

iş GYO



**İS REAL ESTATE  
INVESTMENT COMPANY  
30.06.2018**

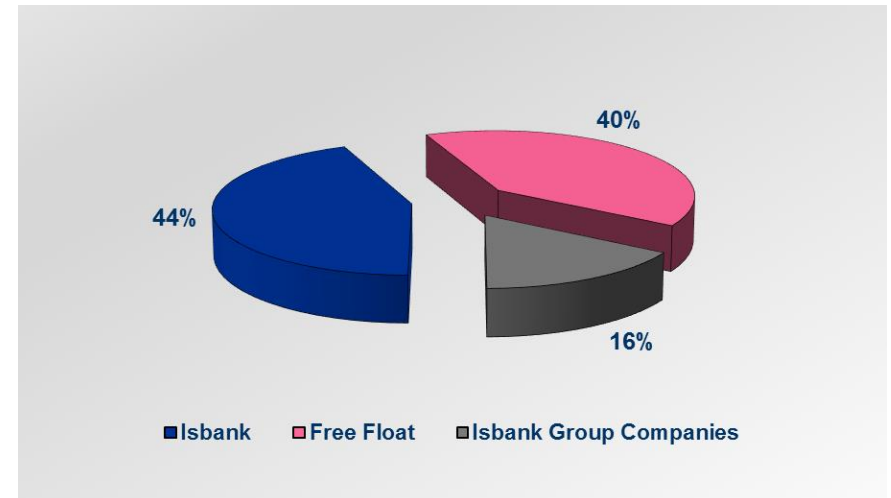
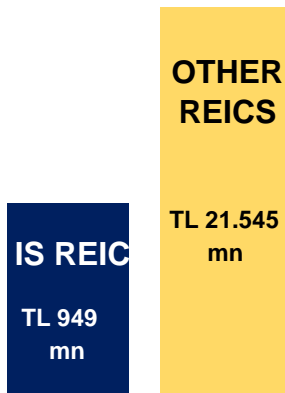
- Established in 1999, by the strategic partnership of Isbank.
- ✓ The **6th largest REIC** in terms of Mcap with **TL 949 mn.**



**Corporate Governance Rating**

●●● SAHA 94.76 (9,48)

#### SECTOR MCAP



*\*11% of the capital is held by foreign investors.*



# WHY ISGYO?



- **Diversified real estate portfolio**
  - *Balanced exposure in office, retail and residential sector*
  - *Office 54%, retail 24% and projects 8%*
- **Solid rental income and real estate projects supporting rental income**
  - *TL 210 mn annual rental income, expected to reach TL 385 mn*
- **Financially strong tenants & long-term leases**
  - *~ 55% of the rental income comes from İş Group*
  - *Average duration of the lease contracts longer than 5 years*
- **Strong shareholder structure**



# ISGYO PORTFOLIO

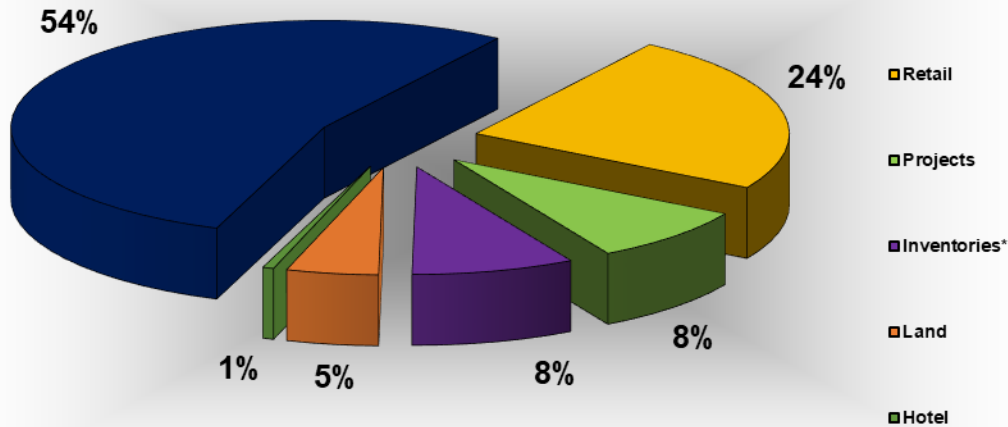




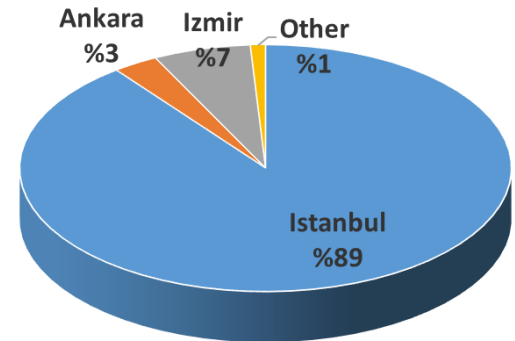
# Real Estate Portfolio Breakdown



Real Estate Portfolio	TL mn
Office	2.452
Retail	1.095
Projects	385
Inventories*	383
Land	216
Hotel	26
<b>TOTAL</b>	<b>4.557</b>



\*Inventories include offices and residential units on sale in Ege Perla and residences on sale in Manzara Adalar.

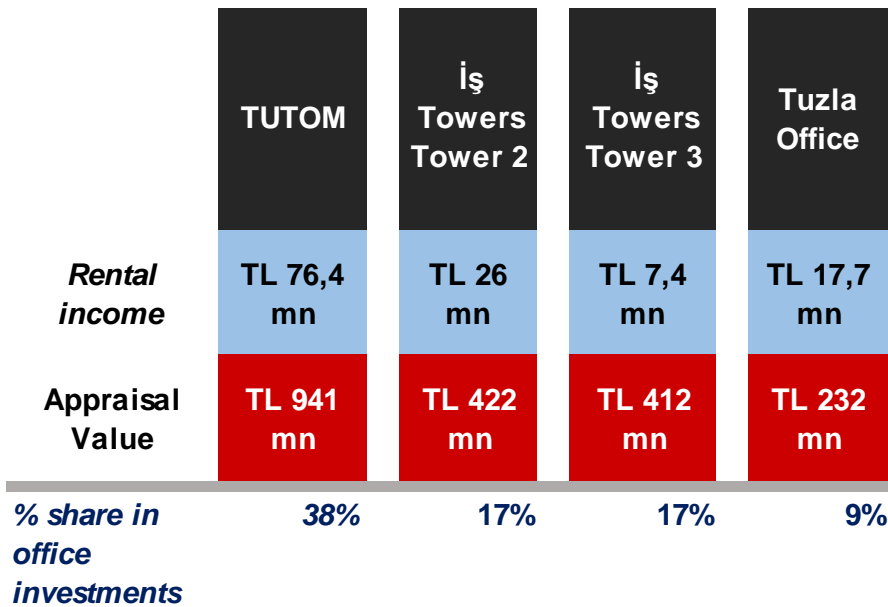


# RENT GENERATING ASSETS





# Office Portfolio



- ✓ Represent 82% of the total office investments. (TL 2.007 mn)
- ✓ Represent 90% of the total office rental income. (TL 128 mn)

Other Offices	Kartal Office Building (*)	TL 151 mn	Appraisal values
	Ankara İş Kulesi	TL 135 mn	
	Maslak Office Building	TL 108 mn	
	Office Lamartine	TL 51 mn	

(\*) Completed in Q2, 2018.

Office Investments	TL Mn
Total Appraisal Value	2.452
Total Rental Income	142

# Technology & Operation Center(TUTOM) and Tuzla Şişecam Office



## TUTOM

**Investment model:** Turnkey Project

**Total area:** 184.650 sqm

**Tenant:** ISBANK

**Annual rental income:** TL76,4 mn

**Duration:** 25 years



*Tuzla Operation Center Project is the winner of "Sign of the City Award, 2015" for "Best Office".*



## Tuzla Şişecam Office

**Annual rental income:** TL17,7 mn

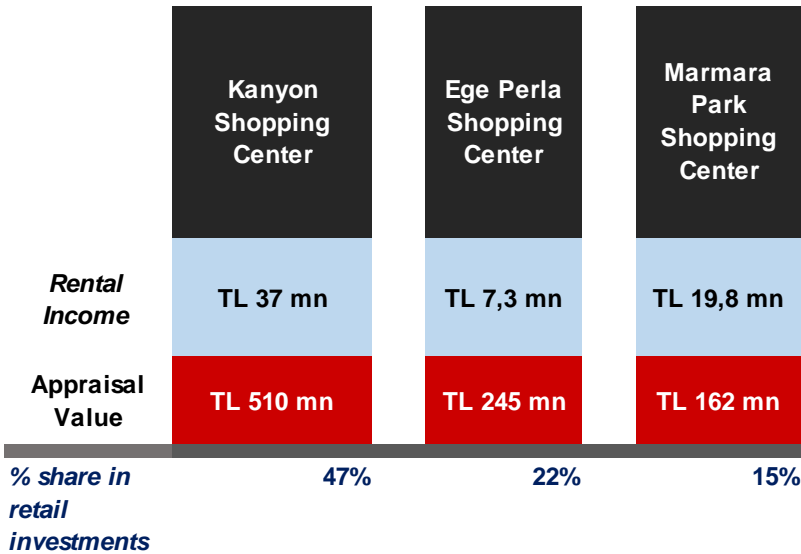
**Tenant:** SISECAM



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# Retail Portfolio



- ✓ Represent 84% of the total retail investments. (TL 917 mn)
- ✓ Represent 92% of the total retail rental income. (TL 64 mn)
- ✓ Kanyon represents 53% of the total retail rental income.

Other Retail Investments	Kule Çarşı	TL 66 mn	Appraisal values
	Kartal Retail (*)	TL 58 mn	
	Tuzla Retail	TL 38 mn	
	Mallmarine	TL 13 mn	

(\*) Completed in Q2, 2018.

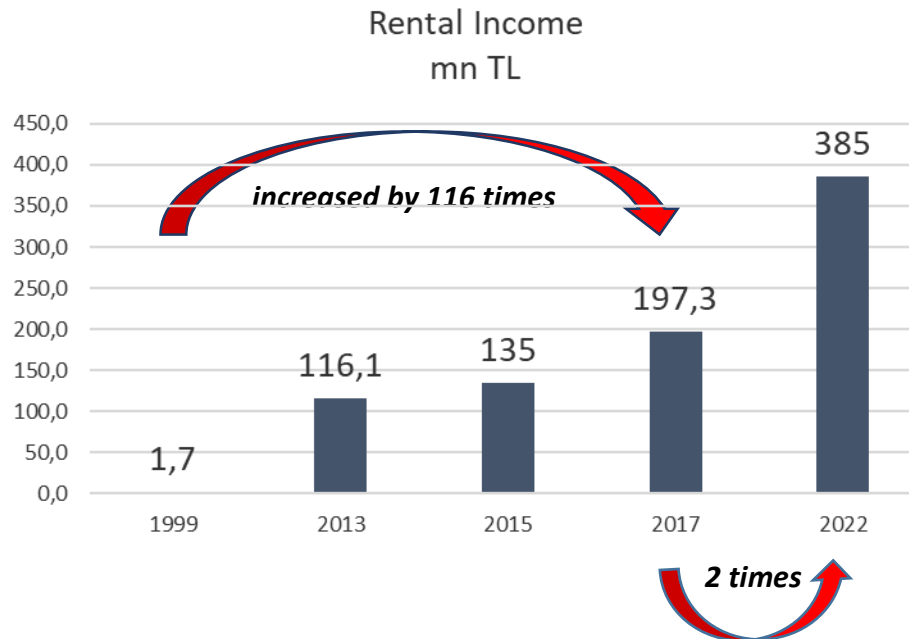
Retail Investments	TL Mn
Total Appraisal Value	1.095
Total Rental Income	70





Rental Income Projection		
TL mn	2018	2022*
Rental Income	TL 210	TL 385

*\* Including rental income of real estate projects.*



# PROJECTS UNDER DEVELOPMENT

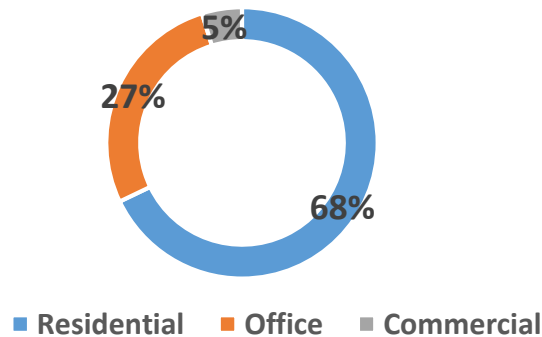


# Projects Under Development

Total Capex of Ongoing Projects	TL Mn	Ratio of Remaining Capex
<b>İstanbul Residential Project</b>	<b>TL 600</b>	<b>20%</b>
<b>Finance Center Project (IFC)</b>	<b>TL 270-280</b>	<b>48%</b>
<b>TOTAL</b>	<b>TL 870-880</b>	<b>29%</b>



Breakdown of ongoing projects  
in terms of type





# İstanbul Residential Project



**Location :** Topkapı, Istanbul

**Investment model:** A joint venture between İş GYO and NEF (50-50%)

**Total development cost\* :** TL1,2 bn

**Total saleable area\*:**  $\approx$  250.000 sqm



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## Income Projection

**Total sales revenues\* :** TL 1,6 bn

*\*Total figures, ISGYO has 50% share.*

**Number of units  $\approx$  2.729**

**Presales ratio: 93%**

# Istanbul Financial Center Project (IFC)

**Location :** Atasehir, Istanbul

**Project type :** A mixed use project (office & commercial)

**Estimated development cost:** TL270-280 mn

**Estimated saleable/leasable area :**  $\approx 33.000$  sqm



## Income Projection

**Estimated rental Income :** TL 45-50 mn

\*Designed by



# PIPELINE PROJECTS







**Location :** Tuzla, Istanbul

**Acquisition date:** January, 2016

**Project Land Area:** 53.460 sqm

**Estimated Development Cost :** TL690 mn





**Location :** Kadikoy, Istanbul

**Acquisition date:** December, 2016

**Project Land Area:** 8.293 sqm

**Investment Model:** ISGYO has 45% share in the project

**Project type:** Hotel and commercial area

**Estimated Development Cost of ISGYO share:** TL140 mn





# DIVIDEND PAYOUT





- ISGYO's policy(\*): ***“dividend must be at least 30% of the total distributable income in the form of cash or bonus share”.***
- ✓ In the last 13 year period, except for only 2006, ISGYO distributed cash dividend to shareholders.
- ✓ ISGYO trades on BIST Dividend Index and BIST Dividend-25 Index.

Cash Dividend TL, mn	2013	2014	2015	2016	2017
<b>Period Income according to IFRS</b>	247,9	328,4	555,9	420,5	179,9
<b>Period Income according to LR**</b>	99,3	71,3	131,5	155,2	221,8
<b>Cash Dividend</b>	31,5	47,6	52,2	63,8	68,5
<b>Dividend per share</b>	0,05	0,07	0,07	0,075	0,075
<b>Cash Dividend/ Period Income (LR**)</b>	32%	67%	40%	41%	31%

(\*)If the Company decides to distribute profits.

(\*\*) LR: Legal records

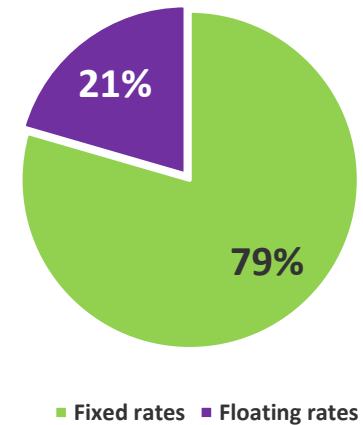
# DEBT & CASH POSITION



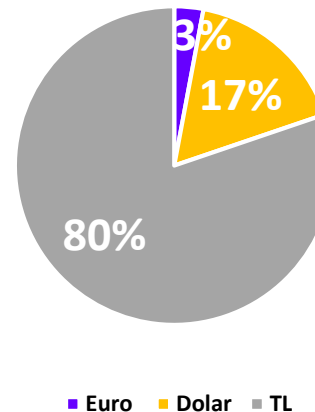
# Debt & Cash Position

Bank Loans	Outstanding Loan Original Amount mn	Date of the loan	Cost	Maturity	Outstanding Loan TL mn
Euro loan	7,3 €	Dec. 2010	Euribor+350 bps	10 year	38,6
Dolar Loan	\$49,3	Oct. 2013	Libor+425 bps	10 year	224,9
TL Loans	482,8	Dec. 2013-May 2017	11,75%-15,10%	4-6 years	482,8
<b>Total</b>					<b>746,3</b>

Bonds&Bills	Original Amount TL mn	Date of the Issue	Cost	Maturity
Bonds	500	Apr.-Oct.2016/March 2018	Benchmark+250 bps	3 years
Bills	100	March 18	14,6%	6 months
<b>Total</b>	<b>600</b>			



Cash, TL mn	165,5 TL
Total Financial Debt, TL mn	1.347,8 TL
<b>Net Debt, TL mn</b>	<b>1.182,3 TL</b>
Total Financial Debt/Assets	23%
Net fx position, TL mn	-10,7 TL
Net fx position/ Assets	0,2%







TL, mn	30.06.2018	31.12.2017	% Change
<b>ASSETS</b>	<b>5.203,9</b>	<b>5.311,9</b>	<b>-2%</b>
<i>Current Assets</i>	<i>992,5</i>	<i>968,0</i>	<i>3%</i>
<i>Long-term Assets</i>	<i>4.211,4</i>	<i>4.344,0</i>	<i>-3%</i>
<b>LIABILITIES</b>	<b>5.203,9</b>	<b>5.311,9</b>	<b>-2%</b>
<i>Short-term Liabilities</i>	<i>1.146,2</i>	<i>873,3</i>	<i>31%</i>
<i>Long-term Liabilities</i>	<i>750,6</i>	<i>1.158,0</i>	<i>-35%</i>
<i>Shareholders' Equity</i>	<i>3.307,2</i>	<i>3.280,6</i>	<i>1%</i>

## Of the total Liabilities (Short&Long Term):

- the amount regarding the financial liabilities constitutes the 71%,
- the amount regarding advances received from presales of the units in Manzara Adalar Project and İnistanbul Project constitutes the 20%.



# Income Statement

TL, mn	Jan.-June 2018	Jan.-June 2017
Sales Revenue	749,7	124,8
Cost of Sales	-600,6	-30,8
Gross Profit/Loss	149,1	94,0
General Administrative Expenses	-13,0	-11,9
Marketing, Sales and Distribution Expenses	-13,6	-5,9
Other Operating Income	2,6	41,5
Other Operating Expense	-1,1	-48,8
Operating Profit/Loss	124,1	68,9
Share of Profit of Equity-Accounted Investees	0,8	0,5
Operating Profit Before Finance Expense	124,8	69,4
Finance Income	39,9	-
Finance Expense	-69,6	-17,3
Profit Before Tax	95,1	52,1
Tax Expense	-	-
Net Profit for the Period	95,1	52,1



Financials (TL, mn)	Jan.-June 2018	Jan.-June 2017
<b>Sales Revenue</b>	749,7	124,8
Cost of Sales	-600,6	-30,8
<b>Gross Profit/Losses</b>	149,1	94,0
<i>General Administrative Expenses</i>	-13,0	-11,9
<i>Marketing, Sales and Distribution Expenses</i>	-13,6	-5,9
<i>Other Operating Income</i>	2,6	41,5
<i>Other Operating Expense</i>	-1,1	-48,8
<b>EBIT</b>	124,1	68,9
<b>Net Period Income</b>	95,1	52,1
<b>Gross Margin</b>	20%	75%
<b>EBIT Margin</b>	17%	55%
<b>Net Margin</b>	13%	42%



# STOCK PERFORMANCE

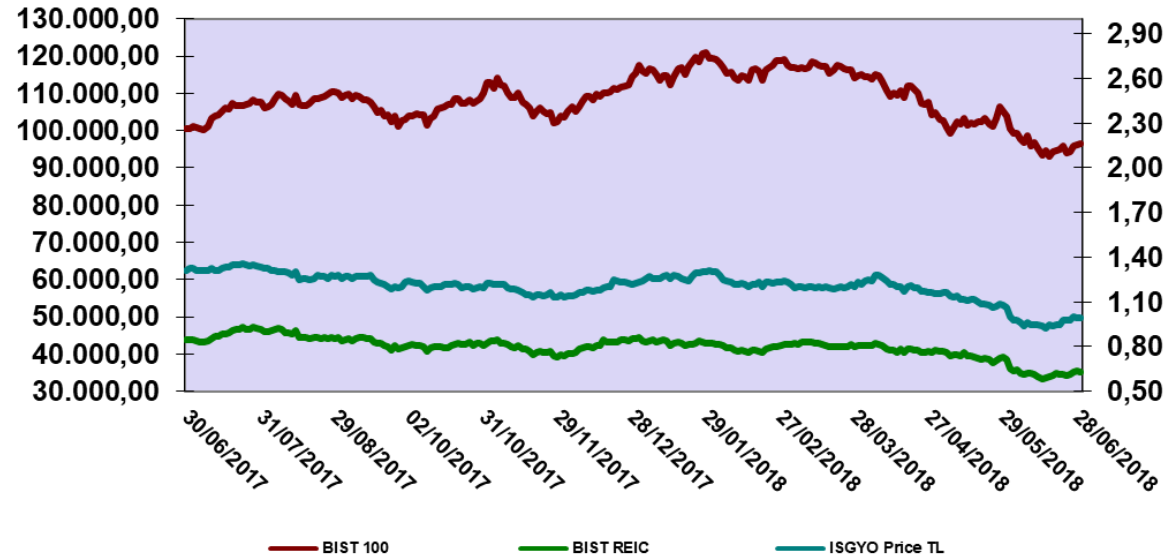




# Stock Price vs. Index Performance



BIST 100 - BIST REIC Index & ISGYO Price

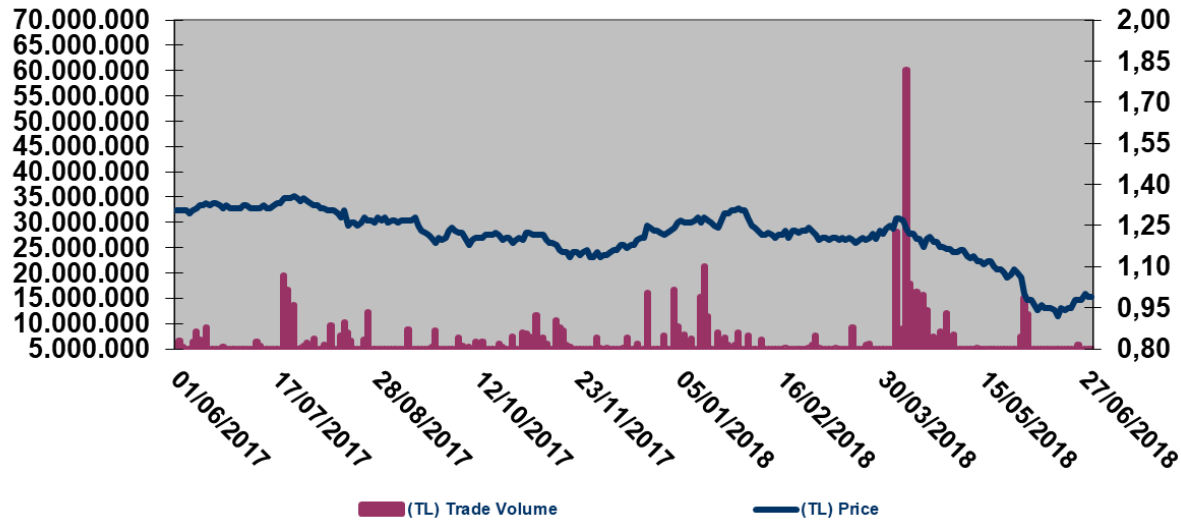


Stock Price & Index Performance (%)			
	YtD	YoY	
		1 Year	3 Year
BIST 100	-16%	-4%	17%
XGMYO	-20%	-19%	-11%
ISGYO	-19%	-25%	-10%





Price - Trade Volume



Average Daily Trade Volume	
ISGYO	
2017	TL 5,2 mn
2018	TL 5,8 mn

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