13 March 2013

Cherkizovo Group OJSC ("Cherkizovo" or "the Group" or "the Company")

Financial results for the Year Ending 31 December 2012

Moscow, 13 March 2013 - Cherkizovo Group (LSE: CHE), Russia's largest integrated and diversified meat producer, today announces full-year audited financial results for the period ending 31 December 2012.

Financial Highlights

- Revenues increased by 14% in roubles, and increased by 7% on a US Dollar basis to $1,581.7 million in 2012 from $1,472.6 million for 2011. Revenues increased by 11% to $436.3 million in the fourth quarter of 2012 from $393.3 million for the fourth quarter of 2011, and increased by 11% on a rouble currency basis.

- EBITDA* increased by 37 % in roubles, and increased by 29% on a US Dollar basis to $314.6 million from $243.4 million for 2011. EBITDA* in the fourth quarter of 2012 increased 17% to $75.4 million from $64.6 million in the fourth quarter of 2011, and increased 17% on a rouble currency basis.

- EBITDA* margin was at a record 20% in 2012, up from 17% for 2011. EBITDA* margin in the fourth quarter of 2012 increased slightly to 17%.

- Gross profit increased by 30% in roubles, and increased by 23% on a US Dollar basis to $452.1 million from $367.0 million for 2011. Gross profit in the fourth quarter increased 24% to $118.6 million from $95.7 million in the fourth quarter of 2011, and increased 24% on a rouble currency basis.

- Group gross margin was 29% for 2012 and 27% for the fourth quarter.

- Net income increased by 75% in roubles and increased by 66% on a US Dollar basis to $225.2 million from $135.9 million for 2011. Net income in the fourth quarter more than doubled (+115%) to $66.5 million from $ 31.0 million, and more than doubled (+112%) on a rouble currency basis.

- As of 31 December 2012 Net debt** was RUR 26,077.1 million ($858.6 million).

- The effective cost of debt was almost flat at 2%.

- Net income per share increased 64% to $5.19

- Cash conversion rate (CCR)*** was 108% (177% for 2011)

Business Developments

- Construction completed of greenfield pork farms in Tambov, Voronezh and Lipetsk; all facilities now fully stocked with sows.
- Completed capacity increase projects in Bryansk cluster, from 45 thousand tonnes to 85 thousand tonnes p.a., and almost completed capacity increase project in Penza cluster, from 60 thousand tonnes to 135 thousand tonnes p.a. (slaughter weight).
- Continued development of Elets integrated poultry production facility. Construction has started on new elevator; sourcing is underway for the 120 tonnes per hour feed mill supplier; and equipment has been purchased for the 240 million egg incubation hatchery.
- An agreement to set up a turkey meat production joint venture with Spain's Grupo Fuertes was signed. The new plant, due to be operational in 2014, will be in the Tambov region of Russia, with more than EUR 100 million invested in development of the project. The annual capacity is expected to be 25,000-30,000 tonnes of turkey meat, and may be increased to 50,000 tonnes in the medium term.
- Agreement was reached to acquire agricultural assets located in Central Russia, comprising a swine nucleus unit in the Voronezh region; grain storage facilities in the Voronezh and Penza regions (total capacity exceeding 200,000 tonnes); a feed mill (under construction), and a land bank of approximately 30,000 ha in the Voronezh region.
- Launched second line at Kaliningrad meat processing plant, tripling the production capacity of the facility.
- Group's grain storage facilities reached an impressive 500 000 tonnes.
- Successfully launched Grain division, that reported a harvest of approximately 115 000 tonnes of grain products.
- Relaunched Petelinka, Russia's number one chilled poultry brand.
- The number of Non-Executive Directors on Cherkizovo's Board of Directors has been increased to four, reflecting an increased emphasis on corporate governance and transparency. The Board has elected a Corporate Secretary to ensure the corporate governance procedures are followed.
- The Group formed a dedicated management team with a solid and diverse background.

Sergey Mikhailov, Chief Executive Officer of Cherkizovo Group, said:

Cherkizovo Group has delivered a very solid performance in 2012. Being the largest meat company in Russia, we achieved significant new milestones: more than $1.5 billion in revenue, more than half a million tonnes in output and EBITDA of over $300 million. We were able to achieve outstanding results, again validating the key elements of our strategy: business diversification, vertical integration and a combination of organic growth and strategically important acquisitions. Over many years Cherkizovo Group has invested in growth and development, and in 2012 we saw considerable "harvest" from earlier investments.

The Poultry division displayed impressive results: sales increased by 22%, and EBITDA in the division increased by 57%. The Poultry division supplied half the revenue and more than half the profit of the Group. The full integration of Mosselprom, which was acquired in 2011, and the expanded capacities in the Penza and Bryansk clusters positively affected 2012's earnings as well as strong pricing environment. In early 2013 we completed plans for doubling production capacity in the Penza and Bryansk clusters, reaching installed capacity of 390 thousand tonnes p.a. live weight, and we are planning double-digit growth this year.

For the future development of the Pork division, we have brought in a team of international experts with extensive experience working on the international markets. In 2012 the new Pork division team created a set of vital operational changes directed at increasing productivity and at sustainable growth. In 2012, volume grew 14%, but most important, despite the changes, we maintained a decent level of EBITDA profitability. We completed the construction of three pork complexes in the Lipetsk, Tambov and Voronezh regions, reaching full installed capacity of 180 000 tonnes p.a.. Cherkizovo also acquired a swine nucleus unit. So, we are poised for future volume growth.

Meat Processing division continued to change its products portfolio towards value-added products. The segment also benefited from lower input costs, that enabled it to achieve a record 9% EBITDA profitability. During 2012, we closed an inefficient slaughtering facility in southern Russia, and invested in the plant in the Kaliningrad region's free-trade zone, where production capacity tripled.

Vertical integration is the continuing focus for the Company. Being the largest fodder manufacturer in the country, in 2012 we produced more than a million tonnes of fodder, ensuring self-sufficiency of our operations. We have invested in grain storage facilities, and now our total storage capacities exceed 500 thousand tonnes. In 2012 for the first time we asserted ourselves as a grain producer, having gathered a harvest of more than 115 thousand tonnes from our land. Vertical integration and the availability of storage capacities allow Cherkizovo Group to confidently operate in the grain market's highly volatile environment. As grain price rose in 2012, we significantly benefited from the acquisition of agricultural assets of Voronezhmyasoprom.

After accession to the WTO, the government implemented a series of initiatives aimed at supporting agriculture. This included maintaining in perpetuity zero tax rate on profits for agricultural enterprises. Further, the interest rate subsidy on bank credits has been preserved. The government is currently considering the issue of providing direct grants to agricultural enterprises that are suffering from higher grain prices. We are sure that both existing and planned support measures will benefit the domestic agriculture sector.

2013 looks very challenging as grain prices are currently at historical highs and pork prices are at historical lows. This combination will negatively impact the Company's performance in 2013. Still, Cherkizovo Group's management is optimistic about the Group's business prospects. Our diversified business structure, including not only pork and poultry but also grain production and meat processing, creates a solid platform that enables us to mitigate any negative market factors.

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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 400,000 tons live weight p.a.; 14 modern pork production facilities with a total capacity of 180,000 tons live weight p.a.; 6 meat processing plants with a total capacity of 190,000 tons p.a.; 6 fodder plants with a total capacity of 1.4 million tons p.a.; grain storage facilities with a total storage capacity exceeding 500,000 tons; and a land bank exceeding 100,000 hectares. In 2012, Cherkizovo produced more than half a million tons 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 a 20 billion rouble high 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 quoted on LSE and RTS/MICEX.

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Some of the information in this press release may contain projections or other forward-looking statements regarding future events or the future financial performance of the Group. You can identify forward looking statements by terms such as "expect," "believe," "anticipate," "estimate," "intend," "will," "could," "may" or "might" the negative of such terms or other similar expressions. We wish to caution you that these statements are only predictions and that actual events or results may differ materially. We do not intend to update these statements to reflect events and circumstances occurring after the date hereof or to reflect the occurrence of unanticipated events. Many factors could cause the actual results to differ materially from those contained in our projections or forward-looking statements, including, among others, general economic conditions, our competitive environment, risks associated with operating in Russia, rapid market change in our industry, as well as many other risks specifically related to the Group and its operations

$ symbol in this press release stands for US Dollar

During the third quarter of 2012 the Group completed the acquisition of entities previously owned by the Group's majority shareholder. Since these acquisitions are transactions between entities under common control, they have been accounted for in a manner similar to a pooling of interest with assets and liabilities transferred at historical cost. Cherkizovo's historical financial information has been restated to include the acquired entities for all periods presented.

As required by US GAAP, comparative information for the year ended 31 December 2011 has been also retrospectively adjusted for the finalization of the allocation of the purchase price of Mosselprom and for a change in accounting principles.

Financial Overview

The table below summarizes the Group's performance on a rouble currency basis for the full year 2012 and for the fourth quarter of 2012:

RUR, mln	2012	2011	Change	4Q2012	4Q2011	Change
Sales	49,179.3	43,276.9	14%	13,559.8	12,227.6	11%
Gross Profit	14,055.6	10,786.4	30%	3,686.7	2,979.5	24%
Gross margin, %	*29%*	*25%*		*27%*	*24%*	
Operating expenses	(6,837.8)	(5,999.3)	14%	(2,070.3)	(1,839.3)	13%
Operating Income	7,217.9	4,787.1	51%	1,616.4	1,140.2	42%
Operating Income margin, %	*15%*	*11%*		*12%*	*9%*	
Net Income	7,002.5	3,994.7	75%	2,067.3	975.7	112%
Adjusted EBITDA	9,781.9	7,151.9	37%	2,344.5	2,010.9	17%
EBITDA margin, %	*20%*	*17%*		*17%*	*16%*	

On a reported currency basis sales increased for 2012 by 7% to $1,581.7 million (2011: $ 1,472.6 million); and for the fourth quarter by 11% due to healthy organic growth, mostly in poultry segment and the full integration of Mosselprom. Gross profit increased by 23% to $ 452.1 million (2011: $ 367.0 million). Operating expenses as a percentage of sales were flat at 14%. Net income increased by 66% to $225.2 million (2011: $ 135.9 million).

Adjusted EBITDA* increased by 29 % to $314.6 million (2011: $243.4 million) and adjusted EBITDA* margin was 20% for 2012, and 17% for the fourth quarter of 2012, reflecting an improvement in profitability and a robust operating performance by the Group.

$, mln	2012	2011	Change	4Q2012	4Q2011	Change
Sales	1,581.7	1,472.6	7%	436.3	393.3	11%
Gross Profit	452.1	367.0	23%	118.6	95.7	24%
Gross margin, %	*29%*	*25%*		*27%*	*24%*	
Operating expenses	(219.9)	(204.1)	8%	(66.6)	(59.5)	12%
Operating Income	232.1	162.9	42%	52.0	36.1	44%
Operating Income margin, %	*15%*	*11%*		*12%*	*9%*	
Net Income	225.2	135.9	66%	66.5	31.0	115%
Adjusted EBITDA	314.6	243.4	29%	75.4	64.6	17%
EBITDA margin, %	*20%*	*17%*		*17%*	*16%*	

Poultry Division

Sales volumes in the Poultry division in 2012 increased by 23% to approximately 319,210 tonnes of slaughter weight compared to 260,200 tonnes in 2011, reflecting organic volumes added in the Penza and Bryansk clusters and sales by Mosselprom, which was acquired in May 2011 and which now is fully integrated.

Prices in rouble terms increased by 8% from 72.79 RUR/kg in 2011 to 78.62 RUR/kg in 2012 (excluding VAT). Compared to the third quarter of 2012, the price in the fourth quarter increased by 3% to 84.81 RUR/kg.

Prices for poultry sales in dollar terms increased by 2% from $2.48/kg in 2011 to $2.53/kg in 2012 (excluding VAT)*. Compared to the third quarter of 2012, the price in the fourth quarter increased by 6% to $2.73/kg.

Total sales in the Poultry division increased by 22% to $ 842.1 million (2011: $ 691.4 million). Gross Profit increased by 46% to $ 232.9 million (2011: $ 159.7 million), divisional Gross margin increased to 28% (2011: 23%) mostly due to strong pricing. In 2012, the segment accounted for approximately 237 million roubles or $ 7.6 million of direct subsidies, received in accordance with regional agricultural development programs, which offset cost of sales.

Operating expenses as a percentage of sales decreased from 13% to 12%. Operating Income of the division increased by an impressive 78% to $ 130.9 million (2011: $ 73.3 million), and Operating margin was 16 %. Profit in the Poultry division increased by 81% to $ 127.3 million (2011: $ 70.4 million).

Adjusted EBITDA* increased 57% to $173.6 million (2011: $110.5 million), while Adjusted EBITDA* margin in 2012 in the Poultry division was 21 %.

Pork Division

Sales volumes in the Pork division in 2012 increased by 14% to approximately 103,877 tonnes of live weight compared to 91,400 tonnes in 2011.

Prices in rouble terms decreased by 4% from 80.04 RUR/kg in 2011 to 76.52 RUR/kg in 2012 (excluding VAT). Compared to the price in the third quarter of 2012, the price in the fourth quarter sharply decreased by 21% to 65.44 RUR/kg, reflecting an increased supply of live hogs to the market, and the influence of seasonal factors.

In dollar terms, prices for pork sales decreased by 10% from $2.72/kg of live weight in 2011 to $2.46/kg of live weight in 2012 (excluding VAT)*. Compared to the third quarter of 2012, the price in the fourth quarter decreased by 19% to $2.11/kg.

Total sales in the Pork division decreased by 1% to $ 263.2 million (2011: $ 266.5 million). Gross Profit decreased 16 % to $ 91.6 million (2011: $ 109.5 million) while divisional Gross margin decreased to 35% (2011: 41%) due to a sharp decline of prices in Q4.

Operating Expenses as a percentage of sales were flat at 9%. The division generated Operating Income of $ 68.3 million (2011: $ 86.0 million), while Operating margin was 26 % (2011: 32%). Profit in the Pork division decreased by 24 % to $ 61.4 million (2011: $ 80.5 million).

Adjusted EBITDA* generated by the division decreased 17% to $ 91.6 million (2011: $109.9 million), and Adjusted EBITDA* margin in 2012 in the Pork division was 35%.

Meat Processing Division

In 2012, Cherkizovo successfully changed its sales mix in the division towards more profitable products, and sales volumes in the decreased by 12% to approximately 127, 403 tonnes compared to 145,270 tonnes in 2011.

Prices in rouble terms increased by 11% from 133.65 RUR/kg in 2011 to 148.39 RUR/kg in 2012 (excluding VAT), reflecting a change in the product mix towards higher margin processed products. Compared to the price in the third quarter, the price in the fourth quarter of 2012 increased by 2% to 153.76 RUR/kg.

Prices in dollar terms increased by 5% from $4.55/kg in 2011 to $4.77/kg in 2012 (excluding VAT)*. Compared to the third quarter of 2012, the price in the fourth quarter increased 5% to $4.95/kg.

Total sales in the Meat Processing division decreased 11% to $ 568.5 million (2011: $ 635.4 million). Divisional Gross Profit increased 12% to $ 117.3 million (2011: $ 104.8 million), while divisional Gross margin was a robust 21%.

Operating Expenses as a percentage of sales slightly increased to 13 % from 12% in 2011, reflecting the increased share of value-added products in the sales mix. The division generated Operating Income of $ 41.8 million (2011: $ 25.9 million), while Operating margin significantly increased to 7% (2011: 4%). Profit in the Meat Processing division more than doubled, reaching $ 33.6 million (2011: 15.3 million).

Adjusted EBITDA* for the division increased by 28% to $53.5 million (2011: $ 41.7 million), and Adjusted EBITDA* margin in the Meat Processing division was a record 9%.

Grain Division

In 2012, Cherkizovo Group's Grain division became a strong contributor to the results for the first time. Cherkizovo Group's Grain division has reported a 2012 crop harvest of approximately 115,000 tonnes of agricultural products. The approximate current yields per hectare are: wheat: 3.4 tonnes; barley: 3.3 tonnes; sunflower: 2.6 tonnes; and corn: 6.1 tonnes.

Sales in the Grain division in 2012 amounted to 112,414 tonnes of agricultural products, including 51,254 tonnes of wheat, 24,594 tonnes of barley, 11,990 tonnes of corn and 12,000 tonnes of sunflower.

Average prices in the Grain division in 2012 were approximately 8.28 thousand RUR/tonne ($266/tonne), price for wheat amounted to 7.12 thousand RUR/tonne ($229/tonne), price for barley amounted to 6.07 thousand RUR/tonne ($195/tonne), price for corn amounted to 7.36 thousand RUR/tonne ($237/tonne) and price for sunflower amounted to 18.09 thousand RUR/tonne ($582/tonne).

Total sales in the Grain division amounted to $ 35.8 million. Divisional Gross Profit was $ 14 million, while divisional Gross margin was 39%.

Operating Expenses as a percentage of sales were 13%. The division generated Operating Income of $9.6 million, while Operating margin was 27% . Profit in the Grain division was $7.2 million.

Adjusted EBITDA* for the division was $ 13.8 million. Of that, $ 9.8 million was contributed from Voronezhmyasoprom, which was acquired in 2012. Adjusted EBITDA* margin in the Grain division was 38%.

Financial Position

The Group's capital expenditure on property, plant and equipment and maintenance amounted to $186.3 million in 2012. Of that, $105.3 million was invested into the Poultry division, mainly into breeding and incubation sites, as well as slaughter and processing sites within the capacity increase projects at the Bryansk and Penza clusters; $64.9 million was invested into the Pork division, mainly into the construction of three pork complexes and $14.9 million was invested into the Meat Processing division.

Net Debt** at the end of 2012 was RUR 26,077.1 million ($858.6 million). Total Debt was RUR 27,327.9 million ($ 899.8 million). Of Total Debt, long-term debt was approximately $532.7 million, or 59 % of the debt portfolio. Short-term debt was $367.1 million, or 41 % of the portfolio. Cost of Debt for 2012 was 2%. The portion of subsidized debt in the portfolio was 94% compared to 93% as of 31 December 2011. Cash and cash equivalents totalled $ 41 million at 31 December 2012.

Subsidies

The Group received direct subsidies to the amount of RUR 237 million ($7.6 million) in accordance with regional agricultural development programs (2011: RUR 581 million or $19.8 million). The Group received interest reimbursement of RUR 2,069 million ($66.5 million) for 2012 which offset interest expense. For 2011 the interest reimbursement was RUR 1,862 million ($63.3 million).

Outlook

The market environment in the agriculture sector currently looks fairly unfavorable. In 2012–2013, grain prices tripled. The price of wheat increased from 4,500 roubles per tonne to 13,000 roubles per tonne. In the fourth quarter of 2012, pork prices dropped sharply; this was precipitated by increase of domestic industrial production, increase of supply from smaller farmers that are exiting the business and partly by the reduction to zero of the import tax on pork meat within import quota following accession to the WTO, and increase of import. This combination of factors is negatively affecting the Company's performance in 2013.

Over the next several months, changes in the market environment will depend largely on precise and timely actions taken by the Government regarding the provision of grants to agricultural enterprises, as well as on price movements on the grain market.

Despite the fact that 2013 appears very challenging in the short term, Cherkizovo Group's management is optimistic about the Group's future business prospects. Our diversified business structure, including not only pork and poultry but also grain production and meat processing, will help to mitigate any negative market impact. In the mid- and long term, unfavorable market may create opportunities for both organic growth and further market consolidation.

***Non-GAAP financial measures**. This press release includes financial information prepared in accordance with accounting principles generally accepted in the United States of America, or US GAAP, as well as other financial measures referred to as non-GAAP. The non-GAAP financial measures should be considered in addition to, but not as a substitute for, the information prepared in accordance with US GAAP.*

Adjusted Earnings before Interest, Income Tax, Depreciation and Amortization ("Adjusted EBITDA"). *Adjusted EBITDA represents income before income tax and non-controlling interests adjusted for interest, depreciation and amortization and certain other items as shown in the reconciliation in Appendix 1. Adjusted EBITDA margin is defined as Adjusted EBITDA as a percentage of our net revenues. Our adjusted EBITDA may not be similar to adjusted EBITDA measures of other companies; is not a measurement under accounting principles generally accepted in the United States and should be considered in addition to, but not as a substitute for, the information contained in our consolidated statement of operations. We believe that adjusted EBITDA provides useful information to investors because it is an indicator of the strength and performance of our ongoing business operations, including our ability to fund discretionary spending such as capital expenditures, acquisitions and other investments and our ability to incur and service debt. While depreciation and amortization are considered operating costs under generally accepted accounting principles, these expenses primarily represent the non-cash current period allocation of costs associated with long-lived assets acquired or constructed in prior periods. Our adjusted EBITDA calculation is commonly used as one of the bases for investors, analysts and credit rating agencies to evaluate and compare the periodic and future operating performance and value of companies within our industry. Adjusted EBITDA is reconciled to our consolidated statements of operations in Appendix 1.*

***** Net debt*** *is calculated as total debt minus cash and cash equivalents*

****** Cash Conversion rate (CCR)*** *is calculated as Total net cash from operating activities divided by Net income attributable to Group Cherkizovo*

[#] ***For price calculation in dollar terms*** *the Company used the average exchange rate for the 2012 of 31,093 roubles per 1 US dollar, for the 2011 the average rate was 29.3874 roubles per 1 US dollar.*

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APPENDIX I: KEY DATA AND FIGURES

AUDITED 12 months 2012 Consolidated Selected Financial Data (US$000)

(in thousands of US dollars)	**Meat-Processing**	**Poultry**	**Pork**	**Grain**	**Corporate assets/expenditures**	**Interdivision**	**Combined**
Total Sales	568 505	842 075	263 214	35 773	7 838	(135 720)	1 581 685
including other sales	2 656	58 617	7 579	-	-	-	68 852
including sales volume discount	(46 712)	(23 626)	-	-	-	-	(70 338)
Interdivision Sales	(574)	(33 125)	(75 985)	(18 357)	(7 679)	135 720	0
Sales to external customers (Sales)	567 931	808 950	187 229	17 416	159	-	1 581 685
% of Total sales	35,9%	51,2%	11,8%	1,1%			100,0%
Cost of Sales	(451 251)	(609 186)	(171 620)	(21 739)	(11)	124 174	(1 129 633)
Gross profit	117 254	232 889	91 594	14 034	7 827	(11 546)	452 052
Gross margin	20,6%	27,7%	34,8%	39,2%			28,6%
Operating expenses	(75 440)	(101 970)	(23 305)	(4 483)	(23 642)	8 927	(219 913)
Operating income	41 814	130 919	68 289	9 551	(15 815)	(2 619)	232 139
Operating margin	7,4%	15,5%	25,9%				14,7%
Other income and expenses, net	1 412	2 931	1 134	175	14 089	(16 238)	3 503
Interest expenses	(9 597)	(6 530)	(8 057)	(2 507)	(8 494)	16 238	(18 947)
Division profit / (loss)	33 629	127 320	61 366	7 219	(10 220)	(2 619)	216 695
Division profit margin	5,9%	15,1%	23,3%	20,2%			13,7%
Supplemental information:							
Income Tax expense (credit)	6 665	(15 162)	(4 964)	(353)	(467)	-	(14 281)
Depreciation expense	11 297	42 441	22 708	4 018	645	-	81 109

Adjusted EBITDA reconciliation

Division profit / (loss)	**33 629**	**127 320**	**61 366**	**7 219**	**(10 220)**	**(2 619)**	**216 695**
Add:							
Interest expense	9 597	6 530	8 057	2 507	8 494	(16 238)	18 947
Interest income	(395)	(5 287)	(380)	9	(12 205)	16 238	(2 020)
Foreign exchange loss/gain, net	(656)	2 547	(136)	-	(1 884)	-	(129)
Depreciation expense	11 297	42 441	22 708	4 018	645	-	81 109
Adjusted EBITDA*	**53 472**	**173 551**	**91 615**	**13 753**	**(15 170)**	**(2 619)**	**314 602**
*Adjusted EBITDA Margin**	9,4%	20,6%	34,8%	38,4%			19,9%

Reconciliation between net division profit and income attributable to Cherkizovo Group

Total net division profit	**216 695**
Net (income) loss attributable to non-controlling interests	(5 761)
Income taxes	14 281
Net income attributable to Cherkizovo Group	**225 215**

CONSOLIDATED INCOME STATEMENT DATA

(in thousands of US dollars)	**Year ended 31 December 2012**	**Year ended 31 December 2011 (as restated)***
Sales	1 581 685	1 472 633
incl. Sales volume discount	(70 338)	(54 710)
incl. Sales returns	(14 211)	(14 944)
Cost of sales	(1 129 633)	(1 105 593)
Gross profit	**452 052**	**367 040**
Gross margin	*28,6%*	*24,9%*
Operating expenses	(219 913)	(204 145)
Operating Income	**232 139**	**162 895**
Operating margin	*14,7%*	*11,1%*
Income before income tax and minority interest	**216 695**	**144 623**
Net income attributable to Group Cherkizovo	**225 215**	**135 930**
Net profit margin	*14,2%*	*9,2%*
Weighted average number of shares outstanding	43 367 512	42 953 544
Earnings per share		
Net income attributable to Cherkizovo Group per share – basic and diluted	5,19	3,16
Consolidated Adjusted EBITDA reconciliation*		
Income before income tax and minority interest	**216 695**	**144 623**
Add:		
Interest expense	18 947	18 253
Interest income	(2 020)	(1 963)
Foreign exchange loss/gain, net	(129)	3 619
Depreciation expense	81 109	70 637
Impairment of current assets, subsidies write-offs		8 197
Consolidated Adjusted EBITDA	**314 602**	**243 366**
Adjusted EBITDA Margin	*19,9%*	*16,5%*

MEAT PROCESSING DIVISION INCOME STATEMENT DATA

(in thousands of US dollars)	**Year ended 31 December 2012**	**Year ended 31 December 2011 (as restated)***
Total Sales	568 505	635 418
Interdivision sales	(574)	(1 958)
Sales to external customers	**567 931**	**633 460**
Cost of sales	(451 251)	(530 626)
Gross profit	**117 254**	**104 792**
Gross margin	*20,6%*	*16,5%*
Operating expenses	(75 440)	(78 924)
Operating Income	**41 814**	**25 866**
Operating margin	*7,4%*	*4,1%*
Other income and expenses, net	1 412	19
Interest expenses	(9 597)	(10 618)
Division profit	**33 629**	**15 269**
Division profit margin	*5,9%*	*2,4%*
Meat processing division Adjusted EBITDA reconciliation**		
Division profit	**33 629**	**15 269**
Add:		
Interest expense	9 597	10 618
Interest income	(395)	(226)
Foreign exchange loss/gain, net	(656)	667
Depreciation expense	11 297	11 952
Impairment of non-current assets		3 395
Meat processing division Adjusted EBITDA	**53 472**	**41 675**
Adjusted EBITDA Margin	*9,4%*	*6,6%*

POULTRY DIVISION INCOME STATEMENT DATA

(in thousands of US dollars)	**Year ended 31 December 2012**	**Year ended 31 December 2011 (as restated)***
Total Sales	842 075	691 411
Interdivision sales	(33 125)	(50 562)
Sales to external customers	**808 950**	**640 849**
Cost of sales	(609 186)	(531 689)
Gross profit	**232 889**	**159 722**
Gross margin	*27,7%*	*23,1%*
Operating expenses	(101 970)	(86 373)
Operating Income	**130 919**	**73 349**
Operating margin	*15,5%*	*10,6%*
Other income and expenses, net	2 931	4 814
Interest expenses	(6 530)	(7 769)
Division profit	**127 320**	**70 394**
Division profit margin	*15,1%*	*10,2%*

Poultry division Adjusted EBITDA reconciliation**		
Division profit	**127 320**	**70 394**
Add:		
Interest expense	6 530	7 769
Interest income	(5 287)	(4 929)
Foreign exchange loss/gain, net	2 547	1 257
Depreciation expense	42 441	33 198
Subsidies write-off		2 853
Poultry division Adjusted EBITDA	**173 551**	**110 542**
Adjusted EBITDA Margin	*20,6%*	*16,0%*

PORK DIVISION INCOME STATEMENT DATA

(in thousands of US dollars)	**Year ended 31 December 2012**	**Year ended 31 December 2011 (as restated)***
Total Sales	263 214	266 478
Interdivision sales	(75 985)	(73 655)
Sales to external customers	**187 229**	**192 823**
Cost of sales	(171 620)	(156 958)
Gross profit	**91 594**	**109 520**
Gross margin	*34,8%*	*41,1%*
Operating expenses	(23 305)	(23 563)
Operating Income	**68 289**	**85 957**
Operating margin	*25,9%*	*32,3%*
Other income and expenses, net	1 134	(47)
Interest expenses	(8 057)	(5 368)
Division profit	**61 366**	**80 542**
Division profit margin	*23,3%*	*30,2%*
Pork division Adjusted EBITDA reconciliation**		
Division profit	**61 366**	**80 542**
Add:		
Interest expense	8 057	5 368
Interest income	(380)	(269)
Foreign exchange loss/gain, net	(136)	320
Depreciation expense	22 708	21 973
Subsidies write-off		1 950
Pork division Adjusted EBITDA	**91 615**	**109 884**
Adjusted EBITDA Margin	*34,8%*	*41,2%*

GRAIN DIVISION INCOME STATEMENT DATA

(in thousands of US dollars)	**Year ended 31 December 2012**	**Year ended 31 December 2011 (as restated)***
Total Sales	35 773	10 470
Interdivision sales	(18 357)	(4 998)
Sales to external customers	**17 416**	**5 472**
Cost of sales	(21 739)	(15 541)
Gross profit	**14 034**	**(5 071)**
Gross margin	*39,2%*	*-48,4%*
Operating expenses	(4 483)	(1 810)
Operating Income	**9 551**	**(6 881)**
Operating margin	*26,7%*	*-65,7%*
Other income and expenses, net	175	-
Interest expenses	(2 507)	(2 295)
Division profit/(loss)	**7 219**	**(9 176)**
Division profit margin	*20,2%*	*-87,6%*

Grain division Adjusted EBITDA reconciliation**		
Division profit/(loss)	**7 219**	**(9 176)**
Add:		
Interest expense	2 507	2 295
Interest income	9	
Depreciation expense	4 018	2 984
Grain division Adjusted EBITDA	**13 753**	**(3 897)**
Adjusted EBITDA Margin	*38,4%*	*-37,2%*

APPENDIX II:

CONSOLIDATED INCOME STATEMENT
For the year ended 31 December 2012

	2012 US$000	2011 US$000 (as restated)*
Sales	1 581 685	1 472 633
Cost of sales	(1 129 633)	(1 105 593)
Gross profit	**452 052**	**367 040**
Selling, general and administrative expense	(219 334)	(199 577)
Impairment of assets	-	(3 395)
Other operating expense, net	(579)	(1 173)
Operating income	**232 139**	**162 895**
Other income (expense), net	3 503	(19)
Financial expense, net	(18 947)	(18 253)
Income before income tax	**216 695**	**144 623**
Income tax	14 281	(5 854)
Net income	**230 976**	**138 769**
Less: Net income attributable to non-controlling interests	(5 761)	(2 839)
Net income attributable to Cherkizovo Group	**225 215**	**135 930**

Weighted average number of shares outstanding – basic:	43 367 512	42 953 544
Net income attributable to Cherkizovo Group per share – basic:	5.19	3.16

Weighted average number of shares outstanding – diluted:	43 374 108	42 958 044
Net income attributable to Cherkizovo Group per share –diluted:	5.19	3.16

APPENDIX III:

CONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2012

	2012 US$000	**2011 US$000 (as restated)***
ASSETS		
Current assets:		
Cash and cash equivalents	41 180	28 715
Trade receivables, net of allowance for doubtful accounts of 7 986 and of 5 150 as of 31 December 2012 and 2011, respectively	90 978	75 494
Advances paid, net of allowance for doubtful accounts of 1 695 and 2 865 as of 31 December 2012 and 2011, respectively	35 064	28 611
Inventory	308 670	203 497
Short-term deposits in banks	-	941
Deferred tax assets	4 791	4 189
Other receivables, net of allowance for doubtful accounts of 2 041 and of 2 768 as of 31 December 2012 and 2011, respectively	32 342	24 000
Other current assets	51 851	50 360
Total current assets	**564 876**	**415 807**
Non-current assets:		
Property, plant and equipment, net	1 434 263	1 280 610
Goodwill	18 452	17 407
Other intangible assets, net	43 828	41 597
Deferred tax assets	4 147	5 336
Notes receivable, net	1 681	1 497
Investments in joint venture	9 744	-
Long-term deposits in banks	22 114	-
Other non-current receivables	3 195	4 423
Total non-current assets	**1 537 424**	**1 350 870**
Total assets	**2 102 300**	**1 766 677**

CONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2012 (CONTINUED)

	2012 US$000	2011 US$000 (as restated)*
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Trade accounts payable	108 894	86 422
Short-term borrowings	367 055	235 200
Tax related liabilities	19 407	11 785
Deferred tax liabilities	211	93
Payroll related liabilities	22 340	18 187
Advances received	24 096	8 007
Payables for non-current assets	13 660	10 892
Interest payable	2 745	1 281
Other payables and accruals	6 294	8 790
Total current liabilities	**564 702**	**380 657**
Non-current liabilities:		
Long-term borrowings	532 697	611 379
Deferred tax liabilities	11 506	36 363
Tax related liabilities	2 728	2 576
Payables to shareholders	406	463
Other liabilities	1 895	2 095
Total non-current liabilities	**549 232**	**652 876**
Commitments and contingencies		
Equity:		
Share capital	15	15
Additional paid-in capital	231 402	269 408
Treasury shares	(2 550)	(16 195)
Other accumulated comprehensive loss	(72 812)	(120 741)
Retained earnings	794 908	569 693
Total shareholders' equity	**950 963**	**702 180**
Non-controlling interests	37 403	30 964
Total equity	**988 366**	**733 144**
Total liabilities and equity	**2 102 300**	**1 766 677**

APPENDIX IV:

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2012

	2012 US$000	2011 US$000 (as restated)*
Cash flows from (used in) operating activities:		
Net income	230 976	138 769
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation and amortisation	81 109	70 637
Bad debt expense	5 340	3 117
Uncollectible subsidies	-	4 802
Impairment of assets	-	3 395
Foreign exchange loss	(129)	3 619
Deferred tax benefit	(25 396)	(608)
Other adjustments, net	(1 357)	(829)
Changes in operating assets and liabilities		
(Increase) decrease in trade receivables	(20 140)	1 766
(Increase) decrease in advances paid	(3 350)	14 668
(Increase) decrease in inventory	(63 268)	8 997
Increase in other receivables and other current assets	(5 752)	(10 952)
Decrease in other non-current receivables	936	531
Increase in trade accounts payable	17 694	2 088
Increase in tax related liabilities	7 580	405
Increase in other current payables	19 933	697
Total net cash from operating activities	**244 176**	**241 102**

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2012 (CONTINUED)

	2012 US$000	2011 US$000 (as restated)*
Cash flows from (used in) investing activities:		
Purchases of long-lived assets	(183 891)	(230 706)
Proceeds from sale of property, plant and equipment	279	3 020
Acquisitions of subsidiaries, net of cash acquired (Note 23)	-	(43 219)
Investments in joint venture	(9 326)	-
Issuance of long-term loans	(20 796)	(513)
Repayment on long-term loans issued	718	3 810
Issuance of short-term loans and placing of deposits	(564)	(5 934)
Repayment of short-term loans issued and redemption of deposits	2 383	44 105
Total net cash used in investing activities	**(211 197)**	**(229 437)**
Cash flows from (used in) financing activities:		
Proceeds from long-term loans	91 711	172 457
Repayment of long-term loans	(131 099)	(176 091)
Proceeds from long-term loans from related parties	4 886	9 320
Repayment of long-term loans from related parties	(7 709)	(2 519)
Proceeds from short-term loans	198 440	188 406
Repayment of short-term loans	(153 987)	(206 079)
Purchase of treasury stock	(2 523)	(15 699)
Acquisitions of entities under common control and non-controlling interests (Note 23)	(22 092)	(25 615)
Total net cash used in financing activities	**(22 373)**	**(55 820)**
Total cash from (used in) operating, investing and financing activities	**10 606**	**(44 155)**
Impact of exchange rate difference on cash and cash equivalents	1 859	1 328
Net increase (decrease) in cash and cash equivalents:	**12 465**	**(42 827)**
Cash and cash equivalents at the beginning of the period	28 715	71 542
Cash and cash equivalents at the end of the period	**41 180**	**28 715**
Supplemental Information:		
Income taxes paid	10 017	6 725
Interest paid	86 964	80 184
Subsidies for compensation of interest expense received	66 548	70 788
Property, plant and equipment acquired through vendor financing	13 660	10 892
Settlement of acquisition of of entities under common control with treasury shares	12 828	-
Settlement of acquisition of Mosselprom with shares	-	23 660

* During the third quarter of 2012 the Group completed the acquisition of entities previously owned by the Group's majority shareholder. Since these acquisitions are transactions between entities under common control, they have been accounted for in a manner similar to a pooling of interest with assets and liabilities transferred at historical cost. Cherkizovo's historical financial information has been restated to include the acquired entities for all periods presented.

As required by US GAAP, comparative information for the year ended 31 December 2011 has been retrospectively adjusted for the finalisation of the allocation of the purchase price of Mosselprom, a change in accounting principle, and to include acquired entities under common control for all periods presented.