

MDMG to Raise at Least \$150M in IPO

By [The Moscow Times](#)

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MD Medical Group said Monday that it aims to raise at least \$150 million to fund expansion of its clinic and hospital network in what would be the first London initial public offering by a Russian health care provider.

The announcement coincided with Sberbank's \$5 billion stake sale, which analysts say signals the reopening of the capital markets for Russian offerings. Only a handful of Russian firms have raised capital on the equity markets this year as stock markets were knocked by the eurozone crisis.

MDMG also joins mobile phone operator MegaFon and lender Promsvyazbank, which this month took first steps toward London listings.

In addition to new global depositary receipts to be issued to raise at least \$150 million, MDMG said GDRs for an unspecified amount of existing shares will be offered by its sole shareholder, MD Medical Holding, which is 100 percent owned by the group's chairman and founder, Mark Kurtser, a senior Moscow doctor.

While the company did not say how much the sale of existing shares could raise, a source close to the deal said it will be a “significant additional” component.

The roadshow will begin in the first half of October, with pricing expected in the middle of next month, said another source close to the deal.

“Funds raised from the offering will help us to expand our network and to take advantage of the unfulfilled demand in Russia for high-quality medical services,” chief executive Yelena Mladova said in a statement.

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