

Press Release

Regulated Information

EMBARGO UNTIL 21 MARCH 2011 AT 7h00 A.M.

21 March 2011

Annual results 2010

- **Net profit for the period of EUR 26.4 million (+ EUR 25.2 million)**
- **>130,000 m² of new leases signed resulting in a committed annualised rent income of EUR 36.6 million (+ EUR 7.4 million)**
- **98.8% occupancy rate for the Group's property portfolio amounts with the Czech portfolio reaching an occupancy rate of 99.4%**
- **31.5% growth in gross rental income (+ EUR 6.8 million) to EUR 28.6 million**
- **5 new projects completed resulting in a 7.7% growth in total lettable area (+ 41,064 m²) to 576,936 m², 6 new projects under construction**
- **43.7% growth in operating result (before result on portfolio) (+ EUR 7.8 million) to EUR 25.5 million**
- **Completion of the sale of an 80% interest in 6 of its 19 VGP parks after year-end, as announced by the separate press release of 16 March 2011**

Summary

The year 2010 was a Grand Cru year for VGP whereby the company took full benefit from its competitive developer position in combination with faster than expected recovery in demands for semi-industrial buildings in the mid-European markets.

During 2010 VGP's activities can be summarised as follows:

- The annualised committed leases increased to EUR 36.6 million as at 31 December 2010. During the year 2010 the total new annualised committed leases signed (44 in number) exceeded EUR 9.6 million, of which EUR 7.4 million related to new lettable area and EUR 2.2 million to renewal of existing or replacement leases.
- The development activities continued to perform solidly with a fair value contribution of EUR 15.3 million.
- The occupancy rate of the Czech portfolio reached 99.4% compared to 94.4% at the end of December 2009. The occupancy rate of the Group's property portfolio increased to 98.8% at the end of December 2010 compared to 91.4% as at 31 December 2009.

- 5 projects representing a lettable area of 41,064 m² were completed during the year bringing the total property portfolio to 50 buildings representing 576,936m² of lettable area.
- The operating result for the period increased by 43.7% to EUR 25.5 million as compared to EUR 17.8 million as at 31 December 2009.
- The net valuation of the property portfolio as at 31 December 2010 showed an unrealised gain of EUR 22.8 million against an unrealised loss of EUR 6.8 million per 31 December 2009 and includes a EUR 15.3 million unrealised gain on the new projects currently under construction or completed during the year i.e. the development activities, and a EUR 7.5 million unrealised gain on the existing portfolio as at 31 December 2009 (the “historic portfolio”), mainly driven by the improved occupancy rate.
- The revaluation of financial instruments on interest rate derivatives held for trading¹ has resulted in an unrealised gain of EUR 0.3 million against an unrealised loss of EUR 1.0 million as at 31 December 2009.
- The strong operating activities resulted in a net profit for the period of EUR 26.4 million compared to a net profit of EUR 1.2 million as at 31 December 2009.
- The debt ratio² remains conservative and stood at 39.1% at the end of December 2010 compared to 40.7% at the end of December 2009.
- On 1 October 2010 VGP proceeded with the distribution of a gross dividend of EUR 5.2 million, corresponding to a gross dividend of € 0.280 per share.
- Finally on 16 March 2011, VGP completed the previously announced sale transaction of an 80% equity interest in 6 of its 19 VGP parks to European Property Investors Special Opportunities, L.P. (EPISO), a property fund co-advised by AEW Europe and Tristan Capital.

¹ Interest rates held for trading provide effective economic hedge but do not satisfy the hedge accounting criteria under IAS 39. VGP holds no derivative instruments nor intends to issue any for speculative purposes.

² Although VGP NV is not a Sicafi, for comparative purposes calculated according to the Sicafi regulation i.e. (Financial and other debts) / (Total assets but excluding shareholder loans from the financial debt). Should the shareholder loans have been included the debt ratio would be 53.6% per 31 December 2010 and 57.4% per 31 December 2009.

Key figures

Consolidated income statement – Analytical form	2010	2009
<i>In thousands of €</i>		
NET CURRENT RESULT		
Gross rental income	28,573	21,726
Service charge income / (expenses)	524	486
Property operating expenses	(1,769)	(2,166)
Net rental and related income	27,328	20,046
Other income / (expenses) - incl. administrative costs	(1,809)	(2,285)
Operating result (before result on portfolio)	25,519	17,761
Net financial result ¹	(14,194)	(9,471)
Revaluation of interest rate financial instruments (IAS 39)	347	(905)
Taxes	(3,705)	(707)
Net current result	7,967	6,678
RESULT ON PROPERTY PORTFOLIO		
Net valuation gains / (losses) on investment property	22,759	(6,754)
Deferred taxes	(4,324)	1,252
Result on property portfolio	18,435	(5,502)
NET RESULT		
Net result	26,402	1,176

Information per share	2010	2009
Number of ordinary shares	18,583,050	18,583,050
Net current result per share (in €)	0.43	0.36
<u>Net result per share (in €)</u>	<u>1.42</u>	<u>0.06</u>

Gross rental income up 31.5 % to EUR 28.6 million

The increase of gross rental income reflects the continued growth of the Group's income generating assets. As at 31 December 2010 VGP had a total of 50 completed projects in its investment portfolio as compared to 45 completed projects at the end of December 2009.

Committed annualised rent income increased to EUR 36.6 million

During the year 2010 the committed annual rent income continued to show a strong growth compared to the overall market environment. During the year 2010, VGP was able to sign a record additional committed lease agreements in excess of EUR 9.6 million.

This strong commercial result is also reflected in the Czech occupancy rate of 99.4% as at 31 December 2010 as compared to the Czech industrial market occupancy rate of 88.1%².

The Czech Republic remains the home market of the VGP Group with 89% of its assets located there.

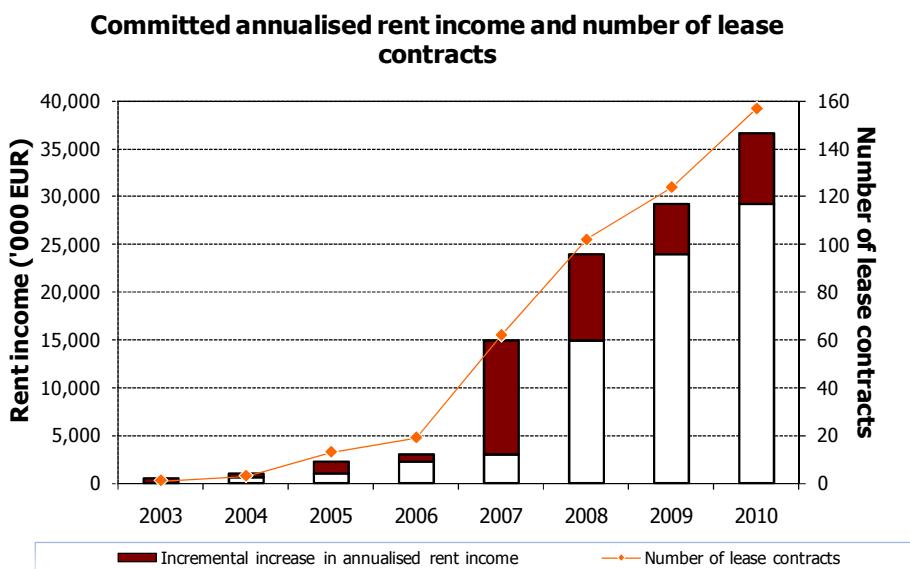
¹ Excluding the revaluation of interest rate financial instruments.

² Source: Jones Lang LaSalle

The overall occupancy rate of the Group increased to 98.8% on the back of the strong lease activities both in the Czech Republic and abroad, where despite the challenging economic environment, a total occupancy rate of 94.1% was reached for VGP's buildings in Estonia, Slovakia and Hungary.

The signed lease agreements represent a total of 621,809 m² of lettable area (against 490,720 m² as at 31 December 2009) and correspond to 157 different tenants' lease or future lease agreements.

The weighted average term of the committed leases as at 31 December 2010 increased to 5.81 years from 5.72 years at the end of 2009.



Operating result up 43.7% to EUR 25.5 million

The operating result (before result on portfolio) increased to EUR 25.5 million in 2010, an increase of 43.7% as compared to the operating profit EUR 17.8 million for the period ending 31 December 2009. This increase is mainly due to the increased rent income and the fact that the property portfolio is reaching a more mature stage whereby it can fully benefit of economies of scale in respect of property operating cost savings.

Evolution of the property portfolio

The fair value of the investment property and the investment property under construction (the "property portfolio") as at 31 December 2010 increased with 12.5% to EUR 481.6¹ million compared to EUR 428.1 million as at 31 December 2009.

The average yield applied for valuing the property portfolio as at 31 December 2010 remained relatively stable at 8.35% compared to 8.33% at the end of December 2009. There was a positive impact on the fair value during the year 2010 mainly driven by the renting out of additional available space.

¹ Before reclassification to disposal group held for sale.

The total unrealised gain on the property portfolio amounted to EUR 22.8 million as at 31 December 2010 compared to an unrealised loss of EUR 6.8 million as at 31 December 2009.

Completed projects

During the year, 5 projects representing a lettable area of 41,064 m² were completed bringing the total property portfolio to 50 buildings which represent 576,936 m² of lettable area compared to 535,872 m² lettable area at the end of 2009.

Projects under construction

VGP has currently 6 new projects under construction which represent a future lettable area in excess of 60,000m² and which are already 86% pre-let.

Development activities

The development activities continued to generate substantial profits with the average development yield¹ for the completed projects during the year 2010 reaching almost 12%.

During 2010 VGP was able to post an EUR 15.3 million unrealised gain on the newly completed projects and the current projects under construction.

VGP is confident that the development activities will continue to be a substantial profit contributor for the Group in the near future.

VGP is actively looking at further expanding its land bank. During the last quarter of 2010 VGP acquired an additional plot of land of 59,000m² on which a further 25,000m² of lettable area can be developed. In addition, the current available land bank allows the VGP Group to still develop around 400,000 m² of lettable area.

Financing

During the year 2010 bank debt increased from EUR 168.9 million as at 31 December 2009 to EUR 194.7 million as at 31 December 2010. During this period the shareholder loans decreased from EUR 73.1 million to EUR 71.8 million.

The evolution of the total debt is fully in line with the growth of the property portfolio.

The “Loan to Value”² ratio stands at 41.9% at the end of December 2010 compared to 43.9% as at 31 December 2009.

¹ Development yield=the total of contracted rent and expected rent value of vacant area divided by the total investment costs of a building(including capitalised interest)

² Bank debt (excluding shareholder loans) divided by the fair value of the property portfolio (excluding development land). Bank covenants allow for a maximum of 65% of Loan to Value. Figures excluding reclassification to disposal group held for sale.

Completion of the sale of an 80% interest in 6 of its 19 VGP parks

On 16 March 2011, VGP completed the previously announced sale transaction of an 80% equity interest in 6 of its 19 VGP parks to European Property Investors Special Opportunities, L.P. (EPISO), a property fund co-advised by AEW Europe and Tristan Capital Partners.

The cash proceeds of the transaction will be mainly used to repay existing debt and further financing of the development pipeline including further expansion of the land bank.

In addition the Board of Directors will convene an extraordinary shareholder's meeting to propose an additional EUR 40 million cash distribution to the shareholders by way of a capital reduction.

Additional comments on the 31 December 2010 consolidated financials

Financial income

For the period ending 31 December 2010, the financial income included a EUR 0.3 million unrealised gain on interest rate derivatives compared to a EUR 1.0 million unrealised loss on interest rate derivatives as at 31 December 2009 (recorded under financial expenses).

Financial expenses

The financial expenses as at 31 December 2010 are mainly made up of EUR 15.6 million (EUR 13.7 million per 31 December 2009) interest expenses related to financial debt and a positive impact of EUR 1.9 million (EUR 3.9 million per 31 December 2009) related to capitalised interests.

The main reason for the variance relates to the increased level of financial debt which increased from EUR 241.4 million as at 31 December 2009 to EUR 266.5 million (before reclassification to liabilities related to disposal group held for sale) as at 31 December 2010.

Taxes

Taxes increased from a positive amount of EUR 0.5 million for the period ending 31 December 2009 to a negative amount of EUR 8.0 million as at 31 December 2010. The change in the tax line is mainly due to the increase in deferred taxes resulting from the positive fair value adjustment of the property portfolio and has therefore no cash effect.

Net debt/ Equity

As at 31 December 2010 the net debt (excluding shareholder loans and before any reclassification to liabilities related to disposal group held for sale) amounted to 187.8 million and the corresponding net debt / equity ratio was 1.06 which was unchanged compared to 31 December 2009.

Net debt (including shareholder loans) as at 31 December 2010 amounted to EUR 259.6 million and the corresponding net debt / equity ratio was 1.47 compared to 1.53 compared as at 31 December 2009.

Outlook 2011

2010 saw a significant change in the business model of VGP with a shift from a strict develop and hold strategy towards a strategy with a bigger focus on development and a more pro-active approach in respect of potential disposal of the Group's income generating assets.

Following the sale of 80% equity interest in 6 of its 19 VGP parks the balance sheet rent income of the VGP Group will reduce significantly during 2011. The entering into this joint venture will allow VGP to continue to develop its business lines such as facility management whilst at the same time allowing the Group to pursue an active acquisition strategy.

VGP is confident that with the available cash proceeds from VGP CZ I transaction, it should be well positioned to continue to deliver substantial shareholder value through its development activities.

In this respect VGP will continue to assess from time to time whether from a shareholder's value point of view maturing income generating assets should be disposed of or kept in its property portfolio.

Financial calendar

Annual report 2010	22 April 2011
First quarter trading update 2011	13 May 2011
General meeting of shareholders	13 May 2011
2011 half year results	22 August 2011
Third quarter trading update 2011	10 November 2011

Profile

VGP (www.vgpparks.eu) constructs and develops high-end semi-industrial real estate and ancillary offices for its own account, which are subsequently rented out to reputable clients on long term lease contracts. VGP has an in-house team which manages all activities of the fully integrated business model: from identification and acquisition of land, to the conceptualisation and design of the project, the supervision of the construction works, contracts with potential tenants and the facility management of its own real estate portfolio.

VGP is quoted on Euronext Brussels and the Main Market of the Prague Stock Exchange. VGP owns a property portfolio of EUR 480 million. The portfolio represents a total lettable area of over 576,000 m² as at 31 December 2010.

For more information

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FINANCIAL ACCOUNTS¹

1. CONSOLIDATED INCOME STATEMENT For the year ended 31 December 2010

INCOME STATEMENT (in thousands of €)	2010	2009
Gross rental income	28,573	21,726
Service charge income	6,803	4,829
Service charge expenses	(6,279)	(4,343)
Property operating expenses	(1,769)	(2,166)
Net rental and related income	27,328	20,046
Net valuation gains / (losses) on investment property	22,759	(6,754)
Property result	50,087	13,292
Administrative cost	(1,891)	(2,431)
Other income	716	715
Other expenses	(634)	(569)
Net operating profit before net financial result	48,278	11,007
Financial income	393	993
Financial expenses	(14,240)	(11,369)
Net financial result	(13,847)	(10,376)
Result before taxes	34,431	631
Taxes	(8,029)	545
Net result	26,402	1,176

RESULT PER SHARE	2010	2009
Basic earnings per share (in €)	1.42	0.06
Diluted earnings per share (in €)	1.42	0.06

¹ The statutory auditor has confirmed that his audit procedures, which have been substantially completed, have not revealed any material adjustments which would have to be made to the accounting information disclosed in this press release.

The consolidated financial statements have been prepared in accordance with IFRS as adopted by the European Union

2. CONSOLIDATED BALANCE SHEET For the year ended 31 December 2010

ASSETS (in thousands of €)	2010	2009
Intangible assets	62	64
Investment property	171,309	426,010
Investment property under construction	15,673	2,095
Property, plant and equipment	196	338
Deferred tax assets	1,013	2,379
Total non-current assets	188,253	430,886
Trade and other receivables	3,701	4,533
Cash and cash equivalents	5,341	4,327
Disposal group held for sale	299,942	-
Total current assets	308,984	8,860
TOTAL ASSETS	497,237	439,746
SHAREHOLDERS' EQUITY AND LIABILITIES (in thousands of €)	2010	2009
Share capital	62,251	62,251
Retained earnings	119,431	98,233
Other reserves	(5,340)	(5,244)
Shareholders' equity	176,342	155,240
Non-current financial debt	120,180	235,922
Other non-current financial liabilities	758	10,243
Other non-current liabilities	1,104	3,396
Deferred tax liabilities	8,309	21,866
Total non-current liabilities	130,351	271,427
Current financial debt	4,820	5,450
Other current financial liabilities	-	272
Trade debts and other current liabilities	10,074	7,357
Liabilities related to disposal group held for sale	175,650	-
Total current liabilities	190,544	13,079
Total liabilities	320,895	284,506
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	497,237	439,746