

31 August 2015

Half year results 2015

- **Profit for the period of € 32.2 million (compared to 30.0 million on a like for like basis¹ as at 30 June 2014)**
- **46.5% increase of committed annualised rent income to € 33.1 million (+ € 10.5 million compared to 31 December 2014)**
- **71.6% growth in gross rental income (+ € 2.9 million) to € 7.0 million**
- **The signed committed lease agreements at year end represent a total of 614,477 m² of lettable area with the weighted average term of the committed leases standing at 7.9 years at the end of June 2015 (7.8 years as at 31 December 2014)**
- **8 projects delivered during the first half of 2015 representing 98,567 m² of lettable area**
- **19 projects under construction representing 322,014 m² of future lettable area**
- **954,000 m² of new development land plots committed to expand land bank and support development pipeline and which are expected to be acquired during the second half of 2015**
- **Net valuation gain on the investment portfolio reaches € 48.1 million (against € 40.9 million at the end of June 2014)**
- **The fair value of the investment property and the investment property under construction (the “property portfolio”) as at 30 June 2015 increased with 21.0% (+ € 87.4 million) to a record level of € 503.5 million compared to € 416.1 million as at 31 December 2014**
- **Establishment of presence in Spain with the opening of a new office in Barcelona and with first offers on land initiated**

Summary

During the first half of 2015 VGP continued to perform strongly with development and leasing activities reaching record levels.

Germany confirmed its role as the leading growth market of the Group during the first half. More than 50% of the current developments under construction are located in Germany.

¹ The net profit as at 30 June 2014 included the estimated € 13.4 million profit on the sale of the associates’ portfolio (VGP CZ I & IV and II). The sale of these portfolios was completed in October 2014.

In other markets, such as Slovakia, Czech Republic, Estonia and Romania development and leasing activities were also buoyant with Czech Republic clearly remaining the second market for VGP with a share of 25% of the current developments under construction.

During the first half of 2015 VGP's activities can be summarised as follows:

- The operating activities resulted in a net profit of € 32.2 million (€ 1.73 per share) for the period ended 30 June 2015 compared to a net profit of € 434 million (€ 2.33 per share) and € 30.0 million (on a like for like basis¹) respectively as at 30 June 2014.
- The increase in demand of lettable area resulted in the signing of new lease contracts in excess of € 11.3 million in total of which € 10.5 million related to new leases and € 0.9 million related to replacement leases.
- The Group's property portfolio reached an occupancy rate of 94.8% at the end of June 2015 compared to 94.0% as at 31 December 2014.
- The investment property portfolio has now already grown to 25 completed buildings representing 365,971 m² of lettable area with another 19 buildings under construction representing 322,014 m² of lettable area.
- At the end of June 2015 the land bank includes 954,000 m² of new committed development land expected to be acquired during the second half of 2015. New land plots are being targeted and are due to be secured during the second half of 2015 in order to continue to support the development pipeline.
- The net valuation of the property portfolio as at 30 June 2015 showed a net valuation gain of € 48.1 million against a net valuation gain of € 409 million per 30 June 2014.
- During the first half of 2015 VGP established itself in Spain and it is expected that the first investments in this new market will occur during the second half of the year. Also in other markets than Germany and the Czech Republic, VGP was successful to expand further. During the month of August 2015 a new park close to Budapest was started with a first building which is fully pre-let to a Blue Chip company under a 12 year lease agreement. Finally a further 540,000 m² land plot close to Bratislava was secured to establish a second VGP Park in Slovakia.
- In order to mitigate its future interest rate risk the Group concluded 2 new interest rate swaps, each for a notional amount of € 75 million and 5 year term. These 2 interest rate swaps have a future start date of July 2017 and December 2018 and will run until July 2022 and December 2023 respectively. The average interest rate which has been fixed is 0.84% p.a.
- In order to strengthen its consolidated equity base and support its further growth, VGP NV issued subordinated perpetual securities in July 2015 for an aggregate amount of € 20 million which were fully underwritten by the reference shareholders of the company i.e. VM Invest NV and Little Rock SA.

¹ The net profit as at 30 June 2014 included the estimated € 13.4 million profit on the sale of the associates' portfolio (VGP CZ I & IV and II). The sale of these portfolios was completed in October 2014.

Gross rental income up 71.6% to € 7.0 million

The gross rental income reflects the full impact of the income generating assets delivered during 2015. The gross rental income for the period ending 30 June 2015 increased by 71.6% to 7.0 million for the period ending 30 June 2015 compared to € 4.1 million for the period ending 30 June 2014.

Committed annualised rent income increases to € 331 million

Supported by the continued increase in demand for lettable space in almost all of its markets VGP signed 25 new leases during the first half year. These contracts represent in total more than € 11.3 million annualised rental income of which € 10.5 million relate to new leases and € 0.9 million relate to replacement leases.

The annualised committed leases therefore increased to € 33.1 million as at the end of June 2015 (compared to € 22.6 million as at 31 December 2014)

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

Germany was the main driver of the increases in committed leases with € 5.0 million of new leases signed during the first half year. The other countries also performed very well with new leases being signed in the Czech Republic + € 2.2 million, Slovakia + € 1.9 million, Hungary + € 1.5 million, Romania + € 0.6 million and finally € 0.1 million in Estonia.

The signed committed lease agreements represent a total of 614,477 m² of lettable area with the weighted average term of the committed leases standing at 7.9 years at the end of June 2015 compared to 7.8 years as at 31 December 2014.

Property and facility management income reaches € 1.3 million

The property and facility management income reached € 1.3 million for the period compared to € 1.4 million for the period ending June 2014.

The property and facility management is expected to start growing again in the near future as more and more buildings are being completed and delivered to tenants.

Net valuation gain on the property portfolio reaches € 48.1 million

As at 30 June 2015 the net valuation gain on the property portfolio reaches € 48.1 million against a net valuation gain of € 40.9 million per 30 June 2014.

The trend of improving yields continued during the first half of 2015. As a result the total property portfolio, excluding development land, is being valued by the valuation expert at 30 June 2015 based on an average market rate of 7.42% (compared to 7.81% as at 31 December 2014) applied to the contractual rents increased by the estimated rental value on unlet space.

The (re)valuation of the portfolio was based on the appraisal report of Jones Lang LaSalle.

Net financial expenses reach € 2.5 million

For the period ending 30 June 2015, the financial income included € 2.7 million of unrealised gains on interest rate derivatives. This unrealised gain was mainly driven by 2 interest rate transactions concluded during the first half year i.e. in order to mitigate its future interest rate risk the Group concluded 2 new interest rate swaps, each for a notional amount of € 75 million. These 2 interest rate swaps will start in July 2017 and December 2018 and will run until July 2022 and December 2023 respectively. The average interest rate which has been fixed is 0.84% p.a.

As at 30 June 2015 no interest income from loans to associates was recorded (compared to € 1.8 million as at 30 June 2014) due to the repayment of all shareholder loans to the associates in October 2014.

As a result the net financial expenses reached € 25 million as at 30 June 2015 compared to € 3.2 million as at 30 June 2014.

The financial debt increased from € 198.8 million as at 31 December 2014 to € 234.0 million as at 30 June 2015. The increase was mainly driven by an increase in bank debt which increased to € 80.1 million compared to € 49.1 million as at 31 December 2014.

The gearing ratio¹ of the Group remains conservative and stood at 37.4% at the end of June 2015 compared to a gearing level of 33.2% as at 31 December 2014.

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 2015 increased with 21.0% to a record level of € 503.5 million compared to € 416.1 million as at 31 December 2014.

Completed projects

During 2015, 8 buildings were completed totalling 98,567 m².

These buildings were delivered in following locations. In Germany: 3 buildings totalling 30,558 m² in VGP Park Hamburg, 1 building of 19,805 in VGP Park Rodgau and 1 building of 15,140 m² in VGP Park Höchstadt. In the other countries: 1 building of 15,270 m² in VGP Park Malacky (Slovakia), 1 building of 10,384 m² in VGP Park Timisoara (Romania) and finally 1 building of 7,410 m² in VGP Park Nehatu (Estonia).

Projects under construction

At the end of June 2015 VGP has the following 19 new buildings under construction: In Germany: 2 buildings in VGP Park Hamburg, 4 buildings in VGP Park Rodgau, 1 building in VGP Park Borna and 1 building in VGP Park Berlin. In the Czech Republic: 1 building in VGP Park Tuchomerice, 1 building in VGP Park BRNO, 2 buildings in VGP Park Plzen, 1 building in VGP Park Usti nad Labem and 2 buildings in VGP Park Olomouc which will be merged into one building on completion. In the other countries: 1 building in VGP Park Nehatu (Estonia), 2 buildings in VGP Park Malacky (Slovakia) and

¹ Gearing calculated as “net debt / total equity and liabilities”

finally 1 building in VGP Park Timisoara (Romania). The new buildings under construction on which several pre-leases have already been signed, represent a total future lettable area of 322,014 m².

Land bank

During the first half of 2015 VGP continued to target a significant amount of land plots in order to ensure that the land bank remains sufficiently large to support the development pipeline for future growth.

VGP has currently a land bank in full ownership of 2,950,204 m². The land bank allows VGP to develop besides the current completed projects and projects under construction a further 626,000 m² of lettable area of which 440,000 m² in Germany, 51,000 m² in the Czech Republic, and 135,000 in the other countries.

Besides this VGP has another 954,000 m² of new land plots under option. These land plots have a development potential of approx. 389,000 m² of new projects. These remaining land plots are expected to be acquired during the second half of 2015.

During the month of August 2015, VGP was able to secure a land plot of 540,000 in Bratislava (Slovakia). This land plot will be acquired in 2 phases i.e. phase 1 (200,000 m²) and phase 2 (340,000 m²) and will allow VGP to develop in total circa 240,000 m².

Geographic Expansion

New territories

During the first half year VGP established itself in Spain by opening an office in Barcelona. VGP has in the meantime targeted a number of land plots and it is anticipated that first acquisitions of land will occur during the second half of 2015.

VGP is also looking at expanding into the Nordic countries and is actively looking to secure land plots to start up its development activities there.

Existing territories

A 85,000 m² secured land plot located next to the ring road of Budapest (Hungary) was acquired during the month of August 2015. The development of a pre-let building of 22,892 m² was immediately started up and should be completed early 2016. The building is fully pre-let to a blue chip company under a 12 year lease contract.

As mentioned before in Slovakia VGP was able to secure an additional 540,000 m² land plot close to Bratislava during August 2015.

Hybrid securities

In order to strengthen its consolidated equity base and support its further growth, VGP NV issued subordinated perpetual securities in July 2015 for an aggregate amount of € 20 million. The securities were fully underwritten by the reference shareholders of the company, VM Invest NV and Little Rock SA after complying with the conflict of interest procedure in accordance with article 523 of the Belgian

Companies Code and article 16 of the articles of association of the Company. The securities are not convertible into VGP shares and, hence, do not entail dilution for the shareholders.

Additional comments on the 30 June 2015 condensed interim financial accounts

Deferred taxes

As at the end of June 2015 the deferred tax liabilities increased from € 27.3 million at the end of December 2014 to € 42.3 million at the end of June 2015. The increase is due to the deferred tax recorded on the fair value adjustment of the property portfolio and has therefore no effect on the liquidity position of the Group.

Risk Factors

The overview of the most significant risks to which the VGP Group is exposed to can be found on page 36 to 37 of the Annual Report 2014. These risks remain actual and valid and will continue to apply for the remainder of the financial year.

Outlook 2015

Based on the positive trend in the demands for lettable area recorded by VGP during 2015 and the continuing trend seen after the first half year, and provided there are no unforeseen events of economic and financial markets nature, VGP should be able to continue to substantially expand its rent income and property portfolio through the completion and start-up of additional new buildings.

During the second half of 2015 VGP will continue to review its sources of funding and funding strategy in order to enable the Group to continue to invest in the expansion of the land bank to support its development activities as well as to maximise shareholder value.

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, VM Invest NV represented by 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 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.

VGP is quoted on Euronext Brussels and the Main Market of the Prague Stock Exchange.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS¹

1. CONDENSED CONSOLIDATED INCOME STATEMENT

For the year period 30 June

INCOME STATEMENT (in thousands of €)	30.06.2015	30.06.2014
Revenue ²	10,165	6,341
Gross rental income	6,980	4,067
Service charge income	1,540	786
Service charge expenses	(1,501)	(714)
Property operating expenses	(540)	(811)
Net rental income	6,479	3,328
Property and facility management income	1,328	1,436
Property development income	317	52
Net valuation gains / (losses) on investment properties	48,059	40,928
Administration expenses	(5,783)	(2,547)
Other income	201	239
Other expenses	(582)	(344)
Share in result of associates	5	13,412
Operating profit / (loss)	50,024	56,504
Financial income	3,050	1,760
Financial expenses	(5,508)	(4,924)
Net financial result	(2,458)	(3,164)
Profit before taxes	47,566	53,340
Taxes	(15,360)	(9,964)
Profit for the period	32,206	43,376
Attributable to:		
Shareholders of VGP NV	32,206	43,376
Non-controlling interests	-	-

RESULT PER SHARE	30.06.2015	30.06.2014
Basic earnings per share (in €)	1.73	2.33
Diluted earnings per share (in €)	1.73	2.33
Basic earnings per share – after correction of reciprocal interest through associates (in €)	1.77	2.39

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

² Revenue is composed gross rental income, service charge income, property and facility management income and property development income.

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

STATEMENT OF COMPREHENSIVE INCOME (<i>in thousands of €</i>)	30.06.2015	30.06.2014
Profit for the period	32,206	43,376
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>	-	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>	-	-
Other comprehensive income for the period	-	-
Total comprehensive income / (loss) of the period	32,206	43,376
Attributable to:		
Shareholders of VGP NV	32,206	43,376
Non-controlling interest	-	-

3. CONDENSED CONSOLIDATED BALANCE SHEET For the period ended

ASSETS (in thousands of €)	30.06.2015	31.12.2014
Goodwill	631	631
Intangible assets	36	57
Investment properties	503,467	416,089
Property, plant and equipment	448	370
Non-current financial assets	2,742	-
Investments in associates	22	17
Deferred tax assets	220	258
Total non-current assets	507,566	417,422
Trade and other receivables	7,282	6,822
Cash and cash equivalents	30,586	43,595
Total current assets	37,868	50,417
TOTAL ASSETS	545,434	467,839
SHAREHOLDERS' EQUITY AND LIABILITIES (in thousands of €)		
Share capital	62,251	62,251
Retained earnings	185,303	153,097
Other reserves	69	69
Shareholders' equity	247,623	215,417
Non-current financial debt	222,943	193,034
Other non-current financial liabilities	1,435	1,656
Other non-current liabilities	1,376	1,122
Deferred tax liabilities	42,292	27,329
Total non-current liabilities	268,046	223,141
Current financial debt	11,008	5,722
Trade debts and other current liabilities	18,757	23,559
Total current liabilities	29,765	29,281
Total liabilities	297,811	252,422
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	545,434	467,839

4. CONDENSED CONSOLIDATED 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	Share premium	Total equity
Balance as at 1 January 2014	112,737	(50,486)	62,251	103,737	69	166,057
Other comprehensive income / (loss)	-	-	-	-	-	-
Result of the period	-	-	-	43,376	-	43,376
Effect of disposals	-	-	-	-	-	0
Total comprehensive income / (loss)	-	-	-	43,376	-	43,376
Balance as at 30 June 2014	112,737	(50,486)	62,251	147,113	69	209,433
Balance as at 1 January 2015	112,737	(50,486)	62,251	153,097	69	215,417
Other comprehensive income / (loss)	-	-	-	-	-	-
Result of the period	-	-	-	32,206	-	32,206
Effect of disposals	-	-	-	-	-	-
Total comprehensive income / (loss)	-	-	-	32,206	-	32,206
Balance as at 30 June 2015	112,737	(50,486)	62,251	185,303	69	247,623

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").

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

CASH FLOW STATEMENT (in thousands of €)	30.06.2015	30.06.2014
<i>Cash flows from operating activities</i>		
Profit before taxes	47,566	53,340
<i>Adjustments for:</i>		
Depreciation	96	76
Unrealised (gains) /losses on investment properties	(48,055)	(40,895)
Realised(gains) / losses on disposal of subsidiaries and investment properties	(4)	(33)
Unrealised (gains) / losses on financial instruments and foreign exchange	(2,722)	1,030
Interest (received)	(32)	(1,759)
Interest paid	1,696	76
Share in result of associates	5	(13,412)
Operating profit before changes in working capital and provisions	(1,450)	(1,577)
Decrease/(Increase) in trade and other receivables	(694)	(74)
(Decrease)/Increase in trade and other payables	(13,126)	(1,350)
Cash generated from the operations	(15,270)	(3,001)
Interest received	32	1,759
Interest (paid)	(1,696)	(76)
Income taxes paid	(99)	(324)
Net cash from operating activities	(17,033)	(1,642)
<i>Cash flows from investing activities</i>		
Proceeds from disposal of subsidiaries	-	-
Proceeds from disposal of tangible assets	1	255
Acquisition of subsidiaries	(52)	-
(Loans provided to) / loans repaid by associates	-	230
Investment property and investment property under construction	(26,993)	(59,300)
Net cash from investing activities	(27,044)	(58,815)
<i>Cash flows from financing activities</i>		
Gross dividends paid	-	-
Net Proceeds / (cash out) from the issue / (repayment) of share capital	-	(7,619)
Proceeds from loans	32,830	7,957
Loan repayments	(1,812)	(530)
Net cash from financing activities	31,018	(192)
Net increase / (decrease) in cash and cash equivalents	(13,059)	(60,649)
Cash and cash equivalents at the beginning of the period	43,595	79,226
Effect of exchange rate fluctuations	50	(46)
Cash and cash equivalents at the end of the period	30,586	18,531
Net increase / (decrease) in cash and cash equivalents	(13,059)	(60,649)

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

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. The condensed consolidated financial information was approved for issue on 28 August 2015 by the Board of Directors.

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 2014 except for the following new standards, amendments to standards and interpretations which became effective during the first half year of 2015:

- Improvements to IFRS (2011-2013) (applicable for annual periods beginning on or after 1 January 2015)
- IFRIC 21 *Levies* (applicable for annual periods beginning on or after 17 June 2014)

The initial recognition of the above new standards did not have a material impact on the financial position and performance of the Group.

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 and increasingly in Germany, a distinction between the Czech Republic, Germany 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). Given the growing importance of property and facility management services the income on the property and facility management as well as the development businesses have been separately included on a geographical basis. 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 cash equivalents of VGP NV (€ 18.3 million) and other (€2.0 million).

Segment information – Czech Republic, Germany and other countries

Income statement <i>In thousands of €</i>	Czech Republic		Germany		Other countries		Unallocated amounts		Total	
	30.06.2015	30.06.2014	30.06.2015	30.06.2014	30.06.2015	30.06.2014	30.06.2015	30.06.2014	30.06.2015	30.06.2014
Gross rental income	2,218	1,150	1,625	971	3,137	1,946	-	-	6,980	4,067
Service charge income / (expenses)	75	120	(132)	(88)	96	40	-	-	39	72
Property operating expenses	(186)	(573)	(150)	(34)	(204)	(204)	-	-	(540)	(811)
Net rental income	2,107	697	1,343	849	3,029	1,782	-	-	6,479	3,328
Property and facility management income	1,195	1,240	2	1	131	196	-	-	1,328	1,437
Property development income	287	52	30	-	-	-	-	-	317	52
Net valuation gains / (losses) on investment property	8,406	11,090	32,506	16,481	7,147	13,357	-	-	48,059	40,928
Other income / (expenses)- incl. administrative costs	(1,733)	(1,145)	(1,250)	(543)	(293)	(313)	(2,886)	(652)	(6,162)	(2,653)
Share in the result of associates	-	-	-	-	-	-	-	5	13,412	5
Operating profit / (loss)	10,262	11,934	32,631	16,788	10,014	15,022	(2,881)	12,760	50,026	56,504
Net financial result	-	-	-	-	-	-	(2,458)	(3,164)	(2,458)	(3,164)
Taxes	-	-	-	-	-	-	(15,360)	(9,964)	(15,360)	(9,964)
Profit for the period	-	-	-	-	-	-	32,206	43,376	32,206	43,376

Balance sheet <i>In thousands of €</i>	Czech Republic		Germany		Other countries		Unallocated amounts		Total	
	30.06.2015	31.12.2014	30.06.2015	31.12.2014	30.06.2015	31.12.2014	30.06.2015	31.12.2014	30.06.2015	31.12.2014
Assets										
Investment properties	109,555	96,265	281,004	219,787	112,908	100,037	-	-	503,467	416,089
Other assets (incl. deferred tax)	3,784	4,108	12,067	6,568	4,351	3,969	21,764	37,105	41,967	51,750
0Total assets	113,339	100,373	293,071	226,355	117,259	104,006	21,764	37,105	545,434	467,839
Shareholders' equity and liabilities										
Shareholders' equity	-	-	-	-	-	-	247,623	215,417	247,623	215,417
Total liabilities	-	-	-	-	-	-	297,811	252,422	297,811	252,422
Total shareholders' equity and liabilities	-	-	-	-	-	-	545,434	467,839	545,434	467,839

Segment information – Other Countries

Income statement	Estonia		Slovakia		Hungary		Romania		Other		Total	
In thousands of €	30.06.15	30.06.14	30.06.15	30.06.14	30.06.15	30.06.14	30.06.15	30.06.14	30.06.15	30.06.14	30.06.15	30.06.14
Gross rental income	1,220	267	458	448	951	884	508	347	-	-	3,137	1,946
Service charge income / (expense)	(23)	(40)	12	-	41	37	67	44	(1)	(1)	96	40
Property operating expenses	(89)	(67)	(40)	(53)	(60)	(69)	(6)	(8)	(9)	(7)	(204)	(204)
Net rental income	1,108	160	430	395	932	852	569	383	(10)	(8)	3,029	1,782
Property and facility management income	98	11	5	4	28	22	-	-	-	-	159	131
Property development income	-	-	-	-	-	-	-	-	-	-	-	-
Net valuation gains / (losses) on investment property	3,431	6,406	2,768	1,308	52	1,726	546	3,339	350	578	7,147	13,357
Other income / (expenses)- incl. administrative costs	(9)	(6)	(60)	(27)	(47)	(45)	(95)	(172)	(82)	(63)	(293)	(313)
Share in the result of associates	-	-	-	-	-	-	-	-	-	-	-	-
Operating profit / (loss)	4,628	6,571	3,143	1,680	965	2,555	1,020	3,550	258	666	10,014	15,022
Net financial result	-	-	-	-	-	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-	-	-	-
Profit for the period	-	-	-	-	-	-	-	-	-	-	-	-
Balance sheet	Estonia		Slovakia		Hungary		Romania		Other		Total	
In thousands of €	30.06.15	31.12.14	30.06.15	31.12.14	30.06.15	31.12.14	30.06.15	31.12.14	30.06.15	31.12.14	30.06.15	31.12.14
Assets												
Investment properties	37,722	32,400	29,305	24,367	22,868	22,660	19,343	17,385	3,670	3,225	112,908	100,037
Other assets (incl. deferred tax)	721	1,035	453	222	2,128	1,709	789	953	260	50	4,351	3,969
Total assets	38,443	33,435	29,758	24,589	24,996	24,369	20,132	18,338	3,930	3,275	117,259	104,006
Shareholders' equity and liabilities												
Shareholders' equity	-	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Total shareholders' equity and liabilities	-	-	-	-	-	-	-	-	-	-	-	-

4 Revenue

<i>In thousands of €</i>	30.06.2015	30.06.2014
Rental income from investment properties	7,723	3,852
Rent incentives	(743)	215
Total gross rental income	6,980	4,067
Property management income	720	842
Facility management income	608	594
Property development income	317	52
Service charge income	1,540	786
Total revenue	10,165	6,341

5 Net financial costs

<i>In thousands of €</i>	30.06.2015	30.06.2014
Bank interest income	15	-
Interest income - loans to associates	-	1,757
Unrealised gains on interest rate derivatives	2,963	-
Net foreign exchange gains	56	-
Other financial income	16	3
Financial income	3,050	1,760
Bond interest expense	(3,858)	(3,812)
Bank interest expense - variable debt	(999)	(529)
Bank interest expense - interest rate swaps - hedging	(177)	(39)
Interest capitalised into investment properties	1,020	953
Unrealised loss on interest rate derivatives	-	(946)
Net foreign exchange losses	-	(92)
Other financial expenses	(1,494)	(459)
Financial expenses	(5,508)	(4,924)
Net financial costs	(2,458)	(3,164)

6 Share in the results of associates

The 30 June 2014 result of the associates per 30 June 2014 includes the estimated impact of the associates' sale of the Czech VGP CZ I, II and VGP CZ IV portfolios. The sale of these portfolios was completed on 22 October 2014.

7 Investment properties

<i>In thousands of €</i>	30.06.2015	31.12.2014
Balance at the beginning of the period	416,089	225,804
Capital expenditure	38,304	62,560
Capitalised interest	1,020	999
Acquisitions	-	71,890
Sales / (disposals) (Fair value of assets sold / disposed of)	(1)	(3,324)
Increase / (Decrease) in fair value	48,055	58,160
Balance at the end of the period	503,467	416,089

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 Investments in associates

<i>in thousands of €</i>	30.06.2015	31.12.2014
Balance at the beginning of the period	17	982
Result of the period	5	14,473
Proceeds from sales of participations	-	(15,438)
Balance at the end of the period	22	17

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

<i>in thousands of €</i>	30.06.2015	31.12.2014
Investment property and property under construction	-	-
Other non-current assets	-	-
Current assets	160	600
Non-current liabilities	-	-0
Current liabilities	(138)	(583)
Total net assets	22	17

<i>in thousands of €</i>	30.06.2015	30.06.2014
Gross rental income	-	3,318
Result for the period	5	13,412

9 Share capital

The share capital as at 30 June 2015 amounted to EUR 62,251,000, represented by 18,583,050 shares.

10 Current and non-current financial debt

MATURITY <i>In thousands of €</i>	30.06.2015			
	Outstanding balance	< 1 year	> 1-5 year	> 5 year
Non-current				
Bank borrowings	78,983	3,964	75,019	-
Bonds	147,924	-	147,924	-
Total non-current financial debt	226,907	3,964	222,943	-
Current				
Bank borrowings	1,150	1,150	-	-
Accrued interest	5,894	5,894	-	-
Total current financial debt	7,044	7,044	-	-
Total current and non-current financial debt	233,951	11,008	222,943	-

MATURITY <i>In thousands of €</i>	31.12.2014			
	Outstanding balance	< 1 year	> 1-5 year	> 5 year
Non-current				
Bank borrowings	47,917	2,410	45,507	-
Bonds	147,527	-	147,527	-
Total non-current financial debt	195,444	2,410	193,034	-
Current				
Bank borrowings	1,230	1,230	-	-
Accrued interest	2,082	2,082	-	-
Total current financial debt	3,312	3,312	-	-
Total current and non-current financial debt	198,756	5,722	193,034	

The increase in the financial debt during the first half of 2015 was mainly due to additional drawings on existing credit facilities in Germany, the Czech Republic, Hungary and Estonia.

Secured bank loans

The loans granted to the VGP Group are all denominated in € (except for the “other bank debt” which is denominated in CZK) and can be summarised as follows:

30.06.2015 <i>In thousands of €</i>	Facility amount	Facility expiry date	Outstanding balance	< 1 year	> 1-5 years	> 5 years
Tatra Banka	1,150	31-Dec-15	1,150	1,150	-	-
Tatra Banka	3,403	31-Dec-18	3,403	342	3,061	-
UniCredit Bank - Hungary	13,419	30-Sep-19	13,401	800	12,601	-
UniCredit Bank - Czech Republic	56,329	31-Dec-19	11,046	580	10,466	-
Swedbank	21,583	30-Aug-18	21,552	1,396	20,156	-
Deutsche-Hypo	31,421	May-19 / Apr-20	18,723	810	17,913	-
Deutsche-Hypo	16,900	30-Nov-16	10,802	-	10,802	-
Other bank debt	56	2016-2018	56	35	21	-
Total bank debt	144,261		80,133	5,113	75,020	-

31.12.2014 <i>In thousands of €</i>	Facility amount	Facility expiry date	Outstanding balance	< 1 year	> 1-5 years	> 5 years
Tatra Banka	1,230	31-Dec-15	1,230	1,230	-	-
Tatra Banka	3,574	31-Dec-18	3,574	342	3,232	-
UniCredit Bank - Hungary	13,808	30-Sep-19	9,748	786	8,962	-
UniCredit Bank - Czech Republic	56,611	31-Dec-19	8,159	-	8,159	-
Swedbank	21,963	30-Aug-18	7,283	453	6,830	-
Deutsche-Hypo	31,421	May-19 / Apr-20	19,096	799	18,297	-
Deutsche-Hypo	16,900	30-Nov-16	-	-	-	-
Other bank debt	57	2016-2018	57	30	27	-
Total bank debt	145,564		49,147	3,640	45,507	-

Events of defaults and breaches of loan covenants and bond covenants

During the first half year of 2015 there were no events of defaults nor were there any breaches of covenants with respect to loan agreements and bonds.

11 Fair value

The following tables list the carrying amount of the Group's financial instruments that are showing in the financial statements. In general, the carrying amounts are assumed to be a close approximation of the fair value.

The fair value of the financial assets and liabilities is defined as the amount at which the instrument could be exchanged, or settled, between knowledgeable, willing parties in an arm's length transaction.

30.06.2015 <i>In thousands of €</i>	Carrying amount 30.06.2015	Amounts recognised in balance sheet in accordance with IAS 39			Fair value 30.06.2015	Fair value hierarchy 30.06.2015
		Amortised costs	Fair value through equity	Fair value through profit or loss		
Assets						
Trade receivables	1,686	1,686	-	-	1,686	Level 2
Other receivables	5,278	5,278	-	-	5,278	Level 2
Cash and cash equivalents	30,586	30,586	-	-	30,586	Level 2
Derivative financial liabilities						
Without a hedging relationship	1,307	-	-	1,307	1,307	Level 2
Total	38,857	37,550	-	1,307	38,857	
Liabilities						
Financial debt						
Bank debt	80,133	80,133	-	-	80,133	Level 2
Bonds	153,818	153,818	-	-	156,043	Level 2
Trade payables	15,431	15,431	-	-	15,431	Level 2
Other liabilities	4,248	4,248	-	-	4,248	Level 2
Total	253,630	253,630	-	-	255,855	

31.12.2014	Carrying amount	Amounts recognised in balance sheet in accordance with IAS 39			Fair value	Fair value hierarchy
		Amortised costs	Fair value through equity	Fair value through profit or loss		
<i>In thousands of €</i>	31.12.2014				31.12.2014	31.12.2014
Assets						
Trade receivables	1,352	1,352	-	-	1,352	Level 2
Other receivables	5,274	5,274	-	-	5,274	Level 2
Cash and cash equivalents	43,595	43,595	-	-	43,595	Level 2
Total	50,221	50,221	-	-	50,221	
Liabilities						
Financial debt						
Bank debt	49,146	49,146	-	-	49,146	Level 2
Bonds	147,527	147,527	-	-	156,017	Level 2
Trade payables	20,919	20,919	-	-	20,919	Level 2
Other liabilities	2,919	2,919	-	-	2,919	Level 2
Derivative financial liabilities						
Without a hedging relationship	1,656	-	-	1,656	1,656	Level 2
Total	222,167	220,511	-	1,656	230,657	

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

During the reporting period ending 30 June 2015, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

12 Related parties

The Group identified the following transactions with related parties:

<i>In thousands of €)</i>	30.06.2015	30.06.2014
Transactions with related parties		
General management fees received from associates	-	159
Property management fees and similar income received from associates	-	1,781
Interest and similar income from associates	-	1,757
Rent received from related parties	1,026	628
Rent paid to related parties	(42)	(101)
Services received from Jan Van Geet s.r.o.	(216)	(208)

<i>In thousands of €)</i>	30.06.2015	31.12.2014
Outstanding balances with related parties		
Advances received from Jan Van Geet s.r.o.	(7)	3

13 Commitments

The Group has concluded a number of contracts concerning the future purchase of land. At 30 June 2015 the Group had future purchase agreements for land totalling 954,000 m², representing a commitment of € 37.4 million and for which advance payments totalling € 1.4 million have been made. At the end of June 2015 the Group had committed annualised rent income of € 33.1 million (€ 22.6 million as at 31 December 2014).

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:

<i>In thousands of €</i>	30.06.2015	31.12.2014
Less than one year	33,003	12,834
Between one and five years	112,959	44,791
More than five years	115,327	34,719
Total	261,289	92,344

As at 30 June 2015 the Group had contractual obligations to develop new projects or complete existing projects for a total amount of € 88.4 million.

14 Post balance sheet events

In order to strengthen its consolidated equity base and support its further growth, VGP NV issued subordinated perpetual securities in July 2015 for an aggregate amount of € 20 million. The securities bear an annual interest rate of 7% for the first five years which increase gradually thereafter. The securities were fully underwritten by the reference shareholders of the company, VM Invest NV and Little Rock SA after complying with the conflict of interest procedure in accordance with article 523 of the Belgian Companies Code and article 16 of the articles of association of the Company. The securities are not convertible into VGP shares and, hence, do not entail dilution for the shareholders.

15 Subsidiaries and associates

Companies forming part of the Group as at 30 June 2015

Subsidiaries	Address	%
VGP CZ III 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 CZ VIII s.r.o.	Jenišovice u Jablonce nad Nisou, Czech Republic	100
VGP CZ IX a.s..	Jenišovice u Jablonce nad Nisou, Czech Republic	100
VGP CZ X a.s..	Jenišovice u Jablonce nad Nisou, Czech Republic	100
TPO hala G2 a.s.	Jenišovice u Jablonce nad Nisou, Czech Republic	100
VGP Park Cesky Ujezd a.s.	Jenišovice u Jablonce nad Nisou, Czech Republic	100
VGP –industrialni stavby s.r.o.	Jenišovice u Jablonce nad Nisou, Czech Republic	100
SUTA s.r.o.	Prague, Czech Republic	100
HCP SUTA s.r.o.	Prague, Czech Republic	100
VGP FM Services s.r.o.	Jenišovice u Jablonce nad Nisou, Czech Republic	100
VGP Industriebau GmbH	Düsseldorf, Germany	100
VGP Park Rodgau GmbH	Düsseldorf, Germany	100
VGP Park Leipzig GmbH	Düsseldorf, Germany	100
VGP Park Bingen GmbH	Düsseldorf, Germany	100
VGP Park Hamburg GmbH	Düsseldorf, Germany	100
VGP Park Höchstadt GmbH	Düsseldorf, Germany	100
VGP Park München GmbH	Düsseldorf, Germany	100
VGP Park Berlin GmbH	Düsseldorf, Germany	100
VGP Park Hammersbach GmbH	Düsseldorf, Germany	100
VGP Deutschland – Projekt 7 GmbH	Düsseldorf, Germany	100
VGP Deutschland – Projekt 8 GmbH	Düsseldorf, Germany	100
VGP Park Hamburg 2 S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	100
VGP Park Hamburg 3 S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	100
VGP Park Frankenthal S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	100
VGP Park Leipzig S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	100
VGP DEU 1 S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	100
VGP Asset Management S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	100
VGP Estonia OÜ	Tallinn, Estonia	100
VGP Finance NV	Zele, Belgium	100
VGP Latvia s.i.a.	Kekava, Latvia	100
VGP Park Györ Kft	Györ, Hungary	100
VGP Park Alsónémedi Kft	Györ, Hungary	100
VGP Romania S.R.L.	Timisoara, Romania	100
VGP Slovakia a.s.	Malacky, Slovakia	100
VGP Bratislava a.s.	Bratislava, Slovakia	100
VGP Naves Industriales Peninsula, S.L	Barcelona, Spain	100
VGP Polska SP. z.o.o.	Wroclaw, Poland	100
VGP Nederland BV	Tilburg, The Netherlands	100

Changes in 2015

In order to further support the development of VGP business, following companies were incorporated:
VGP Naves Industriales Peninsula, S.L (Spain), VGP Bratislava a.s. (Slovakia), VGP Asset Management S.à r.l. (Luxemburg) and VGP Park Alsónémedi Kft (Hungary).

Associates	Address	%
SNOW CRYSTAL S.a.r.l.	Luxembourg, Grand Duchy of Luxembourg	20.00
SUN S.a.r.l.	Luxembourg, Grand Duchy of Luxembourg	20.00
VGP Misv Comm. VA	Zele, Belgium	42.87

AUDITOR'S REPORT

VGP NV

Report on review of the consolidated interim financial information for the six-month period ended 30 June 2015

To the board of directors

In the context of our appointment as the company's statutory auditor, we report to you on the consolidated interim financial information. This consolidated interim financial information comprises the condensed consolidated balance sheet as at 30 June 2015, the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated cash flow statement for the period of six months then ended, as well as selective notes 1 to 15.

Report on the consolidated interim financial information

We have reviewed the consolidated interim financial information of VGP NV ("the company") and its subsidiaries (jointly "the group"), prepared in accordance with International Financial Reporting Standard IAS 34 – *Interim Financial Reporting* as adopted by the European Union.

The condensed consolidated balances sheet shows total assets of 545,434 (000) EUR and the condensed consolidated income statement shows a consolidated profit (group share) for the period then ended of 32,206 (000) EUR.

The board of directors of the company is responsible for the preparation and fair presentation of the consolidated interim financial information in accordance with IAS 34 – *Interim Financial Reporting* as adopted by the European Union. Our responsibility is to express a conclusion on this consolidated interim financial information based on our review.

Scope of review

We conducted our review of the consolidated interim financial information in accordance with International Standard on Review Engagements (ISRE) 2410 – *Review of interim financial information performed by the independent auditor of the entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit performed in accordance with the International Standards on Auditing (ISA) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the consolidated interim financial information

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the consolidated interim financial information of VGP NV has not been prepared, in all material respects, in accordance with IAS 34 – *Interim Financial Reporting* as adopted by the European Union.

Diegem, 28 August 2015

The statutory auditor

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