

iş GYO



**İS REAL ESTATE
INVESTMENT COMPANY
31.03.2018**

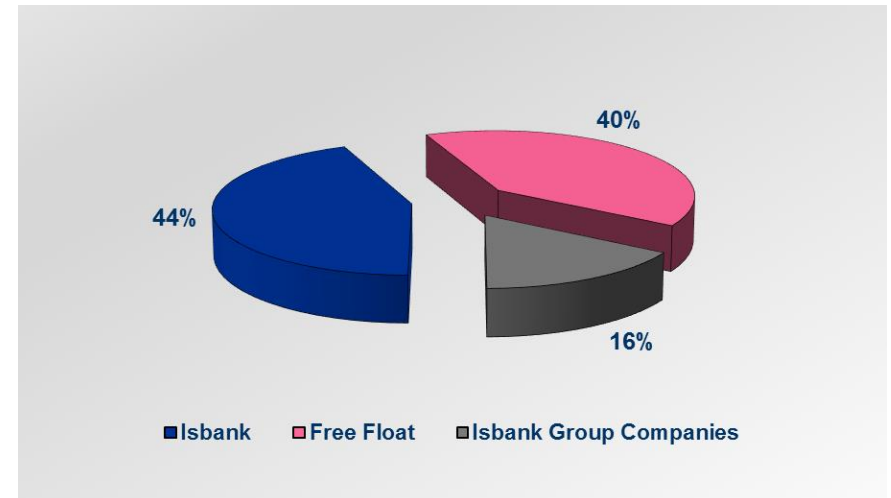
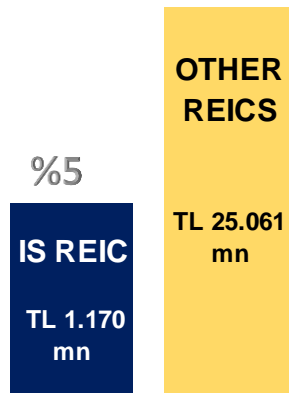
- Established in 1999, by the strategic partnership of Isbank.
- ✓ The **5th largest REIC** in terms of Mcap with **TL1.170 mn.**



Corporate Governance Rating

●●● SAHA 94.76 (9,48)

SECTOR MCAP



**15% of the capital is held by foreign investors.*

WHY ISGYO?



➤ Diversified real estate portfolio

- *Balanced exposure in office, retail and residential sector*
- *Office 46%, retail 20% and projects 28%*

➤ Solid rental income and real estate projects supporting rental income

- *Annual rental income of 2017 YE is TL 197,2 mn.*

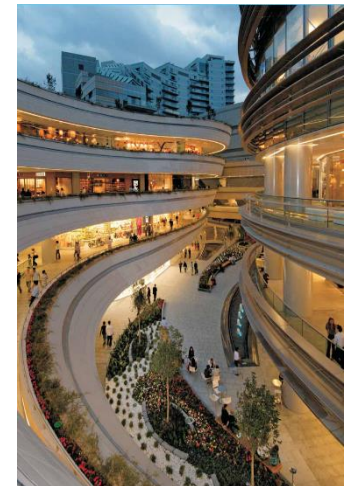
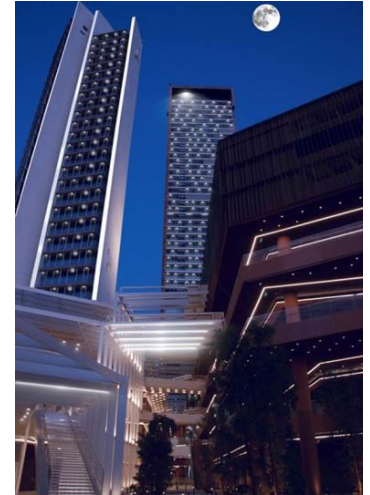
➤ Financially strong tenants & long-term leases

- *~ 55% of the rental income comes from İş Group*
- *Average duration of the lease contracts longer than 5 years*

➤ Stable and growing cash dividends

- *Cash dividend distribution in last 13 years*
- *Dividend yield ~ 6%*

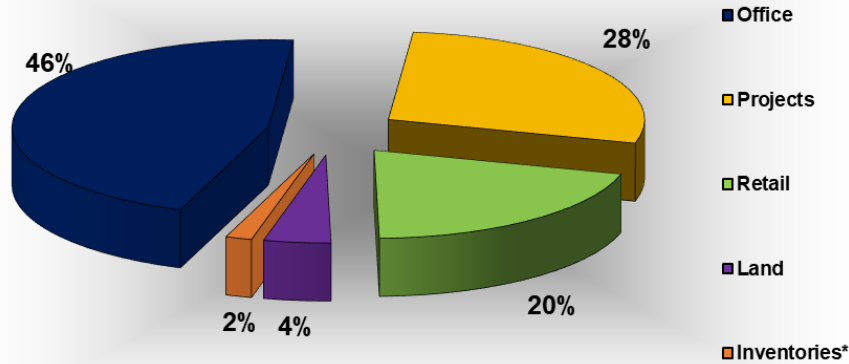
➤ Strong shareholder structure



ISGYO PORTFOLIO

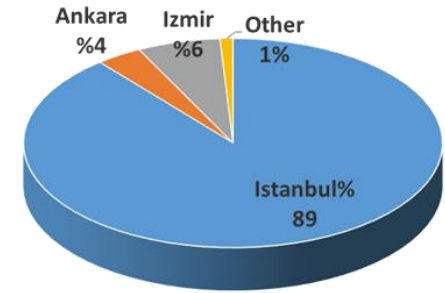


Real Estate Portfolio Breakdown



Real Estate Portfolio	TL mn
Office	2.349
Projects	1.420
Retail	1.037
Land	216
Inventories*	85
Hotel	25
TOTAL	5.132

**Inventories include offices and residential units on sale in Ege Perla*



RENT GENERATING ASSETS



Office Investments – Appraisal Values

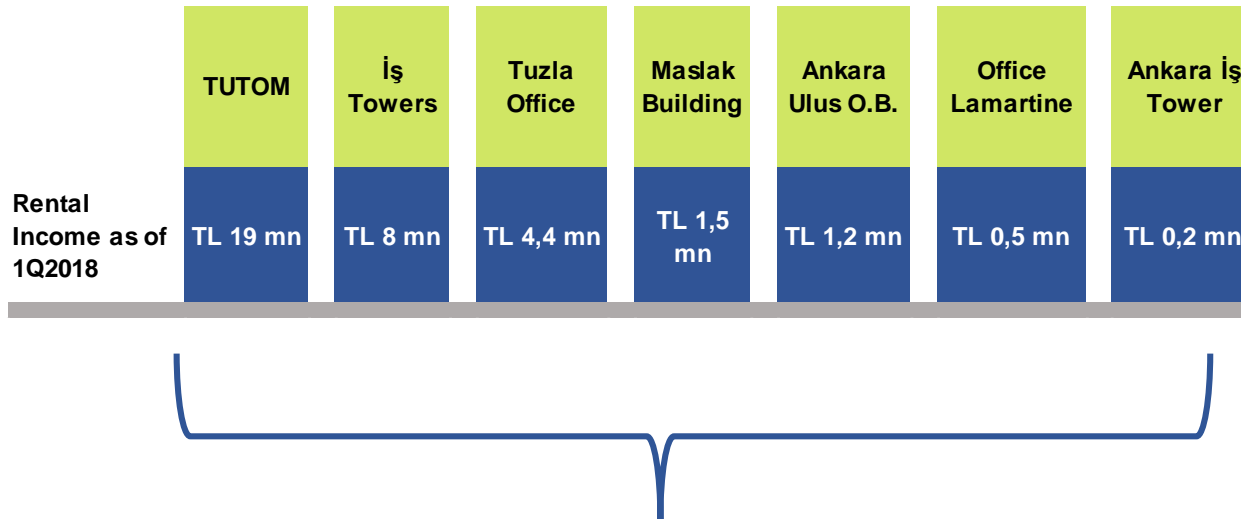
	TUTOM	İş Towers Tower 2	İş Towers Tower 3	Tuzla Office	Ankara İş Tower	Maslak Building	Office Lamartine	Ankara Ulus Office Building
Appraisal Value	TL 941 mn	TL 422 mn	TL 412 mn	TL 232 mn	TL 135 mn	TL 108 mn	TL 50 mn	TL 48 mn
% share in office investments	40%	18%	18%	10%	6%	5%	2%	2%

Office Investments

Total Appraisal Value, TL mn 2.349

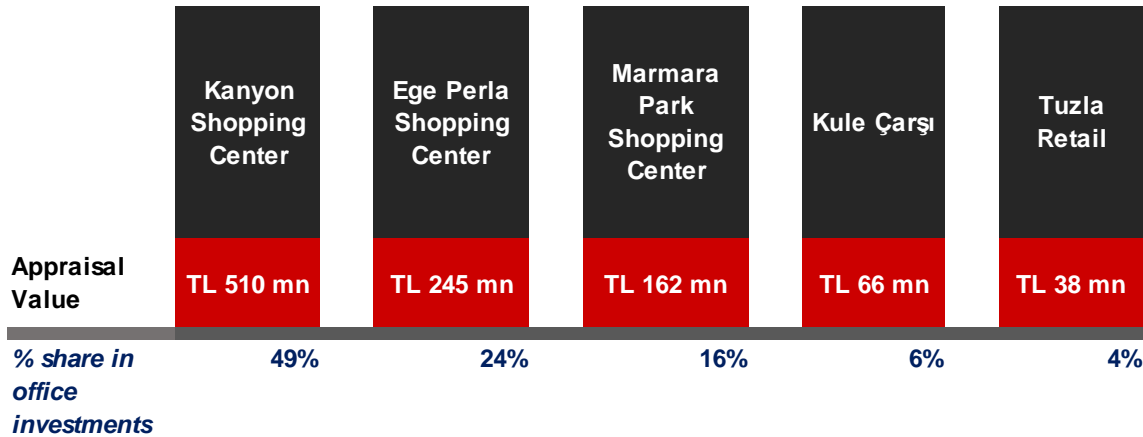


Office Investments – Rental Income



Rental Income as
of 2018 Q1
≈ TL 34,8 mn

Retail Investments - Appraisal Values



Retail Investments

Total Appraisal Value, TL mn

1.037

Retail Investments - Rental Income





Rental Income Projection		
TL mn	2018 YE	2022 YE*
Rental Income	TL210	TL365

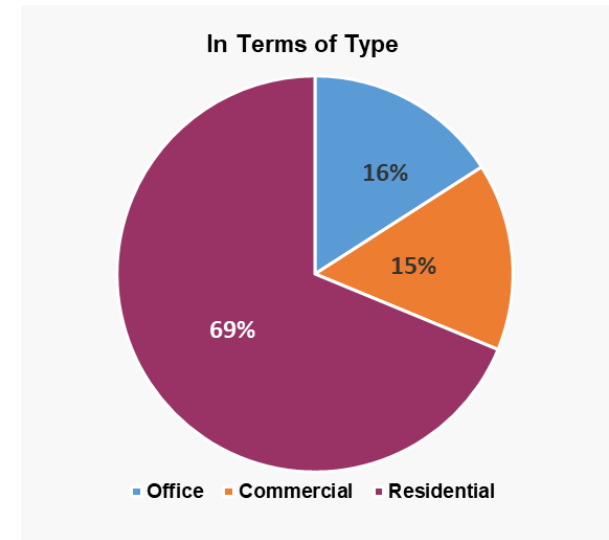
** Including the rental income of real estate projects*

PROJECTS UNDER DEVELOPMENT



Projects Under Development

Development Cost	TL Mn	%
Manzara Adalar Mixed Use Project	TL 620-640	43%
İnistanbul Residential Project	TL 550-600	39%
Finance Center Project (IFC)	TL 270-280	18%
TOTAL	TL1.440-1.520	100%



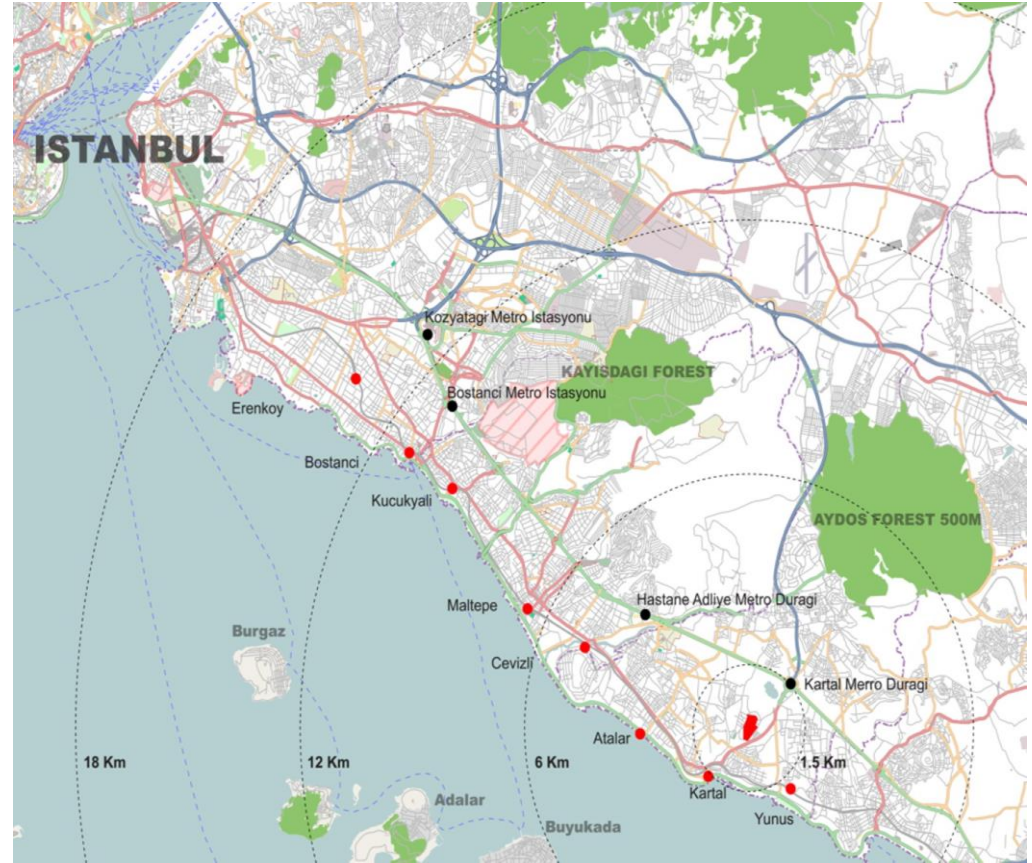
MANZARA ADALAR MIXED USE PROJECT





Kartal Region:

- ✓ one of the developing areas on the Asian side,
- ✓ ongoing urban transformation in the region,
- ✓ easy access supported with different means of transportation,
- ✓ close to the industrial zone of İstanbul and planned to be «the commercial center of the future».





Project Land:

- ✓ located below the E5 highway(1,6 km)
- ✓ 1,8 km to the sea side,
- ✓ 16 km to Sabiha Gökçen airport,
- ✓ easy access with subway, road and sea transportation,
- ✓ close to hospitals, universities and the newly built court house.



*Designed by **Perkins Eastman**



Location : Kartal, Istanbul

Investment model: Revenue sharing model.
Revenues of the project is shared with the ex-land owner in return for the land.

Project type : Mixed use project

Projections ⁽¹⁾:

Development cost (excluding land) : TL620-640 mn

Saleable area for residential : 140.000 sqm

Leasable area : 49.000 sqm

¹ The estimated figures.



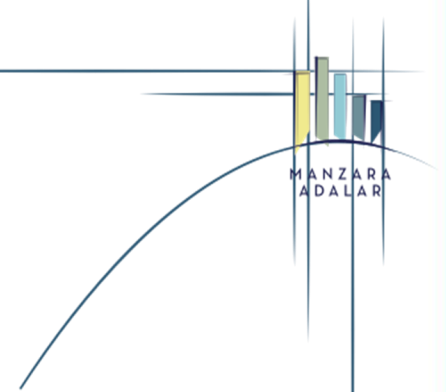
Manzara Adalar - Projections



Total leasable area : 49.000 sqm

Expected rental income(ISGYO share) : TL15-16 mn

Total saleable area for residentials : 140.000 sqm



İNİSTANBUL RESIDENTIAL PROJECT



Topkapı Region:

- ✓ transformation area supported with new real estate projects,
- ✓ industry is dominant in the north side of the region, while south side dominated by residentials,
- ✓ an intersection point for transportation, supported by every means of transportation,
- ✓ close to the central locations in İstanbul.



İstanbul Residential Project



İstanbul Residential Project



Location : Topkapı, İstanbul



Investment model: A joint venture between
İş GYO and NEF.

Total development cost* : TL1,1-1,2 bn

Total sales revenues* : TL 1,5-1,6 bn

Total saleable area*: \approx 250.000 sqm



**Total figures.*



Designed by **PERKINS+WILL**



1st Project
İstanbul GALA

3rd Project
İstanbul HAYAT

2nd Project
İstanbul LOKAL

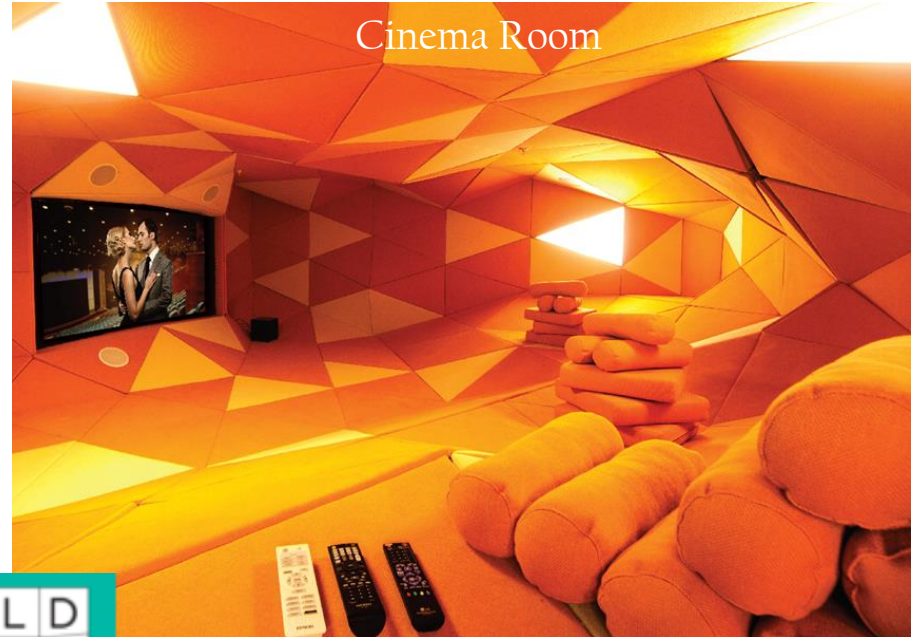
4th Project
İstanbul KONSEPT

İŞ GYO





Basketball Court



Cinema Room



Guest Room



Music Room

ISTANBUL FINANCE CENTER PROJECT (IFC Project)



Location : Atasehir, Istanbul

Project type : A mixed use project comprising offices and retail area.

Estimated development cost: TL270-280 mn



Estimated saleable/leasable area : ≈ 33.000 sqm

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
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%

(*) LR: Legal records

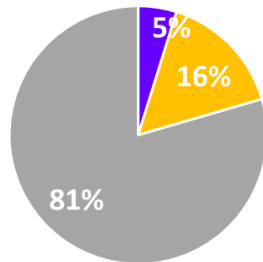
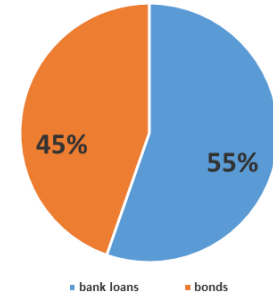
DEBT & CASH POSITION



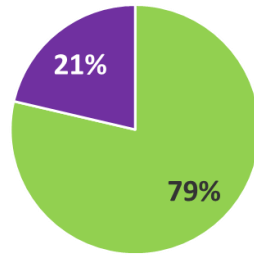
Debt & Cash Position

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	35,7 TL
Dolar Loan	\$54,5	Oct. 2013	Libor +425 bps	10 year	215,0 TL
TL Loan	493,5 TL	Dec.2013-May.2017	11,75% -15,10%	4-6 year	493,5 TL
TOTAL					744,2 TL

Bond Issues	Original Amount mn	Date of the Issue	Maturity	Outstanding TL mn
Bonds	500,0 TL	Apr.2016/Mar.2018	3 year	503,0 TL
Bills	100,0 TL	Jan.2018/Mar.2018	6 months	94,9 TL
TOTAL				597,9 TL



■ Euro ■ Dolar ■ TL



■ Fixed rates ■ Floating rates

(*) After hedging.

Cash, TL mn	124 TL
Total Financial Debt, TL mn	1.342 TL
Net Debt, TL mn	1.218 TL

Short Term National Rating:
(TR) A1+
Outlook: Stable

Long Term National Rating:
(TR) AA
Outlook: Stable

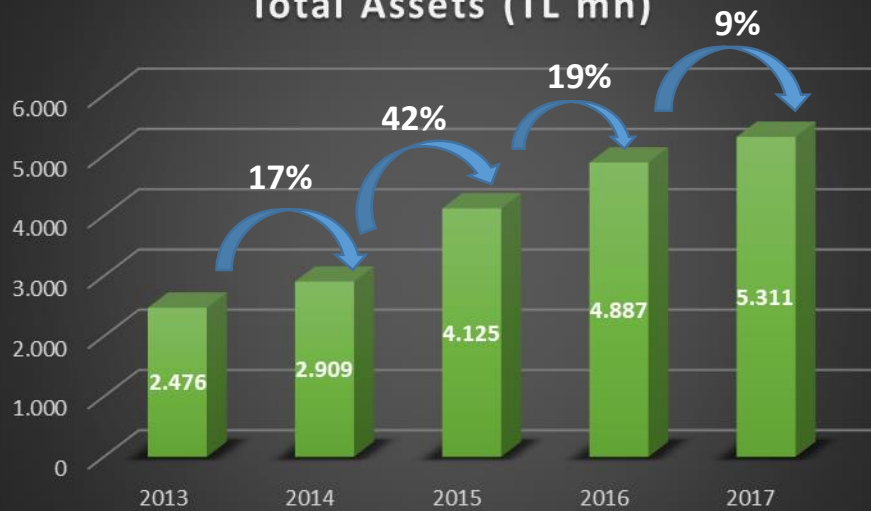


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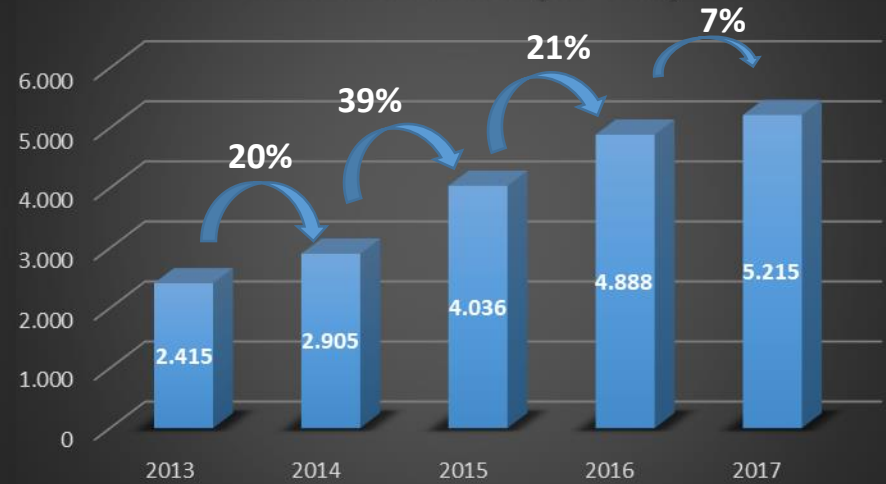




Total Assets (TL mn)



Total Portfolio (TL mn)



Rental Income (TL mn)



TL, mn	31.03.2018	31.12.2017	% Change
ASSETS	5.480,5	5.311,9	3%
<i>Current Assets</i>	<i>1.141,0</i>	<i>968,0</i>	<i>18%</i>
<i>Long-term Assets</i>	<i>4.339,5</i>	<i>4.344,0</i>	<i>0%</i>
LIABILITIES	5.480,5	5.311,9	3%
<i>Short-term Liabilities</i>	<i>1.004,3</i>	<i>873,3</i>	<i>15%</i>
<i>Long-term Liabilities</i>	<i>1.248,3</i>	<i>1.158,0</i>	<i>8%</i>
<i>Shareholders' Equity</i>	<i>3.228,0</i>	<i>3.280,6</i>	<i>-2%</i>

Of the total Liabilities (Short&Long Term):

- the amount regarding the financial liabilities constitutes the 60%,
- the amount regarding advances received from presales of the units in Manzara Adalar Project and İnistanbul Project constitutes the 36%.



Income Statement

TL, mn	Jan.-March 2018	Jan.-March 2017
Sales Revenue	60,6	61,5
Cost of Sales	-21,2	-14,5
Gross Profit/Loss	39,5	47,1
General Administrative Expenses	-7,1	-6,7
Marketing, Sales and Distribution Expenses	-4,7	-4,0
Other Operating Income	1,6	0,5
Other Operating Expense	-	-
Operating Profit/Loss	29,3	36,9
Share of Profit of Equity-Accounted Investees	0,3	0,3
Operating Profit Before Finance Expense	29,6	37,2
Finance Income	7,7	-
Finance Expense	-21,4	-16,5
Profit Before Tax	15,9	20,7
Tax Expense	-	-
Net Profit for the Period	15,9	20,7



Financials (TL, mn)	Jan.-March 2018	Jan.-March 2017
Sales Revenue	60,6	61,5
Cost of Sales	-21,2	-14,5
Gross Profit/Losses	39,5	47,1
<i>General Administrative Expenses</i>	-7,1	-6,7
<i>Marketing, Sales and Distribution Expenses</i>	-4,7	-4,0
<i>Other Operating Income</i>	1,6	0,5
<i>Other Operating Expense</i>	-	-
EBIT	29,3	36,9
Net Period Income	15,9	20,7
Gross Margin	65%	76%
EBIT Margin	48%	60%
Net Margin	26%	34%



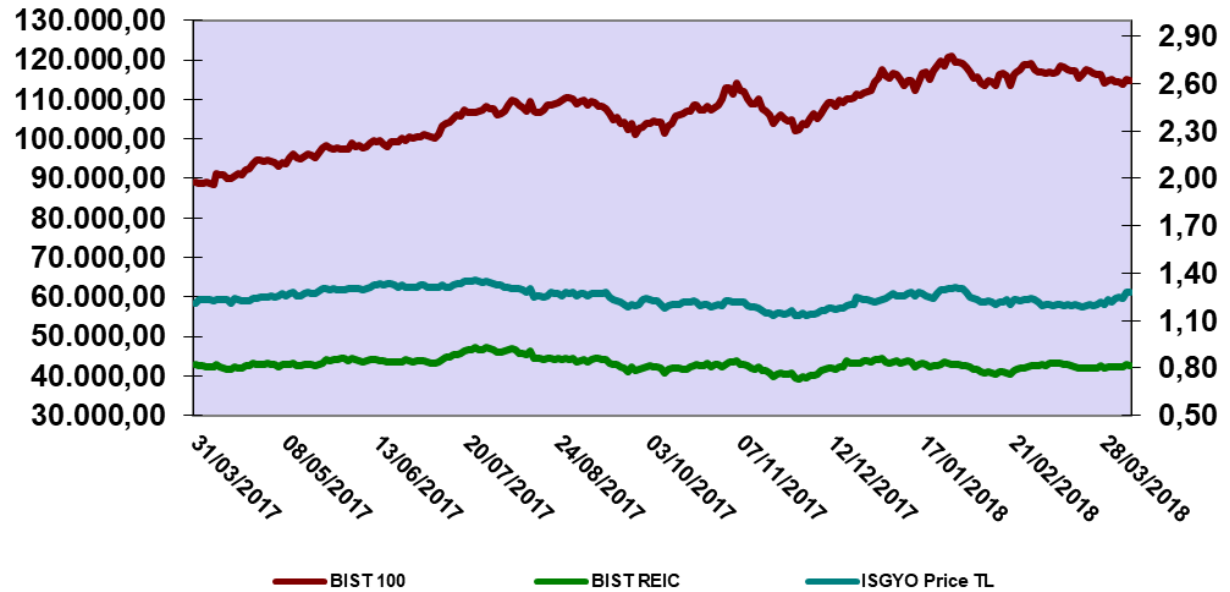
STOCK PERFORMANCE



Stock Price vs. Index Performance



BIST 100 - BIST REIC Index & ISGYO Price

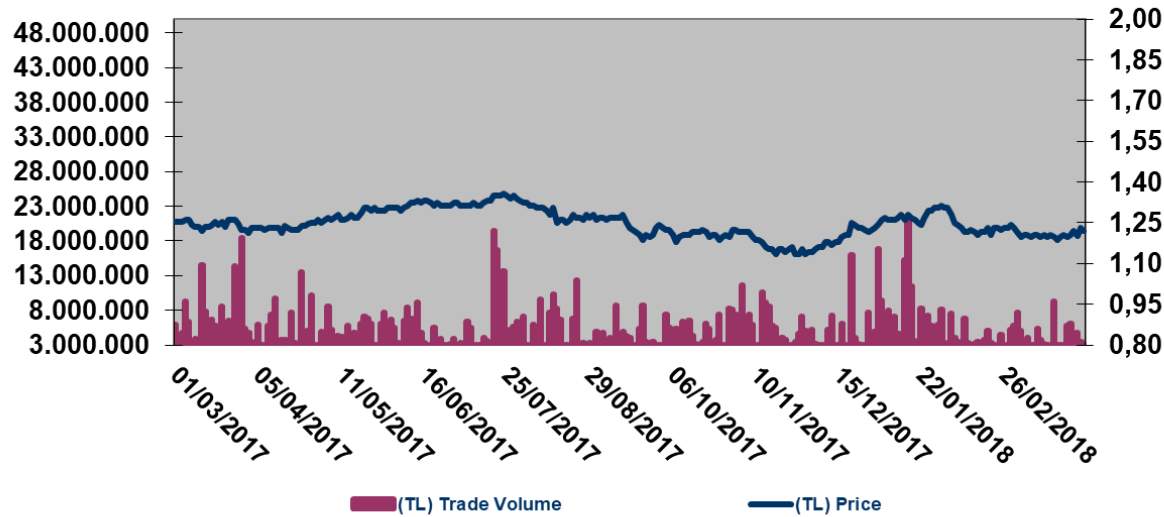


Stock Price & Index Performance (%)			
	YtD	YoY	
		1 Year	3 Year
BIST 100	-0,3	29,2	42,2
XGMYO	-4,0	-0,9	4,5
ISGYO	-0,3	0,5	22,0





Price - Trade Volume



Average Daily Trade Volume	
ISGYO	
2017	TL 5,2 mn
2018	TL 6,9 mn

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