

INVESTOR PRESENTATION

First Half Results – 2018

August 17, 2018



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This document was updated on September 11, 2018 to reflect the change in the rating assigned by Moody’s (page 21) and to correct the information related with the currency breakdown of the tenant contracts (page 13) for a fair disclosure.



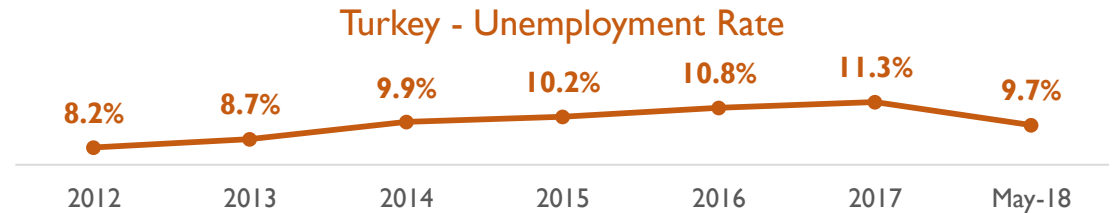
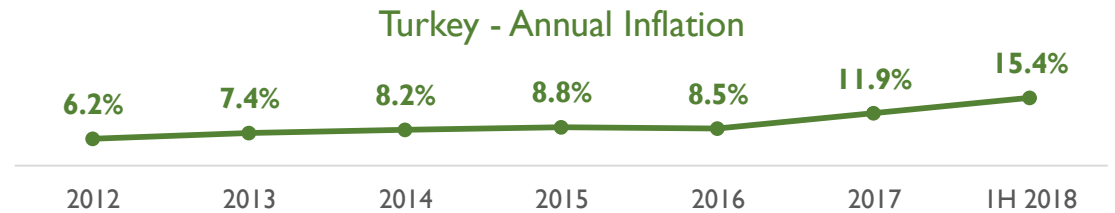
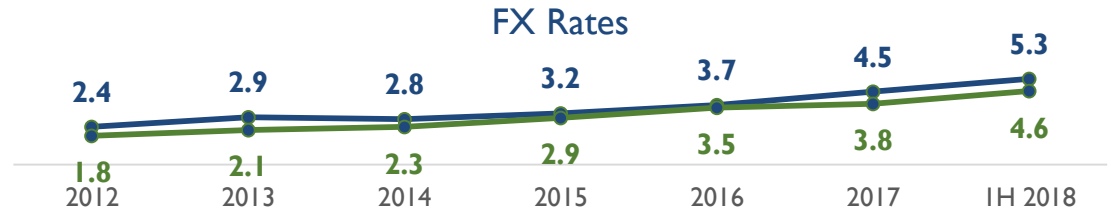
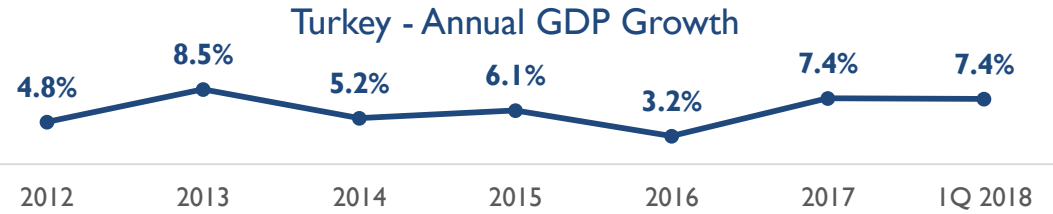
MACROECONOMICS AND RETAIL MARKET

MACROECONOMICS

The Turkish economy recorded **7.4%** growth in the first quarter of 2018, beating the expectations. Domestic consumption and investments were the main drivers fueling the growth. ⁽¹⁾

Currency depreciation was the major challenge in the first half. Lira's slide against Euro and the U.S. Dollars since year-end has caused inflation to rise. Annual inflation peaked at **15.4%** in June, highest since 2003. ⁽²⁾

Unemployment rate fell to **9.7%** at May 2018, y-o-y down by 0.5%, supported by the high GDP growth rate. ⁽¹⁾



RETAIL MARKET

396
Shopping Centers ⁽¹⁾

12.3m sqm
Total GLA ⁽¹⁾

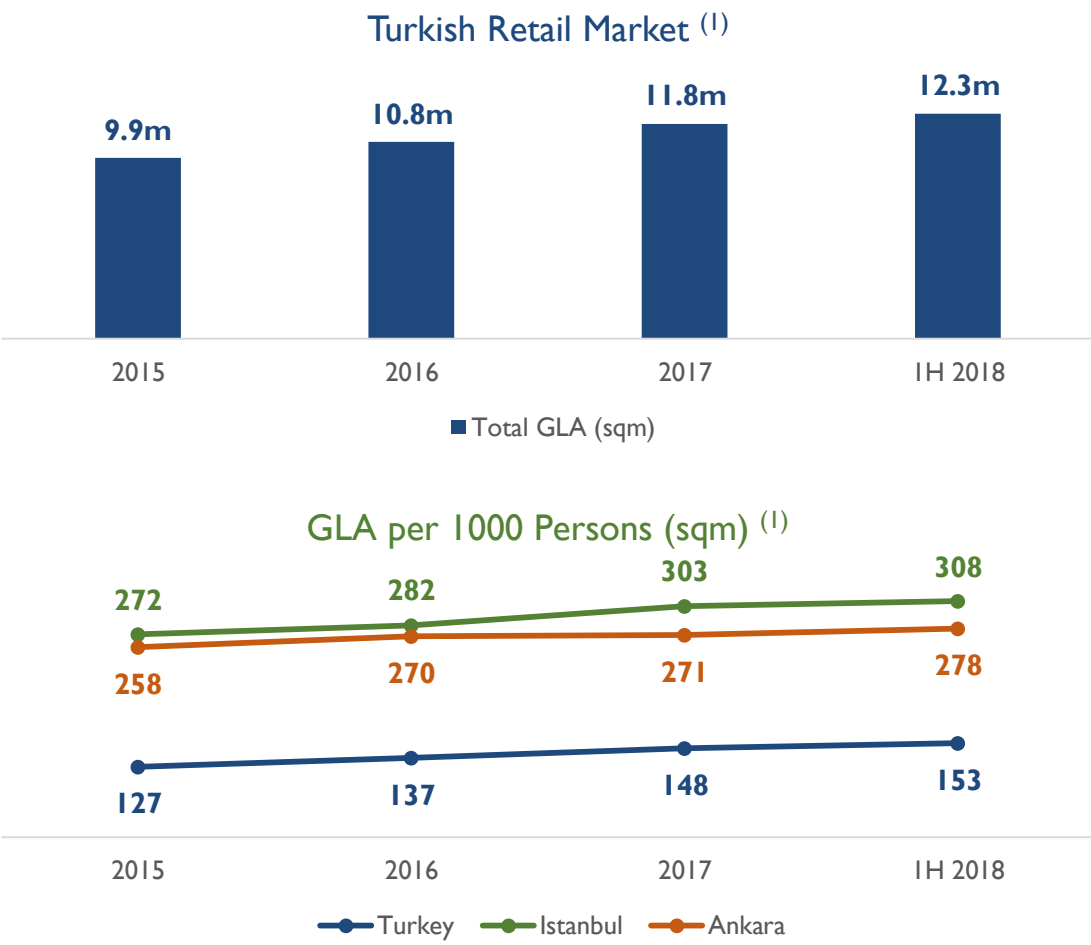
153 sqm
GLA per 1000
persons ⁽¹⁾

Total supply has reached **12.3m sqm** for **396** shopping centers as of the first half of 2018 while İstanbul holds **37.5%** of total retail space. ⁽¹⁾

Only **111** of the shopping centers have a GLA over 40,000 sqm, which is accepted as the minimum ideal size. Of nearly 6.9m sqm total GLA, RGY holds **8.1%** of the market. ⁽⁴⁾

While the shopping center supply has exponentially increased in the last decade, GLA per 1000 persons stands at **153 sqm** ⁽¹⁾ compared to 1,274 sqm in USA, 216 sqm in EU and 184 sqm in Russia ⁽³⁾.

Turkish retail market is still highly fragmented despite the consolidation efforts in the recent years. Top 3 players by GLA control only **14%** of the total market.



(1) Source: Colliers
(2) Source: AYD & Akametre Shopping Center Index
(3) Source: JLL
(4) Only Kozzy has a GLA less than 40,000 sqm.



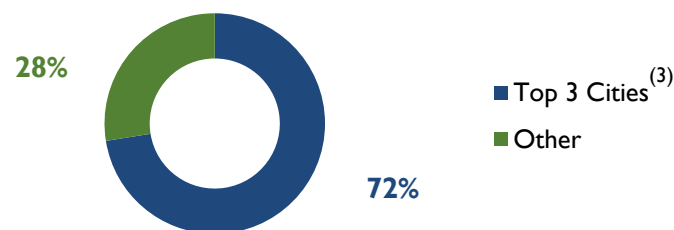
PORTFOLIO OVERVIEW

OVERVIEW

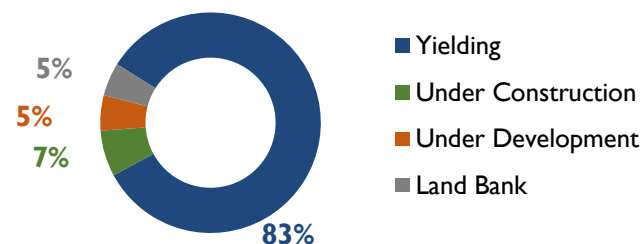
Rönesans Gayrimenkul Yatırım A.Ş. ("RGY") is a leading Turkish commercial property company with a portfolio consisting of **11** yielding shopping centres and **2** offices with total GLA of **697k sqm** and **90 million** expected visitors in 2018.

RGY strategically focuses on investing in and managing commercial real estate investments in Turkey with an experienced internalized management.

GAV by Location



GAV by Status



€ 2,497m

IH2018

GAV⁽¹⁾

€ 1,505m

IH2018

EPRA NAV⁽¹⁾

€ 49m

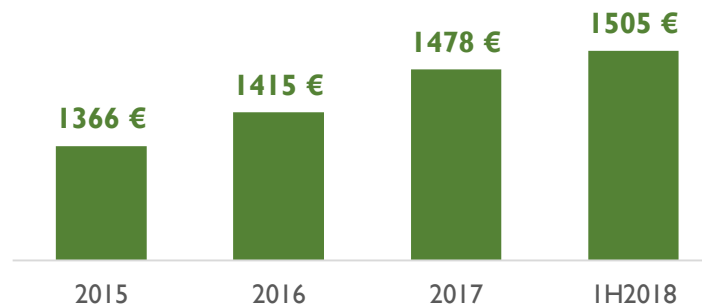
IH2018

Asset NOI^{(1) (2)}

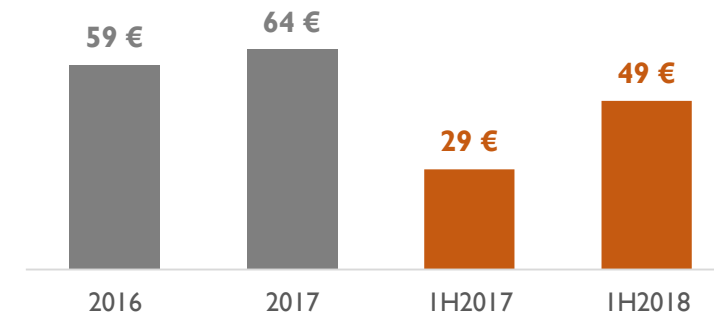
GAV (m)



EPRA NAV (m)



Asset NOI (m)

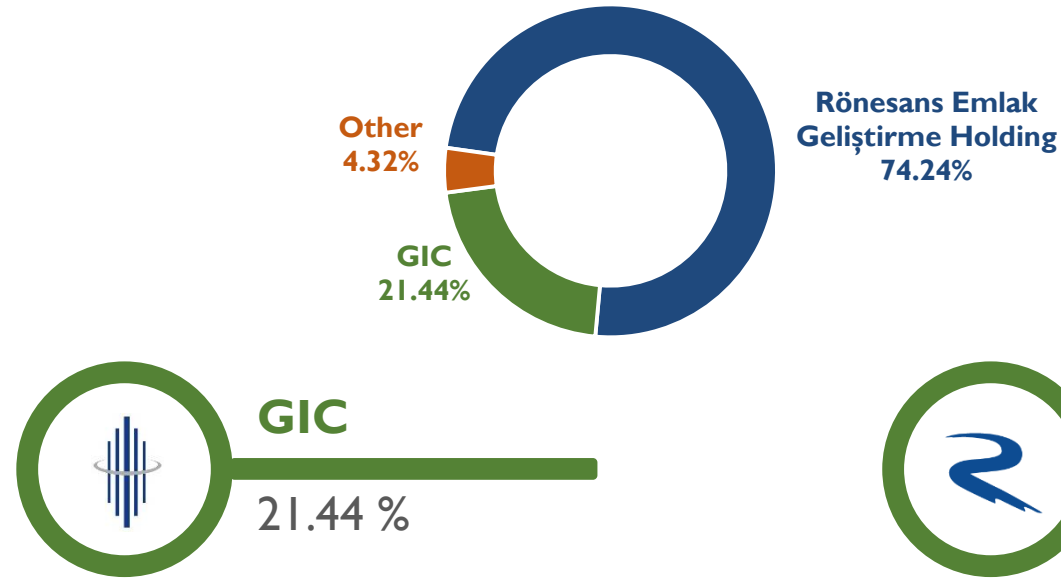


SHAREHOLDERS



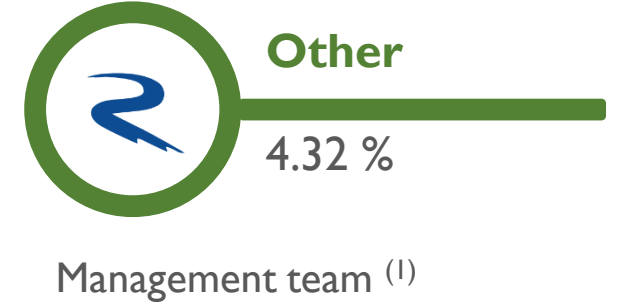
Rönesans Holding is a shareholder of RGY, via Rönesans Emlak Geliştirme Holding.

Rönesans Holding operates in the sectors of construction, real estate, energy and PPP in healthcare, and includes the world's 38th largest international contracting company



Government of Singapore Investment Corporation (GIC) is a global investment management company established in 1981 to manage Singapore's foreign reserves.

GIC is also 50% partner with RGY in three joint ventures holding Optimum İstanbul, Optimum Ankara, and Optimum İzmir.



FOOTPRINT

MECİDİYEKÖY OFFICE

GLA ('000 sqm)	13
GAV (€ mm)	43
Distance from station	900 m

KÜÇÜKYALI OFFICE & SCHOOL

GLA ('000 sqm) ⁽⁵⁾	54
GAV (€ mm)	117
Distance from station	500 m

HILLTOWN

GLA ('000 sqm) ⁽²⁾	72
GAV (€ mm) ⁽²⁾	336
Distance from station	300 m

PIAZZA SAMSUN & HOTEL

GLA ('000 sqm) ⁽¹⁾	63
GAV (€ mm)	215
Distance from station	100 m

Attractive locations easily accessible by public transportation

Dominant malls with an average GLA of 55k sqm. ⁽⁶⁾

Presence in 7 cities with over 1m population

90 million footfall expected in 2018

OPTIMUM ISTANBUL

GLA ('000 sqm)	40
GAV (€ mm)	241
Distance from station	650 m

KOZZY

GLA ('000 sqm)	15
GAV (€ mm)	41
Distance from station	1.3 km

MALTEPE PIAZZA

GLA ('000 sqm) ⁽²⁾	88
GAV (€ mm) ^{(2) (4)}	347
Distance from station	Direct

MALTEPE PARK

GLA ('000 sqm) ⁽²⁾	82
GAV (€ mm) ⁽²⁾	195
Distance from station	200 m

OPTIMUM İZMİR

GLA ('000 sqm)	83
GAV (€ mm)	440
Distance from station	50 m

OPTIMUM ADANA

GLA ('000 sqm)	58
GAV (€ mm)	202
Distance from station	350 m

PIAZZA K.MARAŞ

GLA ('000 sqm)	48
GAV (€ mm)	110
Distance from station	N/A ⁽³⁾

PIAZZA ŞANLIURFA

GLA ('000 sqm)	43
GAV (€ mm)	90
Distance from station	N/A ⁽³⁾

Retail

Office

Note: Distance from station refers to distance to metro, light or high speed train

(1) Not including 12,667 sqm of hotel properties; (2) Including office; (3) No metro or light train line in the city; (4) Residential units not included; (5) Not including 26,744 sqm of school properties (6) w/o Kozzy

ASSET METRICS

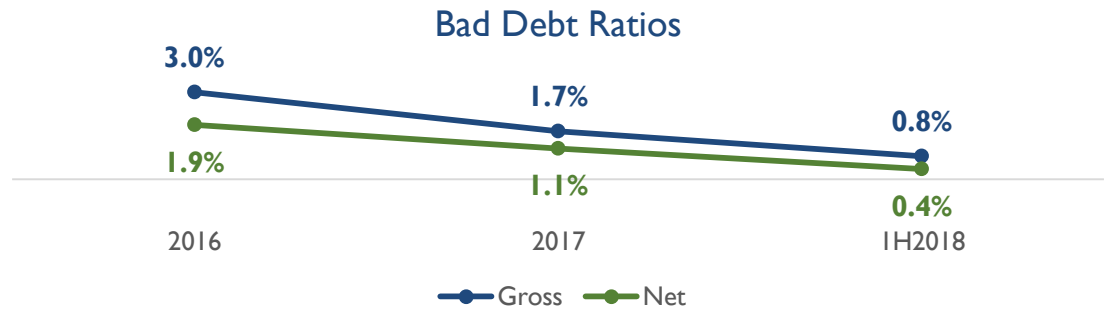
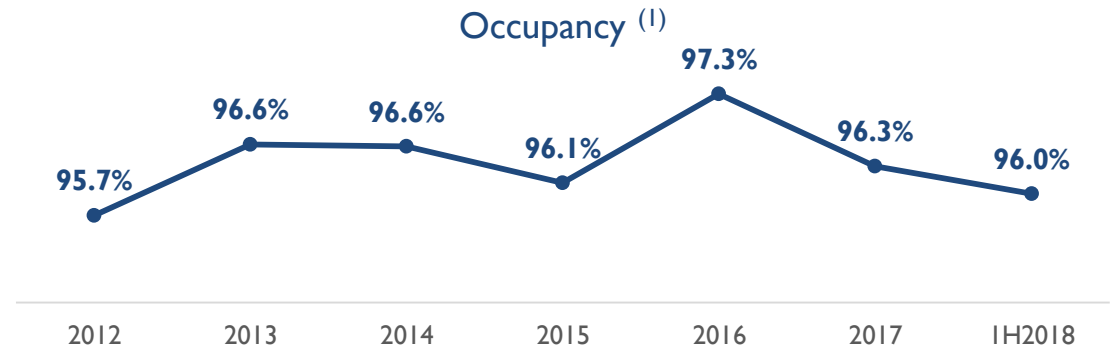
Occupancy levels remain above **95%** despite currency depreciation.⁽¹⁾

RGY holds a diversified portfolio and does not have significant exposure to any single asset or tenant.

Top 3 assets make up **36%** of the total gross asset value.

Top 10 tenants form only **19%** of the rental revenue and **36%** of GLA.⁽¹⁾

Bad debt ratios showed a declining trend despite the market volatility.



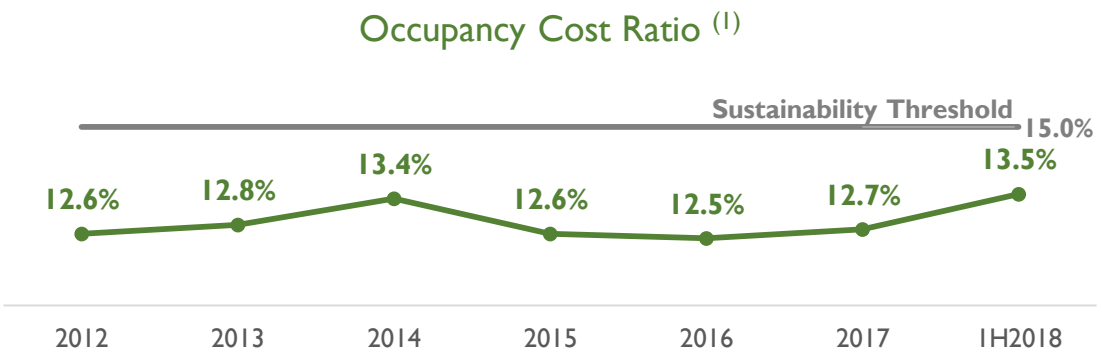
EFFECTS OF TRY DEPRECIATION

Due to its business model, large majority of RGY’s rental contracts are denominated in EUR or in USD (for Optimum Ankara and Maltepe Park) creating a contractual hedge for RGY.

Having said that, in periods of significant TRY depreciation, OCRs of our tenants come under pressure and we support them in the form of selective concessions or discounts for temporary periods from time to time.

RGY has granted **6.7%** concession to the tenants in the first half of 2018 for a sustainable portfolio and rental income. Concession rate was **6.1%** in 2017.

Low occupancy cost ratios allow both RGY and the tenants to keep a cushion against FX shocks.



ASSET METRICS

Tenants' turnover per sqm at the shopping centers grew by **11.4%** in the first half of 2018 compared to the same period in the previous year on a like-for-like ⁽¹⁾ basis. The growth was in line with the average inflation which is **11.5%**.

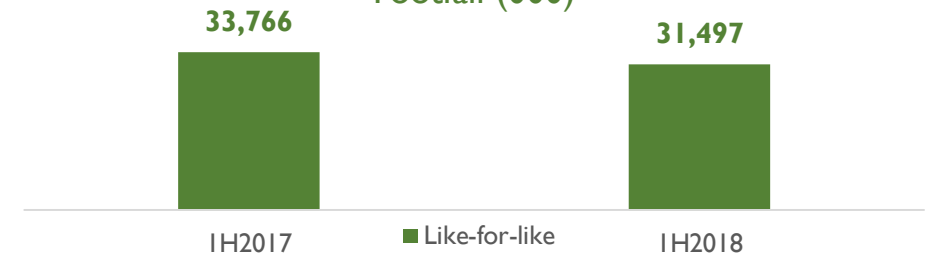
The number of visitors decreased by **6.7%** on a like for like ⁽¹⁾ basis, yet openings of Optimum İzmir Extension, Hilltown and Maltepe Piazza ⁽²⁾ brought additional 8 million visitors, carrying the total number of visitors to 40 million in the first half.

Despite the decline in footfall, turnover per visitor grew by **22.7%** in the first half of 2018 on a like for like ⁽¹⁾ basis.

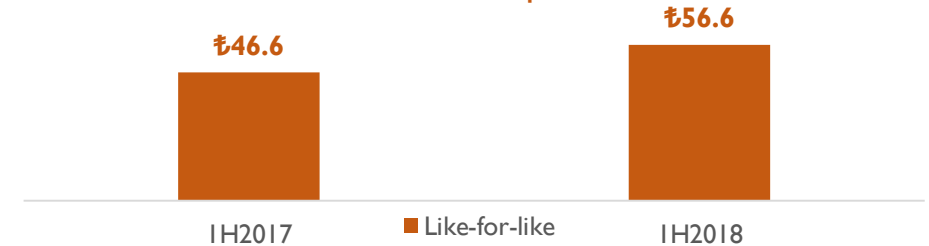
Tenants' Turnover per sqm



Footfall (000)



Tenants' Turnover per Footfall



ASSET METRICS

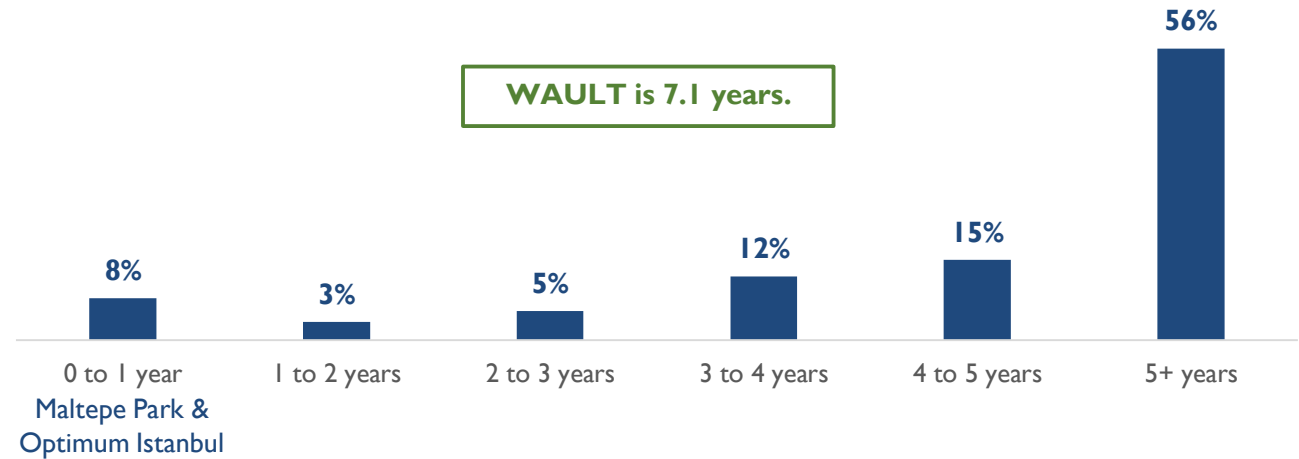
Weighted average unexpired lease term stands at **7.1** years while the majority of lease contracts (**56%**) will expire after 5 years thanks to long term contracting profile.

In 2017, the contracts that will expire during the year (nearly 3% of total contracts) were renewed with a **3.4%** rental increase.

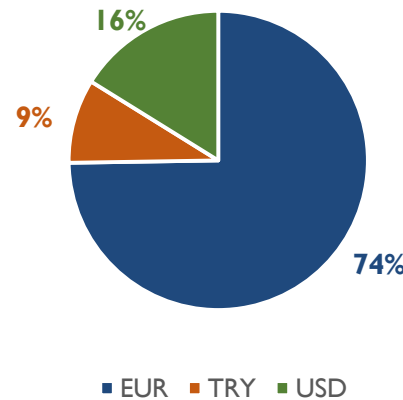
So far in 2018, **10%** of tenants whose contracts will expire during the year was renewed with **1.9%** rental increase. The majority of the contracts will expire in the last quarter.

RGY'S main contract currency remains EUR with **74%** of total GLA. Share of the contracts in USD has risen to **16%** after Maltepe Park acquisition while the turnover rent contracts by GLA remained flat at **7%**.

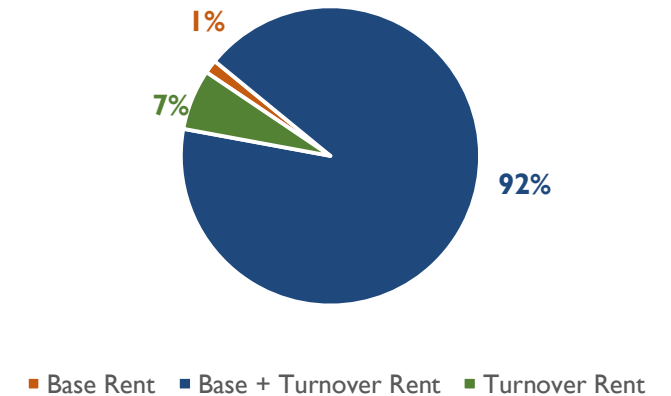
Lease Expiry Schedule by GLA
Jun 2018



Currency of Contracts by GLA ⁽¹⁾
Jun 2018



Type of Contracts by GLA
Jun 2018

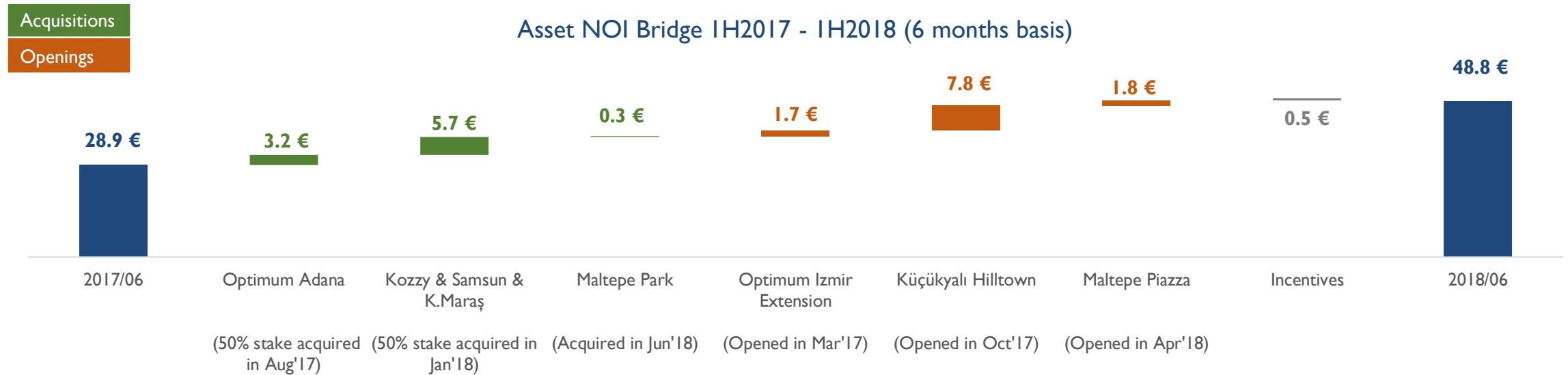


NOI GROWTH

Asset NOI grew by **69%** in the first half of 2018, compared to the previous year. ⁽¹⁾

Openings of Optimum İzmir Extension, Hilltown and Maltepe Piazza, acquisitions of 50% stake of Optimum Adana, Piazza Samsun, Piazza K.Maraş and Kozzy are the main pillars of the substantial growth.

In the 2H2018, we expect to see half year incremental effect of Maltepe Park and Maltepe Piazza.



ACQUISITIONS

Asset	Ex-Owner	Stake	Date	GLA	Type	Status
Samsun Piazza	AGP	Stake 50% >> 100%	Jan'18	62,900	Retail & Hotel	Yielding
K.Maraş Piazza	AGP	Stake 50% >> 100%	Jan'18	48,100	SC	Yielding
Kozzy	AGP	Stake 50% >> 100%	Jan'18	14,700	SC	Yielding
Maltepe Park	CarrefourSA	100%	Jun'18	81,900	Retail & Office ⁽¹⁾	Yielding

RGY is growing its portfolio through acquisitions from existing JVs and new yielding assets.

OPENINGS

GLA (sqm)

51,300 (Retail)

37,100 (Office) ⁽¹⁾

Occupancy at Opening

96% ⁽²⁾

Residences Pre-sold

86% (Total: 225 units)

Opening Date

April 2018

Ownership

RGY 100%



Maltepe Piazza Mixed-Use

İstanbul, Turkey

UNDER CONSTRUCTION

Type
Retail

GLA (sqm)
62,900

Pre-lease
39%

Expected Opening Date
April 2019

Investment Budget (exc.VAT)
€ 233m

Ownership
RGY 100%



Karşıyaka Hilltown

İzmir, Turkey



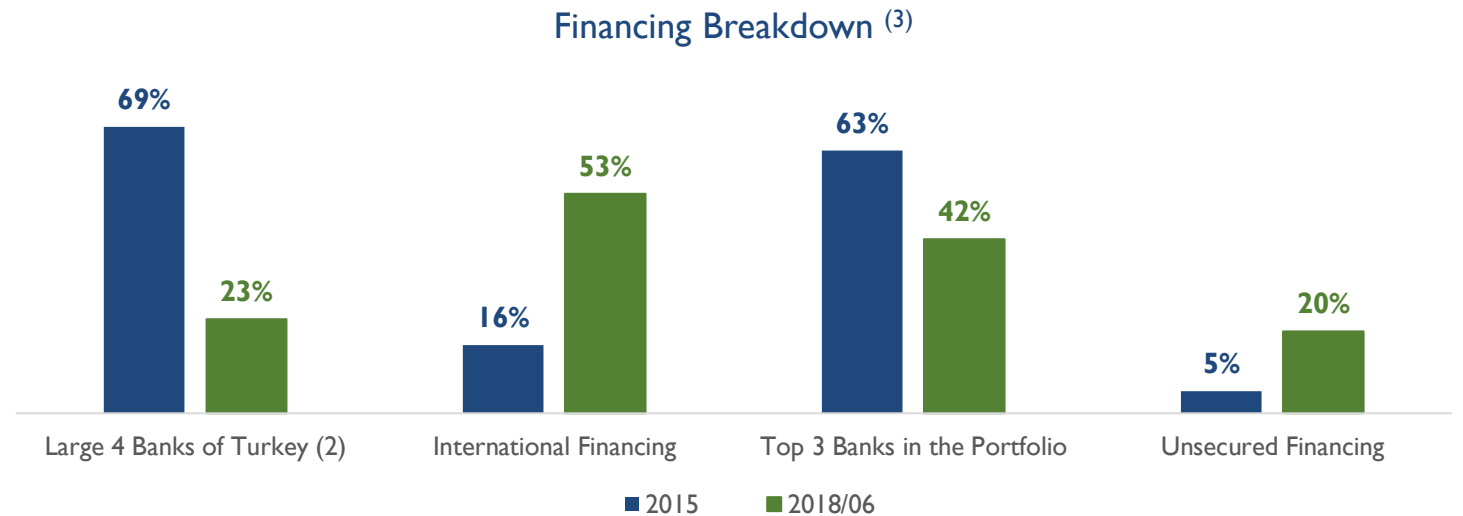
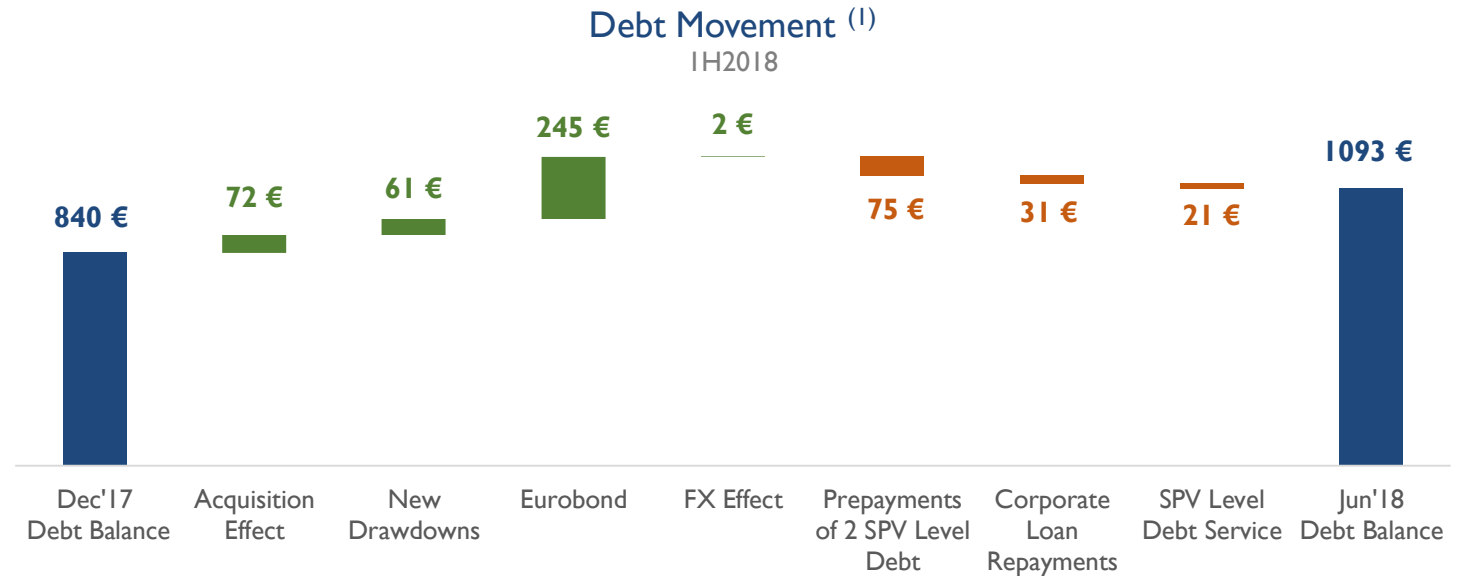
DEBT PROFILE

DEBT PROFILE

Stake-adjusted total debt of RGY has risen to **€1,093m** as of Jun 30, 2018 from **€840m** at 2017 year-end. ⁽¹⁾

Dependency on local and secured financing has decreased in the last three years. The concentration of the largest 4 banks of Turkey and top 3 lenders in the portfolio are reduced as well.

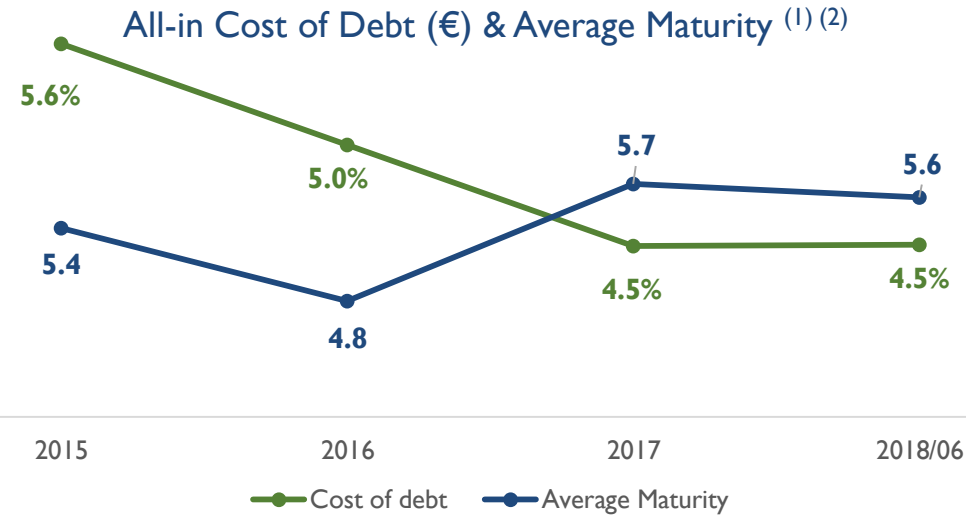
Debts related with development assets and newly opened assets that do not contribute to NOI for full year stood at **€257.4m** in Jun'18 (Maltepe Piazza & Karşıyaka), **€342.9m** in Dec'17 (Maltepe Piazza & Karşıyaka & Hilltown).



LOAN PROFILE

Cost of debt in EUR has been reduced by **110 bps** since 2015 through access to low-cost financing.

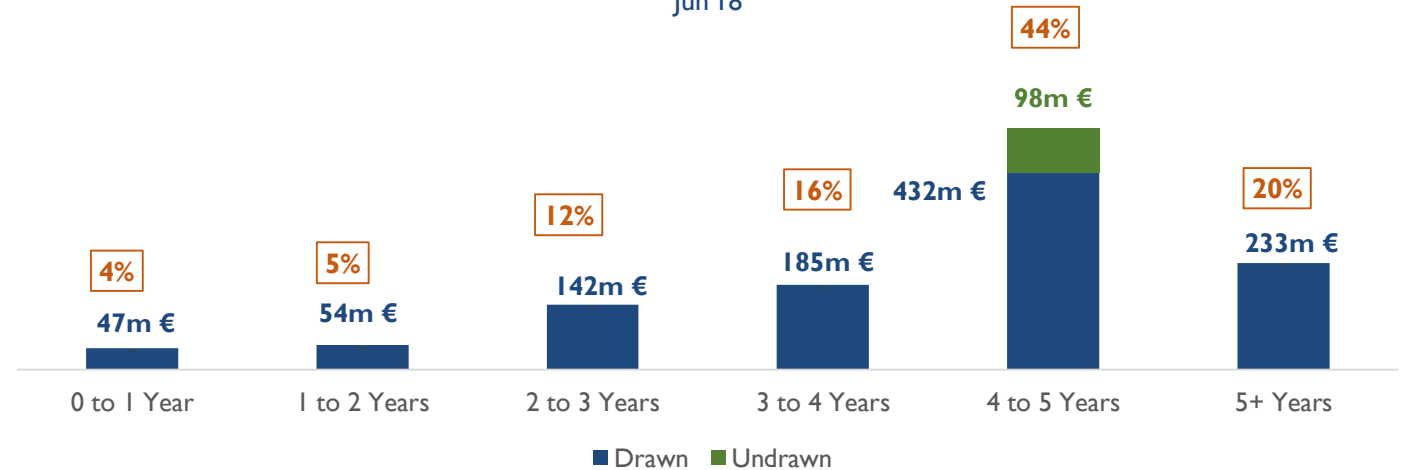
Only **20%** of current €1,093m and undrawn €97.6m debt is due in the next 3 years. ⁽³⁾



Project Finance Banks



Debt Maturity Profile ^{(3) (4)}



EUROBOND & RATINGS

First Eurobond issue of a real estate company in Turkey

Amount
\$ 300m (Swap. € 245m)

Lenders
Corporate

Agreement Date
30 April 2018

Coupon
7.25% (Swap. 4.41%)

Term
5 years

Issue Rating
Ba2 / BB+ (M / F)



Turkey

MOODY'S

Ba3

Ba3

FitchRatings

BB

BB

Further to sovereign rating downgrade in July, RGY was downgraded to BB by Fitch as well. Moody's followed the same path in August and downgraded both sovereign and RGY to Ba3.

RGY has used the proceeds from Eurobond issue amounting **€245m** for the acquisition of new yielding asset and prepayment of existing loan at assets.

Maltepe Park Acquisition ⁽¹⁾: **€ 172m**

K.Maraş Loan Prepayment: **€ 42m**

Küçükyalı Office Loan Prepayment: **€ 33m**

Total: **€ 247m**

All three assets are now unencumbered.

Assuming that Maltepe Park acquisition was financed with bank loan amounting € 110m (c. LTV = 64%), RGY would have utilized **75%** of the proceeds from Eurobond issue for refinancing loans.

COVENANTS

LTV covenant for Eurobond is **60%**, while the current level is **43.1%** for the first half of 2018.

IH2018 (000)	TRY	EUR
Total Assets ⁽¹⁾	14,702,752	2,769,297
Short term portion of long term financial debts ⁽²⁾	277,860	52,336
Long term financial debts ⁽²⁾	4,419,560	832,434
Short Term Borrowings - RGY's Share ⁽³⁾	34,248	6,451
Long Term Borrowings - RGY's Share ⁽³⁾	1,182,426	222,713
Payables to AGP due to Acquisitions ⁽⁴⁾	90,242	16,997
Off Balance Sheet ⁽⁵⁾	330,152	62,185
Total Indebtedness	6,334,488	1,193,115
Combined LTV	43.1%	43.1%

(1) "Combined" line, Note 4a (p.23)

(2) Balance Sheet (p.2)

(3) Share of RGY (50%) in joint ventures' borrowings, Note 3b (p. 19)

(4) Other (*) under Other Short Term Payables, Note 7b (p. 37)

(5) Second paragraph, Note 11 (p. 44)

COVENANTS

Combined coverage ratio covenant for Eurobond is **1.5x**, while the current level is **2.85x** for the first half of 2018.

IH2018 (000)	TRY	EUR
Gross Profit ⁽¹⁾	249,279	50,446
Operating Expense ⁽²⁾	(25,707)	(5,202)
VAT Recovery ⁽³⁾	29,606	5,991
Combined Adjusted EBITDA	253,178	51,235
Interest Expenses ⁽⁴⁾	(93,375)	(18,896)
Interest Income ⁽⁵⁾	4,677	947
Combined Interest Expense	(88,698)	(17,950)
Combined Coverage Ratio	2.85x	2.85x

(1) "Combined" line, Note 4e (p.27)

(2) "Combined" line, Note 4f (p.28)

(3) 2017 balance minus IH2018 balance for yielding assets named Bostancı, Esentepe, Mecidiyeköy, Mel4 + 2017 balance times two minus IH2018 balance for yielding assets named Mel3, Kozyatağı, Mel2 + period's gross profit times 0.18 for yielding assets named Tarabya, Salacak, Bakırköy, Note 4d (p.26)

(4) "Combined" line, Note 4h (p.30)

(5) "Combined" line, Note 4g (p.29)

COVENANTS

As of 2018 first-half end, it is estimated that total gross asset value of unencumbered assets to be equal to **2.79** times of total unsecured debt where the covenant for Eurobond is equal to **1.2x**.

<i>IH2018 (000)</i>	TRY	EUR
Unencumbered Total Assets ⁽¹⁾	4,333,830	816,287
Short term portion of issued bond ⁽²⁾	17,617	3,318
Long term portion of issued bond ⁽²⁾	1,368,210	257,705
Corporate Loans ⁽³⁾	79,331	14,942
Payables to AGP due to Acquisitions ⁽⁴⁾	89,460	16,850
Combined Unsecured Indebtedness	1,554,618	292,816
Unencumbered Asset Value Ratio	2.79x	2.79x

- (1) Sum of unencumbered assets of Balmumcu, Kabataş Rönesans, Nakkaştepe, Nisbetiye, Pendik, Mel3, Florya, Bostancı, Bakırköy, Kavacık, Kuzguncuk, Salacak Rönesans, Sancaktepe, Akatlar, Kandilli, Rönesans Gayrimenkul Yatırım, Rönesans Yönetim and Other, Note 4a (p.23)
- (2) Eurobond issued by RGY, Note 22 (p.53)
- (3) Corporate loans of RGY, Note 22 (p.53)
- (4) Other (*) under Other Short Term Payables, Note 7b (p. 37)

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