

MD Medical Group to Expand Its Hospital in Novosibirsk

03 November 2015, Moscow – 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 that it has signed a general contractor contract with Glavnovosibirskstroy-SP for the construction of a new in-patient wing attached to the existing Mother and Child hospital in Novosibirsk.

The project is launched in response to considerable demand for the high quality services MDMG offers residents of Novosibirsk and neighbouring regions. The new 7,000 sq m wing will include 48 beds, 20 offices, as well as three state-of-the-art operating rooms with high-tech equipment, significantly expanding the hospital’s capacity. In particular, the deliveries department will be able to handle up to 800 deliveries per year (+48%); OBGYN and surgical departments’ capacities will increase by 83% and 310% to 8,030 and 14,965 in-patient treatments, respectively, while potential volume of out-patient treatments will rise 33% to 538,560 per year. Thanks to the opening of a new intensive care department and addition of new surgery beds, the hospital’s operating capacity will double, exceeding 9,000 per year.

Once open, the new wing will enable the hospital to offer a range of new services, including many not currently available in the city or the region. This includes an oncology department able to offer chemotherapy cycles with sophisticated equipment and comfortable conditions for patients, completely unparalleled in Novosibirsk, as well as a radioisotope diagnostics laboratory where specialists can diagnose and monitor oncology treatment with the help of single-photon emission computed tomography (SPECT) and computer tomography (CT) equipment – this will be the first such laboratory in the region. The new wing will also include a new paediatrics in-patient department with an annual capacity of 2,190 in-patient treatments, coloproctological department, additional endoscopic operating room, ambulance reception ward, emergency operating room and emergency ward in a single unit, as well as additional capacity for the out-patient diagnostics centre. The hospital will also offer excimer laser vision correction treatments.

The wing is scheduled to open in early 2017. Total investment amounts to RUB 1.3 bln. The Company signed a RUB 1.1 bln 7-year loan agreement with VTB Bank to fund the project.

Mark Kurtser, Chairman of the Board of Directors of MD Medical Group, said:

“The opening of this new wing means that we will be able to significantly expand our operations in Novosibirsk and to successfully unlock the hospital’s potential in the region. Currently, our in-patient facilities in Novosibirsk are at their maximum capacity utilisation, so this expansion will enable us to meet the high and growing demand for our high-tech services in a more efficient way. The opening of the new wing will have a significant synergistic impact on all our activities, including IVF and laboratory diagnostics.”

“We also plan to expand our services range by opening a new in-patient paediatrics department, expanding the diagnostics centre, as well as by setting up a new oncology department and radioisotope diagnostics laboratory, that are without parallel in the city.”

“We are satisfied with the performance of our chain in Novosibirsk, which we purchased a year ago, and its results are an important factor for the whole Group’s growth. We believe that the opening of a new wing will help to further strengthen our leading positions in the Novosibirsk region.”

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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 23 modern healthcare facilities, including 4 hospitals and 19 outpatient clinics in Moscow, St. Petersburg, Ufa, Perm, Samara and Samara region, Novosibirsk, Irkutsk, Yaroslavl and Ryazan.

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.