



Cherkizovo Group Announces operating results for the first quarter of 2018

Moscow, Russia - April 26, 2018- Cherkizovo Group (LSE: CHE; MOEX: GCHE), the largest vertically integrated meat producer in Russia, today announces operating results for the first quarter of 2018.

First Quarter 2018 Highlights ^{1,2}

Chicken: While sales volumes were up 10% year-on-year, they remained on a par with the previous quarter. The 11% year-on-year decline in average sales prices was due to the higher base effect of the previous year. The seasonal slowdown effect was a main driver of price decline compared to the previous quarter.

Turkey³: JV *Tambov Turkey* ran at full capacity in 1Q18, with a robust increase in output against 1Q17 results, and in line with the previous quarter. Sales prices, however, came under pressure with the return of a major competitor to the market at the end of 2017.

Pork: 1Q18's 28% increase year-on-year in production and sales volumes is due to the launch of the newly constructed facilities. In contrast, the 9% drop in output from the previous quarter stems from the seasonal nature of live pork production. Average sales prices were lower compared to both the previous quarter and 1Q17 results.

Meat processing: In 1Q18, sales volumes were up 22% compared to 1Q17 due to our efforts in expanding the distribution network, as well as the increase in carcass sales. The decrease in sausage sales from the previous quarter, driven by seasonal consumption patterns, was the reason for the fall in sales seen in 1Q18. Sausage prices remained stable from both the previous quarter and year-on-year results, while cuts and carcass prices followed live pork price dynamics.

Grain: Due to the seasonal nature of the business, results of this segment are reported annually to better reflect business performance.

	1Q 18	1Q 17	Change % y-o-y	4Q 17	Change % q-o-q
Chicken					
Volume, thousand tonnes	137.55	125.55	10%	137.12	0%
Average price, RUB/kg	82.07	92.40	(11%)	85.20	(4%)
Turkey*					
Volume, thousand tonnes	9.74	3.34	192%	9.66	1%
Average price, RUB/kg	116.02	160.50	(28%)	128.97	(10%)

1 Volume data is presented before intersegment eliminations and denotes to sales volumes except noted (**).

All prices in the release are net of sales volume discounts and VAT.

2 Due to the change in accounting policy we are changing our reporting format: Prices, previously reported in pork segment, were calculated based on the data that included retained gilts replacement. Technical products, previously reflected in volumes and prices of the meat processing segment, will no longer be reported, these products are reported as other sales in the meat processing segment in the financial statements under IFRS.



	1Q 18	1Q 17	Change % y-o-y	4Q 17	Change % q-o-q
Pork**					
Volume produced, thousand tonnes	57.52	44.98	28%	63.03	(9%)
Volume sold, thousand tonnes	54.84	42.61	29%	59.96	(9%)
Average price, RUB/kg	81.59	91.30	(11%)	84.75	(4%)
Meat Processing					
Volume, thousand tonnes	53.06	43.52	22%	59.51	(11%)
Sausages	25.02	25.17	(1%)	28.65	(13%)
Cuts	11.41	11.86	(4%)	13.84	(18%)
Carcass	13.51	4.57	195%	14.07	(4%)
Other	3.11	1.92	62%	2.95	5%
Average price, RUB/kg	155.29	174.80	(11%)	163.61	(5%)
Sausages	175.52	178.42	(2%)	176.98	(1%)
Cuts	179.27	200.34	(11%)	196.00	(9%)
Carcass	120.21	136.83	(12%)	126.41	(5%)
Other	57.00	60.24	(5%)	59.36	(4%)

*Volume and prices reported in turkey section represent sales of the Trade House "Cherkizovo"

** Difference in the volume produced and volume sold in the pork segment is attributable to retained gilts replacement

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

Anatoliy Vereschagin

Managing Partner
Progress Communications Agency
+7 965 334 34 34
av@progresspr.ru

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.

Cherkizovo Group encompasses eight full cycle poultry production facilities, 16 modern pork production facilities, six meat processing plants, eight feed mills and around 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 90.5 billion in 2017.

Cherkizovo Group shares are traded on the Moscow Exchange (MOEX).