
VGP Location³



Daniel López:
Our people are absolutely
key to Mango's
success

13/2017

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VGP Location³

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Dear readers,

I am pleased to present to you another issue of our VGP Location³ Magazine – at a time when VGP can record numerous successes (both in retrospect and for future activities) and aims at opening up new perspectives. The past fiscal year brought a considerable increase in attractive projects. VGP is now active in more markets than ever before and has clearly set the course for growth in certain key areas.

In doing so, we want to focus particularly on future issues and markets. Of particular importance are the digital transformation in the context of progressing automation, as well as the e-commerce segment. We bear these trends in mind and track them thoroughly to develop corresponding industrial and logistics real estate concepts and offers.

VGP has already invested significantly in the future – among other things by bringing many new faces into the company, so that we now have a team of about 110 employees. Today, VGP is represented in eight different countries and supports the companies there with our customised logistics real estate offers.

In our current issue, we have prepared a lot of interesting information and insights for you. For instance, explore Berlin as a hot spot for start-up companies or be inspired to visit the Prague Spring International Music Festival. I hope you enjoy reading.

Yours sincerely,
Jan Van Geet

03

Editorial

04

News

06

Business

Delivering
'fast fashion'

09

Project

New Amazon
logistics centre
in VGP Park
Frankenthal

10

Excursion

Berlin is taking off...
on the trail of the
start-up scene

13

Quo vadis

Daniel Sigmann: The
future is digital

15

Our team

New people
in the VGP team

20

Brand story

Concept, team and
logistics – keys to
Mango's success

23

Dreams

Prague Spring
enchants music
lovers from all
around the world

26

Do you need
space?

New lease agreements for the Hamburg, Leipzig and Ginsheim-Gustavsburg VGP Parks

In the first quarter of 2017, three companies signed long-term lease agreements for the VGP Park Hamburg in Lower Saxony. The international shipping company Spedition Karl-Heinz-Dietrich GmbH is moving into a newly constructed building offering more than 17,100 m² of logistics space and 278 m² of office space. Previously, the freight forwarder had occupied more than 5,700 m² of storage and 160 m² of office area at the park, which is located directly on the A1 motorway to Bremen. CHEP, a supplier of pooling services for industrial pallets is further expanding its

capacities by about 2,700 m² to more than 8,300 m². Lastly, the shipping company Dirk Vollmer GmbH secured itself 13,700 m² of logistics and 500 m² of office space in the park. Of that total, 8,400 m² will be for cross-dock storage to enable the company to provide especially fast goods handling. In total, the new long-term lease agreements concluded for VGP Park Hamburg will provide more than 34,000 m² of lettable area. Overall, VGP Park Hamburg will offer about 250,000m² of rental space upon its completion. Moreover, 4 PX Express GmbH has leased 9,300 m² of logistics

space and about 400 m² of office space in VGP Park Ginsheim-Gustavsburg, close to Frankfurt Airport. The hall is currently under construction and completion is planned for June. There also will be a new tenant in Leipzig from summer 2017. The office furniture manufacturer USM will acquire better connections in moving from Baden-Württemberg to Leipzig into a VGP park at the new exhibition grounds. Three hundred employees are expected to be working there.



Summary look at 2016: robust growth in all markets

The year 2016 brought significant growth for VGP in all markets where it operates. E-commerce emerged as the key driver for new rental space. An important factor in the financial year 2016 was the start of a 50/50 joint venture with Allianz Real Estate. Its

name is VGP European Logistics and it has an exclusive pre-emptive right for profitable assets that have been or will be developed by VGP in Germany, the Czech Republic, Slovakia and Hungary. Moreover, VGP serves as asset, real estate and development

manager for the joint venture. The year 2016 was an eventful and, above all, successful one for VGP: The operating activities in the financial year brought a net profit of € 91.3 million (€ 4.91 per share) compared to € 86.6 million (€ 4.66 per share) in the previous year. New leases valued at more than € 30.4 million were concluded. Of these, new or replacement leases were in the amount of € 27.4 million (€ 6.3 million for VGP European Logistics), while renewal leases accounted for € 3.0 million (€ 1.1 million for VGP European Logistics). The real estate portfolio achieved an occupancy rate of 98.0% at the end of 2016. In the preceding year, that figure had been 97.3%. Occupancy of VGP's own portfolio reached 97.0% and that of VGP European Logistics was fully 100%. As at the end of 2016, VGP Group's real estate portfolio consisted of 16 finished buildings with 416,158 m² of lettable space, while the portfolio of the joint venture included 33 finished buildings with 593,454 m². VGP European Logistics closed its first contract at the end of May 2016. Fifteen parks with a total of 28 logistics and semi-industrial buildings in Germany, the Czech Republic, Slovakia and Hungary were acquired. With the second contract at the end of October, another five buildings were added to the portfolio.



Strong market entry in Spain

At the end of 2016, 17 buildings with a total area of 381,041 m² were under construction, of which six were constructed for VGP European Logistics and would be sold to it upon completion. As of 31 December 2016, the net value of the real estate portfolio reflected a net valuation gain of € 118.9 million, nearly € 5 million of which was added in the year just ended. The year 2016 was also notable for an acceleration of our activities in Spain, where VGP acquired a high-tech warehouse with a usable area of 185,000 m², expandable to roughly 260,000 m², through a sale-and-leaseback transaction with the fashion company Mango. Moreover, 400,000 m² of land was acquired for further development in Barcelona and Madrid.



VGP Park Mango

Construction in Olomouc is in full swing

Due to its strategic position in Moravia, VGP Park Olomouc is progressively filling up with important companies. Such companies already established there as Euro Pool System and Fenix solutions were joined this year in Hall G1 by the manufacturing company Benteler, which leases more than 3,100 m² in the park, and by Gerflor CZ and RTR-Transport a logistika. VGP also has concluded lease contracts with John Crane, for which a hall with more than 9,000 m² is being built, and Nagel Česko, which will lease Hall A with almost 8,000 m². In addition, VGP has initiated speculative construction of Hall C.

Acquisitions to develop new VGP Parks in Germany

While planning to build future industrial and logistics parks, VGP has acquired for its project portfolio new land parcels west of Berlin at Wustermark, as well as at Göttingen and Wetzlar. The properties can potentially be developed into 148,000 m² of total lettable area. VGP will construct a 72,000 m² logistics park on land measuring 13.5 ha at Wustermark in Brandenburg, close to Berlin. The future VGP park will offer direct connections to Berlin, Hannover, Leipzig and Dresden inasmuch as it will be located close to the Spandau junction of the A10 motorway and Federal Highway B5. Moreover, the park will have its own port on the Havel Canal,

a terminal for combined cargo, as well as a direct connection to the Berlin railway system. VGP has also acquired 8 ha of land at Göttingen, which is in the geographic centre of Germany. The land is close to the A7 motorway, and VGP plans to develop a 40,000 m² industrial and logistics park at the site. Another VGP Park will emerge in Wetzlar on 6.7 ha. The land is located directly on the A480 motorway, very close to the A45/A485 and A45/A5 interchanges. The site provides good access to the centre of Wetzlar, an industrial and academic city in central Hesse. The VGP Park to be developed here will consist of two halls with total lettable area of 36,600 m².



VGP Park Olomouc

Business

Delivering 'fast fashion'

Selling clothing to the whole world demands impeccable logistics

Excellent logistics is extremely important in 21st century retail. Certainly that is true of Mango, the Barcelona fashion house which has more than 2,000 stores around the world, all of which are served from a new, central logistics centre in Spain.



We asked Daniel López, Executive Vice-President of Mango, to tell us about how logistics is incorporated into Mango's operations, about its newly opened logistics centre, and how the company is preparing to meet the challenges of the future.

Q We know that at Mango you regard concept, team and logistics as the keys to your success. Let's focus in here on logistics, if we may. What are the key elements or aspects of your logistics that help to create Mango's competitive advantage?

Our supply chain is one of the keys to delivering on the 'fast fashion' model that defines Mango. We have several transport options depending on the date that a product must be exposed in the store. We send the initial order to the stores and we keep a portion in our warehouses to be able to react when the product has been sold. Once in the store, the day after a sale is made, boxes are being prepared and dispatched to replenish the store. Our warehouses are 24/7 receiving the transmissions from the stores to cover the gap generated, either with the same garments or new ones. We want our clients to be able to find new product every time they visit our stores, so we have to focus in on all the steps within the logistic process in order to achieve that.

Q The huge logistics park at Lliçà d'Amunt near Barcelona must be a very important part of your overall logistics structure. Can you summarise for us how that fits into the overall logistics and business strategy?

With the new logistics Park at Lliçà, all our logistics operations will be performed at the same warehouse. That means we will group both hanged



and folded packaging into the same work area. Also, our cross-dock process will be managed through the new warehouse. It will permit our transport partners to centralise their own activity at just one delivery and pickup point. This will give us the opportunity to be even faster than we are now, and we will benefit from this by being able to serve our stores even better.

Moreover, we will be able to manage three times the volume that we are facing today. This is crucial not only to having the fastest response within our 'fast fashion' model, but also for achieving our expansion plan. We will also continue to operate within our external warehouses, however, in order to satisfy the demand in some of our key markets.

Q In 2016, Mango and VGP agreed that VGP would acquire Mango's logistics centre and adjoining industrial development land at Lliçà d'Amunt and then rent the logistics building and office space back to Mango

on a 30-year lease. That had to have been a fairly complex transaction, but obviously it is a win-win deal for Mango and for VGP. Can you tell us about how this transaction originated and came together, what is the final result, and what are the benefits?

Indeed it was a complex transaction, but one that was possible because both Mango and VGP realised that it would be beneficial to both parties. Right from the outset, both parties worked in a cordial manner and this made the negotiations much faster and simpler.

The logistics centre is one of the most modern logistics plants in Europe, with approximately 180,000 m² of space that will be fully operational during 2017. It is also worth noting that the centre allows for future expansion of up to 80,000 m², which would make total space of 260,000 m².

Q Logistics is not just about warehouse space, forklifts and a clever dispatcher anymore. Can you describe for us the technologies, systems and organization of your state-of-the-art logistics centre and operation?

The new logistics centre at Lliçà d'Amunt combines the latest handling technology, to provide the fastest operations, with a warehouse management system, to provide intelligence and efficiency to those operations. The installation combines zones of high stock density (we call these 'silos') with very dynamic zones where orders are filled. These orders are distributed through various classifiers, and this allows us to serve the optimum quantity to the stores in the shortest time.

The warehouse management system enables us at all times to have an up-to-date view of the installation, the stock and the orders, and it allows us to take the best decisions at any time to provide the best service to our stores.

VGP Park Mango, Lliçà d'Amunt



Q It is more important than ever these days for companies to show that they are sensitive to social and environmental concerns. Surely, that is very much the case for a high-visibility and reputation-dependent company like Mango. How are these issues reflected in your new logistics centre?

It is very important for Mango to be committed to all kinds of environmental issues, and Lliçà has provided a new opportunity to work on this. In order to minimise any possible impact on the landscape, all excess soil originating from the construction work was redeployed within the industrial park to avoid transport and waste disposal. As part of the development, a 10,000 m³ pond was created. It was specifically designed to support biodiversity and microhabitats together with 395,000 m² of green zones with low water consumption based upon indigenous trees and plants.

Finally, the completed park has a rain management system to re-use rainwater. Moreover, the building has remote management of lighting conditions with point-to-point regulation, and a low-consumption lighting system.

Q In recent years, Mango has been growing very quickly in several markets. Where do you consider will be Mango's main expansion areas and growth opportunities in the foreseeable future?

We are currently present in 110 countries, so we do not imagine that we will open in new markets in the short term. Our expansion efforts are characterised by a strategy which is committed to spreading in strategic markets in order to build a presence in these countries. Obviously, Europe is our main market, although we also have ambitious expansion plans in South America, the Middle East and Asia.

Q Mango has always put great emphasis on the design and function of its stores. These days, of course, more and more of retail



Daniel López, Executive Vice-President of Mango

is moving online. How do you see that phenomenon changing Mango and its business model in future? How will you preserve and cultivate Mango's unique and valuable image as fashion retail evolves?

The on-line channel is a strategic bet for Mango that will leverage the company's growth in the future. Mango launched its e-commerce platform in 2001, being one of the first fashion retailers to do so. This provides us a great expertise in this area that has allowed us to grow increasingly year after year since then.

We distribute B2C orders in 83 of the 110 countries where Mango is

already present. With a yearly growth of over 25% in 2015, the internet sales already account for more than 10% of the total Group revenue and it's forecasted to reach 20% by 2020.

We do not distinguish between channels (on or offline). Our goal is to offer our customers the best experience in whatever channel they decide to interact with the brand. We need to adapt ourselves to the new customers who do not differentiate between channels. They simply want our brand to be consistent and friendly everywhere. We must make sure we can offer the best that each of the channels can provide and define omni-channel strategies which satisfy our client's needs.

Q Finally, we just have to ask: Where does the name of Mango originally come from?

Our founder tasted a mango in the Philippines for the first time and fell in love with its taste. When he founded Mango, he thought of the name because of the good memories it brought back to him but also because it is a word that can be easily pronounced almost everywhere in the world. He already had the idea from day one to build Mango into an international brand.



VGP Park Mango, Lliçà d'Amunt

New Amazon logistics centre in VGP Park Frankenthal

Amazon is coming to Frankenthal: With a state-of-the-art logistics centre, the technology concern is expanding its presence in Germany

Between the metropolitan region of Mannheim/Ludwigshafen and Worms, directly at the Ludwigshafen interchange and in the immediate vicinity of Frankfurt, Mainz and Wiesbaden, the new VGP Park Frankenthal not only boasts of an ideal location but also points the way for future projects of this kind: In an age of digitalisation and ever-increasing numbers of e-commerce businesses, the right combination of digital and physical logistics infrastructure is more and more crucial for success.

In Frankenthal, Amazon benefits not only from a comprehensive, fully equipped facility covering around 50,000 m² for warehousing and associated office space. It also will create around 1,200 parking spots for

50,000 m²

Warehousing and
associated office space

1,200

Parking spots

employees on an area of 17.4 hectares. Handover of the logistics centre to Amazon is planned for October 2017. Full operation will start during 2018.

With the new centre, which is the key component of its European logistics network, Amazon is pursuing

multiple objectives. Clients should be served even better and faster, a still more diverse range of products should be available for shipping, and, very importantly, the centre will also support small firms doing business on Amazon's platform and taking advantage of its logistics capacities.

Digital and physical worlds growing together

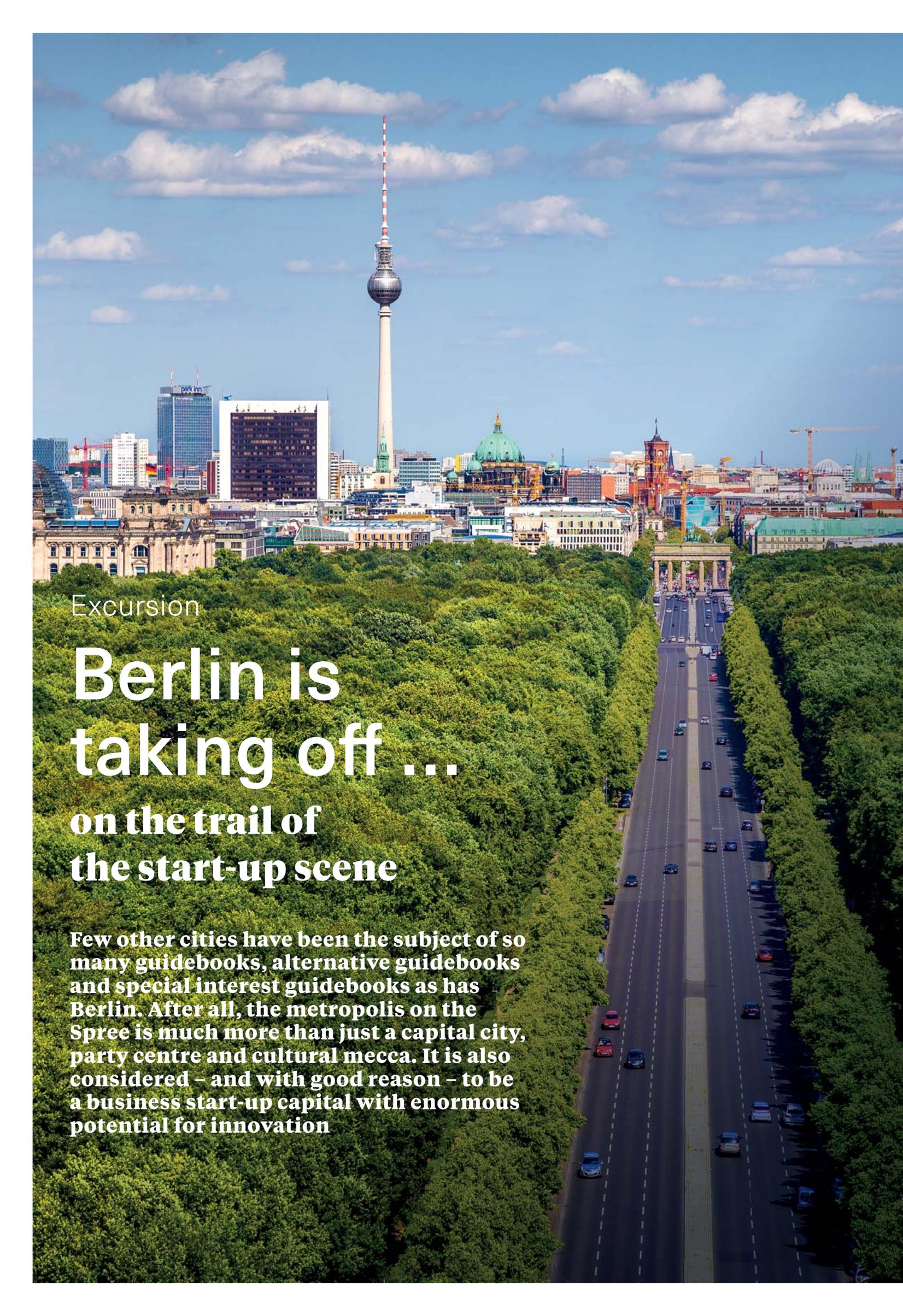
The new logistics centre in Frankenthal shows how the digital and physical worlds are growing together, where bits and bytes meet real products needing to be moved. Increasingly, what matters is that the overall concept as well as the individual equipment components offer maximum flexibility with a view to possible future requirements. Such concepts and components allow for adapting the premises to any client needs and to operate economically under any circumstances.

With the new logistics centre at VGP Park Frankenthal, Amazon has the best prospects for even more powerful logistics – and many people have the prospect for an equally attractive and future-oriented workplace. In the first year alone, 1,000 new full-time jobs will be created here. Experience shows that this is just the beginning and that the number is likely to grow in the years to come.

Expansion in Europe

Since 2010, Amazon has invested approximately € 15 billion in expanding its logistics network in Europe. With Frankenthal, Rhineland-Palatinate is getting its second Amazon centre. This shows once again how important e-commerce has become as a growth driver in the logistics industry. Logistics centre operators and developers who pay close attention to the trends can make significant contributions to the digital and analogue worlds in this area.





Excursion

Berlin is taking off ... on the trail of the start-up scene

Few other cities have been the subject of so many guidebooks, alternative guidebooks and special interest guidebooks as has Berlin. After all, the metropolis on the Spree is much more than just a capital city, party centre and cultural mecca. It is also considered – and with good reason – to be a business start-up capital with enormous potential for innovation

And even though its start-ups seldom offer spectacular urban images of their own, it can be well worth the while of interested visitors to Berlin to follow them and to take a closer look at the important “start-up centres” inside the city.

There is much to discover in Berlin besides the Brandenburg Gate, the Victory Column and the Potsdamer Platz. In particular, there is a certain “Berlin way” which can be found in the start-up and cultural scenes in equal measure.

On the path to becoming the founder capital of the world

Berlin has optimal conditions enabling it to develop into a leading founder metropolis. Almost all the important venture capitalists are represented there, while there are also numerous incubators and angel investors. Venture capital available for investments totals to more than € 2 billion. Almost three-quarters of the total venture capital invested in Germany during 2016 went to the capital city.

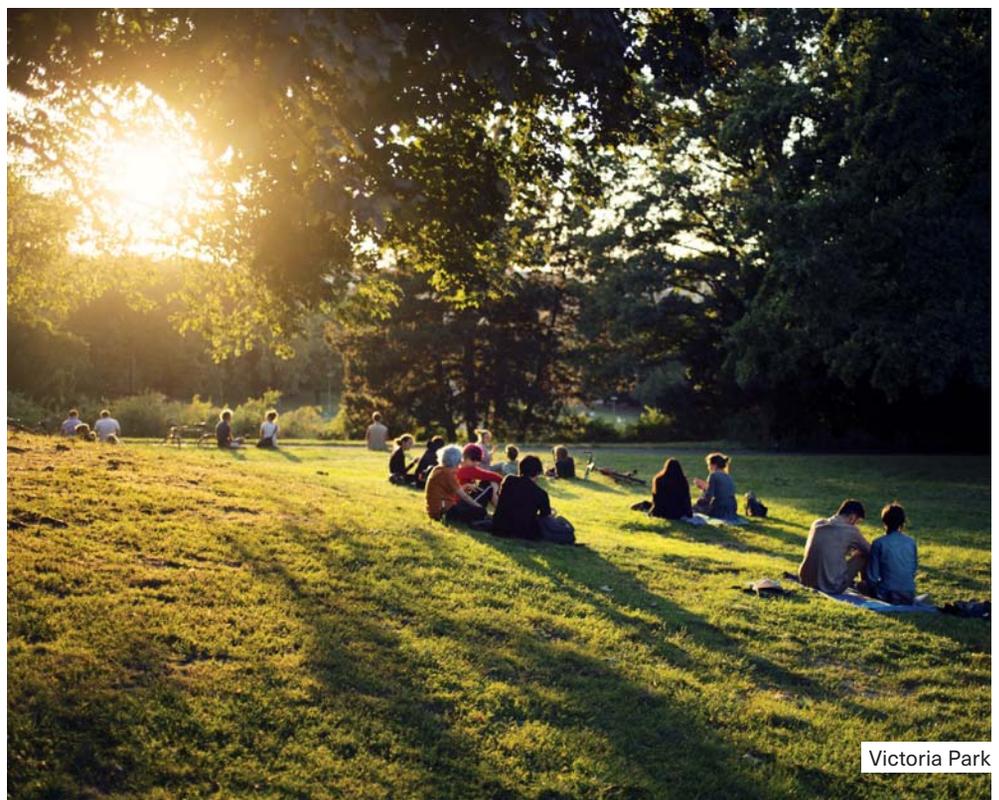
According to industry experts, the number of start-ups has reached the four-digit level, while in 2012 that number had been only 270. Established players such as online retailer Zalando and the realty firm ImmobilienScout24 had their origins there. The number of employees in start-ups almost doubled between 2012 and 2016. Today, Berlin’s start-ups are collectively its fifth largest employer, even ahead of Siemens, and they may well advance to become the biggest employer in just a few years. Experts predict that start-ups will provide as many as 100,000 potential new jobs by 2020. In short, Berlin is one of the very top regions in Europe from the viewpoint of new businesses.

A focus on services

Initially, content and e-business models were the main focus, but start-ups have since begun to offer mainly B2B and B2C services. As before, however, the spectrum is still extremely diverse. As such, it ranges from providers of automated accounting processes through to initiatives for the networking of senior citizens and on to search engines for travel bargains and sales of solar-powered products. There is a start-up event somewhere in the city almost every week, and this is a sure sign that this development remains far from reaching its saturation point.

Concentration in specific areas

The start-up scene is big, but Berlin is bigger still. As a result, specific focal points have been established inside the city. Taken together, they form a



Victoria Park

cluster in the area between Prenzlauer Berg in the north and Kreuzberg in the south. There are almost 300 start-ups in the very middle of the city (in the district known as Mitte), while at least 50 companies are based in the areas located around this district.

At the heart of the scene: Kreuzberg and Neukölln

Kreuzberg and Neukölln constitute an important centre. With its scores of restaurants, bars and small shops, the latter is still considered to be one of the hippest quarters in Berlin. The large number of old buildings and typical multicultural flair have turned Neukölln into a hipster hotspot. Visitors to the area can enjoy a hearty breakfast, try a fancy burger or visit the cool bars on the Weichselstraße. The cultural roof garden, with an impressive view of the capital city (including a mini-Christmas market

in the season), constitutes a highlight in the true sense of the word.

Kreuzberg is located right next door and it essentially has merged with Neukölln to create “Kreuzkölln”. Strolling through the Gräfekeiez neighbourhood, unwinding with a view to the water on Maybachufer, relaxing in Viktoriapark, having a drink at the Multilayerladen Bar, doing yoga at Jivamukti Nightflight or enjoying breakfast in Le Bon: Kreuzberg’s past age of punk and generally edgy subculture has long since given way to a more casual lifestyle.

Something new in the East: Friedrichshain and Prenzlauer Berg

Prenzlauer Berg has an interesting mixture of academics and “latte macchiato mothers”, on the one hand, and a lively scene on the other. The area attracts visitors by offering exotic



Friedrichstrasse railway station

experiences in the so-called Vietnam Village, walks in the Mauerpark with its colourful and sometimes bizarre activities, snug evenings in the bars around the Helmholtzplatz, and accommodation in untypical hotels with inviting names such as the “Pfefferbett”.

The hipster area par excellence is located in Friedrichshain, to the east of Warschauer Straße. It admittedly does not have a great number of bars, but the ones that are there can be assured to provide good service and an excellent ambience. Apart from this, the quarter is also home to the East Side Gallery and the Jewish Museum, which means that it is impossible to get bored there either during the day or at night.

Mitte is the place

Mitte lies in the middle, in the centre of the Berlin start-up scene. It is not necessary to waste many words on the sights located there. The quarter is a model and foodie mecca, but also a start-up geek area. It is a thoroughly exciting place from a culinary point of view, with an offer ranging from unusual pizzerias, such as Standard or La Pausa, through to the green and healthy Daluma. The Weinberg Park invites you to linger, while Clärchens Ballhaus calls on you to dance every conceivable dance. The Vabali Wellness Oasis offers the opportunity for your subsequent recovery.

Berlin’s start-up culture is most apparent in Mitte. Its headquarters can be found at St. Oberholz, a coworking and coffeehouse complex. The mood of entrepreneurial optimism is positively palpable there.

Start-ups have a home

Even though they of course do not dominate the streetscape, there are



new, internet savvy and digitally driven newcomers on almost every corner. The virtual assistant start-up GoButler, which is no longer small and has recently enjoyed success also in the USA, had its origins in Prenzlauer Berg. Bonusbox, which provides online loyalty programmes, also runs out of Prenzlauer Berg.

The wework coworking space has premises on Potsdamer Platz and at Bahnhof Zoo, while the Business Angels Club Berlin is located between Neukölln and Großer Müggelsee. Factory Berlin on Bernauer Straße is a chapter in and of itself. Its site in a former brewery has long been considered the unofficial centre of the start-up scene. The crème de la crème of the top internet entrepreneurs, who have been visited by top international politicians, have gathered together in an office space of 16,000 m² which has been further enhanced by a restaurant run by the star-rated chef Tim Raue.

A second location was established near the first after the Factory

founders decided to diversify. The new project, in the vicinity of the Friedrichstraße Railway Station, houses the operator of a network for scientists and researchers, amongst others.

Logistics solutions are in demand

Many small companies and numerous internet services must also mean something else: strong demand for suitable logistics solutions. As such, the Berlin start-up mecca is of great interest to providers of logistical services. Many of these are directly associated with the delivery of such goods as puristic watches or bags and cases with special technical features. There is also robust demand, however, in the B2B area. Whoever would like to keep one’s finger on the pulse of the age as a provider of efficient logistics solutions should be sure to keep an eye on the German capital ... or, best of all, should have a (business) case there.



Daniel Sigmann

The future is digital

As Managing Director of VGP Industriebau GmbH with its head office in Düsseldorf, Daniel Sigmann knows the project development sector and its prospects inside and out

In this interview with VGP's Location³ magazine, he explains where the logistics parks sector is headed generally and VGP in particular.

Q Mr Sigmann, VGP has been operating on the German market since 2012. In that time, the demand for logistics premises, facilities and services has been constantly on the rise. In your opinion, will this change in the next few years?

I am certain that this development will continue in the near future and that the dynamics will remain comparable to what we see today. The demand for high-quality premises continues to be considerable.

Q Are there any specific trends in the area of logistics and commercial real estate development?

A megatrend in Germany, which without a doubt also affects commercial real estate, is e-commerce, through which in particular B2C trade takes place. This branch of e-commerce not only complements bricks-and-mortar commerce but could – at least in part – replace it in the foreseeable future. Even traditional retailers increasingly rely on electronic sales channels. The developers and providers of commercial real estate must adapt to this trend ever more strongly – and they have done so, as VGP's example shows.

Q What does this mean specifically?

Since e-commerce operators tend to operate in a more compartmentalised fashion, they often need solutions that are more specialised than are those for traditional logistics companies. Consequently, providers are required to show flexibility and to

respond to such requests. Regardless of individual tenants, there is a strong demand particularly for energy-efficient solutions, for example in the control of LED lightning as well as of heating and ventilation systems.

Q How does the omnipresent digital transformation impact the demands with respect to providing up-to-date, customer-oriented properties?

The present and future are digital, no question about it. Even today, the standards include glass fibre connections, LAN and WLAN. The real estate itself naturally remains analogue and cannot be digitalised. Nevertheless, highly qualified engineers are increasingly involved in construction and planning and to ensure future-compatibility, so that digitalisation-



Daniel Sigmann

was born in Dortmund, and he has been working in real estate development for more than 10 years.

He is a passionate hobby photographer, and he has a particular fascination for the interesting architecture that he encounters on the short trips which he enjoys taking.

compliant equipment is available and installed in a professional manner. Our industry is quite well advanced in this respect. VGP has been able to implement clients' requirements even when suppliers in other areas have not been so capable of doing so.

Q Where there are special opportunities, there must also be corresponding challenges. What challenges does VGP face as a developer and as an investor?

First and foremost, suppliers naturally need to satisfy the demand. As I mentioned, this encompasses future-compatible equipment that is as flexible as



VGP Park Rodgau

possible, but also a competitive price because clients are very sensitive in this respect. Of course, top-quality locations are really sought after, and we must deliver in that regard, too.

Furthermore, numerous special wishes should be recognised and implemented. In addition, it should be considered that as e-commerce has advanced the personnel costs of tenants have soared. This means that in the very concept for a solution you have to proceed differently than in the case of a classic logistics facility that employs comparably fewer people.

Whether this is a real challenge or “just” a modification of conditions generally is open to debate. VGP has always had the ambition to implement customer wishes quickly and efficiently, whether that be in an analogue or digital environment. What matters is the rapid completion of buildings of top quality, competent advisory, and a flexible approach to wishes and conditions of all kinds.

Q Digitalisation and dynamic development of commerce is one thing. Another future trend is that of self-driven cars. How would this affect, for example, the concept and usage of a logistics park?
Trying to come up with precise predictions for the impacts of disruptive technologies would be like reading from a crystal ball. But we can guess certain things. For example, much smaller external premises could be needed, no small importance of which is that this could greatly simplify the acquisition of land for new projects. Trends like electromobility also will have impacts, and it will be necessary to plan and develop corresponding loading capacities. In this respect, our properties are ideally situated with powerful grid connections.

Q What would be the impact of the trend towards increased regionalisation of goods flows?

For B2C business, in particular, e-commerce companies require properties located close to customers for their last-mile operations. In metropolitan areas, this is an exciting challenge that we are endeavouring to master.

Q The alpha and omega for a logistics park is its location. Does VGP see a tendency towards capacity congestion, or would decentralised development be conceivable?

Classic locations like Hamburg are always highly sought after, highly frequented, and in a continuous state of development. In addition, smaller sites are becoming increasingly interesting, in particular for single tenants to whom we can offer build-to-suit services. In general, the point is to discover and develop top locations. Naturally, many of those locations are

already developed and established, but you can, for example, convert brownfields at promising locations into new projects. Currently, however, clients are primarily interested in greenfield projects at premium locations.

Q Where will new VGP projects be created in 2017?

Berlin and the Rhine-Main area should be mentioned, and interesting things will be happening in Hamburg as well. This year and next, the focus is on Southern Germany, in particular the Munich area.

Q Where do you see VGP in the next two or three years in Germany?

We want to – and will – take advantage of the growth dynamics and efficiently direct it to achieving success for our company and clients.

Q Developing logistics parks and protecting the environment – many view these two things as being contradictory to one another. How does VGP deal with this?

The policy of VGP is to seal as few surfaces as possible and to make the parks as green as possible. In addition, during the planning phase we take into consideration factors such as energy consumption and use of regenerative energies. By using appropriate technologies, we can come to environmentally sound solutions.

Of no small importance is that we need close and trustful co-operation between the spheres of business, politics and society, for example with regard to converting land and considering the interests of local authorities and residents. This is the only way to achieve solutions that meet the diverse needs.



VGP Park Berlin

New people in the VGP team



Daniel Busch

Project manager

Daniel Busch has been in charge of various projects for medium-sized general contractors. With his background in business administration, he also has ample experience in the field of acquisition and distribution logistics as well as multi-storey car parks. Originally trained as a bricklayer and concrete builder, he lives in Bremen and spends his spare time on the snowboard.

Margarita Dück

After-sales services

Margarita Dück joined the Property Management Team in Düsseldorf in April 2017 and is in charge of after-sales services. Upon graduating in urban and regional development management at Bochum, she initially worked for a homebuilding company. She later switched to the Lease Management/Expansion Department of a retail company in Hamburg. She enjoys yoga and walking, and unleashes her creativity in needlework.



Oliver Friedel

Junior construction manager

The junior construction manager Oliver Friedel initially graduated from property management at the RheinMain University of Applied Sciences. He acquired crucial experience working at a medium-sized general contractor. Like many VGP colleagues, he enjoys travelling and is a family man. At the moment, he works together with Martin Misiun at the construction sites in Frankenthal and Ginsheim.

Joris Van Geet

Property Management Team

Joris Van Geet, the youngest brother of Jan and Tomas Van Geet, joined the Property Management Team in Düsseldorf in September 2016, after completing his master's degree as an industrial engineer at the University of Antwerp. The best way to unwind after work that he can imagine is to be in the company of his family and friends.



Tobias Hoop

Junior site management leader

Tobias Hoop has recently been appointed junior site management leader at VGP Park Hamburg. After serving in the German army, the trained mason worked in the family business and trained to become a master mason and in concrete construction. He enjoys riding motorcycles in his free time.

Patrick Henninger

VGP Park Development

Since August 2016, Patrick Henninger has been in charge of VGP Park Development in Hesse, Rhineland-Palatinate and Bavaria. Trained as a plumber, his expertise encompasses facility management and building services engineering. He previously worked, among other places, at Fraport AG. His hobbies include motor sport and motorcycle touring.



Patrick Huhn

Construction manager

Patrick Huhn joined VGP as a construction manager six months ago. Born in Hesse, he worked seven years in the Systematic Industrial Construction department of the firm Max Bögl while studying civil engineering and architecture at the Vocational Technical School in Gießen. Currently, he is in charge of the parks in Schwalbach and Wetzlar. He lives in Frankfurt am Main, is married and has a son.



Claudia Palmeros

Office manager

Before coming to Spain, where she has been living since 2002, Claudia worked in the United States as a photography instructor, but her many interests have always kept her busy with an eclectic mix of jobs ranging from architecture to museum curation to magazine content editing. She joined VGP Spain's team full time in October 2016 and in her free time she enjoys teaching languages and playing the cello.

Manuela Maddente

Receptionist

Manuela Maddente has supported the VGP Team in Düsseldorf as a receptionist since April 2017. She trained in office communication and has experience in advertising, marketing and customer service. Her hobbies include sports, cooking and photography.



Ingo Möbius

Site manager

Ingo Möbius has worked for VGP PM Services since October 2016 as site manager of VGP Park Berlin. Before that, he spent two years at Sauter FM as maintenance technician. He trained first as a heating technician and later as an electromechanical specialist. In his spare time, he makes cycling trips or can be found on the water along with his sporting friends from the KW rowing club.

Miquel-David Martínez

Technical director

After his studies in civil engineering and business administration, which included exchange trips to Italy, China, and South Africa, Miquel-David worked for more than ten years in an engineering firm in Badalona. He has extensive experience in the construction sector as a project manager and technical director. Miquel-David likes to spend his spare time with his family and friends, and he also enjoys travelling, skiing, and diving.





Claudia Ruhnau

Architect

The architect Claudia Ruhnau works together with Verena Dieckmann at VGP on planning co-ordination and authorisation management. Previously, she served as a project manager for Esprit Europe GmbH. Her focus was on store facade construction and the development of store concepts. In her leisure time, she likes being in the company of her husband, daughter, son and the family dog.

Karsten Schreiner

Purchasing Head Germany

Before being appointed Purchasing Head last September, Karsten Schreiner spent seven years in a similar position within the systematic industrial construction section of a large general contractor. He trained as an industrial clerk and has one son. In his free time, he plays golf and – like many of his colleagues at VGP – loves travelling.



Kerstin Vögel

Project assistant

Kerstin Vögel worked in Munich, Portugal, Ireland and Hamburg before joining VGP in Düsseldorf. She got her start in the construction business and project management with the building of new hotels. She was born in Munich, and since April 2017 the project team at Düsseldorf has been benefitting from her experience. She loves nature, fine food and the island of Amrum.

Tanja Witt

Assistant at the Sales Department

In April 2017, Tanja Witt joined the VGP team in Düsseldorf as an assistant at the Sales Department. Previously, the trained construction office clerk had worked for a general contractor in Düsseldorf. She later worked as an executive assistant at a project developer in Wuppertal. Her passion is travelling.



Pavla Zadáková

Accounting Department

Pavla has worked for VGP since last November as an accountant. Pavla studied economics at the Technical University of Liberec and Karelia University of Applied Sciences in Joensuu, Finland. In her free time, Pavla is a passionate traveller and especially likes exploring new places. She also enjoys spending time with her friends and family. Pavla speaks English and is a student of Spanish.

Purchasing Department Team

VGP Industriebau in Düsseldorf

Most customers know **Luisa Wolf** as a receptionist, in which position she worked for two years. Since early April 2017, she has been an assistant on the purchasing team.

Tammy Ströde has worked on the purchasing team since March 2017. After graduating at Oldenburg in industrial engineering with a focus on construction, she spent five years as a project manager at a general contractor. A skilled horsewoman, she enjoys spending her leisure time with her horses. Moreover, she likes listening to music and travelling.

Since April 2017, **Silke Böhm** has been in charge of controlling. She trained as an industrial clerk and construction business administrator. After joining VGP, she was responsible for commercial management of key construction projects. Moreover, she was responsible for trainees in this area. She is very keen on gardening, but when on vacation she prefers



cycling on the North Frisian Islands and breathing the fresh Scandinavian air. **Christoph Flier** joined the Purchasing Department in October 2014 (Location³ Magazine 10/2015). **Nils Zimmermann** started at VGP in July 2016. An industrial and construction engineer, he has

experience in managing infrastructure projects and spent several years on the purchasing and contract management team of a medium-sized general contractor. He appreciates spending free time with his family and friends, and he enjoys beach volleyball.



Facility Management Team

VGP in Düsseldorf

Monika Müller has been on the Facility Management Team since January 2017. After training as a wholesale and international trade specialist, she worked in purchasing

for 11 years and in controlling and administration for more than three years. She is fond of shopping and loves travelling when she is on vacation. Since July 2016, **Konrad Helbig** has served as a Regional Head Northeast and currently is in charge of managing four facilities. After training as a plumber, he studied building services engineering in Dresden. In 2000, he started working

as a construction manager for building services at a large general contractor in Detmold. Born in Dresden, he is into sports and spends his leisure time with family and friends. **Lena Richter** joined the VGP Facility Management Team in August 2016. She comes from Rheinberg, trained as a real estate agent, and is now developing her qualifications in this field. When her working hours are over, she prefers spending time with her family, friends and her horse. **Ansgar Schade** has served as Regional Head Southwest for VGP Facility Management since March 2016 (Location³ Magazine 12/2016). Since October 2016, **Ria Pante** has been in charge of Property and Facility Management in Germany at VGP PM Services. After graduating in International Facility Management at Münster, she started her career as an assistant to the management of FAC'T, a facility management company focused on hospitals and healthcare facilities. In the past 5-1/2 years, she was responsible for facility management consulting at fmsc. In her leisure time, she is involved in her local church community and enjoys travelling.

Brand Story

Concept, team and logistics

keys to Mango's success

Mango, the Spanish fashion group, has big plans and goals. It already has around 2,200 stores in 110 countries. Mango aims to have one or more stores in every major city on the planet



“Our people are absolutely key to Mango’s success. We strive to cultivate a pleasant and friendly environment in which employees bring a positive attitude to their work.”

Daniel López
Executive Vice-President of Mango

Founded by Isak Andic in 1984 with its first store on the iconic Paseo de Gracia in Barcelona, this fashion retailer has a formula for its phenomenal success, and that formula is built on three pillars: concept, team and logistics.

The concept is painstakingly defined and is intended to differentiate Mango from the competition. It joins a high-quality product with an original design and a coherent, unified brand image. The Mango look is directed to dressing young, modern, urban women. It is original while at the same time in tune with the latest trends in fashion. Mango designs clothing women can wear every day, and that means it includes casual and formal collections. The look is in all cases distinctly Mango, but it is also adapted according to the demands of each market.

Mango’s team includes over 16,000 employees. A recent calculation showed that the employees’ average age is about 30 and some 80% of them are female. That means they really know their target customers. “Our people are absolutely key to Mango’s success,” emphasises Daniel López, Executive Vice-President of Mango. “We strive to cultivate a pleasant and friendly environment in which employees bring a positive attitude to their work.

Hierarchy is kept to a minimum, and we expect everybody to contribute their ideas, to meet new challenges head on, and to function as a team that recognises collectively what is necessary and works energetically together to get it done. Showing mutual respect in the work place is of course also very important. It’s the same story in our stores,” López goes on. “The staff in every store must be absolutely professional, dynamic, team-workers. They have to understand the collections, the clothes, the brand image.”

The final pillar is logistics. Just the sheer number of stores that must be supplied makes the challenge daunting enough, but logistics is not only about keeping the shelves and racks full. It is important to have the right clothes in the stores at any given time



MANGO

so as to make sure the inventory is moving out the door and while not overburdening the franchisees with excessive and costly inventories.

“The Mango Logistics System is based on speed, precisely defined information, and advanced technology,” López explains. “Every store should have the goods it needs when it needs them. That means sales forecasting is important, rotation speed is determined. All of this needs to be co-ordinated, too, of course, with the production and design.”

Mango has just opened a new, 180,000 m² logistics centre at Lliçà d’Amunt, north of Barcelona. The technology in use there is absolutely state-of-the-art, but it also is completely unique to Mango. Logistics robots help with the work of handling

as many as 75,000 clothing units per hour. The logistics processes are unified across the Mango Group and the entire Mango network of stores worldwide is served out of this central location (*See accompanying interview with Daniel López*).

Design, too, is centralised and executed on a massive scale. Mango’s El Hangar Design Centre, also near Barcelona, is the biggest of its kind in Europe. With a total surface area of 10,000 m², El Hangar is the work place for more than 700 professionals dedicated to creating fashion garments and accessories for women. By the way, one must not forget that Mango also has fashionable clothing to meet the everyday needs of men. The men’s brand was originally launched in 2008.

Man or woman, the final customer’s point of contact with the Mango organisation is the all-important Mango store. The stores are immediately recognisable anywhere in the world.

“The Mango Logistics System is based on speed, precisely defined information, and advanced technology. Every store should have the goods it needs when it needs them.”

Daniel López
Executive Vice-President of Mango



Mango, Barcelona



Mango, Madrid

Mango sends out advisors to assist in designing every new store, determining the optimal mix of clothing and accessories, and training the sales and management team. Headquarters also assists storeowners in regularly changing the stores' window displays and provides advice on how best to display the various items.

The stores are always opened in prime locations, either in shopping centres or in city centres. Coming up with the concept and executing a Mango store project can involve as many as 100 professionals in a multidisciplinary team of interior designers, architects, project managers, engineers, industrial designers, administrative employees and managers. The overriding objective is to create a pleasant environment in which customers can enjoy a uniquely Mango shopping experience.

Like fashion itself, retailing is constantly changing. That means the shopping experience and the stores must also change. “The company is undergoing a major transformation in many of its most important aspects,” López relates. “We are changing our retail model towards larger stores. These megastores stock the women’s, men’s and kids’ collections alongside one another. Since 2013, we have opened approximately 200 megastores.”

“We have also evolved our ‘fast fashion’ model,” he continues, “with new collections arriving constantly to our stores. We react much faster to the needs of the market and to the demands of our customers. We also are changing our image in every sense – communication, stores and collections – in order to make Mango a very fashionable and contemporary brand.”

One thing that has not changed is the Mango organisation’s drive to grow, and that means the logistics aspects of its operations have never been more crucial. “The opening of our new logistics centre in Lliçà will allow us to achieve our goals for expansion and speed in the distribution of our collections in the coming years,” Lopez assures.



Dreams

Prague Spring enchants music lovers from all around the world

Prague is rightly regarded as a Central European focal point of the arts and culture. The Prague Spring International Music Festival is a testament to this. For good reason, it is considered one of the most important cultural events across the entire Czech Republic

Promising hope for a better future

The origin of the festival is itself remarkable. It got its start at a time when many things seemed to be “re-born” and promising hope for a better future: in 1946, the first anniversary of the end of the war in Europe. Another anniversary in that same year was an ideal complement to the “peace festival”, as 1946 also marked 50 years from the founding of the Czech Philharmonic. At the time, no less than Leonard Bernstein was one of the guests of the premiere. Bernstein was still at the very beginning of his career in those days and was performing in Europe for the first time.

Bridge between East and West

The initiator of the festival was Rafael Kubelik, who was then chief conductor of the Czech Philharmonic. Especially in the immediate post-War

years and during the Cold War, the Prague Music Festival turned out to be a magnet for international audiences as well as a cultural bridge between East and West. In the view of such notables as Kurt Masur, it even was one of the most important of linkages in those days.

Opportunity for young musicians

Already in 1947, the festival was complemented by the Prague Spring International Music Competition, a contest of the highest musical standard. This event in particular gave many young musicians opportunity to present themselves in front of an international and high-profile audience, and thus perhaps to take the first and most important step in advancing their careers. Among others, such greats as Mstislav Rostropovich, James Galway, Maurice Bourgue, Natalia Gutman, and the Smetana Quartet began their careers here. Also among the festival’s guests were Yehudi Menuhin, Artur Schnabel, Elisabeth Schwarzkopf, Luciano Pavarotti and Peter Dvorsky.

45 Concerts at Prague’s magical venues

In 2017, too, the “Prague Spring” has lost none of its attractiveness. Once

again, a total of 45 concerts and the supporting programme will delight both friends of orchestral sounds and fans of chamber music equally. New music likewise has its place here, as do radical reinterpretations of great works from past epochs.

The performance venues are no less spectacular than are the performers themselves. Amongst other locations, there will of course be concerts at the Prague Castle, but also in Smetana Hall of the famous Obecní dům, Dvořák Hall of the Rudolfinum, directly at the River Vltava, as well as in numerous other concert halls and churches. This year’s festival will be opened by the Argentinian–Israeli pianist and conductor Daniel Barenboim.

Prague Spring 2017

The musical spring, which will take place in Prague this year from 12 May to 2 June, will once again attract music lovers of all kinds and origins to the Czech capital and charm them with its distinctive atmosphere. For more information about the programme and tickets for the 72nd Prague Spring International Music Festival, go to: www.festival.cz/en/programme



Camerata Salzburg

photo © Piaciodi



Peter Ondjian

photo © Sian Richards



Daniel Barenboim

photo © Ivan Maly



Diana Damrau

photo © Eric Richmond

12. 5. –
2. 6. 2017

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PRAŽSKÉ JARO PRAGUE SPRING

72. mezinárodní hudební festival / 72nd International Music Festival

www.festival.cz Pod záštitou prezidenta České republiky. Ve spolupráci s Ministerstvem kultury České republiky. Partnerem festivalu je Městský úřad Praha. Under the patronage of the President of the Czech Republic. In association with the Ministry of Culture of the Czech Republic. The City of Prague is a Partner of the Festival.

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Do you need space?

Do you need space for your business? If so, you might be interested in what options are currently available to you. We have prepared a brief overview of the current offer for leasing warehousing, logistics and manufacturing space in our parks. Please do not hesitate to contact us in case of any additional questions and to arrange a personal meeting.

PROJECTS IN CZECH REPUBLIC	BUILDING	OFFICE AREA (m ²)	WAREHOUSE AREA (m ²)
VGP Park Tuchoměřice	A	125	1,600
	B	built to suit	4,000
VGP Park Ústí nad labem	P2	built to suit	5,184
	P7	built to suit	1,944
VGP Park Český Újezd	I	built to suit	5,000
VGP Park Olomouc	C	built to suit	10,585
	D	built to suit	2,257
	E	built to suit	3,721
	F	built to suit	33,460
	G3	built to suit	25,520
	H	built to suit	14,065
	I	built to suit	22,765
	J	built to suit	14,065
	K	built to suit	3,590
	L	built to suit	20,738
	J	built to suit	14,065
	K	built to suit	3,590
	L	built to suit	20,738
	VGP Park Chomutov	A	built to suit
B		built to suit	20,000

PROJECTS IN SLOVAKIA

VGP Park Malacky	B	built to suit	9,000
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PROJECTS IN ROMANIA

VGP Park Timisoara	C1	built to suit	20,000
	C2	built to suit	20,000

PROJECTS IN ESTONIA

VGP Park Nehatu	E	built to suit	6,400
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PROJECTS IN LATVIA

VGP Park Kekava	A	built to suit	34,560
	B	built to suit	25,920

PROJECTS IN GERMANY	BUILDING	OFFICE AREA (m ²)	WAREHOUSE AREA (m ²)
VGP Park Hamburg	A2.2	built to suit	11,808
	A3	built to suit	6,000
	B.3	built to suit	8,700
	E.5	built to suit	7,300
	E.6	built to suit	2,400
VGP Park Leipzig	A1	built to suit	6,900
	A2	built to suit	9,600
	C1	built to suit	2,375
	C2	built to suit	2,375
VGP Park Berlin	B	built to suit	8,448
	C	built to suit	25,600
VGP Park Berlin-Wustermark	A1	built to suit	12,855
	A2	built to suit	10,550
	B1	built to suit	28,800
	C1	built to suit	12,900
	C2	built to suit	6,200
VGP Park Wetzlar	A	built to suit	18,000
	B	built to suit	13,000
VGP Park Göttingen	A	built to suit	39,500
	B	built to suit	39,700

PROJECT IN SPAIN

VGP Park Mango	A	built to suit	42,480
	C	built to suit	31,680
VGP Park San Fernando de Henares	A	built to suit	22,180
	B	built to suit	37,150
	C1	built to suit	6,570
	C2	built to suit	6,570
	D1	built to suit	19,602
D2	built to suit	19,602	
E	built to suit	17,070	

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