

**INVESTMENT PORTFOLIO of İŞ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş. (ISGYO)**  
as of 30.06.2015

**İŞ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.**

**PORTFOLIO TABLE as of 30.06.2015**

(000) TL

%

<b>TOTAL INVESTMENT PORTFOLIO</b>	<b>TL</b>	<b>%</b>
<b>Office Buildings</b>	<b>950.333.600</b>	<b>32%</b>
Istanbul Is Towers	546.000.000	
Ankara Is Tower	107.300.000	
Maslak Building	82.248.600	
Ankara Ulus Office Building	31.590.000	
Ankara Kizilay Office Building	29.500.000	
Antalya Office	17.200.000	
Sirkeci Office Building	37.200.000	
Günesli Office Building	55.000.000	
Office Lamartine	44.295.000	
<b>Hotels</b>	<b>21.505.000</b>	<b>1%</b>
Kapadokya Lodge Hotel	21.505.000	
<b>Shopping Centers &amp; Retail</b>	<b>641.742.650</b>	<b>21%</b>
Kanyon Shopping Center	390.000.000	
Kule Carşı Shopping Center	54.000.000	
Real Hypermarket Building	81.000.000	
Marmara Park Shopping Center	106.600.000	
Mallmarine Shopping Center	10.142.650	
<b>Residential</b>	<b>2.558.567</b>	<b>0%</b>
Çınarlıbahçe Tuzla Residentials	2.558.567	
<b>Projects</b>	<b>1.124.894.500</b>	<b>38%</b>
Technology and Operations Center & Mixed Use	478.600.000	
Ege Perla Mixed Use	167.652.000	
Istanbul Finance Center Mixed Use	122.455.000	
Topkapı Residential Project	187.962.500	
Kartal Mixed Use Project	168.225.000	
<b>Lands</b>	<b>29.471.500</b>	<b>1%</b>
Üsküdar Land	25.665.000	
Levent Land	3.806.500	
<b>General Total of Properties</b>	<b>2.770.505.817</b>	<b>93%</b>
<b>Cash and Marketable Securities</b>	<b>206.833.697</b>	<b>7%</b>
<b>Participations</b>	<b>500.000</b>	<b>0%</b>
<b>TOTAL PORTFOLIO VALUE</b>	<b>2.977.839.514</b>	<b>100%</b>

Company's investment portfolio is comprised of real estates, money & capital markets instruments and participations.

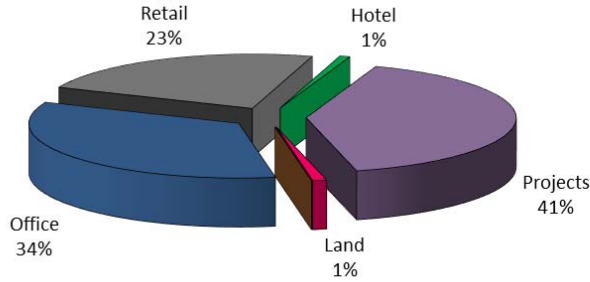
As of 30.06.2015 total portfolio value of the Company is TL 2.976 million.

<b>Breakdown of Investment Portfolio (000 TL)</b>	<b>2013</b>	<b>2014</b>	<b>2Q 2015</b>
Real Estate Portfolio	2.309.148	2.765.833	2.770.506
Money and capital market instruments	105.279	139.036	206.834
Participations	288	500	500
<b>Total Portfolio Value</b>	<b>2.414.715</b>	<b>2.905.369</b>	<b>2.977.840</b>

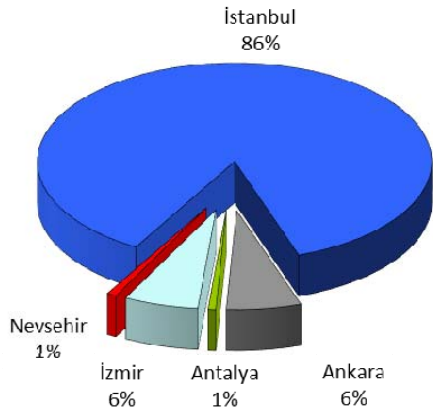
93% of the Company's total portfolio is invested in real estate sector and the real estate portfolio is comprised of rent generating commercial assets, real estate projects and land investments.

## I. REAL ESTATE PORTFOLIO

In terms of the appraisal values; 41% of the real estate investments is invested in real estate projects, 34% in office sector; 23% in retail sector and the remaining 2% is invested in hotel and land.



In terms of geography; 86% of the investments is located in Istanbul, 6% in Ankara, 6% in Izmir and the remaining 2% is invested in Antalya, Nevsehir and Mugla.



## **Rental Income Generated From The Real Estate Portfolio**

58% of the real estate portfolio generates rental income. Total annual rent generated from the real estate portfolio is USD 49,1 million as of 30.06.2015.

Almost 60% of the rental income is generated from office investments while retail investments has 40% share in the rental income.

<b>Property Name</b>	<b>Annual Rent \$ mn (without VAT)</b>	<b>%</b>
Is Towers II & III	15,4	31,3%
Kanyon Shopping Center	11,4	23,2%
Marmara Park Shopping Center	5,0	10,2%
Ankara Is Tower	3,3	6,8%
Gunesli Office Building	2,7	5,4%
Real Hypermarket Building	2,1	4,4%
Maslak Building	1,7	3,4%
Sirkeci Office Building	1,5	3,1%
Ankara-Ulus Office Building	1,4	2,9%
Kule Carsi Shopping Center	1,4	2,8%
Ankara-Kizilay Office Building	1,2	2,4%
Office Lamartine	0,7	1,4%
Antalya Office Building	0,6	1,3%
Kapadokya Lodge Hotel	0,4	0,9%
Mallmarine Shopping Center	0,2	0,4%
<b>Total</b>	<b>49,1</b>	<b>100%</b>

*Total Annual Rent Including VAT: \$ 58 mn (June 30, 2015 1\$ = TL 2,6863)*

- Whilst the average duration of the lease agreements is 5 years, on the other hand the duration may vary depending on the type of the agreement or the investment model. For example, for buy-and-lease back agreements, the average duration may be longer than 15 years while projects with B.O.T. model have longer durations.
- As of 30.06.2015 currency breakdown of Company's rental income is; 37% in USD, 5% in Euro and 58% in Turkish Lira

## **REAL ESTATE PROJECTS**

### **Projects Under Development**

#### **Technology& Operation Center and Tuzla Mixed Use Project (Tuzla Parcel no 1&2)**

On parcel no 1, having an area of 44.395 sqm, Technology & Operation Center project is being developed as a turnkey project for Isbank. The center has been already leased to Isbank for 25 years and according to the agreement the annual rental rate will be determined over the final development cost. The total GLA of the operation center is 184.500 sqm and the expected annual rental income is \$22-24 mn.

On parcel no 2, having an area of 21.305 sqm, next to the technology&operation center project; a mixed use project is being developed. The mixed use project comprises a commercial center (designed for meeting the basic needs of the people working in the operation center) and office units. The expected annual rental income from the project is approximately \$6-6,5 mn.

*ISGYO took the construction permit of Technology & Operation Center and Tuzla Mixed Use Project in June, 2012. The estimated completion date for both of the projects is the third quarter of 2015.*

#### **Ege Perla Mixed Use Project**

The mixed use project “Ege Perla” is being developed on 18.392 sqm land in the “new city center” of İzmir. Ege Perla comprises a shopping center with 25.600 sqm GLA and home and home-offices in two towers with a total saleable area of 32.000 sqm. The project, whose architectural design is made by Aga Khan Award winner architect Emre Arolat, is aimed to be an important icon for İzmir by becoming a city park for all users with its architecture integrating the city.

The project land was purchased from Isbank and according to the agreement, 50% of the net profit from the unit sales will be transferred to Isbank. The expected net profit for the unit sales is \$10-15 mn and the estimated rental income of the shopping center in Ege Perla is \$ 8-10 mn.

*ISGYO took the construction permit for Ege Perla in September 2012 and the preselling activity started in November 2012. Currently construction activity continues for the project and the estimated completion date is 2015 year end.*

#### **Kartal Manzara Adalar Mixed Use Project**

On the project land having a neighbouring location to Kartal Urban Regeneration Project, a mixed use project comprising residentials, offices and commercials is being developed with revenue sharing model. The project which is designed by Perkins Eastman has a total development cost of TRY 640-660 mn. The expected sales revenue for residentials is TL 750-800 mn and the expected total rental income for offices and commercial area is TL 30-35 million.

ISGYO took the construction permit for Kartal Mixed Use Project in September 2014 and the preselling activity started in December, 2014. The estimated completion date for the project is the first quarter of 2018.

### **Istanbul Finance Center Project**

The project land is located in the heart of Istanbul Finance Center Project in Atasehir and additionally has a high accessibility thanks to the close location to the main highways of the city. On this land plot, ISGYO plans to develop a mixed use project including offices and commercial areas as a part of Istanbul Finance Project (IFP) of the government. Estimated project development cost including land is approximately \$100-110 mn. Total expected rental income from the total units is \$9-11 mn.

ISGYO took the construction permit for IFC Project in June 2015.

### **Topkapı İnistanbul Residential Project**

The project land having central location, was purchased from Şişe Cam and Anadolu Cam for an amount of TL 320 mn at the end of 2013 in order to develop a joint project with NEF (Timur Real Estate). The total development cost of the project including land and borrowing cost is TL 1-1.1 billion and expected sales revenue for the project is TL 1.4-1.6 billion. ISGYO and NEF both have 50% share in the project.

ISGYO took the construction permit for Topkapi İnistanbul Residential Project in May 2015 and started preselling activity.

### **Completed Project**

#### **Cinarli Bahce Residential**

The residential project, located in Tuzla, İstanbul, comprises 476 units ranging between 58-212 sqm with 56.484 sqm total saleable area. The deliveries of the units in Çınarlı Bahçe started in August 2013 and as of 30.06.2015, almost 99% of the totals units have been delivered.

## **II. MONEY AND CAPITAL MARKETS INSTRUMENTS**

Money and capital market instruments represent 7% of the investment portfolio. As of 30.06.2015, the value of money&capital market instruments is TL 206.833.697.

<b>Breakdown of Money&amp;capital Market Instruments</b>		
<b>30.6.2015</b>	<b>TL</b>	<b>%</b>
<i>Time and Demand Deposits (Foreign Currency)</i>	157.568.124	77%
<i>Time and Demand Deposits (Local Currency)</i>	10.483.677	5%
<i>Mutual Fund</i>	35.948.376	18%
<i>T-bills &amp; Bonds</i>	791.105	0%
<i>Other</i>	2.042.415	0%
<b>TOTAL</b>	<b>206.833.697</b>	