MD MEDICAL GROUP

Investor Presentation

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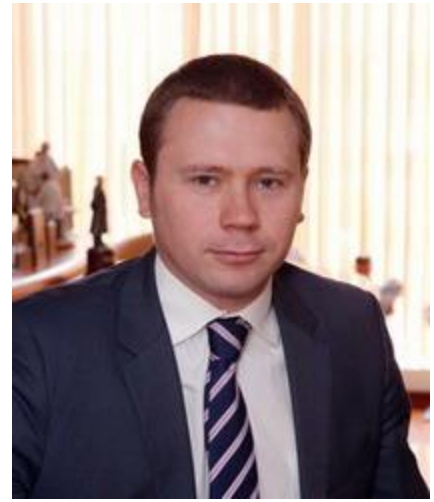

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MD Medical Group at a glance

MD Medical Group ("MDMG") overview

- Russia's leading private healthcare provider in women's health and paediatrics
- Wide range of medical services including obstetrics and gynaecology, 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

Overview of services provided

Service range

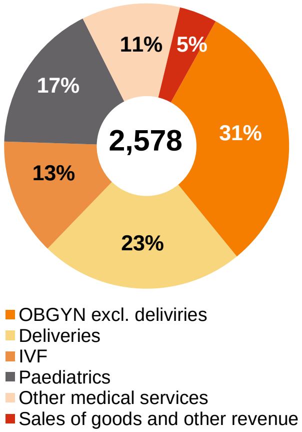
Obstetrics and gynaecology
- Pregnancy management
- Delivery services
- Gynaecology


Paediatrics
- Treatment of paediatric diseases
- Immunization shots
- Home visits


Fertility and IVF treatment
- Surgical management of fertility related problems
- Reproductive technologies


Other services
- Laboratory services
- Stem cell storage
- Dental care
- Radiology services
- Family Medical services


Revenue breakdown, 1H 2013

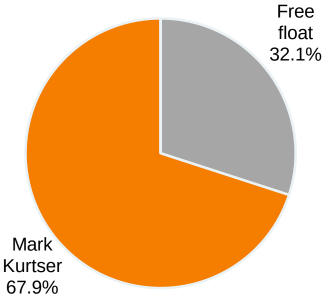


Key financials and shareholder structure

Key financial metrics (RUB mln)

	2009	2010	2011	2012
Revenue	1,790	2,044	2,908	4,061
growth, %		14%	42%	40%
EBITDA[2]	955	1,089	1,292	1,694
growth, %		14%	19%	31%
Net Income	564	735	924	1,538
growth, %		30%	26%	66%
Net Debt	572	(112)	1,059	(2,054)
Net Debt / EBITDA	0.6x	(0.1x)	0.8x	(1.2x)

Shareholder structure post IPO



Note: Company has GDRs listed on the London Stock Exchange (Ticker: MDMG LI)

Note: [1] MDMG plans to open a hospital in Ufa in 2015
[2] calculated as operating profit before depreciation and amortization

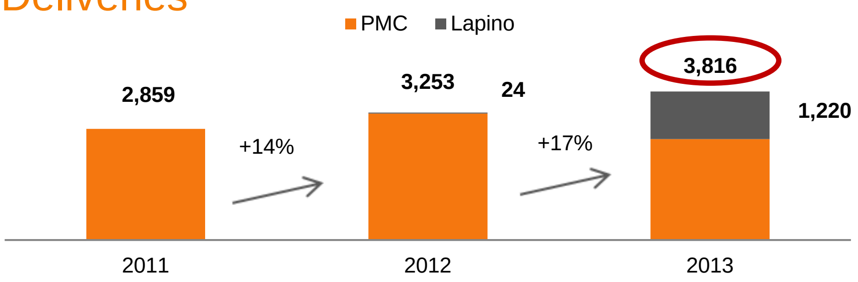
Recent developments

- Strong operational performance in 2013:
  - ✓ Deliveries – 3,816 (+17%)
  - ✓ IVF cycles – 5,477 (+42%)
  - ✓ Out-patient visits – 627,247 (+41%)
  - ✓ In-patient treatments – 28,956 (30%)
- Continued successful ramp up at Lapino:
  - ✓ 1,220 deliveries in 2013
  - ✓ Capacity utilization rate for deliveries reached c. 50% (average 41%)
- Initial construction work at Ufa completed, fit-out currently underway
- Successfully completed integration of Samara and Irkutsk; increased financial benefits of integration
- New Yaroslavl clinic opened its doors to patients in December 2013

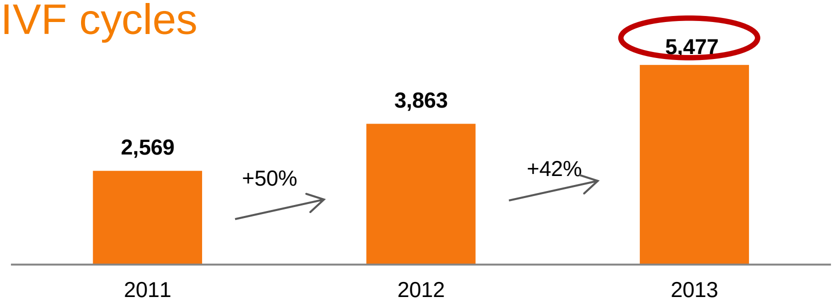
MD Medical Group continues to execute on its strategy to grow its existing operations and to expand its business through the disciplined construction of new state-of-the-art medical facilities and through selective acquisitions of the best performing regional medical companies

2013 operating results

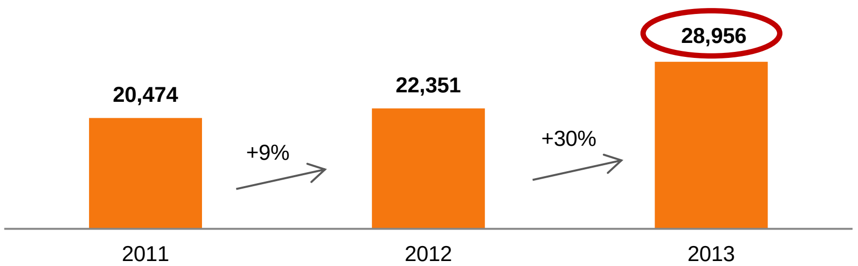
Deliveries



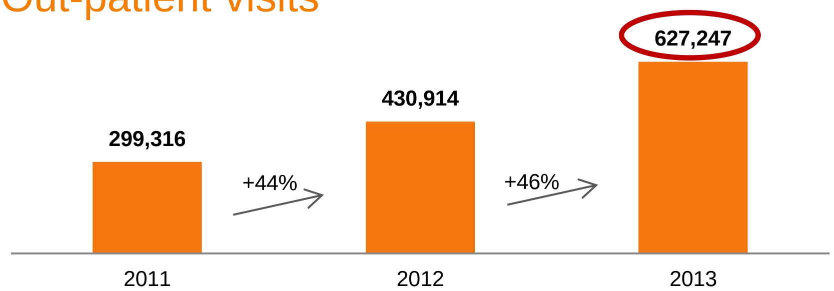
IVF cycles



In-patient treatments



Out-patient visits [3]



Double-digit growth across all key performance indicators as a result of:

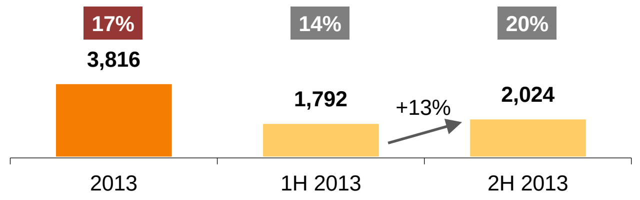
- **Footprint expansion:** Continuous expansion through acquisition and launch of new clinics: IDK Samara (consolidated as of 1 April 2013), M&C Irkutsk (as of 1 May 2013), Yaroslavl (16 December 2013)
- **Service range expansion:** New in-patient and out-patient services after opening of surgery, trauma and rehabilitation departments as well as new diagnostics centre at Lapino hospital, Genetic centre at Clinic of Health in Moscow (23 May 2013)
- **Leadership in innovative technologies in women's health and paediatrics:** first company to offer Laparoscopic removal of abdominal cerclage
- **Comprehensive integration of recently acquired out-patient clinics:** Continued growth in operational efficiency by applying Group standards and as a result of increased numbers of cross-referrals

Source: unaudited management estimates

Note: [3] number of other out-patient medical services in 2012 and 2011 was updated using revised methodology for laboratory examinations in order to be consistent with 2013 data

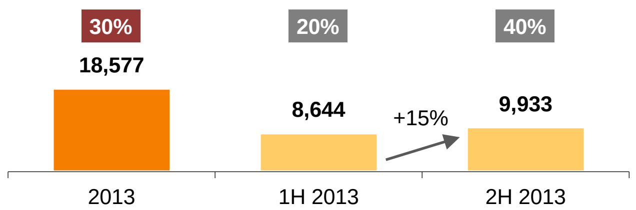
Improved performance in 2H 2013 (1/2)

Deliveries



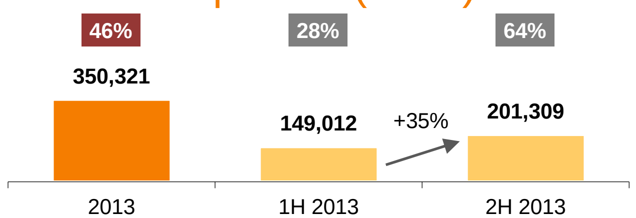
- **Increased by 17% y-o-y or by 563, resulting from:**
  - ✓ Lapino hospital ramping up with 1,220 deliveries in 2013 and 699 in 2H 2013 (increased by 34% compared to 1H 521 deliveries). Average capacity utilization – 41% (47% in 2H)
  - ✓ A decrease at PMC by 633 in 2013, or by 20%, back down to a historically sustainable level of 2,596, following the transfer of some doctors to Lapino
  - ✓ Seasonality – more deliveries in 2H

OBGYN in-patient (patient-days)



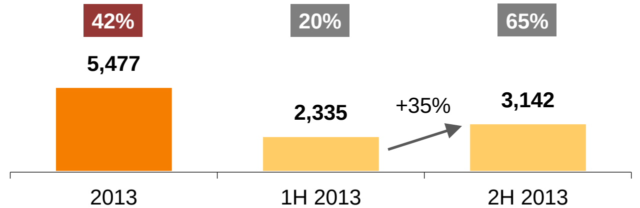
- **Increased by 30% y-o-y or by 4,268, resulting from:**
  - ✓ Ramp up at Lapino hospital outpacing the decrease at PMC
  - ✓ Consolidating Samara clinics (IDK)

OBGYN out-patient (visits)



- **Increased by 46% y-o-y or by 110,984, resulting from:**
  - ✓ Consolidating Samara and Irkutsk clinics starting from April and May respectively and thus giving a boost to 2H
  - ✓ Ramping up Lapino hospital
  - ✓ Moderate growth of # of treatments in other clinics of the Group, including recently opened Perm

IVF (cycles)



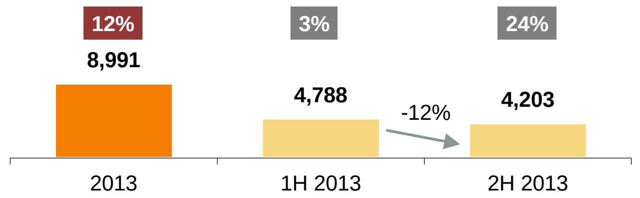
- **Increased by 42% y-o-y or by 1,614, resulting from:**
  - ✓ Consolidating Samara and Irkutsk clinics starting from April and May respectively, contributing to improved performance in 2H
  - ✓ Growth in number of IVF treatments at PMC
  - ✓ Opening clinic in Perm

% *y-o-y change of parameter* % *1H2013 to 1H2012 or 2H2013 to 2H2012*

Source: unaudited management estimates

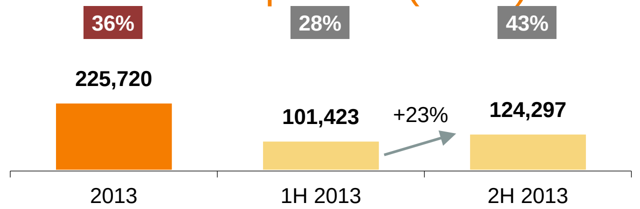
Improved performance in 2H 2013 (2/2)

Paediatrics in-patient (patient-days)



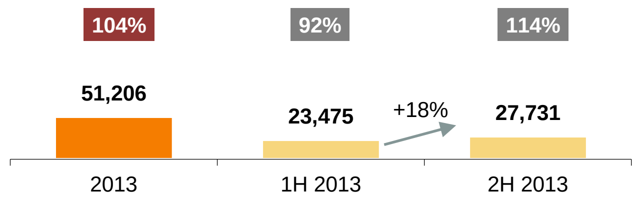
- **Increased by 12% y-o-y or by 949, resulting from:**
  - ✓ Positive impact of Lapino hospital ramp reflected in 2H (with growth at Lapino exceeding the decrease at PMC)
  - ✓ Slow down by 12% in 2H 2013, explained by historical seasonality – number of in-patient paediatric treatments dramatically declines in July-August

Paediatrics out-patient (visits)



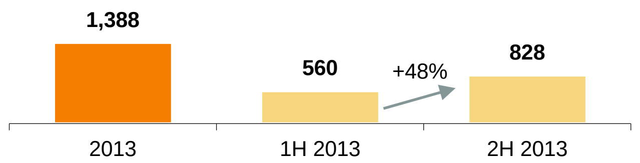
- **Increased by 36% y-o-y or by 59,315, resulting from:**
  - ✓ Consolidating Samara (IDK) clinics starting from April and thus giving a boost to the 2nd half performance
  - ✓ Continued ramp up at Lapino hospital
  - ✓ Moderate growth in number of treatments at the Group's Moscow clinics

Other services out-patient (visits)[4]



- **Increased by 104% y-o-y or by 26,064, resulting from:**
  - ✓ Opening and successfully ramping-up trauma, surgery, diagnostics and rehabilitation departments at Lapino hospital
  - ✓ Opening and ramping up of new Medical and Genetic Centre at Clinic of Health in Moscow in May 2013

Other services in-patient (patient-days)



- **Increased by 1,388, resulting from:**
  - ✓ Opening trauma, surgery and therapy departments at Lapino hospital
  - ✓ Consolidating Samara (IDK) group of clinics

% *y-o-y change of parameter* — *%* *1H2013 to 1H2012 or 2H2013 to 2H2012*

Source: unaudited management estimates

Note: [4] number of other out-patient medical services in 2012 and 2011 was updated using revised methodology for laboratory examinations in order to be consistent with 2013 data

MDMG’s footprint expansion

Description	31.12.11	31.12.12	31.12.13
Number of hospitals	1	2	2
Number of out-patient clinics	7	8	15
Total hospital area	27,600	69,600	69,900
Total out-patient area	3,442	4,259	10,944
Number of beds	243	433	453
Number of cycles (capacity)	5,100	6,300	10,000
Number of doctor’s offices	92	132	227
FTE all	1,548	2,204	3,396
FTE doctors		736	1,220

Source: company’s data

Favourable regulatory environment

Existing Regulation

Tax benefits for healthcare companies

- 0% corporate profit tax rate until 2020 (subject to certain requirements)
- Exempt from charging VAT to customers (subject to certain requirements)

Incentives for customers to use private healthcare services

- Income tax rebates for individuals (RUB 120 thousand per annum) with regard to costs for healthcare services
- More comprehensive access of private companies to Russian mandatory health insurance programme in place in 2014

Measures to improve demographics

- Federal pro-birth measures including support for families with children and maternity benefits (RUB 429’408.5 starting from second maternity for the year 2014 – amount increased and scope of use extended as compared to 2013)
- Local pro-birth measures including local maternity benefits (up to RUB 350’000) and provision of medicines and special food to pregnant women and children, provision of land plots to multi-child families

New Initiatives

Business expansion opportunities

- Russian Federal Law on Concession Agreements allows Moscow (and some regional) governments to enter into concession agreements with private companies in connection with management, construction and modernization, etc. of selected state clinics
- Private companies will have obligations to service non-commercial patients (under public insurance schemes) along with private patients

Changes in legislation

- No property tax is now imposed on movable property, including leased property of companies as from 2013
- Start-up tax benefits for local investment projects (for the period of up to 5 years)

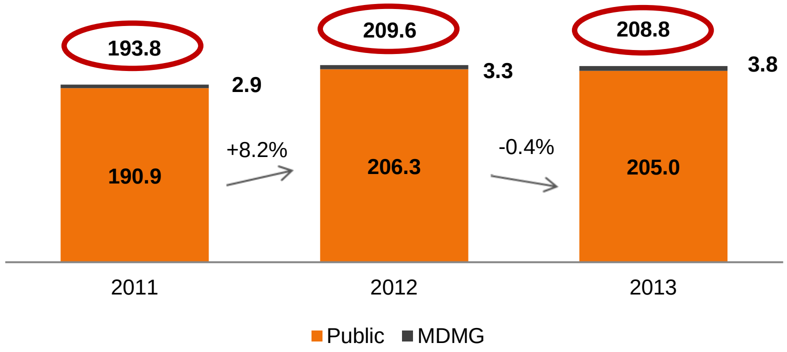
Better protection of customers

- General principles of compulsory medical liability insurance system introduced with detailed regulation to be further enacted
- The above regulation being enacted will favor professional medical organizations with good track record in 2015-2016

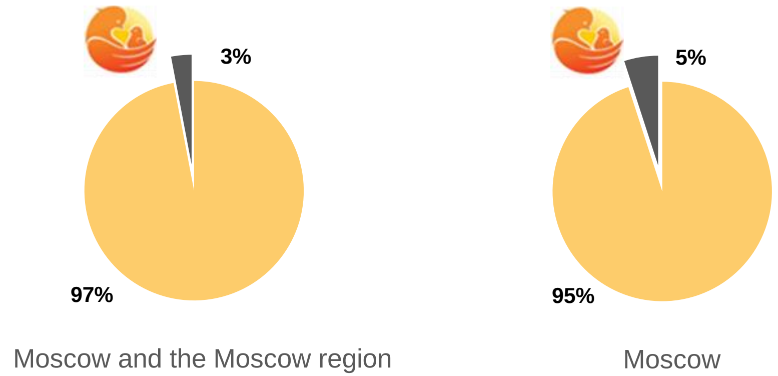
Source: company’s Information, Russian Tax Code

Significant growth opportunities in Moscow

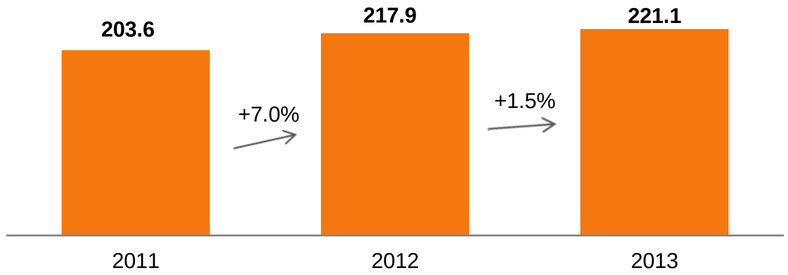
Number of deliveries registered in Moscow and the Moscow region (ths)*



MDMG capacity vs total market



Number of newborns registered in Moscow and the Moscow region (ths)**



Top 5 most popular baby names in Moscow

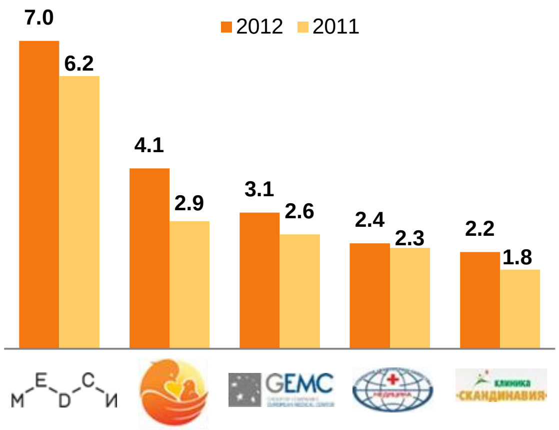
Girls	Boys
Sofia	Artem
Maria	Alexander
Anastasia	Maxim
Darya	Ivan
Anna	Mikhail

- Approximately 208,800 deliveries were in Moscow and the Moscow region in 2013 – 0,4% less than in 2012 (does not include deliveries in obstetric in-patient clinics under federal government located in Moscow)
- Full utilization of Lapino and PMC will give company a market share of 5% (and 3% of the Moscow metropolitan area market)
- The Group's market share increased in 2013, on the back of a decrease in the total number of births

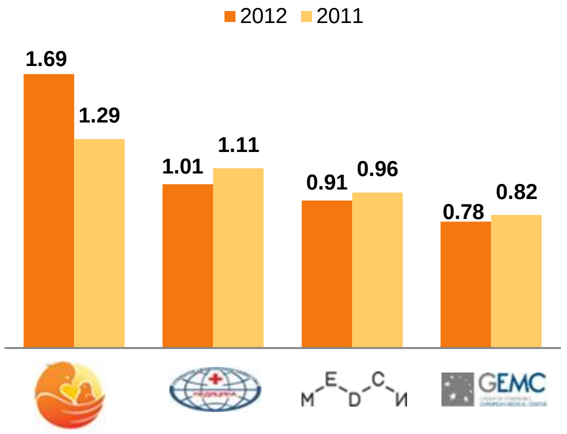
Source: company's estimates
**Department of Health in Moscow*
*** Moscow City Department of Civil Acts Registration; Moscow region government*

Leader in women's health and pediatrics, top-2 private healthcare provider

Revenue, RUB bln



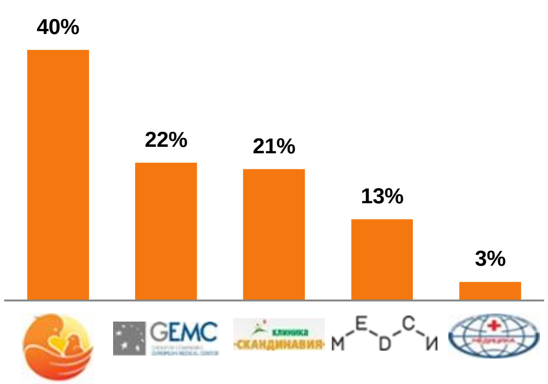
EBITDA, RUB bln



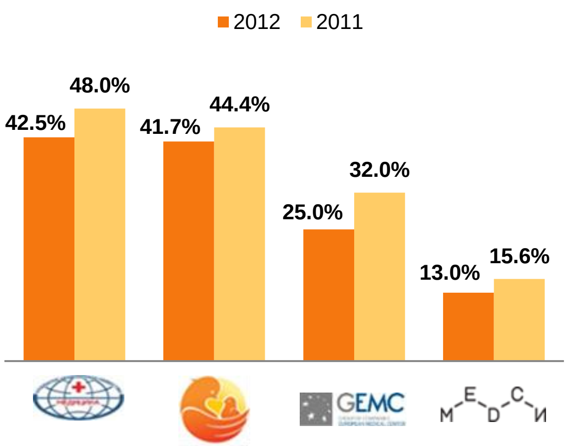
Key investment projects in 2011-2013

MD Medical Group	New hospital opened in November 2012, total area 42 th sqm, 192 beds, 5.1 bn RUB investment
Medsi	Merged with 3 public hospitals in Moscow in the end of 2012 , total area 115 th sqm, 1,153 beds
EMC	New hospital opened in December 2012, total area 15.5 th sqm, 80 beds, 3.4 bn RUB investment
Medicina	New premises opened in April 2013, total area 20.6 th sqm, 105 beds, 4.3 bn RUB investment
Scandinavia	Launched new out-patient facilities in St. Petersburg and Kazan

Revenue growth in 2012, %



EBITDA margin in 2012, %



Source: publicly available sources, companies' reports

2014 Outlook

MDMG continues it’s expansion in line with its mid-term strategy

- construction of it’s own hospitals in Russia’s largest regions (up to 30,000 sqm)
- opening or acquiring successful out-patient medical centers (600-1000 sqm) in attractive regions of Russia
- retain focus on core businesses: obstetrics & gynaecology, paediatrics, IVF; and at the same time build name in new areas such as diagnostics, surgery, laboratory investigations, trauma & rehabilitation
- Maintain dedication to quality of services and patient care

Improve operating and financial performance

- continued successful ramp-up of Lapino hospital
- full-year consolidation of Samara and Irkutsk clinics (acquired in April and May 2013 accordingly) along with improving performance of these clinics
- opening out-patient clinics and moderate growth in other clinics of the group
- budget discipline and cost control

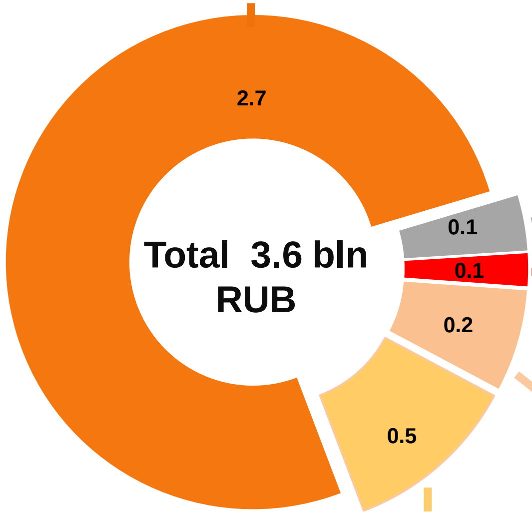
Solid CapEx for 2014, well positioned to continue expansion

- Ufa hospital opening is scheduled for late 2014/early 2015 (in line with initial plans)
- Yekaterinburg hospital construction is to begin in 2014
- construction of 5th hospital in Nizhniy Novgorod postponed for early 2015
- smaller-scale projects are in the pipe-line, for example IVF clinic in Ryazan is considered by the company and may be launched in 2014. The Group is also considering such regions as Kaluga, Omsk, Novosibirsk

CAPEX for 2014 - 3.6 bln RUB (exc. M&A), up 20% from 2013 (3.0 bln)

CAPEX for Ufa hospital for 2014

- Construction – 1.7 bln RUB including 1.4 bln RUB ENKA contract
- Equipment -1.0 bln RUB



Lapino

- Repayments for equipment
- IVF department
- Other

IDK

- Modernization of medical equipment
- Modernization of engineering systems
- Other

Other clinics maintenance and expansion

Design and construction of other regional hospitals

Source: company's management data

Launch of out-patient clinic in Yaroslavl

Key statistics of the region

- Total population of Yaroslavl region is1.3 million
- More than 47% of population lives in the main city of the region – Yaroslavl (0.6 million)
- Yaroslavl is one of the leading industrial centres in Russia.
- Yaroslavl is located close to the Moscow region - 282 km from Moscow
- No private IVF and gynaecological clinics in the region
- Around 14,000 deliveries per annum and circa 495 beds for deliveries in public hospitals in the region
- Clinic potentially could attract patients from Vologda (190 km), Kostroma (65 km) and Ivanono (95 km) regions of Russia, located next to Yaroslavl and experiencing lack of private healthcare facilities

Overview of the clinic

- Clinic Mother & Child Yaroslavl was opened in December 2013
- The newly-built clinic, Mother & Child Yaroslavl, is MDMG's eleventh out-patient clinic to provide IVF services in its network of seventeen modern and high-quality facilities throughout Russia
- The clinic will offer a wide range of services for women including IVF and gynaecology by MDMG's highly qualified medical personnel and recognised medical experts
- In line with MDMG's growth strategy
- 800m² clinic is the only clinic in the Yaroslavl region to offer medical expertise in the field of IVF
- Capacity to administer up to 1,000 IVF cycles and up to 20,000 doctor visits per annum
- MDMG's total investment in the clinic amounted to approximately RUB 50 million

Pipeline of existing projects: Ufa, Bashkortostan

Disciplined execution

- Construction started on schedule. Ground breaking ceremony was held on 11 March 2013
- Building construction completed in January 2014
- External and internal fit-out is underway
- Opening scheduled for late 2014 / early 2015

Key figures

- **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
- **Total CAPEX** increased from 3.6 to 4.3 bln RUB
  - ✓ 400 mln RUB weakening
  - ✓ 100 mln RUB EUR price indexation for equipment in 2014 vs 2012
  - ✓ 170 mln RUB MRI, CT, stem cells bank, laboratory, etc
  - ✓ 30 mln RUB landscaping

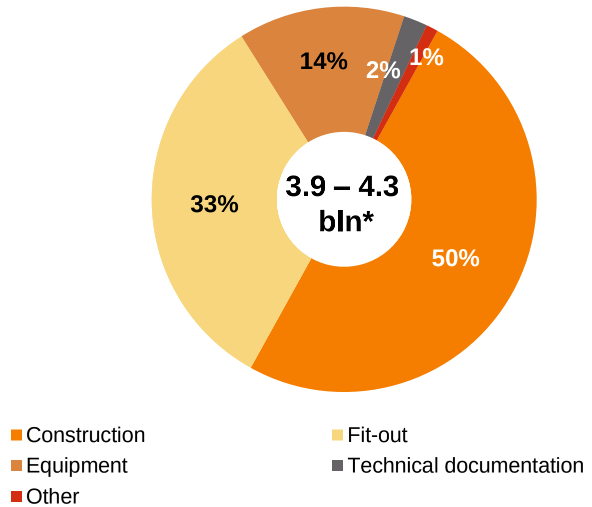
Pipeline of existing projects: Yekaterinburg and Nizhniy Novgorod

- Yekaterinburg and Nizhniy Novgorod are Russia's largest industrially developed regions lacking high quality medical services including maternity care and paediatrics
- The Company has strong support from local authorities in executing these socially important projects
- Land lease agreement in Yekaterinburg is signed

Overview and rational

	Yekaterinburg	Nizhniy Novgorod
Region's population	4.3 mln.	3.3 mln.
Share of urban population	36%	48%
Share in Russia's gross regional product	2.8%	1.7%
Deliveries per annum	58,000	35,000

Typical CAPEX breakdown for hospital



Major CAPEX projects in execution

	Yekaterinburg	Nizhniy Novgorod
Capacity	**Deliveries:** 3,000 units **Surgery:** 18,000 patient days **Pediatrics:** 14,000 patient days **IVF:** 1,000 cycles **Admissions:** circa 250 thousand **Size:** 32,000 square meters	
Expected start of construction	2014	2015
Expected start of operation	2016	2017

Source: preliminary estimates management data

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Appendix

MDMG’s extracts from profit and loss statement

(RUB thsd)	6m2013	6m 2012	6m 2011
Revenue	**2,577,752**	**1,966,944**	**1,323,924**
Cost of sales	(1,605,479)	(982,383)	(732,473)
Gross Profit	**972,273**	**984,561**	**591,451**
% of revenue	*38%*	*50%*	*45%*
Other income	2,222	611	691
Administrative expenses	(524,447)	(192,016)	(109,384)
Other expenses	(1,703)	(1,840)	(418)
EBITDA	**644,734**	**850,550**	**535,733**
% of revenue	*25%*	*43%*	*40%*
Operating profit	448,345	791,316	482,340
Profit before tax	271,120	754,516	506,628
Tax	(21,320)	(26,518)	(110,757)
Profit for the period	**249,800**	**727,998**	**395,871**
% of revenue	*10%*	*37%*	*30%*

MDMG's extracts from balance sheet

(RUB thsd)	30.06.2013	31.12.2012	30.06.2012
Cash and cash equivalents	2,670,849	2,582,933	341,392
Short-term investments	1,635,450	2,429,816	-
Current trade, other receivables and deferred expenses	117,636	229,224	55,305
Inventories	62,286	50,475	30,459
Current tax asset	6,312	16,899	29,381
Property, plant and equipment	8,233,301	7,422,875	5,474,396
Loans receivable	1,750	-	-
CAPEX prepayments	308,490	150,483	572,877
Other non-current assets	461,787	30,804	31,252
TOTAL ASSETS	**13,497,861**	**12,913,509**	**6,535,062**
Current trade and other payables	1,051,188	755,613	699,369
Short-term portion of long-term loans and obligations under finance leases	598,081	262,888	30,981
Other current liabilities	509,131	448,697	369,817
Long term loans and borrowings	2,487,863	2,694,901	1,970,498
Other non-current liabilities	74,055	127,993	92,853
Equity	8,777,543	8,623,417	3,371,544
TOTAL EQUITY AND LIABILITIES	**13,497,861**	**12,913,509**	**6,535,062**
Net Debt*	**(1,218,382)**	**(2,054,151)**	**1,660,087**

** Including banking deposits with maturity less than six months, classified as short-term investments*

MDMG's extracts from cash flow statement

(RUB thsd)	6m2013	6m 2012	6m 2011
Cash flow from operating activities	**249,800**	**727,998**	**395,871**
Profit for the period			
Adjustments for:			
D&A	192,004	59,090	53,290
Excess of Group's interest in the net fair value of the subsidiaries' assets	-	-	(42,043)
Taxation	21,320	26,518	110,757
Other adjustments	160,974	17,522	50,260
Cash flow from operations before working capital changes	**624,098**	**831,128**	**568,135**
Increase in inventories	1,520	(3,388)	3,226
Increase in trade and other receivables	(17,461)	(15,233)	(62,872)
Increase in trade and other payables	64,880	57,988	135,484
Increase in deferred income	44,292	38,979	53,130
Cash flow from operations	**717,329**	**909,474**	**697,103**
Tax paid	(8,397)	(49,449)	(209,029)
Net cash flow from operating activities	**708,932**	**860,025**	**488,074**
Cash flow from investing activities			
Payment for acquisition of PP&E	(752,147)	(1,211,971)	(364,482)
The change of short-term investments	(909,909)	-	-
Payment for acquisition of investments in subsidiaries	(647,603)	-	(340,076)
Payment for acquisition of investments in subsidiaries under common control	-	(9,118)	(238,176)
Other proceeds and payments	32,882	464	284,484
Net cash flow used in investing activities	**(456,959)**	**(1,220,625)**	**(658,250)**
Cash flow from financing activities			
GDR contributions received from underwriters	150,216	-	-
Repayment of borrowings	(38,877)	(59,836)	(278,309)
Repayments of obligations under finance leases	(1,622)	(88,106)	-
Proceeds from borrowings	96,467	940,838	43,085
Interest paid	(141,199)	(60,668)	(3,538)
Dividends paid to the owners of the Company	(313,873)	(153,654)	-
Dividends paid to non-controlling interests	(34,700)	(10,500)	(14,240)
Other proceeds	-	-	382,510
Net cash flow from financing activities	**(283,588)**	**568,074**	**129,508**
Net increase/(decrease) in cash and cash equivalents	**(31,615)**	**207,474**	**(40,668)**
Cash and cash equivalents at the beginning of the period	2,582,933	133,474	111,529
Effect due to exchange rate changes	119,531	444	-
Cash and cash equivalents at the end of the period	**2,670,849**	**341,392**	**70,861**

Financial highlights

RUB mln*	1H 2013	1H 2012	Change	1H 2011
Revenue	**2,578**	**1,967**	**31%**	1,324
Cost of sales	(1,605)	(982)	63%	(732)
Gross profit	972	985	-1%	591
Administrative expenses	(524)	(192)	173%	(109)
Operating profit	448	791	-43%	482
EBITDA*	**645**	**851**	**-24%**	536
EBITDA margin	25%	43%	-18 p.p.	41%
Net profit for the period	**250**	**728**	**-66%**	396
Net profit margin	10%	37%	-27 p.p.	30%

Results primarily driven by:

Revenue + 31%

- Solid operating performance due to acquisition of new clinics and opening of Lapino hospital
- Annual price indexation across major services

Cost of sales + 63%

- Increase of payroll and materials and supplies used, as well as property tax due to opening of Lapino hospital and acquisition of IDK Samara and M&C Irkutsk

Administrative expenses + 173%

- Increase of SG&A in Lapino (including premises maintenance) and due to acquisition of new clinics
- Holding company's costs increase, driven by of transition from a "single hospital" model to a fast growing, national hospital chain

EBITDA - 24%

- Decline of margin compared to 1H 2012 due to increased share of out-patient clinics and commissioning of Lapino

Net profit - 66%

- D&A spike due to recognition of Lapino on the balance sheet
- Interest expenses related to Lapino, which previously were capitalized

** EBITDA calculated as operating profit before depreciation and amortization*

Key factors affecting financial results

Factor	Description
Launch of Lapino	• Inpatient capacity utilization rate in 1H 2013 was 26% compared to 32% in July 2013 (49% for deliveries) • Outpatient capacity utilization rate was 13%, compared to 14% in July • Key measures to increase utilization rates: marketing & promo, advertising, proactive cooperation with insurance companies, sales through medical representatives, opening of IVF department • Monthly cash costs: ca. RUB 80-85 million, 90% of which is fixed costs
Adaptation of new doctors team at PMC	• Reduction in number of deliveries in PMC by 20% y-o-y in 1H 2013, the same reduction rate in OBGYN • Some PMC doctors transferred to work in Lapino since January 2013 • New team of doctors hired in PMC, which is actively accumulating customer base now
Establishment of a management company	• Facilitating transition from a single hospital model to a fast growing, national hospital chain • Key management company functions include: Construction, Client service, Finance, Legal, Procurement, Marketing, IT, HR, IR
M&A activity	• MDMG closed two M&A deals in 1H 2013 • Consolidation with IDK since 1 April 2013 and Mother and Child Irkutsk since 1 May 2013 • Both companies now actively being integrating into the Group • Non-capitalized costs of the deals and integration comprised RUB 16 million for 1H 2013

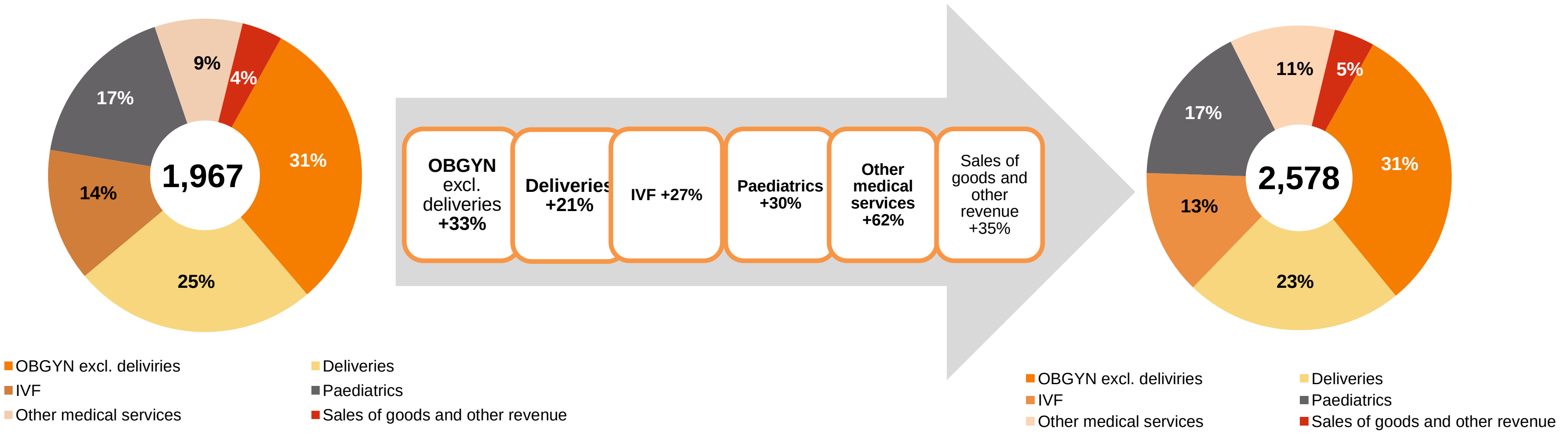
Revenue analysis (1/3)

(RUB mln)	1H 2013	1H 2012	change, %
Obstetrics and Gynaecology (excl. deliveries)	800	603	33%
Deliveries	597	495	21%
IVF	342	270	27%
Paediatrics	441	338	30%
Other medical services	288	178	62%
Sales of goods and other revenue	111	82	35%
Total Revenue	**2,578**	**1,967**	**31%**

- **Increase of revenue from deliveries** on the back of ramp up at Lapino hospital
- **Solid growth of IVF segment** mostly due to acquisition of new clinics in Samara region and Irkutsk
- **Continued increase of outpatient visits** as a result of ramp up of Lapino, expansion of the range of services provided by the Group and acquisition of new clinics
- **Other medical services** grew by 62%, mostly driven by new services offered at Lapino
- **Annual price indexation** by 6-7% in line with CPI

Total Revenue 1H 2012 (mln RUB)

Total Revenue 1H 2013 (mln RUB)



Revenue analysis: OBGYN and deliveries (2/3)

		1H 2013	1H 2012	change, %
Obstetrics and Gynaecology (except deliveries)	**RUB mln**	**800**	**603**	**33%**
In-patient treatments (except deliveries)	RUB mln	295	210	41%
	Patient-days	8,644	7,225	20%
	RUB ths. per patient-day	34.1	29.0	18%
	% of total*	37%	35%	2p.p
Out-patient treatments	RUB mln	505	393	28%
	Admissions	149,012	116,288	28%
	RUB ths. per admission	3.4	3.4	0%
	% of total[1]	63%	65%	-2 p.p
Deliveries	**RUB mln**	**597**	**495**	**21%**
	Deliveries	1,792	1,570	14%
	RUB ths. per delivery	332.9	315.3	6%

- The 41% growth in revenue from in-patient treatments (excluding deliveries) was driven by an increase in the number of inpatient treatments, price indexation as well as by changes in the composition of services towards more expensive services, due to the opening of Lapino hospital, where the average check is the highest among the Group
- The average check for out-patient treatments remained flat, due to the acquisition of IDK out-patient clinics in Samara
- The number of deliveries increased by 14% y-o-y due to the successful ramp up at Lapino
- The average check for deliveries increased by 6% due to annual price indexation implemented in line with the Group's pricing policy

** Share in Obstetrics and Gynaecology (value terms)*

Revenue analysis: IVF and paediatrics (3/3)

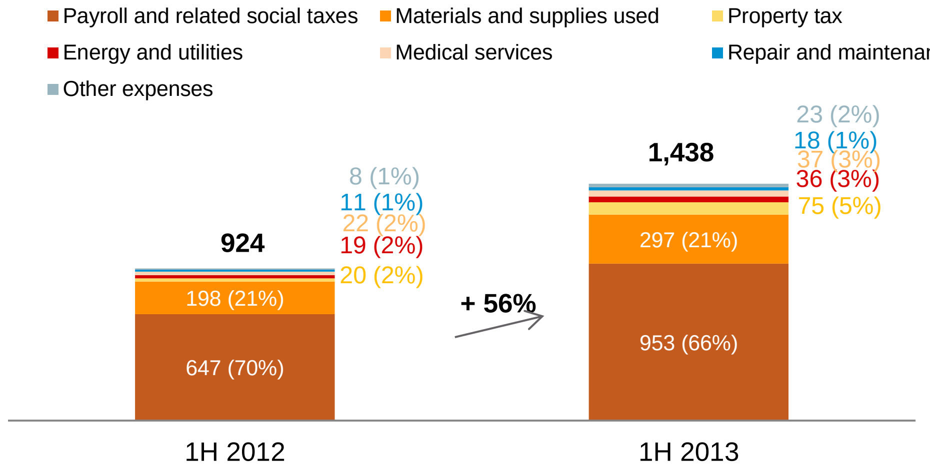
		1H 2013	1H 2012	change, %
IVF	**RUB mln**	**342**	**270**	**27%**
	Cycles	2,335	1,953	20%
	RUB ths. per cycle	146.5	138.1	6%
Paediatrics	**RUB mln**	**441**	**338**	**30%**
In-patient treatments	RUB mln	87	66	30%
	Patient-days	4,788	4,657	3%
	RUB ths. per patient-day	18.2	14.1	29%
	% of total*	20%	20%	0 p.p.
Out-patient treatments	RUB mln	354	272	30%
	Admissions	101,423	79,455	28%
	RUB ths. per admission	3.5	3.4	2%
	% of total*	80%	80%	0 p.p.
Other medical services	**RUB mln**	**288**	**178**	**61%**
In-patient treatments	Patient-days	560	-	-
Out-patient treatments	Admissions	23,475	12,206	92%

- Revenue growth in in-patient paediatric treatments was mainly driven by an increase in the average check, due to changes in the composition of services towards more expensive services
- Revenue from paediatric out-patient treatments grew substantially by 30% driven by the acquisition of out-patient clinics, as well as by the successful ramp up at Lapino
- The number of out-patient treatments in other medical services almost doubled after opening the surgery, trauma and rehabilitation departments as well as a new diagnostics centre at Lapino hospital

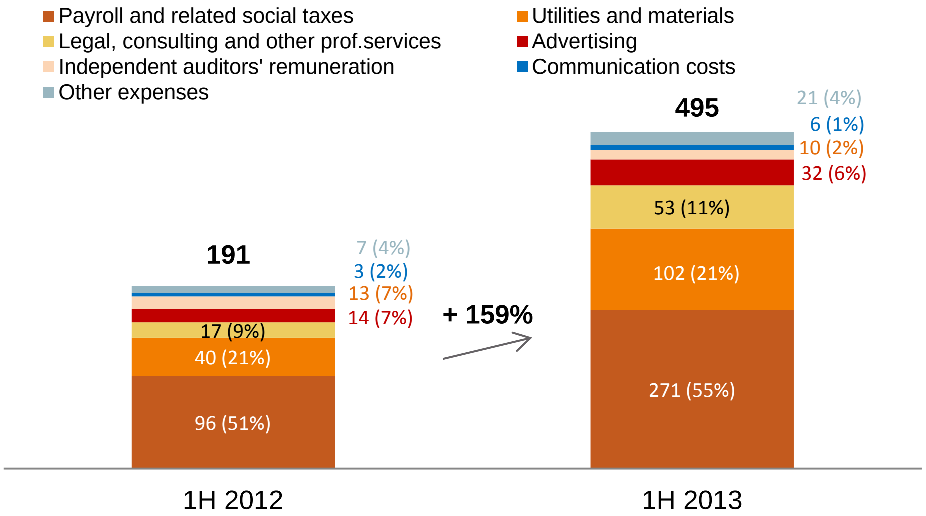
** Share in Paediatrics (value terms)*

COGS & SG&A analysis

Cost of sales (excl. D&A)



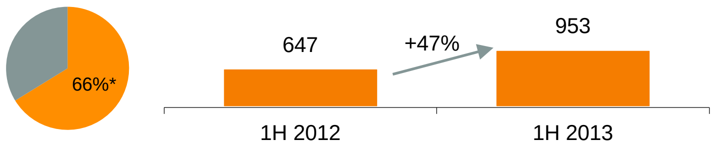
Administrative expenses (excl. D&A)



- In absolute terms, cost of sales (excl. D&A) grew by 56% or by RUB 514 million in 1H 2013.
- SG&A expenses (excl. D&A) increased by 159% or by RUB 304 million.
- Key factors affecting COGS and SG&A growth include
  - start of operations at Lapino
  - acquisitions of outpatient clinics
  - overall growth in the number of treatments in all services
  - holding company costs increase to support fast growing network (for SG&A only)

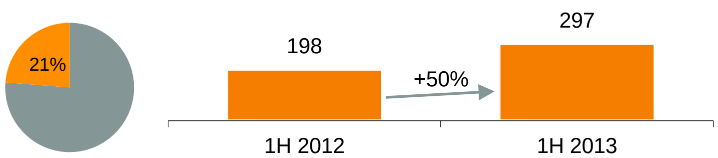
Key COGS elements

Payroll and related social taxes



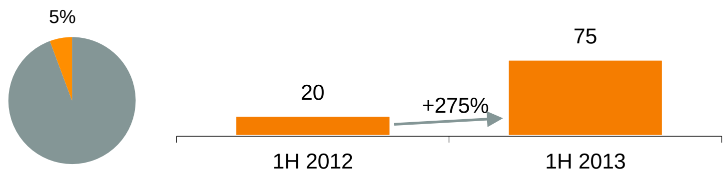
- **Increased by 47% or by RUB 306 million, resulting from:**
  - ✓ An increase in Lapino of RUB 218 million
  - ✓ Like-for-like growth of RUB 22 million, or by 3%
  - ✓ RUB 66 million due to consolidation of acquired companies

Materials and supplies used



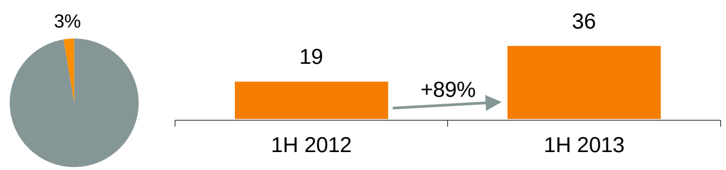
- **Increased by 50% or by RUB 99 million, resulting from:**
  - ✓ An increase in Lapino of RUB 61 million
  - ✓ Like-for-like growth of RUB 2 million, or by 1%
  - ✓ RUB 36 million due to consolidation of acquired companies

Property tax



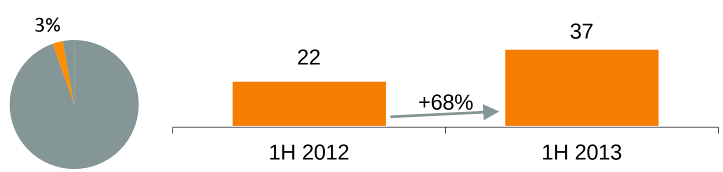
- **Increased by 275% or by RUB 55 million, resulting from:**
  - ✓ An increase in Lapino of RUB 54 million

Energy and utilities



- **Increased by 89% or by RUB 17 million, resulting from:**
  - ✓ An increase in Lapino of RUB 16 million

Medical services

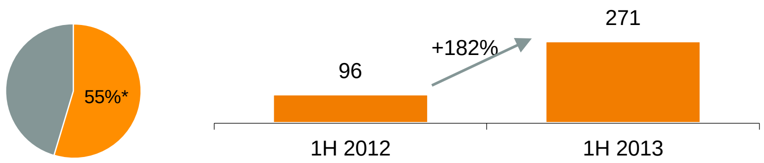


- **Increased by 68% or by RUB 15 million, resulting from:**
  - ✓ Like-for-like growth of RUB 11 million, or by 49%, as a result of implementation of noninvasive genetic test
  - ✓ c. RUB 4 million due to consolidation of acquired companies

** Hereinafter: Share in COGS excluding D&A*

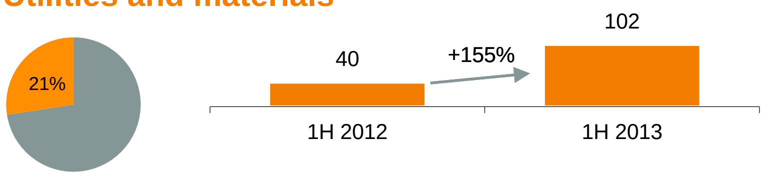
Key SG&A elements

Payroll and related social taxes



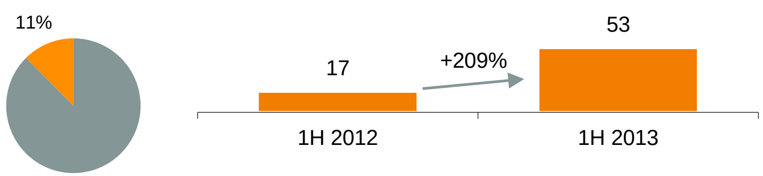
- **Increased by 182% or by RUB 175 million, resulting from:**
  - ✓ An increase in Lapino of RUB 88 million
  - ✓ Like-for-like growth of RUB 12 million, or by 14%
  - ✓ An increase in management company of RUB 53 million
  - ✓ RUB 21 million due to consolidation of acquired companies

Utilities and materials



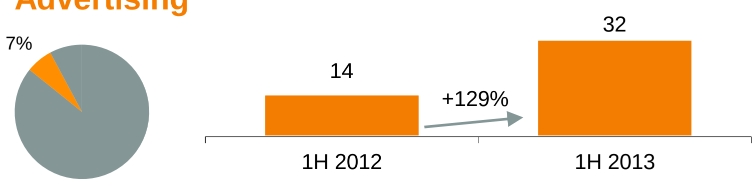
- **Increased by 155% or by RUB 62 million, resulting from:**
  - ✓ An increase in Lapino of RUB 20 million
  - ✓ Like-for-like growth of RUB 31million, or by 77%
  - ✓ RUB 12 million due to consolidation of acquired companies

Legal, consulting and other professional services



- **Increased by 209% or by RUB 36 million, resulting from:**
  - ✓ An increase in Lapino of RUB 12 million
  - ✓ An increase in management company of RUB 19 million
  - ✓ RUB 5 million due to consolidation of acquired companies

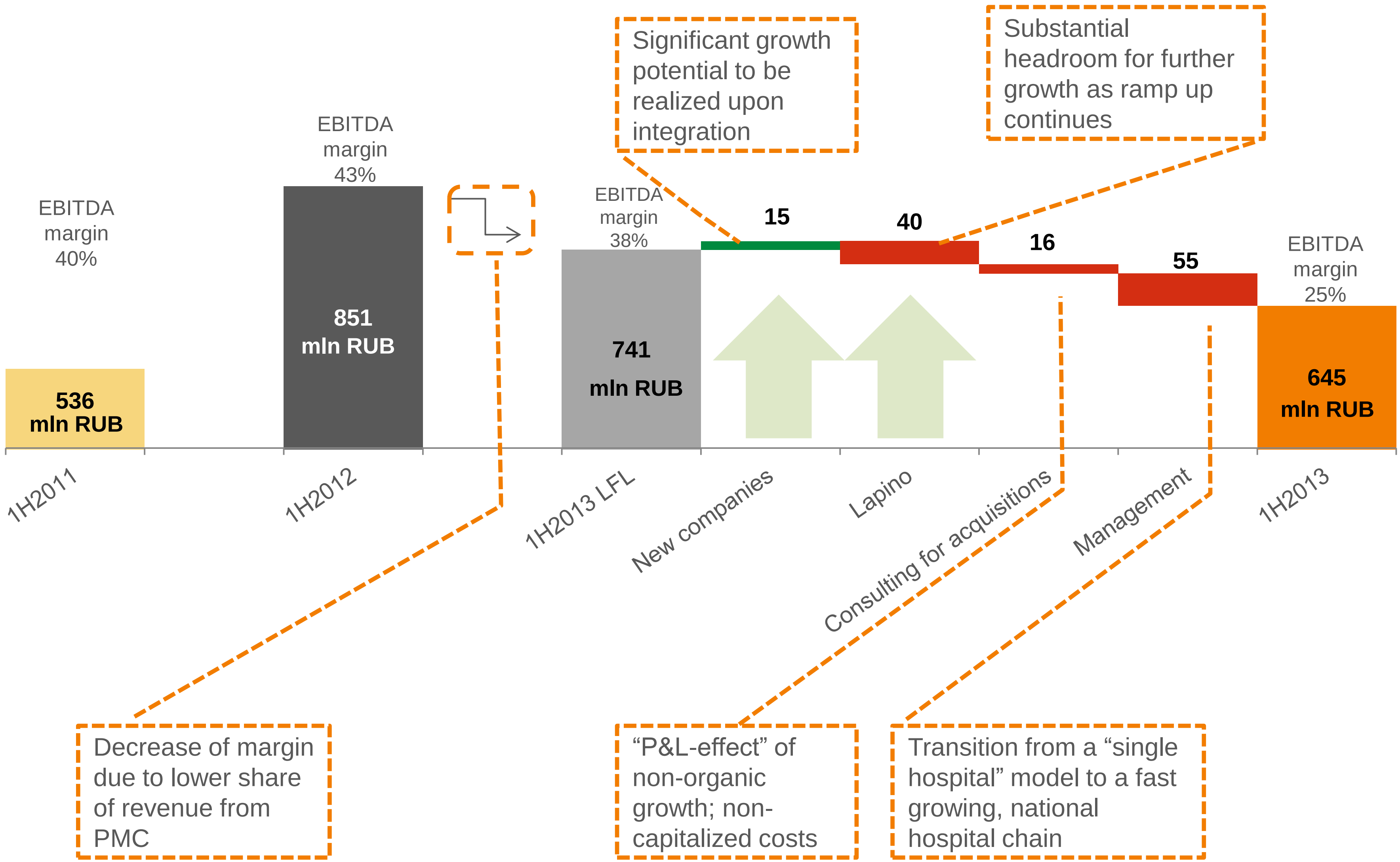
Advertising



- **Increased by 129% or by RUB 18 million, resulting from:**
  - ✓ An increase in Lapino of RUB 7 million
  - ✓ Like-for-like growth of RUB 5 million, or by 36%
  - ✓ RUB 6 million due to consolidation of acquired companies

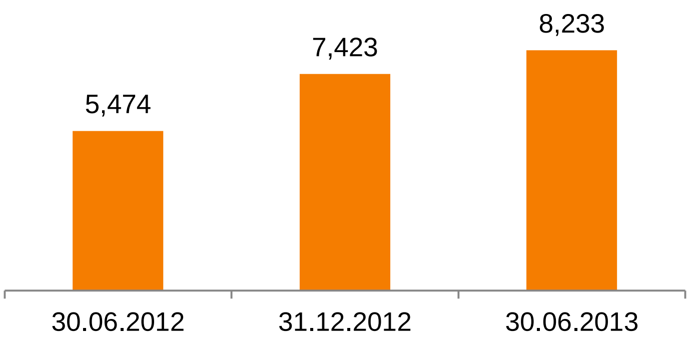
** Hereinafter: Share in SG&A excluding D&A*

Key EBITDA drivers



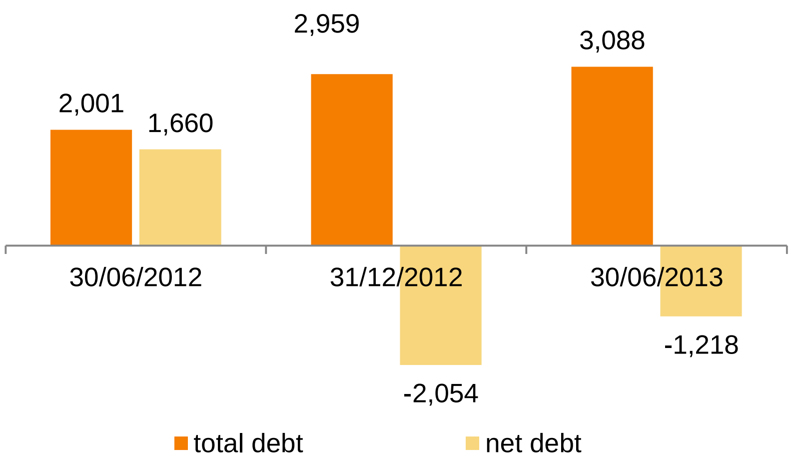
Balance sheet overview

PP&E

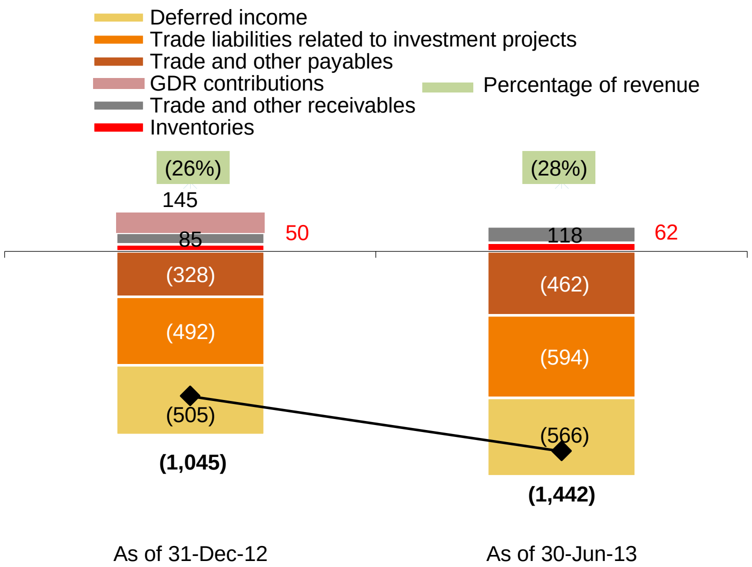


- Continued solid growth of PP&E assets due to new CAPEX spend
- Approximately 90% of revenue comes from direct paying customers; most of them are serviced on a pre-payment basis
- As a result, MDMG primarily operates with a negative working capital providing additional source of financing for MDMG
- Long-term debt amounted to more than 80% of total financial liabilities, 100% - RUB denominated

Total and Net Debt Dynamics, RUB mln*



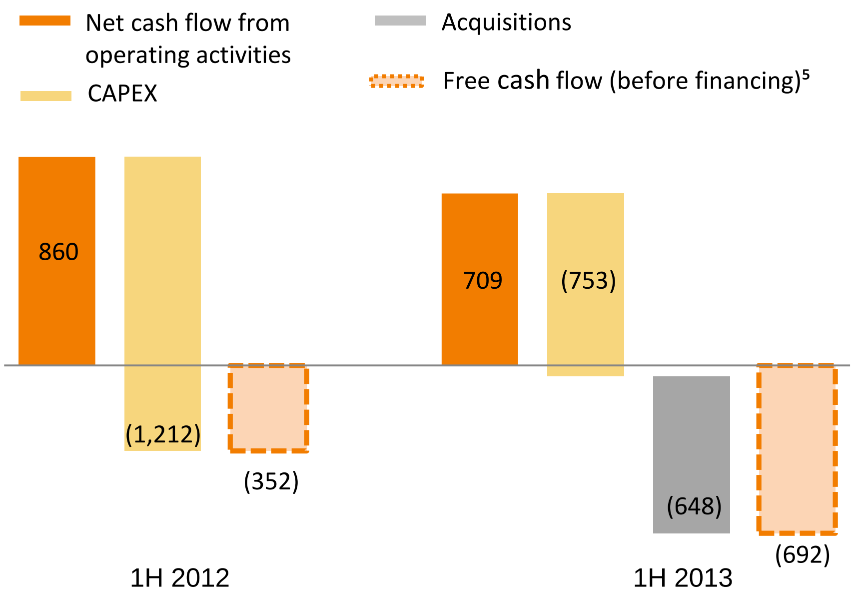
Working Capital (RUB mln)



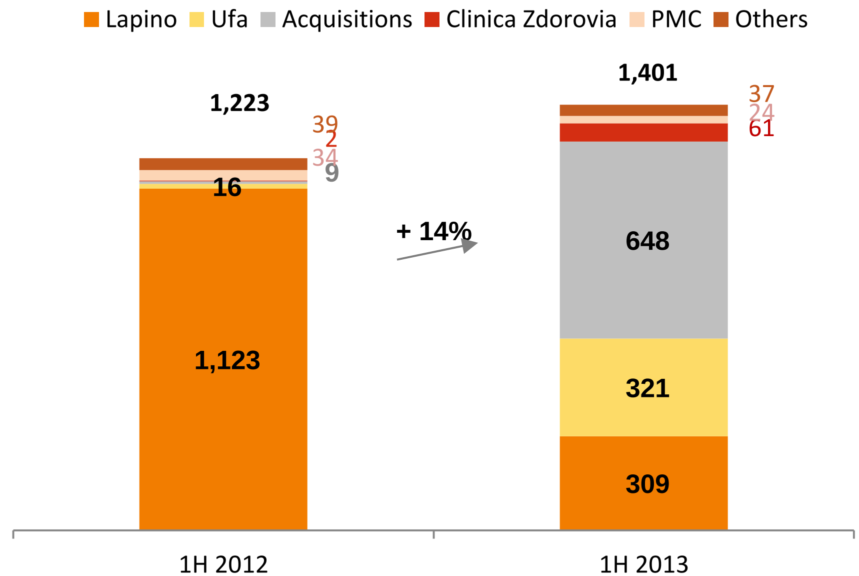
* *Including bank deposits with maturity less than six months, classified as short-term investments*

Cashflow metrics and Capex

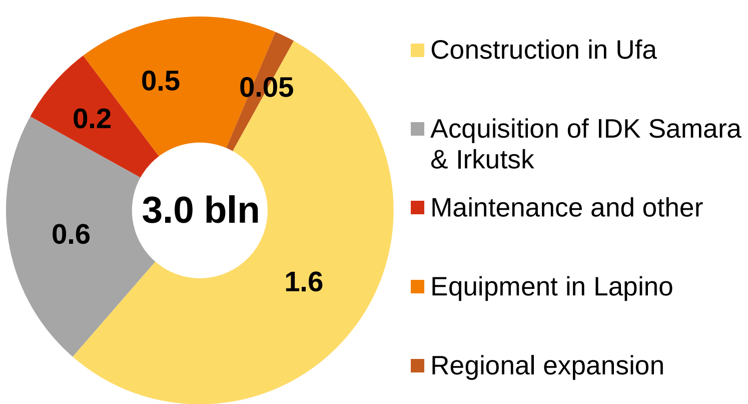
Cash flow waterfall (RUB mln)



1H2013 CapEx breakdown (RUB mln)



2013 CapEx plans breakdown (RUB bln)



- Continued investments in Hospital in Ufa, repayment of payables for Lapino and refurbishment of additional premises at "Clinic of Health Moscow", which was successful re-opened in May
- Total CapEx increased by 14% and amounted to RUB 1,401 mln in 1H2013
- Revised CapEx plans for 2013 decreased by 0.5 bln since the beginning of the year due to lower expectations on regional expansion

Note: [5] Calculated as Net cash flow from operating activities less Capital expenditures

Mid-term and long-term expansion strategy

- Regions with existing clinics and hospitals
- Existing franchised clinics
- Target regions for planned mid-term expansion

Action steps

- Continuous search for new locations in Moscow/Saint-Petersburg and other attractive regions
- Marketing campaigns in the regions of interest to create demand before entering new markets
- Leverage on successful experience in Moscow and Ufa
- Active cooperation with regional authorities