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MOTHER & CHILD
GROUP OF COMPANIES



ACQUISITION OF MEDICA CLINIC (Novokuznetsk, Russia)

01 December, 2015



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MDMG'S STRATEGY IN ACTION: MEDICA CLINIC (Novokuznetsk, Russia)

- Medica was opened in 2009 and successfully operates on the market for 7 years
- It is operating on 800 sq m of facilities located in the center of Novokuznetsk close to public maternity hospital #1. Facility with 13 offices is owned by Medica.
- Provided services are:
 - IVF
 - obstetrics and gynecology
 - gynecologic oncology, cardiology, urology, ENT, endocrinology, cosmetology etc.
 - in-patient treatments include gynecological and plastic minor surgery
- Medica clinic operates a similar model to existing Mother and Child clinics and is considered to be an ideal fit for MDMG's expanding network across Russia
- Region where Novokuznetsk is located is one of the most densely populated areas in Siberia with more than 2.7 mln people. Novokuznetsk itself is the largest city in the region.
- Deal will be earnings enhancing for the Group: +2%* in terms of revenue

*- based on 1H 2015 results

New region of MDMG presence



Key terms of the transaction

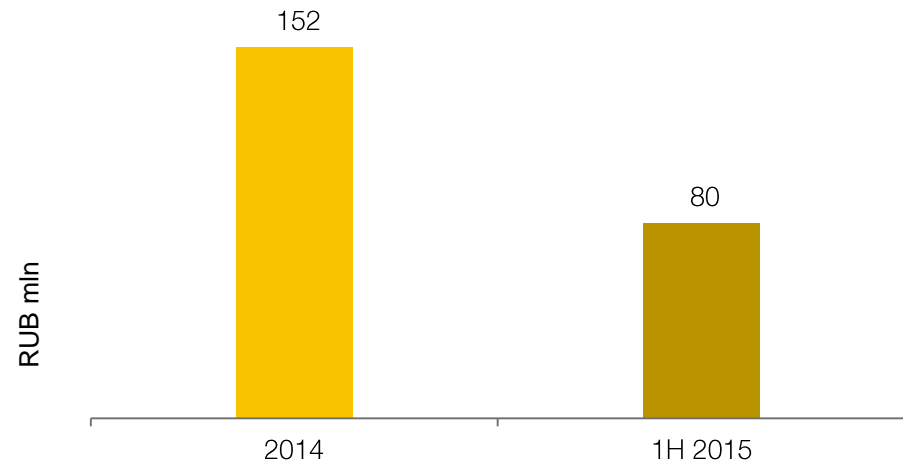
Object	100% of Medica-2 Llc.
Enterprise value	RUB 350 mln: RUB <u>277 mln</u> will be paid in 2015; RUB <u>5 mln</u> will be paid in a year after closing; RUB <u>67 mln</u> of net debt
Closing	The transaction is expected to be completed in Dec 2015 – Jan 2016 after regulatory approvals
Funds	100% own funds

ATTRACTIVE ACQUISITION OF HEALTHY BUSINESS

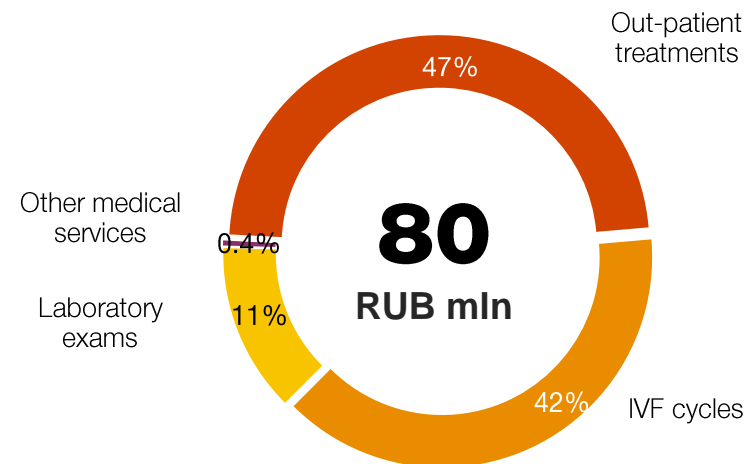
- Consolidation of Medica results will enhance Group numbers:
 - +2%* in terms of revenue
 - +8%* for number of IVF cycles
 - +3% in terms of out-patient treatments
- 55% of revenue comes from IVF and OBGYN out-patient visits which confirms that Medica ideally matches Group profile
- Medica's net debt accounts to RUB 67 mln



Medica's revenue



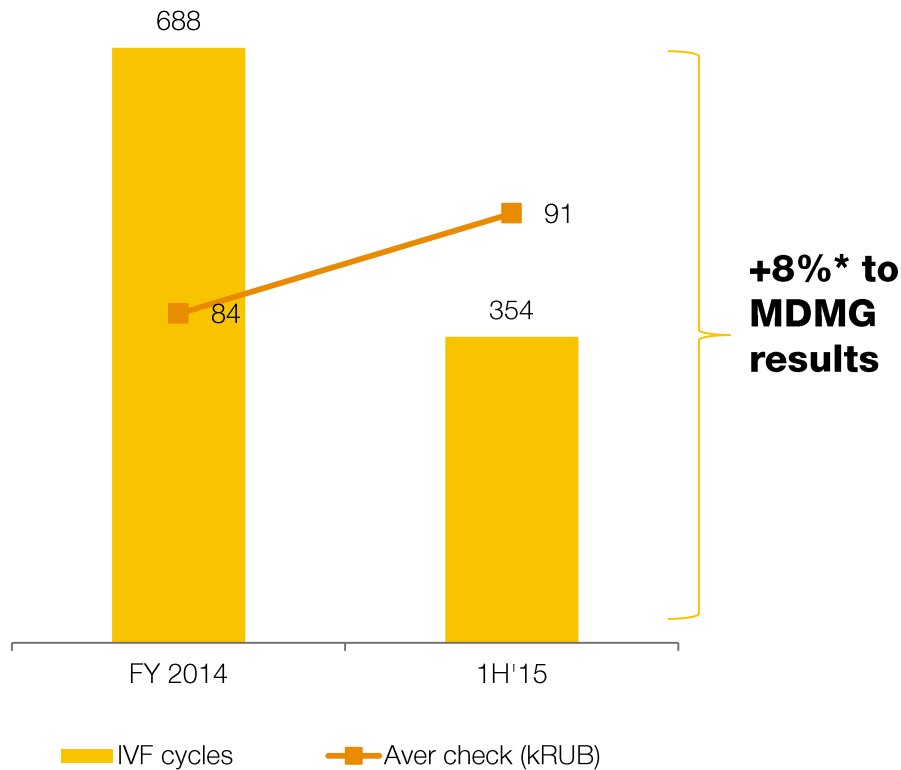
Revenue structure, 1H 2015



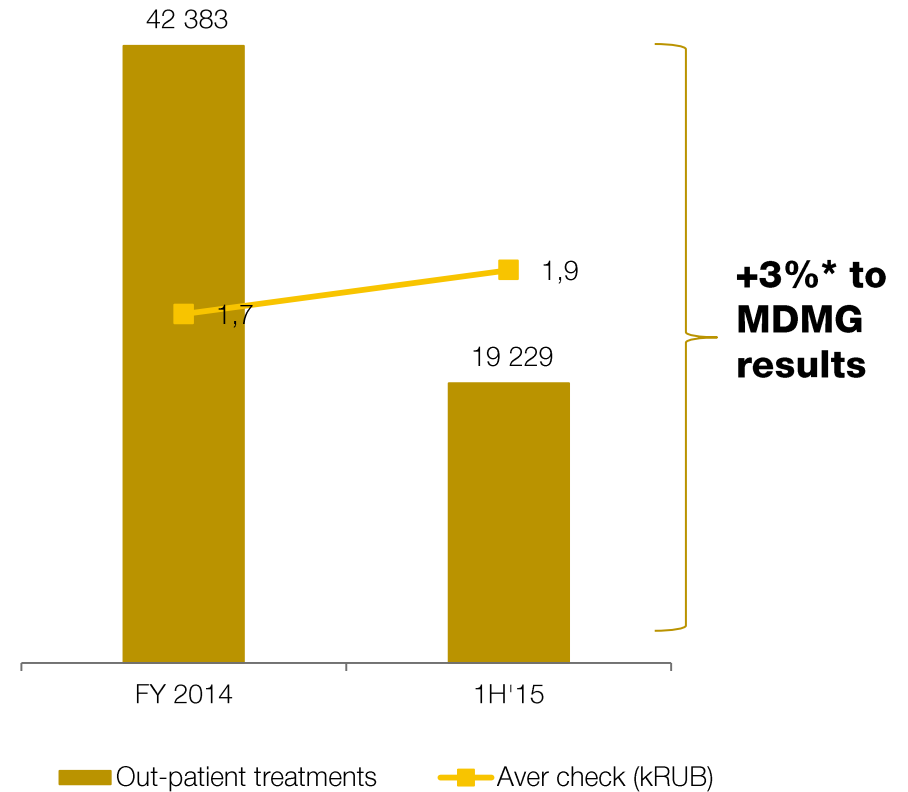
* - based on 1H 2015 MDMG IFRS results

ATTRACTIVE ACQUISITION THAT MATCHES MDMG PROFILE

Medica: IVF cycles



Medica: Out-patient treatments



- Average check for IVF does not include sell of IVF medicines which explains why average check is lower than Group's average ticket of RUB 169 ths for 1H'15

* - based on 1H 2015 operational results

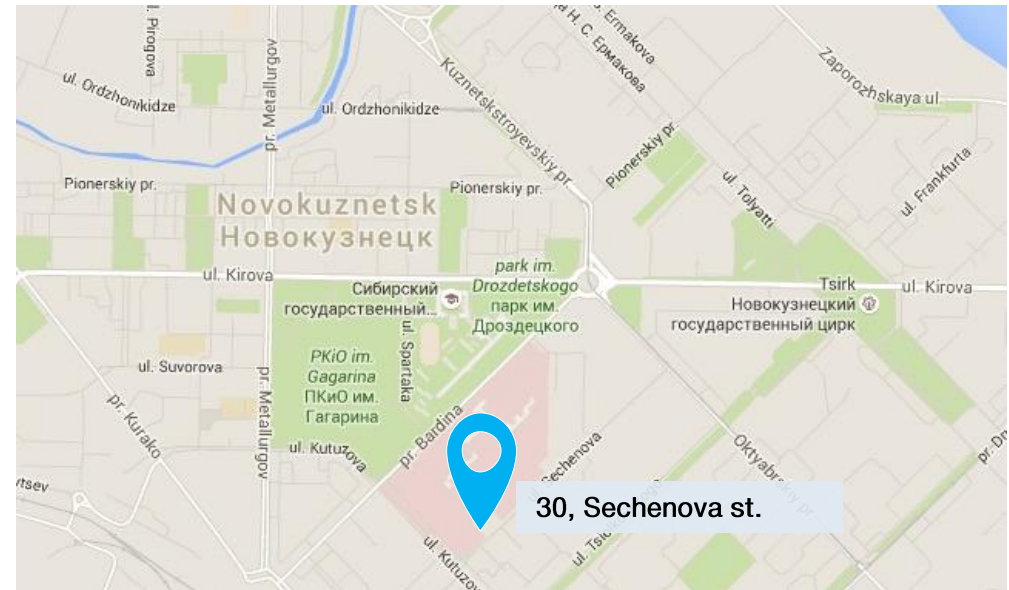
ATTRACTIVE NEW REGION FOR MDMG PRESENCE

Novokuznetsk & Kemerovo region

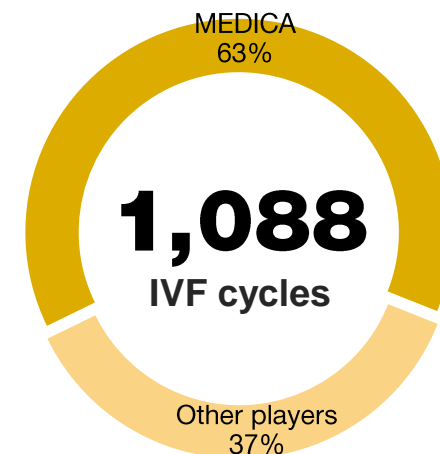
- Novokuznetsk agglomeration has population of 1.3* mln people, while Kemerovo region is one of the most densely populated regions
- As at 01/01/2015 550 thousand people lived in Novokuznetsk with total population of Kemerovo region ca. 2.7 mln people
- 86% out of the total population of the region is urban population
- In average 35-37 thousand deliveries per annum take place in Kemerovo region
- Birth rate per thousand of population in Kemerovo region is in line with average Russian indicators ca 13.3 while in Moscow it is 11.4
- 53% of newborns are second or third children in the family
- 34% of women who deliver are above 30 years



Medica clinic is located in the center of Novokuznetsk



IVF market in Novokuznetsk, 2014

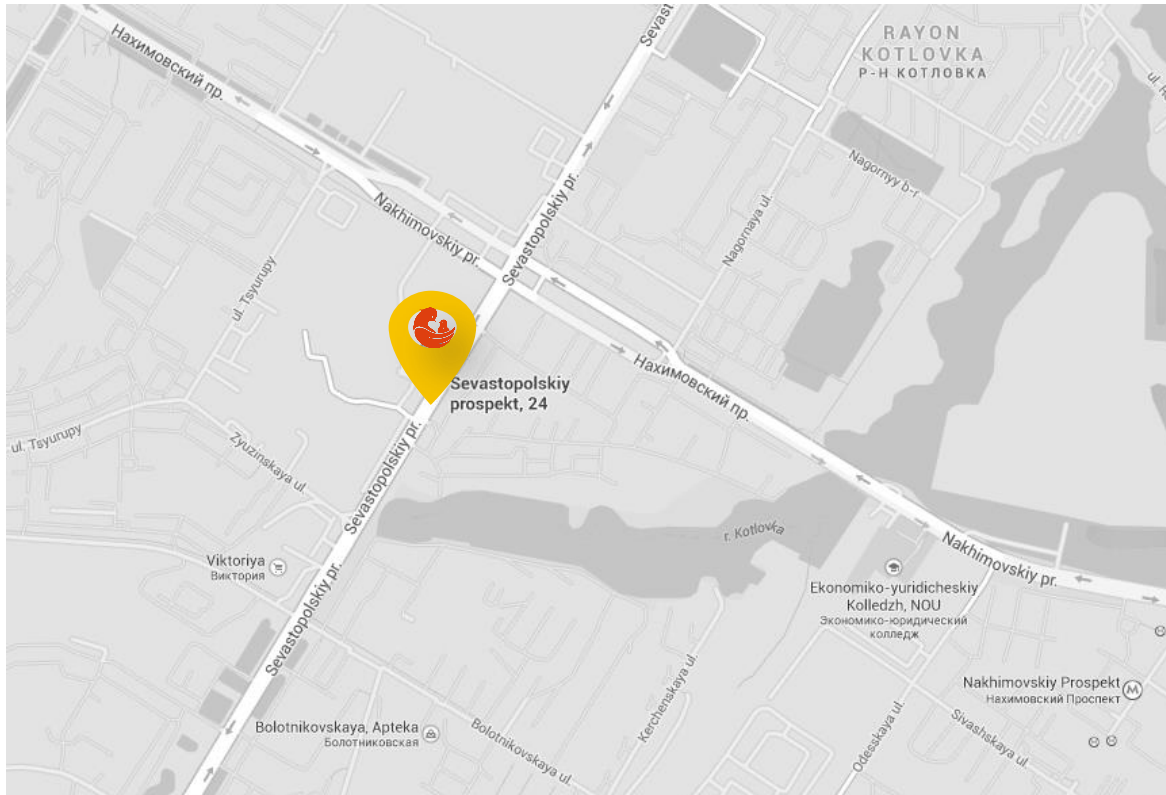


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