VGP

Press Release
Regulated Information
EMBARGO UNTIL 24 AUGUST 2012 AT 7h00 A.M.

24 August 2012

Half year results 2012

- **Net profit for the period of € 6.0 million**
- **Net cash position[1] of € 23.3 million at the end of June 2012**
- **77,440 m² of new leases signed or renewed representing € 4.7 million of committed annualised rent income, of which 59,000m² (€ 3.7 million) on behalf of associates**
- **6 projects under construction representing 76,405 m² of future lettable area**
- **143,000 m² of new development land acquired with another 400,000m² land plots targeted and already partially committed to expand land bank and support development pipeline**
- **Completion of the sale of an 80% equity interest in VGP CZ IV and completion of the sale of the newly built (40,000 m²) logistics properties of VGP Estonia in Tallinn (Estonia)**
- **Distribution of € 15 million capital reduction to the shareholders on 6 August 2012**

Summary

In a continuing difficult economic and financial environment VGP has managed to post a strong performance during the first six months of 2012.

During the first half of 2012 VGP's activities can be summarised as follows:

- The operating activities resulted in a net profit for the period of € 6.0 million compared to a net profit of € 5.1 million (on a like for like)[2] basis respectively as at 30 June 2011.
- The balance sheet of the Group remained strong with net cash position[1] standing at € 23.3 million.
- The lease activities resulted in the renewal or the signing of new annualised committed leases in excess of € 4.7 million in total of which € 2.3 million were new leases (€ 1.3 million on behalf of associates) and € 2.4 million (all related to associates) were related to renewals of existing lease contracts.

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[1] Net cash position calculated as net cash minus total bank borrowings as at 30 June 2012.

[2] For comparative purposes the 30 June 2011 figures were amended to exclude the impacts of the sale of VGP CZ I and VGP CZ II during 2011 and to exclude the profit and loss impact of the sold assets of VGP Estonia which occurred in May 2012.

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- The occupancy rate of the wholly owned portfolio was 93.1% at the end of June 2012. The occupancy rate of the associates portfolio stood at 97.5%.
- Following the divestment of the Estonian assets the investment property portfolio consists of 4 completed buildings representing 54,100 m² of lettable area with another 6 buildings under construction representing 58,868 m² of lettable area.
- Besides this VGP partially owns through its associates another 53 buildings which represent 590,384 m² of lettable area and for which property and facility management services are provided by the VGP Group.
- VGP has also undertaken additional development activities on behalf of its associates by which it is currently constructing 2 new buildings (8,500 m²) for VGP CZ I and 2 buildings (16,600 m²) for VGP CZ II.
- The net valuation of the property portfolio as at 30 June 2012 showed a net valuation gain of € 5.5 million against an net valuation gain of € 6.1 million per 30 June 2011.
- As at 30 June 2011 the financial income continued to benefit from the interest income on loans made available to associates which resulted in a net financial income of € 1.2 million as at 30 June 2012 against a net financial expense of € 2.7 million as at 30 June 2011.
- The Extraordinary Shareholders' Meeting of 11 May 2011, approved the proposed capital reduction in cash of € 15,052,270.50 (€ 0.81 per share). The payment of the capital reduction took place on 6 August 2012.

Gross rental income (on a like for like basis) up 16.2% to EUR 1.6 million

The increase of gross rental income reflects the full impact of the income generating assets delivered during 2012, the deconsolidation of VGP CZ I and VGP CZ II in 2011 and the impact of the sale of the Estonian assets .

Lease contracts signed during 2012 amount to € 4.7 million

During the first half of 2012, VGP was able to sign new annualised committed leases in excess of € 4.7 million[1] in total of which € 2.3 million[2] related to new lettable area and € 2.4 million[3] to the renewal of existing leases.

The Group's property portfolio reached an occupancy rate of 93.1% at the end of June 2012. The occupancy rate in the associate companies decreased slightly to 97.5%.

The signed committed lease agreements (excluding the associates) represent a total of 112,968 m² of lettable area with the weighted average term of the committed leases standing at 9.3 years at the end of June 2012.

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1 € 3.7 million related to VGP CZ I and VGP CZ II

2 € 1.3 million related to VGP CZ I and VGP CZ II

3 € 2.4 million related to VGP CZ I and VGP CZ II

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Net valuation on the property portfolio reaches € 5.5 million

The net valuation of the property portfolio as at 30 June 2012 shows a net valuation gain of € 5.5 million against a net valuation gain of € 6.1 million per 30 June 2011.

The net valuation as at 30 June 2012 consists of an € 5.3 million unrealised gain on the existing completed projects and projects under construction and a net realised valuation gain of € 0.3 million mainly resulting from the disposal of the VGP Estonia assets and the disposal of VGP CZ IV a.s. which took place during the first half of 2012.

Net financial income amounts to € 1.2 million

As at 30 June 2012 the financial income reflected the full benefit of the interest income on loans made available to associates which resulted in a financial income of € 1.8 million as at 30 June 2012 compared to € 1.1 million as at 30 June 2011. The financial expenses significantly decreased to € 0.6 million as at the end June 2012 from € 3.9 million at the end of June 2011. This decrease was driven by the full impact of the repayment of loans received from associates in 2011 and repaid by VGP in 2011 and the reduction in bank debt.

Loans to associates grew slightly from € 45.3 million as at 31 December 2011 to € 46.9 million as at 30 June 2012. Bank debt decreased to € 12.3 million at the end of June 2012 compared to € 15.2 million at the end of December 2011.

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 2012 increased with 19.5% to € 85.6 million compared to € 71.6 million as at 31 December 2011.

The evolution of the yields remained stable with the average yield applied for valuing the property portfolio improving marginally from 8.35% at the end of December 2011 to 8.31%[1] at the end of June 2012.

Completed projects

During the first half year 4 building were completed.

For its own account VGP delivered 2 buildings i.e. 1 building of 12,856 m² at VGP Park Hradek nad Nisou (Czech Republic) and one building of 12,789 m² at VGP Park Tallinn subsequently sold through the VGP Estonia transaction. Both buildings are fully leased.

For the account of its associates VGP delivered another 2 buildings i.e. 1 building of 3,092 m² at VGP Park Horni Pocernice and 1 building of 13,056 m² at VGP Park Turnov. Both buildings are fully leased

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[1] Yields applied to the total VGP portfolio including the associate companies. If the associates would not have been included the yields would have been 8.85% as at the end of June 2012 compared to 8.55% at the end of December 2011.

The Group has currently a total of 4 completed buildings (54,100 m²) in its investment portfolio with another 53 buildings (590,384 m²) under management.

Projects under construction

At the end of June 2012 there were 10 buildings under construction.

For its own account VGP has following 6 new buildings under construction: 1 building in each of the following Czech parks,VGP Park Tuchomerice, VGP Park Hradek nad Nisou and VGP Park BRNO. In the other countries: 1 building in VGP Park Malacky (Slovakia), VGP Park Györ (Hungary) and VGP Park Timisoara (Romania).
The new buildings under construction on which 50% pre-leases have already been signed, represent a total future lettable area of 58,868 m² which corresponds to an estimated annualised rent income of € 2.9 million.

On behalf of its associates VGP is constructing 4 new buildings: 2 new buildings in VGP Park Horni Pocernice and 1 building in each of VGP Park Hradec Králové, and VGP Park Nýřany.
The new buildings under construction on which several pre-leases have already been signed, represent a total future lettable area of 25,100 m² which corresponds to an estimated annualised rent income of € 1.4 million.

Land bank

During the first half of 2012 145,598 m² of new development land located in the Czech Republic was acquired.

VGP has currently a land bank in full ownership of 1,319,587 m². The land bank allows VGP to develop besides the current projects under construction a further 165,000 of lettable area within the Czech Republic and 204,000m² of lettable area outside the Czech Republic.

Besides this VGP is currently looking at or has under option, subject to permits, another 400,000 m² of new plots allowing to develop approx. 170,000 m² of new projects.

VGP CZ IV and VGP Estonia transactions

In April 2012 VGP completed the sale of an 80% equity interest in VGP CZ IV a.s. to the European Property Investors Special Opportunities, L.P. (EPISO), a property fund co-advised by AEW Europe and Tristan Capital Partners. In May 2012 VGP Estonia completed the sale of its assets composed of newly built logistic property of 40,000 m² in Tallinn (Estonia) to East Capital Baltic Property Fund II, a fund managed by East Capital.

Financing

During the first half of 2012 bank debt increased from € 8.8 million as at 31 December 2011 to € 12.3 million as at 30 June 2012.

The increase in the financial debt during the first half of 2012 was due to additional drawings on existing and new credit facilities in Slovakia and Hungary.

The "Loan to Value"[1] ratio on a consolidated basis stands at 22.6% at the end of June 2012 compared to 27.2% as at 31 December 2011.

The Group was debt free and showed a net cash position[2] of € 23.3 million at the end of June 2012.

Risk Factors

The overview of the most significant risks to which the VGP Group is exposed to can be found on page 30 to 31 of the Annual Report 2011. These risks remain actual and valid and will continue to apply for the remainder of the financial year.

Outlook 2012

With the continuing difficult economic conditions and the adverse spill-over effects of the slowing down of the German economy on the Czech market, VGP will continue with a prudent development strategy during the Second half of 2012. VGP, nevertheless, expects to post sound results for the second half of the year.

Financial calendar

Third quarter trading update 2012	16 November 2012

1 Bank debt divided by the fair value of the property portfolio (excluding any effects from disposal group held for sale).

2 Net cash position calculated as net cash minus total bank borrowings as at 30 June 2012.

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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 and for the account of its associates, 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 €)*	**30.06.2012**	**30.06.2011**
Gross rental income	1,600	9,737
Service charge income	731	4,009
Service charge expenses	(518)	(3,443)
Property operating expenses	(698)	(459)
Net rental and related income	**1,115**	**9,844**
Unrealised valuation gains / (losses) on investment property	5,253	9,483
Realised valuation gains / (losses) on disposal of subsidiaries and investment property	251	(3,358)
Net valuation gains / (losses) on investment property	**5,504**	**6,125**
Property result	**6,619**	**15,969**
Administrative cost	(1,374)	(1,300)
Other income	1,071	643
Other expenses	(332)	(407)
Net operating profit before net financial result	**5,984**	**14,905**
Financial income	1,763	1,191
Financial expenses	(578)	(3,860)
Net financial result	**1,185**	**(2,669)**
Result before taxes	**7,169**	**12,236**
Taxes	(998)	(2,330)
Result after taxes (consolidated companies)	**6,171**	**9,906**
Share in the result of associates	(139)	635
NET RESULT	**6,032**	**10,541**

RESULT PER SHARE	**30.06.2012**	**30.06.2011**
Basic earnings per share (in €)	0.32	0.57
Diluted earnings per share (in €)	0.32	0.57

[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 €)*	30.06.2012	30.06.2011
Net result	**6,032**	**10,541**
Other comprehensive income / (loss)		
Interest rate hedging derivatives	-	5,469
Tax relating to components of other comprehensive income	-	(1,039)
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**
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD	**6,032**	**14,971**
Attributable to:		
Equity holders of the parent	6,032	14,971
Minority interests	-	-

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3. CONDENSED CONSOLIDATED BALANCE SHEET
For the period ended

ASSETS *(in thousands of €)*	30.06.2012	31.12.2011
Intangible assets	43	43
Investment properties	85,632	71,643
Property, plant and equipment	236	278
Investments in associates	1,024	965
Other non-current receivables	46,917	45,313
Deferred tax assets	447	243
Total non-current assets	**134,299**	**118,485**
Trade and other receivables	8,346	9,138
Cash and cash equivalents	35,660	16,326
Disposal group held for sale	-	33,944
Total current assets	**44,006**	**59,408**
TOTAL ASSETS	**178,305**	**177,893**

SHAREHOLDERS' EQUITY AND LIABILITIES *(in thousands of €)*	30.06.2012	31.12.2011
Share capital	62,251	62,251
Retained earnings	83,394	92,415
Other reserves	69	69
Shareholders' equity	**145,714**	**154,735**
Non-current financial debt	5,527	4,160
Other non-current financial liabilities	-	-
Other non-current liabilities	369	28
Deferred tax liabilities	2,023	1,520
Total non-current liabilities	**7,919**	**5,708**
	-	
Current financial debt	6,814	4,692
Other current financial liabilities	-	-
Trade debts and other current liabilities	17,858	5,724
Liabilities related to disposal group held for sale	-	7,034
Total current liabilities	**24,672**	**17,450**
Total liabilities	**32,591**	**23,158**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**178,305**	**177,893**

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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 €)*	Statutory share capital	Capital reserve [1]	IFRS share capital	Retained earnings	Other reserves: Share premium	Other reserves: Hedging reserve	Total equity
Balance as at 1 January 2011	**175,361**	**(113,110)**	**62,251**	**119,431**	**69**	**(5,409)**	**176,342**
Other comprehensive income / (loss)	-	-	-	-	-	4,430	4,430
Result of the period	-	-	-	10,541	-	-	10,541
Effect of disposals	-	-	-	-	-	-	-
Total comprehensive income / (loss)	**-**	**-**	**-**	**10,541**	**-**	**4,430**	**14,971**
Dividends to shareholders	-	-	-	-	-	-	-
Share capital distribution to shareholders	(39,953)	39,953	-	(39,953)	-	-	(39,953)
Balance as at 30 June 2011	**135,408**	**(73,157)**	**62,251**	**90,019**	**69**	**(979)**	**151,360**
Balance as at 1 January 2012	**135,408**	**(73,157)**	**62,251**	**92,415**	**69**	**-**	**154,735**
Other comprehensive income / (loss)	-	-	-	-	-	-	-
Result of the period	-	-	-	6,032	-	-	6,032
Effect of disposals	-	-	-	-	-	-	-
Total comprehensive income / (loss)	**-**	**-**	**-**	**6,032**	**-**	**-**	**6,032**
Dividends to shareholders	-	-	-	-	-	-	-
Share capital distribution to shareholders	(15,052)	15,052	-	(15,052)	-	-	(15,052)
Balance as at 30 June 2012	**120,356**	**(58,105)**	**62,251**	**83,394**	**69**	**-**	**145,714**

[1] *Capital reserve relates to the elimination of the contribution in kind of the shares of a number of Group companies and the deduction of all costs in relation to the issuing of the new shares and the stock exchange listing of the existing shares from the equity of the company, at the time of the initial public offering ("IPO").*

The 30 June 2012 statement of changes in equity has been modified to show the impact on the statutory share capital and consolidated share capital after taking the capital reserve into consideration.

Until the statutory share capital is equal to the IFRS share capital any capital reduction will be first set off against the capital reserve and will therefore not give rise to a change in the consolidated IFRS share capital but will give rise to a reduction in the consolidated IFRS retained earnings.

For comparative purposes the 31 December 2011 financials figures have been restated.

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

CASH FLOW STATEMENT *(in thousands of €)*	**30.06.2012**	**30.06.2011**
Cash flows from operating activities		
Result before taxes	7,169	12,236
Adjustments for:		
Depreciation	55	110
Unrealised (gains) / losses on investment properties	(5,253)	(9,483)
Realised (gains) / losses on disposal of subsidiaries	(251)	3,358
Net interest paid	(1,282)	3,085
Operating profit before changes in working capital and provisions	**438**	**9,306**
Decrease/(Increase) in trade and other receivables	1,335	(3,336)
(Decrease)/Increase in trade and other payables	(3,932)	(669)
Cash generated from the operations	**(2,159)**	**5,301**
Net Interest paid	1,282	(3,085)
Income taxes paid	(122)	(18)
Net cash from operating activities	**(999)**	**2,198**
Cash flows from investing activities		
Proceeds from disposal of subsidiaries	8,576	98,855
Proceeds from disposal of tangible assets	24,252	171
Acquisition of subsidiaries	(1,782)	0
Investment property and investment property under construction	(5,303)	(13,888)
Net cash from investing activities	**25,743**	**85,138**
Cash flows from financing activities		
Gross dividends paid	-	-
Net proceeds / (cash out) from the issue / (repayment) of share capital	-	-
Proceeds from loans	1,854	8,604
Loan repayments	(7,305)	(51,001)
Net cash from financing activities	**(5,451)**	**(42,397)**
Reclassification to (-) / from held for sale	-	-
Net increase / (decrease) in cash and cash equivalents	**19,294**	**44,939**
Cash and cash equivalents at the beginning of the period	16,326	5,341
Effect of exchange rate fluctuations	40	92
Cash and cash equivalents at the end of the period	35,660	50,372
Net increase / (decrease) in cash and cash equivalents	**19,294**	**44,939**

6. NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
For the period ended 30 June 2012

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 was one new company acquired and included in the consolidation perimeter of the VGP Group and one company left the consolidation perimeter of the VGP Group.

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 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 2011.

The condensed consolidated financial information was approved for issue on 22 August 2012 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. As the majority of the assets of the Group are geographically located in the Czech Republic a distinction between the Czech Republic and the other countries ("Other countries") has been made. 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. All rent income is coming from semi-industrial buildings. There is no risk concentration in terms of income contribution from a single tenant. The unallocated assets relate to outstanding receivables of VGP NV to associates (€ 53.4 million) and cash and cash equivalents of VGP NV (€ 34.4 million).

Segment information

Income statement	Czech Republic		Other countries		Unallocated amounts		Total	
(In thousands of €)	30.06.2012	30.06.2011	30.06.2012	30.06.2011	30.06.2012	30.06.2011	30.06.2012	30.06.2011
Gross rental income	67	8,465	1,533	1,272	-	-	1,600	9,737
Service charge income / (expenses)	265	553	(52)	14	-	-	213	567
Property operating expenses	(311)	(432)	(387)	(28)	-	-	(698)	(460)
Net rental and related income	**21**	**8,586**	**1,094**	**1,258**	-	-	**1,115**	**9,844**
Other income / (expenses)- incl. administrative costs	451	(269)	(369)	(177)	(717)	(618)	(635)	(1,064)
Operating result (before result on portfolio)	**472**	**8,317**	**725**	**1,081**	**(717)**	**(618)**	**480**	**8,780**
Net valuation gains / (losses) on investment property	6,783	2,194	(1,279)	3,931	-	-	5,504	6,125
Operating result (after result on portfolio)	**7,255**	**10,511**	**(554)**	**5,012**	**(717)**	**(618)**	**5,984**	**14,905**
Net financial result	-	-	-	-	**1,185**	**(2,669)**	**1,185**	**(2,669)**
Taxes	-	-	-	-	**(998)**	**(2,330)**	**(998)**	**(2,330)**
Share in the result of associates	-	-	-	-	**(139)**	**635**	**(139)**	**635**
Result for the period	-	-	-	-	**6,032**	**10,541**	**6,032**	**10,541**

Balance sheet	Czech Republic		Other countries		Unallocated amounts		Total	
(In thousands of €)	30.06.2012	31.12.2011	30.06.2012	31.12.2011	30.06.2012	31.12.2011	30.06.2012	31.12.2011
Assets								
Investment properties	35,078	21,681	50,554	49,962	-	-	85,632	71,643
Other assets (incl. deferred tax)	1,446	2,405	3,368	3,197	87,859	66,704	92,673	72,306
Disposal group held for sale		12,024	-	21,920	-	-	-	33,944
Total assets	**36,524**	**36,110**	**53,922**	**75,079**	**87,859**	**66,704**	**178,305**	**177,893**
Shareholders' equity and liabilities								
Shareholders' equity	-	-	-	-	145,714	154,735	145,714	154,735
Total liabilities	-	-	-	-	32,591	16,124	32,591	16,124
Liabilities related to disposal group held for sale	-	-	-	-	-	7,034	-	7,034
Total shareholders' equity and liabilities	-	-	-	-	**178,305**	**177,893**	**178,305**	**177,893**

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Segment information – Other Countries

Income statement	Estonia		Slovakia		Hungary		Other		Total	
In thousands of €	30.06.2012	30.06.2011	30.06.2012	30.06.2011	30.06.2012	30.06.2011	30.06.2012	30.06.2011	30.06.2012	30.06.2011
Gross rental income	581	515	429	416	523	341	-	-	1,533	1,272
Service charge income / (expenses)	(51)	(5)	(25)	(12)	25	31	(1)	-	(52)	14
Property operating expenses	(357)	(2)	0	(4)	(9)	(2)	(21)	(20)	(387)	(28)
Net rental and related income	**173**	**508**	**404**	**400**	**539**	0	**(22)**	**(20)**	**1,094**	**1,258**
Other income / (expenses)- incl. administrative costs	(26)	(35)	(8)	(4)	(147)	(39)	(188)	(99)	(369)	(177)
Operating result (before result on portfolio)	**147**	**473**	**396**	**396**	**392**	**(39)**	**(210)**	**(119)**	**725**	**1,081**
Net valuation gains / (losses) on investment property	876	3,143	(244)	345	(365)	443	(1,546)	-	(1,279)	3,931
Operating result (after result on portfolio)	**1,023**	**3,616**	**152**	**741**	**27**	**404**	**(1,756)**	**(119)**	**(554)**	**5,012**
Net financial result	-	-	-	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-	-
Share in the result of associates	-	-	-	-	-	-	-	-	-	-
Result for the period	-	-	-	-	-	-	-	-	-	-

Balance sheet	Estonia		Slovakia		Hungary		Other		Total	
In thousands of €	30.06.2012	31.12.2011	30.06.2012	31.12.2011	30.06.2012	31.12.2011	30.06.2012	31.12.2011	30.06.2012	31.12.2011
Assets										
Investment properties	-		22,789	22,877	17,591	17,191	10,174	9,894	50,554	49,962
Other assets (incl. deferred tax)	374	593	108	362	706	512	2,180	1,730	3,368	3,197
Disposal group held for sale	0	21,920	-	-	-	-	-	-	-	21,920
Total assets	**374**	**22,513**	**22,897**	**23,239**	**18,297**	**17,703**	**12,354**	**11,624**	**53,922**	**75,079**
Shareholders' equity and liabilities										
Shareholders' equity	-	-	-	-	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-	-	-	-	-
Liabilities related to disposal group held for sale	-	-	-	-	-	-	-	-	-	-
Total shareholders' equity and liabilities	-	-	-	-	-	-	-	-	-	-

VGP

4 Breakdown of the changes in fair value of investment properties

In thousands of €	30.06.2012	30.06.2011
Unrealised valuation gains / (losses) on investment properties	5,253	9,483
Realised valuation gains / (losses) on disposal of subsidiary and investment properties	251	-
Realised valuation loss – VGP CZ I transaction	-	(3,358)
Total	**5,504**	**6,125**

The realised valuation gains on the investment properties are composed of a € 1,043k realised gain on the disposal of the VGP Estonia assets and assets held by Brnenska rozvojova spolecnost, a.s (a new subsidiary acquired during the first half of 2012), and a realised loss of € 792k resulting from the disposal of VGP CZ IV a.s.

5 Net financial costs

In thousands of €	30.06.2012	30.06.2011
Bank interest income	9	39
Interest income - loans to associates	1,754	1,067
Net foreign exchange gains	0	86
Unrealised gains on interest rate derivatives	0	-
Financial income	**1,763**	**1,192**
Bank interest expense – variable debt	(334)	(1,199)
Bank interest expense – interest rate swaps - hedging	-	(218)
Bank interest expense – interest rate swaps – non-hedging	-	-
Interest paid to related parties	-	(2,546)
Interest capitalised into investment properties	74	330
Other financial expenses	(147)	(228)
Net foreign exchange losses	(171)	-
Financial expenses	**(578)**	**(3,861)**
Net financial costs	**1,185**	**(2,669)**

6 Share in the results of associates

In thousands of €		30.06.2012	30.06.2011
Associates			
VGP CZ I a.s.	Czech Republic	(44)	725
VGP CZ II a.s.	Czech Republic	0	-
VGP CZ IV a.s.	Czech Republic	311	-
VGP SUN s.r.o.	Czech Republic	(190)	-
SUN S.a.r.l.	Grand Duchy of Luxembourg	3	-
Snow Crystal S.a.r.l.	Grand Duchy of Luxembourg	(219)	(90)
Total		**(139)**	**635**

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7 Investment properties

In thousands of €	30.06.2012	31.12.2011
Balance at the beginning of the period	**71,643**	**186,982**
Capital expenditure	5,156	32,944
Capitalised interest	74	152
Acquisitions	3,507	16,132
Sale/ (disposals) (fair value of assets sold/disposed of)	-	(138,164)
Increase / (Decrease) in fair value	5,253	7,541
Reclassification to (-) / from held for sale	-	(33,944)
Balance at the end of the period	**85,632**	**71,643**

Investment properties comprise a number of commercial properties that are leased to third parties, projects under construction and land held for development. The carrying amount of investment properties is the fair value of the property as determined by the external independent valuation expert, Jones Lang LaSalle.

8 Share capital

The share capital as at 30 June 2012 amounted to EUR 62,251,000, represented by 18,583,050 shares. On 11 May 2012 the extraordinary general shareholders' meeting of VGP NV approved the proposed distribution of € 0.81 per share (€ 15,052,270.50 in total). The distribution of the capital reduction took place on 6 August 2012 and resulted in a reduction of the consolidated retained earnings with same amount.

9 Current and non-current financial debt

In thousands of €	30.06.2012	31.12.2011
Non-current bank loans	5,527	10,053
Current bank loans	6,814	5,184
Reclassification to liabilities related to disposal group held for sale	0	(6,385)
Total	**12,341**	**8,852**

Interest bearing loans and borrowings are payable as follows:

MATURITY	30.06.2012		
In thousands of €	< 1 YEAR	> 1-5 YEARS	> 5 YEARS
Non-current bank loans	6,814	4,850	677
Reclassification to liabilities related to disposal group held for sale	0	0	-
Total	**6,814**	**4,850**	**677**

The increase in the financial debt during the first half of 2012 was due to additional drawings on existing and new credit facilities in Slovakia and Hungary.

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
Tatra Banka	1,480	31-Dec-13	1,480	40	1,440	0
Tatra Banka	4,429	31-Dec-18	4,429	342	3,410	677
UniCredit Bank	6,432	28-Sep-12	6,432	6,432	-	-
Total	**12,341**		**12,341**	**6,814**	**4,850**	**677**

During the first half of 2012 VGP increased the UniCredit Bank facility with € 2.1 million.

Events of defaults and breaches of loan covenants

During the first half year of 2012 there were no events of defaults nor were there any breaches of covenants with respect to loan agreements.

10 Effect of business disposals

In April 2012 VGP completed the sale of an 80% equity interest in VGP CZ IV a.s. to the European Property Investors Special Opportunities, L.P. (EPISO), a property fund co-advised by AEW Europe and Tristan Capital Partners. In May 2012 VGP Estonia completed the sale of its assets composed of newly built logistic property of 40,000 m² in Tallinn (Estonia) to East Capital Baltic Property Fund II, a fund managed by East Capital.

The carrying amount of the net assets sold was measured at € 33.1 million i.e. € 24.9 million related to VGP Estonia, € 7.8 million related to VGP CZ IV a.s. and € 0.4 related to Brnenska rozvojova spolecnost, a.s . A net gain on the disposal of the assets of € 0.3 million was realised.

The table below presents the aggregated net assets sold as at the respective dates of sale i.e.

In thousands of €	30.06.2012	30.06.2011
Investment properties	(35,404)	(293,536)
Other tangible assets	0	(87)
Investments in subsidiaries	0	(53)
Deferred tax assets	(17)	(2,211)
Trade and other receivables	0	(3,144)
Cash and cash equivalents	(301)	(2,578)
Non-current financial debt	2,144	141,833
Other non-current financial liabilities	0	7,764
Other non-current liabilities	0	1,884
Deferred tax liabilities	203	13,892
Trade debts and other current liabilities	296	6,689
Total net assets disposed	**(33,079)**	**(129,547)**
Fair value adjustment	251	(3,358)
Consideration paid	**(32,828)**	**(126,189)**
Cash disposed	301	2,578
Disposal of assets	**(32,527)**	**(123,611)**

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11 Investments in associates

in thousands of €	30.06.2012	31.12.2011
As at 1 January	965	-
Fair value at initial recognition	198	121
Result of the year	(139)	844
Total	**1,024**	**965**

For the analysis of the result for the year, please refer to note 6.

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

in thousands of €	30.06.2012	31.12.2011
Investment property and property under construction	94,467	91,468
Other non-current assets	206	118
Current assets	2,689	2,115
Non-current liabilities	(92,411)	(88,265)
Current liabilities	(3,927)	(4,471)
Total net assets	**1,024**	**965**

in thousands of €	30.06.2012	30.06.2011
Gross rental income	3,510	1,323
Result for the period	(139)	635

12 Related parties

The Group identified the following transactions with related parties :

Transactions with related parties (*In thousands of €*)	30.06.2012	30.06.2011
General management fees received from associates	249	159
Property management fees and similar income received from associates	1,302	150
Interest and similar income from associates	1,703	1,348
Rent paid to associates	(48)	(48)
Interest and similar expenses on shareholder loans	-	(2,338)
Services received from Jan Van Geet s.r.o.	(133)	(100)

Outstanding balances with related parties (*In thousands of €*)	30.06.2012	31.12.2011
Loans provided to associates	46,917	45,313
Other receivables from associates	6,450	6,450
Advances made to Jan Prochazka	-	-
Shareholder loans received from VM Invest NV	-	-
Advances received from Jan Van Geet s.r.o.	-	(13)

13 Commitments

The Group has concluded a number of contracts concerning the future purchase of land. At 30 June 2012 the Group had future purchase agreements for land totalling 210,000 m² representing a commitment of € 10.8 million and for which deposits totalling € 1.1 million had been made. At the end of June 2012 the Group had committed annualised rent income of € 4.0 million (€ 4.7 million as at 31 December 2011).

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 €	30.06.2012	31.12.2011
Less than one year	3,895	2,798
Between one and five years	14,910	10,579
More than five years	18,306	13,142
Total	**37,111**	**26,520**

As at 30 June 2012 the Group had contractual obligations to develop new projects or complete existing projects for a total amount of € 16.3 million.

14 Post balance sheet events

After the closing of the accounts as at 30 June 2012, VGP paid out € 15,052,270.50 as share capital distribution to its shareholders.

15 Subsidiaries and associates

Companies forming part of the Group as at 30 June 2012

SUBSIDIARIES

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

COMPANY	ADDRESS	%
VGP CZ III a.s.	Jenišovice u Jablonce nad Nisou,Czech Republic	100
VGP CZ IV a.s. (until 26 April 2012)	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 CZ VIII a.s.	Jenišovice u Jablonce nad Nisou,Czech Republic	100
BRNENSKA ROSVOJOVA SPOLECNOST 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 2012

During the year additional development land was acquired in the Czech Republic through a share deal whereby the company Brnenska rozvojova spolecnost, a.s was acquired. The company will be merged with VGP CZ VII a.s. during the second half of 2012.
Following the completion of the VGP CZ IV transaction on 26 April 2012, VGP CZ IV a.s. left the consolidation perimeter of the Group

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ASSOCIATES

COMPANY	ADDRESS	%
SNOW CRYSTAL S.a.r.l.	Luxembourg, Grand Duchy of Luxembourg	20
SUN S.a.r.l.	Luxembourg, Grand Duchy of Luxembourg	20
VGP SUN s.r.o.	Jenišovice u Jablonce nad Nisou,Czech Republic	20
VGP CZ I a.s.	Jenišovice u Jablonce nad Nisou,Czech Republic	20
VGP CZ II a.s.	Jenišovice u Jablonce nad Nisou,Czech Republic	20
VGP CZ IV a.s. (as from 26 April 2012)	Jenišovice u Jablonce nad Nisou,Czech Republic	20

CHANGES IN 2012

Following the completion of the VGP CZ IV transaction Snow Crystal s.a.r.l. holds 100% of VGP CZ IV a.s..

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AUDITOR'S REPORT

VGP NV

LIMITED REVIEW REPORT ON THE CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2012

To the board of directors

We have performed a limited review of the accompanying consolidated condensed 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 6.15 (jointly the "interim financial information") of VGP NV ("the company") and its subsidiaries (jointly "the group") for the six-month period ended 30 June 2012. 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 international financial reporting standard IAS 34 – *Interim Financial Reporting* as adopted by the European Union.

Our limited review of the interim financial information was conducted in accordance with international standard ISRE 2410 – *Review of interim financial information performed by the independent auditor of the entity*. 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 International Standards on Auditing (ISA). Accordingly, we do not express an audit opinion on the interim financial information.

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 2012 is not prepared, in all material respects, in accordance with IAS 34 – *Interim Financial Reporting* as adopted by the European Union.

Kortrijk, 22 August 2012

The statutory auditor

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