

**INVESTMENT PORTFOLIO of İŞ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş. (ISGYO)**  
as of 31.03.2017

<b>TOTAL INVESTMENT PORTFOLIO</b>	<b>TL mn</b>	<b>%</b>
<b>Office Buildings</b>	<b>2.238,6</b>	<b>46%</b>
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	
<b>Shopping Centers &amp; Retail</b>	<b>858,7</b>	<b>18%</b>
Kanyon Shopping Center	480,0	
Marmara Park Shopping Center	146,6	
Real Hypermarket Building	110,0	
Kule Carşı Shopping Center	60,9	
Tuzla Mixed Use - Office	46,3	
Mallmarine Shopping Center	12,3	
Çınarlıbahçe Tuzla Retail	2,6	
<b>Projects</b>	<b>1.447,1</b>	<b>30%</b>
Ege Perla Mixed Use	512,4	
Istanbul Finance Center	169,6	
Topkapı Residential Project	341,0	
Kartal Mixed Use Project	424,0	
<b>Hotels</b>	<b>24,3</b>	<b>0%</b>
Kapadokya Lodge Hotel	24,3	
<b>Lands</b>	<b>194,0</b>	<b>4%</b>
Tuzla Land	150,4	
Üsküdar Land	39,5	
Levent Land	4,1	
<b>Cash and Marketable Securities</b>	<b>135,7</b>	<b>3%</b>
<b>Participations</b>	<b>0,5</b>	<b>0%</b>
<b>TOTAL PORTFOLIO VALUE</b>	<b>4.898,8</b>	<b>100%</b>

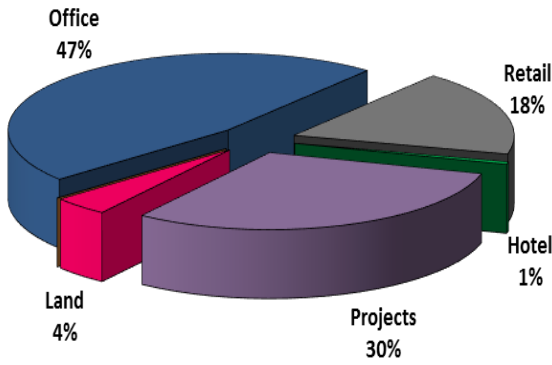
Company's investment portfolio is comprised of real estates, money & capital markets instruments and participations.

As of 31.03.2017 total portfolio value of the Company is TL 4.891 million.

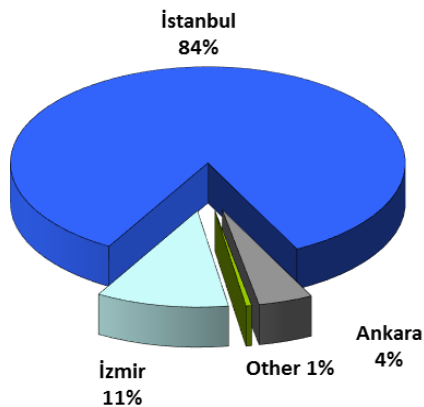
<b>Breakdown of Investment Portfolio (000 TL)</b>	<b>2015</b>	<b>2016</b>	<b>2017 Q1</b>
Real Estate Portfolio	3.911.893	4.762.652	4.762.652
Money and capital market instruments	123.908	127.262	135.660
Participations	500	500	500
<b>Total Portfolio Value</b>	<b>4.036.301</b>	<b>4.890.414</b>	<b>4.890.812</b>

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.

<b>Property Name</b>	<b>2017 1Q Rental Income mn TL (without VAT)</b>	<b>%</b>
TUTOM	16,8	34,6%
Kanyon Shopping Center	9,1	18,7%
Is Towers Complex (Tower II & Kule Carsi)	7,4	15,2%
Marmara Park Shopping Center	4,6	9,4%
Tuzla Mixed Use Project	4,0	8,3%
Real Hypermarket Building	2,0	4,2%
Maslak Building	1,3	2,6%
Ankara-Ulus Office Building	1,1	2,2%
Ankara-Kizilay Office Building	0,9	1,8%
Antalya Office Building	0,5	0,9%
Office Lamartine	0,4	0,9%
Ankara Is Tower	0,2	0,4%
Others	0,4	0,9%
<b>Total</b>	<b>48,6</b>	<b>100%</b>

- 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**

### **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 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 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 31.03.2017, 124 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. The shopping center is expected to be operational in June 2017.

### **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 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 is developing 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 260-280 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 31.03.2017, the value of money&capital market instruments is TL 135,7 mn.

<b>Breakdown of Money&amp;capital Market Instruments</b>		
<b>31.03.2017</b>	<b>TL</b>	<b>%</b>
<i>Time Deposits (Local currency)</i>	122.592.000	90%
<i>Time Deposits (Foreign currency)</i>	8.070.471	6%
<i>Demand Deposits</i>	2.316.171	2%
<i>Mutual Fund</i>	2.421.376	2%
<i>Other</i>	260.889	0%
<b>TOTAL</b>	<b>135.660.907</b>	