

- Group debt free¹ at year end in respect of bank and shareholder loans
- > 84,000 m² of new leases signed in 2011 representing € 4.6 million of committed annualised rent income
- Operating result (before result on portfolio) for the period of € 12.2 million versus € 9.1 million (on a like for like basis²)
- Net profit for the period of € 12.9 million after impact of VGP CZ I and VGP CZ II transactions
- 12 projects under construction representing 110,487 m² of future lettable area
- > 741,000 m² of new land plots already committed to expand land bank and support the future development pipeline, of which 311,000m² were already bought during the second half of 2011
- Completion of the sale of an 80% equity interest in VGP CZ I and VGP CZ II during 2011
- Conclusion of a binding agreement with East Capital to sell the newly built logistics property of 40,000 m² located in Tallinn (Estonia) and conclusion of a second agreement with Property Investors Special Opportunities, L.P. (EPISO) for the sale of an 80% equity interest in VGP CZ IV a.s. The aggregated transaction value is in excess of € 30 million
- The Board of Directors has decided to convene an Extraordinary Shareholders' Meeting³ to propose a further capital reduction in cash of € 15 million (€ 0.81 per share)

^[1] On a net debt basis which is measured as: (Outstanding bank debt + shareholder loans) minus cash

^[2] VGP CZ I and VGP CZ II were de-consolidated during 2011. Therefore for comparative purposes the figures as at 31 December 2010 were amended in order to include VGP CZ I only until 16 March 2010 and VGP CZ II until 9 November 2010.

^[3] The Extraordinary Shareholders' Meeting is planned to be held on the date as the next General meeting of shareholders i.e. 11 May 2012.

Summary

In 2011 VGP successfully changed its business model and strategy from strict develop and hold towards a strategy with a bigger focus on development and a more pro-active approach in respect of potential disposal of the Group's income generating assets, thus effectively realising its historic development profit.

The sale of an 80% equity interest in VGP CZ I and VGP CZ II with a total transaction value of around € 435 million allowed the Group to optimise its capital structure and to pay to its shareholders a capital reduction of € 40.0 million in cash.

After the year-end two further transactions i.e. VGP Estonia and VGP CZ IV were signed having an aggregated transaction value of over € 30 million. As such the group now disposes of the necessary means to re-invest in an important land bank which is the basis for our future developments and the main driver of the Group's profits.

VGP's activities during the year 2011 can be summarised as follows:

- The Group was debt free (on a net debt basis) at the end of December 2011.
- The operating activities resulted in a net profit for the period of € 12.9 million compared to a net profit of € 6.2 million (on a like for like basis respectively as at 31 December 2010).
- Sustained high demand for semi- industrial buildings in the mid-European region resulted in the signing of new annualised committed leases in excess of € 4.6 million in total of which € 3.5 million related to new lettable area and € 1.1 million to renewal of existing or replacement leases.
- The Group's property portfolio reached an occupancy rate of 98.5% at the end of December 2011 (including VGP CZ I and VGP CZ II) which was a fraction lower than the 98.8% as at 31 December 2010. The occupancy rate of the VGP CZ I and VGP CZ II property portfolio reached 100%.
- The operating result for the period increased by 34.9% (on a like for like basis) to € 12.2 million as at 31 December 2011 compared to € 9.1 million as at 31 December 2010.
- Following the sale of VGP CZ I and VGP CZ II the investment property portfolio consists of 4 completed buildings representing 67,952 m² of lettable area with another 6 buildings under construction representing 69,562 m² of lettable area.
- The 53 buildings owned through the associates VGP CZ I and VGP CZ II representing 573,426 m² of lettable space are all managed by VGP Facility Management through its wholly owned VGP FM Services subsidiary, creating a stable fee income with sound margins.
- VGP has currently also undertaken additional development activities in its associates by which it is currently constructing 4 new buildings (24,300 m²) for VGP CZ I and 2 buildings (16,626 m²) for VGP CZ II. The net valuation of the property portfolio as at 31 December 2011 showed a net valuation gain of € 3.1 million against an net valuation gain of € 22.8 million per 31 December 2010 and represents a € 7.5 million unrealised gain on the new projects currently under construction or completed during the year i.e. the development activities and an aggregate net realised loss of € 4.4 million resulting from the VGP CZ I and VGP CZ II transactions. This € 4.4 million realised valuation loss is composed of a € 1.0 million realised gain on the disposal of the VGP CZ I and VGP CZ II assets and a realised loss of € 5.4 million resulting from the recycling of the existing VGP CZ I and VGP CZ II interest rate swaps through the profit and loss account.
- In order to further optimise the capital structure of VGP NV the board of directors has decided to convene an Extraordinary Shareholders' Meeting to propose an additional capital reduction in cash of € 15,052,270.50. This cash distribution would correspond to € 0.81 per share.

Gross rental income (on a like for like basis) up 28.7% to € 14.4 million

The increase of gross rental income reflects the full impact of the income generating assets delivered during 2011 and the deconsolidation of VGP CZ I as from 16 March 2011 and VGP CZ II as from 9 November 2011. The gross rental income from VGP CZ I for the period January 2011 to 16 March 2011 was € 4.6 million and reached € 7.0 million from VGP CZ II for the period January 2011 to 9 November 2011.

Lease contracts signed during 2011 amount to € 4.6 million

During 2011 VGP continued to see a sustained demand for semi- industrial buildings in the mid-European region which resulted in the signing of new annualised committed leases in excess of € 4.6 million^[1] in total of which € 3.5 million^[2] related to new lettable area and € 1.1 million^[3] to the renewal of existing or replacement leases.

The Group's property portfolio reached an occupancy rate of 98.5%^[4] at the end of December 2011 (including VGP CZ I and VGP CZ II) which was a fraction lower than the 98.8% as at 31 December 2010. The occupancy rate of the VGP CZ I and VGP CZ II property portfolio reached 100%.

The signed committed lease agreements (excluding VGP CZ I and VGP CZ II) represent a total of 91,384 m² of lettable area with the weighted average term of the committed leases standing at 8.56 years at the end of December 2011. As at 31 December 2010 the weighted average term (including VGP CZ I and VGP CZ II) stood at 5.81 years.

^[1] € 3.6 million related to VGP CZ I and VGP CZ II

^[2] € 2.7 million related to VGP CZ I and VGP CZ II

^[3] € 0.9 million related to VGP CZ I and VGP CZ II

^[4] The occupancy rate excluding VGP CZ I and VGP CZII was 94.5% at the end of 2011

Operating result up 34.9% to € 12.2 million

The operating result (before result on portfolio) increased to € 12.2 million in 2011, an increase of 34.9% as compared to the operating profit € 9.1 million for the period ending 31 December 2010 (on a like for like basis).

Evolution of the property portfolio

The fair value of the investment properties, which is composed of the completed projects, the projects under construction as well as land held for development (the "property portfolio"), amounted to € 105.6 million as at 31 December 2011 (before reclassification to disposal group held for sale) compared to € 481.6 million as at 31 December 2010, i.e. before the VGP CZ I and VGP CZ II transactions.

The evolution of the yields remained stable with the average yield applied for valuing the property portfolio as at 31 December 2010 improving marginally from 8.35% to 8.34%^[1] at the end of December 2011.

Yields applied to the total VGP portfolio including the VGP CZ I and VGP CZ II joint venture. If VGP CZ I and VGP CZ II would not have been included the yields would have been 9.07% as at the end of December 2011.

Completed projects

During the year 8 buildings (63,049 m²) were completed: 2 buildings in VGP Park Horni Pocernice (CZ) representing 7,431 m², 3 buildings in VGP Park Liberec (CZ) representing

27,754 m² of lettable area, 1 building of 13,014 m² of lettable area in VGP Park Nyrany (CZ), 1 building of 8,695 m² of lettable area in VGP Park Olomouc (CZ) and 1 building of 6,154 m² of lettable area in VGP Park Györ. All are fully leased.