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## TRADING UPDATE FOR THE FOURTH QUARTER OF 2013 AND FULL YEAR 2013

**Cherkizovo Group (LSE:CHE), Russia's leading integrated meat and fodder manufacturer, announces its operating results for the fourth quarter of 2013 and full year 2013.**

### Poultry Division

Sales volume in the Poultry division in 2013 increased by 7% y-o-y to 342 637 tonnes of sellable weight compared to 319 210 tonnes in 2012.

Prices in ruble terms decreased by 2% y-o-y from 78.62 RUR/kg\* in 2012 to 77.12 RUR/kg in 2013. Compared to the price of 77.09 RUR/kg in the third quarter of 2013, the price in the fourth quarter of 2013 increased by 1% to 78.05 RUR/kg.

Prices in dollar terms decreased by 4% y-o-y from \$2.53/kg in 2012 to \$2.42/kg in 2013. Compared to the price of \$2.35/kg in the third quarter of 2013, the price in the fourth quarter of 2013 increased by 2% to \$2.40/kg.

| <i>USDRUR exchange rate</i> | 30.41  | 31.61  | 32.80  | 32.53  | 31.85   | 31.09   |           |           |
|-----------------------------|--------|--------|--------|--------|---------|---------|-----------|-----------|
|                             | 1Q13   | 2Q 13  | 3Q13   | 4Q13   | 2013    | 2012    | chg y-o-y | chg q-o-q |
| Price, RUR/kg               | 76.92  | 76.34  | 77.09  | 78.05  | 77.12   | 78.62   | -1.9%     | 1.2%      |
| Price, USD/kg               | 2.53   | 2.41   | 2.35   | 2.40   | 2.42    | 2.53    | -4.2%     | 2.1%      |
| Volumes, tonnes             | 80 370 | 84 744 | 86 315 | 91 208 | 342 637 | 319 210 | 7.3%      | 5.7%      |

### Pork Division

Sales volume in the Pork division in 2013 increased by 52% y-o-y to 157 565 tonnes of live weight, compared to 103 877 tonnes in 2012.

Prices in ruble terms decreased by 14% y-o-y from 76.52 RUR/kg in 2012 to 65.68 RUR/kg in 2013. Compared to the price of 70.31 RUR/kg in the third quarter of 2013, the price in the fourth quarter of 2013 increased by 1% to 71.32 RUR/kg.

Prices in dollar terms decreased by 16% y-o-y from \$2.46/kg in 2012 to \$2.06/kg in 2013 (live weight). Compared to the price of \$2.14/kg in the third quarter of 2013, the price in the fourth quarter of 2013 increased by 2% to \$2.19/kg.

| <i>USDRUR exchange rate</i> | 30.41  | 31.61  | 32.80  | 32.53  | 31.85   | 31.09   |           |           |
|-----------------------------|--------|--------|--------|--------|---------|---------|-----------|-----------|
|                             | 1Q13   | 2Q 13  | 3Q13   | 4Q13   | 2013    | 2012    | chg y-o-y | chg q-o-q |
| Price, RUR/kg               | 57.36  | 61.06  | 70.31  | 71.32  | 65.68   | 76.52   | -14.2%    | 1.4%      |
| Price, USD/kg               | 1.89   | 1.93   | 2.14   | 2.19   | 2.06    | 2.46    | -16.3%    | 2.3%      |
| Volumes, tonnes             | 34 429 | 35 649 | 41 612 | 45 876 | 157 565 | 103 877 | 51.7%     | 10.2%     |

### Meat Processing Division

Sales volume in the Meat Processing division increased by 6% y-o-y to 134 530 tonnes in 2013 from 127 403 tonnes in 2012.

Prices in ruble terms were almost flat at 148.39 RUR/kg in 2012 vs. 148.78 RUR/kg in 2013. Compared to the price of 146.18 RUR/kg in the third quarter of 2013, the price in the fourth quarter of 2013 increased by 7% to 156.32 RUR/kg.

Prices in dollar terms decreased by 2% y-o-y to \$4.67/kg in 2013 compared to \$4.77/kg in 2012. Compared to the price of \$4.46/kg in the third quarter of 2013, the price in the fourth quarter of 2013 increased by 8% to \$4.80/kg.

| <i>USDRUR exchange rate</i> | 30.41  | 31.61  | 32.80  | 32.53  | 31.85   | 31.09   |           |           |
|-----------------------------|--------|--------|--------|--------|---------|---------|-----------|-----------|
|                             | 1Q13   | 2Q 13  | 3Q13   | 4Q13   | 2013    | 2012    | chg y-o-y | chg q-o-q |
| Price, RUR/kg               | 147.20 | 145.10 | 146.18 | 156.32 | 148.78  | 148.39  | 0.3%      | 6.9%      |
| Price, USD/kg               | 4.84   | 4.59   | 4.46   | 4.80   | 4.67    | 4.77    | -2.1%     | 7.8%      |
| Volumes, tonnes             | 29 442 | 33 784 | 36 205 | 35 099 | 134 530 | 127 403 | 5.6%      | -3.1%     |

## Grain Division

In 2013 Cherkizovo harvested more than 175 000 of grain (bunker weight), which is 51% higher than in 2012, stated at about 116 000 tonnes. Harvest in net weight was at about 163 000 tonnes in 2013, which is 48% higher than 110 000 tonnes in 2012. In 2013 agricultural season the Company sowed approximately 40 thousand hectares in the Orel and Voronezh regions.

Sales volume in the Grain division increased by 24% y-o-y to 139 565 tonnes in 2013 from 112 414 tonnes in 2012. Wheat, barley and corn accounted for 80% of sales (in tonnes) in 2013.

Prices in ruble terms decreased by 27% y-o-y from 8.28 RUR/kg in 2012 to 6.01 RUR/kg in 2013. Compared to the price of 5.08 RUR/kg in the third quarter of 2013, the price in the fourth quarter of 2013 increased by 25% to 6.37 RUR/kg.

Prices in dollar terms decreased by 29% y-o-y from \$0.27/kg in 2012 to \$0.19/kg in 2013. Compared to the price of \$0.15/kg in the third quarter of 2013, the price in the fourth quarter of 2013 increased by 26% to \$0.20/kg.

| <i>USDRUR exchange rate</i> | 30.41 | 31.61 | 32.80  | 32.53  | 31.85   | 31.09   |           |           |
|-----------------------------|-------|-------|--------|--------|---------|---------|-----------|-----------|
|                             | 1Q13  | 2Q 13 | 3Q13   | 4Q13   | 2013    | 2012    | chg y-o-y | chg q-o-q |
| Price, RUR/kg               | 8.46  | 8.59  | 5.08   | 6.37   | 6.01    | 8.28    | -27.4%    | 25.4%     |
| Price, USD/kg               | 0.28  | 0.27  | 0.15   | 0.20   | 0.19    | 0.27    | -29.1%    | 26.4%     |
| Volumes, tonnes             | 8 668 | 3 481 | 58 868 | 68 548 | 139 565 | 112 414 | 24.2%     | 16.4%     |

\* 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) is the largest meat manufacturer in Russia and one of the top three companies serving Russia's poultry, pork, and meat processing markets. The company is also Russia's largest producer of fodder.

The Group includes 7 full-cycle poultry production facilities, with a total capacity of 425,000 tonnes live weight p.a.; 14 modern pork production facilities with a total capacity of 180,000 tonnes live weight p.a.; 6 meat processing plants with a total capacity of 158,000 tonnes p.a.; 6 fodder plants with a total capacity of 1.4 million tonnes p.a.; grain storage facilities with a total storage capacity exceeding 500,000 tonnes; and a land bank exceeding 100,000 hectares. In 2013, Cherkizovo produced more than half a million tonnes of meat and processed meat products.

Due to its vertically integrated structure, which includes agricultural land, grain storage facilities, feed production, livestock breeding, growing, and slaughtering as well as meat processing and integrated distribution, Cherkizovo has consistently delivered sustainable revenue and profit growth. In 2012, Cherkizovo's US GAAP consolidated revenue exceeded \$1.5 billion, and net profit amounted to \$225 million.

Within the last five years alone, Cherkizovo has invested more than \$1 billion into the development of Russia's agriculture sector. In addition to existing production facilities, the Group is also investing in hi-technology agro-industrial production complex in Elets, Lipetsk region.

Cherkizovo's strategy includes both organic growth and investment in new projects, driving the consolidation of the Russian meat market. Cherkizovo shares are listed on LSE and RTS/MICEX.

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