

# Corporate Credit Rating

# Health Industry

## [Eye Care Hospital Group]

		Long Term	Short Term	
International	Foreign Currency	BB+	B	
	Local Currency	BBB-	A-3	
	Outlook	FC	Stable	Stable
		LC	Stable	Stable
National	Local Rating	BBB-(Trk)	A-3(Trk)	
	Outlook	Stable	Stable	
Sponsor Support		2	-	
Stand Alone		B	-	
Sovereign*	Foreign Currency	BBB-	-	
	Local Currency	BBB-	-	
	Outlook	FC	Stable	-
		LC	Stable	-

\*Affirmed by Japan Credit Rating Agency, JCR on August 28, 2015

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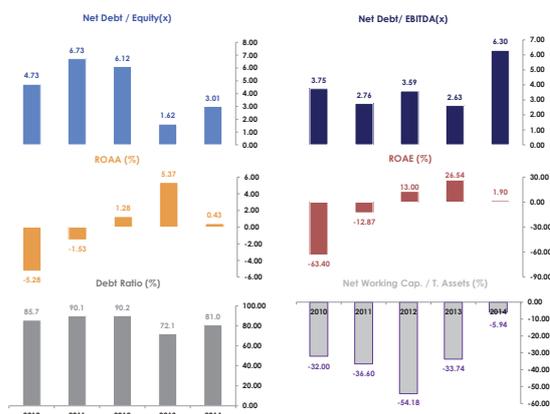
Dünyagöz Hastanesi Sanayi ve Ticaret Anonim Şirketi					
Financial Data	2014*	2013*	2012*	2011*	2010*
Total Assets (000 USD)	180,637	134,188	117,910	98,390	101,204
Total Assets (000 TRY)	418,879	285,874	209,596	185,849	155,611
Equity (000 TRY)	79,588	79,661	20,519	18,421	22,194
Net Profit (000 TRY)	-497	9,959	2,501	-3,439	-7,972
Sales (000 TRY)	203,268	204,084	162,305	138,449	110,558
Net Profit Margin (%)	-0.24	4.88	1.54	-2.48	-7.21
ROAA (%)	0.43	5.37	1.28	-1.53	-5.28
ROAE (%)	1.90	26.54	13	-12.87	-63.4
Equity / Total Assets (%)	19	27.87	9.79	9.91	14.26
Net Working Capital / T. Assets (%)	-5.94	-33.74	-54.18	-36.6	-32
Net Debt / Equity(x)	3.01	1.62	6.12	6.73	4.73
Net Debt/ EBITDA(x)	6.3	2.63	3.59	2.76	3.75
Debt Ratio (%)	81	72.13	90.21	90.09	85.74
Asset Growth Rate (%)	46.53	36.39	12.78	19.43	-3.1

\*End of the year

### Company Overview

**Dünya Göz Hastanesi Sanayi ve Ticaret Anonim Şirketi and Its Subsidiaries** (hereafter, the Group or Dünya Göz Hospital'), with roots dating back to 1995 with the founding of Levent Sağlık Hizmetleri Sanayi ve Ticaret A.Ş. in Istanbul, changed its title in 2004 to DünyaGöz Hastanesi as a first private eye care hospital in the healthcare sector through its 5 subsidiaries, is one of the largest and most prominent private healthcare providers among the most well-known private hospital operators in Turkey.

The Group continues its operations with a labour force of 1,379 in an operational area of 150k square meters as of December, 2014. Its hospital benefits from its strategic location, which currently provides services in major cities together with 19 hospitals in Turkey's 11 cities, 1 in Germany, England, Holland and Belgium, respectively. Dünya Göz Hastanesi Group has been awarded the Joint Commission International (JCI) Accreditation Certificate that demonstrates compliance with International Quality Standards. The Company's main controlling shareholders were Mr. Eray KAPICIOĞLU (55.77%) and Kapıcıoğlu Holding A.Ş. (27.11%) as of FYE2014.



### Strengths

- Established widened market presence as one of Turkey's leading private eye care hospital and enhancing its already diversified network via new hospitals,
- Strong and sustainable market position in the long run thanks to low competitive environment,
- Maintenance of sound operational volume growth as indicated by the stable expansion of assets and sales revenues,
- Incremental liquidity growth expectation stemming from the end of its substantial capital investment cycle and shift in the patient number seeking treatment from the government sector to the private sector,
- Easing liquidity management through bond issue,
- Continuation of benefits from robust demand given the essential nature of the sector, rising income levels, urban renewal, economic and demographic growth

### Constraints

- High level of dependency on external financing in order to fund the Company's growth exerting huge pressure on the Group's profit generation,
- A deterioration in the net debt-to-EBITDA and debt-to-equity
- The fragile condition of debt structure mainly due to high capex required to invest new hospitals
- Negative net working capital over the reviewed period despite displayed improvement,  
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

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