



## Cherkizovo Group Announces 2017 Operating Results

Moscow, Russia -January 29, 2018- Cherkizovo Group (LSE: CHE; MOEX: GCHE), the largest vertically integrated meat producer in Russia, today announces operating results for the twelve months ended 31 December 2017.

### Key Operating Results

Volumes by business segments, tonnes			
Divisions	2017	2016	Y-o-Y change, %
<b>Poultry</b>			
<b>Chicken</b>	522,500	500,321	4%
<b>Turkey</b>	26,835		
<b>Pork</b>	211,750	184,766	15%
<b>Meat Processing</b>	236,638	218,085	9%
<b>Grain Farming</b>	449,215	338,808	33%

### Poultry Division

Sales volumes in 2017 increased by 4% y-o-y to 522,500 tonnes from 500,321 tonnes in 2016, with similar growth dynamics in 4Q17 vs. 3Q17 - up 5% q-o-q to 137,123 tonnes. The growth was driven by improvement in a number of operational metrics across core assets of the division.

In 2017 the average selling price declined by 4% y-o-y to 88.84 RUB/kg mostly due to the higher base effect of 2016 and low summer season. In the 4Q17 average selling price declined by 3% q-o-q to 85.20 RUB/kg.

Our turkey facility in Tambov reached full capacity of 45,000 tonnes/year in October 2017 with sales of 10,009 tonnes in 4Q17. The average sales price for turkey products amounted to 145.24 RUB/kg in 2017 and 129.03 RUB/kg in 4Q17 respectively.

Poultry	2017	2016	Change Y-o-Y, %	4Q 2017	3Q 2017	Change Q-o-Q, %
<b>Chicken</b>						
<b>Volume, tonnes</b>	522,500	500,321	4%	137,123	130,462	5%
<b>Average price, RUB/kg*</b>	88.84	92.22	(4%)	85.20	88.14	(3%)
<b>Turkey</b>						
<b>Volume, tonnes</b>	26,835			10,009		
<b>Average price, RUB/kg</b>	145.24			129.03		

\* All prices in the release are ex VAT

### Pork Division

Production volumes in 2017 increased by 15% y-o-y to 211,750 tonnes (2016: 184,766 tonnes), while 4Q17 production volumes were up 25% q-o-q and amounted to 63,028 tonnes vs. 50,353 tonnes in 3Q17. Positive dynamics both on the y-o-y and q-o-q basis is attributed to the launch of new wean-to-finish facilities that the Group completed and populated over the course of the last two years, and constant enhancement in our production metrics driven by our long term genetics improvement and animal health programs launched in prior years.



In 2017 the average selling price increased by 3% y-o-y to 90.77RUB/kg mostly due to the increased purchasing power of domestic consumer. In 4Q17 average selling price declined by 10% q-o-q to 83.75 RUB/kg.

Pork	2017	2016	Change Y-o-Y, %	4Q 2017	3Q 2017	Change Q-o-Q, %
Volume, tonnes	211,750	184,766	15%	63,028	50,353	25%
Average price, RUB/kg	90.77	88.28	3%	83.75	93.2	(10%)

### Meat Processing Division

Sales volumes in 2017 increased by 9% y-o-y to 236,638 tonnes from 218,085 tonnes in 2016, in 4Q17 volumes increased by 15% q-o-q to 69,293 tonnes. Main drivers of growth are Group's increase of the market share in modern retail chains and further growth of our branded offering of sausages and pork meat products.

In 2017 the average selling price remained flat compared to previous year and amounted to 147.65 RUB/kg. Average price was supported by our efforts in increasing value added products in the sales mix. In the 4Q17 average selling price declined by 6% q-o-q to 141.51RUB/kg.

Meat Processing	2017	2016	Change Y-o-Y, %	4Q 2017	3Q 2017	Change Q-o-Q, %
Volume, tonnes	236,638	218,085	9%	69,293	60,032	15%
Average price, RUB/kg	147.65	147.00	0%	141.51	150.34	(6%)

### Grain Farming Division

In 2017 sales volumes in the segment were positively impacted by NAPKO consolidation. Average sales price in 2017 declined by 21% y-o-y to 7.01RUB/kg reflecting elevated levels of supply on the domestic market.

Grain Farming	2017	2016	Change Y-o-Y, %
Volume, tonnes	449,215	338,808	33%
Average price, RUB/kg	7.01	8.83	(21%)

For more information please visit <http://www.cherkizovo.com> or contact

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### About Cherkizovo Group

**Cherkizovo Group** is the largest meat producer in Russia. The Group is a top-3 producer in each of the Russian poultry, pork and processed meat markets.



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Cherkizovo Group encompasses eight full cycle poultry production facilities, 16 modern pork production facilities, six meat processing plants, eight feed mills and more than 287,000 hectares of agricultural land. The Group also includes Tambov Turkey facility, a joint Russian-Spanish venture. In 2017, Cherkizovo Group produced c.1 million tonnes of meat and 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 delivered long-term sales growth and profitability. The Group's consolidated revenue was RUB 82.4 billion in 2016.

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

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