



LOKMAN HEKİM

**LOKMAN HEKİM A.Ş.**

**01 JANUARY – 30 SEPTEMBER 2013**

**INTERIM PERIOD**

**OPERATING REPORT**

**LOKMAN HEKİM**  
**ENGÜRÜSAĞ SAĞLIK, TURİZM, EĞİTİM HİZMETLERİ ve İNŞAAT TAAHHÜT A.Ş.**  
**BOARD OF DIRECTORS ANNUAL REPORT**

Our company's, showing nine months of 2013 activities and the results of our activities' results, as published by the Capital Markets Board prepared in accordance with Generally Accepted Accounting Principles financial statements are presented to the knowledge of our partners.

**GENERAL INFORMATION**

Relevant accounting period of the report	30.09.2013
Business Name	Lokman Hekim Engürüsağ Sağlık Turizm Eğitim Hiz.ve İnş.Taah.A.Ş.
Founded	06.08.1996
Registered in the Commerce Registry	Ankara Ticaret Sicili Memurluğu
Commercial Register Number	120498
Phone	0312 444 99 11
Fax	0312 331 71 40
Investor Relations	0312 589 70 51
Corporate Web Site	<a href="http://www.lokmanhekim.com.tr">www.lokmanhekim.com.tr</a>
Traded Stock	Borsa İstanbul (BIST)
Trading Symbol	LKMNH

Lokman Hekim Health Group is operating in health sector with four separate hospitals including "Özel Lokman Hekim Etlik Hastanesi" and "Özel Lokman Hekim Sincan Hastanesi", subsidiary withing Lokman Hekim Van Sağlık Hizm. A.Ş. "Özel Lokman Hekim Van Hastanesi" and "Özel Lokman Hekim Hayat Hastanesi". Also, 'Lokman Hekim Erbil Görüntüleme and Laboratuvar Merkezi' started to operate.

Our company's principals related to operations are liable to regulations related to primarily Ministry of Health and Capital Markets Board regulations and Turkish Commercial Code.

**THE PARTNERSHIP CONSTRUCTION**

Our company that is liable to Registered Capital System has 16.000.000 TL issued capital and 100.000.000 TL equity ceiling as from the date 29.04.2011. Our company's equities whose 25 % public flotation, as from the date 01.02.2011 has started to trade in Borsa İstanbul A.Ş. Issued capital, in 2006 with having the value and free of charge from indigenous resources capital increase has increased to 11.130.00 TL, in 2011 again by means of free of charge from indigenous resources has increased to 16.000.000 TL, has no outstanding capital stock. Our company's Capital Increases are as following.

Before The Capital Increase	Price Increase	Free Increase	After The Capital Increase	Commercial Register date of Announcement
Founded -20.000	-	-	-	08.08.1996
20.000	80.000	-	100.000	15.05.2000
100.000	500.000	-	600.000	03.09.2001
600.000	600.000	-	1.200.000	11.07.2002
1.200.000	390.000	-	1.590.000	27.06.2005
1.590.000	6.450.000	3.090.000	11.130.000	05.10.2006
11.130.000	2.782.500	-	13.912.500	25.02.2011
13.912.500	1.500.000	2.087.500	16.000.000	29.04.2011

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Lokman Hekim Enguri of Health, Tourism, Education Services and Construction Undertaking A.Ş. 's stakeholders and shares in the capital as of 30 September 2013, are as following.

Capital and Partnership Structure of Parent Company is like below;

	30.09.2013		31.12.2012	
	TL	%	TL	%
A Group	128.805	0,81	128.805	0,81
B Group	15.871.195	99,19	15.871.195	99,19
<b>Total</b>	<b>16.000.000</b>	<b>100</b>	<b>16.000.000</b>	<b>100</b>

Capital of our Company with a nominal value of 1 TL each consists of 16.000.000 shares. The shares of our Company are 2 types as registered shares (A) group and bearer shares (B) group. (A) Group's shares have privilege of nominate in the election of Administrative Board Members. In the event of the board elected by Generally Assembly is formed as 7 people, 5 of them, and in the event of formed as 9 people 6 of them should be elected by generally assembly from amount of the candidates nominated by partners who has 51 % of A Group Shares. Other Administrative Board Members shall be determined by Generally Assembly.

#### **ADMINISTRATIVE BOARD MEMBERS**

##### **a- Administrative Board Members:**

NAME - SURNAME	TITLE	TENURE
Dr.Mustafa SARIOĞLU	Chairman of the Board	04.04.2012 - 04.04.2015
İrfan GÜVENDİ	Vice Chairman / General Manager	04.04.2012 - 04.04.2015
Prof. Mehmet BARCA	Independent Member	04.04.2012 - 04.04.2015
İsmail ÖZDEMİR	Independent Member	04.04.2012 - 04.04.2015
Dr.Mehmet ALTUĞ	Member	04.04.2012 - 04.04.2015
Dr.Hamdi ÖZKAN	Member	04.04.2012 - 04.04.2015
Assoc.Prof.Celil GÖÇER	Member	04.04.2012 - 04.04.2015
Dr.Necmettin DİN	Member	04.04.2012 - 04.04.2015

##### **b- Administrative Board Members' warrant and liabilities**

Our Company Administrative Board Members' warrant and liabilities are regulated in Turkish Commercial Code and Capital Market Act's relevant articles and in Association of the Company's 9. Article, hereunder;

"Company, shall administer by Administrative Board and shall be represented. Administrative Board shall perform duties given by generally assembly with Main Agreement, Turkish Commercial Code, Capital Market Act and related other legislations. All the documents given by the company and any agreement bonds, checks and all similar documents which make bind company, to be valid, should be under the title of company and the signatures of the authorized party to bind the company or parties' signatures."

Company Managers, Administrators are assigned by Administrative Board Decision, equipped with warrant and liability by Administrative Board Decision, authorized to represent the company within the framework of the current legislation

**LEGISLATION RELATED TO PRIVATE HEALTH SERVICES INDUSTRY AND CHANGES**

- a) May 7, 1987 Date and 3359 Numbered Health Care Act's 3. Article and 9. Article's (c) subparagraph: 'To determine all public and private health organizations facilities, services, staff criteria, classify health institutions and organizations and categories to be changed, health organizations expediently organized, health care chain creation, with the rules and procedures of in-service training coordinated work of health institutions and organizations and with detection and inspection of service standards and other subject related to this Law shall be establish by the Ministry of Health and Social Services with the legislation created.'
- b) October 11, 2011 and N. 663 Law-like Decree About Ministry of Health and Related Establishments' Organizations and Duties .
- c) Ministry of Health, Private Hospitals Regulation.
- d) Ministry of Health, Regulation about Outpatient Diagnostic and Treatment on Private Health Institutions
- e) December 7, 2006 and published in the Official Journal No. 26369 'Ministry of health and Ambulance Services Ambulance and Emergency Medical Tools Regulation'.
- f) Social Security Administration Health Application Notification.
- g) Ministry of Health, Notification about in the Intensive Care Inpatient Health Facilities Services Application Procedures and Principles.

**Changes within the period and New Decisions:**

- a) 'Regulation to Make Change Regarding to Ministry of Health Private Hospitals Regulation' has been published in the Official Journal No. 28704 dated 11 July 2013.
- b) 'Regulation To Make Change Regarding To Ministry of Health Ambulance and Emergency Medical Tools and Ambulance Services Regulation' published in Official Journal No. 28771 dated 20 September 2013, has been published.
- c) The text of 'The Decision Related To Determining The Additional Price Adding to Health Services Price Which Was Determined By Contract Health Services Servers Including Foundation Universities Except Public Administration Health Servers, Health Services Pricing Commission' is presented below to your knowledge.

**16/09/2013 dated and 2013/5385 numbered decree's supplement verdict**

**MADDE 1- (1) Health Services Price Which Was Determined By Contract Health Services Servers Including Foundation Universities Except Public Administration Health Servers, Health Services Pricing Commission, twofold most, additional price may be receive.**

**MADDE 2- (1) 16/11/2009 dated and 2009/15627 numbered Council of Ministers' Verdict has been abolished.**

**MADDE 3- (1) This Verdict shall be effectuated in the issued date.**

**MADDE 4- (1) This Verdict's provision shall be performed by the Minister of Labor and Social Security.**

e) Directive related to health services presented within 23 Temmuz 2013 dated and 25541 numbered, imposed with the minister approval health tourism and tourist health.

## **ROYALTY POLICY**

Our Administrative Board determines the decision of the distribution of profits, considering other legislations related to Turkish Commercial Code, Capital Market Law, Tax Law and Articles of Association.

Our company, in accordance with Capital Markets Board's Serial: IV, No: 27 Capital Market Law subject to Public Entities of Dividends and Dividend Advance Distribution Principles and 5 May 2006 dated and 21/537 numbered commission policy decisions about Public Entities of the Profit Distribution Principles, related to National and Global economic conditions and company's growth plan, the distributed dividends amount shall be proposed by Administrative Board every year in the Usual General Assembly. Upon the proposal of Administrative Board, distribution of annual profit agreed by General Assembly to shareholders in due time endeavors is to be made as soon as possible. Within the framework of 05.04.2013 dated and 31 numbered Administrative Board Decision and Capital Market Board's Seri XI, No: 29 notification provisions, in accordance with Main agreement's 17. Article 'Distributable Net Profit's 39.62 % have been distributed. 0,1250 TL is the gross profit per 1 TL nominal valued share.

## **RISK MANAGEMENT POLICY**

Our company's service points are, one of Turkey's most populated and fastest-growing provinces Ankara and has growth potential province Van. A balanced distribution of real estate in the portfolio of our company reduces the risk of investment. Risk Management, is carried out by the Risk Early Detection Committee. Balanced debt management is maintained for our company's financial needs, taking into account the macro-economic and sectoral development are covered from a variety of sources.

## **COMPLIANCE ON CORPORATE GOVERNANCE REPORT**

### **1- Statement of Compliance with Corporate Governance Principles**

Our company, adopted to comply with Corporate Governance Principles published by Capital Market Board, in time to make arrangements that require compliance. Constituted the principles the shareholder's rights and equal treatment, public disclosure and ensure transparency, the rule of "comply or explain" the main principles placed under the section stakeholders and board, adheres.

## **SECTION I - SHAREHOLDERS**

### **2- Shareholders and Relations Unit**

- To ensure shareholders' records are kept healthy, safe and up to date,
- Except the informations in the function of the confidential and commercial secret and not disclosed to public, respond to written requests of shareholders about the company,
- To take the necessary measures for the supply of General Assembly Meeting to be comply with legislation in force, Company Principle Agreement and other intra-firm regulations,
- In the General Assembly Meeting, preparing the documents which shareholders may utilize,
- To obtain keep record of the election results and sending the reports related to election results to shareholders,
- Including legislation and company's notification policy, overseeing any subject about enlighten public and to follow "**Shareholders and Relations Unit**" is created.
- Employees', working in this unit, contact details are presented below.

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In the 3-month period, the number of the applications to Shareholders and Relations Unit is 25 people. All references to the unit were answered under the legislation.

### **3- Exercise of Shareholders' Right to be informed**

Shareholders in the third quarter of 2013, mainly, talked to our Shareholders and Relations Unit from Corporate Center to get information about investent and Material Disclosure. Oral ve written information requests from shareholders, under the supervision of Shareholders and Relations Unit ve within the provisions of the Capital Market Regulations are answered without delay. All information about our company is on our web site and is in the Public Disclosure Platform. By the company between the dates of 01.01.2013-30.09.2013 8 Special Status Notification, were made during the period. Related however, throughout the year there no description and/or additional explanations request were made. Any kind of developments which will affect the ownership is announced to shareholders through the Public Disclosure Platform. In addition, news and document relating to the Ordinary General Meeting of the Company is situated on the main page of our web site. In the third quarter of 2013, no appointment of a special auditor has requested.

### **4- General Assembly Meeting**

The Company's Annual General Meeting for the year 2012 was held on 28 May 2013. Invitation to the meeting was made in the Public Disclosure Platform, The Information Portal of the Central Registry Agency, with a call to general assembly in one newspaper which broadcasts across the country and Turkey Trade Registry Gazette. Minutes of General Assembly was announced to public with a special state disclosure on company's web site. With the new TTC participation in elektronik format to company general assemblies, works are making to ensure the participation of our partners in electronic media and e-General Assembly. Information on the General Assembly and Annual Report has been made available at the company headquarters before General Assembly, relevant documents is kept open to the opinions and views of shareholders who participating in Ordinary General Meeting. About the registration to the share paper Ministry of Industry and Trade's legislation to the subject is based on. During the period, Ordinary General Assembly, were assembled with 51,89 % of the capital's participation. Held on 28 May 2013 Ordinary General Assembly of the year 2012 can be seen from the minutes of the meeting, there are no oral or written questions from shareholders. Minutes of General Assembly, with disclosure being annouced at the same time at the time at the Company's web site is kept permanently available to shareholders. By sharehodlers at the general assembly agenda, no proposals were made for changes.

### **5- Voting Rights and Minority Rights**

A Group share has the privilege of nominating candidates in the election of members of Administrative Board. Five of the Board members that will be elected is selected from the candidates of A Group shareholders. Other board members are determined by the General Assembly. Scarcity of shares, are not represented and to implement cumulative voting method which is optional not included in the Articles of Incorporation.

## **6- Dividend Rights**

Our company, in the framework of compliance with the Corporate Governance Principles, by taking into account the obligations of public company's distribution of profits, determined the following years the policy of distribution of profits and was announced to the public on our web site. In the Company's profit distribution policy implementation, besides the stock returns of investors of dividends in order to achieve the revenue, The Company's investment activities and current financing structure are taken into consideration.

Our Company will distribute dividends to its shareholders; the amount of the distributable profit is calculated on the basis of the financial statements. Dividend will be distributed to the relevant accounting period, subject to the provisions of the regulations that will be determined by. Administrative Board's opinion on if the profit will be distributed and if it will, the date of the distribution, is debated and decided in the General Assembly.

There is no privilege of the participation in the company's profit. Profit distribution, which is subject to Turkish Commercial Code, Capital Markets Law, Tax Procedure Law and other relevant legislation and in accordance with the relevant articles of Association of the Company, is carried out. Our company, was distributed as First dividend to the shareholders 2.000.000 TL of the distributable net profit for the year realized. To 1 TL nominal valued share, 0,1250 TL gross profit was distributed.

## **7- Transfer of Shares**

In Company Principle Agreement except from 0,81 % Group A's transfer of shares, there is no provision restricting the transfer of shares.

## **SECTION II – PUBLIC DISCLOSURE AND TRANSPARENCY**

### **8- Company Disclosure Policy**

In the third quarter of 2013, request for information came to our company, were met in accordance with information accessible timely, accurate, complete, understandable, interpretable, low-cost, easily and the principle of equality with aiming public disclosure, scope of the Company Disclosure Policy. The Company's Disclosure Policy, revised with the recommendation of the Corporate Governance Committee of the Board, 20.03.2012 dated and 336 numbered Board Decision and CMB Corporate Governance Principles and publicly disclosed on our web site. The company's Shareholders and Relations Unit and Corporate Governance Committee are responsible for disclosure policy implementation.

### **9- Company Web site and Content**

The company has its own web site and access is provided from the address [www.lokmanhekim.com.tr](http://www.lokmanhekim.com.tr) Informations are published in Turkish and English. In order to better inform our investors our web site is kept current during the period; informations mentioned in CMB'S Corporate Governance Principles 2.2 are also included.

Central Registry Agency information portal before operations and financial condition related to the company our knowledge kept up to date and therefore, the data provide access to the site link accordance with relevant legislation again as our company web page, 'Information Society Services' link is presented to investors.

### **10- Annual Report**

Our company, in the annual raport which made by the company, Capital Markets Law and Corporate Governance Principles as specified in the place gave complete information.

## **SECTION III - STAKEHOLDERS**

### **11- Disclosure to Stakeholders**

Company employees and other stakeholders has been established channels of communication open and honest with themselves and obtain information on matters of interest are provided wit the utmost care. In accordance with the code of Ethics published by the Administrative Board all stakeholders' rights are respected.

Stakehodlers may use [yatirimdanisma@lokmanhekim.com.tr](mailto:yatirimdanisma@lokmanhekim.com.tr) mail address and our company's communication tools to transmit the ethically improper transactions to Corporta Governance Committe. Committee Member's informations is located on Public Disclosure Platform and our web site.

### **12- Stakeholder Participating in Management**

The General Assembly is the most important tool for Stakeholders' participating in management; stakeholders use these rights by participating in the General Assembly.

### **13- Human Resources Policy**

For liasing with the Company's employees, our Human Resources Directorate is mandated. Our company can adapt to institutions of knowledge and culture, work ethic, advanced, honest, open to development integrates itself with the organization's future is based on the person receiving the task. Organizations related to the training of our employees are making, everyone is treated equally in the career planning. There are no complaints from employees about discrimination.

Employees have been notified in writing about distribution of company employees with the job descriptions and creating performance and reward criteria

### **14- Code of Ethics and Social Responsibility**

The company categorized the code of ethics such as "stakeholders, customers, staff, relations and responsibilities related to our organization, finally as Social Responsibility. This information is located at the address [www.lokmanhekim.com.tr](http://www.lokmanhekim.com.tr).

Our company acts in all its activities with social responsibility, shows great attention to laws and enviromental value. During the period, there is no lawsuit filed against the Company about the enviromental damaged.

## **SECTION IV – ADMINISTRATIVE BOARD**

### **15- Structure and Composition of Administrative Board and Management Changes**

Administrative Board consists 8 people. 2 indipendent members are members of the Audit and Coporate Governance Committee. Sneior Management has not been changed.



## **16- Administrative Board's Operating Principles**

The agenda of Administrative Board is created by Chairman or Vice Chairman of Administrative Board. Each member of Administrative Board can request the board to be held on meeting by a written application to the chairman or vice chairman of the board. Despite the request in the event of the board not being held on meeting by chairman or vice chairman of the board, members have the authority to call ex officio. As the years in accordance with the needs Administrative Board meeting number may vary. Between 01.01.2013-30.09.2013 46 decisions has been taken.

At the meetings, each member has one vote. The vote right is used in person. Non-participating members in writing or proxy thereby can not vote. Unless one of the members requests a meeting, other members' consents of a recommendation of a member in writing, thereby a decision may be made. All the important issues decided on in Administrative Board, may disclosure to public with special statement disclosure. Weighted voting and / or veto right has not been granted to members of Administrative Board. Administrative Board plays important role on maintaining effective communication between the company and the stakeholders, resolve and settle disputes that may arise. For this purpose, the Corporate Governance Committee and the Shareholders and Relations Unit are in close cooperation with.

## **17- Audit Committee, Corporate Governance Committee and the Risk Committee of the Early Detection**

Lokman Hekim A.Ş., in accordance with the Corporate Governance Principles of the Capital Markets, related to Administrative Board, has established Audit Committee, Corporate Governance Committee and the Risk Committee.

### **Audit Committee**

Companies within the Capital Market Board's Seri: X, No: 19 Notification Article 3, established, depending on the work to Administrative Board, Committee's goal is; ensure the effectiveness and surveillance of disclosure to public with the company's accounting and reporting systems, financial information control and information control system.

The Audit committee has been configured in accordance with Capital Markets Board Corporate Governance Principles. The Committee consists two members and all of its members are elected from the independent members of Administrative Board.

Committee members independently selected from the head and in the selection have been noted to have certain qualities. Chairman of the Committee previously found in a similar position, having the knowledge to analyze financial statements, accounting standards and the foundation is taken to be highly qualified.

The Audit Committee Chairman is Prof. Dr. Mehmet BARCA who is selected from the independent members. Another member of the committee is İsmail ÖZDEMİR who also is selected from the independent members. Once in each quarter of the Audit Committee at least four times a year, is required to meet.

### **Corporate Governance Committee**

Within the company and the capital markets Board Communique regarding the implementation of corporate governance Policies established in accordance with the corporate governance Committee, serve to follow the company's corporate governance principles compliance, improving work in this regard and to provide recommendations to Administrative Board.

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Chairman of the Committee duty is made by İsmail ÖZDEMİR who is selected from indepented members. Other members of Corporate Governance are Dr. Mustafa SARIOĞLU and Dr. Hamdi ÖZKAN.

The corporate governance Committee is collecting at least 3 times a year is essential.

### **Early Detection of the Risk Committee**

08/28/2013 uploaded No. 44 Decision of the Board with the Turkish Commercial Code, Company Principal Agreement and the Capital Markets Board Communiqué Serial: IV, No: 54 Corporate Governance Principles Determination and Implementation Notification in accordance Early Risk Detection Committee has been established. Committe has ben established to provide adive to Administrative Board to early detection of risks that may endanger company's existence and continued development, implementation of the measures.

Chairman of the Committee duty is made by İsmail ÖZDEMİR who is selected from indepented members. Other member of the Early Detection of the Risk Committee is Dr. Mustafa SARIOĞLI. Committee conducts its activities in accordance with the operating principles in writing detailed.

Risk of Early Detection Committee is required to meet 6 times a year.

### **18- Risk Management and Internal control Mechanism**

Early diagnosis of risk Lokman Hekim group's existance development and continued, implementation of necessary measures and created for the purpose of managing the risk Early Risk Detection Committee in its works as well as the financial risks assessment, there are also non-financial risks such as operational, environmental, technologic etc.

The provisions of the Turkish Commercial Code and Capital Markets Corporate Governance Principles 4.2.3 and 4.2.4 substances within the framework of the internal control system continue to work to create.

### **19- Company's Strategic Objectives**

**TARGETS (STRATEGIC PLAN):** The health is an important factor in increasing human well-being and potential of production an important source of employment in the future society. Turkey when compared with other developed countries of the world, 2023's years will still be one of the societies in Europe' and world's. Therefore, planning for the future of the health sector, this young population should be made taking into account the dynamism and employment potential.

Lokman Physician Health Group with this awareness that we had identified as our Strategic Plan (2013 - 2023 Vision) in the context of our work continues unabated and are being implemented. Prior period we have announced our Long-Term Strategic Plan was put into practice in some articles.

- To promote our services and the right to be marketed in the eyes of the target audience "International Patient Relations Department - Uhabia" was established. This unit, through the detection of the target audience, in the light of these data by the Ministry of Economy benefiting from incentives and accreditation of overseas promotion necessary will be done. By this way, to increase our Health tourism turnover's share to 15 % in our total turnover and our employment growth goal we took an important step.

- By participating in international exhibitions, activities will be held to announce our company handles programs for medical tourism will be carried out within the International Patient Relations Department - Uhabia.

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So far, in several countries such as Germany, the Netherlands, France, Denmark, Belgium, Norway, Sweden, Finland, contract has been signed with 18 private insurance companies.

- Cooperation with Health Tourism Intermediation will be carried out within the International Patient Relations Department - Uhabia. Agreement has been made with 4 adet Assistant Company.

- Other tourism offering their services means organizations (Travel Agencies, Airlines Companies, etc..) Integrated inter-sectoral collaboration and health tourism in the package to provide services anyway International Patient Relations Department - Uhabia on site will be carried out.

- Our Medical Visualization and Laboratory Centre which is located in Iraq was opened.

Specific communications areas such as education, financial management, risk management, medical tourism our works are continuing. Also, to gather lacking and dispersed health investments in Anatolia in one health service chain, highlighting corporate governance, efficiency, cost point we can provide advantages grow by sharing the objective of the study and the search is ongoing.

The Company's operations and performance are reviewed regularly by the Administrative Board.

## **20- Financial Benefits**

Our Board Members and Senior Management Remuneration principles are determined in relation with our Company Remuneration Policy. Remuneration Policy is published on the Company Internet Site. Any and all rights, benefits and wages provided to Administrative Board Members, are determined by the General Assembly. In the Ordinary General Assembly dated 28.05.2013, to pay 2.250 –TL to Administrative Board members, to pay 2.500 -TL to Independent Administrative Board Members are decided with unanimity.

Company, has not lend any money to any board member or administrator, has not let used loans, has not used personel loans through a third person or has not give surety such as guarantee.

## **21- Amendments to the Articles of Association & Reasons :**

Various amendments were introduced in the Company's Articles of Associations during the period 01.01.2013 - 30.09.2013. For aligning the Company's Articles of Association to the Turkish Trade Law no 6102, the provisions of the Law no 6103 on the Enforcement of the Turkish Trade Law and Implementing Principles published in the same official gazette, provisions of the law no 6335 on Amending the Turkish Trade Law and the Law on the Enforcement of the Turkish Trade Law and Implementing Principles, for alignment in parallel to the Communiqués of the Capital Market Board, and further for the expansion of the company's Construction Scope; it was proposed to extend the article "Object and Scope" within the company's Articles of Association whereby amendment drafts were issued for Article 3, 4, 8, 9, 10, 11, 12, 13, 15, 16,17 and 18 of the existing Articles of Association followed by the acquisition of necessary approvals from the Capital Market Board under consent no 29833736 – 110.03.02 – 940 of 01.04.2013, and from the Turkish Ministry of Customs and Trade's General Directorate of Domestic Trade under consent no 67300147/431.02.59286-418539-3825 of 04.04.2013. Foregoing amendments were then submitted to the approval of the General Assembly held on 28.05.2013. In the General Assembly meeting held on 29.05.2013, draft amendments proposed for abovementioned articles were approved.

## **22- Issued Capital Markets' Instruments Nature and Amount**

During the period no capital market instrument was removed.

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**23- Sector that Enterprise Operate ve Information about its role in this Sector**

Firstly in Health Services Sector, including construction and agriculture-livestock sector operating Company, by the end of September 30, 2013 Company's value is 98.240.000 TL, the net asset value is 120.745.025-TL.

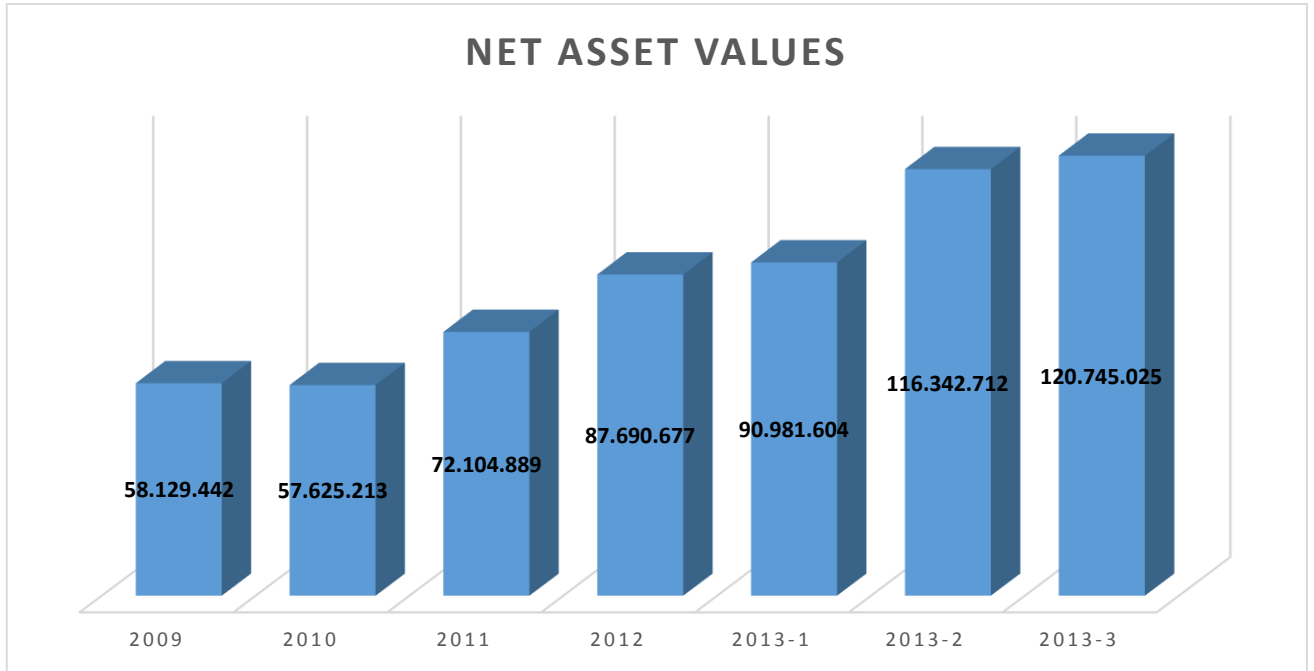
**24- Developments in Investments, Utilization from Incentives**

Our request for changes in, subject to 12.12.2011 dated and 103524 numbered Investment Incentive Certificate machinery and equipment list, has been accepted on 27.08.2013 by T.C. Ministry of Economy and Foreign Investment General Directorate of Incentives Practice. Amounting to 5.431.988 TL provided within the country machinery and equipment list are certified. Our request for changes, subject to 26.10.2011 dated and 103033 numbered Investment Incentive Certificate machinery and equipment list, has been accepted on 26.08.2013 by T.C. Ministry of Economy and Foreign Investment General Directorate of Incentives Practice. Amounting to 5.471.870 TL provided within the country machinery and equipment list are certified.

**25- Key Ratios Regarding to Financial Position, Profitability and Debt Situation:**

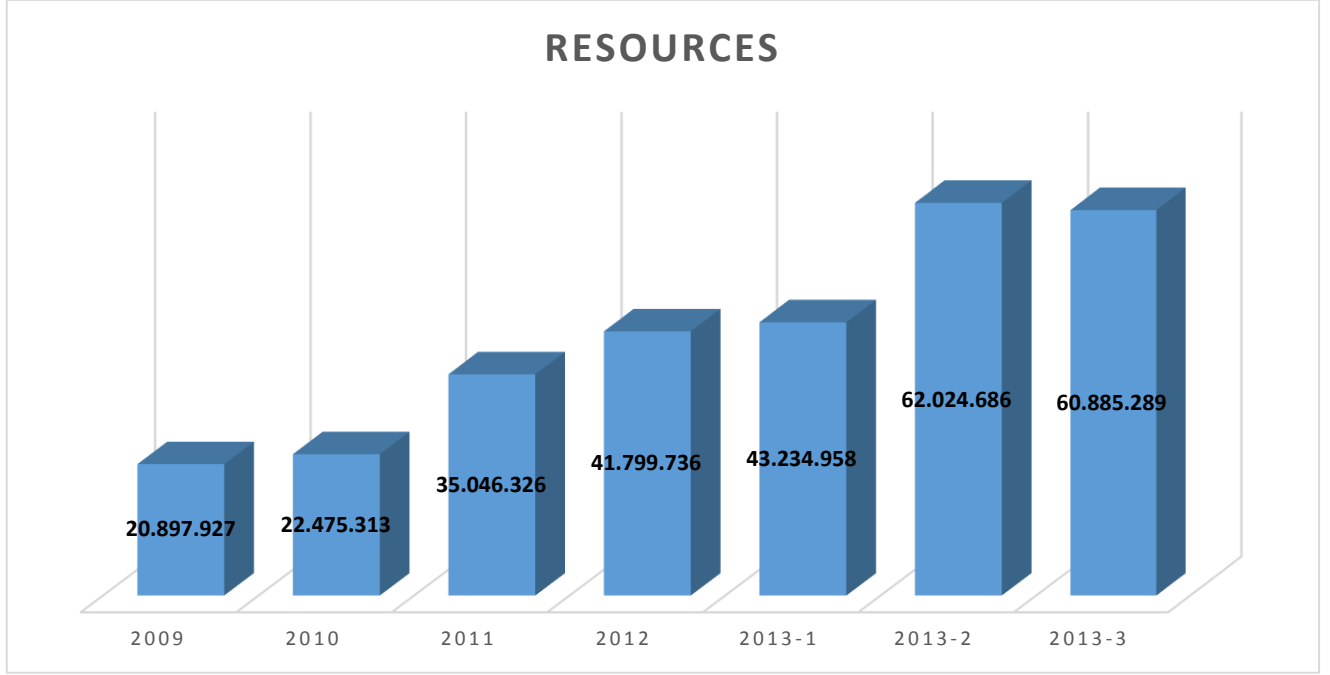
Key financial indicators:

The Net Asset Values by Years:



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The Resources by Years:



By the end of the third period of 2013, per net asset value of our is 7,55-TL, our share certificate stock market closing price is 6,14-TL, by three months periods our per net asset value and stock market last session the weighted average price of our shares are accrued as following.

	2012 4. Quarter	2013 1. Quarter	2013 2. Quarter	2013 3. Quarter
Per Share Net Asset Values	5,48	5,69	7,27	7,55
Last session Weighted Average Shares Price (BIST)	2,90	4,65	6,46	6,14

According the data from the financial statements dated 30.09.2013; our total assest amounted to 120.745.025-TL. 50.4 % of shareholders' equity to total assests ratio of short and long-term liabilities to total assests ratio is 49,58 %.

**Our operating profit as of 30.09.2013, is 3.008.864-TL, our net termly profit for the parent company is amounted 940.658-TL.**

**LOKMAN HEKİM**  
**ENGÜRÜSAĞ SAĞLIK, TURİZM, EĞİTİM HİZMETLERİ ve İNŞAAT TAAHHÜT A.Ş.**  
**BOARD OF DIRECTORS ANNUAL REPORT**

<b>LIQUIDITY RATIO</b>		<b>30.09.2013</b>	<b>30.06.2013</b>	<b>31.03.2013</b>	<b>31.12.2012</b>
Current Rate	<b>Current Assets/ Current Liabilities</b>	0,735	0,814	0,957	0,912

<b>FINANCIAL STRUCTURE RATIOS</b>		<b>30.09.2013</b>	<b>30.06.2013</b>	<b>31.03.2013</b>	<b>31.12.2012</b>
Leverage Rate	<b>(Short-term+long-term Liabilities) / Net Asset Value</b>	0,496	0,470	0,520	0,520
	<b>Resources / Net Asset Values</b>	0,504	0,530	0,480	0,480
Financing Rate	<b>Resources / (Short-term+long-term Liabilities)</b>	1,020	1,140	0,910	0,910

<b>PROFITABILITY RATIOS</b>		<b>30.09.2013</b>	<b>30.06.2013</b>	<b>31.03.2013</b>	<b>31.12.2012</b>
Assets Profitability	<b>Net Profit / Net Asset Value</b>	0,008	0,015	0,017	0,059
Resources Profitability	<b>Net Profit / Resources</b>	0,015	0,027	0,035	0,124

<b>PRODUCTIVITY RATES</b>		<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
Equity turnover	<b>Net Sales / Resources</b>	2,313	1,796	2,635	2,622
Asset turnover	<b>Net Sales / Net Asset Value</b>	1,103	0,873	1,028	0,943
Receivables Collection period	<b>360 / Receivables Turnover</b>	60,130	63,796	62,609	72,180

**26- Employees and Workers Movements, Collective Bargaining Practices, Staff and Workers' Right and Benefits Provided**

In the reporting period, Company's number of employee is 1326. No ongoing or applicable Collective-Work Contract is available.

According to date of 30.09.2013, our obligation to our employee entitled to severance pay is amounted to 702.621-TL. According to Capital Markets Board legislation in exchange for severance indemnity provision is 436.074-TL.

**27- Informations about Donations made by during the year**

By our company, in the third three months period of 2013, 2.000TL donations and grants are made.

**28- SUMMARY OF RECENT DEVELOPMENTS CONCERNING THE THREE MONTHS PERIOD**

**Lokman Hekim Erbil Visualization and Laboratory Centre**

Growth in health tourism activities continued with Engürüsağ Genel Ticaret Ltd. Şti. (Erbil). Visualizing and laboratory center included in the Company began accepting patients as of 23.09.2013. For the moment there are 2 Hospitals, 1 Medical Center, 1 Ear, Nose Center, 1 Tube Baby Center and 1 Eye Center operates in Erbil as Turkish-owned enterprise.

- Northern Iraq's population is about 4.000.000, Erbil's population is about 1.600.000. In Erbil, 7 public hospitals and 6 private hospitals (as General Hospital) are located. Test and examination requests are waiting from these hospitals.

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**BOARD OF DIRECTORS ANNUAL REPORT**

- According to Health tourist who come Turkey for treatment in the ranking of countries Irak is in the fourth place after; Germany, Libya, Russia.
- The most visited city in Turkey Health Tourism respectively İstanbul, Ankara and Antalya.
- Turkey is aiming to rise its Health Tourism Revenues from 2 mio \$ to 5,6 mio \$



Ticaret Ünvanı	Engürüsağ Genel Ticaret Ltd. Şti.
Kuruluş Tarihi	27.02.2013
Kayıtlı Bulunduğu Ticaret Sicili	Erbil
Telefon	00 964 066 227 40 43
Cep	00 964 750 777 50 08
Yatırımcı İlişkileri Birimi	0 312 589 70 51
Kurumsal İnternet Sitesi	<a href="http://www.lokmanhekim.com.tr">www.lokmanhekim.com.tr</a>
Sermaye	15.000.000 Irak Dinar

Our company, has been established with 27.02.2013 dated and 13 numbered Administrative Board Decision and for the purpose of providing visualization and laboratory services, with the attribute cofounder who has 70 % share, by associating. By taking 25 % of its share with 28.08.2013 dated and 45 numbered Administrative Board Decision, our share increased to 95 %.



**29- Informations about Consultant Company Serving the Assets and Rights in Portfolio, Operator Company, Real Estate Appraisal company, Asset Management Company and Depository Institution**

**Independent Audit Company:** General Independent Audit Agreement was signed for one year with Referans Audit and Consultant Anonim Company with regard to make independent audit, annual financial statements', belonging to Our Company's 01.01.2013 – 31.12.2013 accounting year, subject to Capital Market Regulation.

**Annual Report Audit: Agreement** was signed with Referans Independent Audit and Consultant Anonim Company for 2013 period, rating iterations' compliance in Administrative Board's annual report, with the financial and indicates this evaluation results in the independent audit report.

**30- Events after financial account date**

Administrative Board Member Mr. Nazım BİLGİN resigns from his duty.

**31- The trend of stock prices**

Trade price of a single lot of our company's stocks in the 2<sup>nd</sup> National Market of Borsa Istanbul ranged between TL 2.87 and TL 7.26 during the period 31.12.2012 - 30.09.2013. The trend of the market value of our stocks during the period 31.12.2012 - 30.09.2013 is illustrated in the following graph.



