

Corporate Credit Rating
Annual Review

Non-Financial & Services
[Hospital & Healthcare]

MEDICALPARK		Long Term	Short Term
International	Foreign currency	BBB-	A-3
	Local currency	BBB-	A-3
	Outlook	Stable	Stable
National	Local Rating	BBB-(Trk)	A-3(Trk)
	Outlook	Positive	Positive
Sponsor Support		2	-
Stand Alone		B	-
Sovereign*	Foreign currency	BBB-	-
	Local currency	BBB-	-
	Outlook	Stable	-

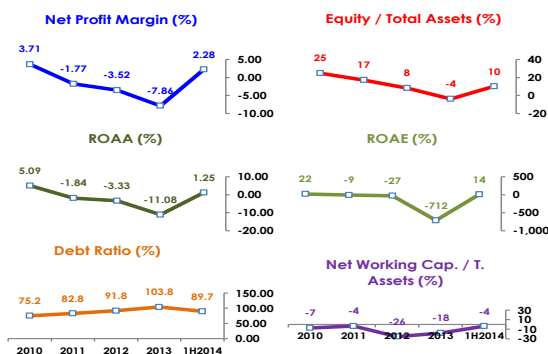
*Assigned by Japan Credit Rating Agency, JCR on July 11, 2014

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Strengths

- Maintenance of sound operational volume growth as indicated by the stable expansion of assets and sales revenues
- Established country-wide market presence as one of Turkey's leading private hospital operators
- Rising per capita healthcare spending in line with macroeconomic growth, education levels and urbanization indicating market expansion opportunities for private healthcare services
- Equity injection that took place in 1H2014 after the change of ownership structure following a period of erosion in equity base
- Increasing portion of revenues from medical tourism supported through government incentives
- The rise of SSI charges to 200% with expected positive impacts on private health sector profitability despite the maintenance of government's dominant role across healthcare provision
- Anticipated cash flows from ongoing and recently completed investments that will contribute to future income streams
- The presence of university affiliations and skilled senior management team along with current implementation of a top-up insurance scheme on SSI surcharges

Constraints

- High level of dependency on external financing in order to fund the Company's growth
- With the exception of 1H2014, negative levels of profitability in the last 3 financial years as reflected by ROAA and ROAE
- Significant level of operating expenses inherent in the sector due to large personnel and depreciation costs
- The domination of the Company's funding structure by short-term liabilities and maintenance of negative net working capital levels
- The need to establish a separate risk management department given the Group's sheer size and complex operations
- Need for further improvement in the level of compliance with Corporate Governance Practices

MLP SAĞLIK HİZMETLERİ A.Ş. (MEDICAL PARK)					
Financial Data	1H2014**	2013	2012*	2011*	2010*
Total Assets (000 USD)	682,183	514,248	498,512	404,630	375,874
Total Assets (000 TRY)	1,448,001	1,095,553	886,155	764,305	577,945
Equity (000 TRY)	148,523	-42,091	72,951	131,345	143,458
Net Profit (000 TRY)	16,541	-99,747	-33,873	-14,583	24,928
Sales (000 TRY)	724,647	1,268,397	962,436	822,241	672,783
Net Profit Margin (%)	2.28	-7.86	-3.52	-1.77	3.71
ROAA (%)	1.25	-11.08	-3.33	-1.84	5.09
ROAE (%)	14.12	-711.57	-26.89	-9.01	21.71
Equity / Total Assets (%)	10.26	-3.84	8.23	17.18	24.82
Net Working Capital / T. Assets (%)	-3.67	-18.05	-25.52	-3.57	-7.42
Debt Ratio (%)	89.74	103.84	91.77	82.82	75.18
Asset Growth Rate (%)	32.17	23.63	15.94	32.25	3.04

*End of year, **Half-year

Overview

MLP Sağlık Hizmetleri A.Ş. (Medical Park) (hereafter, referred to as the Company or Medical Park) was established in December, 2005 in Istanbul to provide a wide spectrum of private healthcare services. Fuelled by a period of continuous investment over the last 10 years, the Company has turned into one of the leading private hospital operators with a country-wide geographic coverage involving 25 hospitals and a bed capacity of over 3,000. As of December, 2014, there were 11,845 people employed across Company operations, including 1,601 doctors.

In May, 2014, Lightyear Healthcare B.V. and Hujori Financieringen B.V., ultimately controlled by Turkven Private Equity (Turkish Private Equity Fund II and III), became the largest qualified shareholders of the Group following the acquisition of 53.34% of shares. Turkven, established in 2000, is one of the largest private equity companies in Turkey with assets of USD 2bn under management. Sancak İnşaat Turizm Nakliyat ve Dış Ticaret A.Ş. and the Usta Family continue to represent the other qualified shareholders.

In 1H2014, the Company's paid capital increased to TRY 176.46mn from TRY 155.27mn through TRY 21.19mn cash equity injection and share premiums, amounting to TRY 149.52mn corresponding to the increased capital has been fully paid. Thus, the equity which turned negative at FYE2013 (TRY -42.09mn) resulting from previous years' incurred losses, has been strengthened in 1H2014 through cash injection totalling TRY 170.71mn.

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