


Corporate Governance Rating Report

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

REIT

		8.53 AAA(Trk)/a (Positive)
Corporate Governance Score & Outlook	Shareholders	8.66 AAA(Trk)/a (Stable)
	Public Disclosure & Transparency	8.89 AAA(Trk)/a (Positive)
	Stakeholders	7.91 AA(Trk)/bb (Stable)
	Board of Directors	8.26 AA(Trk)/bbb (Positive)

İŞ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.							
Financial Data	Sept, 2012	2011*	2010*	2009*	2008*	2007*	2006*
Total Assets (USD mn)	731	615	709	672	640	772	631
Total Assets (TL mn)	1,304	1,161	1,096	1,012	968	899	887
Equity (TL mn)	1,054	1,034	990	952	914	883	828
Sales (TL mn)	97	123	96	89	81	213	59
FFO (TL mn)	66	81	71	73	78	42	83
EBITDAR (TL mn)	64	83	68	63	54	180	83
Net Profit (TL mn)	50	67	61	60	53	55	49
Net Profit Margin (%)	n.a	54.22	63.76	67.82	65.64	25.83	82.55
ROAA (%)	n.a	5.94	5.79	6.10	5.70	6.17	n.a
ROAE (%)	n.a	6.63	6.28	6.47	5.92	6.44	n.a
Equity/Total Assets (%)	80.82	89.10	90.31	94.06	94.44	98.23	93.43
NW Capital/Assets (%)	12.41	10.16	6.26	12.90	10.54	13.09	-2.84
Debt Ratio %	19.18	10.90	9.69	5.94	5.56	1.77	6.57
Asset Growth Rate (%)	12.33	5.91	8.36	4.56	7.62	1.42	n.a

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Company Information	
Trade Name	İŞ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.
Address	İş Kuleleri Kule-2 Kat:9 4. Levent 34330 İstanbul
Chairman	Mr. Aydın S. ÖNDER
General Manager	Mr. Turgay TANES
Investor Relations	Phone: +90 (212) 325 23 50 investorrelations@isgyo.com.tr
Web	www.isgyo.com.tr
Corporate Governance	Mrs. Ayşegül ŞAHİN KOCAMEŞE

*End of year

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 September 2012, the Company had a free float of 42% of its capital. ISGYO currently ranks as the 3rd largest REIT with 6% 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 a profitable and debt free balance sheet; 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 5 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

- A functional Shareholders Relations Unit
- An effective transparency platform in Turkish and English languages through the Company's website
- Effective system of reporting, monitoring and auditing
- High Board Member and Senior Management qualifications in terms of education and track record
- A management very eager to progress in the corporate governance field
- Absence of any lawsuit against the Company from stakeholders
- Consistent distribution of dividends to the shareholders

Constraints

- 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
- Absence of any regulation in the articles of association with regard to shareholders' rights to demand a special auditor as an individual right

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