



Cherkizovo Group announces operating results for March and the first quarter of 2019

Moscow, Russia – April 11, 2019– Cherkizovo Group (MOEX: GCHE), the largest vertically integrated meat producer in Russia, today announces operating results for March and the first quarter of 2019.¹

First quarter 2019 highlights:

- **Chicken:** Sales volume of 151.6 thousand tonnes increased by 10% y-o-y on the back of volumes contribution from recently acquired assets: Altai Broiler and Belaya Ptitsa, the latter marginally added to our performance as production started only in March 2019. Average sales price increase of 26% y-o-y was driven by a low base effect of the 1Q18, coupled with ongoing efforts to increase the share of Petelinka and Chicken Kingdom, as well as HoReCa products in the sales mix.
- **Turkey:** JV Tambov Turkey sales volume of 8.2 thousand tonnes declined by 16% y-o-y, as we further increased production of branded value-added products, including more cut-up products and accumulated some inventory ahead of the summer season. Average sales price improved by 53% y-o-y due to an expansion of Pava-Pava branded products and overall strong demand for turkey products.
- **Pork:** Production and sales volume increased by 18% and 20% respectively, compared to 1Q18 as our recently built pork facilities continue to drive market hogs volumes. Prices gained 9% compared to 1Q18 supported by overall protein demand.
- **Meat Processing:** Sales volume remained in line with a quarter a year ago, well supported by higher volumes of carcass sales, and offset by seasonally slow sales of sausages and cuts. In sausages category, a greater share of dry and semi-smoked sausages in sales contributed to a higher average sales price. Cuts and carcass prices dynamics were in line with live pork prices. Starting from this month, we will report results of Samson – Food products, a retail-pack pork producer with a leading position in Saint Petersburg.
- **Grain:** Due to the seasonal nature of the business, the results of this segment are reported annually to better reflect business performance.

Monthly performance

	March 2019	March 2018	Change % y-o-y	February 2019	Change % m-o-m
Chicken					
Volume sold, thousand tonnes	56.72	48.02	18%	45.22	25%
Average price, RUB/kg	97.92	83.23	18%	105.05	(7%)
Turkey*					
Volume sold, thousand tonnes	2.95	3.66	(19%)	2.80	5%
Average price, RUB/kg	175.03	117.45	49%	176.47	(1%)
Pork**					
Volume produced, thousand tonnes	25.12	21.80	15%	23.12	9%
Volume sold, thousand tonnes	24.42	21.10	16%	22.51	8%
Average price, RUB/kg	89.98	80.52	12%	87.86	2%

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.

**Meat Processing**

Volume, thousand tonnes	18.99	19.97	(5%)	17.38	9%
Sausages	7.64	9.18	(17%)	6.85	12%
Cuts	2.81	4.20	(33%)	2.52	12%
Carcass	7.48	5.38	39%	6.75	11%
By-products	1.07	1.21	(12%)	1.27	(16%)
Average price, RUB/kg	166.17	154.96	7%	159.30	4%
Sausages	199.00	177.58	12%	194.27	2%
Cuts	203.93	178.49	14%	205.11	(1%)
Carcass	135.95	119.90	13%	128.85	6%
By-products	43.40	57.10	(24%)	41.43	5%

Samson***

Volume sold, thousand tonnes	1.75	N/A	-	1.65	6%
Average price, RUB/kg	202.71	N/A	-	197.70	3%

Quarterly performance

	1Q 2019	1Q 2018	Change % y-o-y	4Q 2018	Change % q-o-q
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Chicken

Volume sold, thousand tonnes	151.60	137.55	10%	144.35	5%
Average price, RUB/kg	103.56	82.07	26%	112.39	(8%)

Turkey*

Volume sold, thousand tonnes	8.22	9.74	(16%)	9.61	(15%)
Average price, RUB/kg	177.10	116.00	53%	188.05	(6%)

Pork**

Volume produced, thousand tonnes	68.13	57.52	18%	72.72	(6%)
Volume sold, thousand tonnes	65.94	54.84	20%	70.20	(6%)
Average price, RUB/kg	89.17	81.59	9%	100.61	(11%)

Meat Processing

Volume, thousand tonnes	53.56	53.06	1%	59.64	(10%)
Sausages	22.53	25.02	(10%)	27.69	(19%)
Cuts	7.70	11.42	(33%)	9.02	(15%)
Carcass	20.01	13.51	48%	19.90	1%
By-products	3.32	3.11	7%	3.04	9%
Average price, RUB/kg	162.85	155.29	5%	180.86	(10%)
Sausages	193.82	175.52	10%	201.11	(4%)
Cuts	203.30	179.26	13%	226.08	(10%)
Carcass	132.50	120.21	10%	151.69	(13%)
By-products	41.74	57.00	(27%)	53.23	(22%)



Samson***

Volume sold, thousand tonnes	5.03	N/A	-	N/A	-
Average price, RUB/kg	201.04	N/A	-	N/A	-

* Volume and prices reported in turkey section represent sales of the Trading Company "Cherkizovo".

** Difference in the volume produced and volume sold in the pork segment is attributable to retained gilts replacement. Volumes sold include both intercompany and 3rd party sales.

*** Volumes and prices reflect total sales of Samson – Food products, an associate company where the Company has 75% interest.

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About Cherkizovo Group

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

Cherkizovo encompasses seven chicken manufacturing complexes (as well as the Belaya Ptitsa production complex which we currently operate pursuant to a lease agreement), sixteen pork farms, five meat processing plants (and an additional meat processing plant operated by an equity associate Samson – Food Products) and two slaughter facilities, nine animal feed plants, twelve grain elevators, a land bank of c. 290,000 ha. and a full-cycle turkey production plant in Tambov, owned and operated as a joint venture with Grupo Fuertes, a leading Spanish agriculture and food company.

Due to its vertically-integrated structure, which includes grain growing and storage, feed production, livestock breeding, fattening and slaughtering, and meat processing, alongside a distribution network across Russia, the Group has delivered long-term sales growth and profitability. The Group's consolidated revenue was RUB 102.6 billion in 2018.

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