

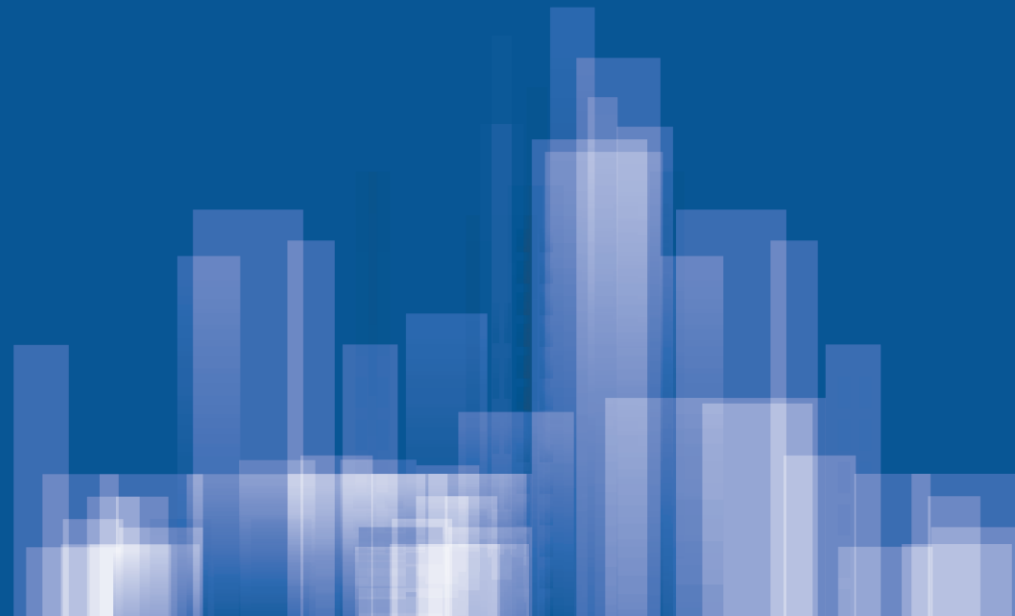


HALKGYO

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

INVESTOR PRESENTATION

2017 / YE





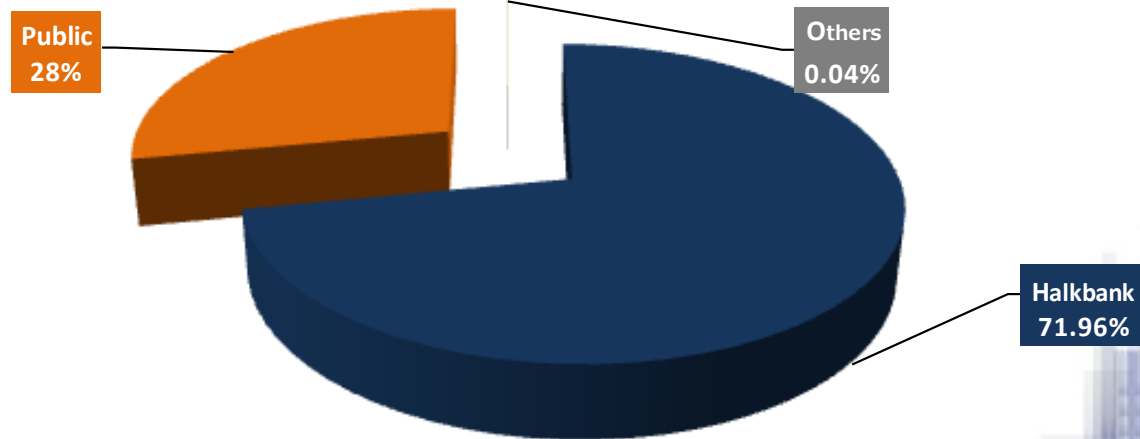
ABOUT HALK GYO

- 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”

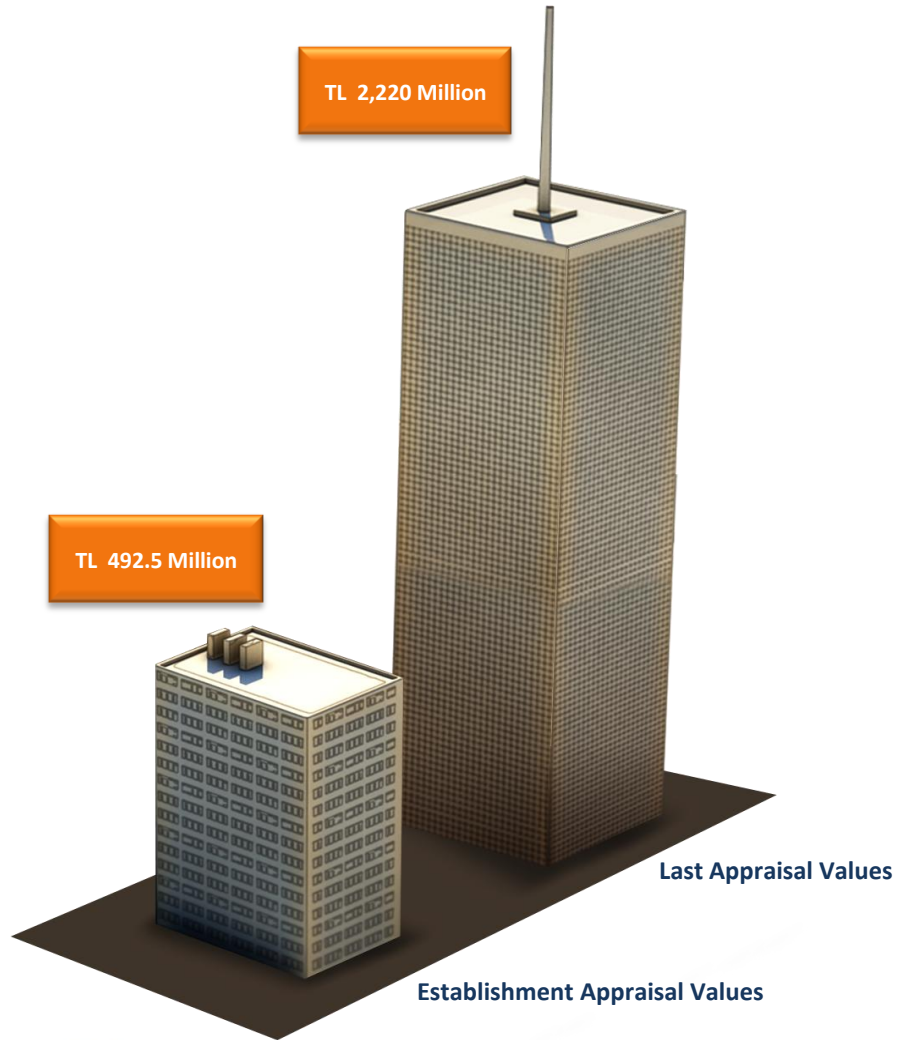
As of December 31, 2017;

❖ Halk GYO has an important position in the sector by the total asset value approaching **TL 2.4 billion**, shareholders' equity approaching **TL 1.8 billion** and market value of **TL 787,2 million**

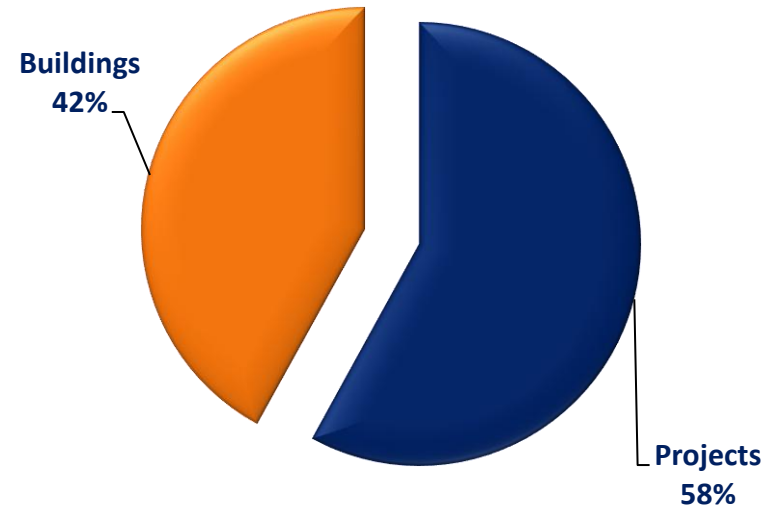
- **28%** of total shares are listed on the BIST.



REAL ESTATE PORTFOLIO



DISTRIBUTION OF PORTFOLIO



REAL ESTATE PORTFOLIO REGIONAL DISPERSAL



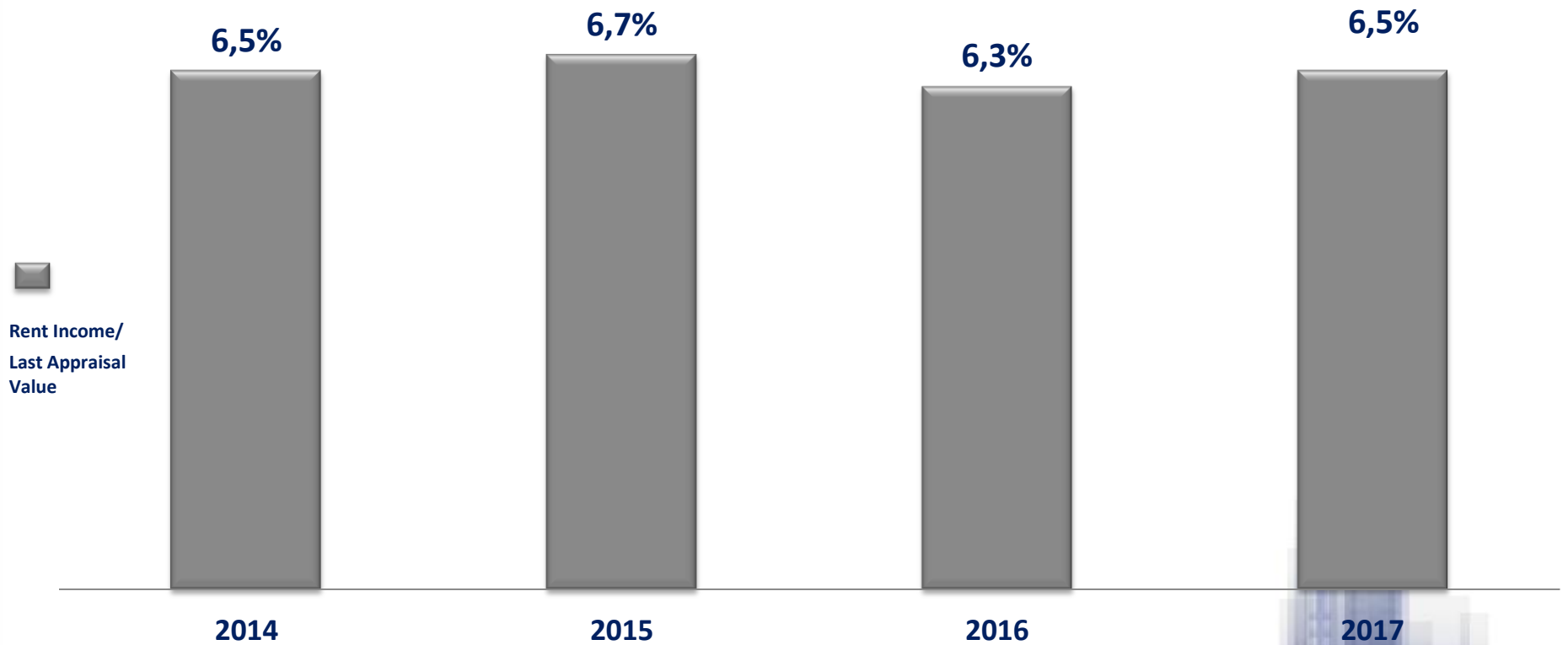
REAL ESTATE PORTFOLIO TABLE

PORTFOLIO		Fair Value(TL)
PROJECTS	Current Status	
Istanbul Financial Center Project	In Construction	*888,120,000
Istanbul Bizimtepe Aydos Residential Project	In Construction	284,255,740
Erzurum Şehristan Residentials Project	In Construction	96,291,029
Eskişehir Panorama Plus Residential Project	In Sale	**12,689,814
Istanbul Referans Bakırköy Residential Project	In Sale	**3,310,913
Total		1,284,667,496
BUILDINGS	Tenant	
Istanbul Halkbank Finance Tower	Halkbank	209,450,640
Istanbul Park Dedeman Levent Hotel	Dedeman	176,319,803
Şekerpınar Banking Center	Halkbank	98,016,800
Halk Office Şekerpınar	On The Market	75,832,883
Istanbul Salıpazarı Building	In renovation process (as a Hotel)	59,728,296
Istanbul Karaköy Building	On the Market	36,000,000
Izmir, Konak 1 Building	Halkbank	27,156,000
Istanbul Beyoğlu Building	Halkbank / Turkish Treasury	26,473,003
Istanbul Bakırköy Building	Halkbank	23,548,000
Istanbul Beşiktaş Building	Halkbank	19,465,000
Ankara Kızılay Building	Halkbank	17,013,475
Istanbul Etiler Building	Halkbank	18,440,000
Istanbul Şişli Building	Halkbank	16,262,529
Izmir Konak 2 Building	Halkbank and its subsidiaries	16,090,500
Bursa Building	Halkbank	14,400,400
Kocaeli Building	Halkbank	12,521,000
Ankara Başkent Building	Halkbank / Ceda Hotel	11,854,750
Istanbul Ataköy Building	Halkbank	12,463,200
Istanbul Fatih Building	Halkbank	12,477,083
Istanbul Caddebostan Building	In renovation process	***12,512,591
Sakarya Adapazarı Building	Halkbank	12,525,000
Ankara Bahçelievler 1 Building	Halkbank	9,863,250
Istanbul Nişantaşı Building	Halkbank	9,514,000
Ankara Bahçelievler 2 Building	On the Market	8,100,000
Total		936,028,203
TOTAL OF PORTFOLIO		2,220,695,699

* Project appraisal value
 ** Appraisal values of independent units of Halk GYO as of December 31, 2017
 *** Land appraisal value

REAL ESTATES
 GENERATED
 RENTAL INCOME

RENTAL INCOME RATIOS



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 İstanbul Finance Center, Halkbank Finance Tower substantially contributes in not only our portfolio but also our yearly rent income.

Real Estate Information

City	:	İstanbul
District	:	Ataşehir
Appraisal Value	:	TL 209.5 million
Yearly Rent	:	TL 15.2 million

COMPLETED PROJECTS

ISTANBUL REFERANS BAKIRKÖY



Referans Bakırköy 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. A few units have remained unsold in the Company's portfolio.

Real Estate Information

City	:	İstanbul
District	:	Bakırköy
Appraisal Value (for unsold units of Halk GYO as of December 31, 2017)	:	TL 3.3 million

COMPLETED PROJECTS

ISTANBUL PARK DEDEMAN LEVENT HOTEL



Park Dedeman Levent Hotel is the first hospitality project in 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, 2015.

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

Real Estate Information

City	:	İstanbul
District	:	Şişli-Levent
Appraisal Value	:	TL 176.3 million

COMPLETED PROJECTS

ESKİŞEHİR 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.

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

As of December 31, 2017, 16 units have remained unsold in the Company’s portfolio.

Real Estate Information

City	: Eskişehir
District	: Odunpazarı
Appraisal Value (for 16 unsold units as of December 31, 2017)	: TL 12.6 million

COMPLETED PROJECTS

ŞEKERPINAR BANKING CENTER



Şekerpınar Banking Center which developed on our Şekerpınar-Kocaeli land which was purchased in September 2012, has an usage area of approximately 9k sqm.

In April 2015, the Center leased for 10 years.

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

Real Estate Information

City	:	Kocaeli
District	:	Şekerpınar
Appraisal Value	:	TL 98 million
Rental Income (yearly)	:	TL 5.9 million

COMPLETED PROJECTS

HALK OFFICE ŐEKERPINAR



Halk Office Őekerpınar located on our Őekerpınar-Kocaeli land which was purchased in September 2012, has an usage area of approximately 52k sqm.

The marketing process for leasing or sale of the project still continues.

Real Estate Information

City	:	Kocaeli
District	:	Őekerpınar
Appraisal Value (for 90%)	:	TL 75.8 million

ONGOING PROJECTS

ISTANBUL FINANCIAL CENTER



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

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), The Central Bank of Turkey 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.

The construction of project has been started as of year end 2016.

Real Estate Information

City	:	İstanbul
District	:	Ümraniye
Land Cost	:	TL 229.8 million
Appraisal Value of Land	:	TL 888.1 million

ONGOING PROJECTS

SANCAKTEPE BİZİMTEPE 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.

As of December 31 2017, TL 181,4 million has been accounted as deferred income in the Company’s balance sheet for 741 units.

Real Estate Information

City	:	İstanbul
District	:	Sancaktepe
Appraisal Value of Entire Project	:	TL 568.5 million
Appraisal Value of Halk GYO Share	:	TL 284.3 million
Halk GYO Share	:	50%

ONGOING PROJECTS

ERZURUM ŞEHRİSTAN RESIDENTIAL PROJECT



In April 2016, a land of approximately 24k 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 “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.

As of December 31 2017, TL 47,1 million has been accounted as deferred income in the Company’s balance sheet for 316 units.

Real Estate Information

City	:	Erzurum
District	:	Yakutiye
Appraisal Value of Entire Project	:	TL 192.6 million
Appraisal Value of Halk GYO Share	:	TL 96.3 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.

The alteration permission for transforming building to hotel has been granted.

Real Estate Information

City	: İstanbul
District	: Beyoğlu / Salıpazarı
Appraisal Value	: TL 59.7 million

ONGOING PROJECTS

İZMİR ALSANCAK PROJECT



“Teknik Yapı – Halk GYO Joint Venture” has been established providing all profits, liability and revenue to be divided equally with Teknik Yapı A.Ş., the winner of the Revenue Sharing Model Project in Return for Land Sale Tender, made by Emlak Konut GYO A.Ş. in June, for approximately 47 acres of land consisting 2 parcels in Alsancak, İzmir, with a commitment of a revenue of 1 billion 672 million TL and revenue share of 35%.

Teknik Yapı – Halk GYO Joint Venture and Emlak Konut GYO A.Ş. signed a “Revenue Sharing Model Agreement in Return for Land Sale” in 08/25/2017 to build trade + tourism + residential + parking area + mosque units on 47 acres of land. According to the agreement details, revenue share ratio of Joint Venture was determined as 65%.

FINANCIAL DATA

BALANCE SHEET (TL)	31.12.2016	31.12.2017
Current Assets	233,670,563	432,080,905
<i>Liquid Assets</i>	<i>51,301,426</i>	<i>123,145,273</i>
<i>Inventories</i>	<i>152,820,902</i>	<i>252,004,404</i>
Non-Current Assets	1,605,916,723	1,944,852,835
<i>Investment Properties</i>	<i>1,505,807,691</i>	<i>1,828,384,803</i>
Total Assets	1,839,587,286	2,376,933,740
Short Term Liabilities	200,036,884	490,493,887
<i>Deferred Income</i>	<i>190,060,630</i>	<i>242,418,401</i>
Long Term Liabilities	9,354,658	7,038,201
Equity	1,630,195,744	1,879,401,652
Total Liabilities and Equity	1,839,587,286	2,376,933,740

INCOME STATEMENT (TL)	01.01.2016 31.12.2016	01.01.2017 31.12.2017
Revenues	79,567,962	82,240,682
<i>Rent Income</i>	<i>47,930,935</i>	<i>51,029,060</i>
<i>Sales Income</i>	<i>24,587,761</i>	<i>23,934,707</i>
<i>Financial Income</i>	<i>7,049,266</i>	<i>7,276,915</i>
Cost of Sales	(14,222,613)	(15,812,566)
<i>Cost of Residential Sales</i>	<i>(12,943,217)</i>	<i>(14,150,239)</i>
<i>Other Costs</i>	<i>(1,279,396)</i>	<i>(1,662,327)</i>
Gross Profit	65,345,349	66,428,116
<i>General Administrative Expense</i>	<i>(9,479,882)</i>	<i>(11,584,483)</i>
<i>Marketing & Selling Expense</i>	<i>(5,098,168)</i>	<i>(3,421,687)</i>
<i>Other Income (Expense)</i>	<i>(3,359,024)</i>	<i>(1,493,826)</i>
Operating Profit	47,408,275	49,928,120
<i>Revaluation Income of Investment Property</i>	<i>61,699,278</i>	<i>207,300,100</i>
<i>Financial Expense</i>	<i>(1,440,497)</i>	<i>(5,119,449)</i>
Net Profit	107,664,259	252,121,320

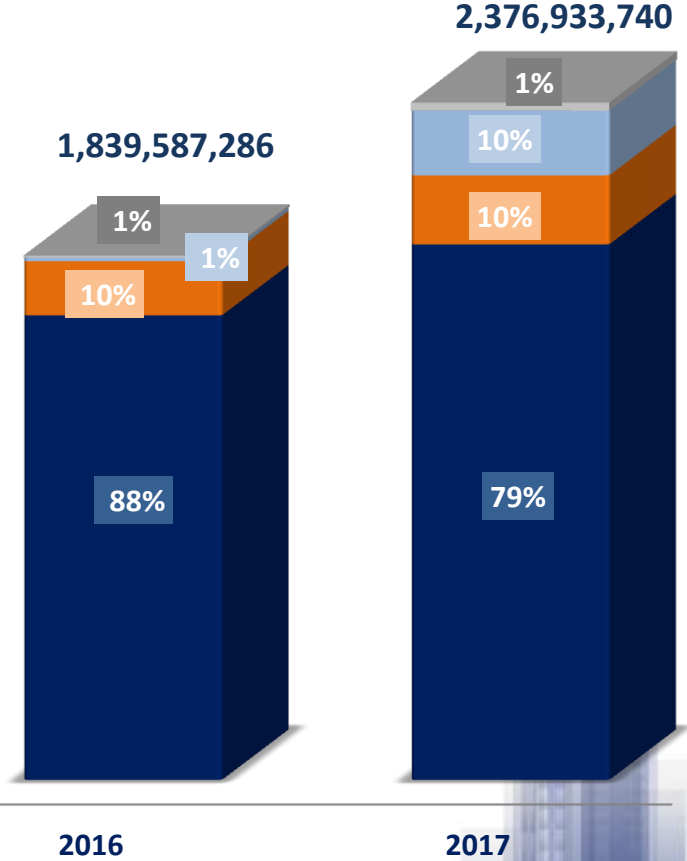
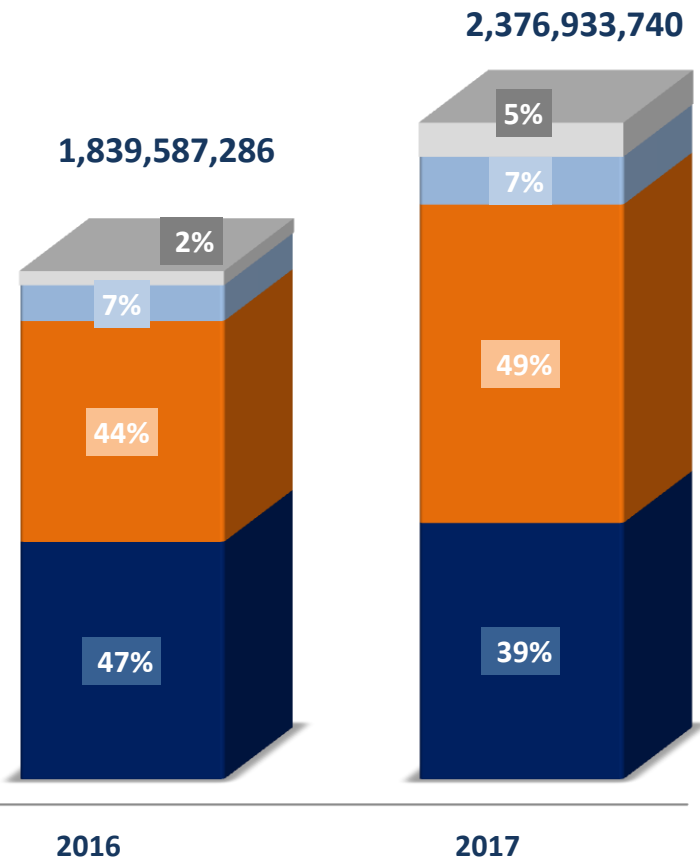
DISTRIBUTION OF ASSETS AND LIABILITIES

DISTRIBUTION OF ASSETS_TL

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

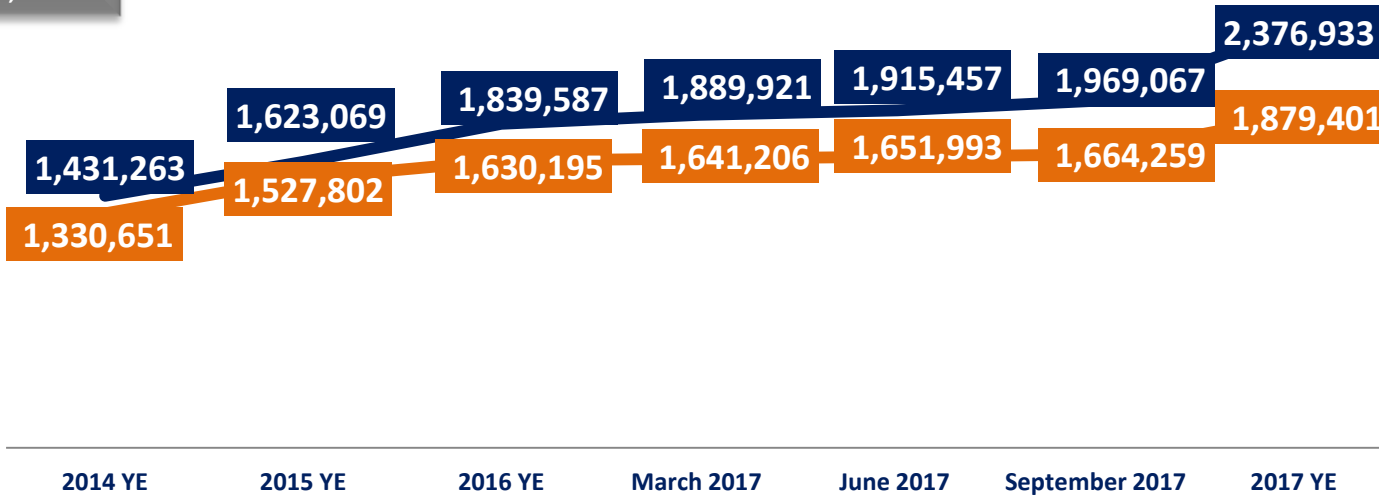
DISTRIBUTION OF LIABILITIES_TL

■ Equities ■ Deferred Income ■ Financial Debts ■ Others



BALANCE SHEET ITEMS

1,000 TL



YoY

Assets 29.21%

Equities 15.29%

202,943

107,264

252,121

2015 YE

2016 YE

2017 YE

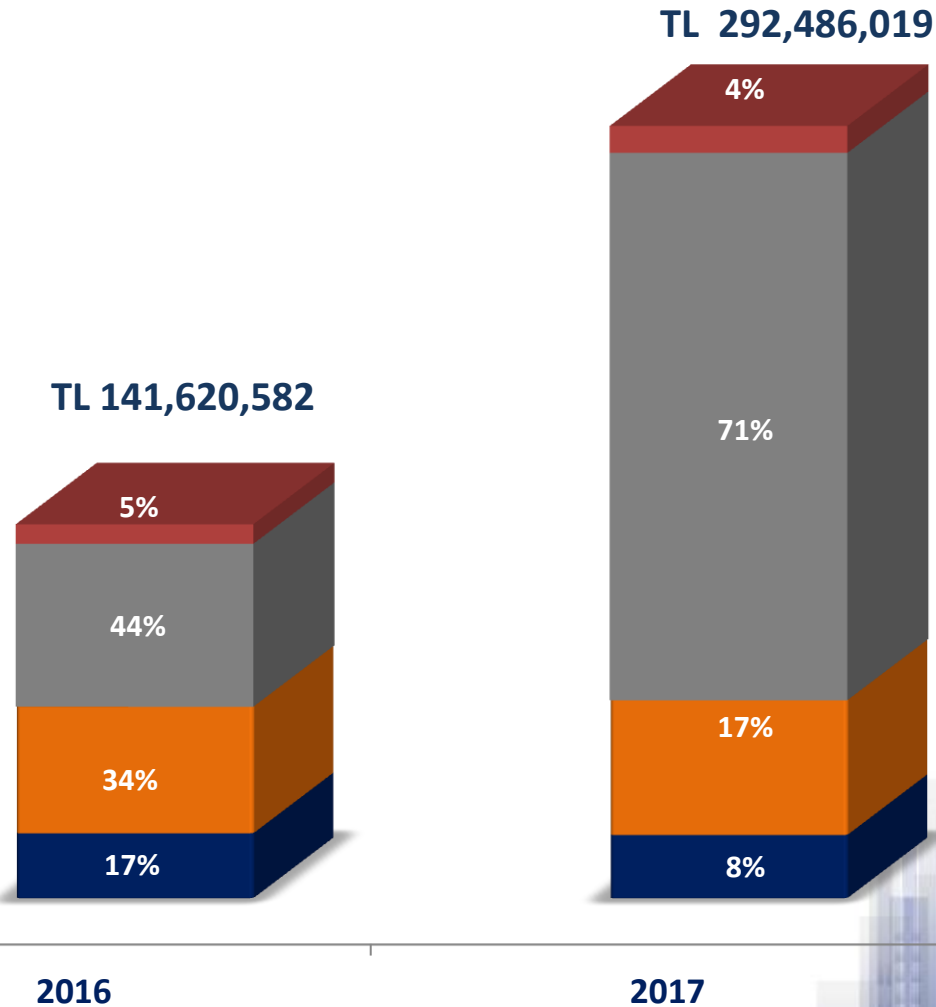
YoY

Net Profit 134%

INCOME STATEMENT ITEMS

TL	2015	2016	2017
Total Revenues	99,656,111	79,567,962	82,240,682
Rent Income	42,065,203	47,930,935	51,029,060
Real Estate Sale Income	55,429,807	24,587,761	23,934,707
Financial Income	2,161,101	7,049,266	7,276,915
Cost of Sales	-28,815,988	-14,222,613	-15,812,566
Cost of Real Estate Sales	-26,930,338	-12,943,217	-14,150,239
Other	-1,885,650	-1,279,396	-1,662,327
Gross Profit	70,840,123	65,345,349	66,428,116
General Administrative Expenses	-8,879,352	-9,479,882	-11,584,483
Marketing & Selling Expenses	-	-5,098,168	-3,421,687
Other Operating Income from Main Activities	667,142	353,342	2,932,688
Other Operating Loss from Main Activities	-871,135	-3,712,366	-4,426,514
Operating Profit	61,756,778	47,408,275	49,928,120
Value Increase in Real Estate	142,786,751	61,699,278	207,300,100
Financial Expenses	-1,623,127	-1,440,497	-5,119,449
Net Profit	202,920,402	107,664,259	252,121,320
RoE	%14.20	%6.90	%14.33
RoA	%13.29	%6.20	%11.91

DISTRIBUTION OF MAIN INCOME ITEMS



DISTRIBUTION OF MAIN EXPENSE ITEMS

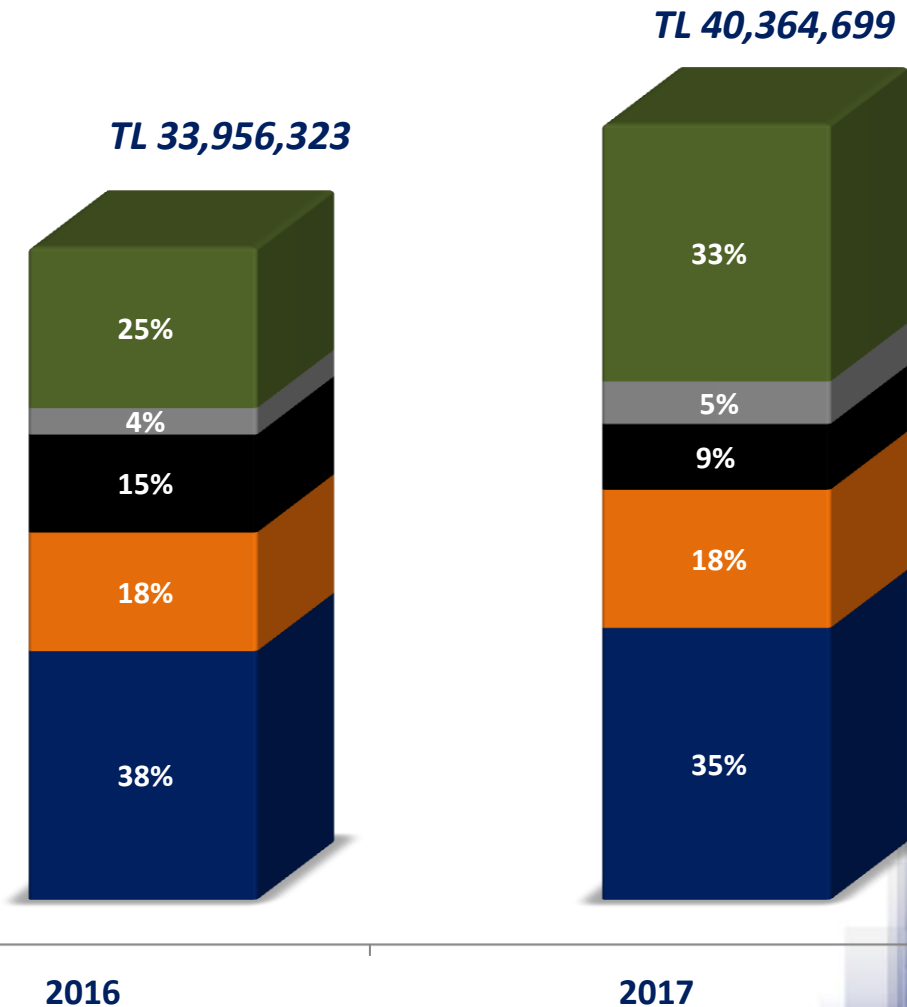
Cost of House Sales

Personnel Expenses

Marketing & Selling Expenses

Interest Expenses

Other



2018 TARGETS

- To complete the marketing process of “*Halk Office Şekerpınar*”
- To open its gates “*Salıpazarı Building*” as a hotel
- To start construction and sale of “*İzmir Alsancak Project*”
- ✓ To reach to ~ **11 %** RoaA ratio

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