

INVESTMENT PORTFOLIO of İŞ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş. (ISGYO)
as of 31.12.2016

TOTAL INVESTMENT PORTFOLIO	TL mn	%
Office Buildings	2.238,6	46%
Tuzla Technology and Operations Center	862,6	
Tuzla Mixed Use - Office	228,5	
Istanbul Is Towers	764,9	
Ankara Is Tower	128,0	
Maslak Building	101,1	
Office Lamartine	48,9	
Ankara Ulus Office Building	44,3	
Ankara Kizilay Office Building	38,3	
Antalya Office	22,0	
Shopping Centers & Retail	858,7	18%
Kanyon Shopping Center	480,0	
Marmara Park Shopping Center	146,6	
Real Hypermarket Building	110,0	
Kule Carşısı Shopping Center	60,9	
Tuzla Mixed Use - Office	46,3	
Mallmarine Shopping Center	12,3	
Çınarlıbahçe Tuzla Retail	2,6	
Projects	1.447,1	30%
Ege Perla Mixed Use	512,4	
Istanbul Finance Center	169,6	
Topkapı Residential Project	341,0	
Kartal Mixed Use Project	424,0	
Hotels	24,3	0%
Kapadokya Lodge Hotel	24,3	
Lands	194,0	4%
Tuzla Land	150,4	
Üsküdar Land	39,5	
Levent Land	4,1	
Cash and Marketable Securities	127,3	3%
Participations	0,5	0%
TOTAL PORTFOLIO VALUE	4.890,4	100%

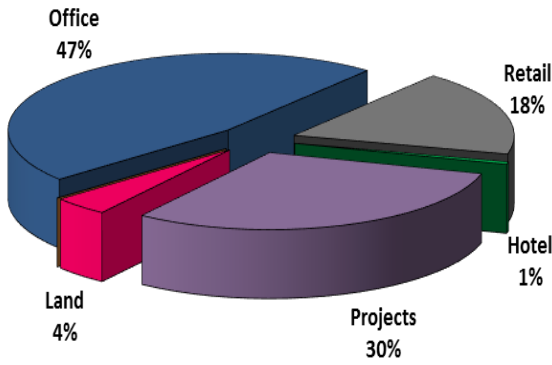
Company's investment portfolio is comprised of real estates, money & capital markets instruments and participations.

As of 31.12.2016 total portfolio value of the Company is TL 4.890 million.

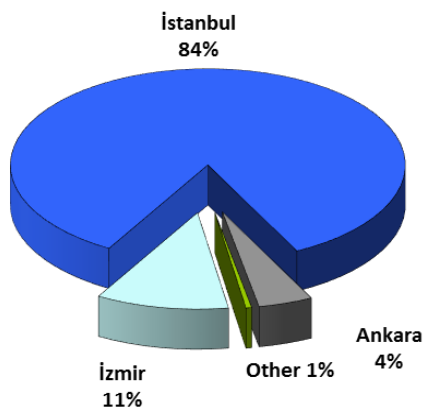
Breakdown of Investment Portfolio (000 TL)	2014	2015	2016
Real Estate Portfolio	2.765.833	3.911.893	4.762.652
Money and capital market instruments	139.036	123.908	127.262
Participations	500	500	500
Total Portfolio Value	2.905.369	4.036.301	4.890.414

97% 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; 47% of the real estate investments is invested in office sector, 30% in real estate projects; 18% in retail sector, %1 in hotel sector while the remaining 4% is invested in land.



In terms of geography; 84% of the investments is located in İstanbul, 11% in İzmir, 4% in Ankara and the remaining 1% is invested in Antalya, Nevşehir and Muğla.

Rental Income Generated From The Real Estate Portfolio

Almost 70% of the rental income is generated from office investments while retail investments has 30% share in the rental income.

Property Name	2016 Rental Income mn TL (without VAT)	%
TUTOM	61,5	32,1%
Is Towers Complex (Tower II & III, Kule Carsi)	44,9	23,4%
Kanyon Shopping Center	34,6	18,0%
Marmara Park Shopping Center	14,9	7,8%
Real Hypermarket Building	6,9	3,6%
Tuzla Mixed Use Project	5,7	2,9%
Maslak Building	4,8	2,5%
Ankara-Ulus Office Building	4,0	2,1%
Sirkeci Office Building	3,8	2,0%
Ankara-Kizilay Office Building	3,4	1,8%
Ankara Is Tower	2,8	1,5%
Office Lamartine	1,8	0,9%
Antalya Office Building	1,7	0,9%
Others	1,0	0,5%
Total	191,8	100%

- 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.

REAL ESTATE PROJECTS

Recently Completed Projects

Tuzla Technology & Operation Center (TUTOM)

Turn-key investment, Technology and Operation Center Project with a total GLA of 184.500 sqm in Tuzla has been leased to Isbank for 25 years. The annual rental income of TUTOM is determined as TL 61,5 mn.

Tuzla Mixed Use Project

Mixed Use Project in Tuzla, next to TUTOM comprises office and commercial area. In the last quarter of 2015, the total office space and some part of the commercial area was leased to Şişecam. The annual rental income is determined as TL 14,5 mn. The lease agreement signed with Şişecam has 5 year maturity and it was started on 01.09.2016. The leasing activities are still on-going for the remaining commercial areas. The expected annual rental income from the entire project is approximately TL 17 mn.

Projects Under Development

Ege Perla Mixed Use Project

The mixed use project “Ege Perla” is being developed in the “new city center” of İzmir with a total investment value of TL 430-450 mn excluding borrowing cost. The project land was purchased from Isbank and according to the agreement, 50% of the net profit from the unit sales were transferred to Isbank. The expected net profit of the project is TL 54 mn and the estimated gross rental income of the shopping center is TL 17-18 mn. The deliveries of the units in Ege Perla started in June 2016 and as of 31.12.2016, 127 units were delivered.

While the construction work of the shopping center is about to be completed, the leasing activities of the units are on-going during the reporting period.

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. Manzara Adalar mixed use project which is designed by Perkins Eastman has a total development cost (excluding borrowing cost) of TL 620-640 mn. The expected sales revenue for residentials is TL 720-750 mn and the expected total rental income for offices and commercial area is TL 38-42 mn. The estimated completion date for the project is the first half of 2018.

Topkapı İstanbul Residential Project

The project land having central location, was purchased from Şişe Cam Group in order to develop a joint project with NEF (Timur Real Estate) with cost and revenue sharing model. The total development cost of the project excluding borrowing cost is TL 1.1-1.2 billion and expected sales revenue for the project is TL 1.5-1.6 billion. ISGYO and NEF both have 50% share in the project.

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 (excluding borrowing cost) is approximately TL 280-300 mn. Total expected rental income from the project is approximately TL 45-50 mn.

II. MONEY AND CAPITAL MARKETS INSTRUMENTS

Money and capital market instruments represent 3% of the investment portfolio. As of 31.12.2016, the value of money&capital market instruments is TL 127,3 mn.

Breakdown of Money&capital Market Instruments		
31.12.2016	TL	%
<i>Time Deposits (Local currency)</i>	72.885.376	57%
<i>Time Deposits (Foreign currency)</i>	51.292.926	40%
<i>Demand Deposits</i>	1.517.124	1%
<i>Mutual Fund</i>	1.496.689	1%
<i>Other</i>	69.949	0%
TOTAL	127.262.064	