

MD MEDICAL GROUP COMPLETES ACQUISITION OF AVICENNA MEDICAL CENTER IN NOVOSIBIRSK

13 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, is pleased to announce that it has completed the acquisition of the Avicenna Medical Center (“Avicenna”), the largest private healthcare company in Russia outside of Moscow and St Petersburg.

The deal represents the biggest acquisition of MD Medical Group to date. Avicenna is situated in Novosibirsk, a new region for MDMG with a higher birth rate than the average rate in Russia. Currently, the Avicenna network includes three multi-disciplinary clinics with its own laboratory and a hospital with a maternity ward.

As announced on 20 August 2014, MDMG has acquired 100% of the outstanding share capital of Ivicend Holding Ltd, the previous owner of the Avicenna Medical Center, for a total consideration of USD 45.5 million paid in cash. 5 per cent of the amount payable will be held in escrow until a new hospital, currently under construction (6,096 sq m, 48 beds), is considered operational and adjoined to Avicenna’s existing facility. The new hospital, which will be leased by Avicenna, is expected to commence operations in 2016-2017. Thus, the deal also provides growth opportunities for the Company through the addition of a new hospital to its network in the future. The current management team of Avicenna will join MDMG to help facilitate the integration of the clinics and hospital into the MD Medical Group. Consolidation of operating and financial results of Avicenna into MDMG will take effect from 1 October 2014.

Prior to the completion of the acquisition, MD Medical received all required approvals, including approval from the Russian Federal Antimonopoly Service.

Commenting on the acquisition, Chairman of MD Medical Group, Dr Mark Kurtser said:

“We are delighted to complete the acquisition of the Avicenna Medical Center, another key milestone and wholly aligned with our strategy to grow in to new regions and add to our network of state-of-the-art high-quality hospitals across Russia.

“Avicenna is the largest private healthcare company in Russia outside of Moscow and St Petersburg and the team there have built a strong reputation for delivery of high-quality services, and we expect to continue to operate under their well-established Avicenna brand at least for the next two years. We very much look forward to working with the Avicenna team and to developing further the medical services

industry in the region. Based on the existing Avicenna gynaecology and IVF departments we will be able to strengthen our core business lines and reinforce our leading position on IVF market in Russia. With the construction of a new hospital and the integration of our MDMG services, we are very confident in the growth potential for MDMG in Novosibirsk."

About the Avicenna Medical Center

The Avicenna Medical Center was established in 1996 and currently comprises three multi-disciplinary medical and diagnostic clinics with its own laboratory and a hospital with a maternity ward. Avicenna offers a broad range of in- and out-patient services including deliveries, IVF, obstetrics and gynecology, pediatrics, cardiology, radiation and ultrasound diagnostic, dentistry and neurosurgery, plastic surgery and urology, traumatology and orthopedics.

As calculated in accordance with unaudited management accounts, Avicenna generated revenues of 707 million RUB in 2013, while for the first half of 2014 the company managed to achieve 399 million RUB.

In 2013 Avicenna performed 231,786 out-patient treatments, 4,222 of in-patient treatments, 989 of IVF cycles and 360 deliveries. The first six months of 2014 have demonstrated improving operating results within the group of Avicenna clinics. The total number of deliveries was 187, the number of in-patient treatments was 2,338 and in addition to this there were 121,920 out-patient treatments and 490 IVF cycles completed.

In 2007, Avicenna was certified and currently holds a valid certificate of quality system ISO 9001:2008.

About Novosibirsk region

Novosibirsk is the third largest city in the Russian Federation, and is the administrative center of the Novosibirsk region with a total population of 2.7 million. In the region there are approximately 38,000 deliveries per annum and the corresponding birth rate of 14.2 per thousand people is higher than the average rate in Russia.

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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 22 modern healthcare facilities, including 3 hospitals in Moscow (Perinatal Medical Center (PMC) and Lapino hospital) and Novosibirsk, and 19 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.

In 1H 2014, there were 2,118 deliveries in PMC and Lapino. The number of outpatient treatments for 1H 2014 in the Company's clinics totalled 385,908.

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.