



Мать и дитя
ГРУППА КОМПАНИЙ

MD Medical Group Management presentation

UBS Russia & CIS Conference, New York
25-26 February 2013

Disclaimer



Important Notice:

The information, statements and opinions contained in this presentation do not constitute a public offer under any applicable legislation or an offer to sell or solicitation of any offer to buy any securities or financial instruments or any advice or recommendation with respect to such securities or other financial instruments.

Forward-Looking Statements:

This presentation contains forward looking statements, which are based on the Company's current expectations and assumptions and may involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. The forward looking statements contained in this presentation are based on past trends or activities and should not be taken as a representation that such trends or activities will continue in the future. It is believed that the expectations reflected in these statements are reasonable, but they may be affected by a number of variables which could cause actual results or trends to differ materially, including, but not limited to: conditions in the market, market position of the Company, earnings, financial position, cash flows, return on capital and operating margins, anticipated investments and economic conditions; the Company's ability to obtain capital/additional finance; a reduction in demand by customers; an increase in competition; an unexpected decline in revenue or profitability; legislative, fiscal and regulatory developments, including, but not limited to, changes in environmental and health and safety regulations; exchange rate fluctuations; retention of senior management; the maintenance of labour relations; fluctuations in the cost of input costs; and operating and financial restrictions as a result of financing arrangements.

No statement in this presentation is intended to constitute a profit forecast, nor should any statements be interpreted to mean that earnings or earnings per share will necessarily be greater or lesser than those for the relevant preceding financial periods for the Company. Each forward looking statement relates only as of the date of the particular statement. Except as required by the Listing Rules, the Disclosure and Transparency Rules, the Prospectus Rules, the London Stock Exchange or otherwise by law, the Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward looking statements contained herein to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

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



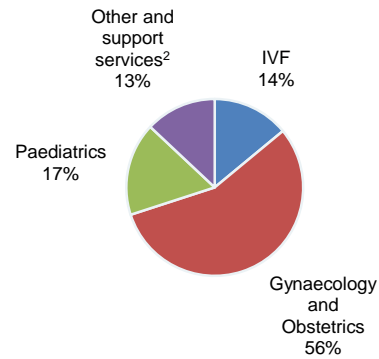
● Owned hospitals/clinics
 ● Franchised clinics
 ● Hospitals/clinics under construction

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 2012

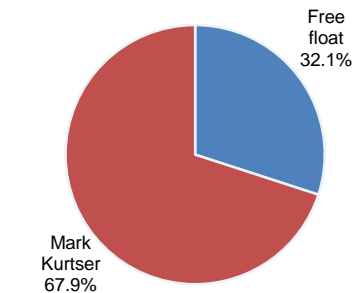


Key financials and shareholder structure

Key financial metrics (RUB mln)

	2009	2010	2011	1H 2011	1H 2012
Revenue	1,790	2,044	2,908	1,324	1,967
<i>growth, %</i>		14%	42%		49%
EBITDA³	955	1,089	1,292	536	851
<i>growth, %</i>		14%	19%		59%
Net Income	564	735	924	396	728
<i>growth, %</i>		30%	26%		84%
Net Debt	572	(112)	1,059	n/a	1,660
<i>Net Debt / LTM EBITDA</i>	0.6x	(0.1x)	0.8x	n/a	1.0x

Shareholder structure post IPO



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

Source: 2009 – 2011, 1H 2012 audited IFRS Financial Statements

Note: ¹ MDMG plans to open a hospital in Ufa in 2015; ² Includes other medical services, sales of goods and other income; ³ Profit for the period, before income tax expense, net finance expenses, amortisation of intangible assets and depreciation of property, plant and equipment, and negative goodwill.

Main developments since IPO



- ✓ The company's second hospital, Lapino, opened on schedule on 24 November 2012.
- ✓ For 2012 the company reported record results across all key performance indicators: deliveries, IVF cycles, and outpatient visits.
- ✓ Received construction permits for company's third hospital in Ufa on 11 February 2013.
- ✓ MD Medical Group's success has been widely recognized in Russia.

MD Medical Group is consistent in its strategy to grow its existing operations and to expand its business through the timely opening of new hospitals and through selective acquisitions of the best performing regional medical companies

Lapino Hospital opened on schedule



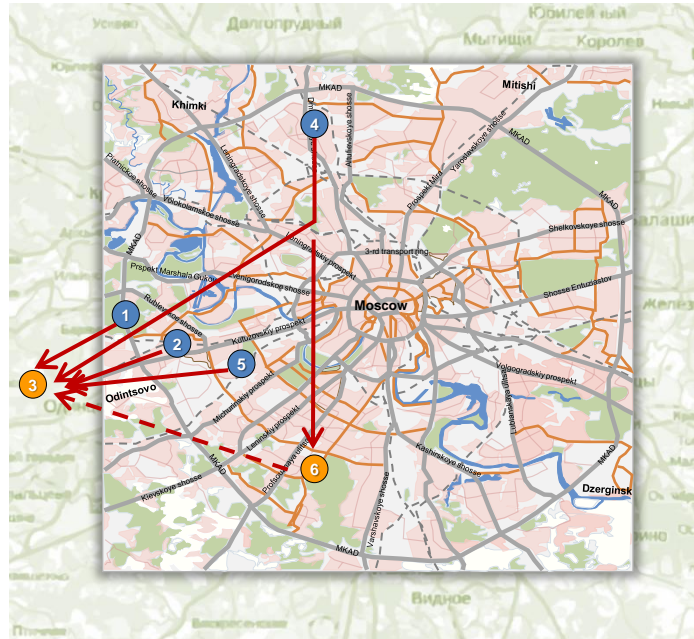
Lapino Hospital has significant potential for rapid ramp-up



1 Central Clinical Hospital
 Moscow
 Marshala Timoshenko street
 ~1,200 deliveries pa

2 Maternity Hospital # 3
 Moscow
 Nezhinskaya street
 ~ 6,230 deliveries pa

3 Lapino Hospital
 Moscow region
 Lapino
 ~ 3,000 deliveries pa



- Public hospitals
- MD Medical Group hospitals
- ← Potential migration of patients/doctors
- - - Limited expected migration of patients/doctors

4 Maternity Hospital #17
 Moscow
 800-letia Moskvi street
 ~5,000 deliveries pa

5 Maternity Hospital # 72
 Moscow
 Akademika Pavlova street
 ~4,500 deliveries pa

6 PMC
 Moscow
 Sevastopolsky prospekt
 ~3,000 deliveries pa

Comments

- Lapino Hospital is an attractive alternative to public maternity hospitals in the West and South-West of Moscow
- Significant patients/doctors migration is expected to Lapino Hospital from other medical facilities to enable rapid ramp-up
- PMC is located sufficiently far away from Lapino Hospital to limit potential patient base cannibalization
- Lapino Hospital is the only well equipped medical facility in the western suburbs of Moscow : potentially good demand for polyclinic, trauma, and rehabilitation services

Lapino Hospital : bigger size and additional services



	Lapino Hospital	Perinatal Medical Center
Size	42.0k sqm	27.6k sqm
Main departments	<ul style="list-style-type: none"> ✓ Maternity care ✓ Paediatrics ✓ Diagnostics ✓ Trauma ✓ Surgery ✓ Rehabilitation (to be opened in Feb 2013) 	<ul style="list-style-type: none"> ✓ Maternity care ✓ Paediatrics ✓ Reproductive health & IVF ✓ Diagnostics
Capacity	182-beds 3,000 deliveries 600k outpatient visits 94 offices	250-beds 3,500 deliveries 300k outpatient visits 43 office
Number of medical personal	Actual : 368* Target : 600	534

Source: Company data
 Note: * As of 20 February, 2013

Significant growth opportunities in Moscow

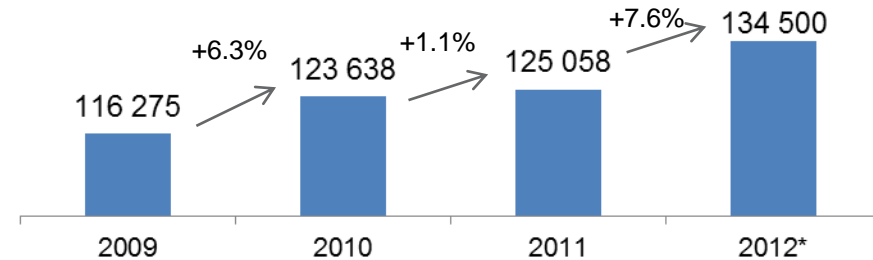


- Moscow and the Moscow region are demonstrating very positive demographic trends
- Approximately 215k babies were born in Moscow and the Moscow region in 2012
- The company's market share in Moscow is at 2.6% only. Full utilization of Lapino and PMC will give the company the market share of 5% (and 3% of the Moscow metropolitan area market)

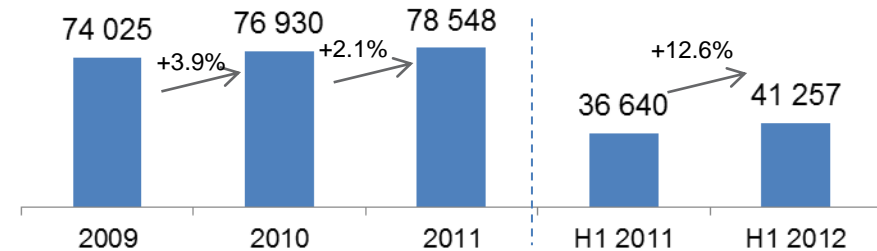
Top 10 most popular baby names in Moscow

Girls	Boys
Sofia	Alexander
Maria	Artem
Anastasia	Maxim
Darya	Ivan
Anna	Dmitry
Elizabeth	Daniil
Paulina	Mikhail
Victoria	Kirill
Ekaterina	Nikita
Varvara	Andrey

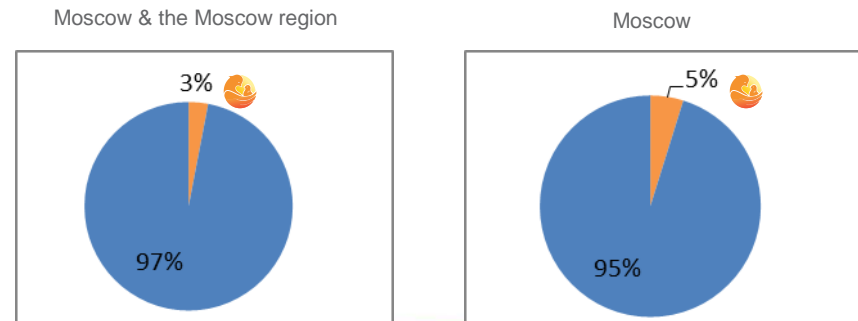
Number of newborns registered in Moscow



Number of newborns registered in the Moscow region



MDMG capacity vs total market



* Company's estimates based on 11M 2012 actual statistics
 Source: Company data, Moscow City Department of Civil Acts Registration; Moscow region government.

Strong growth in key performance indicators



Key performance drivers

Footprint expansion

- ✓ Continuous expansion through launch of new clinics and hospitals as well as integration of Mother and Child clinic network in 2011
- ✓ Successful launch of regional clinics in Perm, Ufa, Saint Petersburg, Irkutsk¹ and Kiev¹
- ✓ Opening of Lapino hospital on schedule

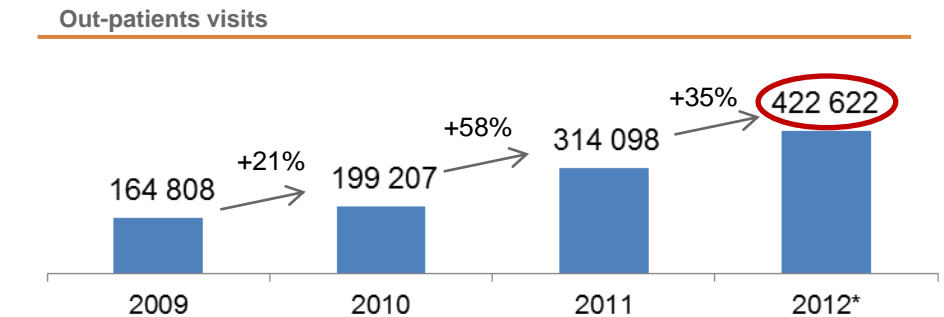
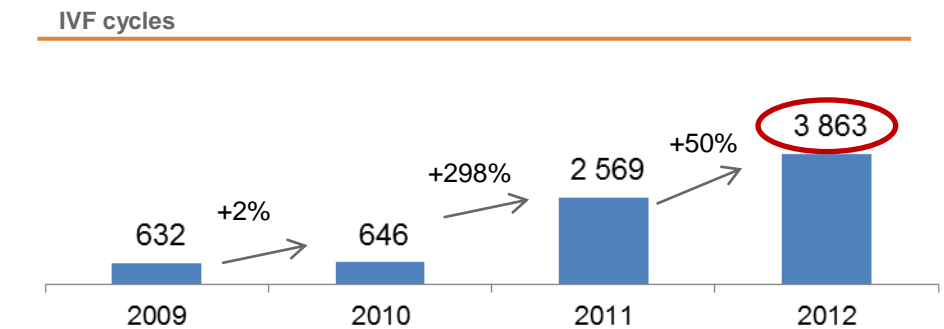
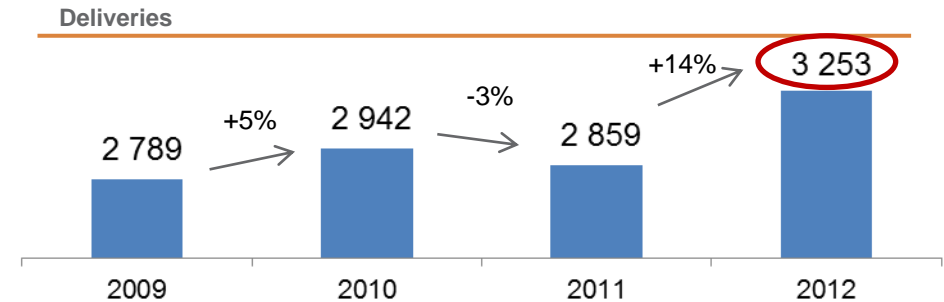
Service range expansion

- ✓ Move from core women's health services to "full-cycle" women's health and paediatrics model
- ✓ Updated treatment methods (including ART, foetal surgery, MRI, endovascular surgery)
- ✓ Leader in innovative technologies in women's health and pediatrics: first company to offer non-invasive prenatal testing

Integration of acquired outpatient clinics

- ✓ Unique PMC services made available at other MDMG clinics
- ✓ Internal referral model with customer flows directed across clinics and services
- ✓ Constant growth in operational efficiency of existing and newly opened clinics by applying group standards

Notes: ¹ Franchised clinics




Source: Company data

Notes: * preliminary data

Unique services proposition



- Unlike commercial departments of public clinics or other private healthcare providers MDMG's maternity hospitals offer full-cycle services
- The company's pricing of a starting package for delivery is comparable to commercial packages in 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

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: Ufa / Bashkortostan



Up-to-date healthcare facility comparable to PMC in Moscow in terms of capacity with an area of 32,446 sqm

Estimated investment of RUB 3.5bn

Project design and construction permits completed

Construction is expected to begin in Q1 2013

Opening scheduled for late 2014 /beginning of 2015



Services and Capacity

- Deliveries – 3,000 units
- Gynecology – 18,250 patient days
- IVF – 1100 IVF cycles
- Pediatrics – 13,500 patient days
- Outpatient services capacity - c245k admissions

Baskortostan: attractive market for new hospital construction



1

Significant market potential

- Population of 4.1 million people of which 1.1 million live in Ufa
- Among top-10 Russian regions in terms of gross regional product
- Around 57,000 deliveries per annum
- Birth rate of 13.7 is higher than average for the country of 13.3

2

Poor state of public medical facilities and low competition

- There are only 690 beds in Ufa state hospitals
- Overcrowded and poorly maintained hospital rooms
- No private maternity hospital in the city / the region
- Limited options for private children healthcare



3

Well established existing outpatient clinic

- MDMG has an experienced and highly motivated team in Ufa
- The existing outpatient clinic is very successful
- The local authorities are supportive of the company's plans in the region

Debt level and Capital Expenditure plans



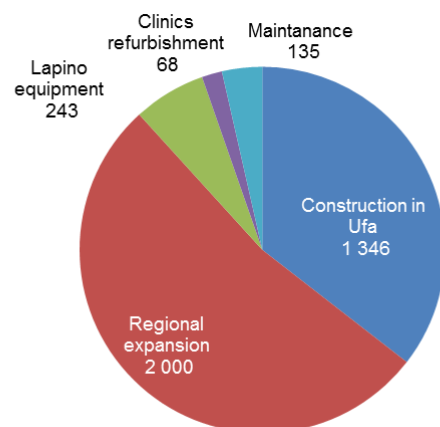
Comments

- 2012 CapEx amounted¹ to approximately RUB2.7bn, including RUB2.5bn spent on construction of Lapino Hospital
- As of YE2012 the company's total debt¹ amounted to approximately RUB3.0bn, while total cash position¹ was at approximately RUB5.0bn
- CapEx plan for 2013 amounts to approximately RUB3.8bn

Typical MDMG development project

Facility type	CapEx	Timing	Example
Hospital	US\$100-150mln	c. 3 years	– Lapino – Ufa
Outpatient clinic	US\$3-4mln	c. 1 year	– St. Petersburg – Perm

2013 CapEx plans breakdown (RUB mln)



Major CAPEX projects in execution

Project	CAPEX	Timeframe
Ufa Hospital	RUB3,500mln	H2 2012 - 2014
Payment for Lapino equipment	RUB500mln	2013-2014
Mother and Child Clinic of Health refurbishment and new equipment	RUB68mln	H1 2013
Maintenance Capex	RUB135mln	2013

Source: Company's Information

Note: ¹ According to preliminary management accounts, IFRS audited numbers may vary.

Favourable regulatory environment



Existing Regulation

Tax benefits for healthcare companies

- 0% corporate profit tax rate until 2020 (subject to certain requirements)
- Exempt from charging VAT to customers (subject to certain requirements)

Incentives for customers to use private healthcare services

- Income tax deductible for individuals (RUB 120 thousand per annum) with further development
- More comprehensive access of private companies to Russian mandatory health insurance programme is expected to be available from 2015

Measures to improve demographics

- Federal pro-birth measures including support for families with children and maternity benefits (RUB387.6 thousand starting from second maternity for the year 2012)
- Local pro-birth measures including provision of medicines to pregnant women

New Initiatives

Business expansion opportunities

- Moscow (and some regional) governments indent to pass management contracts for selected state clinics to private companies
- Management/investment contracts will be offered at opened tenders
- Private companies will have obligations to service non-commercial patients (under public insurance schemes) along with private patients

Better protection of customers

- Introduction of compulsory medical liability insurance system
- Base levy of 2% of revenues from provision of medical services
- Regulation to favor professional medical organizations with good track record
- To be introduced in 2015/2016

Success of MDMG is widely recognized in Russia and Internationally



- The company's IPO and subsequent opening of the Lapino hospital had substantial coverage in the media
- Professor Mark Kurtser was named Businessman of the Year by Russia's leading business daily, *Vedomosti*, as well as Russian *Forbes* magazine (nomination Pioneer of the Year)
- Russian President Vladimir Putin awarded Professor Kurtser with The Order for Services to the Fatherland IV degree

HealthInvestor

MD Medical Group plans £92.4m London IPO

Russia private health provider MD Medical Group (MDMG) plans to raise \$150 million (€92.4 million) through a flotation on the London Stock exchange. The company, which is acting as joint global coordinators and joint bookrunners in connection with the offering, MDMG was founded in 2003 and runs nine medical centres.

Executive Elena Mladova said: "The offering comes at an exciting time in the group's development. There is substantial headroom for further growth in our sector, with demand for private healthcare services significantly outstripping supply."

Deutsche Bank and J.P. Morgan are acting as joint global coordinators and joint bookrunners in connection with the offering. MDMG was founded in 2003 and runs nine medical centres.



ЭКСПЕРТ

Генеральный директор группы компаний «Мать и дитя» Елена Младова о том, как обстоит в выборе клиники ЭКО

Forbes



Врач-репродуктолог Елена Младова: «Материнство – это тоже бизнес-план»



Генеральный директор группы компаний «Мать и дитя» о том, как обстоит в выборе клиники ЭКО

Девяносто процентов (4 больница) часть врачей (иногда тысячи) привлекли к планированию или - от былого выучили в своей компетенции и компетенции родителей. Большая часть методик экстракорпорального оплодотворения (ЭКО), результаты заблаговременно можно стать по плану, а не воле случая. Первый ребенок - из пробирки - родился в 1979 году, а с тех пор тысяч детей в мире появилось больше чем миллиарда. И каждая стала

«ОН УМЕЕТ ДРУЖИТЬ С НУЖНЫМИ ЛЮДЬМИ. ВСЕ У НЕГО РОЖАЛИ»

FINANCIAL TIMES

Russia: healthy start for MD Medical

October 12, 2012 11:43 am by Steve Hooper
Another Russian equity offering gets away smoothly in London - good for Russia and for the City.

Offered at \$12, MD Medical's global debut receipts rose on Friday to trade around a per cent up on its first morning. The company's \$131m offer was a modest success for the market in comparison with the \$5.5bn heavyweight share sale carried out last month by Sberbank, Russia's biggest bank. But it shows that, with the right company at the right price, investors are ready to buy Russia.

That will welcome news for the other Russian companies in the pipeline headed by Promsvyazbank, the country's third-largest private lender, which is planning to raise \$1.3bn-1.41bn with an IPO in Moscow and London. Others in the queue include MegaFon, Russia's second biggest mobile operator, which is planning an IPO expected to raise up to \$2bn in Moscow and London.

MD Medical Group has a market capitalisation of around \$900m, with a free float of about 35 per cent. Chairman and founder of MD Medical Group Mark Kurtser said in a statement:

We are delighted with the positive response to our IPO which highlights strong investor appetite for quality-leading businesses in growing markets. Supported by the London listing, we are well placed to capitalise on opportunities to develop our network of healthcare centres and selectively enhance our service offering in Moscow and other economically attractive regions of Russia.

For investors, the company offers a rare opportunity to enter the domestic healthcare market in Russia. Our other sizable healthcare company based in Moscow with CBO in London is Pharmstandard, which raised \$600m in 2007. Protek, listed only in Moscow, raised \$90m in 2010.



ВЕДОМОСТИ

Размещению «Мать и дитя» оценили себя

МД Medical Group, крупнейшая частная сеть клиник в России, успешно завершила размещение акций на Лондонской фондовой бирже. Компания в России продолжает расширять свою сеть клиник, которые являются лидерами в своей области. Компания планирует использовать средства от размещения для дальнейшего развития бизнеса.

Потребительский рынок

ИРО: Россия обогнала многие продукты в Америке

Материнский капитал

Алгоритм родов. В России в 2012 году ожидается рост числа родов в клиниках. Это связано с увеличением доли родов в стационарах и развитием технологий. Клиники предлагают различные варианты родов, включая естественные и с помощью медицинских средств.

ВЕДОМОСТИ



Бизнесмен года

Mark Kurtser
ОСНОВАТЕЛЬ ГЛАВВАЯМАМА.СЕТЬ МЕДИЦИНСКИХ ЦЕНТРОВ

«с октября этого года широкой публике Mark Kurtser был известен как доктор»

Key Takeaways



The company delivers on its plans announced during the IPO



Lapino Hospital opened on schedule and a dynamic ramp up is underway



The company reports strong growth in deliveries and in other lines of business



Regional expansion plans are intact and include the construction of new hospitals and acquisitions of leading clinics in more advanced regions of Russia

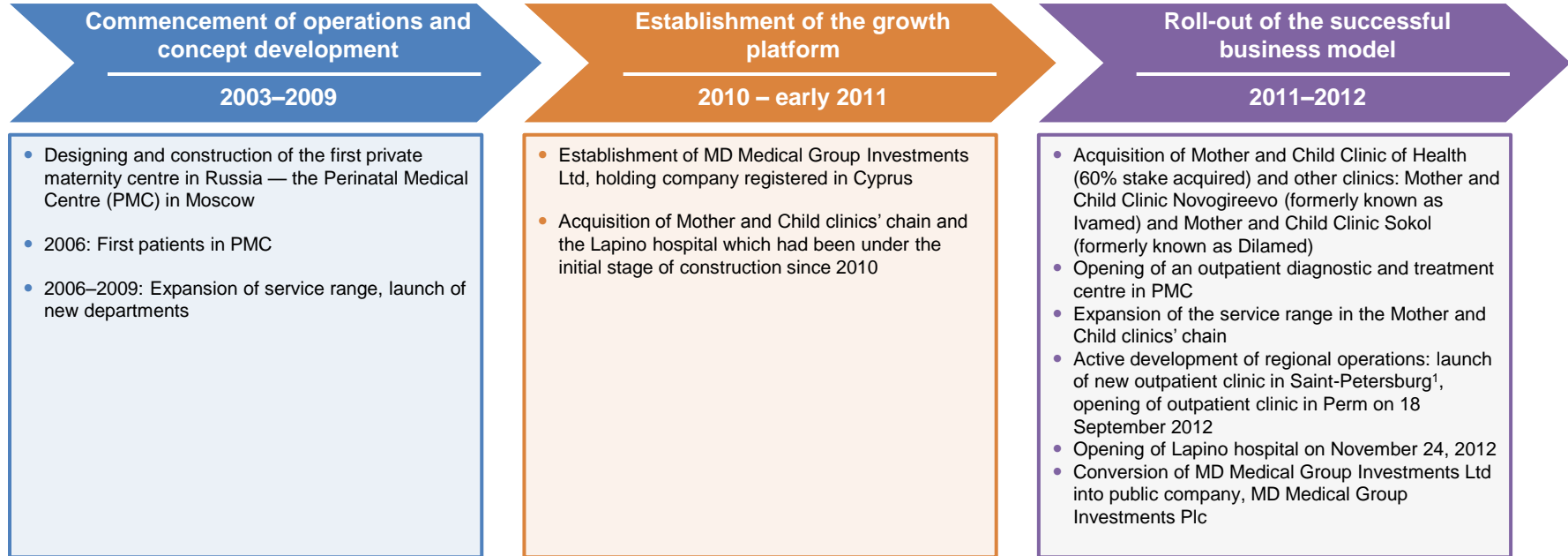


MDMG success is widely recognized in Russia and internationally

Appendix



MDMG development history



<p>Number of healthcare facilities</p> <p>Proprietary 1</p> <p>Franchise 0</p> <hr/> <p>Total # of healthcare facilities 1</p>	<p>Number of healthcare facilities</p> <p>Proprietary 5</p> <p>Franchise 2</p> <hr/> <p>Total # of healthcare facilities 7</p>	<p>Number of healthcare facilities</p> <p>Proprietary 10</p> <p>Franchise 3</p> <hr/> <p>Total # of healthcare facilities 13 + 1²</p>

Note: ¹ Part of acquired in 2011 Mother and Child clinics' network; ² Under construction or in a designing stage

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

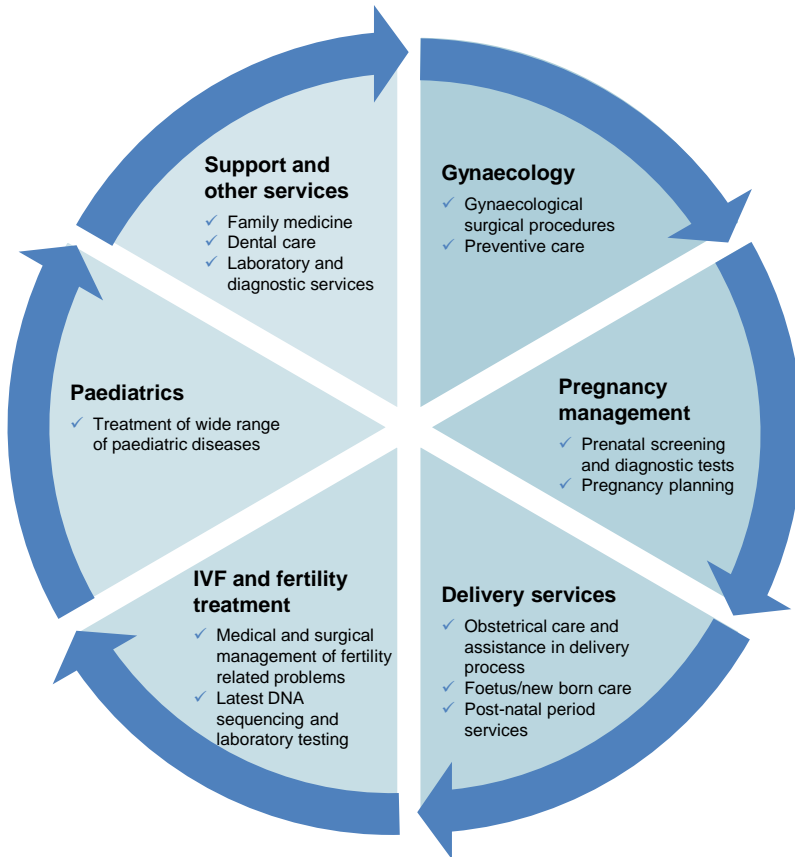
Growing network of healthcare facilities in attractive regions of Russia

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



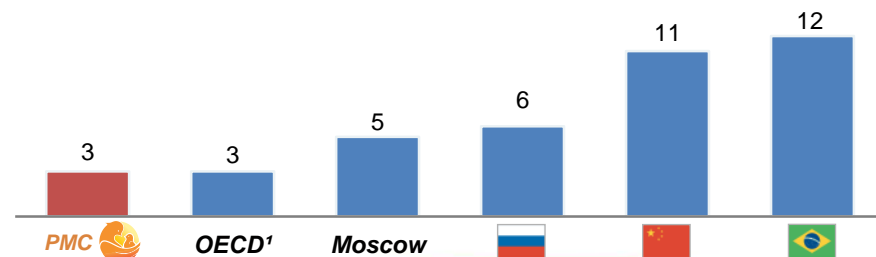
MDMG is the only private market player providing “full-cycle” service offering...

... with a special emphasis on high-quality clinical care...



...resulting in clinical outcomes comparable to developed markets

Neonatal mortality, per 1,000 live births (2010)



Source: Frost & Sullivan report
 Note: ¹ Member countries of Organisation for Economic Co-operation and Development

Differentiated price points



Pricing mechanism overview

Contract structure

- Typical structure - flat rate for a course of treatment with additional charges for all extra services
- Flexible pricing mechanism depending on:
 - Service provided
 - Type of contract (Standard or VIP) depending on the length of stay, the level of comfort, scope of services included in the contract, physician experience and other factors

Price setting mechanism

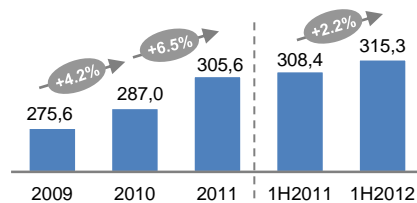
- Service price set based on continuous monitoring of competitive landscape and regional economic environment
- Some rapidly growing services may be priced at discount to that of competitors to gain market share without wide marketing programmes
- Regional clinics prices set at discount to that of Moscow clinics

Discount policy

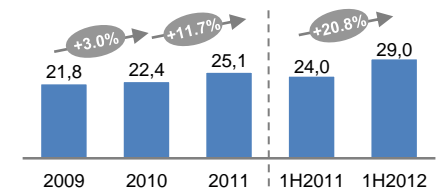
- Intra-group discount policy of c.10-18% of the contract fee to encourage patients to use additional services at MDMG facilities
- E.g., PMC IVF patients are entitled to a 10% discount for pregnancy management services, 15% discount for delivery services and 18% discount for pediatric services at PMC

Revenue per unit dynamic (ths RUB)

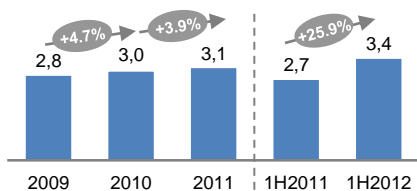
Deliveries (per delivery)



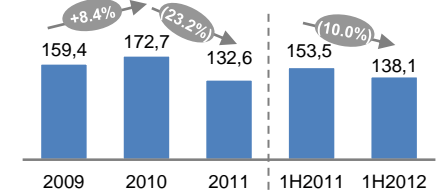
Inpatient obstetrics and gynaecology (per patient day)



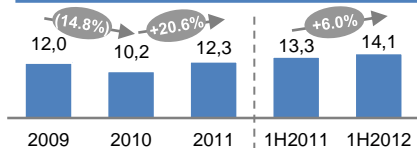
Outpatient obstetrics and gynaecology (per admission)



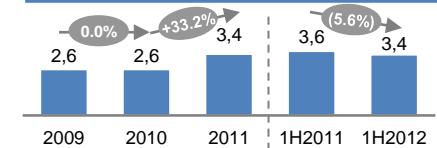
IVF (per cycle)



Inpatient paediatrics (per patient day)



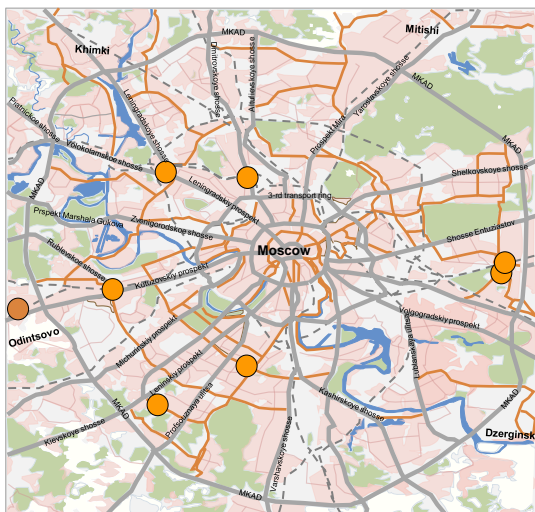
Outpatient paediatrics (per admission)



Growing network of healthcare facilities in attractive regions of Russia



Presence in the attractive Moscow market...



● Owned MDMG hospitals/clinics

... and growing presence in the regions/CIS...



● Hospitals/clinics under construction

... forming an extensive network chain

Top 5 MDMG clinics and hospitals (as of YE 2012)

	Area, sqm	No. of beds	Number of offices	Number of physicians ²	Number of other medical personnel
PMC	27,600	250	43	115	419
Lapino hospital	42,000	182 ³	94 ³	150 ³	450 ³
Mother and Child Clinic Kuntsevo	800	3 ⁴	16	72	80
Mother and Child Clinic of Health	600 + 1,250 ⁵	6 ⁴	12	42	32
Mother and Child Clinic Ufa	800	6 ⁴	7	18	21

■ Healthcare facilities under construction

Notes: ¹ MDMG plans to open a hospital in Ufa in 2015; ² On a full time equivalent basis; ³ Expected operating statistics are presented; ⁴ Out-patient beds; ⁵ Construction/renovation of additional premises to be completed in 2013



Highly qualified medical personnel led by renowned clinicians



Highly qualified and motivated medical personnel...

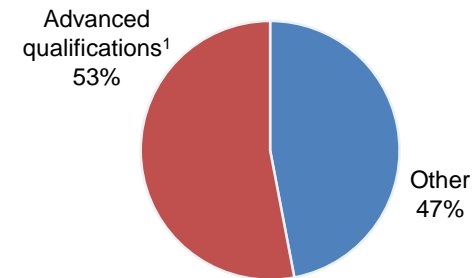
Medical personnel

- Over 300 physicians on a full time equivalent basis and 500 nurses, with majority of them with MDMG from foundation
- Certified personnel educated in key Russian medical institutions
- Medical work supervised by recognised physicians
- Over 93% personnel retention ratio during the last 3 years

Development centre

- Collaboration with the best Russian medical institutions, including Pirogov Medical University, ensures medical personnel's professional development and certifications
- Professional development includes thematic development cycles, lecture series by well-recognised professors and workshops / job rotations every two years for some of the medical personnel

Physicians qualifications



...and highly professional senior management team



Mark Kurtser
Chairman of the Board
M.D., PhD, Professor

- Established MDMG and led MDMG's consolidation process
- Remains actively involved in MDMG's operations and day-to-day healthcare practice
- Chief Obstetrician and Gynaecologist of the Moscow Committee of Public Health
- Corresponding Fellow of the Russian Academy of Medical Sciences since 2011
- Graduated from Pirogov Medical University with a degree in medicine. Holds a PhD in medicine



Elena Mladova
CEO
M.D.

- Responsible for overall management of MDMG
- Head of the Infertility Treatment and IVF Department at PMC since 2008
 - Introduced Infertility and IVF treatments at MDMG
- Holds a medical degree in primary medicine from the Lomonosov Moscow State University



Vitaly Ustimenko
CFO
PhD in finance

- Responsible for running MDMG's finance function
- Prior to joining MDMG, was the Head of Strategic and Business Planning at OAO Russian Helicopters and held various positions in Corporate Finance Department at Deloitte Touche Tohmatsu Limited, including Senior Manager position
- Master in economics from the Finance University under the Government of the Russian Federation. Holds a PhD in economics from State University of Management

Notes: ¹ Includes top grade physicians, PhD in medical science and post doctoral degree in medicine

Track record of strong financial performance (1/3)



Strong financial performance

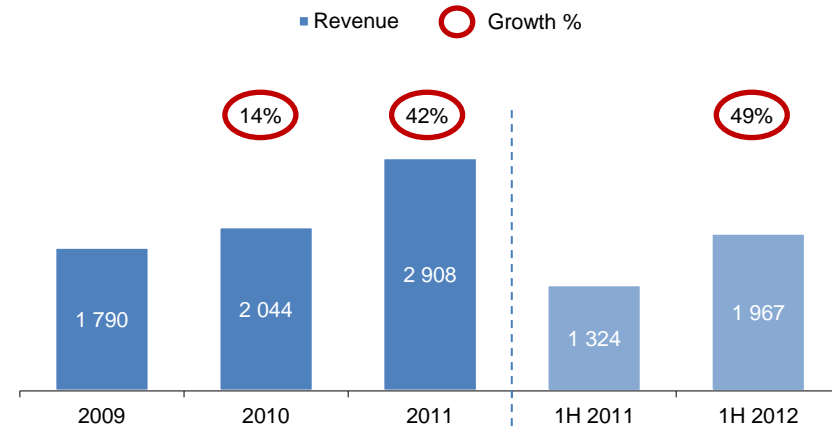
Revenue

- ✓ Rapid top line growth (revenue increased by 62% from 2009 to 2011 and by 49% from 1H 2011 to 1H 2012) underpinned by:
 - Expansion of service range and increase in number of treatments provided
 - Acquisition of the network of outpatient clinics (in January and November 2011), operating under the “Mother and Child” brand
 - Price increases

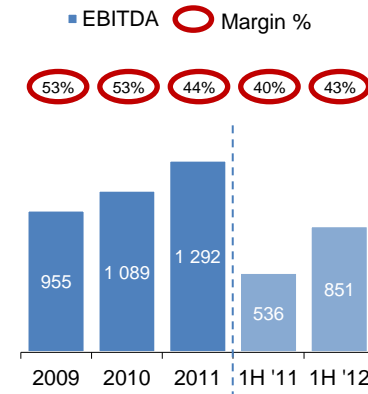
EBITDA and Net Income

- ✓ Strong net income increase of 78% from 1H 2011 to 1H 2012 driven by top line growth and 0% corporate profit tax rate applicable to most MDMG companies starting 2012
- ✓ High profitability:
 - EBITDA margin – 43%, slight decrease compared to 2010 due to integration of acquired clinics
 - Net Income margin – 37%

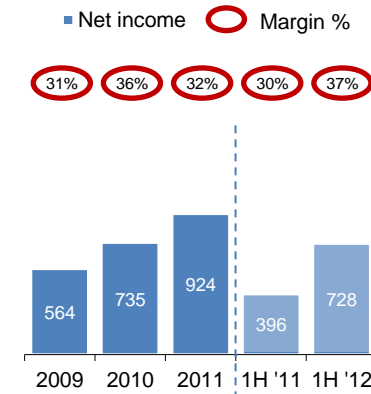
Revenue (RUB mm) and annual growth rate (%)



EBITDA (RUB mm)



Net Income (RUB mm)

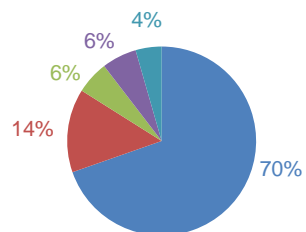


Source: Company data, 2009 – 2011, 1H 2012 audited IFRS Financial Statements

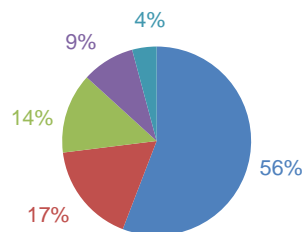
Track record of strong financial performance (2/3)



Revenue breakdown by key groups of services



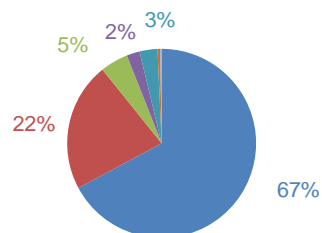
2009 Total: RUB1,790mln



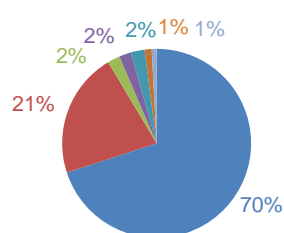
1H 2012 Total: RUB1,967mln

- Obstetrics and Gynaecology
- Paediatrics
- IVF
- Other medical services
- Other revenue ¹

COGS breakdown



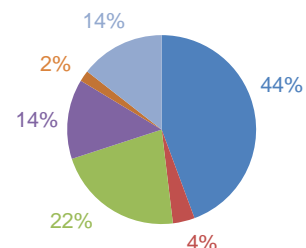
2009 Total: RUB727mln



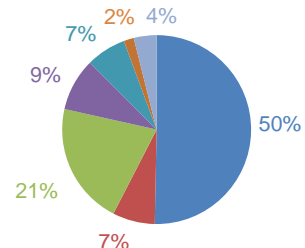
1H 2012 Total: RUB924mln

- Payroll and related social taxes
- Materials and supplies used
- Property tax
- Energy and utilities
- Medical services
- Repair and maintenance
- Other expenses

SG&A breakdown



2009 Total: RUB105mln



1H 2012 Total: RUB191mln

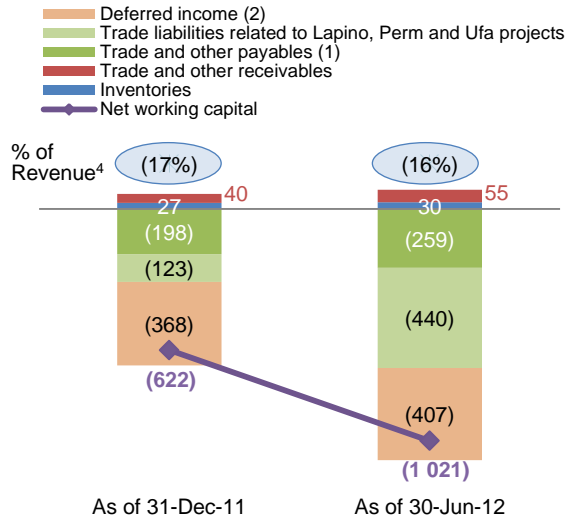
- Payroll and related social taxes
- Advertising
- Utilities and materials
- Legal, consulting and other professional services
- Independent auditors' remuneration
- Communication costs
- Other expenses

Source: Company data, 2009 – 2011, 1H 2012 audited IFRS Financial Statements
 Note: ¹ Includes other income and revenue from sale of goods

Track record of strong financial performance (3/3)

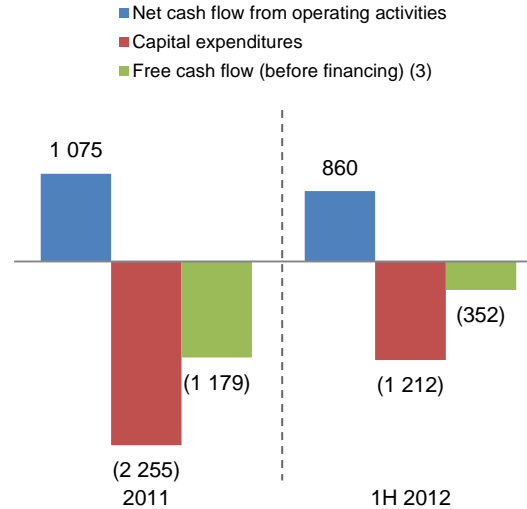


Working Capital (RUB mln)



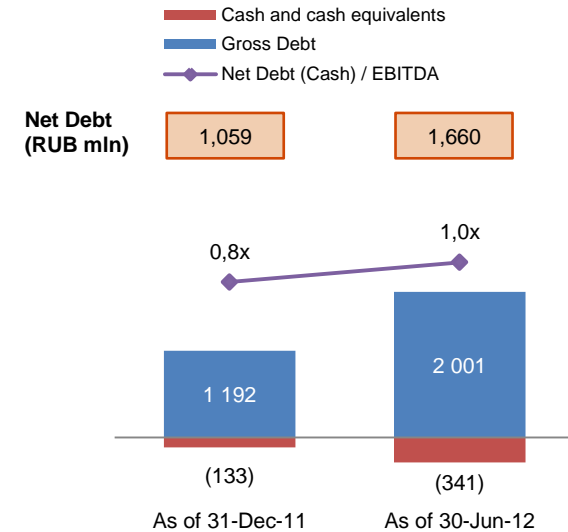
- Approximately 90% of Revenue comes from direct paying customers; most of them are serviced on pre-payment basis
- As a result of this, MDMG primarily operate with a negative working capital => additional source of financing for MDMG

Cash flow metrics (RUB mln)



- High cash flow generation and low debt level provide for ample capacity to fund future growth
- Continued investments in Lapino Hospital and Mother and Child Clinic Perm and Mother and Child Clinic of Health (refurbishment of additional premises)

Debt profile (RUB mln)



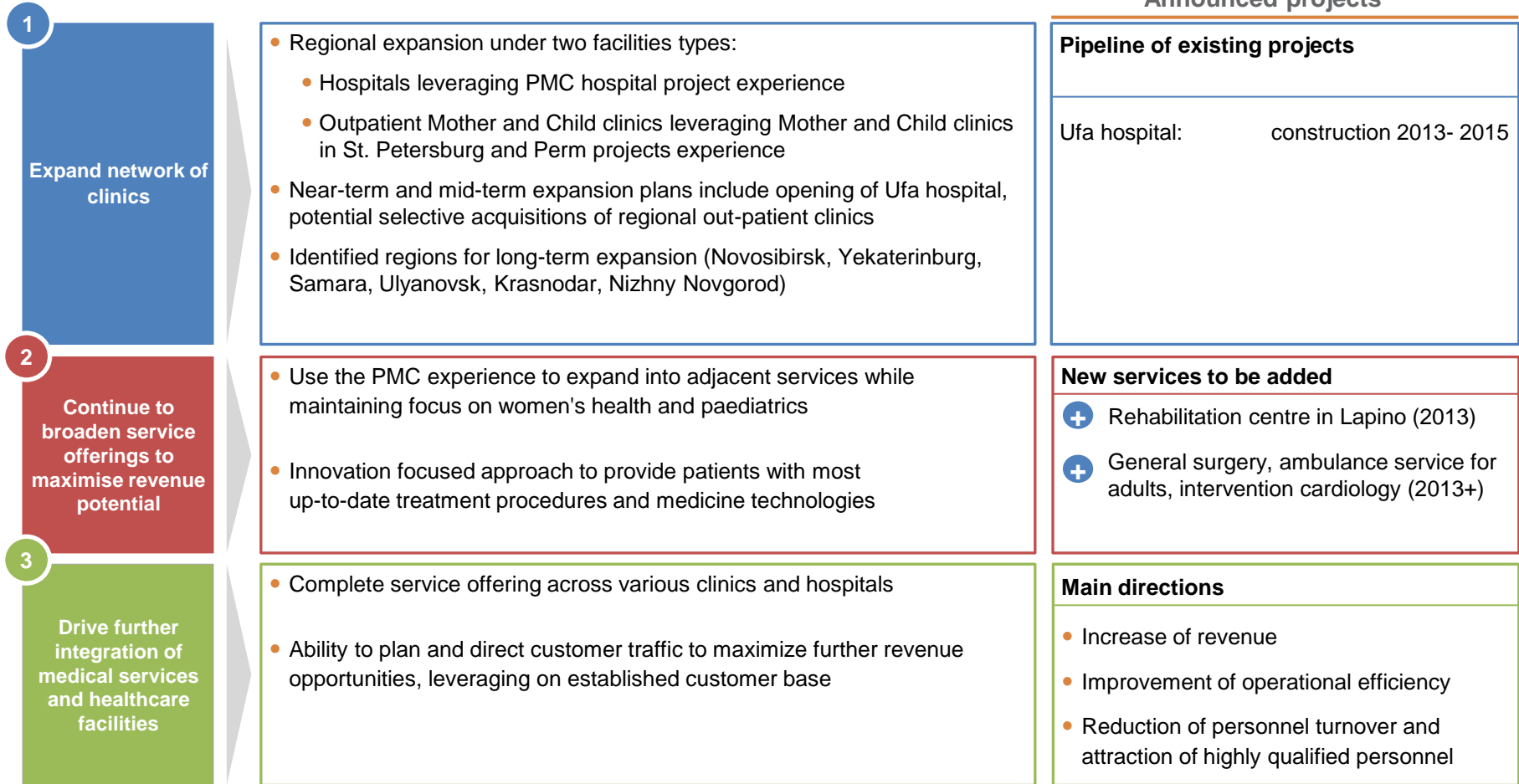
- Commitment to conservative leverage
- Increase in leverage due to investments in new projects
- Largely long-term debt (maturity of > 1y) – 97% of the portfolio
- 100% RUB-denominated debt
- RUB 3.2bn credit facility from VTB, largely undrawn as of 30-Jun-12

Source: Company data, 2009 – 2011, 1H 2012 audited IFRS Financial Statements

Note: ¹ Includes: Trade payables, Other payables (recurring only), Accruals and Payables to employees; ² Primarily consists of 'Patient advances' (Note 19 of IFRS accounts);

³ Calculated as Net cash flow from operating activities less Capital expenditures; ⁴ Excluding trade liabilities related to Lapino, Perm and Ufa projects

Scalable platform with multiples avenues for growth



MDMG's profit and loss statement



(RUB mln)	2009	2011	2011	1H 2011	1H 2012
Revenue	1,790	2,044	2,908	1,324	1,967
Cost of sales	(851)	(956)	(1,464)	(732)	(982)
Gross Profit	938	1,088	1,444	591	985
<i>% of revenue</i>	52%	53%	50%	45%	50%
Other income	2	6	1	1	1
Administrative expenses	(106)	(135)	(246)	(109)	(192)
Other expenses	(4)	(2)	(6)	(0)	(2)
EBITDA	955	1,089	1,292	536	851
<i>% of revenue</i>	53%	53%	44%	40%	43%
Operating profit	830	957	1,193	482	791
Profit before tax	706	921	1,195	507	755
Tax	(142)	(187)	(271)	(111)	(27)
Profit for the period	564	735	924	396	728
<i>% of revenue</i>	31%	36%	32%	30%	37%

Source: Company data, 2009 – 2011, 1H 2012 audited IFRS Financial Statements

MDMG's balance sheet



(RUB mln)	2009	2010	2011	1H 2012
Cash and cash equivalents	4	112	133	341
Trade, other receivables and deferred expenses	19	23	40	55
Inventories	13	14	27	30
Current tax asset	70	2	32	29
Property, plant and equipment	1,588	1,488	4,044	5,474
Loan receivable	-	269	-	-
Other non-current assets ¹	26	40	493	604
TOTAL ASSETS	1,721	1,947	4,769	6,535
Trade and other payables	73	91	321	699
Short-term portion of long-term loans and obligations under finance leases	-	-	132	31
Other current liabilities	197	236	369	370
Loans and borrowings	576	-	1,060	1,970
Other non-current liabilities ²	14	374	80	93
Equity	861	1,246	2,807	3,372
TOTAL EQUITY AND LIABILITIES	1,721	1,947	4,769	6,535
Net Debt³	572	(112)	1,059	1,660

Source: Company data, 2009 – 2011, 1H 2012 audited IFRS Financial Statements

Note: ¹ Other non-current assets as of the end of 2011 include Capex prepayments – RUB462mln, as of the end of 1H 2012 – RUB573mln; ² Other non-current liabilities represent deferred income and deferred tax liabilities; ³ Net debt = short-term interest bearing liabilities + long-term interest bearing liabilities - cash and cash equivalents

MDMG's cash flow statement



(RUB mln)	2009	2010	2011	1H 2011	1H 2012
Cash flow from operating activities					
Profit for the period	564	735	924	396	728
Adjustments for:					
D&A	125	132	99	53	59
Excess of Group's interest in the net fair value of the subsidiaries' assets	0	0	(46)	(42)	0
Income tax expense	142	187	271	111	26
Other adjustments	112	23	(7)	50	18
Cash flow from operations before working capital changes	944	1,077	1,242	568	832
(Increase)/decrease in inventories	0	(0)	(4)	3	(3)
Increase in trade and other receivables	(7)	(4)	(135)	(63)	(15)
Increase in trade and other payables	3	19	89	135	58
Increase in deferred income	33	40	139	53	39
Cash flow from operations	973	1,131	1,330	697	910
Tax paid	(156)	(193)	(254)	(209)	(49)
Net cash flow from operating activities	817	938	1,075	488	860
Cash flow from investing activities					
Payment for acquisition of PP&E	(19)	(32)	(1,812)	(364)	(1,212)
Payment for acquisition of investments in subsidiaries	0	0	(443)	(340)	0
Payment for acquisition of investments in subsidiaries under common control	0	(336)	(341)	(238)	(9)
Other proceeds and payments	(70)	(265)	0	284	0
Net cash flow used in investing activities	(89)	(633)	(2,595)	(658)	(1,221)
Cash flow from financing activities					
Proceeds from issue of share capital and share premium	0	269	552	0	0
Repayment of borrowings	(630)	(576)	0	(278)	(60)
Repayments of obligations under finance leases	0	0	(71)	0	(88)
Proceeds from borrowings	0	0	1,085	43	941
Cash received as capital contributions	0	62	0	383	0
Interest paid	(106)	(23)	(0)	(4)	(61)
Dividends paid to the owners of the Company	0	0	(1)	0	(154)
Dividends paid to non-controlling interests	0	0	(22)	(14)	(11)
Repayment of loans given	0	70	0	0	0
Net cash flow from financing activities	(736)	(198)	1,542	130	568
Net increase/(decrease) in cash and cash equivalents	(8)	108	22	(41)	208
Cash and cash equivalents at the beginning of the period	12	4	112	112	133
Cash and cash equivalents at the end of the period	4	112	133	71	341



Corporate structure

General Meeting of Shareholders

Board of Directors (9 Directors)

Remuneration
Committee

Nomination
Committee

Audit
Committee

Key Board Members



Mark Kurtser
*Chairman of the
Board of Directors,
Chairman of Nomination Committee*



Elena Mladova
*Member of Board of Directors
CEO, Chairman of Remuneration Committee*



Simon Rowlands
*Chairman of Audit Committee,
INED since 2012*



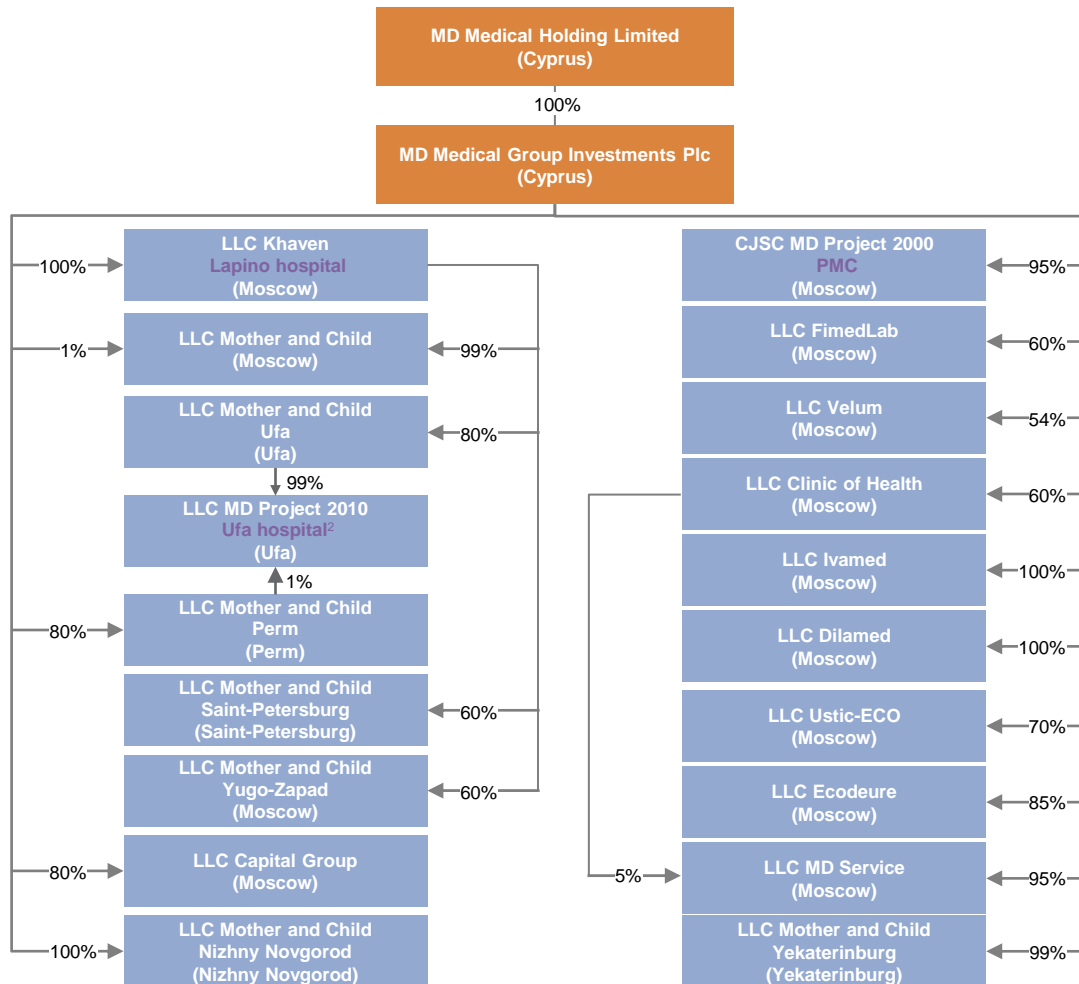
Kirill Dmitriev
Member of Board of Directors

- **Simon Rowlands (INED)**. Non-Executive Director with Spire Healthcare, a partner at Cinven Partners, working within both the Healthcare and Industrials sectors. Previously was a Director at Générale de Santé from 2001 – 2003. Holds an MBA in Business from the Cranfield School of Management, a BSc in Engineering and is a chartered engineer
- **Kirill Dmitriev**. CEO of the Russian Direct Investment Fund. Previously was a President of Icon Private Equity, Co-managing partner and CEO of Delta Private Equity Partners, investment banker at Goldman Sachs and a consultant at McKinsey & Co

Corporate structure



Overview¹



■ Holding Companies ■ Operating subsidiaries

Note: ¹ Reflects pre-IPO structure; ² MDMG plans to open a hospital in Ufa in 2015

Comments

- MD Medical Group Investments Plc was incorporated in Cyprus and operates through a number of subsidiaries based in Russia
- Key corporate governance functions are concentrated at MD Medical Group Investments Plc level
- Operating decisions are undertaken by management team in Russia