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Cherkizovo Group (LSE:CHE)
Trading Update for First Half of 2014

Moscow, July 24, 2014 – Cherkizovo Group (LSE:CHE; MOEX: GCHE), Russia’s largest meat and fodder producer, announces its operational results for the first half of 2014.

Poultry Division

Total sales in the Poultry Division for the first half of 2014 increased by 25% y-o-y to 205,775 tonnes of sellable weight, including 22,562 tonnes of sellable weight produced by LSKO Broiler since acquired by Cherkizovo Group (1H 2013: 165,114 tonnes).

The average selling price in roubles increased by 6% y-o-y from 76.62 RUB/kg in the first half of 2013 to 81.53 RUB/kg in the first half of 2014 (*all prices hereinafter are net of VAT*). The price in the second quarter of 2014 increased by 8% compared to the price of 77.93 RUB/kg in the first quarter of 2014.

The average selling price in dollars decreased by 6% y-o-y from \$2.47/kg in the first half of 2013 to \$2.33/kg in the first half of 2014, due to weakening of the rouble against the USD. The price in the second quarter of 2014 increased by 8% compared to the price of \$2.23/kg in the first quarter of 2014.

<i>USD/RUB exchange rate</i>	34.98	31.02	35.00	34.96		
	1H 2014	1H 2013	2Q 2014	1Q 2014*	chg y-o-y	chg q-o-q
Sales, tonnes	205,775	165,114	115,447	90,328	25%	28%
Average price, RUB/kg	81.53	76.62	84.34	77.93	6%	8%
Average price, USD/kg	2.33	2.47	2.41	2.23	-6%	8%

Pork Division

Sales in the Pork Division in the first half of 2014 increased by 16% y-o-y to 81,318 tonnes live weight, compared to 70,078 tonnes in the first half of 2013.

The average selling price in roubles increased by 50% y-o-y from 59.24 RUB/kg in the first half of 2013 to 88.72 RUB/kg in the first half of 2014. The price in the second quarter of 2014 increased by 41% to 103.67 RUB/kg compared to the price of 73.55 RUB/kg in the first quarter of 2014. The rapid price growth is mainly due to the import restrictions on pork in Russia.

The average selling price in dollars increased by 33% y-o-y from \$1.91/kg in the first half of 2013 to \$2.54/kg in the first half of 2014 (live weight). The price in the second quarter of 2014 increased by 41% compared to the price of \$2.10/ kg in the first quarter of 2014.

<i>USD/RUB exchange rate</i>	34.98	31.02	35.00	34.96		
	1H 2014	1H 2013	2Q 2014	1Q 2014	chg y-o-y	chg q-o-q
Sales, tonnes	81,318	70,078	40,965	40,352	16%	2%
Average price, RUB/kg	88.72	59.24	103.67	73.55	50%	41%
Average price, USD/kg	2.54	1.91	2.96	2.10	33%	41%

Meat Processing Division

Sales in the Meat Processing Division were almost flat at 64,033 tonnes in the first half of 2014 compared to the corresponding period of 2013 (1H 2013: 63,226 tonnes).

The average selling price in roubles increased by 10% y-o-y from 146.08 RUB/kg in the first half of 2013 to 160.80 RUB/kg in the first half of 2014. The price in the second quarter of 2014 increased by 10% to 167.95 RUB/kg compared to the price of 152.52 RUB/kg in the first quarter of 2014.

The average selling price in dollars decreased by 2% y-o-y from \$4.71/kg in the first half of 2013 to \$4.60/kg in the first half of 2014. The price in the second quarter of 2014 increased by 10% compared to the price of \$4.36/kg in the first quarter of 2014.

<i>USD/RUB exchange rate</i>	34.98	31.02	35.00	34.96		
	1H 2014	1H 2013	2Q 2014	1Q 2014	chg y-o-y	chg q-o-q
Sales, tonnes	64,033	63,226	34,363	29,670	1%	16%
Average price, RUB/kg	160.80	146.08	167.95	152.52	10%	10%
Average price, USD/kg	4.60	4.71	4.80	4.36	-2%	10%

Grain Division

Sales of various crops in the Grain Division doubled to 24,618 tonnes in the first half of 2014 compared to 12,149 tonnes in the first half of 2013.

The average selling price in roubles decreased by 28% y-o-y from 8.50 RUB/kg in the first half of 2013 to 6.08 RUB/kg in the first half of 2014. The price in the second quarter of 2014 decreased by 2% compared to the price of 6.10 RUB/kg in the first quarter of 2014.

The average selling price in dollars decreased by 37% y-o-y from \$0.27/kg in the first half of 2013 to \$0.17/kg in the first half of 2014. The price in the second quarter of 2014 was flat at \$0.17/kg.

Cherkizovo Group began harvesting in Lipetsk, Orel, and Voronezh Regions in July. The Company increased its sown area to about 58,000 hectares in this crop season. Cherkizovo expects to harvest approximately 250,000 tonnes of grain (bunker weight) in 2014.

<i>USD/RUB exchange rate</i>	34.98	31.02	35.00	34.96		
	1H 2014	1H 2013	2Q 2014	1Q 2014	chg y-o-y	chg q-o-q
Sales, tonnes	24,618	12,149	4,165	20,453	103%	-80%
Average price, RUB/kg	6.08	8.50	5.98	6.10	-28%	-2%
Average price, USD/kg	0.17	0.27	0.17	0.17	-37%	0%

All prices in this press release are net of VAT. The \$ symbol stands for US Dollar. 1 tonne = 1000kg. All percentages in tables are rounded to whole numbers; absolute figures are rounded to two decimal places.

* *The figures for the first quarter of 2014 were retrospectively changed to include the Lisko acquisition.*

About Cherkizovo Group

Cherkizovo Group (LSE:CHE; MOEX:GCHE) is the largest meat and fodder producer in Russia and one of the top three companies serving Russia's poultry, pork, and sausage markets. The Company's brands include Cherkizovsky, Petelinka, Kurinoe Tsarstvo, and Mosselprom. CEO Sergei Mikhailov and his family control 63% of Cherkizovo Group, and free float amounts to 37%. Cherkizovo shares are quoted on LSE and MOEX.

Due to its vertically integrated structure, which includes agricultural land, grain storage facilities, own feed production, livestock breeding, growing and slaughtering, as well as meat processing and distribution, Cherkizovo has consistently delivered sustainable revenue and profit growth. In 2013, Cherkizovo's US GAAP consolidated revenue exceeded \$1.6 billion, and the Group produced more than half a million tonnes of meat and processed meat products.

Cherkizovo's strategy includes both organic growth and investment in new production facilities and consolidation of assets. Within the last five years alone, Cherkizovo has invested more than \$1 billion into the development of Russia's agriculture sector.

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