

January 28, 2015

Cherkizovo Group (LSE:CHE)

Trading Update for the Fourth Quarter of 2014 and Full Year 2014

Moscow, January 28, 2015 – Cherkizovo Group (LSE:CHE; MOEX:GCHE), Russia's largest meat and feed producer, announces its operational results for the fourth quarter of 2014 and full year 2014.

Poultry Division

Sales volume in the Poultry division in 2014 increased by 22% y-o-y to 416 622 tonnes of sellable weight (FY13: 342 637 tonnes) including 58 417 tonnes of sellable weight produced by LISCO Broiler since the day of the acquisition of this company by Cherkizovo (March 25, 2014).

Prices in ruble terms increased by 18% y-o-y from 77.12 RUB/kg (*all prices hereinafter are net of VAT*) in 2013 to 90.70 RUB/kg in 2014. Compared to the price of 98.43 RUB/kg in the third quarter of 2014, the price in the fourth quarter of 2014 increased by 2% to 100.86 RUB/kg.

Prices for poultry in dollar terms decreased by 2% y-o-y from \$2.42/kg in 2013 to \$2.36/kg in 2014. Compared to the price of \$ 2.72/kg in the third quarter of 2014, the price in the fourth quarter of 2014 decreased by 22% to \$ 2.13/kg. Dollar-denominated price has significantly decreased due to ruble devaluation in the fourth quarter.

<i>USD/RUB exchange rate</i>	34.96	35.00	36.19	47.42	38.42	31.85		
	1Q14	2Q 14	3Q14	4Q14	2014	2013	chg y-o-y	chg q-o-q
Volumes, tonnes	90 328	115 447	104 888	105 959	416 622	342 637	22%	1%
Price, RUB/kg	77.93	84.34	98.43	100.86	90.70	77.12	18%	2%
Price, USD/kg	2.23	2.41	2.72	2.13	2.36	2.42	-2%	-22%

Pork Division

Sales volume in the Pork division increased by 8% y-o-y to 170 172 tonnes of live weight in 2014, compared to 157 565 tonnes in 2013.

Prices in ruble terms increased by 47% y-o-y from 65.68 RUB/kg in 2013 to 96.25 RUB/kg in 2014. Compared to the price of 111.52 RUB/kg in the third quarter of 2014, the price in the fourth quarter of 2014 decreased by 13% to 96.90 RUB/kg.

In dollar terms, price for pork increased by 22% y-o-y from \$2.06/kg in 2013 to \$2.51/kg in 2014 (live weight). Compared to the price of \$3.08/kg in the third quarter of 2014, the price in the fourth quarter of 2014 decreased by 34% to \$2.04/kg. Dollar-denominated price has significantly decreased due to ruble devaluation in the fourth quarter.

<i>USD/RUB exchange rate</i>	34.96	35.00	36.19	47.42	38.42	31.85		
	1Q14	2Q 14	3Q14	4Q14	2014	2013	chg y-o-y	chg q-o-q
Volumes, tonnes	40 352	40 965	37 880	50 974	170 172	157 565	8%	35%
Price, RUB/kg	73.55	103.67	111.52	96.90	96.25	65.68	47%	-13%
Price, USD/kg	2.10	2.96	3.08	2.04	2.51	2.06	22%	-34%

Meat Processing Division

Sales volume in the Meat Processing division increased by 7% y-o-y to 144 189 tonnes in 2014 from 134 530 tonnes in 2013.

Price in ruble terms increased by 12% y-o-y to 167.29 in 2014 from 148.78 RUB/kg in 2013. Compared to the price of 170.64 RUB/kg in the third quarter of 2014, the price in the fourth quarter of 2014 increased by 2% to 174.15 RUB/kg.

Prices in dollar terms decreased by 7% y-o-y to \$4.35/kg in 2014 compared from \$4.67/kg in 2013. Compared to the price of \$4.72/kg in the third quarter in 2014, the price in the fourth quarter of 2014 decreased by 22% to \$3.67/kg. Dollar-denominated price has significantly decreased due to ruble devaluation in the fourth quarter.

<i>USD/RUB exchange rate</i>	34.96	35.00	36.19	47.42	38.42	31.85		
	1Q14	2Q 14	3Q14	4Q14	2014	2013	chg y-o-y	chg q-o-q
Volumes, tonnes	29 670	34 363	38 074	42 082	144 189	134 530	7%	11%
Price, RUB/kg	152.52	167.95	170.64	174.15	167.29	148.78	12%	2%
Price, USD/kg	4.36	4.80	4.72	3.67	4.35	4.67	-7%	-22%

Grain Division

In 2014 Cherkizovo harvested more than 242,000 tonnes of grain (gross harvest), or nearly 40% more than the result in 2013, which was about 175,000 tonnes (gross harvest). The standard weight of the grain harvest was 229,000 tonnes. About 60,000 ha were worked in Voronezh, Lipetsk, and Orel Regions during the agricultural campaign.

Sales volume in the Grain division increased by 70% y-o-y to 237 106 tonnes in 2014 from 139 565 tonnes in 2013. Wheat, barley and corn accounted for 81% of sales in 2014.

Prices in ruble terms increased by 20% y-o-y from 6.01 RUB/kg in 2013 to 7.21 RUB/kg in 2014. Compared to the price of 5.95 RUB/kg in the third quarter of 2014, the price in the fourth quarter of 2014 increased by 35% to 8.04 RUB/kg.

Prices in dollar terms y-o-y was flat. Compared to the price of \$0.16/kg in the third quarter of 2014, the price in the fourth quarter of 2014 increased by 6% to \$0.17/kg.

<i>USD/RUB exchange rate</i>	34.96	35.00	36.19	47.42	38.42	31.85		
	1Q14	2Q 14	3Q14	4Q14	2014	2013	chg y-o-y	chg q-o-q
Volumes, tonnes	20 453	4 165	71 313	141 175	237 106	139 565	70%	98%
Price, RUB/kg	6.10	5.98	5.95	8.04	7.21	6.01	20%	35%
Price, USD/kg	0.17	0.17	0.16	0.17	0.19	0.19	-1%	6%

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

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. Chairman Igor Babaev and his family control 65% of Cherkizovo Group, and free float amounts to 35%. 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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