

INVESTMENT PORTFOLIO of İŞ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş. (ISGYO)
as of 30.06.2017

TOTAL INVESTMENT PORTFOLIO	TL mn	%
Office Buildings	2.238,6	44%
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	
Shopping Centers & Retail	858,7	17%
Kanyon Shopping Center	480,0	
Marmara Park Shopping Center	146,6	
Real Hypermarket Building	110,0	
Kule Carşısı Shopping Center	60,9	
Tuzla Mixed Use - Office	46,3	
Mallmarine Shopping Center	12,3	
Çınarlıbahçe Tuzla Retail	2,6	
Projects	1.761,9	34%
Ege Perla Mixed Use	520,0	
Istanbul Finance Center	182,3	
Topkapı Residential Project	396,7	
Kartal Mixed Use Project	662,9	
Hotels	24,3	0%
Kapadokya Lodge Hotel	24,3	
Lands	194,0	4%
Tuzla Land	150,4	
Üsküdar Land	39,5	
Levent Land	4,1	
Cash and Marketable Securities	61,4	1%
Participations	0,5	0%
TOTAL PORTFOLIO VALUE	5.139,4	100%

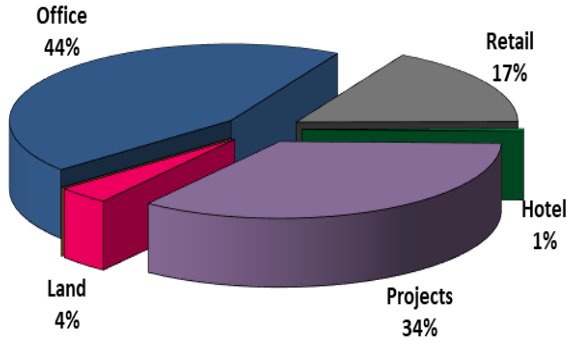
Company's investment portfolio is comprised of real estates, money & capital markets instruments and participations.

As of 30.06.2017 total portfolio value of the Company is TL 5.139 million.

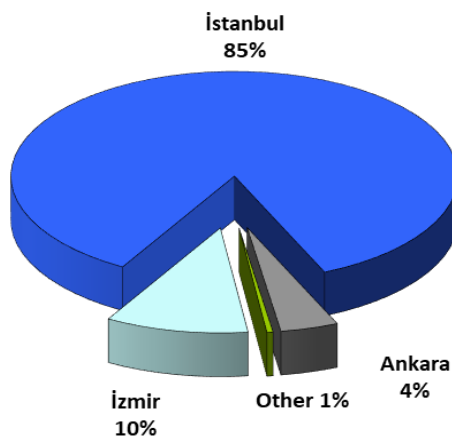
Breakdown of Investment Portfolio (000 TL)	2015	2016	2017 Q2
Real Estate Portfolio	3.911.893	4.762.652	5.077.517
Money and capital market instruments	123.908	127.262	61.428
Participations	500	500	500
Total Portfolio Value	4.036.301	4.890.414	5.139.445

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; 44% of the real estate investments is invested in office sector, 34% in real estate projects; 17% in retail sector, %1 in hotel sector while the remaining 4% is invested in land.



In terms of geography; 85% of the investments is located in İstanbul, 10% in İzmir, 4% in Ankara and the remaining 1% is invested in Antalya, Nevsehir and Mugla.

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.

Property Name	2017 1H Rental Income mn TL (without VAT)	%
TUTOM	33,6	34,7%
Kanyon Shopping Center	18,2	18,8%
Is Towers Complex (Tower II & Kule Carsi)	14,3	14,8%
Marmara Park Shopping Center	9,2	9,5%
Tuzla Mixed Use Project	8,2	8,5%
Real Hypermarket Building	4,0	4,1%
Maslak Building	2,6	2,7%
Ankara-Ulus Office Building	2,1	2,2%
Ankara-Kizilay Office Building	1,7	1,7%
Antalya Office Building	0,9	0,9%
Office Lamartine	0,9	0,9%
Ankara Is Tower	0,4	0,4%
Others	0,8	0,8%
Total	96,8	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

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 485 mn including borrowing cost. 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 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 30.06.2017, 131 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 September 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 30-32 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 1% of the investment portfolio. As of 30.06.2017, the value of money&capital market instruments is TL 61,4 mn.

Breakdown of Money&capital Market Instruments		
30.06.2017	TL	%
<i>Time Deposits (Local currency)</i>	58.303.026	95%
<i>Time Deposits (Foreign currency)</i>	600.812	1%
<i>Demand Deposits</i>	2.021.002	3%
<i>Mutual Fund</i>	467.478	1%
<i>Other</i>	35.999	0%
TOTAL	61.428.317	