

# HALKGYO



2014

Q2

INVESTOR PRESENTATION

# ABOUT HALK GYO

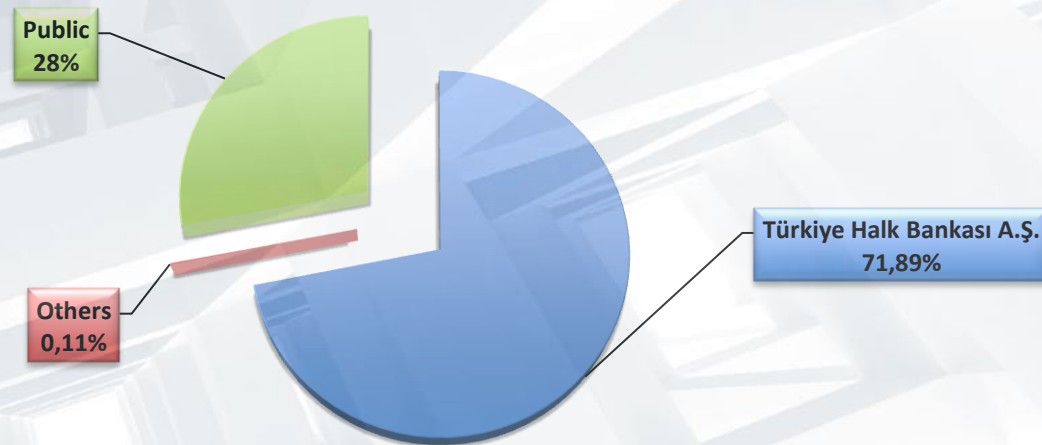
➤ Halk GYO was established in 2010, that invests in real estates, real estate based rights, real estate projects and capital market instruments.

➤ Halk GYO completed its IPO in February 2013 and is trading on the Istanbul Stock Exchange with the code “**HLGYO**”

## **As of 30.06.2014;**

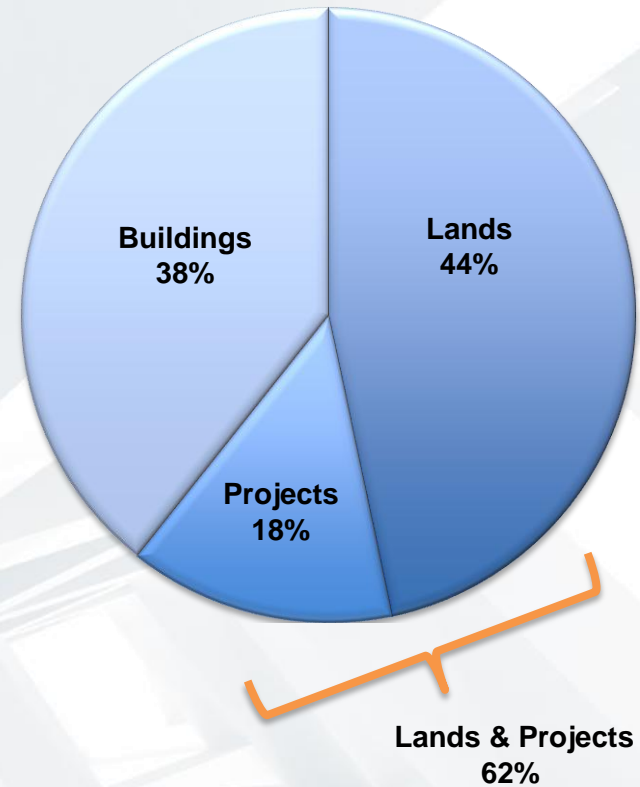
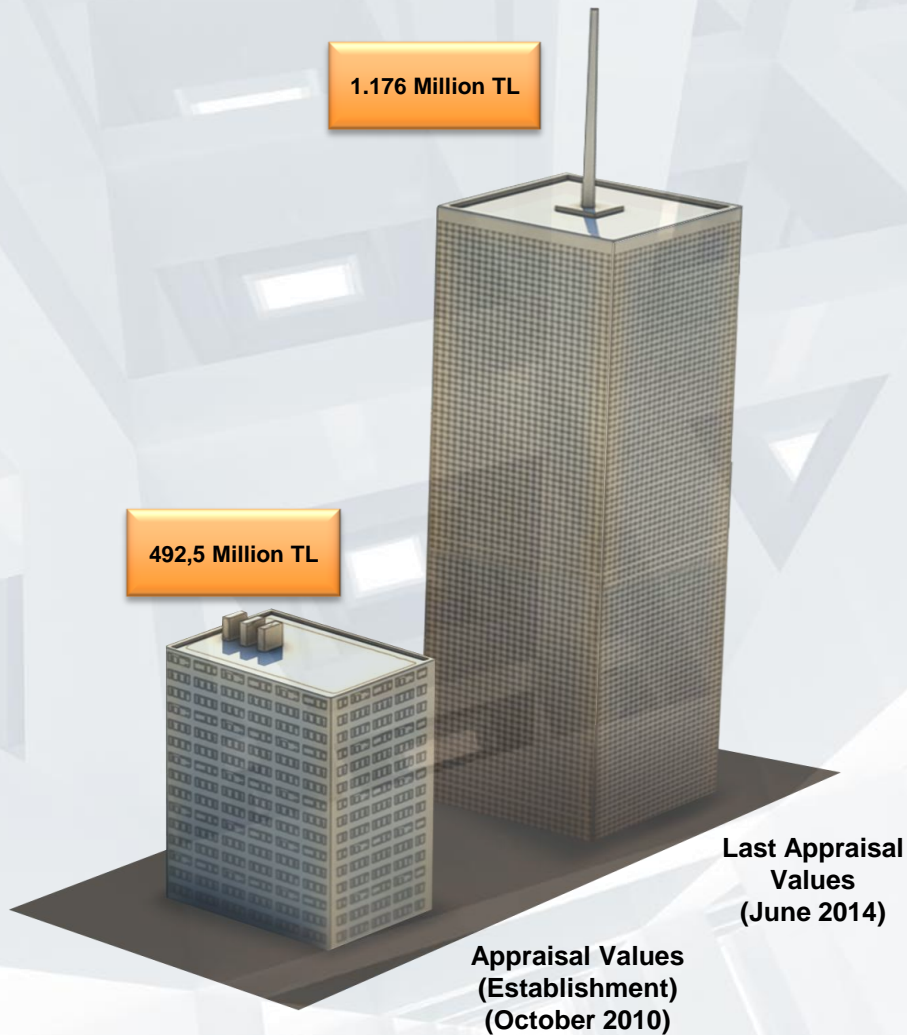
❖ Halk GYO has an important position in the sector by 767 million TL of market value and 785 million TL of shareholders' equity.

➤ 28% of total shares is publicly traded in BIST



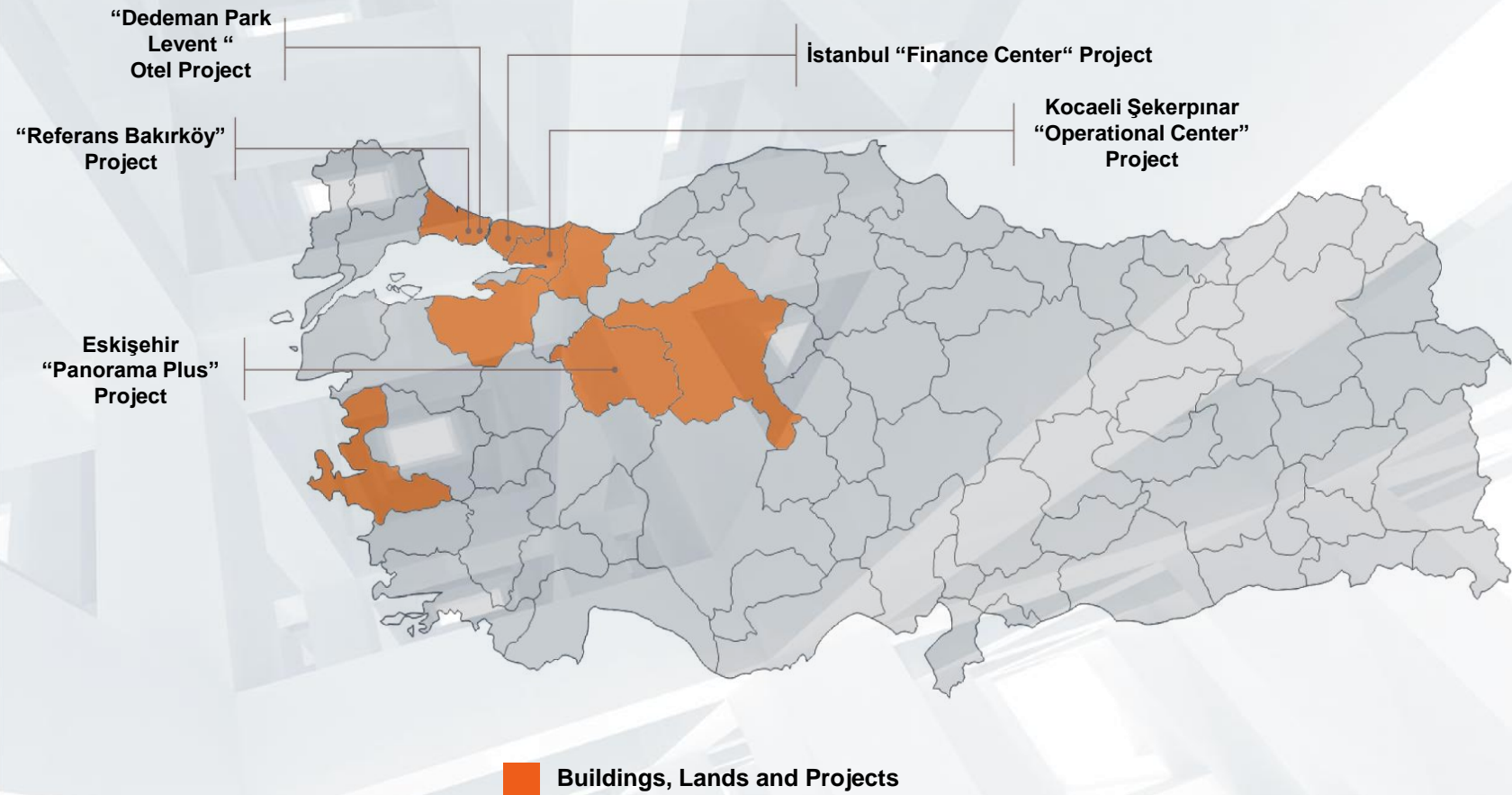
# REAL ESTATE PORTFOLIO

# DISTRIBUTION OF REAL ESTATE PORTFOLIO





# REAL ESTATE PORTFOLIO REGIONAL DISPERSAL



# REAL ESTATE PORTFOLIO TABLE

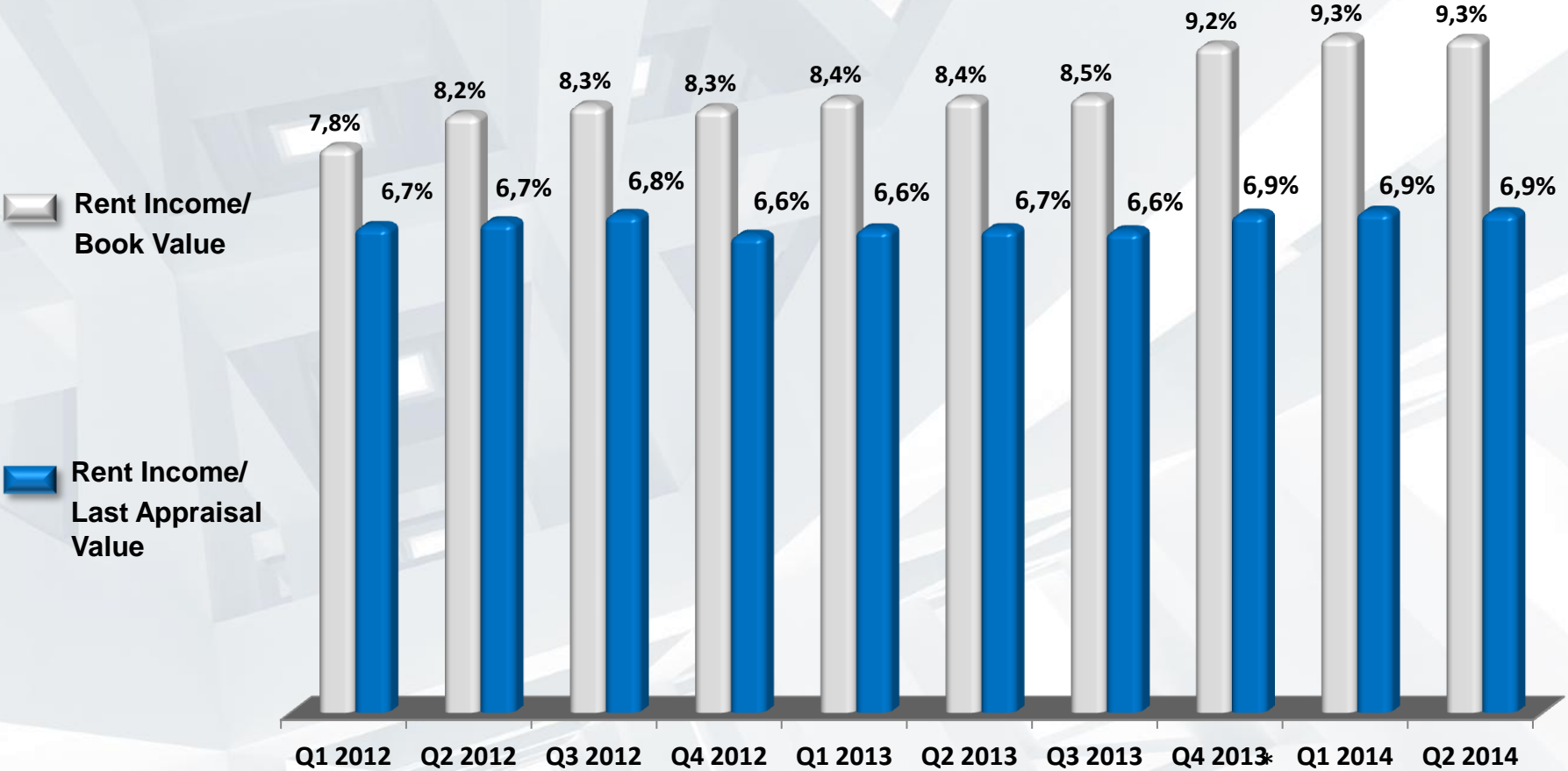
	Net Book Values of 30.06.2014	Appraisal Values of 30.06.2014
<b>REAL ESTATES</b>		
İstanbul Finance Center Land	241.581.546	517.170.060
*Referans Bakırköy Project	30.430.057	94.267.617
*Dedeman Park Levent Hotel Project	43.610.484	67.150.000
*Eskişehir Panorama Plus Project	19.479.968	44.364.815
Kocaeli Şekerpınar Banking Operation Center Project	21.663.827	14.869.400
<b>Total of Lands and Projects</b>	<b>356.765.882</b>	<b>737.821.892</b>
İstanbul Halkbank Finance Tower	125.184.598	166.230.000
İstanbul Salıpazarı Building	21.746.353	39.530.000
İstanbul Karaköy Building	23.358.982	26.600.000
İstanbul Bakırköy Building	8.954.885	17.820.000
İstanbul Beyoğlu Building	11.951.067	17.000.000
İzmir Konak 1 Building	13.163.601	16.845.000
Ankara Kızılay Building	12.357.726	16.497.936
İstanbul Beşiktaş Building	11.829.226	14.000.000
İstanbul Etiler Building	10.955.096	13.500.000
Ankara Başkent Building	9.470.216	12.673.000
İstanbul Şişli Building	10.859.676	12.500.000
İzmir Konak 2 Building	10.189.886	12.000.000
Bursa Building	8.418.249	9.510.000
İstanbul Ataköy Building	4.993.841	9.500.000
Ankara Bahçelievler 1 Building	6.575.353	8.778.000
İstanbul Fatih Building	6.294.763	8.380.000
Kocaeli Building	6.469.046	8.215.000
Sakarya Adapazarı Building	5.906.114	7.593.300
Ankara Bahçelievler 2 Building	5.649.640	7.400.000
İstanbul Nişantaşı Building	4.975.493	6.920.000
İstanbul Caddebostan Building	6.062.134	6.880.000
<b>Total of Buildings</b>	<b>325.365.945</b>	<b>438.372.236</b>
<b>Total of Portfolio</b>	<b>682.131.827</b>	<b>1.176.194.128</b>

**Real  
Estates  
with rental  
income**

\* Appraisal Values of Project

# RENTAL INCOME RATIOS

Period	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014
Building Rent Revenue (TL)	4.073.794	6.896.228	7.000.728	6.958.874	7.053.976	7.057.301	7.065.163	7.661.113	7.550.257	7.521.320



\* Values of rent, appraisal and book value of Karşıyaka Building which was sold at December 19,2013 was added into the calculations

# HALKBANK FINANCE TOWER



In 2012, we acquired this 23-floor Class A office tower located near the Istanbul Finance Center Project while it was under construction.

The tower is leased to Halkbank for four years. Due to its premium location, this acquisition has already increased our rent income and will increase the value of our real estate portfolio in the future further as the area transforms into a financial hub and becomes increasingly attractive for businesses.

City.....	Istanbul
District.....	Ataşehir
Gross Area.....	13.694 sqm
Number of Offices.....	92
Number of Stores.....	13
Book Value.....	125,1 million TL
Last Appraisal Value.....	166,2 million TL
Yearly Rent .....	6 million USD

\*18 million USD of 3 year rent is collected in advance in April 2012.



# İSTANBUL FINANCE CENTER



As Halk GYO, we are one of the major stakeholders of the Istanbul International Finance Center Project where we will build two office towers, one with 46 floors and the other with 34 floors. The project also comprises 3 buildings each with 8 floors.

The Istanbul International Finance Center Project will serve as a hub for the state banks of Turkey, such as Halkbank, Vakıfbank, Ziraat Bankası, as well as financial institutions, such as Banking Regulation and Supervision Agency (BRSA) and Capital Markets Board (CMB) While the project is still in the architectural design phase, when completed, it will become an attraction center with many amenities besides its mission to serve as the financial hub of the Turkish economy with some 50.000 employees.

Halk GYO office towers will be designed as a Class A office complex to the highest standards. Upon completion the project will significantly meet a much felt need for Class A office spaces to the global standards in the Istanbul real estate market.

In the period, a goodwill agreement has been signed with Türkiye Halk Bankası A.Ş., for the project. According to the agreement, Türkiye Halk Bankası A.Ş. will lease a specific area, regarding their own needs and demands, in accordance with the appraisal value which will be determined by a real estate appraisal company approved by Capital Markets Board of Turkey, after the completion of the project.

City.....	İstanbul
District.....	Ataşehir
Area .....	28.732 sqm
Book Value.....	241,5 million TL
Last Appraisal Value.....	517,1 million TL



# REFERANS BAKIRKÖY



Referans Bakırköy Project is HalkGYO's first residential project. The project is developed based on revenue sharing model with our Company's 50,5 percent share from total sales revenue.

The project is currently underway with the partnership of Biskon Yapı, an affiliate of Kiler Holding, and is rising on one of the last remaining vacant land plots of Bakırköy, an exclusive district of İstanbul and consists of 254 residential and 73 commercial units.

As of June 30, 2014, the sales revenue has been reached to the amount of TL 129,4 mn with the sales of 168 residential units and the deed transfer process of 11 independent units amounted TL 9,5 mn has been completed.

City.....	İstanbul
District.....	Bakırköy
Area.....	13.073 sqm
Book Value.....	30,4 million TL
Last Appraisal Value .....	186,6 million TL
Halk REIT Share.....	94,2 million TL
Contractor Firm.....	Biskon Yapı



# DEDEMAN PARK LEVENT



The construction of the project has begun on our land plot in Levent. It will be the first hospitality project on Halk GYO's portfolio. The project will become one of the finest examples of urban hotels in Levent area in İstanbul. When completed, it will meet the much felt need for business hotels on Mecidiyeköy-Maslak line.

A 10-year lease agreement has been signed with Dedeman Group as part of their Dedeman Park concept chain.

The project is designed and constructed in conformity with LEED green building standard with the objective of using environment friendly materials, providing an ideal indoor environment quality for its users and achieving exemplary levels of water and energy efficiency, as well as other sustainability criteria.

City.....	İstanbul
District.....	Şişli/Levent
Area .....	2.791 sqm
Book Value.....	43,6 million TL
Last Appraisal Value.....	67,1 million TL





# ESKİŞEHİR PANORAMA PLUS



The project is currently underway in the Odunpazarı District of City of Eskişehir, one of the fastest growing cities of Turkey.

The project Panorama Plus will be a unique component in the cityscape of Eskişehir with its 18-floor high rise tower, the tallest residential building in Eskişehir, supported by another low rise residential block and retail premises with in a total covered area of 27.318 sqm.

The project's construction permit was approved and the main contractor services agreement has been signed. Sales of the project has started.

City.....	Eskişehir
District.....	Odunpazarı
Area.....	9.811 sqm
Book Value.....	19,4 million TL
Last Appraisal Value.....	44,3 million TL





# KOCAELİ ŞEKERPINAR



Halk GYO is also carrying out an banking operational center in Şekerpinar district of Kocaeli on a site of 15.652 sqm. The project will consist of a operation center, hospitality unit, training facilities, a conference center and other facilities.

In the project, the construction permits has been got for the first part in August 2013 (Block A: construction size 9.131 sqm) and second part (Block B : construction size 51.795 sqm) in March 2014.

In the period a goodwill agreement has been signed with Türkiye Halk Bankası A.Ş., for the project. According to the agreement, Türkiye Halk Bankası A.Ş. will lease the whole areas in accordance with the appraisal value which will be determined by a real estate appraisal company approved by Capital Markets Board of Turkey, after the completion of the project.

City.....	Kocaeli
District.....	Şekerpinar
Area.....	15.652 sqm
Book Value.....	21,6 million TL
Last Appraisal Value.....	14,8 million TL




# FINANCIAL DATA

30.06.2014

BALANCE SHEET ( TL)	31.12.2013	30.06.2014
Current Assets	235.706.098	247.966.796
Non-Current Assets	654.425.796	666.869.396
<b>Total Assets</b>	<b>890.131.894</b>	<b>914.836.192</b>
Short Term Liabilities	102.905.640	115.103.617
<i>Deferred Income</i>	<i>95.401.043</i>	<i>107.539.105</i>
Long Term Liabilities	18.050.241	14.376.711
<i>Deferred Income</i>	<i>2.788.350</i>	-
Equity	769.176.013	785.355.864
<b>Total Liabilities and Equity</b>	<b>890.131.894</b>	<b>914.836.192</b>

“Revenues”  
increased  
%61



INCOME TABLE ( TL)	30.06.2013	30.06.2014
<b>Revenues</b>	<b>18.584.767</b>	<b>29.885.591</b>
Cost of Sales	(1.201.562)	(3.291.254)
<b>Gross Profit/Loss</b>	<b>17.383.205</b>	<b>26.594.337</b>
General Administrative Expenses	(4.444.360)	(6.512.762)
Other Operating Income/Expense	(412.486)	(459.361)
<b>Operational Profit</b>	<b>12.526.359</b>	<b>19.622.214</b>
Financial Expenses	(3.221.991)	(906.085)
<b>Net Profit</b>	<b>9.304.368</b>	<b>18.716.129</b>

“Net Profit”  
increased  
%101

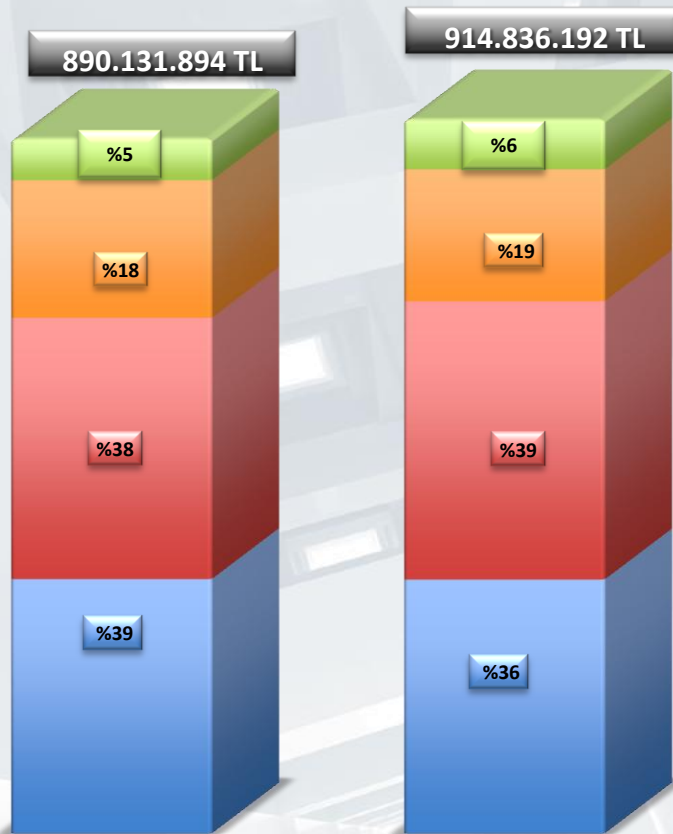


# DISTRIBUTION OF ASSETS AND LIABILITIES

30.06.2014

Distribution of Assets TL

■ Buildings ■ Lands and Projects ■ Cash and Cash Equivalents ■ Others

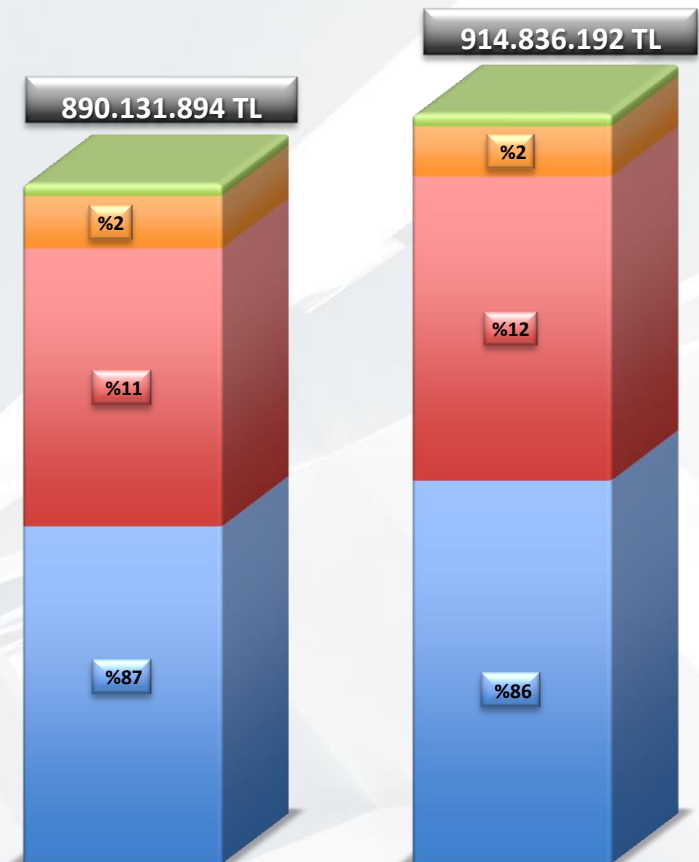


2013

Q2 2014

Distribution of Liabilities TL

■ Equities ■ Deferred Income ■ Financial Debts ■ Others



2013

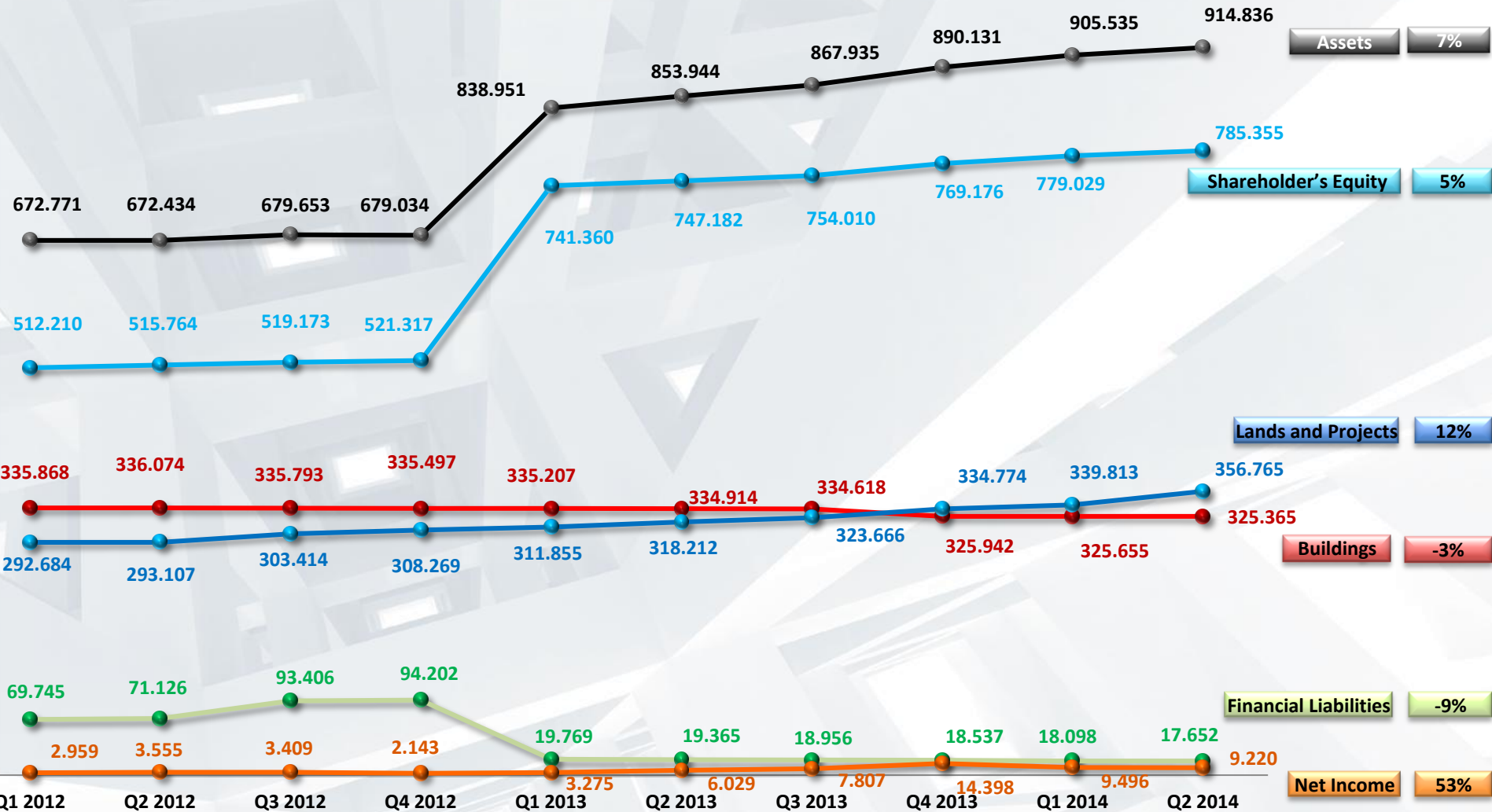
Q2 2014



# BALANCE SHEET ITEMS

Thousand TL

Y-o-Y



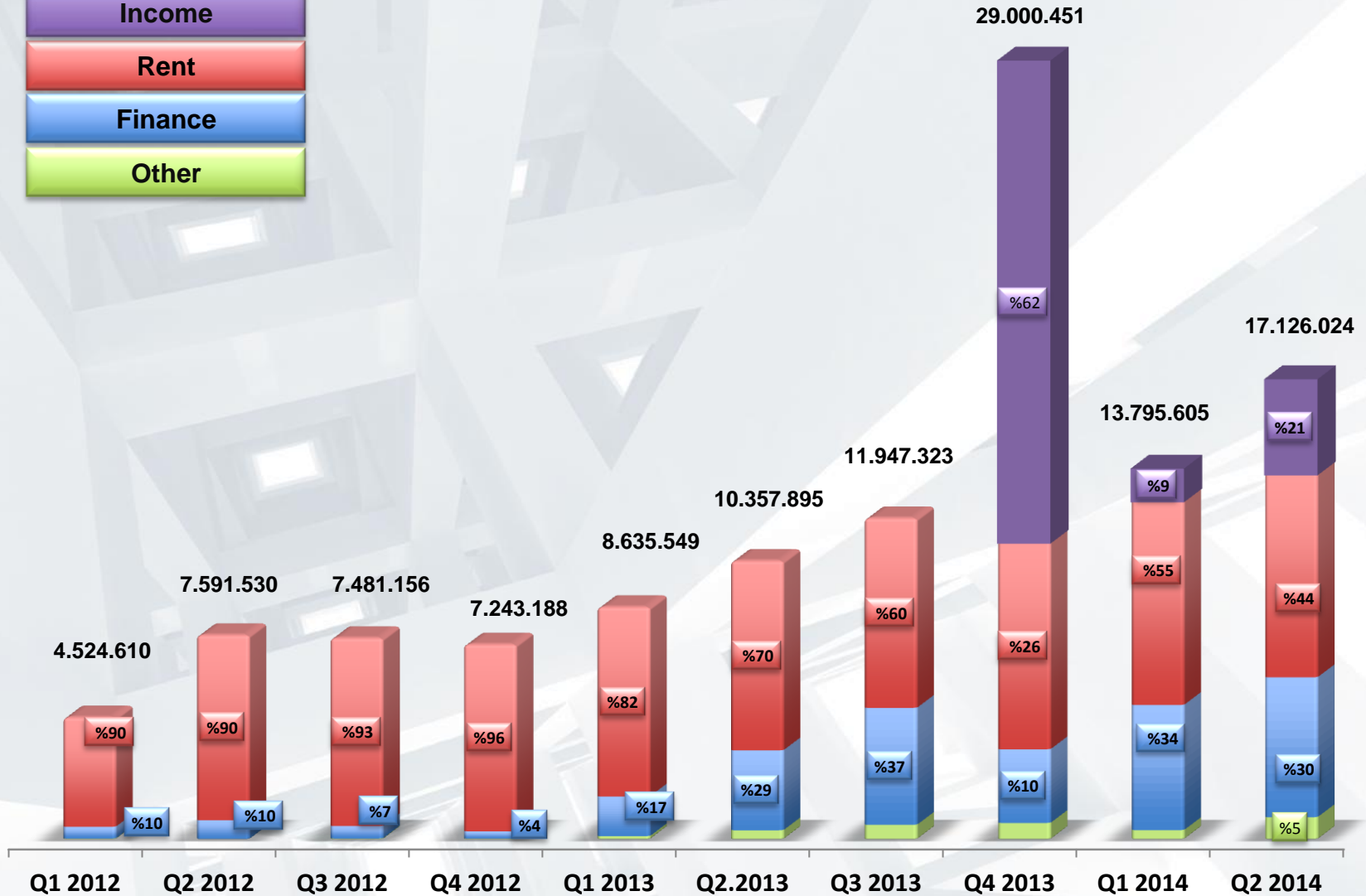
# INCOME STATEMENT ITEMS

TL	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014
<b>Total Revenues</b>	4.524.610	7.591.530	7.463.324	7.227.177	8.532.067	10.052.700	11.473.735	28.455.348	13.518.983	16.366.608
Rent Income	4.073.794	6.896.228	7.000.728	6.958.874	7.053.976	7.057.301	7.065.163	7.661.113	7.550.257	7.521.320
Others	15.254	0	0	0	0	16.666	50.001	50.000	50.000	50.000
Real Estate Sale Income								18.000.000	1.254.849	3.582.864
Financial Income	435.562	695.302	462.596	268.303	1.478.091	2.978.733	4.358.571	2.744.235	4.663.877	5.212.424
<b>Cost of Sales</b>	<b>(157.939)</b>	<b>(781.179)</b>	<b>(593.710)</b>	<b>(518.105)</b>	<b>(332.118)</b>	<b>(869.444)</b>	<b>(742.580)</b>	<b>(10.079.374)</b>	<b>(1.330.428)</b>	<b>(1.960.826)</b>
<i>Cost of Real Estate Sales</i>								<i>(8.381.183)</i>	<i>(371.561)</i>	<i>(964.007)</i>
<b>Gross Profit</b>	<b>4.366.671</b>	<b>6.810.351</b>	<b>6.869.614</b>	<b>6.709.072</b>	<b>8.199.949</b>	<b>9.183.256</b>	<b>10.731.155</b>	<b>18.375.974</b>	<b>12.188.555</b>	<b>14.405.782</b>
<b>General Administrative Expenses</b>	<b>(866.037)</b>	<b>(978.362)</b>	<b>(1.291.214)</b>	<b>(1.571.256)</b>	<b>(2.163.509)</b>	<b>(2.280.851)</b>	<b>(2.316.716)</b>	<b>(2.992.524)</b>	<b>(1.950.203)</b>	<b>(4.562.559)</b>
<b>Foreign Exchange Gain</b>	<b>0</b>	<b>0</b>	<b>17.832</b>	<b>16.011</b>	<b>103.482</b>	<b>305.195</b>	<b>473.588</b>	<b>545.103</b>	<b>276.622</b>	<b>759.416</b>
<b>Foreign Exchange Loss</b>	<b>0</b>	<b>0</b>	<b>(11.317)</b>	<b>(6.750)</b>	<b>(134.365)</b>	<b>(686.798)</b>	<b>(593.515)</b>	<b>(1.054.156)</b>	<b>(562.781)</b>	<b>(932.618)</b>
<b>Operating Profit</b>	<b>3.500.634</b>	<b>5.831.989</b>	<b>5.584.915</b>	<b>5.147.077</b>	<b>6.005.557</b>	<b>6.520.802</b>	<b>8.294.512</b>	<b>14.874.397</b>	<b>9.952.193</b>	<b>9.670.021</b>
<b>Financial Expenses</b>	<b>(542.105)</b>	<b>(2.277.440)</b>	<b>(2.175.545)</b>	<b>(3.003.826)</b>	<b>(2.730.293)</b>	<b>(491.698)</b>	<b>(486.527)</b>	<b>(475.923)</b>	<b>(456.084)</b>	<b>(450.001)</b>
<b>Profit Before TAX</b>	<b>2.958.529</b>	<b>3.554.549</b>	<b>3.409.370</b>	<b>2.143.251</b>	<b>3.275.264</b>	<b>6.029.104</b>	<b>7.807.985</b>	<b>14.398.474</b>	<b>9.496.109</b>	<b>9.220.020</b>
<b>TAX Expenses</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Profit</b>	<b>2.958.529</b>	<b>3.554.549</b>	<b>3.409.370</b>	<b>2.143.251</b>	<b>3.275.264</b>	<b>6.029.104</b>	<b>7.807.985</b>	<b>14.398.474</b>	<b>9.496.109</b>	<b>9.220.020</b>
<b>ROAE</b>	<b>2,32%</b>	<b>2,77%</b>	<b>2,64%</b>	<b>1,65%</b>	<b>*2,32%</b>	<b>3,24%</b>	<b>4,16%</b>	<b>7,56%</b>	<b>4,90%</b>	<b>4,71%</b>
<b>ROAA</b>	<b>1,97%</b>	<b>2,11%</b>	<b>2,02%</b>	<b>1,26%</b>	<b>*1,89%</b>	<b>2,85%</b>	<b>3,62%</b>	<b>6,55%</b>	<b>4,23%</b>	<b>4,05%</b>

\* Because the IPO took place in February 2013, the effect of the cash injection included in to the calculation partial.

# DISTRIBUTION OF MAIN INCOME ITEMS

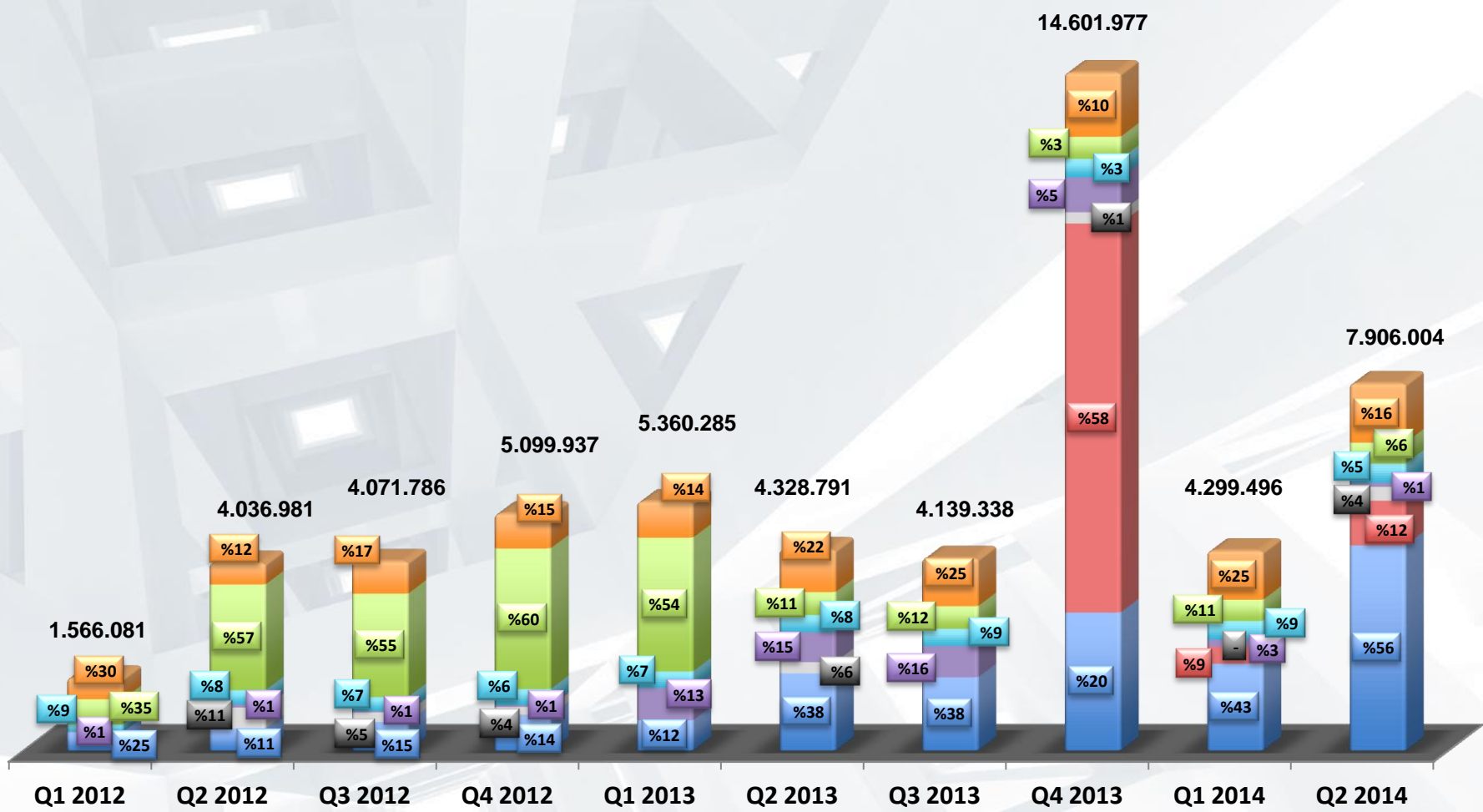
(TL)





# DISTRIBUTION OF MAIN EXPENSE ITEMS

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# TARGETS

## Main Targets

- ◆ To be one of the leaders of Turkish REIT Sector
- ◆ To use our capital in the most effective way
- ◆ To enhance our portfolio with lands and profitable projects

## 2014 Targets

- ◆ To start the construction of the “Istanbul Finance Center (IFC)” project
- ◆ To complete the construction of the “Referans Bakırköy” residential project
- ◆ To complete the construction and to lease the 1st part (Block A) of the “Kocaeli Şekerpinar” project
- ◆ To complete the construction of the “Dedeman Park Levent” Hotel project
- ◆ To reach ~7,5 % ROaE ratio



# HALKGYO

For further information please contact;

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