



## Cherkizovo Group Announces Operating Results for the First Half of 2017

**Moscow, Russia – 27 July 2017 – PJSC Cherkizovo Group (LSE: CHE; MOEX: GCHE), the largest vertically integrated meat and feed producer in Russia, today announces operating results for the first half of 2017.**

### Key Operating Results

Sales volume by business segments, tonnes			
Divisions	1H 2017	1H 2016	Y-o-Y change, %
<b>Poultry</b>	254,911	252,351	1%
<b>Pork</b>	98,369	86,902	13%
<b>Meat Processing</b>	107,314	102,898	4%

### Poultry Division

First half sales volumes increased by 1% year-on-year to 254,911 tonnes of sellable weight (1H 2016: 252,351). This modest uptick was due to growth in production, leading to increased output volumes. The average price during the first half of 2017 increased by 1% year-on-year to 91.15<sup>1</sup> RUB/kg as a result of an increase in brand name sales by 2% and HoReCa sales by 1% compared to the first half of 2016. The implementation of a new trade law limiting retroactive bonuses also had an impact on the first half average price. On a quarter-on-quarter basis, the average price decreased by 3% to 89.93 RUB/kg, due to the decrease in bonuses to retail chains, resulting in a negative impact on average prices.

	1H 2017	1H 2016	Change Y-o-Y, %	2Q 2017	1Q 2017	Change Q-o-Q, %
<b>Volume, tonnes</b>	254,911	252,351	1%	129,361	125,550	3%
<b>Average price, RUB/kg</b>	91.15	90.06	1%	89.93	92.40	(3%)

### Pork Division

Production volumes in the first half of the year increased by 13% year-on-year to 98,369 tonnes (1H 2016: 86,902 tonnes). This was due to higher production levels following the launch of two new wean-to-finish sites in Voronezh in 2016, as well as the ongoing genetics improvement strategy launched in 2014. The average price rose by 13% year-on-year to 94.02 RUB/kg (1H 2016: 83.20 RUB/kg). This increase was driven by growing consumption in Russia, which has been fuelled by increased promotional activity by Russian retail chains, along with a stabilisation in the purchasing power of consumers.

	1H 2017	1H 2016	Change Y-o-Y, %	2Q 2017	1Q 2017	Change Q-o-Q, %
<b>Volume, tonnes</b>	98,369	86,902	13%	53,391	44,978	19%
<b>Average price, RUB/kg</b>	94.02	83.20	13%	97.22	90.23	8%

<sup>1</sup> Here and below, all average prices exclude VAT



## Meat Processing Division

Sales volumes increased by 4% year-on-year to 107,314 tonnes from 102,898 tonnes in the first half of 2016. This was due to the growth in product assortment in the modern retail channel and geographical diversification to the Ural and North West regions. During the reporting period, the average price fell by 7% year-on-year to 153.65 RUB/kg as a result of the new trade law limiting retroactive bonuses. The decrease in bonuses to retail chains had a negative effect on prices.

	1H 2017	1H 2016	Change Y-o-Y, %	2Q 2017	1Q 2017	Change Q-o-Q, %
<b>Volume, tonnes</b>	107,314	102,898	4%	56,835	50,479	13%
<b>Average price, RUB/kg</b>	153.65	164.42	(7%)	152.51	154.94	(2%)

## Grain Farming Division

Due to the seasonality of this business, results of this segment are reported annually to better reflect the business performance and provide an appropriate basis for comparison.

For more information please visit [www.cherkizovo.com](http://www.cherkizovo.com) or contact

### Cherkizovo Group

#### Dmitry Mironov

Head of Investor Relations  
+7 (495) 660 24 40 ext. 15962  
[d.mironov@cherkizovo.com](mailto:d.mironov@cherkizovo.com)

## About Cherkizovo Group

**Cherkizovo Group** is the largest meat and feed producer in Russia. The Group is a top-3 producer in the poultry, pork and processed meat markets and is the largest feed manufacturer in the country.

Cherkizovo Group encompasses eight full cycle poultry production facilities, 15 modern pork production facilities, six meat processing plants, eight feed mills and more than 287,000 hectares of agricultural land. The Group also includes Tambov Turkey facility, a joint Russian-Spanish venture. In 2016, Cherkizovo Group produced 903,000 tonnes of 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 consistently delivered stable, long-term sales growth and profitability. The Group's consolidated revenue reached RUB 82.4 billion in 2016.

Cherkizovo Group shares are traded on the London Stock Exchange (LSE) and on the Moscow Exchange (MOEX).