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INVESTOR PRESENTATION

UBS EMEA 1X1 CONFERENCE

June 8-9, 2015

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1

MD MEDICAL GROUP AT A GLANCE

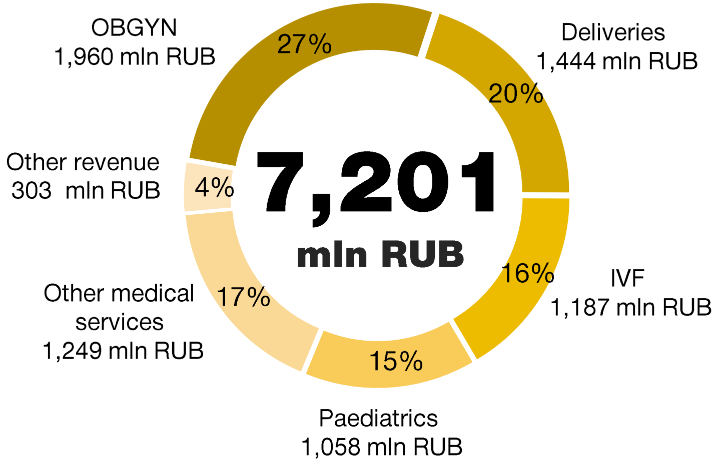
MD MEDICAL GROUP AT A GLANCE

MD Medical Group ("MDMG") overview

- Russia's leading private healthcare provider focused on women's health and paediatrics
- Wide range of medical services including OBGYN[1], 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

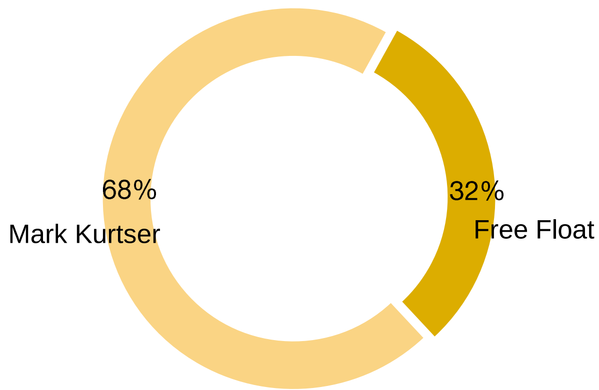
Revenue breakdown, 2014



Key financial metrics

RUB mln	2012	2013	2014
Revenue	4,061	5,673	7,201
growth, %	*40%*	*40%*	*27%*
EBITDA[2]	1,694	1,586	2,083
margin, %	*42%*	*28%*	*29%*
Net profit	1,538	764	1,320
Net Debt	(2,054)	(273)	3,230
Net Debt / EBITDA	(1.2x)	(0.2x)	1.6x

Shareholder structure



Note: 1 OBGYN – obstetrics and gynaecology
2 calculated as operating profit before depreciation and amortization

Note: Company has GDRs listed on the LSE (Ticker: MDMG LI)

2

OUR MARKET

TRENDS IN THE RUSSIAN PUBLIC HEALTHCARE SYSTEM

Key trends

Federal Budget Shrinkage

"The Government of the Russian Federation under the influence of external factors and economic difficulties forced to accept a reduction of budget expenditures… said Prime Minister Dmitry Medvedev, speaking at the International investment forum"

ITAR-TASS, September 2014

Decrease of Federal Expenditures on Healthcare

"…Federal expenditures on healthcare should be reduced from 169 bln roubles in 2014 to 155 bln roubles in 2015. Projected MHI funding will be 145 billion roubles comparing to 123 billion in the current year."

RBC, September 2014

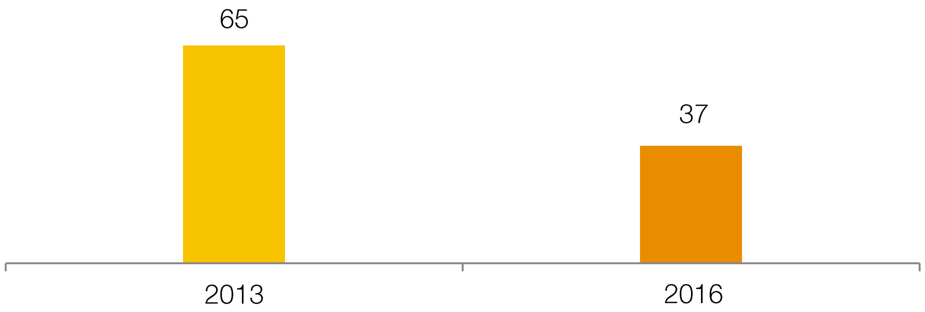
High Decrease of Healthcare Expenditures by Moscow Government

"…the decrease in public expenditures on healthcare in both 2013 and 2014 was 10% in real prices, in Moscow - 18%... "Moscow so vigorously reduces healthcare projects, in 2014 they were 4% lower in real prices than in 2011"… Partially due to the transfer of costs to funds of mandatory healthcare insurance."

RBC, September 2014

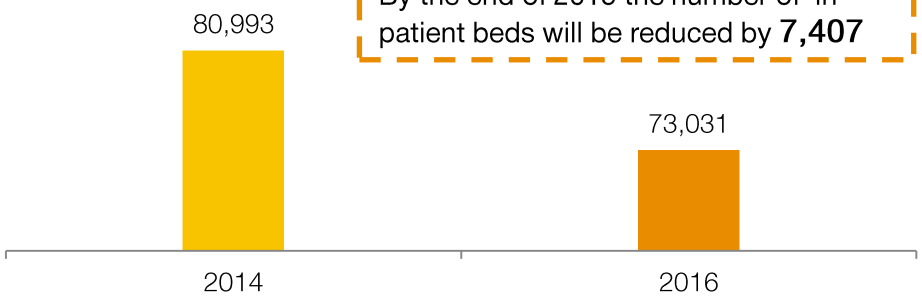
PLANS FOR PUBLIC HC SYSTEM DEVELOPMENT IN MOSCOW

Number of public hospitals in Moscow

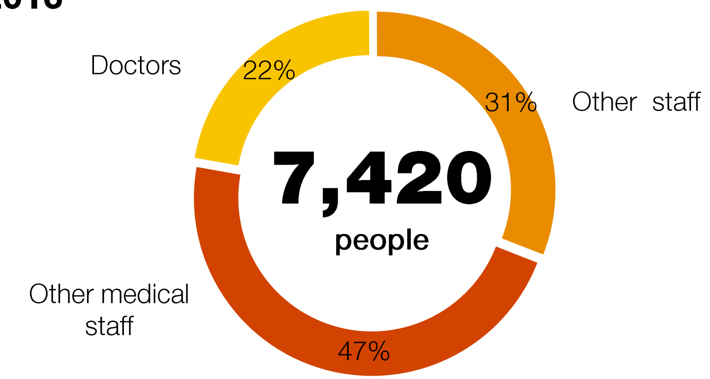


Reduction of in-patient beds

By the end of 2015 the number of in-patient beds will be reduced by **7,407**



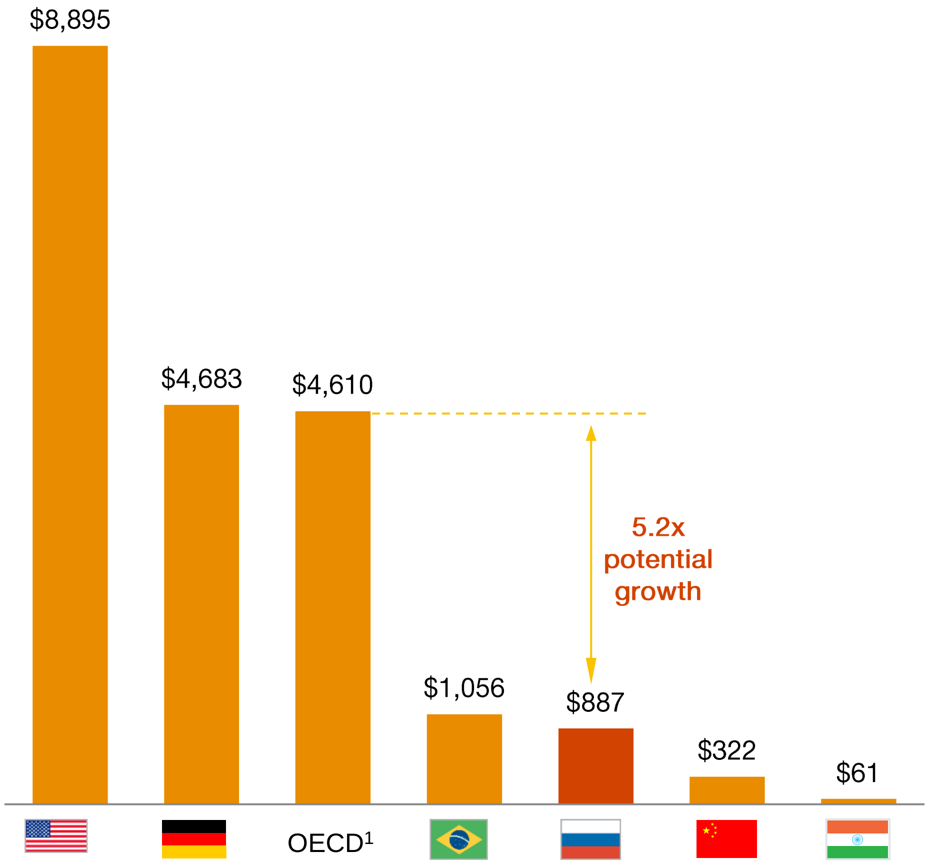
Reduction of medical staff breakdown by specialization, 2014-2016



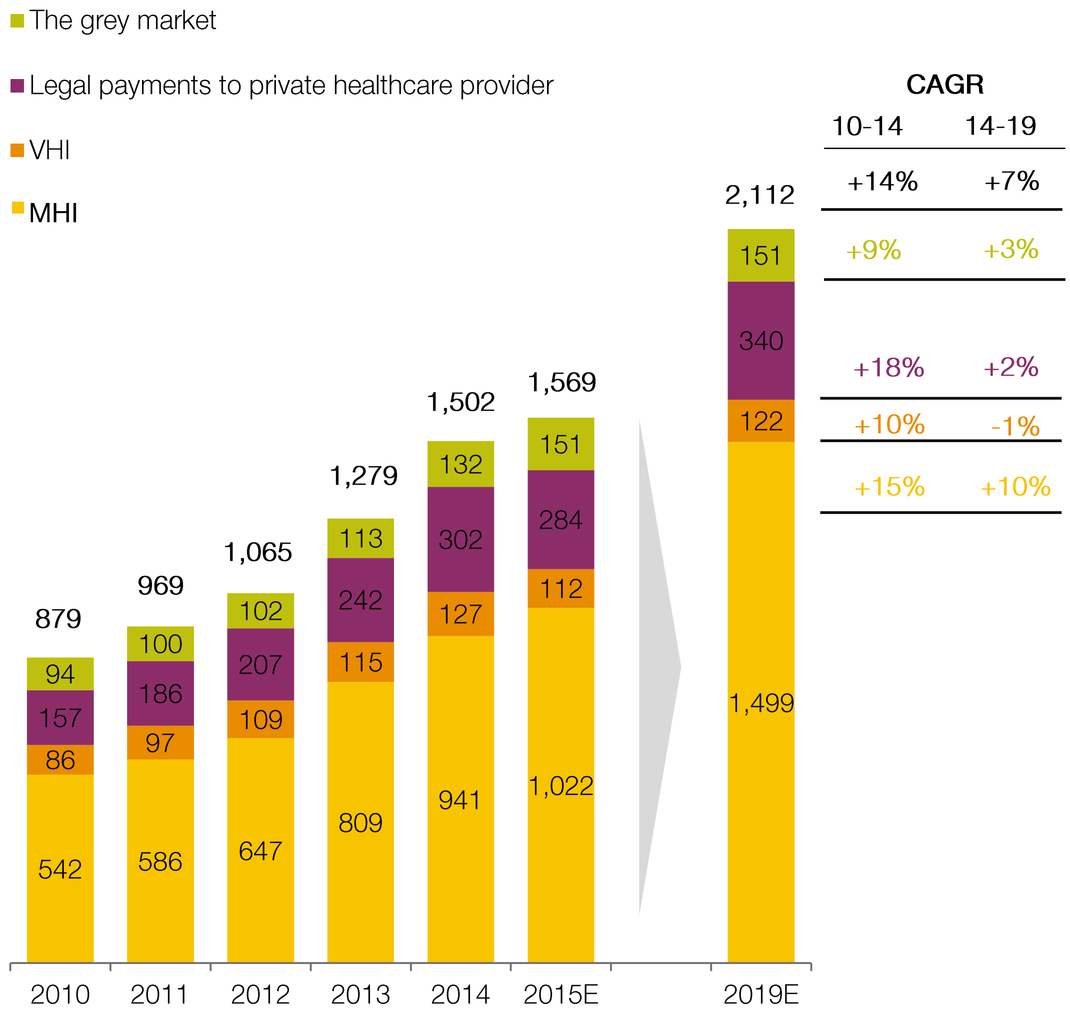
Source: Federal State Statistics Service, RBC magazine
http://top.rbc.ru/economics/26/11/2014/5475d304cbb20fb123d0f4e6f

PROVIDING SIGNIFICANT GROWTH POTENTIAL OF RUSSIAN FEE-FOR-SERVICE HEALTHCARE SERVICES MARKET

Significant room for further growth – per capita healthcare expenditures*



Market Structure, 2014-2019, bn RUB



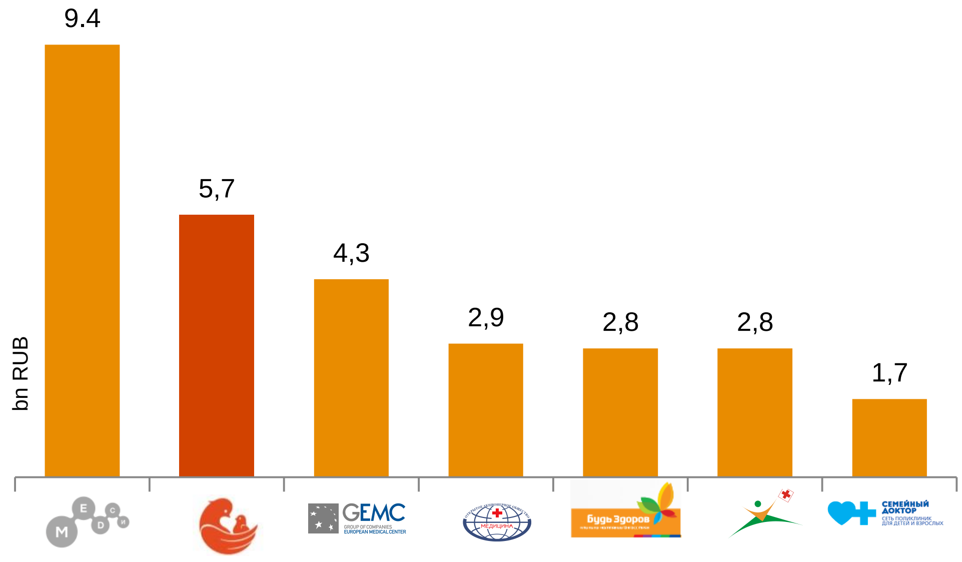
Note: * based on data and exchange rates as of 2013
1 Member countries of the Organisation for Economic Co-operation and Development
Source: Company data, World Bank 2013; BusinessStat 2014

LIMITED COMPETITION: MDMG IS THE ONLY ESTABLISHED PLAYER FOCUSED ON MATERNITY CARE

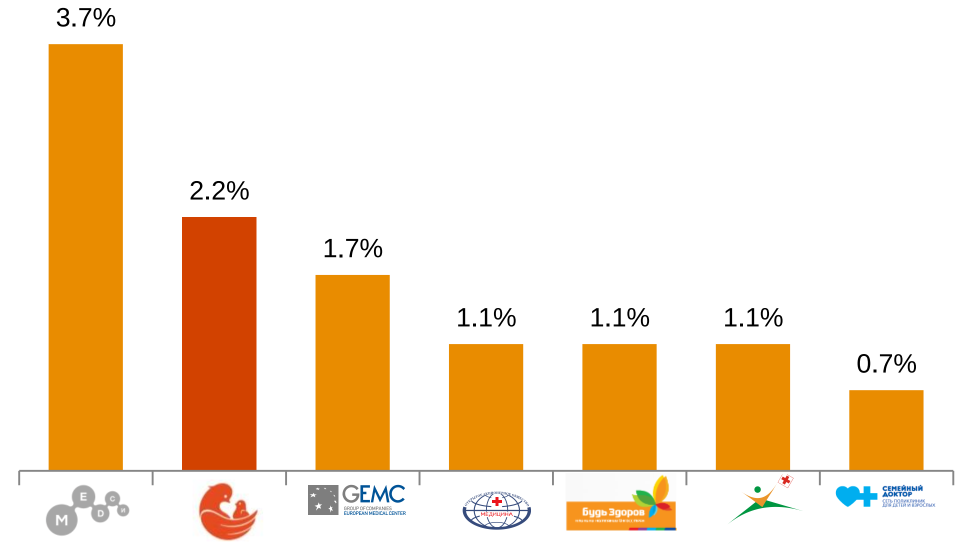
Key players in the market

MDMG		Focus: Women's health and paediatrics Location: Moscow and Russian regions Number of clinics: 23 (incl. 4 hospitals) Number of in-patient beds: 663
General practices	Medsi	Focus : General practices Location: Moscow and Russian regions Number of clinics: 30 clinics (incl. 3 hospitals) Number of in-patient beds: 1,153
General practices	Medicina	Focus: General practices Location: Moscow Number of clinics: 1 hospital Number of in-patient beds: 105
General practices	EMC	Focus: General practices, trauma Location: Moscow Number of clinics: 2 Number of hospitals: 3
General practices	Family Doctor	Focus: General practices Location: Moscow Number of clinics: 14
General practices	Bud Zdorov	Focus: General practices Location: Moscow and Russian regions Number of clinics: 10
Women's health	Scandinavia	Focus: Women's health, IVF Location: Saint Petersburg and Russian regions Number of clinics: 13 (incl. 1 hospital) Number of in-patient beds: 12

Revenue, 2013



Market share in commercial healthcare (2013)[1]



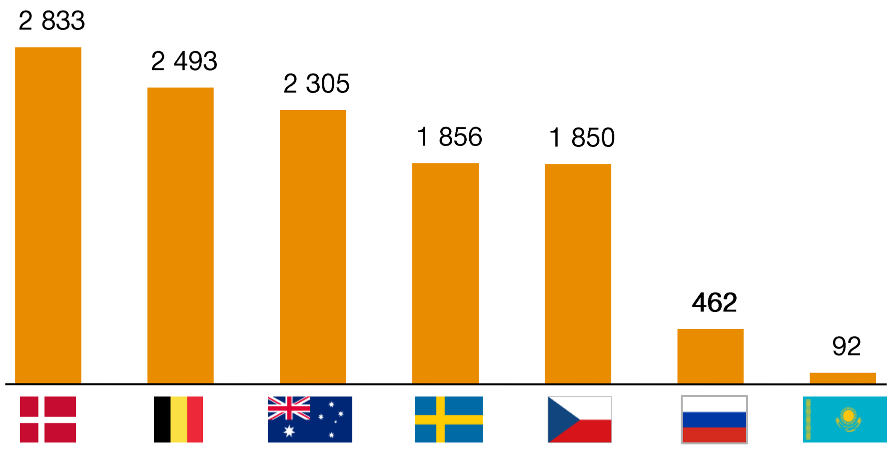
Note: 1 Based on market value of RUB254bn (US$8.0bn) comprised of legal payments to healthcare providers
Source: Company data, public sources

CASE STUDY: IVF SERVICES IN RUSSIA – HIGHLY ATTRACTIVE SEGMENT OF PRIVATE HEALTHCARE SERVICES

Key aspects

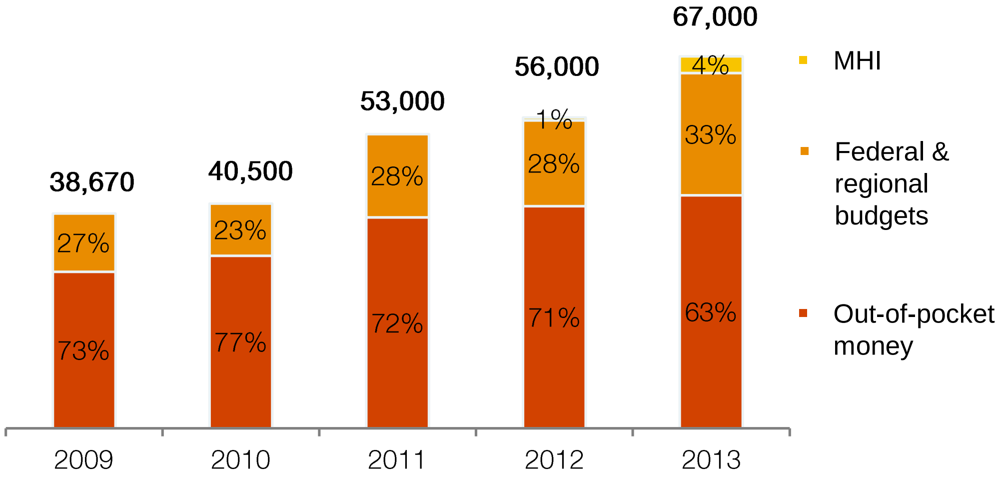
- IVF market in Russia continues to grow with CAGR for 2009 – 2013 of 15%
- Since 2012 government started to provide funding not only for IVF services in public hospitals (federal and regional budgets), but for private healthcare companies as well through MHI system
- General trend seen on the IVF market is reduction of funding provided by federal and regional budgets (only for public hospitals) and growing share of MHI funding. Meaning that private healthcare companies will get more MHI quota for IVF cycles
- It is expected that in 2014 total number of IVF cycles funded by MHI will grow up to 15 000

Number of IVF cycles per 1 million people

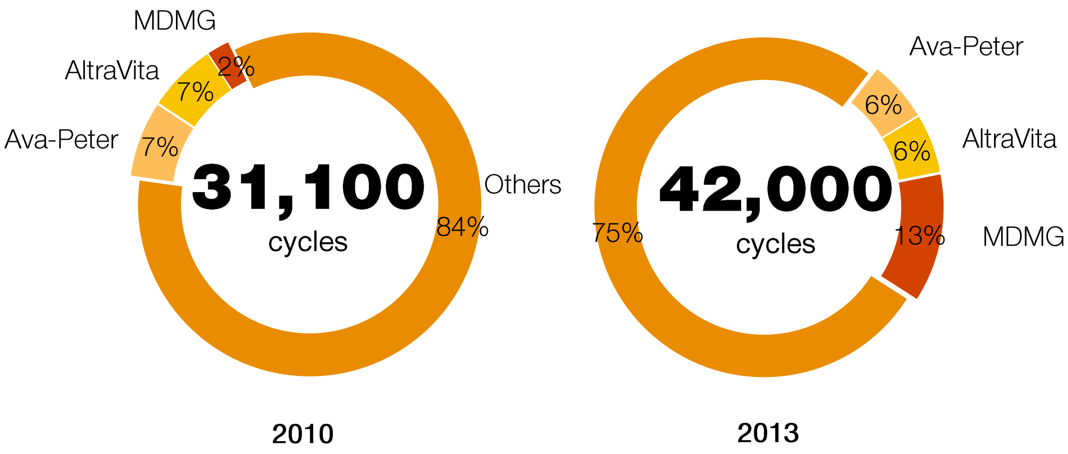


IVF cycles in Russia by source of funding

2009-2013 CAGR= 15%



Structure of IVF market covered by out-of-pocket money



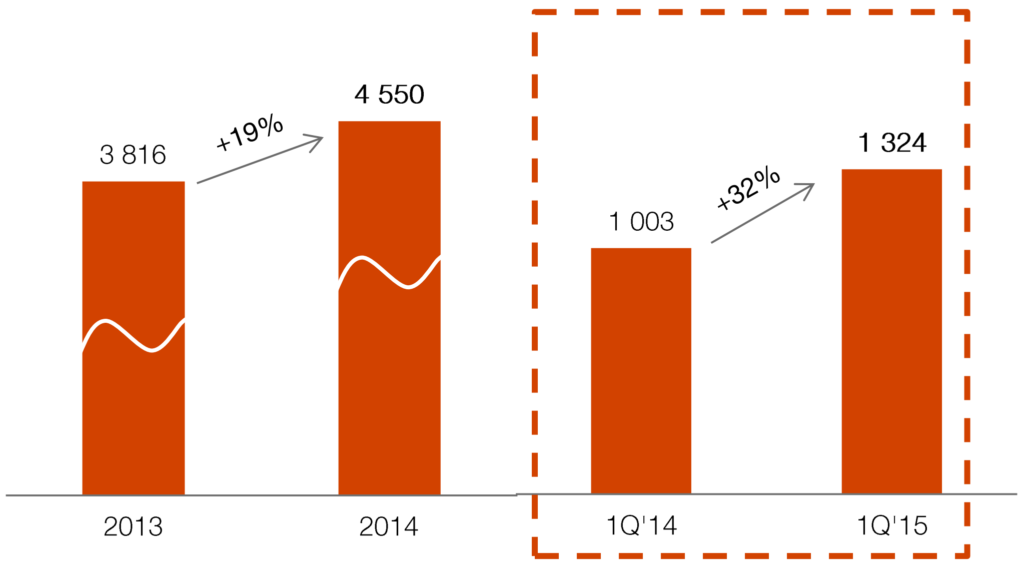
Source: Company estimates

3

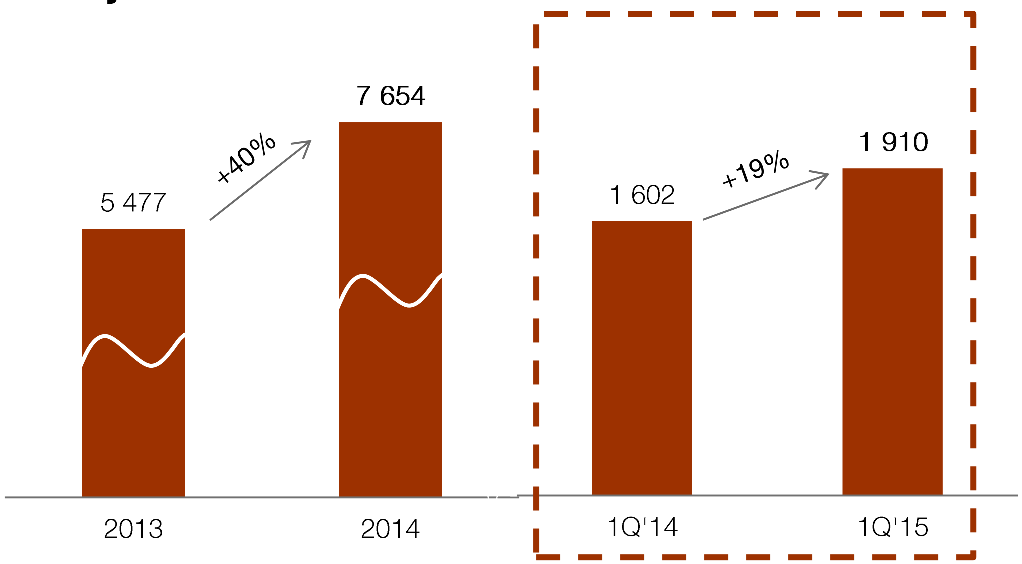
BUSINESS UPDATE

OPERATIONAL RESULTS 1Q'15

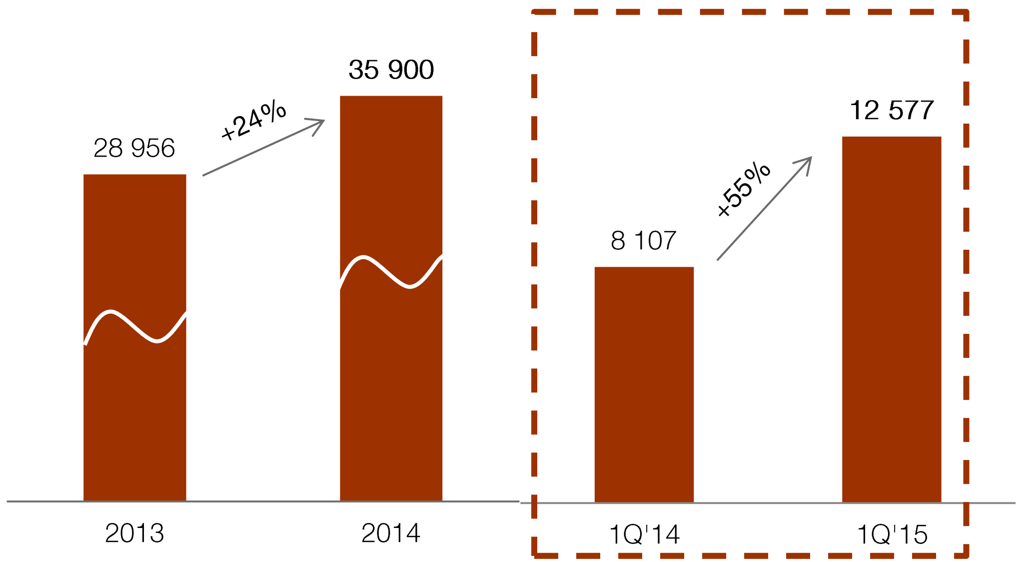
Deliveries



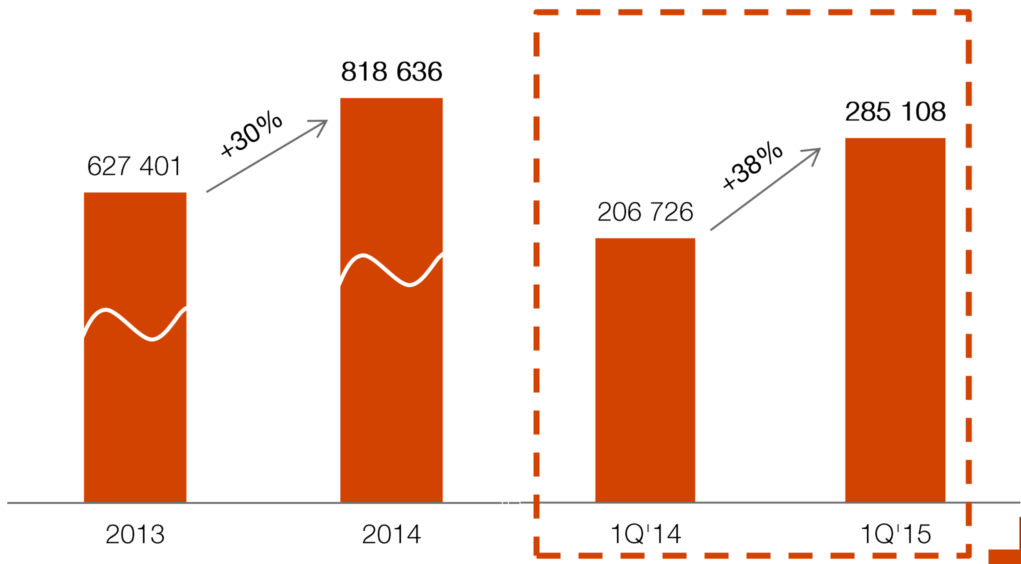
IVF cycles



In-patient treatments



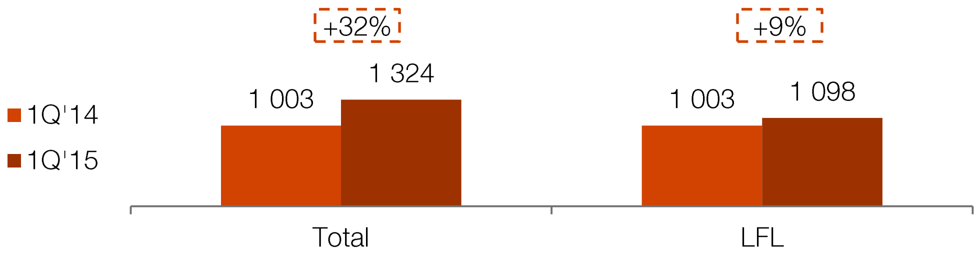
Out-patient treatments



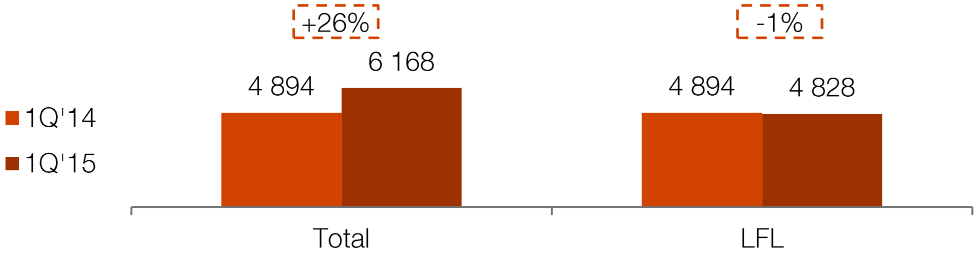
Source: unaudited management estimates

OPERATING PERFORMANCE FOR 1Q'15

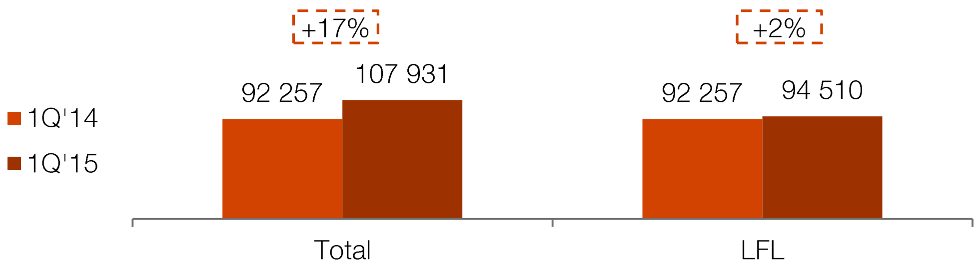
Deliveries



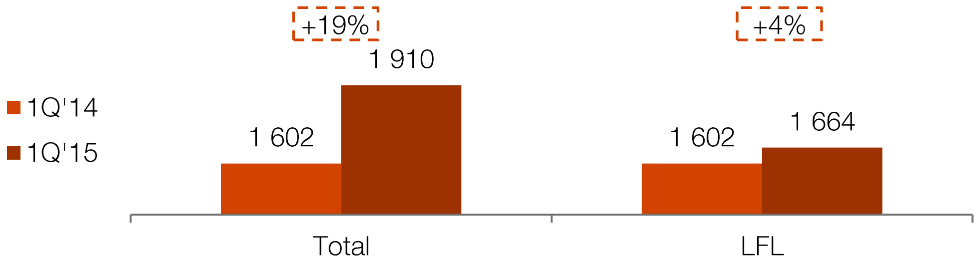
OBGYN in-patient (patient-days)[1]



OBGYN out-patient (visits)



IVF (cycles)



Note: 1 OBGYN excl. deliveries
Source: unaudited management estimates

DELIVERIES

- In 1Q 2015, the total number of deliveries increased 32% y-o-y to 1,324.
- On a LFL basis the total number of deliveries increased by 9% 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 PMC.

OBGYN IN-PATIENT TREATMENTS

- The total number of in-patient treatments in 1Q'15 increased 26% y-o-y up to 6,168
- LFL patient-days had a marginal decrease of 1% y-o-y to 4,828.
- Drivers of the growth were Ufa hospital, Avicenna and Lapino hospital.

OBGYN OUT-PATIENT TREATMENTS

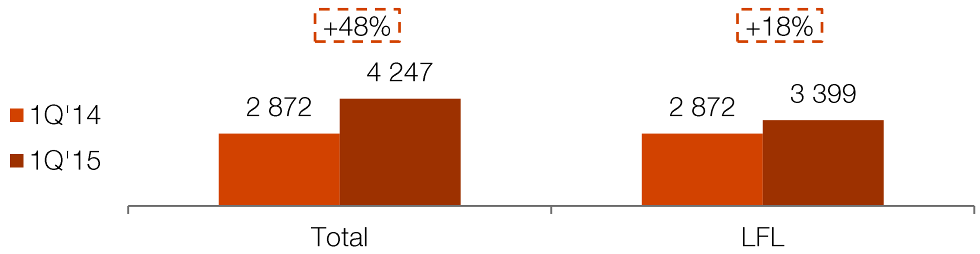
- The total number of OBGYN out-patient treatments in 1Q'15 increased by 17% to 107,931 visits.
- Key triggers for the growth were also Ufa, Novosibirsk, Lapino hospital, and better performance of other clinics.

IVF

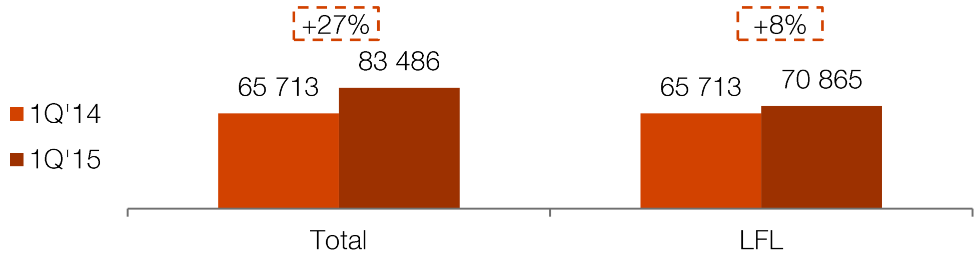
- The total number of IVF cycles in 1Q'15 increased 19% y-o-y to 1,910.
- The overall growth in IVF cycles was primarily due to strong performance of Group's clinics as well as positive effect of consolidation of Avicenna.

OPERATING PERFORMANCE FOR 1Q'15

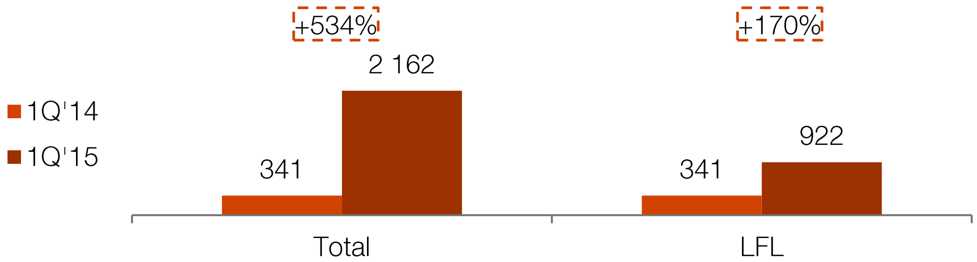
Paediatrics in-patient (patient-days)



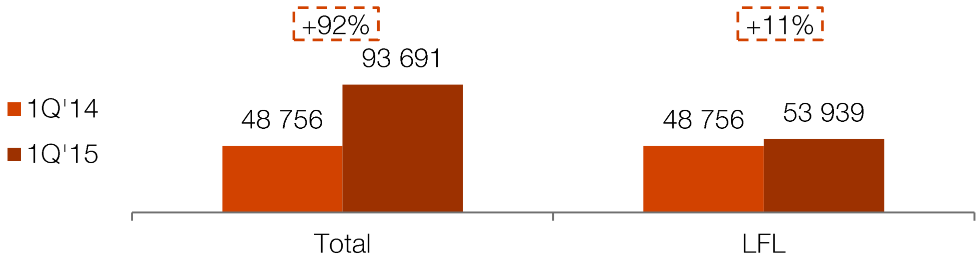
Paediatrics out-patient (visits)



Other services in-patient (patient-days)



Other services out-patient (visits)



Source: unaudited management estimates

PAEDIATRICS IN-PATIENT TREATMENTS

- The total number of paediatrics in-patient treatments in 1Q'15 increased by 48% to 4,247.
- The growth was supported by Ufa hospital and better performance of Lapino and PMC.

PAEDIATRICS OUT-PATIENT TREATMENTS

- The total number of paediatrics out-patient treatments in 1Q'15 increased by 27% to 83,486 visits.
- The total increase in out-patient treatments was mostly driven rapid growth in Ufa and Lapino as well consolidation of Avicenna.

OTHER MEDICAL SERVICES

- The total number of other medical in-patents treatments (surgery traumatology) in 1Q'15 increased by 534% y-o-y to 2,162 due to consolidation of Avicenna and Ufa ramp-up while Lapino drove LFL growth.
- The total number of other medical out-patient treatments in 1Q'15 increased by 92% y-o-y to 93,691.
- The largest share in other medical out-patient treatments growth was related to Avicenna Medical Center, diagnostic centers at Ufa, Lapino and PMC as well as number of rehabilitation treatments.

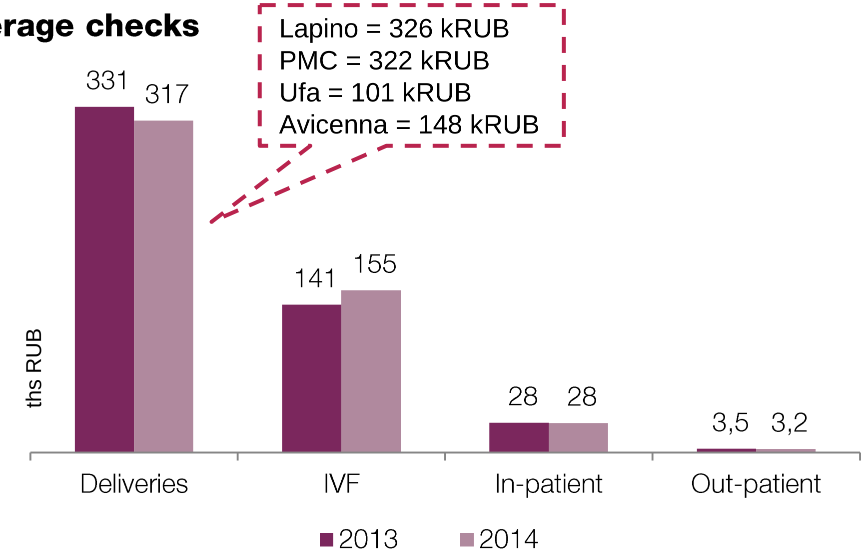
4

FY 2014 FINANCIAL RESULTS

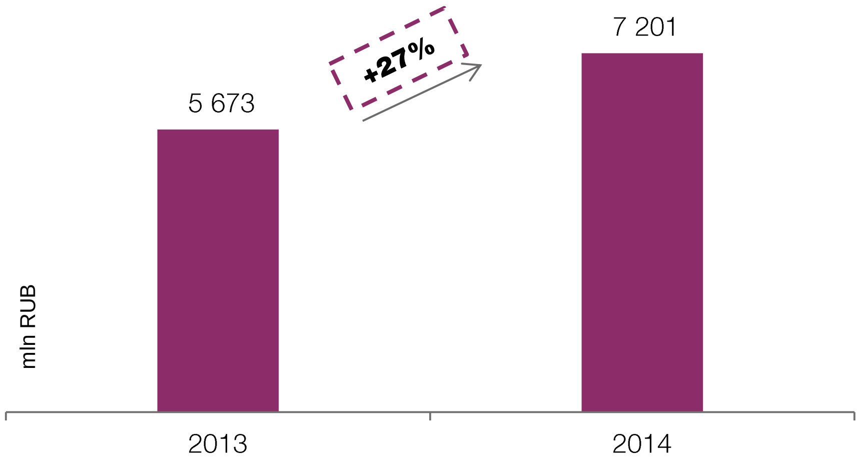
KEY FINANCIAL INDICATORS FOR 2014

- **Company increased its revenue and EBITDA in FY2014 by 27% and 31% respectively vs. FY 2013**
- EBITDA margin accounted to 29%
- Average check for deliveries at PMC remained flat y-o-y, average numbers for Lapino decreased by 5% due to slightly diluted share of VIP contracts in overall growing volumes (+50% y-o-y)
- Average check for out-patient services was slightly diluted by regional clinics integrated to the Group due to discounted prices in the regions
- Group's average price increase was 3-7%, since management is focused on increase of capacity utilisation.

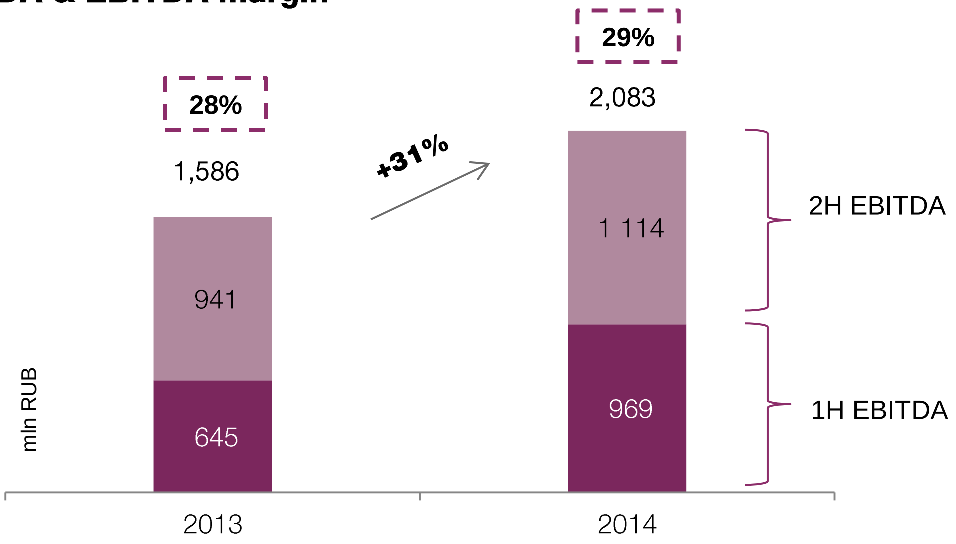
Average checks



Revenue



EBITDA & EBITDA margin



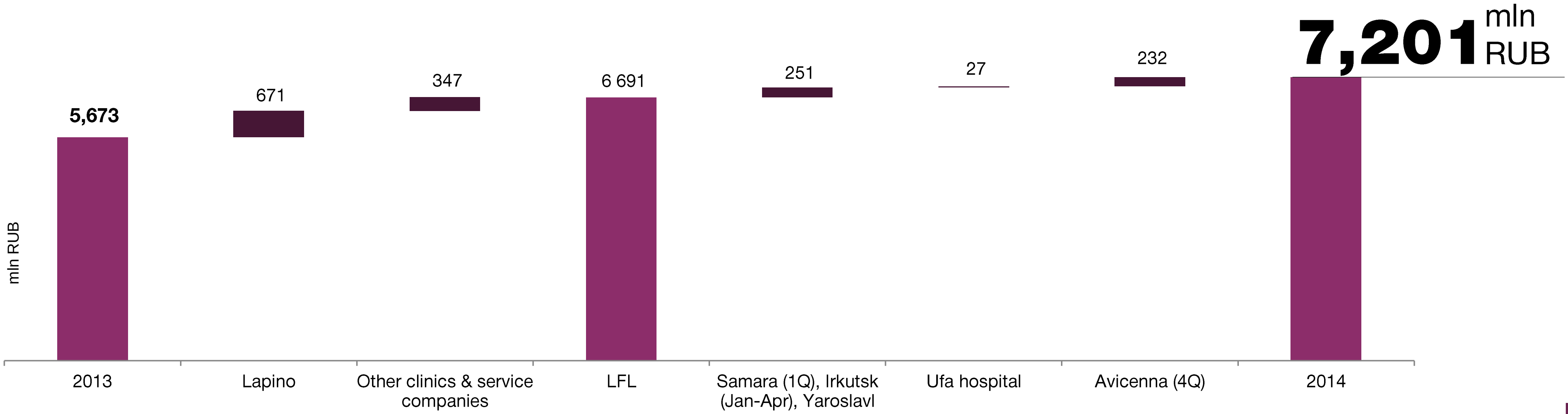
Source: FY2014 audited financial statements under IFRS

REVENUE BRIDGE ANALYSIS

Revenue increased 27% y-o-y accounting for 7,201 mln RUB

- LFL revenue increased by 18% or by 1,018 mln RUB:
  - Lapino again was the largest contributor to revenue growth as a result of increasing capacity utilisation, adding 671 mln RUB or 12% y-o-y to Group Revenue
  - Other clinics of the Group contributed a further 6% or 347 mln RUB
- FY 2014 top-line results were also significantly influenced by clinics in Samara and Irkutsk that were consolidated in April and May 2013 respectively. Their operating results for the same months of 2014 are included in the LFL figure. However, clinics in Samara, Irkutsk and the new clinic in Yaroslavl added a further 251 mln RUB on top of the LFL growth
- Newly acquired Avicenna Medical company was consolidated since 4Q, however made a noticeable impact on full year revenue adding extra 232 mln RUB

Revenue bridge FY2014 vs FY2013

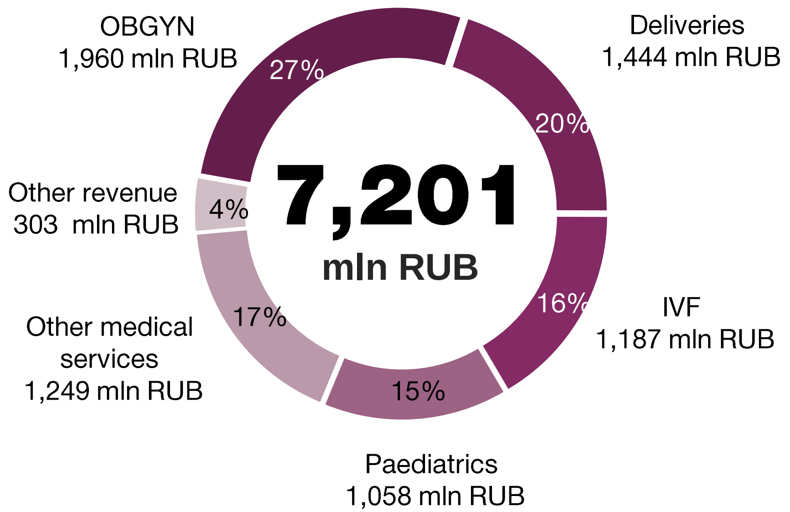


Source: FY2014 audited financial statements under IFRS

REVENUE STRUCTURE

- Total revenue increased by 27% y-o-y and amounted to 7,201 mln RUB
- The growth was provided within three revenue lines:
  - OBGYN increased by 204 mln RUB, 12% y-o-y
  - IVF grew by 387 mln RUB, 48% y-o-y
  - Other Medical Services increased by 73%, 528 mln RUB y-o-y
- OBGYN services and deliveries accounted for 47% of the Group's revenue. IVF, paediatrics and other medical services contributed to Group revenue in relatively equal proportions (c.16%)

Revenue structure by type of revenue, %



Revenue dynamics by type of revenue, mln RUB

2013	2014	Change, %	Type of revenue	LFL 2013	LFL 2014	Change, %
1,757	1,960	12% ↑	OBGYN (excl. deliveries)	1,757	1,859	6% ↑
1,261	1,444	14% ↑	Deliveries	1,261	1,424	13% ↑
800	1,187	48% ↑	IVF	800	1,053	32% ↑
892	1,058	19% ↑	Paediatrics	892	1,028	15% ↑
721	1,249	73% ↑	Other medical services	721	1,036	44% ↑
241	303	25% ↑	Other revenue	241	291	20% ↑
5,673	**7,201**	**27%**		**5,673**	**6,691**	**18%**

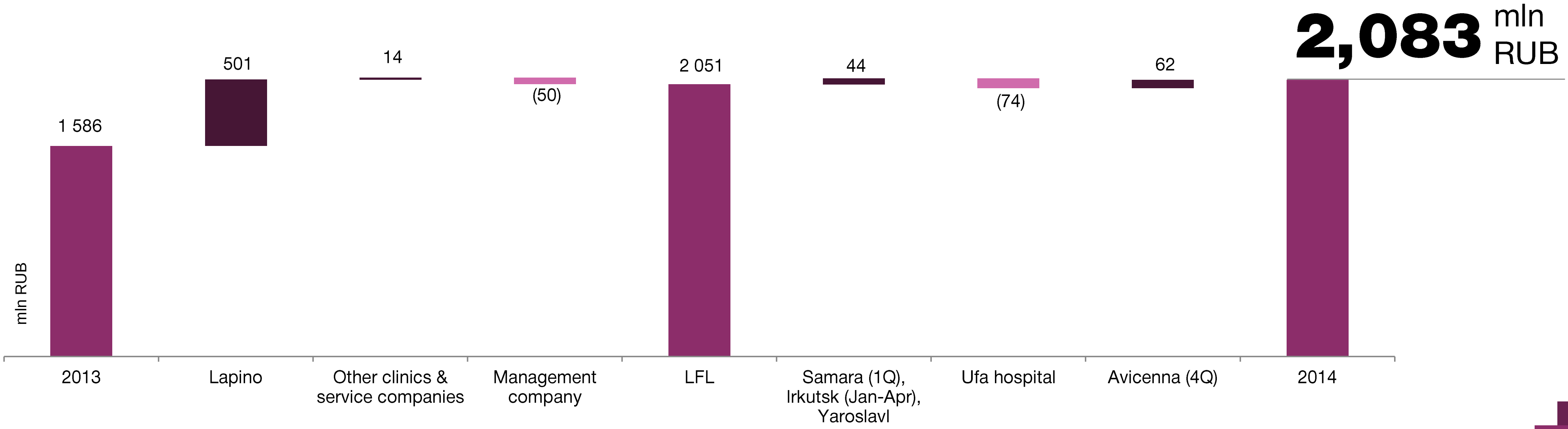
Source: FY2014 audited financial statements under IFRS

EBITDA BRIDGE ANALYSIS

EBITDA increased 31% y-o-y accounting for 2,083 mln RUB with EBITDA margin reaching 29%

- Lapino again was the crucial factor for EBITDA growth during 2014, boosting EBITDA by 31% or by 501 mln RUB
- LFL EBITDA for the year grew by 30% or by 482 mln RUB
- Avicenna added to group EBITDA extra 62 mln RUB during 4Q 2014
- Ufa hospital made negative effect on 2014 EBITDA amounting to 74 mln RUB due to its early opening in October 2014. Thank to early opening of the hospital CAPEX in RUB terms remained in line with budget: average USD rate for the project was ca 35 RUB.
- The increase in management company costs slowed down compared to FY2013 and had marginal negative effect of 50 mln RUB.

EBITDA bridge FY2014 vs FY2013

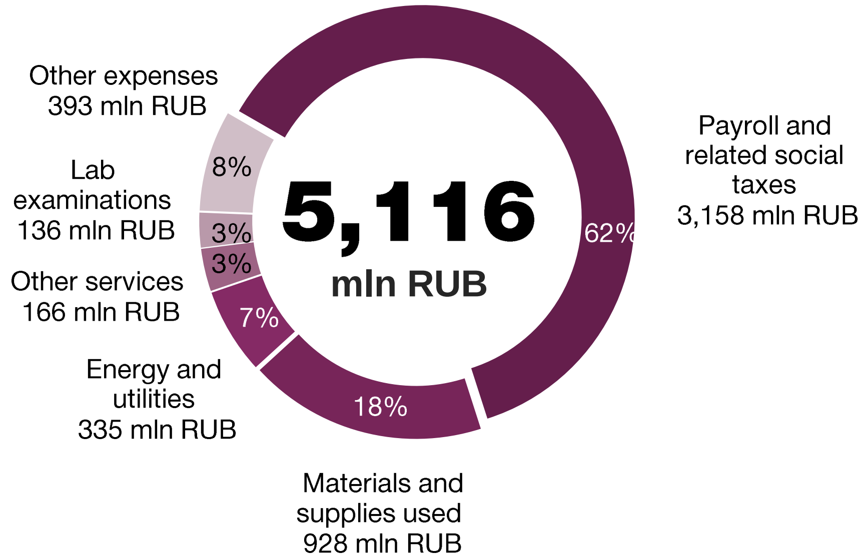


Source: FY2014 audited financial statements under IFRS

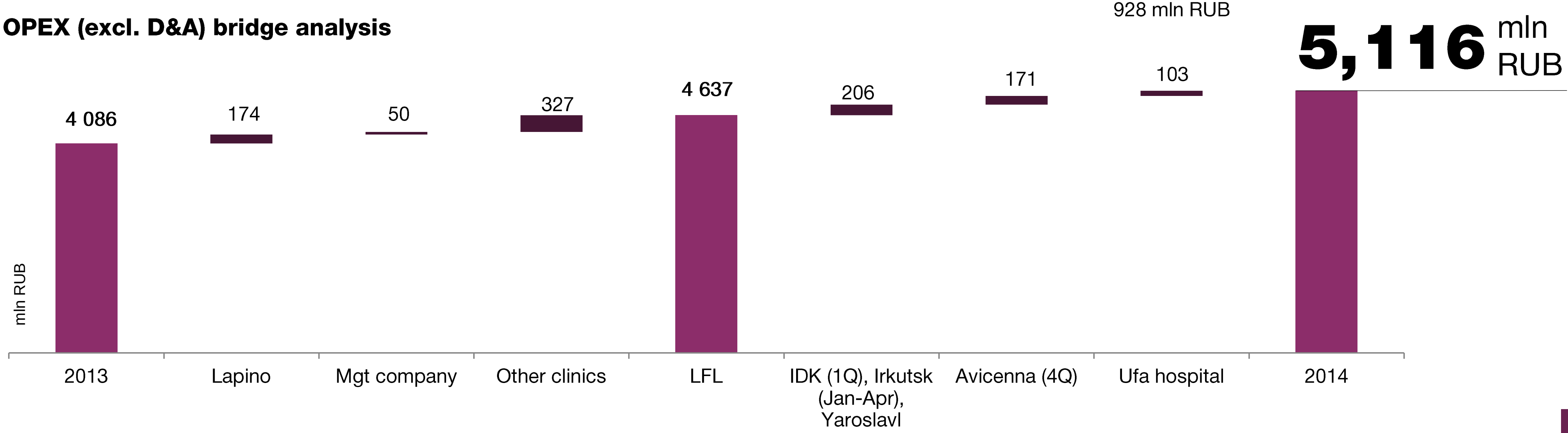
OPERATING EXPENSES, EXCL. D&A

- **In 2014 revenue grew faster than operating expenses (excl. D&A) by 2 p.p.**
- OPEX (excl. depreciation & amortization) increased by 25% and amounted to 5,116 mln RUB
- LFL OPEX (excl. D&A) increased 13% y-o-y or 551 mln RUB
- LFL operating expenses were influenced by growing volumes of services provided as well as depreciation of RUB and related growth of materials costs
- Effect of operations of clinics in Samara, Irkutsk and Yaroslavl above LFL period* is shown separately and adds extra 206 mln RUB
- Ufa added extra 103 mln RUB to OPEX with the largest numbers coming from 1) recruited staff; 2) property tax (14 mln RUB) was paid in Nov-Dec 2014 in order to save tax holidays for upcoming five full years

OPEX ex. D&A structure



OPEX (excl. D&A) bridge analysis

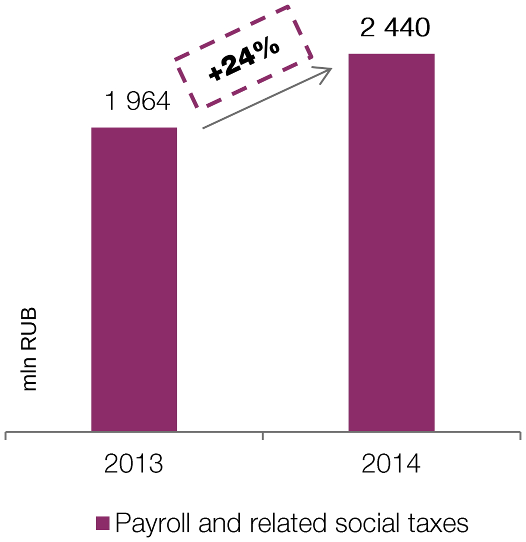


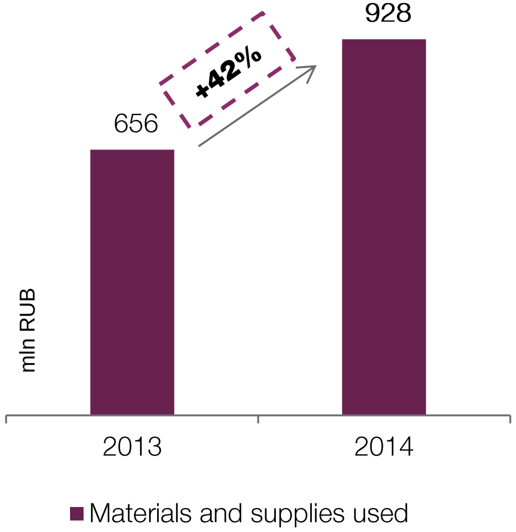
Source: 1H 2014 audited financial statements under IFRS

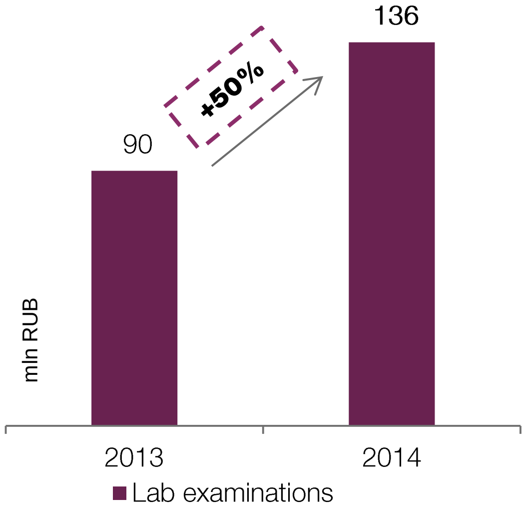
*- LFL period includes 2Q-4Q'14 of operations for Samara clinics, May – June 2014 for Irkutsk. Results from operations from the rest of the months are shown above LFL

COST OF SALES, EXCL. D&A

CoS comparison







- CoS growth rate of 25% was lower than revenue growth 27%.
- LFL CoS (excl. D&A) increased by 13% or 434 mln RUB, vs. LFL revenue growth of 18%
- The following costs were mostly affected by growing capacity utilisation at Lapino, consolidation of Avicenna, opening of Ufa hospital and full year of operations of Samara clinics
  - Payroll costs increased 24% y-o-y or 475 mln
  - Materials grew up by 273 mln RUB or 42%. Growth of materials costs outstripping revenue rates is related to ca 20% growth of average 2014 FX rate for USD and Euro
- Laboratory examinations expenses increased by 50% y-o-y or by 46 mln RUB on the back of growing volumes of analysis with the corresponding revenue outstripping costs growth
- Lapino and the local government agreed a 50% rebate on property tax starting from April 2014. During FY2013 tax was 100% paid, since April Lapino was exempted from tax payments until tax accruals exceed previous payments.

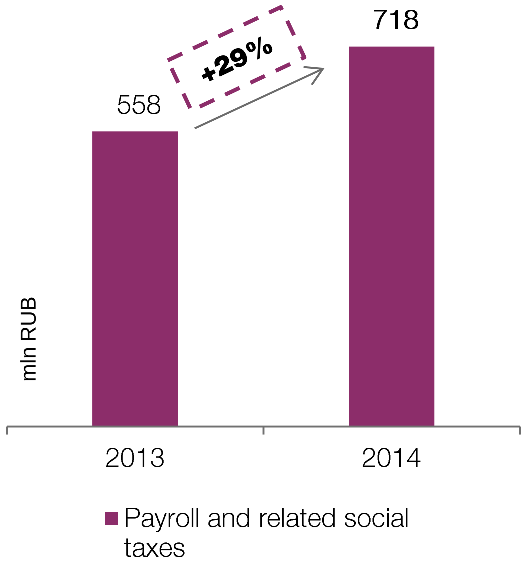
Revenue and CoS growth rate, mln RUB

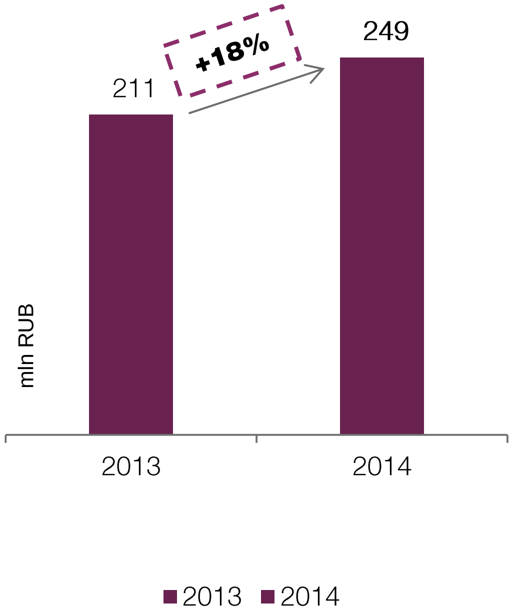
Indicator	2013	2014	Change %
Revenue	5,673	7,201	+27%
CoS (excl. D&A)	3,034	3,789	+25%

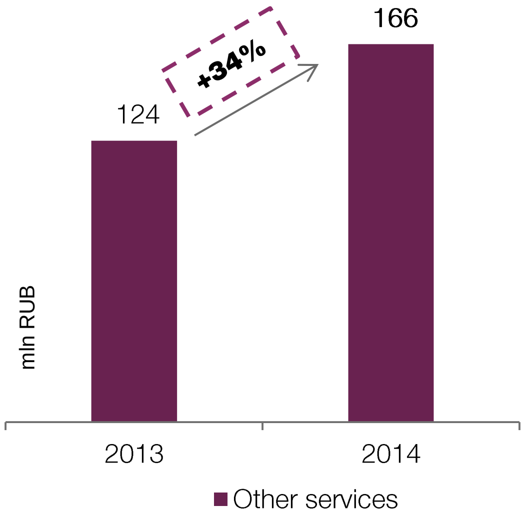
Source: FY2014 audited financial statements under IFRS

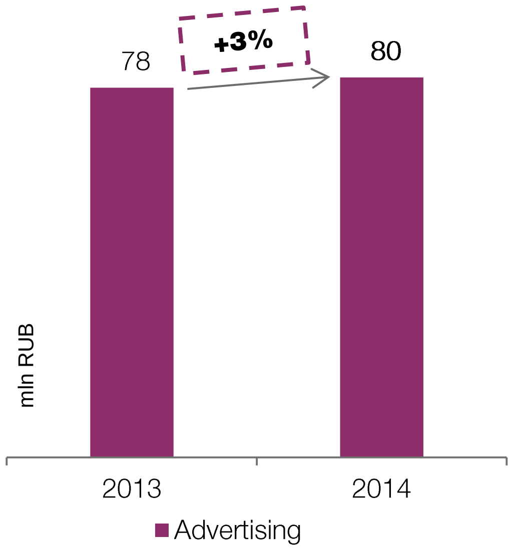
G&A, EXCL. D&A

G&A comparison









Source: FY2014 audited financial statements under IFRS

- **LFL G&A (excl. D&A) increased 12% or by 135 mln RUB** vs. LFL revenue growth of 18%
- The following expenses increased in FY2014 y-o-y mostly due to growing capacity utilisation at Lapino, opening of Ufa hospital, consolidation of Avicenna and effect from full year of operations of Samara clinics:
  - Payroll expenses (including social tax expenses) increased by 29% and amounted to 718 mln RUB. Growth of payroll was partially affected by the management company.
  - Utilities and materials grew up by 18% or 38 mln RUB y-o-y
- Other services that comprises 12% of total G&A (excl. D&A) grew by 42 mln RUB mostly on the back of RUB depreciation during the period since most of contracts for audit and consulting were in foreign currency.
- Advertising expenses in FY2014 were almost flat y-o-y due to the fact that the Federal Law on advertising of medical services (was in force during the 1H 2014) restrained advertising opportunities and there were no big marketing campaigns for start-ups.

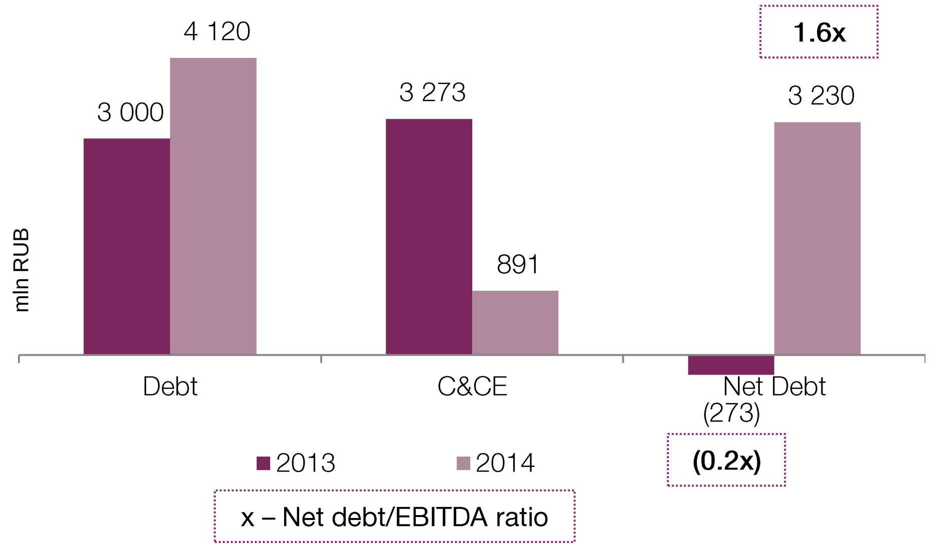
Revenue and G&A growth rate, mln RUB

Indicator	2013	2014	Change %
Revenue	5,673	7,201	+27%
G&A (excl. D&A)	1,052	1,328	+26%

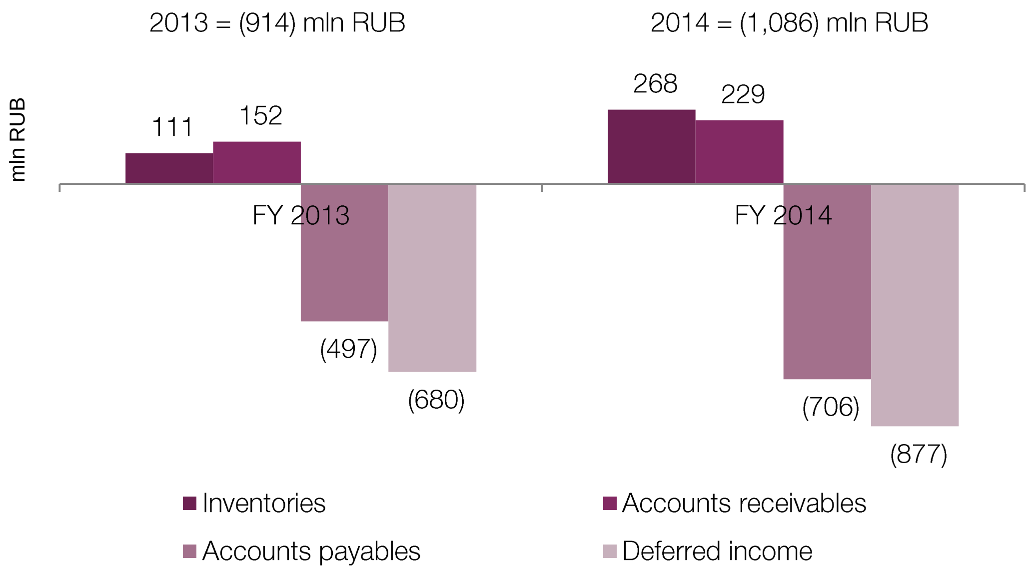
WORKING CAPITAL AND NET DEBT

- **The Company's debt increased by 37% to 4,120 mln RUB** for FY 2014 due to new debt raised for Avicenna M&A
- **100% of debt is RUB nominated;** 80% of the debt is long-term with maturity years - 2018-2019. 55% of existing loans will be repaid in 2016-2017
- **Company's cash & cash equivalents amounted to 891 mln RUB.** The decrease of cash & cash equivalents position is mostly related to payments for Ufa project
- **Net debt to EBITDA ratio equals 1.6x**
- **The company works with negative working capital** as a source of additional financing. Working capital increased 19% y-o-y to (1,086) mln RUB

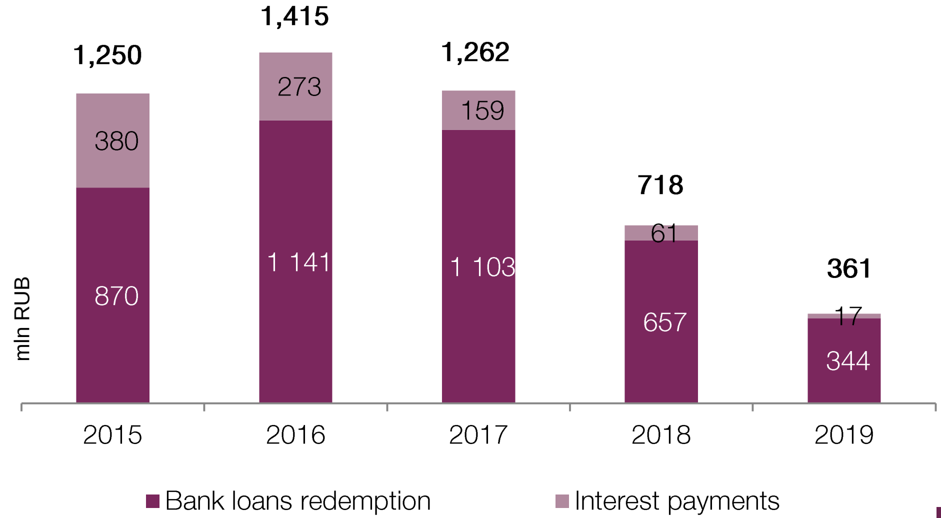
Debt



Net working capital



Well-balanced and sustainable debt structure

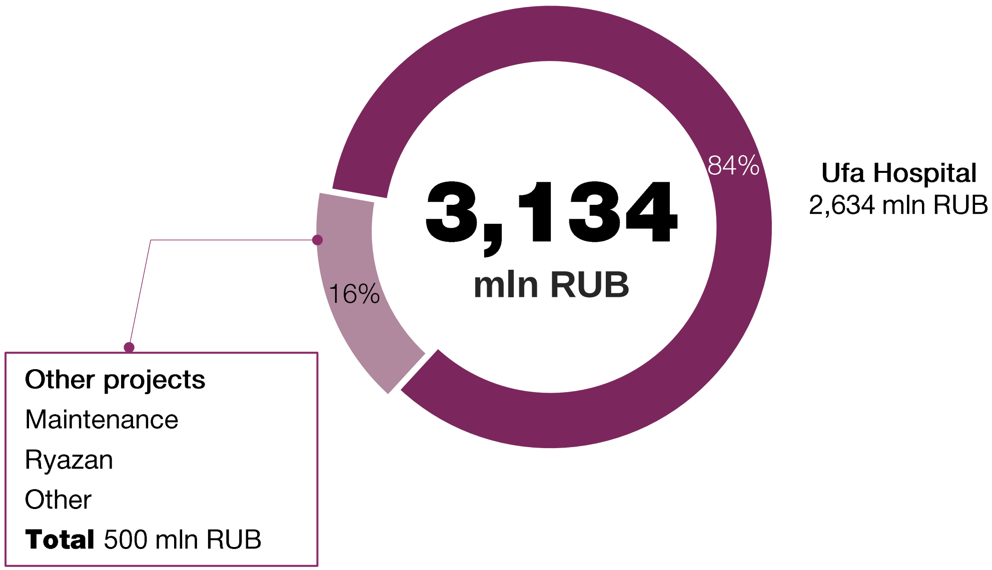


Source: FY 2014 audited financial statements under IFRS

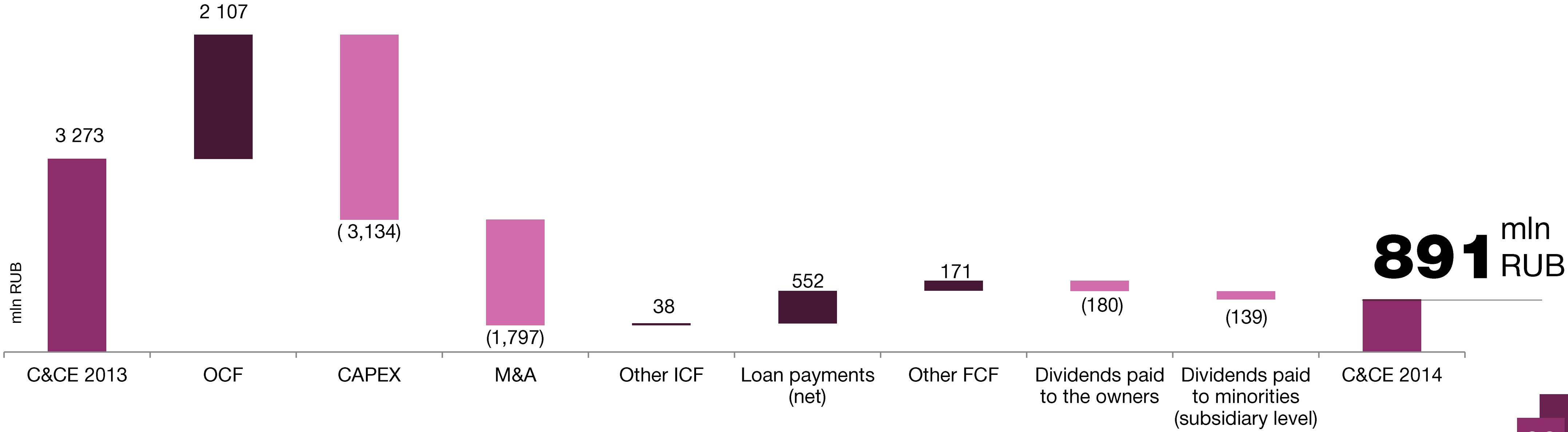
CAPEX & CASH FLOW

- **The company's cash and cash equivalents amounted to 891 mln RUB** as of 31 December 2014
- **OCF amounted to 2,107 mln RUB and increased 27% vs. 2013**
- The main cash outflow was for investing activity (4,931 mln RUB) owing to significant investments in Ufa hospital and financing of Avicenna M&A deal
- Investment cash inflow (38 mln RUB) was mostly related to interest received
- Net raised bank loans and finance expenses amounted to 552 mln RUB
- Dividends payment amounted to 319 mln RUB

CAPEX Structure



Cash Flow waterfall



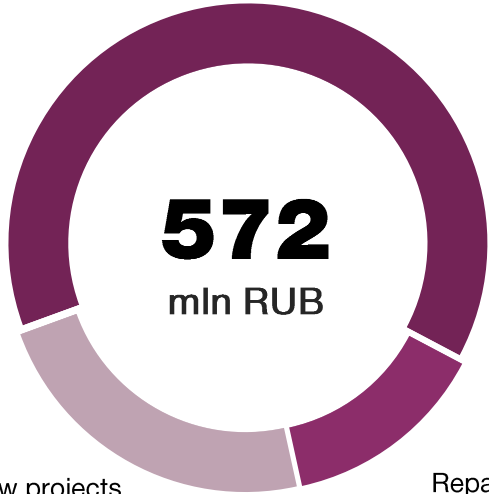
Source: FY2014 audited financial statements under IFRS

CAPEX PLAN FOR 2015, ex. M&A

- Company approved CAPEX plan for 2015 in amount of 572 mln RUB, ex. potential M&A deals
- Management did not include CAPEX for new hospital for 2015 since:
  - At first, Ufa hospital should prove it is successful story. And afterwards the decision on construction of next hospital, city and size of project will be made based on Ufa ramp-up process and its results
  - Management of the Company decided to temporarily put on hold new hospital construction taking into account new macroeconomic

Maintenance = **362 mln RUB**:

- Equipment and instruments renewal
- IT projects



New projects = **131 mln RUB**:

- Optimisation of premises and its location for clinics in Samara
- Opening of IVF dep at MC Yugo-Zapad clinic
- Moving of MC Sokol clinic to new and more spacy premises

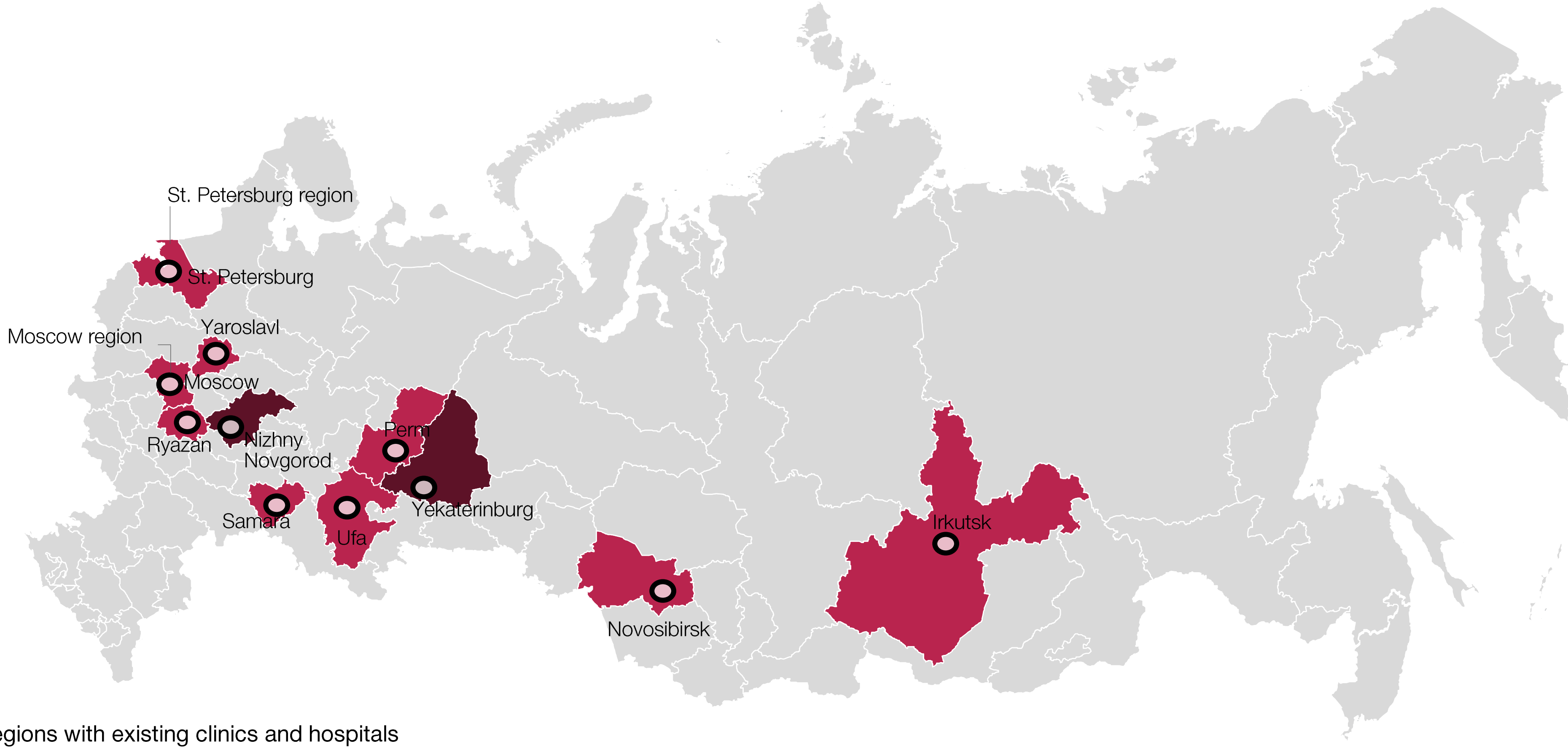
Repayment = **79 mln RUB**:

- Repayment of Lapino and Ufa

5

OUR STRATEGY

MID-TERM REGIONAL EXPANSION STRATEGY



Regions with existing clinics and hospitals

Target regions for planned mid-term expansion

Key points

- Company sees its regional expansion as one of key strategic targets
- Presence in new regions would be achieved through organic growth and M&A
- Top priority for Company's attention would be cities with population over 1 mln people and high level of disposable income
- MDMG continues to look for new attractive locations in the cities of its presence, i.e. Moscow, Saint Petersburg

STRATEGY IN ACTION: UFA, BASHKORTOSTAN

Key facts about Ufa hospital

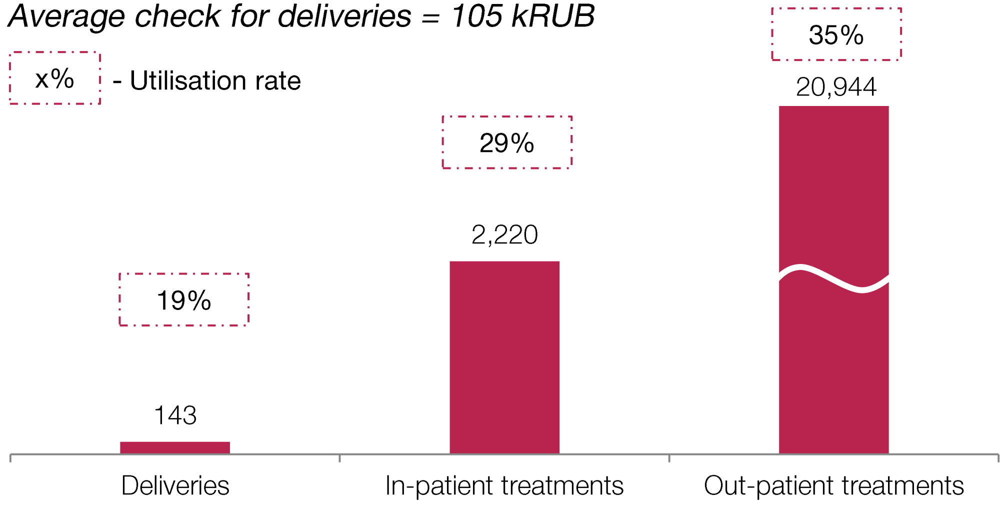
- The first Company's hospital outside of the Moscow region
- Total area is 33,000 m2 with 192 beds
- Will provide employment opportunities for c.800 people
- A multi-purpose hospital offering a wide range of high-quality services, some of which are not currently available in the republic. List of services will include:
    - Deliveries
    - IVF
    - Gynaecology and obstetrics in- and out-patient care
    - Paediatrics in- and out-patient care
    - Neonatology
    - Surgery, urology, stem cell bank

Capacity

- **Deliveries** – 3,000 units
- **OBGYN** – 18,000 patient days
- **IVF** – 1,100 IVF cycles
- **Paediatrics** – 13,000 patient days
- **Out-patient services capacity** - c240k admissions

First operational results & average ticket for 1Q 2015

Average check for deliveries = 105 kRUB



6

CHANGES IN RUSSIAN LAWS

DE-OFFSHORISATION LEGISLATION

LEGAL CHANGES

- Since Jan 1, 2015 new Federal Law came into force. It **introduces** in the legislation **a package of measures aimed at ensuring a "deoffshorisation" of the Russian economy** and, as such, new rules regarding the taxation of income derived by foreign companies
- **New legal conceptions** introduced into Russian laws: Controlled foreign companies (CFC) and Russian tax residence for foreign legal entities
- **What does it mean:** Any off-shore registered company that meets ANY of the following criteria considered to be CFC:

1. The majority of the Board of Directors meetings are held on the territory of Russia	4. Bookkeeping or managerial accounting of the organisation is carried out in Russia
2. Executive body activities are regularly exercised in Russia	5. Work paper management is carried out in Russia
3. Top management functions are exercised by key organisation officials from Russia	6. Operational personnel management is conducted from Russia

- **Management believes** that declaring Company as Cypriot tax resident under the new law is value dilutive for the business, since in that case Group should, i.e. move top and operational management to Cyprus, run all the accounting from Cyprus etc.
- <u>The abovementioned changes concern ONLY the tax residence of MDMG</u> and do not affect the corporate residence the company's jurisdiction, do not follow the changes to the charter, and do not change the rights of any company's shareholders, the powers of the general shareholders meeting or of the board of directors.

CHANGES IN DIVIDEND TAXATION*

- **What is new:** shift to taxation of dividends under Russian Tax Code
- **What has changed:** Withholding tax on dividends distributed by MDMG to minority shareholders increased from 0% up to 5-15%
  - <u>15%</u> - Base rate
  - <u>5-15%</u> - A reduced rate may be applied in the case of Russian tax residents and residents of foreign jurisdictions whose Governments have signed a double taxation treaty ("DTT") with the Government of Russia (i.e. the USA, UK, Ireland etc. Full list of countries is provided on Group's web-site)
- Shareholders have the **right to reclaim taxation** withheld by the Company from the Russian tax authorities, or to **apply** to MDMG for **reduced tax rate** treatment. In that case shareholders should provide documents** including but not limited to the following :
  - Documents confirming ownership of shares or GDRs of the Company as of 5 June 2015 (the record date for the dividend);
  - Certificate of tax residency (or other similar document);
  - Letter of guarantee confirming that that person is the beneficial recipient of the dividend;
  - Documents confirming the credentials of the signatory of the letter of guarantee.
- MDMG acts as a tax agent and withholds tax in order to transfer it to the Russian tax authorities when paying dividends

* Full information regarding changes in dividend taxation procedures is available on the Group's web-site http://www.mcclinics.com/media/news/83.html

** In order to get reduced tax rate for FY 2014 dividends documents should be provided **<u>no later than 26 June 2015</u>**

CONTACTS

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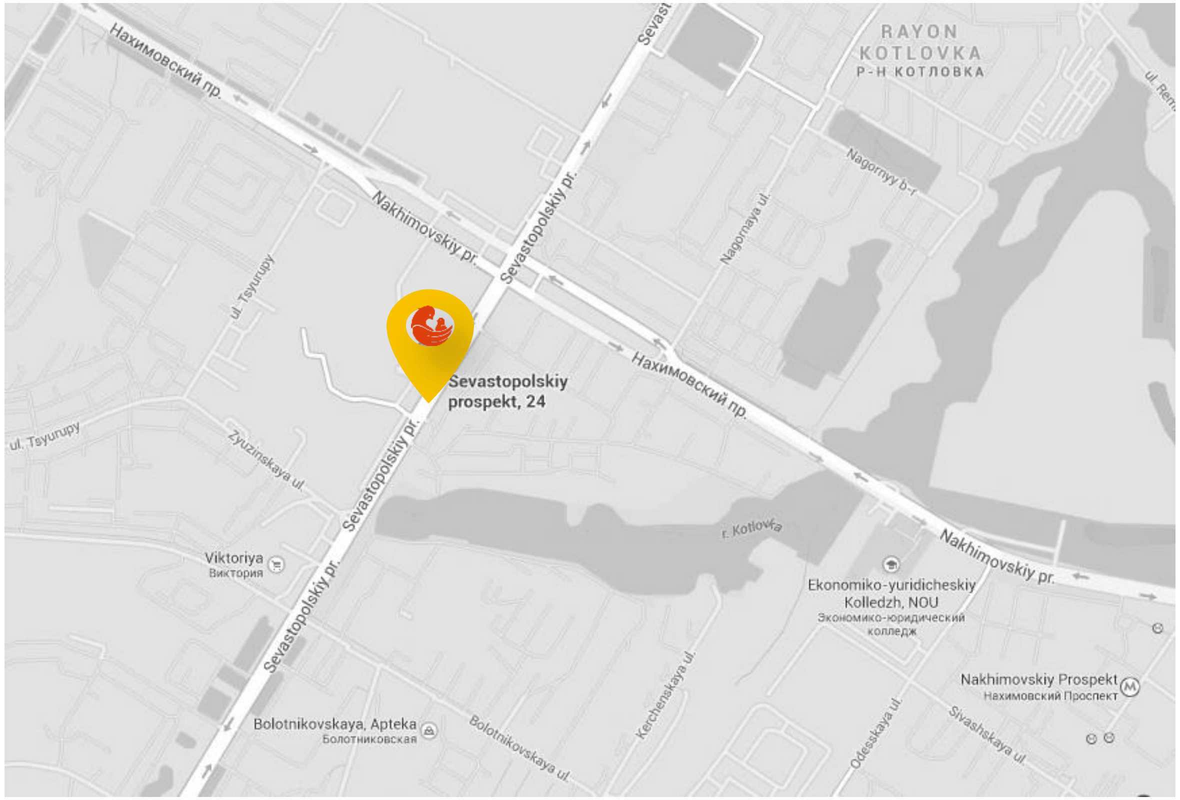

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Appendix

Revenue analysis

	2014	2013
Obstetrics and Gynaecology		
In-patient treatments		
RUB mln	685	618
patient days	20,331	18,577
kRUB per day	33.7	33.3
% of total*	35%	35%
Out-patient treatments		
RUB mln	1,276	1,138
Admissions	382,430	306,822
kRUB per admission	3.3	3.7
% of total*	65%	65%
Deliveries		
RUB mln	1,444	1,261
Deliveries	4,550	3,816
kRUB per delivery	317.3	330.5
IVF		
RUB mln	1,187	800
Cycles	7,654	5,477
kRUB per cycles	155.1	146.1
Paediatrics		
In-patient treatments		
RUB mln	205	162
Patient-days	11,454	8,991
kRUB per patient day	17.9	18.0
% of total*	19%	18%
Out-patient treatments		
RUB mln	853	730
Admissions	272,693	225,720
kRUB per admissions	3.1	3.2
% of total*	81%	82%

- Increase of revenue from OBGYN in-patient treatments by 11% y-o-y up to 685 mln RUB is explained by continued successful ramp-up at Lapino, effect of FY of operations and better results of Samara clinics and consolidation of Avicenna.
- Revenue from OBGYN out-patient treatments increased 12% y-o-y and reached 1,276 mln RUB. Number of out-patient admissions increased by 25% y-o-y since Lapino is gaining momentum and due to full period of operations of new clinics in Samara and Irkutsk as well as their better operating results vs. corresponding period of last year. However, since prices in the regions of Russia are lower than in Moscow average check for out-patient services was slightly diluted by larger share of regional clinics in Group's revenue.
- Revenue from deliveries increased 15% y-o-y and amounted to 1,444 mln RUB on the back of Lapino continued ramp-up, consolidation of newly acquired Avicenna Medical Centre and first results of Ufa hospital. Average check for deliveries at PMC remained flat y-o-y, average numbers for Lapino decreased by 5% due to slightly diluted share of VIP contracts in overall growing volumes (+50% y-o-y). Group's average ticket for delivery was also affected by lower prices for deliveries in Novosibirsk and Ufa.
- Revenue from IVF service line amounted to 1,187 mln RUB with 48% y-o-y growth. The overall growth in IVF cycles in FY 2014 was primarily due to strong performance of Lapino IVF department, clinics in Samara, Saint-Petersburg , Perm as well as positive effect of consolidation of Avicenna. Average check increased by 6% due to price indexation, regions do not affect average ticket since prices for IVF cycles are more or less equal through the country.
- Revenue from paediatrics in-patient treatments increased 27% y-o-y and amounted to 205 mln RUB. The growth of patient-days by 27% was supported by better performance of Lapino, PMC and consolidation of Avicenna.
- Revenue from paediatrics out-patient segment grew up by 17% reaching to 853 mln RUB. The total increase in out-patient treatments was mostly driven by Lapino gaining momentum, IDK clinics (Samara) that improved its operations as well as effect from consolidation of Avicenna.

Source: audited financial statements of MDMG for 2013 and 2014

Extract from MDMG's profit and loss statement

(RUB mln)	2014	2013	2012
Revenue	7,201	5,673	4,061
Cost of sales	(4,230)	(3,389)	(2,013)
Gross Profit	2,971	2,283	2,048
% of revenue	41%	40%	50%
Other income	9	4	1
Administrative expenses	(1,433)	(1,125)	(484)
Other expenses	(11)	(5)	(4)
EBITDA	2,083	1,586	1,694
% of revenue	29%	28%	42%
Operating profit	1,536	1,158	1,560
Net finance expenses	(141)	(323)	(41)
Profit before tax	1,395	835	1,519
Tax	(75)	(72)	19
Profit for the period	1,320	764	1,538
% of revenue	18%	13%	38%
Minority interest	124	127	139
Profit for the year attributable to: shareholders	1,196	636	1,399

Source: audited financial statements of MDMG for 2012 - 2014

Extract from MDMG's balance sheet

(RUB mln)	2014	2013	2012
Cash and cash equivalents	891	3,273	2,582
Investments	3	4	2,430
Current trade, other receivables and deferred expenses	229	152	229
Inventories	268	111	50
Current tax asset	8	8	17
Assets held for sale	46	-	-
Property, plant and equipment	12,540	9,210	7,423
Intangible assets	1,981	452	31
Non-current trade and other receivables and deferred expenses	105	438	150
Other non-current assets	1,985	451	31
TOTAL ASSETS	16,074	13,648	12,914
Current trade and other payables	899	748	756
Short term loans and borrowings	869	618	263
Other current liabilities	788	611	448
Long term loans and borrowings	3,251	2,379	2,695
Other non-current liabilities	131	84	128
Equity	10,137	9,209	8,623
TOTAL EQUITY AND LIABILITIES	16,074	13,649	12,914
Net Debt	3,230	(273)	(2,054)

Source: audited financial statements of MDMG for 2012 - 2014

Extract from MDMG's cash flow statement

(RUB mln)	2014	2013	2012
Cash flow from operating activities			
Profit for the period	1320	764	1,538
Adjustments for:			
D&A	547	428	134
Taxation	75	72	(19)
Other adjustments	140	323	0
Cash flow from operations before working capital changes	2,082	1,587	1,656
(Increase) / decrease in inventories	(119)	(47)	(23)
Increase in trade and other receivables	(49)	(44)	(41)
Increase in trade and other payables	71	71	100
Increase in deferred income	199	159	136
Cash flow from operations	2,184	1,726	1,828
Tax paid	(78)	(64)	(11)
Net cash flow from operating activities	2,106	1,662	1,817
Cash flow from investing activities			
Payment for acquisition of PP&E	(3,126)	(2,430)	(2,646)
Withdrawal / (deposit) of investments	0	2,538	(2,509)
Acquisition of subsidiaries	(1,797)	(648)	(9)
Other proceeds and payments	29	72	9
Net cash flow used in investing activities	(4,894)	(468)	(5,155)
Cash flow from financing activities			
Proceeds from issue of share capital at a premium	0	0	4,374
GDR Contributions received from underwriters	0	150	0
Proceeds from borrowings	1,360	341	1,903
Repayment of borrowings	(518)	(346)	(60)
Repayments of obligations under finance leases	(3)	(3)	(106)
Finance expenses paid	(362)	(356)	(179)
Other payments	(72)	(10)	(1,394)
Dividends paid to the owners of the Company	(180)	(314)	(154)
Dividends paid to non-controlling interests	(139)	(72)	(10)
Net cash flow from financing activities	86	(610)	5,726
Net increase in cash and cash equivalents	(2,702)	584	2,429
Cash and cash equivalents at the beginning of the period	3,273	2,583	133
Effect due to exchange rate changes	319	106	20
Cash and cash equivalents at the end of the period	891	3,273	2,583

Source: audited financial statements of MDMG for 2012 - 2014