



Press Release
Regulated Information

22 August 2016

Half year results 2016

- **Profit for the period of € 42.7 million (+ € 10.5 million compared to 30 June 2015)**
- **18.6% increase of committed annualised rental income to € 45.0 million¹ (+ € 7.0 million compared to 31 December 2015)**
- **87.5% growth in gross rental income (+ € 6.1 million) to € 13.1 million**
- **The signed committed lease agreements represent a total of 865,855 m²² of lettable area with the weighted average term of the committed leases standing at 7.4 years as at the end of June 2016 (7.5 years as at 31 December 2015)**
- **7 projects delivered during the first half of 2016 representing 139,955 m² of lettable area**
- **In addition 17 projects under construction representing 384,612 m² of future lettable area**
- **597,000 m² of new development land plots acquired and 600,000 m² new land plots under option to support the development pipeline and which are expected to be acquired during the second half of 2016**
- **Net valuation gain on the investment portfolio reaches € 65.1 million (against € 48.1 million at the end of June 2015)**
- **Establishment of a 50/50 joint venture (VGP European Logistics) with Allianz Real Estate and acquisition by the joint venture of the initial seed portfolio consisting of 15 parks from VGP for a transaction value in excess of € 500 million**
- **During the second half of the year there are a number of large transactions in the pipeline, which, if successfully completed, will have a significant positive impact on the annualised rental income and the weighted average term of the committed leases**

Summary

During the first half of 2016 VGP continued to perform strongly with development and leasing activities breaking previous record levels.

¹ Including VGP European Logistics (joint venture with Allianz Real Estate). As at 30 June 2016 the committed annualised rent income for VGP European Logistics stood at € 33.6 million.

² Including VGP European Logistics. As at 30 June 2016 the committed lease agreements of VGP European Logistics represent 655,568 m² of lettable area having a weighted average term of 7.5 years.

In order to sustain its growth over the medium term VGP entered into a 50/50 joint venture with Allianz Real Estate (VGP European Logistics) during the first quarter of 2016. The new joint venture will have 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.

At the end of May 2016, VGP European Logistics completed the acquisition of the initial seed portfolio from VGP which consisted of 15 parks 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 which are almost 100% occupied and are of high quality having for the majority been built over the last two years

The acquisition of the initial seed portfolio marks the start of a long term venture with Allianz Real Estate in Germany, the Czech Republic, Slovakia and Hungary. It is the intention of both partners to grow their venture exponentially in the near future.

During the first half of 2016 VGP's activities can be summarised as follows:

- The operating activities resulted in a net profit of € 42.7 million (€ 2.30 per share) for the period ended 30 June 2016 compared to a net profit of € 322 million (€ 1.73 per share) as at 30 June 2015.
- The net profit included the adverse effects of the long term interest rates which after the Brexit fell to bottom level and which resulted in an unrealised loss on interest rate derivatives of € 6.4 million as at 30 June 2016.
- The increase in demand of lettable area resulted in the signing of new lease contracts in excess of € 9.0 million in total of which € 7.0 million related to new leases and € 2.0 million related to the renewal of existing leases.
- The Group's property portfolio reached an occupancy rate of 97.8% at the end of June 2016 (including the VGP European Logistics joint venture) compared to 97.3% at the end of December 2015. The occupancy rate of the VGP European Logistics joint venture's portfolio reached 99.2% at the end of June 2016.
- The investment property portfolio currently consists of 10 completed buildings representing 130,321 m² of lettable area with another 17 buildings under construction representing 384,612 m² of lettable area.
- Besides this VGP partially owns through its VGP European Logistics joint venture another 31 buildings¹ which represent 561,306 m² of lettable area and for which asset-, property and facility management services are provided by the VGP Group.
- The net valuation of the property portfolio as at 30 June 2016 included a EUR 22.1 million realised valuation gain on the disposal of the property portfolio to the VGP Europe Logistics joint venture (jointly held with Allianz Real Estate) of which the first closing took place on 31 May 2016.

¹ 3 buildings were completed after 31 May 2016 and will be part of a second closing which will occur during the Q4 2016.

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- 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, after complying with the conflict of interest procedure in accordance with article 523 of the Belgian Companies Code.

Key figures

CONSOLIDATED INCOME STATEMENT – ANALYTICAL FORM <i>(in thousands of €)</i>	30.06.2016	30.06.2015
NET CURRENT RESULT		
Gross rental income	13,085	6,980
Service charge income / (expenses)	595	39
Property operating expenses	(1,099)	(540)
Net rental and related income	12,581	6,479
Property and facility management income	652	1,328
Property development income	225	317
Other income / (expenses) - incl. administrative costs	(5,258)	(6,164)
Share in the result of associates	(3,279)	5
Operating result (before result on portfolio)	4,921	1,965
Net financial result ¹	(8,263)	(2,458)
Revaluation of interest rate financial instruments (IAS 39)	(6,335)	-
Taxes	1,137	(2,862)
Net current result	(8,540)	(3,355)
RESULT ON PROPERTY PORTFOLIO		
Net valuation gains / (losses) on investment properties	65,127	48,059
Deferred taxes	(13,849)	(12,498)
Result on property portfolio	51,278	35,561
PROFIT FOR THE PERIOD	42,738	32,206
RESULT PER SHARE	30.06.2016	30.06.2015
Number of ordinary shares	18,583,050	18,583,050
Net current result per share (in €)	(0.46)	(0.18)
Net result per share (in €)	2.30	1.73

Gross rental income up 87.5% to € 13.1 million

The gross rental income reflects the full impact of the income generating assets delivered during 2016 and the deconsolidation of VGP European Logistics portfolio. This newly established joint venture with Allianz Real Estate acquired 15 parks from VGP at the end of May 2016. The gross rental income for the period ending 30 June 2016 increased by 87.5% to 13.1 million compared to € 7.0 million for the period ending 30 June 2015 compared to € 6.7 million for the period ending 30 June 2015.

¹ Excluding the revaluation of interest rate financial instruments.



The gross rental income of the VGP European Logistics portfolio for the period January 2016 to 31 May 2016 was EUR 9.4 million.

Committed annualised rental income increases to € 45.0 million

Supported by the continued increase in demand for lettable space in almost all of its markets VGP signed 29 new leases during the first half year. These contracts represent in total more than € 9.0 million annualised rental income of which € 7.0 million (19 lease agreements) relate to new leases and € 2.0 million (10 lease agreements) relate to the renewal of existing leases.

The annualised committed leases therefore increased to € 45.0 million¹ as at the end of June 2016 (compared to € 38.0 million as at 31 December 2015)

Germany was the main driver of the growth in committed leases with € 4.9 million of new leases signed during the first half year. Meanwhile, final contract negotiations are on-going with several blue chip retailers which, when closed, will have a significant positive impact on the weighted average lease term and the committed annual rental income.

The other countries also performed very well with new leases being signed in the Czech Republic + € 1.4 million, in Slovakia + € 1.1 million, in Estonia + € 1.1 million and finally in Romania + € 0.5 million. In Spain two major transactions are currently in final negotiations which, if materialised, will have a significant impact on the Group's annualised rental income and balance sheet.

The signed committed lease agreements (including VGP European Logistics) represent a total of 865,855 m²² of lettable area with the weighted average term of the committed leases standing at 7.4 years³ as at the end of June 2016 compared to 7.5 years as at 31 December 2015.

Property and facility management income reaches € 07 million

The property and facility management income reached € 0.7 million for the period compared to € 1.3 million for the period ending June 2015.

The decrease in the property and facility management income is mainly due to the termination of the property and facility management agreement with P3 in October 2015. The asset management, property management and development management activities will result in an increased contribution to the result of the VGP Group benefitting from the growth of the joint venture's real estate portfolio.

Net valuation gain on the property portfolio reaches € 65.1 million

As at 30 June 2016 the net valuation gains on the property portfolio reaches € 65.1 million against a net valuation gain of € 48.1 million per 30 June 2015.

On 31 May 2016 the VGP European Logistics joint venture completed the acquisition of 15 parks (Seed portfolio) from VGP which comprised 28 logistic and semi-industrial buildings. The transaction resulted in an additional realised valuation gain of € 22.1 million.

The trend of increasingly lower yields maintained in real estate valuations continued to persist during the first half of 2016. However due to the change of portfolio mix, following the divestment of the seed

¹ € 33.6 million related to VGP European Logistics

² 655,568 m² related to VGP European Logistics

³ As at 30 June 2016 the committed lease agreements of VGP European Logistics has a weighted average term of 7.5 years.

VGP

portfolio to VGP European Logistics, the own property portfolio, excluding development land, is being valued by the valuation expert at 30 June 2016 based on a weighted average yield rate of 7.71% (compared to 7.02% as at 31 December 2015 and 7.42% as at 30 June 2015) applied to the contractual rents increased by the estimated rental value on un-let space.

The (re)valuation of the own portfolio was based on the appraisal report of Jones Lang LaSalle.

Share in the result of joint ventures and associates

As at 30 June 2016 the share in the joint ventures and associates recorded a negative balance of € 3.3 million which was mainly driven by a € 2.2 million negative fair value on interest rate derivatives.

Net financial expenses reach € 14.6 million

For the period ending 30 June 2016, the financial income was € 0.6 million (€ 3.1 million as at 30 June 2015) and included € 0.5 million interest income on loans granted to VGP European Logistics and a € 0.1 million unrealised gain on interest rate derivatives (€ 3.0 million as at 30 June 2015).

The reported financial expenses as at 30 June 2016 are mainly made up of € 6.5 million interest expenses related to financial debt (€ 5.0 million as at 30 June 2015), € 6.4 million unrealised losses on interest rate derivatives, € 2.6 million other financial expenses (€ 1.5 million as at 30 June 2015) mainly relating to the amortisation of the transactions costs of the 2 bonds issued during 2013 and the additional financial costs incurred in respect from the sale the initial seed portfolio to VGP European Logistics, € 0.1 million of net foreign exchange losses (compared to € 0.1 million net foreign exchange gains as at 30 June 2016) and a positive impact of € 0.5 million (€ 1.0 million per 30 June 2015) related to capitalised interests.

As a result the net financial expenses reached € 14.6 million as at 30 June 2016 compared to € 2.5 million as at 30 June 2015.

Shareholder loans to VGP European Logistics amounted to € 107.5 million as at 30 June 2016 of which € 99.8 million was related to financing of the buildings under construction and development land held by the VGP European Logistics joint venture. Under the joint venture agreement 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. Consequently these assets have been classified as investment properties (Disposal group held for sale) using the accounting principles applicable to Investment Properties.

The gearing ratio¹ of the Group remains conservative and stood at 23.5% at the end of June 2016 compared to a gearing level of 35.7% as at 31 December 2015.

Evolution of the property portfolio

The fair value of the own investment property decreased with 38.7% from € 677.1 million² as at 31 December 2015 to € 415.1 million as at 30 June 2016 mainly driven by the divestment of the income generating assets to the VGP European Logistics joint venture.

¹ Gearing calculated as “net debt / total equity and liabilities”.

² Before reclassification to “Disposal Group held for sale”. The investment property amount after such reclassification amounts to € 174.0 million as at 31 December 2015 and € 258.1 million as at 30 June 2016.



Completed projects

During the first half of 2016, 7 buildings were completed totalling 139,955 m².

These buildings were delivered in following locations. In Germany: 2 buildings totalling 68,129 m² in VGP Park Rodgau and 1 building of 15,065 m² in VGP Park Hamburg. In the other countries: 1 building of 3,840 m² in VGP Park Plzen (Czech Republic), 1 building of 12,665 m² in VGP Park Malacky (Slovakia), 1 building of 17,565 m² in VGP Park Timisoara (Romania) and finally 1 building of 22,892 m² in VGP Park Alsonemedi (Hungary).

Projects under construction

At the end of June 2016 VGP has the following 10 new buildings under construction for its own account: In Germany: 1 building in VGP Park Soltau, 1 building in VGP Park Berlin and 1 building in VGP Park Leipzig. In the Czech Republic: 1 building in VGP Park Tuchomerice, 2 buildings in VGP Park Cesky Ujezd, 1 building in VGP Park Liberec and 1 building in VGP Park Olomouc. In the other countries: 1 building in VGP Park Nehatu (Estonia) and finally 1 building in VGP Park Timisoara (Romania). The new buildings under construction on which several pre-leases have already been signed, represent a total future lettable area of 212,836 m².

For the VGP European Logistics joint venture, VGP was developing and hence pre-financing 7 new buildings at the end of June 2016:

In Germany: 2 buildings in VGP Park Hamburg, 1 building in VGP Park Rodgau, 1 building in VGP Park Frankenthal and 1 building in VGP Park Bobenheim-Roxheim. In the other countries: 1 building in VGP Park BRNO (Czech Republic) and finally 1 building in VGP Park Malacky (Slovakia). The new buildings under construction on which also several pre-leases have already been signed, represent a total future lettable area of 171,776 m².

The aforementioned projects will be part of a second closing with VGP European Logistics which will occur during the fourth quarter of 2016.

Land bank

During the first half year of 2016, VGP continued to target land plots to support the development pipeline for future growth. In 2016, VGP already acquired 597,000 m² of new development land of which 333,000 m² was located in Germany and 264,000 m² located in the Czech Republic. These new land plots allow VGP to develop approximately 278,000 m². Besides this VGP has another 600,000 m² of new land plots under option which are located in Spain and Slovakia. These land plots have a development potential of approx. 428,000 m² of new lettable areas. These remaining land plots are expected to be acquired, subject to permits, during the course of 2016.

VGP has currently a land bank in full ownership of 2,318,588 m². The land bank allows VGP to develop besides the current completed projects and projects under construction a further 651,000 m² of lettable area of which 351,000 m² in Germany, 217,000 m² in the Czech Republic, and 83,000 in the other countries.

Hybrid securities

Following the completion of the acquisition of the initial seed portfolio by the new joint venture with Allianz Real Estate at the end of May 2016 (VGP European Logistics); the board of directors approved

the redemption 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, after complying with the conflict of interest procedure in accordance with article 523 of the Belgian Companies Code. The redemption took place on 1 June 2016.

Risk Factors

The overview of the most significant risks to which the VGP Group is exposed to can be found on page 42 to 43 of the Annual Report 2015. These risks remain actual and valid and will continue to apply for the remainder of the financial year.

Outlook 2016

Based on the positive trend in the demands for lettable area recorded by VGP during 2016, and provided there are no unforeseen events of economic and financial markets nature, VGP should be able to continue to substantially expand its rent income and property portfolio through the completion and start-up of additional new buildings.

During the second half of 2016 VGP will continue to review its sources of funding and funding strategy in order to enable the Group to continue to invest in the expansion of the land bank to support its development activities as well as to maximise shareholder value.

For more information

Mr Jan Van Geet

CEO

Tel. + 420 602 404 790

E-mail: jan.van.geet@vgpparks.eu

Mr Dirk Stoop

CFO

Tel.+32 52 45 43 86

E-mail: dirk.stoop@vgpparks.eu

Profile

VGP (www.vgpparks.eu) constructs and develops high-end semi-industrial real estate and ancillary offices for its own account and for the account of its VGP European Logistics joint venture, 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.

CONDENSED INTERIM FINANCIAL STATEMENTS¹

1. CONDENSED CONSOLIDATED INCOME STATEMENT

For the year period 30 June

INCOME STATEMENT (in thousands of €)	30.06.2016	30.06.2015
Revenue ²	17,004	10,165
Gross rental income	13,085	6,980
Service charge income	3,042	1,540
Service charge expenses	(2,447)	(1,501)
Property operating expenses	(1,099)	(540)
Net rental income	12,581	6,479
Property and facility management income	652	1,328
Property development income	225	317
Net valuation gains / (losses) on investment properties	65,127	48,059
Administration expenses	(4,904)	(5,783)
Other income	233	201
Other expenses	(587)	(582)
Share in result of joint ventures and associates	(3,279)	5
Operating profit / (loss)	70,048	50,024
Financial income	558	3,050
Financial expenses	(15,156)	(5,508)
Net financial result	(14,598)	(2,458)
Profit before taxes	55,450	47,566
Taxes	(12,712)	(15,360)
Profit for the period	42,738	32,206
Attributable to:		
Shareholders of VGP NV	42,738	32,206
Non-controlling interests	-	-

RESULT PER SHARE	30.06.2015	30.06.2015
Basic earnings per share (in €)	2.30	1.73
Diluted earnings per share (in €)	2.30	1.73
Basic earnings per share – after correction of reciprocal interest through associates (in €)	2.35	1.77

¹ The condensed interim consolidated financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union

² Revenue is composed gross rental income, service charge income, property and facility management income and property development income.

2. CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the period ended 30 June

STATEMENT OF COMPREHENSIVE INCOME (in thousands of €)	30.06.2016	30.06.2015
Profit for the period	42,738	32,206
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>	-	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>	-	-
Other comprehensive income for the period	-	-
Total comprehensive income / (loss) of the period	42,738	32,206
Attributable to:		
Shareholders of VGP NV	42,738	32,206
Non-controlling interest	-	-

3. CONDENSED CONSOLIDATED BALANCE SHEET For the period ended

ASSETS (in thousands of €)	30.06.2016	31.12.2015
Goodwill	631	631
Intangible assets	18	12
Investment properties	258,136	173,972
Property, plant and equipment	345	378
Non-current financial assets	-	216
Investments in joint ventures and associates	73,925	(103)
Other non-current receivables	7,991	-
Deferred tax assets	76	89
Total non-current assets	341,122	175,195
Trade and other receivables	17,810	4,927
Cash and cash equivalents	51,751	9,825
Disposal group held for sale	157,028	527,361
Total current assets	226,589	542,113
TOTAL ASSETS	567,711	717,308

SHAREHOLDERS' EQUITY AND LIABILITIES (in thousands of €)	30.06.2016	31.12.2015
Share capital	62,251	62,251
Retained earnings	279,437	239,658
Other reserves	69	69
Other equity	-	60,000
Shareholders' equity	341,757	361,978
Non-current financial debt	170,497	170,800
Other non-current financial liabilities	7,064	967
Other non-current liabilities	504	405
Deferred tax liabilities	10,684	8,247
Total non-current liabilities	188,749	180,419
Current financial debt	7,344	3,522
Trade debts and other current liabilities	20,388	10,342
Liabilities related to disposal group held for sale	9,473	161,047
Total current liabilities	37,205	174,911
Total liabilities	225,954	355,330
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	567,711	717,308

4. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 30 June

STATEMENT OF CHANGES IN EQUITY <i>(in thousands of €)</i>	Statutory share capital	Capital reserve	IFRS share capital				
				Retained earnings	Share premium	Other equity	Total equity
Balance as at 1 January 2015	112,737	(50,486)	62,251	153,097	69	-	215,417
Other comprehensive income / (loss)	-	-	-	-	-	-	-
Result of the period	-	-	-	32,206	-	-	32,206
Effect of disposals	-	-	-	-	-	-	-
Total comprehensive income / (loss)	-	-	-	32,206	-	-	32,206
Dividends to shareholders	-	-	-	-	-	-	-
Share capital distribution to shareholders	-	-	-	-	-	-	-
Hybrid securities	-	-	-	-	-	-	-
Balance as at 30 June 2015	112,737	(50,486)	62,251	185,303	69	-	247,623
Balance as at 1 January 2016	112,737	(50,486)	62,251	239,658	69	60,000	361,978
Other comprehensive income / (loss)	-	-	-	-	-	-	0
Result of the period	-	-	-	42,738	-	-	42,738
Effect of disposals	-	-	-	-	-	-	-
Total comprehensive income / (loss)	-	-	-	42,738	-	-	42,738
Dividends to shareholders	-	-	-	-	-	-	0
Share capital distribution to shareholders	-	-	-	-	-	-	0
Hybrid securities	-	-	-	(2,959)	-	(60,000)	(62,959)
Balance as at 30 June 2016	112,737	(50,486)	62,251	279,437	69	-	341,757

5. CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the period ended 30 June

CASH FLOW STATEMENT (in thousands of €)	30.06.2016	30.06.2015
<i>Cash flows from operating activities</i>		
Profit before taxes	55,450	47,566
<i>Adjustments for:</i>		
Depreciation	258	96
Unrealised (gains) / losses on investment properties	(42,997)	(48,055)
Realised (gains) / losses on disposal of subsidiaries and investment properties	(22,131)	(4)
Unrealised (gains) / losses on financial instruments and foreign exchange	6,462	(2,722)
Interest (received)	(516)	(32)
Interest paid	8,653	1,696
Share in (profit)/loss of joint ventures and associates	3,279	5
Operating profit before changes in working capital and provisions	8,458	(1,450)
Decrease/(Increase) in trade and other receivables	(4,324)	(694)
(Decrease)/Increase in trade and other payables	18,794	(13,126)
Cash generated from the operations	22,928	(15,270)
Interest received	516	32
Interest (paid)	(8,653)	(1,696)
Income taxes paid	(225)	(99)
Net cash from operating activities	14,566	(17,033)
<i>Cash flows from investing activities</i>		
Proceeds from disposal of subsidiaries	155,911	-
Proceeds from disposal of tangible assets	36	1
Acquisition of subsidiaries	(148)	(52)
(Loans provided to) / loans repaid by joint ventures and associates	0	-
Investment property and investment property under construction	(84,279)	(26,993)
Net cash used in investing activities	71,520	(27,044)
<i>Cash flows from financing activities</i>		
Gross dividends paid	-	-
Net Proceeds / (cash out) from the issue / (repayment) hybrid instruments	(62,959)	-
Proceeds from loans	50,009	32,830
Loan repayments	(50,715)	(1,812)
Net cash used in financing activities	(63,665)	31,018
Net increase / (decrease) in cash and cash equivalents	22,421	(13,059)
Cash and cash equivalents at the beginning of the period	9,825	43,595
Effect of exchange rate fluctuations	176	50
Reclassification to (-) / from held for sale	19,329	-
Cash and cash equivalents at the end of the period	51,751	30,586

6. NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the period ended 30 June

1 Basis of preparation

The condensed interim financial statements have been prepared in accordance with IAS 34 “Interim Financial Reporting”, as adopted by the European Union. The consolidated financial information was approved for issue on 18 August 2016 by the Board of Directors.

2 Significant accounting policies

The condensed interim financial statements are prepared on a historic cost basis, with the exception of investment properties and investment property under construction as well as financial derivatives which are stated at fair value. All figures are in thousands of Euros (*EUR '000*).

The accounting policies adopted are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2015 except for following new standards, amendments to standards and interpretations which became effective during the first half year of 2016:

- Improvements to IFRS (2010-2012) (applicable for annual periods beginning on or after 1 February 2015);
- Improvements to IFRS (2012-2014) (applicable for annual periods beginning on or after 1 January 2016);
- Amendments to IFRS 11 *Joint Arrangements - Accounting for Acquisitions of Interests in Joint Operations* (applicable for annual periods beginning on or after 1 January 2016)
- Amendments to IAS 1 *Presentation of Financial Statements – Disclosure Initiative* (applicable for annual periods beginning on or after 1 January 2016);
- Amendments to IAS 16 and IAS 38 *Property, Plant and Equipment and Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortisation* (applicable for annual periods beginning on or after 1 January 2016);
- Amendments to IAS 19 *Employee Benefits – Employee Contributions* (applicable for annual periods beginning on or after 1 February 2015)
- Amendments to IAS 27 *Separate Financial Statements – Equity Method* (applicable for annual periods beginning on or after 1 January 2016)

The initial recognition of the above new standards did not have a material impact on the financial position and performance of the Group.

Following the entering of the 50/50 joint venture with Allianz Real Estate following new accounting policy was adopted:

- *Disposal of controlling interest in a subsidiary to an associate or joint venture*

In accordance with IFRS 10.25 upon disposal of a controlling interest in a subsidiary to an Associate or Joint Venture, the company derecognizes the assets and liabilities of the subsidiary (including non-controlling interests) in full and measures any investment retained in the former subsidiary at its fair value. The re-measurement gain or loss that forms part of the total gain or loss on the disposal of the subsidiary is recognised in profit or loss. Management believes applying IFRS 10.25, and hence to recognize the re-measurement gain or loss in full provides the most relevant information.

3 Segment information

The chief operating decision maker is the person that allocates resources to and assesses the performance of the operating segments. The Group has determined that its chief operating decision-maker is the chief executive officer (CEO) of the Company. He allocates resources to and assesses the performance at country level.

VGP

The basic segmentation for segment reporting within VGP is by geographical region. This basic segmentation reflects the geographical markets in Europe in which VGP operates. VGP's operations are split into the individual countries where it is active. This segmentation is important for VGP as the nature of the activities and the customers have similar economic characteristics within those segments.

Business decisions are taken at that level and various key performance indicators (such as rental income, - activity, occupancy and development yields) are monitored in this way as VGP primarily focuses on developing and letting logistical sites. A second segmentation basis is based on the split of income on the property and facility management as well as the development activities carried out on behalf of the joint ventures and associates.



Segment information – Czech Republic, Germany and other countries

Income statement	Czech Republic		Germany		Other countries		Unallocated amounts		Total	
	30.06.2016	30.06.2015	30.06.2016	30.06.2015	30.06.2016	30.06.2015	30.06.2016	30.06.2015	30.06.2016	30.06.2015
<i>In thousands of €</i>										
Gross rental income	3,271	2,218	5,574	1,625	4,240	3,137	-	-	13,085	6,980
Service charge income / (expenses)	124	75	251	(132)	220	96	-	-	595	39
Property operating expenses	(159)	(186)	(639)	(150)	(301)	(204)	-	-	(1,099)	(540)
Net rental income	3,236	2,107	5,186	1,343	4,159	3,029	-	-	12,581	6,479
Property and facility management income	469	1,195	46	2	137	131	-	-	652	1,328
Property development income	-	287	225	30	-	-	-	-	225	317
Net valuation gains / (losses) on investment property	11,032	8,406	13,814	32,506	1,178	7,147	39,103	-	65,127	48,059
Other income / (expenses)- incl. administrative costs	(1,053)	(1,733)	(1,713)	(1,250)	(1,562)	(293)	(930)	(2,886)	(5,258)	(6,162)
Share in the result of associates	-	-	-	-	-	-	(3,279)	5	(3,279)	5
Operating profit / (loss)	13,684	10,262	17,558	32,631	3,912	10,014	34,894	(2,881)	70,048	50,026
Net financial result	-	-	-	-	-	-	(14,598)	(2,458)	(14,598)	(2,458)
Taxes	-	-	-	-	-	-	(12,712)	(15,360)	(12,712)	(15,360)
Profit for the year	-	-	-	-	-	-	42,738	32,206	42,738	32,206

Balance sheet	Czech Republic		Germany		Other countries		Unallocated amounts		Total	
	30.06.2016	31.12.2015	30.06.2016	31.12.2015	30.06.2016	31.12.2015	30.06.2016	31.12.2015	30.06.2016	31.12.2015
<i>In thousands of €</i>										
Assets										
Investment properties	72,432	47,167	106,528	53,228	79,176	73,577	-	-	258,136	173,972
Other assets (incl. deferred tax)	3,401	2,785	12,152	617	4,114	3,574	132,880	8,999	152,547	15,975
Disposal group held for sale	8,799	106,139	135,454	333,887	12,775	87,335	-	-	157,028	527,361
Total assets	84,632	156,091	254,134	387,732	96,065	164,486	132,880	8,999	567,711	717,308
Shareholders' equity and liabilities										
Shareholders' equity	-	-	-	-	-	-	341,757	361,978	341,757	361,978
Total liabilities	-	-	-	-	-	-	216,481	194,283	216,481	194,283
Liabilities related to disposal group held for sale	-	-	-	-	-	-	9,473	161,047	9,473	161,047
Total shareholders' equity and liabilities	-	-	-	-	-	-	567,711	717,308	567,711	717,308

Segment information – Other Countries

Income statement	Estonia		Slovakia		Hungary		Romania		Other		Total	
	30.06.2016	30.06.2015	30.06.2016	30.06.2015	30.06.2016	30.06.2015	30.06.2016	30.06.2015	30.06.2016	30.06.2015	30.06.2016	30.06.2015
<i>In thousands of €</i>												
Gross rental income	1,093	1,220	1,094	458	963	951	1,090	508	-	-	4,240	3,137
Service charge income / (expense)	(7)	(23)	60	12	30	41	137	67	-	(1)	220	96
Property operating expenses	(21)	(89)	(155)	(40)	(70)	(60)	(46)	(6)	(9)	(9)	(301)	(204)
Net rental income	1,065	1,108	999	430	923	932	1,181	569	(9)	(10)	4,159	3,029
Property and facility management income	-	98	11	5	-	28	-	-	126	-	137	131
Property development income	-	-	-	-	-	-	-	-	-	-	-	-
Net valuation gains / (losses) on investment property	(16)	3,431	-	2,768	-	52	1,194	546	-	350	1,178	7,147
Other income / (expenses)- incl. administrative costs	(121)	(9)	(627)	(60)	(370)	(47)	(215)	(95)	(229)	(82)	(1,562)	(293)
Share in the result of associates	-	-	-	-	-	-	-	-	-	-	-	-
Operating profit / (loss)	928	4,628	383	3,143	553	965	2,160	1,020	(112)	258	3,912	10,014
Net financial result	-	-	-	-	-	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	-	-	-	-	-	-

Income statement	Estonia		Slovakia		Hungary		Romania		Other		Total	
	30.06.2016	31.12.2015	30.06.2016	31.12.2015	30.06.2016	31.12.2015	30.06.2016	31.12.2015	30.06.2016	31.12.2015	30.06.2016	31.12.2015
<i>In thousands of €</i>												
Assets												
Investment properties	40,971	39,776	628	56	0	0	29,846	26,021	7,731	7,723	79,176	73,576
Other assets (incl. deferred tax)	1,010	1,157	151	14	112	10	1,881	1,369	960	1,024	4,114	3,574
Disposal group held for sale	0	0	10,836	43,078	1,939	44,258	0	0	0	0	12,775	87,336
Total assets	41,981	40,933	11,615	43,148	2,051	44,268	31,727	27,390	8,691	8,747	96,065	164,486
Shareholders' equity and liabilities												
Shareholders' equity	-	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Liabilities related to disposal group held for sale	-	-	-	-	-	-	-	-	-	-	-	-
Total shareholders' equity and liabilities	-	-	-	-	-	-	-	-	-	-	-	-

4 Revenue

<i>In thousands of €</i>	30.06.2016	30.06.2015
Rental income from investment properties	13,069	7,723
Rent incentives	16	(743)
Total gross rental income	13,085	6,980
Property management income	413	720
Facility management income	239	608
Property development income	225	317
Service charge income	3,042	1,540
Total revenue	17,004	10,165

The Group leases out its investment property under operating leases. The operating leases are generally for terms of more than 5 years. At the end of June 2016 the Group had committed annualised rent income of €45.0 million¹ (€38.0 million as at 31 December 2015).

The committed annual rent income represents the annualised rent income generated or to be generated by executed lease – and future lease agreements. This resulted in following breakdown of future lease income on an annualised basis (including the VGP European Logistics joint venture):

<i>In thousands of €</i>	30.06.2016	31.12.2015
Less than one year	44,288 ²	37,713
Between one and five years	150,114 ³	128,461
More than five years	138,567 ⁴	117,661
Total	332,969⁵	283,835

5 Net valuation gains / (losses) on investment properties

<i>In thousands of €</i>	30.06.2016	30.06.2015
Unrealised valuation gains / (losses) on investment properties	25,533	48,055
Unrealised valuation gains / (losses) on disposal group held for sale	17,463	-
Realised valuation gains / (losses) on disposal of subsidiaries	22,131	5
Total	65,127	48,060

The total own property portfolio, excluding development land, is valued by the valuation expert at 30 June 2016 based on a weighted average yield rate of 7.71% (compared to 7.02% as at 31 December 2015 and 7.42% as at 30 June 2015) applied to the contractual rents increased by the estimated rental value on un-let space. A 0.10% variation of this market yield would give rise to a variation of the total own portfolio value of € 27 million. The increase of the weighted average yield was mainly due to a change of the portfolio mix especially the decrease of the German assets which are now held by the VGP European Logistic joint venture.

¹ € 33.6 million related to VGP European Logistics

² € 32,868k related to VGP European Logistics

³ € 110,309k related to VGP European Logistics

⁴ € 107,633k related to VGP European Logistics

⁵ € 250,810k related to VGP European Logistics

6 Share in the results of joint ventures and associates

<i>In thousands of €</i>		30.06.2016	30.06.2015
VGP European Logistics S.a r.l.	Joint venture	(3,387)	-
Snow Crystal S.a.r.l.	Associate	96	-
SUN S.a.r.l.	Associate	12	5
Total		(3,279)	5

The result of VGP European Logistics included a € 30 million unrealised loss on interest rate derivatives as at 30 June 2016.

7 Net financial costs

<i>In thousands of €</i>		30.06.2016	30.06.2015
Bank interest income		-	15
Interest income - loans to joint ventures and associates		517	-
Unrealised gains on interest rate derivatives		42	2,963
Net foreign exchange gains		-	56
Other financial income		-	16
Financial income		558	3,050
Bond interest expense		(4,182)	(3,858)
Bank interest expense - variable debt		(2,020)	(999)
Bank interest expense - interest rate swaps - hedging		(285)	(177)
Interest capitalised into investment properties		464	1,020
Unrealised loss on interest rate derivatives		(6,377)	-
Net foreign exchange losses		(126)	-
Other financial expenses		(2,630)	(1,494)
Financial expenses		(15,156)	(5,508)
Net financial costs		(14,598)	(2,458)

8 Investment properties

<i>In thousands of €</i>		30.06.2016	31.12.2015
Balance at the beginning of the period		173,972	416,089
Capital expenditure		50,476	121,678
Capitalised interest, capitalised rent fee and agent's fee		602	5,700
Acquisitions		33,803	29,658
Sales / (disposals) (Fair value of assets sold / disposed of)		(95)	(16)
Increase / (Decrease) in fair value		25,533	103,975
Reclassification to (-) / from disposal group held for sale		(26,155)	(503,112)
Balance at the end of the period		258,136	173,972

9 Investments in joint ventures and associates

<i>in thousands of €</i>		30.06.2016	31.12.2015
Balance at the beginning of the period		(103)	17
Fair value at initial recognition: VGP European Logistics		77,307	-
Result of the period		(3,279)	191
Proceeds from sales of participations		-	(311)
Balance at the end of the period		73,925	(103)

The Group's share in the combined assets, liabilities and results of joint ventures and associates can be summarised as follows. In the table below the net assets presented are as at the date of sale i.e. 31 May 2016:

<i>in thousands of €</i>	30.06.2016	31.12.2015
Investment properties	264,910	-
Other non-current assets	345	-
Current assets	13,933	45
Non-current liabilities	(193,171)	-
Current liabilities	(8,709)	(148)
Total net assets	77,307	(103)

<i>in thousands of €</i>	30.06.2016	30.06.2015
Gross rental income	1,152	-
Result for the period	(3,279)	191

10 Share capital

The share capital as at 30 June 2015 amounted to EUR 62,251,000, represented by 18,583,050 shares.

11 Current and non-current financial debt

<i>in thousands of €</i>	30.06.2016			
	Outstanding balance	< 1 year	> 1-5 year	> 5 year
Non-current				
Bank borrowings	23,217	1,445	21,772	-
Bonds	148,725	-	148,725	-
Reclassification to liabilities related to disposal group held for sale	-	-	-	-
Total non-current financial debt	171,942	1,445	170,497	-
Current				
Bank borrowings	-	-	-	-
Accrued interest	5,899	5,899	-	-
Reclassification to liabilities related to disposal group held for sale	-	-	-	-
Total current financial debt	5,899	5,899	-	-
Total current and non-current financial debt	177,841	7,344	170,497	-

MATURITY <i>In thousands of €</i>	31.12.2015			
	Outstanding balance	< 1 year	> 1-5 year	> 5 year
Non-current				
Bank borrowings	128,317	6,740	92,002	29,575
Bonds	148,327	-	148,327	-
Reclassification to liabilities related to disposal group held for sale	(104,398)	(5,294)	(69,529)	(29,575)
Total non-current financial debt	172,246	1,446	170,800	-
Current				
Bank borrowings	1,070	1,070	-	-
Accrued interest	2,076	2,076	-	-
Reclassification to liabilities related to disposal group held for sale	(1,070)	(1,070)	-	-
Total current financial debt	2,076	2,076	-	-
Total current and non-current financial debt	174,322	3,522	170,800	-

Secured bank loans

The loans granted to the VGP Group are all denominated in € (except for the “other bank debt” which is denominated in CZK) and can be summarised as follows:

30.06.2016 <i>In thousands of €</i>	Facility amount	Facility expiry date	Outstanding balance	< 1 year	> 1-5 years	> 5 years
UniCredit Bank - Czech Republic	15,353	31-Dec-19	3,031	-	3,031	-
Swedbank	20,166	30-Aug-18	20,166	1,428	18,738	-
Other bank debt	21	2016-2018	21	17	4	-
Total bank debt	35,540		23,218	1,445	21,773	-

31.12.2015 <i>In thousands of €</i>	Facility amount	Facility expiry date	Outstanding balance	< 1 year	> 1-5 years	> 5 years
Tatra Banka	1,070	31-Mar-16	1,070	1,070	-	-
Tatra Banka	3,232	31-Dec-18	3,232	342	2,890	-
UniCredit Bank - Hungary	13,022	30-Sep-19	13,006	815	12,191	-
UniCredit Bank - Czech Republic	56,611	31-Dec-19	14,332	591	13,741	-
Swedbank	20,888	30-Aug-18	20,864	1,411	19,453	-
Deutsche-Hypo	30,501	24-Jul-19	30,336	1,309	29,027	-
Deutsche-Hypo	52,900	31-Dec-21	20,551	1,171	3,412	15,968
Deutsche-Hypo	27,040	30-Sep-22	18,324	751	3,966	13,607
Deutsche-Hypo	7,688	30-Jun-20	7,633	315	7,318	-
Other bank debt	39	2016-2018	39	35	4	-
Total bank debt	212,991		129,387	7,810	92,002	29,575

Events of defaults and breaches of loan covenants and bond covenants

During the first half year of 2016 there were no events of defaults nor were there any breaches of covenants with respect to loan agreements and bonds.

12 Assets (including investment properties) classified as held for sale and liabilities associated with those assets

<i>in thousands of €</i>	30.06.2016	31.12.2015
Balance at the beginning of the period	366,314	-
Increase	-	366,314
Deconsolidation	(218,759)	-
Balance at the end of the period	147,555	366,314

<i>(in thousands of €)</i>	30.06.2016	31.12.2015
Investment properties	157,028	503,112
Property, plant and equipment	-	25
Deferred tax assets	-	0
Trade and other receivables	-	10,040
Cash and cash equivalents	-	14,184
Disposal group held for sale	157,028	527,361
Non-current financial debt	-	(99,104)
Other non-current financial liabilities	-	(1,224)
Other non-current liabilities	-	(1,736)
Deferred tax liabilities	(9,473)	(31,057)
Current financial debt	-	(6,364)
Trade debts and other current liabilities	-	(21,562)
Liabilities associated with assets classified as held for sale	(9,473)	(161,047)
TOTAL NET ASSETS	147,555	366,314

During the first quarter of 2016, VGP entered into a 50/50 joint venture with Allianz Real Estate which resulted on 31 May 2016 in the acquisition the first 15 parks (“Seed portfolio”) by the joint venture (VGP European Logistics) which are located in Germany (8 parks), the Czech Republic (4 parks), Slovakia (1 park) and Hungary (2 parks). The Seed portfolio included some buildings under construction and some residual development land. Under the joint venture agreement with Allianz Real Estate the completion of these buildings under construction and the future development on the transferred development land will be undertaken by VGP. The joint venture 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. Consequently these assets have been classified as investment properties using the accounting principles applicable to Investment Properties.

13 Fair value

The following tables list the carrying amount of the Group’s financial instruments that are showing in the financial statements. In general, the carrying amounts are assumed to be a close approximation of the fair value.

The fair value of the financial assets and liabilities is defined as the amount at which the instrument could be exchanged, or settled, between knowledgeable, willing parties in an arm’s length transaction.

30.06.2016	Carrying amount	Amounts recognised in balance sheet in accordance with IAS 39			Fair value	Fair value hierarchy
<i>In thousands of €</i>	30.06.2016	Amortised costs	Fair value through equity	Fair value through profit or loss	30.06.2016	30.06.2016
Assets						
Other non-current receivables	7,991	7,991	-	-	7,991	Level 2
Trade receivables	1,600	1,600	-	-	1,600	Level 2
Other receivables	16,065	16,065	-	-	16,065	Level 2
Cash and cash equivalents	51,751	51,751	-	-	51,751	Level 2
Derivative financial assets	-	-	-	-	-	Level 2
Reclassification to (-) from held for sale	-	-	-	-	-	
Total	77,407	77,407	-	-	77,407	
Liabilities						
Financial debt						
Bank debt	23,217	23,217	-	-	23,217	Level 2
Bonds	148,725	148,725	-	-	155,676	Level 1
Trade payables	15,155	15,155	-	-	15,155	Level 2
Other liabilities	5,454	5,454	-	-	5,454	Level 2
Derivative financial liabilities	7,064	-	-	7,064	7,064	Level 2
Reclassification to liabilities related to disposal group held for sale	-	-	-	-	-	
Total	199,615	192,551	-	7,064	206,566	

31.12.2015 <i>In thousands of €</i>	Carrying amount 31.12.2015	Amounts recognised in balance sheet in accordance with IAS 39			Fair value 31.12.2015	Fair value hierarchy 31.12.2015
		Amortised costs	Fair value through equity	Fair value through profit or loss		
Assets						
Other non-current receivables	-	-	-	-	-	Level 2
Trade receivables	2,673	2,673	-	-	2,673	Level 2
Other receivables	11,995	11,995	-	-	11,995	Level 2
Cash and cash equivalents	24,009	24,009	-	-	24,009	Level 2
Derivative financial assets	216	-	-	216	216	Level 2
Reclassification to (-) from held for sale	(16,474)	(16,474)	-	-	(16,474)	
Total	22,419	22,203	-	216	22,419	
Liabilities						
Financial debt						
Bank debt	129,386	129,386	-	-	129,386	Level 2
Bonds	148,327	148,327	-	-	154,411	Level 1
Trade payables	25,565	25,565	-	-	25,565	Level 2
Other liabilities	5,949	5,949	-	-	5,949	Level 2
Derivative financial liabilities	2,191	-	-	2,191	2,191	Level 2
Reclassification to liabilities related to disposal group held for sale	(145,016)	(143,792)	-	(1,224)	(145,016)	
Total	166,402	165,435	-	967	172,486	

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

During the reporting period ending 30 June 2016, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

14 Commitments

The Group has concluded a number of contracts concerning the future purchase of land. At 30 June 2016 the Group had future purchase agreements for land and land under option totalling 600,000 m², representing a commitment of € 45.6 million and for which deposits totalling € 3.6 million had been made. This compared to future purchase agreements for land totalling 1,042,000 m², representing a commitment of € 80.8 million as at 31 December 2015. The € 3.6 million down payment on land was classified under investment properties as at 30 June 2016 given the immateriality of the amounts involved (same classification treatment applied for 2015). It is expected that the respective land will be acquired during the fourth quarter of 2016.

As at 30 June 2016 the Group had contractual obligations to develop new projects for a total amount of € 103.8 million compared to € 68.9 million as at 31 December 2015.

All commitments are of a short term nature.

15 Related parties

Hybrid securities

Following the completion of the acquisition of the initial Seed portfolio by the new joint venture with Allianz Real Estate at the end of May 2016; the board of directors approved the redemption 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, after complying with the conflict of interest procedure in accordance with article 523 of the Belgian Companies Code. The redemption took place on 1 June 2016.

Joint Ventures

In order to sustain its growth over the medium term VGP entered into a 50/50 joint venture with Allianz Real Estate (VGP European Logistics) during the first quarter of 2016. 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 redemption took place on 1 June 2016.

On 31 May 2016 the VGP European Logistics completed the acquisition of 15 parks (Seed portfolio) from VGP. The 15 parks which are located in Germany (8 parks), the Czech Republic (4 parks), Slovakia (1 park) and Hungary (2 parks) comprise 28 logistic and semi-industrial buildings which are 100% occupied and are of high quality having for the majority been built over the last two years.

The net proceeds received from the sale of Seed portfolio by VGP was € 175.2 million and is subject to a further price adjustment which is currently under review by the joint venture partner and is estimated to be around € 4.0 million and has been recognized as of 30 June 2016.

VGP NV provides construction and development loans to the VGP European Logistics to finance the construction of buildings under construction and new developments. As at 30 June 2016 the outstanding construction and development loans granted to VGP European Logistics amounted to € 99.8 million.. In addition as at 30 June 2016 VGP had € 7.9 million of receivables outstanding vis a vis VGP European Logistics of which € 7.7 million related to shareholder loans.

There were no other related party transactions or changes that could materially affect the financial position or results of the Group.

16 Effects of disposal of subsidiaries

On 31 May 2016 the VGP European Logistics (50/50 joint venture with Allianz Real Estate) completed the acquisition of 15 parks (Seed portfolio) from VGP. The table below presents the aggregated net assets sold as at the respective date of sale.

<i>(in thousands of €)</i>	30.06.2016	31.12.2015
Investment property	(505,408)	-
Trade and other receivables	(6,249)	-
Cash and cash equivalents	(19,329)	-
Non-current financial debt	123,618	-
Shareholder Debt	218,764	-
Other non-current financial liabilities	749	-
Deferred tax liabilities	20,210	-
Trade debts and other current liabilities	20,855	-
Total net assets disposed	(146,790)	-
Total non-controlling interest retained by VGP	4,066	-
Shareholder loans repaid at closing	(103,878)	-
Equity contribution	71,362	-
Consideration paid in cash	(175,240)	-

17 Post balance sheet events

There were no material events after the balance sheet date that need to be disclosed.

18 Subsidiaries, joint ventures and associates

Full consolidation

The following companies were included in the consolidation perimeter of the VGP Group as at 30 June 2016 and were fully consolidated:

Subsidiaries	Registered seat address	%	
VGP NV	Zele, Belgium	Parent	(1)
VGP CZ III a.s.	Jenišovice u Jablonce nad Nisou, Czech Republic	100	(2)
VGP CZ VII a.s.	Jenišovice u Jablonce nad Nisou, Czech Republic	100	(2)
VGP CZ IX a.s..	Jenišovice u Jablonce nad Nisou, Czech Republic	100	(2)
VGP CZ X a.s..	Jenišovice u Jablonce nad Nisou, Czech Republic	100	(2)
VGP CZ XI a.s..	Jenišovice u Jablonce nad Nisou, Czech Republic	100	(2)
TPO hala G1 a.s.	Jenišovice u Jablonce nad Nisou, Czech Republic	100	(2)
GEHOJEDNA a.s.	Jenišovice u Jablonce nad Nisou, Czech Republic	100	(2)
GEOVYCHOD a.s.	Jenišovice u Jablonce nad Nisou, Czech Republic	100	(2)
VGP Park Cesky Ujezd a.s.	Jenišovice u Jablonce nad Nisou, Czech Republic	100	(2)
VGP –industrialni stavby s.r.o.	Jenišovice u Jablonce nad Nisou, Czech Republic	100	(3)
SUTA s.r.o.	Prague, Czech Republic	100	(3)
HCP SUTA s.r.o.	Prague, Czech Republic	100	(3)
VGP FM Services s.r.o.	Jenišovice u Jablonce nad Nisou, Czech Republic	100	(3)
VGP Industriebau GmbH	Düsseldorf, Germany	100	(3)
VGP PM Services GmbH	Düsseldorf, Germany	100	(3)
VGP Park Leipzig GmbH	Düsseldorf, Germany	100	(2)
VGP Park München GmbH	Düsseldorf, Germany	100	(2)
VGP Park Hammersbach GmbH	Düsseldorf, Germany	100	(2)
VGP Deutschland – Projekt 8 GmbH	Düsseldorf, Germany	100	(2)
VGP Park Hamburg 3 S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	100	(2)
VGP DEU 1 S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	100	(2)
VGP DEU 2 S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	100	(2)
VGP DEU 3 S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	100	(2)
VGP DEU 5 S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	100	(2)
VGP DEU 6 S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	100	(2)
VGP DEU 7 S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	100	(2)
VGP DEU 8 S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	100	(2)
VGP Asset Management S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	100	(3)
VGP Estonia OÜ	Tallinn, Estonia	100	(2)
VGP Finance NV	Zele, Belgium	100	(5)
VGP Latvia s.i.a.	Kekava, Latvia	100	(2)
VGP Romania S.R.L.	Timisoara, Romania	100	(2)
VGP Constructii Industriale S.R.L.	Timisoara, Romania	100	(3))
VGP Park Bratislava a.s.	Bratislava, Slovakia	100	(2)
VGP Sevice Kft	Győr , Hungary	100	(3)
VGP Nederland BV	Tilburg, The Netherlands	100	(4)
VGP Naves Industriales Peninsula, S.L	Barcelona, Spain	100	(1)
VGP (Park) Espana 1 SL.	Barcelona, Spain	100	(2)
VGP (Park) Espana 2 SL.	Barcelona, Spain	100	(2)
VGP (Park) Espana 3 SL.	Barcelona, Spain	100	(2)

Companies to which the equity method is applied

The equity method is applied to the following companies:

Joint Ventures	Registered seat address	%	
VGP European Logistics S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	50.00	(4)

Associates	Registered seat address	%	
SNOW CRYSTAL S.a.r.l.	Luxembourg, Grand Duchy of Luxembourg	20.00	(7)
SUN S.a.r.l.	Luxembourg, Grand Duchy of Luxembourg	20.00	(7)
VGP Misv Comm. VA	Zeleville, Belgium	42.87	(4)
VGP Park Rodgau GmbH	Düsseldorf, Germany	5.10	(6)
VGP Park Bingen GmbH	Düsseldorf, Germany	5.10	(6)
VGP Park Hamburg GmbH	Düsseldorf, Germany	5.10	(6)
VGP Park Höchststadt GmbH	Düsseldorf, Germany	5.10	(6)
VGP Park Berlin GmbH	Düsseldorf, Germany	5.10	(6)
VGP Park Hamburg 2 S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	5.10	(6)
VGP Park Frankenthal S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	5.10	(6)
VGP Park Leipzig S.à r.l.	Luxembourg, Grand Duchy of Luxembourg	5.10	(6)

(1): Holding and service company

(2): Existing or future asset company.

(3): Services company

(4): Holding company

(5): Dormant

(6): The remaining 94.9% are held directly by VGP European Logistics S.a r.l..

(7): In liquidation

AUDITOR'S REPORT

VGP NV

Report on review of the consolidated interim financial information for the six-month period ended 30 June 2016

To the board of directors

In the context of our appointment as the company's statutory auditor, we report to you on the consolidated interim financial information. This consolidated interim financial information comprises the consolidated condensed balance sheet as at 30 June 2016, the consolidated condensed income statement, the consolidated condensed statement of comprehensive income, the consolidated condensed statement of changes in equity and the consolidated condensed cash flow statement for the period of six months then ended, as well as selective notes 1 to 18.

Report on the consolidated interim financial information

We have reviewed the condensed interim financial information of VGP NV ("the company") and its subsidiaries (jointly "the group"), prepared in accordance with International Financial Reporting Standard IAS 34 – *Interim Financial Reporting* as adopted by the European Union.

The condensed consolidated balance sheet shows total assets of 567,711 (000) EUR and the condensed consolidated income statement shows a consolidated profit (group share) for the period then ended of 42,738 (000) EUR.

The board of directors of the company is responsible for the preparation and fair presentation of the consolidated interim financial information in accordance with IAS 34 – *Interim Financial Reporting* as adopted by the European Union. Our responsibility is to express a conclusion on this consolidated interim financial information based on our review.

Scope of review

We conducted our review of the consolidated interim financial information in accordance with International Standard on Review Engagements (ISRE) 2410 – *Review of interim financial information performed by the independent auditor of the entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit performed in accordance with the International Standards on Auditing (ISA) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the consolidated interim financial information.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the consolidated interim financial information of VGP NV has not been prepared, in all material respects, in accordance with IAS 34 – *Interim Financial Reporting* as adopted by the European Union.

Diegem, 19 August 2016

The statutory auditor



DELOITTE Bedrijfsrevisoren
BV o.v.v.e. CVBA
Represented by Rik Neckebroeck

7. GLOSSARY

Annualised committed leases or annualised rent income

The annualised committed leases or the committed annualised rent income represents the annualised rent income generated or to be generated by executed lease – and future lease agreements.

Contractual rent

The gross rent as contractually agreed in the lease on the date of signing.

Closing

The acquisition and settlement of investment properties sold by VGP to VGP European Logistics.

Gearing ratio

Is a ratio calculated as net financial debt divided by total equity and liabilities.

Derivatives

As a borrower, VGP wishes to protect itself from any rise in interest rates. This interest rate risk can be partially hedged by the use of derivatives (such as interest rate swap contracts).

Facility Management

Day-to-day maintenance, alteration and improvement work. VGP employs an internal team of facility managers who work for the VGP Group and for third parties

Fair value

The fair value is defined in IAS 40 as the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction. In addition, market value must reflect current rental agreements, the reasonable assumptions in respect of potential rental income and expected costs.

IAS/IFRS

International Accounting Standards / International Financial Reporting Standards. The international accounting standards drawn up by the International Accounting Standards Board (IASB), for the preparation of financial statements.

IAS 39 Fair Value

IAS 39 is an IAS/IFRS standard which sets out the way in which a company has to classify and evaluate its financial instruments in its balance sheet. It requires that all derivatives be booked in the balance sheet at their fair value, i.e. their market value at closing date.

Interest rate hedging

The use of derived financial instruments to protect debt positions against interest rate rises.

Investment value

The value of the portfolio, including transaction costs, as appraised by independent property experts

IRS (Interest Rate Swap)

A transaction in which the parties swap interest rate payments for a given duration. VGP uses interest rate swaps to hedge against interest rate increases by converting current variable interest payments into fixed interest payments.

Net current result

Operating result plus net financial result (financial income - financial charges) less income and deferred taxes.

Net financial debt

Total financial debt minus cash and cash equivalents.

Occupancy Rate

The occupancy rate is calculated by dividing the total leased out lettable area (m²) by the total lettable area (m²) including any vacant area (m²).

**Profit for the period**

Net current result + result on the portfolio of the respective accounting period.

Project management

Management of building and renovation projects. VGP employs an internal team of project managers who work exclusively for the company.

Property expert

Independent property expert responsible for appraising the property portfolio.

Property portfolio

The property investments, including property for lease, property investments in development for lease, assets held for sale and development land.

Weighted average term of the leases

The weighted average term of leases is the sum of the (current rent and committed rent for each lease multiplied by the term remaining up to the final maturity of these leases) divided by the total current rent and committed rent of the portfolio

Weighted average yield

The sum of the contractual rent of a property portfolio to the acquisition price of such property portfolio.

Result on the portfolio

Realised and non-realised changes in value compared to the most recent valuation of the expert, including the effective or latent capital gain tax payable in the countries where VGP is active.

Take-up

Letting of rental spaces to users in the rental market during a specific period.

VGP European Logistics

Is the 50:50 joint venture between VGP and Allianz Real Estate.

8. STATEMENT ON THE INTERIM FINANCIAL REPORT

The undersigned declare that, to the best of their knowledge:

- (i) the condensed interim financial statements of VGP NV and its subsidiaries as of 30 June 2016 have been prepared in accordance with the International Financial Reporting Standards, and give a true and fair view of the consolidated assets and liabilities, financial position and consolidated results of the company and of its subsidiaries included in the consolidation for the six month period
- (ii) the interim financial management report, in all material respect, gives a true and fair view of all important events and significant transactions with related parties that have occurred in the first six month period and their effects on the interim financial statements, as well as an overview of the most significant risks and uncertainties we are confronted with for the remaining six months of the financial year.



Jan Van Geet
as permanent representative of
Jan Van Geet s.r.o.
CEO



Dirk Stoop
as permanent representative of
Dirk Stoop BVBA
CFO