



MOTHER & CHILD
GROUP OF COMPANIES

MD MEDICAL GROUP REPORTS CONTINUED OPERATIONAL STRENGTH ACROSS ALL INDICATORS IN 1H 2014

26 August 2014, 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, announces operating results for the second quarter and first half of 2014.

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

“The first half of the year has seen another strong set of operational results for MDMG across all indicators. We have not only seen improvements when comparing the 2014 half year performance with the corresponding period in 2013, but, we are already seeing this trend from the first to the second quarter this year. We only expect this to continue in the historically stronger second half of the year.”

“The continuing ramp up at Lapino was a key driver behind our strong operational performance meaning that across the group there was a greater number of both in- and out-patient treatments, a near doubling of other services and a 51% increase in IVF services in the first half of the year. Another important contributor to this was the integration of the Samara clinics as well as further growth at our existing clinics across the regions.”

“We are successfully implementing our regional development strategy and plan to open our hospital in Ufa ahead of schedule by the end of the year. In addition, we recently announced the acquisition of Avicenna Medical Center in Novosibirsk, our largest acquisition to date. And looking ahead, we expect to open a new outpatient clinic in Ryazan in the first quarter of 2015, and we have signed a MOU with the Samara Government to expand on our existing regional presence and evaluate the potential to build a new multi-disciplinary hospital in the region.”

“We now move in to the second half of the year in a strong operational position and continuously delivering on our strategy. By offering patients across Russia the latest technology, a widening range of services, including in many cases services of which we are the first and only provider in certain regions, we can only see scope for further growth and value creation for our shareholders.”

Deliveries

- In 2Q 2014 the total number of deliveries increased 11% quarter-on-quarter (q-o-q) to 1,115.
- The total number of deliveries in 1H 2014 increased by 18% year-on-year (y-o-y) to 2,118 in spite of a flat number of deliveries in Moscow during the period.
- The ramp up at Lapino hospital was the key driver of growth in deliveries.

IVF

- The total number of IVF cycles in 2Q'14 increased 20% to 1,926 (q-o-q).
- The total 1H 2014 IVF cycles increased by 51% y-o-y, reaching 3,529.
- The like-for-like¹ (LFL) number of IVF cycles for the first half of 2014 increased 27% vs. the corresponding period of last year and reached 2,963.
- The trend of continued growth was driven by strong performance in our clinics in Moscow, St. Petersburg, and Samara.

In-patient treatments

- In-patient treatments in 2Q'14 were +1% q-o-q at 8,223 in spite of an 8% decrease in paediatrics in-patient days, but on the back of:
 - 1% increase in obstetrics and gynaecology (“OBGYN”) in-patient treatments;
 - 64% increase of in-patient treatments using other medical services.
- Total in-patient treatments in 1H 2014 increased by 17% vs. 1H 2013 to 16,330.
- On a LFL basis, the number of in-patient treatments for 1H 2014 increased 13% y-o-y to 15,756 vs. the corresponding period of last year due to:
 - 8% increase of OBGYN in-patient days;
 - 12% increase in paediatrics in-patient treatments;
 - 87% increase of in-patient days using other medical services.
- Lapino was again the largest contributor to the total growth of all service lines for in-patient treatments as well as ‘other medical services’ which continued to grow y-o-y.

Out-patient treatments

- The total number of out-patient treatments in 2Q'14 was flat vs. 1Q'14 at 193,390 as out-patient admissions in OBGYN and paediatrics out-patient treatments showed similar trends, while other medical services represented moderate growth of 3% q-o-q.

¹ LFL data is related to first half results, since nothing has changed in business structure during second quarter of 2014. 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) and the IVF department at Lapino, that was opened on January 21, 2014.

- Out-patient treatments in 1H 2014 increased 41% to 385,908 y-o-y. On a LFL basis, out-patient admissions grew 21% to 332,624 due primarily to:
 - 19% increase in OBGYN out-patient treatments
 - 16% growth for paediatrics out-patient visits
 - 45% increase in other medical services, driven primarily by Lapino's departments for surgery & traumatology, rehabilitation and a noticeable growth in visits to our diagnostic centers at both Lapino and PMC.
- The total increase in out-patient treatments was mostly driven by the successful ramp up at Lapino, the consolidation of newly acquired clinics and growth in existing clinics in Ufa and Moscow.

							Like-for-like		
	2Q 2014	1Q 2014	q-o-q, %	1H 2014	1H 2013	y-o-y, %	1H 2014	1H 2013	y-o-y, %
Obstetrics and Gynaecology									
Deliveries	1,115	1,003	11%	2,118	1,792	18%	2,118	1,792	18%
In-patient treatments (except deliveries)	4,954	4,894	1%	9,848	8,644	14%	9,322	8,644	8%
Out-patient treatments	92,228	92,257	0%	184,485	135,165 ²	36%	160,445	135,165	19%
IVF	1,926	1,603	20%	3,529	2,335	51%	2,963	2,335	27%
Paediatrics									
In-patient treatments	2,587	2,798	-8%	5,385	4,788	12%	5,385	4,788	12%
Out-patient treatments	65,682	65,713	0%	131,395	101,423	30%	118,105	101,423	16%
Other medical services									
In-patient treatments	682	415	64%	1,097	560	96%	1,049	560	87%
Out-patient treatments	35,480	34,548 ³	3%	70,028	37,322	88%	54,074	37,322	45%
Total deliveries	1,115	1,003	11%	2,118	1,792	18%	2,118	1,792	18%
Total IVF	1,926	1,603	20%	3,529	2,335	51%	2,963	2,335	27%
Total in-patient treatments	8,223	8,107	1%	16,330	13,992	17%	15,756	13,992	13%
Total out-patient treatments	193,390	192,518	0%	385,908	273,910	41%	332,624	273,910	21%

² Figures for 'OBGYN out-patient treatments' and 'other medical services out-patient treatments' were recalculated for 1H 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 diagnostical centre are shown separately from our out-patient OBGYN line and are stated in 'other medical services out-patient treatments'.

³ Figure for 'other medical services out-patient treatments' was restated since results of Plastic surgery Department in Yaroslavl were added to 1Q'14 results.

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

Emma Thompson / Matthew Neal
Tel: +44 20 3709 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 17 modern healthcare facilities, including 2 hospitals and 15 outpatient clinics in Moscow, St. Petersburg, Ufa, Perm, Samara and Samara region, Irkutsk and Yaroslavl. In addition, 3 franchised outpatient clinics operate in Kyiv, Ukraine.

The Company's main medical facilities are the Perinatal Medical Center (PMC), a 250-bed medical centre, which opened its doors in 2006, and Lapino hospital, a 182-bed medical centre, which opened at the end of 2012. In 2013, there were 3,816 deliveries in PMC and Lapino. The number of outpatient treatments for 2013 in PMC and the Company's outpatient clinics totalled 627,247. In March 2013, the Company began construction of its third hospital in Ufa. In April 2013 MD Medical Group completed the acquisition of the IDK Medical Company ("IDK"), a network of women's and children's health clinics located in the Russian region of Samara. In May 2013, the Company acquired Mother & Child clinic in Irkutsk, which had previously operated through a franchise agreement with MD Medical Group. The same month the Company completed a large-scale modernisation project of its Mother & Child Health Clinic in Moscow. In December 2013, a new outpatient clinic was opened in Yaroslavl which became the first healthcare facility in the region to provide IVF services.

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.