

iŖ GYO

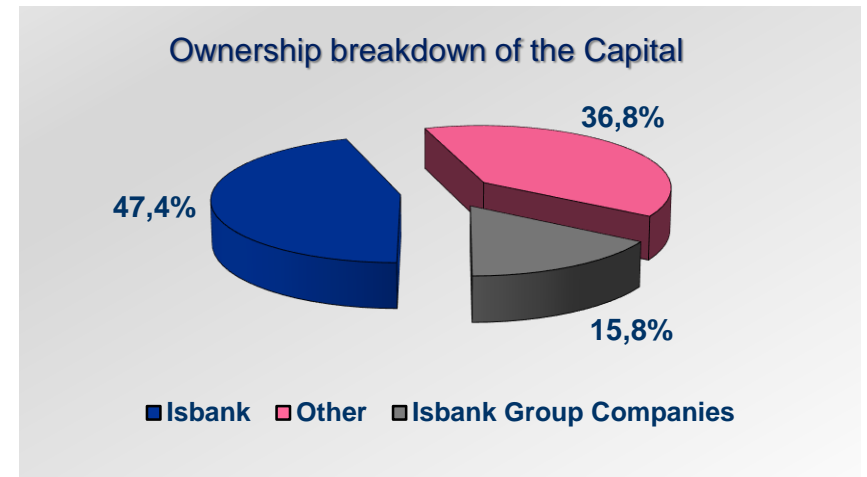
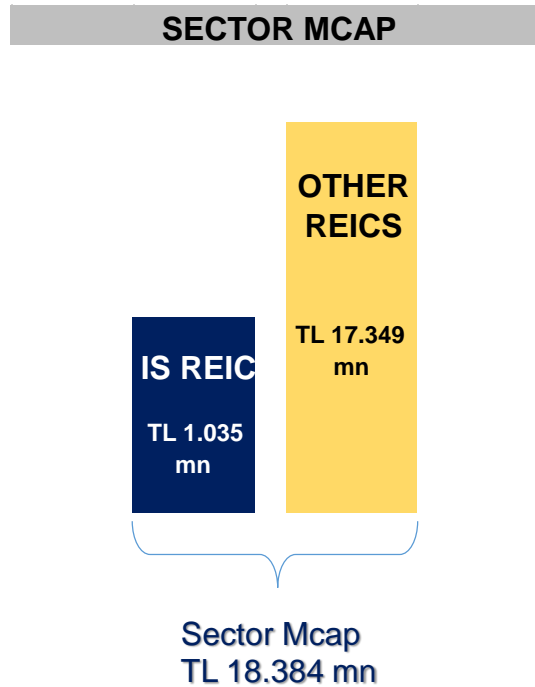


**IS REAL ESTATE
INVESTMENT COMPANY
31.12.2018**

- Established in 1999, by the strategic partnership of Isbank.

As of 31.12.2018;

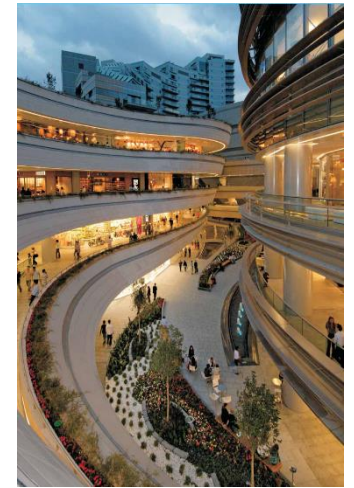
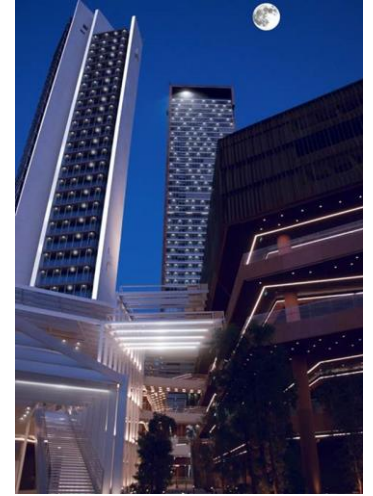
- ✓ Total asset size; **TL 5.222 mn.**
- ✓ Mcap **TL 1.035 mn** representing 5,6% of the sector.



WHY ISGYO?



- **Diversified real estate portfolio**
 - *Balanced exposure in office, retail and residential sector*
 - *Office 56%, retail 24% and projects 9%*
- **Solid & growing rental income**
 - *TL 217 mn annual rental income for 2018*
- **Financially strong tenants & long-term leases**
 - *53% of the rental income comes from İş Group*
 - *Average duration of the lease contracts longer than 5 years*
- **Strong shareholder structure**



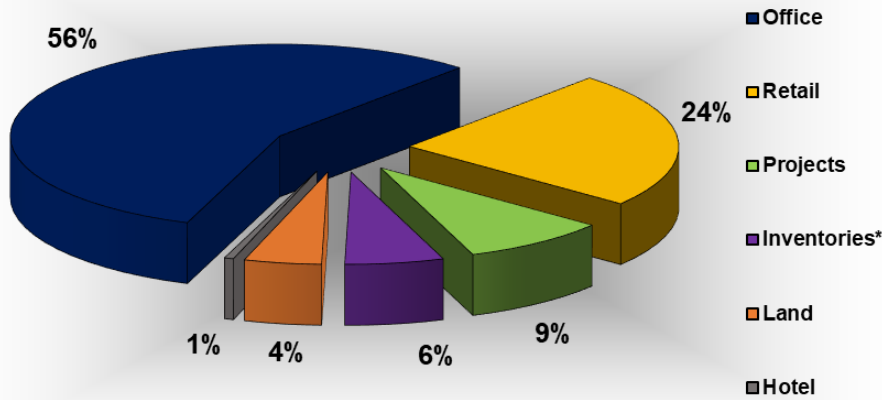
ISGYO PORTFOLIO



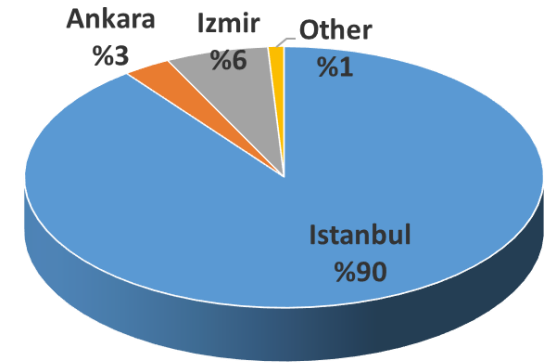
Real Estate Portfolio Breakdown



Real Estate Portfolio	TL mn
Office	2.737
Retail	1.171
Projects	428
Inventories*	289
Land	226
Hotel	27
TOTAL	4.877



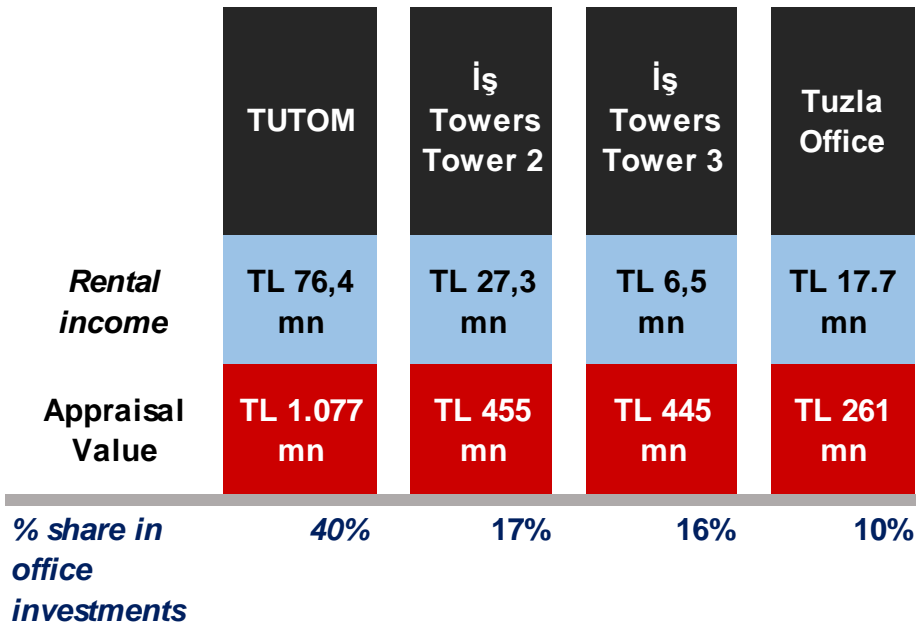
*Inventories include offices and residential units on sale in Ege Perla and residentials on sale in Manzara Adalar.
 **11% of the real estate portfolio is in residential.



RENT GENERATING ASSETS



Office Portfolio



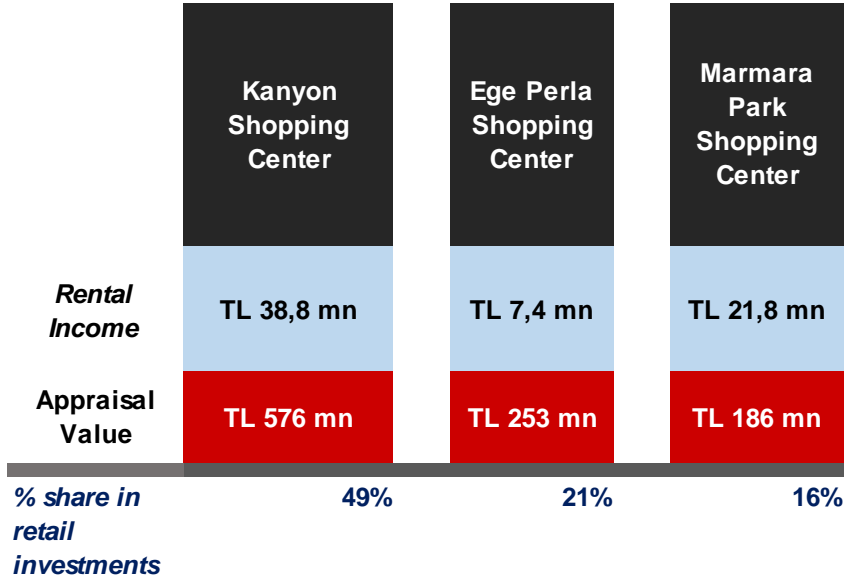
- ✓ Represent 82% of the total office investments. (TL 2.238 mn)
- ✓ Represent 93% of the total office rental income. (TL 128 mn)

Other Offices	Appraisal values
Kartal Office Building (*)	TL 184 mn
Ankara İş Kulesi	TL 150 mn
Maslak Office Building	TL 113 mn
Office Lamartine	TL 53 mn

(*) Completed in Q2, 2018.

Office Investments	TL Mn
Total Appraisal Value	2.737
Total Rental Income	137

Retail Portfolio



- ✓ Represent 87% of the total retail investments. (TL 1.015 mn)
- ✓ Represent 91% of the total retail rental income. (TL 68 mn)
- ✓ Kanyon represents 52% of the total retail rental income.

Other Retail Investments	Appraisal values
Kule Çarşı	TL 72 mn
Kartal Retail (*)	TL 39 mn
Tuzla Retail	TL 29 mn
Mallmarine	TL 15 mn

(*) Completed in Q2, 2018.

Retail Investments	TL Mn
Total Appraisal Value	1.171
Total Rental Income	75

PROJECTS UNDER DEVELOPMENT



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*: ≈ 250.000 sqm



Designed by

PERKINS+WILL



Income Projection

Total sales revenues* : TL 1,6 bn

() Total figures, İSGYO has 50% share.*

Number of units ≈ 2.724**

Presales ratio: 98%

*(**) As of 31.12.2018, 1.676 residential units were delivered in the stages 1&2. Construction work still continues for the stages 3&4.*

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 : 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





Location : Tuzla, Istanbul

Acquisition date: January, 2016

Project Land Area: 53.460 sqm

() The project has been postponed due to the current conjuncture.*



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

(*)If the Company decides to distribute profits.

(**) LR: Legal records

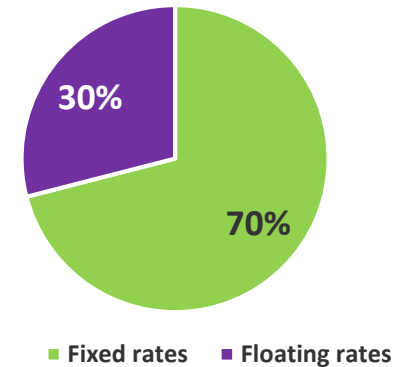
DEBT & CASH POSITION



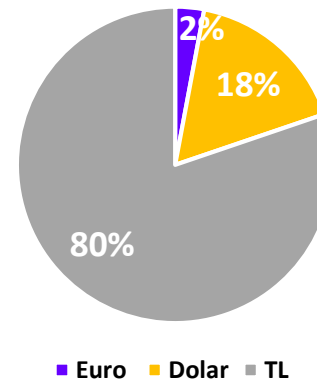
Debt & Cash Position

Bank Loans	Outstanding Loan Original Amount TL mn	Date to Maturity	Outstanding Loan TL mn
Euro loan	4,9 €	2 years	29,2
Dolar Loan	\$44,9	5 years	236,0
TL Loans	440,7	5 months-4 years	440,7
Total			705,9

Bonds	Original Amount	Date to Maturity
Bonds	608,9	1-3 years
Total	608,9	



Cash, TL mn	54
Total Financial Debt, TL mn	1.315
Net Debt, TL mn	1.261
Total Financial Debt/Assets	25%
Net fx position, TL mn	-30,3
Net fx position/ Assets	0,6%



 Short Term National Rating: (TR) A1+ Outlook: Stable	Long Term National Rating: (TR) AA Outlook: Stable
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TL, mn	31.12.2018	31.12.2017	% Change
ASSETS	5.222,3	5.311,9	-2%
<i>Current Assets</i>	<i>752,7</i>	<i>968,0</i>	<i>-22%</i>
<i>Long-term Assets</i>	<i>4.469,6</i>	<i>4.344,0</i>	<i>3%</i>
LIABILITIES	5.222,3	5.311,9	-2%
<i>Short-term Liabilities</i>	<i>1.091,6</i>	<i>873,3</i>	<i>25%</i>
<i>Long-term Liabilities</i>	<i>573,8</i>	<i>1.158,0</i>	<i>-50%</i>
<i>Shareholders' Equity</i>	<i>3.556,9</i>	<i>3.280,6</i>	<i>8%</i>

Of the total Liabilities (Short&Long Term):

- the amount regarding the financial liabilities constitutes the 79%,
- the amount regarding advances received from presales of the units in Manzara Adalar Project and İstanbul Project constitutes the 17%.



Income Statement

Financials (TL, mn)	Jan.-Dec. 2018	Jan.-Dec. 2017
Sales Revenue	1.098,3	439,7
Cost of Sales	-837,5	-253,6
Gross Profit/Losses	260,8	186,1
<i>General Administrative Expenses</i>	-24,5	-20,3
<i>Marketing, Sales and Distribution Expenses</i>	-22,3	-23,8
<i>Other Operating Income</i>	341,2	207,7
<i>Other Operating Expense</i>	-75,4	-123,9
EBIT	479,8	225,8
Net Period Income	341,6	180,0
Gross Margin	24%	42%
EBIT Margin	44%	51%
Net Margin	31%	41%



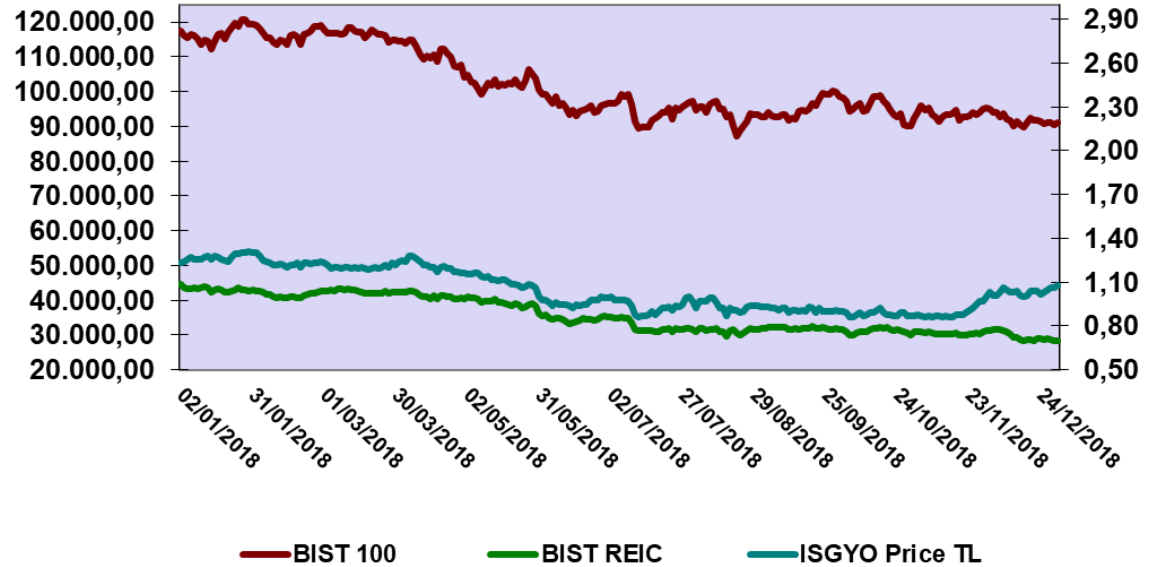
STOCK PERFORMANCE



Stock Price vs. Index Performance



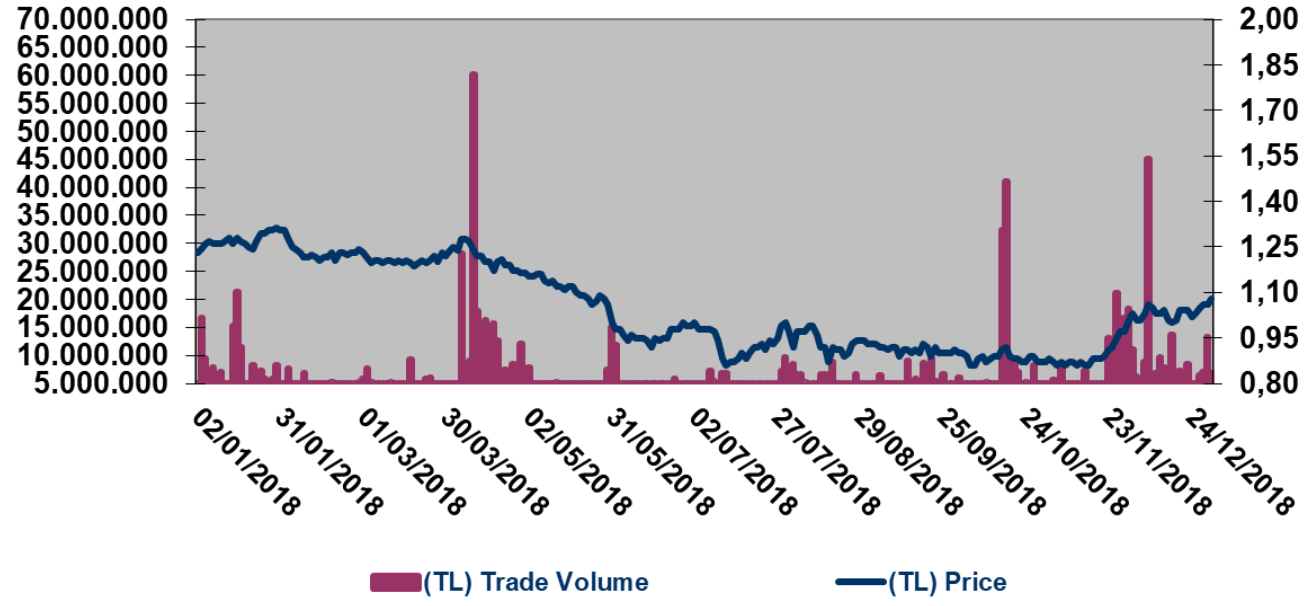
BIST 100 - BIST REIC Index & ISGYO Price



Stock Price & Index Performance (%)	
2018	
BIST 100	-20,9
XGMYO	-35,5
ISGYO	-11,7



Price - Trade Volume



2018	P/E	Av. Trade Vol. 2018 (mn TL)	P/BV
ISGYO	3,0	5,9	0,29



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