



**Press Release**  
**Regulated Information**

27 August 2014

**Half year results 2014**

- **Profit for the period of € 43.4 million (+ € 34.3 million against 1H 2013)**
- **Sale of the remaining 20% stake of the VGP CZ I and VGP CZ II portfolios during the month of August 2014 creating substantial additional shareholder value**
- **105.3% growth in gross rental income (+ € 2.1 million) to € 4.1 million**
- **25.0 % increase of committed annualised rent income to € 13.0 million (+ € 2.6 million compared to 31 December 2013)**
- **The signed committed lease agreements represent a total of 252,288 m<sup>2</sup> of lettable area with the weighted average term of the committed leases standing at 7.1 years at the end of June 2014 (7.6 years as at 31 December 2013)**
- **8 projects under construction representing 121,148 m<sup>2</sup> of future lettable area**
- **584,000 m<sup>2</sup> of new development land acquired in Germany with another 238,000 m<sup>2</sup> land plots (152,000 m<sup>2</sup> located in Germany) targeted and already partially committed to expand land bank and support development pipeline**
- **Net valuation gain on the investment portfolio reaches € 40.9 million (+ € 33.6 million against 1H 2013)**
- **The fair value of the investment properties as at 30 June 2014 increased with 46.2% to € 330.2 million (+ € 104.3 million compared to 31 December 2013)**

**Summary**

During the first half of 2014 VGP delivered a solid performance in terms of development, leasing and property and facility management activities.

Roll out of the Group's activities gathered pace in Germany with additional leases being signed and new developments being completed and or in last stages of completion. The potential pipeline for future leases and developments in Germany continued to fill up well, which will result in the signing of significant new lease contracts and start-up of new developments during the second half of 2014.

During the first half of 2014 VGP's activities can be summarised as follows:

- The operating activities resulted in a net profit of € 43.4 million (€ 2.33 per share) for the period ended 30 June 2014 compared to a net profit of € 91 million (€ 0.49 per share) for the period ended 30 June 2013.
- The increase in demand of lettable area resulted in the signing of new lease contracts in excess of € 7.0 million in total of which € 4.5 million related to new or replacement leases (€ 2.6 million for VGP's own portfolio) and € 2.5 million (all on behalf of the associates) were related to renewals of existing lease contracts.
- The Group's property portfolio reached an occupancy rate of 96.7% at the end of June 2014 (excluding the associates) compared to 96.9% as at 31 December 2013.
- The investment property portfolio consists of 15 completed buildings representing 214,287 m<sup>2</sup> of lettable area with another 8 buildings under construction representing 121,148 m<sup>2</sup> of lettable area.
- Besides this VGP partially (20%) owns through its associates another 58 buildings which represent 627,523 m<sup>2</sup> of lettable area and for which property and facility management services are provided by the VGP Group. During the month of August 2014 the 20% stake in these buildings was disposed of.
- During the first half of 2014, VGP continued to expand its land bank and acquired 584,000 m<sup>2</sup> of new development land in Germany. In addition at the end of June the Group had 238,000 m<sup>2</sup> land plots (152,000 m<sup>2</sup> located in Germany) targeted and partially committed to expand the land bank and support the development pipeline.
- The net valuation of the property portfolio as at 30 June 2014 showed a net valuation gain of € 40.9 million against a net valuation gain of € 74 million per 30 June 2013 reflecting the improving market conditions and the increased attractiveness from investors for A-grade logistic buildings.
- As at 30 June 2014 the financial income continued to benefit from the interest income on loans made available to associates but was adversely impacted by the interest on the 2 bonds which were issued during the financial year 2013. This resulted in a net financial expense of € 3.2 million compared to a net financial income of € 1.7 million as at 30 June 2013.
- On 22 August 2014 VGP and its joint venture partners entered into a sales agreement to sell the Czech VGP CZ I and VGP CZ II portfolios. With this transaction VGP sold its remaining 20% stake in these 2 Czech portfolios. The completion of the transaction is expected to occur during the last quarter of 2014.

## Key figures

<b>CONSOLIDATED INCOME STATEMENT – ANALYTICAL FORM</b>	<b>30.06.2014</b>	<b>30.06.2013</b>
<i>(in thousands of €)</i>		
<b>NET CURRENT RESULT</b>		
Gross rental income	4,067	1,981
Service charge income / (expenses)	72	64
Property operating expenses	(811)	(287)
<b>Net rental and related income</b>	<b>3,328</b>	<b>1,758</b>
Property and facility management income	1,436	1,153
Property development income	52	56
Other income / (expenses) - incl. administrative costs	(2,652)	(2,056)
Share in the result of associates	13,412	829
<b>Operating result (before result on portfolio)</b>	<b>15,576</b>	<b>1,740</b>
Net financial result <sup>1</sup>	(2,218)	1,681
Revaluation of interest rate financial instruments (IAS 39)	(946)	0
Taxes	248	(458)
<b>Net current result</b>	<b>12,660</b>	<b>2,963</b>
<b>RESULT ON PROPERTY PORTFOLIO</b>		
Net valuation gains / (losses) on investment properties	40,928	7,368
Deferred taxes	(10,212)	(1,230)
<b>Result on property portfolio</b>	<b>30,716</b>	<b>6,138</b>
<b>PROFIT FOR THE YEAR</b>	<b>43,376</b>	<b>9,101</b>
<b>RESULT PER SHARE</b>	<b>30.06.2014</b>	<b>30.06.2013</b>
Basic earnings per share (in €)	2.33	0.49
Basic earnings per share – after correction of reciprocal interest through associates (in €)	2.39	0.50

### Gross rental income up 105.3% to € 4.1 million

The gross rental income reflects the full impact of the income generating assets delivered during 2014. The gross rental income for the period ending 30 June 2014 increased by 105.3% from € 2.0 million for the period ending 30 June 2013 to € 4.1 million for the period ending 30 June 2014.

### Committed annualised rent income increases to € 130 million

During 2014 VGP continued to successfully sign new and or renew existing leases.

Roll out of the Group's activities gathered pace in Germany with additional leases being signed.

At the end of June 2014 several significant leases were under negotiation which meanwhile materialised and resulted in the signing of additional significant leases during the second half of 2014.

<sup>1</sup> Excluding the revaluation of interest rate financial instruments.

Since the start of the German operations some 18 months ago VGP has already successfully contracted more than € 3.5 million of new committed leases as at the end of June 2014.

Also in the other countries where VGP is active the activities performed well with Romania and Estonia having an outstanding first half. In Romania VGP managed to fully lease out its brand new 19,000 m<sup>2</sup> warehouse which represents around € 1.0 million of annualised rent income. In Estonia, the new VGP Park Nehatu performed solidly with new leases totalling € 0.5 million being signed during the first half year and additional leases (totalling more than € 0.5 million) already being signed during the second half year.

The annualised committed leases increased to € 13.0 million as at the end of June 2014 (compared to € 10.4 million as at 31 December 2013).

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

The Group's property portfolio reached an occupancy rate of 96.7% at the end of June 2014 (excluding the associates) compared to 96.9% as at 31 December 2013.

The signed committed lease agreements represent a total of 252,288 m<sup>2</sup> of lettable area with the weighted average term of the committed leases standing at 7.1 years at the end of June 2014 compared to 7.6 years at the end of December 2013.

## **Property and facility management income reaches € 14 million**

The property and facility management income reached € 1.4 million for the period compared to € 1.2 million for the period ending June 2013.

The property and facility management is mainly generated by providing services to the associated companies and to other third parties in the Czech Republic.

The sale of the VGP CZ I and VGP CZ II portfolios should not have a significant impact on this income in the short term, as VGP has been retained by the new owners of these portfolios to provide property and facility management services for the future.

## **Net valuation gain on the property portfolio reaches € 40.9 million**

As at 30 June 2014 the net valuation gain on the property portfolio reaches € 40.9 million against a net valuation gain of € 7.4 million per 30 June 2013.

The total property portfolio (including the associates but excluding development land) is valued by the valuation expert at 30 June 2014 based on an average market rate of 8.17% (compared to 8.31% as at 31 December 2013) applied to the contractual rents increased by the estimated rental value on unlet space.

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

## **Net financial expenses reach € 3.2 million**

As at 30 June 2014 the net financial expenses mainly increased due to the interest expenses on the 2 bonds issued during 2013 which accounted for € 3.8 million of the total of € 4.9 million interest expenses compared to € 0.2 million interest expenses as at 30 June 2013. The financial income continued to benefit from the interest income on loans made available to associates which resulted in a financial income of € 1.8 million as at 30 June 2014 which was similar as for the same period in 2013.

As a result the net financial expenses reached € 3.2 million as at 30 June 2014 compared to a net financial income of € 1.7 million as at 30 June 2013.

Loans to associates decreased slightly from € 49.1 million as at 31 December 2013 to € 48.9 million as at 30 June 2014.

The financial debt increased from € 159.7 million as at 31 December 2013 to € 167.0 million as at 30 June 2014. The increase was due to the increase in bank debt which increased to € 30.9 million at the end of June 2014 compared to € 23.8 million at the end of December 2013.

## **Evolution of the property portfolio**

The fair value of the investment property and the investment property under construction (the “property portfolio”) as at 30 June 2014 increased with 46.2% to € 330.5 million compared to € 225.8 million as at 31 December 2013. The increase of the property portfolio was mainly due to the acquisition of new development land and to the start-up of new projects.

### *Completed projects*

During the first half of 2014, 7 buildings were completed totalling 79,078 m<sup>2</sup>.

All buildings were delivered for VGP’s own account. In the Czech Republic: 1 building of 5,234 m<sup>2</sup> in VGP Park Tuchomerice, 1 building of 14,838 m<sup>2</sup> in VGP Park BRNO, 1 building of 18,225 m<sup>2</sup> in VGP Park Hradek nad Nisou and 1 building of 5,200 m<sup>2</sup> in VGP Park Usti nad Labem. In the other countries: 1 building of 21,806 m<sup>2</sup> in VGP Park Nehatu (Estonia), 1 building of 7,375 m<sup>2</sup> in VGP Park Timisoara (Romania) and finally 1 building of 6,400 m<sup>2</sup> in VGP Park Bingen (Germany).

### *Projects under construction*

At the end of June 2014 VGP has the following 8 new buildings under construction for its own account: In the Czech Republic: 1 building in VGP Park BRNO and 2 buildings in VGP Park Plzeň. In the other countries: 1 building in VGP Park Malacky (Slovakia), 1 building in VGP Park Timisoara (Romania), 1 building in VGP Park Nehatu (Estonia), 1 building in VGP Park Hamburg (Germany) and finally the first building in the new VGP Park Rodgau (Germany) was started up. The new buildings under construction on which several pre-leases have already been signed, represent a total future lettable area of 121,148 m<sup>2</sup>.

### *Land bank*

During the first half of 2014 VGP continued to prepare the development pipeline for future growth through the acquisition of 584,000 m<sup>2</sup> development land, all located in Germany.

# VGP

VGP has currently a land bank in full ownership of 2,627,597 m<sup>2</sup>. The land bank allows VGP to develop besides the current completed projects and projects under construction a further 798,000 m<sup>2</sup> of lettable area of which 527,000 m<sup>2</sup> in Germany, 106,000 m<sup>2</sup> in the Czech Republic, and 165,000 in the other countries.

Besides this VGP has another 237,000 m<sup>2</sup> of new land plots under option of which 152,000 m<sup>2</sup> are located in Germany. These land plots have a development potential of approx. 114,000 m<sup>2</sup> of new projects. These remaining land plots are expected to be acquired during the second half of 2014.

## **Financing**

During the first half of 2014 VGP has been able to expand its current pool of banks with Deutsche Hypo by signing a new € 31.7 million 5 year committed credit facility.

The new committed facility secures the current development pipeline in VGP Park Hamburg.

## **Sale of remaining 20% interest in the VGP CZ I and VGP CZ II portfolios**

On 22 August 2014 VGP together with its joint venture partners European Property Investors Special Opportunities, L.P. (EPISO) and Curzon Capital Partners III LP (CCP III), both property funds managed by Tristan Capital Partners, concluded an agreement to sell their respective stakes in the VGP CZ I and VGP CZ II portfolios in the Czech Republic to PointPark Properties (P3). The sale to P3 is scheduled for completion during the fourth quarter of 2014, subject to the finalization of contract terms and regulatory approval.

VGP will primarily reinvest its part of the sales proceeds in VGP's core markets located in the mid-European region and especially Germany.

The VGP CZ I and VGP CZ II portfolios were valued as at 30 June 2014 at their respective expected sales price.

## **Additional comments on the 30 June 2014 condensed interim financial accounts**

### *Taxes*

As at the end of June 2014 the taxes reached € 10.0million compared to € 1.7 million as at the end of June 2013. The change in the tax line is mainly due to the variance of the fair value adjustment of the property portfolio and has therefore no effect on the liquidity position of the Group.

### *Trade debts and other current liabilities*

As at 30 June 2014 the trade debts and other current liabilities stood at € 6.4 million (compared to €14.9 million as at 31 December 2013). The decrease relates mainly to the outstanding payment at the end of 2013 of the € 7.6 million capital reduction which was paid out in January 2014.

## Risk Factors

The overview of the most significant risks to which the VGP Group is exposed to can be found on page 34 to 35 of the Annual Report 2013. These risks remain actual and valid and will continue to apply for the remainder of the financial year.

## Outlook 2014

During the first half of 2014 market conditions have improved significantly.

Based on the positive trend in the demands for lettable area recorded by VGP during the first half of 2014, and provided there are no unforeseen events of economic and financial markets nature, VGP should be able to continue to expand its contracted rent income and property portfolio through the completion and start-up of additional new buildings.

## Financial calendar

Third quarter trading update 2014      14 November 2014

## Declaration in accordance with Art. 13 of the Belgian Royal Decree of 14 November 2007

The Board of Directors of VGP NV represented by Mr Marek Šebest'ák, Chairman, VM Invest NV represented by Mr Bart Van Malderen, Jan Van Geet s.r.o. represented by Mr Jan van Geet, CEO, Mr Alexander Saverys and Rijo Advies BVBA, represented by Mr Jos Thys, jointly certify that, to the best of their knowledge,

- (i) the interim condensed financial statements are prepared in accordance with applicable accounting standards and give, in all material respect, 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.

## For more information

**Mr Jan Van Geet**

**CEO**

Tel. + 42 0602 404 790

E-mail: [jan.van.geet@vgpparks.eu](mailto:jan.van.geet@vgpparks.eu)

**Mr Dirk Stoop**

**CFO**

Tel.+32 52 45 43 86

E-mail: [dirk.stoop@vgpparks.eu](mailto:dirk.stoop@vgpparks.eu)

### Profile

VGP ([www.vgpparks.eu](http://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 associates, 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 of its own real estate portfolio.

VGP is quoted on Euronext Brussels and the Main Market of the Prague Stock Exchange.

## CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS<sup>1</sup>

### 1. CONDENSED CONSOLIDATED INCOME STATEMENT

For the year period 30 June

<b>INCOME STATEMENT</b> (in thousands of €)	<b>30.06.2014</b>	<b>30.06.2013</b>
Revenue	6,341	3,747
Gross rental income	4,067	1,981
Service charge income	786	557
Service charge expenses	(714)	(493)
Property operating expenses	(811)	(287)
<b>Net rental income</b>	<b>3,328</b>	<b>1,758</b>
Property and facility management income	1,436	1,153
Property development income	52	56
Net valuation gains / (losses) on investment properties	40,928	7,368
Administration expenses	(2,547)	(2,117)
Other income	239	387
Other expenses	(344)	(326)
Share in result of associates	13,412	829
<b>Operating profit / (loss)</b>	<b>56,504</b>	<b>9,108</b>
Financial income	1,760	1,837
Financial expenses	(4,924)	(156)
<b>Net financial result</b>	<b>(3,164)</b>	<b>1,681</b>
<b>Profit before taxes</b>	<b>53,340</b>	<b>10,789</b>
Taxes	(9,964)	(1,688)
<b>Profit for the period</b>	<b>43,376</b>	<b>9,101</b>
Attributable to:		
Shareholders of VGP NV	43,376	9,101
Non-controlling interests	-	-

<b>RESULT PER SHARE</b>	<b>30.06.2014</b>	<b>30.06.2013</b>
Basic earnings per share (in €)	2.33	0.49
Basic earnings per share – after correction of reciprocal interest through associates (in €)	2.39	0.50

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



## 2. CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME For the period ended 30 June

STATEMENT OF COMPREHENSIVE INCOME (in thousands of €)	30.06.2014	30.06.2013
<b>Profit for the period</b>	<b>43,376</b>	<b>9,101</b>
<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>	-	-
<b>Other comprehensive income for the period</b>	-	-
<b>Total comprehensive income / (loss) of the period</b>	<b>43,376</b>	<b>9,101</b>
Attributable to:		
Shareholders of VGP NV	43,376	9,101
Non-controlling interest	-	-

## 3. CONDENSED CONSOLIDATED BALANCE SHEET

For the period ended

<b>ASSETS (in thousands of €)</b>	<b>30.06.2014</b>	<b>31.12.2013</b>
Goodwill	631	631
Intangible assets	60	51
Investment properties	330,153	225,804
Property, plant and equipment	402	297
Investments in associates	-	982
Other non-current receivables	0	49,114
Deferred tax assets	100	135
<b>Total non-current assets</b>	<b>331,346</b>	<b>277,014</b>
Trade and other receivables	3,962	10,242
Cash and cash equivalents	18,531	79,226
Disposal group held for sale	69,728	0
<b>Total current assets</b>	<b>92,221</b>	<b>89,468</b>
<b>TOTAL ASSETS</b>	<b>423,567</b>	<b>366,482</b>

<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b> <i>(in thousands of €)</i>	<b>30.06.2014</b>	<b>31.12.2013</b>
Share capital	62,251	62,251
Retained earnings	147,113	103,737
Other reserves	69	69
<b>Shareholders' equity</b>	<b>209,433</b>	<b>166,057</b>
Non-current financial debt	166,994	159,658
Other non-current financial liabilities	1,148	201
Other non-current liabilities	1,102	943
Deferred tax liabilities	21,571	11,753
<b>Total non-current liabilities</b>	<b>190,815</b>	<b>172,555</b>
Current financial debt	16,879	12,977
Trade debts and other current liabilities	6,440	14,893
<b>Total current liabilities</b>	<b>23,319</b>	<b>27,870</b>
<b>Total liabilities</b>	<b>214,134</b>	<b>200,425</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>423,567</b>	<b>366,482</b>

## 4. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY For the period ended 30 June

STATEMENT OF CHANGES IN EQUITY (in thousands of €)	Statutory share capital	Capital reserve <sup>1</sup>	IFRS share capital	Retained earnings	Share premium	Total equity
<b>Balance as at 1 January 2013</b>	<b>120,356</b>	<b>(58,105)</b>	<b>62,251</b>	<b>88,940</b>	<b>69</b>	<b>151,260</b>
Other comprehensive income / (loss)	-	-	-	-	-	-
Result of the period	-	-	-	9,101	-	9,101
Effect of disposals	-	-	-	-	-	-
<b>Total comprehensive income / (loss)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,101</b>	<b>-</b>	<b>9,101</b>
Dividends to shareholders	-	-	-	-	-	-
Share capital distribution to shareholders	-	-	-	-	-	-
Correction for reciprocal interest through associates <sup>2</sup>	-	-	-	(1,886)	-	(1,886)
<b>Balance as at 30 June 2013</b>	<b>120,356</b>	<b>(58,105)</b>	<b>62,251</b>	<b>96,155</b>	<b>69</b>	<b>158,475</b>
<b>Balance as at 1 January 2014</b>	<b>112,737</b>	<b>(50,486)</b>	<b>62,251</b>	<b>103,737</b>	<b>69</b>	<b>166,057</b>
Other comprehensive income / (loss)	-	-	-	-	-	-
Result of the period	-	-	-	43,376	-	43,376
Effect of disposals	-	-	-	-	-	-
<b>Total comprehensive income / (loss)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>43,376</b>	<b>-</b>	<b>43,376</b>
Dividends to shareholders	-	-	-	-	-	-
Share capital distribution to shareholders	-	-	-	-	-	-
Correction for reciprocal interest through associates <sup>2</sup>	-	-	-	-	-	-
<b>Balance as at 30 June 2014</b>	<b>112,737</b>	<b>(50,486)</b>	<b>62,251</b>	<b>147,113</b>	<b>69</b>	<b>209,433</b>

<sup>1</sup> Capital reserve relates to the elimination of the contribution in kind of the shares of a number of Group companies and the deduction of all costs in relation to the issuing of the new shares and the stock exchange listing of the existing shares from the equity of the company, at the time of the initial public offering ("IPO").

<sup>2</sup> Correction for reciprocal interest relates to the elimination of the proportional equity component of the respective VGP NV shares held by VGP Misv Comm. VA. VGP NV acquired 43% of VGP Misv Comm. VA during the course of 2013.

## 5. CONDENSED CONSOLIDATED CASH FLOW STATEMENT For the period ended 30 June

<b>CASH FLOW STATEMENT</b> <i>(in thousands of €)</i>	<b>30.06.2014</b>	<b>30.06.2013</b>
<i>Cash flows from operating activities</i>		
Profit before taxes	53,340	10,789
<i>Adjustments for:</i>		
Depreciation	76	66
Unrealised (gains) / losses on investment properties	(40,895)	(7,363)
Realised( gains) / losses on disposal of subsidiaries and investment properties	(33)	(5)
Unrealised (gains) / losses on financial instruments and foreign exchange	1,030	(159)
Net interest paid / (received)	(1,683)	(1,558)
Share in result of associates	(13,412)	(829)
<b>Operating profit before changes in working capital and provisions</b>	<b>(1,577)</b>	<b>941</b>
Decrease/(Increase) in trade and other receivables	(74)	(704)
(Decrease)/Increase in trade and other payables	(8,969)	(1,222)
<b>Cash generated from the operations</b>	<b>(10,620)</b>	<b>(985)</b>
Net Interest (paid) / received	1,683	1,558
Income taxes paid	(324)	(15)
<b>Net cash from operating activities</b>	<b>(9,261)</b>	<b>558</b>
<i>Cash flows from investing activities</i>		
Proceeds from disposal of subsidiaries	-	-
Proceeds from disposal of tangible assets	255	-
Acquisition of subsidiaries	-	(2,665)
(Loans provided to) / loans repaid by associates	230	157
Investment property and investment property under construction	(59,300)	(15,260)
<b>Net cash from investing activities</b>	<b>(58,815)</b>	<b>(17,768)</b>
<i>Cash flows from financing activities</i>		
Gross dividends paid	-	-
Net Proceeds / (cash out) from the issue / (repayment) of share capital	-	-
Proceeds from loans	7,957	6,317
Loan repayments	(530)	(434)
<b>Net cash from financing activities</b>	<b>7,427</b>	<b>5,883</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(60,649)</b>	<b>(11,327)</b>
Cash and cash equivalents at the beginning of the period	79,226	19,123
Effect of exchange rate fluctuations	(46)	67
Cash and cash equivalents at the end of the period	18,531	7,863
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(60,649)</b>	<b>(11,327)</b>

## 6. NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

### For the period ended 30 June 2014

#### 1 Basis of preparation

The condensed consolidated interim financial statements have been prepared in accordance with IAS 34 “Interim Financial Reporting”, as adopted by the European Union. The condensed consolidated financial information was approved for issue on 26 August 2014 by the Board of Directors.

#### 2 Significant accounting policies

The condensed consolidated 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 2013 except for the following new standards, amendments to standards and interpretations became which became effective during the first half year of 2014:

- IFRS 10 *Consolidated Financial Statements* (applicable for annual periods beginning on or after 1 January 2014)
- IFRS 11 *Joint Arrangements* (applicable for annual periods beginning on or after 1 January 2014)
- IFRS 12 *Disclosures of Interests in Other Entities* (applicable for annual periods beginning on or after 1 January 2014)
- IAS 28 *Investments in Associates and Joint Ventures* (applicable for annual periods beginning on or after 1 January 2014)
- Amendments to IFRS 10, IFRS 12 and IAS 27 *Consolidated Financial Statements and Disclosure of Interests in Other Entities: Investment Entities* (applicable for annual periods beginning on or after 1 January 2014)
- Amendments to IAS 32 *Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities* (applicable for annual periods beginning on or after 1 January 2014)
- Amendments to IAS 36 *Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets* (applicable for annual periods beginning on or after 1 January 2014)
- Amendments to IAS 39 *Financial Instruments – Novation of Derivatives and Continuation of Hedge Accounting* (applicable for annual periods beginning on or after 1 January 2014)

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

#### 3 Segment information

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic area (geographic segment) and which is subject to risks and rewards that are different from those of other segments. As the majority of the assets of the Group are geographically located in the Czech Republic and increasingly in Germany, a distinction between the Czech Republic, Germany and the other countries (“Other countries”) has been made. The segment assets include all items directly attributable to the segment as well as those elements that can reasonably be allocated to a segment (financial assets and income tax receivables are therefore part of segment assets). Given the growing importance of property and facility management services the income on the property and facility management as well as the development businesses have been separately included on a geographical basis. Unallocated amounts include the administrative costs incurred for the Group’s supporting functions. All rent income is coming from semi-industrial buildings. There is no risk concentration in terms of income contribution from a single tenant.



## Segment information – Czech Republic, Germany and other countries

Income statement	Czech Republic		Germany		Other countries		Unallocated amounts		Total	
	30.06.2014	30.06.2013	30.06.2014	30.06.2013	30.06.2014	30.06.2013	30.06.2014	30.06.2013	30.06.2014	30.06.2013
<i>In thousands of €</i>										
Gross rental income	1,150	672	971	-	1,946	1,309	-	-	4,067	1,981
Service charge income / (expenses)	120	80	(88)	-	40	(16)	-	-	72	64
Property operating expenses	(573)	(197)	(34)	-	(204)	(90)	-	-	(811)	(287)
<b>Net rental income</b>	<b>697</b>	<b>555</b>	<b>849</b>	<b>-</b>	<b>1,782</b>	<b>1,203</b>	<b>-</b>	<b>-</b>	<b>3,328</b>	<b>1,758</b>
Property and facility management income	1,240	947	1	-	196	206	-	-	1,437	1,153
Property development income	52	56	-	-	-	0	-	-	52	56
Net valuation gains / (losses) on investment property	11,090	2,378	16,481	4,480	13,357	510	-	-	40,928	7,368
Other income / (expenses)- incl. administrative costs	(1,145)	(1,119)	(543)	(65)	(313)	(192)	(652)	(679)	(2,653)	(2,055)
Share in the result of associates	-	-	-	-	-	-	13,412	829	13,412	829
<b>Operating profit / (loss)</b>	<b>11,934</b>	<b>2,817</b>	<b>16,788</b>	<b>4,415</b>	<b>15,022</b>	<b>1,727</b>	<b>12,760</b>	<b>150</b>	<b>56,504</b>	<b>9,109</b>
<b>Net financial result</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,164)</b>	<b>1,681</b>	<b>(3,164)</b>	<b>1,681</b>
<b>Taxes</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(9,964)</b>	<b>(1,688)</b>	<b>(9,964)</b>	<b>(1,688)</b>
<b>Profit for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>43,376</b>	<b>9,101</b>	<b>43,376</b>	<b>9,101</b>

Balance sheet	Czech Republic		Germany		Other countries		Unallocated amounts		Total	
	30.06.2014	31.12.2013	30.06.2014	31.12.2013	30.06.2014	31.12.2013	30.06.2014	31.12.2013	30.06.2014	31.12.2013
<i>In thousands of €</i>										
<b>Assets</b>										
Investment properties	85,022	66,504	156,758	90,073	88,373	69,227	-	-	330,153	225,804
Other assets (incl. deferred tax)	1,960	2,539	6,428	3,057	4,924	3,937	10,374	131,145	23,686	140,678
Disposal group held for sale	-	-	-	-	-	-	69,728	-	69,728	-
<b>Total assets</b>	<b>86,982</b>	<b>69,043</b>	<b>163,186</b>	<b>93,130</b>	<b>93,297</b>	<b>73,164</b>	<b>80,102</b>	<b>131,145</b>	<b>423,567</b>	<b>366,482</b>
<b>Shareholders' equity and liabilities</b>										
Shareholders' equity	-	-	-	-	-	-	209,433	166,057	209,433	166,057
Total liabilities	-	-	-	-	-	-	214,134	200,425	214,134	200,425
<b>Total shareholders' equity and liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>423,567</b>	<b>366,482</b>	<b>423,567</b>	<b>366,482</b>



## Segment information – Other Countries

Income statement	Estonia		Slovakia		Hungary		Romania		Other		Total	
	30.06.14	30.06.13	30.06.14	30.06.13	30.06.14	30.06.13	30.06.14	30.06.13	30.06.14	30.06.13	30.06.14	30.06.13
<i>In thousands of €</i>												
Gross rental income	267	-	448	441	884	834	347	34	-	-	1,946	1,309
Service charge income / (expense)	(40)	(1)	-	(37)	37	31	44	11	(1)	(20)	40	(16)
Property operating expenses	(67)	(10)	(53)	(4)	(69)	(56)	(8)	(2)	(7)	(18)	(204)	(90)
<b>Net rental income</b>	<b>160</b>	<b>(11)</b>	<b>395</b>	<b>400</b>	<b>852</b>	<b>809</b>	<b>383</b>	<b>43</b>	<b>(8)</b>	<b>(38)</b>	<b>1,782</b>	<b>1,203</b>
Property and facility management income	11	-	4	4	22	21	-	-	159	181	196	206
Property development income	-	-	-	-	-	-	-	-	-	-	-	-
Net valuation gains / (losses) on investment property	6,406	866	1,308	312	1,726	(380)	3,339	(288)	578	0	13,357	510
Other income / (expenses)- incl. administrative costs	(6)	(4)	(27)	(24)	(45)	(17)	(172)	(94)	(63)	(53)	(313)	(192)
Share in the result of associates	-	-	-	-	-	-	-	-	-	-	-	-
<b>Operating profit / (loss)</b>	<b>6,571</b>	<b>851</b>	<b>1,680</b>	<b>692</b>	<b>2,555</b>	<b>433</b>	<b>3,550</b>	<b>(339)</b>	<b>666</b>	<b>90</b>	<b>15,022</b>	<b>1,727</b>
<b>Net financial result</b>	-	-	-	-	-	-	-	-	-	-	-	-
<b>Taxes</b>	-	-	-	-	-	-	-	-	-	-	-	-
<b>Profit for the year</b>	-	-	-	-	-	-	-	-	-	-	-	-

Balance sheet	Estonia		Slovakia		Hungary		Romania		Other		Total	
	30.06.14	31.12.13	30.06.14	31.12.13	30.06.14	31.12.13	30.06.14	31.12.13	30.06.14	31.12.13	30.06.14	31.12.13
<i>In thousands of €</i>												
<b>Assets</b>												
Investment properties	23,920	13,273	24,425	23,043	22,605	20,827	14,593	10,586	2,830	1,498	88,373	69,227
Other assets (incl. deferred tax)	1,972	902	446	210	1,457	1,222	853	672	196	931	4,924	3,937
<b>Total assets</b>	<b>25,892</b>	<b>14,175</b>	<b>24,871</b>	<b>23,253</b>	<b>24,062</b>	<b>22,049</b>	<b>15,446</b>	<b>11,258</b>	<b>3,026</b>	<b>2,429</b>	<b>93,297</b>	<b>73,164</b>
<b>Shareholders' equity and liabilities</b>												
Shareholders' equity	-	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total shareholders' equity and liabilities</b>	-	-	-	-	-	-	-	-	-	-	-	-

## 4 Revenue

<i>In thousands of €</i>	30.06.2014	30.06.2013
Rental income from investment properties	3,852	1,743
Rent incentives	215	238
<b>Total gross rental income</b>	<b>4,067</b>	<b>1,981</b>
Property management income	842	1,153
Facility management income	594	-
Property development income	52	56
Service charge income	786	557
<b>Total revenue</b>	<b>6,341</b>	<b>3,747</b>

## 5 Net financial costs

<i>In thousands of €</i>	30.06.2014	30.06.2013
Bank interest income – interest rate swaps - hedging	-	6
Interest income - loans to associates	1,757	1,689
Unrealised gains on interest rate derivatives	-	141
Other financial income	3	0
<b>Financial income</b>	<b>1,760</b>	<b>1,836</b>
Bond interest expense	(3,812)	-
Bank interest expense – variable debt	(529)	(375)
Bank interest expense – interest rate swaps - hedging	(39)	-
Interest capitalised into investment properties	953	249
Unrealised loss on interest rate derivatives	(946)	-
Other financial expenses	(459)	(12)
Net foreign exchange losses	(92)	(17)
<b>Financial expenses</b>	<b>(4,924)</b>	<b>(155)</b>
<b>Net financial costs</b>	<b>(3,164)</b>	<b>1,681</b>

## 6 Share in the results of associates

The share in the result of the associates per 30 June 2014 is essentially impacted by the ongoing sale of the associates, which is currently estimated at € 13 million. Last year the share in the result of the associates was € 829k. The allocation of the profit to the different associated companies cannot be made yet as this profit will be further impacted with outcome of the final price calculations.

## 7 Investment properties

<i>In thousands of €</i>	30.06.2014	31.12.2013
<b>Balance at the beginning of the period</b>	<b>225,804</b>	<b>101,629</b>
Capital expenditure	24,977	26,542
Capitalised interest	953	564
Acquisitions	37,761	69,197
Sales / (disposals) (Fair value of assets sold / disposed of)	(236)	0
Increase / (Decrease) in fair value	40,895	27,872
<b>Balance at the end of the period</b>	<b>330,154</b>	<b>225,804</b>

Investment properties comprise a number of commercial properties that are leased to third parties, projects under construction and land held for development. The carrying amount of investment properties is the fair value of the property as determined by the external independent valuation expert, Jones Lang LaSalle.



## 8 Investments in associates

<i>in thousands of €</i>	30.06.2014	31.12.2013
<b>Balance at the beginning of the period</b>	<b>982</b>	<b>(545)</b>
Fair value at initial recognition	0	0
Result of the year	13,412	1,527
Reclassification to (-) / from held for sale	(14,394)	-
<b>Balance at the end of the period</b>	<b>-</b>	<b>982</b>

For the analysis of the result for the half-year, please refer to note 6.

The Group's share in the combined assets, liabilities and results of associates can be summarised as follows

<i>in thousands of €</i>	30.06.2014	31.12.2013
Investment property and property under construction	108,236	95,023
Other non-current assets	14	16
Current assets	9,472	9,321
Non-current liabilities	(99,467)	(99,238)
Current liabilities	(3,861)	(4,140)
Reclassification to (-) / from held for sale	(14,394)	-
<b>Total net assets</b>	<b>-</b>	<b>982</b>

<i>in thousands of €</i>	30.06.2014	30.06.2013
Gross rental income	3,318	3,374
Result for the period	13,412	829

## 9 Other non-current receivables

<i>in thousands of €</i>	30.06.2014	31.12.2013
SUN S.a.r.l.	6,709	6,709
VGP CZ II s.r.o.	6,926	7,871
Snow Crystal S.a.r.l.	21,998	21,329
VGP Park Horní Počernice, a.s.	9,043	9,043
VGP Blue Park, a.s.	249	249
VGP Green Park, a.s.	627	627
VGP Green Tower, a.s.	214	214
VGP Park Příšovice, a.s.	520	511
VGP Park Turnov, a.s.	371	371
VGP CZ IV a.s.	2,227	2,190
Reclassification to (-) / from held for sale	<b>(48,884)</b>	-
<b>Total</b>	<b>-</b>	<b>49,114</b>

## 10 Share capital

The share capital as at 30 June 2014 amounted to EUR 62,251,000, represented by 18,583,050 shares.

## 11 Current and non-current financial debt

MATURITY <i>In thousands of €</i>	30.06.2014			
	Outstanding balance	< 1 year	> 1-5 year	> 5 year
<b>Non-current</b>				
Bank borrowings	20,758	888	19,870	-
Bonds	147,124	0	147,124	-
<b>Total non-current financial debt</b>	<b>167,882</b>	<b>888</b>	<b>166,994</b>	<b>-</b>
<b>Current</b>				
Bank borrowings	10,097	10,097	-	-
Accrued interest	5,894	5,894	-	-
<b>Total current financial debt</b>	<b>15,991</b>	<b>15,991</b>	<b>-</b>	<b>-</b>
<b>Total current and non-current financial debt</b>	<b>183,873</b>	<b>16,879</b>	<b>166,994</b>	<b>-</b>

MATURITY <i>In thousands of €</i>	31.12.2013			
	Outstanding balance	< 1 year	> 1-5 year	> 5 year
<b>Non-current</b>				
Bank borrowings	13,460	529	12,931	-
Bonds	146,727	-	146,727	-
<b>Total non-current financial debt</b>	<b>160,187</b>	<b>529</b>	<b>159,658</b>	<b>-</b>
<b>Current</b>				
Bank borrowings	10,366	10,366	-	-
Accrued interest	2,082	2,082	-	-
<b>Total current financial debt</b>	<b>12,448</b>	<b>12,448</b>	<b>-</b>	<b>-</b>
<b>Total current and non-current financial debt</b>	<b>172,635</b>	<b>12,977</b>	<b>159,658</b>	<b>-</b>

The increase in the financial debt during the first half of 2014 was mainly due to additional drawings on existing credit facilities in Estonia.

### 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:

30.06.2014 <i>In thousands of €</i>	Facility amount	Facility expiry date	Outstanding balance	< 1 year	> 1-5 years	> 5 years
Tatra Banka	1,310	31-Dec-15	1,310	160	1,150	-
Tatra Banka	3,745	31-Dec-18	3,745	342	3,403	-
UniCredit Bank - Hungary	10,097	29-Sep-14	10,097	10,097	-	-
UniCredit Bank - Czech Republic	56,611	31-Dec-19	8,125	-	8,125	-
Swedbank	7,500	30-Aug-18	7,500	351	7,149	-
Deutsche Hypo	31,720	May-19 / Apr-20	-	-	-	-
Other bank debt	78	2016-2018	78	35	43	-
<b>Total bank debt</b>	<b>111,061</b>		<b>30,855</b>	<b>10,985</b>	<b>19,870</b>	<b>--</b>

31.12.2013 In thousands of €	Facility amount	Facility expiry date	Outstanding balance	< 1 year	> 1-5 years	> 5 years
Tatra Banka	1,390	31-Dec-15	1,390	160	1,230	-
Tatra Banka	3,916	31-Dec-18	3,916	342	3,574	-
UniCredit Bank - Hungary	10,366	29-Sep-14	10,366	10,366	-	-
UniCredit Bank - Czech Republic	56,611	31-Dec-19	8,091	-	8,091	-
Swedbank	7,500	30-Aug-18	-	-	-	-
Other bank debt	62	2016-2018	62	27	35	-
<b>Total bank debt</b>	<b>79,845</b>		<b>23,825</b>	<b>10,895</b>	<b>12,930</b>	<b>-</b>

## Events of defaults and breaches of loan covenants and bond covenants

During the first half year of 2014 there were no events of defaults nor were there any breaches of covenants with respect to loan agreements and bonds.

## 12 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.

30.06.2014 In thousands of €	Carrying amount 30.06.2014	Amounts recognised in balance sheet in accordance with IAS 39			Fair value 30.06.2014	Fair value hierarchy 30.06.2014
		Amortised costs	Fair value through equity	Fair value through profit or loss		
<b>Assets</b>						
Other non-current receivables	-	-	-	-	-	Level 2
Trade receivables	1,370	1,370	-	-	1,370	Level 2
Other receivables	2,467	2,467	-	-	2,467	Level 2
Cash and cash equivalents	18,531	18,531	-	-	18,531	Level 2
Disposal group held for sale	68,334	-	-	-	-	
<b>Total</b>	<b>90,702</b>	<b>22,368</b>	<b>-</b>	<b>-</b>	<b>22,368</b>	
<b>Liabilities</b>						
Financial debt						
Bank debt	30,855	30,855	-	-	30,855	Level 2
Bonds	147,124	147,124	-	-	156,191	Level 2
Trade payables	4,786	4,786	-	-	4,786	Level 2
Other liabilities	2,533	2,533	-	-	2,533	Level 2
Derivative financial liabilities						
Without a hedging relationship	1,148	-	-	1,148	1,148	Level 2
<b>Total</b>	<b>186,446</b>	<b>185,298</b>	<b>-</b>	<b>1,148</b>	<b>195,513</b>	

31.12.2013	Carrying amount	Amounts recognised in balance sheet in accordance with IAS 39			Fair value	Fair value hierarchy
<i>In thousands of €</i>	31.12.2013	Amortised costs	Fair value through equity	Fair value through profit or loss	31.12.2013	31.12.2013
<b>Assets</b>						
Other non-current receivables	49,114	49,114	-	-	49,114	Level 2
Trade receivables	1,817	1,817	-	-	1,817	Level 2
Other receivables	8,301	8,301	-	-	8,301	Level 2
Cash and cash equivalents	79,226	79,226	-	-	79,226	Level 2
<b>Total</b>	<b>138,458</b>	<b>138,458</b>	<b>-</b>	<b>-</b>	<b>138,458</b>	
<b>Liabilities</b>						
Financial debt						
Bank debt	23,826	23,826	-	-	23,826	Level 2
Bonds	146,727	146,727	-	-	149,810	Level 2
Trade payables	5,830	5,830	-	-	5,830	Level 2
Other liabilities	9,815	9,815	-	-	9,815	Level 2
Derivative financial liabilities						
Without a hedging relationship	201	-	-	201	201	Level 2
<b>Total</b>	<b>186,399</b>	<b>186,198</b>	<b>-</b>	<b>201</b>	<b>189,482</b>	

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 2014, 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.

## 13 Related parties

The Group identified the following transactions with related parties:

<i>In thousands of €</i>	30.06.2014	30.06.2013
<b>Transactions with related parties</b>		
General management fees received from associates	159	181
Property management fees and similar income received from associates	1,781	1,212
Interest and similar income from associates	1,757	1,689
Rent received from related parties	628	529
Rent paid to associates	(101)	(102)
Services received from Jan Van Geet s.r.o.	(208)	(289)

<i>In thousands of €</i>	30.06.2014	31.12.2013
<b>Outstanding balances with related parties</b>		
Loans provided to associates	48,884	49,114
Other receivables from associates	6,450	6,450
Advances received from Jan Van Geet s.r.o.	(10)	(11)

## 14 Commitments

The Group has concluded a number of contracts concerning the future purchase of land. At 30 June 2014 the Group had future purchase agreements for land totalling 287,000 m<sup>2</sup>, representing a commitment of € 12.0 million and for which advance payments totalling € 1.2 million had been made. At the end of June 2014 the Group had committed annualised rent income of € 13.0 million (€ 10.4 million as at 31 December 2013).

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:

<i>In thousands of €</i>	30.06.2014	31.12.2013
Less than one year	12,834	10,007
Between one and five years	44,791	36,794
More than five years	34,719	29,855
<b>Total</b>	<b>92,344</b>	<b>76,656</b>

As at 30 June 2014 the Group had contractual obligations to develop new projects or complete existing projects for a total amount of € 20.4 million.

## 15 Post balance sheet events

On 22 August 2014 VGP together with its joint venture partners European Property Investors Special Opportunities, L.P. (EPISO) and Curzon Capital Partners III LP (CCP III), both property funds managed by Tristan Capital Partners, concluded an agreement to sell their respective stakes in the VGP CZ I and VGP CZ II portfolios in the Czech Republic to PointPark Properties (P3). The sale is subject to a number of conditions and is expected to complete during the fourth quarter of 2014.

## 16 Subsidiaries and associates

### Companies forming part of the Group as at 30 June 2014

Subsidiaries	Address	%
VGP CZ III a.s.	Jenišovice u Jablonce nad Nisou, Czech Republic	100
VGP CZ V a.s.	Jenišovice u Jablonce nad Nisou, Czech Republic	100
VGP CZ VI a.s.	Jenišovice u Jablonce nad Nisou, Czech Republic	100
VGP CZ VII a.s.	Jenišovice u Jablonce nad Nisou, Czech Republic	100
VGP CZ VIII a.s.	Jenišovice u Jablonce nad Nisou, Czech Republic	100
VGP CZ IX a.s.	Jenišovice u Jablonce nad Nisou, Czech Republic	100
VGP CZ X a.s.	Jenišovice u Jablonce nad Nisou, Czech Republic	100
VGP Park Cesky Ujezd a.s.	Jenišovice u Jablonce nad Nisou, Czech Republic	100
VGP –industrialni stavby s.r.o.	Jenišovice u Jablonce nad Nisou, Czech Republic	100
SUTA s.r.o.	Prague, Czech Republic	100
HCP SUTA s.r.o.	Prague, Czech Republic	100
VGP FM Services s.r.o.	Jenišovice u Jablonce nad Nisou, Czech Republic	100
VGP Industriebau GmbH	Düsseldorf, Germany	100
VGP Park Rodgau GmbH	Düsseldorf, Germany	100
VGP Park Leipzig GmbH	Düsseldorf, Germany	100
VGP Park Bingen GmbH	Düsseldorf, Germany	100
VGP Park Hamburg GmbH	Düsseldorf, Germany	100
VGP Park Höchststadt GmbH	Düsseldorf, Germany	100
VGP Park München GmbH	Düsseldorf, Germany	100
VGP Park Berlin GmbH	Düsseldorf, Germany	100
VGP Park Hammersbach GmbH	Düsseldorf, Germany	100
VGP Deutschland – Projekt 7 GmbH	Düsseldorf, Germany	100
VGP Deutschland – Projekt 8 GmbH	Düsseldorf, Germany	100
VGP Estonia OÜ	Tallinn, Estonia	100
VGP FinanceNV	Zelee, Belgium	100
VGP FM Services Plus Comm. VA	Zelee, Belgium	100
VGP Latvia s.i.a.	Kekava, Latvia	100
VGP Park Győr Kft	Győr, Hungary	100
VGP Romania S.R.L.	Timisoara, Romania	100
VGP Slovakia a.s.	Malacky, Slovakia	100
VGP Polska SP. z.o.o.	Wroclaw, Poland	100
VGP Nederland BV	Tilburg, The Netherlands	100

### Changes in 2014

In order to further support the development of VGP business activities in the Czech Republic, VGP CZ IX a.s., VGP CZ X a.s. and HCP SUTA s.r.o. were incorporated.

Associates	Address	%
SNOW CRYSTAL S.a.r.l.	Luxembourg, Grand Duchy of Luxembourg	20
SUN S.a.r.l.	Luxembourg, Grand Duchy of Luxembourg	20
VGP Park Horni Pocernice a.s.	Jenišovice u Jablonce nad Nisou,Czech Republic	20
VGP Blue Park a.s.	Jenišovice u Jablonce nad Nisou,Czech Republic	20
VGP Green Park a.s.	Jenišovice u Jablonce nad Nisou,Czech Republic	20
VGP Green Tower a.s.	Jenišovice u Jablonce nad Nisou,Czech Republic	20
VGP Park Prisovice a.s.	Jenišovice u Jablonce nad Nisou,Czech Republic	20
VGP Park Turnov a.s.	Jenišovice u Jablonce nad Nisou,Czech Republic	20
VGP CZ II s.r.o.	Jenišovice u Jablonce nad Nisou,Czech Republic	20
VGP CZ IV a.s.	Jenišovice u Jablonce nad Nisou,Czech Republic	20
VGP Misv Comm. VA	Zelev, Belgium	43



## AUDITOR'S REPORT

### VGP NV

#### **Report on review of the condensed consolidated interim financial statements for the six-month period ended 30 June 2014**

To the board of directors

In the context of our appointment as the company's statutory auditor, we report to you on the condensed consolidated interim financial statements. These condensed consolidated interim financial statements comprise the condensed consolidated balance sheet as at 30 June 2014, the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated cash flow statement for the period of six months then ended, as well as selective notes 1 to 16.

#### **Report on the condensed consolidated interim financial statements**

We have reviewed the condensed consolidated interim financial statements 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 423,567 (000) EUR and the condensed consolidated income statement shows a consolidated profit (group share) for the period then ended of 43,376 (000) EUR.

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

#### *Scope of review*

We conducted our review of the condensed consolidated interim financial statements 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 condensed consolidated interim financial statements.

#### *Conclusion*

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

Diegem, 26 August 2014

#### **The statutory auditor**

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**DELOITTE Bedrijfsrevisoren / Reviseurs d'Entreprises**

BV o.v.v.e. CVBA / SC s.f.d. SCRL

Represented by Rik Neckebroeck