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**Cherkizovo Group** - CHE EQS-Regulatory: Cherkizovo Group announces 2016 nine month operating results  
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Cherkizovo Group announces 2016 nine month operating results

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### Cherkizovo Group announces 2016 nine month operating results

Moscow, Russia - 27 October 2016 - Cherkizovo Group (LSE: CHE; MOEX: GCHE), the largest vertically integrated meat and feed producer in Russia, announces its operating results for the nine months ended 30 September 2016.

#### Key Operating Results

Sales volume by business segments			
Divisions	9M 2016	9M 2015	Year-on-year change (%)
Poultry	372,070	341,370	9%
Pork	131,581	123,525	7%
Meat Processing	158,647	135,247	17%
Grain Farming	n/a	n/a	n/a

#### Poultry Division

Sales volume in the first nine months of 2016 increased by 9% year-on-year to 372,070 tons of sellable weight, from 341,370 in the corresponding period 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. In the third quarter of 2016, sales volume decreased by 4% quarter-on-quarter to 119,720 tons of sellable weight. This was a result of the Lipetsk Chicken Kingdom poultry production facility shifting to produce halal products, which weigh less than the non-halal equivalent, for exports. The average price during the first nine months of 2016 dropped by 3% year-on-year to 92.26 RUB/kg due to oversupply in the market and consumers' falling purchasing power. On a quarter-on-quarter basis, the average price grew by 6% to 96.89 RUB/kg.

	9M 2016	9M 2015	Year-on-year change (%)	3Q 2016	2Q 2016	Quarter-on-quarter change (%)
Volume, tons	372,070	341,370	9%	119,720	124,124	(4%)
Avg. price, RUB/kg	92.26	94.93	(3%)	96.89	91.61	6%

#### Pork Division

In the first nine months of 2016, sales volume in the pork division increased by 7% year-on-year to 131,581 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. Meanwhile, on a quarter-on-quarter basis, sales volume fell by 4% to 44,679 tons as improvements in production levels and the genetics strategy outpaced the growth of available finishing space. In 9M 2016, the average price decreased by 16% year-on-year to 86.59 RUB/kg, while on a quarter-on-quarter basis, it increased by 10% to 93.19 RUB/kg. The year-on-year drop was a result of Russian consumers' lower purchasing power compounded by an overall increase in pork production across the country; the quarter-on-quarter improvement was due to an outbreak of ASF along with a steady decline of imports, which begun in June.

	9M 2016	9M 2015	Year-on-year change (%)	3Q 2016	2Q 2016	Quarter-on-quarter change (%)
Volume, tons	131,581*	123,525*	7%	44,679*	46,764*	(4%)
Avg. price, RUB/kg	86.59	103.52	(16%)	93.19	84.46	10%

\*Restated volume includes gilts

#### Meat Processing Division

During 9M 2016, sales volume in the meat processing division grew by 17% year-on-year to 158,647 tons from 135,247 tons in the first nine months of 2015. This increase was the result of the launch of a new pig slaughter facility at the Dankov meat processing plant in the second half of 2015, which boosted both volume and product assortment. In the first nine months of 2016, the average price fell by 4% year-on-year to 166.91 RUB/kg due to non-sausage products from the Dankov meat processing plant representing a greater share of sales. On a quarter-on-quarter basis, sales volume increased by 3% in the third quarter to 55,749 tons. The average price increased by 5% quarter-on-quarter to 171.49 RUB/kg due to higher demand for sausages and

B2B/B2C products in the third quarter.

	9M 2016	9M 2015	Year-on-year change (%)	3Q 2016	2Q 2016	Quarter-on-quarter change (%)
Volume, tons	158,647	135,247	17%	55,749	54,283	3%
Avg. price, RUB/kg	166.91	173.06	(4%)	171.49	163.81	5%

### 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

### Cherkizovo Group

**Dmitry Yakovlev**  
IR Manager  
+7 (495) 660 2440 ext. 15962  
[d.yakovlev@cherkizovo.com](mailto:d.yakovlev@cherkizovo.com)

### FTI Consulting

Anton Karpov  
+7 (495) 795 0623  
[anton.karpov@fticonsulting.com](mailto:anton.karpov@fticonsulting.com)

### 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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Company: Cherkizovo Group  
Lesnaya str. 5B, White Square Office Center, 12th  
125047 Moscow  
Russia  
Phone: +7 495 660-24-40  
Fax: +7 495 788-32-32  
E-mail: [info@cherkizovo.com](mailto:info@cherkizovo.com)  
Internet: [www.cherkizovo.com](http://www.cherkizovo.com)  
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