

İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

Condensed Interim Statement of Financial Position (Balance Sheet)

As of 30 September 2016

(Amounts expressed in Turkish Lira ("TL") unless otherwise stated.)

		<i>Non-reviewed</i>	<i>Audited</i>
	<i>Notes</i>	30 September 2016	31 December 2015
ASSETS			
Current assets			
Cash and cash equivalents	5	76.404.433	123.908.125
Trade receivables	8	29.272.864	21.820.775
<i>Trade receivables from related parties</i>	23	<i>1.142.015</i>	<i>839.105</i>
<i>Other trade receivables</i>	8	<i>28.130.849</i>	<i>20.981.670</i>
Other receivables	9	4.999.851	3.814.131
<i>Other receivables</i>	9	<i>4.999.851</i>	<i>3.814.131</i>
Inventories	11	83.234.497	174.215.106
Prepaid expenses	16	63.387.372	43.565.100
<i>Prepaid expenses to related parties</i>	23	<i>449.654</i>	<i>2.726.125</i>
<i>Prepaid expenses to non-related parties</i>	16	<i>62.937.718</i>	<i>40.838.975</i>
Other current assets	16	107.197.196	92.537.294
Derivatives	6	--	14.811
Non-current assets			
Equity accounted investees	3	1.456.701	1.599.475
Inventories	11	663.630.843	344.641.480
Investment properties	10	3.435.587.270	3.291.628.689
Tangible assets	12	26.256.332	27.036.974
Intangible assets	13	396.035	418.619
TOTAL ASSETS		4.491.823.394	4.125.200.579

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As of 30 September 2016

(Amounts expressed in Turkish Lira ("TL") unless otherwise stated.)

		<i>Non-reviewed</i>	<i>Audited</i>
	<i>Notes</i>	30 September 2016	31 December 2015
LIABILITIES			
Short-term liabilities		202.988.146	556.007.399
Current portion of long term borrowings	7	137.386.496	107.653.358
<i>Loans and borrowings from related parties</i>	23	121.440.802	107.653.358
<i>Other loans and borrowings</i>	7	15.945.694	205.858.160
Current portion of long term financial leases	7	11.361.202	11.360.254
<i>Financial leasing from related parties</i>	23	11.361.202	11.360.254
Trade payables	8	31.965.525	60.226.775
<i>Trade payables to related parties</i>	23	2.345.648	2.696.047
<i>Other trade payables</i>	8	29.619.877	57.530.728
Other payables	9	634.160	1.472.069
Deferred income	16	5.523.980	160.060.245
<i>Deferred income to related parties</i>	23	267.586	662.670
<i>Other deferred income</i>	16	5.256.394	159.397.575
Short-term provisions		14.409.754	286.630
<i>Provision for employee benefits</i>	15	247.522	232.898
<i>Other short-term provisions</i>	14	14.162.232	53.732
Other short-term liabilities	16	1.707.029	9.089.908
Long-term liabilities		1.421.724.991	778.558.329
Loans and borrowings	7	837.585.054	375.591.597
<i>Loans and borrowings from related parties</i>	23	485.696.165	375.591.597
<i>Loans and borrowings from third parties</i>	7	351.888.889	--
Long term financial leases	7	2.838.261	10.126.764
<i>Financial leasing from related parties</i>	23	2.838.261	10.126.764
Other payables	9	35.990.000	35.990.000
Deferred revenue	16	544.082.519	355.876.841
Long term provisions	15	1.229.157	973.127
<i>Provision for employee benefits</i>	15	1.229.157	973.127
EQUITY		2.867.110.257	2.790.634.851
Share capital	17	850.000.000	746.000.000
Inflation restatement difference on share capital		240.146.090	240.146.090
Share premium		423.981	423.981
Other comprehensive income that will never be reclassified to profit or loss		21.942.570	21.942.570
<i>Net change in revaluation of tangible assets</i>		21.731.787	21.731.787
<i>Net change in remeasurements of defined benefit liability</i>		210.783	210.783
Legal reserves	17	36.305.282	28.240.772
Prior years' profits	17	1.589.596.928	1.197.948.571
Net profit for the period		128.695.406	555.932.867
TOTAL EQUITY AND LIABILITIES		4.491.823.394	4.125.200.579

İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

Condensed Interim Statement of Profit or Loss

For the nine-month period ended 30 September 2016

(Amounts expressed in Turkish Lira ("TL") unless otherwise stated.)

		Non-reviewed	Non-reviewed	Non-reviewed	Non-reviewed
		1 January-30	1 July-30	1 January-30	1 July-30
	Notes	September	September	September	September
		2016	2016	2015	2015
Revenue	18	308.962.444	60.327.463	179.942.209	106.830.537
Cost of revenue (-)	18	(155.017.979)	(15.958.475)	(55.516.369)	(40.339.480)
Gross profit		153.944.465	44.368.988	124.425.840	66.491.057
General administrative expense (-)	19	(14.376.195)	(4.277.881)	(10.728.865)	(2.789.267)
Marketing expenses (-)	19	(17.876.288)	(3.093.201)	(11.970.594)	(1.419.997)
Other operating income	20	74.906.844	40.606	162.735.906	142.742.183
Other operating expense (-)	20	(37.567.512)	(7.117.988)	(18.076.921)	(9.873.330)
Operating profit		159.031.314	29.920.524	246.385.366	195.150.646
Share of profit of equity-accounted investees	3	567.296	256.808	(188.819)	133.760
Operating Profit Before Finance Expense		159.598.610	30.177.332	246.196.547	195.284.406
Financial expenses (-)	21	(30.903.204)	(8.499.342)	(48.904.923)	(26.381.373)
Operating Profit before Tax From Continuing Operations		128.695.406	21.677.990	197.291.624	168.903.033
Tax Expense From Continuing Operations		--	--	--	--
- Corporate tax charge		--	--	--	--
- Deferred tax benefit		--	--	--	--
Net profit for the period		128.695.406	21.677.990	197.291.624	168.903.033
Earnings per share	22	0,0015	0,00026	0,00264	0,00199

İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

Condensed Interim Statement of Other Comprehensive Income

For the nine-month period ended 30 September 2016

(Amounts expressed in Turkish Lira ("TL") unless otherwise stated.)

	Non-reviewed	Non-reviewed	Non-reviewed	Non-reviewed
	1 January-30	1 July-30	1 January-30	1 July-30
Notes	September 2016	September 2016	September 2015	September 2015
Net profit for the period	128.695.406	21.677.990	197.291.624	168.903.033
Other comprehensive income				
Other comprehensive income that will never be reclassified to profit or loss			14.772.733	--
Net change in revaluation of tangible assets	--	--	14.772.733	--
Re-measurements of defined benefit plans	--	--	--	--
Other comprehensive income that are or may be reclassified to profit or loss			--	--
<i>Translation reserve</i>	--	--	--	--
Other comprehensive income	--	--	14.772.733	--
TOTAL COMPREHENSIVE INCOME	128.695.406	21.677.990	212.064.357	168.903.033

İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

Condensed Interim Statement of Changes in Equity

For the nine-month period ended 30 September 2016

(Amounts expressed in Turkish Lira ("TL") unless otherwise stated.)

					Other comprehensive income that will never be reclassified to profit or loss					
	Notes	Share capital	Inflation restatement difference on share capital	Share premium	Net change in remeasurment of defined benefit liability	Net change in revaluation of tangible assets	Legal reserves	Prior years' profits	Net profit for the period	Total
Balances at 1 January 2015		680.400.000	240.146.090	423.981	179.250	--	24.677.855	989.733.134	416.243.014	2.351.803.324
Transfers		--	--	--	--	--	3.562.917	412.680.097	(416.243.014)	--
Total comprehensive income		--	--	--	--	14.772.733	--	--	197.291.624	212.064.357
Capital increase		65.600.000	--	--	--	--	--	(65.600.000)	--	--
Dividends		--	--	--	--	--	--	(47.628.000)	--	(47.628.000)
Balances at 30 September 2015	17	746.000.000	240.146.090	423.981	179.250	14.772.733	28.240.772	1.289.185.231	197.291.624	2.516.239.681
Balances at 1 January 2016		746.000.000	240.146.090	423.981	210.783	21.731.787	28.240.772	1.197.948.571	555.932.867	2.790.634.851
Transfers		--	--	--	--	--	8.064.510	547.868.357	(555.932.867)	--
Total comprehensive income		--	--	--	--	--	--	--	128.695.406	128.695.406
Capital increase		104.000.000	--	--	--	--	--	(104.000.000)	--	--
Dividends		--	--	--	--	--	--	(52.220.000)	--	(52.220.000)
Balances at 30 September 2016	17	850.000.000	240.146.090	423.981	210.783	21.731.787	36.305.282	1.589.596.928	128.695.406	2.867.110.257

İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

Condensed Interim Statement of Cash Flows

For the nine-month period ended 30 September 2016

(Amounts expressed in Turkish Lira ("TL") unless otherwise stated.)

		Non-reviewed 1 January- 30 September 2016	Non-reviewed 1 January- 30 September 2015
A. Cash flow from operating activities			
Net profit for the year		128.695.406	197.291.624
<i>Profit adjustments for</i>			
Adjustments to depreciation and amortization	12,13	1.065.328	491.475
Adjustments to provision for employee severance indemnity	15	256.030	211.737
Adjustments to provision for unused vacation	15	14.624	22.969
Change in fair value of investment properties	10	(39.713.482)	(111.416.698)
Share of profit of equity accounted investees		(567.296)	188.819
Gain/(losses) from investment properties sales		(18.718.416)	(35.961.319)
Allowance for doubtful receivables (net)	8	(424.233)	(110.049)
Gain/(losses) from derivatives	22	14.811	(3.008.756)
Interest income	18	(5.791.896)	(4.105.541)
Interest expense	22	28.667.090	1.318.306
Operating profit from before the changes in working capital		93.497.966	44.922.567
<i>Changes in working capital</i>			
Changes in trade receivables		(7.027.856)	(69.166.567)
Changes in other receivables		(1.185.720)	(1.602.245)
Changes in other current assets		(34.482.174)	(35.447.060)
Changes in inventories		(228.008.754)	(87.506.893)
Changes in trade payables and other payables		4.570.255	350.500.862
Changes in other short term liabilities		6.996.275	2.093.774
		(165.640.008)	203.794.438
Cash generated from operating activities			
Interest received		5.372.042	4.105.540
Net cash provided by operating activities		(160.267.966)	207.899.978
B. Cash flows from investing activities			
Proceeds from financial assets		--	14.330.752
Purchases of investment property, tangible and intangible assets		(104.507.202)	(452.621.453)
Proceeds from investment properties sales		18.718.416	82.572.154
Dividends received		500.000	500.000
Equity accounted investees		142.774	(322.683)
Net cash used in investing activities		(85.146.012)	(355.541.230)
C. Cash Flows From Financing Activities			
Dividends paid	17	(52.220.000)	(47.628.000)
Borrowings received		513.000.000	413.424.857
Borrowings paid		(233.348.740)	(112.442.417)
Interest paid		(28.667.090)	(803.798)
Net cash used in financing activities		198.764.170	252.550.642
Increase in cash and cash equivalents before effect of changes in foreign currency rates			
		(46.649.808)	104.909.390
Effect of changes in foreign currency rates over cash and cash equivalents		--	--
Net increase / (decrease) in cash and cash equivalents		(46.649.808)	104.909.390
Cash and cash equivalents at the beginning of the period		122.634.388	122.474.197
Cash and cash equivalents at the end of the period	5	75.984.580	227.383.587