



**HALKGYO**

Halk Real Estate Investment Trust... Investing in the Future...





# INVESTOR PRESENTATION

2015 / Q3





# ABOUT HALK GYO

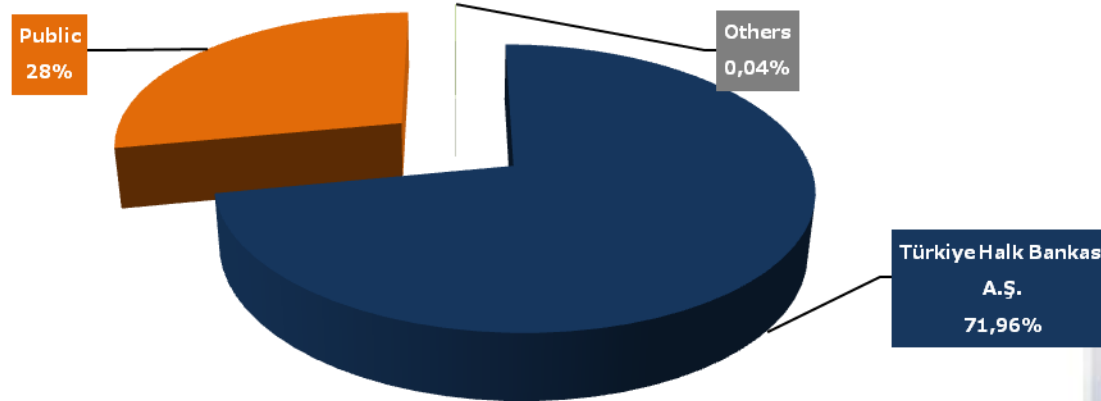
➤ Halk GYO, was established in 2010, invests in real estates, real estate projects, real estate based rights and capital market instruments.

➤ Halk GYO completed its IPO in February 2013 and is trading on the Borsa Istanbul (BIST) with the code "HLGYO"

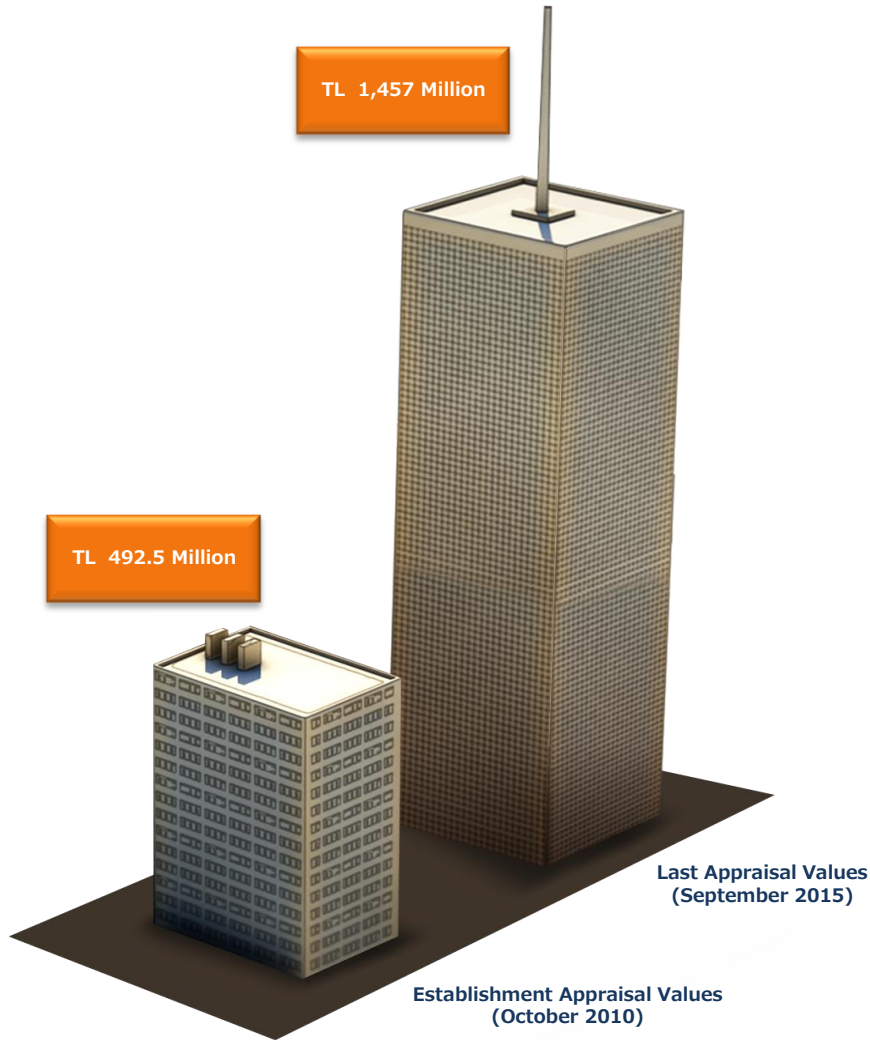
## As of 30.09.2015;

❖ Halk GYO has an important position in the sector by **TL 1,5 billion** real estate portfolio, **TL 743 million** of market value and **TL 857 million** of shareholders' equity.

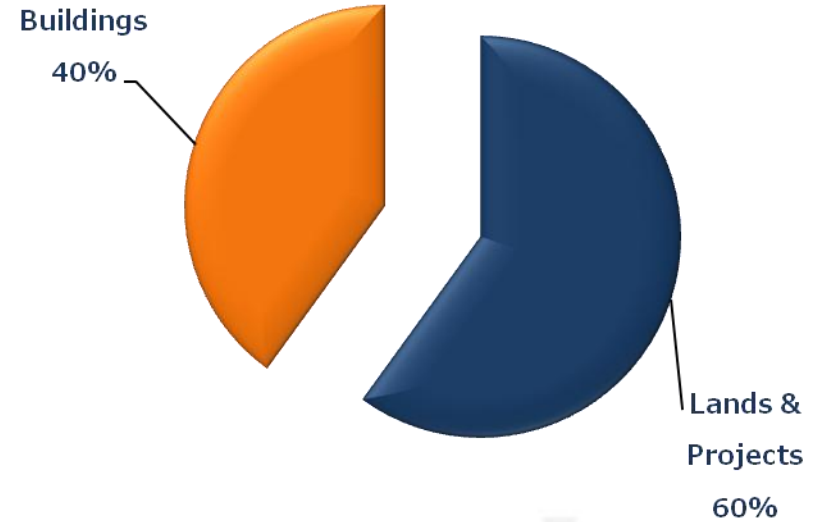
➤ **28%** of total shares are listed on the BIST.



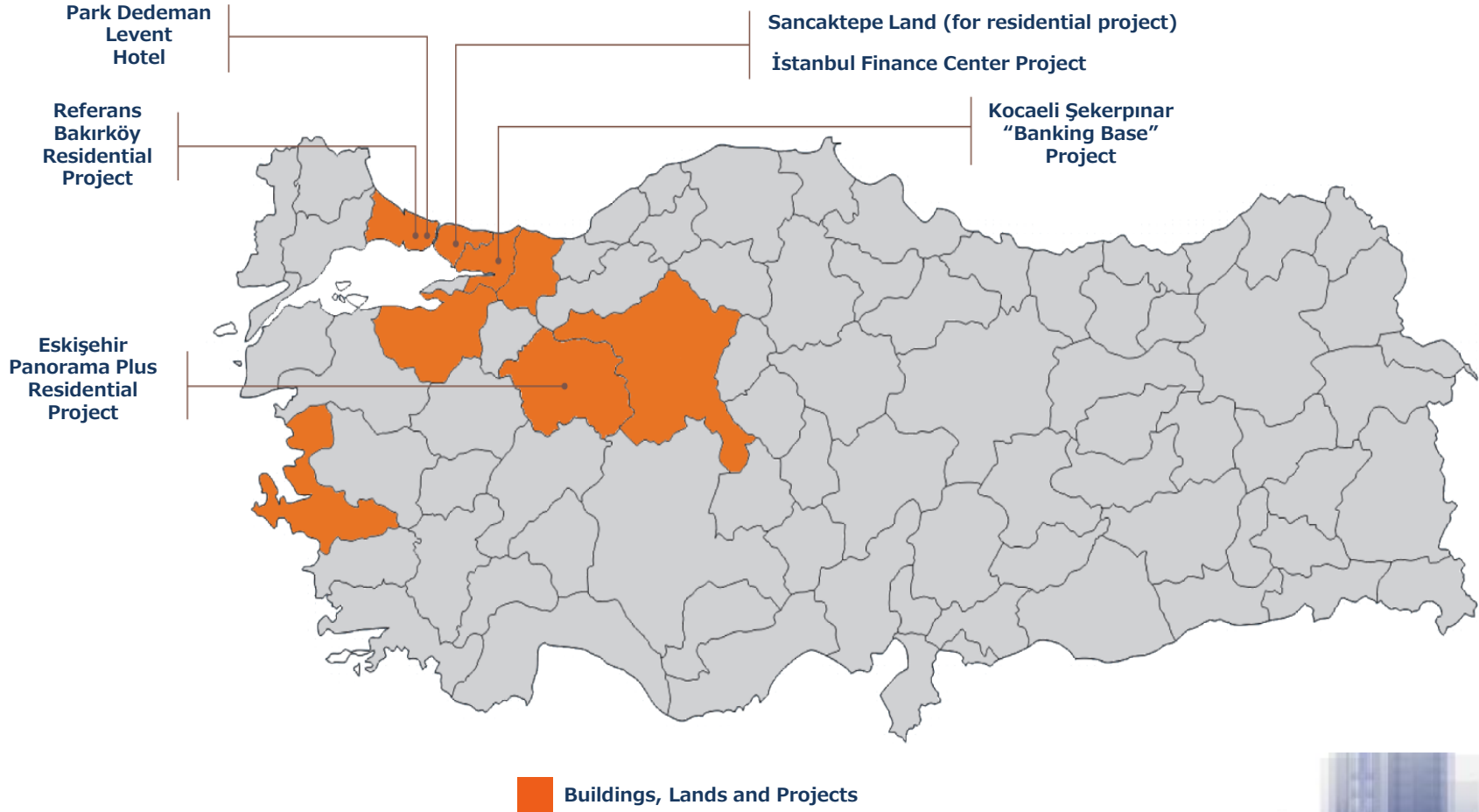
# REAL ESTATE PORTFOLIO



# DISTRIBUTION OF PORTFOLIO



# REAL ESTATE PORTFOLIO REGIONAL DISPERSAL



# REAL ESTATE PORTFOLIO TABLE

REAL ESTATES REAL ESTATE PROJECTS	2015 September Net Book Values (TL)	2015 September Last Appraisal Values (TL)
<b>LANDS</b>		
İstanbul Sancaktepe Land	59,501,929	*80,000,000
<b>Total of Lands</b>	<b>59,501,929</b>	<b>80,000,000</b>
<b>PROJECTS</b>		
İstanbul Finance Center Project	267,550,130	*574,633,400
Kocaeli Şekerpinar Project	98,266,000	**157,624,857
Eskişehir Panorama Plus Residential Project	39,321,341	**47,395,494
Referans Bakırköy Residential Project	13,013,122	***14,507,046
<b>Total of Projects</b>	<b>418,150,593</b>	<b>959,552,798</b>
<b>BUILDINGS</b>		
İstanbul Halkbank Finance Tower	124,424,307	167,471,005
Park Dedeman Levent Hotel	87,780,290	**121,992,000
İstanbul Salıpazarı Building	21,659,913	43,400,000
İstanbul Karaköy Building	23,310,924	28,500,000
İstanbul Bakırköy Building	8,931,502	19,602,000
Ankara Kızılay Building	12,317,679	17,675,000
İstanbul Beyoğlu Building	11,934,393	19,270,000
İzmir, Konak Building 1	13,082,615	18,530,000
İstanbul Beşiktaş Building	11,807,206	15,114,000
İstanbul Etiler Building	10,939,793	14,575,000
İstanbul Şişli Building	10,811,855	13,000,000
Ankara Başkent Building	9,445,844	13,224,000
İzmir Konak Building 2	10,155,590	12,600,000
Bursa Building	8,390,402	10,865,000
İstanbul Ataköy Building	4,970,797	10,290,000
Ankara Bahçelievler Building1	6,539,215	9,077,500
İstanbul Fatih Building	6,265,716	9,050,000
Kocaeli Building	6,451,867	8,567,000
Sakarya Adapazarı Building	5,887,750	8,212,050
Ankara Bahçelievler Building 2	5,637,676	7,735,000
İstanbul Nişantaşı Building	4,967,098	7,475,000
İstanbul Caddebostan Building	5,980,645	7,165,000
<b>Total of Buildings</b>	<b>411,693,077</b>	<b>417,997,555</b>
<b>TOTAL OF PORTFOLIO</b>	<b>889,345,599</b>	<b>1,457,550,353</b>

\*Land appraisal values

\*\* Project Appraisal values when completed

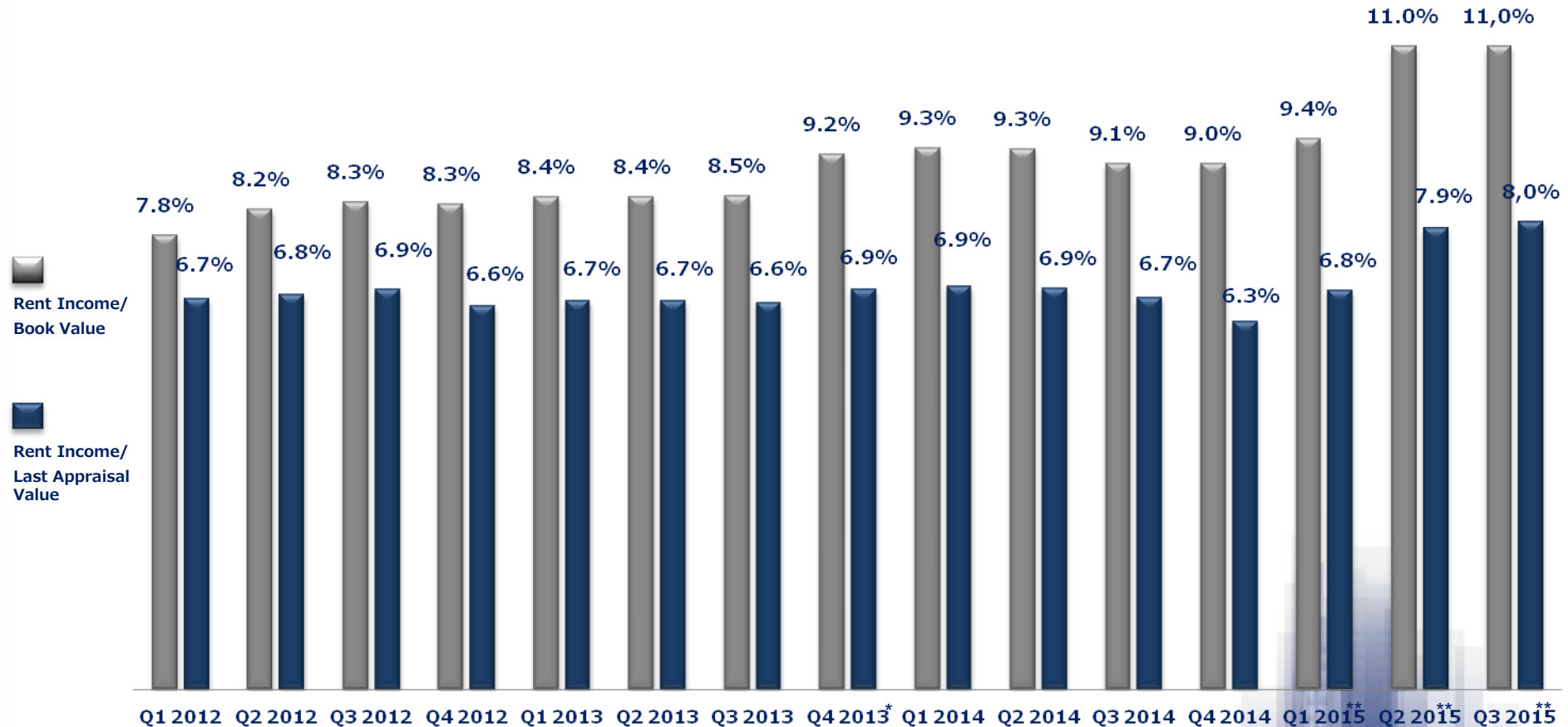
\*\*\*Appraisal values of unsold independent units

REAL ESTATES  
WITH RENTAL  
INCOME



# 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	Q4 2014	Q1 2015	Q2 2015	Q3 2015
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	7,317,772	7,319,204	8,251,057	10,755,503



# COMPLETED PROJECTS

## 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.

### Real Estate Information

City	:	İstanbul
District	:	Ataşehir
Gross Area	:	13,694 m <sup>2</sup>
Book Value	:	TL 124.4 million
Last Appraisal Value	:	TL 167.4 million
Yearly Rent*	:	USD 6 million

\* For the first 3 year-rent, the amount of USD 18 million has been prepaid.

# COMPLETED PROJECTS

## 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 which carried out together with Biskon Yapı A.Ş., an association of Kiler Holding, has risen on one of the last lands in Bakırköy, Istanbul. The project has 3 buildings consists of 254 residential and 73 commercial units in total.

In the period of Q3 2015, the total sales revenue was at the amount of TL 4,2 mn with the sales of 5 independent units and the deed transfer process of 31 independent units amounted TL 14,6 mn completed.

Real Estate Information		Sale Information		As of 09.30.2015
City	: İstanbul	<b>Total of Sold IU</b>		<b>281</b>
District	: Bakırköy		Amount	TL 193.5 million
Land Cost	: TL 31.8 million	<b>Completed deed transfers of IU</b>		<b>177</b>
Appraisal value	: TL 214 million		Amount	TL 129.1 million
Halk GYO Share	: TL 108.1 million	<b>Unsold IU</b>		<b>46</b>

# COMPLETED PROJECTS

## PARK DEDEMAN LEVENT HOTEL



Park Dedeman Levent Hotel is the first hospitality project on Halk GYO's portfolio. It will meet the much felt need for business hotels on Mecidiyeköy-Maslak line, Istanbul.

The occupancy permit for "Park Dedeman Levent" hotel project has been granted and in paralel with 10-year lease agreement signed with Dedeman Group as part of their Dedeman Park concept chain, the hotel has been delivered to Dedeman Group and opened its gates in July.

The project is aimed to be an environmentally friendly building and is a candidate for the certificate of LEED

### Real Estate Information

City	: İstanbul
District	: Şişli-Levent
Land Cost	: TL 25.7 million
Book Value	: TL 87.8 million
Appraisal Value	: TL 121.9 million



# ONGOING PROJECTS

## 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. 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. The project will serve as a hub for the state banks of Turkey, such as Halkbank, Vakıfbank, Ziraat Bank, as well as financial institutions, such as Banking Regulation and Supervision Agency (BRSA) and Capital Markets Board (CMB).

A goodwill agreement has been signed with Halkbank, for the project. According to the agreement, Halkbank will lease a specific area, according to 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.

The process of EIA ended up with “EIA is not required” and construction permit has been granted.

### Real Estate Information

City	:	İstanbul
District	:	Ümraniye
Land Cost	:	TL 229.8 million
Book Value	:	TL 267.5 million
Appraisal Value	:	TL 574.6 million

# ONGOING PROJECTS

## ESKİŞEHİR PANORAMA PLUS RESIDENTIAL PROJECT



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 19-floor high rise tower, supported by another 8-floor low rise residential+commercial block and retail premises with in a total covered area of 27.318 sqm. It is composed of 4 blocks and consists of 97 residential and 5 commercial units.

Panorama Plus is the first project which has "LEED Silver Certification" with the highest score in Eskişehir.

Sales of the project started in November 2013, its transitional title deeds has been granted.

### Real Estate Information

City	:	Eskişehir
District	:	Odunpazarı
Land Cost	:	TL 4.6 million
Book Value	:	TL 39.3 million
Appraisal Value	:	TL 47.3 million

# ONGOING PROJECTS

## ŞEKERPINAR BANKING BASE PROJECT



The land purchased in 2012 in the district of Kocaeli – Şekerpinar, the area in which data centers of banks placed.

An agreement with an architectural company has been signed for construction works of the complex which consists of a operation center, hospitality unit, training facilities and a conference center. In the project, the construction permits granted 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.

A goodwill agreement has been signed with Halkbank, for the project. According to the agreement, Halkbank 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.

The construction works of Block A has been completed and the occupancy permits has been granted . The construction of Block B still continues.

### Real Estate Information

City	:	Kocaeli
District	:	Çayırova-Şekerpinar
Land Cost	:	TL 9.9 million
Book Value	:	TL 98.2 million
Appraisal Value	:	TL 157.6 million



# PLANNED PROJECTS

## SANCAKTEPE RESIDENTIAL PROJECT



In 2014, 98k sqm land plot in Sancaktepe, mostly improved and mentioned district of Istanbul, bought for TL 110 million 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.

Construction permit has been applied.

### Real Estate Information

City	:	İstanbul
District	:	Sancaktepe
Book Value (Halk GYO share)	:	TL 59.5 million
Appraisal Value (Halk GYO share)	:	TL 80.0 million



# PLANNED PROJECTS

## SALIPAZARI HOTEL PROJECT



Aiming to utilize our portfolio in the most efficient way, the best use and feasibility studies have been done for our Salıpaazarı Building, which is registered in Beyoğlu District, İstanbul. After the best use studies, it was decided to renovate the Building as a hotel and to lease for a long period.

After the procedures of sealed-bid tender and auction, lease contract has been signed with Beril Otelcilik Turizm Ltd.Şti., who offered the best bid.

According to related lease contract; the expenditure of the renovation up to TL 15 million will be financed by our Company. Beril Otelcilik Turizm Ticaret Ltd.Şti. will pay monthly Euro 10.000 during 12-month renovation period and after the completion of renovation, the total lease for 20 years will be Euro 34,350,000.

### Real Estate Information

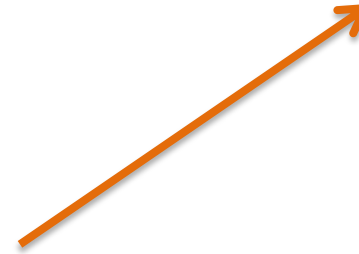
City	:	İstanbul
District	:	Beyoğlu / Salıpaazarı
Book Value	:	TL 21.7 million
Appraisal Value	:	TL 43.4 million

# FINANCIAL DATA

BALANCE SHEET (TL)	31.12.2014	30.09.2015
<b>Current Assets</b>	<b>183,420,241</b>	<b>144,508,992</b>
<i>Liquid Assets</i>	46,587,030	3,436,620
<i>Inventories</i>	103,090,737	111,836,392
<b>Non-Current Assets</b>	<b>744,986,425</b>	<b>792,217,121</b>
<i>Investment Properties</i>	713,531,361	777,509,207
<b>Total Assets</b>	<b>928,406,666</b>	<b>936,726,113</b>
<b>Short Term Liabilities</b>	<b>87,142,074</b>	<b>67,507,876</b>
<i>Deferred Income</i>	76,802,390	56,569,382
<b>Long Term Liabilities</b>	<b>13,470,697</b>	<b>12,042,460</b>
<i>Financial Liabilities</i>	13,340,555	12,042,460
<b>Equity</b>	<b>827,793,895</b>	<b>857,175,777</b>
<b>Total Liabilities and Equity</b>	<b>928,406,666</b>	<b>936,726,113</b>



**“Revenues”  
increased  
10.6%**



**“Net Profit”  
increased  
13%**

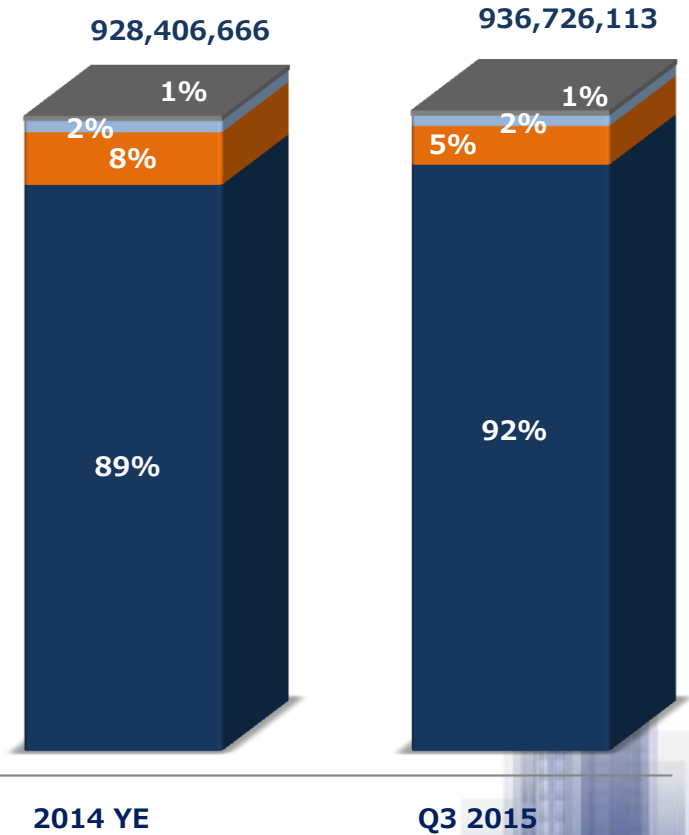
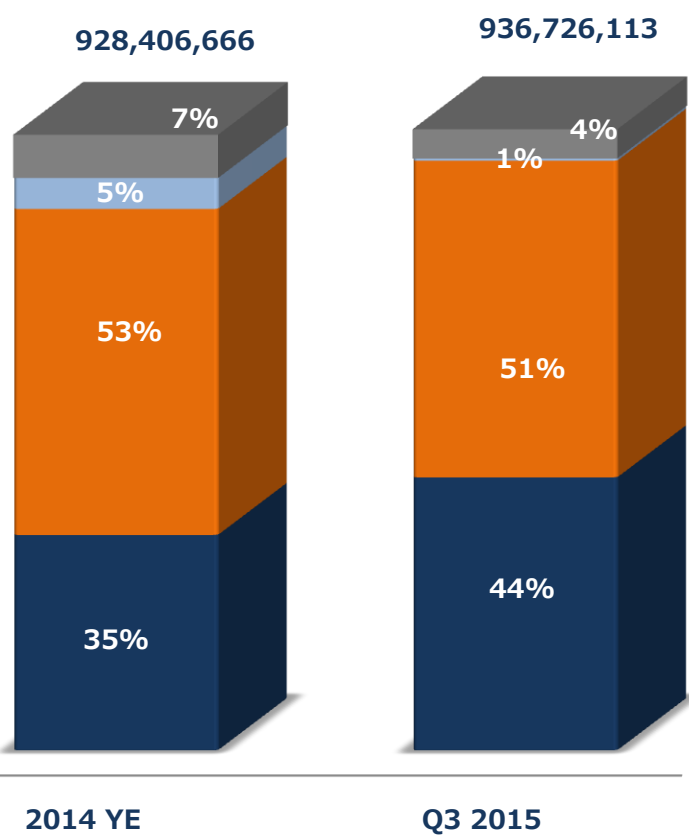
INCOME TABLE (TL)	01.01.2014 30.09.2014	01.01.2015 30.09.2015
<b>Revenues</b>	<b>48,451,707</b>	<b>53,582,062</b>
<i>Rent Income</i>	22,591,691	26,696,876
<i>Sales Income</i>	11,887,286	24,861,690
<i>Financial Income</i>	13,972,730	2,023,496
<b>Cost of Sales</b>	<b>(6,109,441)</b>	<b>(9,941,628)</b>
<i>Cost of Residential Sales</i>	(3,258,722)	(7,740,680)
<i>Others</i>	(2,850,719)	(2,200,948)
<b>Gross Profit</b>	<b>42,342,266</b>	<b>43,640,434</b>
<i>General Administrative Expense</i>	(8,550,770)	(6,969,075)
<i>Other Income/Expense</i>	(1,348,397)	(288,939)
<b>Operational Profit</b>	<b>32,443,099</b>	<b>36,382,420</b>
<i>Financial Expense</i>	(1,351,868)	(1,208,498)
<b>Net Profit</b>	<b>31,091,231</b>	<b>35,173,922</b>

# DISTRIBUTION OF ASSETS AND LIABILITIES

DISTRIBUTION OF ASSETS TL

DISTRIBUTION OF LIABILITIES TL

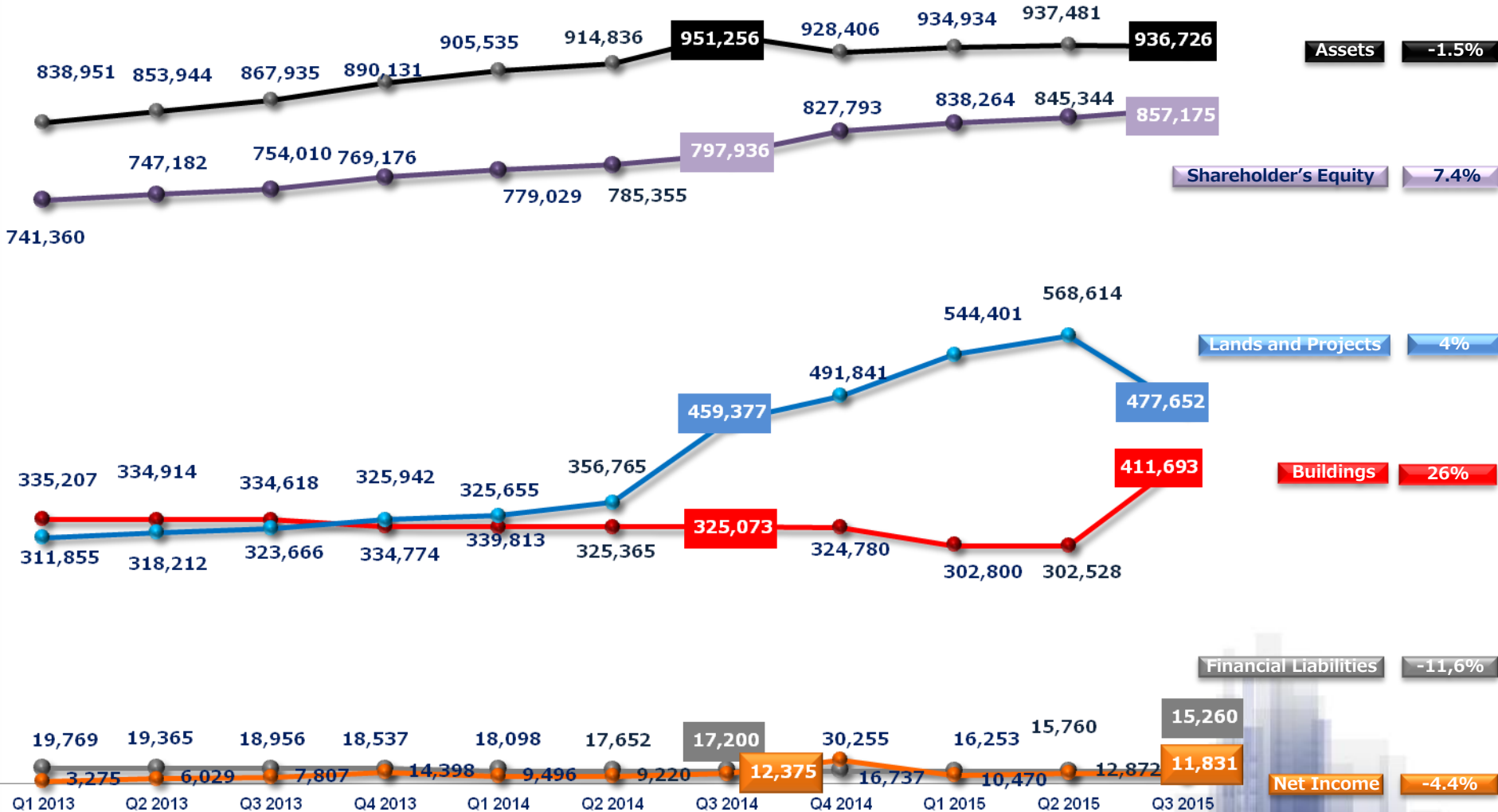
■ Buildings 
 ■ Lands&Projects 
 ■ Cash and Cash Equivalents 
 ■ Others 
 ■ Equities 
 ■ Deferred Income 
 ■ Financial Debts 
 ■ Others



# BALANCE SHEET ITEMS

TL Thousand

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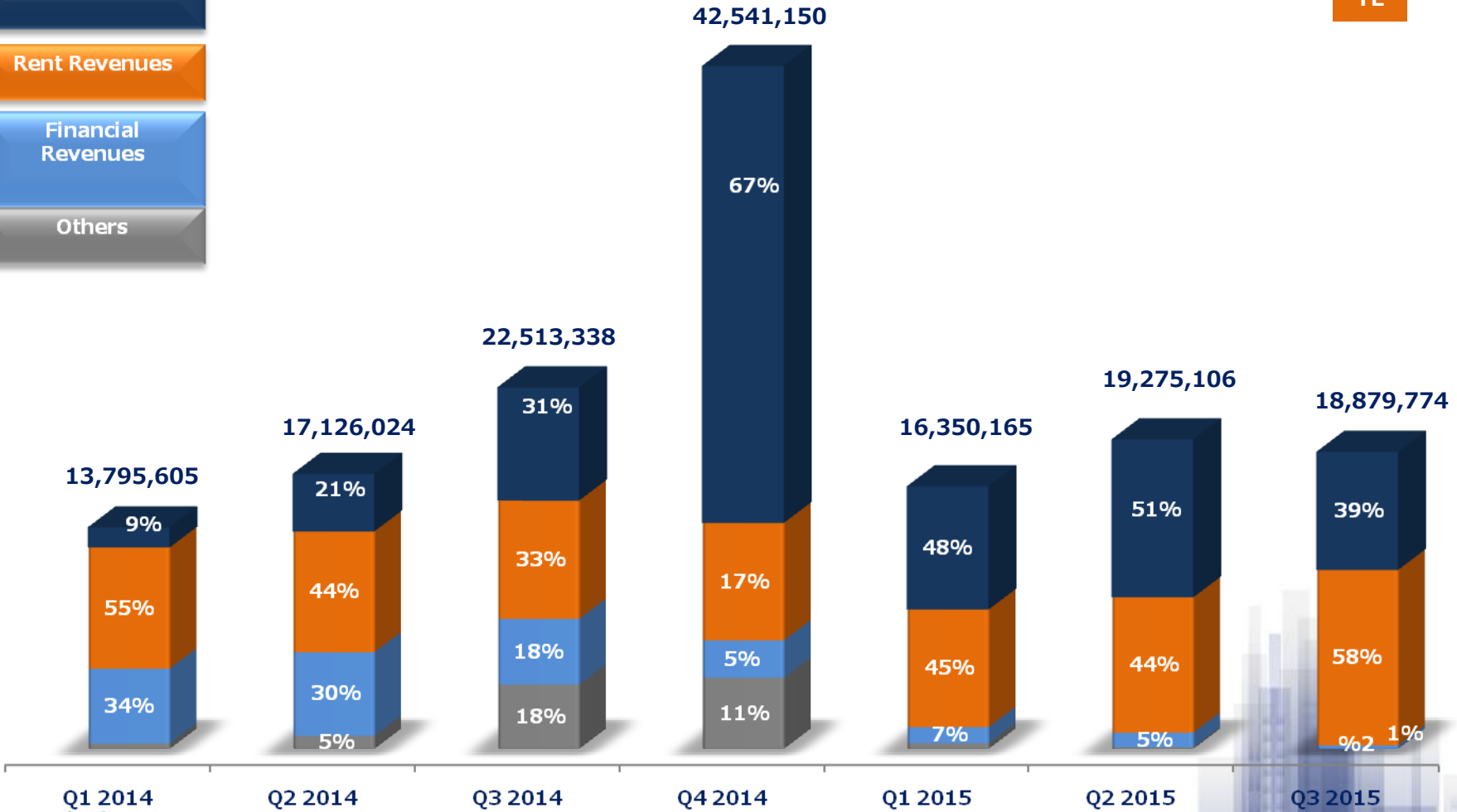


# INCOME STATEMENT ITEMS

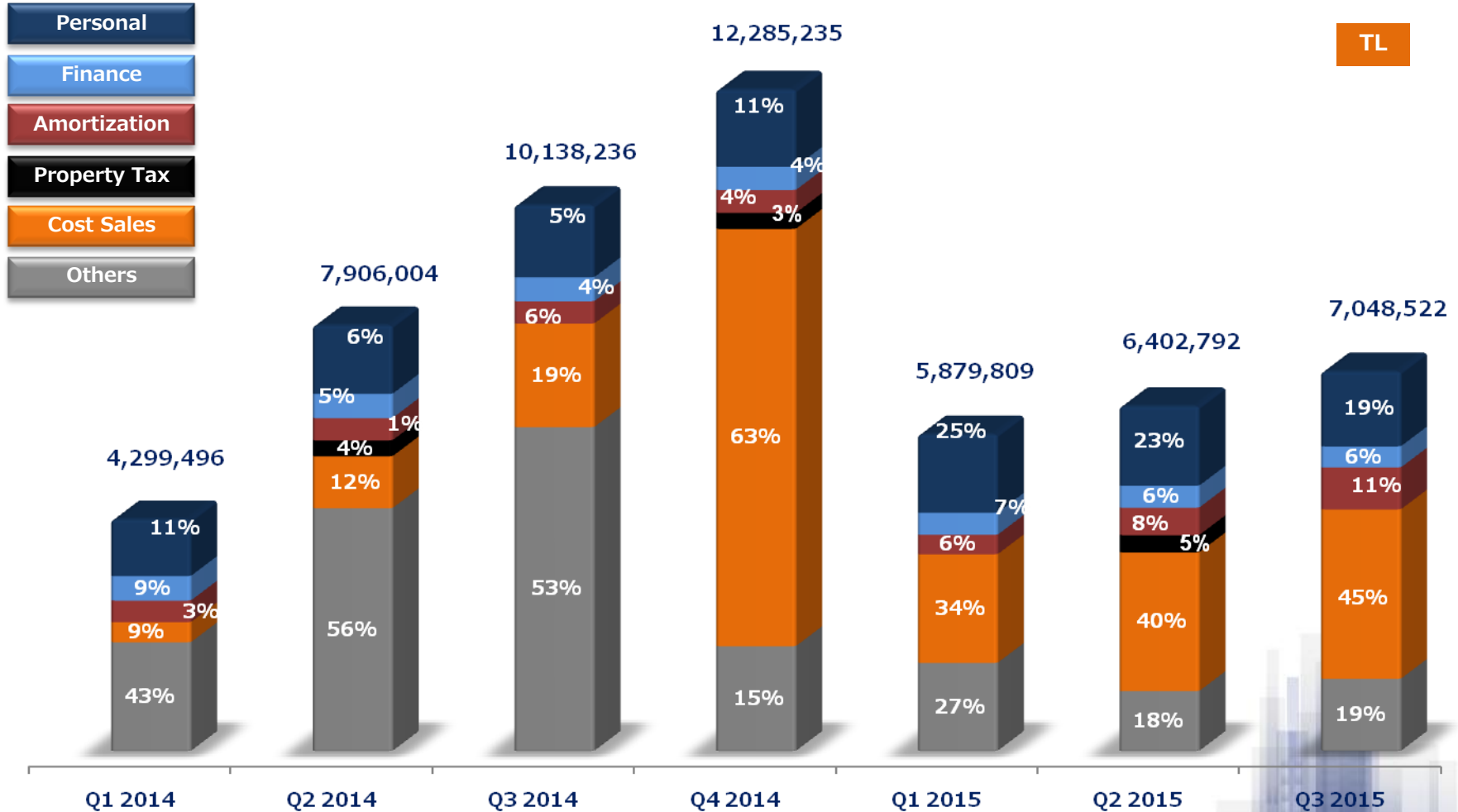
TL	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015
<b>Total Revenues</b>	<b>8,532,067</b>	<b>10,052,700</b>	<b>11,473,735</b>	<b>28,455,348</b>	<b>13,518,983</b>	<b>16,366,608</b>	<b>18,566,116</b>	<b>38,159,410</b>	<b>16,026,056</b>	<b>19,180,338</b>	<b>18,375,668</b>
<i>Rent Income</i>	7,053,976	7,057,301	7,065,163	7,661,113	7,550,257	7,521,320	7,370,117	7,317,772	7,319,204	8,426,029	10,928,976
<i>Others</i>	0	16,666	50,000	50,000	50,000	50,000	50,000	53,000	18,166	1,501	3,000
<i>R. Estate Sale Income</i>				18,000,000	1,254,849	3,582,864	7,049,573	28,468,919	7,672,844	9,837,390	7,351,456
<i>Financial Income</i>	1,478,091	2,978,733	4,358,571	2,744,235	4,663,877	5,212,424	4,096,429	2,319,719	1,015,842	915,418	92,236
<b>Cost of Sales</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>	<b>-2,818,187</b>	<b>-8,540,148</b>	<b>-2,848,388</b>	<b>-3,279,847</b>	<b>-3,813,393</b>
<i>Cost of Real Estate Sales</i>				-8,381,183	-371,561	-964,007	-1,923,154	-7,753,101	-2,017,124	-2,577,166	-3,146,390
<i>Others</i>	-332,118	-869,444	-742,580	-1,698,191	-958,867	-996,819	-895,033	-787,047	-831,264	-702,681	-667,003
<b>Gross Profit</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>15,747,929</b>	<b>29,619,262</b>	<b>13,177,668</b>	<b>15,900,491</b>	<b>14,562,275</b>
<b>General Administrative Expenses</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>-2,038,008</b>	<b>-2,373,273</b>	<b>-2,244,737</b>	<b>-2,612,221</b>	<b>-2,112,117</b>
<b>Foreign Exchange Gain</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>3,947,222</b>	<b>4,381,740</b>	<b>324,109</b>	<b>94,768</b>	<b>504,106</b>
<b>Foreign Exchange Loss</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>-4,836,258</b>	<b>-940,340</b>	<b>-378,064</b>	<b>-103,549</b>	<b>-730,309</b>
<b>Operating Profit</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>12,820,885</b>	<b>30,687,389</b>	<b>10,878,976</b>	<b>13,279,489</b>	<b>12,223,955</b>
<b>Financial Expenses</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>-445,783</b>	<b>-431,474</b>	<b>-408,620</b>	<b>-407,175</b>	<b>-392,703</b>
<b>Profit Before TAX</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>12,375,102</b>	<b>30,255,915</b>	<b>10,470,356</b>	<b>12,872,314</b>	<b>11,831,252</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>0</b>
<b>Net Profit</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>12,375,102</b>	<b>30,255,915</b>	<b>10,470,356</b>	<b>12,872,314</b>	<b>11,831,252</b>
<b>ROE</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>6.25%</b>	<b>14.88%</b>	<b>5.02%</b>	<b>6.12%</b>	<b>5.56%</b>
<b>%ROA</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>	<b>5.30%</b>	<b>12.87%</b>	<b>4.50%</b>	<b>5.50%</b>	<b>5.05%</b>

# DISTRIBUTION OF MAIN INCOME ITEMS

TL



# DISTRIBUTION OF EXPENSE ITEMS





# 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

## 2015 Targets

- ◆ To start getting rental income from "Park Dedeman Levent Hotel" project (**realized**)
- ◆ To complete the construction the 2st part (Block B) and to lease 1st part Block A of the "Kocaeli Şekerpinar Banking Base" project
- ◆ To start the construction and the sales of the Sancaktepe residential project
- ◆ To reach **~8,5 %** ROaE ratio



For further information please contact;

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Investor Relations & Strategic Planning & Advertising PR**

**Investor Relations**



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