



## **MD MEDICAL GROUP POSTS SIGNIFICANT GROWTH ACROSS KEY OPERATIONAL INDICATORS IN 1Q 2015**

**20 April 2015**, 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, today announces operating results for the first quarter of 2015.

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

*“I am pleased to report that we began 2015 in a solid position and notwithstanding challenging macroeconomic environment we maintained good dynamics throughout the first quarter, once again demonstrating significant growth across all key operational indicators, in particular in paediatrics and deliveries.*”

*“Our results from Lapino remain one of the key drivers behind our growth, but at the same time in the first quarter of 2015, we saw solid support for the Group’s operational results thanks to the performance of our “Mother and Child Ufa” hospital and Medical Centre “Avicenna”, which were among the factors enabling us to significantly increase total deliveries by 32% y-o-y to 1,324.*”

*“We continued to strengthen our position as Russia’s leading IVF provider, increasing total IVF cycles in 1Q 2015 by 19% y-o-y to 1,910. The overall volume of in-patient and out-patient treatment increased by 55% and 38% y-o-y, respectively.*”

*“Key events for the period include the opening of our Ryazan clinic, which is the first to offer IVF services in this new region for the Group. This reflects our policy of developing high-margin medical services, which are unique in a number of the regions in which we operate.*”

*“We continue to expand our operational capabilities, and to offer new high-quality services that are widely in demand among our growing client portfolio. Our success to date this year once again underscores that we have the right strategy that is effective even amid a less than favourable external environment.*”

*“The first quarter was a positive start for the year, and we are confident that we will continue to develop successfully throughout 2015.”*

## Deliveries

- In 1Q 2015, the total number of deliveries increased 32% year-on-year (y-o-y) to 1,324.
- On a like-for-like basis<sup>1</sup> (LFL) the total number of deliveries in 1Q 2015 increased by 9% quarter-on-quarter (q-o-q) up to 1,098.
- The growth in deliveries at the Group was due to the “Mother and Child Ufa” hospital and consolidating operating indicators of Avicenna Medical Centre, in addition to consolidating patient volume at Lapino and Perinatal Medical Centre (PMC).

## IVF

- The total number of IVF cycles in 1Q 2015 increased 19% y-o-y to 1,910.
- The like-for-like number of IVF cycles in 1Q 2015 increased 4% y-o-y and reached 1,664.
- Despite historical seasonal factors, the Group aimed to increase number of performed cycles on the back of Avicenna consolidation and improved performance of other Group facilities.

## In-patient treatments

- The total number of in-patient treatments in 1Q 2015 increased by 55% y-o-y to 12,577 due to:
  - 26% increase of OBGYN in-patient days;
  - 48% increase in paediatrics in-patient treatments;
  - 534% increase of in-patient days using other medical services. The significant growth in this service was due to the Avicenna consolidation, the continued ramp-up at surgery and traumatology departments at Lapino, as well as the opening of a plastic surgery department at Ufa hospital.
- On an LFL basis, the number of in-patient treatments for 1Q 2015 increased 13% y-o-y to 9,149.
- The growth in the number of in-patient days in 1Q 2015 was due to the Ufa hospital opening, Avicenna consolidation, the results achieved by Lapino hospital and improved performance in other clinics across the network.

## Out-patient treatments

- The total number of out-patient treatments in 1Q 2015 increased by 38% y-o-y to 285,108 due to the following factors:
  - 17% increase in OBGYN out-patient treatments;
  - 27% growth for paediatrics out-patient visits;
  - 92% increase in other medical services.

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

- 1) The IVF department at Lapino for January, since it was open from February 2014
- 2) Avicenna Medical Centre, which was consolidated from October 2014
- 3) Ufa hospital, since it was opened on 31 October 2014

- On an LFL basis, 1Q 2015 out-patient admissions grew 6% y-o-y to 219,314.
- The rise in the number of out-patient treatments was driven by the Ufa hospital opening, Avicenna consolidation, increased admissions at Lapino and stronger performance in the Group's other clinics.

				Like-for-like		
	1Q'15	1Q'14	y-o-y, %	1Q'15	1Q'14	y-o-y, %
<b>Obstetrics and Gynaecology</b>						
Deliveries	1,324	1,003	32%	1,098	1,003	9%
in-patient treatments (except deliveries)	6,168	4,894	26%	4,828	4,894	-1%
out-patient treatments	107,931	92,257	17%	94,510	92,257	2%
<b>IVF</b>						
	1,910	1,602	19%	1,664	1,602	4%
<b>Paediatrics</b>						
in-patient treatments	4,247	2,872 <sup>2</sup>	48%	3,399	2,872	18%
out-patient treatments	83,486	65,713	27%	70,865	65,713	8%
<b>Other medical services</b>						
in-patient treatments	2,162	341	534%	922	341	170%
out-patient treatments	93,691	48,756 <sup>3</sup>	92%	53,939	48,756	11%
<b>Total</b>						
<b>Total deliveries</b>	1,324	1,003	32%	1,098	1,003	9%
<b>Total IVF</b>	1,910	1,602	19%	1,664	1,602	4%
<b>Total in-patient treatments</b>	12,577	8,107	55%	9,149	8,107	13%
<b>Total out-patient treatments</b>	285,108	206,726	38%	219,314	206,726	6%

<sup>2</sup> 1Q 2014 figure was adjusted by 74 in-patient days that were reclassified from 'Other medical services' to 'Paediatrics'.

<sup>3</sup> 1Q 2014 figure for 'Other medical services' out-patient treatments were 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. In addition, 3 franchised outpatient clinics operate in Kyiv, Ukraine.

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.