

**LOKMAN HEKİM ENGÜRÜSAĞ SAĞLIK, TURİZM,
EĞİTİM HİZMETLERİ VE İNŞAAT TAAHÜT A.Ş.
CONSOLIDATED FINANCAL STATEMENTS
FOR 30.09.2014 INTERIM PERIOD**

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**INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF
LOKMAN HEKİM ENGÜRÜSAĞ SAĞLIK, TURİZM, EĞİTİM HİZMETLERİ VE İNŞAAT TAAHHÜT A.Ş.
FOR 1 JANUARY – 30 SEPTEMBER 2014 INTERIM PERIOD**

To the Board of Directors of

Lokman Hekim Engürüsağ Sağlık, Turizm, Eğitim Hizmetleri ve İnşaat Taahhüt A.Ş.

Introduction

We have reviewed the accompanied consolidated financial statements of Lokman Hekim Engürüsağ Sağlık, Turizm, Eğitim Hizmetleri ve İnşaat Taahhüt A.Ş. (the "Group") which comprise the consolidated balance sheet as of 30 September 2014, consolidated mid-term statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and summary of significant accounting policies and their footnotes. Management is responsible for the preparation and fair presentation of the financial statements in accordance with Turkish Accounting Standards published by Public Oversight Accounting and Auditing Standards Authority ("KGGK"). Our responsibility is to express an opinion on these mid-term consolidated financial statements based on our limited audit.

Scope of Limited Independent Audit

We conducted our limited independent audit in accordance with standards on auditing issued by Capital Market Board. interim financial information consists of making inquiries, primarily of persons responsible for financial reporting process, and applying analytical and other review procedures. . A review is substantially less in scope than an audit conducted in accordance with standards on auditing issued by Capital Market Board and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

The Base of Qualified Opinion

The financial statements of The Group's company Engürüsağ Genel Ticaret Limited Şirketi which is operating in Erbil/Iraq and its 95% shares are belonged by the Group have not been audited by us. The partnership's shares within the Group is explained in Note-3

Qualified Opinion

In our opinion, except for the effects of the issue stated in the base of qualified opinion paragraph., the financial statements present fairly, in all material respects, the financial position of Lokman Hekim Engürüsağ Sağlık, Turizm, Eğitim Hizmetleri ve İnşaat Taahhüt A.Ş.'s financial situation, financial performance and cash flow statement for 6 months period at the date of 30.09.2014.

12.11.2014, Ankara

REFERANS BAĞIMSIZ DENETİM VE DANIŞMANLIK A.Ş.

Özgür İnci

Auditor in Charge

Lokman Hekim Engürüsağ Sağlık, Turizm, Eğitim Hizmetleri ve İnşaat Taahüt A.Ş.

Consolidated Statement of Financial Position at 30 September 2014

(Amounts are expressed in Turkish Lira unless otherwise stated)

| | Notes | 30.09.2014 | 31.12.2013 |
|---|--------------|--------------------|--------------------|
| ASSETS | | | |
| Current Assets | | | |
| Cash and Cash Equivalents | [4] | 2.419.728 | 1.952.102 |
| Trade Receivable | [6] | 24.235.780 | 19.771.011 |
| - Related Parties | | 1.108.592 | 111,941 |
| - Other | | 23.127.188 | 19.659.070 |
| Other Receivables | [7] | 331,172 | 342,963 |
| Inventories | [8] | 6.294.401 | 8.677.401 |
| Prepaid Expenses | [16] | 4.571.103 | 5.680.301 |
| Current Period Tax Related Assets | [16] | 279,118 | 118 |
| Other Current Assets | [16] | 1.152.476 | 1.282.722 |
| Fixed Assets | | 88.496.932 | 89.148.982 |
| Other Receivables | [7] | 36,582 | 35,596 |
| Biological Assets | [9] | 3.296.350 | 2.555.050 |
| Tangible Fixed Assets | [10] | 74.428.079 | 75.276.971 |
| - Assets Acquired by Leasing | | 7.330.979 | 7.796.000 |
| - Other Tangible Fixed Assets | | 67.097.100 | 67.480.971 |
| Intangible Assets | [11] | 10.263.258 | 10.841.081 |
| - Good Will | [12] | 1.969.390 | 1.969.390 |
| - Other Intangible Assets | | 8.293.868 | 8.871.691 |
| Prepaid Expenses | [16] | 463,521 | 440,284 |
| Total Assets | | 127.780.710 | 126.855.600 |
| LIABILITIES | | | |
| Short-Term Liabilities | | | |
| Short-Term Borrowings | [5] | 25.572.909 | 19.949.593 |
| Short-Term Portion of Long-Term Borrowings | [5] | 3.418.762 | 7.152.840 |
| Trade Payables | [6] | 17.003.117 | 17.888.770 |
| - Related Parties | | 1.295.453 | 5.564.962 |
| - Other | | 15.707.664 | 12.323.808 |
| Scope of Employee Benefit Obligations | [15] | 4.240.257 | 3.840.341 |
| Other Payables | [7] | 683,957 | 278,662 |
| - Related Parties | | 633,933 | 215,923 |
| - Other | | 50,024 | 62,739 |
| Deferred Income | [16] | 724,147 | 544,021 |
| Short-Term Provisions | [13] | 198,503 | 178,503 |
| - Other Short-Term Provisions | | 198,503 | 178,503 |
| Other Short-Term Liabilities | [16] | 1.962.415 | 2.299.661 |
| Long-Term Liabilities | | 13.863.060 | 14.767.090 |
| Long-Term Borrowings | [5] | 3.048.352 | 4.637.616 |
| Deferred Income | [16] | 803,731 | 2.513.050 |
| Long-Term Provisions | | 864,21 | 888,079 |
| - Provisions for Employee Benefit | [15] | 864,21 | 888,079 |
| Current Period Tax Related Payables | [16] | 8.086.438 | 5.292.224 |
| Deferred Tax Liability | [24] | 1.060.329 | 1.436.121 |
| Equity | | 60.045.481 | 59.956.119 |
| Parent's Company Equity | | | |
| Paid Capital | [17] | 24.000.000 | 16.000.000 |
| Premiums | | - | 7.694.861 |
| Other comprehensive revenue and expenses that are not reclassified in profit / loss | | 28.375.203 | 28.528.434 |
| - Valuation Increases of Tangible Assets | | 29.062.701 | 29.062.701 |
| - Identified Benefit Plans of Remeasurement Gain / Losses | | -687,498 | -534,267 |
| Other comprehensive revenue and expenses that are reclassified as profit / loss | | -88,034 | -32,004 |
| - Foreign Currency Translation Differences | | -88,034 | -32,004 |
| Restricted Reserves from Profit | | 947,88 | 748,826 |
| Previous Year Profit/Losses | | 5.153.542 | 5.470.242 |
| Net Profit/Loss | | 1.365.985 | 1.151.848 |
| Non-Controlling Shares | | 290,905 | 393,912 |
| Total Liabilities and Equity | | 127.780.710 | 126.855.600 |

Lokman Hekim Engürüsağ Sağlık, Turizm, Eğitim Hizmetleri ve İnşaat Taahüt A.Ş.

Consolidated Statement of Income

For the period 1 January 2014 – 30 September 2014

(Amounts are expressed in Turkish Lira unless otherwise stated)

| | Notes | 01.01.2014 30.09.2014 | 01.01.2013 30.09.2013 | 01.07.2014 30.09.2014 | 01.07.2013 30.09.2013 |
|--|--------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| Comprehensive Income Statement | | | | | |
| Revenue | [18] | 92,802,248 | 79,482,756 | 33,749,817 | 27,084,314 |
| Cost of Goods Sold (-) | [18] | (85,541,121) | (74,673,080) | (32,568,396) | (27,108,185) |
| Gross Profit/Loss | | 7,261,127 | 4,809,676 | 1,181,421 | (23,871) |
| General Administrative Expenses (-) | [19] | (3,052,600) | (2,342,073) | (981,027) | (610,918) |
| Selling & Marketing Expenses (-) | [19] | (643,332) | (626,590) | (252,815) | (174,472) |
| Other Operational Revenues and Income | [20] | 969,768 | 1,786,415 | 227,824 | 1,476,391 |
| Other Operational Expenses and Losses (-) | [21] | (1,137,289) | (618,564) | (41,528) | (121,379) |
| -Other Expenses (-) | | (1,137,289) | (618,564) | (41,528) | (121,379) |
| Operational Profit (Loss) | | 3,397,674 | 3,008,864 | 133,875 | 545,751 |
| Operating Profit/Loss Before Financing Expenses | | | | | |
| | | 3,397,674 | 3,008,864 | 133,875 | 545,751 |
| Financial Income | [22] | 1,746,308 | 633,188 | 825,774 | 118,426 |
| Financial Expenses (-) | [23] | (4,154,128) | (3,143,578) | (1,068,820) | (1,195,841) |
| Before Tax Profit/Loss | | 989,854 | 498,474 | (109,171) | (531,664) |
| Tax Income/Expenses | | 278,524 | (475,354) | 24,146 | (441,238) |
| Current Period Tax Expense | [24] | (68,102) | - | 46,845 | - |
| Deferred Tax Income/Expense | [24] | 346,626 | (475,354) | (22,699) | (441,238) |
| Net Profit/Loss | | 1,268,378 | 23,120 | (85,025) | (972,902) |
| Earnings Per Share | [25] | 0,052849 | 0,001445 | -0,005314 | -0,060806 |
| Distribution of Net Profit/Loss | [17] | 1,268,378 | 23,120 | -85,025 | -972,902 |
| Non-Controlling Shares | | -97,607 | -917,538 | -104,784 | -216,418 |
| Parent Company Shares | | 1,365,985 | 940,658 | 19,759 | -756,484 |
| | | 01,01,2014 30,09,2014 | 01,01,2013 30,09,2013 | 01,07,2014 30,09,2014 | 01,07,2013 30,09,2013 |
| Other Comprehensive Income Statement | | | | | |
| Net Profit/Loss | | 1,268,378 | 23,120 | (85,025) | (972,902) |
| Not-Reclassified in Profit / Loss | [17] | (153,231) | 20,994,639 | 38,692 | (154,206) |
| Increasing/Decreasing in valuation of tangible assets | | - | 22,322,914 | - | - |
| Identified benefits plan and remeasurement of gain and (loss) | | (191,539) | (265,161) | 48,364 | (192,757) |
| Other comprehensive income's tax revenue / loss that are not reclassified in profit / loss | | 38,308 | (1,063,114) | (9,672) | 38,551 |
| Reclassified in Profit / Loss | | (56,030) | (19,455) | (100,044) | (13,407) |
| Changes in Currency Translation Differences | | (56,030) | (19,455) | (100,044) | (13,407) |
| Other Comprehensive Income (After Tax) | | -209,261 | 20,975,184 | -61,352 | -167,613 |
| Total Comprehensive Income | | 1,059,117 | 20,998,305 | -146,377 | -1,140,515 |
| Distribution of Comprehensive Income | [17] | 1,059,117 | 20,998,305 | -146,377 | -1,140,515 |
| Non-Controlling Shares | | 2,510 | 96,011 | -3,882 | -253,703 |
| Parent Company Shares | | 1,056,607 | 20,902,294 | -142,495 | -886,812 |

Lokman Hekim Engürüsağ Sağlık, Turizm, Eğitim Hizmetleri ve İnşaat Taahüt A.Ş.

Consolidated Statement of Changes in Shareholders' Equity
For the period 1 January 2014 – 30 September 2014
(Amounts are expressed in Turkish Lira unless otherwise stated)

| Notes | Shared capital | Share premium | Accumulated comprehensive revenue / expenses that are not reclassified in profit / loss | | Accumulated comprehensive revenue / expenses that are not reclassified in profit / loss | | Accumulated Profit | | | TOTAL |
|---|-------------------|------------------|---|---|---|--------------------------------|------------------------------|-------------------|------------------------|-------------------|
| | | | Gain / Loss of Tangible Assets revaluation and remeasurement | Identified Benefits Plan and Remeasurement of Gain and (Loss) | Currency exchange differences | Restricted Reserve Thru profit | Previous Years Profit / loss | Net Profit / Loss | Non-controlling shares | |
| 01.01.2013 | 16,000,000 | 7,694,861 | 7,855,933 | - | - | 577,588 | 2,274,180 | 5,172,680 | 2,224,494 | 41,799,736 |
| Adjustment related change in accounting policy | | | | -152,762 | | | | 194,619 | -41,857 | - |
| 01.01.2013 (Adjusted) | 16,000,000 | 7,694,861 | 7,855,933 | -152,762 | - | 577,588 | 2,274,180 | 5,367,299 | 2,182,637 | 41,799,736 |
| Change in Tangible Assets Revaluation Funds (net) | | | 21,206,768 | | | | | | | 21,206,768 |
| Foreign Currency Translation Differences | | | | | -19,455 | | | | | -19,455 |
| Identified Benefits Plan and Remeasurement of Gain and (Loss) | | | | -212,129 | | | | | | -212,129 |
| Transfer of Current Period Profit | | | | | | 171,238 | 5,196,061 | -5,367,299 | | - |
| Dividend Payments | | | | | | | -2,000,000 | | | -2,000,000 |
| From Consolidation | | | | | | | | | 87,249 | 87,249 |
| Minority Shares | | | | | | | | | | - |
| Current Period Net Profit /Loss | | | | | | | | 940,658 | -917,538 | 23,120 |
| 30.09.2013 | 16,000,000 | 7,694,861 | 29,062,701 | -364,891 | -19,455 | 748,826 | 5,470,241 | 940,658 | 1,352,348 | 60,885,289 |
| 01.01.2014 | 16,000,000 | 7,694,861 | 29,062,701 | -534,267 | -32,004 | 748,826 | 5,470,241 | 1,151,848 | 393,912 | 59,956,118 |
| Bonus Issue | 8,000,000 | -7,694,861 | | | | | -305,139 | | | - |
| Foreign currency translation differences | | | | | -56,030 | | | | | -56,030 |
| Identified benefits plan and remeasurement of gain and (loss) | | | | -191,539 | | | | | | -191,539 |
| Transfer of current profit | | | | | | | 1,151,848 | -1,151,848 | | - |
| Tax Income / Expenses | | | | 38,308 | | | | | | 38,308 |
| Transfers | | | | | | 199,054 | -199,054 | | | - |
| Cash Divident Payments | | | | | | | -969,754 | | | -969,754 |
| Minority Shares | | | | | | | 5,400 | | -5,400 | - |
| Current Period Net Profit / Loss | | | | | | | | 1,365,985 | -97,607 | 1,268,378 |
| 30.09.2014 | 24,000,000 | - | 29,062,701 | -687,498 | -88,034 | 947,880 | 5,153,542 | 1,365,985 | 290,905 | 60,045,481 |

Lokman Hekim Engürüsağ Sağlık, Turizm, Eğitim Hizmetleri ve İnşaat Taahüt A.Ş.

Consolidated Cash Flow Statement
For the period 1 January 2014 –30 September 2014
(Amounts are expressed in Turkish Lira unless otherwise stated)

| | Notes | 01.01.2014 30.09.2014 | 01.01.2013 30.09.2013 |
|--|---------|--------------------------|--------------------------|
| A. Cash Flows from Operating Activities | | 5,135,783 | 2,411,758 |
| Cash Inflow Through Sale of Goods and Services | [18] | 94,141,912 | 78,928,869 |
| Change in Trade Receivables | [7] | (4,569,730) | (1,593,309) |
| Payments to Suppliers for Goods and Services | [18] | (80,560,976) | (71,396,709) |
| Change in Inventories | [9] | 1,033,902 | (2,152,407) |
| Change in Trade Payables | [7] | (753,866) | 866,336 |
| Cash Outflow from Operating Activities | [19] | (3,627,830) | (2,968,663) |
| Net Cash Flow From Operating Activities ; | | 5,663,412 | 1,684,117 |
| Cash Inflow From Other Profit and Revenues | [20] | 917,208 | 1,686,501 |
| Cash Outflow From Other Expenses and Losses | [21] | (982,485) | (1,509,050) |
| Cash Inflow From Financial Revenues | [22] | 621,299 | 358,981 |
| Cash Outflow From Financial Expenses | [23] | (2,799,932) | (2,635,552) |
| Cash Flow From Other Assets and Liabilities | [8,15] | 1,784,383 | 2,959,327 |
| Tax Refund | [24] | (68,102) | (132,566) |
| B. Cash Flows From Investment Activities | | (3,949,533) | (9,437,416) |
| Cash Inflow Through Sale of Tangible Assets | [10,11] | 128,455 | 220,505 |
| Cash Outflow From Sale of Tangible /Intangible Assets | [10,11] | (4,077,988) | (9,657,921) |
| C. Cash Flows From Financing Activities | | (718,624) | 6,673,354 |
| Cash Outflows/Inflow From Short-Term Financial Liabilities (net) | | 1,699,626 | 10,464,616 |
| Cash Outflows/Inflow From Long-Term Financial Liabilities (net) | | (401,938) | 1,736,860 |
| Net Change in Leasing Activities | | (1,046,558) | - |
| Cash Outflows From Short-Term Financial Liabilites | [6] | - | (189,416) |
| Cash Outflows From Long-Term Financial Liabilites | [6] | - | (5,338,706) |
| Paid Divended | | (969,754) | - |
| D. Effects of Currency Differences on Cash and Cash Equivalents | | - | - |
| E. Cash Flow From Operating Activities | | 467,626 | (352,304) |
| F. Cash and Cash Equivalents at the Beginning of the Period | [3] | 1,952,102 | 2,212,721 |
| G. Cash and Cash Equivalents at the End of the Period | [3] | 2,419,728 | 1,860,417 |

Lokman Hekim Engürüsağ Sağlık, Turizm, Eğitim Hizmetleri ve İnşaat Taahhüt A.Ş.

Notes to the Consolidated Financial Statements

At 30 September 2014

(Amounts are expressed in Turkish Lira unless otherwise stated)

1. Company's Organization and Main Activity

Lokman Hekim Engürüsağ Sağlık, Turizm, Eğitim Hizmetleri ve İnşaat Taahhüt A.Ş. ("Parent Company", "Group", or "Company") was established in Ankara in 1996. Firstly, it started to operate sale of medical stuff and procurement of medical equipment.

Company amended the main contract in the meeting which was conducted on May 23 2010 after the 2009 Ordinary General Assembly Meeting. Company's title of "Engürüsağ Sağlık, Turizm, Eğitim Hizmetleri ve İnşaat Taahhüt A.Ş." was changed as "Lokman Hekim Engürüsağ Sağlık, Turizm, Eğitim Hizmetleri ve İnşaat Taahhüt A.Ş." relying on this amendment.

Company's recorded address is General Tevfik Sağlam Caddesi No: 119 Etlik/Ankara.

Main partnership' capital and partnership structure is;

| | 30.09.2014 | | 31.12.2013 | |
|--------------|-------------------|------------|-------------------|------------|
| | TL | % | TL | % |
| Group A | 193.208 | 0,81 | 128.805 | 0,81 |
| Group B | 23.806.792 | 99,19 | 15.871.195 | 99,19 |
| Total | 24.000.000 | 100 | 16.000.000 | 100 |

A category shares are registered and cannot be sold in the stock exchange market. They cannot be transferred partially to 3rd parties. A category shareholder has priority for sale of shares relying on real value (the value which is set jointly between parties). In the situation of conflict, valuation of share will be made during a month by independent auditing firm which is jointly decided. At the transfer of A category share, in the situation that there is one or more than one A category shareholder which will take over, shares are transferred equally. When there is no A category shareholder to take over A category shares which are settled its value, shareholder is free to sell his shares to 3rd parties over its settled value.

Affairs and management of company are conducted by board of directors consisted of minimum 7 or 9 people which are elected by General Board. If board of directors will consist of 7 people elected by General Board, 5 of it; and if board of directors will consist of 9 people, 6 of it will be elected by General Board between candidates jointly nominated by shareholders who have more than 51 percent of A category shares.

There is no granted privilege to B category shares.

Subsidiaries which are in the group, are subjected to consolidation, are direct, and sphere of activities of these subsidiaries with its rate of share are like below;

| Companies | Principle activity | Participation rate (%) | |
|---|--------------------|------------------------|------------|
| | | 30.06.2014 | 31.12.2013 |
| Lokman Hekim Van Sağlık Hizmetleri ve İnşaat Taahhüt A.Ş. | Health | 50,99 | 50,99 |
| Hay Süt ve Süt Ürünleri Hayvancılık Gıda ith. İhr. A.Ş | Livestock, Dairy | 73,62 | 73,62 |
| Engürüsağ Genel Ticaret Ltd. Şti. (Erbil) (Iraq) * | Health | 95,00 | 70,00 |

Lokman Hekim Engürüsağ Sağlık, Turizm, Eğitim Hizmetleri ve İnşaat Taahüt A.Ş.

Notes to the Consolidated Financial Statements

At 30 September 2014

(Amounts are expressed in Turkish Lira unless otherwise stated)

Lokman Hekim Etlik Hospital:

5 floor hospital building which is on the indoor area of 2.900m² in the district of Etlik in Ankara, has been rented for 15 years in 1999. There are 2 operating room, 2 delivery room, 3 newborn intensive care incubator, 3 intensive care bed and hospital has 37 inpatient bed availability in total.

The hospital has TUV-CERT ISO 9001:2008 Certificate of Quality Management System and it supports the project of Baby -Friendly Hospital which is conducted by UNICEF and Ministry of Health. In this scope, hospital has Certificate of Baby - Friendly Hospital.

Lokman Hekim Sincan Hospital:

8 floor hospital building with 17.482 m² indoor area in Sincan district in Ankara is Company's own asset. The hospital has 6 operation room and one heliport for air ambulance. The hospital has 38 intensive care room, 10 intensive care for cardiology department, 1 coronary room with 4 beds and 15 newborn intensive care incubator with a total capacity of 183 beds.

The hospital has granted with the TSE EN ISO 9001: 2008 Quality Management System Certificate in August, 2008 by Turkish Institute of Standards.

The hospital has a Baby-Friendly-Hospital certificate from a project of Unicef and Ministry of Health in 12.07.2010.

Lokman Hekim Van Hospital:

The 9 floor hospital building in Van city centre with 12.500 m² indoor area is rental. The hospital has 5 operating room, 21 general intensive care beds, 3 beds for intensive care for cardiology department, 10 coronary rooms, 48 newborn intensive care incubators, 9 beds for child intensive care and 107 patient beds with a total capacity of 189 beds.

Lokman Hekim Hayat Hospital:

The hospital which is In Van and has 4.500m² indoor area has 52 bed capacity. The hospital has 5 general care room, 17 newborn intensive care incubator, 2 operating room and 2 delivery room. The hospital has started to operate on 25.02.2013.

Engürüsağ Genel Ticaret Ltd. Şti.

The center was established to provide imaging and diagnostic facilities in Erbil, Iraq on 13.05.2013 with an owners' equity of 12.000\$ (15 million Iraqi Dinars). The group has %70 percent of the shares and titled as co-founder. The company will operate in an indoor area of approximately 2,000 m². which includes Radiology and Laboratory units located in the center. Company's participation rate has increased %70 to %95 at 08.09.2014

Laboratories

The lab centres in the hospitals are members of Bio – Rad Laboratories Egas, College of American Pathologists Cap in America and Randox Laboratories in London, Rigas External Quality Control Programs and UK Megas and reliabilities of the results and laboratory equipment are checked periodically.

Medical Units

Anaesthesia and Reanimation, Nutrition and Diet, Brain and Neurosurgery, Child Care and Paediatric, Child Neurology, Dermatology, Physical Med and Rehabilitation, Gastroenterology, General Surgery, Pulmonology, Eye Diseases, Internal Diseases, Gynaecological Diseases and Delivery, Cardiology, Cardiovascular Surgery, Otorhinolaryngology, Neurology, Nephrology Orthopaedics and Traumatology, Medical Oncology, IVF Unit, Urology, Dental Services

Lokman Hekim Engürüsağ Sağlık, Turizm, Eğitim Hizmetleri ve İnşaat Taahüt A.Ş.

Notes to the Consolidated Financial Statements

At 30 September 2014

*(Amounts are expressed in Turkish Lira unless otherwise stated)***Personnel:**

| Position | 30.09.2014 | 31.12.2013 |
|--|-------------------|-------------------|
| Doctor | 166 | 159 |
| Health services (Nurse, ATT, Health Officer, Health Tech., Pharmacist, Dietician etc.) | 531 | 472 |
| Health support services (Health Support Personnel, Patient Relations) | 344 | 322 |
| Management support service | 306 | 256 |
| Management | 68 | 62 |
| Veterinary and laborers | 9 | 12 |
| Construction engineers and construction worker | 12 | 14 |
| Total | 1.436 | 1.297 |

2. PRINCIPLES REGARDING TO THE PRESENTATION OF FINANCIAL STATEMENTS

2.1. Main Principles regarding to the Presentation

2.1.1. Legal Books and Financial Statements

Within the scope of standards as TMS/IFRS respectively; Turkish Accounting Standard and Turkish Financial Reporting System, Public oversight, Accounting and Auditing Standards Authority ("KGK") 5411 numbered Banking Law, Turkish Capital Markets Board of Turkey ("SPK") 6362 numbered Capital Markets Law and with 5684 numbered Insurance Law and also 4683 numbered Individual Retirement and Investment Law are published on 20.05.2013, on Official Journal in 28652.

According to the Principles of Financial Reporting in Capital Markets Notification (II-14.1) of Capital Markets Board of Turkey (SPK), financial market institutions, with exclusion of exported capital market tools, the transactions in the stock market of investment funds and partnership, housing finance and asset finance funds, has to prepare its financial statement appropriately to the TMS/IFRS.

In the number of the meeting 20/670 of Capital Markets Board of Turkey (SPK), the number of notification II-14.1 for the financial market institutions, with exclusion of exported capital market tools, the transactions in the stock market of investment funds and partnership, housing finance and asset finance funds after the interim periods of 31.03.2013, the methods came into force. This methods announced in the weekly newsletter at the date 07.07.2013 and in the number of 2013/19. The company prepared its consolidated financial statement after 30.07.2013 according to this standards.

The decision taken on 17 March 2005, operating in Turkey and preparing their financial statements in accordance with Capital Markets Board("CMB") Financial Reporting Formats for companies with effect from 1 January 2005, application of inflation accounting is no longer required. The financial statements for 1 January 2005, provided that the No. 29 "Financial Reporting in Hyperinflationary Economies" Standard ("IAS 29") applied.

The Group prepare its Financial Statements in according to Turkish Commercial Code ("TCC") and Ministry of Finance Standards. And the currency is Turkish Lira(s).

The consolidated financial statements are prepared in accordance with the historical cost basis records for the purpose of fair presentation in accordance with CMB Financial Reporting Standards

2.1.2 Principles of Consolidation:

| Company | Principal Activity | Participation rate (%) | |
|---|-------------------------------|-------------------------------|-------------------|
| | | 31.03.2014 | 31.12.2013 |
| Lokman Hekim Van Sağlık Hizmetleri ve İnşaat Taahhüt A.Ş. | Health | 50,99 | 50,99 |
| Hay Süt ve Süt Ürünleri Hayvancılık Gıda ith. İhr. A.Ş. | Milk production and livestock | 73,62 | 73,62 |
| Engürüsağ Genel Ticaret Ltd. Şti. (Erbil-Iraq) | Health | 95,00 | 70,00 |

All the companies above is consolidated accordance to the principles below.

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Consolidation Method

- Consolidated balance sheets and income statement items of the partnerships are consolidated through adding up to each other. Book values of the shares owned by Main Partnership in consolidated subsidiaries are set off from the shareholders' equity accounts of the subsidiary.
- Receivables and payables, sale of good and services and income and loss items resulting from the transactions between the partnerships from each other which are within the scope of consolidation are set off.
- Tangible and intangible assets purchased between the partnerships which are subject to consolidation method are presented in the consolidated balance sheet through their costs of acquisition after the necessary adjustments are made.
- The amounts equal to the external shares of main partnership and subsidiaries are deducted from all shareholders' equity items, including the paid/issued capitals of the subsidiaries which are within the scope of consolidation, and are presented as "Minority Shares" before the shareholders' equity account group in the balance sheet.
- Cost of acquisition of shares in the capital of subsidiary by main partnership as of the date when the partnership within the scope of consolidation become subsidiary and just for the one time for the following share purchases, is set off from the value in the shareholders' equity in the re-valued balance sheet of the subsidiary based on the fair value as of the purchase date.
- Acquisition of the Group is accounted through purchase method. In this method, acquisition is registered based on cost. The group, starting from the acquisition date, includes the operation results of the company which is acquired in its income statement and also presents each definable asset and liability of the acquired company as well as the goodwill or negative goodwill aroused as a result of the acquisition in the balance sheet as of this date.

2.1.3. Functional Currency:

Functional currency of the Group is Turkish Lira (TL) and attached financial statements and footnotes are presented in Turkish Lira (TL).

2.1.4. Declaration of Conformity:

Attached financial statements of Group have been confirmed by the Board of Directors of the Company as of 12.11.2014. The right to change the attached financial statements belongs to the General Assembly of the Company or legal authorities.

2.1.5. Netting / Set Off

Financial assets and liabilities are presented at their net values in cases of a required legal right, related assets and liabilities are intended to be netted or acquisition of assets are followed by the performing of the liabilities.

2.1.6. Financial Statement of Partnerships in Foreign Countries

Financial statements of partnerships and subsidiaries in foreign countries are prepared in accordance with the host countries' standards and law. The accounting principles of the Group are adjusted according to these laws and standards.

If the currencies of the Group companies are different from reporting currency. Then the conversion method is below;

- All the assets and liabilities are converted with the exchange rate on the date of balance sheet.
- Revenues and expenses are converted with the exchange rate on the date of balance sheet. And the difference of conversion is stated in the comprehensive income statement.

2.1.7. New and Revised Turkish Accounting / Financial Reporting Standards:

The Group applied new and revised standards which are published by Public Oversight ("KGK") in the current period and related to its field of business.

2.2. Changes and Mistakes in the Accounting Policies

An enterprise can only changes its accounting policies only in case of following conditions and apply backwards;

- Required by a standard or an interpretation
- If it is in a character which provides a more appropriate and trustable way to present the effects of the transactions and events on the financial statement, performance or cash flow of the enterprise

Parties who use the financial statements should have the opportunity to compare the financial statements throughout the time in order to find out the trends of the financial position, performance and cash flow. Therefore, as long as a change in an accounting policy does not meet one of the criteria described above, same accounting policies should be used in every period and financial period.

Comparative information and restatement of prior period financial statements

The idle capacity of the company at Ankara Sincan Hospital continues for a long time; therefore, this capacity has become an actual capacity as a result of repetition of this unused capacity for periods of time over and over. Accordingly, a cost for idle capacity has not been occurred. The cost of idle capacity that is 1.048.395 TL, at the date of 30.09.2013 which was classified under other expenses is added to cost of services sold in this period

Company reclassified its deferred tax liabilities which was classified as other long term liabilities before. 5.292.224 TL is stated in the Liabilities Related Current Period Tax under the Long-term Liabilities, before 31.12.2013 it is was stated in Other Short-term Liabilities. This tax liabilities are deferred regarding to announcement of force majeure by Revenue Administration in Van because of earthquake in 23.11.2013. The end date of force majeure will be announced by administration.

Capital Markets Board of Turkey (SPK) issued financial statement samples and user guide at the date of 07.07.2013 and in the 20/670. Meeting for the financial market institutions which is covered in Principles of Financial Reporting in Capital Markets Notifications, after the interim period of March 31, 2013. According to this enacted methods, various classifications are made in the consolidated financial statement, consolidated profit/loss and other comprehensive income statement.

2.3. Summary of Important Accounting Policies

2.3.1. Revenue:

Revenue means – in exchange of the health services provided – invoice amount of the invoiced services, the amount to be invoiced for the performed but not invoiced services and the amount calculated based on the completion level for not invoiced but still continuing services, less returns and discounts.

In case an uncertainty arises to collect a revenue amount which was presented in the financial statements, uncollectable or the amount which becomes impossible to collect are considered as cost in the financial statements rather than adjusting the first registered revenue.

2.3.2. Inventories:

Costs of inventories are compromise of cost of all purchases, conversion costs and other costs burdened to perform the current position and condition of the inventories. For the inventory purchases with interim payments, the differences between the cash value and future value are recognised as finance costs in the period it occurred.

Inventory method is weighted average cost method.

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Inventories are valued with the lowest of cost and net realisable value. Net realisable value is the value expected sales value under normal conditions less the total of expected costs of completion and expected sales costs in order to perform the sale.

It is assumed that the production activities would be at normal capacity on the distribution of fixed general production costs to conversion costs. Normal capacity is the expected average production amount under normal conditions within one or a few periods or sessions considering the loss of capacity due to the planned repair and maintenance works. If the real production level is close to the normal capacity, then this capacity is considered as normal capacity. If the actual production level is continuously below from the pre-determined normal capacity, then the normal capacity is accepted as realized actual capacity and all the fixed production costs add into the production costs of services.

The Company's actual capacity in Ankara Hospital of Sincan continued for periods, and has been accepted as the normal capacity and this capacity calculations were made accordingly. Therefore, the cost of an idle capacity has not been occurred.

2.3.3. Biological Assets

Biological assets are registered with their costs at the time of purchase. At the end of each reporting period, they are evaluated based on fair value. In cases where fair value cannot be calculated or determined clearly, so-called biological asset is re-valued through its cost less all related accumulated depreciation and accumulated provisions for loss. Gains or losses on the values are linked with the period profit or loss

2.3.4. Tangible Fixed Assets

Tangible assets which are expected to be used within the company for more than one year are registered with their costs at the time of purchase. In the following periods, revaluation method for lands and buildings are revaluated based on the method for cost of other tangible assets. Costs of other tangible assets which were purchased prior to 01.01.2005 are costs which are adjusted for inflation effects.

The group used pro rata depreciation for tangible assets according to normal depreciation method. When the

Group determines the depreciation lives for its tangible assets, it considers the useful life of the asset.

Costs of tangible assets which are purchased through leasing are the costs less the interest and foreign exchange difference. Interests and foreign exchange differences are registered as financial costs in the relevant period.

Group's beneficial life for tangible assets are ;

| | |
|----------------------------------|--------------|
| Buildings | 50 Years |
| Machinery, plants and equipment | 5 – 20 Years |
| Vehicles | 5 Years |
| Fixtures | 2 – 20 Years |
| Assets Purchased Through Leasing | 5 – 15 Years |
| Other non-tangible fixed assets | 5 – 20 Years |

2.3.5. Non-Tangible Fixed Assets

Non-tangible assets which are expected to be used within the company for more than one year are registered with its costs at the time of purchase. They are re-valued based on the cost model in the following periods. Cost of non-tangible assets which were purchased prior to 01.01.2005 are costs which are adjusted for the inflation effect.

Doctor staff costs and hospital license are reported in non tangible assets as Rights for Lokman Hekim Van Hospital and Lokman Hekim Hayat Hospital.

According to the issued change in the Official Gazette in 11.07.2013, transfer of staff and licence is allowed with article 6 of Private Hospital Regulation.

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The Group takes the useful lives of the assets into consideration when determining the depreciation lives of the non-tangible assets.

The Group determined useful lives for its non-tangible assets 3 to 15 years.

2.3.6. Goodwill

Purchase price burdened related to the purchase of a company is distributed to the identifiable assets, liabilities and conditional liabilities at the time of purchase of the purchased company. The difference between purchase price and fair value of the identifiable assets, liabilities and conditional liabilities of the purchased company is registered as goodwill in the consolidated financial statements. In the mergers, assets, non-tangible assets and conditional liabilities which are not stated in the financial statements of the purchased company/enterprise but can be separated from the goodwill are reflected to the consolidated financial statements with their fair values. Goodwill in the financial statements of purchased company are not considered as identifiable assets.

In case of the buyers' share of the fair values of the purchased identifiable assets, liabilities and conditional liabilities exceeds the purchase price, then the difference is linked with the consolidated income statement.

In case any value decline in the goodwill amount, its effect is reflected to the period results. Test for the value decline at the same time every year to determine whether there is a value decline in the goodwill amount or not.

Legal mergers among the enterprises which are under the control of the Group are considered within the scope of UFRS 3. Therefore, no goodwill is calculated in such mergers. Moreover, transactions occurred during legal mergers are subject to adjustment process during the preparation of consolidated financial statements.

2.3.7. Decline in the Values of Assets

According to IAS 36 – Decline in the Values of Assets standard, book values of tangible and intangible assets and their recoverable values can be compared if it is deemed necessary due to domestic and international economic indications. If it is forecasted that the book value of the asset exceeds the recoverable value, then it is accepted that there is decline in the value of the asset. Recoverable value is the lesser of the exercise price and market price. Forecasted decline in the value is registered as loss at the term in which it is determined.

However, existence of such decline in value is out of question.

2.3.8. Financial Instruments

a) Cash and Cash Equivalents

Cash on hand of the Group consists of cash and bank deposits. Cash equivalents consist of receivables from credit card.

Bank deposit balances of foreign currencies are re-valued from the foreign exchange rate of TC Central Bank at the date of balance sheet. Current values of the cash in the balance sheet and deposits in the bank and receivables from credit card are the fair value of these assets.

b) Trade Receivables and Payables

Trade receivables and payables resulting from providing a service to a customer by the Group or purchasing a good or service from a supplier are presented after clarified from deferred financing revenues and costs.

It is assumed that the discounted values of trade receivables and provision for doubtful receivables are equivalent to the fair values of the assets.

The group, in case there is an objective proof that the collecting is impossible, makes provisions for doubtful receivables. The amount of this provision is registered value of the receivable less the guarantees and warranties.

Following making a provision for the doubtful receivables, in case all or a portion of the doubtful receivable is not collected, the collected amount is written off from doubtful receivables and registered as other revenues.

It is assumed that the discounted values of the trade receivables are equivalent to the fair values of the assets.

c) Other Receivables, Payables and Liabilities

Registered based on accrual basis and it is assumed that the registered values are equivalent to fair values.

2.3.9. Benefits for Employees / Termination Indemnity

According to applicable Labour Law, the company shall pay a termination indemnity not less than 30 days for each year for the employee who is fired from the company except those fired due to bad behaviours. For this reason, the company has to estimate the total cost to be paid and discount the estimated payments so that find the net present value. Therefore, the company reports its total liability at the date of balance sheet which is discounted to net present value.

It is assumed that man who has worked 25 years and woman who has worked 20 years would be retired and termination indemnity would be paid at that time. Accordingly, the company tries to find out the expected termination indemnity liability which it would pay at the time of retirement or firing its employees in the future. Net present value of the portion of the termination indemnity right hold by the employee at the date of balance sheet within this total liability which is expected to be paid is registered into the balance sheet as provision for termination indemnity. It is assumed that ratio of the number of employees who were fired or leave the company in the previous periods without getting any termination indemnity to the total number of employees would be the same in the following periods and total liability is declined at this rate.

The difference of the total termination indemnity between the two periods is distributed to cost of interest, cost of service for the current period and actuarial income / loss. Cost of interest is the cost of use of the liability in the previous period's balance sheet during the period and equals to the liability amount at the beginning of the period for the employees who are still working multiplied by discount rate used in that year. The cost of service for the current period is the portion of the termination indemnity at the time of it is going to be paid which the employees get the right for termination indemnity for their services at the time of balance sheet through discount rate. All other differences are reflected to actuarial income and loss. Actuarial income / loss, cost of interest and cost of services for the current period are presented in the comprehensive income statement.

Except from the wages, bonuses and other social benefits provided to employees, there is not any contribution plan to be paid after the retirement or resigning period.

2.3.10. Taxation

Tax payable in the attached financial statements is consist of tax provision for the current period and deferred tax. The provision for the liabilities regarding to the corporate tax to be resulted from the activities in the current period is set based on the legal tax rates at the time of balance sheet. Deferred tax asset/liability is the difference between account value and tax value (timing difference). Current tax rate is considered on the calculation of deferred tax asset.

Deferred tax liability is presented in the financial statements for all taxable or deductible provisional differences but deferred tax asset is presented in the financial statements provided that there are taxable profits are possible from which the deductible provisional differences can be set off. Net deferred tax assets resulting from the timing differences are reduced at the rate of the tax deductions provided that it is not certain that they can be used in the following years according to the information on hand.

2.3.11. Related Parties

Parallel to the aim of these financial statements, related parties are considered and defined as the companies which are linked to the shareholders, important managerial employees and board members, their families and controlled by them or related to them, subsidiary and partnerships and minority partners of the affiliates.

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Shareholders, major managers of these companies and members of the board of the Company and their families are also considered as related parties. Transactions made with the related parties are generally in accordance with the market conditions. Key managerial employees are also defined as the related parties of the company. The companies which are considered as related parties and the level of relation are as follows:

- Owner of Afşar Matbaacılık is shareholder of Lokman Hekim A.Ş.
- Owner of Akgül Grup Gıda Ltd. Şti. is shareholder of Lokman Hekim A.Ş.
- Owner of Bartek Bilgisayar is shareholder of Lokman Hekim A.Ş.
- Owner of B Ajans Medya Yayın ve Org. San. Tic. Ltd. Şti. is indirectly shareholder of Lokman Hekim A.Ş.
- Owner of Bilgen İnşaat Konf. Taah. Tic. Ltd. Şti. is shareholder of Lokman Hekim
- Owner of Çetin Matbaacılık is shareholder of Lokman Hekim A.Ş.
- Owner of Lokman Hekim Tıbbi Hizmetler Tic. Ltd. Sti is shareholder of Lokman Hekim A.Ş.
- Owner of Özdemir İnşaat is shareholder of Lokman Hekim A.Ş.
- Owner of Pozitron Sağlık Hizmetleri San. ve Tic. Ltd. Şti. is shareholder of Lokman Hekim A.Ş.
- Owner of Şekerciler Gıda Tic. Ltd. Şti. is shareholder of Lokman Hekim A.Ş.
- Owner of Kardiyotek Ltd. Şti. is shareholder of Lokman Hekim A.Ş.
- Owner of Koç Medikal is shareholder of Lokman Hekim A.Ş.
- Owner of Özkanlar Paz. İth. İhr. Gıda Mad. Tic. Ltd. Şti. is shareholder of Lokman Hekim A.Ş.
- Owner of Medisina Sağlık A.Ş. is shareholder of Lokman Hekim A.Ş.
- Owner of Özer Yapı Vizyon Ltd. Şti. is shareholder of Lokman Hekim A.Ş.
- Owner of Van Divan Sağlık Eğitim Turizm Sanayi Ticaret A.Ş. is related party of Lokman Hekim Van A.Ş.
- Owner of Safi Sağlık Sanayi Ticaret A.Ş. is related party of Lokman Hekim Van A.Ş.

2.3.12. Costs of Borrowing

Bank loans with interest are registered at their net amounts after deducting the cost of borrowing. Revenues or costs which are arising at the time of amortization or registration of the liabilities are linked to income statement. Costs of borrowings are also registered based on accruals even if the maturities have not become due yet at the time they arise.

2.3.13. Earnings (Loss) Per Share

Earnings (Loss) per share are calculated through net profit or loss of the period divided by the weighted average of the number of commons share in the current period.

In Turkey companies, can increase their owners' equity by distributing accumulated profits arise from inflation adjustments with shares (free) to their existing stockholders.

2.3.14. Events after the Balance Sheet Date

In case there are some events after the balance sheet date which require adjustment entries, these amounts in the financial statements are adjusted according to the new situation; but in case there are events after the balance sheet date which do not require any adjustment entry, there are explanations in the related period if the events are important.

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2.3.15. Provisions, Conditional Liabilities and Conditional Assets

Provisions:

Provisions are the accruals provided that there would be a liability (legal or structural liability) resulting from the events happened in the past, and it is probable that this liability will cause a decline in the asset items and the liability amount can be determined reliably. Accrued provisions are reviewed in every balance sheet period and revised in order to reflect the current expectations.

Conditional Liabilities and Conditional Assets

Transactions which cause commitment and conditional liability mean the conditions which are linked to the result of one or more than one event that may happened in the future. Therefore, since some transactions have possible damage, risk and uncertainty in the future, they are defined as items out of balance sheet. In case there is a forecast for possible obligations or losses to be occurred in the future, these liabilities are considered as costs and debt for the Company. However, income and profits which are probable to occur in the future are presented in the financial statements.

2.3.16. Assets and Liabilities In terms of Foreign Currency

Assets in the balance sheet in terms of foreign currencies are converted to Turkish Lira based from buying rate of foreign exchange and liabilities from selling rate of foreign exchange published by T.C. Central Bank. Transactions with foreign currencies within the period are converted to Turkish Lira from the actual rates at the date of transaction. Foreign exchange gains and losses arising from these transactions are presented in the income statements. Rates used in the financial statements in 31.12.2014 and 31.12.2013 reports are as follows

| | <u>30.09.2014</u> | <u>31.12.2013</u> |
|--------|-------------------|-------------------|
| Dollar | 2,2789 | 2,1343 |
| Euro | 2,8914 | 2,9365 |

2.3.17. Important Accounting Review, Forecast and Assumptions

Preparation of financial statements requires management to apply policies and make decisions, forecasts and assumptions which affect the assets, liabilities, incomes and losses which are reported. Real outcomes may be different from these forecasts.

Forecasts and assumptions which are the basis of the forecasts should be revised all the time.

Important forecasts and assumptions used by the Company during the preparation of the financial statements are as follows:

- Useful lives of tangible and intangible assets
- Discount rate used for trade receivables and payables
- Provision rates for the receivable from SSI
- Regarding to the employee benefits, retirement term, increase rate, discount rate, rate for not to get any termination indemnity
- Rates used for deferred tax calculation

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3. OPERATION SEGMENT

The Company prepared its sales based on hospitals, based on large customers, based on operation kind and based on outpatient care – inpatient treatment.

| | 01.01.2014 – 30.09.2014 | | 01.01.2013 30.09.2013 | |
|--------------------------------------|-------------------------|------------|-----------------------|------------|
| | Amount | % | Amount | % |
| Etlik Hospital service sales | 18,078,594 | 21,2% | 17,385,214 | 22,9% |
| Sincan Hospital service sales | 37,225,649 | 43,7% | 32,240,891 | 42,4% |
| Van Hospital service sales | 26,192,203 | 30,7% | 25,241,636 | 33,2% |
| Hayat Hospital service sales | 3,131,565 | 3,7% | 998,092 | 1,3% |
| Erbil Diagnosis Center service sales | 650,962 | 0,8% | 98,045 | 0,1% |
| Total Sales | 85,278,973 | 100 | 75,963,878 | 100 |

| | 01.01.2014 – 30.09.2014 | | 01.01.2013-30.09.2013 | |
|--------------------|-------------------------|------------|-----------------------|------------|
| | Amount | % | Amount | % |
| Sales to SSI | 58,641,232 | 68,8% | 56,762,343 | 74,7% |
| Other sales | 26,637,741 | 31,2% | 19,201,535 | 25,3% |
| Total Sales | 85,278,973 | 100 | 75,963,878 | 100 |

| | 01.01.2014 - 30.09.2014 | | 01.01.2013- 30.09.2013 | |
|----------------------------------|-------------------------|------------|------------------------|------------|
| | Amount | % | Amount | % |
| Health service sales revenue | 85,278,973 | 91,9% | 75,963,878 | 95,6% |
| Biological assets and milk sales | 1,617,830 | 1,7% | 1,383,525 | 1,7% |
| Construction incomes | 5,905,445 | 6,4% | 2,135,353 | 2,7% |
| Total | 92,802,248 | 100 | 79,482,756 | 100 |

| | 01.01.2014 - 30.09.2014 | | 01.01.2013- 30.09.2013 | |
|--------------------------|-------------------------|------------|------------------------|------------|
| | Amount | % | Amount | % |
| Receivables from SSI (*) | 21,245,635 | 87% | 19,155,352 | 85% |
| Other receivables | 2,990,145 | 13% | 3,405,556 | 15% |
| Total Receivables | 24,235,780 | 100 | 22,560,908 | 100 |

Revenue based on treatment sort is as follows

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| | 01.01.2014-30.09.2014 | | | 01.01.2013-30.09.2013 | | |
|--------------|-----------------------|-------------------|---------------|-----------------------|-------------------|---------------|
| | Number of patient | Net Sales | Net Sales (%) | Number of patient | Net Sales | Net Sales (%) |
| Outpatient | 574,773 | 38,375,538 | 45 | 524,346 | 34,208,997 | 45 |
| Inpatient | 33,253 | 46,903,435 | 55 | 34,964 | 41,754,881 | 55 |
| Total | 608,026 | 85,278,973 | 100 | 633,882 | 75,963,878 | 100 |

The biggest client of the company is ISS.

4. Cash and Cash Equivalents

| | 30.09.2014 | 31.12.2013 |
|-------------------------|------------------|------------------|
| Cash | 212,304 | 39,633 |
| Banks | 432,282 | 442,192 |
| Credit card receivables | 1,775,142 | 1,470,277 |
| Total | 2,419,728 | 1,952,102 |

Average maturity date of credit cards receivables is 40 days, (31.12.2013– 20 days)

5. Financial Liabilities

| Short-term Financial Liabilities | 30.09.2014 | 31.12.2013 |
|--|-------------------|-------------------|
| Short-term loans | 23,220,540 | 17,737,992 |
| Short term portion of long term borrowings | 3,418,762 | 7,152,840 |
| Financial leasing borrowings | 2,352,369 | 2,211,601 |
| - Financial leasing borrowings | 2,685,434 | 2,641,620 |
| - Deferred interest cost | -333,065 | -430,019 |
| Total | 28,991,671 | 27,102,433 |

| Long Term Financial Liabilities | 30.09.2014 | 31.12.2013 |
|---------------------------------|------------------|------------------|
| Long term loans | 1,374,109 | 1,776,047 |
| Financial leasing borrowings | 1,674,243 | 2,861,569 |
| - Financial leasing borrowings | 1,832,857 | 3,088,108 |
| - Deferred interest cost | -158,614 | -226,539 |
| Total | 3,048,352 | 4,637,616 |

Bank loans and leasing liabilities' maturities are as below;

| Bank Loans | 30.09.2014 | 31.12.2013 |
|---------------|-------------------|-------------------|
| 0 - 3 Months | 1,893,617 | 885,545 |
| 3 - 12 Months | 2,075,044 | 4,518,962 |
| 1 - 5 Year | 888,749 | 1,776,047 |
| Undated | 23,156,000 | 19,486,325 |
| Total | 28,013,411 | 26,666,879 |

| Leasings (Rental Payments) | 30.09.2014 | 31.12.2013 |
|----------------------------|------------------|------------------|
| 0 - 3 Months | 593,865 | 580,983 |
| 3 - 12 Months | 1,758,684 | 1,630,618 |
| 1 - 5 Year | 1,674,063 | 2,861,569 |
| Total | 4,026,612 | 5,073,170 |

33,189 TL of leasing payment is in Euro term,(31.12.2013– 176,036 is in Euro term)

Mortgages and gurantees are given for credit as the amount of 42,780,38 TL (31.12.2013– 40,441,544 TL),

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6. Trade Receivables / Trade Payables

| | 30.09.2014 | 31.12.2013 |
|---|-------------------|-------------------|
| Trade receivables | 23,453,996 | 19,455,781 |
| Notes receivables | 217,225 | 724,606 |
| Rediscount | -544,033 | -521,317 |
| Doubtful trade receivables | 1,050,760 | 968,515 |
| Provisions for doubtful trade receivables | -1,050,760 | -968,515 |
| Receivables from related parts | 1,108,592 | 111,941 |
| Total | 24,235,780 | 19,771,011 |

The interest rate that is used for discounting the receivables is 10%, (31.12.2013– %11),

Current term transactions of doubtful receivables is like below and provision is made for all of it,

| | 30.09.2014 | 31.12.2013 |
|---------------------------|------------------|----------------|
| Beginning | 968,515 | 1,071,918 |
| Uncollectible receivables | - | -353,316 |
| Collections / Cancelation | 11,277 | - |
| Additions | 70,968 | 249,913 |
| End of Term | 1,050,760 | 968,515 |

786,687 TL of provisions which is separated for doubtful receivables are provisions which is separated for receivables from SSI (31.12.2013–731,825 TL),

Company's receivables based on large receivables are as below;

| | 01.01.2014 – 30.09.2014 | | 01.01.2013-30.09.2013 | |
|--------------------------|-------------------------|------------|-----------------------|------------|
| | Amount | % | Amount | % |
| Receivables from SSI (*) | 21,245,635 | 87% | 19,155,352 | 85% |
| Receivables from others | 2,990,145 | 13% | 3,405,556 | 15% |
| Total Receivables | 24,235,780 | 100 | 22,560,908 | 100 |

| | 30.09.2013 | 31.12.2013 |
|-----------------------------|-------------------|-------------------|
| Trade payables | 7,140,352 | 7,692,610 |
| Notes payables | 9,078,991 | 5,033,354 |
| Rediscount | -533,943 | -402,156 |
| Other payables | 22,264 | |
| Payables to related parties | 1,295,453 | 5,564,962 |
| Total | 17,003,117 | 17,888,770 |

The interest rate that is used for discounting the receivables is 10%, (31.12.2013– %11),

7. Other Receivables / Other Payables

| | 30.09.2014 | 31.12.2013 |
|---------------------------------------|----------------|----------------|
| Other short-term receivables | 16,047 | 27,956 |
| Deposits and guarantees given | 253,125 | 253,007 |
| Receivables from Tax Office | 62,000 | 62,000 |
| Receivables from SSI with reservation | - | - |
| Total | 331,172 | 342,963 |

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|--------------------------------|---------------|---------------|
| Other long-term receivables | | |
| Depositos and guarantees given | 36,582 | 35,596 |
| Total | 36,582 | 35,596 |

| | 30.09.2014 | 31.12.2013 |
|--------------------------------|----------------|----------------|
| Other short-term payables | | |
| Depositos and guarantees given | 6,984 | 6,984 |
| Due to shareholders | 513,608 | 52,667 |
| Due to related parties | 120,325 | 163,256 |
| Other payables | 43,040 | 55,755 |
| Total | 683,957 | 278,662 |

8. Inventories

| | 30.09.2014 | 31.12.2013 |
|---|------------------|------------------|
| Medical inventories | 1,515,010 | 1,628,546 |
| Financial expenses | -60,904 | -69,749 |
| Feedstocks | 756,562 | 415,524 |
| Housing constructions (*) | - | 6,703,080 |
| Constructions inventories (Bağlica 48164) | 4,068,748 | - |
| Other inventories | 14,985 | - |
| Total | 6,294,401 | 8,677,401 |

Average cost is used for measurement of cost of stock and there is no stock which is demonstrated in net realizable value,

At the end of period, late charge of 60,904 TL in the current stocks is reported in the financial expenses, (31.12.2013- 69,749 TL),

(*)The company took a licence to build a Residental and Commercial construction in the 5,413 m2 area at Etimesgut/Ankara Bağlica neighborhood in 2 May 2012, The construction is continuing,

9. Biological Assets

| | 30.09.2014 | 31.12.2013 |
|---------------------------|------------------|------------------|
| Biological Assets | | |
| Book value | 3,137,066 | 2,077,381 |
| Changes in the fair value | 159,284 | 477,669 |
| Total | 3,296,350 | 2,555,050 |

Biological assets are recorded with its cost value firstly, At the end of each report period, it is evaluated on the basis of fair value, In the current period, the basis of the fair value decreased 318,384 TL, (31.12.2013: 48,771 TL)

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10. Tangible Assets

| Tangible Assets | 01.01.2014 | Inputs | Outputs | Valuation | 30.09.2014 |
|-------------------------------|--------------------|---------------------|----------------|-------------------|--------------------|
| Lands | 12,266,000 | - | - | - | 12,266,000 |
| Buildings | 35,183,482 | 1,614,592 | - | 21,440 | 36,819,514 |
| Property, plant and equipment | 11,010,091 | 160,300 | - | - | 11,170,391 |
| Vehicles | 665,529 | 150,722 | -20,200 | - | 796,051 |
| Furniture and fittings | 18,799,828 | 887,885 | -15,000 | 147,744 | 19,820,457 |
| Finance lease assets | 11,165,138 | 613,759 | - | - | 11,778,897 |
| Other fixed assets | 555,801 | 10,087 | -3,615 | - | 562,273 |
| Ongoing Investments | 89,639 | - | -89,639 | - | - |
| Total | 89,735,508 | 3,437,345 | -38,815 | - | 93,213,583 |
| | | Depreciation | | | |
| | | expense | Outputs | Valuation | 30.09.2014 |
| Birikmiş Amortismanlar | 01.01.2013 | | | | |
| Buildings | -229,779 | -599,447 | - | 19 | -829,207 |
| Property, plant and equipment | -3,904,548 | -686,294 | - | - | -4,590,842 |
| | | | | | -196,636 |
| Vehicles | -117,604 | -90,185 | 11,152 | - | - |
| Furniture and fittings | -6,528,448 | -1,853,507 | 8,231 | 250 | -8,373,475 |
| Finance lease | -3,369,139 | -1,078,779 | - | - | -4,447,918 |
| Other tangible Assets | -309,019 | -38,405 | - | - | -347,424 |
| Total | -14,458,537 | -4,346,617 | 19,383 | - | -18,785,502 |
| Net Value | 75,276,971 | | | | 74,428,079 |
| | | | | | |
| Tangible Assets | 01.01.2013 | Inputs | Outputs | Valuation | 31.12.2013 |
| Lands | 4,194,000 | 100,000 | - | 7,972,000 | 12,266,000 |
| Buildings | 22,052,013 | 330,113 | - | 12,802,483 | 35,183,482 |
| Property, plant and equipment | 10,848,378 | 161,713 | - | - | 11,010,091 |
| Vehicles | 411,007 | 339,533 | -85,012 | - | 665,529 |
| Furniture and fittings | 11,729,569 | 7,070,259 | - | - | 18,799,828 |
| Finance lease assets | 6,276,192 | 4,888,946 | - | - | 11,165,138 |
| Other tangible assets | 546,104 | 9,697 | - | - | 555,801 |
| Ongoing investments | - | 89,639 | - | - | 89,639 |
| Total | 56,057,263 | 12,900,262 | -85,012 | 20,774,483 | 89,735,508 |
| | | Depreciation | | | |
| | | expense | Outputs | Valuation | 31.12.2013 |
| Depreciation | 01.01.2013 | | | | |
| Buildings | -1,319,144 | -459,066 | - | 1,548,432 | -229,779 |
| Property, plant and equipment | -3,009,932 | -894,616 | - | - | -3,904,548 |
| Vehicles | -132,132 | -56,281 | 70,809 | - | -117,604 |
| Furniture and fittings | -4,640,927 | -1,887,521 | - | - | -6,528,448 |
| Finance lease | -2,283,135 | -1,086,004 | - | - | -3,369,139 |
| Other tangible assets | -250,346 | -58,673 | - | - | -309,019 |
| | | | | | - |
| Total | 11,635,616 | -4,442,161 | 70,809 | 1,548,432 | 14,458,537 |
| Net Value | 44,421,647 | | | | 75,276,971 |

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Amount of mortgages over land and buildings is 34,853,300 TL (31.12.2013– 34,853,300 TL), Total amount of assurance of tangible assets is 99,513,820 TL (31.12.2013– 99,513,820 TL),

There is a rent annotation on the transformer over the company's land of hospital building with license and occupancy permit in the district of Sincan in the province of Ankara (Lokman Hekim Sincan Hospital) in favor of TEDAŞ for 99 years at the amount of 1 TL

The Company has taken a value assessment report from Zirve Real Estate Inc, As of the date of 26,06,2013 in order to determine the real value of the lands and buildings,

In the valuation according to valuation report of Zirve Real Estate Inc, ,total value of land and buildings raised 21,206,768TL from the recent financial statement records,

11. Intangible Assets

| <u>Intangible Assets</u> | <u>01.01.2014</u> | <u>Inputs</u> | <u>Outputs</u> | <u>30.09.2014</u> |
|--------------------------|-------------------|---------------------------|----------------|-------------------|
| Special cost | 2,155,826 | 471,461 | - | 2,627,287 |
| Rights | 8,024,237 | - | - | 8,024,237 |
| Total | 10,180,063 | 471,461 | - | 10,651,524 |
| | | | | |
| <u>Depreciation</u> | <u>01.01.2014</u> | <u>Depreciation Costs</u> | <u>Outputs</u> | <u>30.09.2014</u> |
| Special cost | -720,564 | -272,648 | - | -993,212 |
| Rights | -587,808 | -776,636 | - | -1,364,444 |
| Total | -1,308,372 | -1,049,284 | - | -2,357,656 |
| | | | | |
| Net Value | 8,871,691 | | | 8,293,868 |
| | | | | |
| <u>Intangible Assets</u> | <u>01.01.2013</u> | <u>Inputs</u> | <u>Outputs</u> | <u>31.12.2013</u> |
| Special cost | 1,521,766 | 634,060 | - | 2,155,826 |
| Rights | 5,270,000 | 2,754,237 | - | 8,024,237 |
| Total | 6,791,766 | 3,388,297 | - | 10,180,063 |
| | | | | |
| <u>Depreciation</u> | <u>01.01.2013</u> | <u>Depreciation Cost</u> | <u>Outputs</u> | <u>31.12.2013</u> |
| Special cost | -410,398 | -310,166 | - | -720,564 |
| Rights | -103,141 | -484,667 | - | -587,808 |
| Total | -513,539 | -794,833 | - | -1,308,372 |
| | | | | |
| Net Value | 6,278,227 | | | 8,871,691 |

The amount appeared in rights of 8,043,446 TL composes costs of doctor's staff,

According to the issued change in the Official Gazette in 11,07,2013, transfer of staff and licence is allowed with article 6 of Private Hospital Regulation,,

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12. Goodwill

| | 30.09.2014 | 31.12.2013 |
|----------|------------|------------|
| Goodwill | 1,969,390 | 1,969,390 |

13. Provisions, Conditional Assets and Liabilities

Lawsuits and Provisions;

| Lawsuits and Provisions- 30.09.2014 | Amount | Provision |
|--|---------|-----------|
| Lawsuits to be filed by the Company, enforcement proceedings | - | - |
| Company against claims arising from labor service | 68,670 | -68,670 |
| The case against SSI | 129,833 | -129,883 |

| Lawsuits and Provisions- 30.09.2013 | Amount | Provision |
|--|---------|-----------|
| Lawsuits to be filed by the Company, enforcement proceedings | - | - |
| Company against claims arising from labor service | - | - |
| The case against SSI | 178,503 | -178,503 |

Contingent Liabilities;

| Type | Issued Place | 30.09.2014 | 31.12.2013 |
|-------------------------------|---------------------------|-------------------|-------------------|
| Letter of Collaterals | Başkent Elkt Dağ, A,Ş, | 44,218 TL | 44,218 TL |
| Letter of Collaterals | Shell A,Ş, | - | 40,000 TL |
| Letter of Collaterals | Enerjisa | 60,000 TL | 60,000 TL |
| Letter of Collaterals | Altu Mimarlık | 5,000 TL | 5,000 TL |
| Checks of collaterals | Aksa Jeneratör | - | 180,000 TL |
| Letter of Collaterals | Keçiören Belediyesi | 15,774 TL | |
| Letter of Collaterals | 8, Asliye Hukuk Mahkemesi | 69,581 TL | |
| Letter of Collaterals | Mamak Belediyesi | 26,000 TL | |
| Letter of Collaterals | Keçiören Belediyesi | 14,040 TL | |
| Letter of Collaterals | Yüksek Öğrenim Kurumu | 44,000 TL | |
| Letter of Collaterals | Türk Telekom | 9,448 TL | |
| Letter of Collaterals | Başkent Doğalgaz | 258,000 TL | 258,000 TL |
| Letter of Collaterals | Alternatif İnşaat A,Ş, | 100,000 € | 100,000 € |
| Surety Bonds Issued (Leasing) | Finans Leasing | - | 211,627 € |
| Checks of collaterals | Siemens A,Ş, | - | 50,000 € |
| Checks of collaterals | Siemens A,Ş, | - | 42,336 € |
| Surety Bonds Issued (Loan) | Kalkınma Bankası A,Ş, | 2,200,000 TL | 2,200,000 |
| Surety Bonds Issued (Loan) | Kalkınma Bankası A,Ş, | 1,903,029 € | 1,903,029 € |
| Mortgage (Loan) | Kalkınma Bankası A,Ş, | 4,200,000 € | 4,200,000 € |
| Mortgage (Loan) | Kalkınma Bankası A,Ş, | 7,000,000 TL | 7,000,000 |
| Mortgage (Loan) | Ziraat Bankası A,Ş, | 11,250,000 TL | 11,250,000 TL |
| Mortgage (Loan) | Türkiye Halk Bankası A,Ş, | 4,030,000 TL | 4,030,000 TL |
| Mortgage (Loan) | Albaraka Türk A,Ş, | - | 5,000,000 TL |
| Mortgage (Loan) | Vakıfbank A,Ş, | 240,000 TL | 240,000 TL |
| Mortgage (Loan) | Denizbank A,Ş, | 106,148 TL | |
| Total TL Provision | | 43,339,902 | 44,449,486 |

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| Type | Issued Place | 30.09.2014 | 31.12.2013 |
|----------------------------|--------------|------------------|------------------|
| Guarantee checks and bonds | Costumer | 1,834,000 TL | 1,659,000 TL |
| Guarantee checks and bonds | Costumer | 45,500 € | 45,500 € |
| Letter of collaterals | Costumer | 200,000 TL | 200,000 TL |
| Total TL Provision | | 2,165,795 | 1,971,435 |

14. Commitments

| | 30.09.2014 | 31.12.2013 |
|--|-------------------|-------------------|
| A CPM's given for companies own legal personality | 43,339,902 | 44,449,486 |
| B CPM's given on behalf of fully consolidated companies | | |
| C CPM's given for continuation of its activities on behalf of third parties | | |
| D Total amount of other CPM's | | |
| - - Total amount of CPM's given on behalf of the majority shareholder | | |
| - Total amount of CPM's given to on behalf of other Group Companies which are not in scope of B and C, | | |
| - Total amount of CPM's given on behalf of third parties which are not in scope of C, | | |
| Total | 43,339,902 | 44,449,486 |

There is a cross-sureties in favor to eachother for bank credit in the scope of consolidation of companies

15. Benefits Provided to Employees

| | 30.09.2014 | 31.12.2013 |
|-------------------------|----------------|----------------|
| Severance pay provision | 549,993 | 596,084 |
| Provisions for days off | 314,217 | 291,995 |
| Total | 864,210 | 888,079 |

The company assumes that the men will leave their jobs after working 25 years and women after 20 years, It is assumed as of the date of Balance Sheet Date that the termination indemnity will increase by %5 annually (increase on wages of employee) until the date of retirement(31.12.2013: %5 So that the termination indemnity is calculated on the retirement date at the time of balance sheet date, This amount is discount by %8 in accordance with the remaining time for retirement and net present value is calculated Cap for termination indemnity is 3,438 TL (31.12.2013– 3,438 TL)

Assumptions on the calculation of termination indemnity are as follows;

| | 30.09.2014 | 31.12.2013 |
|--------------------------------|----------------------------|----------------------------|
| Working period | F: 20years, M: 25 years | F: 20years, M: 25 years |
| Increase of wage | 5% | 5% |
| Not receive severance pay rate | 90% | 87% |
| Discount rate | 8% | 8% |

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Transactions within the period related to termination indemnity are as follows ;

| | 30.09.2014 | 31.12.2013 |
|-----------------------|----------------|----------------|
| Beginning of the term | 596,084 | 297,572 |
| Payments | -405,760 | -378,637 |
| Interest cost | 40,255 | - |
| Period expense | 127,876 | 200,268 |
| Actuarial gain / loss | 191,539 | 476,881 |
| End of Period | 549,994 | 596,084 |

Actuarial income and losses are reported in income statement,

Provisions for Days Off

According to the applicable Code of Labour in Turkey, in case a labour agreement is terminated for any reason, the company has to pay wages for the annual days off which the employee did not take to the employee or his/her legal representatives at the time of termination,

In-period activities for days off are given as below:

| | 30.09.2014 | 31.12.2013 |
|--------------------------|----------------|----------------|
| Beginning of the term | 291,995 | 136,930 |
| Payments / Cancellations | - | -93,653 |
| Additional | 22,222 | 248,718 |
| End of period | 314,217 | 291,995 |

| Scope of Benefits Provided to Employee Liabilities | 30.09.2014 | 31.12.2013 |
|--|------------------|------------------|
| Accrued fee to personnel | 3,181,262 | 2,890,134 |
| SSI premiums payable | 1,058,995 | 950,207 |
| Total | 4,240,257 | 3,840,341 |

16. Other Current – Non-Current Assets / Other Liabilities, Prepaid Expenses, Current Period Tax-Related Assets, Payables under Employee Benefits, Deferred Revenues

| Prepaid Expenses and Income Accruals | 30.09.2014 | 31.12.2013 |
|--------------------------------------|------------------|------------------|
| Advances given | 1,359,206 | 1,143,655 |
| Prepaid expenses | 228,451 | 531,920 |
| Unbilled service income accrual * | 2,983,446 | 4,004,726 |
| Total | 4,571,103 | 5,680,301 |

*1,116,475 TL part of amount in 31.12.2013 is accrual income related with sales of office, All of the rest portion is accrual income of service provided to hospitalized patients

| Assets related current period tax | 01.01.2014 | 01.01.2013 |
|-----------------------------------|----------------|------------|
| | 30.09.2014 | 31.12.2013 |
| Prepaid tax and funds | 279,118 | 118 |
| Total | 279,118 | 118 |

| Other Current Asset | 01.01.2014 | 01.01.2013 |
|-----------------------|------------------|------------------|
| | 30.09.2014 | 31.12.2013 |
| Deferred VAT | 726,746 | 1,081,054 |
| Work advances | 395,375 | 187,205 |
| Advances to personnel | 30,355 | 14,463 |
| Total | 1,152,476 | 1,282,722 |

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| | | |
|------------------------------|----------------|----------------|
| Prepaid expenses (long-term) | 01.01.2014 | 01.01.2013 |
| | 30.09.2014 | 31.12.2013 |
| Expenses of next years | 463,521 | 440,284 |
| Total | 463,521 | 440,284 |

| | | |
|---|------------------|------------------|
| Other Short-term Liabilities | 01.01.2014 | 01.01.2013 |
| | 30.09.2014 | 31.12.2013 |
| Taxes and funds payable | 1,470,671 | 1,057,907 |
| Restructured deferred tax and SSI liabilities | - | 537,183 |
| Prepaid salary promotional contract revenue | 79,803 | 111,935 |
| Doctor premiums | 411,941 | 592,636 |
| Total | 1,962,415 | 2,299,661 |

| | | |
|---|------------------|------------------|
| Liabilities related current period tax | 01.01.2014 | 01.01.2013 |
| | 30.09.2014 | 31.12.2013 |
| Restructured deferred tax and SSI liabilities (*) | 8,086,438 | 5,292,224 |
| Total | 8,086,436 | 5,292,224 |

(*)Restructured, deferrren tax liabilities are deferred regarding to announcement of force majeure by Revenue Administration in Van because of earthquake in 23,11,2011, The end date of force majeure will be announced by administration

| | | |
|--------------------------------------|----------------|------------------|
| Deferred revenues (Long run) | 01.01.2014 | 01.01.2013 |
| | 30.09.2014 | 31.12.2013 |
| Advance premium of Bağkaya Konutları | 803,731 | 2,508,283 |
| Housing premium | - | 4,767 |
| Total | 803,731 | 2,513,050 |

17. Shareholder's Equity

| | | |
|---------------------|-------------------|-------------------|
| Capital | 30.09.2014 | 31.12.2013 |
| | 24,000,000 | 16,000,000 |
| Paid capital | 24,000,000 | 16,000,000 |

The Companies capital from internal resources has been increased 8,000,000 TL to 24,000,000 Capital consists of 24,000,000 units each having a share which is 1TL. (31.12.2012 – Capital of the company is 16,000,000 TL and consists of 16,000,000 shares each has 1 TL value) Shareholders of the company and their capital .contributions are specified under Footnote 1,)

Share Issuance Premiums:

| | | |
|---------------------------|------------|------------------|
| Share Issuance Premiums | 30.09.2014 | 31.12.2013 |
| | | |
| Share Issuance premiums | - | 8,709,225 |
| Supply to public expenses | - | -1,014,364 |
| Addings | - | - |
| Total | - | 7,694,861 |

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Share premiums consist of cash inflows caused as a result of the sale of the shares from market prices, These premiums are presented under shareholders' equity and cannot be distributed, However, they can be used for capital increase

The company offered its shares at an amount of 2,782,500 TL to public on 25,01,2011, Following public offering, the company gained share premium at an amount of 8,709,255 TL, 1,014,364 TL which has been burdened due to the offering of shares to public has been reported after deducting from share premiums gained,

The company decided to increase share capital to 24,000,000 TL. 7,694,861 TL of this capital made from share premium account

Revaluation Funds:

| Revaluation funds | 30.09.2014 | 31.12.2013 |
|----------------------------------|-------------------|-------------------|
| Revaluation fund on fixed assets | 30,592,317 | 30,592,317 |
| Effect of deferred tax | -1,529,616 | -1,529,616 |
| Total | 29,062,701 | 29,062,701 |

Value increases contain the increases in the value which tangible assets with a fair value of land and buildings are displayed, In the calculation of the increase in value of deferred tax, the assumption of right to use 75% of exception has been considered which referred to in Article 5 of the Corporate Tax Law, Eventually, net of deferred tax effect has been 5%, The Company has taken a value assessment report from Zirve Real Estate Inc, for the land and buildings which include to tangible fixed assets, According to report, the real value of lands and buildings raised 21,206,768TL from value of recent financial statement records,

Defined Benefit Plans Re-measurement gains / losses (Actuarial Gain / Loss):

| Defined Benefit Plans Re-measurement gains / losses (Actuarial Gain / Loss) | 30.09.2014 | 31.12.2013 |
|---|-----------------|-----------------|
| Beginning of the term | -534,267 | -152,762 |
| Additions within the period | -191,539 | -476,881 |
| Defferren tax | 38,308 | 95,376 |
| Total | -687,498 | -534,267 |

The total burden of severance pay between the two periods is divided into interest expense, current period service cost and actuarial gains / losses, Interest expense is the cost of the use of the liability in the period that existed in the balance sheet of the previous accounting period and is the amount of liability of those who continue to work at the beginning of the period and also the one that was multiplied by the amount of the discount rate used in that year,

A total severance pay burden between the two periods, interest expense in the current period service cost and actuarial gains / losses are divided into sections, Interest cost of the previous fiscal year and the cost of the use of the balance sheet or in the period of the obligation to those who continue to work for the amount of the liability at the beginning of the period, multiplied by the amount of the discount rate used in that year, Current service cost in the current accounting period of the severance pay they deserve to be paid for work of employees in the amount of the discount rate, expected to reach the part resulting from the balance sheet day, Other than that the differences reflect the actuarial gains and losses, Actuarial gains / losses recognized in equity and current service cost and interest cost is recognized in the statement of comprehensive income,

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Foreign Currency Translation Differences:

The Group's functional currency is the Turkish Lira, Iraq One of the Group companies Engürüsağ General Trading Co., Ltd., Sti, (Erbil) which operates in Iraq prepares its financial statements in U,S, dollars, Related company's financial statements are translated into the functional currency, Financial statements have been exchanged into Turkish Lira in accordance with the International Accounting Standards (IAS) No, 21, "The Effects of Changes in Foreign Exchange Rates",

In terms of exchange;

Asset items are converted to the functional currency with the exchange rates on the balance sheet, payables are converted to the functional currency with the exchange rates on the balance sheet, shareholders' equity is converted to the functional currency with the rate of date's exchange, income and expenses are exchanged to the functional currency with rates of the transaction date

| Exchange differences | 30.09.2014 | 31.12.2013 |
|-------------------------|----------------|----------------|
| Beginning of term | -32,004 | -32,004 |
| Additions within period | -56,030 | - |
| Total | -88,034 | -32,004 |

Legal Reserves;

| Restricted reserves | 30.09.2014 | 31.12.2013 |
|---|----------------|----------------|
| Legal reserves in beginning | 748,826 | 577,588 |
| Legal reserves from previous period' profit | 199,054 | 171,238 |
| Total | 947,880 | 748,826 |

According to Turkish Commercial Code, legal reserves consist of first and second class legal reserves, First class legal reserves are reserved by %5 of the legal period profit until it reaches %20 of the company's capital,

| Previous years Profit | 30.09.2014 | 31.12.2013 |
|------------------------------------|------------------|------------------|
| Extraordinary reserves | 3,492,171 | 985,042 |
| - Beginning term | 985,042 | 225,264 |
| - coming from previous year profit | 2,812,268 | 759,778 |
| - Additions | -305,139 | - |
| Previous year profit / loss | 1,661,371 | 4,485,200 |
| Total | 5,153,542 | 5,470,242 |

The company decided to increase share capital to 24,000,000 TL. 305,139 TL of this capital consist of excess reserve.

In the 2012 General Assembly held on 28 May, it was decided to to distribute dividends the gross profit of 2,000,000 TL, (Gross per share is 0,125 TL)Dividend distribution has been completed on 03.,06.2013

Non-controlling shares;

| | 30.09.2014 | 31.12.2013 |
|---|----------------|----------------|
| Minority shares | 1,039,768 | 1,045,168 |
| Minority shares in previous year's profit | -651,256 | 1,224,717 |
| Minority shares in period's profit / loss | -97,607 | -1,875,973 |
| Total | 290,905 | 393,912 |

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18. Sales and Cost of Sales

| | 01.01.2014 30.09.2014 | 01.01.2013 30.09.2013 |
|--|--------------------------|--------------------------|
| Sales of health care | 85,278,973 | 75,963,878 |
| Sales of biological assets and milk | 1,936,214 | 2,022,245 |
| Biological assets value rising | -318,384 | 113,108 |
| Sales of construction | 5,905,445 | 1,383,525 |
| Total | 92,802,248 | 79,482,756 |
| Cost of sales health servicing | -79,773,110 | -71,150,905 |
| Cost of sales biological assets and milk | -1,189,460 | -2,352,076 |
| Cost of sales construction | -4,578,551 | -1,170,099 |
| Total | -85,541,121 | -74,673,080 |
| Gross Profit | 7,261,127 | 4,809,676 |

Costs of service sales based on their character are as follows:

| | 01.01.2014 30.09.2014 | 01.01.2013 30.09.2013 |
|---|--------------------------|--------------------------|
| Fees and fees related expenses | -45,618,423 | -39,335,985 |
| Raw material and supplies | -22,809,462 | -20,249,799 |
| Depreciation and amortization | -5,009,773 | -3,872,660 |
| Energy, fuel and water charges | -3,767,314 | -2,425,714 |
| Maintenance service expenses | -1,892,563 | -1,928,256 |
| Rental expenses | -3,221,948 | -2,546,630 |
| Representation expenses | -293,829 | -145,222 |
| Communication, shiipping, food expenses | -368,937 | -106,035 |
| Taxes and other legal dues | -154,609 | -1,315,937 |
| Stationery, trainig, textile, fixtures expenses | -842,361 | -19,548 |
| Miscellaneous expenses | -1,561,902 | -2,727,294 |
| Total | -85,541,121 | -74,673,080 |

Late interest regarding to the stocks in the period at an amount of 278,806 TL is reported under financial costs. (31.09.2013–210,653 TL).

19. Marketing, Sales and Distribution Costs, General Administrative Costs

| | 01.01.2014 30.09.2014 | 01.01.2013 30.09.2013 |
|--|--------------------------|--------------------------|
| Marketing, sales and distribution expenses | -643,332 | -626,590 |
| Operating expenses | -3,052,823 | -2,342,703 |
| Total | -3,696,155 | -2,969,293 |

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| | 01.01.2014 30.09.2014 | 01.01.2013 30.09.2013 |
|--|--------------------------|--------------------------|
| Marketing, sales and distribution expenses | | |
| Advertising Expenses | -621,384 | -622,360 |
| Miscellaneous Expenses | -21,948 | -4,230 |
| Total | -643,332 | -626,590 |

| | 01.01.2014 30.09.2014 | 01.01.2013 30.09.2013 |
|---|--------------------------|--------------------------|
| Operating expenses | | |
| Fees and similar expenses | -1,885,897 | -1,456,313 |
| Representation, travel and transportation expenses | -214,146 | -106,479 |
| Consultancy, advisory, litigation execution and notary expenses | -260,615 | -174,437 |
| Energy, fuel and water charges | -99,261 | -57,402 |
| Maintenance service expenses | -7,690 | -15,758 |
| Rent expenses | -177,145 | -177,033 |
| Communication expenses | -40,933 | -39,300 |
| Depreciation | -126,293 | -78,854 |
| Other | -240,843 | -236,497 |
| Total | -3,052,823 | -2,342,073 |

20. Other Income

| | 01.01.2014 30.09.2014 | 01.01.2013 30.09.2013 |
|---|--------------------------|--------------------------|
| Provisions no longer required | 52,561 | - |
| The revenues from the Bank's salary contracts | 176,080 | - |
| Sales of consumables | 50,000 | 1,211,289 |
| Rent income | 424,778 | 180,463 |
| Insurance income | 4,437 | 55,238 |
| Incentives and support revenue | 149,097 | 22,886 |
| Capital gain | 8,887 | 29,348 |
| Other | 103,929 | 287,191 |
| Total | 969,767 | 1,786,415 |

21. Other Costs

| | 01.01.2014 30.09.2014 | 01.01.2013 30.09.2013 |
|-------------------------|--------------------------|--------------------------|
| Provision expenses | -154,805 | -144,510 |
| Donations and grants | -54,157 | -146,028 |
| Sponsorship expenses | - | -177,000 |
| Tax and other penalties | -33,575 | -16,728 |
| Other | -894,752 | -134,298 |
| Total | -1,137,289 | -618,564 |

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*(Amounts are expressed in Turkish Lira unless otherwise stated)***22. Financial Income**

| | 01.01.2014 30.09.2014 | 01.01.2013 30.09.2013 |
|--------------------------|--------------------------|--------------------------|
| Interest revenue | 4,374 | 5,729 |
| Foreign exchange gains | 616,925 | 353,252 |
| Accrued interest revenue | 1,125,009 | 274,207 |
| Total | 1,746,308 | 633,188 |

23. Financial Costs

| | 01.01.2014 30.09.2014 | 01.01.2013 30.09.2013 |
|-------------------------|--------------------------|--------------------------|
| Foreign exchange losses | -464,852 | -430,227 |
| Accrued interest loss | -2,383,924 | -1,948,119 |
| Interest expenses | -1,305,352 | -764,732 |
| Total | -4,154,128 | -3,143,578 |

24. Tax Revenue / Expense

Corporate Tax

The rate of corporate tax is %20 which is calculated on legal tax base that is the commercial income of the companies plus non-deductible costs which are not allowed according to tax regulations less the exemptions which are allowed according to tax codes.

There is withholding on the dividend payments and this withholding liability is accrued in the dividend payment period. Dividend payments made to limited liable tax payer institutions which gain income through a company in Turkey or permanent agent and corporations resides in Turkey are subject to withholding tax at a rate of %15. Double Taxation Agreements are also taken into consideration on the determination of withholding rates on the dividend payments made to limited liable tax payers and real persons. Contribution of previous years' profits to capital are not considered as dividend payment, therefore not subject to withholding tax.

Rules regarding to transfer pricing are set under Article 13 of Corporate Tax Law, section "Hidden dividend distribution through transfer pricing". General Communiqué on the hidden dividend distribution through transfer pricing dated 18 November 2007 includes regulations about the implementation. If a tax payer interacts with a related party through selling / buying of goods or services and prices cannot be determined in such a way that independent of both parties and each no has control on the other, then related profits are considered to be distributed in a hidden way through transfer pricing. Such hidden dividend distributions cannot be deducted from corporate tax calculation.

According to Turkish tax regulations, financial losses can be carried forward for 5 years in order to be written off from the future corporate profits. However, financial losses cannot be written off from previous years' profits. There is not any procedure like reaching a mutual agreement with the tax office for the taxes to be paid in Turkey. Corporate tax declarations are submitted in for months following end of financial year. Tax authorities can inspect the tax declarations and related documents for 5 consecutive years and make necessary adjustments based on the findings;

Tax income / expense as follows:

| | | |
|---------------------------------|----------------|-----------------|
| Current tax provision | 30.09.2014 | 30.09.2013 |
| Tax provision of current income | -68,102 | - |
| Prepaid taxes | 346,626 | -475,354 |
| Net | 278,524 | -475,354 |

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It has been ruled that according to Provisional Article 69 which was added to Income Tax Law numbered 193 through Law numbered 5479 and become effective after 1 January 2006 and published in Official Gazette numbered 26133 and dated 8 April 2006, within the scope of this article tax payers can only deduct the calculated investment deduction amount – in accordance with the rules applicable on 31. December 2012 – (including the rules regarding the tax rates) from their corporate incomes for the financial years 2006, 2007 and 2008; therefore, implementation of investment deduction has abolished as of 31 January 2006. Under this frame, tax payers which have not used a portion or all of their right to deduct investment deduction incentive in three year period had lost their rights as of 31 December 2008. On the other hand, Article 2 and 15 of law numbered 5479 and Article 19 of Income Tax Law has been abolished as of 1 January 2006 and so that it is not allowed to use the investment deduction incentive on the investment costs which has been made between 1 January 2006 and 8 April 2006.

Contribution to Investment

(*) Corporate Tax Law Article 32 / A of the application with the reduced corporate tax came into force on 28.02.2009. The promotion of investment since 2009 has started on a different system than before. These systems are based on the 2009/15199 and 2012/3305 are described by the Council of Ministers Decision.

Reduced corporate tax investments to be made with the application of the proceeds from the contribution amount until it reaches the reduced corporate tax rate of taxation is intended. These investments contribute to the system by determining the rate and amount of investment gains in the amount of the contribution is based on the principle of less taxation. Defined contribution amount for each investment until the reduced corporate tax rate by applying the tax to be charged in the amount of the contribution of the investment is promoted.

Contribution to investment amount, reduced corporate tax to be applied for collection with the foregone tax through investments amount to be covered by the state. The investment contribution rate is represented by the division of total contribution amount by the total investment incentive.Reduced corporate tax contribution amount will be applied until it reaches to amount of contribution investment.. Therefore, reduction in corporate tax practice is not limited to a certain period.

Deferred tax

| Deferred Tax - 30.09.2014 | Temporary Differences | Tax assets | Tax liabilities |
|---|-----------------------|------------------|------------------|
| Contribution to investment | 2,118,061 | 381,251 | - |
| Valuation differences of biological assets | 159,284 | - | 31,857 |
| Valuation increases in fixed assets (*) | 30,592,317 | - | 1,529,616 |
| Value adjustments of fixed assets (*) | - | - | - |
| Value adjustments of fixed assets (**) | 7,049,942 | - | 1,409,988 |
| Stock Adjustment | 60,904 | 12,181 | - |
| Doctor's progress payment premiums | 411,941 | 82,388 | - |
| Provisions for employee benefits | 864,210 | 172,842 | - |
| Receivable provision | 994,925 | 198,985 | - |
| Financial Losses | 5,691,778 | 1,138,356 | - |
| Credit rediscount | 563,486 | 112,697 | - |
| Dept rediscount | 533,943 | - | 106,788 |
| Accrued income related with ongoing treatment of patients | 432,500 | - | 86,500 |
| Case provisions | 78,670 | 15,734 | - |
| Maintenance expense adjustments | 288,336 | 57,667 | - |
| Exchange differences and interest accruals | 422,734 | 8,433 | 76,114 |
| Total | | 2,180,534 | 3,240,863 |
| NET | | | 1,060,329 |

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Deferred tax - 31.12.2013

| | Temporary Differences | Tax asset | Tax liabilities |
|---|-----------------------|------------------|------------------|
| Investment discount | 1,049,075 | 209,815 | - |
| Valuation differences of biological assets | 1,580,864 | - | 316,173 |
| Valuation increases in the fixed assets (*) | 30,592,317 | - | 1,529,616 |
| Value adjustments of fixed assets (**) | 6,731,638 | - | 1,346,328 |
| Stock adjustment | 69,749 | 13,950 | - |
| Doctor's progress payment premiums | 502,051 | 100,410 | - |
| Provisions for employee benefits | 888,079 | 177,616 | - |
| Receivable provision | 951,452 | 190,290 | - |
| Financial Losses | 7,515,932 | 1,503,186 | - |
| Credit rediscount | 521,317 | 104,263 | - |
| Dept rediscount | 402,156 | - | 80,431 |
| Accrued income related with ongoing treatment of patients | 1,338,964 | - | 267,793 |
| Case provision | 178,503 | 35,701 | - |
| Maintenance expense adjustments | 230,667 | - | 46,133 |
| Exchange differences and interest accruals | 373,890 | - | 74,778 |
| Income accruals | 550,498 | - | 110,100 |
| Total | | 2,335,231 | 3,771,352 |
| NET | | | 1,436,121 |

(*)Company made the calculation of deferred tax of appreciation which occurred after the result of valuation of land and buildings with assumption of getting benefit from the exception at the rate of %75 which is indicated in Article 5 in Corporate Tax Law. Conditions for getting benefit from this exception are like below;

- Immovable will be in company's asset minimum for 2 years.
- Profits arising from sale of immovable will be held in a private fund account at liabilities during 5 years.
- Sale price will be collected at the end of following the second year after sale is made.

(**)This amount is net correction over the other intangible assets separated from intangible assets that valuation made for it (value correction which is made over its amortizations because of calculation of amortization according to its cost and useful life) and effect of deferred tax is considered as %20.

25. Earnings Per Share

| | 01.01.2014 30.09.2014 | 01.01.2013 30.09.2013 |
|----------------------------------|--------------------------|--------------------------|
| Profit / Loss | 1,268,155 | 23,120 |
| Number of Shares | 24,000,000 | 16,000,000 |
| Earnings / Loss per share | 0,05284 | 0,001445 |

26. Explanations regarding to Related Parties

| | Commercial | Non-commercial | Commercial | Non-commercial |
|----------------------------------|-----------------|-----------------|-------------------|-------------------|
| Receivables from related parties | 1,108,592 | - | 111.941 | - |
| Payables to related parties | -1,295,453 | -633.933 | -5.564.962 | -215.923 |
| Total | -186,861 | -633.933 | -5.453.021 | -215.923 |
| NET | | -820,794 | | -5,668,944 |

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| Revenue/Expenses | 30.09.2014 | | 30.09.2013 | |
|--|------------------|-------------------|----------------|-------------------|
| | Revenue | Expenses | Revenue | Expenses |
| Afşar Matbaacılık Ofset Ve Tipo Tesisleri | - | -189,627 | - | -244.730 |
| Akgül Grup Gıda | 189,921 | -14,426 | 156.635 | -11.029 |
| Çetin Matbaacılık Ofset Tipo | | -1,400 | - | -9.731 |
| Lokman Hekim Tıbbi Hizmetler Tic.Ltd.Şti. | | -680,936 | - | -773.241 |
| Koç Medikal Tıbbi Hizmetler | 1,440 | -120,310 | 3.888 | -145.129 |
| Özdemir İnşaat Tah. Müh. Ve Orm. Ürün. Tic Ltd.Şti | | -67,900 | - | -63.900 |
| Medisina Sağlık A.Ş. | | -65,333 | | |
| Pozitron Sağlık Hiz. San. Ve Tic. Ltd. Şti. | | -1,048,449 | - | -1.200.842 |
| Şekerciler Gıda Tic. Ltd. Şti. | | -2,451 | - | -207 |
| Necmettin DİN | | -579 | | |
| Bilgen İnş.Konf.Taah.San.Tic.Ltd.Şti. | 1,116,475 | | | |
| B Ajans Medya Yayın Dan. Org San. Tic. Ltd. Şti | - | - | - | -36.000 |
| Safi Sağlık Ticaret A.Ş. | | -13,500 | - | -13.500 |
| Van Divan Sağlık Eğitim A.Ş. | | -315,000 | - | -315.000 |
| Benefits provided for managing the top managerial staff | | -919,984 | - | -1.024.322 |
| Benefits provided to Senior management for professional activities | | -938,235 | - | -945.842 |
| Benefits to employed partners in the company | | -1,012,140 | | -937.056 |
| Total | 1,307,836 | -5,389,690 | 160.523 | -5.720.529 |
| NET | | -4,081,854 | | -5,560,006 |

Cargos paid to key managers are in the "providing benefits to top managerial staff because of the management". Key managerial personnel are not provided any other benefit aside from charge.

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27. Levels and Characteristics of Risks Arising from Financial Instruments

Credit Risk: Company's credit risk can arise from its trade receivables. Company management evaluates its trade receivables considering past experiences and current economic situation. Company management does not envision additional risk about trade receivables.

| 30.09.2014 | Receivables | | | | Bank Deposits | Other |
|--|-------------------|------------|-------------------|---------|---------------|-----------|
| | Trade Receivables | | Other Receivables | | | |
| | Related Parties | Other | Related Parties | Other | | |
| Maximum exposed credit risk as of reporting date (A+B) | 1,108,592 | 23,127,188 | - | 331,172 | 432,282 | 1,987,446 |
| - Secured portion of the maximum credit risk by guarantees, etc | | | | | | |
| A. Net book value of financial assets either are not due or not impaired | 1,108,592 | 23,127,188 | - | 331,172 | 432,282 | 1,987,446 |
| B. Net book value of impaired assets | | - | | | | |
| - Overdue (Gross book value) | | 1,050,760 | | | | |
| - Overdue (Gross book value) | | -1,050,760 | | | | |

| 31.12.2013 | Receivables | | | | Bank Deposits | Other |
|--|-------------------|------------|-------------------|---------|---------------|-----------|
| | Trade Receivables | | Other Receivables | | | |
| | Related Parties | Other | Related Parties | Other | | |
| Maximum exposed credit risk as of reporting date (A+B) | 111,941 | 19,614,970 | - | 342,963 | 442,192 | 1,509,910 |
| - Secured portion of the maximum credit risk by guarantees, etc | | | | | | |
| A. Net book value of financial assets either are not due or not impaired | 111,941 | 19,659,070 | - | 342,963 | 442,192 | 1,509,910 |
| B. Net book value of impaired assets | | - | | | | |
| - Overdue (Gross book value) | | 968,515 | | | | |
| - Impairment (-) | | -968,515 | | | | |

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Liquidity Risk: Liquidity Risk is that company does not fulfill its obligation of net funding. Decrease in the fund resources such as breakdowns in the markets or reducing credit score causes emergence of liquidity risk. Company management manages the liquidity risk by means of distributing the fund resources and holding enough cash and cash equivalents to fulfill its current and possible obligations. Statement that demonstrates the company's current and previous liquidity risk is below.

| 30.09.2014 | | | | | | | |
|---|-------------------|--|----------------------|-------------------------|------------------------|-----------------------|-----------------------|
| Contractual maturities | Book value | Total of contract based cash outflow (=I+II+III+IV) | 0-3 month (I) | 3-12 months (II) | 1-5 years (III) | 5 - years (IV) | Demand deposit |
| Non-derivative financial liabilities | | | | | | | |
| Financial liabilities | 28,013,411 | 28,013,411 | 1,893,617 | 2,075,045 | 888,749 | | 23,156,000 |
| Financial leasing liabilities | 4,026,612 | 4,026,612 | 593,865 | 1,758,684 | 1,674,063 | | |
| Expected maturities | | | | | | | |
| Contractual maturities | Book value | Total of contract based cash outflow (=I+II+III+IV) | 0-3 month (I) | 3-12 months (II) | 1-5 years (III) | 5 - years (IV) | Demand deposit |
| Non-derivative financial liabilities | | | | | | | |
| Trade payables | 17,003,117 | 17,003,117 | 13,049,801 | 3,099,057 | - | | 854,259 |
| Other payables | 683,957 | 683,957 | 163,365 | 513,608 | 6,984 | | |
| Current income tax liabilities | 68,102 | 68,102 | 68,102 | | | | |
| Debt provisions | 198,503 | 198,503 | | | | | 198,503 |
| Other liabilities | 10,048,853 | 10,048,853 | 4,868,543 | 4,837,551 | 342,759 | | |
| Provisions related employee benefits | 864,210 | 864,210 | | | | | 864,210 |
| 31.12.2013 | | | | | | | |
| Contractual maturities | Book value | Total of contract based cash outflow (=I+II+III+IV) | 0-3 month (I) | 3-12 months (II) | 1-5 years (III) | 5 - years (IV) | Demand deposit |
| Non-derivative financial liabilities | | | | | | | |
| Financial liabilities | 26,666,879 | 26,634,868 | 853,557 | 4,518,962 | 2,531,816 | | 18,730,533 |
| Financial leasing liabilities | 5,073,170 | 5,521,846 | 556,765 | 1,614,627 | 3,350,454 | | |
| Expected maturities | | | | | | | |
| Contractual maturities | Book value | Total of contract based cash outflow (=I+II+III+IV) | 0-3 month (I) | 3-12 months (II) | 1-5 years (III) | 5 - years (IV) | Demand deposit |
| Non-derivative financial liabilities | | | | | | | |
| Trade payables | 17,888,770 | 17,888,770 | 17,070,508 | 818,262 | | | |
| Other payables | 278,662 | 278,662 | 203,495 | 75,167 | 0,27 | | |
| Current income tax liabilities | - | - | - | | | | |
| Debt provisions | 178,503 | 178,503 | | | | | 178,503 |
| Other liabilities | 7,591,885 | 7,591,885 | 3,678,173 | 3,654,759 | 258,952 | | |
| Provisions related employee benefits | 888,079 | 888,079 | | | | | 888,079 |

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Currency Risk:

| Foreign Currency Position Table - 30.09.2014 | TL Equivalent (Functional currency) | Dollars | Euro |
|---|--|----------------|----------------|
| 1. Trade receivables | 676,185 | 126,350 | 134,276 |
| 2a. Monetary financial assets (Cash, Bank accounts included etc.) | 1,220 | 37 | 393 |
| 2b. Non-monetary financial assets | - | - | - |
| 3. Other | 296,517 | 130,114 | - |
| 4. Current Assets (1 +2 +3) | 973,922 | 256,501 | 134,669 |
| 5. Trade payables | 14,564 | 6,391 | - |
| 6a. Monetary financial liabilities | - | - | - |
| 6b. Non-monetary financial assets | - | - | - |
| 7. Other | 3,874 | 1,700 | - |
| 8. Fixed Assets (5 +6 +7) | 18,439 | 8,091 | - |
| 9. Total Assets (4 +8) | 992,361 | 264,592 | 134,669 |
| 10. Trade Payables | 130,219 | 6,391 | 39,999 |
| 11. Financial Liabilities | 31,468 | - | 10,883 |
| 12a. Other monetary liabilities | - | - | - |
| 12b. Other non-monetary liabilities | 3,880 | - | 1,342 |
| 13. Short-Term Liabilities (10+11+12) | 165,567 | 6,391 | 52,225 |
| 14. Trade Payables | - | - | - |
| 15. Financial Liabilities | 19,305 | - | 6,677 |
| 16 a. Other monetary liabilities | - | - | - |
| 16 b. Other non-monetary liabilities | - | - | - |
| 17Long-Term Liabilities (14+15+16) | 19,305 | - | 6,677 |
| 18. Total Liabilities (13 +17) | 184,872 | 6,391 | 58,901 |
| 19. Off-balance sheet foreign currency derivative instruments Net Asset / (Liability) Position (19a-19b) | | | |
| 19a. Active-balance sheet foreign currency derivative assets | | | |
| 19b. Off-balance Sheet Foreign Currency Derivative assets | | | |
| 20. Net foreign currency asset / (liability) position (9-18+19) | 807,489 | 258,201 | 75,767 |
| 21. Monetary accounts net foreign Currency Asset / (Liability) Position (=1+2a+5+6a-10-11-12a-14-15-16a) | 510,977 | 126,387 | 77,109 |
| 22. Fair value of financial instruments used to manage foreign currency position | | | |
| 23. Amount of Hedged Foreign Currency Assets | | | |
| 24. Amount of Currency Hedged Liabilities | | | |
| 25. Export | | | |
| 26. Import | | | |

Lokman Hekim Engürüsağ Sağlık, Turizm, Eğitim Hizmetleri ve İnşaat Taahüt A.Ş.

Notes to the Consolidated Financial Statements

At 30 September 2014

(Amounts are expressed in Turkish Lira unless otherwise stated)

| Foreign Currency Position Table - 31.12.2013 | TL Equivalent (Functional currency) | Dollars | Euro | Islam Dinar |
|--|---|----------------|----------------|-----------------|
| 1. Trade receivables | 324,003 | 102,406 | 35,906 | - |
| 2a. Monetary financial assets (Cash, Bank accounts included etc.) | 960 | 449 | - | - |
| 2b. Non-monetary financial assets | - | - | - | - |
| 3. Other | - | - | - | - |
| 4. Current Assets (1 +2 +3) | 324,963 | 102,855 | 35,906 | - |
| 5. Trade payables | - | - | - | - |
| 6a. Monetary financial liabilities | - | - | - | - |
| 6b. Non-monetary financial assets | - | - | - | - |
| 7. Other | 3,628 | 1,700 | - | - |
| 8. Fixed Assets (5 +6 +7) | 3,628 | 1,700 | - | - |
| 9. Total Assets (4 +8) | 328,591 | 104,555 | 35,906 | - |
| 10. Trade Payables | -253,622 | -59,281 | -43,282 | - |
| 11. Financial Liabilities | -1,572,118 | - | -49,070 | -434,116 |
| 12a. Other monetary liabilities | - | - | - | - |
| 12b. Other non-monetary liabilities | - | - | - | - |
| 13. Short-Term Liabilities (10+11+12) | -1,825,740 | -59,282 | -92,352 | -434,116 |
| 14. Trade Payables | - | - | - | - |
| 15. Financial Liabilities | -3,995 | - | -1,360 | - |
| 16 a. Other monetary liabilities | - | - | - | - |
| 16 b. Other non-monetary liabilities | - | - | - | - |
| 17 Long-Term Liabilities (14+15+16) | -3,995 | - | -1,360 | - |
| 18. Total Liabilities (13 +17) | -1,829,735 | -59,282 | -93,712 | -434,116 |
| 19. Off-balance sheet foreign currency derivative instruments Net Asset / (Liability) Position (19a-19b) | - | - | - | - |
| 19a. Active-balance sheet foreign currency derivative assets | | | | |
| 19b. Off-balance Sheet Foreign Currency Derivative assets | | | | |
| 20. Net foreign currency asset / (liability) position (9-18+19) | -1,501,143 | 45,274 | -57,806 | -434,116 |
| 21. Monetary accounts net foreign Currency Asset / (Liability) Position (= 1+2a+5+6a-10-11-12a-14-15-16a) | -1,501,143 | 45,274 | -57,806 | -434,116 |
| 22. Fair value of financial instruments used to manage foreign currency position | | | | |
| 23. Amount of Hedged Foreign Currency Assets | | | | |
| 24. Amount of Currency Hedged Liabilities | | | | |
| 25. Export | | | | |
| 26. Import | | | | |

Lokman Hekim Engürüsağ Sağlık, Turizm, Eğitim Hizmetleri ve İnşaat Taahüt A.Ş.

Notes to the Consolidated Financial Statements

At 30 September 2014

(Amounts are expressed in Turkish Lira unless otherwise stated)

Sensitivity analysis;

Sensitivity analysis is done with the assumption that all variables are constant such as in the situations of depreciation or appreciation of TL by %10 against exchange rate and interest rates as from the date of 30.09.2014 and 31.12.2013.

| 30.09.2014 | Gain / Loss | |
|--|-------------------------------|-------------------------------|
| | Foreign exchange appreciation | Foreign exchange depreciation |
| In case +/-10% fluctuation of USD rate: | | |
| | | |
| 1- U.S. Dollar net asset / liability | 58,842 | -58,842 |
| 2- Hedged portion from U.S. Dollar risk (-) | | |
| 3- U.S. Dollar Net Effect (1 +2) | 58,842 | -58,842 |
| In case +/-10% fluctuation of EURO rate | | |
| | | |
| 4- EURO net asset / liability | 21,907 | -21,907 |
| 5- Hedged portion from EURO risk (-) | | |
| 6- EURO Net Effect (4+5) | 21,907 | -21,907 |
| TOTAL (3+6) | 80,749 | -80,749 |

| 31.12.2013 | Gain / Loss | |
|---|-------------------------------|-------------------------------|
| | Foreign exchange appreciation | Foreign exchange depreciation |
| In case +/-10% fluctuation of USD rate: | | |
| | | |
| 1- U.S. Dollar net asset / liability | 392 | -392 |
| 2- Hedged portion from U.S. Dollar risk (-) | | |
| 3- U.S. Dollar Net Effect (1 +2) | 392 | -392 |
| In case +/-10% fluctuation of EURO rate | | |
| | | |
| 4- EURO net asset / liability | -14,519 | 14,519 |
| 5- Hedged portion from EURO risk (-) | | |
| 6- EURO Net Effect (4+5) | -14,519 | 14,519 |
| In case +/-10% fluctuation of Islam Dinar rate | | |
| | | |
| 7- Islam Dinar net asset / liability | -348,415 | 348,415 |
| 8- Hedged portion from Islam Dinar risk (-) | | |
| 9- Islam Dinar Net Effect (7+8) | -348,415 | 348,415 |
| TOTAL (3+6+9) | -362,542 | 362,542 |