



Press Release
Regulated Information

12 May 2017 at 7:00 a.m. CET.

Trading update for the first four months of 2017

- **Annualised committed leases increase to € 72.4 million¹ at the end of April 2017 (+ € 8.1 million compared to 31 December 2016).**
- **The weighted average term of the annualised committed leases of the combined own and Joint Venture portfolio stood at 10.1 years (compared to 10.3 years as at 31 December 2016). The own portfolio reached 13.2 years (compared 14.1 years as at 31 December 2016) and 7.7 years (compared to 7.8 years as at 31 December 2016) for the Joint Venture portfolio.**
- **The signed annualised committed leases at the end of April represent a total of 1,440,594 m² (compared to 1,278,238 m² as at 31 December 2016) of lettable area of which 704,979 m² (compared to 545,715 m² as at 31 December 2016) relates to the own portfolio and 735,617 m² (compared to 732,523 m² as at 31 December 2016) to the VGP European Logistics joint venture.**
- **5 projects delivered during the first four months, representing 115,253 m² of lettable area. In addition, 24 projects under construction representing 463,258 m² of future lettable area.**
- **Further expansion of land bank in Germany with the acquisition of 104,069 m² of development land. In addition, new land plots totalling 273,142 m² were secured, of which the majority, subject to obtaining the necessary permits, will be acquired in the course of the next 12 months.**
- **Launch of the construction of the first building (22,980 m²) in Madrid (Spain) to occur during the month of May 2017.**
- **New closing anticipated with VGP European Logistics joint venture at the end of May 2017, for a transaction value in excess € 173 million.**
- **Successful placement of a new 8 year € 80 million institutional bond on 30 March 2017.**
- **Agreement for the potential sale of VGP Park Nehatu reached following its full development, with proceeds to be re-invested into the development pipeline.**
- **Meanwhile, VGP is working intensively on further geographical expansion.**

¹ Including VGP European Logistics (joint venture with Allianz Real Estate). As at the end of April 2017 the annualised committed leases for VGP European Logistics stood at € 40.2 million compared to € 38.6 million as at 31 December 2017.

2017 announces to be another promising and dynamic year for VGP. During the first quarter VGP continued to record a strong demand for lettable area in most of its parks and development activities continued to perform at record levels.

The activities seen and undertaken by VGP during the first few month of 2017 can be summarised as follows:

- The increase in demand of lettable area resulted in the signing of new lease contracts in excess of € 10.4 million (own and VGP European Logistics portfolio) of which € 8.8 million related to new or replacement leases (€ 2.3 million on behalf of VGP European Logistics) and € 1.6 million (€1.4 million on behalf of VGP European Logistics) were related to renewals of existing lease contracts. During the year lease contracts for a total amount of € 0.7 million were terminated.
- The occupancy rate of the Group's property portfolio remained stable at 98.9% as at the end of April 2017 compared to 98.8% at the end of December 2016 (including VGP European Logistics). At the end of April 2017 the occupancy rate of the own portfolio stood at 97.4% (compared to 97.0% at the end of 2016) and at 100% for VGP European Logistics (same as at the end of 2016).
- The own investment property portfolio consists of 18 completed buildings representing 471,644 m² of lettable area whereas the Joint Venture property portfolio consists of 35 completed buildings representing 634,475 m² of lettable area.
- At the end of April 2017, 24 buildings representing 463,258 m² of lettable area were under construction of which 5 buildings were being constructed for VGP European Logistics.
- At the end of May 2017 another closing is expected to occur with the VGP European Logistics joint venture which should allow VGP to recycle a substantial amount of invested equity which will be mainly redeployed to expand the development pipeline.
- VGP took advantage of the attractive financial markets' environment to issue an additional 8 year € 80 million bond to institutional investors allowing the Group to increase its debt maturity profile and at the same time lower its weighted average cost of debt.

Annualised committed rent income

The annualised committed leases (on an aggregate own and Joint Venture portfolio basis) increased from € 64.3 million as at the end of December 2016 to € 72.4 million at the end of April 2017.

The signed lease agreements as at the end of April 2017 represent a total of 1,440,594 m² of lettable area (compared to 1,278,238 m² of lettable area at the end of December 2016) and correspond to 146 different tenants' lease or future lease agreements (on an aggregate own and Joint Venture portfolio basis).

The weighted average term of the annualised committed leases of the combined own and Joint Venture portfolio stood at 10.1 years (10.3 years as at 31 December 2016).

Own portfolio

During the first months of 2017 VGP signed new annualised committed leases in excess of € 6.7 million in total, of which € 6.4 million related to new or replacement leases and € 0.3 million to the renewal of existing leases.

The Czech Republic was the main driver of the increases in annualised committed leases with more than € 4.0 million of new leases signed during the year. The other countries also performed very well with new leases being signed in Germany + € 1.9 million, Estonia +€ 0.7 million and finally in Romania + € 0.1 million.

This brings the annualised committed leases to € 32.1 million as at the end of April 2017 (compared to € 25.7 million as at 31 December 2016).

The signed lease agreements represent a total of 704,979 m² of lettable area and correspond to 75 different tenants' lease or future lease agreements. The weighted average term of the annualised committed leases stood at 13.2 years at the end of April (10.2 years to first break).

VGP European Logistics portfolio

During the first months of 2017 VGP negotiated for its Joint Venture new annualised committed leases in excess of €3.7 million in total of which € 2.3 million related to new or replacement leases and € 1.4 million to the renewal of existing leases. During the year lease contracts for a total amount of € 0.7 million were terminated.

Germany was the main driver of the increases in annualised committed leases with more than € 1.8 million of new leases signed during the year. In the other countries, new leases were signed in Hungary + € 1.3 million and the Czech Republic + € 0.6 million.

This brings the annualised committed leases to € 40.2 million at the end of April 2017 (compared to € 38.6 million as at 31 December 2016).

The signed lease agreements represent a total of 735,617 m² of lettable area and correspond to 71 different tenants' lease or future lease agreements. The weighted average term of the annualised committed leases stood at 7.7 years as at 30 April 2017 compared to 7.8 years at the year-end (6.7 years to first break compared to 6.8 years to first break at the end of 2016).



Evolution of the property portfolio

The development activities can be summarised as follows.

Completed projects

During the first four months of 2017, 5 buildings were completed.

Own Portfolio

For its own account VGP delivered 3 buildings i.e. In the Czech Republic: 1 building of 14,383 m² in VGP Park Tuchomerice. In Germany: 1 building of 23,590 m² in VGP Park Hamburg and 1 building of 24,469 m² in VGP Park Leipzig.

As at 30 April 2017 the investment property portfolio consists of 18 completed buildings representing 471,644 m² of lettable area.

VGP European Logistics portfolio

For the Joint Venture VGP completed 2 buildings i.e. In the Czech Republic 1 building of 12,226 m² in VGP Park BRNO and 1 building in Germany of 40,586 m² in VGP Park Hamburg.

As at 30 April 2017 the investment property portfolio consists of 35 completed buildings representing 634,475 m² of lettable area.

Projects under construction

At the end of April 2017 there were 24 buildings under construction.

Own Portfolio

For its own account VGP has following 19 buildings under construction. In the Czech Republic: 4 buildings in VGP Park Olomouc, 3 buildings in VGP Park Jenec, 2 buildings in VGP Park Chomutov and 1 building in each of the following parks: VGP Park Usti nad Labem and VGP Park Cesky Ujezd. In Germany: 3 buildings in VGP Park Berlin and 1 building in each of the following German parks: VGP Park Ginsheim and in the new parks VGP Park Schwalbach and VGP Park Wetzlar. In the other countries: 1 building in VGP Park Nehatu (Estonia) and 1 building VGP Park Kekava (Latvia).

The new buildings under construction on which 86%¹ pre-leases have already been signed, represent a total future lettable area of 343,759 m² which corresponds to an estimated annualised rent income of € 13.0 million.

During the month of May 2017 VGP will start up its first development (22,980 m²) in VGP Park San Fernando de Henares (Madrid) (Spain).

VGP European Logistics portfolio

On behalf of the Joint Venture VGP is constructing the following 5 buildings: In Germany: 2 buildings in VGP Park Hamburg and 1 building in VGP Park Frankenthal. In the other countries: 1 building in VGP Park Malacky (Slovakia) and 1 building in VGP Park Győr (Hungary).

The new buildings under construction on which 93%¹ pre-leases have already been signed, represent a total future lettable area of 119,499 m², which corresponds to an estimated annualised rent income of € 6.5 million.

¹ Calculated based on the contracted rent and estimated market rent for the vacant space.



Land bank

Own Portfolio

During the first months of the year VGP continued to target land plots to support the development pipeline for future growth. VGP acquired 104,069 m² development land, all located in Germany.

VGP has currently a land bank in full ownership of 3,093,884 m². This land bank allows VGP to develop besides the current completed projects and projects under construction (815,404 m²) a further 635,000 m² of lettable area of which 164,000 m² in Germany, 152,000 m² in the Czech Republic, 268,000 m² in Spain and 51,000 m² in the other countries.

Besides this VGP is currently looking at or has under option, subject to permits, another 668,000 m² of new land plots which are located in Germany, Slovakia and Romania. These land plots have a development potential of approx. 320,000 m² of new projects. VGP expects to acquire these land plots, subject to permits, during the course of the next 12 months.

VGP European Logistics portfolio

The Joint Venture has currently a land bank of in full ownership of 1,931,383 m². The land bank corresponds to a total development potential of 832,839 m² of which 753,975 m² or 91%; has already been developed or is currently being developed.

New closing with VGP European Logistics joint venture

At the end of May 2017, a new closing is planned with VGP European Logistics.

The 50/50 joint venture with Allianz Real Estate will acquire 6 new parks from VGP, comprising 7 logistic buildings and another 4 newly completed logistic buildings which were developed in parks previously transferred to the Joint Venture.

The 6 parks which will be transferred are located in Germany (3 parks) and in the Czech Republic (3 parks). The additional 4 buildings which are being acquired by the Joint Venture are also located in Germany (3 buildings) and in the Czech Republic (1 building).

The transaction value is in excess of € 173 million, and includes some future development pipeline.

Financing

On 30 March 2017, VGP successfully issued an 8 year bond for a nominal amount of € 80 million. The bonds were placed with institutional investors and are not listed. The fixed rate of the bonds is 3.35 % (gross) per year.

VGP Park Nehatu (Estonia)- potential sale

During the first months of 2017 VGP has concluded an agreement for the potential sale of VGP Park Nehatu (Estonia). The transaction value is approximately € 54 million. The sale is subject to certain conditions and due diligence.

Given the small size of the Estonian market, the maturity of the park, and the attractive market conditions, VGP is of the opinion that redeploying the sale proceeds towards its development pipeline



in larger markets will ultimately create higher shareholder value.

Closing of the transaction is anticipated to occur during the second quarter of 2017.

New markets

VGP is working intensively on further geographical expansion. Some interesting opportunities have been identified and provided there are no unforeseen events of economic and financial markets nature, the Group anticipates that it will enter into a new country within the next 12 months.

Financial calendar

General meeting of shareholders	12 May 2017
2017 half year results	30 August 2017
Third quarter trading update 2017	10 November 2017

For more information

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Profile

VGP (www.vgpparks.eu) constructs and develops high-end logistic real estate and ancillary offices for its own account and for the account of its VGP European Logistics joint venture (50:50 joint venture between Allianz Real Estate and VGP), 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.