

HALKGYO



2014
Q1

INVESTOR PRESENTATION

ABOUT HALK GYO

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

➤ Halk GYO completed its IPO in February 2013 and is trading on the Istanbul Stock Exchange with the code “**HLGYO**”

As of 31.03.2014;

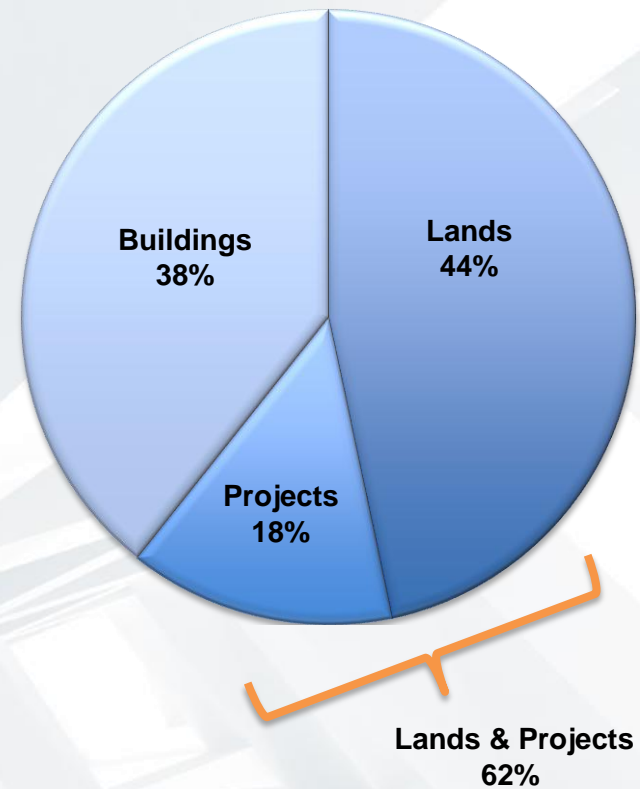
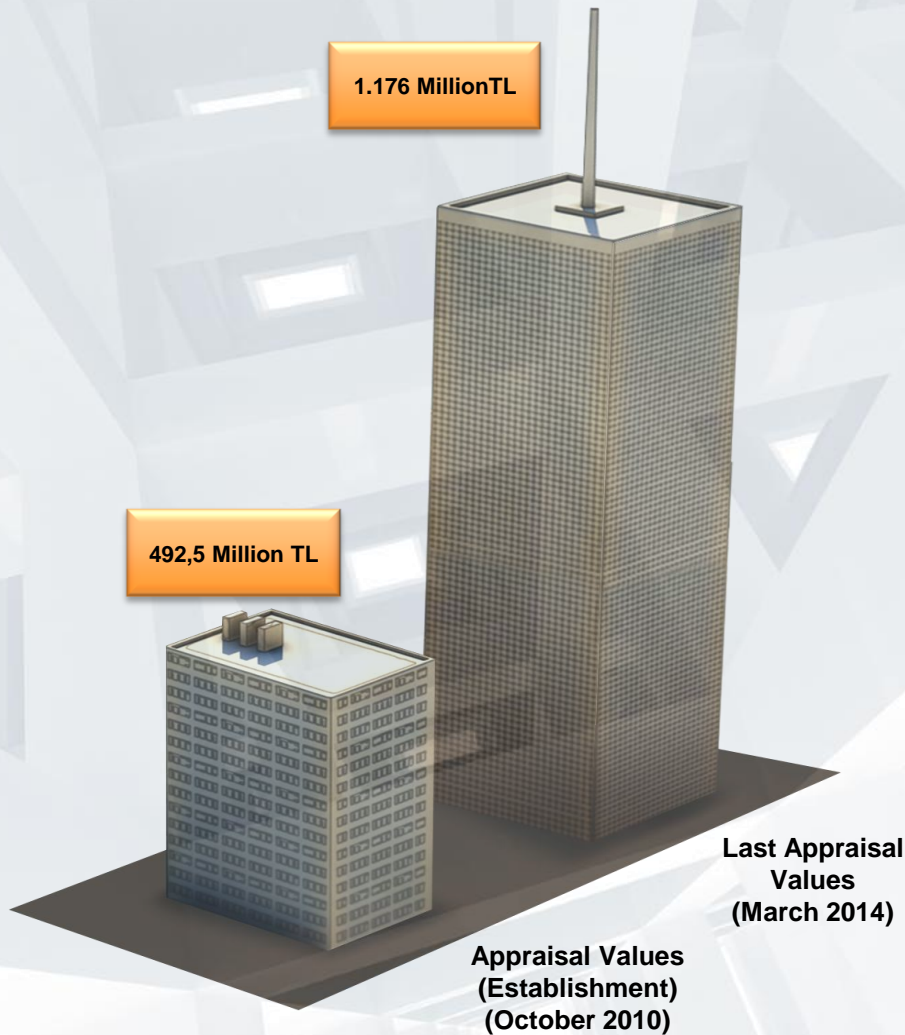
❖ Halk GYO has an important position in the sector by 727 million TL of market value and 779 million TL of shareholders' equity.

➤ 28% of total shares is publicly traded in BIST

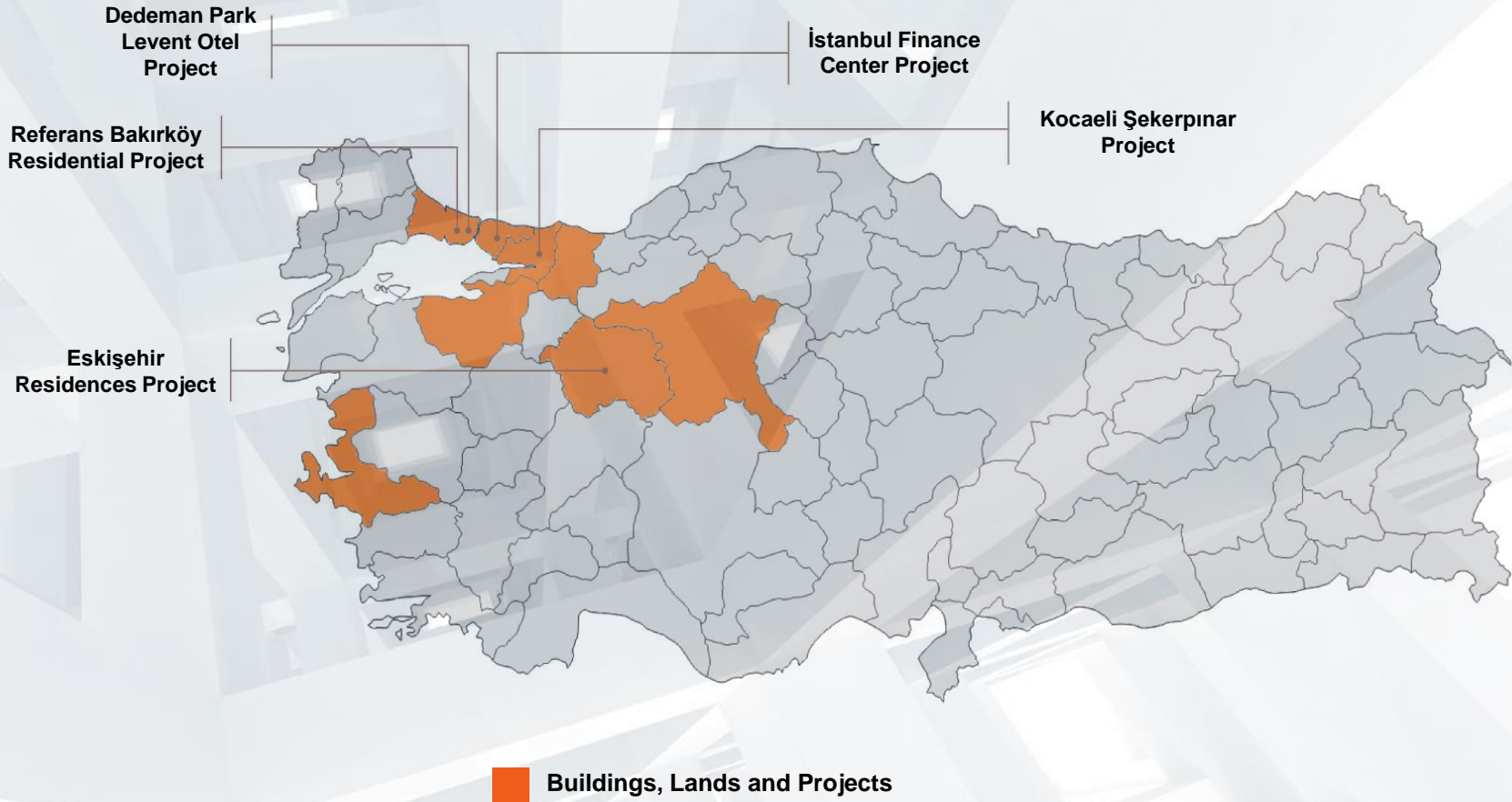


REAL ESTATE PORTFOLIO

DISTRIBUTION OF REAL ESTATE PORTFOLIO



REAL ESTATE PORTFOLIO REGIONAL DISPERSAL



REAL ESTATE PORTFOLIO TABLE

	Net Book Values of 31.03.2014	Appraisal Values of 31.03.2014
REAL ESTATES		
İstanbul Ataşehir Land	239.666.361	517.170.060
*Levent Otel Project	40.035.767	67.150.000
*Eskişehir Residences Project	15.503.879	44.364.815
Kocaeli Şekerpınar Project	13.213.332	14.869.400
*Referans Bakırköy Project	31.394.064	94.267.617
Total of Lands and Projects	339.813.403	737.821.892
İstanbul Karaköy Building	23.368.552	26.600.000
İstanbul Salıpazarı Building	21.763.566	39.530.000
İzmir Konak Building 1	13.179.727	16.845.000
Ankara Kızılay Building	12.365.700	16.497.936
İstanbul Beyoğlu Building	11.954.388	17.000.000
İstanbul Beşiktaş Building	11.833.610	14.000.000
İstanbul Etiler Building	10.958.143	13.500.000
İstanbul Şişli Building	10.869.198	12.500.000
İzmir Konak Building 2	10.196.716	12.000.000
Ankara Başkent Building	9.475.068	12.673.000
İstanbul Bakırköy Building	8.959.541	17.820.000
Bursa Building	8.423.794	9.510.000
Ankara Bahçelievler Building 1	6.582.549	8.778.000
Kocaeli Building	6.472.467	8.215.000
İstanbul Fatih Building	6.300.547	8.380.000
İstanbul Caddebostan Building	6.078.360	6.880.000
Sakarya Adapazarı Building	5.909.770	7.593.300
Ankara Bahçelievler Building 2	5.652.022	7.400.000
İstanbul Ataköy Building	4.998.430	9.500.000
İstanbul Nişantaşı Building	4.977.165	6.920.000
Ataşehir Finance Tower	125.335.991	166.230.000
Total of Buildings	325.655.304	438.372.236
Total of Portfolio	665.468.707	1.176.194.128

**Real
Estates
with rental
income**

* Appraisal Values of Project

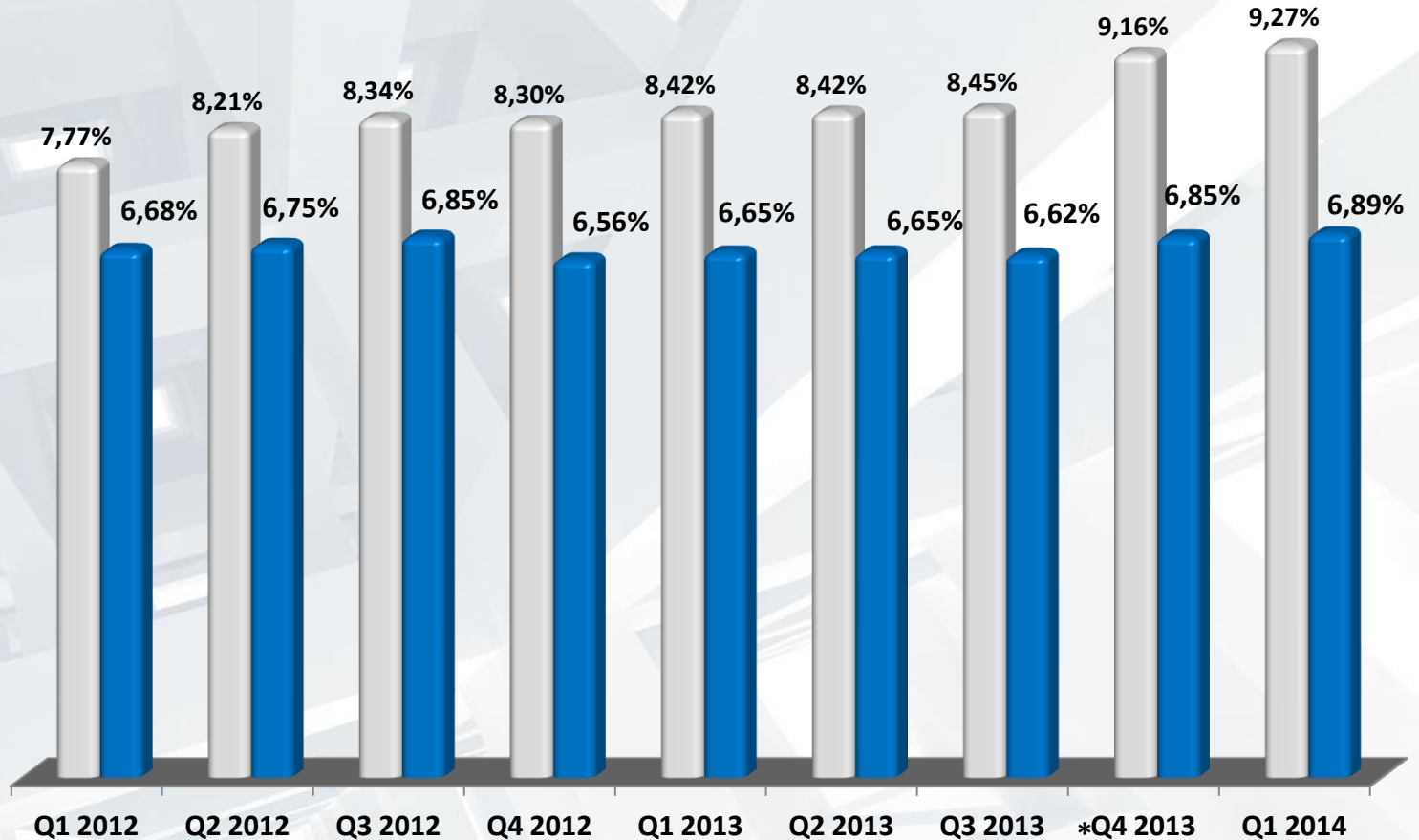
RENTAL INCOME RATIOS

Rent
Revenues
(TL)

4.073.794 6.896.228 7.000.728 6.958.874 7.053.976 7.057.301 7.065.153 7.661.113 7.550.257

Rent Income/
Book Value

Rent Income/
Last Appraisal
Value



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

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
Number of Offices.....	92
Number of Stores.....	13
Book Value.....	125,3 million TL
Last Appraisal Value.....	166,2 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.

The Istanbul International Finance Center Project will serve as a hub for the state banks of Turkey, such as Halkbank, Vakıfbank, Ziraat Bankası, as well as financial institutions, such as Banking Regulation and Supervision Agency (BRSA) and Capital Markets Board (CMB) While the project is still in the architectural design phase, when completed, it will become an attraction center with many amenities besides its mission to serve as the financial hub of the Turkish economy with some 50.000 employees.

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.

Selection process of the architectural design firm and the project firm is completed.

City.....	Istanbul
District.....	Ataşehir
Area	28.732 sqm
Book Value.....	239,6 million TL
Last Appraisal Value.....	517,1 million TL

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.

The main contractor company has been selected.

City.....	İstanbul
District.....	Şişli/Levent
Area	2.791 sqm
Book Value.....	40,0 million TL
Last Appraisal Value.....	67,1 million TL

REFERANS BAKIRKÖY



Referans Bakırköy Project, developed based on revenue sharing model, is HalkGYO's first residential project. The project is currently underway with the partnership of Biskon Yapı, an affiliate of Kiler Holding, and is rising on one of the last remaining vacant land plots of Bakırköy, an exclusive district of İstanbul.

In the period, the project plans have been modified to provide 254 residential and 73 commercial units, as opposed to prior 256 residential and 70 commercial units.

As of March 31, 2014, total sales revenue has been reached to the amount of 127 million TL with the sales of 139 residential units and the deed transfer process of sold independent units has been initiated to buyers and transfer process of 3 independent units has been completed. The total sales revenue of those 3 units amounted 2.484.850.- TL.

City.....	İstanbul
District.....	Bakırköy
Area.....	13.073 sqm
Book Value.....	31,3 million TL
Last Appraisal Value	186,2 million TL
Halk REIT Share.....	94,2 million TL
Contractor Firm.....	Biskon Yapı

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's construction permit was approved and the main contractor services agreement has been signed. Sales of project has started.

City.....	Eskişehir
District.....	Odunpazarı
Area.....	9.811 sqm
Book Value.....	15,5 million TL
Last Appraisal Value.....	44,3 million TL

KOCAELİ ŞEKERPINAR



Halk GYO is also carrying out an operational center in Şekerpınar district of Kocaeli on a site of 15.652 sqm. The project will consist of a data center, hospitality unit, training facilities, a conference center and other facilities.

An agreement has been signed for the architectural design of office buildings on the land due to construct a building for banking operational center.

The project is planned to build as 2 parts. The construction permit had been got for 1st part of the project in 29.08.2013. The construction was started for the 1st part, which has 9.131 sqm sizes.

In the period, the construction permit has been got for 2st part of the project. The construction size of the 2st part will be 51.795 sqm.

City.....	Kocaeli
District.....	Şekerpınar
Area.....	15.652 sqm
Book Value.....	13,2 million TL
Last Appraisal Value.....	14,8 million TL

FINANCIAL DATA

31.03.2014

BALANCE SHEET (TL)	31.12.2013	31.03.2014
Current Assets	235.706.098	261.837.909
Non-Current Assets	654.425.796	643.697.822
Total Assets	890.131.894	905.535.731
Short Term Liabilities	102.905.640	111.684.114
<i>Deferred Income</i>	<i>95.401.043</i>	<i>104.569.964</i>
Long Term Liabilities	18.050.241	14.821.881
<i>Deferred Income</i>	<i>2.788.350</i>	-
Equity	769.176.013	779.029.736
Total Liabilities and Equity	890.131.894	905.535.731

“Revenues”
increased
%60



“Net Profit”
increased
%190

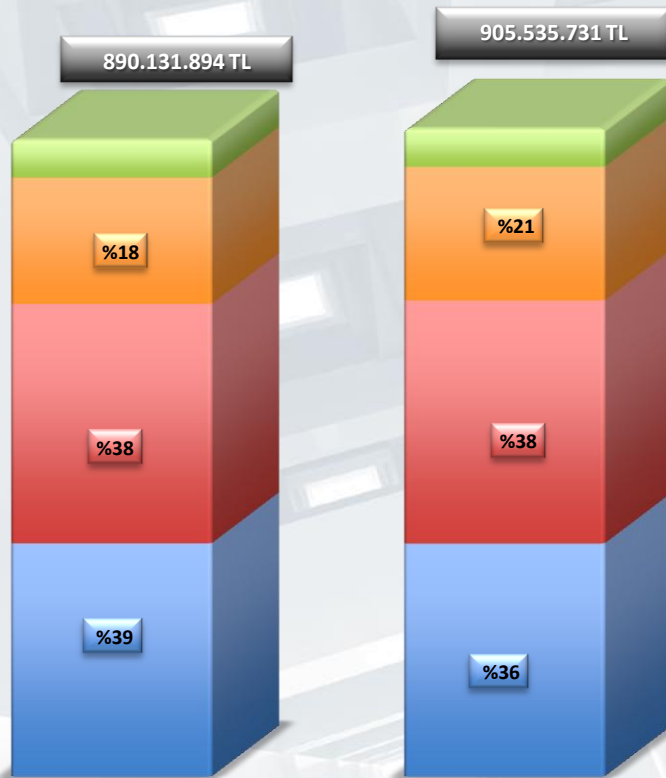
INCOME TABLE (TL)	31.03.2013	31.03.2014
Revenues	8.532.067	13.518.983
Cost of Sales	(332.118)	(1.330.428)
Gross Profit/Loss	8.199.949	12.188.555
General Administrative Expenses	(2.163.509)	(1.950.203)
Other Operating Income/Expense	(30.883)	(286.159)
Operational Profit	6.005.557	9.952.193
Financial Expenses	(2.730.293)	(456.084)
Net Profit	3.275.264	9.496.109

DISTRIBUTION OF ASSETS AND LIABILITIES

31.03.2014

Distribution of Assets TL

Buildings Lands and Projects Cash and Cash Equivalents Other

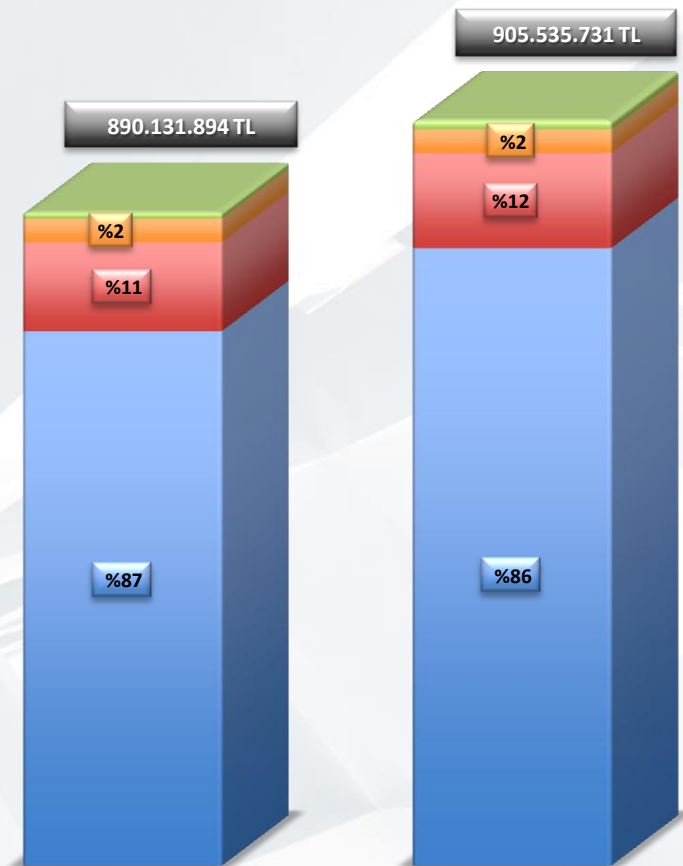


2013

Q1 2014

Distribution of Liabilities TL

Equities Deferred Income Financial Debts Others



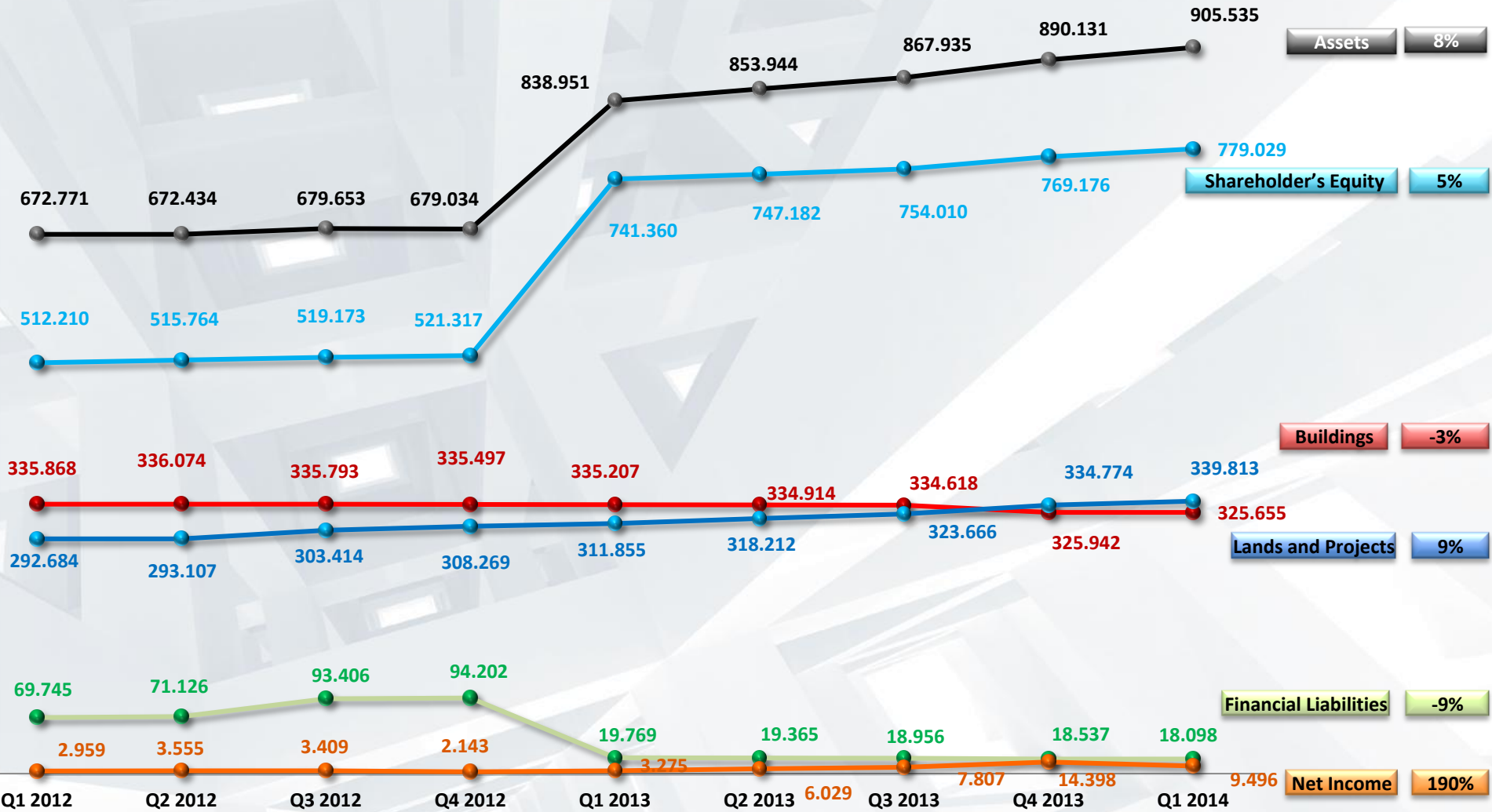
2013

Q1 2014

BALANCE SHEET ITEMS

Thousand TL

Y-o-Y



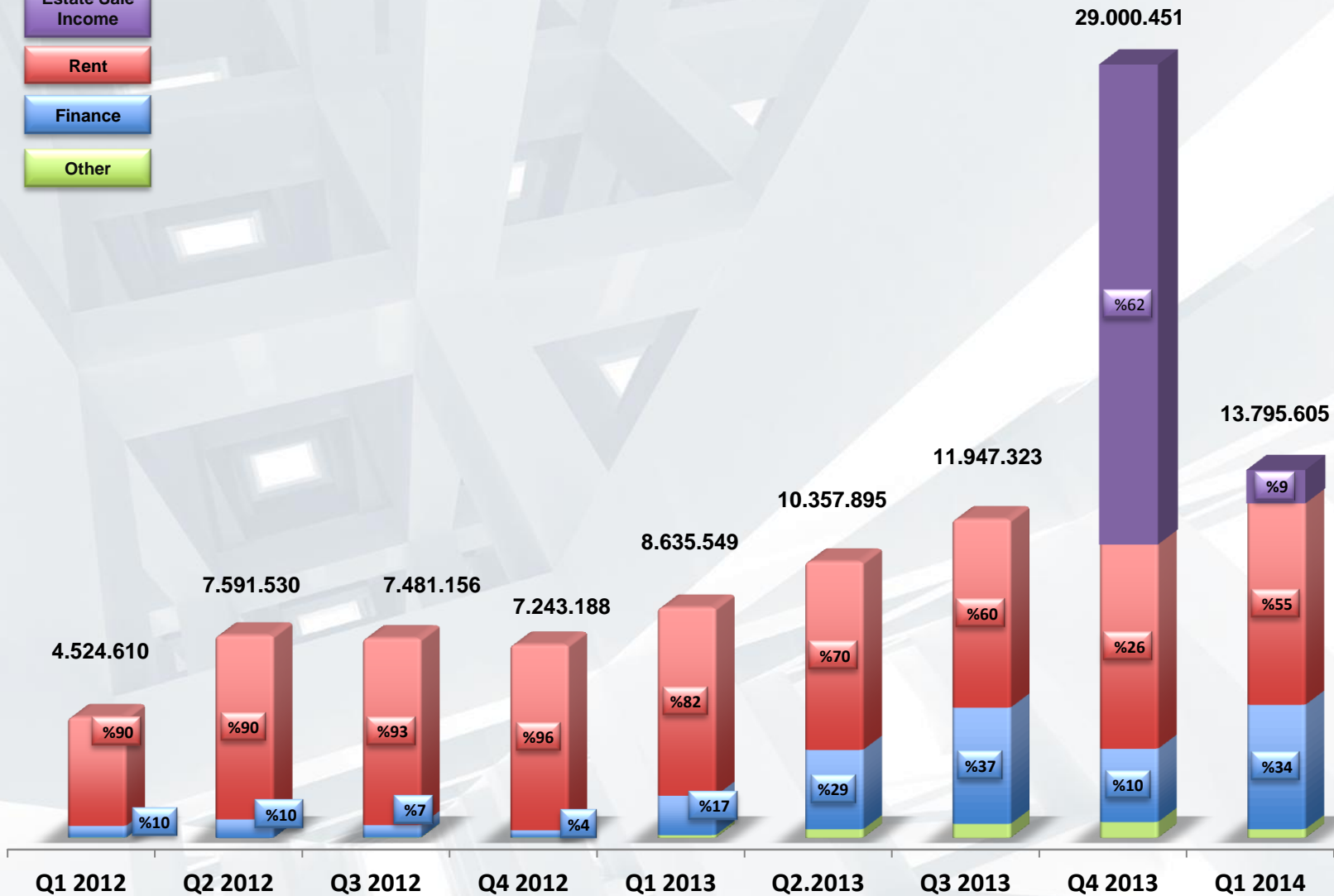
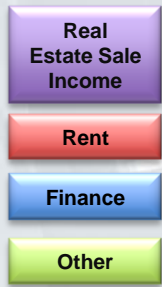
INCOME STATEMENT ITEMS

TL	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014
Total Revenues	4.524.610	7.591.530	7.463.324	7.227.177	8.532.067	10.052.700	11.473.735	28.455.348	13.518.983
Rent Income	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
Others	15.254	0	0	0	0	16.666	50.001	50.000	50.000
Real Estate Sale Income								18.000.000	1.254.849
Financial Income	435.562	695.302	462.596	268.303	1.478.091	2.978.733	4.358.571	2.744.235	4.663.877
Cost of Sales	(157.939)	(781.179)	(593.710)	(518.105)	(332.118)	(869.444)	(742.580)	(10.079.374)	(1.330.428)
<i>Cost of Real Estate Sale</i>								<i>(8.381.183)</i>	<i>(371.561)</i>
Gross Profit	4.366.671	6.810.351	6.869.614	6.709.072	8.199.949	9.183.256	10.731.155	18.375.974	12.188.555
General Administrative Expenses	(866.037)	(978.362)	(1.291.214)	(1.571.256)	(2.163.509)	(2.280.851)	(2.316.716)	(2.992.524)	(1.950.203)
Foreign Exchange Gain	0	0	17.832	16.011	103.482	305.195	473.588	545.103	276.622
Foreign Exchange Loss	0	0	(11.317)	(6.750)	(134.365)	(686.798)	(593.515)	(1.054.156)	(562.781)
Operating Profit	3.500.634	5.831.989	5.584.915	5.147.077	6.005.557	6.520.802	8.294.512	14.874.397	9.952.193
Financial Expenses	(542.105)	(2.277.440)	(2.175.545)	(3.003.826)	(2.730.293)	(491.698)	(486.527)	(475.923)	(456.084)
Profit Before TAX	2.958.529	3.554.549	3.409.370	2.143.251	3.275.264	6.029.104	7.807.985	14.398.474	9.496.109
TAX Expenses	0	0	0	0	0	0	0	0	0
Net Profit	2.958.529	3.554.549	3.409.370	2.143.251	3.275.264	6.029.104	7.807.985	14.398.474	9.496.109
ROAE	2,32%	2,77%	2,64%	1,65%	*2,32%	3,24%	4,16%	7,56%	4,90%
ROAA	1,97%	2,11%	2,02%	1,26%	*1,89%	2,85%	3,62%	6,55%	4,23%

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

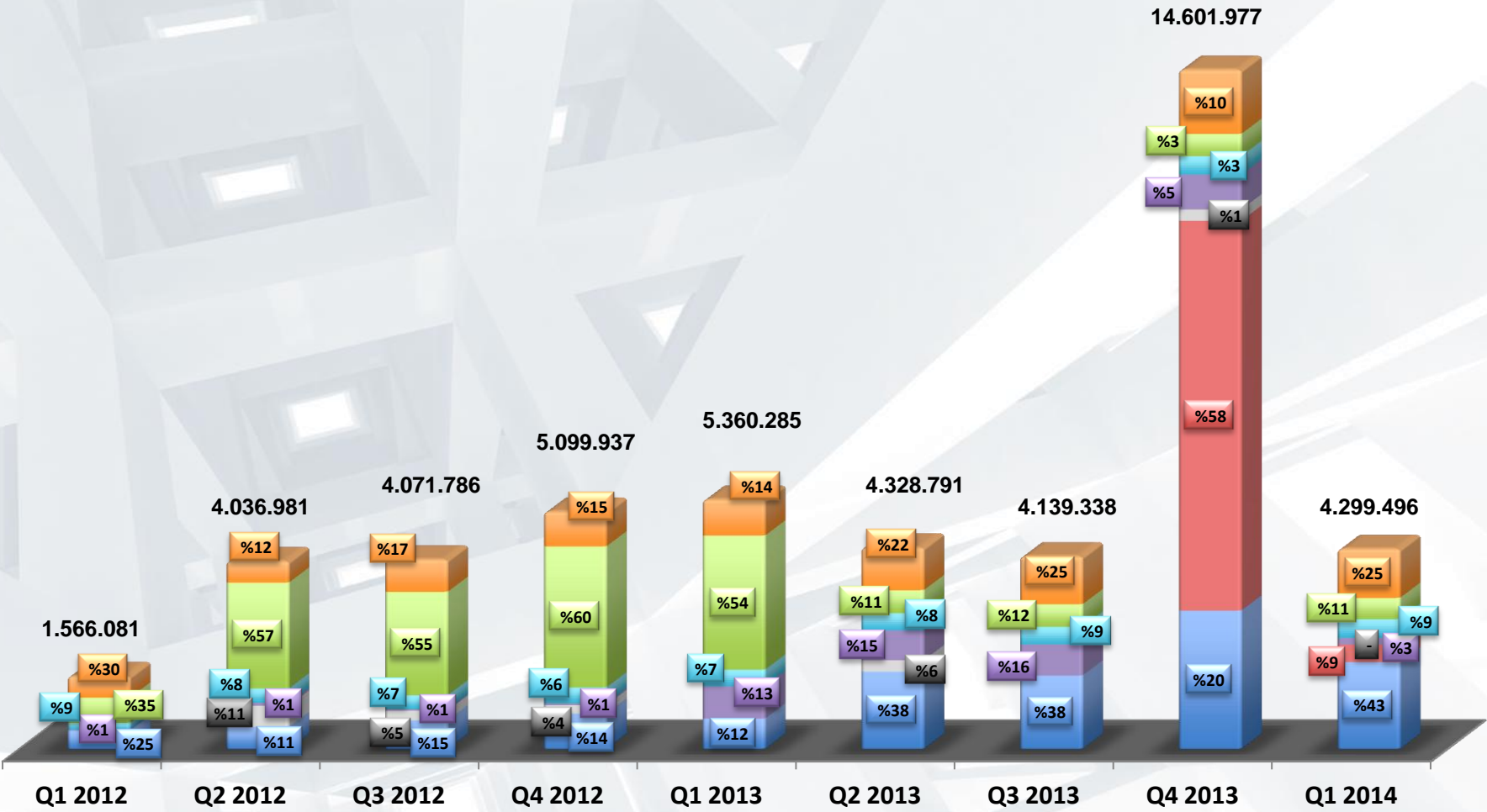
DISTRIBUTION OF MAIN INCOME ITEMS

(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

2014 Targets

- ◆ To start the construction of the “Istanbul Finance Center (IFC)” project
- ◆ To complete the construction of the “Referans Bakırköy” residential project
- ◆ To complete the construction and to lease the 1st part (Block A) of the “Kocaeli Şekerpinar” project
- ◆ To complete the construction of the “Dedeman Park Levent” Hotel project
- ◆ To reach ~7,5 % ROAE ratio



HALKGYO

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