

Press Release Regulated Information

Brussels 14 November 2013

Third Quarter Trading Update 2013

- Germany clearly emerging as the Group's main market for the future (besides its home market, the Czech Republic) with numerous negotiations on-going for expansion of the German land bank and multiple locations identified for future potential expansion
- In the Czech Republic a 45,000 m² land plot was acquired
- 45.1 % increase of committed annualised rent income to EUR 7.4 million as at the end of Sep-13 (compared to EUR 5.1 million as at 31 Dec-12)
- Further increase of the committed annualised rent income to EUR 8.8 million after reaching an agreement for the acquisition of a 25,000 m² fully let building in Hamburg representing EUR 1.4 million annualised rent income under long term lease contracts with Geodis (providing logistics to Amazon) and DHL
- € 2.3 million of new leases signed or renewed during the third quarter representing 43,476 m² of lettable area of which € 1.5 million (27,831 m²) on behalf of associates
- Year to date, € 8.5 million of new leases signed or renewed, representing 166,623 m² of lettable area, of which € 6.2 million (122,533 m²) on behalf of associates
- 11 projects currently under construction representing 152,145 m² of future lettable area, of which 6 projects (77,224 m²) started up after the end of June 2013
- In the Czech Republic a 45,000 m² land plot was acquired after obtaining the necessary permits

The encouraging increase in demand for new lettable space observed during the first half of 2013 gained momentum during the third quarter of 2013. VGP recorded a significant increase in demand, not only in Germany where we are now firmly established, but also in most of our other parks i.e. especially in VGP's home market Czech Republic, in Estonia and in Romania.

On the back of these encouraging signs the development activities accelerated during the third quarter and 6 new projects were started up since the end of June 2013 representing 77,224 m² of lettable area.

During the third quarter the main focus of VGP's development pipeline has clearly shifted to Germany where the Group wants to accelerate the acquisition of development land, concentrating on the largest regional cities such as Berlin, Munich, Stuttgart, Düsseldorf and Frankfurt.

The strategy of VGP to focus on strategically located plots of land i.e. land always located in vicinity of urban centres to allow easy access to highways and ring roads and assuring availability of adequate workforce as well as the core competence in integrating operating processes of tenants, is clearly having a positive impact on the development activities of the Group with new buildings being developed or extended. Significant future projects of which several, large E-commerce oriented companies, are under negotiation.

VGP's activities can be summarised as follows:

- During Q3 2013, VGP continued to prepare the development pipeline for future growth. VGP acquired a 45,000 m² land plot in the Czech Republic. The Group has now in total 324,000 m² remaining land plots secured which are all located in Germany and of which 218,000 m² are expected to be acquired during Q4 2013.
- In Germany VGP's new office located in Dusseldorf was opened during the summer and the German team was further expanded.
- The annualised committed leases increased to EUR 7.4 million as at 30 September 2013 and to EUR 8.8 million following the conclusion of the purchase of a new 25,000 m² building in Germany. The annualised rent income in Germany (including this new building) now stands at EUR 1.8 million.
- During the third quarter of 2013, VGP signed new annualised committed leases in excess of € 2.3 million in total of which € 1.3 million related to new or replacement leases (€ 0.6 million on behalf of associates) and € 1.0 million were rehated to renewals of existing lease contracts (€ 0.9 million on behalf of associates).
- This brings the year to date signing of new lease contracts to € 8.5 million of **which € 5.3 million relate to new or replacement leases** (€ 3.1 million on behalf of associates) and € 3.2 million relate to renewals of existing lease contracts (€ 3.1 million on behalf of associates).
- The Group's property portfolio reached an occupancy rate of 95.9% at the end of September 2013 (excluding the associates) compared to 94.4% at the end of June 2013. The occupancy rate of the associates' portfolio reached 95.3% at the end of September 2013, slightly higher than the 94.8% at the end of June 2013.
- During the third quarter 1 building of 10,477 m² was delivered for VGP's own portfolio and during the month of October 2013 an additional building of 9,324 m² was delivered on behalf of the associates.
- During the month of November 2013 VGP reached an agreement to acquire a fully let new 25,000 m² building located within its VGP Park Hamburg (Germany). The acquisition of the building is due to be concluded in December 2013 and provides VGP with immediate rent income in Germany as well as allows VGP to benefit from economies of scale from a commercial and development point of view.
- The investment property portfolio (excluding the new building in Hamburg) currently consists of 8 completed buildings representing 98,934 m² of lettable area with another 11 buildings under construction representing 152,145 m² of lettable area. Besides this, through its associates,

VGP partially owns another 57 buildings which represent 618,919 m² of lettable area and for which property and facility management services are provided by the VGP Group.

- Besides this, VGP has also undertaken additional development activities on behalf of its associates by which it is currently also constructing 1 fully pre-let building representing a total future lettable area of 8,961 m².
- The extraordinary shareholders' meeting of 27 September 2013 approved a further distribution of part of the historic realised valuation gains on its property portfolio by means of a € 7,623,150.50 capital reduction in cash. This distribution corresponds to € 0.41 per share.

Committed annualised rent income increased to EUR 7.4 million and EUR 8.8 million respectively

VGP continued to successfully sign new and / or renew existing leases on the back of the pick-up in demand for lettable space.

With its footprint firmly established in Germany, VGP was able to start negotiations with a number of potential tenants, which are not only interested in the existing VGP parks but are also interested in having VGP develop built-to-suit projects under long term lease contracts. A number of negotiations are on-going in this respect.

In other VGP parks located in VGP Park Timisoara (Romania) and VGP Park Tallinn II (Estonia) there were clear signs that the economic conditions are rapidly improving, resulting in significant take-up of new lettable area in the first building in each of these parks i.e. 10,477 m² in VGP Park Timisoara and 21,950 m² in VGP Park Tallinn II. Also in the Czech parks demand for lettable space was on the rise.

The annualised committed leases increased to EUR 7.4 million as at the end of September 2013 (compared to EUR 5.0 million as at 31 December 2012).

In November 2013 an agreement was reached to acquire a fully let new 25,000 m² building located within the VGP Park Hamburg (see below) which will secure additional committed annual rent income of € 1.4 million. This transaction increases the annualised rent income to € 8.8 million.

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

Evolution of the property portfolio

Completed projects

During the third quarter 2013, VGP delivered 1 building of 10,477 m² for its own account. This building, which is the first completed building in VGP Park Timisoara (Romania) is fully let.

In October 2013 an additional building of 9,324 m² was delivered in VGP Park Liberec (Czech Republic) on behalf of the associates.

Projects under construction

For its own account VGP has the following 11 new buildings under construction: In the Czech Republic, 1 building in VGP Park Usti nad Labem, 1 building in VGP Park Hradek nad Nisou and 2 buildings in VGP Park Brno. In the other countries: 1 building in VGP Park Malacky (Slovakia), 1 building in VGP Park Timisoara (Romania), 1 building in VGP Park Györ (Hungary), 2 buildings in VGP Park Tallinn (Estonia), 1 building in VGP Park Bingen (Germany) and finally 1 new building in VGP Park Hamburg (Germany) which is being started up during the month of November. The new buildings under construction on which several pre-leases have already been signed, represent a total future lettable area of 152,145 m² of which 77,224 m² have been started up after the end of June 2013.

On behalf of its associates VGP is constructing 1 building in VGP Park Nýřany representing a total future lettable area of 8,961 m².

Land bank

During the third quarter of 2013 VGP continued to prepare the development pipeline for future growth through the acquisition of 45,000 m² of new development land in the Czech Republic

VGP has currently a land bank in full ownership of 1,769,193 m². Besides the current completed projects and projects under construction (251,080 m²) the land bank allows VGP to develop a further 485,000 of lettable area of which 185,000 m² in Germany; 130,000 m² in the Czech Republic and 170,000 m² in the other countries.

Besides this VGP has secured another 324,215 m² of new plots. These plots allow the construction of 148,000 m² of future lettable area, all located in Germany of which 218,000 m² are expected to be bought in December 2013. The remaining plots of land are expected to be bought during the course of 2014 following the receipt of the zoning permits.

Acquisition of new building in Hamburg

In November 2013 VGP reached an agreement to acquire a fully let new 25,000 m² building located within its VGP Park Hamburg. The purchase agreement is due to be signed in the second half of November 2013 with settlement to occur during the month of December 2013 and generates around EUR 1.4 million rent income per annum.

The acquisition of the building provides a rare opportunity for VGP Park Hamburg to fully benefit from economies of scale from a development and commercial point of view.

Financing

During the third quarter 2013 VGP was able to secure a new 5 year € 7.5 million committed credit facility with Swedbank for the financing of its development in Estonia. In addition VGP was able to renew the existing € 10.5 million credit facility with UniCredit Bank Hungary used to finance the developments in Hungary, for another year.

At the beginning of November the Group successfully negotiated the renewal of the EUR 1.4 million credit facility of Tatra Banka (expiring at the end of December 2013) until 31 December 2015.

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 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.