: Which company listed in Western Europe is most similar to Grupa Azoty?

Paweł Łapiński: In reference to the global benchmark of companies, we can compare our highly diversified business to Borealis, at least to some extent. Many experts compare us to fertilizer companies such as Yara, but Yara operates in the fertilizer sector only, which does not overlap with our core business (at Grupa Azoty, the fertilizer business accounts for 60% of our revenues).

Guest *unverified*: Is the sudden growth in gas prices in September from EUR 12 to EUR 18 per 1 MWh likely to have a heavy bearing on your performance in Q4?

Paweł Łapiński: The cost side is also subject to in-depth analyses. Fluctuations in gas prices affect all producers across the EU. The current uptrend in prices of nitrogen fertilizers should compensate for rising gas prices.

Guest: How much caprolactam do you use for in-house purposes, and how much do you sell?

Paweł Łapiński: With the new PA6 unit at Tarnów in operation (its capacity will be 80 thousand tonnes), the plan is to process 100% of caprolactam into polyamide (up from the current level of 100 thousand tonnes to 170 thousand tonnes). This should cover the entire volume of caprolactam from Puławy.

MZK *unverified*: What does the macro environment look like in Q4? Does it have any impact on the Fertilizers segment? And if so, when can we expect upward trends in this segment?

Paweł Łapiński: In Q4, the macroeconomic environment looks more promising. Urea prices have been rising in the past couple of weeks, which will have a direct impact on the prices of nitrate fertilizers. Between October 17th and November 30th 2016, advance payments of 70% will be made on account of direct payments to farmers. In total, farmers will receive nearly PLN 10bn. Even in the short term, depreciation of PLN against EUR and USD will have an impact on our export performance (bearing in mind that we export around 30% of our fertilizer volume).

Guest: Why were the phosphate rock inventories written down in instalments?

Paweł Łapiński: According to the Management Board of AFRIG SA, the inventories of phosphate rock have no commercial value. Therefore, a decision was made to write off the residual value of those inventories.

Ozzy *unverified*: I would like you to describe, briefly and in a nutshell, today's state of affairs in relation to the African "assets", to the best of your knowledge. Is the Police plant and its capacities or operational efficiency under any threat?

Paweł Łapiński: As I said before, verification audit is currently under way, and the results will be published early next year.

agronom: Prices of GA's key products have fallen sharply, while prices of gas and electricity are going up. I don't think we will see fertilizer prices returning to the levels observed in previous years. What steps should be taken to secure funds for future investments and the payment of dividend to shareholders?

Paweł Łapiński: Today's situation is the opposite to what we observed in 2015, when our results hit an all-time high (mainly on the back of the feedstock premiums combined with stable product prices). The entire industry faces similar problems. We are currently observing a decline in prices, which follow the downtrend in feedstocks, and domination of the supply side on the market. However, the scale of current market declines is no guarantee that high margins will be generated in a longer term, which will result in price pressures exerted by producers; this was already seen, for instance, in the case of urea price trends observed in Q3 2016. Therefore, we want to allocate feedstocks to production in a flexible manner, so as to generate highest possible margins in our key segments. Of course, we are keeping a watchful eye on overheads, and we have cut down our general and administrative expenses for Q3 by more than 5%. Against this backdrop, we remain optimistic about the feasibility of our investment plans, bearing in mind the limitations related to covenants and liquidity ratios. Let me remind you that we have a financing limit of more than PLN 1.6bn at our disposal.

Guest *unverified*: How about a buy-back of shares to put a halt on further stock price declines? Maybe a Management Board member could acquire a stake, just to show that the Company is currently priced at a discount?

Paweł Łapiński: Regarding the first question - no buy-back has been considered by the current Management Board. As for your second question - well, I might give it a thought.

Paweł Łapiński: Thank you for all your questions, I am really glad to see your interest in Grupa Azoty. Today's meeting was a real challenge for me, and the scope of questions was impressive. We have already run out of time, so let me say good bye to you all. Thank you for participating and you are more than welcome to join the next chat.

moderator: On behalf of StockWatch.pl thank you all for participating in the discussion and I encourage you to join our chat sessions in the future.