

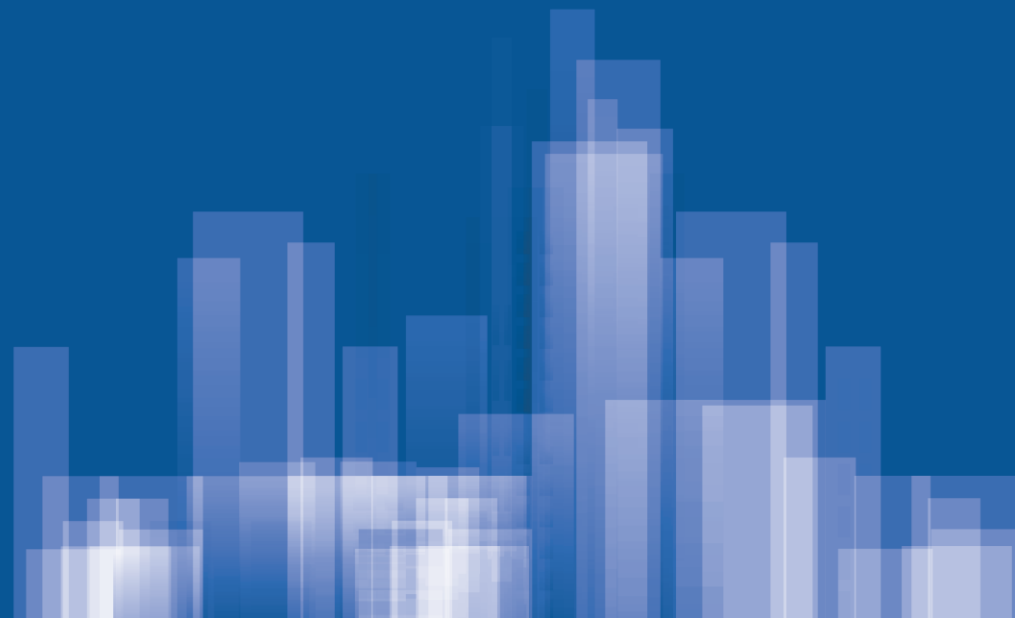


**HALKGYO**

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

# INVESTOR PRESENTATION

2016 / Q2



# ABOUT HALK GYO

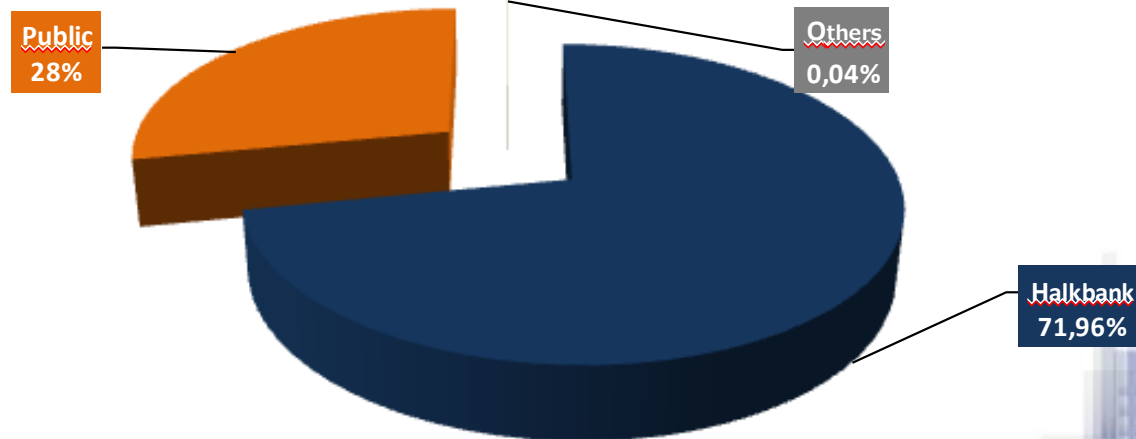
➤ Halk GYO, was established in 2010, invests in real estates, real estate projects, real estate based rights and capital market instruments.

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

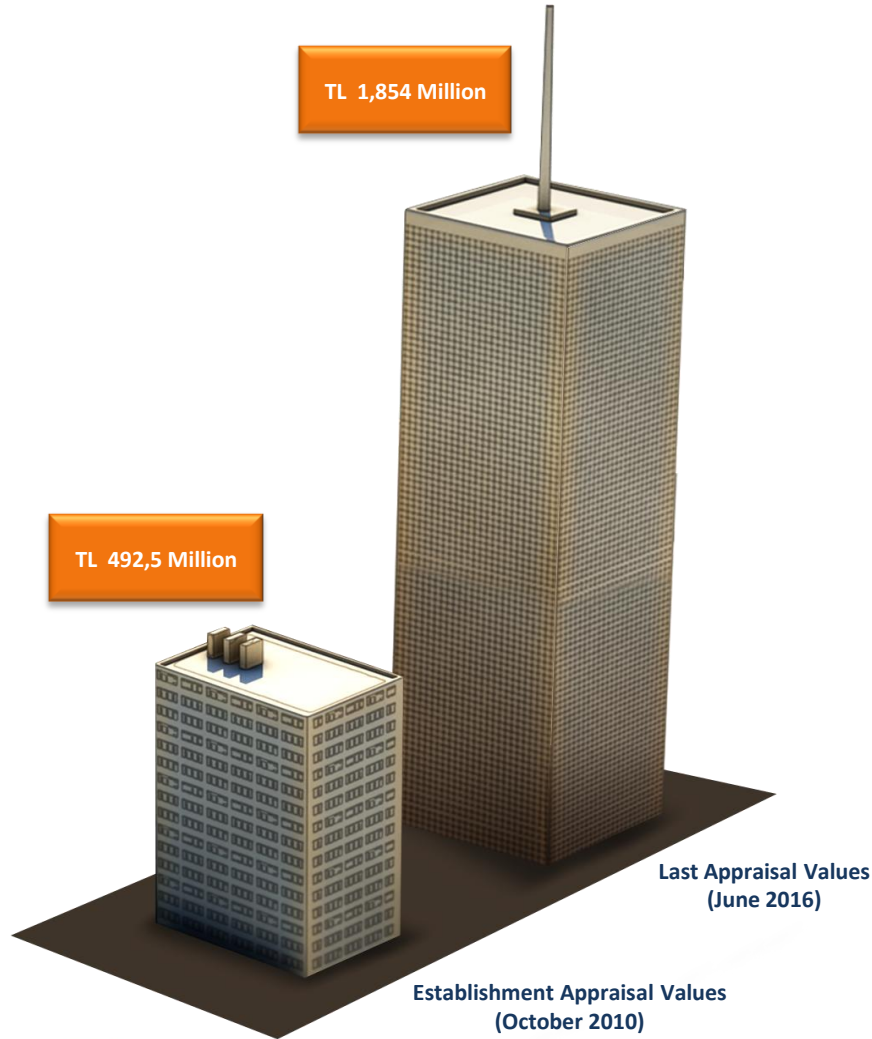
## As of 30.06.2016;

❖ Halk GYO has an important position in the sector by **TL 1,9 billion** real estate portfolio, **TL 703 million** of market value and **TL 896 million** of shareholders' equity.

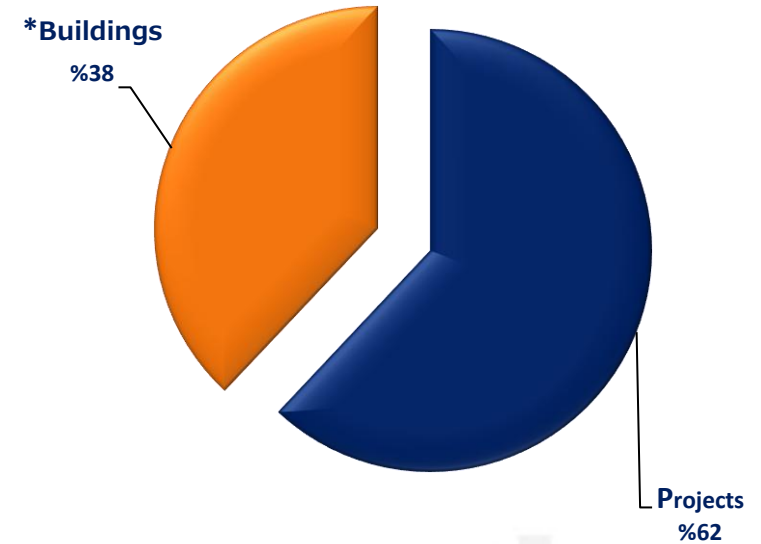
➤ **28%** of total shares are listed on the BIST.



# REAL ESTATE PORTFOLIO



# DISTRIBUTION OF PORTFOLIO



\* Salıpzarı which is still in renovation stage and Caddebostan Buildings which is in urban transformation process are not added into the calculations

# REAL ESTATE PORTFOLIO REGIONAL DISPERSAL



# REAL ESTATE PORTFOLIO TABLE

	Net Book Values (TL)	Last Appraisal Values (TL)
<b>PROJECTS</b>	<b>432,133,917</b>	<b>1,087,707,390</b>
Istanbul "Finance Center" Project	270,490,536	*660,825,000
Istanbul "Bizimtepe Aydos" Residential Project	78,745,939	229,667,829
Erzurum "Şehristan Residential" Project	18,009,486	89,407,780
Kocaeli Şekerpinar "Office Project"	38,938,722	75,103,257
Eskişehir "Panorama Plus" Residential Project	22,591,755	**23,951,369
Istanbul "Referans Bakırköy" Residential Project	3,357,479	**8,752,155
<b>BUILDINGS</b>	<b>481,547,545</b>	<b>766,392,488</b>
Istanbul Halkbank Finance Tower	123,968,466	205,350,000
Istanbul Park Dedeman Levent Hotel	89,878,732	150,000,000
Kocaeli Şekerpinar "Banking Center"	66,362,901	82,521,600
Istanbul Salıpazarı Building	21,616,143	***46,680,000
Istanbul Karaköy Building	23,282,111	30,000,000
Istanbul Beyoğlu Building	11,924,395	22,000,000
Istanbul Bakırköy Building	8,917,482	21,400,000
Izmir, Konak Building 1	13,034,060	21,380,000
Istanbul Etiler Building	10,930,619	16,500,000
Ankara Kızılay Building	12,293,668	16,310,000
Istanbul Caddebostan Building	5,931,788	***16,255,000
Istanbul Beşiktaş Building	11,794,003	16,165,000
Istanbul Şişli Building	10,783,183	14,300,000
Izmir Konak Building 2	10,135,027	13,470,000
Bursa Building	8,373,706	11,960,000
Ankara Başkent Building	9,431,232	11,909,000
Istanbul Ataköy Building	4,956,980	10,860,000
Kocaeli Building	6,441,566	10,200,000
Istanbul Fatih Building	6,248,300	10,000,000
Ankara Bahçelievler Building1	6,517,550	9,150,000
Sakarya Adapazarı Building	5,876,740	9,030,000
Istanbul Nişantaşı Building	4,962,065	8,300,000
Ankara Bahçelievler Building 2	5,630,503	7,825,000
Eskişehir Panorama Plus D Blok Commercial Unit	1,619,882	4,177,025
Eskişehir Panorama Plus B Blok Commercial Unit	636,443	649,863
<b>TOTAL OF PORTFOLIO</b>	<b>913,681,462</b>	<b>1,854,099,878</b>

\*Land appraisal value

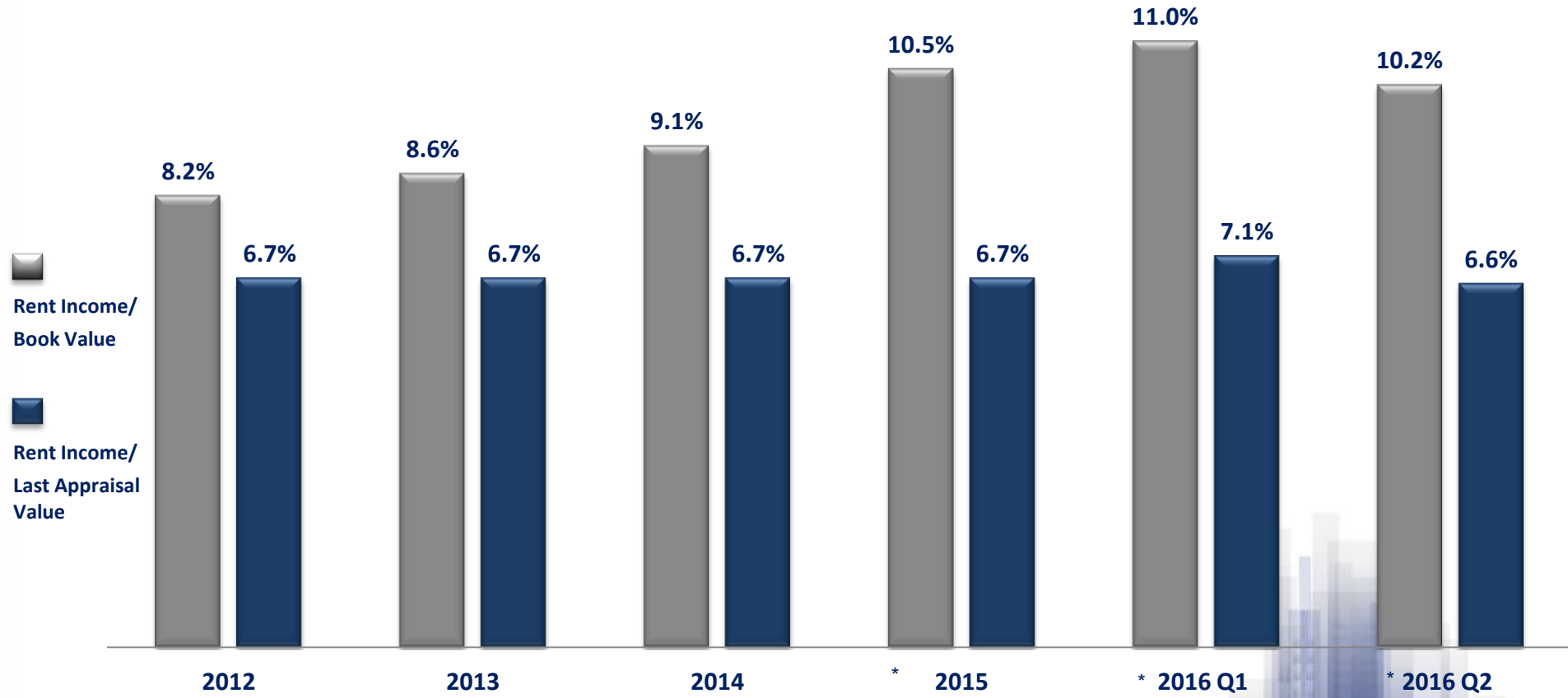
\*\*Appraisal values of unsold independent units as of 30.06.2016

\*\*\*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
Building Rent Revenue (TL)	24,929,624	28,837,553	29,759,463	41,596,681	12,588,689	11,592,060



# 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 is leased to Halkbank for four years.

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

In April 2016, the lease contract with Halkbank extended for one more year.

### Real Estate Information

City	:	Istanbul
District	:	Ataşehir
Gross Area	:	13,694 sqm
Book Value	:	TL 123.9 million
Last Appraisal Value	:	TL 205.3 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 Q2 2016, the revenue was at the amount of TL 197,4 mn with the sales of 288 independent units (240 residences + 48 commercial) and the deed transfer process of 235 independent units amounted TL 159,9 mn completed.

Real Estate Information		Sale Information		As of 06.30.2016
City	: İstanbul	<b>Total of Sold IU</b>		<b>288</b>
District	: Bakırköy	Amount		TL 197,4 million
Land Cost	: TL 31.8 million			
Appraisal Value of Entire Project	: TL 214 million	<b>Completed deed transfers of IU</b>		<b>235</b>
Halk GYO Share	: TL 108,1 million	Amount		TL 159,9 million
		<b>Unsold IU</b>		<b>39</b>



# 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 89.8 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 Q2 2016, from the project in which sales still continue, the revenue at amount of TL 28.5 mn has been generated with the sales of 65 independent units (64 residences + 1 commercial) and the deed transfer process of 59 independent units amounted TL 25.4 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 All Project	: TL 49.9 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 66.3 million
Appraisal Value	:	TL 82.5 million
Rental Income (monthly)	:	TL 472,104

# 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	:	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
Book Value (Entire Project)	:	TL 460,0 million
Appraisal Value (Halk GYO share)	:	TL 229.6 million



# ONGOING PROJECTS

## ERZURUM ŐEHİRİSTAN 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
Book Value (Entire Project)	:	TL 178.8 million
Halk GYO Share	:	50%

# 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

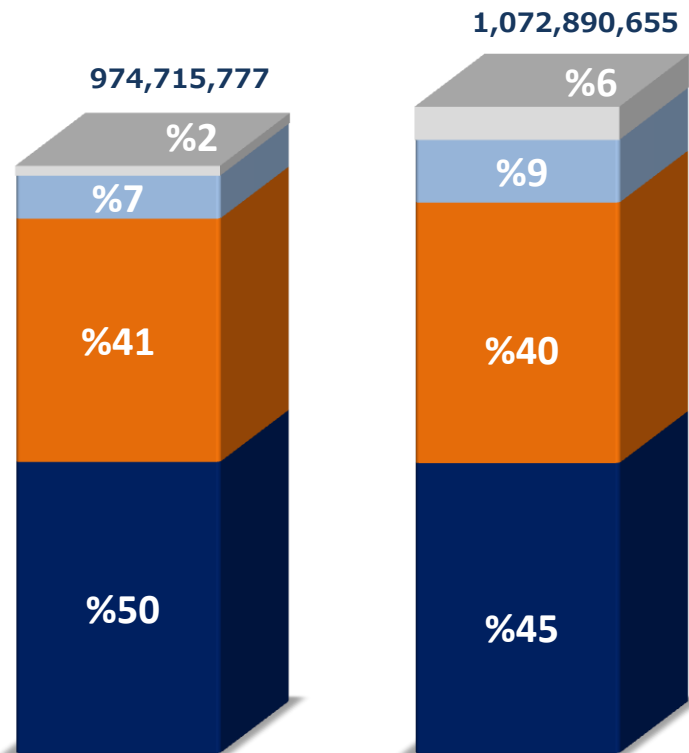
BALANCE SHEET (TL)	31.12.2015	30.06.2016
<b>Current Assets</b>	<b>144,495,869</b>	<b>204,666,723</b>
<i>Liquid Assets</i>	<i>16,436,458</i>	<i>54,957,616</i>
<i>Inventories</i>	<i>97,964,900</i>	<i>122,704,659</i>
<b>Non-Current Assets</b>	<b>830,219,908</b>	<b>868.223.932</b>
<i>Investment Properties</i>	<i>789,101,181</i>	<i>790,976,803</i>
<b>Total Assets</b>	<b>974,715,777</b>	<b>1,072,890,655</b>
<b>Short Term Liabilities</b>	<b>52,951,759</b>	<b>41,241,066</b>
<i>Deferred Income</i>	<i>44,070,843</i>	<i>31,578,300</i>
<b>Long Term Liabilities</b>	<b>42,315,152</b>	<b>135,583,271</b>
<i>Deferred Income</i>	<i>30,813,515</i>	<i>125,110,570</i>
<b>Equity</b>	<b>879,448,866</b>	<b>896,066,318</b>
<b>Total Liabilities and Equity</b>	<b>974,715,777</b>	<b>1,072,890,655</b>

INCOME STATEMENT (TL)	01.01.2015 30.06.2015	01.01.2016 30.06.2016
<b>Revenues</b>	<b>35,206,394</b>	<b>40,207,739</b>
<i>Rent Income</i>	<i>15,764,900</i>	<i>24,335,184</i>
<i>Sales Income</i>	<i>17,510,234</i>	<i>12,826,942</i>
<i>Financial Income</i>	<i>1,931,260</i>	<i>3,045,613</i>
<b>Cost of Sales</b>	<b>(6,128,235)</b>	<b>(9,303,827)</b>
<i>Cost of Residential Sales</i>	<i>(4,594,290)</i>	<i>(6,853,015)</i>
<i>Other</i>	<i>(1,533,945)</i>	<i>(2,450,812)</i>
<b>Gross Profit</b>	<b>29,078,159</b>	<b>30,903,912</b>
<i>General Administrative Expense</i>	<i>(4,856,958)</i>	<i>(4,741,108)</i>
<i>Marketing &amp; Selling Expense</i>	<i>-</i>	<i>(3,370,141)</i>
<i>Other Income/Expense</i>	<i>(62,736)</i>	<i>(2,467)</i>
<b>Operational Profit</b>	<b>24,158,465</b>	<b>22,790,196</b>
<i>Financial Expense</i>	<i>(815,795)</i>	<i>(748,845)</i>
<b>Net Profit</b>	<b>23,342,670</b>	<b>22,041,351</b>

# DISTRIBUTION OF ASSETS AND LIABILITIES

**DISTRIBUTION OF ASSETS (TL)**

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

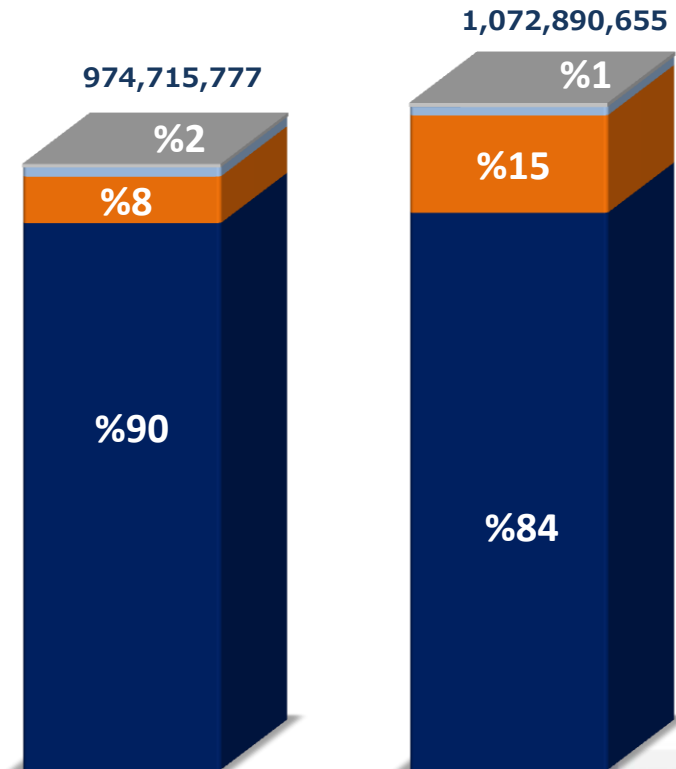


2015

2016 June

**DISTRIBUTION OF LIABILITIES (TL)**

■ Equities ■ Deferred Income ■ Financial Debts ■ Others



2015

2016 June

# BALANCE SHEET ITEMS

TL 1,000

YoY

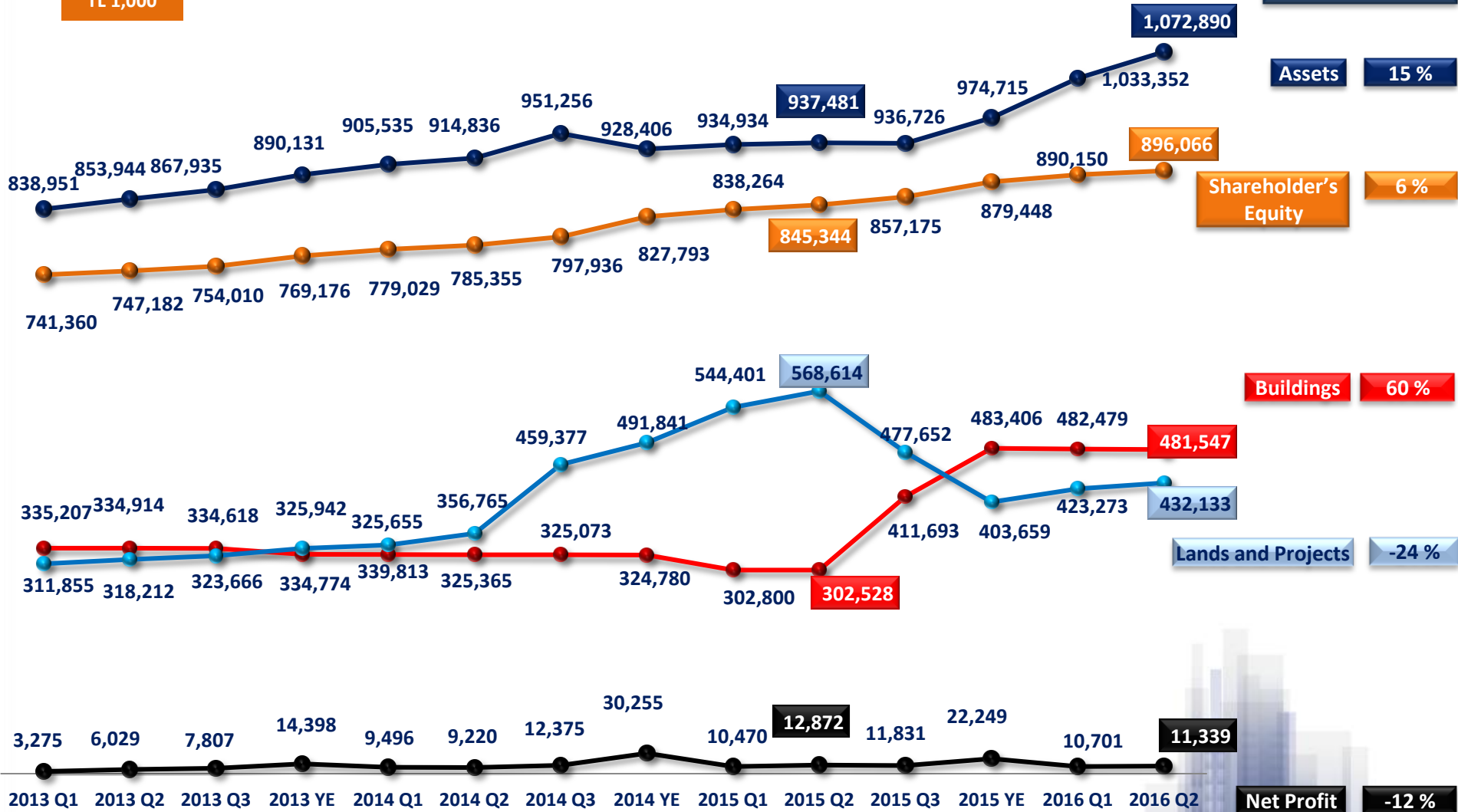
Assets 15 %

Shareholder's Equity 6 %

Buildings 60 %

Lands and Projects -24 %

Net Profit -12 %





# INCOME STATEMENT ITEMS

TL	2013	2014	2015 Q1	2015 Q2	2015 Q3	2015 Q4	2015	2016 Q1	2016 Q2
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
Rent Income	28,954,219	29,963,466	7,338,870	8,427,530	10,931,976	15,372,960	42,071,336	12,647,847	11,687,337
R. Estate Sale Income	18,000,000	40,356,205	7,672,844	9,837,390	7,351,456	30,568,117	55,429,807	5,214,536	7,612,406
Financial Income	11,559,630	16,292,449	1,015,842	915,418	92,236	131,472	2,154,968	1,411,506	1,634,107
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
Cost of Real Estate Sales	-8,381,183	-11,011,823	-2,017,124	-2,577,166	-3,146,390	-19,189,658	-26,930,338	-3,290,688	-3,562,327
Others	-3,642,333	-3,637,766	-831,264	-702,681	-667,003	-2,394,448	-4,595,396	-1,070,247	-1,380,565
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
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
Marketing & Selling Expenses								-1,569,560	-1,800,581
Foreign Exchange Gain	1,427,368	9,365,000	324,109	94,768	504,106	-245,841	677,142	16,689	57,289
Foreign Exchange Loss	-2,468,834	-7,271,997	-378,064	-103,549	-730,309	340,787	-871,135	-39,866	-36,579
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
Financial Expenses	-4,184,441	-1,783,342	-408,620	-407,175	-392,703	-414,629	-1,623,127	-377,315	-371,530
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
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
ROE	4.88%	7.68%	5.02%	6.12%	5.56%	10.25%	6.73%	4.84%	5.07%
ROA	4.02%	6.75%	4.50%	5.50%	5.05%	9.31%	6.03%	4.26%	4.30%



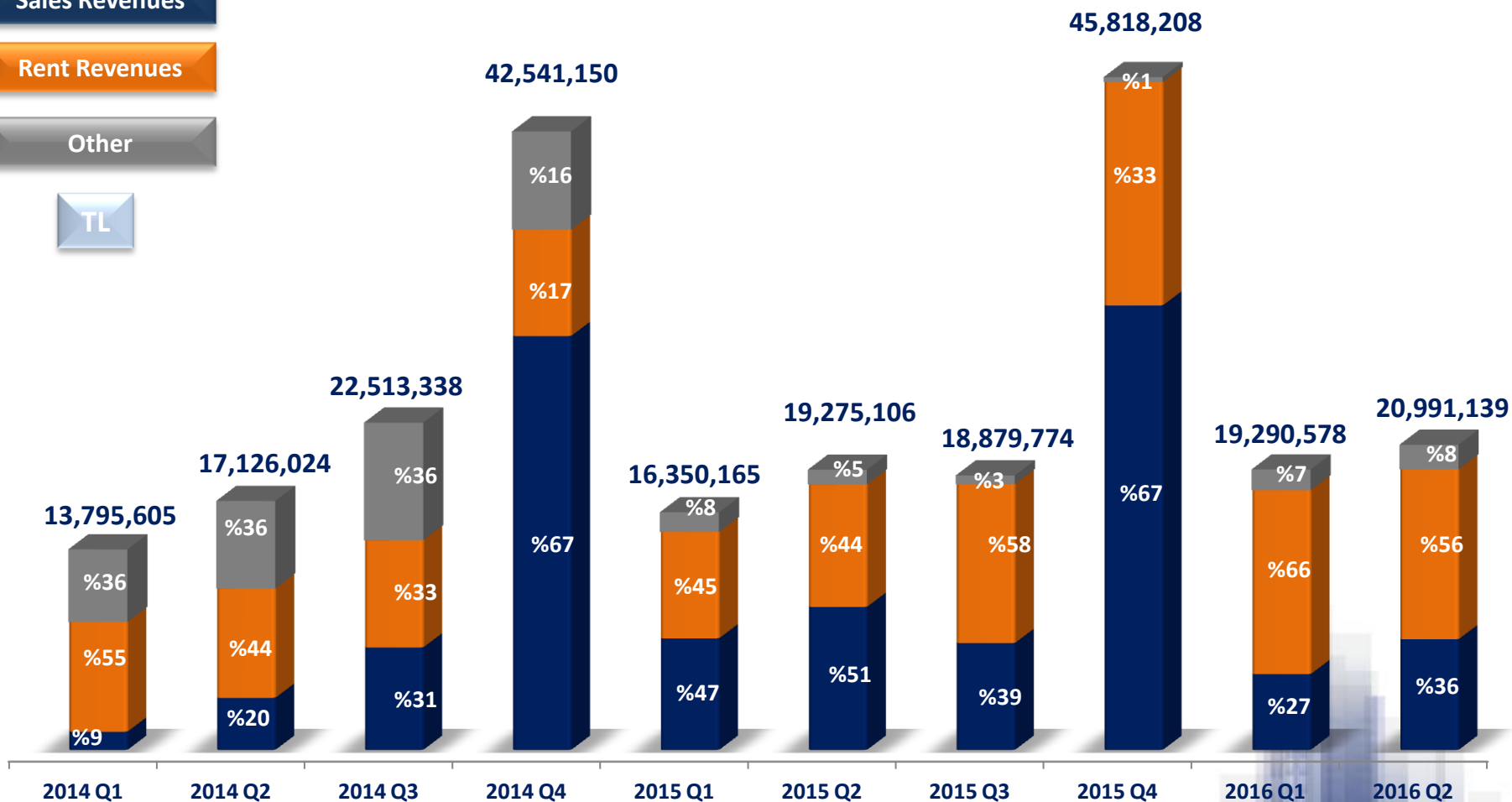
# DISTRIBUTION OF MAIN INCOME ITEMS

Sales Revenues

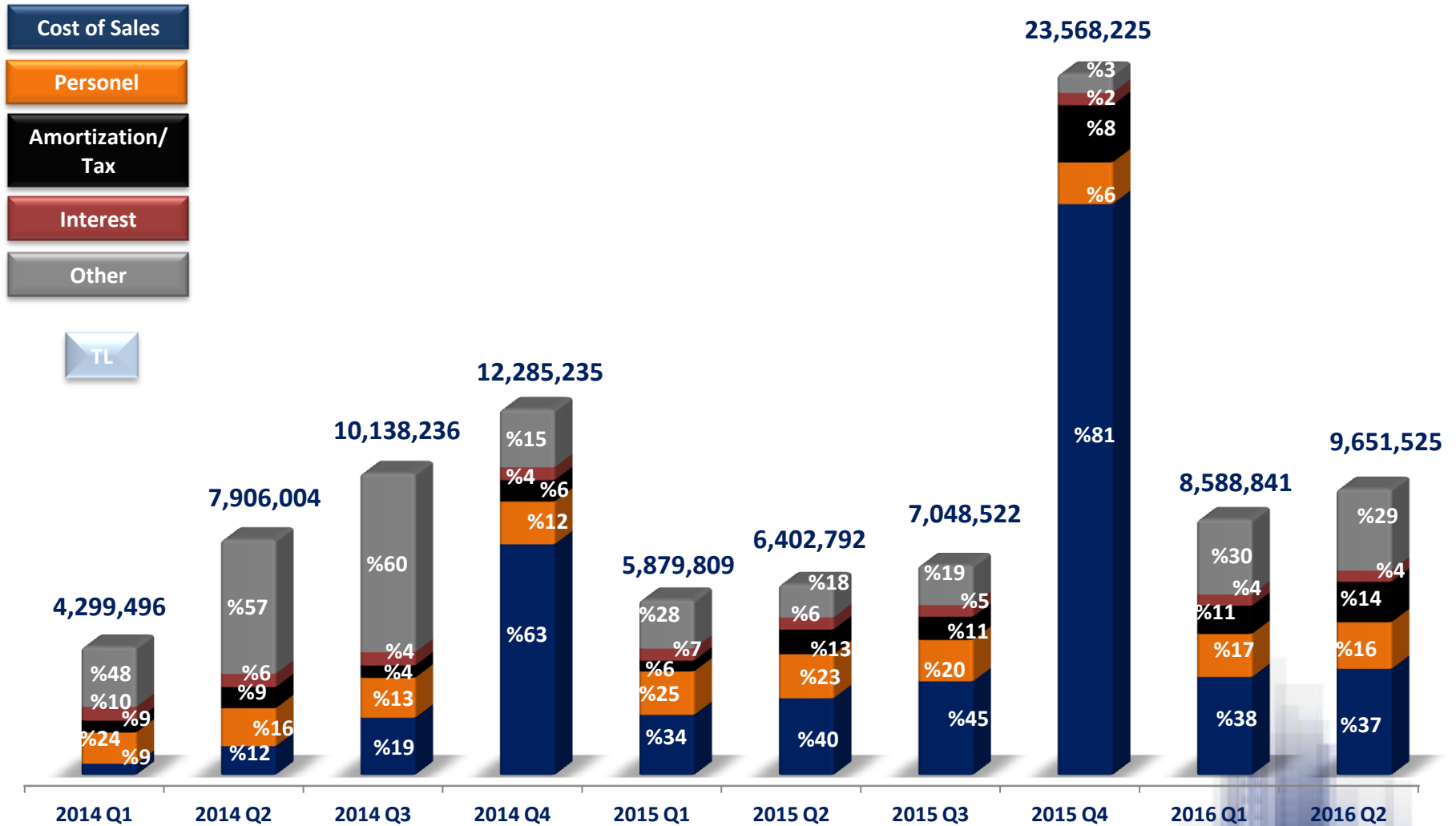
Rent Revenues

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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