



## Press Release Regulated Information

2 March 2015

### Annual results 2014

- Profit for the year of € 49.4 million (+ € 25.1 million against 2013)
- 117.4% increase of committed annualised rent income to € 22.6 million as at the end of December 2014 (compared to € 10.4 million as at 31 December 2013), with an additional € 1.3 million lease contracts being signed during the first weeks of 2015 and a further € 6.8 million lease agreements being under final negotiations
- 108.0% growth in gross rental income (+ € 5.0 million) to € 9.6 million
- The signed committed lease agreements at year end represent a total of 404,732 m<sup>2</sup> of lettable area with the weighted average term of the committed leases standing at 7.8 years at the end of December 2014 (7.6 years as at 31 December 2013)
- 14 projects under construction representing 171,455 m<sup>2</sup> of future lettable area, with 3 additional projects (45,950 m<sup>2</sup>) being started-up during Q1-2015
- 943,000 m<sup>2</sup> of new development land acquired of which 842,000 m<sup>2</sup> located in Germany with another 863,000 m<sup>2</sup> land plots targeted and already partially committed to expand land bank and support development pipeline
- Net valuation gain on the investment portfolio reaches € 53.9 million (against € 27.9 million at the end of 2013)
- The fair value of the investment property and the investment property under construction (the “property portfolio”) as at 31 December 2014 increased with 84.3% to € 416.1 million (compared to € 225.8 million as at 31 December 2013)

### Summary

2014 proved to be a vintage year for VGP.

During the year of 2014 VGP recorded a strong growth in all the markets where the Group is active, and demands for lettable area gained momentum during the second half of 2014 and is continuing throughout the first months in 2015.

Germany firmly established itself as the main source of growth for the VGP Group with a significant rise in development and leasing activities. In other markets, such as Estonia, Romania and Czech Republic development and leasing activities were also buoyant.

During the year 10 projects totalling 132,645 m<sup>2</sup> of lettable area were delivered. At the end of the year 14 projects were under construction representing 171,455 m<sup>2</sup> lettable area with another 5 projects totalling 96,000 m<sup>2</sup> of lettable area (97% pre-let) to be started-up during the first half of 2015.

VGP's activities during the year 2014 can be summarised as follows:

- The operating activities resulted in a profit for the year of € 49.4 million (€ 2.66 per share) for the financial year ended 31 December 2014 compared to a profit of € 24.3 million (€ 1.31 per share) for the financial year ended 31 December 2013).
- The increase in demand of lettable area resulted in the signing of new lease contracts in excess of € 12.7 million in total of which € 12.2 million related to new or replacement leases and € 0.5 million were related to renewals of existing lease contracts.
- The Group's property portfolio reached an occupancy rate of 94.0% at the end of December 2014 compared to 96.9% as at 31 December 2013.
- The investment property portfolio consists of 17 completed buildings representing 268,232 m<sup>2</sup> of lettable area with another 14 buildings under construction representing 171,455 m<sup>2</sup> of lettable area.
- The net valuation of the property portfolio as at 31 December 2014 showed a net valuation gain of € 53.9 million against a net valuation gain of € 278 million per 31 December 2013.
- As at 31 December 2014 the financial income continued to benefit from the interest income on loans made available to associates until 22 October 2014 (when these loans were repaid). The interest expenses saw the full year impact of the interest on the 2 bonds issued during 2013. This resulted in a net financial expense of € 7.7 million as at 31 December 2014 against a net financial income of € 0.7 million as at 31 December 2013.
- On 22 October 2014 VGP and its joint venture partners completed the sale of the Czech VGP CZ I and VGP CZ II portfolios. With this transaction VGP sold its remaining 20% stake in these 2 Czech portfolios.

## Key figures

<b>CONSOLIDATED INCOME STATEMENT - ANALYTICAL FORM</b> <i>(in thousands of €)</i>	<b>2014</b>	<b>2013</b>
<b>NET CURRENT RESULT</b>		
Gross rental income	9,596	4,613
Service charge income / (expenses)	431	(90)
Property operating expenses	(1,513)	(728)
<b>Net rental and related income</b>	<b>8,514</b>	<b>3,795</b>
Property and facility management income	3,161	3,390
Property development income	246	485
Other income / (expenses) - incl. administrative costs	(7,089)	(4,850)
Share in the result of associates	14,473	1,526
<b>Operating result (before result on portfolio)</b>	<b>19,305</b>	<b>4,346</b>
Net financial result <sup>1</sup>	(6,220)	903
Revaluation of interest rate financial instruments (IAS 39)	(1,455)	(201)
Taxes	(2,167)	(953)
<b>Net current result</b>	<b>9,463</b>	<b>4,095</b>
<b>RESULT ON PROPERTY PORTFOLIO</b>		
Net valuation gains / (losses) on investment properties	53,920	27,872
Deferred taxes	(14,024)	(7,665)
<b>Result on property portfolio</b>	<b>39,896</b>	<b>20,207</b>
<b>PROFIT FOR THE YEAR</b>	<b>49,359</b>	<b>24,302</b>
<b>RESULT PER SHARE</b>	<b>2014</b>	<b>2013</b>
Number of ordinary shares	18,583,050	18,583,050
Net current result per share (in €)	0.51	0.22
Net result per share (in €)	2.66	1.31

### Gross rental income up 108.0% to € 9.6 million

The gross rental income reflects the full impact of the income generating assets delivered during 2014. The gross rental income for the financial year ending 31 December 2014 increased by 108.0% from € 4.6 million for the period ending 31 December 2013 to € 9.6 million for the period ending 31 December 2014.

### Committed annualised rent income increases to € 226 million

During 2014 VGP continued to successfully sign new and or renew existing leases on the back of the pick-up in demand of lettable area.

<sup>1</sup> Excluding the revaluation of interest rate financial instruments.

The annualised committed leases increased to € 22.6 million as at the end of December 2014 (compared to € 10.4 million as at 31 December 2013).

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 more than € 9.3 million of new leases signed during the year. In the other countries new leases totalling € 2.9 million were signed during the year i.e. in Estonia € 1.5 million, in the Czech Republic € 0.8 million and finally in Romania € 0.6 million.

The sustained demand in lettable area throughout the first weeks of 2015 resulted in the signing of €1.3 million of additional leases. In addition there are a significant number of new leases under negotiation and VGP expects to sign another € 6.8 million new leases during the next few weeks.

The signed committed lease agreements represent a total of 404,732 m<sup>2</sup> of lettable area with the weighted average term of the committed leases standing at 7.8 years at the end of December 2014 compared to 7.6 years as at 31 December 2013.

## **Property and facility management and property development income reaches € 3.2 million**

The property and facility management income and property development income decreased slightly during the year from € 3.4 million as at 31 December 2013 to € 3.2 million as at 31 December 2014.

The property and facility management and property development income is generated by providing services to the associated companies and to other third parties.

The sale of the VGP CZ I and VGP CZ II portfolios which occurred on 22 October 2014 should not have a significant impact on this income in the short term, as VGP has been retained by the new owners of these portfolios to provide property and facility management services for the future.

## **Net financial expenses increase to € 7.7 million**

As at 31 December 2014 the financial income continued to benefit from the interest income on loans made available to associates until the 22 October 2014 (when these loans were repaid). The interest expenses saw the full year impact of the interest on the 2 bonds issued during 2013. This resulted in a net financial expense of € 7.7 million as at 31 December 2014 against a net financial income of € 0.7 million as at 31 December 2013.

All loans to associates (€ 49.8 million) were repaid to VGP following the sale of the VGP CZ I and VGP CZ II portfolios on 22 October 2014. The repayment of these loans will significantly reduce the future interest income.

The financial debt increased from € 170.6 million as at 31 December 2013 to € 198.8 million as at 31 December 2014. The increase was mainly driven by an increase in bank debt.

## Evolution of the property portfolio

The fair value of the investment property and the investment property under construction (the “property portfolio”) as at 31 December 2014 increased with 84.3% to € 416.1 million compared to € 225.8 million as at 31 December 2013. The increase of the property portfolio was due to the acquisition of new development land and to the start-up of new projects during the year.

The total property portfolio, excluding development land, is valued by the valuation expert at 31 December 2014 based on a market rate of 7.81% (compared to 8.72% as at 31 December 2013) applied to the contractual rents increased by the estimated rental value on unlet space.

### *Completed projects*

During the year 10 buildings were completed totalling 132,645 m<sup>2</sup>.

In the Czech Republic: 1 building of 5,234 m<sup>2</sup> in VGP Park Tuchomerice, 1 building of 13,538 m<sup>2</sup> in VGP Park BRNO, 1 building of 18,225 m<sup>2</sup> in VGP Park Hradek nad Nisou, 1 building of 5,351 m<sup>2</sup> in VGP Park Usti nad Labem and 1 building of 8,711 m<sup>2</sup> in VGP Park Plzen. In Estonia: 1 building of 21,806 m<sup>2</sup> and another building of 21,600 m<sup>2</sup> were delivered in our VGP Park Nehatu. In Romania 1 building of 7,375 m<sup>2</sup> was delivered and finally in Germany 2 additional buildings were delivered: 1 building of 6,400 m<sup>2</sup> in VGP Park Bingen and 1 building of 24,404 m<sup>2</sup> in VGP Park Hamburg.

### *Projects under construction*

At the end of December 2014 VGP has the following 14 buildings under construction: In Germany: 3 buildings in VGP Park Hamburg, 2 buildings in VGP Park Rodgau, 1 building in VGP Park Höchststadt and 1 building in VGP Park Berlin. In the Czech Republic: 1 building in VGP Park BRNO, 1 building in VGP Park Plzen and 2 buildings in our new VGP Park Olomouc. In the other countries: 1 building in VGP Park Nehatu (Estonia), 1 building in VGP Park Malacky (Slovakia) and 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 171,455 m<sup>2</sup>.

### *Land bank*

During the year 2014 VGP continued to prepare the development pipeline for future growth through the acquisition of 943,000 m<sup>2</sup> development land of which 843,000 m<sup>2</sup> was located in Germany, 54,000 m<sup>2</sup> in the Czech Republic and 46,000 m<sup>2</sup> in Estonia.

VGP has currently a land bank in full ownership of 2,950,280 m<sup>2</sup>. The land bank allows VGP to develop besides the current completed projects and projects under construction (439,687 m<sup>2</sup>) a further 842,000 m<sup>2</sup> of lettable area of which 571,000 m<sup>2</sup> in Germany, 90,000 m<sup>2</sup> in the Czech Republic, and 181,000 in the other countries.

Besides this VGP has another 863,000 m<sup>2</sup> of new land plots under option, subject to permits, of which 162,000 m<sup>2</sup> in Germany, 637,000 m<sup>2</sup> in the Czech Republic and 64,000 m<sup>2</sup> in the other countries. These land plots have a development potential of approx. 354,000 m<sup>2</sup> of new projects. These remaining land plots are expected to be acquired during the course of 2015.

As a result the total secured land bank amounts to 3,813,280 m<sup>2</sup> with a total development potential of 1,636,000 m<sup>2</sup> of lettable area.



## Financing

During the year VGP was able to increase its committed bank facilities with € 66 million, from € 79.8 million as at 31 December 2013 to € 145.6 million as at 31 December 2014. The committed facilities were drawn for 34% as at the end of December 2014 and have an average term of 4.4 years.

## Additional comments on the 31 December 2014 consolidated financials

### Taxes

Taxes increased from € 8.6 million as at 31 December 2013 to € 16.2 million as at 31 December 2014. The change in the tax line is mainly due to the variance of the fair value adjustment of the property portfolio and has therefore no cash effect.

## Outlook 2015

Based on the serious efforts made over the past 2 years to substantially increase our land bank and the positive trend in the demands for lettable area recorded by VGP during 2014 and the continuing trend seen during the first months of 2015, 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.

## Financial calendar

Annual report 2014	7 April 2015
General meeting of shareholders	8 May 2015
2015 half year results	31 August 2015

## For more information

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### Profile

VGP ([www.vgpparks.eu](http://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 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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## FINANCIAL ACCOUNTS<sup>1</sup>

### 1. CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2014

<b>INCOME STATEMENT</b> (in thousands of €)	<b>2014</b>	<b>2013</b>
Revenue	15,114	9,836
Gross rental income	9,596	4,613
Service charge income	2,110	1,349
Service charge expenses	(1,679)	(1,439)
Property operating expenses	(1,513)	(728)
<b>Net rental income</b>	<b>8,514</b>	<b>3,795</b>
Property and facility management income	3,161	3,390
Property development income	246	485
Net valuation gains / (losses) on investment properties	53,920	27,872
Administration expenses	(6,556)	(4,567)
Other income	348	458
Other expenses	(881)	(741)
Share in result of associates	14,473	1,526
<b>Operating profit / (loss)</b>	<b>73,225</b>	<b>32,218</b>
Financial income	2,880	3,587
Financial expenses	(10,555)	(2,885)
<b>Net financial result</b>	<b>(7,675)</b>	<b>702</b>
<b>Profit before taxes</b>	<b>65,550</b>	<b>32,920</b>
Taxes	(16,191)	(8,618)
<b>Profit for the year</b>	<b>49,359</b>	<b>24,302</b>
Attributable to:		
Shareholders of VGP NV	49,359	24,302
Non-controlling interests	-	-

<b>RESULT PER SHARE</b>	<b>2014</b>	<b>2013</b>
Basic earnings per share (in €)	2.66	1.31
Basic earnings per share – after correction of reciprocal interest through associates (in €)	2.71	1.34

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

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

## 2. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2014

STATEMENT OF COMPREHENSIVE INCOME (in thousands of €)	2014	2013
<b>Profit for the year</b>	<b>49,359</b>	<b>24,302</b>
<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>	-	-
<b>Other comprehensive income for the period</b>	-	-
<b>Total comprehensive income / (loss) of the period</b>	<b>49,359</b>	<b>24,302</b>
Attributable to:		
Shareholders of VGP NV	49,359	24,302
Non-controlling interest	-	-



### 3. CONSOLIDATED BALANCE SHEET For the year ended 31 December 2014

<b>ASSETS</b> (in thousands of €)	<b>2014</b>	<b>2013</b>
Goodwill	631	631
Intangible assets	57	51
Investment properties	416,089	225,804
Property, plant and equipment	370	297
Investments in associates	0	982
Other non-current receivables	17	49,114
Deferred tax assets	258	135
<b>Total non-current assets</b>	<b>417,422</b>	<b>277,014</b>
Trade and other receivables	6,822	10,242
Cash and cash equivalents	43,595	79,226
<b>Total current assets</b>	<b>50,417</b>	<b>89,468</b>
<b>TOTAL ASSETS</b>	<b>467,839</b>	<b>366,482</b>

<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b> (in thousands of €)	<b>2014</b>	<b>2013</b>
Share capital	62,251	62,251
Retained earnings	153,097	103,737
Other reserves	69	69
<b>Shareholders' equity</b>	<b>215,417</b>	<b>166,057</b>
Non-current financial debt	193,034	159,658
Other non-current financial liabilities	1,656	201
Other non-current liabilities	1,122	943
Deferred tax liabilities	27,329	11,753
<b>Total non-current liabilities</b>	<b>223,141</b>	<b>172,555</b>
Current financial debt	5,722	10,895
Trade debts and other current liabilities	23,559	16,975
<b>Total current liabilities</b>	<b>29,281</b>	<b>27,870</b>
<b>Total liabilities</b>	<b>252,422</b>	<b>200,425</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>467,839</b>	<b>366,482</b>

## 4. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

### For the year ended 31 December 2014

STATEMENT OF CHANGES IN EQUITY (in thousands of €)	Statutory share capital	Capital reserve <sup>1</sup>	IFRS share capital	Retained earnings	Share premium	Total equity
<b>Balance as at 1 January 2013</b>	<b>120,356</b>	<b>(58,105)</b>	<b>62,251</b>	<b>88,940</b>	<b>69</b>	<b>151,260</b>
Other comprehensive income / (loss)	-	-	-	-	-	-
Result of the period	-	-	-	24,302	-	24,302
Effect of disposals	-	-	-	-	-	-
<b>Total comprehensive income / (loss)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24,302</b>	<b>-</b>	<b>24,302</b>
Dividends to shareholders	-	-	-	-	-	-
Share capital distribution to shareholders	(7,619)	7,619	-	(7,619)	-	(7,619)
Correction for reciprocal interest through associates <sup>2</sup>	-	-	-	(1,886)	-	(1,886)
<b>Balance as at 31 December 2013</b>	<b>112,737</b>	<b>(50,486)</b>	<b>62,251</b>	<b>103,737</b>	<b>69</b>	<b>166,057</b>
<b>Balance as at 1 January 2014</b>	<b>112,737</b>	<b>(50,486)</b>	<b>62,251</b>	<b>103,737</b>	<b>69</b>	<b>166,057</b>
Other comprehensive income / (loss)	-	-	-	-	-	-
Result of the period	-	-	-	49,359	-	49,359
Effect of disposals	-	-	-	-	-	-
<b>Total comprehensive income / (loss)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>49,359</b>	<b>-</b>	<b>49,359</b>
Dividends to shareholders	-	-	-	-	-	-
Share capital distribution to shareholders	-	-	-	-	-	-
Correction for reciprocal interest through associates <sup>2</sup>	-	-	-	-	-	-
<b>Balance as at 31 December 2014</b>	<b>112,737</b>	<b>(50,486)</b>	<b>62,251</b>	<b>153,097</b>	<b>69</b>	<b>215,417</b>

<sup>1</sup> 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").

<sup>2</sup> Correction for reciprocal interest relates to the elimination of the proportional equity component of the respective VGP NV shares held by VGP Misv Comm. VA. VGP NV acquired 43% of VGP Misv Comm. VA during the course of 2013.

## 5. CONSOLIDATED CONSOLIDATED CASH FLOW STATEMENT For the year ended 31 December 2014

<b>CASH FLOW STATEMENT (in thousands of €)</b>	<b>2014</b>	<b>2013</b>
<i>Cash flows from operating activities</i>		
Profit before taxes	65,550	32,920
<i>Adjustments for:</i>		
Depreciation	178	106
Unrealised (gains) / losses on investment properties	(58,160)	(27,872)
Realised( gains) / losses on disposal of subsidiaries and investment properties	4,241	-
Unrealised (gains) / losses on financial instruments and foreign exchange	1,407	56
Net interest paid / (received)	4,131	(2,293)
Share in result of associates	(9,248)	(1,526)
<b>Operating profit before changes in working capital and provisions</b>	<b>8,099</b>	<b>1,391</b>
Decrease/(Increase) in trade and other receivables	7,561	(1,424)
(Decrease)/Increase in trade and other payables	(12,654)	8,302
<b>Cash generated from the operations</b>	<b>3,006</b>	<b>8,269</b>
Net Interest paid / (received)	(4,131)	2,293
Income taxes paid	(417)	(95)
<b>Net cash from operating activities</b>	<b>(1,542)</b>	<b>10,467</b>
<i>Cash flows from investing activities</i>		
Proceeds from disposal of subsidiaries	0	-
Proceeds from disposal of tangible assets	3,324	31
Acquisition of subsidiaries	(406)	(4,091)
(Loans provided to) / loans repaid by associates	49,812	(3,356)
Investment property and investment property under construction	(112,221)	(89,811)
<b>Net cash from investing activities</b>	<b>(59,491)</b>	<b>(97,227)</b>
<i>Cash flows from financing activities</i>		
Gross dividends paid		
Net Proceeds / (cash out) from the issue / (repayment) of share capital	0	(7,619)
Proceeds from loans	26,862	155,322
Loan repayments	(1,612)	(928)
<b>Net cash from financing activities</b>	<b>25,250</b>	<b>146,775</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(35,783)</b>	<b>60,015</b>
Cash and cash equivalents at the beginning of the period	79,226	19,123
Effect of exchange rate fluctuations	152	88
Cash and cash equivalents at the end of the period	43,595	79,226
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(35,783)</b>	<b>60,015</b>