

12 May 2016

Deltex Medical Group plc
("Deltex Medical", "Deltex" or "the Company")

Chairman's Statement to Annual General Meeting

At the Annual General Meeting of Deltex Medical Group plc (AIM: DEMG), the global leader in oesophageal Doppler monitoring (ODM), to be held today the Company's Chairman, Nigel Keen, will make the following statement:

The Company is making good progress towards achieving its key financial and operational goals for 2016.

The USA is now our key territory for development. We have continued to make good progress towards our target of opening 30 US hospital platform accounts as a precursor to national roll-out of ODM. Today we announced our 21st and 22nd US platform accounts and the pipeline of additional platform accounts continues to both develop and grow on track. For the period ended 30 April 2016 US probe revenue in local currency was more than 50% ahead of the corresponding period last year. As previously highlighted one of our original US hospitals has changed its pattern to regular ordering and so a bulk order in Q2 2015 of £100,000 will not be repeated this year resulting in the second quarter growth rate being below the underlying trend.

Probe revenues in our International business are continuing to grow satisfactorily. Interest in the proven health and economic benefits of our products is increasing in a number of countries, such as Spain, South Korea and Poland, looking to drive value for money in healthcare delivery by focusing on cost effective improvements to patient outcomes.

In contrast with this increasing growth in our export businesses, ODM sales in our home UK market have declined so far this year, continuing the adverse trends of 2014 and 2015. The Company expects the NHS to remain a very challenging customer for innovative medical technologies for the foreseeable future and so we are focusing on supporting individual doctors both motivated and empowered to use ODM as a standard of care. The Company expects the results of two important new trials to become public in each of early June and early July and anticipates that these will reinforce the unique benefits of ODM, as well as building on the momentum established following the release on 4 May 2016 of the new, easier to use, wider beam TruFlow probes. Further positive developments are expected from the introduction of new products compatible with the CardioQ-ODM+ monitoring platform and in addition we will add a small number of additional third party products to our range.

The Company's key priority this year is to move the business through the cash break-even point at the operating level. The Company has already made substantial progress towards this point through reducing costs and increasing US and International revenues. The Company is focused on increasing further the number of US platform accounts, with the consequent higher probe revenue run rate, improving margins, minimising overheads and adding incremental revenue streams to the business as a whole. The successful implementation of these key tasks will deliver the operating cash required for us to continue to grow our business from our own internally generated resources.

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Notes for Editors

Deltex Medical manufactures and markets haemodynamic monitoring technologies. Deltex Medical's ODM is the only technology to measure continuously blood flow in the central circulation in real time. Minimally invasive, easy to set up and quick to focus, the technology generates a low-frequency ultrasound signal, which is highly sensitive to changes in flow and measures them immediately. Deltex has been the only company in the enhanced haemodynamic space to build a robust and credible evidence base proving the clinical and economic benefits of its core technology, ODM. Randomised, controlled trials using Doppler have demonstrated that early fluid management intervention will reduce post-operative complications, reduce intensive care admissions, and reduce the length of hospital stay.

Company goal

ODM is increasingly recognised as a standard of care for patients undergoing major surgery and in critical care. The broader clinical area of haemodynamic management of which ODM is a core constituent is also now becoming widely accepted as an important major new medical modality. Consequently, the Company's focus is on maximising value from the opportunities presented as enhanced haemodynamic management is adopted into routine clinical practice around the world.

The Company is currently in the implementation phase of achieving this goal in a number of territories worldwide, operating directly in the UK, USA, Spain and Canada and through distribution arrangements in a further 30 countries.

There are over 3,200 monitors installed in hospitals around the world and over 650,000 patients have been treated to date using Deltex Medical's single patient disposable probes.