

## Regulatory Story

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**PJSC Cherkizovo Group** - CHE First Half 2016 Trading Update  
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## PJSC Cherkizovo Group announces operating results for the first half of 2016

Moscow, Russia - 28 July 2016 - Cherkizovo Group (LSE: CHE; MOEX: GCHE), the largest vertically integrated meat and feed producer in Russia, announces its operating results for the first half of 2016.

### Key Operating Results

Sales volume by business segments			
Divisions	1H 2016	1H 2015	Year-on-year change (%)
Poultry	252,351	225,223	12%
Pork	86,902	77,271	12%
Meat Processing	102,898	81,755	26%
Grain Farming	n/a	n/a	n/a

### Poultry Division

Sales volume in the first half of 2016 increased by 12% year-on-year to 252,351 tons of sellable weight from 225,223 in the first half of 2015. This growth was driven by higher production levels, which resulted from improvements in efficiency, sales of excess inventory and the launch of new poultry houses at the Mosselprom production facility. The average price during the first half of 2016 dropped by 6% year-on-year to 90.06 RUB/kg due to oversupply in the market and consumers' falling purchasing power. On a quarter-on-quarter basis, the average price grew by 3% to 91.61 RUB/kg.

	1H 2016	1H 2015	Year-on-year change (%)	2Q 2016	1Q 2016	Quarter-on-quarter change (%)
Volume, tons	252,351	225,223	12%	124,124	128,227	(3%)
Avg. price, RUB/kg	90.06	95.38	(6%)	91.61	88.62	3%

### Pork Division

In the first half of 2016, sales volume in the pork division increased by 12% year-on-year to 86,902 tons of sellable weight. This was primarily due to a new genetics improvement strategy launched by the management at the beginning of the year to

improve pigs' health status and efficiency by increasing livability and weekly farrows. The average price decreased by 18% year-on-year to 83.20 RUB/kg, while on a quarter-on-quarter basis, it increased by 3% to 84.46 RUB/kg. The year-on-year drop was a result of Russian consumers' lower purchasing power and an overall increase in pork production across the country, compounded by imports from Brazil.

	1H 2016	1H 2015	Year-on-year change (%)	2Q 2016	1Q 2016	Quarter-on-quarter change (%)
<b>Volume, tons</b>	86,902*	77,271*	12%	46,764	40,138	17%
<b>Avg. price, RUB/kg</b>	83.20	101.89	(18%)	84.46	81.73	3%

\*Restated volume includes gilts

## Meat Processing Division

During the reporting period, sales volume in the meat processing division grew by 26% year-on-year to 102,898 tons from 81,755 tons in 1H 2015. This increase resulted from the launch of a pig slaughter plant at the Dankov meat processing plant in the second half of 2015, which boosted both volume and product assortment. In the first half of 2016, the average price fell by 5% year-on-year to 164.42 RUB/kg due to non-sausage products from the Dankov meat processing plant having a greater share in sales. On a quarter-on-quarter basis, the average price fell by 1% to 163.81 RUB/kg.

	1H 2016	1H 2015	Year-on-year change (%)	2Q 2016	1Q 2016	Quarter-on-quarter change (%)
<b>Volume, tons</b>	102,898	81,755	26%	54,283	48,615	12%
<b>Avg. price, RUB/kg</b>	164.42	172.93	(5%)	163.81	165.11	(1%)

## Grain Farming Division

Due to the seasonality of this business, results of this segment are reported annually to better reflect the business performance and provide the appropriate basis for comparison.

For more information please visit [www.cherkizovo.com](http://www.cherkizovo.com) or contact

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### About Cherkizovo Group

**Cherkizovo Group** is the largest meat and feed producer in Russia. The Group is a top-3 producer in the poultry, pork and processed meat markets and is the largest feed manufacturer in the country.

Cherkizovo Group encompasses 8 full cycle poultry production facilities, 15 modern pork production facilities, 6 meat processing plants, 9 feed mills and more than 140,000 hectares of agricultural land. In 2015, Cherkizovo Group produced more than 825,000 tons of meat products.

Thanks to its vertically integrated structure, which includes grain growing and storage, feed production, livestock breeding, fattening and slaughtering, and meat processing, alongside a

distribution system, the Group has consistently delivered stable, long-term growth of both sales and revenue. The Company's consolidated revenue reached RUB 77.0 bn in 2015.

Cherkizovo Group shares are traded on the London Stock Exchange (LSE) and on the Moscow Exchange (MOEX).

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