

October 31, 2014

**Cherkizovo Group (LSE:CHE)**  
**Trading Update for 9 months of 2014**

**Moscow, October 31, 2014 – Cherkizovo Group (LSE:CHE; MOEX:GCHE), Russia’s largest meat and feed producer, announces its operational results for the nine months of 2014.**

**Poultry Division**

Sales volume in the Poultry division for the nine months of 2014 increased by 24% y-o-y to 310 663 tonnes of sellable weight (9M 2013: 251 429 tonnes) including 40 735 tonnes of sellable weight produced by LISCO Broiler since the day of the acquisition of this company by Cherkizovo (March 24).

Prices in ruble terms increased by 14% y-o-y from 76.78 RUB/kg\* for the nine months of 2013 to 87.23 RUB/kg for the nine months of 2014. Compared to the price of 84.34 RUB/kg in the second quarter of 2014, the price in the third quarter of 2014 increased by 17% to 98.43 RUB/kg.

Prices for poultry in dollar terms increased by 2% y-o-y from \$2.43/kg for the nine months of 2013 to \$2.46/kg for the nine months of 2014. Compared to the price of \$ 2.41/kg in the second quarter of 2014, the price in the third quarter of 2014 increased by 13% to \$ 2.72/kg.

<i>USD/RUB exchange rate</i>	34.96	35.00	36.19	35.39	31.62		
	<b>1Q14</b>	<b>2Q 14</b>	<b>3Q14</b>	<b>9M 14</b>	<b>9M 13</b>	<b>chg y-o-y</b>	<b>chg q-o-q</b>
Volumes, tonnes	90 328	115 447	104 888	310 663	251 429	24%	-9%
Price, RUB/kg	77.93	84.34	98.43	87.23	76.78	14%	17%
Price, USD/kg	2.23	2.41	2.72	2.46	2.43	2%	13%

**Pork Division**

Sales volume in the Pork division for the nine months of 2014 increased by 7% y-o-y to 119 198 tonnes of live weight, compared to 111 689 tonnes for the nine months of 2013.

Prices in ruble terms increased by 51% y-o-y from 63.36 RUB/kg for the nine months of 2013 to 95.97 RUB/kg for the nine months of 2014. Compared to the price of 103.67 RUB/kg in the second quarter of 2014, the price in the third quarter of 2014 increased by 8% to 111.52 RUB/kg.

In dollar terms, price for pork increased by 35% y-o-y from \$2.00/kg for the nine months of 2013 to \$2.71/kg for the nine months of 2014 (live weight). Compared to the price of \$2.96/kg in the second quarter of 2014, the price in the third quarter of 2014 increased by 4% to \$3.08/kg.

<i>USD/RUB exchange rate</i>	34.96	35.00	36.19	35.39	31.62		
	<b>1Q14</b>	<b>2Q 14</b>	<b>3Q14</b>	<b>9M 14</b>	<b>9M 13</b>	<b>chg y-o-y</b>	<b>chg q-o-q</b>
Volumes, tonnes	40 352	40 965	37 880	119 198	111 689	7%	-8%
Price, RUB/kg	73.55	103.67	111.52	95.97	63.36	51%	8%
Price, USD/kg	2.10	2.96	3.08	2.71	2,00	35%	4%

**Meat Processing Division**

Sales volume in the Meat Processing division increased by 3% y-o-y to 102 107 tonnes for the nine months of 2014 from 99 431 tonnes for the nine months of 2013.

Price in ruble terms increased by 13% y-o-y to 164.47 for the nine months of 2014 from 146.12 RUB/kg for the nine months of 2013. Compared to the price of 167.95 RUB/kg in the second quarter of 2014, the price in the third quarter of 2014 increased by 2% to 170.64 RUB/kg.

Prices in dollar terms increased by 1% y-o-y to \$4.65/kg for the nine months of 2014 compared to \$4.62/kg for the nine months of 2013. Compared to the price of \$4.80/kg in the second quarter of 2014, the price in the third quarter of 2014 decreased by 2% to \$4.72/kg.

<i>USD/RUB exchange rate</i>	34.96	35.00	36.19	35.39	31.62		
	<b>1Q14</b>	<b>2Q 14</b>	<b>3Q14</b>	<b>9M 14</b>	<b>9M 13</b>	<b>chg y-o-y</b>	<b>chg q-o-q</b>
Volumes, tonnes	29,670	34,363	38 074	102 107	99 431	3%	11%
Price, RUB/kg	152.52	167.95	170.64	164.47	146.12	13%	2%
Price, USD/kg	4.36	4.80	4.72	4.65	4.62	1%	-2%

## Grain Division

In October, Cherkizovo had almost completed harvesting in the Voronezh, Lipetsk, Moscow and Orel regions. As of October, 28 the Company harvested approximately 241 090 tonnes of grain, which is 37% higher than FY 2013 harvest (175 000 tonnes). In this agricultural season the Company sowed approximately 28.6 thousand hectares of winter crops.

Sales volume in the Grain division increased by 35% y-o-y to 95 931 tonnes for the nine months of 2014 from 71 017 tonnes for the nine months of 2013. Wheat and barley accounted for 76% of sales for the nine months of 2014.

Prices in ruble terms increased by 5% y-o-y from 5.67 RUB/kg for the nine months of 2013 to 5.98 RUB/kg for the nine months of 2014. Compared to the price of 5.98 RUB/kg in the second quarter of 2014, the price in the third quarter of 2014 decreased by 1% to 5.95 RUB/kg.

Prices in dollar terms decreased by 6% y-o-y from \$0.18/kg for the nine months of 2013 to \$0.17/kg for the nine months of 2014. Compared to the price of \$0.17/kg in the second quarter of 2014, the price in the third quarter of 2014 was flat.

<i>USD/RUB exchange rate</i>	34.96	35.00	36.19	35.39	31.62		
	<b>1Q14</b>	<b>2Q 14</b>	<b>3Q14</b>	<b>9M 14</b>	<b>9M 13</b>	<b>chg y-o-y</b>	<b>chg q-o-q</b>
Volumes, tonnes	20,453	4,165	71 313	95 931	71 017	35%	not comparable
Price, RUB/kg	6.10	5.98	5.95	5.98	5.67	5%	-1%
Price, USD/kg	0.17	0.17	0.16	0.17	0.18	-6%	-4%

\* 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; 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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