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MD MEDICAL GROUP INVESTOR DAY

OCTOBER 30, 2014



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PRESENTING TODAY



Dr Mark Kurtser, PhD
Chairman of the Board of
Directors



Dr Elena Mladova
CEO and Member of the Board of
Directors



Vitaly Ustimenko, PhD
Chief Financial Officer



Elena Opanasyuk
Deputy CEO for Regional Development



Dr Yulia Kutakova, PhD
Chief Medical Officer



Larisa Tkachenko
Head of Client Service Department

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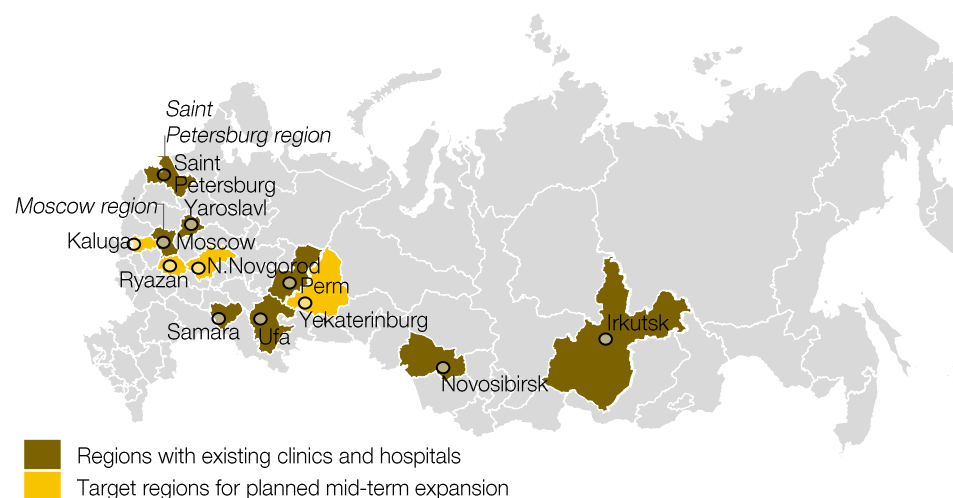
MD MEDICAL GROUP AT A GLANCE

MD MEDICAL GROUP AT A GLANCE

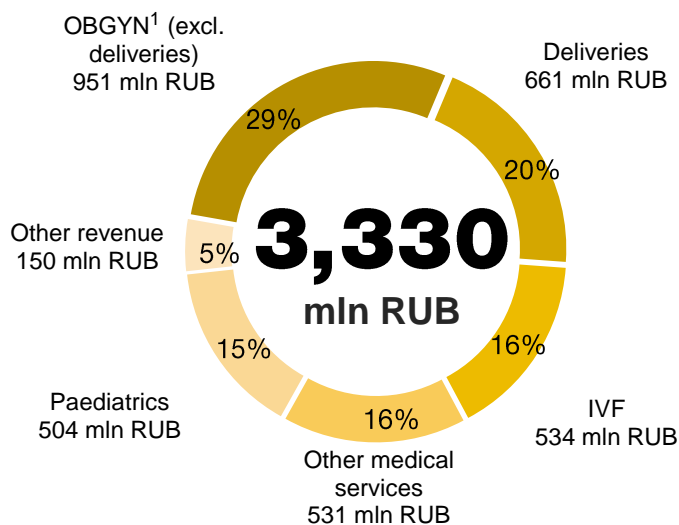
MD Medical Group (“MDMG”) overview

- Russia’s leading private healthcare provider focused on women’s health and paediatrics
- Wide range of medical services including OBGYN1, 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



Revenue breakdown, 1H'14

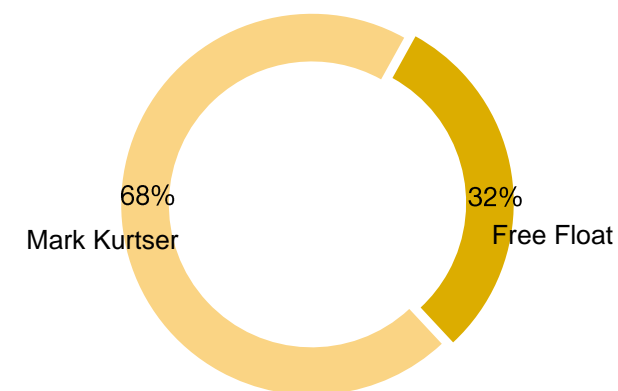


Note: 1 OBGYN – obstetrics and gynaecology
2 calculated as operating profit before depreciation and amortization

Key financial metrics

RUB mln	2012	2013	1H'13	1H'14
Revenue	4,061	5,673	2,578	3,330
growth, %	40%	40%	31%	29%
EBITDA ²	1,694	1,586	645	969
margin, %	42%	28%	25%	29%
Net Income	1,538	764	250	625
Net Debt	(2,054)	(275)	(1,218)	709
Net Debt / EBITDA	(1.2x)	(0.2x)	(1.9x)	0.4x

Shareholder structure



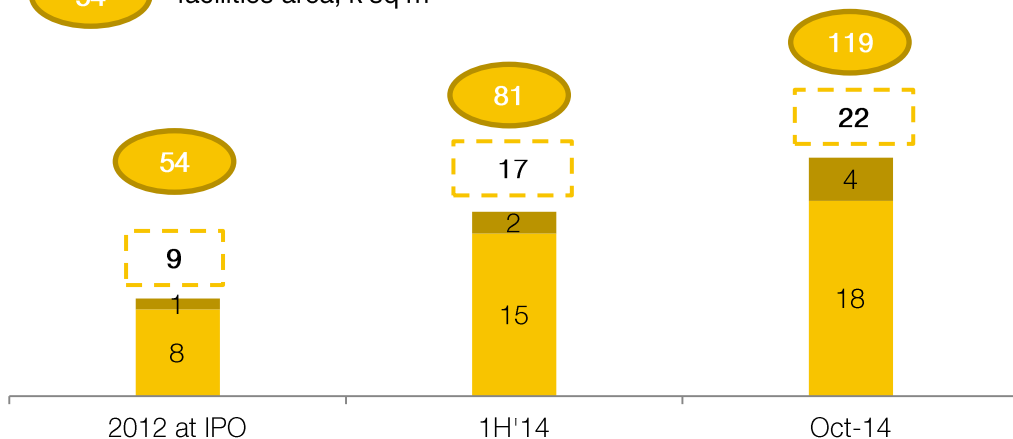
Note: Company has GDRs listed on the LSE (Ticker: MDMG LI)

MDMG'S FOOTPRINT EXPANSION

Healthcare facilities 2014 vs. 2012

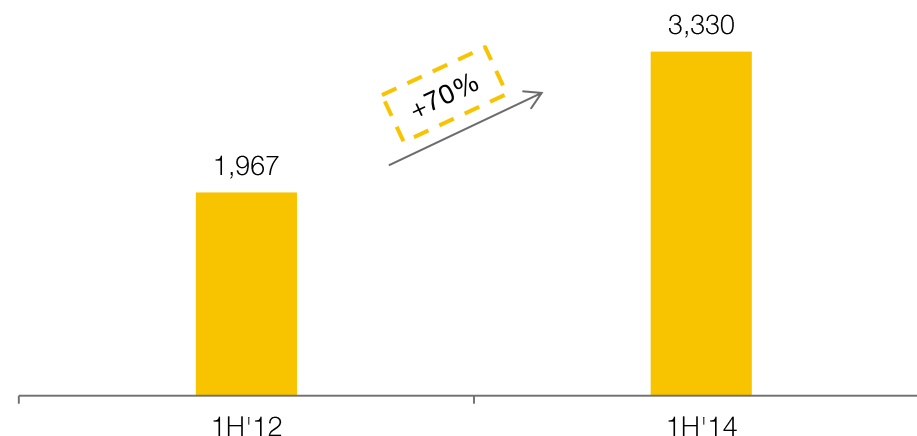
■ Out-patient clinics ■ Hospitals

54 - facilities area, k sq m



Revenue 2014 vs. 2012

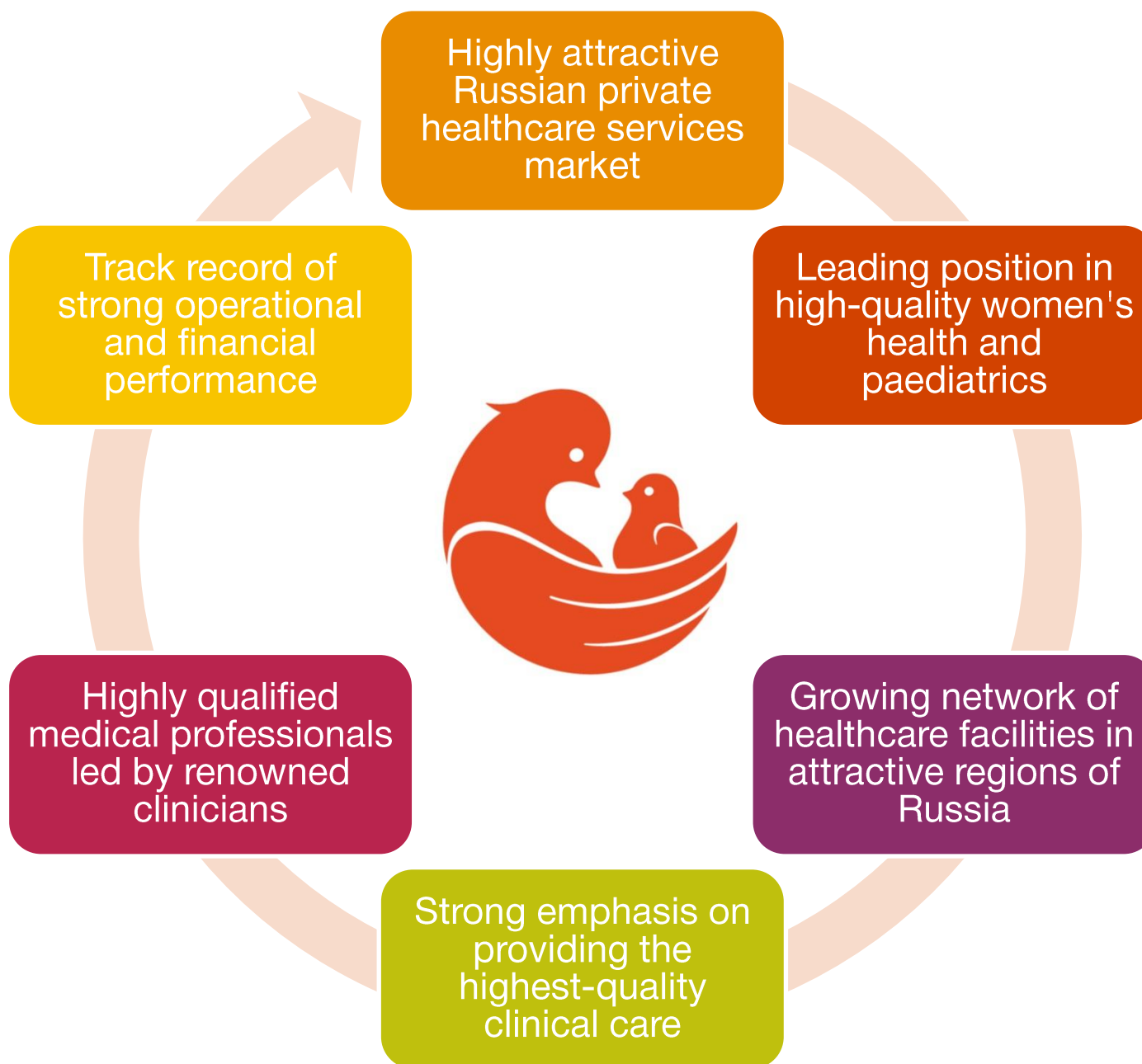
Revenue '09-13 CAGR = 30%



Delivering on IPO plans

	Plans announced during IPO	Timeline	Current status
Pipeline of projects	Lapino hospital	2012	✓
	M&C clinic in Perm	2012	✓
	Ufa hospital	2014	✓
Broadening of services	Traumatological centre at Lapino	2012	✓
	General surgery, ambulance service for adults	2013+	✓ MDMG continues to broaden its services beyond core business step-by-step in existing assets, i.e. Lapino surgery department, diagnostic center at PMC, and through M&A, i.e. Avicenna has urology, oncology, surgery departments, etc
Expansion	Regional expansion	2013+	✓ Company continue to extend its geographic reach in Russia, i.e. Samara region, Irkutsk, Yaroslavl, and Novosibirsk

INVESTMENT HIGHLIGHTS



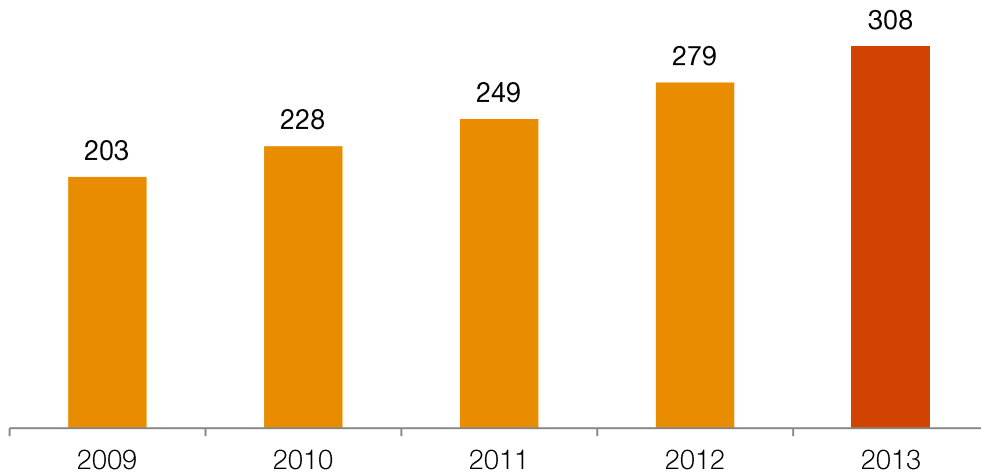
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OUR MARKET

FAVOURABLE MACROECONOMIC, INDUSTRY AND DEMOGRAPHIC ENVIRONMENT...

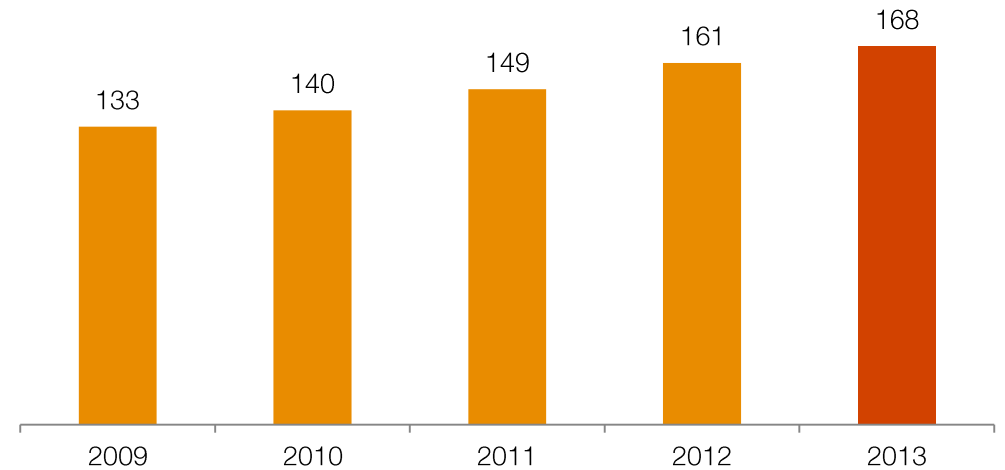
Annual disposable income, 000' RUB per capita

2009-2013 CAGR = 11%



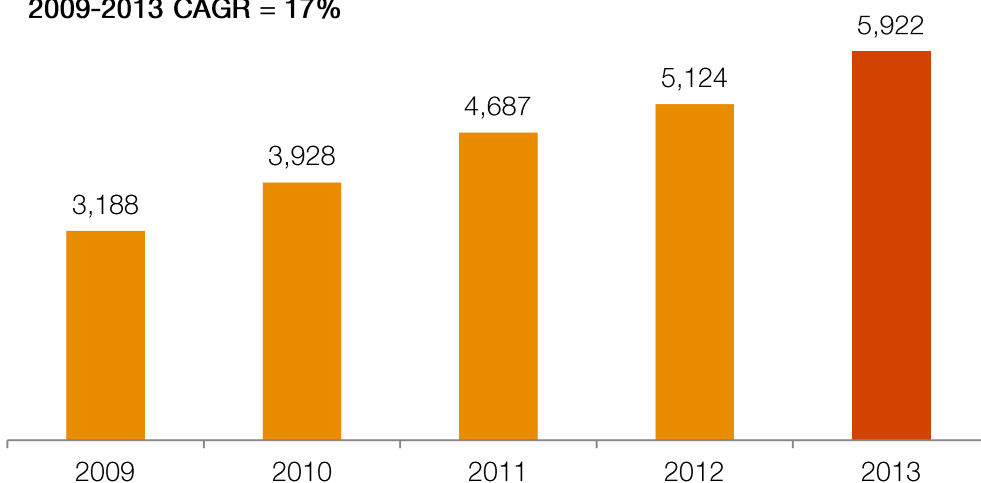
Annual consumer spending, 000' RUB per capita

2009-2013 CAGR = 6%



Annual healthcare expenditures, RUB per capita

2009-2013 CAGR = 17%



Growing middle class, mln people¹

2009-2013 CAGR = 23%



Note: 1 Population with monthly disposable income of more than RUB35,000
Source: Federal State Statistics Service

...DRIVES DEMAND FOR FEE-FOR-SERVICE HEALTHCARE SERVICES

Average salaries by 10 groups in Russia (2013)

(RUB)	1 ⁽¹⁾	2	3	4	5	6	7	8	9	10 ⁽²⁾
Average salary per month	6,183	9,715	12,893	16,075	19,456	23,344	28,262	35,090	45,934	97,576

Increase in consumption of healthcare services with growth in income



Consumption structure by 10 income groups⁽³⁾ in Russia (2013)

	1 ⁽⁴⁾	2	3	4	5	6	7	8	9	10 ⁽⁵⁾
Total healthcare expenditures, including:	2.4%	2.7%	3.0%	3.2%	3.5%	4.1%	3.9%	3.7%	4.3%	3.4%
(1) Pharmaceuticals and equipment	2.1%	2.1%	2.3%	2.3%	2.4%	2.3%	2.2%	2.1%	2.3%	1.4%
(2) Out-patient healthcare services	0.3%	0.5%	0.6%	0.8%	1.0%	1.6%	1.4%	1.2%	1.5%	1.4%
(3) In-patient healthcare services	0.0%	0.0%	0.1%	0.1%	0.2%	0.2%	0.3%	0.3%	0.5%	0.6%
Total healthcare services: (2)+(3)	0.3%	0.5%	0.7%	0.9%	1.2%	1.8%	1.7%	1.5%	2.0%	2.0%

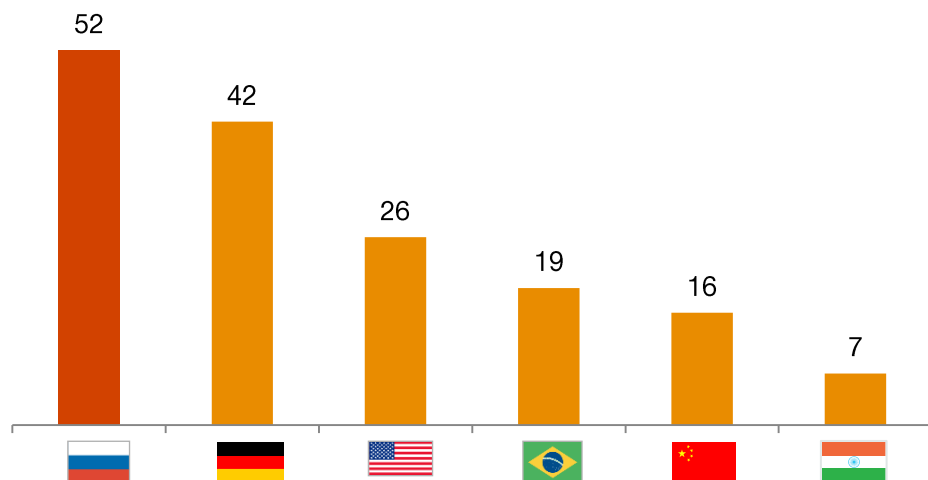
Target audience

Current audience

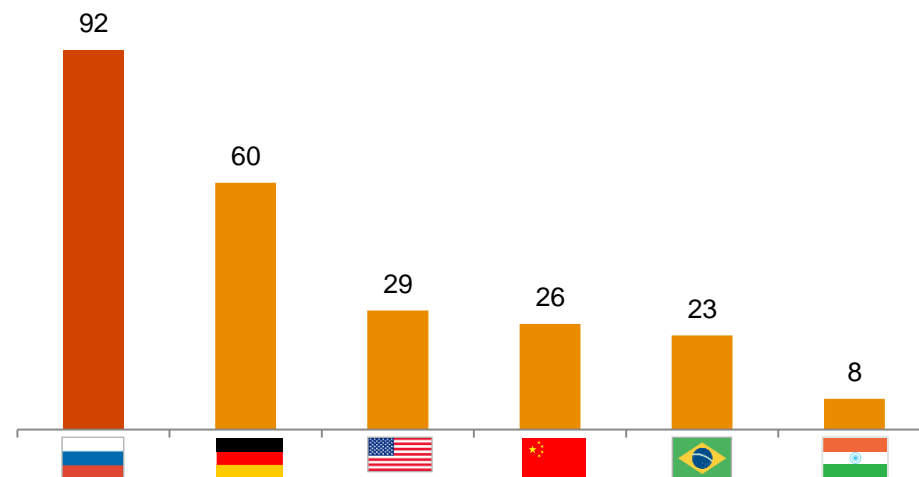
UNDERPERFORMANCE OF THE RUSSIAN PUBLIC HEALTHCARE SYSTEM

Extensive public healthcare system inherited from USSR ...

Number of physicians per 10,000 population (2012)

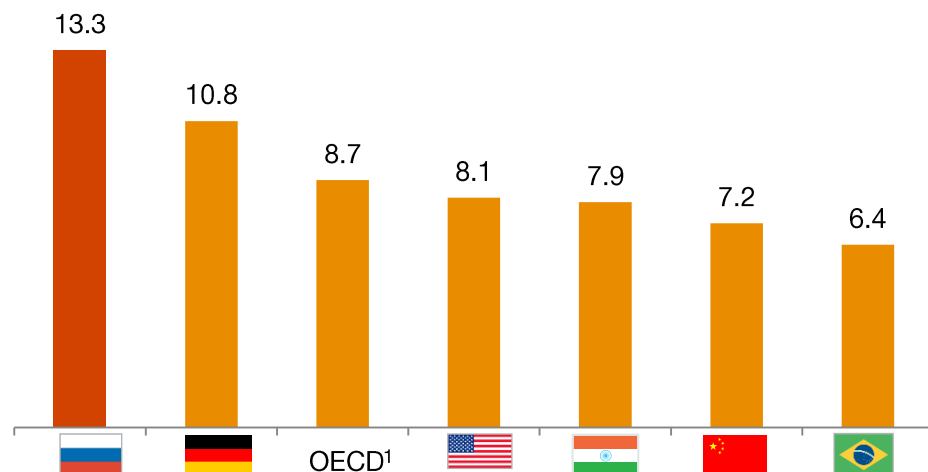


Number of hospital beds per 10,000 population (2012)

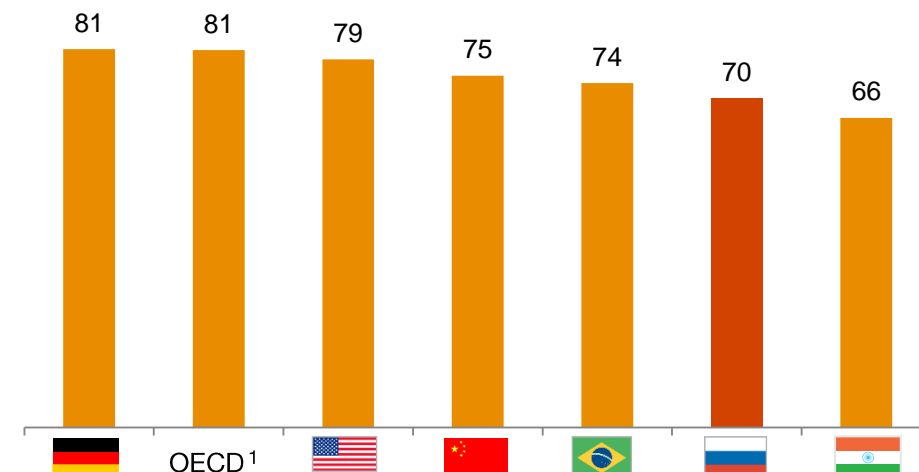


... which does not deliver results

Number of deaths per 1,000 population (2012)



Life expectancy at birth, years (2012)



Note: 1 Member countries of the Organisation for Economic Co-operation and Development
Sources: BMI, World Bank

TRENDS IN THE RUSSIAN PUBLIC HEALTHCARE SYSTEM

Key trends

Federal Budget Shrinkage

“The Government of the Russian Federation under the influence of external factors and economic difficulties forced to accept a reduction of budget expenditures... said Prime Minister Dmitry Medvedev, speaking at the International investment forum”

ITAR-TASS, September 2014

Decrease of Federal Expenditures on Healthcare

“...Federal expenditures on healthcare should be reduced from 169 bln roubles in 2014 to 155 bln roubles in 2015. Projected MHI funding will be 145 billion roubles comparing to 123 billion in the current year.”

RBC, September 2014

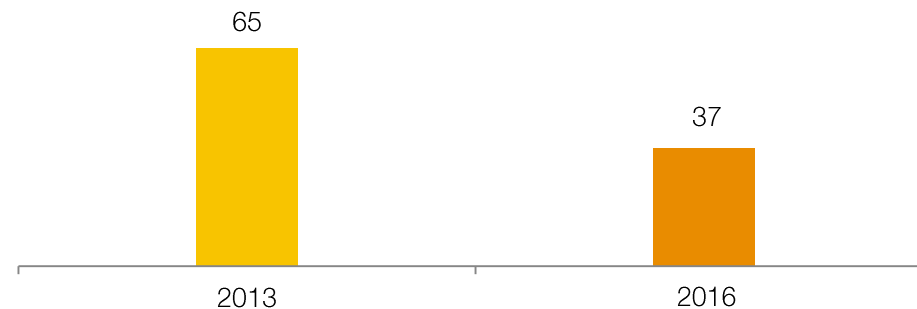
High Decrease of Healthcare Expenditures by Moscow Government

“...the decrease in public expenditures on healthcare in both 2013 and 2014 was 10% in real prices, in Moscow - 18%... "Moscow so vigorously reduces healthcare projects, in 2014 they were 4% lower in real prices than in 2011"... Partially due to the transfer of costs to funds of mandatory healthcare insurance.”

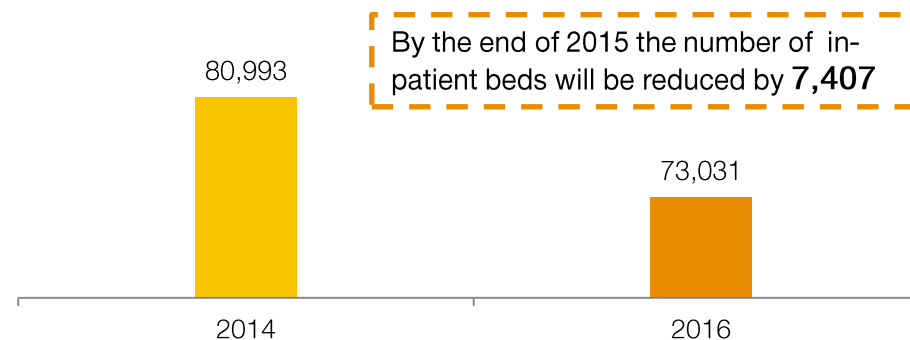
RBC, September 2014

PLANS FOR PUBLIC HC SYSTEM DEVELOPMENT IN MOSCOW

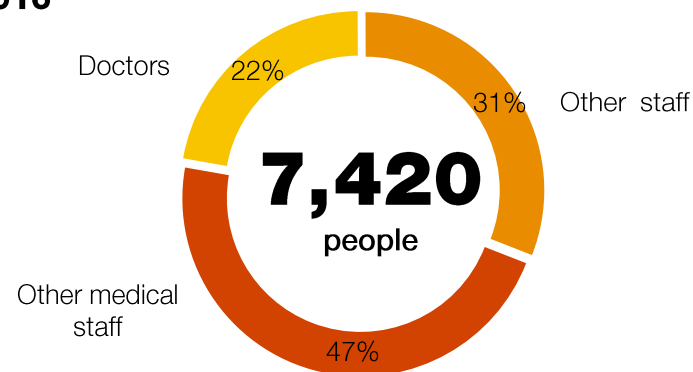
Number of public hospitals in Moscow



Reduction of in-patient beds



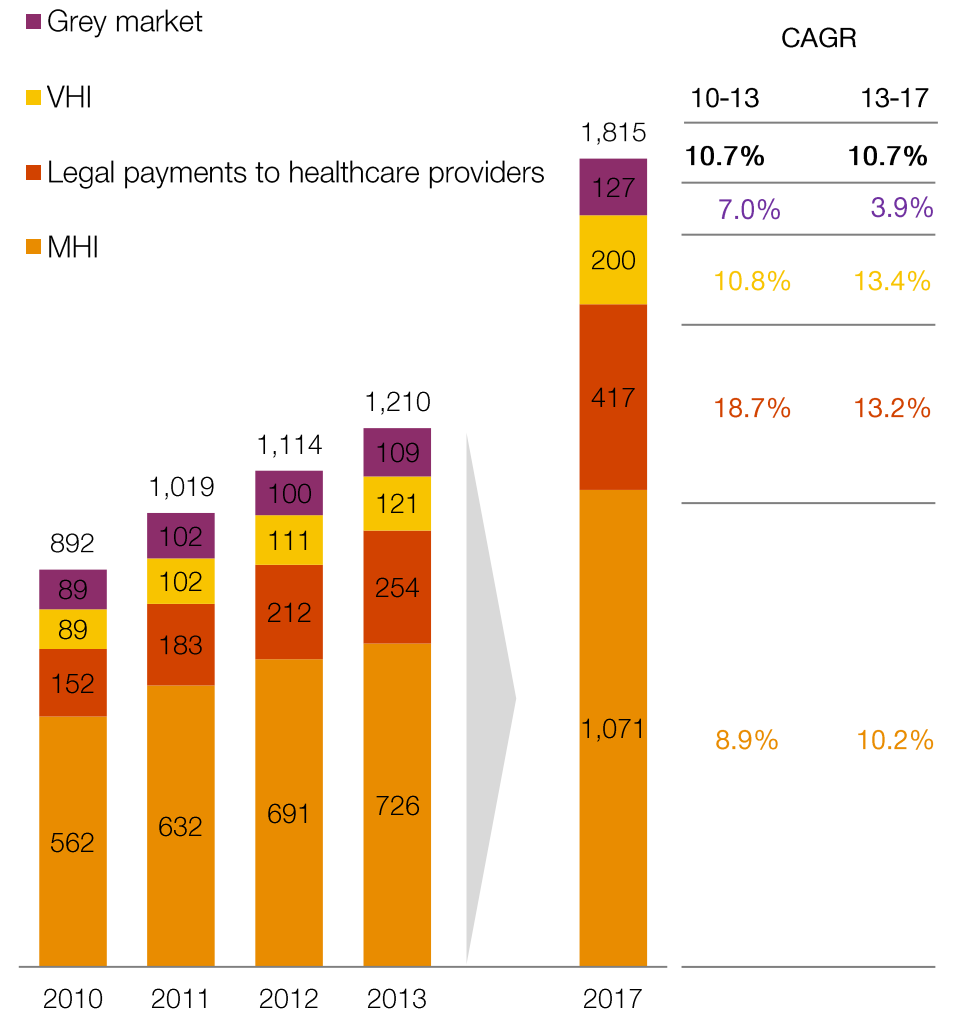
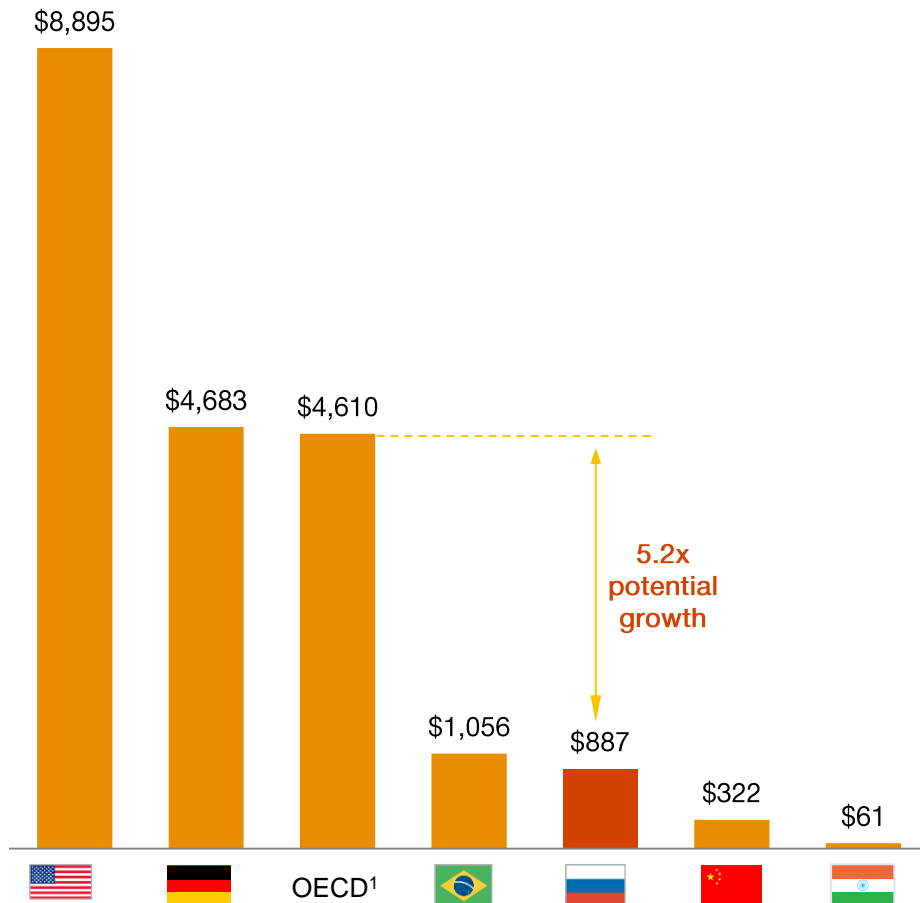
Reduction of medical staff breakdown by specialization, 2014-2016



PROVIDING SIGNIFICANT GROWTH POTENTIAL OF RUSSIAN FEE-FOR-SERVICE HEALTHCARE SERVICES MARKET

Significant room for further growth – per capita healthcare expenditures*







Fee-for-service healthcare services market (RUB bn)



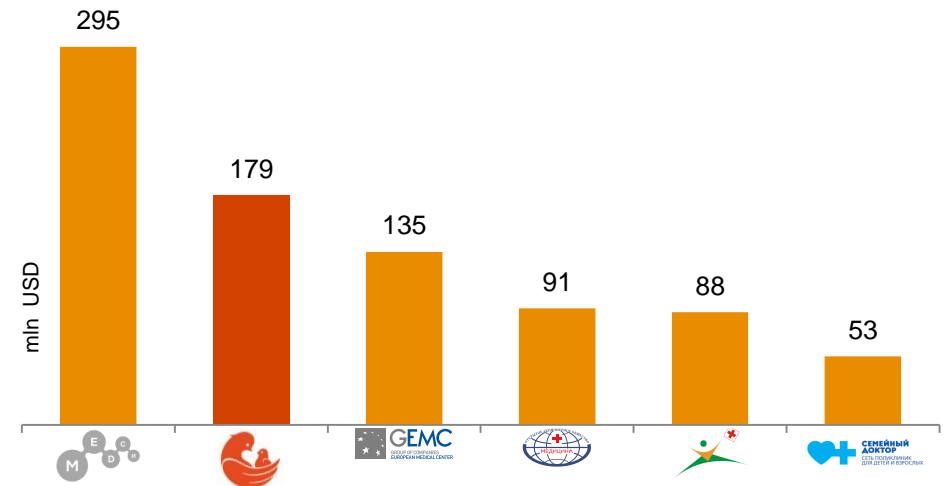
Note: * based on data and exchange rates as of 2013
 1 Member countries of the Organisation for Economic Co-operation and Development
 Source: Company data, World Bank 2013; BusinesStat 2014

LIMITED COMPETITION: MDMG IS THE ONLY ESTABLISHED PLAYER FOCUSED ON MATERNITY CARE

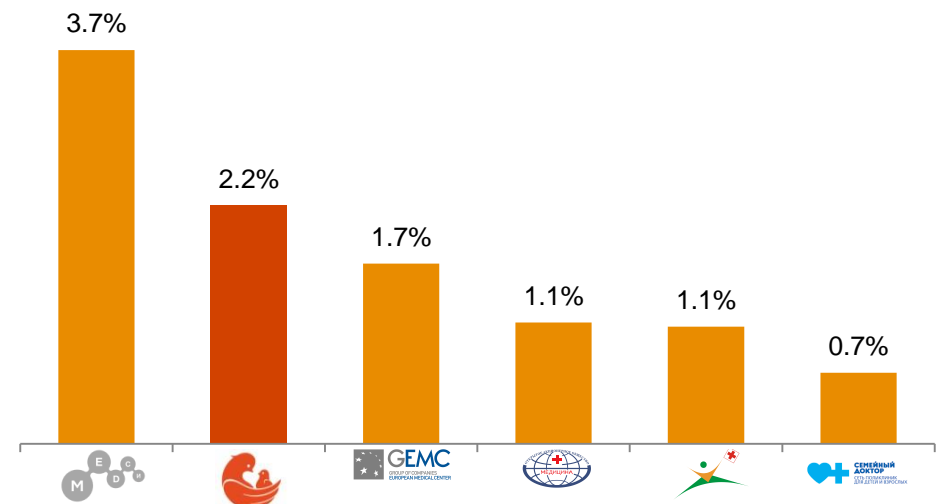
Key players in the market

General practices	 <p>MDMG</p>	<p>Focus: Women's health and paediatrics Location: Moscow and Russian regions Number of clinics: 22 (incl. 4 hospitals) Number of in-patient beds: 663</p>
	 <p>Medsi</p>	<p>Focus : General practices Location: Moscow and Russian regions Number of clinics: 30 clinics (incl. 3 hospitals) Number of in-patient beds: 1,153</p>
	 <p>Medicina</p>	<p>Focus: General practices Location: Moscow Number of clinics: 1 hospital Number of in-patient beds: 105</p>
	 <p>GEMC GROUP OF COMPANIES EUROPEAN MEDICAL CENTER EMC</p>	<p>Focus: General practices, trauma Location: Moscow Number of clinics: 2 Number of hospitals: 3</p>
	 <p>СЕМЕЙНЫЙ ДОКТОР СЕТЬ ПОЛИКЛИНИК ДЛЯ ДЕТЕЙ И ВЗРОСЛЫХ</p>	<p>Focus: General practices Location: Moscow Number of clinics: 14</p>
	 <p>КЛИНИКА СКАНДИНАВИЯ Scandinavia</p>	<p>Focus: Women's health, IVF Location: Saint Petersburg and Russian regions Number of clinics: 13 (incl. 1 hospital) Number of in-patient beds: 12</p>
	<p>Women's health</p>	

Revenue, 2013



Market share in commercial healthcare (2013)¹



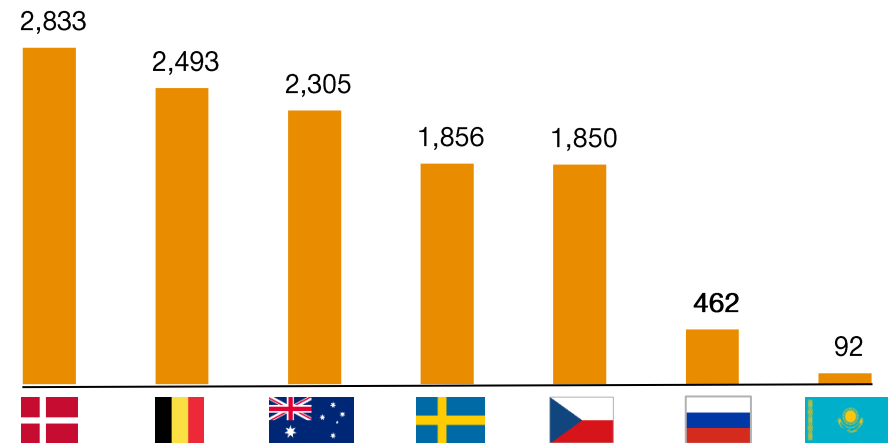
Note: 1 Based on market value of RUB254bn (US\$8.0bn) comprised of legal payments to healthcare providers
 Source: Company data, public sources

CASE STUDY: IVF SERVICES IN RUSSIA – HIGHLY ATTRACTIVE SEGMENT OF PRIVATE HEALTHCARE SERVICES

Key aspects

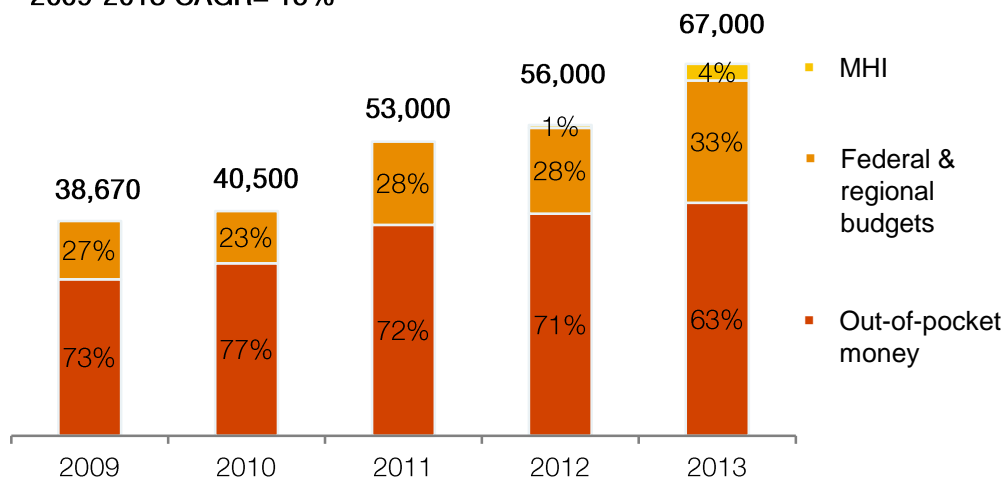
- IVF market in Russia continues to grow with CAGR for 2009 – 2013 of 15%
- Since 2012 government started to provide funding not only for IVF services in public hospitals (federal and regional budgets), but for private healthcare companies as well through MHI system
- General trend seen on the IVF market is reduction of funding provided by federal and regional budgets (only for public hospitals) and growing share of MHI funding. Meaning that private healthcare companies will get more MHI quota for IVF cycles
- It is expected that in 2014 total number of IVF cycles funded by MHI will grow up to 15 000

Number of IVF cycles per 1 million people

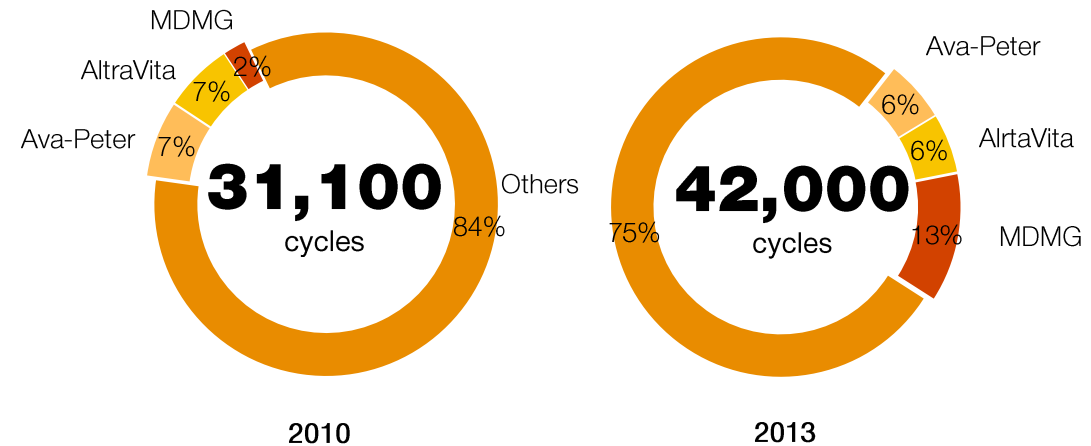


IVF cycles in Russia by source of funding

2009-2013 CAGR= 15%



Structure of IVF market covered by out-of-pocket money

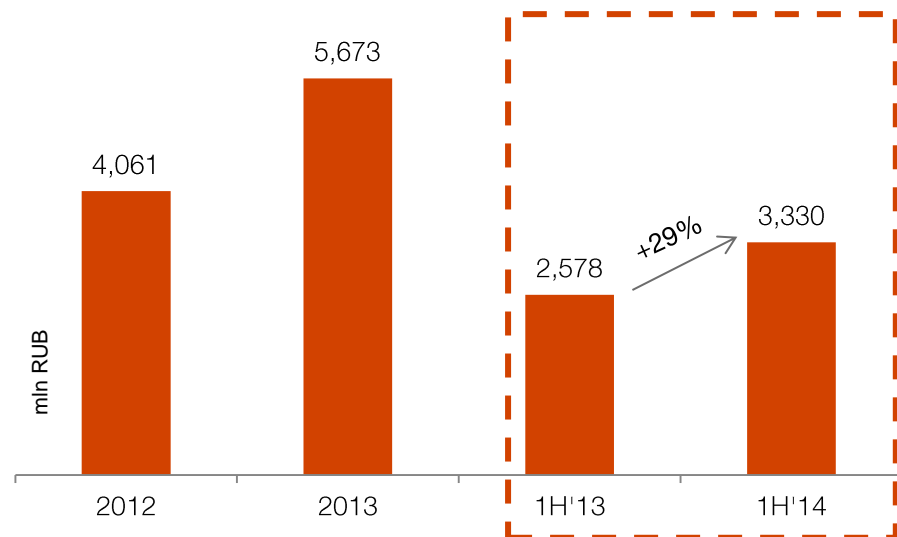


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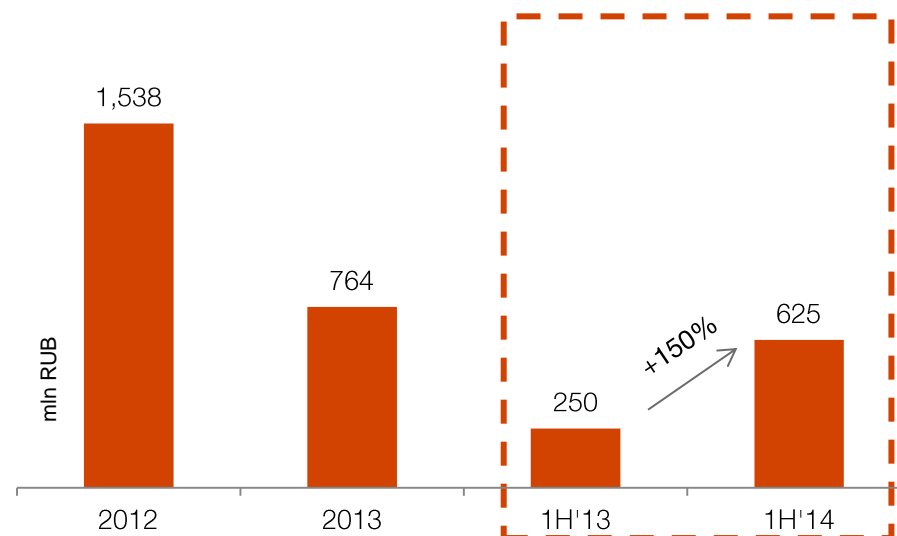
BUSINESS UPDATE

KEY FINANCIAL INDICATORS FOR 1H 2014

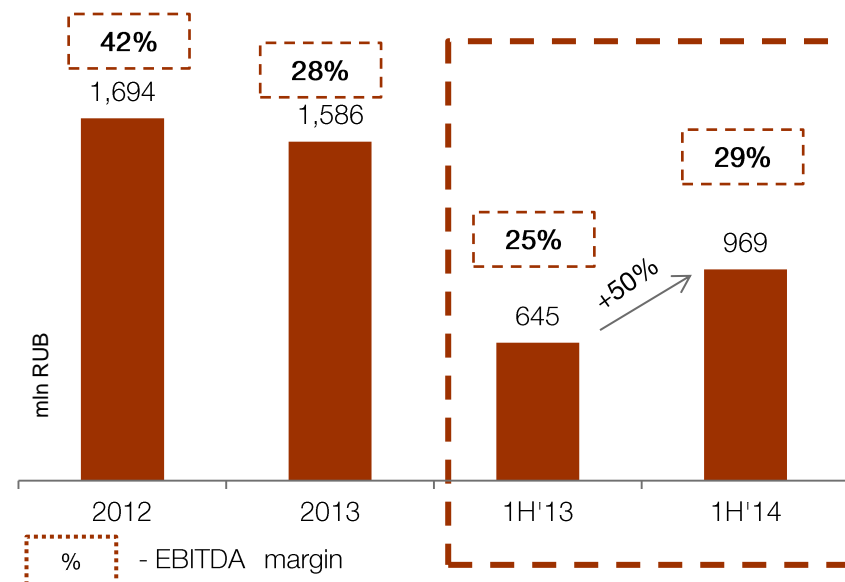
Revenue



Net profit



EBITDA and EBITDA margin



Financial KPIs in USD

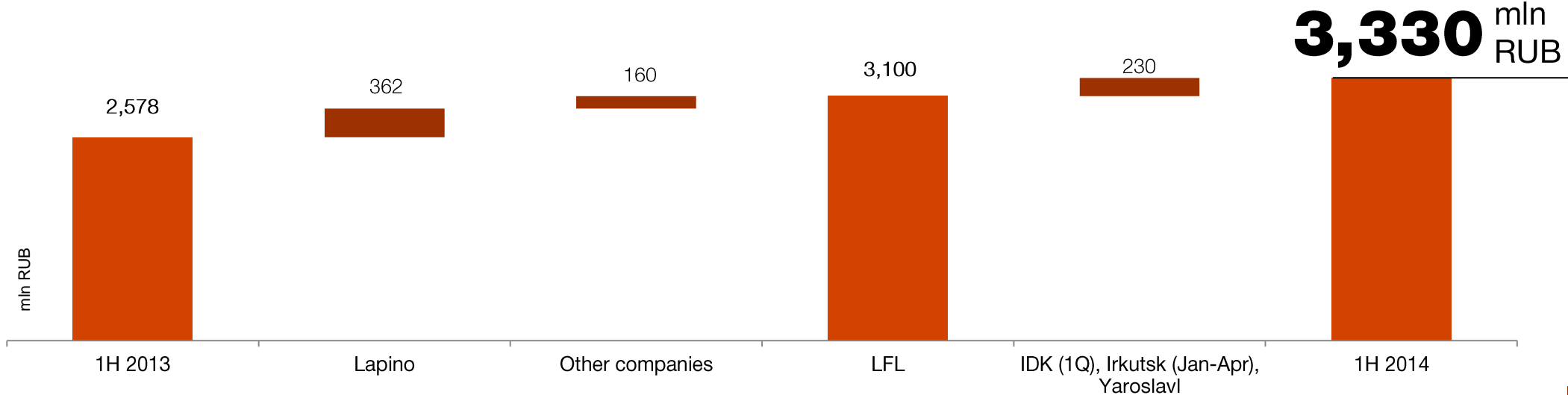
USD mln	2012	2013	1H'13	1H'14
Revenue	131	178	83	95
growth, %	32%	36%	30%	14%
EBITDA ²	54	50	21	28
growth, %	23%	(7%)	(24%)	33%
Net Income	49	24	8	18
growth, %	58%	(51%)	(67%)	125%

REVENUE BRIDGE ANALYSIS

Revenue increased 29% y-o-y accounting for 3,330 mln RUB

- LFL revenue increased by 20% or by 522 mln RUB:
 - Lapino was the largest contributor to this revenue increase as a result of its successful ramp-up, adding 362 mln RUB or 14% y-o-y to Group Revenue
 - Other clinics of the Group contributed a further 6% or 160 mln RUB to 1H 2014 results
- New clinics in Samara and Irkutsk were consolidated during the 1H 2013 reporting period, as of April and May 2013 respectively. Their operating results for the same months of 2014 are included in the LFL 1H 2014 figure. However, clinics in Samara, Irkutsk and the new clinic in Yaroslavl added a further 230 mln RUB on top of the 1H 2014 LFL growth number

Revenue bridge 1H 2013 vs 1H 2014



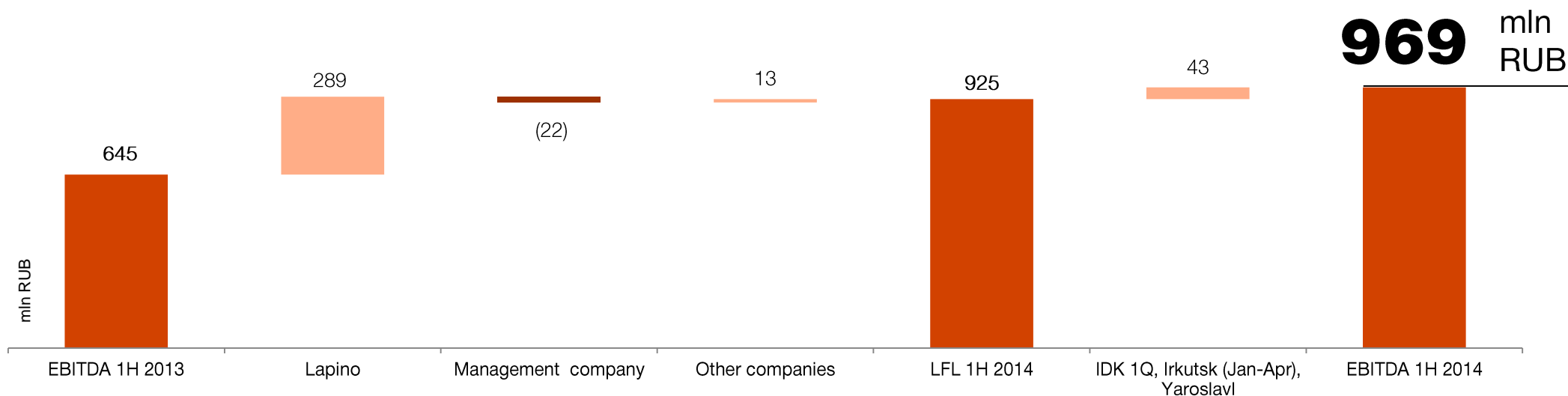
Source: 2013, 1H 2014 audited financial statements under IFRS

EBITDA BRIDGE ANALYSIS

EBITDA increased 50% y-o-y accounting for 969 mln RUB

- Lapino was the biggest factor that affected growth of EBITDA in 1H 2014, boosting EBITDA by 45% or by 289 mln RUB
- LFL EBITDA for 1H 2014 grew by 43% or by 280 mln RUB
- New clinics contributed 43 mln RUB or 7% for the periods that were not included in LFL 1H 2014 EBITDA:
 - Samara – 1Q 2014 as it was consolidated in Apr 2013
 - Irkutsk – Jan – Apr 2014 as it was consolidated in May 2013
 - Yaroslavl – full 1H 2014 as it was opened in Dec 2013
- Rate of growth in management company expenses declined compared to FY2013, having a marginal negative effect of 22 mln RUB

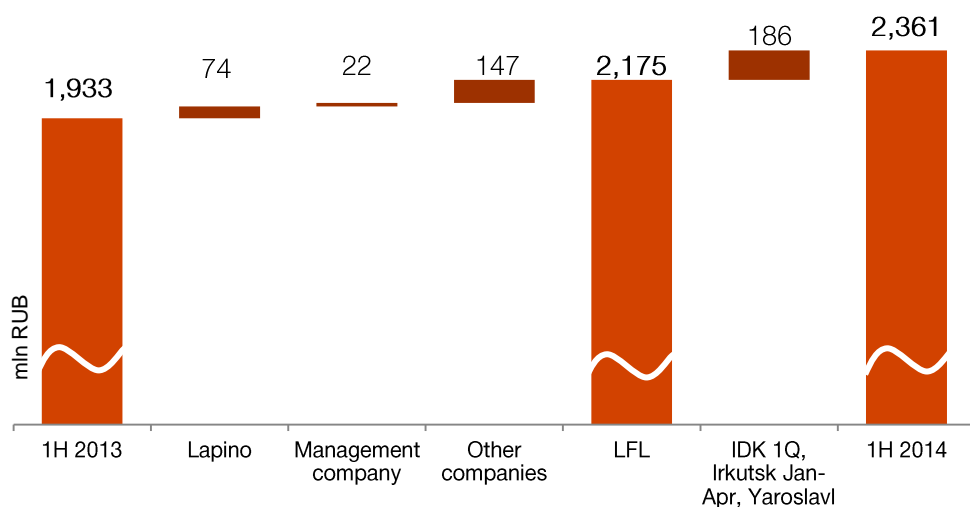
EBITDA bridge 1H 2014 vs 1H 2013



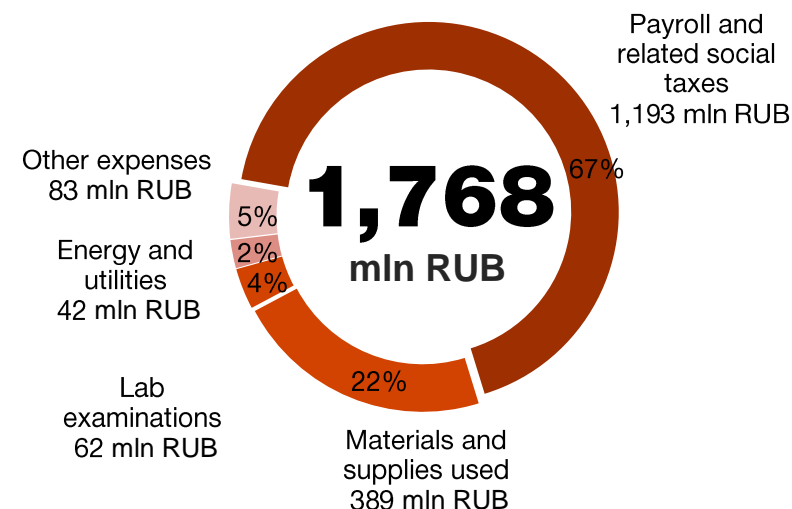
OPERATING EXPENSES, EXCL. D&A

- Growth of revenue in the period outstripped growth of operating expenses (excl. D&A) by 7 p.p.
- OPEX (excl. D&A) increased by 22% and amounted to 2,361 mln RUB
- LFL OPEX (excl. D&A) increased 13% y-o-y or just 242 mln RUB
- Increasing volumes of services provided impacted on the growth of LFL operating expenses with the largest contribution coming from Lapino
- More than 85% of Company's OPEX is nominated in RUB and less than 15% of costs related to procurement of imported materials might be affected by change of FX rate
- Effect of operations of clinics in Samara, Irkutsk and Yaroslavl above LFL period* is shown separately and adds extra 186 mln RUB

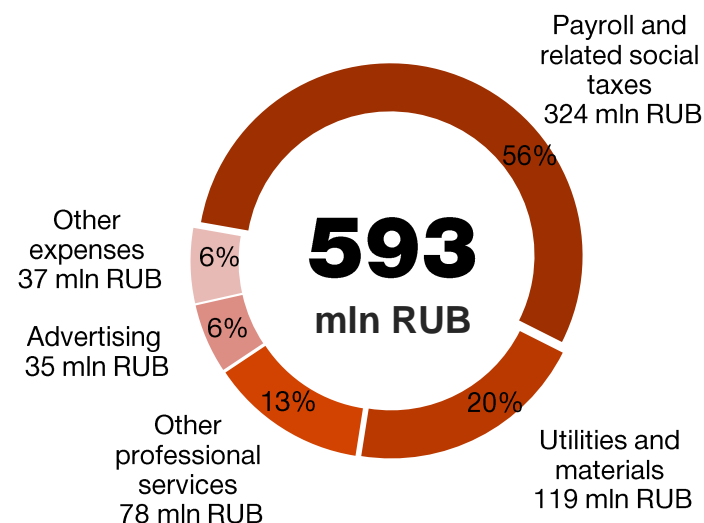
OPEX (excl. D&A) bridge analysis



CoS structure



G&A expenses structure



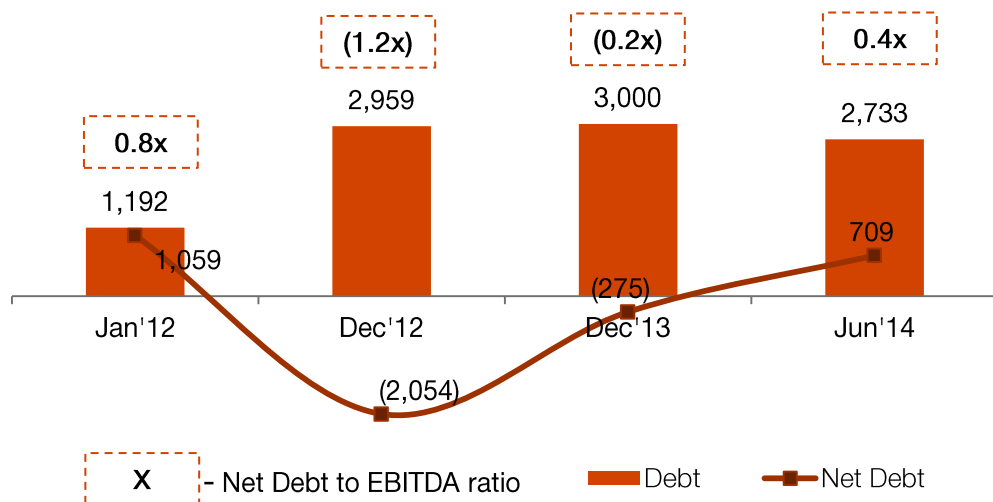
Source: 2013, 1H 2014 audited financial statements under IFRS

*- LFL period includes 2Q'14 of operations for Samara clinics, May – June 2014 for Irkutsk. Results from operations from the rest of the months are shown above LFL

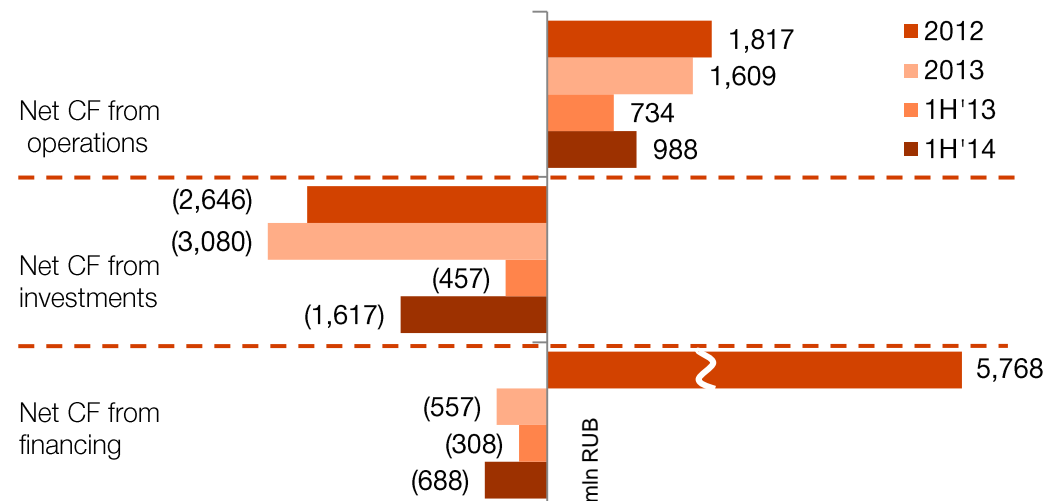
NET DEBT & WORKING CAPITAL

- Company generates hefty cash flow that amounted 988 mln RUB in 1H 2014 and increased by 34% y-o-y
- MDMG continues to invest in its growth. Company's largest investment program since IPO was Ufa hospital
- Company raises debt as one of the funding sources for its investments, though MDMG's financial position remains solid
- Net Debt as at 30 June 2014 was 709 mln RUB as a result of the decrease in cash resulting from the investment in the construction of Ufa hospital
- The company works with negative working capital as a source of additional financing. Working capital increased 15% to (978) mln RUB y-o-y

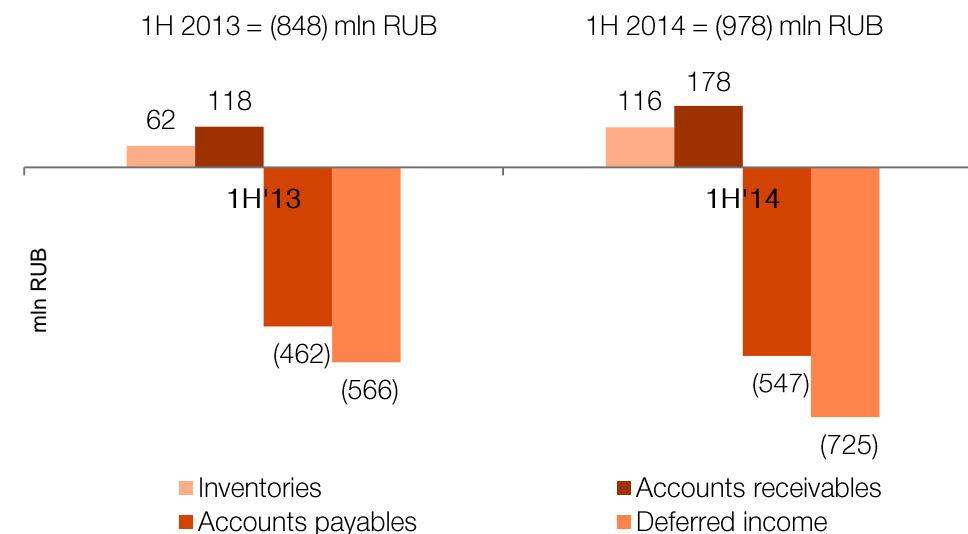
Comfort leverage level



Cash flow

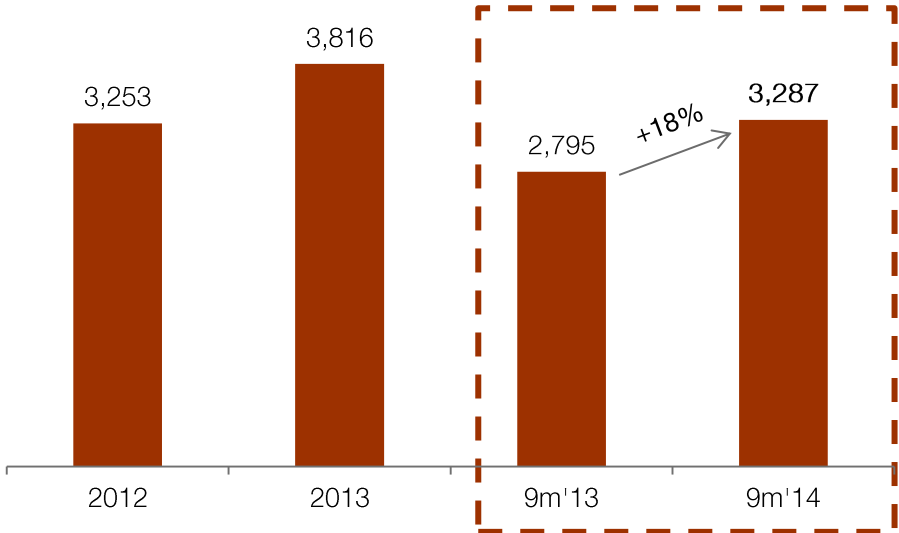


Net working capital

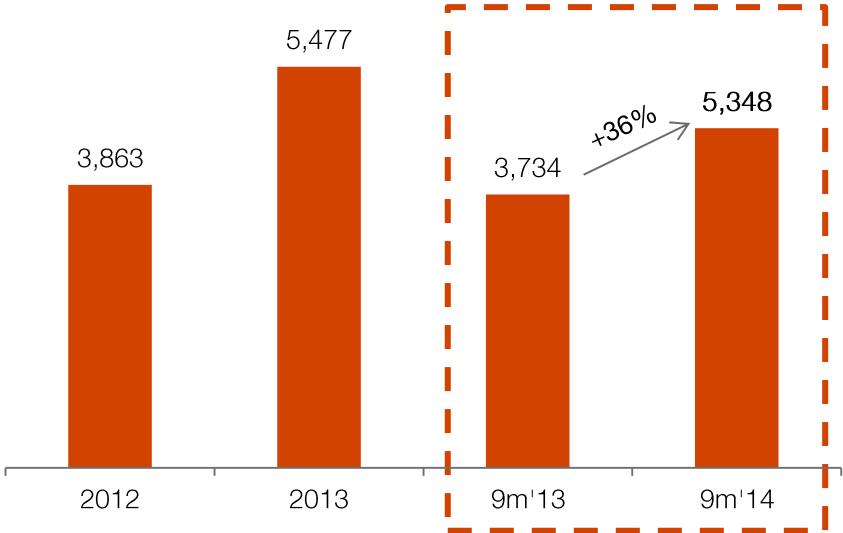


OPERATIONAL RESULTS

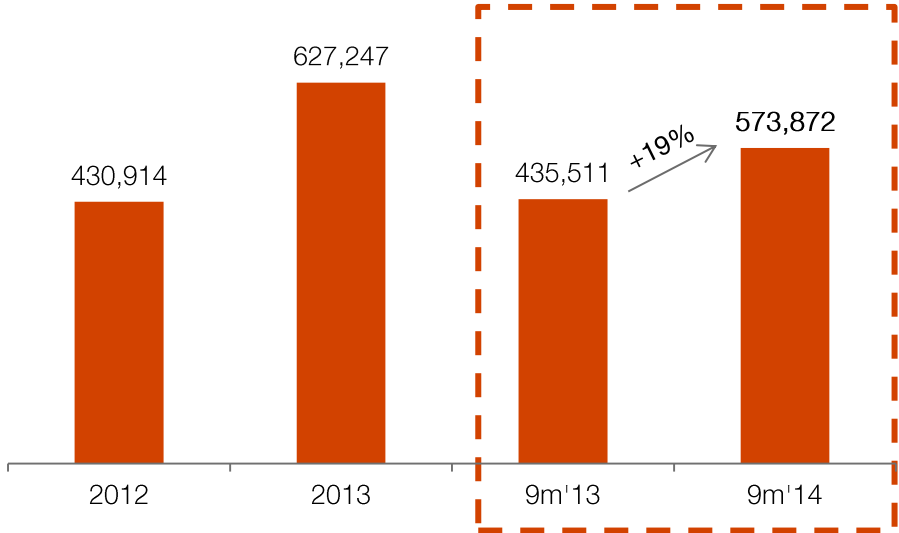
Deliveries



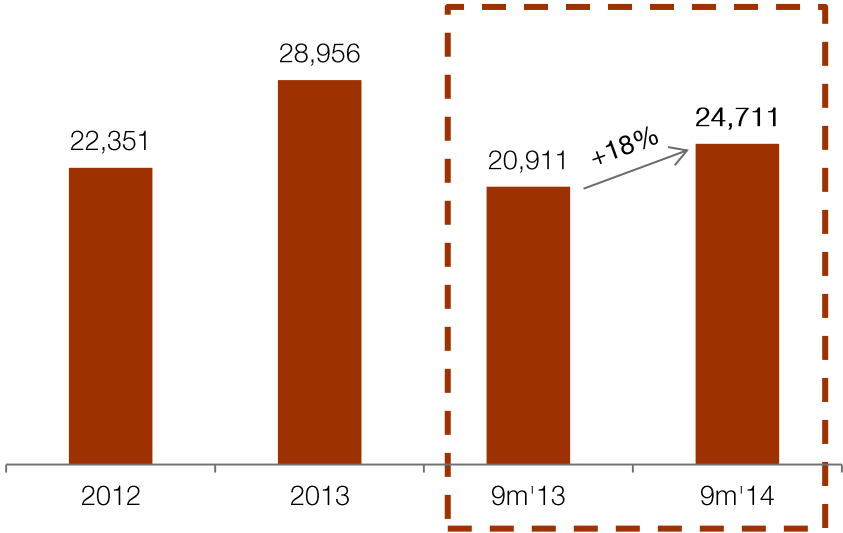
IVF cycles



Out-patient treatments



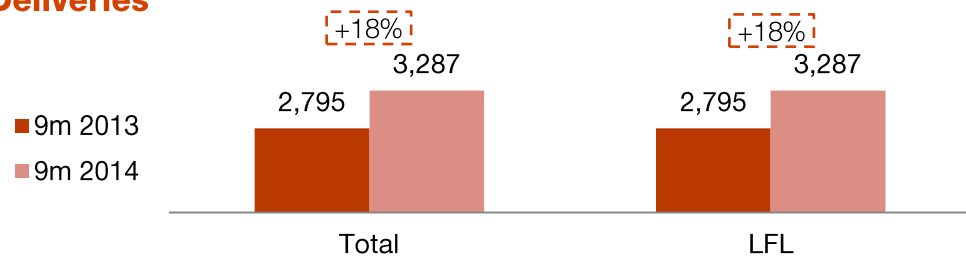
In-patient treatments



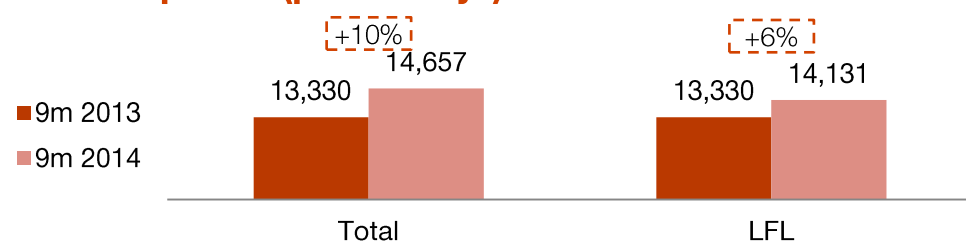
Source: 2012, 2013, 1H 2014 audited financial statements under IFRS

OPERATING PERFORMANCE FOR 9m 2014

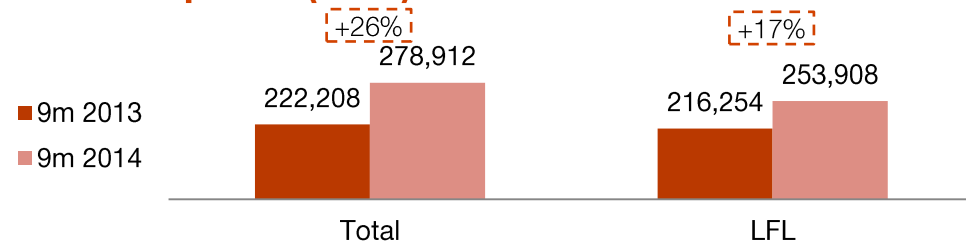
Deliveries



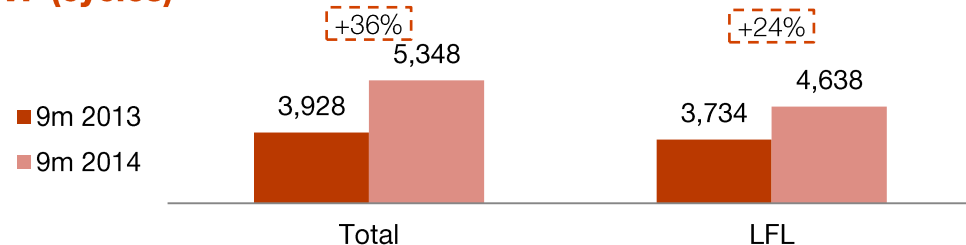
OBGYN in-patient (patient-days)



OBGYN out-patient (visits)



IVF (cycles)



Source: unaudited management estimates

DELIVERIES

- In 9M 2014, the total number of deliveries increased 18% y-o-y to 3,287 while the overall deliveries remained flat in Moscow for the period.
- The ramp up at Lapino hospital was the key driver of growth in deliveries.

OBGYN IN-PATIENT TREATMENTS

- The total number of in-patient treatments in 9M 2014 increased by 10% y-o-y to 14,657.
- The main drivers of the growth were Lapino hospital and IDK clinics (Samara).

OBGYN OUT-PATIENT TREATMENTS

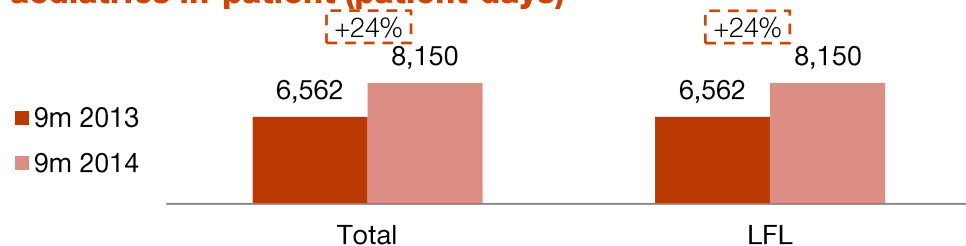
- The total number of OBGYN out-patient treatments in 9M 2014 increased by 26% to 278,912 visits.
- Due to the cyclical nature of the medical business there was a slight decline in performance indicators during 3Q 2014 versus 2Q 2014 due to traditionally lower demand in the summer period.

IVF

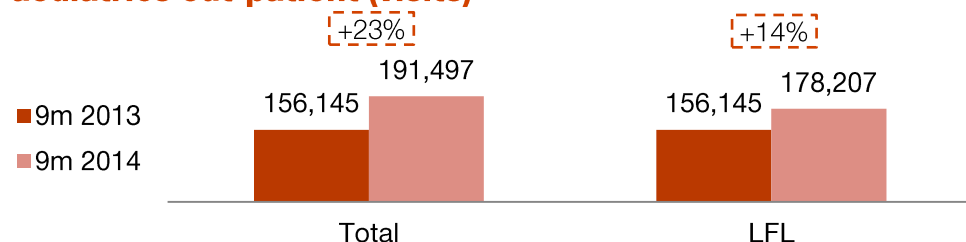
- The total number of IVF cycles in 9M 2014 increased 36% y-o-y to 5,348.
- The overall growth in IVF cycles in 9M 2014 was primarily due to strong performance of clinics in Samara, Saint-Petersburg, Perm and in Moscow clinics and IVF departments.

OPERATING PERFORMANCE FOR 9m 2014

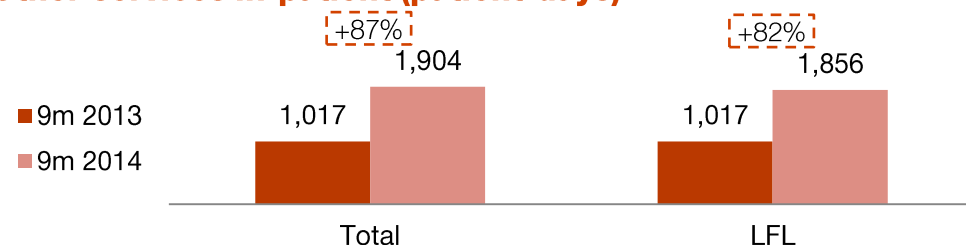
Paediatrics in-patient (patient-days)



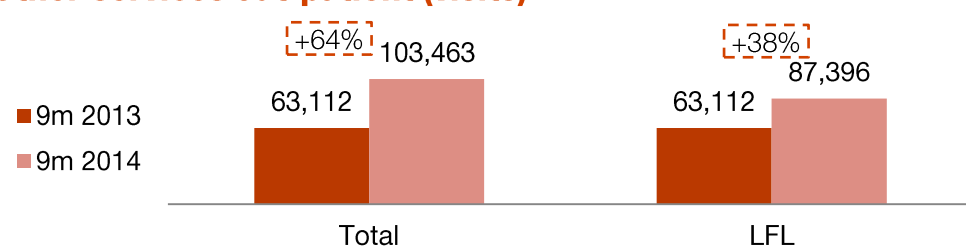
Paediatrics out-patient (visits)



Other services in-patient (patient-days)



Other services out-patient (visits)



PAEDIATRICS IN-PATIENT TREATMENTS

- The total number of paediatrics in-patient treatments in 9M 2014 increased by 24% to 8,150.
- The growth factor was almost doubled performance indicator at Lapino hospital vs. the corresponding period of previous year.

PAEDIATRICS OUT-PATIENT TREATMENTS

- The total number of paediatrics out-patient treatments in 9M 2014 increased by 23% to 191,497 visits.
- The total increase in out-patient treatments was mostly driven by the new businesses: rapid growth in Lapino and IDK clinics (Samara) as well as increase of visits at PMC.
- Again due to the cyclical nature of the medical business there was a slight deceleration in growth rates of indicators due to traditionally lower demand in the summer period.

OTHER MEDICAL SERVICES

- The total number of other medical in-patients treatments (surgery and traumatology) in 9M 2014 increased by 87 % y-o-y to 1,904. The Lapino hospital performance was two 2x higher than a year ago.
- The total number of other medical out-patient treatments in 9M 2014 increased by 64% y-o-y to 103,463.
- The largest share in other medical out-patient treatments growth was related to diagnostic centers (IDK clinics (Samara) and Lapino) and number of rehabilitation treatments.

UPDATE ON PMC PERFORMANCE

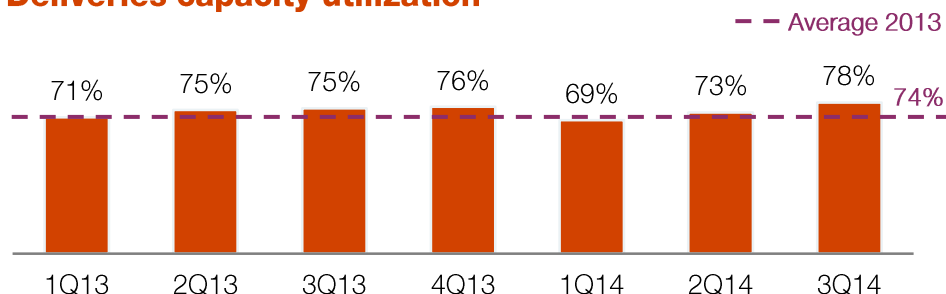
Recent news and developments

- Primarily focused on Group-wide results, hence some of the key PMC doctors were transferred to Lapino when it was opened to ensure a successful ramp-up period
- New team of doctors from the public sector was hired to replace those transferred to Lapino
- Utilization rates are now close to optimum levels
- In-patient utilisation rates are diluted by in-patient paediatrics, which is mostly related to number of deliveries and corresponding complex cases of newborns

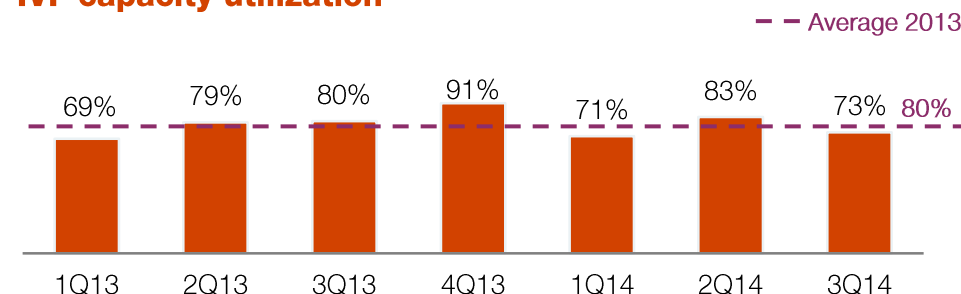
Ongoing projects and strategic initiatives

- Management is committed to increase utilisation rates at PMC and thus implements different actions:
 - Doors Open Day with different new agendas that draw the interest of key audience. Number of visitors asking for medical care after the Days has grown up to 60% in 2014
 - New service as deliveries with doctor on duty on the day aimed at increasing loyalty from patients and number of deliveries
 - New type of delivery contract is being developed that will include only “must-have” services and so will have the lowest price

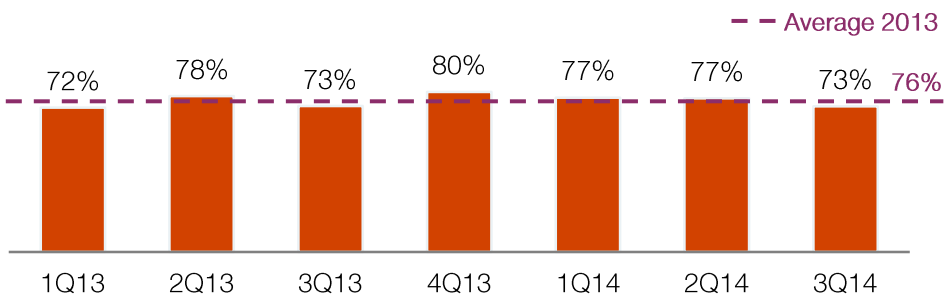
Deliveries capacity utilization¹



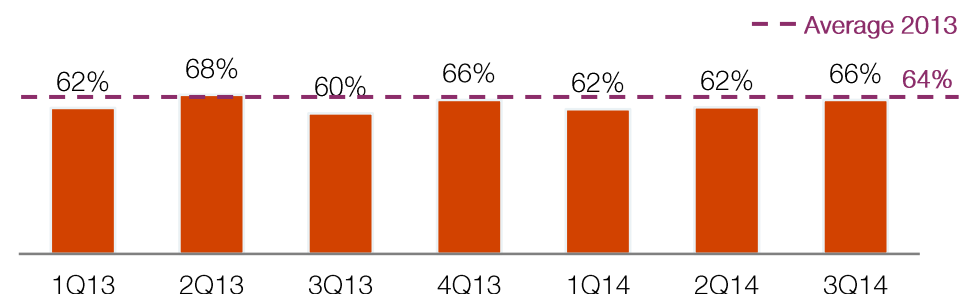
IVF capacity utilization¹



Out-patient treatments capacity utilization¹



In-patient treatments capacity utilization¹



Source: Company information

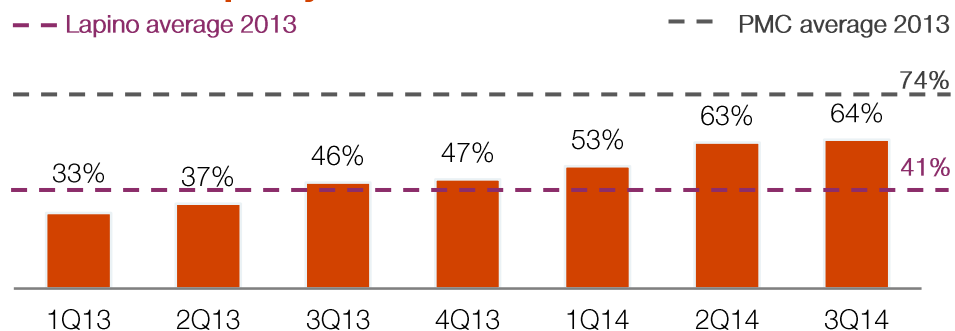
¹ Annual capacity for deliveries – 3,500, IVF – 2,000 cycles, out-patient treatments – 286,416 admissions, in-patient treatments – 59,860 patient days

UPDATE ON LAPINO PERFORMANCE

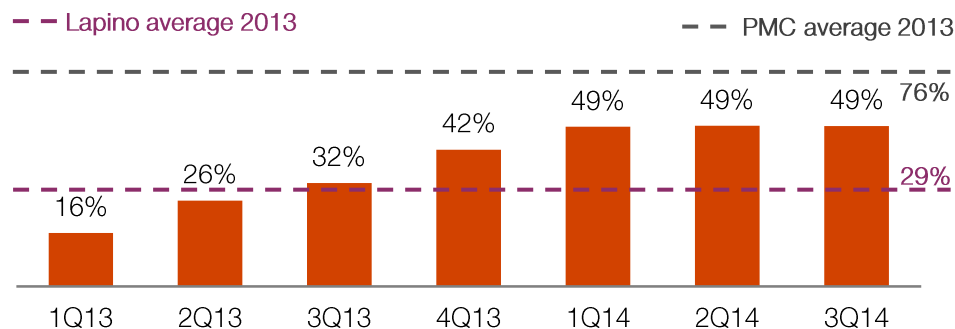
Recent news and developments

- Management is pleased with the continuing ramp up at Lapino, which has been a key driver for the Group's growth
- Rapid ramp-up and fast growing rates support the decision to transfer some of the key doctors from PMC
- 3Q usually shows low demand in summer, thus we believe that Q4 will continue to demonstrate high growth rates

Deliveries capacity utilization¹



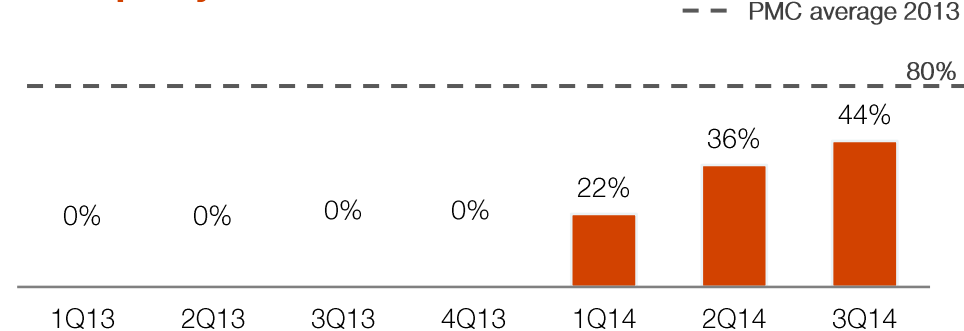
Out-patient treatments capacity utilization¹



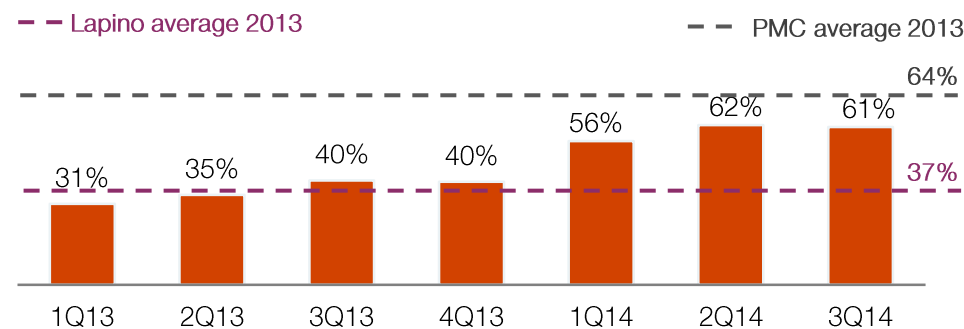
Ongoing projects and strategic initiatives

- Management is focused on increasing utilisation rates going forward and has started various marketing campaigns :
 - Bill-boards, TV, radio and internet
 - Internal marketing campaigns among existing patients including promotion of new or less known services, i.e. women who delivered at Lapino are offered rehab services before dismissal from hospital.

IVF capacity utilization¹



In-patient treatments capacity utilization¹



Source: Company information

¹ Annual capacity for deliveries – 3,000, IVF – 1,000 cycles, out-patient treatments – 264,000 admissions, in-patient treatments – 47.450 patient days

UPDATE ON OUT-PATIENT CLINICS PERFORMANCE

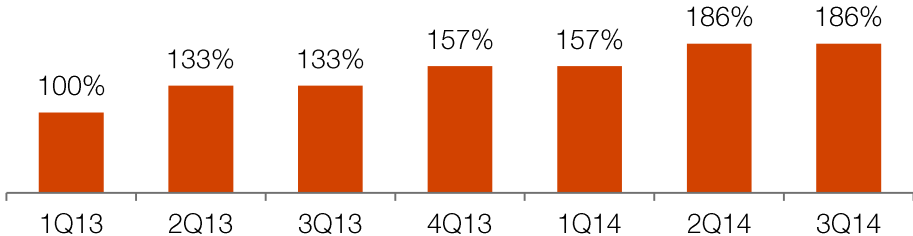
Recent news and developments

- Management believes that optimal utilisation level in out-patient clinic is close to 60%
- Despite ca. 2x growth of out-patient clinics capacity both for IVF and out-patient treatments Company managed to increase utilisation of its clinics

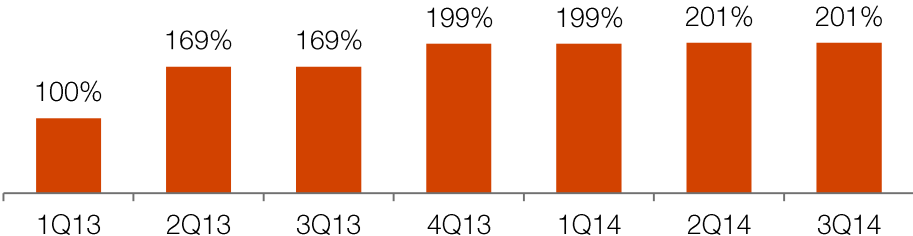
Ongoing projects and strategic initiatives

- Management takes certain steps for further growth of the most successful clinics, i.e. expansion of the most successful clinics as M&C Health and Yugo-Zapad by 3x and 0.4x correspondingly
- MDMG is sure that out-patient clinic is successful format and is going to continue opening new clinics close to patients' home

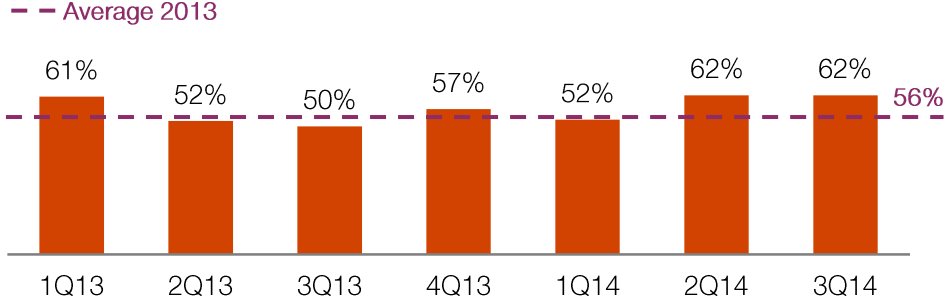
Growth of IVF capacities at out-patient clinics



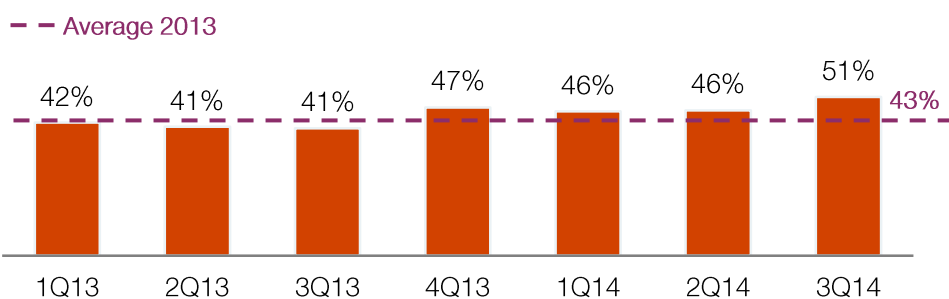
Growth of out-patient treatments capacities at out-patient clinics



IVF capacity utilization¹



Out-patient treatments capacity utilization¹



Source: Company information

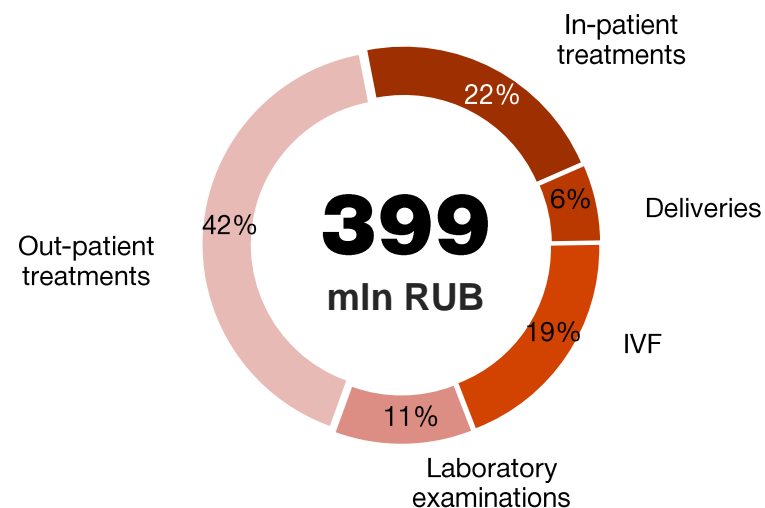
AVICENNA MEDICAL CENTER & TRANSACTION OVERVIEW

- Avicenna Medical Center is the largest private healthcare company in Russia outside of Moscow & St. Petersburg
- AMC is efficiently run business that operates on the market for 18 years
- Medical facilities include 4 operating medical facilities and a hospital under construction:
 - multi-disciplinary medical clinic with its own laboratory
 - diagnostic centre
 - cardiological clinic
 - hospital with maternity ward and general medicine departments
 - new hospital is under construction
- Provided services are:
 - obstetrics and gynecology
 - paediatrics
 - IVF
 - different types of diagnostics
 - oncology, cardiology, urology, dental care etc.
- Key transaction parameters:
 - Cash consideration - \$45.5 mln
 - Funds - 80% debt / 20% own funds
 - Special terms - 5% of payment will be on escrow account until the new hospital will be put into operation and adjoined to Avicenna (expected in 2016-2017)

New region of MDMG presence



Revenue structure 1H'2014



AVICENNA NEW HOSPITAL PROJECT OVERVIEW

- Avicenna's new hospital will be adjoined to existing hospital building and will form new modern multi-disciplinary hospital
- AMC is expected to benefit from adjoining new building owing to higher awareness of patients about new facilities, retaining focus on its key audience
- Hospital is being constructed by 3d party meaning that neither Avicenna nor MDMG will have to increase its CAPEX
- New hospital long-term lease agreement for 10 years was signed by Avicenna with the owner and constructor of the hospital for ca 5.7mln RUB per month
- New hospital to be commenced by the end of 2016 - 1Q 2017

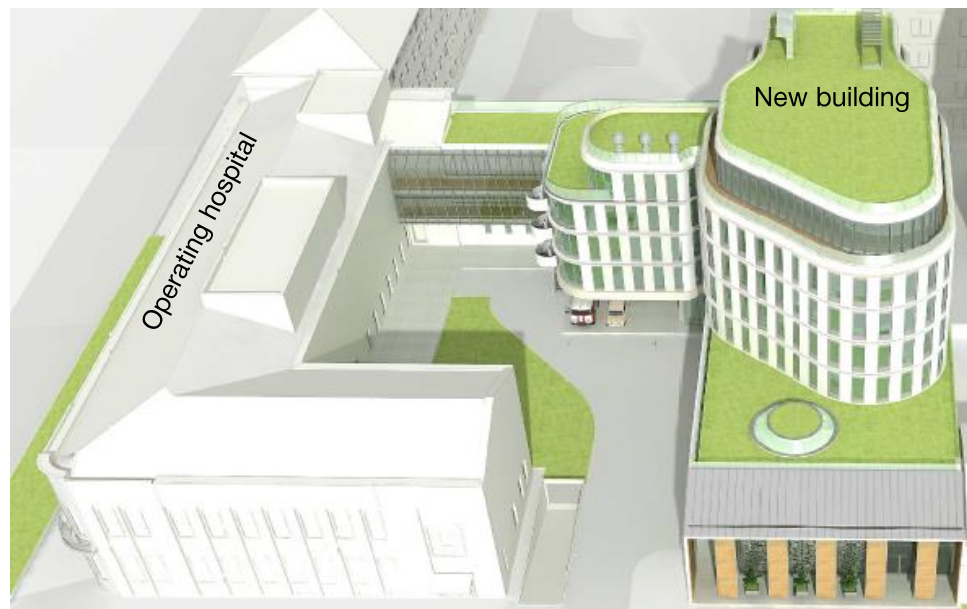
	Existing hospital	New hospital	Total
Area (sq m)	1,799	6,096	7,895
Beds	19	48*	67
In-patient days capacity	3,650	13,870*	17,520
Out-patient treatments capacity	2,016	19,488*	21,504

Note: * - might be reviewed

Design project of a new hospital

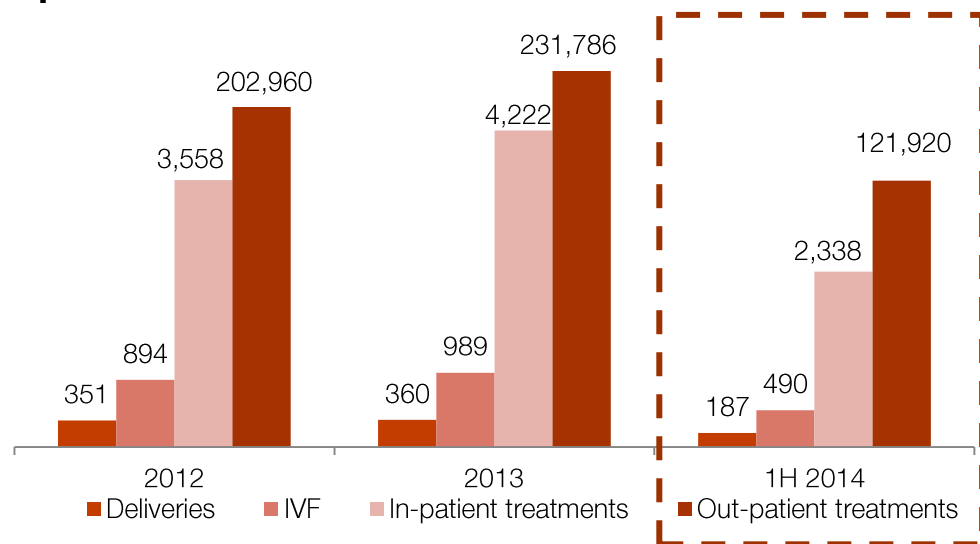


New building is adjoined to existing hospital

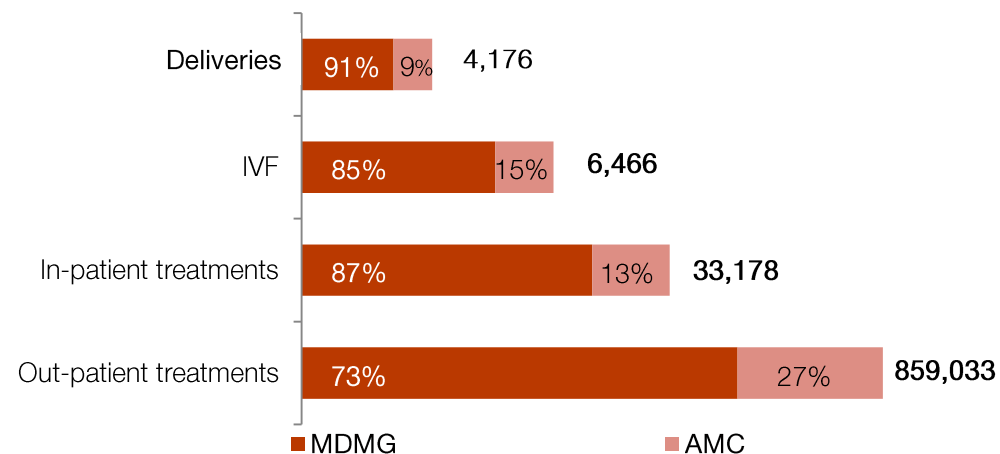


AVICENNA KEY OPERATIONAL & FINANCIAL METRICS

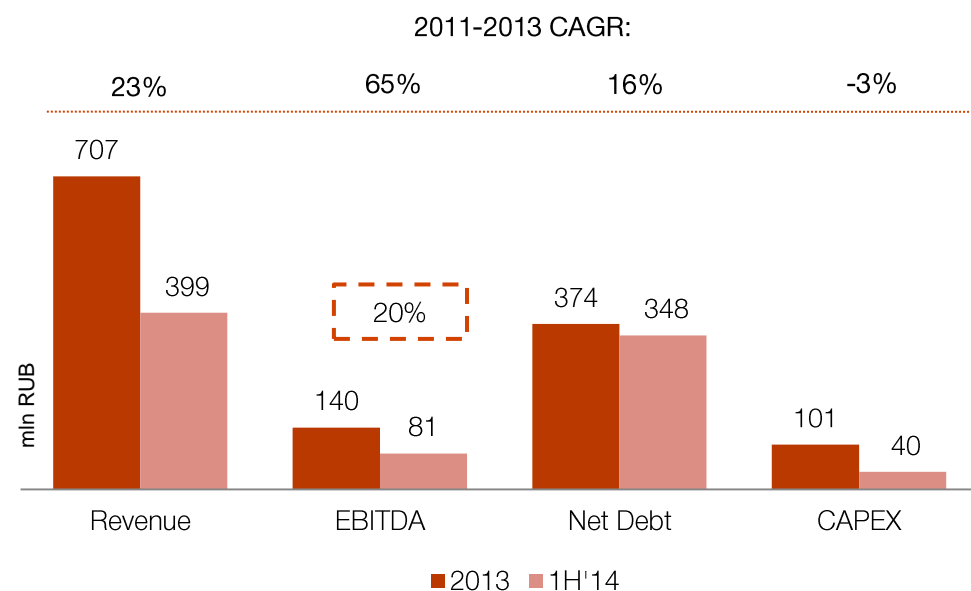
Operational results



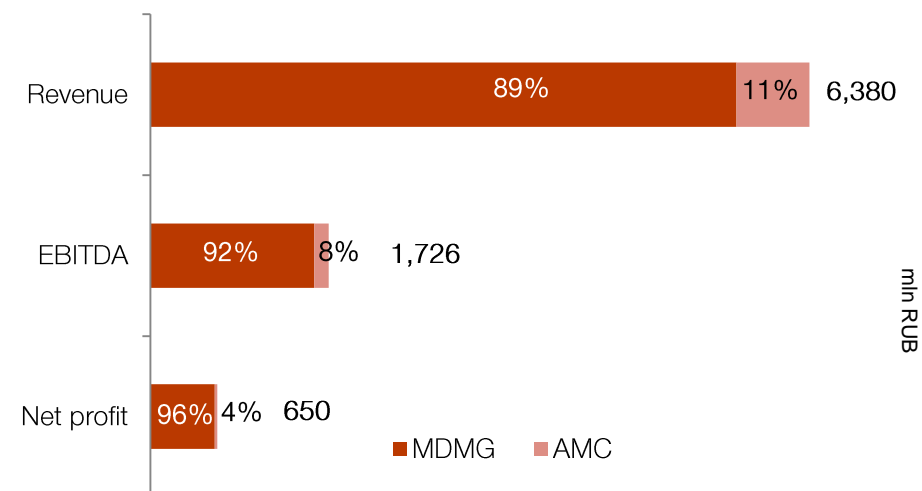
Pro-forma consolidated operational results for 2013 – relative contribution



AMC key financials



Pro-forma consolidated financials for 2013 – relative contribution

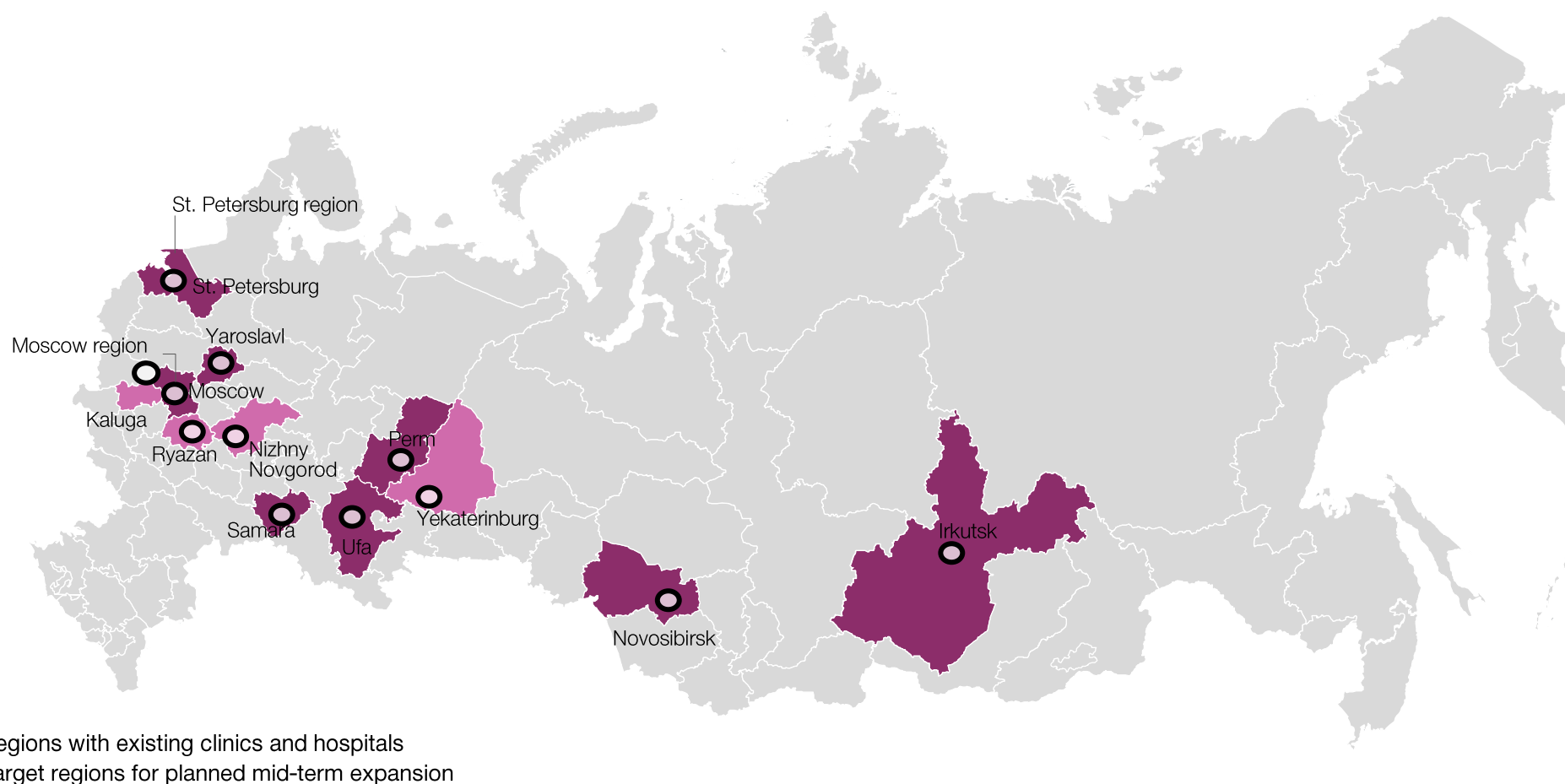


Source: Company information

4

OUR STRATEGY

MID-TERM REGIONAL EXPANSION STRATEGY



Key points

- Company sees its regional expansion as one of key strategic targets
- Presence in new regions would be achieved through organic growth and M&A
- Top priority for Company's attention would be cities with population over 1 mln people and high level of disposable income
- MDMG continues to look for new attractive locations in the cities of its presence, i.e. Moscow, Saint Petersburg

STRATEGY IN ACTION: UFA, BASHKORTOSTAN

Why UFA?

- Successful Mother and child clinic in the city operating since 2009
- Republic of Bashkortostan is in Top-10 of Russian regions by GRP meaning high level of disposable income of its citizens
- Total population of the republic is 4.1 mln people of which 1mln living in Ufa
- Around 59,200 deliveries per annum in the region
- High birth rate per thousand of population 14.6 comparing to 13.2 average in Russia and 11.2 in Moscow

Key facts about Ufa hospital

- The first Company's hospital outside of the Moscow region
- Total area is 33,000 m² with 192 beds
- Will provide employment opportunities for c.800 people
- A multi-purpose hospital offering a wide range of high-quality services, some of which are not currently available in the republic. List of services will include:
 - Deliveries
 - IVF
 - Gynaecology and obstetrics in- and out-patient care
 - Paediatrics in- and out-patient care
 - Neonatology
 - Surgery, urology, stem cell bank

Development schedule

Stage	Timeline
Obtaining the rights for the land plot	June, 2012
Sign of contract with developer (ENKA)	March, 2013
Ground breaking ceremony	March, 2013
Start of architectural works	August, 2013
Start of finishing works	December, 2013
Completed the vertical construction stage	February, 2014
Opening ceremony	October 31, 2014
Total CAPEX = 4.4 bn RUB	Total time to launch 2.5 years

Capacity

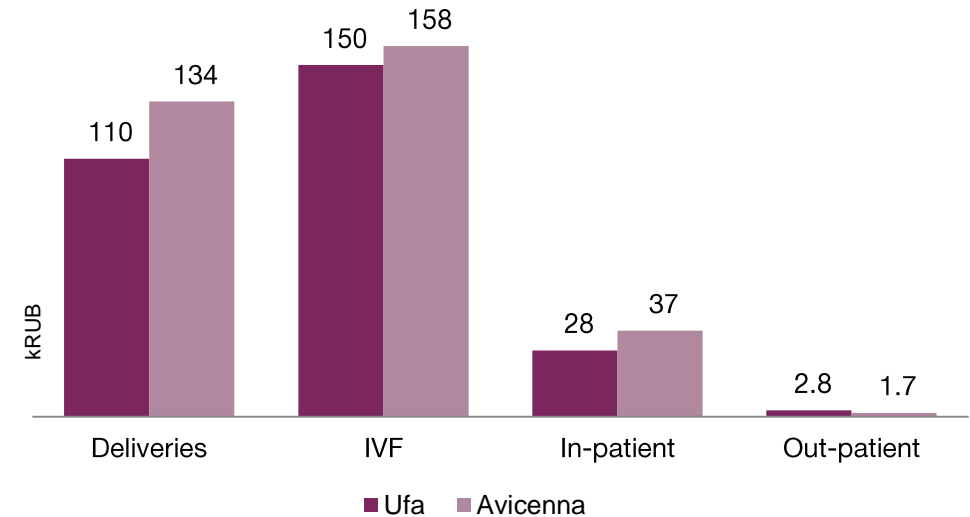
- Deliveries – 3,000 units
- OBGYN – 18,250 patient days
- IVF – 1,100 IVF cycles
- Paediatrics – 13,500 patient days
- Out-patient services capacity - c245k admissions

STRATEGY IN ACTION: UFA, BASHKORTOSTAN

Ufa hospital:

- Ramp-up timeline:
 - 31 October – official opening ceremony and start of operations
- Ufa hospital is the first regional hospital for MDMG apart from the recently acquired Avicenna hospital. Management defined entry prices but might adjust them according to actual demand
- Based on knowledge gained from Lapino ramp-up process the following ‘lessons learnt’ were taken into account ahead of the Ufa opening:
 - **Pro-active, broad marketing campaign in advance:** marketing campaigns on billboards, TV and radio; patients are offered to fill in forms and mark what services / type of care they would like from a new hospital;
 - **Lower number of staff at ramp-up** that will let the Company have lower costs in first months of operations compared to Lapino
 - **Different payroll structure:** 1) fixed compensation is lower compared to Lapino ramp-up and comprises of more services provided by medical staff, i.e. extra duty shifts in the department; 2) variable compensation is paid out only if doctor exceeded fixed amount of services provided

Regional business model – Expected average tickets



DEVELOPMENT OF NEW PROJECTS

Regional development strategy

- Company continues to search for new attractive locations for its hospitals and out-patient clinics and is looking for best-in-class assets for potential M&A
- MDMG has a list of targeted regions for midterm expansion and clear criteria for regions of potential presence
 - Cities with population over 1 mln people and high level of disposable income
 - High birth rates and/or unsatisfied demand for Company's core services
 - Attractive site location
 - Knowledge of the region



Overview of short- and midterm development projects

Project	Hospital			Out-patient clinic
	Nizhny Novgorod	Yekaterinburg	Samara	Ryazan
CAPEX	USD 80 – 90 mln	USD 100 – 110 mln/ USD 80 – 90 mln	USD 80-90 mln	~ USD 2 mln
Area (sq m)	25,000	32,000 / 25,000	25,000	1,425
Construction period	18-20 months since Board of Directors approves the construction of a hospital			1Q 2015 (start of operations)

5

INVESTING IN SCALABILITY

MDMG's CUSTOMER PROPOSITION

Effective support functions

- Best-in-class medical equipment ensuring high quality level of provided services
- Procurement system assuring competitive purchase prices for equipment and medicines
- Current transition to Medialog-based IT system increasing operational efficiency

Highly qualified medical personnel

- Certified personnel educated in the best Russian medical institutions
- Medical work supervised by recognised specialists
- Continual upgrade of qualifications

Healthcare facilities infrastructure

- High-quality network of owned clinics in Moscow and attractive Russian regions
- Clinics and hospitals with high level of comfort positioned close to patients home

High-quality service offering

- Comprehensive range of in- and out-patient healthcare services focused on women's health and paediatrics with a number of adjacent services for all the family members
- Innovative treatment procedures introduced on a regular basis

Brand

- Brand recognised for premium quality, high reliability and tailored approach
- Loyal customer base across a number of Russian regions
- Effective marketing strategy



HIGH QUALITY SERVICE OFFERING

Medical & quality management

Centralized medical management system

- Centralized medical and quality management system lead by Chief Medical Officer, Yulia Kutakova, and Chief Doctor for each of the Group's clinics and hospitals, MDMG's medical area's experts
- Strict quality standards and procedures developed for all services and are obligatory for all MDMG hospitals and clinics
- Medical and quality management is constantly supervised by chief doctors of each hospital and clinic



Medical audit

- Ensures premium-quality of medical services in accordance with the Group's standards and requirements of the Russian Ministry of Health
- Focused on identification of key inefficiencies in medical service provision, analysis of factors and development of management processes eliminating and preventing such inefficiencies
- Three-level medical audit system: Department, Clinic / Hospital and Group levels

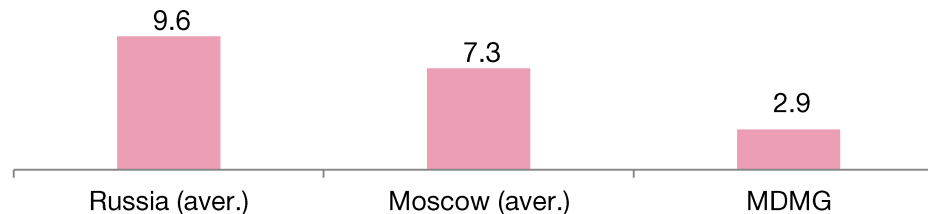


Risk management

- Analysis of all complications, complex cases; doctors conferences are held in case of critical situations
- Doctors are permanently informed about various prevention techniques for complications
- Number of step-by-step instructions are approved for difficult cases, including 24/7 urgent consulting with leading specialists



Rate of perinatal deaths, per thousand of births

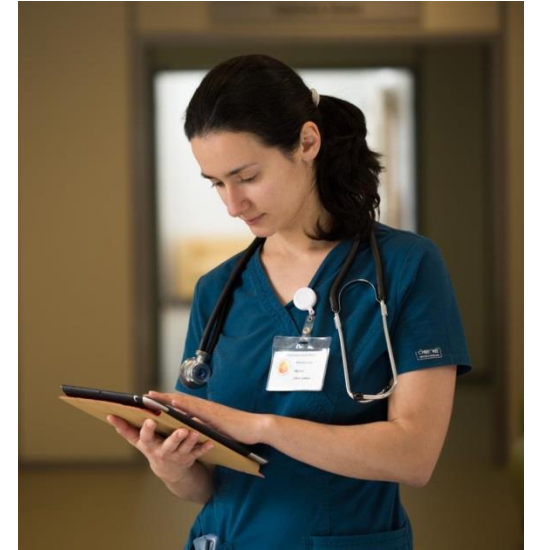


HIGH QUALITY SERVICE OFFERING

Research and innovations

Research and development program

- **Multi-layered research system to ensure the Group's leadership in practical gynecology and obstetrics**
 - Continuous knowledge and expertise exchange within the Group
 - Focus on the study and implementation of the latest Russian and international medical methodic
 - Constant review and initiation of new research programs
 - Conferences, round-tables with international specialists and in-house specialists from different regions
 - Launch of medical research programme
 - Ability to lead the medical research, implement the newest technologies and ensure the highest quality of medical personnel



Internal know-how

- **Over the last several years MDMG specialists developed and implemented important and unique medicine technologies and treatment procedures, including**
 - Surgical approach of placenta accreta after previous Cesarean section with preserving reproductive function
 - Laparoscopic transabdominal cerclage
 - Prevention and diagnosis complex diseases which includes oncology and genetic diseases.
 - Use of "Tractocil" drug for prevention measure and for threatened preterm delievery treatment
 - Prevention and detection of complex cases, incl. oncology and genetic diseases



HIGH-QUALITY HEALTHCARE INFRASTRUCTURE

Effective equipment management

- Medical equipment provided by highly reputable suppliers, including Siemens, Dräger, Storz, Olympus and other industry leaders
- PMC is equipped with high-quality laboratories which conform to the highest international standards
- Comprehensive regular equipment maintenance provided by equipment producers
- Innovative approach with regular implementation of new technologies
 - Continuous monitoring of all new equipment coming to the market
 - Technical trainings for medical personnel

Blue chip medical equipment suppliers

SIEMENS



Dräger

OLYMPUS

PHILIPS






STORZ
KARL STORZ – ENDOSKOPE



visions. innovations. solutions.

B | BRAUN
SHARING EXPERTISE

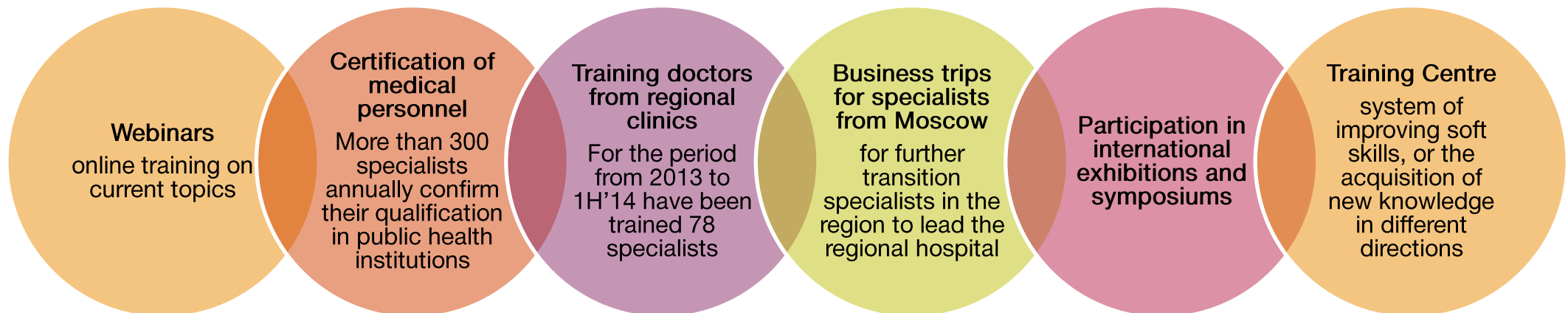
Unique and modern equipment

Temporary balloon occlusion of the internal iliac arteries	Allows to avoid complications, preserve reproductive function and decrease the blood loss in OBGYN practice, especially in case of placenta accreta in a Cesarean section scar.	
Cryotop method in assisted reproductive treatment	100% survival of embryo High rate of implantation	
Dräger Caleo	Unique and new registered method of hypothermia applied for newborns with asphyxia. Let's save lives for newborns who in most cases would die without unique treatment.	
MRI Philips Panorama HFO 1.0T Ambient Experience	Open aperture of this MRI equipment let's conduct research for patients in critical condition owing to special design, opportunity for a mother to be with a child, safe research for pregnant women and newborns	
Integrated operation room OR1™ by KARL STORZ	Best-in-class visualisation during laparoscopic operations. Provides the opportunity for on-line translations and consulting with any specialist all over the world.	

HIGHLY QUALIFIED MEDICAL PERSONNEL

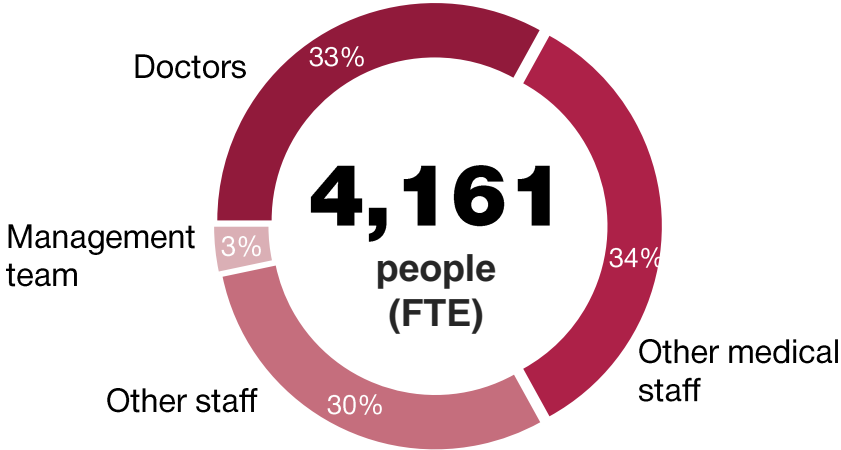
- Our people are our greatest asset. It is only with the determination and dedication of our people that we can provide best care for our patients
- Based on our commitment to provide best-in-class services and care we see key targets of our HR policy as follows :
 - retain existing staff and add additional highly skilled employees
 - invest in the development of our employees
 - provide an opportunity for personal and career growth
 - provide our employees with the most advanced technology and equipment
 - place the best staff in leading positions at the right time to maximize their potential and grow the company from the inside
 - provide better working conditions to maintain a low staff turnover
 - develop incentive programs for employees
 - develop training programs to improve workers' knowledge in various fields

**MDMG is proud to provide different means for upgrading professional skills of its employees.
In 2013 we continued to improve and diversify the quality of the trainings that we offer to our staff:**

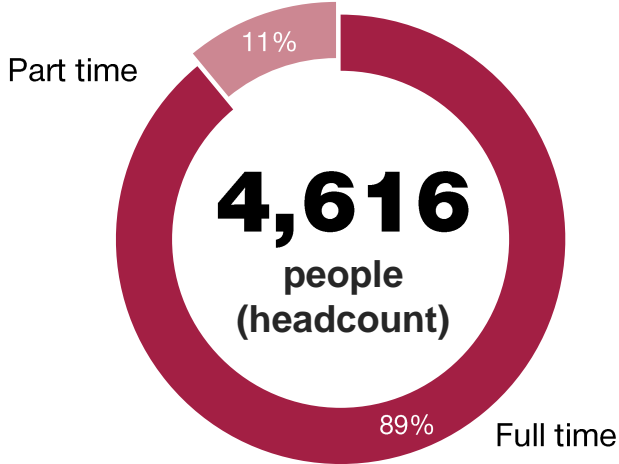


OUR PEOPLE ARE OUR GREATEST ASSET

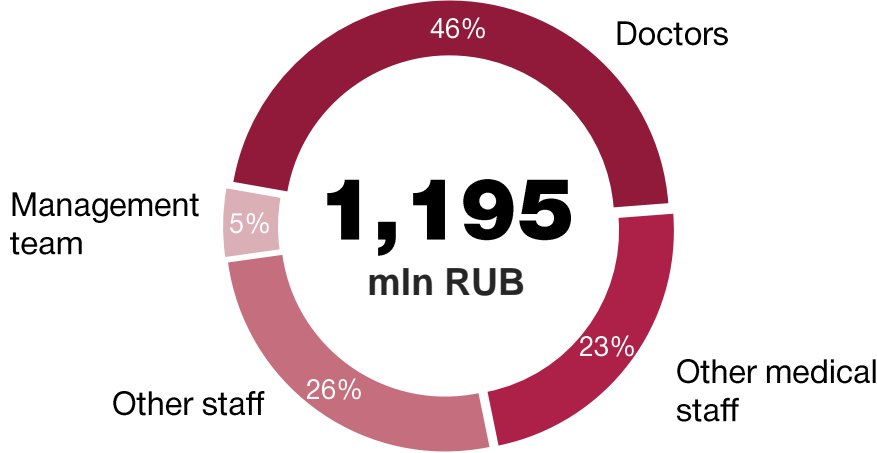
Personnel structure, Oct'14



Employees, Oct'14



Payroll structure, 1H'14



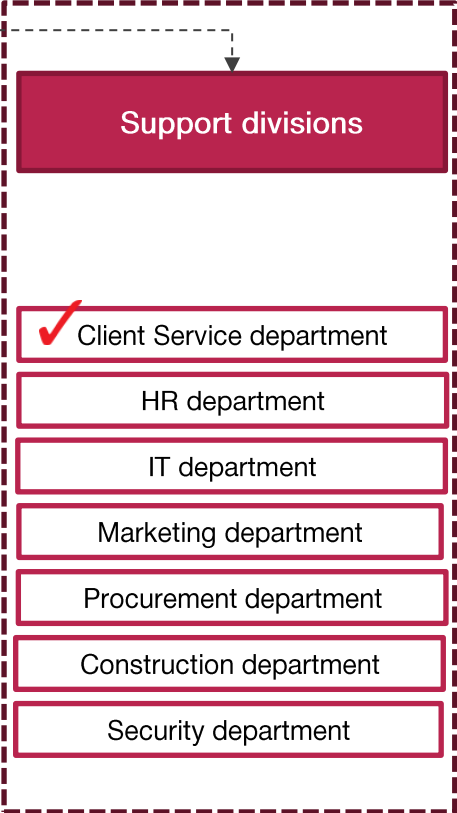
Source: Company information

MANAGEMENT STRUCTURE

Board of Directors



CEO
Elena Mladova



Operational divisions

CFO <u>Vitaly Ustimenko</u>	Deputy CEO for Regional Development <u>Elena Opanasyuk</u> ✓	Deputy CEO for Operations (Moscow) <u>Vadim Sigutin</u> ✓	Chief Medical Officer <u>Yulia Kutakova</u>	Medical Director <u>Vladimir Zaborskiy</u> ✓
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Financial department	Regional clinics	Moscow clinics	Medical areas experts
Legal Affairs department	Managing Directors of clinics	Managing Directors of clinics	Analytical department
IR department	Chief Doctors of clinics	Chief Doctors of clinics	Healthcare arrangement department

- Managing Director of PMC
- Chief Doctor of PMC
- Managing Director of Lapino Hospital
- Chief Doctor of Lapino Hospital
- Managing Director of Ufa Hospital
- Chief Doctor of Ufa Hospital
- Managing Director of Avicenna
- Chief Doctor of Avicenna

✓ - New functions

MDMG ATTRACTS TOP-NOTCH EXPERTS TO HAVE BEST MANAGEMENT TEAM



Vladimir Zaborskiy, PhD
Medical Director

Joined the Group in June 2014

- 2007-2014 - Chief OBGYN, Western Administrative District of Moscow
- Since 1989 held positions of Head of the department at maternity hospital №4; deputy chief physician of the medical work maternity hospital № 6; chief physician of the maternity hospital №15; № 72;

Graduated from Medical University in Ivano-Frankovsk, Ukraine. Doctor of the highest qualification category



Elena Opanasyuk
Deputy CEO for regional development

Joined the Group in June 2014

- 1998 – 2014 Organon Agencies B.V. - Schering Plough - MSD due to the M&A processes
- 2010- 2014 Franchise Manager IVF
- 2006 - 2010 Regional Sales manager Infertility product group
- 2004 – 2006 Key Account Manager, Infertility product group

Graduated from the Russian State Medical University, Biochemical Department



Vadim Sigutin
Deputy CEO for operations

Joined the Group in April 2014

- 2012-2014 Operational director for South-west and west regions of Moscow at Family Doctor
- 2008-2012 – Chief doctor of Clinic #5, #6 at Family Doctor
- 2006-2008 – family doctor, head of General medicine department of Clinic #1 at Family Doctor
- 2005-2006 – therapist at Family Doctor

Graduated from the Smolensk State Medical University, Paediatrics Department,



Larisa Tkachenko
Head of Client service department

Joined the Group in July 2014

- 2012-2014 KPMG, Manager at Advisory Services with specialisation on Client Services
- 2011-2012 Maxus (Svyaznoy Group), Head of Strategy Division
- 2007 – 2011 KPMG, Senior Consultant at Advisory Services
- 2005 - 2007 Citibank, Branch Service manager

Graduated from Moscow university of Economics, Statistics and Informatics

EFFECTIVE ADMINISTRATIVE AND SUPPORT FUNCTIONS

IT

- **Continuing implementation of medical information system Medialog:**
 - Implementation of electronic medical history sheets
 - Consolidation of clients data bases of all Company's medical facilities across Russia
 - Integration of laboratory and diagnostic services into unified electronic information data base
- **Execution of projects with different departments in order to increase efficiency of numerous business processes**
 - Development of client remote applications
 - Continuous implementation and development of accounting system 1C with additional modes such as procurement, budgeting, HR etc

Procurement

- Unified procurement business process in all Group's medical facilities
- Development of unified list of materials and supplies
- Implementation of computerised procurement system (scheduled for 2015)
- Around 80% of all procurements for the Group are performed by Procurement department except those that are efficiently performed by clinics themselves



OUR CUSTOMER SERVICE STRATEGY

INCOME GROWTH THROUGH BRAND ADVOCACY

ATTRACT CUSTOMERS

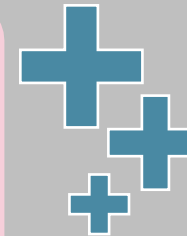
through the customer experience brand promise and flawless implementation of sales processes

INCREASE CROSS-SELL

by anticipating and matching customer needs and value propositions through the lifecycle

RETAIN CUSTOMER

with frictionless multichannel customer support journeys and meaningful engagement



PATIENT EXPERIENCE
(NPS, CSAT)

COST-TO-INCOME RATIO

COST REDUCTION THROUGH CHANNEL OPTIMISATION

LOWER OPERATIONAL COST

by encouraging the use of the customer preferred digital channels and removing internal complexity

MINIMISE COMPLAINTS

by proactively managing out "pain points" encountered in sales and service processes

REDUCE MARKETING SPEND

by leveraging and supporting the positive word of mouth generated within customer base



KEY COMPONENTS OF THE PATIENT EXPERIENCE EFFORT

1

New structure of Client service department

The Customer Service Department established which combines more than 300 service specialists in the network of clinics with ongoing process of centralizations of management and standardization of service processes

2

Voice of the Customer

- Development of the comprehensive VoC program in all the Patient Touch points
- Interactive customer satisfaction monitoring system is piloted at Lapino. Key service quality indicators (NPS and CSAT) are monitored on the real-time basis

3

Easy to use remote channels

New customer-oriented web-site launched which combines all the data on clinics and current offering. Self-service applications (on-line and mobile) to be launched in 2015

4

Centralized call centre

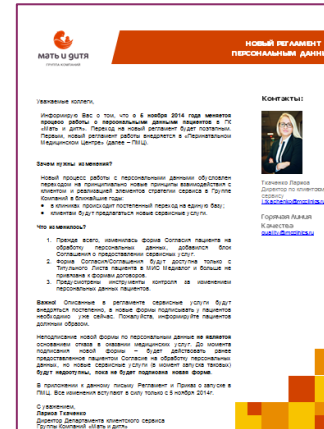
A centralized call center is to be launched in 2015 which will provide a 24/7 access for the Clients consultation and doctor appointment scheduling and management.

5

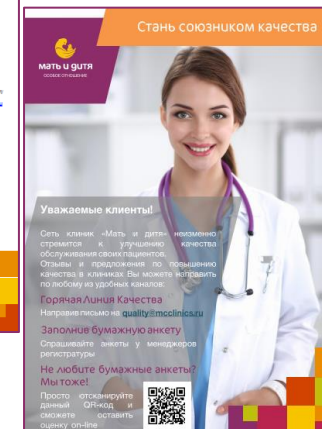
Improvement of the physical location experience (clinics and hospitals)

Ongoing rebranding and implementation of corporate service quality standards (including staff uniform)

Regular internal communication



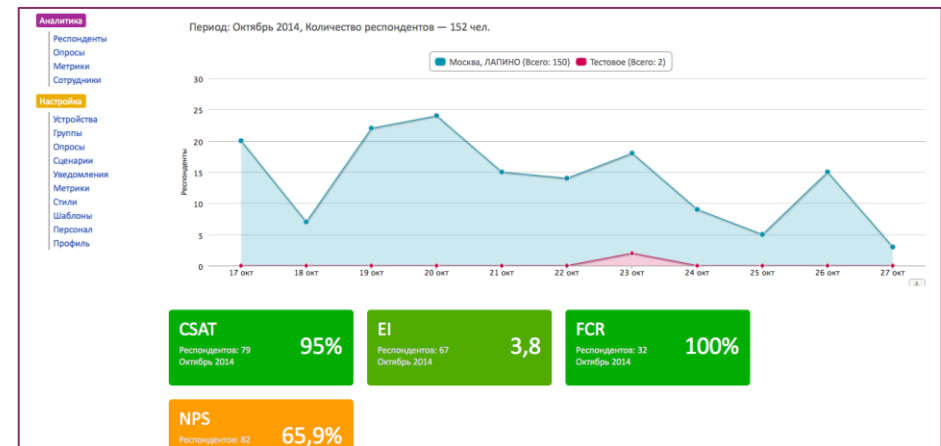
Client-oriented communication



Service staff training material



Customer feedback on-line monitoring

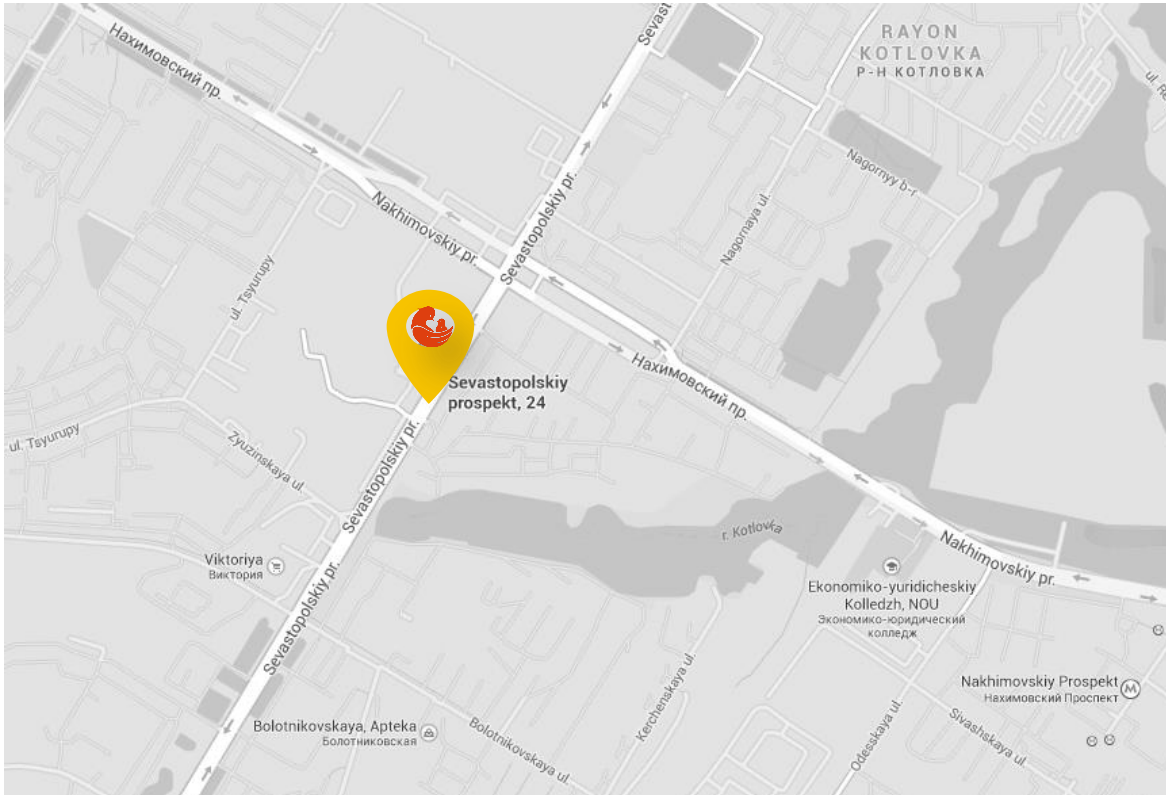


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