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 August 28, 2015

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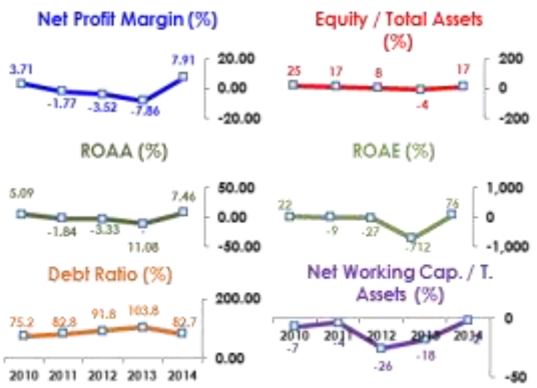

MLP Sağlık Hizmetleri A.S.						
Financial Data	1H2015**	2014	2013*	2012*	2011*	2010*
Total Assets (000 USD)	754,319	858,054	514,248	498,512	404,630	375,874
Total Assets (000 TRY)	2,025,345	1,989,741	1,095,553	886,155	764,305	577,945
Equity (000 TRY)	342,882	344,470	-42,091	72,951	131,345	143,458
Net Profit (000 TRY)	2,084	120,058	-99,747	-33,873	-14,583	24,928
Sales (000 TRY)	924,247	1,518,026	1,268,397	962,436	822,241	672,783
Net Profit Margin (%)	0.23	7.91	-7.86	-3.52	-1.77	3.71
ROAA (%)	0.14	7.46	-11.08	-3.33	-1.84	5.09
ROAE (%)	1.02	76.11	-711.57	-26.89	-9.01	21.71
Equity / Total Assets (%)	16.93	17.31	-3.84	8.23	17.18	24.82
Net Working Capital / T. Assets (%)	-14.33	-1.88	-17.93	-25.52	-3.57	-7.42
Debt Ratio (%)	83.07	82.69	103.84	91.77	82.82	75.18
Asset Growth Rate (%)	39.87	81.62	23.63	15.94	32.25	3.04

*End of year, **Half-year results

Overview

MLP Saglık Hizmetleri A.Ş. (MLP Saglık) (hereafter referred to as the Company or the Group) was established in 2005, turned into one of the largest integrated private healthcare chains via pursuing a strategy of organic growth and acquisitions. Following the opening of the Kocaeli and Gaziosmanpasa hospitals in FY2015, the Company currently operates with a network of 27 hospitals under the Medical Park, Liv and Medical Park VM (Value-added Medicine) brands respectively across 17 different cities. In addition to acute hospital care, the Company offers laboratory, screening, catering and complimentary insurance services through its subsidiaries.

In May, 2014, following the acquisition of 53.34% of shares by Lightyear Healthcare B.V. and Hujori Financieringen B.V., Turkven Private Equity became the qualified shareholder of the Group which has assets of USD 2bn under management. Sancak Insaat Turizm Nakliyat ve Dis Ticaret A.S. and the Usta and Elbası Families continue to represent the other shareholders of the Group. Following the transaction, the Group's equity which turned negative at FYE2013 recovered through an addition of TRY 21.19mn in cash equity along with share premiums amounting to TRY 149.52mn.

Headquartered in Istanbul, Mr. Muharrem **USTA** is the executive chairman of the Group which currently employed 13,414 personnel, 1,603 of which are doctors.

Strengths

- Maintenance of operational volume growth throughout FY2014 and onwards into the current fiscal year supported by new hospital openings, improvements in existing hospitals and introduction of a new brand Medical Park VM (Value-added Medicine) that is more focused on private payor patients
- Improvement in the gross profit margin coupled with investment income derived from business mergers contributing to the rise in profitability indicators throughout FY2014
- Extensive national coverage and significant market share as one of Turkey's leading integrated private healthcare operators
- Medium and long-term growth potential of the Turkish healthcare market in line with rising per-capita spending
- Growing significance of income derived from medical tourism in line with long-term government strategies
- Rise of SSI charges to 200% with expected positive impacts on private sector profitability despite the intervention by the state with respect to tariffs through the Health Enforcement Declaration (SUT)
- Low level of non-performing receivables, foreign currency risk and off balance sheet liabilities contributing to asset quality
- Private equity backed shareholder structure, skilled management team and presence of university affiliations

Constraints

- Despite the improvement following equity injection in 1H2014, high levels of leverage with financing expenses exceeding profit levels from core operating activities
- Notable increase in net financial debt which is pre-dominantly due to new hospital openings, mainly financed through a financial leasing structure
- High level of operating expenses inherent across the sector
- The maintenance of negative net working capital levels
- The need for improvement in Corporate Governance Practices with respect to transparency along with a need to establish an independent risk management unit taking into account the complexity and size of Company's operations

Publication Date: December 29, 2015 *"Global Knowledge supported by Local Experience"*