



MOTHER & CHILD
GROUP OF COMPANIES

MD MEDICAL GROUP REPORTS STRONG OPERATIONAL GROWTH ACROSS ALL INDICATORS IN 4Q AND FY 2014

21 January 2015, Moscow, Russia – MD Medical Group Investments Plc (“MD Medical Group”, “MDMG” or the “Company” – LSE: MDMG), Russia’s leading provider of private women’s and children’s healthcare, today announces operating results for the fourth quarter and full year of 2014.

Elena Mladova, Chief Executive Officer of MD Medical Group, said:

“I am very pleased to report another strong year which saw impressive growth across all of our key operational indicators. Our operational performance in the last quarter of 2014 also showed improvement compared to the third quarter of the year, which is encouraging.

In 2014, in line with our growth strategy, we continued to expand both organically and by acquisition. We opened our first regional hospital – in Ufa – which is currently the only private healthcare facility of its scale in Russia outside the Moscow region. We also completed our biggest acquisition to date through the purchase of Avicenna Medical Center in Novosibirsk – the largest private healthcare company in Russia outside of Moscow and St Petersburg and one of the most attractive assets on the Russian market.

While the ramp-up of Lapino remains the key driver behind our operational growth, it is already being supplemented by the consolidation of Avicenna and the first results of the Ufa hospital in the fourth quarter. In 2014, the total number of deliveries increased by 19% y-o-y to 4,550, while the overall amount of in-patient treatments and out-patient treatments increased by 24% and 30% y-o-y, respectively. In the reporting year we further strengthened our leading position on the IVF market in Russia by delivering a healthy 40% y-o-y growth in the number of completed cycles thanks to the solid performance across our network of clinics and IVF departments at hospitals. We also expect to open our new clinic in Ryazan in the coming weeks to become the first player in the region offering IVF services.

It is worth noting that as our network continues to expand into the regions we are committed to implementing the same high-quality standards across all of our facilities. We strive to prove that all patients can enjoy our well-known quality of services and level of comfort in any city where we are present.

We are entering 2015 with a strong portfolio of projects which, although already showing positive performance, have yet to achieve their full potential. With world-class facilities in Russia’s regions and a solid demand for our high-quality services, we believe we are well-positioned to continue to benefit from our proved development strategy.”

Deliveries

- In 12M 2014, the total number of deliveries increased 19% year-on-year (y-o-y) to 4,550.
- The total number of deliveries in 4Q 2014 increased by 8% quarter-on-quarter (q-o-q) to 1,263.
- The like-for-like¹ (LFL) number of deliveries for 12M 2014 grew up by 15% y-o-y reaching 4,402.
- The continuing growth of number of deliveries at Lapino hospital, consolidation of newly acquired Avicenna Medical Centre and first results of Ufa hospital were the growth drivers.

IVF

- The total number of IVF cycles in 12M 2014 increased 40% y-o-y to 7,654 due to the strong performance of our clinics and IVF departments.
- In 4Q 2014, the total number of IVF cycles increased 27% q-o-q to 2,306 on the back of seasonal factor as well as positive effect from consolidation of Avicenna.
- LFL number of IVF cycles in 12M 2014 increased 19% y-o-y and reached 6,534.

In-patient treatments

- The total number of in-patient treatments in 12M 2014 increased by 24% y-o-y to 35,900.
 - The most significant effect on FY results came from Lapino and consolidation of Avicenna Medical Center.
- In-patient treatments in 4Q 2014 grew up by 33% q-o-q to 11,189.
 - Substantial growth of number of in-patient days in 4Q vs. 3Q 2014 is mostly explained by opening of Ufa hospital as well as consolidation of Avicenna that particularly affected “Other medical services” in-patient days.
- On a LFL basis, the number of in-patient treatments for 12M 2014 increased 15% y-o-y to 33,155 vs. last year.
 - Performance of Lapino hospital and clinics in Samara ensured the LFL growth of in-patient days during 2014.

Out-patient treatments

¹ LFL data does not include figures for:

- 1) new clinics in Samara for January – March 2013 and 2014, since they were consolidated from April 2013;
- 2) clinic in Irkutsk for January – April 2013 and 2014. The clinic was consolidated from May 2013;
- 3) clinic in Yaroslavl that was opened in December 2013
- 4) the IVF department at Lapino, that was opened on January 21, 2014
- 5) Avicenna Medical Center that was consolidated from October 2014
- 6) Ufa hospital since it was open on October 31, 2014

- The total number of out-patient treatments in 12M 2014 increased by 30% y-o-y to 818,636.
 - Strong growth of out-patient treatments was supported by similarly strong performance Lapino hospital, other existing clinics in Moscow and across Russian regions as well as consolidation of Avicenna and first results of Ufa hospital.
- Out-patient treatments in 4Q 2014 grew up by 30% q-o-q to 244,764 with the largest contribution from Avicenna in the city of Novosibirsk, increased number of treatments at Lapino, opening of Ufa hospital as well as positive effect from PMC and other clinics of the Group.
- On a LFL basis, 12M 2014 out-patient admissions grew 16% y-o-y to 725,174.
 - The LFL increase in out-patient treatments was mostly driven by the continuing growth of visits at Lapino, better operating results in clinics in Samara and in PMC as well as growing number of patients in other existing clinics of the Group.

							Like-for-like					
	2014	2013	y-o-y, %	4Q'14	3Q'14	p-o-p, %	2014	2013	y-o-y, %	4Q'14	3Q'14	p-o-p, %
Obstetrics and Gynaecology												
Deliveries	4,550	3,816	19%	1,263	1,169	8%	4,402	3,816	15%	1,115	1,169	-5%
In-patient treatments (except deliveries)	20,331	18,577	9%	5,674	4,809	18%	19,031	18,575	2%	4,900	4,809	2%
Out-patient treatments	382,430	306,822 ²	25%	103,518	94,427	10%	349,558	306,822	14%	96,335	94,427	2%
IVF	7,654	5,477	40%	2,306	1,819	27%	6,534	5,477	19%	2,061	1,819	13%
Paediatrics												
In-patient treatments	11,454	8,991	27%	3,304	2,765	19%	11,244	8,991	25%	3,095	2,765	12%
Out-patient treatments	272,693	225,720	21%	81,196	60,102	35%	249,930	225,720	11%	71,715	60,102	19%
Other medical services												
Other medical services in-patient	4,115	1,388	196%	2,211	816	171%	2,880	1,388	107%	1,006	816	23%
Other medical services out-patient	163,513	94,859 ³	72%	60,050	33,435	80%	125,686	94,859	32%	38,380	33,435	15%
Total Deliveries	4,550	3,816	19%	1,263	1,169	8%	4,402	3,816	15%	1,115	1,169	-5%
Total IVF	7,654	5,477	40%	2,306	1,819	27%	6,534	5,477	19%	2,061	1,819	13%
Total In-patient treatments	35,900	28,956	24%	11,189	8,390	33%	33,155	28,956	15%	9,001	8,390	7%
Total Out-patient treatments	818,636	627,401	30%	244,764	187,964	30%	725,174	627,401	16%	206,430	187,964	10%

² Figures for 'OBGYN out-patient treatments' and 'other medical services out-patient treatments' were recalculated for 2013 due to the revised methodology of accounting of operational results in our Samara clinics because of implementation of Group policies. All Samara results relating to the diagnostic centre are shown separately from our out-patient OBGYN line and are stated in 'other medical services out-patient treatments'.

³ In 12M 2013 operating results of Yaroslavl clinic that was opened in December 2013 were not consolidated. In this release out-patient treatments for lines "OBGYN" and "Other medical services" were recalculated for 12M 2013 according to results of clinic in Yaroslavl.

For further information please contact:

Investors

Elena Romanova

MD Medical Group Investments Plc

Tel: +7 495 331 4120

e.romanova@mcclinics.ru

Media

EM

Moscow

Tom Blackwell / Sergii Pershyn

Tel: +7 495 363 2849

MDMG@em-comms.com

Consilium Strategic Communications

London

Chris Welsh / Matthew Neal

Tel: +44 20 7309 5700

MDMG@em-comms.com

About MD Medical Group

MD Medical Group operates in the highly attractive Russian private healthcare service market and has a leading position in high-quality women's health and paediatrics. The company manages 22 modern healthcare facilities, including 4 hospitals in Moscow (Perinatal Medical Center (PMC) and Lapino hospital), first self-constructed regional hospital in Ufa and newly acquired in Novosibirsk, and 18 outpatient clinics in Moscow, St. Petersburg, Ufa, Perm, Samara and Samara region, Irkutsk, Yaroslavl and Novosibirsk. In addition, the company operates 3 franchised outpatient clinics operate in Kyiv, Ukraine. A new outpatient clinic, in Ryazan, is expected to open in Q1 2015.

The Company's shares have been listed on the London Stock Exchange (LSE ticker "MDMG") in the form of Global Depositary Receipts (GDRs) since 12 October 2012.

Forward-Looking Statements:

This press release 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 press release are based on past trends or activities and should not be taken 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 press release 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.