

VGP enters into 50/50 joint venture with Allianz Real Estate at the end of February 2016

- The new joint venture will act as an exclusive take-out vehicle of the income generating assets developed by VGP and located in Germany, the Czech Republic, Slovakia and Hungary
- The initial seed portfolio is being acquired by the joint venture at current market prices
- Initial transaction value is in excess of € 500 million
- The joint venture partners target to grow the joint venture exponentially (> € 1.5 billion) by exclusively acquiring income generating assets developed by VGP in the aforementioned geographic areas
- This transaction ends a 24 month strategic exercise of VGP and will have a significant impact on the structure and evolution of the VGP Group for the future
- VGP will continue to service the joint venture as asset-, property- and development manager
- With Allianz Real Estate, VGP attracts a long term investor who thinks real estate throughout the economic cycles and which has the necessary financial resources to co-invest in the expansion of the logistic and semi-industrial real estate portfolio
- The transaction allows VGP to further concentrate on its core development activities aimed at optimising shareholder value, without having to tap the capital markets

VGP's Annual Results 2015 – A record year

- Net profit for the year of € 86.6 million (+ € 37.2 million against 2014)
- 68.2% increase of committed annualised rent income to € 38.0 million as at the end of December 2015 (compared to € 22.6 million as at 31 December 2014), with an additional € 2.0 million lease contracts being signed during the first weeks of 2015
- The signed committed lease agreements at year end represent a total of 709,124 m² of lettable area with the weighted average term of the committed leases standing at 7.5 years at the end of December 2015 (7.8 years as at 31 December 2014)
- 77.9% growth in gross rental income (+ € 7.5 million) to € 17.1 million
- 18 projects delivered during the year representing 279,861 m² of future lettable area
- 14 projects under construction representing 272,334 m² of future lettable area
- 704,000 m² of new development land acquired during the year with another 1,042,000 m² land plots targeted and already partially committed to expand land bank and support development pipeline
- Establishment of presence in Spain with the opening of a new office in Barcelona and with first substantial (223,000 m²) land plot secured and to be acquired subject to permits, allowing to potentially develop circa 179,000 m² of lettable area
- Net valuation gain on the investment portfolio reaches € 104.0 million (against € 53.9 million at the end of 2014) The fair value of the investment property and the investment property under construction (the "property portfolio") as at 31 December 2015 increased with 62.7% to € 677.1 million (compared to € 416.1 million as at 31 December 2014)

Summary

2015 was a record year for VGP.

The momentum in leasing and development activities seen during the first half of 2015 continued throughout the second half of 2015 resulting in record signing of new leases and record development activities. This trend continued during the first weeks of 2016.

In order to sustain its growth over the medium term VGP entered into a 50/50 joint venture with Allianz Real Estate. The new joint venture will act as an exclusive take-out vehicle of the income generating assets located in Germany, the Czech Republic, Slovakia and Hungary. VGP will continue to service the joint venture as asset-, property- and development manager.

The joint venture is of a significant strategic importance to the Group as it will allow VGP to recycle its initial (partially or totally) invested equity when such developments are acquired by the joint venture and to re-invest these monies in the continued expansion of the development pipeline thus allowing VGP to concentrate on its core development activities.

Finally VGP will retain a 50% stake in a growing rent income generating logistic and semi industrial real estate portfolio which over time will generate a recurrent cash flow stream which can support a sustained dividend policy.

VGP's activities during the year 2015 can be summarised as follows:

- The operating activities resulted in a profit for the year of € 86,6 million (€ 4.66 per share) for the financial year ended 31 December 2015 compared to a profit of € 49.4 million (€ 2.66 per share) for the financial year ended 31 December 2014).
- The increase in demand of lettable area resulted in the signing of new lease contracts in excess of € 16.3 million in total of which € 15.5 million related to new leases and € 0.8 million related to replacement leases.
- The Group's property portfolio reached an occupancy rate of 97.3% at the end of December 2015 compared to 94.0% as at 31 December 2014.
- The investment property portfolio consists of 34 completed buildings representing 548,838 m² of lettable area with another 14 buildings under construction representing 272,334 m² of lettable area.
- The net valuation of the property portfolio as at 31 December 2015 showed a net valuation gain of € 104.0 million against a net valuation gain of € 53.9 million per 31 December 2014.
- During the year VGP expanded further geographically with the establishment of a new office in Barcelona (Spain) and secured a new substantial (223,000 m²) land plot in Madrid which will be acquired subject to obtaining the necessary permits. The new land plot allows VGP to potentially develop circa 179,000 m² of lettable area. It is expected that the land will be acquired at the end of the second quarter 2016 and it is anticipated that the first development will be launched during the second half of 2016.
- In order to strengthen its consolidated equity base and support its further growth, VGP NV issued subordinated perpetual securities during the year for an aggregate amount of € 60 million which were fully underwritten by the reference shareholders of the company i.e. VM Invest NV and Little Rock SA.

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