

8 July 2016

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

Pre-close Trading Update
Strong growth in US and other export markets

Deltex Medical Group plc (LSE-AIM: DEMG), the global leader in oesophageal Doppler monitoring ("ODM"), today announces an update on trading in the half year ended 30 June 2016.

Highlights

- US expansion plans on track
 - US probe revenues up c.40% at £0.9m
 - Good hospital pipeline progress and expansion: 24 platform accounts, up from 17 in January; 8 evaluations completed with 24 additional under way
- International probe revenues up 11% at £0.7m with total revenue growth of 18%
 - Continued growth in traction in focus markets including France, Scandinavia and Peru
 - Promising progress in other markets with strong growth from South Korea
 - Excellent results from Spanish Government sponsored multi-centre randomised trial of ODM with national enhanced recovery guidelines published favouring ODM
- UK NHS market remains weak
 - UK probe revenues of £0.8m down 36%: total UK revenues decreased by 30%
 - New, easier to use, probes launched in May together with new marketing programmes
 - Introduction of additional products in UK planned for H2 2016

Results in statutory reporting format

Group sales in statutory reporting format are expected to be flat at approximately £2.7m (2015: £2.7m). Cash available at 30 June 2016 was £0.5m with an additional £0.45m of new capital raised as announced on 1 July 2016.

The Company plans to announce its interim results for the six months ended on 8 September 2016.

Nigel Keen, Deltex Medical's Chairman, commented:

"2016 is a transitional year for Deltex. Our primary objective is to get the business past the operating cash break-even point and we have made important progress in the first half of the year."

"Probe revenues from the USA, our main focus market, have overtaken UK probe revenues and we have made substantial progress towards achieving our US platform targets. Overall, exports have increased substantially since we started our US expansion programme and now comprise about two-thirds of Group revenues."

"We expect the momentum established in the USA and other export markets to continue, with good potential for improvement in the disappointing UK performance to convert this into a strong recovery. In addition, we expect to see positive impacts coming through from cost reductions previously announced, margin improvement and the introduction of new products."

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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.