30 November 2010

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

Unaudited financial results for the nine Months Ended 30 September 2010

Moscow, 30 November 2010 - Cherkizovo Group (LSE: CHE), one of Russia's leading integrated and diversified meat producers, today announces nine month unaudited financial results for the period ended 30 September 2010.

Highlights

- Strong organic volume growth across all segments, delivering a solid financial performance
- Revenues increased 20% to $877.7 million from $730.1 million for the nine months of 2009, and increased 12% on a rouble currency basis
- Adjusted EBITDA* increased 21% to $159.5 million from $132.1 million for the nine months of 2009, and increased 12% on a rouble currency basis
- Adjusted EBITDA* margin was flat at 18%
- Gross profit increased 16% to $235.9 million from $202.5 million for the nine months of 2009, and increased 8% on a rouble currency basis
- Group gross margin was a robust 27%
- Net income increased 26% to $104.4 million from $82.9 million for the nine months of 2009, and increased 17% on a rouble currency basis
- As of 30 September 2010 Net debt** decreased 6%, to $417.0 million.
- The effective cost of debt decreased to 3%.

Business Developments

- Cherkizovo Group commenced construction of three new greenfield pork farms in the Tambov, Voronezh and Lipetsk regions with a combined capacity of 37,500 live-weight tonnes. The new multi-site complexes will become operational during 2011 and 2012 and full capacity is expected to be reached by the end of 2012. This will increase the Group's overall capacity to an estimated 153,000 tonnes a year.
- Cherkizovo Group acquired a meat processing plant, located in the Kaliningrad region for US$4.1 million. It will focus on delicacy products and serve as a resource base for the Group's meat processing segment. The plant's location entitles it to preferential customs status.
- Cherkizovo Group acquired a 100% controlling interest in the Zarechnaya poultry facility for a total consideration of US$5.2 million. The site, located in the Penza region, will be integrated into the existing Penza capacity increase project, thereby further increasing capacity at the cluster.
- Subsequently, Cherkizovo Group completed the acquisition of a controlling interest in two greenfield pork production farms located in the Penza and Lipetsk regions of Central Russia. Since these acquisitions are transactions between entities under common control, their financial and operational results will be combined into Group operations in a manner similar to a pooling of interest for the full year 2010.

Cherkizovo Group's historical financial information will also be restated to include the acquired entities for all periods presented.

- On 10 November 2010 Cherkizovo Group successfully placed 3 billion roubles in 3-year bonds with a coupon rate of 8.25%. The funds will be allocated to refinance short-term loans, fund capital expenditure and to other investment needs.

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

"During the first nine months of 2010 we have delivered a solid performance, with a 20% increase in revenue and growth in Adjusted EBITDA of 21%. This has resulted in a healthy 18% Adjusted EBITDA margin. However, our results were affected by the tighter pricing environment in the poultry and pork divisions, particularly towards the end of the third quarter, and we expect pricing trends to remain challenging throughout the fourth quarter of 2010 and rolling over into the first quarter of 2011.

In the poultry division, profitability was at record level of 30% Gross Margin, and a 22% Adjusted EBITDA margin. We have made solid progress at our two step capacity-increase projects in Bryansk and Penza and our recent acquisition of the Zarechnaya facility in the Penza region will enable us to achieve targeted production volumes ahead of plan.

The pork division has enjoyed significant growth and we anticipate this will be further supported in the fourth quarter by the integration of the two new farms. Moreover, we are pleased that construction has commenced on three greenfield complexes in the Tambov, Voronezh and Lipetsk regions which are expected to become operational during 2011and 2012, adding some 37,500 tonnes of capacity. By the end of 2012 our production volumes will have grown to approximately 153,000 tonnes, further strengthening our market leadership in this high-margin business and positively affecting our overall performance.

Meat processing continues to see rising demand as consumer confidence improves. We have seen some very positive results, with an increase in sales volumes and sustained profitability.

Going forward, we anticipate a rather challenging year in terms of grain supplies globally, particularly in Russia. At the Group level, we have already secured approximately half of our grain stock needs for 2011, and are actively continuing to secure further grain supplies. This year, inflation for meat products in Russia has been relatively low compared to other consumer food products, despite the sharp increase in grain costs. We are now witnessing a slight oversupply of meat in the market, as less efficient producers and individual households are slaughtering livestock due to grain shortage. Combined with an increased share of poultry imports in the second half of this year, this puts a downward pressure on selling prices, especially for poultry sales. This may continue into the beginning of 2011, as producers will accumulate stocks. In the medium term reduction of livestock will potentially lead to more aggressive meat price inflation in 2011.

As a recent development, we welcome the Government's recent announcement to decrease import quotas for 2011. However, with the anticipated growth in domestic production, the market is expected to reach self-sufficiently levels towards the end of 2011 and further quota reductions may be required."

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Cherkizovo Group OJSC is one of the largest Russian meat producers. Its business is organized in three segments: poultry production (four full-cycle poultry production clusters), pork production (five pork production complexes), and meat processing (seven meat processing plants). Also, the Group produces its own fodder (2 fodder mills), and sells its products through its own three trading houses. Cherkizovo Group enjoys dominant market positions, and its brand portfolio includes leading brands, such as Petelinka, Chicken Kingdom, Cherkizovsky, and Five Stars.

For further information:

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Chief Executive's Review

Financial Overview

The table below summarizes the Group's strong performance on a rouble currency basis for the 9 months of 2010:

RUR, mln (unaudited)	9M2010	9M2009	Change
Sales	26,555.1	23,714.4	12%
Gross Profit	7,136.1	6,577.8	8%
Gross margin, %	*27%*	*28%*	
Operating Expenses	3,398.8	3,207.4	6%
Operating Income	3,737.3	3,370.4	11%
Operating Income Margin, %	*14%*	*14%*	
Net Income	3,158.5	2,693.0	17%
Adjusted EBITDA	4,825.1	4,291.4	12%
EBITDA margin, %	*18%*	*18%*	

On a reported currency basis sales increased by 20% to US$877.7 million (9M2009: US$730.1 million) driven by steady organic growth across all segments. Gross profit increased 16% to US$235.9 million (9M2009: US$202.5 million). Operating expenses as a percentage of sales have decreased to 13% from 14% for the nine months of 2009. Net income increased 26% to $104.4 million (9M2009: US$82.9 million).

Adjusted EBITDA* increased 21% to US$159.5 million (9M2009: US$132.1 million) and adjusted EBITDA* margin was flat at 18%, reflecting a robust operating performance by the Group.

Poultry Division

Sales volumes in the poultry division for the first nine months of 2010 increased by 6% to 146,830 tonnes of slaughter weight compared to approximately 138,920 tonnes for the first nine months of 2009.

Prices for Cherkizovo poultry sales increased by 3% in dollar terms from $2.27 per kg for the first nine months of 2009, to $2.33 per kg for the first nine months of 2010 (excluding VAT)*. Prices in rouble terms decreased by 4% from 73.88 roubles per kg for the first nine months of 2009 to 70.56 roubles per kg for the first nine months of 2010 (excluding VAT).

Total sales in the Poultry division increased 9% to US$375.2 million (9M2009: US$345.2 million). Gross Profit decreased to US$110.9 million (9M2009: US$120.2 million), divisional Gross Margin was 30% (9M2009: 35%), mostly due to lower selling prices in the period, as well as rising costs.

Operating expenses as a percentage of sales were 12%. Operating income of the division decreased by 18% to US$64.1 million (9M2009: US$78.4 million), and operating margin was 17%. Profit in the Poultry division decreased by 14% to US$59.2 million (9M2009: US$69.1 million).

Adjusted EBITDA* decreased 12% to US$82.2 million (9M2009: US$93.3 million), while Adjusted EBITDA* margin in the Poultry division was 22% for the nine months of 2010.

Pork Division

Sales volumes in the pork division increased by an impressive 52% to approximately 53,900 tonnes of live weight over the period, compared to approximately 35,570 tonnes for the first nine months of 2009. This growth reflected increased production as new farms start to achieve their forecasted target levels of output.

* For price calculation in dollar terms the Company used the average exchange rate for the nine months of 2009 of 32.4814 roubles per 1 US dollar, for the nine months of 2010 the average rate was 30.2538 roubles per 1 US dollar.

Prices increased by 4% in dollar terms from $2.32 per kg of live weight for the first nine months of 2009 to $2.41 per kg for the first nine months of 2010 (excluding VAT)*. In rouble terms prices decreased by 3% from an unusually high level of 75.38 roubles per kg for the first nine months of 2009 to 72.82 roubles per kg for the first nine months of 2010 (excluding VAT).

Total sales in the Pork division increased by 79% to US$162.6 million (9M2009: US$91.0 million). Gross Profit increased 70% to US$60.2 million (9M2009: US$35.5 million) while Gross Margin was 37%, partially caused by pork prices coming under pressure in the period. This pricing pressure combined with an increased share of the division's sales coming from trading activity with related-party pork farms. These are accounted for under 'Other Sales' in the key data and figures disclosure in Appendix 1, and reflect activity in anticipation of Cherkizovo's acquisition of two Greenfield pork production farms located in the Penza and Lipetsk regions. Pork production enjoys significantly higher gross margins than trading operations, and this mix effect is expected to be short-term until production operations will be integrated into the Group under the contemplated acquisition. Excluding Other Sales, the division's Gross Margin was 45%. The acquisition was completed in November 2010. Since these acquisitions are transactions between entities under common control, their financial and operational results will be combined into Group operations in a manner similar to a pooling of interest for the full year 2010. Group Cherkizovo's historical financial information will also be restated to include the acquired entities for all periods presented.

Operating Expenses as a percentage of sales were flat at 6%. The division generated Operating Income of US$50.3 million (9M2009: US$29.8 million), while Operating Margin was 31% (9M2009: 33%). Profit in the Pork division increased by 76% to US$46.7 million (9M2009: US$26.5 million).

Adjusted EBITDA* generated by the division increased 70% to US$59.7 million (9M2009: US$35.1 million), and Adjusted EBITDA* Margin was 37% (9M2009: 39%). Without the sales of related-party pork farms, Adjusted EBITDA* Margin would have been 45%.

Meat Processing Division

The Company has witnessed a recovery in demand for the division's products in 2010. Sales volumes in the meat processing segment increased by 8% in the period to approximately 102,870 tonnes from approximately 95,370 tonnes for the first nine months of 2009.

Prices in dollar terms increased by 10% from $3.47 for the first nine months of 2009 per kg to $3.82 per kg for the first nine months of 2010 (excluding VAT)*. Average prices in roubles increased by 2% from 112.74 roubles for the nine months of 2009 to 115.52 roubles for the first nine months of 2010 (excluding VAT).

Total sales in the Meat Processing division increased 15% to US$379.0 million (9M2009: US$328.7 million). Divisional Gross Profit increased 38% to US$64.9 million (9M2009: US$47.0 million), while Gross Margin increased from 14% to 17%, due to lower prices of purchased meat and increased operational efficiency. Operating expenses as a percentage of sales decreased to 12% from 13% for the nine months of 2009. Division profit was US$14.0 million as opposed to a division loss of $5.8 million for the nine months of 2009.

Adjusted EBITDA* for the division increased 130% to US$27.8 million (9M2009: US$12.1 million), and Adjusted EBITDA* margin increased to 7% (9M2009: 4%).

Financial Position

The Group's Capital Expenditure on property, plant and equipment and maintenance amounted to US$104.1 million for the first nine months of 2010. Of that, US$60.5 million was invested into the Poultry division, primarily into the capacity increase projects at the Bryansk and Penza clusters; US$37.7 was invested into the Pork division, and US$2.8 million was invested into the Meat Processing division.

Net Debt** at the end of nine months of 2010 was US$417.0 million or RUR12,679.5 million. Total Debt was at US$470.6 million or RUR14,308.4 million. Of Total Debt, long-term debt was approximately US$356,0 million or 76% of the debt portfolio. Short-term debt was US$114,6 million, or 24% of the portfolio. Cost of Debt for the nine months of 2010 was 3%. The portion of subsidized debt in the portfolio was 90%, improving from 86% as of 31 December 2009. Cash and cash equivalents totalled US$53,6 million at 30 September 2010.

Subsidies

The Group received interest reimbursement of US$27.8 million which offset interest expense.
Total interest before subsidy was US$39.2 million.

Outlook

Cherkizovo has made solid progress in the first nine months of 2010 in its operational and financial results, though performance was affected by a tighter pricing environment compared to last year and unusual weather conditions which have somewhat affected operational results and costs.

For the remaining period of 2010, we have a positive view on Russian consumption trends as positive volume-wise, although the pricing environment has been and remains tight, despite rising input costs. The rising grain prices and shortage in grain supply are expected to continue until visibility on 2011 harvest, and we may reasonably expect meat price inflation in 2011, as producers will seek to transfer cost increases on to the consumer, which has not yet happened in the third quarter of 2010. Cherkizovo also welcomes the significant reduction in imports, as this presents excellent opportunities for Cherkizovo as the leading domestic producer. The Company will continue to benefit from investments already made to increase production capacity, particularly in our higher margin Pork and Poultry businesses, and from recovery trends in Meat Processing. Overall, we remain confident that the Group will continue to enhance value and deliver against its strategy going forward.

***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 interest, income tax and non-controlling interest, adjusted for 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*

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.

APPENDIX I: KEY DATA AND FIGURES

UNAUDITED Nine months 2010 Consolidated Selected Financial Data (US$000)

(in thousands of US dollars)	Meat-Processing	Poultry	Pork	Corporate	Interdivision	Combined
Total Sales	379 019	375 232	162 633	3 973	-	**920 857**
including other sales	1 915	46 566	32 863	-	-	**81 344**
including sales volume discount	(13 502)	(13 804)	(5)	-	-	**(27 311)**
Interdivision Sales	(421)	(20 047)	(18 769)	(3 875)	-	**(43 112)**
Sales to external customers (Sales)	378 598	355 185	143 864	98	-	**877 745**
% of Total sales	*43,1%*	*40,5%*	*16,4%*			***100,0%***
Cost of Sales	(314 112)	(264 367)	(102 388)	(7)	39 002	**(641 872)**
Gross profit	**64 907**	**110 865**	**60 245**	**3 966**	**(4 110)**[1]	**235 873**
Gross margin	*17,1%*	*29,5%*	*37,0%*			***26,9%***
Operating expenses	(45 253)	(46 789)	(9 975)	(14 435)	4 110	**(112 342)**
Operating income	**19 654**	**64 076**	**50 270**	**(10 469)**	**-**	**123 531**
Operating margin	*5,2%*	*17,1%*	*30,9%*			***14,1%***
Other income and expenses, net	723	(580)	415	5 547	(4 955)	**1 150**
Interest expense, net of subsidies	(6 406)	(4 262)	(4 006)	(1 651)	4 955	**(11 370)**
Division profit / (loss)	**13 971**	**59 234**	**46 679**	**(6 573)**	**-**	**113 311**
Division profit margin	*3,7%*	*15,8%*	*28,7%*			***12,9%***
Supplemental information:						
Income Tax expense	3 949	(1 023)	2 083	-	-	**5 009**
Depreciation expense	8 107	17 940	9 407	166	-	**35 620**
Loss on disposal of property, plant & equipment	57	225	55	-		**337**
Adjusted EBITDA reconciliation						
Division profit / (loss)	**13 971**	**59 234**	**46 679**	**(6 573)**	**-**	**113 311**
Add:						
Interest expense, net of subsidies	6 406	4 262	4 006	1 651	(4 955)	**11 370**
Interest income	(478)	(25)	(296)	(5 157)	4 955	**(1 001)**
Gain from debt forgiveness	(16)	(28)	(21)	-	-	**(65)**
Currency remeasurement loss/gain, net	(229)	633	(98)	115	-	**421**
Other financial income & expenses, net	-	-	-	(506)	-	**(506)**
Depreciation expense	8 107	17 940	9 407	166	-	**35 620**
Loss on disposal of property, plant & equipment	57	225	55	-	-	**337**
Adjusted EBITDA*	**27 818**	**82 241**	**59 732**	**(10 304)**	**-**	**159 487**
*Adjusted EBITDA Margin**	*7,3%*	*21,9%*	*36,7%*			***18,2%***

Reconciliation between net division profit and consolidated income attributable to Group Cherkizovo	
Total net division profit	**113 311**
Net income attributable to noncontrolling interests	(3 902)
Income taxes	(5 009)
Net income attributable to Group Cherkizovo	**104 400**

[1] Interdivision gross profit is the difference between combined interdivision sales and interdivision cost of sales

UNAUDITED CONSOLIDATED INTERIM INCOME STATEMENT DATA

(in thousands of US dollars)	**Nine months ended 30 September 2010**	**Nine months ended 30 September 2009**
Sales	877 745	730 091
Cost of sales	(641 872)	(527 580)
Gross profit	**235 873**	**202 511**
Gross margin	*26,9%*	*27,7%*
Operating expenses	(112 342)	(98 746)
Operating Income	**123 531**	**103 765**
Operating margin	*14,1%*	*14,2%*
Income before income tax and non-controlling interest	**113 311**	**89 704**
Net income attributable to Group Cherkizovo	**104 400**	**82 909**
Net profit margin	*11,9%*	*11,4%*
Weighted average number of shares outstanding	43 028 022	43 028 022
Earnings per share		
Net income per share	**2,43**	**1,93**
Consolidated Adjusted EBITDA reconciliation*		
Income before income tax and non-controlling interest	**113 311**	**89 704**
Add:		
Interest expense, net of subsidies	11 370	13 922
Interest income	(1 001)	(860)
Gain on early retirement of bonds	-	(1 097)
Reserve on loans receivable	-	2 357
Gain from debt forgiveness	(65)	(250)
Currency remeasurement gain, net	421	286
Other financial income & expenses, net	(506)	(297)
Depreciation expense	35 620	27 792
Loss on disposal of property, plant & equipment	337	562
Consolidated Adjusted EBITDA	**159 487**	**132 119**
Adjusted EBITDA Margin	*18,2%*	*18,1%*

UNAUDITED MEAT PROCESSING DIVISION INCOME STATEMENT DATA

(in thousands of US dollars)	**Nine months ended 30 September 2010**	**Nine months ended 30 September 2009**
Total Sales	379 019	328 725
Interdivision sales	(421)	(201)
Sales to external customers	**378 598**	**328 524**
Cost of sales	(314 112)	(281 716)
Gross profit	**64 907**	**47 009**
Gross margin	*17,1%*	*14,3%*
Operating expenses	(45 253)	(43 111)
Operating Income	**19 654**	**3 898**
Operating margin	*5,2%*	*1,2%*
Other income and expenses, net	723	(1 050)
Interest expense, net of subsidies	(6 406)	(8 692)
Division profit/(loss)	**13 971**	**(5 844)**
Division profit margin	*3,7%*	*-1,8%*

Meat processing division Adjusted EBITDA reconciliation*

Division profit/(loss)	**13 971**	**(5 844)**
Add:		
Interest expense, net of subsidies	6 406	8 692
Interest income	(478)	(2 083)
Reserve on loans receivable	-	2 078
Gain from debt forgiveness	(16)	(108)
Currency remeasurement loss/gain, net	(229)	1 456
Other financial income & expenses, net	-	(293)
Depreciation expense	8 107	7 934
Loss on disposal of property, plant & equipment	57	252
Meat processing division Adjusted EBITDA	**27 818**	**12 084**
Adjusted EBITDA Margin	*7,3%*	*3,7%*

UNAUDITED POULTRY DIVISION INCOME STATEMENT DATA

(in thousands of US dollars)	**Nine months ended 30 September 2010**	**Nine months ended 30 September 2009**
Total Sales	375 232	345 242
Interdivision sales	(20 047)	(17 750)
Sales to external customers	**355 185**	**327 492**
Cost of sales	(264 367)	(225 041)
Gross profit	**110 865**	**120 201**
Gross margin	*29,5%*	*34,8%*
Operating expenses	(46 789)	(41 784)
Operating Income	**64 076**	**78 417**
Operating margin	*17,1%*	*22,7%*
Other income and expenses, net	(580)	(2 168)
Interest expense, net of subsidies	(4 262)	(7 130)
Division profit	**59 234**	**69 119**
Division profit margin	*15,8%*	*20,0%*

Poultry division Adjusted EBITDA reconciliation*		
Division profit	**59 234**	**69 119**
Add:		
Interest expense, net of subsidies	4 262	7 132
Interest income	(25)	(10)
Gain from debt forgiveness	(28)	(24)
Currency remeasurement loss/gain, net	633	2 202
Depreciation expense	17 940	14 601
Loss on disposal of property, plant & equipment	225	278
Poultry division Adjusted EBITDA	**82 241**	**93 298**
Adjusted EBITDA Margin	*21,9%*	*27,0%*

UNAUDITED PORK DIVISION INCOME STATEMENT DATA

(in thousands of US dollars)	**Nine months ended 30 September 2010**	**Nine months ended 30 September 2009**
Total Sales	162 633	91 004
Interdivision sales	(18 769)	(16 929)
Sales to external customers	**143 864**	**74 075**
Cost of sales	(102 388)	(55 499)
Gross profit	**60 245**	**35 505**
Gross margin	*37,0%*	*39,0%*
Operating expenses	(9 975)	(5 707)
Operating Income	**50 270**	**29 798**
Operating margin	*30,9%*	*32,7%*
Other income and expenses, net	415	(177)
Interest expense, net of subsidies	(4 006)	(3 147)
Division profit	**46 679**	**26 474**
Division profit margin	*28,7%*	*29,1%*

Pork division Adjusted EBITDA reconciliation*		
Division profit	**46 679**	**26 474**
Add:		
Interest expense, net of subsidies	4 006	3 147
Interest income	(296)	(3)
Gain from debt forgiveness	(21)	(2)
Currency remeasurement loss/gain, net	(98)	182
Depreciation expense	9 407	5 243
Loss on disposal of property, plant & equipment	55	32
Pork division Adjusted EBITDA	**59 732**	**35 073**
Adjusted EBITDA Margin	*36,7%*	*38,5%*

APPENDIX II:

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2010 AND 2009 AND CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2009

	Nine months ended 30 September 2010 US$000	**Nine months ended 30 September 2009 US$000**	**Year ended 31 December 2009 US$000**
Sales	877 745	730 091	1 022 457
Cost of sales	(641 872)	(527 580)	(741 187)
Gross profit	**235 873**	**202 511**	**281 270**
Selling, general and administrative expenses	(112 006)	(98 184)	(139 872)
Other operating expense	(336)	(562)	(1 208)
Operating income	**123 531**	**103 765**	**140 190**
Other income (expense), net	1 150	(139)	386
Interest expense, net of subsidies	(11 370)	(13 922)	(19 644)
Income before tax	**113 311**	**89 704**	**120 932**
Income tax	(5 009)	(3 226)	3 347
Net income	**108 302**	**86 478**	**124 279**
Less: Net income attributable to non-controlling interests	(3 902)	(3 569)	(4 108)
Net income attributable to Group Cherkizovo:	**104 400**	**82 909**	**120 171**

Weighted average number of shares outstanding	43 028 022	43 028 022	43 028 022
Net income per share – basic and diluted:	2.43	1.93	2.79

APPENDIX III:

UNAUDITED CONDENSED CONSOLIDATED INTERIM BALANCE SHEET AS OF 30 SEPTEMBER 2010 AND CONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2009

(in thousands of US dollars)	**30 September 2010**	**31 December 2009**
ASSETS		
Current assets:		
Cash and cash equivalents	53 578	38 961
Trade receivables, net of allowance for doubtful accounts of 4 586 and of 4 940 as of 30 September 2010 and 31 December 2009, respectively	90 425	86 631
Advances paid, net of allowance for doubtful accounts of 2 052 and of 1 634 as of 30 September 2010 and 31 December 2009, respectively	35 090	31 200
Inventory	127 927	138 364
Loans receivable	5 351	5 199
Deferred tax assets	5 848	5 879
Other receivables, net of allowance for doubtful accounts of 2 341 and of 1 394 as of 30 September 2010 and 31 December 2009, respectively	19 758	16 308
Other current assets	28 940	22 858
Total current assets	**366 917**	**345 400**
Non-current assets:		
Property, plant and equipment, net	818 103	754 720
Goodwill	14 142	8 677
Other intangible assets, net	41 693	41 889
Loans receivable, net of allowance of 2 518 and 2 531 as of 30 September 2010 and 31 December 2009, respectively	139	156
Deferred tax assets	2 171	2 182
Notes receivable, net	1 809	1 327
Other non-current receivables	9 230	5 146
VAT receivable	-	10 620
Total non-current assets	**887 287**	**824 717**
Total assets	**1 254 204**	**1 170 117**

UNAUDITED CONDENSED CONSOLIDATED INTERIM BALANCE SHEET AS OF 30 SEPTEMBER 2010 AND CONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2009 (CONTINUED)

(in thousands of US dollars)	30 September 2010	31 December 2009
LIABILITIES AND EQUITY		
Current liabilities:		
Trade accounts payable	58 638	64 190
Short-term debt and current portion of finance leases	114 586	108 456
Tax related payables	11 381	10 889
Deferred tax liabilities	28	28
Payroll related liability	13 751	13 807
Advances received	3 372	5 563
Payables for non-current assets	6 239	6 532
Interest payable	2 643	2 448
Other payables	4 801	5 159
Total current liabilities	**215 439**	**217 072**
Non-current liabilities:		
Long-term debt and finance leases	356 039	375 689
Deferred tax liabilities	26 333	27 057
Tax related payables	4 233	4 255
Payables to shareholders	581	632
Other liabilities	5	7
Total non-current liabilities	**387 191**	**407 640**
Total liabilities	**602 630**	**624 712**
Equity:		
Share capital	15	15
Additional paid-in capital	293 572	289 213
Treasury shares	(496)	(496)
Other accumulated comprehensive loss	(74 261)	(71 039)
Retained earnings	401 436	297 035
Total shareholders' equity	**620 266**	**514 728**
Non-controlling interests	31 308	30 677
Total equity	**651 574**	**545 405**
Total liabilities and equity	**1 254 204**	**1 170 117**

APPENDIX IV:

UNAUDITED CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2010 AND 2009 AND CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2009

	Nine months ended 30 September 2010 US$000	Nine months ended 30 September 2009 US$000	Year ended 31 December 2009 US$000
Cash flows from operating activities:			
Net income	108 302	86 478	124 279
Adjustments to reconcile net income to net cash from operating activities:			
Depreciation and amortisation	35 618	27 792	40 106
Bad debt expense	2 139	5 949	10 022
Foreign exchange loss	421	286	165
Deferred tax (benefit) expense	(773)	678	(4 510)
Share based compensation expense	2 472	447	908
Other adjustments	438	1 993	(2 286)
Changes in operating assets and liabilities			
Decrease in inventories	16 009	10 808	775
Increase in trade receivables	(5 118)	(997)	(5 760)
(Increase) decrease in advances paid	(3 799)	600	(2 531)
Decrease in value added tax receivable	10 207	1 013	490
(Increase) decrease in other current assets	(9 836)	4 872	6 729
(Decrease) increase in trade accounts payable	(5 358)	(5 743)	214
(Decrease) increase in taxes payable	(38)	723	3 057
(Decrease) increase in other current payables	(1 612)	3 040	4 558
Total net cash from operating activities	**149 072**	**137 939**	**176 216**
Cash flows from (used in) investing activities:			
Purchases of long-lived assets	(103 587)	(85 284)	(130 287)
Proceeds from sale of property, plant and equipment	378	379	855
Acquisition of subsidiaries, net of cash acquired, including advance payment of 4 000 as of 30 September 2010	(14 151)	(2 013)	(2 140)
Sale of notes receivable	-	10 069	10 310
Purchases of notes receivable	-	(3 184)	(3 260)
Issuance of long-term loans	(220)	(868)	(901)
Repayment on long-term loans issued	237	761	784
Issuance of short-term loans	(8 225)	(13 301)	(17 950)
Repayments on short-term loans issued	8 034	8 827	21 100
Total net cash used in investing activities	**(117 534)**	**(84 614)**	**(121 489)**

UNAUDITED CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2010 AND 2009 AND FOR THE YEAR ENDED 31 DECEMBER 2009 (CONTINUED)

	Nine months ended 30 September 2010 US$000	Nine months ended 30 September 2009 US$000	Year ended 31 December 2009 US$000
Cash flows from (used in) financing activities:			
Proceeds from long-term loans	56 379	51 881	89 508
Repayment of long-term loans	(39 496)	(98 121)	(128 967)
Proceeds from long-term loans from related parties	9	954	1 004
Repayment of long-term loans from related parties	(20)	(26)	(85)
Proceeds from short-term loans	50 714	53 210	90 733
Repayment of short-term loans	(84 189)	(88 083)	(115 279)
Cash distributed to shareholders	(42)	(228)	(246)
Total net cash used in financing activities	**(16 645)**	**(80 413)**	**(63 332)**
Total cash from (used in) operating, investing and financing activities	**14 893**	**(27 088)**	**(8 605)**
Impact of exchange rate difference on cash and cash equivalents	(276)	(3 575)	(2 101)
Net increase (decrease) in cash and cash equivalents:	**14 617**	**(30 663)**	**(10 706)**
Cash and cash equivalents at the beginning of the period	**38 961**	**49 667**	**49 667**
Cash and cash equivalents at the end of the period	**53 578**	**19 004**	**38 961**
Supplemental Information:			
Income taxes paid	7 771	3 285	4 649
Interest paid before subsidies	43 978	45 793	62 056
Subsidies received	30 341	29 296	44 327
Property, plant and equipment acquired under finance leases	-	492	599

Notes:

***Adjusted EBITDA**

Adjusted EBITDA represents operating income plus depreciation and amortisation expense, loss on disposal of property, plant and equipment and other items, which are expenses primarily related to financing activities.

We present Adjusted EBITDA because we consider it an important supplemental measure of our operating performance. In particular, we believe Adjusted EBITDA provides useful information to securities analysts, investors and other interested parties because it is used in the "debt to EBITDA" debt incurrence financial measurement as well as in a number of others relating to both indebtedness and operating performance.

Adjusted EBITDA is not a measure of financial performance under U.S. GAAP, and it should not be considered as an alternative to net profit as a measure of operating performance or to cash flows from operating activities as a measure of liquidity. Our calculation of Adjusted EBITDA may be different from the calculation used by other companies and therefore comparability may be limited.