VGP

Press Release
Regulated Information

22 August 2011

Half year results 2011

Sound results and positive outlook in well performing Mid-European markets

- **Net profit for the period of EUR 10.5 million (+ EUR 0.8 million against 1H 2010)**
- **>42,500 m² of new leases signed representing an increase in committed annualised rent income of EUR 2.3 million**
- **11 projects under construction representing 105,544 m² of future lettable area**
- **> 500,000m² of new land plots targeted and already partially committed to expand land bank and support development pipeline**
- **Conclusion of an agreement for the potential sale of an 80% equity interest in VGP CZ II a.s., to a new capital partner for 6 VGP Parks all located in the main regional cities of the Czech Republic**
- **Operating result (before result on portfolio) of € 8.8 million for the 1st half of 2011 versus € 7.0 million (on a like for like basis[1]) for the 1st half of 2010**

Summary

During the first six months of 2011 VGP's activities can be summarised as follows:

- The **operating activities resulted in a net profit for the period of EUR 10.5 million** compared to a net profit of EUR 9.7 million and EUR 3.9 million (on a like for like basis[1]) respectively as at 30 June 2010.
- Sustained high demand for semi- industrial buildings in the mid-European region resulted in new annualised committed leases in excess of EUR 2.3 million in total.
- The occupancy rate of the property portfolio remained high with the Czech portfolio (excluding VGP CZ I) reaching an occupancy of 100.0% (99.9% including VGP CZ I) . The Group's property portfolio reached an occupancy rate of 98.4% at the end of June 2011.

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[1] VGP CZI was de-consolidated on 16 March 2011. Therefore for comparative purposes the figures as at 30 June 2010 were amended in order to include VGP CZ I only until16 March 2010

- The operating result for the period increased by 24.6% (on a like for like basis) to EUR 8.8 million as compared to EUR 7.0 million as at 30 June 2010.
- Current portfolio reaching 240,015m² of lettable area with an additional 368,000 m² of lettable area under management following the completion of the sale of an 80% interest in VGP CZ I.
- 4 projects representing a lettable area of 31,209 m² were completed during the first half of 2011 with another 11 projects currently under construction which represent 105,544 of future lettable area.
- The net valuation of the property portfolio as at 30 June 2011 showed a net valuation gain of EUR 6.1 million against an net valuation gain of EUR 5.9 million per 30 June 2010 and includes a EUR 9.5 million unrealised gain on the new projects currently under construction or completed during the year i.e. the development activities, and an aggregate net realised loss of EUR 3.4 million resulting from the VGP CZ I transaction i.e. an EUR 1,4 million realised gain on the disposal of the VGP CZ I assets and a realised loss of € 4,8 million resulting from the recycling of the existing VGP CZ I interest rate swap through the profit and loss account. These figures do not take into account any earn out's which can potentially amount to more than € 10 million.
- The debt ratio[1] decreased considerably and stood at 37.8% at the end of June 2011 compared to 48.3% at the end of December 2010.
- The Extraordinary Shareholders' Meeting of 19 April 2011, approved to distribute part of the proceedings from the VGP CZ I transaction to its shareholders by means of a capital reduction of € 39,953,557.50 (€ 2.15 per share) in cash. The payment of the capital reduction took place on 8 July 2011.

[1] 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 45.2% per 30 June 2011 and 56.9% per 31 December 2010.

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Key figures[1]

Consolidated income statement – Analytical form *(In thousands of €)*	30.06.2011	30.06.2010
NET CURRENT RESULT		
Gross rental income	9,737	7,652
Service charge income / (expenses)	566	197
Property operating expenses	(459)	(596)
Net rental and related income	**9,844**	**7,253**
Other income / (expenses) - incl. administrative costs	(1,064)	(208)
Operating result (before result on portfolio)	**8,780**	**7,045**
Net financial result[2]	(2,669)	(5,163)
Revaluation of interest rate financial instruments (IAS 39)	0	(492)
Taxes	(1,166)	(521)
Net current result	**4,945**	**869**
RESULT ON PROPERTY PORTFOLIO		
Net valuation gains / (losses) on investment property	6,125	3,440
Deferred taxes	(1,164)	(654)
Result on property portfolio	**4,961**	2,786
NET RESULT		
Adjustment made to 30 June 2010 figures re VGP CZ I	-	6,040
Share in the results of associates	635	-
Net result	**10,541**	**9,695**

Information per share	30.06.2011	30.06.2010
Number of ordinary shares	18,583,050	18,583,050
Net current result per share (in €)	0.27	0.06
Net result per share (in €)	0.57	0.21

Gross rental income (on a like for like basis) up 27.3% to EUR 9.7 million

The increase of gross rental income reflects the full impact of the income generating assets delivered during 2011 and the deconsolidation of VGP CZ I as from 16 March 2011. The gross rental income of VGP CZ I for the period January 2011 to 16 March 2011 was EUR 4.6 million.

Committed annualised rent income reaches EUR 14.5 million

During the first half of 2011 the committed annual rent income continued to show a strong growth. VGP managed to sign additional committed lease agreements representing a yearly rental income in excess of EUR 2.3 million of which EUR 1.6 million related to new lettable area to the direct benefit of the Group and EUR 0.7 million which were related to the VGP CZ I joint venture.

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1 VGP CZI was de-consolidated on 16 March 2011. Therefore for comparative purposes the figures as at 30 June 2010 were amended in order to include VGP CZ I only until16 March 2010

2 Excluding the revaluation of interest rate financial instruments.

The committed annualised rent income represents the annualised rent income generated or to be generated by executed lease – and future lease agreements.

During the first half of 2011 the occupancy rate remained at the same high level as compared with 31 December 2010 with the Czech portfolio (excluding VGP CZ I) reaching an occupancy of 100.0% (99.9% including VGP CZ I) . The Group's property portfolio reached an occupancy rate of 98.4% at the end of June 2011.

The signed committed lease agreements represent a total of 283,066 m² of lettable area with **the weighted average term of the committed leases now standing at 8.07 years** at the end of June 2011 (compared to 5.81 years at the end of December 2010).

Operating result up 24.6% to EUR 8.8 million

The operating result (before result on portfolio) increased to EUR 8.8 million in 2011, an increase of 24.6% as compared to the operating profit EUR 7.0 million for the period ending 30 June 2010 (on a like for like basis).

Evolution of the property portfolio

The fair value of the investment property and the investment property under construction (the "property portfolio") as at 30 June 2011 increased with 11.8% to EUR 209.0 million compared to EUR 187.0 million as at 31 December 2010.

The evolution of the yields remained stable with the average yield applied for valuing the property portfolio as at 31 December 2011 improving marginally from 8.35% to 8.31%[1] at the end of June 2011.

Completed projects

During the first half of the year 4 buildings were completed: 2 buildings in VGP Park Liberec representing 16,581 m² of lettable area, 1 building of 13,014 m² of lettable area in VGP Park Nyrany and 1 building of 2,114m² in VGP Park Horni Pocernice. All are fully leased.

The Group has currently a total of 22 completed projects in its investment portfolio with another 31 buildings under management through the VGP CZ I joint venture.

Projects under construction

At the end of June 2011 there were 8 buildings under construction : in the Czech Republic; 1 building in each of VGP Park Hradec Králové, VGP Park Nýřany, VGP Park Olomouc, VGP Park Tuchomerice, VGP Park Hradek nad Nisou, and in the other countries also 1 building in each of VGP Park Malacky (Slovakia), VGP Park Györ (Hungary) and VGP Park Tallinn (Estonia). After June 2011 an additional 3 buildings were started up with 1 building in each VGP Park Liberec, VGP Park Timisoara (Romania) and in VGP Park Horni Pocernice (VGP CZ I joint venture).

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[1] Yields applied to the total VGP portfolio including the VGP CZ I joint venture. If VGP CZ I would not have been included the yields would have been 8.50% as at the end of June 2011 compared to 8.55% at the end of December 2010.

The new buildings under construction on which several pre-leases have already been signed, represent a total future lettable area of 105,544 m² which corresponds to an estimated annualised rent income of EUR 5.8 million.

Land bank

VGP has currently a land bank in full ownership of 1,148,465 m² (excluding the VGP CZ I joint venture land bank). The land bank allows VGP to develop besides the current projects under construction a further 82,929 of lettable area within the Czech Republic and 164,000m² of lettable area outside the Czech Republic.

Given the faster than expected recovery of demands resulting in a quick run-off of available development land VGP has been actively looking at further expanding its land bank in order to ensure that the development pipeline remains well filled.

Besides the 2 additional plots of land (totalling 29,000m²) secured during the first quarter of 2011, **VGP has currently around 500,000m² of new plots of land under option, subject to permits, allowing to develop 200,000 m² of new projects.** VGP expects to be able to secure the majority of the necessary permits over the next few months.

VGP CZ II transaction

In June 2011 VGP concluded an agreement for the potential sale of an 80% equity interest in VGP CZ II a.s., to a new capital partner for 6 VGP Parks all located in the main regional cities of the Czech Republic.

The transaction value is in excess of EUR 140 million, which includes some future development pipeline. The sale is subject to certain conditions.

The proceeds of the transaction will be used to re-invest into the expansion of the land bank and partially repay financial debt.

Financing

During the first half of 2011 bank debt increased from EUR 53.1 million as at 31 December 2010 to EUR 60.8 million as at 30 June 2011.

During the period the shareholder loans decreased by EUR 50.0 million following the refinancing of VGP CZ I and the receipt of the VGP CZ I sale proceeds.

The "Loan to Value"[1] ratio on a consolidated basis stands at 32.0% at the end of June 2011 compared to 31.1% as at 31 December 2010.

[1] Bank debt divided by the fair value of the property portfolio

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Risk Factors

The overview of the most significant risks to which the VGP Group is exposed to can be found on page 24 to 25 of the Annual Report 2010. These risks remain actual and valid and will continue to apply for the remainder of the financial year.

Outlook 2011

During the first half of 2011 VGP changed its business model i.e. 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.

This shift has allowed VGP to maximise shareholder value and secure the necessary funding to allow it to expand its land bank.

With an expanding land bank, market conditions which remains very attractive and driven by a sound demand of lettable space, VGP not only sees a lot of opportunities within the markets it is active in but is also focussing on a number of attractive opportunities in Germany and Poland driven by demands from existing and new potential tenants.

Financial calendar

Third quarter trading update 2011	10 November 2011

Declaration in accordance with Art. 13 of the Belgian Royal Decree of 14 November 2007

The Board of Directors of VGP NV represented by Mr Marek Šebest'ák, Chairman, Mr Bart Van Malderen, Jan Van Geet s.r.o. represented by Mr Jan van Geet, CEO, Mr Alexander Saverys and Rijo Advies BVBA, represented by Mr Jos Thys, jointly certify that, to the best of their knowledge,

(i) the interim condensed financial statements are prepared in accordance with applicable accounting standards and give, in all material respect, a true and fair view of the consolidated assets and liabilities, financial position and consolidated results of the company and of its subsidiaries included in the consolidation for the six month period

(ii) the interim financial management report, in all material respect, gives a true and fair view of all important events and significant transactions with related parties that have occurred in the first six month period and their effects on the interim financial statements, as well as an overview of the most significant risks and uncertainties we are confronted with for the remaining six months of the financial year.

For more information

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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.

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CONDENSED INTERIM FINANCIAL ACCOUNTS[1]

1. CONDENSED CONSOLIDATED INCOME STATEMENT
For the year period 30 June

INCOME STATEMENT *(in thousands of €)*	**30.06.2011**	**30.06.2010**
Gross rental income	9,737	13,459
Service charge income	4,009	3,109
Service charge expenses	(3,443)	(2,776)
Property operating expenses	(459)	(1,071)
Net rental and related income	**9,844**	**12,721**
Unrealised valuation gains / (losses) on investment property	9,483	5,902
Realised valuation gains / (losses) on investment property	(3,358)	-
Net valuation gains / (losses) on investment property	**6,125**	**5,902**
Property result	**15,969**	**18,623**
Administrative cost	(1,300)	(734)
Other income	643	546
Other expenses	(407)	(310)
Net operating profit before net financial result	**14,905**	**18,125**
Financial income	1,191	315
Financial expenses	(3,860)	(6,880)
Net financial result	**(2,669)**	**(6,565)**
Result before taxes	**12,236**	**11,560**
Taxes	(2,330)	(1,865)
Result after taxes (consolidated companies)	**9,906**	**9,695**
Share in the result of associates	635	-
NET RESULT	**10,541**	**9,695**

RESULT PER SHARE	**30.06.2011**	**30.06.2010**
Basic earnings per share (in €)	0.57	0.52
Diluted earnings per share (in €)	0.57	0.52

[1] The condensed interim consolidated financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union

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2. CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the period ended 30 June

STATEMENT OF COMPREHENSIVE INCOME *(in thousands of €)*	30.06.2011	30.06.2010
Net result	**10,541**	**9,695**
Other comprehensive income / (loss)		
Interest rate hedging derivatives	5,469	(2,098)
Tax relating to components of other comprehensive income	(1,039)	399
Other comprehensive income / (loss) related to disposal group held for sale		
Interest rate hedging derivatives – disposal group held for sale		-
Tax relating to components of other comprehensive income		-
Net profit / (loss) recognised directly into equity	**4,430**	**(1,699)**
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD	**14,971**	**7,996**
Attributable to:		
Equity holders of the parent	14,971	7,996
Minority interests	-	-

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3. CONDENSED CONSOLIDATED BALANCE SHEET
For the period ended

ASSETS *(in thousands of €)*	30.06.2011	31.12.2010
Intangible assets	47	62
Investment property	189,594	171,309
Investment property under construction	19,410	15,673
Property, plant and equipment	192	196
Investments in associates	1	-
Other non-current receivables	13,211	-
Deferred tax assets	365	1,013
Total non-current assets	**222,820**	**188,253**
Trade and other receivables	21,594	3,701
Cash and cash equivalents	50,372	5,341
Disposal group held for sale	-	299,942
Total current assets	**71,966**	**308,984**
TOTAL ASSETS	**294,786**	**497,237**

SHAREHOLDERS' EQUITY AND LIABILITIES *(in thousands of €)*	30.06.2011	31.12.2010
Share capital	22,298	62,251
Retained earnings	129,972	119,431
Other reserves	(910)	(5,340)
Shareholders' equity	**151,360**	**176,342**
Non-current financial debt	77,084	120,180
Other non-current financial liabilities	402	758
Other non-current liabilities	1,368	1,104
Deferred tax liabilities	9,801	8,309
Total non-current liabilities	**88,655**	**130,351**
Current financial debt	5,469	4,820
Other current financial liabilities	-	-
Trade debts and other current liabilities	49,302	10,074
Liabilities related to disposal group held for sale	-	175,650
Total current liabilities	**54,771**	**190,544**
Total liabilities	**143,426**	**320,895**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**294,786**	**497,237**

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4. CONDENSED STATEMENT OF CHANGES IN EQUITY
For the period ended 30 June

STATEMENT OF CHANGES IN EQUITY *(in thousands of €)*	SHARE CAPITAL	RETAINED EARNINGS	OTHER RESERVES		TOTAL EQUITY
			SHARE PREMIUM	HEDGING RESERVE	
Balance as at 1 January 2010	**62,251**	**98,233**	**69**	**(5,313)**	**155,240**
Other comprehensive income / (loss)	-	-	-	(1,699)	(1,699)
Result for the period	-	9,695	-	-	9,695
Total comprehensive income / (loss)	**-**	**9,695**	**-**	**-**	**7,996**
Dividends to shareholders	-	(5,204)	-	-	(5,204)
Share capital distribution to shareholders	-	-	-	-	-
Balance as at 30 June 2010	**62,251**	**102,724**	**69**	**(7,012)**	**158,032**
Balance as at 1 January 2011	**62,251**	**119,431**	**69**	**(5,409)**	**176,342**
Other comprehensive income / (loss)	-	-	-	4,430	4,430
Result for the period	-	10,541	-	-	10,541
Total comprehensive income / (loss)	**-**	**10,541**	**0**	**4,430**	**14,971**
Dividends to shareholders	-	-	-	-	-
Share capital distribution to shareholders	(39,953)	-	-	-	(39,953)
Balance as at 30 June 2011	**22,298**	**129,972**	**69**	**(979)**	**151,360**

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5. CONDENSED CONSOLIDATED CASH FLOW STATEMENT
For the period ended 30 June

Cash flow statement *(In thousands of €)*	**30.06.2011**	**30.06.2010**
Cash flows from operating activities		
Result before taxes	12,236	11,560
Adjustments for:		
Depreciation	110	87
Change in value of investment property	(7,025)	(5,902)
Unrealised losses / (gains) on financial instruments	-	(38)
Net interest paid	3,085	7,470
Operating profit before changes in working capital and provisions	**8,406**	**13,177**
Decrease/(Increase) in trade and other receivables	(3,336)[1]	(509)
(Decrease)/Increase in trade and other payables	231	(415)
Cash generated from the operations	**5,301**	**12,253**
Net Interest paid	(3,085)	(7,470)
Income taxes paid	(18)	21
Net cash from operating activities	**2,198**	**4,804**
Cash flows from investing activities		
Proceeds from disposal of subsidiary	98,855	-
Proceeds from disposal of tangible assets	171	50
Investment property and investment property under construction	(13,888)	(10,733)
Net cash from investing activities	**85,138**	**(10,683)**
Cash flows from financing activities		
Gross dividends paid	-	-
Net proceeds from the issue of share capital / (repayment of share capital)	-	-
Proceeds from loans	8,604	14,577
Loan repayments	(51,001)	(4,298)
Net cash from financing activities	**(42,397)**	**10,279**
Net increase / (decrease) in cash and cash equivalents	**44,939**	**4,400**
Cash and cash equivalents at the beginning of the period	5,341	4,327
Effect of exchange rate fluctuations	92	32
Cash and cash equivalents at the end of the period	50,372	8,759
Net increase / (decrease) in cash and cash equivalents	**44,939**	**4,400**

[1] The cash flow does not include the movement of the other receivables to associates which were left in place at the moment of completion of the VGP CZ I transaction and which were of a non-cash nature.

6. NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
For the period ended 30 June 2011

1 Basis of preparation

The condensed consolidated interim financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting", as adopted by the European Union.

During the interim period there were four newly incorporated companies.

2 Significant accounting policies

The condensed consolidated interim financial statements are prepared on a historic cost basis, with the exception of investment properties and investment property under construction as well as and financial derivatives which are stated at fair value. All figures are in thousands of Euros (*EUR '000*).

The accounting policies adopted are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2010.

The condensed consolidated financial information was approved for issue on 18 August 2011 by the Board of Directors.

3 Segment information

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic area (geographic segment) and which is subject to risks and rewards that are different from those of other segments. The segment assets include all items directly attributable to the segment as well as those elements that can reasonably be allocated to a segment (financial assets and income tax receivables are therefore part of segment assets). Unallocated amounts include the administrative costs incurred for the Group's supporting functions.

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Segment information

Income statement	Czech Republic		Other countries		Unallocated amounts		Total	
(In thousands of €)	30.06.2011	30.06.2010	30.06.2011	30.06.2010	30.06.2011	30.06.2010	30.06.2011	30.06.2010
Gross rental income	8,465	12,871	1,272	588	-	-	9,737	13,459
Service charge income / (expenses)	553	274	14	59	-	-	567	333
Property operating expenses	(432)	(998)	(28)	(73)	-	-	(460)	(1,071)
Net rental and related income	**8,586**	**12,147**	**1,258**	**574**	**-**	**-**	**9,844**	**12,721**
Other income / (expenses)- incl. administrative costs	(269)	51	(177)	(184)	(618)	(365)	(1,064)	(498)
Operating result (before result on portfolio)	**8,317**	**12,198**	**1,081**	**390**	**(618)**	**(365)**	**8,780**	**12,223**
Net valuation gains / (losses) on investment property	2,194	6,884	3,931	(982)	-	-	6,125	5,902
Operating result (after result on portfolio)	**10,511**	**19,082**	**5,012**	**(592)**	**(618)**	**(365)**	**14,905**	**18,125**
Net financial result	**-**	**-**	**-**	**-**	**(2,669)**	**(6,565)**	**(2,669)**	**(6,565)**
Taxes	**-**	**-**	**-**	**-**	**(2,330)**	**(1,865)**	**(2,330)**	**(1,865)**
Share in the result of associates					**635**	**-**	**635**	**-**
Result for the period	**-**	**-**	**-**	**-**	**10,541**	**9,695**	**10,541**	**9,695**

Balance sheet	Czech Republic		Other countries		Unallocated amounts		Total	
(In thousands of €)	30.06.2011	31.12.2010	30.06.2011	31.12.2010	30.06.2011	31.12.2010	30.06.2011	31.12.2010
Assets								
Investment property	132,708	119,289	56,886	52,020	-	-	189,594	171,309
Investment property under construction	17,934	14,523	1,476	1,150	-	-	19,410	15,673
Other assets (incl. deferred tax)	6,424	5,741	1,935	2,579	77,423	1,993	85,782	10,313
Assets classified as held for sale	-	299,942		-	-	-		299,942
Total assets	**157,066**	**439,495**	**60,297**	**55,749**	**77,423**	**1,993**	**294,786**	**497,237**
Shareholders' equity and liabilities								
Shareholders' equity	-	-	-	-	151,360	176,342	151,360	176,342
Total liabilities	-	-	-	-	143,426	145,245	143,426	145,245
Liabilities associated with assets classified as held for sale	-	-	-	-	-	175,650	-	175,650
Total shareholders' equity and liabilities	**-**	**-**	**-**	**-**	**294,786**	**497,237**	**294,786**	**497,237**

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Segment information – Other Countries

Income statement	Estonia		Slovakia		Hungary		Other		Total	
In thousands of €	30.06.2011	30.06.2010	30.06.2011	30.06.2010	30.06.2011	30.06.2010	30.06.2011	30.06.2010	30.06.2011	30.06.2010
Gross rental income	515	246	416	184	341	158	-	-	1,272	588
Service charge income / (expense)	(5)	61	(12)	2	31	(4)	-	-	14	59
Property operating expenses	(2)	(15)	(4)	0	(2)	(43)	(20)	(15)	(28)	(73)
Net rental and related income	**508**	**292**	**400**	**186**	0	0	**(20)**	**(15)**	**1,258**	**574**
Other income / (expenses)- incl. administrative costs	(35)	(3)	(4)	(59)	(39)	(39)	(99)	(83)	(177)	(184)
Operating result (before result on portfolio)	**473**	**289**	**396**	**127**	**(39)**	**(39)**	**(119)**	**(98)**	**1,081**	**390**
Net valuation gains / (losses) on investment property	3,143	(1,596)	345	1,243	443	(991)	0	362	3,931	(982)
Operating result (after result on portfolio)	**3,616**	**(1,307)**	**741**	**1,370**	**404**	**(1,030)**	**(119)**	**264**	**5,012**	**(592)**
Net financial result	-	-	-	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-	-
Share in the result of associates	-	-	-	-	-	-	-	-	-	-
Result for the period	-	-	-	-	-	-	-	-	-	-

Balance sheet	Estonia		Slovakia		Hungary		Other		Total	
In thousands of €	30.06.2011	31.12.2010	30.06.2011	31.12.2010	30.06.2011	31.12.2010	30.06.2011	31.12.2010	30.06.2011	31.12.2010
Assets										
Investment property	17,932	14,354	19,307	18,471	12,574	12,122	7,073	7,073	56,886	52,020
Investment property under construction	168	68	415	235	0	0	893	847	1,476	1,150
Other assets (incl. deferred tax)	721	1,448	168	322	622	354	424	455	1,935	2,579
Assets classified as held for sale	-	-	-	-	-	-	-	-	-	-
Total assets	**18,821**	**15,870**	**19,890**	**19,028**	**13,196**	**12,476**	**8,390**	**8,375**	**60,297**	**55,749**
Shareholders' equity and liabilities										
Shareholders' equity	-	-	-	-	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-	-	-	-	-
Liabilities associated with assets classified as held for sale	-	-	-	-	-	-	-	-	-	-
Total shareholders' equity and liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

VGP

4 Net financial costs

In thousands of €	30.06.2011	30.06.2010
Bank interest income	39	4
Interest income – loans to associates	1,067	13
Net foreign exchange gains	86	298
Unrealised gains on interest rate derivatives	-	-
Financial income	**1,192**	**315**
Bank interest expense – variable debt	(1,199)	(2,177)
Bank interest expense – interest rate swaps - hedging	(218)	(1,790)
Bank interest expense – interest rate swaps – non-hedging	-	(792)
Interest paid to related parties	(2,546)	(2,547)
Interest capitalised into investment property and property under construction	330	1,099
Other financial expenses	(228)	(181)
Unrealised losses on interest rate derivatives	-	(492)
Financial expenses	**(3,861)**	**(6,880)**
Net financial costs	**(2,669)**	**(6,565)**

5 Investment property

In thousands of €	30.06.2011	31.12.2010
Balance at the beginning of the period	**171,309**	**426,010**
Capital expenditure	1,766	4,820
Capitalised interest	118	1,050
Acquisitions	-	-
Transfer from investment property under construction	13,438	25,273
Increase / (Decrease) in fair value	2,963	7,310
Recalssification to (-) / from held for sale	-	(293,154)
Balance at the end of the period	**189,594**	**171,309**

Investment property comprises a number of commercial properties that are leased to third parties and land held for development. The carrying amount of the investment property is the fair value of the property as determined by the external independent valuation expert Jones Lang LaSalle.
The total property portfolio is valued by the valuation expert at 30 June 2011 based on a market rate of 8.50% (against 8.55% as at 31 December 2010) applied to the contractual rents increased by the estimated rental value on unlet space.

6 Investment property under construction

In thousands of €	30.06.2011	31.12.2010
Balance at the beginning of the period	**15,673**	**2,095**
Capital expenditure	10,443	24,059
Capitalised interest	211	829
Acquisitions	-	-
Transfer to investment property	(13,438)	(25,273)
Increase / (Decrease) in fair value	6,521	15,449
Recalssification to (-) / from held for sale	-	(1,486)
Balance at the end of the period	**19,410**	**15,673**

The carrying amount of the investment property under construction is the fair value of the property as determined by the external independent valuation expert Jones Lang LaSalle.

VGP

7 Breakdown of the changes in fair value of investment properties

In thousands of €	30.06.2011	30.06.2010
Unrealised valuation gain-Investment property	7,878	1,775
Unrealised valuation gain-Investment property under construction	1,605	4,127
Realised valuation loss – VGP CZ I transaction	(3,358)	-
Total	**6,125**	**5,902**

The realised valuation loss on the VGP CZ I transaction is composed of a € 1,436k realised gain on the disposal of the VGP CZ I assets and a realised loss of € 4,794k resulting from the recycling of the existing VGP CZ I interest rate swap through the profit and loss account.

8 Share capital

The share capital as at 30 June 2011 amounted to EUR 22,297,830, represented by 18,583,050 shares. On 19 April 2011 the extraordinary general shareholders' meeting of VGP NV approved the proposed distribution of € 2.15 per share (€ 39,953,557.50 in total). The distribution of the capital reduction took place on 8 July 2011.

9 Current and non-current financial debt

In thousands of €	30.06.2011	31.12.2010
Loans from related parties VM Invest NV	21,802	71,803
Non-current bank loans	55,282	185,249
Current bank loans	5,469	9,416
Reclassification to liabilities related to disposal group held for sale	-	(141,468)
Total	**82,553**	**125,000**

Interest bearing loans and borrowings are payable as follows:

MATURITY	30.06.2011		
In thousands of €	**< 1 YEAR**	**> 1-5 YEARS**	**> 5 YEARS**
Loans granted by VM Invest NV	-	21,802	-
Non current bank loans	5,469	54,982	300
Total	**5,469**	**76,784**	**300**

The decrease in the financial debt during the first half of 2011, was due to the partial repayment of the VM Invest loan following the receipt of the proceeds from the VGP CZ I transaction.

Secured bank loans

The loans granted to the VGP Group are all denominated in € and can be summarised as follows:

In thousands of €	Facility amount	Facility expiry date	Outstanding balance	< 1 Year	> 1-5 Years	> 5 Years
UniCredit Bank/LBBW	65,616	31-Dec-14	49,629	1,793	47,836	-
Tatra Banka	3,000	31-Dec-11	3,000	3,000	-	0
Tatra Banka	1,600	31-Dec-18	1,600	200	800	600
Swedbank	6,6220	12-May-13	6,622	476	6,146	0
Total	**76,836**		**60,851**	**5,469**	**54,782**	**600**

During the first half of 2011 VGP increased the Swedbank facility with € 2 million.

VGP

Events of defaults and breaches of loan covenants

During the first half year of 2011 there were no events of defaults nor were there any breaches of covenants with respect to loan agreements.

10 Effect of business disposals

In March 2011 VGP completed the sale of an 80% equity interest in VGP CZ I a.s. to the European Property Investors Special Opportunities, L.P. (EPISO), a property fund co-advised by AEW Europe and Tristan Capital Partners. The fair value of the net assets sold was measured at € 129.5 million. A gain on the disposal of the assets of € 1.4 million was realised which was offset by a realised loss, previously included in other comprehensive loss, of € 4.8 million resulting from the recycling of the existing interest rate swaps through the profit and loss account.

The price consideration of the VGP CZ I transaction is subject to a limited upward revision based on an earn out arrangement. As at 30 June 2011 the financial statements did not include any accruals for future earn-outs.

The table below presents the net assets sold as at 16 March 2011:

In thousands of €	30.06.2011
Investment property	(293,465)
Investment property under construction	(71)
Other tangible assets	(87)
Investments in subsidiaries	(53)
Deferred tax assets	(2,211)
Trade and other receivables	(3,144)
Cash and cash equivalents	(2,578)
Non-current financial debt	141,833
Other non-current financial liabilities	7,764
Other non-current liabilities	1,884
Deferred tax liabilities	13,892
Trade debts and other current liabilities	6,689
Total net assets disposed	**(129,547)**
Realised gain on disposal of VGP CZ I	1,436
Realised loss on the recycling of VGP CZ interest rate swap	(4,794)
Consideration received	**(126,189)**
Cash disposed	2,578
Disposal of assets	**(123,611)**

11 Investments in associates

The Group's share in the combined assets, liabilities and results of associates can be summarised as follows:

In thousands of €	30.06.2011	31.12.2010
Investment property and property under construction	59,698	-
Other non-current assets	1	-
Current assets	1,342	-
Non-current liabilities	(52,450)	-
Current liabilities	(1,252)	-
Total net assets	**7,339**	-
		-
Gross rental income	1,323	-
Result for the period	635	-

12 Related parties

Transactions between related parties are disclosed below:

In thousands of €	30.06.2011	31.12.2010
Management fees received from associates	309	-
Interest and similar income from associates	1,348	-
Shareholder loans received from VM Invest NV	21,802	71,803
Interest and similar expenses on shareholder loans	(1,506)	(2,547)
Loans to associates	(29,599)	-

Following the completion of the VGP CZ I transaction the Group made a € 50.0 million repayment of the VM Invest NV loan and granted a € 29.6 million loan in aggregate to its associates Snow Crystal Sarl and VGP CZ I a.s.. The loans to associates have been classified for € 13.2 million as “Other non-current receivables” and for € 16.4 million as “Trade and other receivables”.

13 Commitments

The Group has concluded a number of contracts concerning the future purchase of land. At 30 June 2011 the Group had future purchase agreements for land totalling 111,102 m² representing a commitment of € 3.6 million and for which deposits totalling € 0.1 million have been made.

At the end of June 2011 the Group had committed annualised rent income totalling EUR 15.1 million. The committed annual rent income represents the annualised rent income generated or to be generated by executed lease – and future lease agreements. This resulted in following breakdown of future lease income:

In thousands of €	30.06.2011	31.12.2010
Less than one year	15,048	35,705
Between one and five years	54,182	105,432
More than five years	52,192	71,286
Adjustment disposal group held for sale	-	(94,020)
Total	**121,422**	**118,403**

As at 30 June 2011 the Group had contractual obligations to develop new projects for a total amount of € 22.7 million.

14 VGP CZ II transaction

In June 2011 VGP concluded an agreement for the potential sale of an 80% equity interest in VGP CZ II a.s., to a new capital partner for 6 VGP Parks all located in the main regional cities of the Czech Republic.

The transaction value is in excess of EUR 140 million, which includes some future development pipeline. The sale is subject to certain conditions. The Board of Directors has decided not to classify the VGP CZ II transaction as “assets held for sale” as the conditions precedent to completion are not under the control of VGP.

As at 30 June 2011 the condensed consolidated accounts included a gross rental income for VGP CZ II of € 2.9 million and net financial expenses for VGP CZ II of € 1.6 million.

15 Post balance sheet events

After the closing of the accounts as at 30 June 2011, VGP paid out € 39,953,557.50 as share capital distribution to its shareholders.

16 Subsidiaries

Companies forming part of the Group as at 30 June 2011

The following companies were included in the consolidation perimeter of the VGP Group.

SUBSIDIARIES	ADDRESS	%
VGP CZ I a.s. (until 16 March 2011)	Jenišovice u Jablonce nad Nisou,Czech Republic	100
VGP CZ II a.s.	Jenišovice u Jablonce nad Nisou,Czech Republic	100
VGP CZ III a.s.	Jenišovice u Jablonce nad Nisou,Czech Republic	100
VGP CZ IV a.s.	Jenišovice u Jablonce nad Nisou,Czech Republic	100
VGP CZ V a.s.	Jenišovice u Jablonce nad Nisou,Czech Republic	100
VGP CZ VI a.s.	Jenišovice u Jablonce nad Nisou,Czech Republic	100
VGP CZ VII a.s.	Jenišovice u Jablonce nad Nisou,Czech Republic	100
VGP FM Services s.r.o.	Jenišovice u Jablonce nad Nisou,Czech Republic	100
VGP DEUTSCHLAND GmbH	Leipzig, Germany	100
VGP ESTONIA OÜ	Tallinn, Estonia	100
VGP FINANCE NV	Jette, Belgium	100
VGP -INDUSTRIÁLNÍ STAVBY s.r.o.	Jenišovice u Jablonce nad Nisou,Czech Republic	100
VGP LATVIA s.i.a.	Kekava, Latvia	100
VGP PARK GYÖR Kft	Györ , Hungary	100
VGP ROMANIA S.R.L.	Timisoara, Romania	100
VGP SLOVAKIA a.s.	Malacky, Slovakia	100
VGP POLSKA SP. z.o.o.	Wroclaw, Poland	100

CHANGES IN 2011

In order to support its further growth the companies VGP CZ VI a.s., VGP CZ VII a.s. and VGP Polska Sp. z.o.o. were incorporated during 2011 and added to the consolidation perimeter of the VGP Group.

VGP CZ I a.s. left the Group's consolidation perimeter on 16 March 2011 following the completion of the VGP CZ I transaction.

ASSOCIATES	ADDRESS	%
SNOW CRYSTAL S.a.r.l.	Luxembourg, Grand Duchy of Luxembourg	20

CHANGES IN 2011

In order to support the VGP CZ I transaction Snow Crystal S.a.r.l. was created. Snow Crystal holds 100% of VGP CZ I a.s.

VGP

AUDITOR'S REPORT

VGP NV

LIMITED REVIEW REPORT ON THE CONSOLIDATED HALF-YEAR FINANCIAL INFORMATION FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2011

To the board of directors

We have performed a limited review of the accompanying condensed consolidated balance sheet, condensed income statement, condensed statement of comprehensive income, condensed cash flow statement, condensed statement of changes in equity and selective notes 6.1 to 6.16 (jointly the "interim financial information") of VGP NV ("the company") and its subsidiaries (jointly "the group") for the six-month period ended 30 June 2011. The board of directors of the company is responsible for the preparation and fair presentation of this interim financial information. Our responsibility is to express a conclusion on this interim financial information based on our review.

The interim financial information has been prepared in accordance with IAS 34, "*Interim Financial Reporting*" as adopted by the EU.

Our limited review of the interim financial information was conducted in accordance with the recommended auditing standards on limited reviews applicable in Belgium, as issued by the "Institut des Réviseurs d'Entreprises/Instituut van de Bedrijfsrevisoren". A limited review consists of making inquiries of group management and applying analytical and other review procedures to the interim financial information and underlying financial data. A limited review is substantially less in scope than an audit performed in accordance with the auditing standards on consolidated annual accounts as issued by the "Institut des Réviseurs d'Entreprises/Instituut van de Bedrijfsrevisoren". Accordingly, we do not express an audit opinion.

Based on our limited review, nothing has come to our attention that causes us to believe that the interim financial information for the six-month period ended 30 June 2011 is not prepared, in all material respects, in accordance with IAS 34 "*Interim Financial Reporting*" as adopted by the EU.

Kortrijk, 19 August 2011

The statutory auditor

DELOITTE Bedrijfsrevisoren / Reviseurs d'Entreprises
BV o.v.v.e. CVBA / SC s.f.d. SCRL
Represented by Gino Desmet