

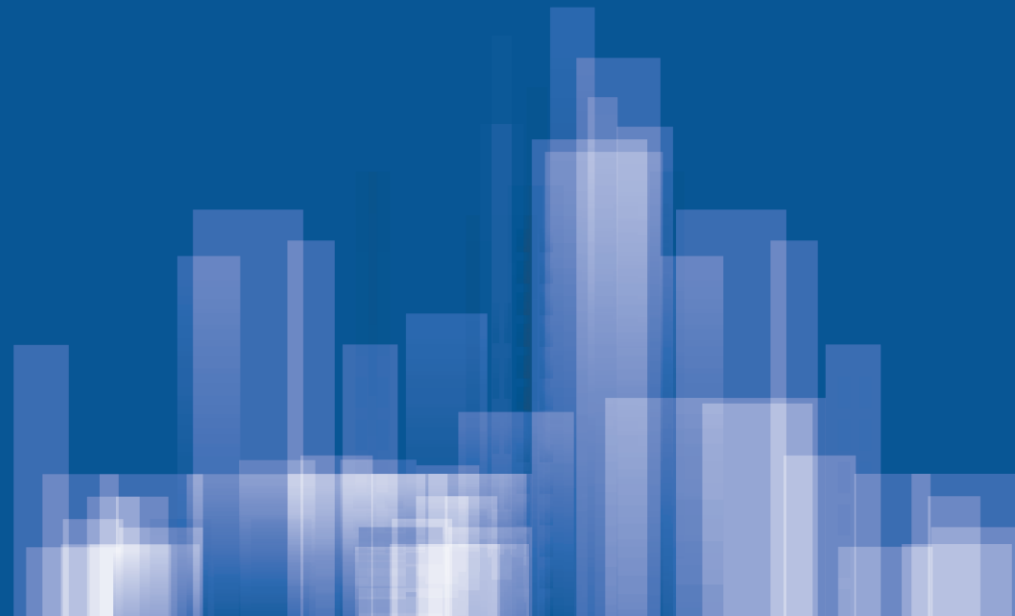


HALKGYO

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

INVESTOR PRESENTATION

2016 / Q3



ABOUT HALK GYO

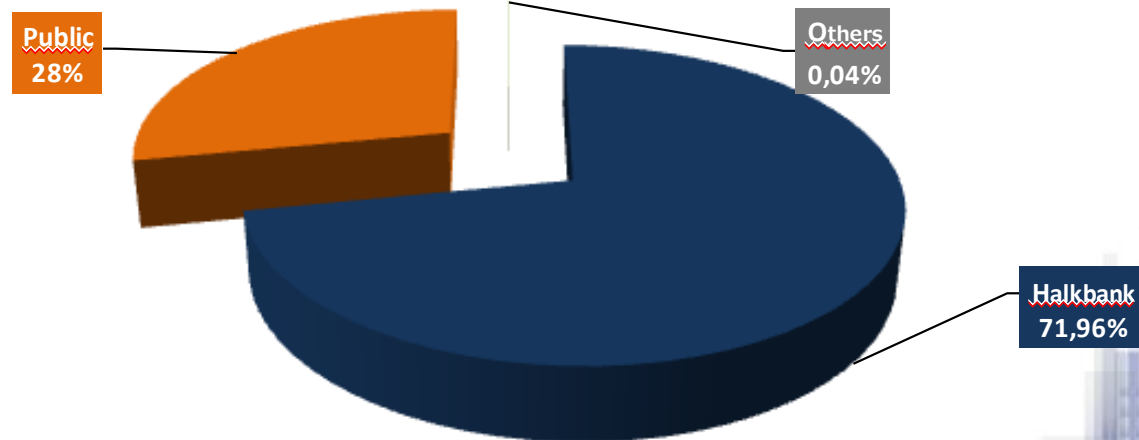
➤ Halk GYO, was established in 2010, invests in real estates, real estate projects, real estate based rights and capital market instruments.

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

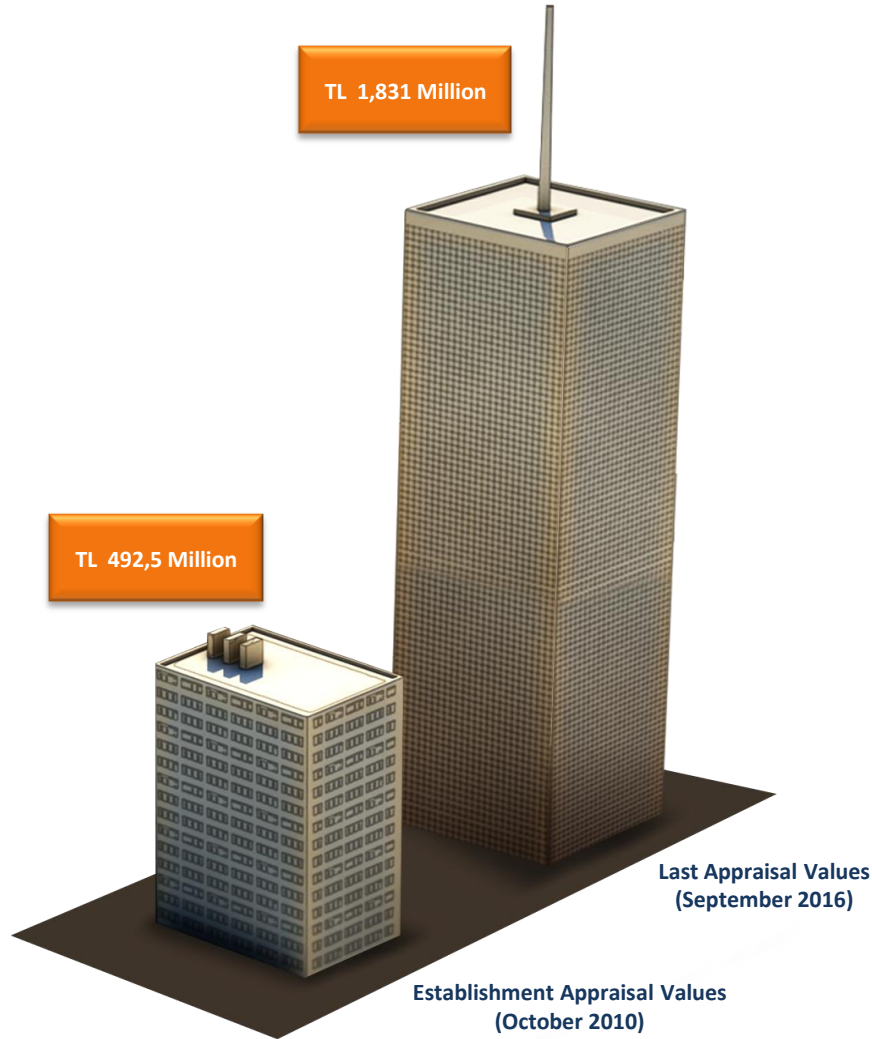
As of 30.09.2016;

❖ Halk GYO has an important position in the sector by more than **TL 1,8 billion** real estate portfolio, **TL 679 million** of market value and **TL 904 million** of shareholders’ equity.

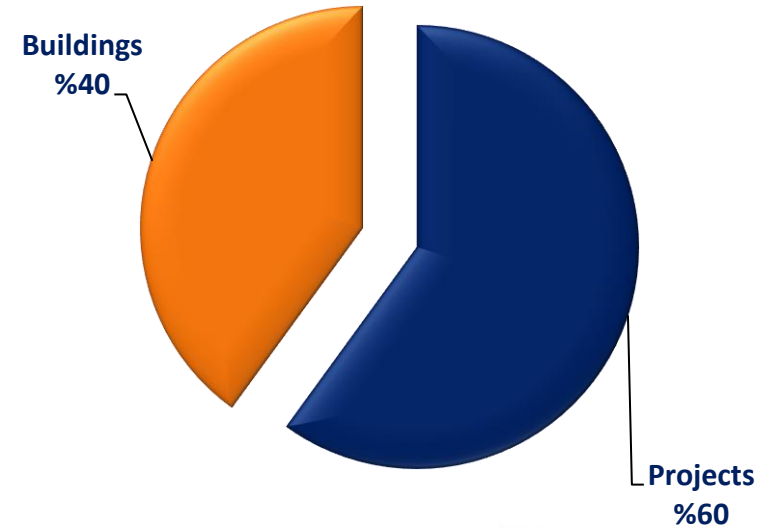
➤ **28%** of total shares are listed on the BIST.



REAL ESTATE PORTFOLIO



DISTRIBUTION OF PORTFOLIO



REAL ESTATE PORTFOLIO REGIONAL DISPERSAL



REAL ESTATE PORTFOLIO TABLE

| | Net Book Values (TL) | Last Appraisal Values (TL) |
|--------------------------------------------------|----------------------|----------------------------|
| PROJECTS | 447,509,872 | 1,087,511,472 |
| Istanbul "Finance Center" Project | 270,709,106 | *660,825,000 |
| Istanbul "Bizimtepe Aydos" Residential Project | 89,022,032 | 229,667,829 |
| Erzurum "Şehristan Residential" Project | 25,578,828 | 89,407,780 |
| Kocaeli Şekerpinar "Office Project" | 38,964,586 | 75,103,257 |
| Eskişehir "Panorama Plus" Residential Project | 15,975,536 | **23,755,451 |
| Istanbul "Referans Bakırköy" Residential Project | 7,259,784 | **8,752,155 |
| BUILDINGS | 480,621,067 | 744,072,488 |
| Istanbul Halkbank Finance Tower | 123,815,410 | 183,030,000 |
| Istanbul Park Dedeman Levent Hotel | 89,549,107 | 150,000,000 |
| Kocaeli Şekerpinar "Banking Center" | 66,051,195 | 82,521,600 |
| Istanbul Salıpazarı Building | 21,616,109 | ***46,680,000 |
| Istanbul Karaköy Building | 23,272,436 | 30,000,000 |
| Istanbul Beyoğlu Building | 11,921,038 | 22,000,000 |
| Istanbul Bakırköy Building | 8,912,774 | 21,400,000 |
| Izmir, Konak Building 1 | 13,017,756 | 21,380,000 |
| Istanbul Etiler Building | 10,927,538 | 16,500,000 |
| Ankara Kızılay Building | 12,285,606 | 16,310,000 |
| Istanbul Caddebostan Building | 5,915,384 | ***16,255,000 |
| Istanbul Beşiktaş Building | 11,789,571 | 16,165,000 |
| Istanbul Şişli Building | 10,773,556 | 14,300,000 |
| Izmir Konak Building 2 | 10,128,123 | 13,470,000 |
| Bursa Building | 8,368,100 | 11,960,000 |
| Ankara Başkent Building | 9,426,326 | 11,909,000 |
| Istanbul Ataköy Building | 4,952,341 | 10,860,000 |
| Kocaeli Building | 6,438,108 | 10,200,000 |
| Istanbul Fatih Building | 6,242,452 | 10,000,000 |
| Ankara Bahçelievler Building1 | 6,510,274 | 9,150,000 |
| Sakarya Adapazarı Building | 5,873,043 | 9,030,000 |
| Istanbul Nişantaşı Building | 4,960,375 | 8,300,000 |
| Ankara Bahçelievler Building 2 | 5,628,095 | 7,825,000 |
| Eskişehir Panorama Plus D Blok Commercial Unit | 1,612,715 | 4,177,025 |
| Eskişehir Panorama Plus B Blok Commercial Unit | 633,635 | 649,863 |
| TOTAL OF PORTFOLIO | 928,130,939 | 1,831,583,960 |

*Land appraisal value

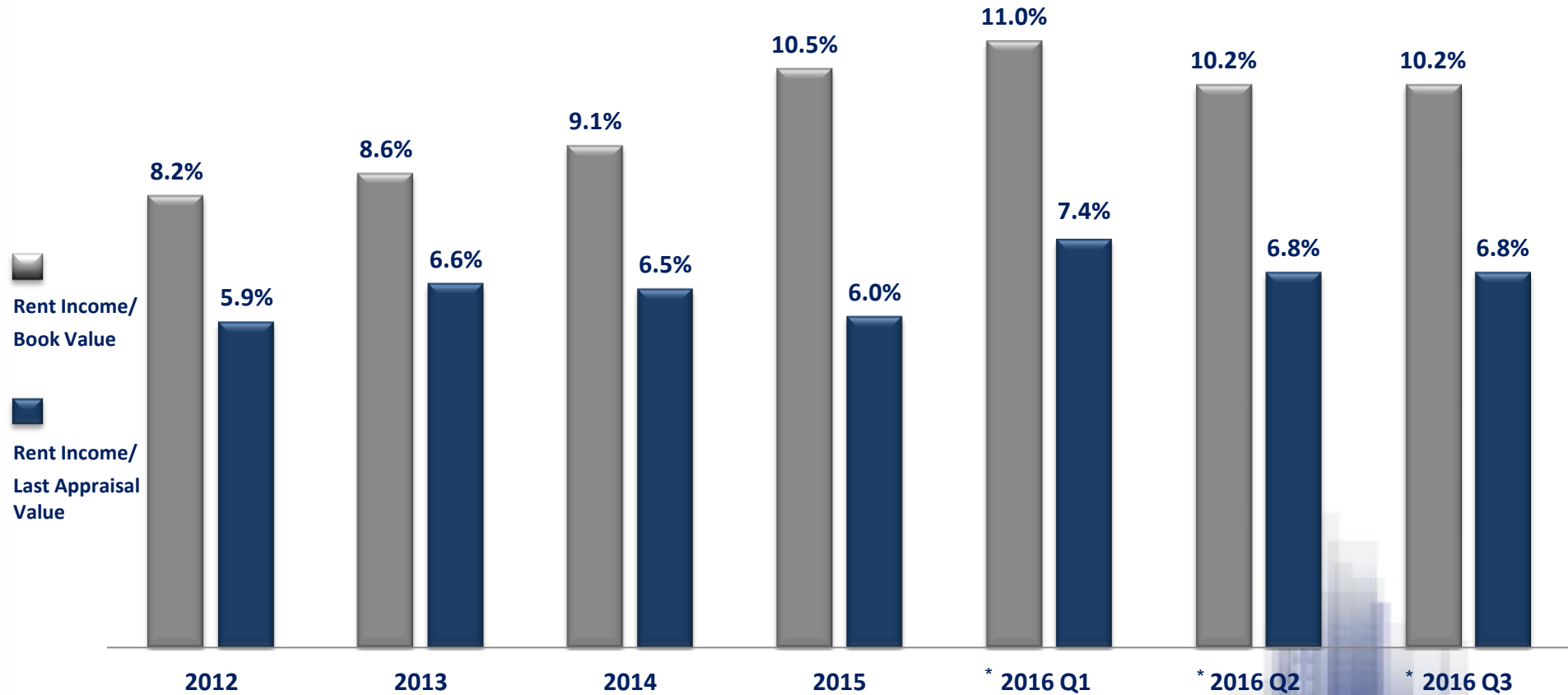
**Appraisal values of unsold independent units as of 30.06.2016

***Since being under construction, a rental income from Salıpazarı and Caddebostan Buildings cannot be generated .

REAL ESTATES
GENERATED
RENTAL INCOME

RENTAL INCOME RATIOS

| Period | 2012 | 2013 | 2014 | 2015 | 2016 Q1 | 2016 Q2 | 2016 Q3 |
|----------------------------|------------|------------|------------|------------|------------|------------|------------|
| Building Rent Revenue (TL) | 24,929,624 | 28,837,553 | 29,759,463 | 41,596,681 | 12,588,689 | 11,592,060 | 11,579,858 |



COMPLETED PROJECTS

HALKBANK FINANCE TOWER



In 2012, we acquired this 23-floor Class A office tower located near the Istanbul International Finance Center Project while it was under construction. The tower has been leased to Halkbank.

Being in Batı Ataşehir district, which is one of the closest areas to Istanbul Finance Center, Halkbank Finance Tower substantially contributes in not only our portfolio but also our yearly rent income.

Real Estate Information

| | | |
|-----------------|---|------------------|
| City | : | Istanbul |
| District | : | Ataşehir |
| Gross Area | : | 13,694 sqm |
| Book Value | : | TL 123.8 million |
| Appraisal Value | : | TL 183 million |
| Yearly Rent | : | USD 4,8 million |

COMPLETED PROJECTS

ISTANBUL REFERANS BAKIRKOY



Referans Bakırköy Project is Halk GYO's first residential project. The project is developed based on a revenue sharing model in which our Company's share is 50.5 percent. 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.

As of Q3 2016, the revenue was at the amount of TL 199.2 mn with the sales of 291 independent units (243 residences + 48 commercial) and the deed transfer process of 238 independent units amounted TL 160.8 mn completed.

| Real Estate Information | | Sale Information | | As of 09.30.2016 |
|-----------------------------------|--------------------|---------------------------------------|------------------|------------------|
| City | : İstanbul | Total of Sold IU | | 291 |
| District | : Bakırköy | Amount | TL 199.2 million | |
| Land Cost | : TL 31.8 million | | | |
| Appraisal Value of Entire Project | : TL 214 million | Completed deed transfers of IU | | 238 |
| Appraisal Value of Halk GYO Share | : TL 108,1 million | Amount | TL 160.8 million | |
| | | Unsold IU | | 36 |

COMPLETED PROJECTS

ISTANBUL PARK DEDEMAN LEVENT HOTEL



Park Dedeman Levent Hotel is the first hospitality project on Halk GYO's portfolio. It meets 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 the scope with 10-year lease agreement signed with Dedeman Group, the hotel has been delivered to Dedeman Group and opened its doors in July.

The project is aimed to be an environmentally friendly building and received a certificate of LEED Gold.

Real Estate Information

| | | |
|-----------------|---|-----------------|
| City | : | Istanbul |
| District | : | Şişli-Levent |
| Book Value | : | TL 89.5 million |
| Appraisal Value | : | TL 150 million |

COMPLETED PROJECTS

ESKISEHIR PANORAMA PLUS PROJECT



The project located in Odunpazarı-Eskişehir, developed on an area of 9,811 sqm and covers 102 independent units consists 97 residential and 5 commercial units, 2 of which have been rented out by our Company.

After the launch in November 2013, construction works had been started and as of Q3 2016, from the project in which sales still continue, the revenue at amount of TL 30.8 mn has been generated with the sales of 70 independent units (69 residences + 1 commercial) and the deed transfer process of 64 independent units amounted TL 27.8 mn completed.

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

Real Estate Information

| | |
|-----------------------------------|-------------------|
| City | : Eskişehir |
| District | : Odunpazarı |
| Appraisal Value of Entire Project | : TL 49.8 million |

COMPLETED PROJECTS

SEKERPINAR BANKING CENTER



“Şekerpınar Banking Center” which developed in Kocaeli Şekerpınar, has an usage area of approximately 9,000 sqm

In April 2015, the Center leased to Halkbank, our main shareholder, for 10 years.

Şekerpınar Banking Center is aimed to be an environmentally friendly building and received a certificate of LEED Gold.

Real Estate Information

| | | |
|------------------------|---|-----------------|
| City | : | Kocaeli |
| District | : | Şekerpınar |
| Book Value | : | TL 66.1 million |
| Appraisal Value | : | TL 82.5 million |
| Rental Income (yearly) | : | TL 5.6 million |

ONGOING PROJECTS

ISTANBUL FINANCE CENTER



As Halk GYO, we are one of the major stakeholders of the Istanbul International Finance Center Project carried out under the coordination of the Ministry of Environment and Urban Planning and we will build two office towers, one with 46 floors and the other with 34 floors and also 3 buildings each with 8 floors .

The project will serve as a hub for the state banks of Turkey, such as Halkbank, Vakıfbank, Ziraatbank, as well as financial institutions, such as Banking Regulation and Supervision Agency (BRSA) and Capital Markets Board (CMB). IFC will be 7/24 lively center that supported by both green fields and architectural design studies as well as hidden parking area into the basement floors which provides cars be hardly seen around the finance center.

A goodwill agreement has been signed with Halkbank, our main shareholder, to lease out specified areas of our office towers, regarding their demand and need after being completed and designed through class A standards.

For the project, construction permits have been granted and to select main contractor company, the pre-qualification process completed and tender process has started.

Real Estate Information

| | | |
|-------------------------|---|------------------|
| City | : | Istanbul |
| District | : | Ümraniye |
| Land Cost | : | TL 229.8 million |
| Appraisal Value of Land | : | TL 660.8 million |

ONGOING PROJECTS

SEKERPINAR OFFICE PROJECT



“Şekerpınar Office Project” located in Şekerpınar-Kocaeli developed on an area of approximately 52,000 sqm which was purchased in September 2012.

The construction of the project completed with Shell and Core concept and the marketing process to rent or sale are being carried out.

Real Estate Information

| | |
|-----------------|-------------------|
| City | : Kocaeli |
| District | : Sekerpınar |
| Appraisal Value | : TL 75.1 million |

ONGOING PROJECTS

SANCAKTEPE BIZIMTEPE AYDOS PROJECT



The Project will be constructed through joint venture with Vakıf REIT. It is located on Sancaktepe, one of the most developing and popular districts of Istanbul.

On the 95k sqm land, after leaving 90% of it for landscape, it is planning to build 13-storey 17 blocks (total 1037 units) with the options of 2+1, 3+1, 4+1, besides hobby gardens, bicycle and running tracks, arbors and ponds, grass amphitheatres and commercial units consisting private kindergarten and market.

With the catch-phrase of “happiness begins at home”, sales have begun in the Project which will be the response to the house demand resulting from IFC.

Real Estate Information

| | | |
|-----------------------------------|---|----------------|
| City | : | İstanbul |
| District | : | Sancaktepe |
| Appraisal Value of Entire Project | : | TL 460 million |
| Appraisal Value of Halk GYO Share | : | TL 230 million |

ONGOING PROJECTS

ERZURUM ŞEHRİSTAN RESIDENTIAL PROJECT



In April 2016, a land of 23,734 sqm in Erzurum/Yakutiye, of which prior proprietor was Er Konut, added into portfolio with a cost of TL 17.5 million, the half amount of the appraisal value of TL 35 million, to develop a residential project.

The project, developed through Halk GYO –ER KONUT (50% Halk REIT / 50% Er Konut) Ordinary Partnership, will comprise 13 blocks, each with 13-storey, and totally 620 residential and commercial units.

Of the project launched in May, construction works and sales continue.

Real Estate Information

| | | |
|------------------------------------|---|------------------|
| City | : | Erzurum |
| District | : | Yakutiye |
| Appraisal Value of Entire Project) | : | TL 178.8 million |
| Appraisal Value of Halk GYO Share | : | TL 89.4 million |

ONGOING PROJECTS

SALIPAZARI HOTEL PROJECT



After the best use studies, it was decided to renovate our office building, Beyoğlu Salıpazarı, which is registered in one of the most historic and significant districts in Istanbul, as a hotel.

After the procedures of sealed-bid tender and auction, a lease contract for 20 years has been signed. Our Company will get avg. Euro 1.7 million yearly rent.

Real Estate Information

| | |
|-----------------|------------------------|
| City | : İstanbul |
| District | : Beyoğlu / Salıpazarı |
| Book Value | : TL 21.6 million |
| Appraisal Value | : TL 46.7 million |

FINANCIAL DATA

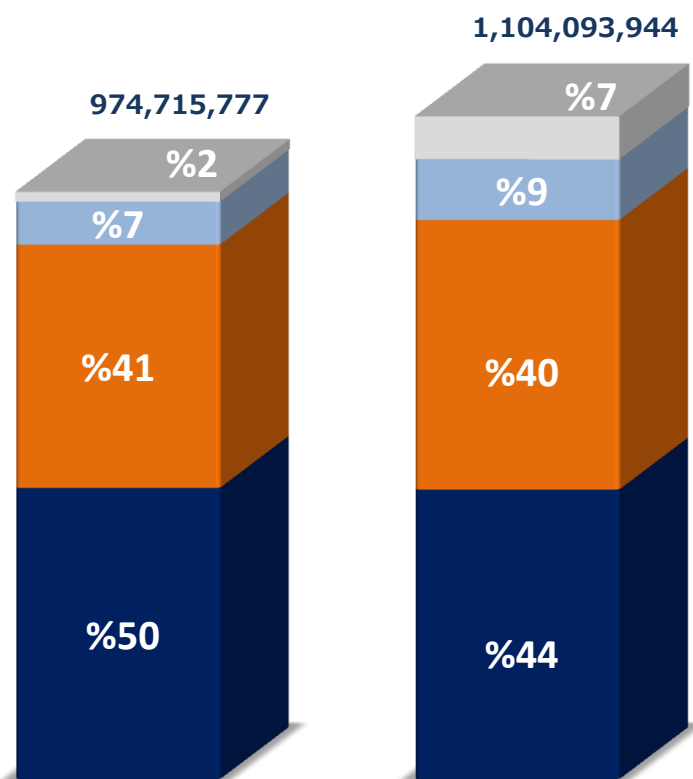
| BALANCE SHEET (TL) | 31.12.2015 | 30.09.2016 |
|-------------------------------------|--------------------|----------------------|
| Current Assets | 144,495,869 | 239,955,774 |
| <i>Liquid Assets</i> | <i>16,436,458</i> | <i>75,371,002</i> |
| <i>Inventories</i> | <i>97,964,900</i> | <i>137,836,180</i> |
| Non-Current Assets | 830,219,908 | 864,138,170 |
| <i>Investment Properties</i> | <i>789,101,181</i> | <i>790,294,759</i> |
| Total Assets | 974,715,777 | 1,104,093,944 |
| Short Term Liabilities | 52,951,759 | 33,127,363 |
| <i>Deferred Income</i> | <i>44,070,843</i> | <i>25,935,063</i> |
| Long Term Liabilities | 42,315,152 | 167,390,603 |
| <i>Deferred Income</i> | <i>30,813,515</i> | <i>157,492,248</i> |
| Equity | 879,448,866 | 903,575,978 |
| Total Liabilities and Equity | 974,715,777 | 1,104,093,944 |

| INCOME STATEMENT (TL) | 01.01.2015 30.09.2015 | 01.01.2016 30.09.2016 |
|----------------------------------------|--------------------------|--------------------------|
| Revenues | 53,582,062 | 58,975,106 |
| <i>Rent Income</i> | <i>26,696,876</i> | <i>35,856,727</i> |
| <i>Sales Income</i> | <i>24,861,690</i> | <i>18,325,847</i> |
| <i>Financial Income</i> | <i>2,023,496</i> | <i>4,792,532</i> |
| Cost of Sales | (9,941,628) | (13,284,735) |
| <i>Cost of Residential Sales</i> | <i>(7,740,680)</i> | <i>(9,764,806)</i> |
| <i>Other</i> | <i>(2,200,948)</i> | <i>(3,519,929)</i> |
| Gross Profit | 43,640,434 | 45,690,371 |
| <i>General Administrative Expense</i> | <i>(6,969,075)</i> | <i>(11,000,374)</i> |
| <i>Marketing & Selling Expense</i> | <i>-</i> | <i>(4,219,698)</i> |
| <i>Other Income/Expense</i> | <i>(288,939)</i> | <i>30,298</i> |
| Operational Profit | 36,382,420 | 30,500,597 |
| <i>Financial Expense</i> | <i>(1,208,498)</i> | <i>(1,102,498)</i> |
| Net Profit | 35,173,922 | 29,398,099 |

DISTRIBUTION OF ASSETS AND LIABILITIES

DISTRIBUTION OF ASSETS (TL)

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

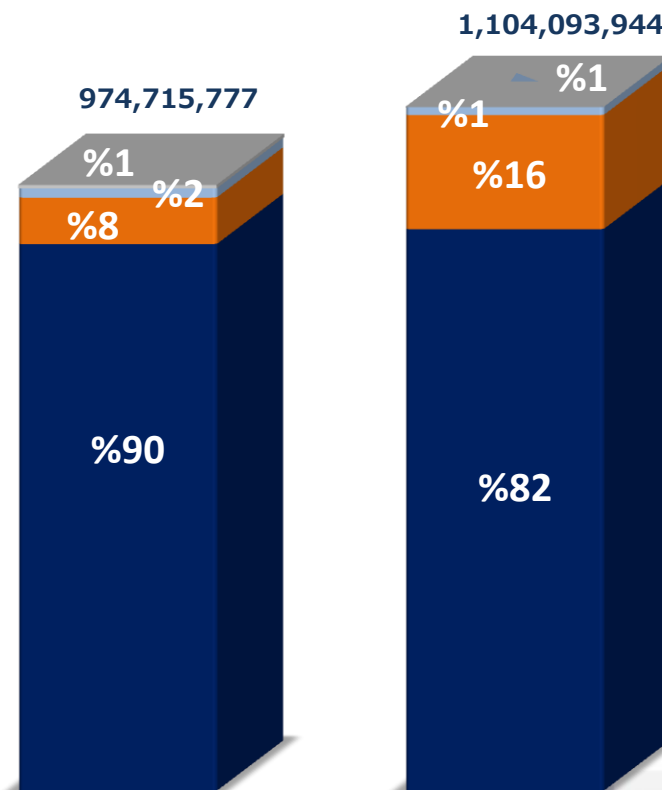


2015

2016 September

DISTRIBUTION OF LIABILITIES (TL)

■ Equities ■ Deferred Income ■ Financial Debts ■ Others



2015

2016 September

BALANCE SHEET ITEMS

TL 1,000

YoY

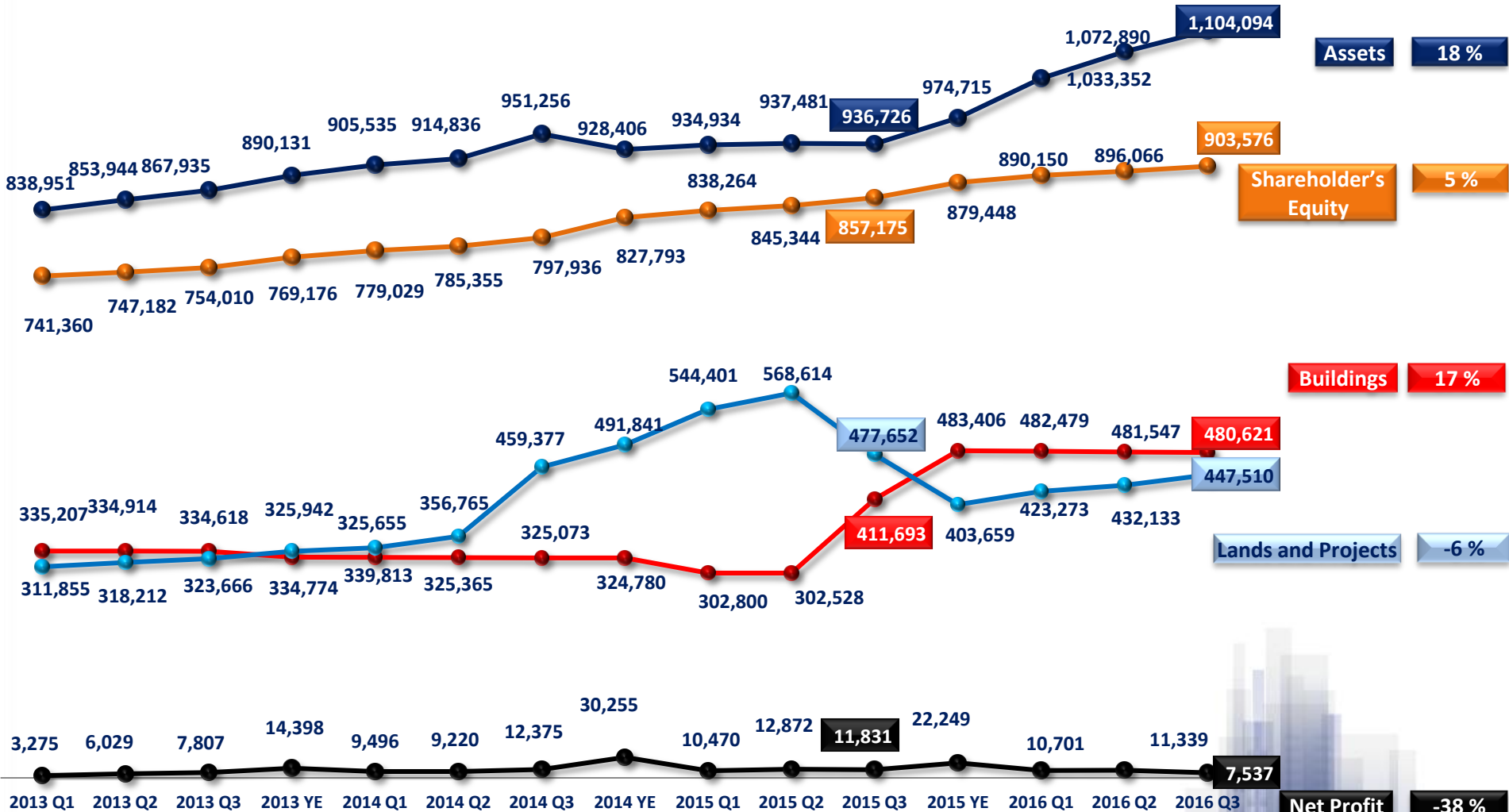
Assets 18 %

Shareholder's Equity 5 %

Buildings 17 %

Lands and Projects -6 %

Net Profit -38 %



INCOME STATEMENT ITEMS

| TL | 2013 | 2014 | 2015 Q1 | 2015 Q2 | 2015 Q3 | 2015 Q4 | 2015 | 2016 Q1 | 2016 Q2 | 2016 Q3 |
|-----------------------------------------|--------------------|--------------------|-------------------|-------------------|--------------------|--------------------|--------------------|-------------------|--------------------|-------------------|
| Total Revenues | 58,513,850 | 86,611,117 | 16,026,056 | 19,180,338 | 18,375,668 | 46,074,049 | 99,656,111 | 19,273,889 | 20,933,850 | 18,767,367 |
| <i>Rent Income</i> | <i>28,954,219</i> | <i>29,963,466</i> | <i>7,338,870</i> | <i>8,427,530</i> | <i>10,931,976</i> | <i>15,372,960</i> | <i>42,071,336</i> | <i>12,647,847</i> | <i>11,687,337</i> | <i>11,521,543</i> |
| <i>R. Estate Sale Income</i> | <i>18,000,000</i> | <i>40,356,205</i> | <i>7,672,844</i> | <i>9,837,390</i> | <i>7,351,456</i> | <i>30,568,117</i> | <i>55,429,807</i> | <i>5,214,536</i> | <i>7,612,406</i> | <i>5,498,905</i> |
| <i>Financial Income</i> | <i>11,559,630</i> | <i>16,292,449</i> | <i>1,015,842</i> | <i>915,418</i> | <i>92,236</i> | <i>131,472</i> | <i>2,154,968</i> | <i>1,411,506</i> | <i>1,634,107</i> | <i>1,746,919</i> |
| Cost of Sales | -12,023,516 | -14,649,589 | -2,848,388 | -3,279,847 | -3,813,393 | -21,584,106 | -31,525,734 | -4,360,935 | - 4,942,892 | -3,980,908 |
| <i>Cost of Real Estate Sales</i> | <i>-8,381,183</i> | <i>-11,011,823</i> | <i>-2,017,124</i> | <i>-2,577,166</i> | <i>--3,146,390</i> | <i>-19,189,658</i> | <i>-26,930,338</i> | <i>-3,290,688</i> | <i>-3,562,327</i> | <i>-2,911,791</i> |
| <i>Others</i> | <i>-3,642,333</i> | <i>-3,637,766</i> | <i>-831,264</i> | <i>-702,681</i> | <i>-667,003</i> | <i>-2,394,448</i> | <i>-4,595,396</i> | <i>-1,070,247</i> | <i>-1,380,565</i> | <i>-1,069,117</i> |
| Gross Profit | 46,490,334 | 71,961,528 | 13,177,668 | 15,900,491 | 14,562,275 | 24,489,943 | 68,130,377 | 14,912,954 | 15,990,958 | 14,786,459 |
| General Administrative Expenses | -9,753,600 | -10,924,043 | -2,244,737 | -2,612,221 | -2,112,117 | -1,910,277 | -8,879,352 | -2,241,165 | -2,499,943 | -6,259,266 |
| Marketing & Selling Expenses | | | | | | | | -1,569,560 | -1,800,581 | -849,557 |
| Foreign Exchange Gain | 1,427,368 | 9,365,000 | 324,109 | 94,768 | 504,106 | -245,841 | 677,142 | 16,689 | 57,289 | 71,505 |
| Foreign Exchange Loss | -2,468,834 | -7,271,997 | -378,064 | -103,549 | -730,309 | 340,787 | -871,135 | -39,866 | -36,579 | -38,740 |
| Operating Profit | 35,695,268 | 63,130,488 | 10,878,976 | 13,279,489 | 12,223,955 | 22,664,612 | 59,047,032 | 11,079,052 | 11,711,144 | 7,710,401 |
| Financial Expenses | -4,184,441 | -1,783,342 | -408,620 | -407,175 | -392,703 | -414,629 | -1,623,127 | -377,315 | -371,530 | -353,653 |
| Profit Before TAX | 31,510,827 | | 10,470,356 | 12,872,314 | 11,831,252 | 22,249,983 | 57,423,905 | 10,701,737 | 11,339,614 | 7,356,748 |
| Net Profit | 31,510,827 | 61,347,146 | 10,470,356 | 12,872,314 | 11,831,252 | 22,249,983 | 57,423,905 | 10,701,737 | 11,339,614 | 7,356,748 |
| ROE | 4.88% | 7.68% | 5.02% | 6.12% | 5.56% | 10.25% | 6.73% | 4.84% | 5.07% | 3.27% |
| ROA | 4.02% | 6.75% | 4.50% | 5.50% | 5.05% | 9.31% | 6.03% | 4.26% | 4.30% | 2.70% |

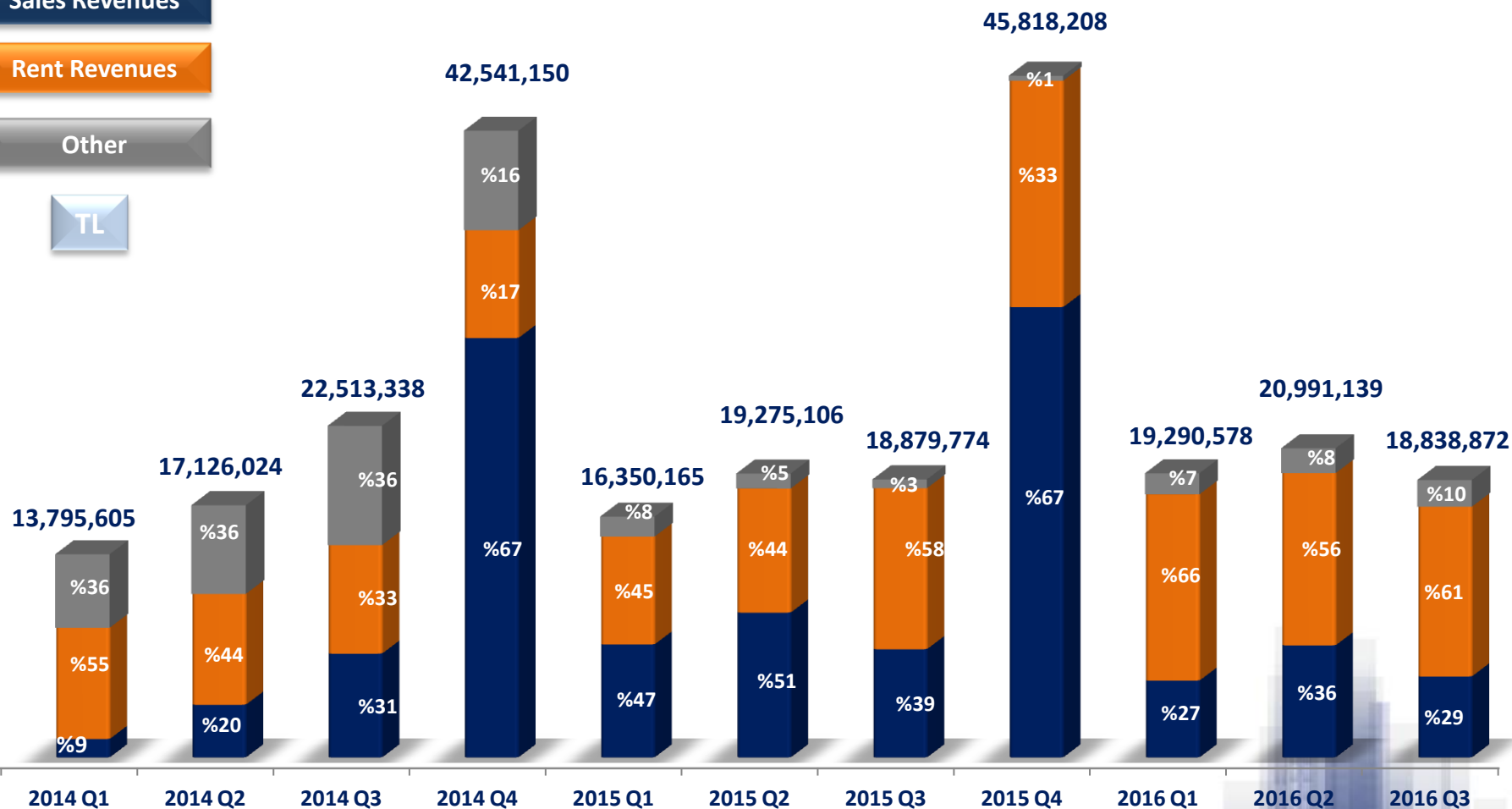
DISTRIBUTION OF MAIN INCOME ITEMS

Sales Revenues

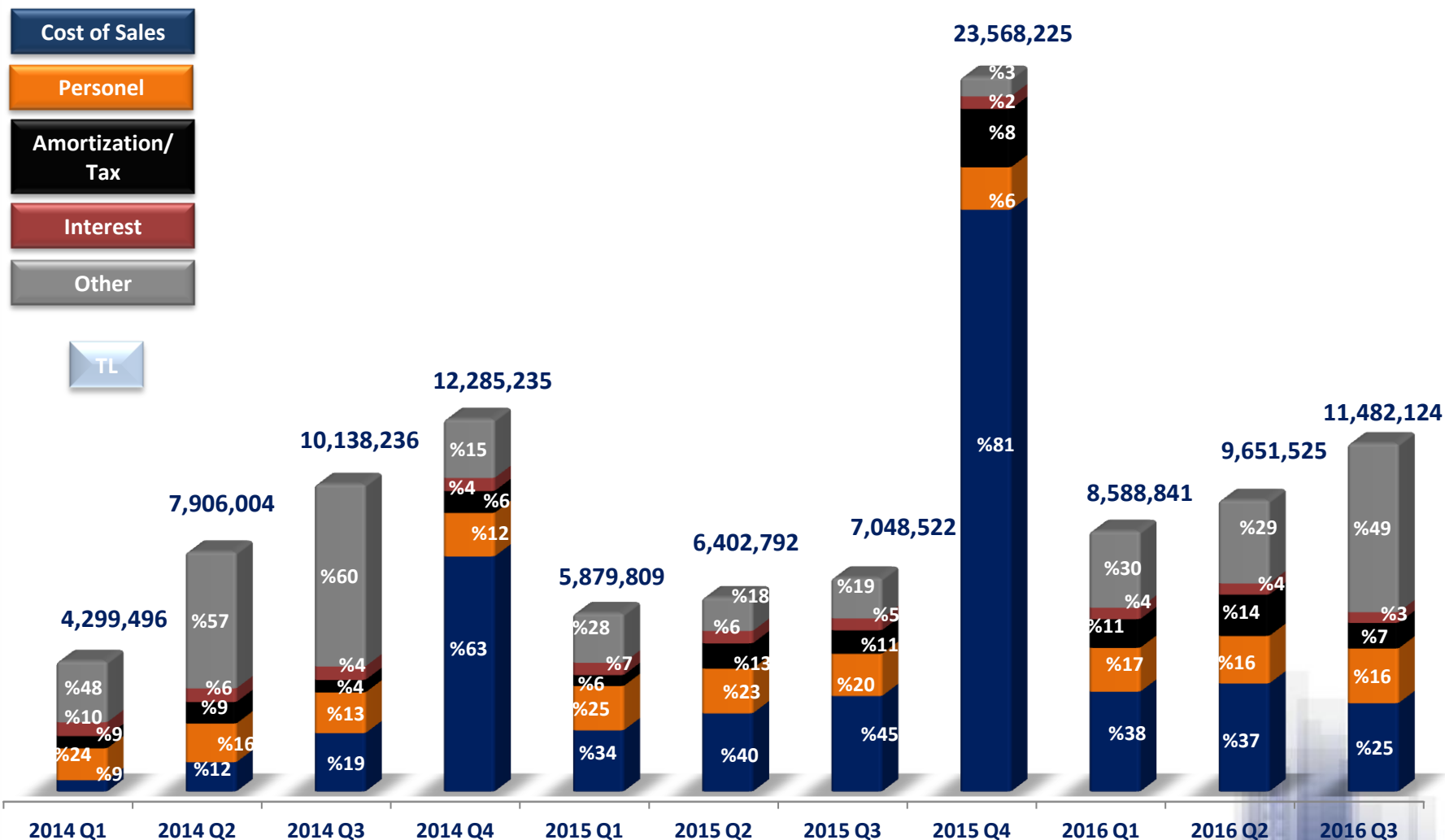
Rent Revenues

Other

TL



DISTRIBUTION OF MAIN EXPENSE ITEMS



2016 TARGETS

- To complete tender to determine prime contractor for “*Istanbul Finance Center*” project and start construction works,
- To complete the construction of Kocaeli “*Şekerpinar Office Project*” and rent it out,
- To renovate **Salıpazarı Building** as a hotel
- To complete sales of “*Referans Bakırköy*” and “*Eskişehir Panorama Plus*” residential projects
- ✓ To reach to ~6,5 % ROaE ratio.

For further information please contact;

**Group Presidency of
Investor Relations & Strategic Planning & Advertising PR**

Investor Relations



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