

- **Profit for the year of € 91.3 million (+ € 4.7 million against 2015)**
- **69.3% increase of annualised committed leases to € 64.3 million^[1] (+ € 26.3 million compared to 31 December 2015) with an additional € 1.9 million^[2] lease contracts being signed during the first weeks of 2017**
- **The weighted average term of the annualised committed leases of the combined own and Joint Venture portfolio stood at 10.3 years at the year-end (7.5 years as at 31 December 2015). The own portfolio reached 14.1 years and 7.8 years for the Joint Venture portfolio**
- **The signed annualised committed leases at year end represent a total of 1,278,238 m² of lettable area of which 545,715 m² relates to the own portfolio and 732,523 m² to the VGP European Logistics joint venture**
- **14 projects delivered during the year representing 268,945 m² of lettable area. In addition, 17 projects under construction representing 381,041 m² of future lettable area**
- **Strong entrance into the Spanish market with the acquisition of a state of the art brand new 185,000 m² warehouse (let under a long term lease contract) located in Barcelona and the acquisition of around 400,000 m² of development land in Madrid and Barcelona representing an aggregate investment of circa € 195 million**
- **The acquisition of new development land during the year totalled 1,166,000 m² (including Spain) to support the development pipeline**
- **Following the establishment of the 50/50 VGP European Logistics joint venture with Allianz Real Estate and the first closing at the end of May 2016 a second closing occurred at the end of October 2016 for a transaction value in excess of € 80 million**
- **Net valuation gain on the investment portfolio reaches € 118.9 million (compared to € 104.0 million at the end of December 2015)**
- **Successful placement of a new 7 year € 225 million retail bond on 22 September 2016**
- **The Board of Directors has decided to convene an Extraordinary Shareholders' Meeting^[3] to propose a capital reduction in cash of € 20 million (€ 1.08 per share)**

[1] Including VGP European Logistics (joint venture with Allianz Real Estate). As at 31 December 2016 the annualised committed leases for VGP European Logistics stood at € 38.6 million.

[2] Including € 1.2 million annualised committed leases contracted for VGP European Logistics

[3] The Extraordinary Shareholders' Meeting is planned to be held on the date as the next General meeting of shareholders i.e. 12 May 2017.

Summary

VGP recorded a strong growth in all the markets where the Group is active, with e-commerce gaining increasing importance in driving the demand for new lettable space.

2016 also marked the start of a new 50/50 joint venture with Allianz Real Estate. The new joint venture (VGP European Logistics) has an exclusive right of first refusal in relation to acquiring

the income generating assets developed by VGP and located in Germany, the Czech Republic, Slovakia and Hungary. VGP will continue to service the joint venture as asset-, property- and development manager.

VGP European Logistics recorded its first closing at the end of May 2016, in which 15 parks were acquired located in Germany (8 parks), the Czech Republic (4 parks), Slovakia (1 park) and Hungary (2 parks) and comprised 28 logistic and semi-industrial buildings. A second closing took place at the end of October 2016, in which a further 5 buildings were acquired i.e. 4 buildings located in Germany and one building located in Slovakia.

Following the completion of the acquisition of the initial seed portfolio by the VGP European Logistics joint venture, the board of directors approved the redemption on 1 June 2016 of all issued hybrid securities against a price equal to the issue price (in total € 60 million) plus the interest accrued (€ 3.0 million) from the issue date of each Security.

2016 saw also the jump start in Spain with a sale and lease back transaction whereby VGP acquired a state of the art brand new warehouse from the fashion Group Mango offering 185,000 m² of usable space (extendable to circa 260,000 m²) and leased it back to Mango under a long-term lease agreement and the acquisition of 400,000 m² additional development and located in Barcelona (adjacent to the Mango building) and Madrid (San Fernando de Henares). The total initial invested amount was around € 195 million.

The strong development pipeline allowed VGP, during the second half of 2016, to further extend its debt maturity profile with the successful issuance of a 7 year € 225 million bond.

VGP's activities during the year 2016 can be further summarised as follows:

- The operating activities resulted in a profit for the year of € 91.3 million (€ 4.91 per share) for the financial year ended 31 December 2016 compared to a profit of € 86.6 million (€ 4.66 per share) for the financial year ended 31 December 2015.
- The increase in demand of lettable area resulted in the signing of new lease contracts in excess of € 30.4 million in total of which € 27.4 million related to new or replacement leases (€ 6.3 million on behalf of VGP European Logistics) and € 3.0 million (€1.1 million on behalf of VGP European Logistics) were related to renewals of existing lease contracts.
- The Group's property portfolio reached an occupancy rate of 98.8% at the end of December 2016 (including VGP European Logistics) compared to 97.3% as at 31 December 2015. At the end of the year the occupancy rate of the own portfolio stood at 97.0% and at 100% for VGP European Logistics.
- The own investment property portfolio consists of 16 completed buildings representing 416,158 m² of lettable area whereas the Joint Venture property portfolio consists of 33 completed buildings representing 593,454 m² of lettable area.
- At the end of December 2016, 17 buildings representing 381,041 m² of lettable area were under construction of which 6 buildings were being constructed for VGP European Logistics and which should be acquired by the Joint Venture upon completion.
- The net valuation of the property portfolio as at 31 December 2016 showed a net valuation gain of € 118.9 million (against a net valuation gain of € 104.0 million per 31

December 2015).

- As at 31 December 2016 the financial income benefited from the interest income on loans made available to the Joint Venture but was adversely impacted by the interest on the € 225 million bond issued during the year and the negative fair value of outstanding interest rate swaps. This resulted in a net financial cost of € 16.9 million as at 31 December 2016 compared to € 10.2 million as at 31 December 2015.
- Following the successful sales of assets to VGP European Logistics during 2016 and 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 € 20,069,694.00. This cash distribution would correspond to € 1.08 per share.