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Tarnów Polyamide Plant II already in operation

Polyamide Plant II [Wytwórnia Poliamidów II] is the official name of the facility producing Polyamide 6, one of the world's most widely used engineering plastics. The opening ceremony took place on Monday, September 25th, on Grupa Azoty S.A. site in Tarnów. The plant was opened by Prime Minister Beata Szydło and dr Wojciech Wardacki, President of Grupa Azoty Management Board.

"Today's event is important not only for Grupa Azoty, the Tarnów region and the Małopolska province, but also for the Polish economy as a whole. We at the government want to support Polish businesses to compete successfully in the global markets, deliver highly processed products and thus take another step forward in the ongoing fourth industrial revolution. Grupa Azoty also embodies what we expect of companies owned by the State Treasury: to be drivers of the Polish economy, to invest, to innovate, to grow and to become increasingly significant players both on European markets and worldwide. This can only happen through cooperation of excellent professionals and efficient managers with a clear vision of development," said Beata Szydło, the Polish Prime Minister.

"The launch of Polyamide Plant II is yet another proof that Grupa Azoty is consistently pursuing its development strategy. The strategy involves implementation of innovations that meet our customers' expectations, while leveraging the growth of Grupa Azoty, the chemical industry and the entire Polish economy. With the launch of this plant, we no longer are a supplier of caprolactam, but instead we focus on polyamides and their derivatives, further down the chain, which allows us to achieve higher margins. We are opening the facility on the eve of the 90th anniversary of the Tarnów plant, which makes the event even more special. Polyamide Plant II is a unique project, as it is highly innovative and uses cutting-edge technologies. With the facility on stream, Grupa Azoty may develop further elements of the product chain and ensure closer integration of the Group's companies in Tarnów, Puławy, and Guben, Germany. We are honoured to have the Prime Minister with us on this important day for Grupa Azoty, and we are happy to show the effects of our intensive efforts to change our company," emphasised Wojciech Wardacki, President of Grupa Azoty S.A. Management Board.

Polyamide 6, manufactured by Grupa Azoty S.A. under the trade names Tarnamid® and Alphalon™, is an engineering plastic with a broad range of applications. Owing to its exceptional strength and high thermal and chemical resistance, it is used across the automotive, textile, electrical engineering, electronic and other industries, as well as in medicine. The new plant will produce high-grade Polyamide 6 for injection moulding and extrusion. The plant uses the world's best available technology by Uhde Inventa Fisher. An earlier generation of this technology is used by ATT Polymers GmbH of Guben, a subsidiary of Grupa Azoty. An additional advantage of Polyamide Plant II is that it is located in a sub-zone of the Kraków Special Economic Zone. This entitles the Plant to income tax reliefs, boosting return on the invested capital.

Construction of Polyamide Plant II followed from the Grupa Azoty Group's long-term strategy to balance caprolactam and polyamide 6 production capacities. This process began in mid-1990s with the construction of the first polyamide 6 plant, which had an annual capacity of 22.7 thousand tonnes, later doubled to 45 thousand tonnes. Increasing of the polyamide 6 production capacity and balancing of caprolactam and polyamide 6 capacities were identified as some of Grupa Azoty's strategic goals during the Company's IPO on the Warsaw Stock Exchange. They were accomplished in 2010 with the acquisition of control over Unylon Polymers GmbH of Guben. But the balance shifted again when Grupa Azoty Puławy, a caprolactam manufacturer, was incorporated into the Group. Polyamide Plant II in Tarnów, with its annual capacity of 80 thousand tonnes, will help the Group to rebalance its caprolactam and polyamide 6 production capacities.

The new plant has created 55 jobs, some taken by staff transferred from other production units of Grupa Azoty S.A., and the rest offered to newly recruited employees. The project's budget is PLN 320m.

In recent years the Grupa Azoty Group has invested heavily in Tarnów. In addition to Polyamide Plant II, which is about to start commercial operation, the Group has built Granulation Plant II, whose budget reached PLN 141m, and commenced the construction of the Research and Development Centre, which is scheduled for completion in 2018 and has a budget of PLN 74m. The capital expenditure projects planned for this and next year also include installation of a pass-out and condensing turbine at the CHP plant and increase of the nitric acid unit's production capacity to fully meet Grupa Azoty S.A.'s demand for this feedstock. In addition, a flue gas denitrification unit with a budget of PLN 44.5m and a flue gas desulfurization unit worth PLN 45m are in technical start-up and commissioning phase. In the Fertilizers Business Unit, a PLN 23m project entitled 'Utilisation of purge gases from the ammonia synthesis unit' is currently under way. It is scheduled for completion in 2018. In 2017, the 'Construction of a new technical-grade nitric acid storage unit – Phase 1' project, worth PLN 15m, was completed in the Business Unit. The Group is also making extensive preparations for the launch of a PLN 120m project called 'Modified Plastics Plant', which will add more highly-processed and high-margin products to its range. Since early 2015, the Grupa Azoty Group has invested over PLN 726m in its Tarnów plant.

The Grupa Azoty Group is the undisputed leader of the Polish fertilizer and chemical market and one of the 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 unveiled 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.

Further information:

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Glossary:

Polyamide 6 – an engineering plastic with a wide range of applications, obtained through polycondensation (polymerisation) of caprolactam.

Caprolactam – a monomer for the production of PA6, obtained from petrochemical feedstock in a complex production process.



