



MOTHER & CHILD
GROUP OF COMPANIES

MD MEDICAL GROUP REPORTS STRONG OPERATIONAL GROWTH ACROSS ALL INDICATORS IN 9M 2014

29 October 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 third quarter and first nine months of 2014.

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

“During the first nine months of 2014 we have observed solid growth across our key operational indicators.

“We are pleased with the continued ramp up at Lapino, which has been an important driver of the Group’s 18% growth in deliveries during the nine months 2014 to 3,287. It is worth noting that overall deliveries remained flat in Moscow for the period, so we once again demonstrated our ability to outperform the market.

“During the first nine months we further strengthened our leading position in the Russian IVF market, growing the number of IVF cycles performed by 36% year-on-year to 5,348. The strong performance of our regional clinics also contributed to this success.

“As expected, due to the cyclical nature of our business we have observed a slight decline in some performance indicators during 3Q 2014 versus 2Q 2014 due to traditionally lower demand in the summer period, however we remain on track to post strong results for the full year.

“During the third quarter, we have continued to successfully implement our strategy of developing our services in the most attractive regions of Russia through the acquisition of the Avicenna Medical Center – the largest private healthcare company in Russia outside of Moscow and Saint-Petersburg – which was consolidated into the Group starting from 1 October 2014. In addition, we announced the development of a new clinic in Ryazan which is expected to open in 1Q 2015 and the expansion of our Moscow clinic to increase its capacity and meet growing demand.

“Looking ahead, we eagerly await the opening of our new hospital in Ufa on 31 October, marking the successful completion of our largest recent project ahead of schedule, with treatments of our first patients expected in early November.

“We remain confident that MDMG is well positioned to continue to demonstrate strong performance and to deliver on its strategic objectives during the fourth quarter of the year.”

Deliveries

- In 9M 2014, the total number of deliveries increased 18% year-on-year (y-o-y) to 3,287.
- The total number of deliveries in 3Q 2014 increased by 5% quarter-on-quarter (q-o-q) to 1,169.
- The ramp up at Lapino hospital was the key driver of growth in deliveries.

IVF

- The total number of IVF cycles in 9M 2014 increased 36% y-o-y to 5,348.
- The like-for-like¹ (LFL) number of IVF cycles in 9M 2014 increased 24% vs. the corresponding period of last year and reached 4,638.
- The overall growth in IVF cycles in 9M 2014 was primarily due to strong performance of our clinics in Samara, Saint-Petersburg, Perm and in Moscow clinics and IVF departments.
- The total number of IVF cycles in 3Q 2014 decreased by 6% q-o-q to 1,819 due to expected low summer season.

In-patient treatments

- The total number of in-patient treatments in 9M 2014 increased by 18% y-o-y to 24,711.
- On a LFL basis, the number of in-patient treatments for 9M 2014 increased 15% y-o-y to 24,137 vs. the corresponding period of last year due to:
 - 6% increase of OBGYN in-patient days;
 - 24% increase in paediatrics in-patient treatments;
 - 82% increase of in-patient days using other medical services.
- In-patient treatments in 3Q 2014 increased 2% q-o-q to 8,381 in spite of a 3% decrease in gynaecology in-patient days, due to:
 - 7% increase in paediatric in-patient treatments, following an increase in deliveries for the period;
 - 18% increase of in-patient treatments using other medical services.
- Lapino was again the largest contributor to the total growth of in-patient treatments also due to 'other medical services' at surgery and traumatology departments, which continued to grow y-o-y.

Out-patient treatments

- The total number of out-patient treatments in 9M 2014 increased by 30% y-o-y to 573,872.
- On a LFL basis, out-patient admissions grew 19% to 519,511 due primarily to:
 - 17% increase in OBGYN out-patient treatments;
 - 14% growth for paediatrics out-patient visits;
 - 38% increase in other medical services.
- The total number of out-patient treatments in 3Q 2014 slightly decreased q-o-q to 187,964 (-3% q-o-q) amid:

¹ LFL data is related to 9M 2014 results, since nothing has changed in business structure during third 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.

- 2% increase in OBGYN out-patient treatments;
- 8% decrease in paediatrics out-patient visits due to low season effect;
- 6% decrease in other medical services, mostly due to decrease in demand for dental services on the back of historical seasonality effect.
- 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		
	9M 2014	9M 2013	y-o-y, %	3Q 2014	2Q 2014	q-o-q, %	9M 2014	9M 2013	y-o-y, %
Obstetrics and Gynaecology									
Deliveries	3,287	2,795	18%	1,169	1,115	5%	3,287	2,795	18%
In-patient treatments (except deliveries)	14,657	13,330	10%	4,809	4,954	-3%	14,131	13,332	6%
Out-patient treatments	278,912	222,208	26%	94,427	92,228	2%	253,908	216,254	17%
IVF	5,348	3,928	36%	1,819	1,926	-6%	4,638	3,734	24%
Paediatrics									
In-patient treatments	8,150	6,562	24%	2,765	2,587	7%	8,150	6,562	24%
Out-patient treatments	191,497	156,145	23%	60,102	65,682	-8%	178,207	156,145	14%
Other medical services									
In-patient treatments	1,904	1,017	87%	807	682	18%	1,856	1,017	82%
Out-patient treatments	103,463	63,112	64%	33,435	35,480	-6%	87,396	63,112	38%
Total deliveries	3,287	2,795	18%	1,169	1,115	5%	3,287	2,795	18%
Total IVF	5,348	3,928	36%	1,819	1,926	-6%	4,638	3,734	24%
Total in-patient treatments	24,711	20,909	18%	8,381	8,223	2%	24,137	20,911	15%
Total out-patient treatments	573,872	441,465	30%	187,964	193,390	-3%	519,511	435,511	19%

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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 21 modern healthcare facilities, including 3 hospitals in Moscow (Perinatal Medical Center (PMC) and Lapino hospital) and 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, and its third hospital, in Ufa, is scheduled to open on 31 October 2014. 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.