



HALKGYO

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



2015

Q1

INVESTOR PRESENTATION



HALKGYO

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

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”

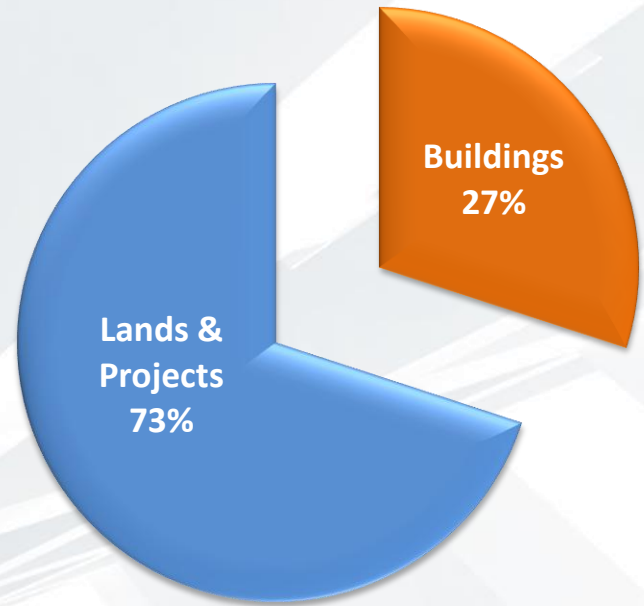
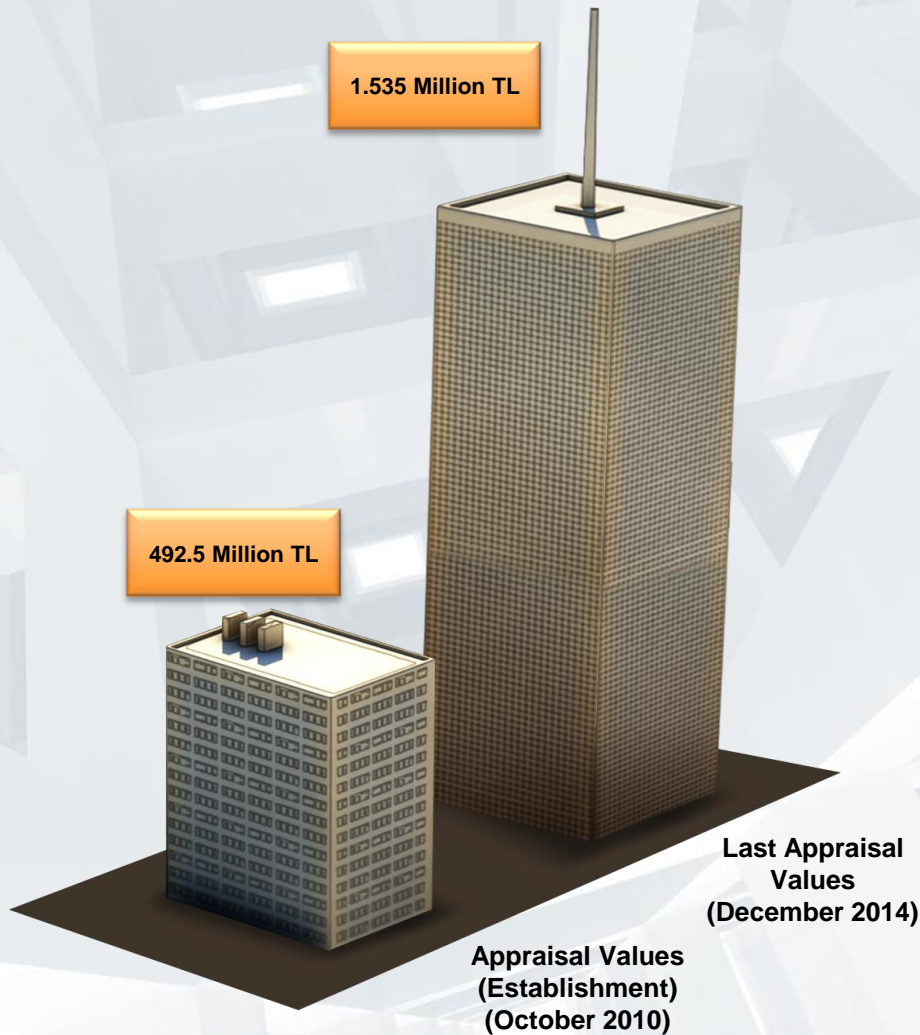
As of 31.03.2015;

- ❖ Halk GYO has an important position in the sector by **1.5 billion TL** real estate portfolio, **851 million TL** of market value and **838 million TL** of shareholders' equity.
- 28% of total shares are listed on the BIST.



REAL ESTATE PORTFOLIO

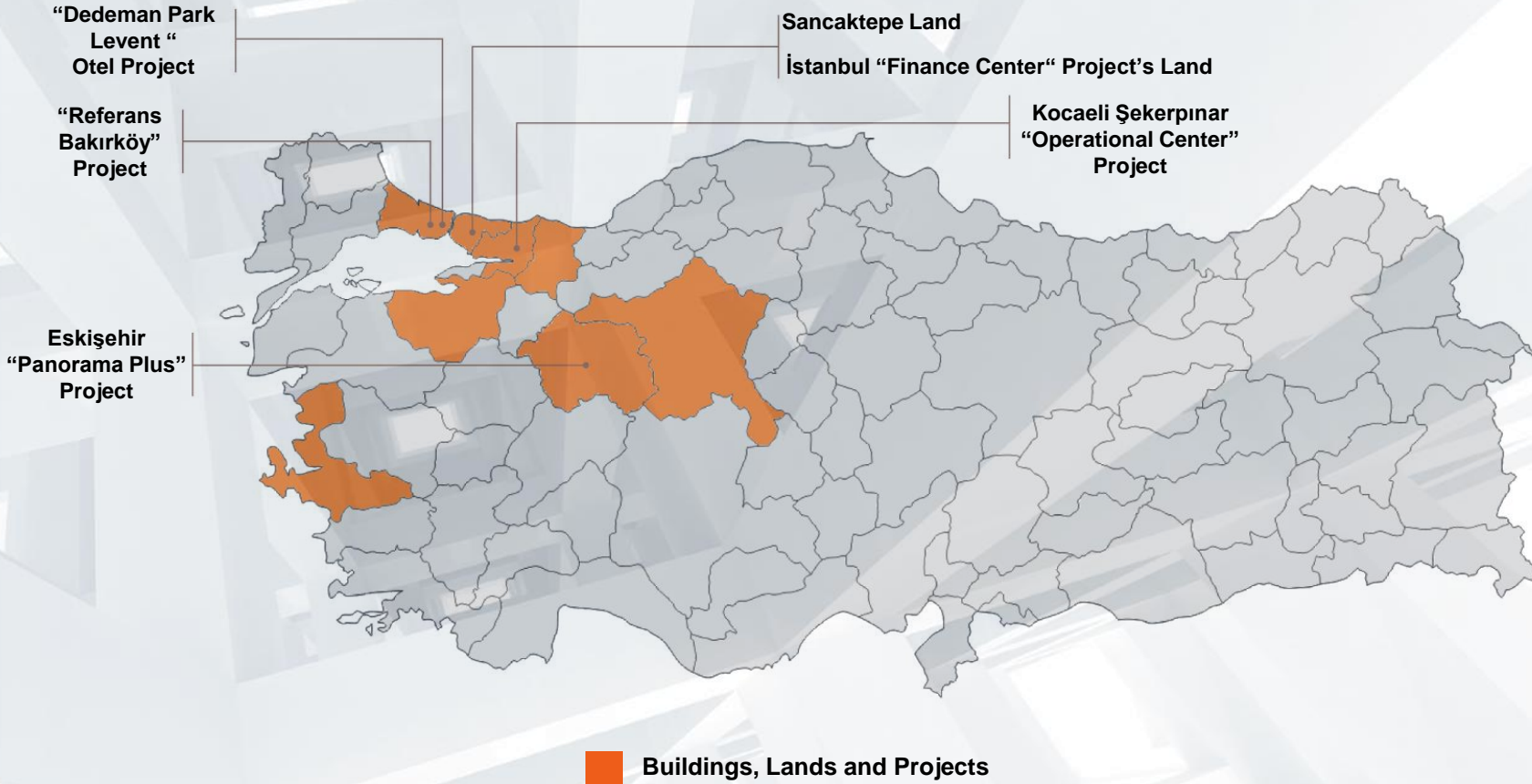
DISTRIBUTION OF REAL ESTATE PORTFOLIO



**Last Appraisal Values
(December 2014)**

**Appraisal Values
(Establishment)
(October 2010)**

REAL ESTATE PORTFOLIO REGIONAL DISPERSAL



REAL ESTATE PORTFOLIO TABLE

REAL ESTATES	2015 March Net Book Values (TL)	2015 March Last Appraisal Values (TL)
LANDS		
İstanbul Finance Center Land	261.840.802	574.633.400
İstanbul Sancaktepe Land*	56.251.949	80.000.000
Total of Lands	318.092.751	654.633.400
PROJECTS		
Kocaeli Şekerpınar Project**	76.216.751	141.367.384
Levent Dedeman Hotel Project**	78.274.853	121.992.000
Referans Bakırköy Project**	18.736.678	108.178.755
Eskişehir Panorama Plus Project**	31.386.426	47.395.494
İstanbul Salıpazarı otel Project	21.694.527	43.400.000
Total of Projects	226.309.235	462.333.633
BUILDINGS		
İstanbul, Halkbank Finance Tower	124.728.755	167.471.005
İstanbul Karaköy Building	23.330.169	28.500.000
İstanbul Bakırköy Building	8.940.865	19.602.000
Ankara Kızılay Building	12.333.715	17.675.000
İstanbul Beyoğlu Building	11.941.069	19.270.000
İzmir, Konak Building 1	13.115.045	18.530.000
İstanbul Beşiktaş Building	11.816.023	15.114.000
İstanbul Etiler Building	10.945.921	14.575.000
İstanbul Şişli Building	10.831.004	13.000.000
Ankara Başkent Building	9.455.603	13.224.000
İzmir Konak Building 2	10.169.324	12.600.000
Bursa Building	8.401.553	10.865.000
İstanbul Ataköy Building	4.980.025	10.290.000
Ankara Bahçelievler Building 1	6.553.686	9.077.500
İstanbul Fatih Building	6.277.347	9.050.000
Kocaeli Building	6.458.746	8.567.000
Sakarya Adapazarı Building	5.895.103	8.212.050
Ankara Bahçelievler Building 2	5.642.467	7.735.000
İstanbul Nişantaşı Building	4.970.460	7.475.000
İstanbul Caddebostan Building	6.013.277	7.165.000
Total of Buildings	302.800.157	417.997.555
TOTAL of PORTFOLIO	847.202.143	1.534.964.588

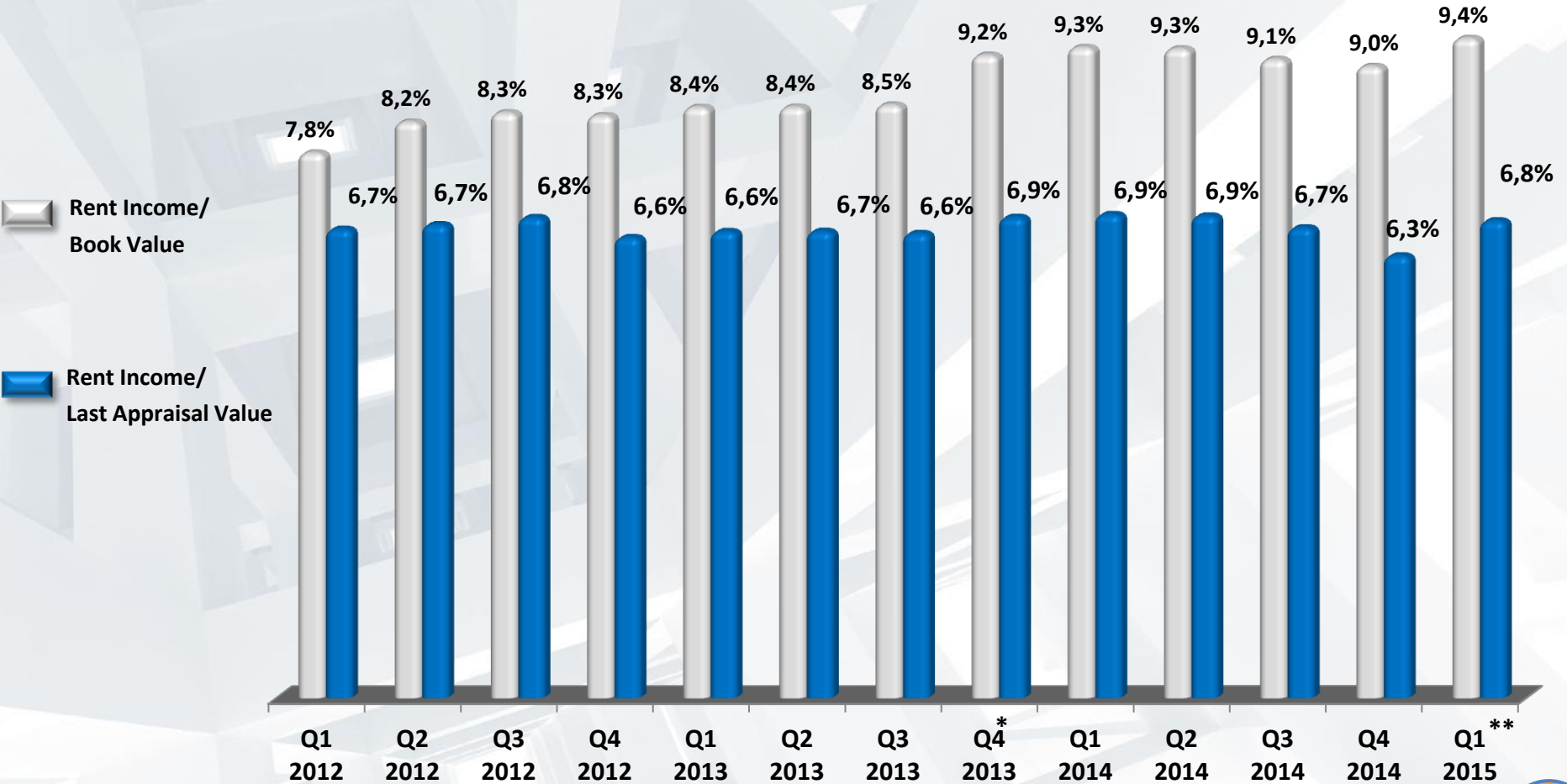
*Sancaktepe Land purchased in October through the joint venture (%50 Halk REIT & %50 Vakıf REIT). Total appraisal value of land is TL160 mn.

**Project appraisal values.

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
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



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

** Salıpazarı Building is not added into the calculations because of process of hotel project.

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.....	124.7 million TL
Last Appraisal Value.....	167.4 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. 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. 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 environmental impact assessment (EIA) ended and the decision came out as “EIA is not required” and our company applied for construction permit.

City.....	İstanbul
District.....	Ataşehir
Area	28,732 sqm
Land Cost.....	229.8 million TL
Book Value.....	261.8 million TL
Land Appraisal Value.....	574.6 million TL



REFERANS BAKIRKÖY



Referans Bakirköy 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 consists of 254 residential and 73 commercial units.

As of March 31, 2015, the total sales revenue has been reached to the amount of TL 172.7 mn with the sales of 238 independent units and the deed transfer process of 116 independent units amounted TL 95 mn has been completed. Only between of January-March 2015, the sales revenue has been reached to the amount of TL 11.11 mn with the sales of 14 independent units and the deed transfer process of 24 independent units amounted TL 15.16 mn has been completed.

City.....	İstanbul
District.....	Bakırköy
Land Cost.....	31.8 million TL
Project Appraisal Value	214 million TL
Halk REIT Share.....	108.1 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
Land Cost.....	25.7 million TL
Book Value.....	78.2 million TL
Project Appraisal Value.....	121.9 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 consists of 97 residential and 5 commercial units

City.....	Eskişehir
District.....	Odunpazarı
Land Cost	4.6 million TL
Cost Value.....	31.3 million TL
Project Appraisal Value.....	47.3 million TL



KOCAELİ ŞEKERPİRAR



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

In the project, the construction permits have been taken 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.

City.....	Kocaeli
District.....	Şekerpınar
Land Cost.....	9.9 million TL
Book Value.....	76.2 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.

For the construction permit has been applied.

City.....	İstanbul
District.....	Sancaktepe
Area.....	98,127.74 sqm
Cost Value (Halk REIT's Share).....	56.2 million TL
Land Appraisal Value(Halk REIT's Share)...	80 million TL
Halk REIT's Share.....	50%

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 15.000.000.TL +VAT+ Fee etc. (other legal liabilities) will be financed by our Company. Beril Otelcilik Turizm Ticaret Ltd.Şti. will pay monthly 10.000 Euro + VAT during 12-month renovation period and after the completion of renovation, the total lease for 20 years will be 34.350.000 Euro + VAT.


City.....	İstanbul
District.....	Salıpaazarı/Beyoğlu
Building Area.....	7,294 sqm
Book Value.....	21.7 million TL
Land Appraisal Value.....	43.4 million TL

FINANCIAL DATA

31.03.2015

BALANCE SHEET (TL)	31.12.2014	31.03.2015
Current Assets	183,420,241	169,106,496
<i>Liquid Assets</i>	46,587,030	27,831,268
<i>Inventories</i>	103,090,737	106,375,053
Non-Current Assets	744,986,425	765,828,263
<i>Investment Properties</i>	713,531,361	740,827,090
Total Assets	928,406,666	934,934,759
Short Term Liabilities	87,142,074	83,663,169
<i>Deferred Income</i>	76,802,390	69,701,281
Long Term Liabilities	13,470,697	13,007,339
<i>Financial Liabilities</i>	13,340,555	12,856,941
Equity	827,793,895	838,264,251
Total Liabilities and Equity	928,406,666	934,934,759

“Revenues”
increased
%18.5



“Net Profit”
increased
%10.2



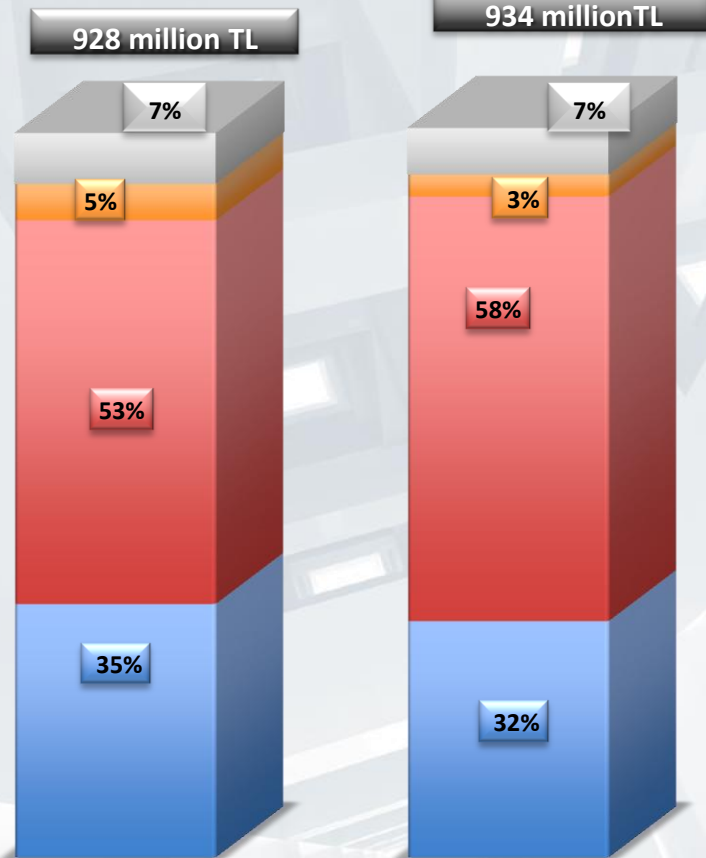
INCOME TABLE (TL)	01.01.2014 31.03.2014	01.01.2015 31.03.2015
Revenues	13,518,983	16,026,056
<i>Rent Income</i>	7,600,257	7,337,370
<i>Sales Income</i>	1,254,849	7,672,844
<i>Financial Income</i>	4,663,877	1,015,842
Cost of Sales	(1,330,428)	(2,848,388)
<i>Cost of Sales</i>	(371,561)	(2,017,124)
Gross Profit	12,188,555	13,177,668
<i>General Administrative Expense</i>	(1,950,203)	(2,244,737)
<i>Other Income/Expense</i>	(286,159)	(53,955)
Operational Profit	9,952,193	10,878,976
<i>Financial Expense</i>	(456,084)	(408,620)
Net Profit	9,496,109	10,470,356

DISTRIBUTION OF ASSETS AND LIABILITIES

31.03.2015

Distribution of Assets TL

Buildings Lands and Projects Cash and Cash Equivalents Others

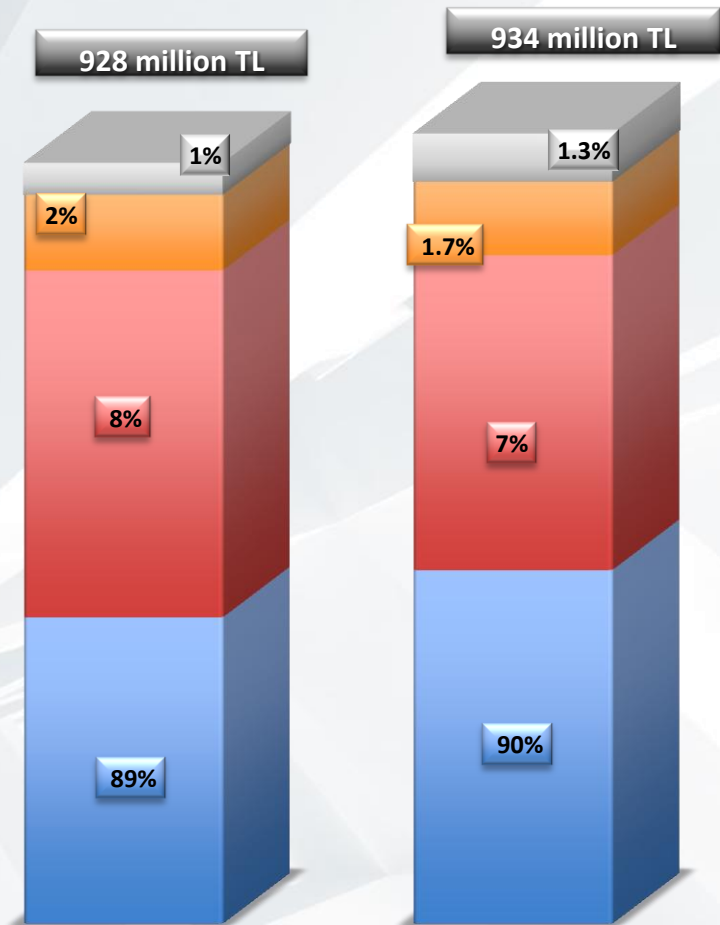


2014

Q1 2015

Distribution of Liabilities TL

Equities Deferred Income Financial Debts Others



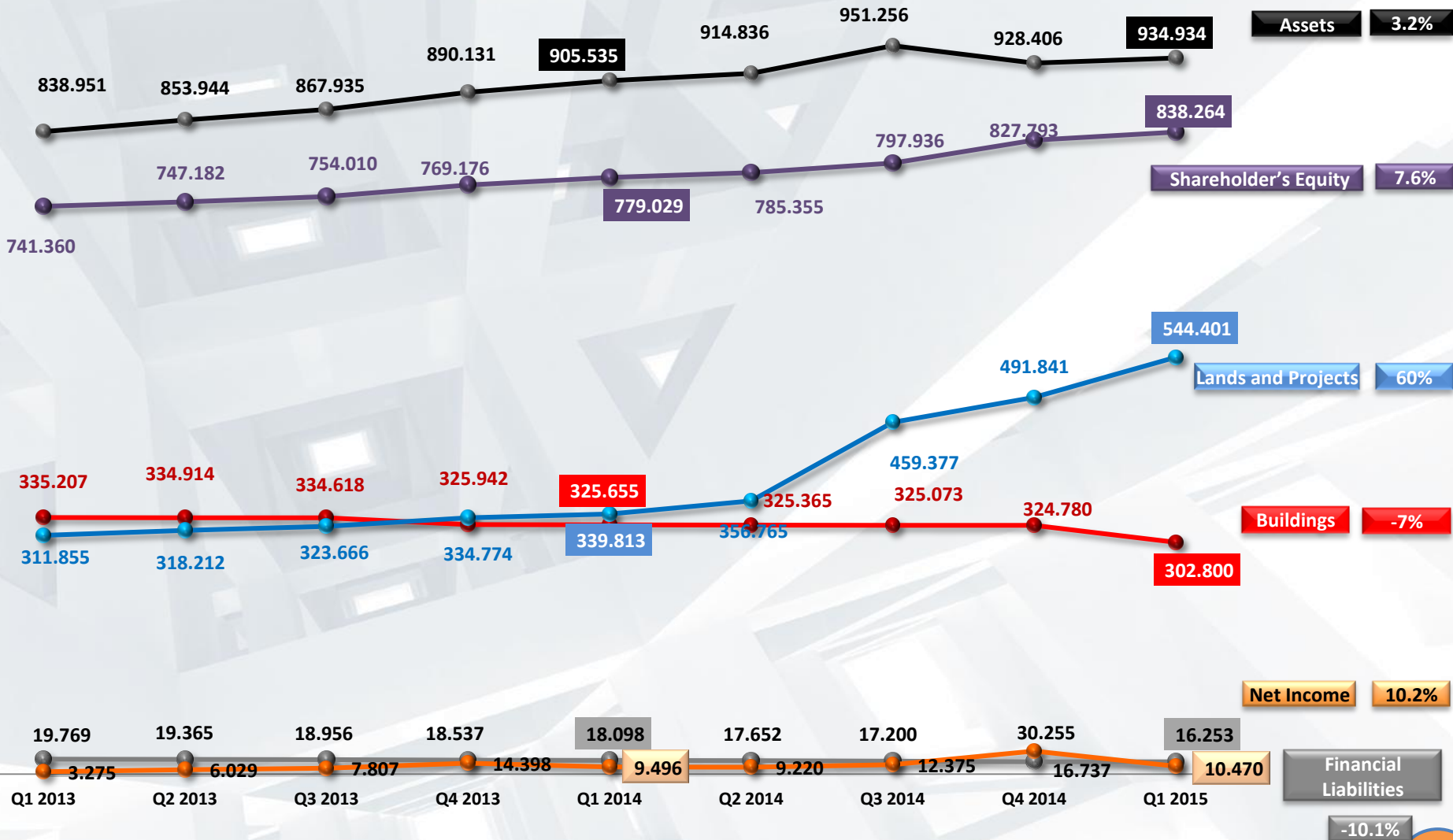
2014

Q1 2015

BALANCE SHEET ITEMS

Thousand TL

Y-o-Y



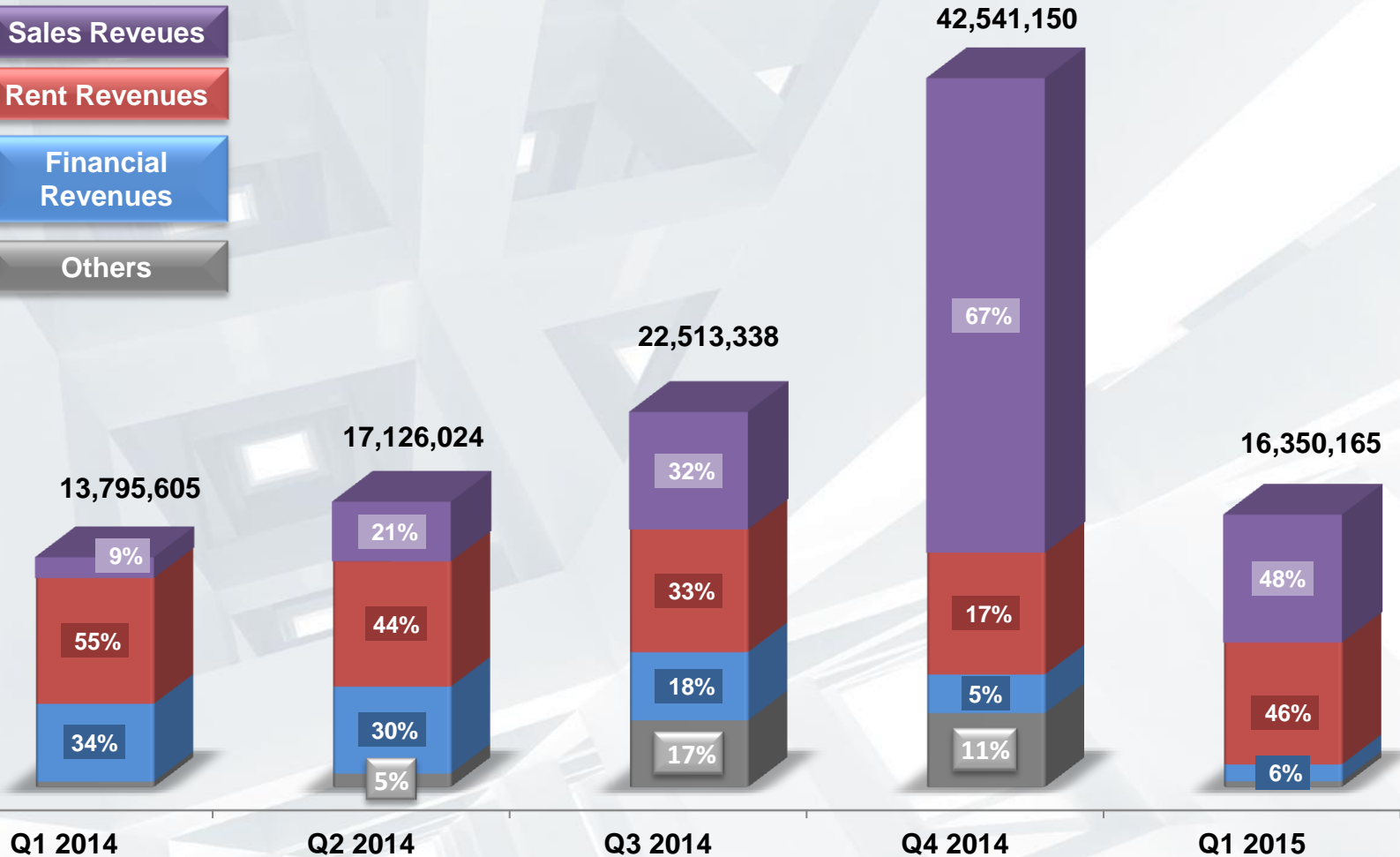
INCOME STATEMENT ITEMS

TL	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015
Total Revenues	8,532,067	10,052,700	11,473,735	28,455,348	13,518,983	16,366,608	18,566,116	38,159,410	16,026,056
Rent Income	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
Others	0	16,666	50,000	50,000	50,000	50,000	50,000	53,000	18,166
Real Estate Sale Income				18,000,000	1,254,849	3,582,864	7,049,573	28,468,919	7,672,844
Financial Income	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
Cost of Sales	-332,118	-869,444	-742,580	-10,079,374	-1,330,428	-1,960,826	-2,818,187	-8,540,148	-2,848,388
Cost of Real Estate Sales				-8,381,183	-371,561	-964,007	-1,923,154	-7,753,101	-2,017,124
Gross Profit	8,199,949	9,183,256	10,731,155	18,375,974	12,188,555	14,405,782	15,747,929	29,619,262	13,177,668
General Administrative Exp.	-2,163,509	-2,280,851	-2,316,716	-2,992,524	-1,950,203	-4,562,559	-2,038,008	-2,373,273	-2,244,737
Foreign Exchange Gain	103,482	305,195	473,588	545,103	276,622	759,416	3,947,222	4,381,740	324,109
Foreign Exchange Loss	-134,365	-686,798	-593,515	-1,054,156	-562,781	-932,618	-4,836,258	-940,340	-378,064
Operating Profit	6,005,557	6,520,802	8,294,512	14,874,397	9,952,193	9,670,021	12,820,885	30,687,389	10,878,976
Financial Expenses	-2,730,293	-491,698	-486,527	-475,923	-456,084	-450,001	-445,783	-431,474	-408,620
Profit Before TAX	3,275,264	6,029,104	7,807,985	14,398,474	9,496,109	9,220,020	12,375,102	30,255,915	10,470,356
TAX Expenses	0	0	0	0	0	0	0	0	0
Net Profit	3,275,264	6,029,104	7,807,985	14,398,474	9,496,109	9,220,020	12,375,102	30,255,915	10,470,356
ROE	*2.32%	3.24%	4.16%	7.56%	4.90%	4.71%	6.25%	14.88%	5.02%
ROA	*1.89%	2.85%	3.62%	6.55%	4.23%	4.05%	5.30%	12.87%	4.50%

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

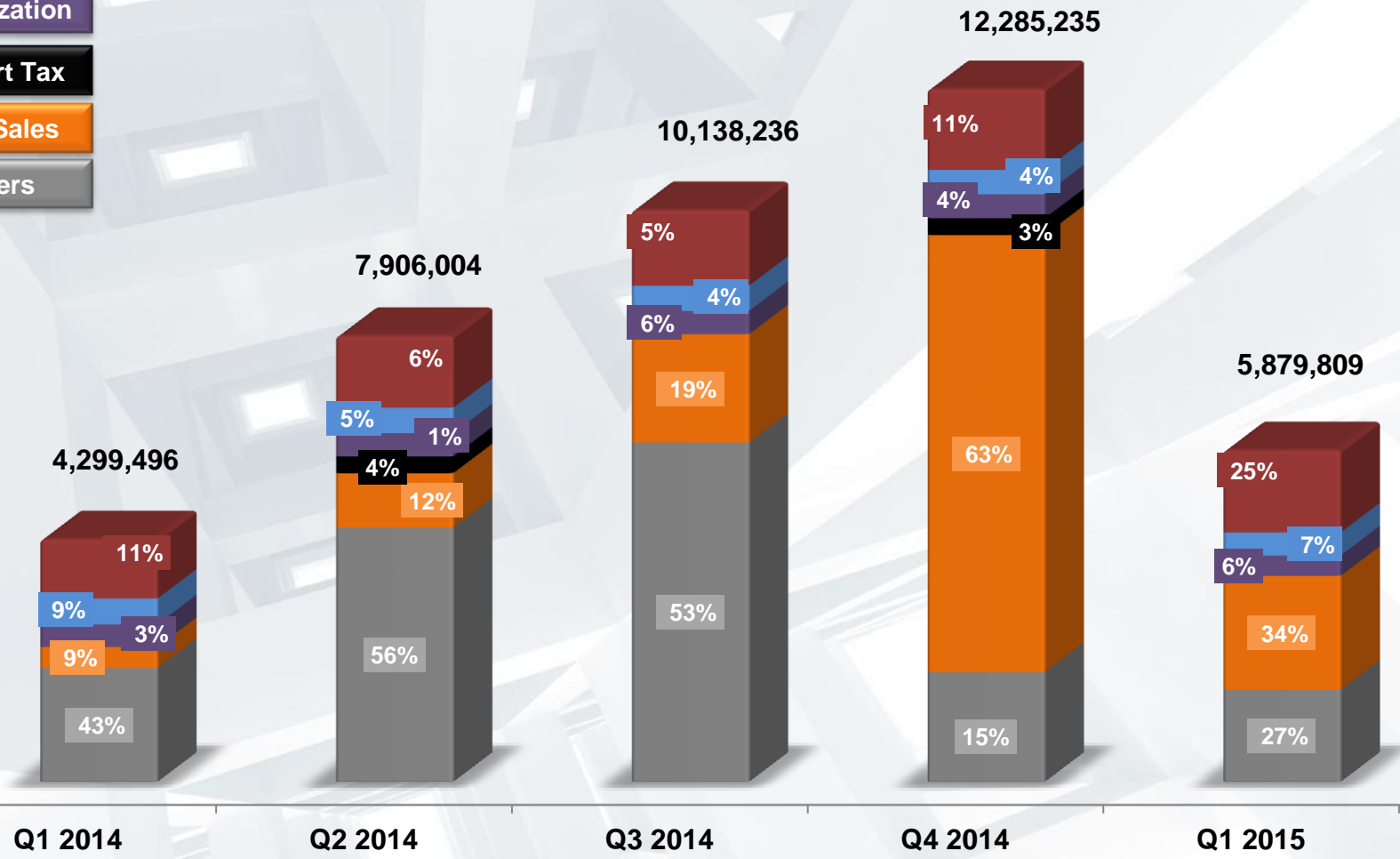
DISTRIBUTION OF MAIN INCOME ITEMS

(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

2015 Targets

- ◆ To start the construction of our towers in the “Istanbul Finance Center (IFC)” project
- ◆ To complete the construction the 2st part (Block B) and to lease 1st part Block A of the “Kocaeli Şekerpınar” project
- ◆ To start getting rental income from “Dedeman Park Levent” hotel project
- ◆ To start the construction and the sales of the Sancaktepe residential project
- ◆ To reach ~8,5 % ROaE ratio



HALKGYO

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

For further information please contact;

Investor Relations

Address: Şerifali Çiftliği Tatlısu Mahallesi Ertuğrulgazi Sokak
No:1 34774 Yukarı Dudullu - Ümraniye / İSTANBUL

[E-mail: ir@halkgyo.com.tr](mailto:ir@halkgyo.com.tr)

Phone: +90 216 600 10 25

DISCLAIMER

The information contained in this presentation has been prepared by Halk Gayrimenkul Yatırım Ortaklığı A.Ş. (Halk GYO) for informational purposes only. Although the information in this presentation has been obtained from sources which Halk GYO believes to be reliable, Halk GYO cannot guarantee that the information is without fault or entirely accurate. The information contained in this presentation has not been independently verified. No representation or warranty express or implied is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained herein. The information and opinions in this presentation are provided as at the date of this presentation and are subject to change without notice. Halk Gayrimenkul Yatırım Ortaklığı A.Ş. does not accept any liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of this presentation or otherwise arising in connection with this presentation. This presentation cannot be interpreted as an advice to anyone and is also strictly confidential and may not be reproduced, distributed or published for any purpose.

NOTES

