



Cherkizovo Group announces operating results for the first quarter of 2017

Moscow, Russia – April 27, 2017 – Cherkizovo Group (LSE: CHE; MOEX: GCHE), the largest vertically integrated meat and feed producer in Russia, announces operating results for the first quarter of 2017.

Key Operating Results

Sales volume by business segments			
Divisions	1Q 2017	1Q 2016	Year-on-year change (%)
Poultry	125,548	128,227	(2%)
Pork	44,978	40,138	12%
Meat Processing	50,479	48,615	4%

Poultry Division

First quarter sales volume decreased by 2% year-on-year to 125,548 tons of sellable weight (1Q 2016: 128,227). This slight drop was a result of lower production levels in the first quarter of the year. In the corresponding period of last year, management decided to sell excess inventory due to market volatility, which boosted sales volume. The average price during the first quarter of 2017 increased by 5% year-on-year to 93.36 RUB/kg¹ as a result of brand name goods, HoReCa and value-added ready-to-cook products representing a higher share of sales. The new trade law that limits retroactive bonuses also had an impact on the first quarter average price. While the decrease in bonuses to retail chains had a negative effect on the average prices of the products sold, the overall effect of this was negligible.

	1Q 2017	1Q 2016	Year-on-year change (%)
Volume, tons	125,548	128,227	(2%)
Avg. price, RUB/kg	93.36	88.62	5%

Pork Division

Production volume in the first quarter of the year increased by 12% year-on-year to 44,978 tons (1Q 2016: 40,138 tons). This was due to higher production levels following the launch of two new wean-to-finish sites in Voronezh in September and October 2016, as well as the ongoing genetics improvement strategy. The average price rose by 10% year-on-year to 90.23 RUB/kg (1Q 2016: 81.73 RUB/kg). This increase was driven by growing consumption in Russia, which has been fuelled by retail chains' promotional activity, along with the stabilisation of consumers' purchasing power.

	1Q 2017	1Q 2016	Year-on-year change
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¹ Here and below, all average prices exclude VAT

			(%)
Volume, tons	44,978	40,138	12%
Avg. price, RUB/kg	90.23	81.73	10%

Meat Processing Division

Sales volume increased by 4% year-on-year to 50,479 tons from 48,615 tons in the first quarter of 2016. This was due to product assortment growth in the modern trade channel and geographical diversification to the Ural and North West regions. During the reporting period, the average price fell by 6% year-on-year to 154.94 RUB/kg as a result of the new trade law that limits retroactive bonuses. The decrease in bonuses to retail chains had a negative effect on prices.

	1Q 2017	1Q 2016	Year-on-year change (%)
Volume, tons	50,479	48,615	4%
Avg. price, RUB/kg	154.94	165.11	(6%)

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 or contact

Cherkizovo Group

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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, 8 feed mills and more than 140,000 hectares of agricultural land. In 2016, Cherkizovo Group produced 903,000 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 82.4 bn in 2016.

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