Mexico City, October 26th, 2018 – Médica Sur, S.A.B. of C.V. (BMV: Medica) reports its unaudited results corresponding to the third quarter of 2018. This information has been presented based on International Financial Reporting Standards (IFRS).

Highlights

- Consolidated Income in the third quarter of 2018 increased 10.0% compared to the same period of 2017, reaching 925.0 million pesos, mainly due to the increase in Hospital activity, Clinical Services and Diagnostic Units.

- In August, Medica Sur carried out a process to reduce the organizational structure, in which expenses of $ 19.1 million pesos were incurred corresponding to severance payments and advisory services due to this process.

  Although this operation impacted the 3Q18 results, the subsequent months will be benefited as a reduction in the group's operating expenses.

- EBITDA (Operating Income plus Depreciation and Amortization) in Q318 contracted 17.2 million pesos, going from 175.4 million pesos to 158.1 million pesos, mainly explained by the restructuration process mentioned in the previous bullet

- The Net Debt/EBITDA Ratio in Q318 was 1.4 times, while the EBITDA/Financial Expense Ratio was 4.8 times.

Médica Sur, S.A.B. de C.V. and Subsidiaries

Unaudited results

	Q318	Q317*	Change
Revenues	**925.0**	**840.8**	**10.0%**
Operating Income	**102.1**	**120.2**	**-15.1%**
Operating Margin	*11.0%*	*14.3%*	
EBITDA	**158.1**	**175.4**	**-9.8%**
EBITD Margin	*17.1%*	*20.9%*	
Net Consolidated Income	**50.9**	**35.8**	**42.1%**
Net Margin	*5.5%*	*4.3%*	

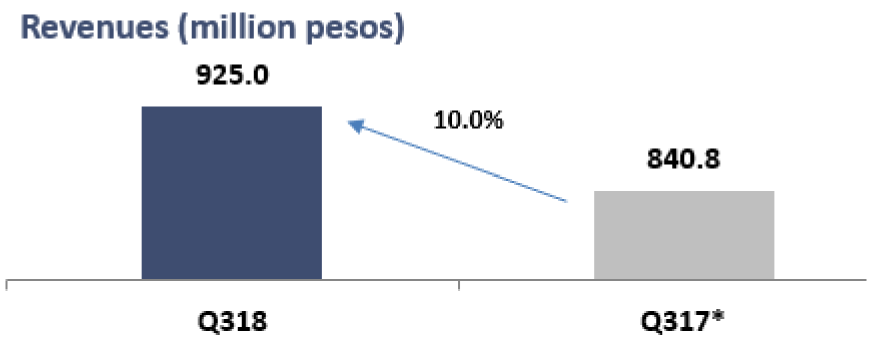
Amounts in million of pesos

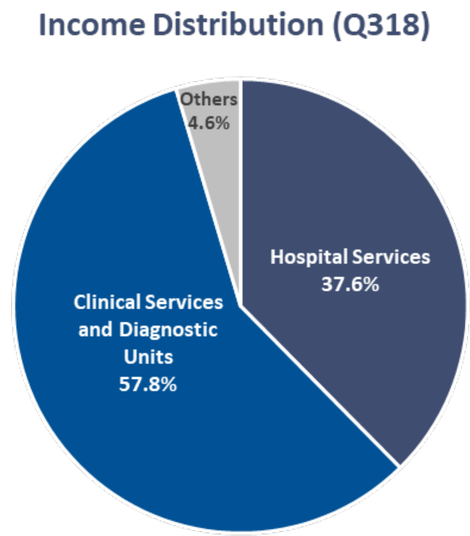
*During the third quarter of 2017, the company decided to permanently shut down the Médica Sur Lomas Hospital. For purposes of presenting the effects of such operation, the results of this business are presented as a discontinued operation and the income statements and other comprehensive comparative results have been restated in order to present that operation separately from the continuing operations.

Q318 Financial Summary

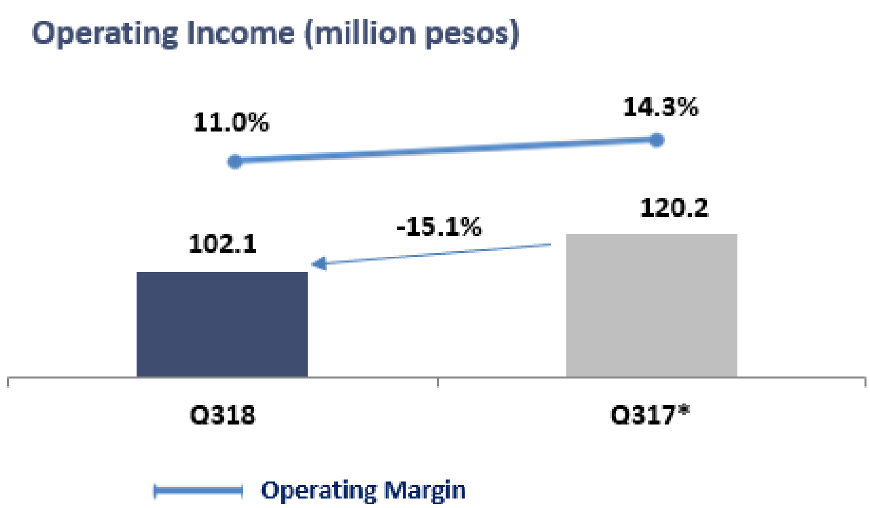
Revenues in Q318 amounted to 925.0 million pesos, a growth of 10.0% compared to the 840.8 million pesos observed in the same period of the previous year. The positive performance of Revenues was mainly explained by the greater activity in Hospital, Clinical Services and Diagnostic Units, highlighting the Oncology Center and a better Laboratories performance.

During the period, there was a greater number of hospitalized patients, a higher bed occupancy rate and more patients in the critical units compared to 3Q17 *

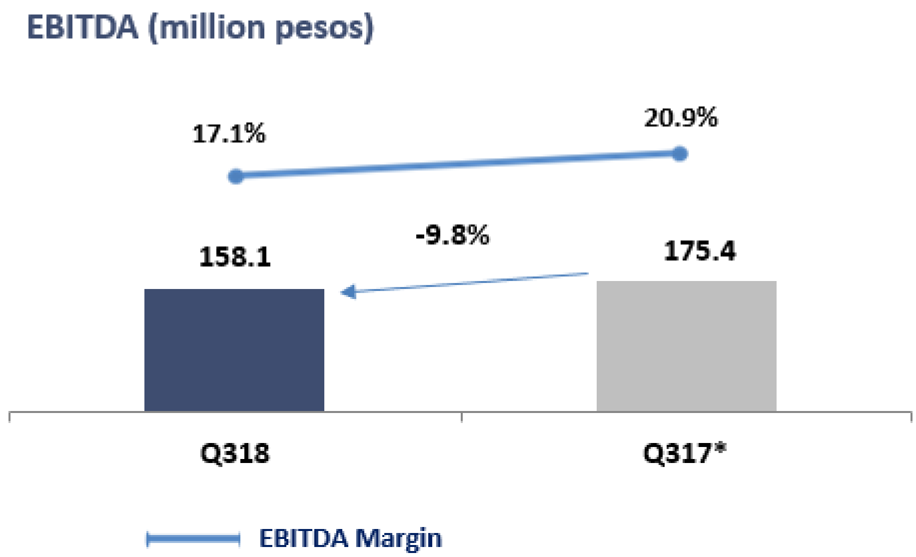




Operating Income in Q318 was 102.1 million pesos, 15.1% lower compared to Q317*, mainly explained by the expense associated with the restructuration process mentioned previously. This decrease was not compensated by lower Selling and Administrative Expenses. Meanwhile, the Operating Margin was 11.0%.

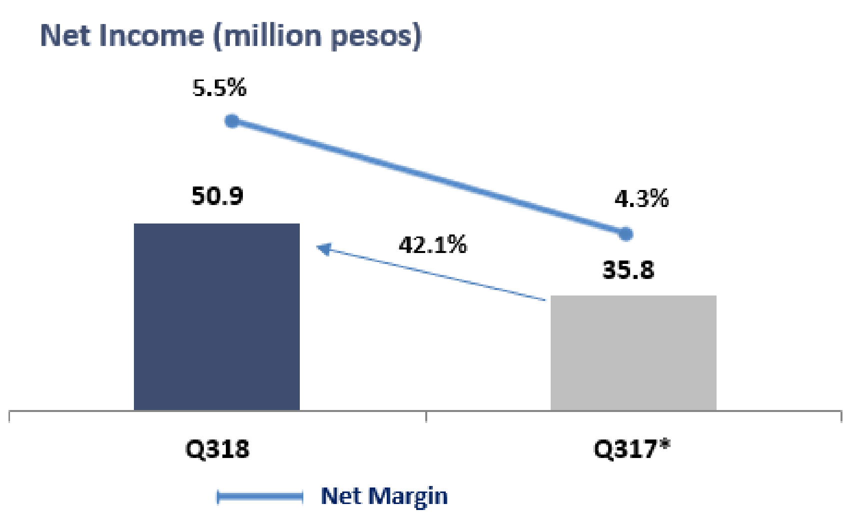


EBITDA (Operating Income plus Depreciation and Amortization) in Q318 was 158.1 million pesos, a decrease of 9.8% due to the aforementioned. The EBITDA Margin went from 20.9% in Q317 * to 17.1% in Q318.



Comprehensive Financing Cost ended the quarter at 31.9 million pesos, a reduction of 5.6% compare to the same period of 2017*, benefited from the best rates in the refinancing of the debt made in May, the highest interest income and the exchange rate gain. These Comprehensive Financing Cost is associated to the interest payments related to the loan obtained for Laboratorio Médico Polanco (LMP) acquisition on October 12, 2016.

Net Income in the third quarter of 2018 stood at 50.9 million pesos, increasing 15.1 million pesos compared to Q317*. The previous results due to the effect of the discontinued operations of the Medical Sur Lomas Hospital combined with lower taxes and the lower cost of comprehensive financing.



Debt

At the end of the third quarter of 2018, the Company's Debt amounted 1,273.7 million pesos. This debt was derived from the hire of a credit line for LMP acquisition. It is worth to mention that during the second quarter we successfully refinanced 550 million pesos of this debt, improving the conditions, generating savings of approximately 70.0 million pesos during the Credit life.

Additionally, an advance payment was made for 100 million pesos to the credit that we maintain at floating rate of TIIE + 360 basis points. This advance payment was made with the restricted cash that we kept in our balance as a result of the sale process, which is currently being developed, of the adjacent land to the Hospital campus.

At the end of Q318, the Company has 3 bank loans: one for 700 million pesos; another for 550 million pesos, and the last for 27 million pesos.

The 700 million pesos loan has a 10 years term since October 2016 and includes 36 months grace period. Therefore, in October 2019 we will begin to amortize this credit. At the end of Q318, the remaining loan term is 7.6 years. 71.4% of this loan is contracted at 9.7450% fixed rate, while the remaining 28.6% is contracted at a floating rate of TIIE + 360 basis points.

The 550 million pesos loan has 84 months term since April 2018 with 20 months grace period, beginning the amortizations in December 2019. The remaining loan term is 6.6 years and 100% is at a floating rate of TIIE + 125 basis points.

Meanwhile, the 27 million pesos loan has 10 years term starting on January 2018 at a fixed rate of 10.10%. This loan was used to purchase a flagship unit of our laboratories.

Therefore, the Group's Debt Profile at the end of the third quarter of the year is as follows: 527 million pesos at fixed rate and 750 million pesos at floating rate.

The Leverage Ratio (Net Debt/EBITDA) in the third quarter of the year was 1.4 times, while the Interest Coverage Ratio (EBITDA/Financial Expense) was 4.8 times at the same period. On the other hand, the Liquidity Ratio (Current Assets/Current Liabilities) was 1.5 times.

Financial Ratios	**3T18**	**4T17***
Total Debt/EBITDA	1.8x	1.9x
Net Debt/EBITDA	1.4x	1.7x
Total Liabilities/Stockholders' Equity	0.6x	0.6x
Interest Coverage (EBITDA/Financial Expense)	4.8x	5.2x
Liquidity (Current Assets / Current Liabilities)	1.5x	1.6x

At the end of Q318, Médica Sur is in full compliance with the Covenants of the loans contracted, of which the following stand out:

- Do not exceed the Leverage (Debt/EBITDA) of 3.5 times.
- Do not reduce Interest Coverage (EBITDA/Financial Expense) to less than 4 times.

Later Events - Debt

- On October 10, 2018, Médica Sur , S.A.B. of C.V. made the advanced payment of 50 million pesos to the credit that the Company hired with Inbursa, S.A., Sociedad de Banca Múltiple, Grupo Financiero Inbursa, for the acquisition of all shares representing the Laboratorio Médico Polanco, S.A. of C.V. ("LMP") capital.

  Derived from the above, the exposure to credit risk was reduced by decreasing the percentage of debt at a variable rate, going from 58.8% to 57.1%, while the debt at a fixed rate increased from 41.2% to 42.9%.

Outstanding Events

- On October 17, 2018, in order to comply with the provisions 34 article, section IV of the General Provisions Applicable to Issuers of Securities and Other Participants of the Securities Market, the company notified Médica Sur, SAB de C.V.´s shareholders with the following:

  1. At the Annual Ordinary General Meeting of Shareholders held on April 26, 2018, the Company decreed the payment of $75,000,000.00 (Seventy-Five Million Pesos 00/100 MN) dividend, which will be paid from the Net Tax Profit Account prior to 2013 financial results, The decreed dividend will be distributed at a rate of $0.6084 (Zero Point Six Zero Eight Four Pesos) for each outstanding shares and will be paid to the shareholders in two exhibitions equivalent to $0.3042 (Zero Point Three Zero Four Two Weights) each one.

  2. The first exhibition was paid as of May 23, against the delivery of number 23 (Twenty-three) coupon at a rate of $0.3042 (Zero Point Three Zero Four Two Weights) per share.

  3. The second exhibition will be paid as of Oct 29, against the delivery of number 24 (Twenty-four) coupon at a rate of $0.3042 (Zero Point Three Zero Four Two Weights) per share.

  4. Decreed dividend will be paid at the principal Company address, located at Puente de Piedra No. 150, Neighborhood Toriello Guerra, Tlalpan, Zip Code 14050, in Mexico City

  5. Regarding the shares that are deposited in S.D. Indeval, S.A. of C.V., the dividend will be paid in the day aforementioned through this Institution.

Financial Annexes (unaudited)

Médica Sur, S.A.B. de C.V. and Subsidiaries

Consolidated Statements of Financial Position ended Sep 30th, 2018 and Dec 31st 2017

(amount in pesos)

	2018	2017	Change % YoY
Assets	**5,655,182,229**	**5,602,874,052**	**0.9%**
Current assests	**1,225,722,933**	**1,102,911,915**	**11.1%**
Cash and Cash Equivalents	281,871,381	116,242,596	142.5%
Restricted Cash	0	100,454,051	-
Accounts Receivable	398,356,997	319,802,622	24.6%
Others Net Account Receivable	122,129,399	102,447,342	19.2%
Inventories	93,232,089	133,832,237	-30.3%
Assets held for sale	330,133,067	330,133,067	-
Long Term	**0**	**0**	**0.0%**
Accounts and Documents Receivable (Net)	**0**	**0**	-
Investments in Unconsolidated Subsidiaries and Associated Shares	**0**	**0**	-
Other Invesments	**0**	**0**	-
Property, Plant and Equipment (Net)	**2,786,125,026**	**2,848,717,644**	**-2.2%**
Property	2,628,655,883	2,527,925,444	4.0%
Industrial Machinery and Equipment	80,579,821	73,413,479	9.8%
Other Equipment	2,078,220,699	2,166,137,351	-4.1%
Accumulated Depreciation	-2,074,705,738	-1,985,191,097	4.5%
Constructions in Process	73,374,362	66,432,466	10.4%
Investment properties	**84,666,550**	**89,833,115**	**-5.8%**
Land	52,165,613	52,165,613	0.0%
Buildings	32,500,937	37,667,502	-13.7%
Intangible Assets	**1,558,667,720**	**1,561,411,378**	**-0.2%**
Total Assets	**2,133,243,224**	**2,156,105,106**	**-1.1%**
Current Liabilities	812,821,209	701,305,966	15.9%
Suppliers	247,188,930	261,688,080	-5.5%
Short-term Bank Loans	7,089,811	30,000,000	-76.4%
Income tax payable	141,320,577	93,435,670	51.2%
Other Current Liabilities	417,221,891	316,182,216	32.0%
Long-term Liabilities	**1,308,592,398**	**1,384,545,281**	**-5.5%**
Bank Loans	1,266,583,333	1,343,250,000	-5.7%
Accrued Interest	0	7,854,639	-100.0%
Other Credits	42,009,065	33,440,642	25.6%
Deferred Income Taxes	**11,829,617**	**70,253,858**	**-83.2%**
Stockholders Equity	**3,521,939,006**	**3,446,768,947**	**2.2%**
Non-Controlling Interest	**968,989**	**890,219**	**8.8%**
Equity attributable to Equity Holders of the Company	**3,520,970,017**	**3,445,878,728**	**2.2%**
Paid-in Capital Stock Update	517,869,032	517,869,032	0.0%
Premium in Share Placement	121,280,931	121,280,931	0.0%
Contributions for Future Capital Increases	124,628	124,628	0.0%
Retained earnings	2,532,744,438	2,375,948,101	6.6%
Reserve for Share Buyback Program	199,543,300	199,543,300	0.0%
Income of the year	150,093,173	231,798,220	-35.2%
Other Comprehensive Income	**-685,485**	**-685,485**	**0.0%**
Total Liabilities and Shareholders Equity	**5,655,182,230**	**5,602,874,052**	**0.9%**

Amounts in accordance with IFRS

Consolidated Income Statements for the nine months ended September 30th, 2018 y 2017* (amount in pesos)

	Q318	Q317*	Change % YoY
Revenues	**925,026,451**	**840,815,966**	**10.0%**
Cost of Sales	-648,069,501	-558,490,385	16.0%
Gross Profit	**276,956,949**	**282,325,581**	**-1.9%**
Selling and Administrative Expenses	-178,257,077	-162,700,021	9.6%
Other Operating Expenses	3,364,656	580,316	479.8%
Operating Income	**102,064,528**	**120,205,876**	**-15.1%**
Foreign Exchange Gain (loss)	243,210	1,477,469	n.a.
Interest Expense	-35,619,394	-36,871,926	-3.4%
Interest Income	3,477,321	1,612,427	115.7%
Income before Taxes	**70,165,666**	**86,423,846**	**-18.8%**
Income Tax Expense	-19,305,536	-31,467,668	-38.6%
Continuous Operations Profit (loss)	**50,860,130**	**54,956,179**	**-7.5%**
Discontinued Operations Loss	0	-19,165,168	n.a.
Net Income	**50,860,130**	**35,791,011**	**42.1%**
Non-Controlling Income	-25,021	-21,746	15.1%
Controlling Income	**50,835,108**	**35,769,264**	**42.1%**

Amounts in accordance with IFRS

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All the financial information presented in this report was prepared in accordance with the International Financial Reporting Standards.

Analyst Coverage

In accordance with the provisions of BMV internal regulations in article 4.033.01 fracc. VIII regarding maintenance requirements, we inform that the Brokerage House/Credit Institution that provide analyst coverage to our shares is Grupo Bursátil Mexicano S.A. de C.V., Casa de Bolsa.

About Médica Sur

Médica Sur, S.A.B. de C.V. (BMV: Medica) is a hospital operator and an integrated provider of health care services and related services. The company provides these services through hospitals and laboratories. In Médica Sur, a group of doctors, medical professionals, nurses, hospital administration and operation meet and aims to offer a medical excellence service with human warmth guided by a strict ethic code and backed by medical equipment and infrastructure with cutting-edge technology.

Forward-Looking Statements

This press release contains certain forward-looking statements about the Company’s results and outlook. These statements include, but are not limited to: (i) statements regarding our financial situation and results of operations; (ii) statements regarding our plans, objectives or goals, including statements regarding our activities; and (iii) statements regarding the underlying assumptions on which those statements are based. Statements about the future contain words such as "estimates", "expects", "forecasts", "plans", "predicts", "believe", "could", " should "," possible "," guidance "and other similar words, whether in first or third person, however, are not the only terms used to identify such statements. Such statements are subject to a number of risks, uncertainties and assumptions and we caution you that a number of important factors could cause actual results to differ materially from the objectives, expectations, estimates and intentions expressed in this press release.

That information, as well as future reports issued by the Company or any of its representatives, whether verbally or in writing, may vary materially from actual results. These projections and estimates, which were prepared with reference to a specific date, should not be considered as fact. The Company has no obligation to update or revise any of these projections and estimates, whether as a result of new information, future events, or other associated events

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