

INVESTMENT PORTFOLIO of İŞ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş. (ISGYO)
as of 31.03.2016

TOTAL INVESTMENT PORTFOLIO	TL	%
Office Buildings	2.049.642.500	50%
Tuzla Technology and Operations Center	760.385.000	
Tuzla Mixed Use - Office	237.666.000	
Istanbul Is Towers	651.250.000	
Ankara Is Tower	118.000.000	
Maslak Building	94.031.500	
Sirkeci Office Building	47.000.000	
Office Lamartine	46.535.000	
Ankara Ulus Office Building	40.260.000	
Ankara Kizilay Office Building	34.930.000	
Antalya Office	19.585.000	
Shopping Centers & Retail	759.912.850	19%
Kanyon Shopping Center	440.000.000	
Marmara Park Shopping Center	130.000.000	
Real Hypermarket Building	95.000.000	
Kule Carşı Shopping Center	48.750.000	
Tuzla Mixed Use - Office	32.409.000	
Mallmarine Shopping Center	11.263.850	
Çınarlıbahçe Tuzla Retail	2.490.000	
Projects	1.044.969.000	25%
Ege Perla Mixed Use	395.689.000	
Istanbul Finance Center	138.145.000	
Topkapı Residential Project	264.415.000	
Kartal Mixed Use Project	246.720.000	
Hotels	22.890.000	1%
Kapadokya Lodge Hotel	22.890.000	
Lands	178.273.919	4%
Tuzla Land	143.795.000	
Üsküdar Land	30.480.000	
Levent Land	3.998.919	
Cash and Marketable Securities	40.656.347	1%
Participations	500.000	0%
TOTAL PORTFOLIO VALUE	4.096.844.616	100%

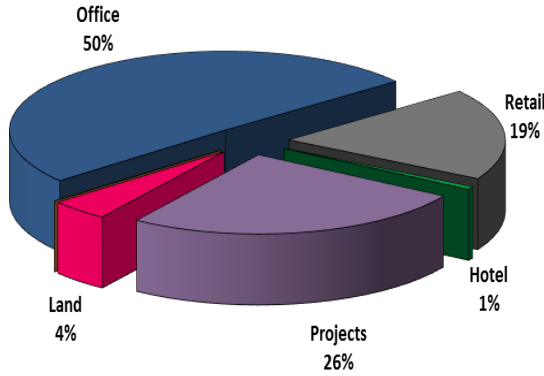
Company's investment portfolio is comprised of real estates, money & capital markets instruments and participations.

As of 31.03.2016 total portfolio value of the Company is TL 4.097 million.

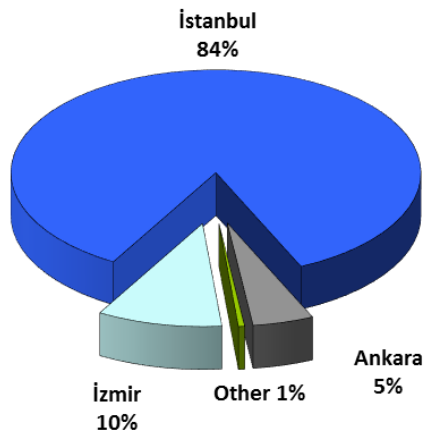
Breakdown of Investment Portfolio (000 TL)	2014	2015	1Q 2016
Real Estate Portfolio	2.765.833	3.911.893	4.055.688
Money and capital market instruments	139.036	123.908	40.656
Participations	500	500	500
Total Portfolio Value	2.905.369	4.036.301	4.096.844

99% 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; 50% of the real estate investments is invested in office sector, 26% in real estate projects; 19% 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 Istanbul, 5% in Ankara, 10% in Izmir and the remaining 1% is invested in Antalya, Nevsehir and Mugla.

Rental Income Generated From The Real Estate Portfolio

70% of the real estate portfolio generates rental income. Rental income generated from the real estate portfolio for the first quarter of 2016 is TL 50 million.

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

Property Name	1Q Rental Income mn TL (without VAT)	%
TUTOM	15,4	30,8%
Is Towers Complex (Tower II & III, Kule Carsi)	13,0	26,1%
Kanyon Shopping Center	8,8	17,6%
Marmara Park Shopping Center	3,7	7,4%
Ankara Is Tower	1,8	3,6%
Real Hypermarket Building	1,7	3,4%
Maslak Building	1,2	2,4%
Ankara-Ulus Office Building	1,0	2,0%
Sirkeci Office Building	1,0	2,0%
Ankara-Kizilay Office Building	0,8	1,7%
Office Lamartine	0,5	1,0%
Antalya Office Building	0,4	0,9%
Others	0,5	1,1%
Total	49,9	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 was completed in 4Q 2015. The center has been leased to Isbank for 25 years. (12.000 sqm GLA of the project has been also rented to Softech, İşbank group's IT company). The annual rental income of TUTOM is determined as TL 61,5 mn.

Tuzla Mixed Use Project

Mixed Use Project in Tuzla, having an area of 21.305 sqm, next to TUTOM has been completed. The mixed use project comprises a commercial center and office units. In the last quarter of 2015, the total office space and some part of the commercial area has been leased to Şişecam. The lease

agreement signed with Şişecam has 5 year maturity and it will start on 01.09.2016. 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. 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 sold units is TL 30-35 mn and the estimated rental income of the shopping center is TL 19-22 mn in Ege Perla. The sold units are planned to be delivered in the 1st half of 2016, while the shopping center is expected to be operational in 3Q2016.

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 of TL 640-660 mn. The expected sales revenue for residentials is TL 740-770 mn and the expected total rental income for offices and commercial area is TL 30-35 mn.

ISGYO took the construction permit and started the preselling activity in 2014. The estimated completion date for the project is the first half of 2018.

Topkapı İnistanbul 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). The total development cost of the project excluding 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 İnistanbul Residential Project in May 2015 and started preselling activity.

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 266-270 mn. Total expected rental income from the total units is approximately TL 40 mn.

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

II. MONEY AND CAPITAL MARKETS INSTRUMENTS

Money and capital market instruments represent 1% of the investment portfolio. As of 31.03.2016, the value of money&capital market instruments is TL 40,7 mn.

Breakdown of Money&capital Market Instruments		
31.3.2016	TL	%
<i>Time and Demand Deposits (Foreign Currency)</i>	23.306.011	57%
<i>Time and Demand Deposits (Local Currency)</i>	1.149.581	3%
<i>Mutual Fund</i>	15.505.918	38%
<i>Other</i>	694.837	2%
TOTAL	40.656.347	