

HALKGYO



2014
Q3

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 Borsa Istanbul (BIST) with the code “HLGYO”

As of 30.09.2014;

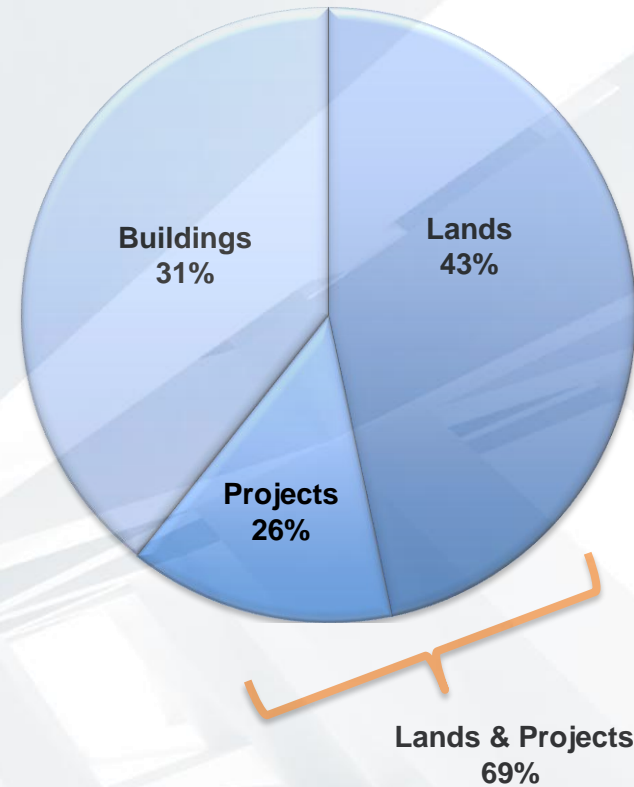
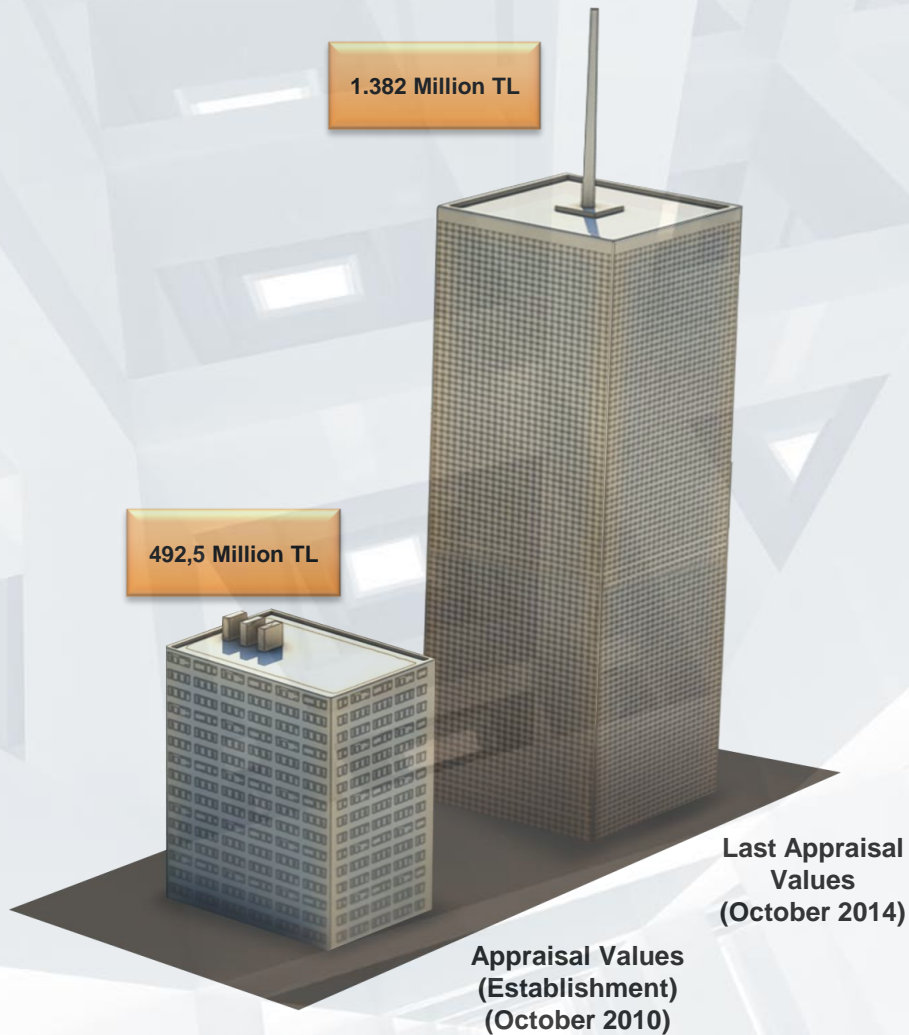
❖ Halk GYO has an important position in the sector by 775 million TL of market value and 798 million TL of shareholders' equity.

➤ 28% of total shares are listed on the BIST.

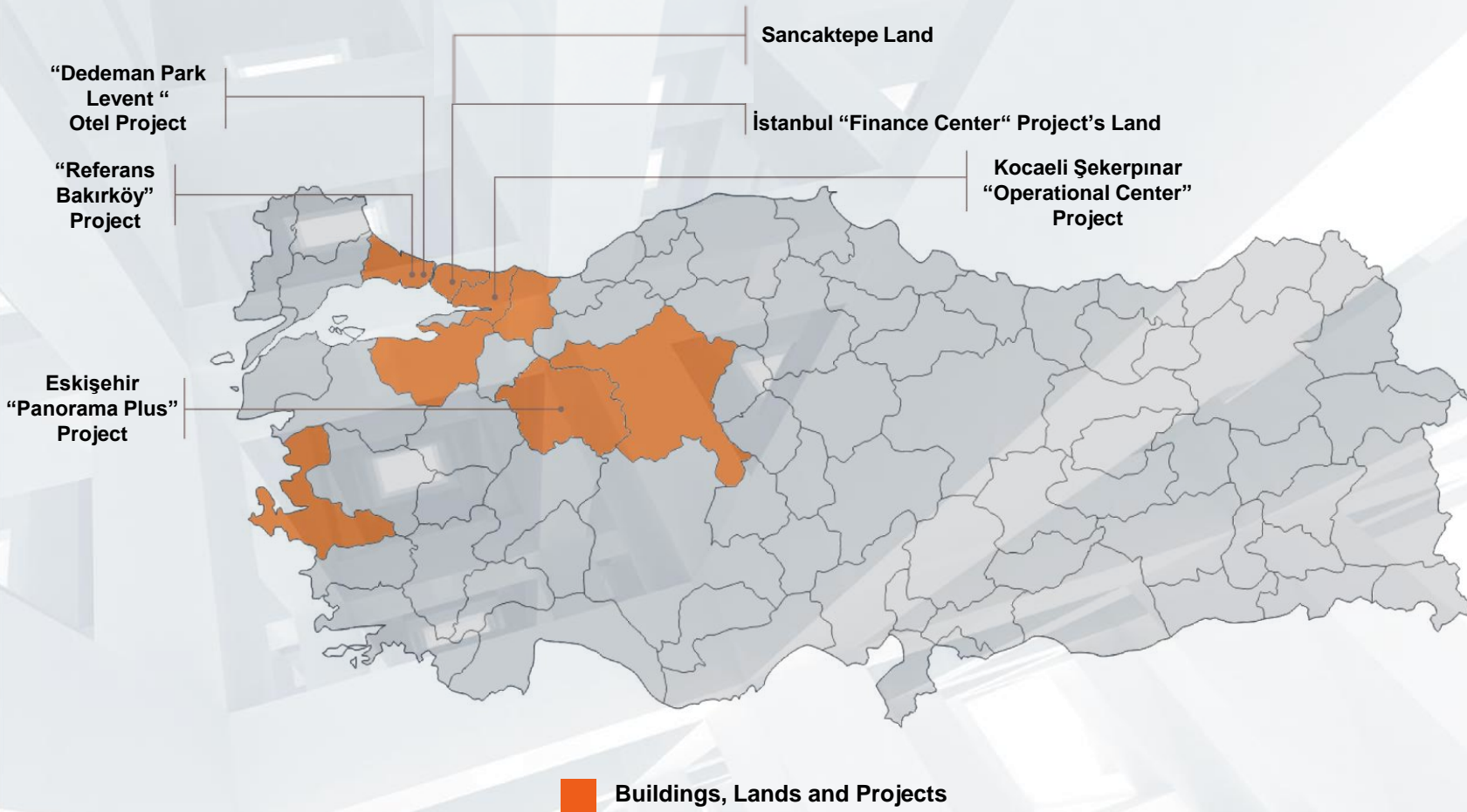


REAL ESTATE PORTFOLIO

DISTRIBUTION OF REAL ESTATE PORTFOLIO



REAL ESTATE PORTFOLIO REGIONAL DISPERSAL



REAL ESTATE PORTFOLIO TABLE

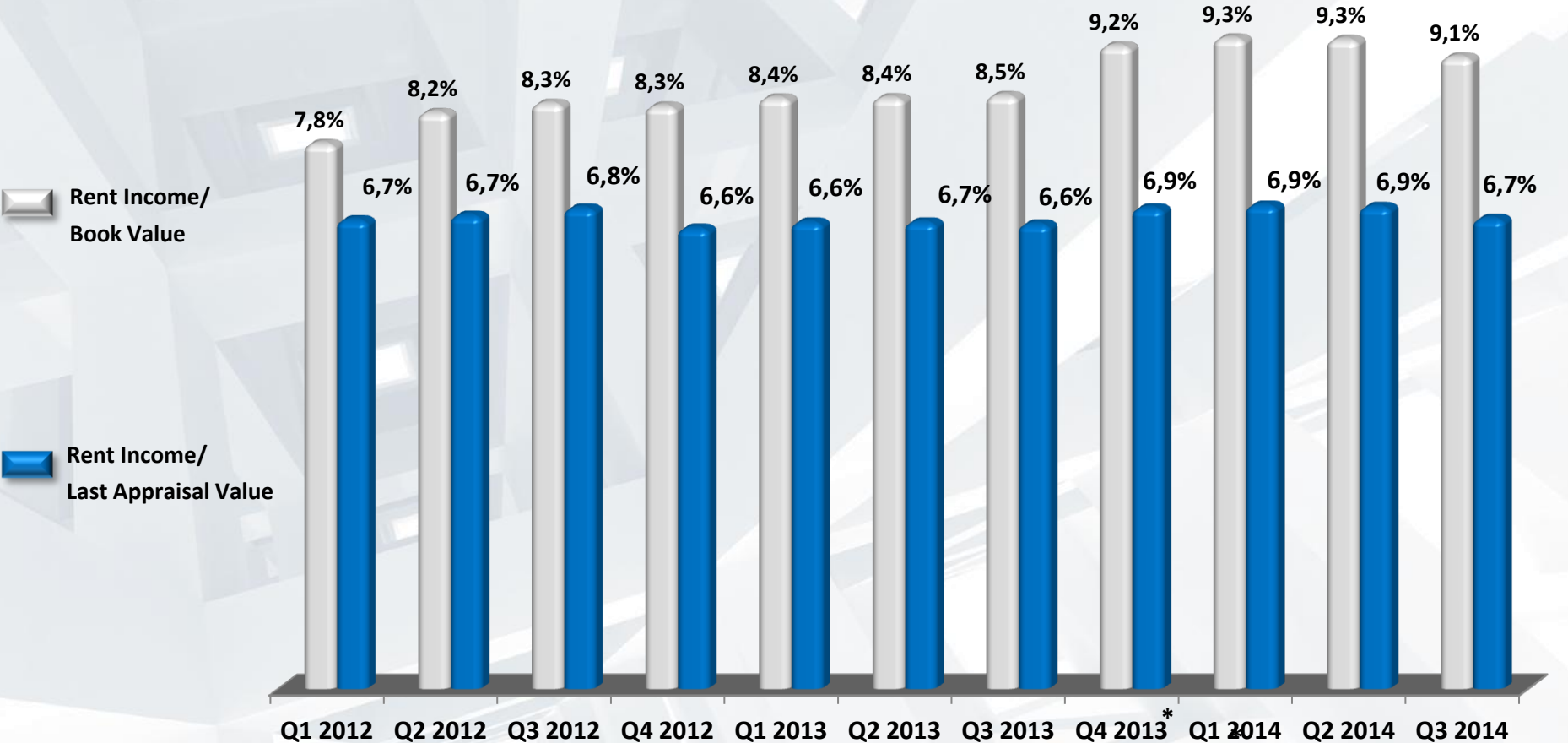
	Net Book Values (TL)	Last Appraisal Values (TL)
REAL ESTATES		
İstanbul Finance Center Land	241.783.508	517.170.060
Sancaktepe Land *	56.100.000	80.000.000
Kocaeli Şekerpınar Banking Operation Center Project **	57.238.381	141.367.384
Referans Bakırköy Project **	28.506.903	94.267.617
Dedeman Park Levent Hotel Project **	52.767.574	67.150.000
Eskişehir Panorama Plus Project **	22.981.130	44.364.815
Total of Lands and Projects	459.377.496	944.319.876
İstanbul Halkbank Finance Tower	125.031.543	166.230.000
İstanbul Salıpazarı Building	21.728.952	39.530.000
İstanbul Karaköy Building	23.349.307	26.600.000
İstanbul Bakırköy Building	8.950.178	17.820.000
İstanbul Beyoğlu Building	11.947.710	17.000.000
İzmir Konak 1 Building	13.147.297	16.845.000
Ankara Kızılay Building	12.349.664	16.497.936
İstanbul Beşiktaş Building	11.824.793	14.000.000
İstanbul Etiler Building	10.952.015	13.500.000
Ankara Başkent Building	9.465.309	12.673.000
İstanbul Şişli Building	10.850.049	12.500.000
İzmir Konak 2 Building	10.182.982	12.000.000
Bursa Building	8.412.643	9.510.000
İstanbul Ataköy Building	4.989.202	9.500.000
Ankara Bahçelievler 1 Building	6.568.078	8.778.000
İstanbul Fatih Building	6.288.916	8.380.000
Kocaeli Building	6.465.588	8.215.000
Sakarya Adapazarı Building	5.902.417	7.593.300
Ankara Bahçelievler 2 Building	5.647.231	7.400.000
İstanbul Nişantaşı Building	4.973.803	6.920.000
İstanbul Caddebostan Building	6.045.729	6.880.000
Total of Buildings	325.073.406	438.372.236
Total of Portfolio	784.450.902	1.382.692.112

Real Estates with rental income

*Sancaktepe Land purchased in October through the joint venture (%50 Halk REIT & %50 Vakıf REIT). Total appraisal value of land is TL 160 mn TL.
**Appraisal Values of Projects.

RENTAL INCOME RATIOS

Period	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 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	7.370.114



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

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
Book Value.....	125,0 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.....	Istanbul
District.....	Ataşehir
Area	28.732 sqm
Book Value.....	241,7 million TL
Land 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 September 30, 2014, the sales revenue has been reached to the amount of TL 147 mn with the sales of 191 residential units and the deed transfer process of 26 independent units amounted TL 23,5 mn has been completed.

City.....	İstanbul
District.....	Bakırköy
Project 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
Book Value.....52,7 million TL
Project Appraisal Value.....67,1 million TL



ESKİŞEHİR PANORAMA PLUS



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

The project Panorama Plus will be a unique component in the cityscape of Eşkisehir with its 18-floor high rise tower, the tallest residential building in Eşkisehir, 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.....	Eşkisehir
District.....	Odunpazarı
Book Value.....	22,9 million TL
Project Appraisal Value.....	44,3 million TL



KOCAELİ ŞEKERPİRAR



Halk GYO is also carrying out an banking operational center in Şekerpınar 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.....	Şekerpınar
Book Value.....	57,2 million TL
Project Appraisal Value.....	141,3 million TL



A Blok



B Blok

SANCAKTEPE RESIDENTIAL PROJECT



98k sqm land plot in Sancaktepe district of Istanbul has been bought for TL 110.000.000 through the joint venture (50% Halk REIT / 50% Vakıf REIT) to build a residential project

The land is close to transportation networks, malls, community lots and Istanbul Finance Center which is planned to be one of the largest finance center.

City.....	Istanbul
District.....	Sancaktepe
Area.....	98.127,74 sqm
Book Value (Halk REIT's Share).....	56,1 million TL
Land Appraisal Value(Halk REIT's Share).....	80 million TL

FINANCIAL DATA

30.09.2014

BALANCE SHEET (TL)	30.09.2014	31.12.2013
Current Assets	249.487.439	235.706.098
Non-Current Assets	701.769.448	654.425.796
Total Assets	951.256.886	890.131.894
Short Term Liabilities	139.388.897	102.905.640
<i>Deferred Income</i>	<i>107.365.390</i>	<i>95.401.043</i>
Long Term Liabilities	13.931.182	18.050.241
<i>Deferred Income</i>	<i>-</i>	<i>2.788.350</i>
Equity	797.936.807	769.176.013
Total Liabilities and Equity	951.256.886	890.131.894

“Revenues”
increased
%62



INCOME TABLE (TL)	01.01.2014 30.09.2014	01.01.2013 30.09.2013
Revenues	48.451.707	30.058.502
Cost of Sales	(6.109.441)	(1.944.142)
Gross Profit/Loss	42.342.266	28.114.360
General Administrative Expenses	(8.550.770)	(6.761.076)
Other Operating Income/Expense	(1.348.397)	(532.413)
Operational Profit	32.443.099	20.820.871
Financial Expenses	(1.351.868)	(3.708.518)
Net Profit	31.091.231	17.112.353

“Net Profit”
increased
%82

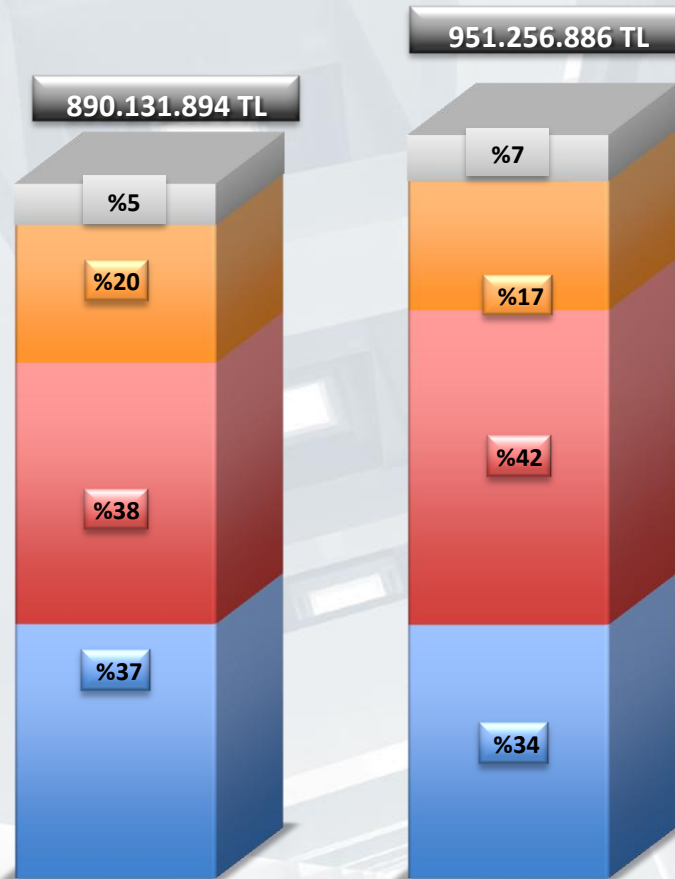


DISTRIBUTION OF ASSETS AND LIABILITIES

30.09.2014

Distribution of Assets TL

Buildings Lands and Projects Cash and Cash Equivalents Others



2013

Q3 2014

Distribution of Liabilities TL

Equities Deferred Income Financial Debts Others

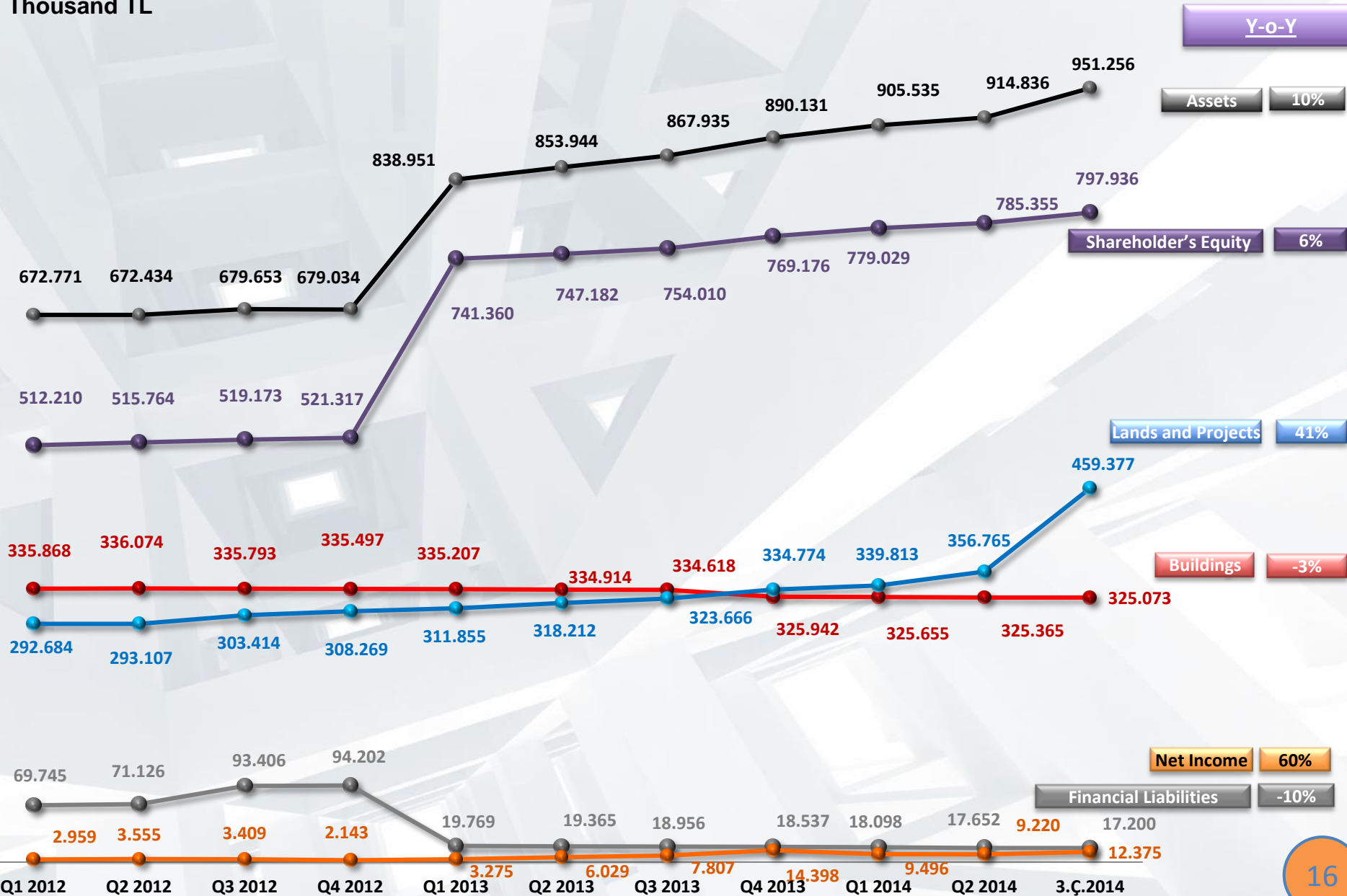


2013

Q3 2014

BALANCE SHEET ITEMS

Thousand TL



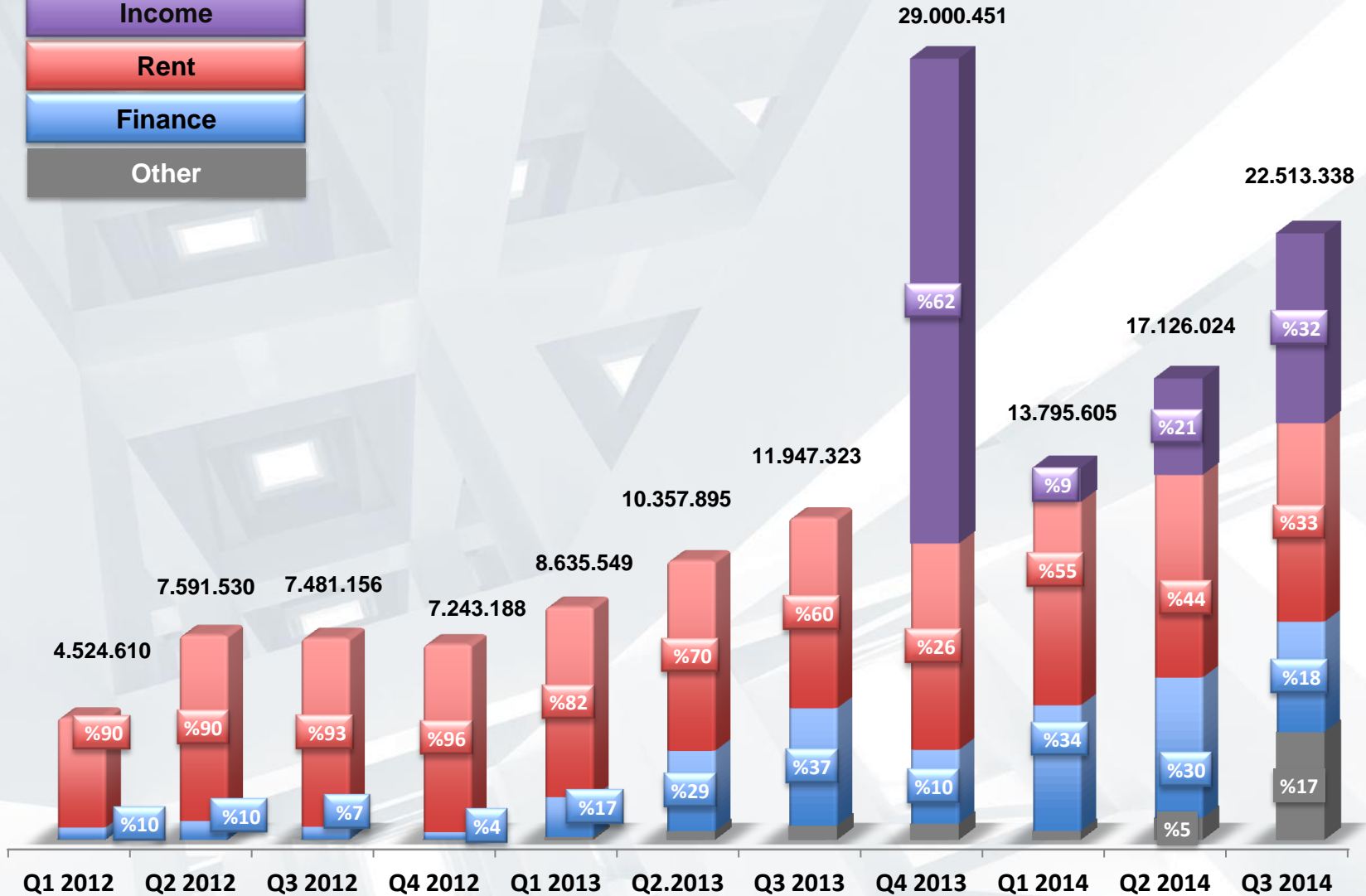
INCOME STATEMENT ITEMS

TL	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014
Total Revenues	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	18.566.116
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	7.370.117
Others	15.254	0	0	0	0	16.666	50.001	50.000	50.000	50.000	50.000
Real Estate Sale Income								18.000.000	1.254.849	3.582.864	7.049.573
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	4.096.429
Cost of Sales	(157.939)	(781.179)	(593.710)	(518.105)	(332.118)	(869.444)	(742.580)	(10.079.374)	(1.330.428)	(1.960.826)	(2.818.187)
<i>Cost of Real Estate Sales</i>								<i>(8.381.183)</i>	<i>(371.561)</i>	<i>(964.007)</i>	<i>(1.923.154)</i>
Gross Profit	4.366.671	6.810.351	6.869.614	6.709.072	8.199.949	9.183.256	10.731.155	18.375.974	12.188.555	14.405.782	15.747.929
General Administrative Exp.	(866.037)	(978.362)	(1.291.214)	(1.571.256)	(2.163.509)	(2.280.851)	(2.316.716)	(2.992.524)	(1.950.203)	(4.562.559)	(2.038.008)
Foreign Exchange Gain	0	0	17.832	16.011	103.482	305.195	473.588	545.103	276.622	759.416	3.947.222
Foreign Exchange Loss	0	0	(11.317)	(6.750)	(134.365)	(686.798)	(593.515)	(1.054.156)	(562.781)	(932.618)	(4.836.258)
Operating Profit	3.500.634	5.831.989	5.584.915	5.147.077	6.005.557	6.520.802	8.294.512	14.874.397	9.952.193	9.670.021	12.820.885
Financial Expenses	(542.105)	(2.277.440)	(2.175.545)	(3.003.826)	(2.730.293)	(491.698)	(486.527)	(475.923)	(456.084)	(450.001)	(445.783)
Profit Before TAX	2.958.529	3.554.549	3.409.370	2.143.251	3.275.264	6.029.104	7.807.985	14.398.474	9.496.109	9.220.020	12.375.102
TAX Expenses	0	0	0	0	0	0	0	0	0	0	0
Net Profit	2.958.529	3.554.549	3.409.370	2.143.251	3.275.264	6.029.104	7.807.985	14.398.474	9.496.109	9.220.020	12.375.102
ROAE	2,32%	2,77%	2,64%	1,65%	*2,32%	3,24%	4,16%	7,56%	4,90%	4,71%	6,25%
ROAA	1,97%	2,11%	2,02%	1,26%	*1,89%	2,85%	3,62%	6,55%	4,23%	4,05%	5,30%

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

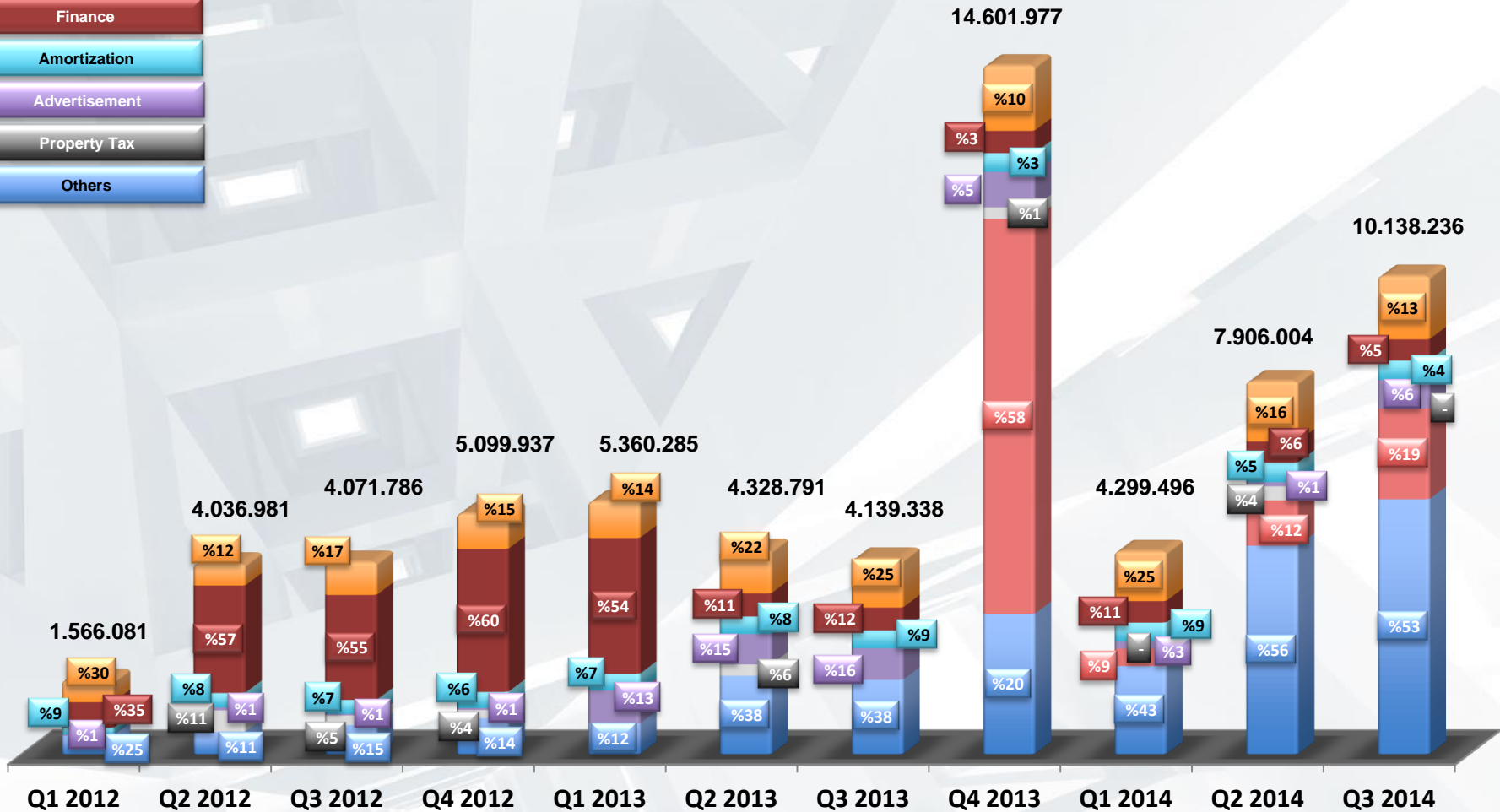
DISTRIBUTION OF MAIN INCOME ITEMS

(TL)



DISTRIBUTION OF MAIN EXPENSE ITEMS

(TL)



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

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