

**İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi**

As of March 31, 2018 Statement of Financial Position (Balance Sheet)

(Amounts expressed in Turkish Lira (“TL”) unless otherwise indicated.)

		<i>Reviewed</i>	<i>Audited</i>
	<i>Notes</i>	<b>31 March 2018</b>	<b>31 December 2017</b>
<b>ASSETS</b>			
<b>Current assets</b>		<b>1.140.994.053</b>	<b>967.988.419</b>
Cash and cash equivalents	5	124.015.560	83.117.592
Trade receivables	8	64.222.757	47.442.849
<i>Trade receivables from related parties</i>	24	646.067	1.600.761
<i>Trade receivables from third parties</i>		63.576.690	45.842.088
Other receivables	9	959.147	1.078.243
<i>Other receivables from third parties</i>		959.147	1.078.243
Derivatives	6	11.593.255	3.865.901
Inventories	11	861.952.372	757.111.894
Prepaid expenses	16	78.219.102	75.331.788
<i>Prepaid expenses to related parties</i>	24	1.949.146	2.472.998
<i>Prepaid expenses to third parties</i>		76.269.956	72.858.790
Other current assets	16	31.860	40.152
<b>Non-current assets</b>		<b>4.339.543.065</b>	<b>4.343.958.837</b>
Trade receivables	8	18.578.826	16.225.269
<i>Other trade receivables from third parties</i>		18.578.826	16.225.269
Inventories	11	316.052.961	344.153.094
Equity accounted investees	3	2.830.473	2.527.108
Investment properties	10	3.858.257.288	3.834.870.889
Tangible assets	12	30.698.168	31.005.753
Intangible assets	13	944.406	847.706
Prepaid expenses	16	4.341.067	4.240.543
<i>Prepaid expenses to third parties</i>		4.341.067	4.240.543
Other tangible assets	16	107.839.876	110.088.475
<b>TOTAL ASSETS</b>		<b>5.480.537.118</b>	<b>5.311.947.256</b>

İlişikteki notlar bu finansal tabloların ayrılmaz bir parçasıdır.

**İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi**

As of March 31, 2018 Statement of Financial Position (Balance Sheet)

(Amounts expressed in Turkish Lira (“TL”) unless otherwise indicated.)

		<i>Reviewed</i>	<i>Audited</i>
		<b>31 March 2018</b>	<b>31 December 2017</b>
<b>LIABILITIES</b>			
<b>Short-term liabilities</b>			
		<b>1.004.270.440</b>	<b>873.322.937</b>
Current portion of long term borrowings	7	267.868.039	169.179.394
<i>Loans and borrowings to related parties</i>	23	160.190.029	154.258.179
<i>Loans and borrowings to third parties</i>		107.678.010	14.921.215
Current portion of long term financial leases	7	--	696.316
<i>Financial leasing to related parties</i>	23	--	696.316
Trade payables	8	38.928.644	53.537.218
<i>Trade payables to related parties</i>	23	4.782.149	9.365.703
<i>Trade payables to third parties</i>	8	34.146.495	44.171.515
Other payables	9	47.285.815	44.979.614
Deferred income	16	639.266.389	597.513.536
<i>Deferred income from related parties</i>	23	400.165	493.827
<i>Deferred income from third parties</i>		638.866.224	597.019.709
Short-term provisions		7.736.839	3.921.968
<i>Provisions for employee benefits</i>	15	495.133	317.880
<i>Other short-term provisions</i>	14	7.241.706	3.604.088
Other short-term liabilities	16	3.184.714	3.494.891
<b>Long-term liabilities</b>			
		<b>1.248.315.670</b>	<b>1.158.047.332</b>
Loans and borrowings	7	1.074.278.334	1.015.606.839
<i>Loans and borrowings to related parties</i>	23	483.174.317	518.177.339
<i>Loans and borrowings to third parties</i>		591.104.017	497.429.500
Deferred revenue	16	172.381.655	140.667.466
Long term provisions		1.655.681	1.773.027
<i>Provisions for employee benefits</i>	15	1.655.681	1.773.027
<b>EQUITY</b>			
		<b>3.227.951.008</b>	<b>3.280.576.987</b>
Share capital		913.750.000	913.750.000
Inflation restatement difference on share capital		240.146.090	240.146.090
Share premium		423.981	423.981
Other comprehensive income that will never be reclassified to profit or loss		27.386.467	27.386.467
<i>Revaluation and classification of gains / losses</i>		27.610.009	27.610.009
<i>Other earnings/ losses</i>		(223.542)	(223.542)
Restricted reserves		59.561.684	46.188.875
Prior years' profits		1.970.777.515	1.872.724.737
Net profit for the period		15.905.271	179.956.837
<b>TOTAL EQUITY AND LIABILITIES</b>			
		<b>5.480.537.118</b>	<b>5.311.947.256</b>

**İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi**

Statement of Profit or Loss For the Period Ended March 31, 2018

*(Amounts expressed in Turkish Lira (“TL”) unless otherwise indicated.)*

		<i>Reviewed</i>	<i>Not reviewed</i>
	<i>Notes</i>	<b>January 1- March 31, 2018</b>	<b>January 1- March 31, 2017</b>
Revenue	18	60.606.022	61.526.055
Cost of revenue (-)	18	(21.152.808)	(14.475.800)
<b>Gross profit</b>		<b>39.453.214</b>	<b>47.050.255</b>
General administrative expense (-)	19	(7.077.807)	(6.754.237)
Marketing expenses (-)	19	(4.726.756)	(3.967.039)
Other operating income	20	1.616.480	532.891
Other operating expense (-)	20	--	--
<b>Operating profit</b>		<b>29.265.131</b>	<b>36.861.870</b>
Share of profit of equity-accounted investees	3	303.365	252.771
<b>Operating Profit Before Finance Expense</b>		<b>29.568.496</b>	<b>37.114.641</b>
Financial income	21	7.740.928	--
Financial expenses (-)	21	(21.404.153)	(16.489.218)
<b>Operating Profit before Tax From Continuing Operations</b>		<b>15.905.271</b>	<b>20.625.423</b>
<b>Tax Expense From Continuing Operations</b>			
- Corporate tax charge		--	--
- Deferred tax benefit		--	--
<b>Net profit for the period</b>		<b>15.905.271</b>	<b>20.625.423</b>
Earnings per share	22	0,0002	0,0002

**İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi**

Statement of Other Comprehensive Income For the Period Ended March 31, 2018

*(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)*

		<i>Reviewed</i>	<i>Not reviewed</i>
		<b>January 1- March 31, 2018</b>	<b>January 1- March 31, 2017</b>
<b>Net profit for the period</b>	<b>Notes</b>	<b>15.905.271</b>	<b>20.625.423</b>
<b>Other comprehensive income</b>			
<b>Other comprehensive income that will never be reclassified to profit or loss</b>			
Revaluation and classification of gains / losses		--	--
Actuarial gain/(loss) arising from defined benefit plans		--	--
<b>Other comprehensive income</b>		<b>--</b>	<b>--</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>15.905.271</b>	<b>20.625.423</b>

**İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi**

Statement of Other Comprehensive Income For the Period Ended March 31, 2018

*(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)*

	<b>Other comprehensive income that will never be reclassified to profit or loss</b>									
	Notes	Share capital	Inflation restatement difference on share capital	Share premium	Net change in remeasuremen ts of defined benefit liability	Net change in revaluation of tangible assets	Legal reserves	Prior years' profits	Net profit for the period	Total
<b>Balances at January 1, 2017</b>		850.000.000	240.146.090	423.981	135.339	24.226.634	36.305.282	1.589.596.928	420.511.402	3.161.345.656
Transfers		--	--	--	--	--	9.883.593	410.627.809	(420.511.402)	--
Total comprehensive income		--	--	--	--	--	--	--	20.625.423	20.625.423
Capital Increase (from internal sources)		--	--	--	--	--	--	--	--	--
Dividends		--	--	--	--	--	--	(63.750.000)	--	(63.750.000)
<b>Balances at March 31, 2017</b>	<b>17</b>	<b>850.000.000</b>	<b>240.146.090</b>	<b>423.981</b>	<b>135.339</b>	<b>24.226.634</b>	<b>46.188.875</b>	<b>1.936.474.737</b>	<b>20.625.423</b>	<b>3.118.221.079</b>
<b>Balances at January 1, 2018</b>		913.750.000	240.146.090	423.981	(223.542)	27.610.009	46.188.875	1.872.724.737	179.956.837	3.280.576.987
Transfers		--	--	--	--	--	13.372.809	166.584.028	(179.956.837)	--
Total comprehensive income		--	--	--	--	--	--	--	15.905.271	15.905.271
Dividends		--	--	--	--	--	--	(68.531.250)	--	(68.531.250)
<b>Balances at December 31, 2018</b>	<b>17</b>	<b>913.750.000</b>	<b>240.146.090</b>	<b>423.981</b>	<b>(223.542)</b>	<b>27.610.009</b>	<b>59.561.684</b>	<b>1.970.777.515</b>	<b>15.905.271</b>	<b>3.227.951.008</b>

# İş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi

## Statement of Cash Flow

For the Period Ended March 31, 2018

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

		<i>Reviewed</i> January 1- March 31, 2018	<i>Reviewed</i> January 1- March 31, 2017
<b>A. Cash flows from operating activities</b>			
Net profit for the period		<b>15.905.271</b>	<b>20.625.423</b>
<b>Profit adjustments for:</b>			
Adjustments to depreciation and amortization	12,13	471.581	353.371
Adjustments to impairment or cancelation		(677.791)	(540.442)
- Adjustments to impairment of receivables	8	(677.791)	(540.442)
Adjustments for provisions	15	409.724	393.807
- Adjustments to provision for employee severance indemnity		409.724	393.807
Adjustments for retained earnings of investments valued by equity method	3	(303.365)	(252.771)
Gain/(losses) on derivatives	21	(7.740.917)	(127)
Adjustments to interest income and expense		8.326.980	3.228.114
- Interest income	18	(1.122.381)	(3.965.640)
- Interest expense	21	9.449.361	7.193.754
Adjustments to foreign exchange differences		(1.062.220)	434.207
<b>Operating profit from before the changes in working capital</b>		<b>15.329.263</b>	<b>24.241.583</b>
<b>Changes in working capital</b>			
Changes in trade receivables		(18.455.674)	(2.756.191)
Changes in other receivables		119.096	964.430
Changes in inventories		2.270.454	(8.586.694)
Changes in prepaid expenses		(76.740.345)	(58.531.233)
Changes in trade payables and other payables		(12.302.373)	20.076.645
Changes in deferred revenue		3.327.441	3.325.868
Changes in other current assets		73.467.042	33.814.492
Changes in other short term liabilities		(2.987.838)	(9.072.674)
		<b>(15.972.934)</b>	<b>3.476.226</b>
<b>Cash generated from operating activities</b>			
Employee termination benefits paid		(349.817)	(27.405)
Interest received		1.039.394	1.865.986
<b>Net cash provided by / (used in) operating activities</b>		<b>(15.283.357)</b>	<b>5.314.806</b>
<b>B. Cash Flows From Investing Activities</b>			
Purchases of investment property	10	(23.386.400)	(49.397.293)
Purchases of tangible assets and intangible assets	12,13	(260.695)	2.970
<b>Net cash used in investing activities</b>		<b>(23.647.095)</b>	<b>(49.394.323)</b>
<b>C. Cash Flows From Financing Activities</b>			
Dividends paid	17	(68.531.250)	(63.750.000)
Borrowings received		210.898.111	120.000.000
Borrowings paid		(28.846.150)	(2.671.684)
Interest paid		(34.837.498)	(2.765.403)
<b>Net cash provided by financing activities</b>		<b>78.683.213</b>	<b>50.812.913</b>
<b>Increase / (decrease) in cash and cash equivalents before effect of changes in foreign currency rates</b>		<b>39.752.761</b>	<b>6.733.396</b>
Effect of changes in foreign currency rates over cash and cash equivalents		1.062.220	(434.207)
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>40.814.981</b>	<b>6.299.189</b>
Cash and cash equivalents at the beginning of the period		82.425.118	126.768.027
<b>Cash and cash equivalents at the end of the period</b>	5	<b>123.240.099</b>	<b>133.067.216</b>