

Corporate Governance Rating Report

**Revised Report
REIT**

This Report has been prepared by JCR-ER in compliance to the regulations of Capital Market Board of Turkey

		8.81 AAA(Trk)/a (Stable)
		8.78 AAA(Trk)/a (Stable)
Corporate Governance Score & Outlook	Shareholders	9.16 AAA(Trk)/aa (Stable)
	Public Disclosure & Transparency	8.32 AA(Trk)/bbb (Stable)
	Stakeholders	8.79 AAA(Trk)/a (Stable)
	Board of Directors	

İŞ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.						
Financial Data	3Q2013	2012	2011	2010	2009	2008
Total Assets (000 USD)	716,926	783,043	614,655	712,956	680,211	635,815
Total Assets (000 TRY)	1,460,019	1,391,937	1,161,022	1,096,242	1,011,678	967,584
Equity (000 TRY)	1,131,733	1,069,883	1,034,472	990,021	951,603	913,804
Sales (000 TRY)	322,640	131,928	123,492	95,536	88,914	80,884
Net Profit (000 TRY)	91,848	65,408	66,954	60,918	60,299	53,095
Net Profit Margin (%)	28.47	49.58	54.22	63.76	67.82	65.64
ROAA (%)	-	5.13	5.94	5.79	6.10	5.70
ROAE (%)	-	6.23	6.63	6.28	6.47	5.92
Equity/Assets (%)	77.51	76.86	89.10	90.31	94.06	94.44
Annual Growth Rate (%)	11.95	19.89	5.91	8.36	4.56	7.62

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Company Information	
Trade Name	İŞ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.
Address	İş Kuleleri Kule-2 Kat:10-11 4. Levent 34330 İstanbul
Chairman	Mr. Aydın S. ÖNDER
CEO	Mr. Turgay TANES
Investor Relations	Head of IR, Ms. Ayşegül Şahin KOCAMEŞE IR Supervisor, Ms. Mine KURT Phone: +90.212.350.23.50 investorrelations@isgyo.com.tr
Web	www.isgyo.com.tr

Overview

İş Gayrimenkul Yatırım Ortaklığı A. Ş. (Company or ISGYO) was established under the name İş Gayrimenkul Yatırım ve Proje Değerlendirme A. Ş. by parent company İş Bankası A. Ş. and its affiliates in September 1998. After taking over Merkez Gayrimenkul Yatırım ve Proje Değerlendirme A. Ş. the Company was converted into a real estate investment trust (REIT), completed its IPO and began public trading on the Istanbul Stock Exchange (ISE) in December 1999. As of December 2013, the Company had a free float of 42% of its capital and currently ranks as the 5th largest REIT with 4,4% of market share in terms of Mcap.

ISGYO carries out activities in the investment and development of real estate project in Turkey. The Company has high profitability and low debt ratios; its investments were funded with its equity. Since 2005 the Company has been listed on the ISE's Dividend Index due to its consistent distribution of dividends to shareholders.

The controlling shareholder with 42.2% of shares İş Bankası A.Ş., one of the largest retail banks in Turkey, holds privileged shares of ISGYO that determine the majority of the Board. In addition, some Bank affiliates have 16% of the capital.

ISGYO not only stands out for its main activities but also for good corporate governance practices such as investor relations, transparency, internal control and risk management. The Board of Directors is composed of 7 non-executive members, two of whom are independent. Three functional committees have been established under the scope of the Board; Audit, Corporate Governance and Risk committees.

Strengths

- Existing a comprehensive internal control system
- Presence of a communication channel to securely inform the audit committee of illegal and unethical activities
- Healthy and spacious staff working area
- An effective transparency platform in Turkish and English languages through the Company's website
- High Board Member and Senior Management qualifications in terms of education and track record
- Absence of any lawsuit against the Company from stakeholders
- Consistent distribution of dividends to the shareholders

Constraints

- Absence of an executives member in the board
- Absence of internal regulations to broaden the exercise of minority rights beyond the current legislation
- Absence of an incentive system based on performance evaluation for Board members
- Lack of disclosure of senior management's remunerations per person

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