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Strategic partnership between Grupa Azoty and CTL Logistics

Today Grupa Azoty and CTL Logistics signed an agreement under which Grupa Azoty will take over certain special purpose vehicles, thus consolidating railway siding services in Kędzierzyn and Puławy. As of January 1st 2018, all companies managing railway sidings for Grupa Azoty will be included into its Group. The railway siding services will be consolidated by Grupa Azoty KOLTAR, while CTL Logistics will remain Grupa Azoty's strategic partner in transport activities.

"Consolidation is one of the cornerstones of Grupa Azoty's strategy, updated in May. Wherever it may produce synergies, strengthen our organisation and bring benefits to the entire Group and its shareholders, consolidation will be pursued. To remain a key player in the competitive chemical market in Poland and Europe, Grupa Azoty must ensure that its management models, efficiency and organisational effectiveness in no way lag behind. Therefore, I am pleased to see such effects of our intensive work as today's integration of railway siding services into the Group. We are also glad to be signing an agreement with our logistics partner that will help both of us focus on our respective areas of expertise," said Wojciech Wardacki, President of the Management Board of Grupa Azoty S.A.

"The agreement marks a new chapter in our long cooperation with Grupa Azoty. We are transferring to Grupa Azoty our effectively operating logistics facilities, equipped with state-of-the-art rail traffic management systems and staffed with qualified personnel," commented Grzegorz Bogacki, President and Managing Director of CTL Logistics. "As specified in our new strategy, we are focusing on the CTL Logistics Group's core business, and will now strongly develop rail transport services for customers operating in key sectors of the industry. I am sure that our further cooperation and strategic partnership will bring tangible benefits to both our companies. We would like to thank Grupa Azoty for appreciating the quality of our services and its plans to continue to work with us under transport contracts in the coming years," he added.

As of January 1st 2018, the railway sidings, which have so far been leased, will return to the structures of the Police, Kędzierzyn and Puławy plants. As decided by the management boards of these companies, Grupa Azoty

KOLTAR will remain an independent, strategic operator of the sidings within the Group.

The agreement has been consulted with employees of the acquired companies, who have shown full understanding of the process. The changes regarding entities who provide railway siding services are accompanied by changes in Polish law. Under the amended Rail Transport Act, a railway siding manager cannot be its operator. Regardless of the amendments, the existing contracts for the provision of siding services have expired.

The Grupa Azoty Group is the undisputed leader of the fertilizer and chemical market in Poland and one of its key players in Europe. It is the second largest EU-based manufacturer of nitrogen and compound fertilizers, and its other products, including melamine, caprolactam, polyamide, oxo alcohols and titanium white, enjoy an equally strong standing in the chemical sector, with a wide range of applications in various industries. In May 2017, the Group announced its updated strategy until 2020. The key development areas include finalising the Group's consolidation process, reinforcing its leadership in the European market for agricultural solutions, strengthening the second operating pillar through expansion of the non-fertilizer business, and generating and implementing innovations to accelerate growth in the chemical sector.

CTL Logistics is an international logistics group present in the Polish and European markets since 1992. It offers a complete range of logistics services, including rail transport of bulk goods (such as coal, coke, aggregates, scrap metal, etc.), containers, transport of fuels and chemicals, car transport, forwarding, lease of rolling stock and provision of railway siding services. CTL Logistics provides freight rail transport, intermodal transport, freight forwarding, reloading services, customs consulting, servicing and maintenance of rolling stock and railway infrastructure, as well as services at reloading terminals. Offering international transport services, it provides a logistics bridge between Eastern and Western Europe.

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