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## TRADING UPDATE FOR THE NINE MONTHS OF 2013

**Cherkizovo Group (LSE:CHE), Russia's leading integrated meat and fodder manufacturer, announces its operating results for the nine months of 2013.**

### Poultry Division

Sales volume in the Poultry division for the nine months of 2013 increased by 7% y-o-y to 251 429 tonnes of sellable weight compared to 236 080 tonnes for the nine months of 2012.

Prices in ruble terms increased by 1% y-o-y from 76.43 RUR/kg\* for the nine months of 2012 to 76.78 RUR/kg for the nine months of 2013. Compared to the price of 76.34 RUR/kg in the second quarter of 2013, the price in the third quarter of 2013 increased by 1% to 77.09 RUR/kg.

Prices for poultry in dollar terms decreased by 1% y-o-y from \$2.46/kg for the nine months of 2012 to \$2.43/kg for the nine months of 2013. Compared to the price of \$ 2.41/kg in the second quarter of 2013, the price in the third quarter of 2013 decreased by 3% to \$ 2.35/kg.

<i>USD/RUR exchange rate</i>	30.41	31.61	32.80	31.62	31.10		
	1Q13	2Q 13	3Q13	9M 13	9M 12	chg y-o-y	chg q-o-q
Price, RUR/kg	76.92	76.34	77.09	76.78	76.43	0.5%	1.0%
Price, USD/kg	2.53	2.41	2.35	2.43	2.46	-1.2%	-2.7%
Volumes, tonnes	80 370	84 744	86 315	251 429	236 080	6.5%	1.9%

### Pork Division

Sales volume in the Pork division for the nine months of 2013 increased by 59% y-o-y to 111 689 tonnes of live weight, compared to 70 131 tonnes for the nine months of 2012.

Prices in ruble terms decreased by 23% y-o-y from 81.85 RUR/kg for the nine months of 2012 to 63.36 RUR/kg for the nine months of 2013. Compared to the price of 61.06 RUR/kg in the second quarter of 2013, the price in the third quarter of 2013 increased by 15% to 70.31 RUR/kg.

In dollar terms, price for pork decreased by 24% y-o-y from \$2.63/kg for the nine months of 2012 to \$2.00/kg for the nine months of 2013 (live weight). Compared to the price of \$1.93/kg in the second quarter of 2013, the price in the third quarter of 2013 increased by 11% to \$2.14/kg .

<i>USD/RUR exchange rate</i>	30.41	31.61	32.80	31.62	31.10		
	1Q13	2Q 13	3Q13	9M 13	9M 12	chg y-o-y	chg q-o-q
Price, RUR/kg	57.36	61.06	70.31	63.36	81.85	-22.6%	15.1%
Price, USD/kg	1.89	1.93	2.14	2.00	2.63	-23.9%	11.0%
Volumes, tonnes	34 429	35 649	41 612	111 689	70 131	59.3%	16.7%

### Meat Processing Division

Sales volume in the Meat Processing division increased by 6% y-o-y to 99 431 tonnes for the nine months of 2013 from 94 049 tonnes for the nine months of 2012.

Price in ruble terms was almost flat y-o-y: 146.49 RUR/kg for the nine months of 2012 vs 146.10 RUR/kg for the nine months of 2013. Compared to the price of 145.10 RUR/kg in the second quarter of 2013, the price in the third quarter of 2013 increased by 1% to 146.18 RUR/kg.

Prices in dollar terms decreased by 2% y-o-y to \$4.62/kg for the nine months of 2013 compared to \$4.71/kg for the nine months of 2012. Compared to the price of \$4.59/kg in the second quarter of 2013, the price in the third quarter of 2013 decreased by 3% to \$4.46/kg.

<i>USD/RUR exchange rate</i>	30.41	31.61	32.80	31.62	31.10		
	<b>1Q13</b>	<b>2Q 13</b>	<b>3Q13</b>	<b>9M 13</b>	<b>9M 12</b>	<b>chg y-o-y</b>	<b>chg q-o-q</b>
Price, RUR/kg	147.16	145.10	146.18	146.10	146.49	-0.3%	0.7%
Price, USD/kg	4.84	4.59	4.46	4.62	4.71	-1.9%	-2.9%
Volumes, tonnes	29 442	33 784	36 205	99 431	94 049	5.7%	7.2%

## Grain Division

In October, Cherkizovo had almost completed harvesting in the Voronezh and Orel regions. As of October, 28 the Company harvested approximately 160 000 tonnes of grain, which is 40% higher than FY 2012 harvest (115 000 tonnes). In this agricultural season the Company sowed approximately 13 thousand hectares of winter crops and plans to sow about 27 thousand hectares under spring crops in spring 2014.

Sales volume in the Grain division increased by 11% y-o-y to 71 017 tonnes for the nine months of 2013 from 64 057 tonnes for the nine months of 2012. Wheat and barley accounted for 88% of sales for the nine months of 2013.

Prices in ruble terms decreased by 29% y-o-y from 7.96 RUR/kg for the nine months of 2012 to 5.66 RUR/kg for the nine months of 2013. Compared to the price of 8.59 RUR/kg in the second quarter of 2013, the price in the third quarter of 2013 decreased by 41% to 5.08 RUR/kg.

Prices in dollar terms decreased by 30% y-o-y from \$0.26/kg for the nine months of 2012 to \$0.18/kg for the nine months of 2013. Compared to the price of \$0.27/kg in the second quarter of 2013, the price in the third quarter of 2013 decreased by 43% to \$0.15/kg.

<i>USD/RUR exchange rate</i>	30.41	31.61	32.80	31.62	31.10		
	<b>1Q13</b>	<b>2Q 13</b>	<b>3Q13</b>	<b>9M 13</b>	<b>9M 12</b>	<b>chg y-o-y</b>	<b>chg q-o-q</b>
Price, RUR/kg	8.46	8.59	5.08	5.66	7.96	-28.9%	-40.9%
Price, USD/kg	0.28	0.27	0.15	0.18	0.26	-30.0%	-43.0%
Volumes, tonnes	8 668	3 481	58 868	71 017	64 057	10.9%	not comparable

\* All prices in this press-release exclude VAT. \$ symbol stands for US Dollar. All percentage figures in tables are rounded to decimal places, absolute numbers are rounded to two decimal places.

## **About Cherkizovo Group**

Cherkizovo Group (LSE:CHE) is the largest meat manufacturer in Russia and one of the top three companies serving Russia's poultry, pork, and meat processing markets. The company is also Russia's largest producer of fodder.

The Group includes 7 full-cycle poultry production facilities, with a total capacity of 425,000 tonnes live weight p.a.; 14 modern pork production facilities with a total capacity of 180,000 tonnes live weight p.a.; 6 meat processing plants with a total capacity of 158,000 tonnes p.a.; 6 fodder plants with a total capacity of 1.4 million tonnes p.a.; grain storage facilities with a total storage capacity exceeding 500,000 tonnes; and a land bank exceeding 100,000 hectares. In 2012, Cherkizovo produced more than half a million tonnes of meat and processed meat products.

Due to its vertically integrated structure, which includes agricultural land, grain storage facilities, feed production, livestock breeding, growing, and slaughtering as well as meat processing and integrated distribution, Cherkizovo has consistently delivered sustainable revenue and profit growth. In 2012, Cherkizovo's US GAAP consolidated revenue exceeded \$1.5 billion, and net profit amounted to \$225 million.

Within the last five years alone, Cherkizovo has invested more than \$1 billion into the development of Russia's agriculture sector. In addition to existing production facilities, the Group is also investing in a 20 billion ruble hi-technology agro-industrial production complex in Elets, Lipetsk region.

Cherkizovo's strategy includes both organic growth and investment in new projects, driving the consolidation of the Russian meat market. Cherkizovo shares are listed on LSE and RTS/MICEX.

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