

**Md Medical Group Reports Strong Operational Growth Across All Indicators  
For 9 Months 2015**

**21 October 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, today announces its operating results for the third quarter and 9 months of 2015.

**Key operational highlights for 9 months 2015:**

- The total number of deliveries increased by 25% year-on-year (y-o-y) to 4,113
- The total number of IVF cycles increased by 23% y-o-y to 6,603
- The total number of in-patient treatments increased by 52% y-o-y to 37,550
- The total number of out-patient treatments increased by 41% y-o-y to 862,825

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

*“During the first nine months of 2015 we have continued to make dynamic progress, with all key operational indicators increasing year-on-year.*

*“The main drivers of this growth have been Lapino, the hospital in Ufa and the Mother and Child Novosibirsk chain.*

*“Total deliveries across the Group’s hospitals rose to 4,113, a 25% increase year-on-year. The third quarter in particular was the strongest this year on this indicator. Total IVF cycles increased by 23% year-on-year to 6,603, strengthening our leadership in this segment. Moreover, the total number of in-patient and out-patient treatments rose substantially, by 52% and 41% year-on-year, respectively.*

*“We are pleased with these results and with the progress that our business is making despite a challenging macroeconomic environment for the consumer market. In response to the depreciation of the rouble and the resulting price growth for imported supplies and medicines, we have adjusted our prices for the most material-intensive services, which led to an increase on like-for-like basis of on average 16% in the average check for deliveries, IVF and in-patient treatments in the first nine months of 2015.*

*“We believe that the efficiency of our management team and the Group’s proven development strategy will enable us to a significant degree to withstand external pressures and support our continued operational success and further growth, even in challenging macroeconomic conditions.*

*“The hospital in Ufa that we opened less than a year ago, as well as Lapino and Mother and Child Novosibirsk, retain their potential for further growth of patient numbers and are important factors in successful future growth.*

*“In terms of future expansion, we intend to continue adding capacity to satisfy potential demand for our services, in particular IVF: by the end of 2015 we plan to open a new clinic in Moscow.*

*“Thus we have every reason to be confident of further successful growth and good results for the year as a whole.”*

## **Deliveries**

- For 9 months 2015, the total number of deliveries increased 25% y-o-y to 4,113.
- In Q3 2015, the total number of deliveries increased 25% y-o-y to 1,462.
- The like-for-like<sup>1</sup> (LFL) number of deliveries for 9 months 2015 decreased by 1% y-o-y to 3,269.
- During 9 months 2015, the number of deliveries at Mother & Child Ufa hospital was 567.

## **IVF**

- For 9 months 2015, the total number of IVF cycles grew 23% y-o-y to 6,603.
- In Q3 2015, the total number of IVF cycles across the Group increased by 32% to 2,392 compared to Q3 2014.
- LFL number of IVF cycles for 9 months 2015 amounted to 5,497 that is above last year's numbers by 3%.

## **In-patient treatments**

- For 9 months 2015, the total number of in-patient treatments increased by 52% y-o-y to 37,550 thanks to:
  - 19% increase in OBGYN in-patient days;
  - 36% increase in paediatric in-patient treatments;
  - 414% increase in in-patient days using other medical services. This significant growth was mostly due to acquisition of Avicenna, in particular – the results of the surgical departments; the opening of a plastic surgery department at the Ufa hospital, as well as increased utilisation of in-patient surgery and therapy departments at Lapino.
- In Q3 2015, the total number of in-patient treatments increased by 38% y-o-y to 11,601.
- On a LFL basis, the number of in-patient treatments for 9 months 2015 increased by 1% y-o-y to 25,046.

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<sup>1</sup> LFL data does not include figures for:

1) Mother & child Novosibirsk, which has been consolidated from October 2014.

2) Ufa hospital, which was opened on 31 October 2014.

3) Out-patient clinic in Ryazan, which was opened on 9 February 2015

## **Out-patient treatments**

- For 9 months 2015, the total number of out-patient treatments increased by 41% to 862,825 thanks to the following factors:
  - 20% increase in OBGYN out-patient treatments;
  - 31% growth in paediatric out-patient visits;
  - 97% increase in other medical services.
- In Q3 2015, the total number of out-patient treatments increased by 45% y-o-y to 287,055.
- On a LFL basis, the number of out-patient treatments for 9 months 2015 increased by 6% y-o-y to 649,639.

| Operating Highlights                      |                |                      |            |                |                |            | LFL            |                |            |
|---|----------------|----------------------|------------|----------------|----------------|------------|----------------|----------------|------------|
|   | 9m'15          | 9m'14                | p-o-p, %   | 3Q'15          | 3Q'14          | p-o-p, %   | 9m'15          | 9m'14          | p-o-p, %   |
| <b>Obstetrics and Gynaecology</b>         |                |                      |            |                |                |            |                |                |            |
| Deliveries                                | 4,113          | 3,287                | 25%        | 1,462          | 1,169          | 25%        | 3,269          | 3,287          | -1%        |
| In-patient treatments (except deliveries) | 17,397         | 14,657               | 19%        | 5,687          | 4,809          | 18%        | 13,615         | 14,657         | -7%        |
| Out-patient treatments                    | 334,204        | 278,912              | 20%        | 113,907        | 94,427         | 21%        | 286,776        | 278,912        | 3%         |
| <b>IVF</b>                                |                |                      |            |                |                |            |                |                |            |
|   | 6,603          | 5,348                | 23%        | 2,392          | 1,819          | 32%        | 5,497          | 5,348          | 3%         |
| <b>Paediatrics</b>                        |                |                      |            |                |                |            |                |                |            |
| In-patient treatments                     | 11,373         | 8,345 <sup>2</sup>   | 36%        | 3,114          | 2,840          | 10%        | 9,030          | 8,345          | 8%         |
| Out-patient treatments                    | 251,030        | 191,497              | 31%        | 82,887         | 60,102         | 38%        | 204,769        | 191,497        | 7%         |
| <b>Other medical services</b>             |                |                      |            |                |                |            |                |                |            |
| Other medical services in-patient         | 8,780          | 1,709                | 414%       | 2,800          | 732            | 283%       | 2,401          | 1,709          | 40%        |
| Other medical services out-patient        | 277,591        | 140,942 <sup>3</sup> | 97%        | 90,261         | 43,935         | 105%       | 158,094        | 140,942        | 12%        |
| <b>Total</b>                              |                |                      |            |                |                |            |                |                |            |
| Deliveries                                | <b>4,113</b>   | <b>3,287</b>         | <b>25%</b> | <b>1,462</b>   | <b>1,169</b>   | <b>25%</b> | <b>3,269</b>   | <b>3,287</b>   | <b>-1%</b> |
| IVF                                       | <b>6,603</b>   | <b>5,348</b>         | <b>23%</b> | <b>2,392</b>   | <b>1,819</b>   | <b>32%</b> | <b>5,497</b>   | <b>5,348</b>   | <b>3%</b>  |
| In-patient treatments                     | <b>37,550</b>  | <b>24,711</b>        | <b>52%</b> | <b>11,601</b>  | <b>8,381</b>   | <b>38%</b> | <b>25,046</b>  | <b>24,711</b>  | <b>1%</b>  |
| Out-patient treatments                    | <b>862,825</b> | <b>611,351</b>       | <b>41%</b> | <b>287,055</b> | <b>198,464</b> | <b>45%</b> | <b>649,639</b> | <b>611,351</b> | <b>6%</b>  |

<sup>2</sup> The 9m 2014 figure was adjusted by 195 in-patient days that were reclassified from 'Other medical services' to 'Paediatrics'. A similar adjustment for Q3 2014 amounted to 75 in-patient days.

<sup>3</sup> The 2014 figure for 'Other medical services' out-patient treatments was adjusted by physiotherapy and functional diagnostics treatments.

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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.