

MD MEDICAL GROUP



Investor
Presentation



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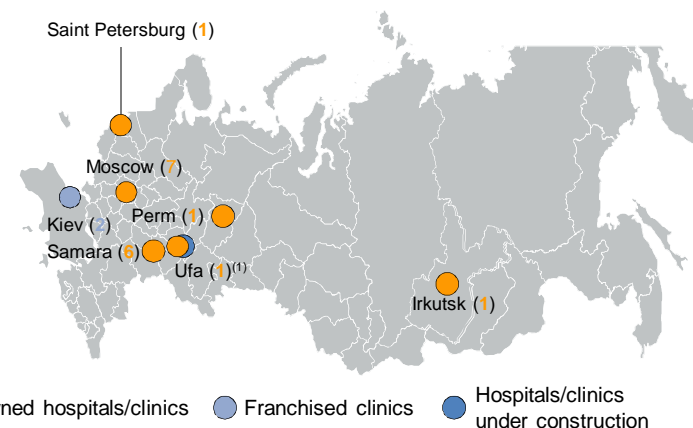


MD Medical Group at a glance

MD Medical Group (“MDMG”) overview

- Russia’s leading private healthcare provider in women’s health and paediatrics
- Wide range of medical services including obstetrics and gynaecology, fertility and IVF treatment, paediatrics and other services (family medical services, dental care, stem cell storage, laboratory testing and radiology diagnostics)
- Network of modern and high-quality healthcare facilities in Moscow and Russian regions
- Equipment provided by leading international and domestic suppliers
- Highly qualified medical personnel supervised by recognised medical experts

Extensive network across Russian regions

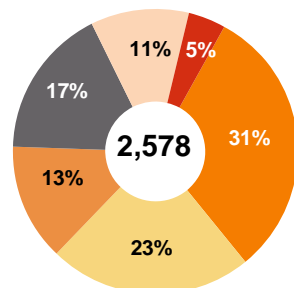


Overview of services provided

Service range

Obstetrics and gynaecology	Paediatrics
<ul style="list-style-type: none"> -Pregnancy management -Delivery services -Gynaecology 	<ul style="list-style-type: none"> -Treatment of paediatric diseases -Immunization shots -Home visits
Fertility and IVF treatment	Other services
<ul style="list-style-type: none"> -Surgical management of fertility related problems -Reproductive technologies 	<ul style="list-style-type: none"> -Laboratory services -Stem cell storage -Dental care -Radiology services -Family Medical services

Revenue breakdown, 1H 2013



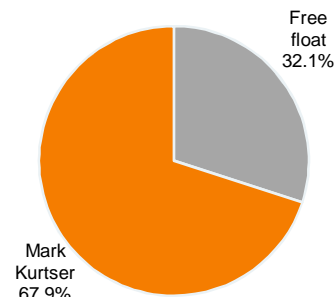
- OBGYN excl. deliveries
- Deliveries
- IVF
- Paediatrics
- Other medical services
- Sales of goods and other revenue

Key financials and shareholder structure

Key financial metrics (RUB mln)

	2009	2010	2011	2012
Revenue	1,790	2,044	2,908	4,061
growth, %		14%	42%	40%
EBITDA ²	955	1,089	1,292	1,694
growth, %		14%	19%	31%
Net Income	564	735	924	1,538
growth, %		30%	26%	66%
Net Debt	572	(112)	1,059	(2,054)
Net Debt / EBITDA	0.6x	(0.1x)	0.8x	(1.2x)

Shareholder structure post IPO



Note: Company has GDRs listed on the London Stock Exchange (Ticker: MDMG LI)

Note: ¹ MDMG plans to open a hospital in Ufa in 2015; ² calculated as operating profit before depreciation and amortization



Recent developments


- ü MD Medical continues to successfully ramp up its second hospital, Lapino:
 - 521 deliveries for 1H 2013, 463 deliveries for 4 months of 2H 2013
 - Capacity utilization rate for deliveries reached 50% in July – October
- ü 3124 deliveries in January – October in total
- ü 4346 IVF cycles in January – October 2013
- ü IVF department in Lapino will be opened in 2014
- ü Construction in Ufa is near completion
- ü Integration of Samara and Irkutsk coming to a successful conclusion; financial benefit to the Group is increasing
- ü Mother and Child clinic in Yaroslavl will open its doors to patients in December 2013; license to be obtained soon


MD Medical Group continues to deliver on its strategy to grow its existing operations and to expand its business through the disciplined construction of new state-of-the-art medical facilities and through selective acquisitions of the best performing medical companies in the regions.



Unique service proposition

- Unlike commercial departments of public clinics or other private healthcare providers MDMG's maternity hospitals offer full-cycle services
- The company's pricing for a starting package for delivery is comparable to commercial packages in the best public hospitals
- Other private healthcare providers in Moscow - Medsi, EMC, OAO Medicina, American Medical Center - do not offer delivery services; EMC refers its pregnant patients to MDMG clinics for delivery

		Commercial departments of public clinics
Full-cycle services offering	+	-
Modern facilities & equipment	+	+ -
Comfortable accommodation	+	+ -
Dedicated & professional staff	+	+ -
No grey schemes	+	-

		Central Clinic Hospital	National Institution for Obstetrics, Gynecology and Perinatology of Russia	Centre of Family Planning and Reproduction	Maternity Hospital # 4	OAO Medicina
Base price of delivery, RUB	160,000 (average of 315,000)	170,000	113,000	125,000	123,410	--
Pre-natal management, RUB	80,000 (clinics) 150,000 (PMC)	na	62,000	98,500	83,000	114,700
Number of deliveries pa ⁽¹⁾	3,353	c. 1,200	na	c. 7,500	8,567	no delivery service

¹: Moscow City Department of Health estimates that some 20% of customers pay for delivery in public hospitals
Source: Clinics' information



Key 1H 2013 events update

Strong operating results

- ü MD Medical reported strong operating results in 1H 2013, including
 - 32% y-o-y increase of outpatient treatments
 - number of IVF cycles increased by 20%, allowing MD Medical to reach 8% market share
 - 14% y-o-y increase of deliveries, outpacing birth rate growth in Moscow (+1.3%) and Moscow region (+1.1%)

Ramp up at Lapino

- ü MD Medical continues to successfully ramp up its second hospital, Lapino
 - 521 deliveries in 1H 2013; 117 - in July and 122 – in August
 - capacity utilization rate exceeded 30%
 - the rehabilitation department, which came into operation in March, is the latest department to have opened at Lapino

Acquisitions and integration

- ü Integration of IDK is underway
 - cost reduction programme launched
 - Group's corporate standards were implemented in finance, IT, marketing and pricing policy
- ü Acquired M&C Irkutsk, which previously operated under Mother and Child franchise agreement

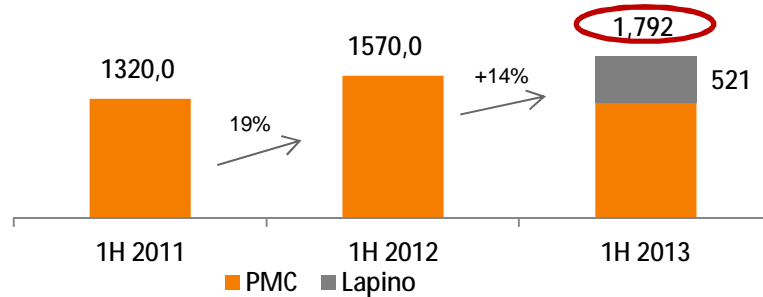
Construction of new clinics

- ü Construction at Ufa on schedule
 - foundation work completed
 - vertical construction will be finished by year end
- ü Pre-construction activities at Yekaterinburg and Nizhniy Novgorod in line with plans

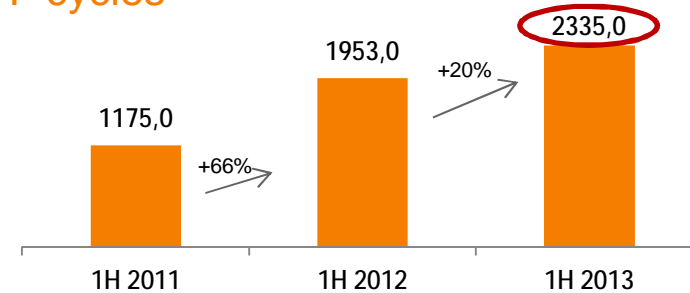


1H 2013 operating results

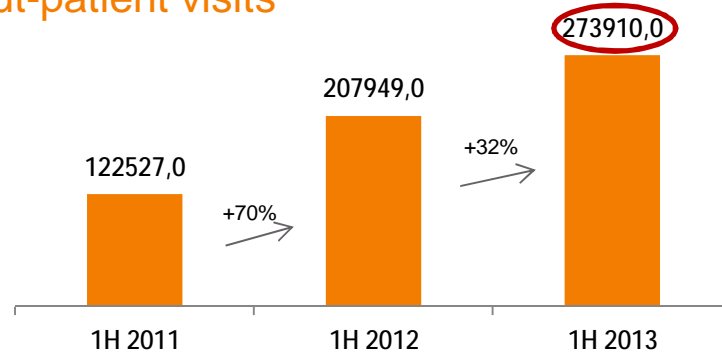
Deliveries



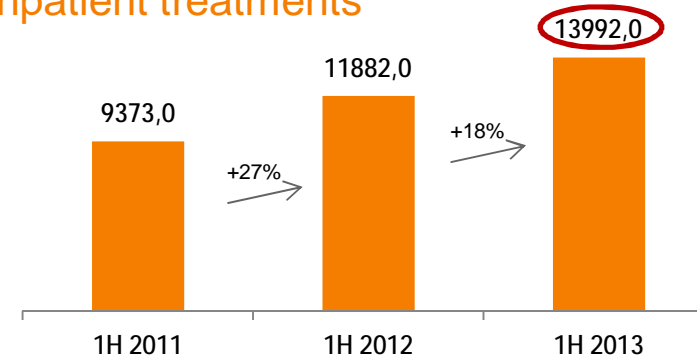
IVF cycles



Out-patient visits



Inpatient treatments



Double-digit growth across all key performance indicators as a result of:

- **Footprint expansion:** Continuous expansion through acquisition and launch of new clinics: IDK Samara (consolidated as of 1 April 2013), M&C Irkutsk (as of 1 May 2013)
- **Service range expansion:** New inpatient and outpatient services after opening of surgery, trauma and rehabilitation departments as well as new diagnostics centre at Lapino hospital
- **Leadership in innovative technologies in women's health and pediatrics:** first company to offer Laparoscopic removal of abdominal cerclage
- **Comprehensive integration of recently acquired outpatient clinics:** Continued growth in operational efficiency by applying Group standards and as a result of increased numbers of cross-referrals



Financial highlights

RUB mln*	1H 2013	1H 2012	Change	1H 2011
Revenue	2,578	1,967	31%	1,324
Cost of sales	(1,605)	(982)	63%	(732)
Gross profit	972	985	-1%	591
Administrative expenses	(524)	(192)	173%	(109)
Operating profit	448	791	-43%	482
EBITDA*	645	851	-24%	536
EBITDA margin	25%	43%	-18 p.p.	41%
Net profit for the period	250	728	-66%	396
Net profit margin	10%	37%	-27 p.p.	30%

Results primarily driven by:

Revenue + 31%

- Solid operating performance due to acquisition of new clinics and opening of Lapino hospital
- Annual price indexation across major services

Cost of sales + 63%

- Increase of payroll and materials and supplies used, as well as property tax due to opening of Lapino hospital and acquisition of IDK Samara and M&C Irkutsk

Administrative expenses + 173%

- Increase of SG&A in Lapino (including premises maintenance) and due to acquisition of new clinics
- Holding company's costs increase, driven by of transition from a "single hospital" model to a fast growing, national hospital chain

EBITDA - 24%

- Decline of margin compared to 1H 2012 due to increased share of outpatient clinics and commissioning of Lapino

Net profit - 66%

- D&A spike due to recognition of Lapino on the balance sheet
- Interest expenses related to Lapino, which previously were capitalized

* - EBITDA calculated as operating profit before depreciation and amortization



Key factors affecting financial results

Factor	Description
Launch of Lapino	<ul style="list-style-type: none">• Inpatient capacity utilization rate in 1H 2013 was 26% compared to 32% in July 2013 (49% for deliveries)• Outpatient capacity utilization rate was 13%, compared to 14% in July• Key measures to increase utilization rates: marketing & promo, advertising, proactive cooperation with insurance companies, sales through medical representatives, opening of IVF department• Monthly cash costs: ca. RUB 80-85 million, 90% of which is fixed costs
Adaptation of new doctors team at PMC	<ul style="list-style-type: none">• Reduction in number of deliveries in PMC by 20% y-o-y in 1H 2013, the same reduction rate in OBGYN• Some PMC doctors transferred to work in Lapino since January 2013• New team of doctors hired in PMC, which is actively accumulating customer base now
Establishment of a management company	<ul style="list-style-type: none">• Facilitating transition from a single hospital model to a fast growing, national hospital chain• Key management company functions include: Construction, Client service, Finance, Legal, Procurement, Marketing, IT, HR, IR
M&A activity	<ul style="list-style-type: none">• MDMG closed two M&A deals in 1H 2013• Consolidation with IDK since 1 April 2013 and Mother and Child Irkutsk since 1 May 2013• Both companies now actively being integrating into the Group• Non-capitalized costs of the deals and integration comprised RUB 16 million for 1H 2013

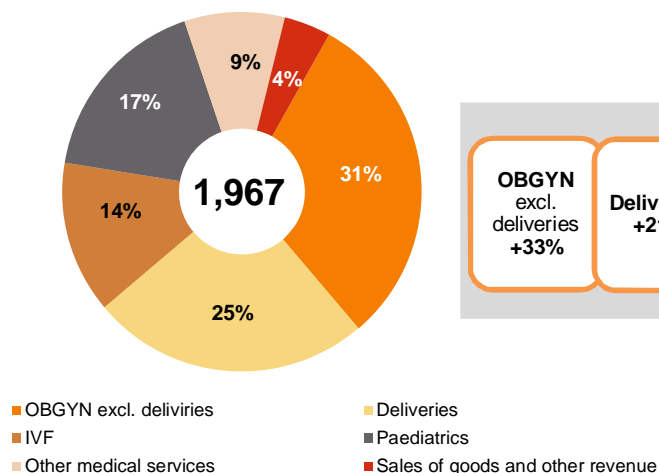


Revenue analysis (1/3)

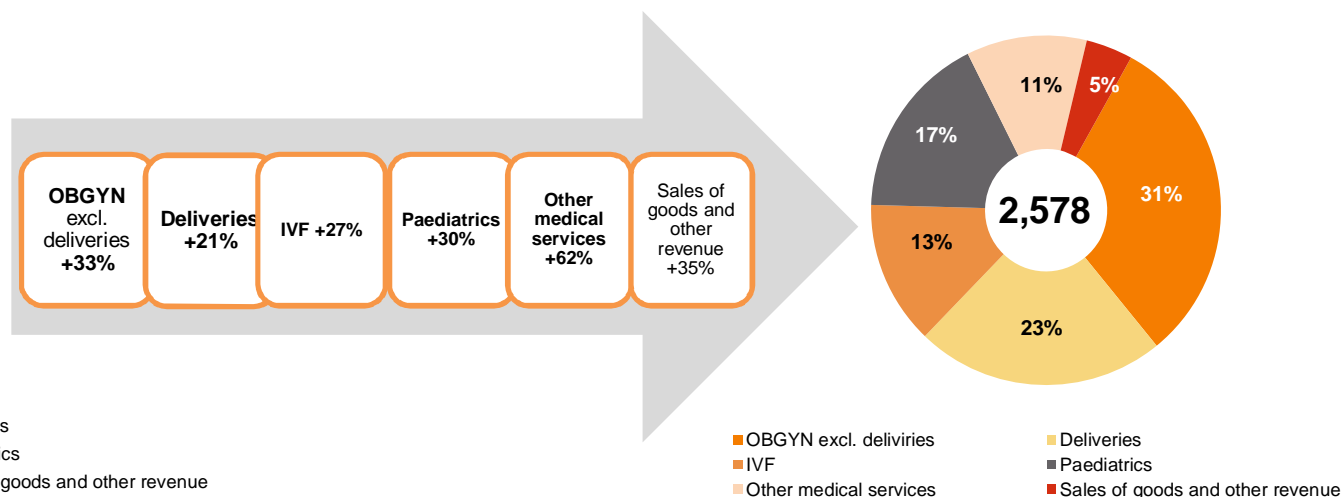
(RUB mln)	1H 2013	1H 2012	change, %
Obstetrics and Gynaecology (excl. deliveries)	800	603	33%
Deliveries	597	495	21%
IVF	342	270	27%
Paediatrics	441	338	30%
Other medical services	288	178	62%
Sales of goods and other revenue	111	82	35%
Total Revenue	2,578	1,967	31%

- **Increase of revenue from deliveries** on the back of ramp up at Lapino hospital
- **Solid growth of IVF segment** mostly due to acquisition of new clinics in Samara region and Irkutsk
- **Continued increase of outpatient visits** as a result of ramp up of Lapino, expansion of the range of services provided by the Group and acquisition of new clinics
- **Other medical services** grew by 62%, mostly driven by new services offered at Lapino
- **Annual price indexation** by 6-7% in line with CPI

Total Revenue 1H 2012 (mln RUB)



Total Revenue 1H 2013 (mln RUB)





Revenue analysis: OBGYN and deliveries (2/3)

		1H 2013	1H 2012	change, %
Obstetrics and Gynaecology (except deliveries)	RUB mln	800	603	33%
	RUB mln	295	210	41%
Inpatient treatments (except deliveries)	Patient-days	8,644	7,225	20%
	RUB ths. per patient-day	34.1	29.0	18%
	% of total*	37%	35%	2p.p
Outpatient treatments	RUB mln	505	393	28%
	Admissions	149,012	116,288	28%
	RUB ths. per admission	3.4	3.4	0%
	% of total ¹	63%	65%	-2 p.p
Deliveries	RUB mln	597	495	21%
	Deliveries	1,792	1,570	14%
	RUB ths. per delivery	332.9	315.3	6%

- The 41% growth in revenue from inpatient treatments (excluding deliveries) was driven by an increase in the number of inpatient treatments, price indexation as well as by changes in the composition of services towards more expensive services, due to the opening of Lapino hospital, where the average check is the highest among the Group
- The average check for outpatient treatments remained flat, due to the acquisition of IDK outpatient clinics in Samara
- The number of deliveries increased by 14% y-o-y due to the successful ramp up at Lapino
- The average check for deliveries increased by 6% due to annual price indexation implemented in line with the Group's pricing policy

* Share in Obstetrics and Gynaecology (value terms)



Revenue analysis: IVF and paediatrics (3/3)

		1H 2013	1H 2012	change, %
IVF	RUB mln	342	270	27%
	Cycles	2,335	1,953	20%
	RUB ths. per cycle	146.5	138.1	6%
Paediatrics	RUB mln	441	338	30%
	RUB mln	87	66	30%
Inpatient treatments	Patient-days	4,788	4,657	3%
	RUB ths. per patient-day	18.2	14.1	29%
	% of total*	20%	20%	0 p.p.
Outpatient treatments	RUB mln	354	272	30%
	Admissions	101,423	79,455	28%
	RUB ths. per admission	3.5	3.4	2%
	% of total*	80%	80%	0 p.p.
Other medical services	RUB mln	288	178	61%
Inpatient treatments	Patient-days	560	-	-
Outpatient treatments	Admissions	23,475	12,206	92%

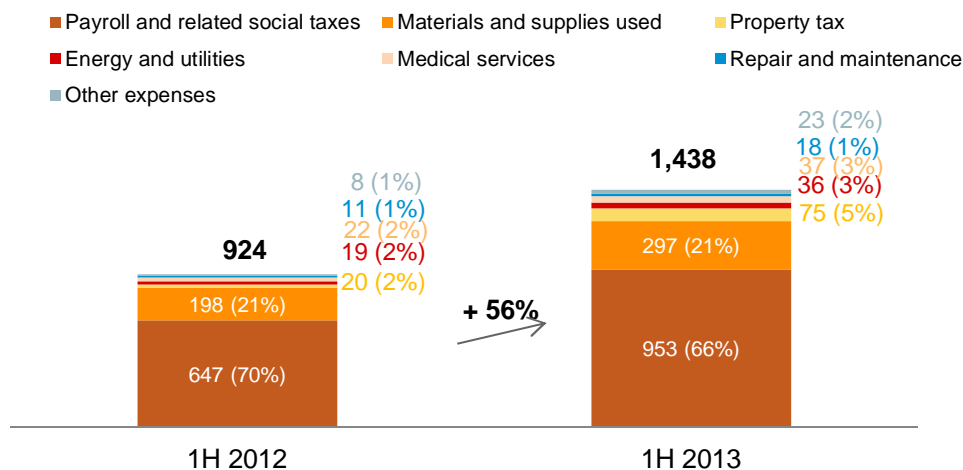
- Revenue growth in inpatient paediatric treatments was mainly driven by an increase in the average check, due to changes in the composition of services towards more expensive services
- Revenue from paediatric outpatient treatments grew substantially by 30% driven by the acquisition of outpatient clinics, as well as by the successful ramp up at Lapino
- The number of outpatient treatments in other medical services almost doubled after opening the surgery, trauma and rehabilitation departments as well as a new diagnostics centre at Lapino hospital

* - Share in Paediatrics (value terms)



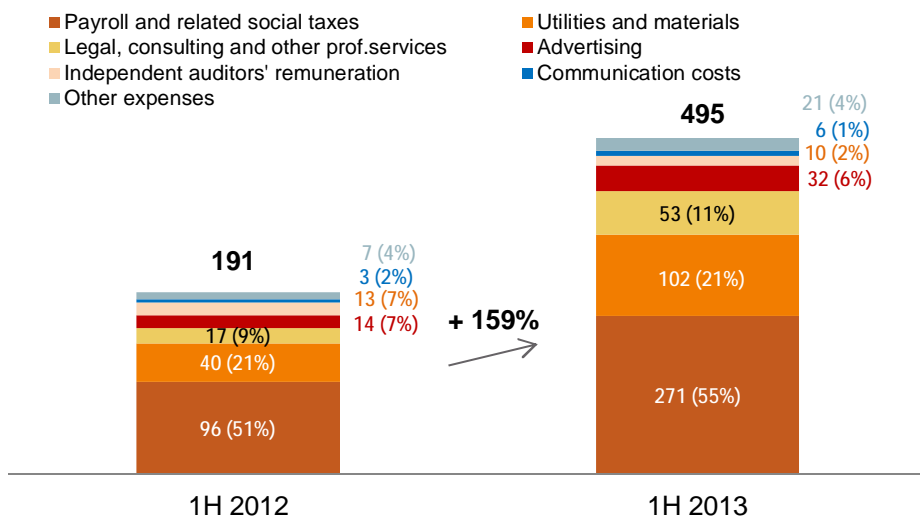
COGS & SG&A analysis

Cost of sales (excl. D&A)



- In absolute terms, cost of sales (excl. D&A) grew by 56% or by RUB 514 million in 1H 2013.
- SG&A expenses (excl. D&A) increased by 159% or by RUB 304 million.
- Key factors affecting COGS and SG&A growth include

Administrative expenses (excl. D&A)

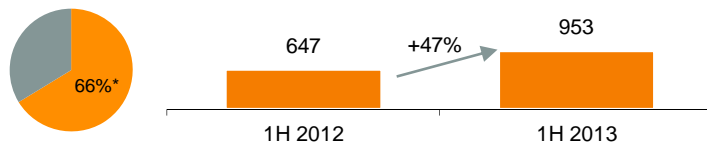


- start of operations at Lapino
- acquisitions of outpatient clinics
- overall growth in the number of treatments in all services
- holding company costs increase to support fast growing network (for SG&A only)



Key COGS elements

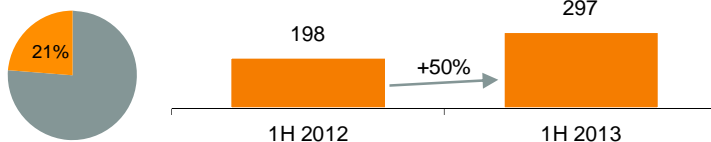
Payroll and related social taxes



- Increased by 47% or by RUB 306 million, resulting from:

- An increase in Lapino of RUB 218 million
- Like-for-like growth of RUB 22 million, or by 3%
- RUB 66 million due to consolidation of acquired companies

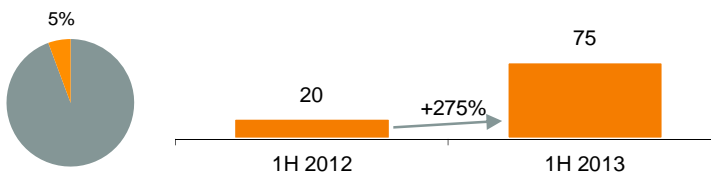
Materials and supplies used



- Increased by 50% or by RUB 99 million, resulting from:

- An increase in Lapino of RUB 61 million
- Like-for-like growth of RUB 2 million, or by 1%
- RUB 36 million due to consolidation of acquired companies

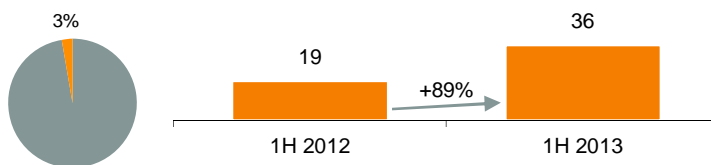
Property tax



- Increased by 275% or by RUB 55 million, resulting from:

- An increase in Lapino of RUB 54 million

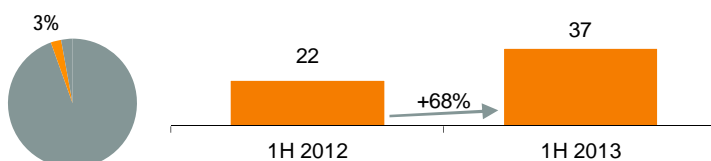
Energy and utilities



- Increased by 89% or by RUB 17 million, resulting from:

- An increase in Lapino of RUB 16 million

Medical services



- Increased by 68% or by RUB 15 million, resulting from:

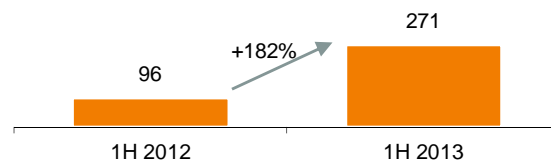
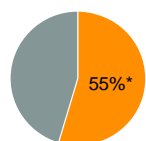
- Like-for-like growth of RUB 11 million, or by 49%, as a result of implementation of noninvasive genetic test
- c. RUB 4 million due to consolidation of acquired companies

* - Hereinafter: Share in COGS excluding D&A



Key SG&A elements

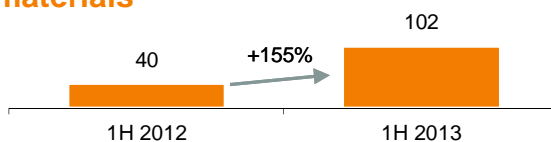
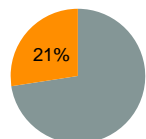
Payroll and related social taxes



- Increased by 182% or by RUB 175 million, resulting from:

- An increase in Lapino of RUB 88 million
- Like-for-like growth of RUB 12 million, or by 14%
- An increase in management company of RUB 53 million
- RUB 21 million due to consolidation of acquired companies

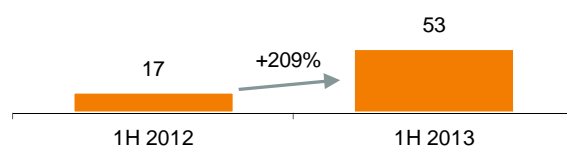
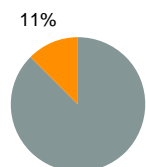
Utilities and materials



- Increased by 155% or by RUB 62 million, resulting from:

- An increase in Lapino of RUB 20 million
- Like-for-like growth of RUB 31 million, or by 77%
- RUB 12 million due to consolidation of acquired companies

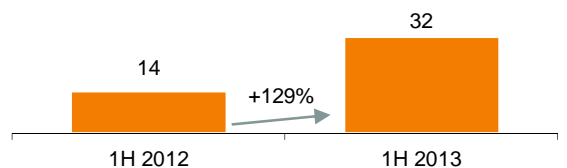
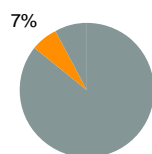
Legal, consulting and other professional services



- Increased by 209% or by RUB 36 million, resulting from:

- An increase in Lapino of RUB 12 million
- An increase in management company of RUB 19 million
- RUB 5 million due to consolidation of acquired companies

Advertising



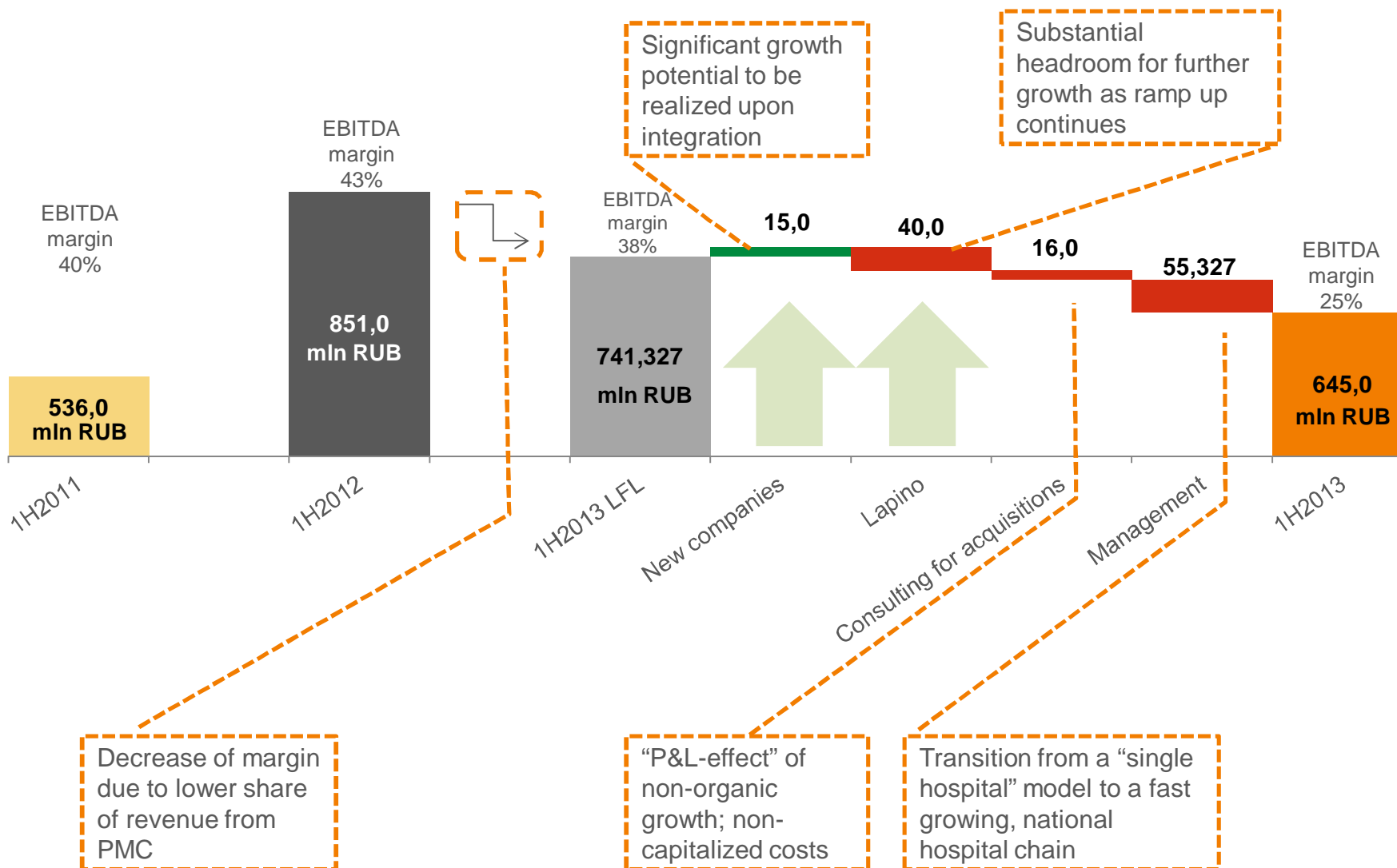
- Increased by 129% or by RUB 18 million, resulting from:

- An increase in Lapino of RUB 7 million
- Like-for-like growth of RUB 5 million, or by 36%
- RUB 6 million due to consolidation of acquired companies

* - Hereinafter: Share in SG&A excluding D&A



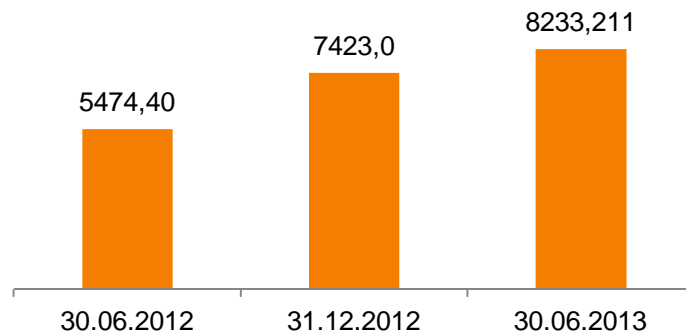
Key EBITDA drivers





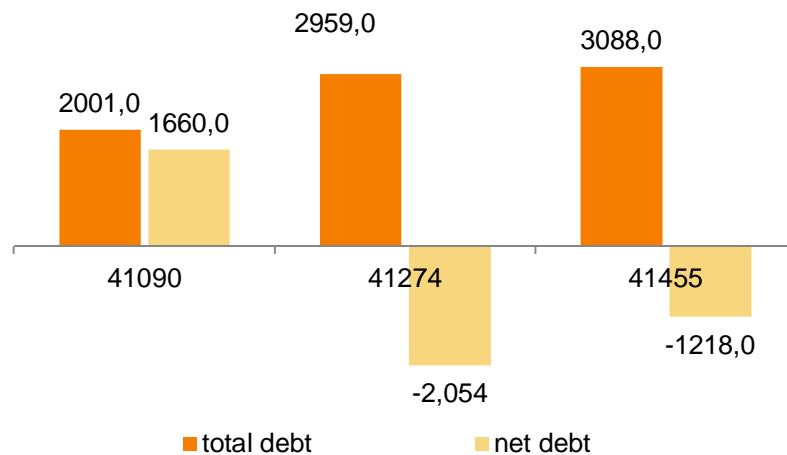
Balance sheet overview

PP&E



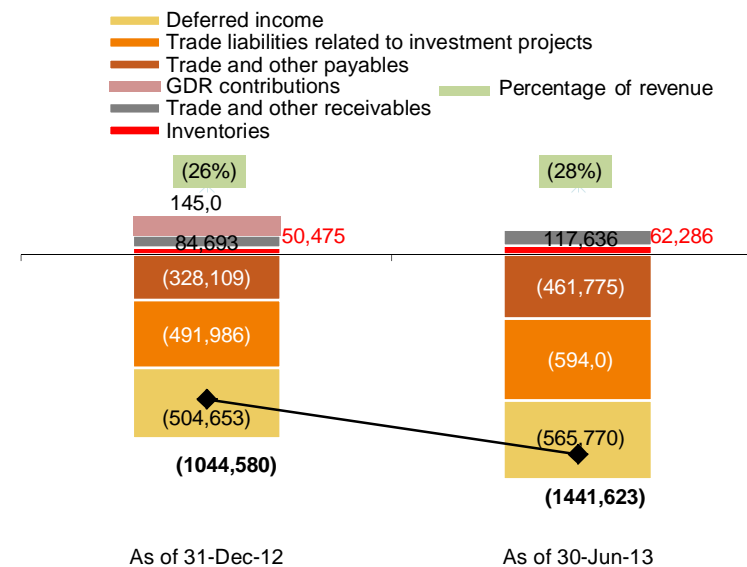
- Continued solid growth of PP&E assets due to new CAPEX spend
- Approximately 90% of revenue comes from direct paying customers; most of them are serviced on a pre-payment basis
- As a result, MDMG primarily operates with a negative working capital providing additional source of financing for MDMG
- Long-term debt amounted to more than 80% of total financial liabilities, 100% - RUB denominated

Total and Net Debt Dynamics, RUB mln*



* Including bank deposits with maturity less than six months, classified as short-term investments

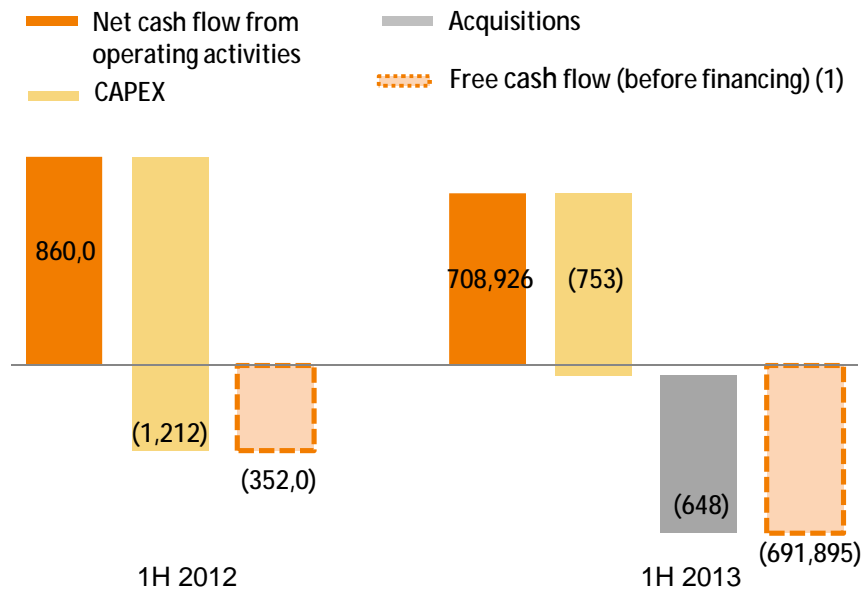
Working Capital (RUB mln)





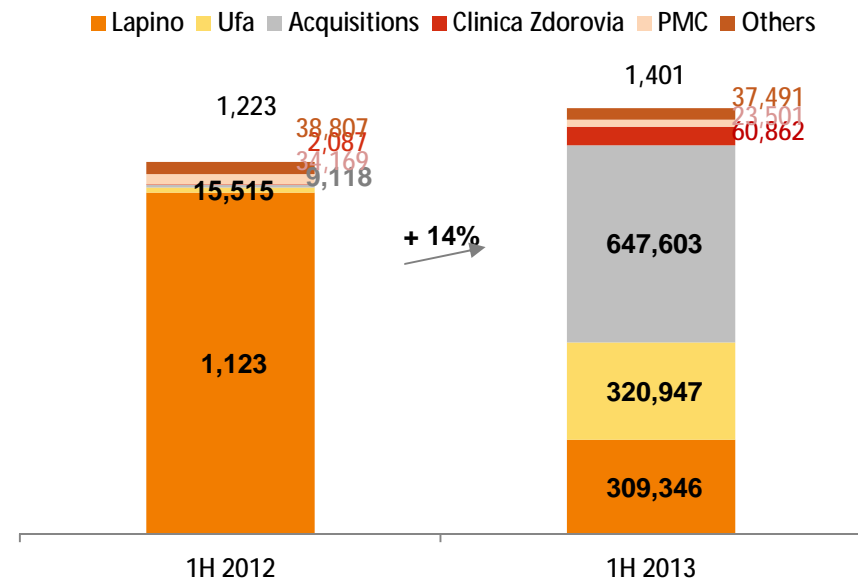
Cashflow metrics and Capex

Cash flow waterfall (RUB mln)

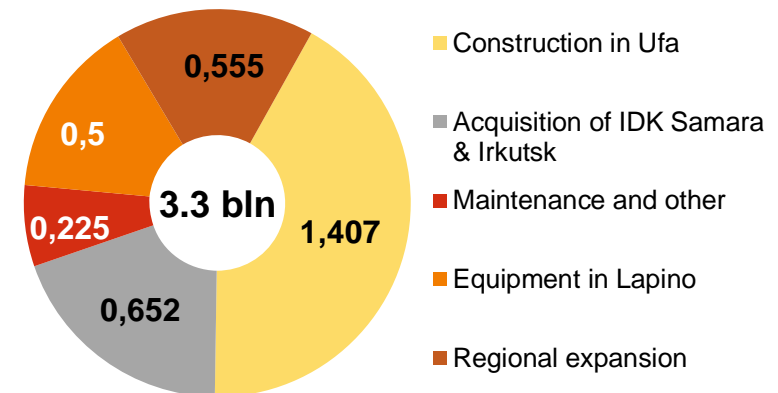


- Continued investments in Hospital in Ufa, repayment of payables for Lapino and refurbishment of additional premises at “Clinic of Health Moscow”, which was successful re-opened in May
- Total CapEx increased by 14% and amounted to RUB 1,401 mln in 1H2013
- Revised CapEx plans for 2013 decreased by 0.5 bln since the beginning of the year due to lower expenditure on regional expansion

1H2013 CapEx breakdown (RUB mln)



2013 CapEx plans breakdown (RUB bln)



Note: ¹ Calculated as Net cash flow from operating activities less Capital expenditures



Lapino Hospital opened on schedule



	Lapino Hospital	Perinatal Medical Center
Size	42.0k sqm	27.6k sqm
Main departments	<ul style="list-style-type: none"> ü Maternity care ü Paediatrics ü Diagnostics ü Trauma ü Surgery ü Rehabilitation ü Reproductive health & IVF 	<ul style="list-style-type: none"> ü Maternity care ü Paediatrics ü Reproductive health & IVF ü Diagnostics
Capacity	182-beds 3,000 deliveries 600k outpatient visits 94 offices	250-beds 3,500 deliveries 300k outpatient visits 43 offices
Number of medical personal	Actual : 368 Target : 600	534

- The new state-of-the-art, 182-bed medical centre was opened on schedule on 26 November 2012
- Lapino hospital is located in an affluent Moscow suburban area and, in addition to maternity care and paediatrics, will focus on diagnostics, trauma, therapy and rehabilitation.
- PMC is located sufficiently far away from Lapino Hospital to limit potential patient base cannibalization



Pipeline of existing projects: Ufa, Bashkortostan

Disciplined execution

- Construction started on schedule. Ground breaking ceremony was held on 11 March 2013
- Design and engineering of the project has been completed
- Technical conditions are agreed and necessary permits obtained
- Work to connect to technical utilities has begun
- Construction process is in time, the heat contour is finished
- Opening scheduled for late 2014 / early 2015



Key figures

- **Deliveries** – 3,000 units
- **Gynecology** – 18,250 patient days
- **IVF** – 1100 IVF cycles
- **Pediatrics** – 13,500 patient days
- **Outpatient services capacity** - c245k admissions
- **Total CAPEX** - 3.7 bln (7% increase on ruble weakening)



Mid-term and long-term expansion strategy



Action steps

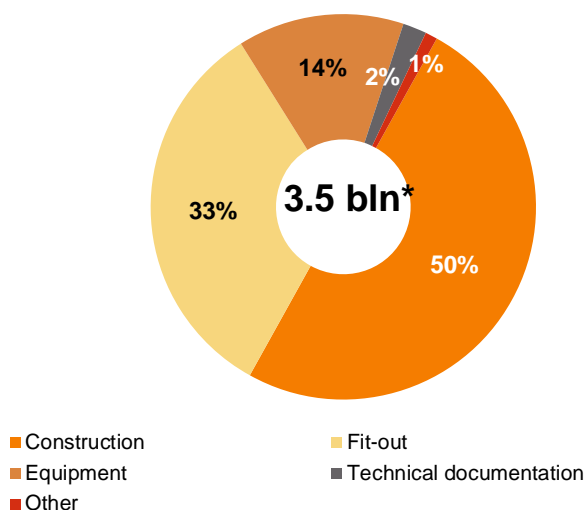
- Continuous search for new locations in Moscow/Saint-Petersburg and other attractive regions
- Marketing campaigns in the regions of interest to create demand before entering new markets
- Leverage on successful experience in Moscow and Ufa
- Active cooperation with regional authorities



Pipeline of existing projects: Yekaterinburg and N. Novgorod

- Yekaterinburg and Nizhniy Novgorod are Russia's largest industrially developed agglomerations lacking high quality medical services including maternity care and paediatrics
- The Company has strong support from local authorities in executing these socially important projects
- All construction permits will be received by year end

Typical CAPEX breakdown for hospital



*- Preliminary estimates

Overview and rational

	Yekaterinburg	Nizhny Novgorod
Region's population	4.3 mln.	3.3 mln.
Share of urban population	36%	48%
Share in Russia's gross regional product	2.8%	1.7%
Deliveries per annum	58,000	35,000

Major CAPEX projects in execution

	Yekaterinburg	Nizhny Novgorod
Capacity	Deliveries: 3 000 units Surgery: 18 000 patient days Pediatrics: 14 000 patient days IVF: 1 000 cycles Admissions: circa 250 thousand Size: 32 000 square meters	
Expected start of construction*	q1 2014	q4 2014
Expected start of operation*	q1 2016	q4 2016

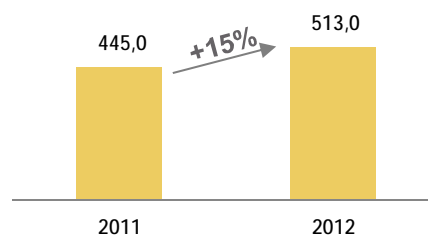


Acquisition of IDK clinics

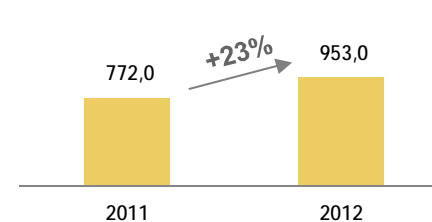
Overview and rationale

- IDK is Samara based chain of clinics, focused on IVF, out-patient obstetrics and gynaecology and paediatrics and is an ideal fit for MDMG's expanding network across Russia
- Acquisition of IDK will enhance MDMG's market position in terms of number of IVF and other out-patient treatments:
 - Number of IVF treatments in IDK in 2012 was 953, which represents 25% of MDMG's 3,863 cycles
 - Total number of out-patient treatments in IDK in 2012 was 152,900 representing 34% of total outpatient treatments for MDMG
- The acquisition is consistent with MDMG's strategy of regional expansion and development of a high quality network of out-patient clinics (along with construction of large hospitals) focusing on IVF, obstetrics and gynecology and paediatrics
- IDK operates a similar model to existing Mother and Child clinics and will be integrated into the Mother and Child network

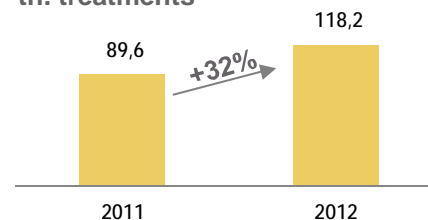
Revenue, mln RUB



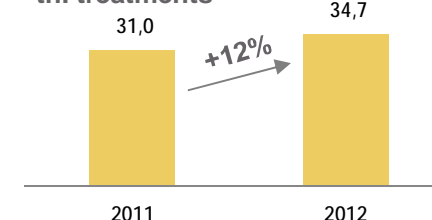
IVF, cycles



Other out-patient services, th. treatments



Out-patient paediatrics, th. treatments



Key terms of the transaction

Closing

The transaction is expected to be completed in the first half of 2013 after receipt of regulatory approvals

Consideration

USD 16.1 mln to be paid in cash

Financing

Own funds

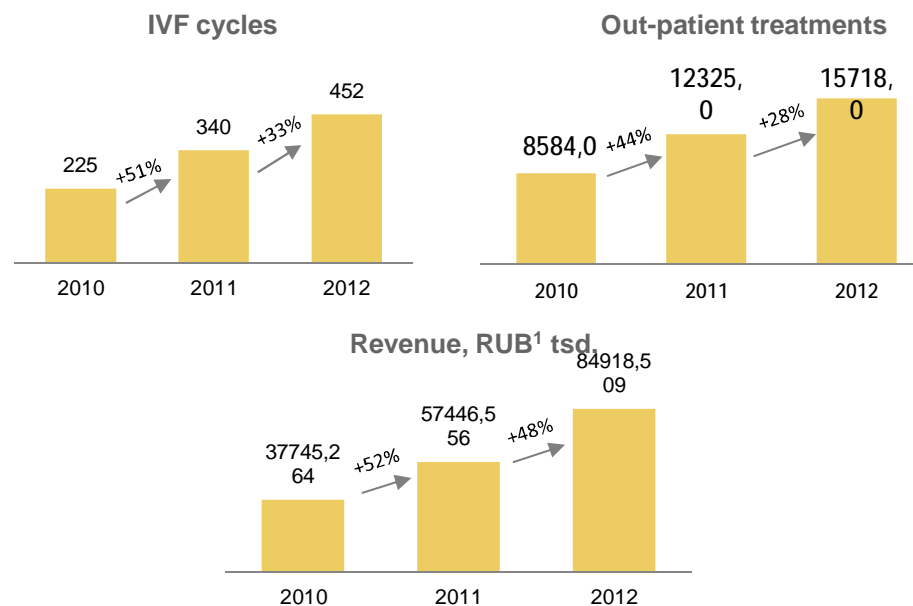


Acquisition of M&C Irkutsk clinic

Background and rationale

- Mother & Child Irkutsk (OOO “Center reproductivnoi meditsiny”) – medical company in the Irkutsk region of Russia focused on IVF and gynecology
- M&C Irkutsk previously worked under Mother and Child franchise agreement
- M&C Irkutsk provides similar services and operates a similar model to existing Mother and Child clinics and can easily be integrated into Mother and Child network
- Acquisition of M&C Irkutsk will enhance MDMG’s market position in terms of number of IVF and other out-patient treatments:
 - Number of IVF treatments in M&C Irkutsk in 2012 was 452, which represents 12% of MDMG’s 3,863 cycles
 - Number of gynecology treatments at M&C Irkutsk in 2012 was 15,718 representing 4% of the total number of gynecology treatments at MDMG (446,407)

M&C Irkutsk key figures



- Deal consideration is 4.8 mln USD for 80% equity paid in cash
- One-digit implied EV/EBITDA₂₀₁₂ multiple
- Continuous double-digit growth of operating indicators on the back of service range expansion led to strong revenue increase
- As a result of solid operating cash flow M&C Irkutsk net debt remains marginally negative

Notes: ¹ Based on M&C Irkutsk unaudited management accounts



Our competitive strengths

1

Highly attractive Russian private healthcare services market

2

Leading position in high-quality women's health and paediatrics

6

Track record of strong operational and financial performance



3

Highest-quality clinical care with a full-cycle service offering

5

Highly qualified medical professionals led by renowned clinicians

4

Growing network of healthcare facilities in attractive regions of Russia

Appendix





MDMG's extracts from profit and loss statement

(RUB thsd)	6m2013	6m 2012	6m 2011
Revenue	2,577,752	1,966,944	1,323,924
Cost of sales	(1,605,479)	(982,383)	(732,473)
Gross Profit	972,273	984,561	591,451
<i>% of revenue</i>	38%	50%	45%
Other income	2,222	611	691
Administrative expenses	(524,447)	(192,016)	(109,384)
Other expenses	(1,703)	(1,840)	(418)
EBITDA	644,734	850,550	535,733
<i>% of revenue</i>	25%	43%	40%
Operating profit	448,345	791,316	482,340
Profit before tax	271,120	754,516	506,628
Tax	(21,320)	(26,518)	(110,757)
Profit for the period	249,800	727,998	395,871
<i>% of revenue</i>	10%	37%	30%



MDMG's extracts from balance sheet

(RUB thsd)	30.06.2013	31.12.2012	30.06.2012
Cash and cash equivalents	2,670,849	2,582,933	341,392
Short-term investments	1,635,450	2,429,816	-
Current trade, other receivables and deferred expenses	117,636	229,224	55,305
Inventories	62,286	50,475	30,459
Current tax asset	6,312	16,899	29,381
Property, plant and equipment	8,233,301	7,422,875	5,474,396
Loans receivable	1,750	-	-
CAPEX prepayments	308,490	150,483	572,877
Other non-current assets	461,787	30,804	31,252
TOTAL ASSETS	13,497,861	12,913,509	6,535,062
Current trade and other payables	1,051,188	755,613	699,369
Short-term portion of long-term loans and obligations under finance leases	598,081	262,888	30,981
Other current liabilities	509,131	448,697	369,817
Long term loans and borrowings	2,487,863	2,694,901	1,970,498
Other non-current liabilities	74,055	127,993	92,853
Equity	8,777,543	8,623,417	3,371,544
TOTAL EQUITY AND LIABILITIES	13,497,861	12,913,509	6,535,062
Net Debt*	(1,218,382)	(2,054,151)	1,660,087

* Including banking deposits with maturity less than six months, classified as short-term investments



MDMG's extracts from cash flow statement

(RUB thsd)	6m2013	6m 2012	6m 2011
Cash flow from operating activities	249,800	727,998	395,871
Profit for the period			
Adjustments for:			
D&A	192,004	59,090	53,290
Excess of Group's interest in the net fair value of the subsidiaries' assets	-	-	(42,043)
Taxation	21,320	26,518	110,757
Other adjustments	160,974	17,522	50,260
Cash flow from operations before working capital changes	624,098	831,128	568,135
Increase in inventories	1,520	(3,388)	3,226
Increase in trade and other receivables	(17,461)	(15,233)	(62,872)
Increase in trade and other payables	64,880	57,988	135,484
Increase in deferred income	44,292	38,979	53,130
Cash flow from operations	717,329	909,474	697,103
Tax paid	(8,397)	(49,449)	(209,029)
Net cash flow from operating activities	708,932	860,025	488,074
Cash flow from investing activities			
Payment for acquisition of PP&E	(752,147)	(1,211,971)	(364,482)
The change of short-term investments	(909,909)	-	-
Payment for acquisition of investments in subsidiaries	(647,603)	-	(340,076)
Payment for acquisition of investments in subsidiaries under common control	-	(9,118)	(238,176)
Other proceeds and payments	32,882	464	284,484
Net cash flow used in investing activities	(456,959)	(1,220,625)	(658,250)
Cash flow from financing activities			
GDR contributions received from underwriters	150,216	-	-
Repayment of borrowings	(38,877)	(59,836)	(278,309)
Repayments of obligations under finance leases	(1,622)	(88,106)	-
Proceeds from borrowings	96,467	940,838	43,085
Interest paid	(141,199)	(60,668)	(3,538)
Dividends paid to the owners of the Company	(313,873)	(153,654)	-
Dividends paid to non-controlling interests	(34,700)	(10,500)	(14,240)
Other proceeds	-	-	382,510
Net cash flow from financing activities	(283,588)	568,074	129,508
Net increase/(decrease) in cash and cash equivalents	(31,615)	207,474	(40,668)
Cash and cash equivalents at the beginning of the period	2,582,933	133,474	111,529
Effect due to exchange rate changes	119,531	444	-
Cash and cash equivalents at the end of the period	2,670,849	341,392	70,861