



Press Release
Regulated Information

4 March 2010

Annual results 2009

VGP achieves record growth
Occupancy rate and rent prices remaining stable

- **14 new projects completed resulting in a 52.4% growth in total lettable area (+ 184,211m²) to 535,872m²**
- **80.5% growth in gross rental income (+ EUR 9.7 million) to EUR 21.7 million**
- **110.2% growth in operating result (before result on portfolio) (+ EUR 9.3 million) to EUR 17.8 million**
- **Committed annualised rent income increased to EUR 29.2 million**
- **Net profit for the period of EUR 1.2 million despite a EUR 22.6 million adverse valuation effect on the “historic” property portfolio**

Summary

The year 2009 was a record year for VGP despite the difficult economic and financial environment.

VGP's activities during the year 2009 can be summarised as follows:

- 14 projects (of which 3 projects outside the Czech Republic) representing a lettable area of 184,211m² were completed during the year bringing the total property portfolio to 45 buildings representing 535,872m² of lettable area.
- The development activities performed strongly with a fair value profit contribution of EUR 15.9 million.
- Over the total financial period from 2004 to 2009, the property portfolio (in m²) has now increased at a CAGR¹ of 136%.
- The occupancy rate of the portfolio in the Czech Republic was 94.4% at the end of December 2009 compared to 95% as at 31 December 2008.
- The operating result for the period increased by 110,2% to EUR 17.8 million as compared to EUR 8.5 million as at 31 December 2008.

¹ Compound Annual Growth Rate

- The annualised committed leases increased to EUR 29.2 million as at 31 December 2009. During the year 2009 the total new annualised committed leases signed were in excess of EUR 6.6 million, of which EUR 5.5 million related to new lettable area and EUR 1.1 million were renewal of existing or replacement leases.
- Outside the Czech Republic, VGP was able to sign a total of 9 new lease agreements during 2009 representing a total of 40,250 m² lettable areas. At the same time VGP continued to perform strongly in its Czech home market where it had an overall 37%¹ development market share for the Czech-industrial market and a 43%¹ market share in Prague for the year 2009.
- The revaluation of financial instruments on interest rate derivatives held for trading resulted in an unrealised loss of EUR 1.0 million as at 31 December 2009 against an unrealised loss of EUR 3.5 million as at 31 December 2008.
- The net valuation of the property portfolio as at 31 December 2009 includes the unrealised gain of EUR 15.9 million on the completed projects during the year and the projects under construction i.e. the development activities, and an unrealised loss of EUR 22.6 million on the existing portfolio as at 31 December 2008 (the “historic portfolio”).
- Despite the aforementioned adverse effects of the revaluation of the interest rate derivatives and the historic portfolio, VGP was able to turn around its EUR 11.7 million net loss as at 30 June 2009 into a net profit of EUR 1.2 million for the full year 2009.
- The debt ratio² as at 31 December 2009 was 40.7% compared to 39.0% at the end of December 2008.

¹ Source: Cushman & Wakefield.

² Although VGP NV is not a Sicafi, for comparative purposes calculated according to the Sicafi regulation i.e. (Financial and other debts) / (Total assets but excluding shareholder loans from the financial debt). Should the shareholder loans have been included the debt ratio would be 57.4% per 31 December 2009 and 53.8% per 31 December 2008.

Key figures

Consolidated income statement – Analytical form	2009	2008
<i>In thousands of €</i>		
NET CURRENT RESULT		
Gross rental income	21,726	12,037
Service charge income / (expenses)	486	146
Property operating expenses	(2,166)	(1,850)
Net rental and related income	20,046	10,333
Other income / (expenses) - incl. administrative costs	(2,285)	(1,882)
Operating result (before result on portfolio)	17,761	8,451
Net financial result ¹	(9,471)	(6,593)
Revaluation of interest rate financial instruments (IAS 39)	(905)	(3,477)
Taxes	(707)	702
Net current result	6,678	(917)
RESULT ON PROPERTY PORTFOLIO		
Net valuation gains / (losses) on investment property	(6,754)	36,396
Deferred taxes	1,252	(6,915)
Result on property portfolio	(5,502)	29,481
NET RESULT		
Net result	1,176	28,564

Information per share	2009	2008
Number of ordinary shares	18,583,050	18,583,050
Net current result per share (in €)	0.36	(0.05)
Net result per share (in €)	0.06	1.54

Gross rental income up 80.5 % to EUR 21.7 million

The increase of gross rental income reflects the continued strong growth of the Group's income generating assets. As at 31 December 2009 VGP had a total of 45 completed projects in its investment portfolio as compared to 31 completed projects at the end of December 2008.

During the year 2010 the total amount of lease contracts expiring amount to EUR 0.5 million. These contracts were of a short nature in anticipation of the expansion of some anchor tenants. This has been confirmed after year-end where the request of expansions by some anchor tenants has already surpassed the leases expiring during the year 2010.

Committed annualised rent income increased to EUR 29.2 million

During the year 2009 the committed annual rent income showed a strong growth compared to the overall market environment. During the year 2009, VGP was able to sign additional committed lease agreements in excess of EUR 6.6 million.

¹ Excluding the revaluation of interest rate financial instruments.

This strong commercial result is also reflected in the Czech occupancy rate of 94.4% as at 31 December 2009 as compared to the Czech industrial market occupancy rate of 84.6%¹.

The Czech Republic remains the home market of the VGP Group with 89% of its assets located there.

In addition, VGP was able to consolidate on its competitive position and reached a developer's market share for the year 2009 of 37%¹ for the overall Czech industrial market and a 43%¹ market share for the Prague region.

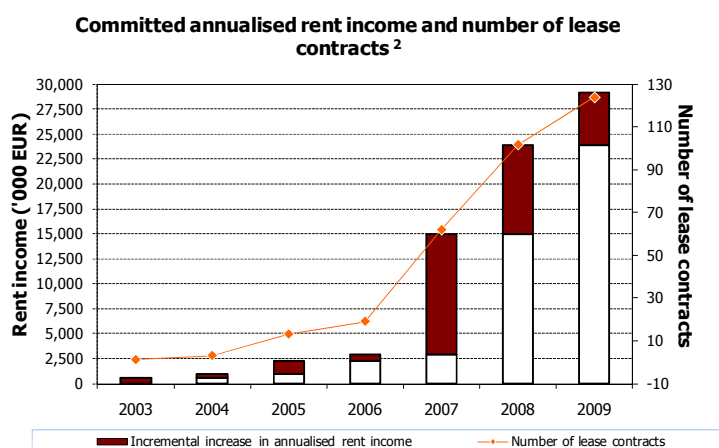
The overall occupancy rate of the Group was 91.4% which is a pleasing evolution given the start up of 3 new business parks outside the Czech Republic. Typical for a start up of a new business park in a new country is that the first building is constructed on a speculative basis. This was the case for the first building in Estonia, Slovakia and Hungary. In the meantime VGP was able to sign 9 lease contracts for these new parks outside the Czech Republic, for a total of 40,250 m² of lettable space. Negotiations are on-going to rent out the remaining area which will have a further positive effect on the overall occupancy rate.

The strategy of the Group to concentrate on end-users and medium sized units had a positive effect on rent prices whereby the average contracted rent prices over 2009 showed a variation of less than 1% as compared to 2008.

The signed lease agreements represent a total of 490,720 m² of lettable area and correspond to 124 different tenants' lease or future lease agreements.

The weighted average term of the committed leases as at 31 December 2009 stood at 5.72 years which remained therefore stable as compared to the end of 2008².

During the first few weeks of 2010 VGP has continued to register a positive trend in the demands for lettable area and expects that this will translate into a continued increase of the committed annualised rent income during the next few months.



¹ Source: Cushman & Wakefield

² 2008 figures corrected for the discontinued lease agreement in the Baltic States in Q1 2009. See press release of Trading Update Q1 2009 for further details.

Operating result up 110.2% to EUR 17.8 million

The operating result (before result on portfolio) increased to EUR 17.8 million in 2009, an increase of 110.2% as compared to the operating profit EUR 8.5 million for the period ending 31 December 2008.

Evolution of the property portfolio

The fair value of the investment property and the investment property under construction¹ (the “property portfolio”) as at 31 December 2009 increased with 8.6% to EUR 428.1 million compared to EUR 394.0 million as at 31 December 2008.

Despite the overall increase of the consolidated portfolio the underlying valuation of the property portfolio showed a decreasing trend during the year.

Although there were only a very limited number of comparable investment transactions in the Czech market or in the other CEE countries during the year 2009 the general view taken by external valuers has become more positive towards the end of the year.

The average yield applied for valuing the property portfolio as at 31 December 2009 increased from 7.87% at the end of December 2008 to 8.33% at the end of December 2009. There was a positive impact on the yields during the second half of 2009 mainly driven by the renting out of additional available space. The resulting total unrealised loss on the property portfolio amounted to EUR 6.8 million as at 31 December 2009 compared to an unrealised loss of EUR 18.5 million as at 30 June 2009 and an unrealised gain of EUR 36.4 million as at 31 December 2008.

There are more and more signs that the yield decompression is bottoming out and as a result VGP is convinced that once this trend is confirmed that it will see a significant increase in asset value.

Completed projects

During the year, 14 projects representing a lettable area of 184,211m² were completed bringing the total property portfolio to 45 buildings which represent 535,872m² of lettable area.

Projects under construction

VGP has a healthy pipeline of contracted projects which are already in excess of 50,000m². These development activities (of which 3 projects have already begun) will be started up during the first quarter of 2010.

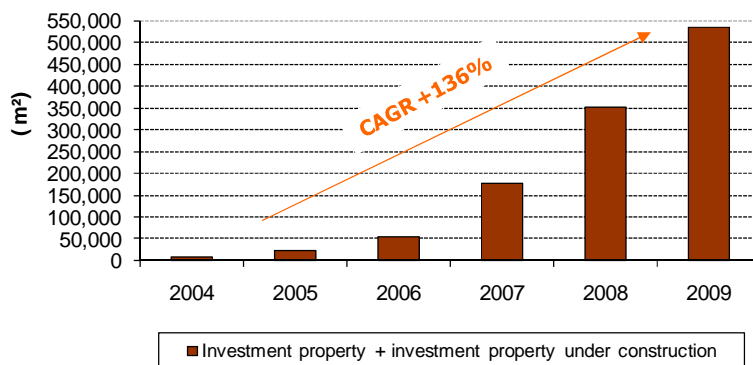
¹ The investment property under construction as at 31 December 2008 was valued at cost. As from 1 January 2009 VGP implemented the amendments to IAS 40 whereby the investment property under construction is valued at fair value. The valuations of the property portfolio were carried out by an independent international external valuator.

Development activities

The development activities continued to generate healthy profits with the average development yield¹ for the completed projects during the year 2009 exceeding well over 11%.

However with construction prices falling to all time lows during the year VGP is confident that the profit contribution of the development activities should increase substantially over the next 12 months. In this respect it is worthwhile to note that for last completed project in 2009 (which was started up during the summer of 2009) a development yield of 14.1% was achieved.

The development activities have shown a very strong track record over the past few years. Over the total financial period from 2004 to 2009, the property portfolio (in m²) has now increased at a CARG² of 136%.



The current available land bank allows the VGP Group to still develop more than 400,000 m² of lettable area.

Expected remaining low construction prices and strong cost control combined with top locations should underpin the development activities of VGP in 2010 and thereafter.

Financing

During the year 2009 bank debt increased from EUR 128.8 million as at 31 December 2008 to EUR 168.9 million as at 31 December 2009. During this period the shareholder loans increased from EUR 60.6 million to EUR 73.1 million.

The evolution of the total debt is fully in line with the growth of the property portfolio.

VGP is reviewing its sources of financing in order to assess whether, besides bank financing, it would require any alternative funding sources to take advantage of a number of strategic opportunities it has identified.

¹ Development yield=the total of contracted rent and expected rent value of vacant area divided by the total investment costs of a building(including capitalised interest)

² Compound Annual Growth Rate



The “Loan to Value”¹ ratio stands at 43.9% at the end of December 2009 compared to 41.2% as at 31 December 2008.

Dividends

At the time of the IPO in December 2007 VGP mentioned its intention to pursue dividend payments on a regular basis once the Group had built up a sizeable portfolio susceptible of generating sufficient rental income to base a sustainable dividend policy.

As the property portfolio has now reached a substantial size and VGP NV reached a distributable profit of EUR 7.5 million as at 31 December 2009, the Board of Directors will make a proposal to distribute a dividend over the financial year 2009 at the moment of the publication of the annual report foreseen on 23 April 2010.

The exact amount of the dividend will be advised by separate press release

Additional comments on the 31 December 2009 consolidated financials

Financial income

The financial income for the period ended 31 December 2009 included EUR 0.9 million foreign exchange gain compared to a foreign exchange loss of EUR 3.6 million as at 31 December 2008 (recorded under financial expenses).

Financial expenses

The financial expenses as at 31 December 2009 are mainly made up of EUR 13.7 million interest expenses related to financial debt, EUR 0.9 million unrealised losses on interest rate derivatives and a positive impact of EUR 3.8 million related to capitalised interests.

The main reason for the variance relates to the increased level of bank and shareholder debt which increased from EUR 188.9 million as at 31 December 2008 to EUR 241.9 million as at 31 December 2009.

Taxes

Taxes decreased from a negative amount of EUR 6.2 million as at 31 December 2008 to a positive amount of EUR 0.5 million for the period ending 31 December 2009. The change in the tax line mainly due to the reversal of deferred tax charge related to the negative fair value adjustment of the property portfolio and has therefore no cash effect.

Net debt/ Equity

As at 31 December 2009 the net debt (excluding shareholder loans) amounted to 164.0 million and the corresponding net debt / equity ratio was 1.06 compared to 0.80 as at 31 December 2008.

¹ Bank debt (excluding shareholder loans) divided by the fair value of the property portfolio (excluding development land). Bank covenants allow for a maximum of 65% of Loan to Value



Net debt (including shareholder loans) as at 31 December 2009 amounted to EUR 237.0 million and the corresponding net debt / equity ratio was 1.53 compared to 1.19 compared as at 31 December 2008.

Outlook 2010

VGP is currently well placed to reap the full benefits of its top locations and strong commercial and development team, once the economic recovery gets fully underway.

Based on the positive trend in the demands for lettable area VGP expects that, provided there are no unforeseen events of economic and financial markets nature, it will be able to post double digit growth in its gross rental income in 2010 as well as to continue to substantially expand its property portfolio.

The pace of the further development of the property portfolio will depend on the expected timing of availability of adequate bank credit facilities, for which negotiations are currently well underway.

Financial calendar

Annual report 2009	23 April 2010
First quarter trading update 2010	14 May 2010
General meeting of shareholders	14 May 2010
2010 half year results	16 August 2010
Third quarter trading update 2010	15 November 2010

Profile

VGP (www.vgpparks.eu) constructs and develops high-end semi-industrial real estate and ancillary offices for its own account, 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. VGP owns a property portfolio of EUR 428 million. The portfolio represents a total lettable area of over 535,000 m² as at 31 December 2009.

For more information

Mr Dirk Stoop

CFO and IR

Tel. +32 2 737 74 06

E-mail: dirk.stoop@vgpparks.eu

FINANCIAL ACCOUNTS¹

1. CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2009

Income Statement	2009	2008
<i>In thousands of €</i>		
Gross rental income	21,726	12,037
Service charge income	4,829	2,490
Service charge expenses	(4,343)	(2,344)
Property operating expenses	(2,166)	(1,850)
Net rental and related income	20,046	10,333
Net valuation gains on investment property	(6,754)	36,396
Property Result	13,292	46,729
Administrative cost	(2,431)	(1,746)
Other income	715	413
Other expenses	(569)	(549)
Net operating profit before net financial result	11,007	44,847
Financial income	993	304
Financial expenses	(11,369)	(10,374)
Net financial result	(10,376)	(10,070)
Profit before taxes	631	34,777
Taxes	545	(6,213)
Profit for the period	1,176	28,564
Result per share	2009	2008
Basic earnings per share (in €)	0.06	1.54
Diluted earnings per share (in €)	0.06	1.54

¹ The statutory auditor has confirmed that his audit procedures, which have been substantially completed, have not revealed any material adjustments which would have to be made to the accounting information disclosed in this press release.

The consolidated financial statements have been prepared in accordance with IFRS as adopted by the European Union

2. CONSOLIDATED BALANCE SHEET For the year ended 31 December 2009

Assets	2009	2008
<i>In thousands of €</i>		
Intangible assets	64	10
Investment property	426,010	351,886
Investment property under construction	2,095	42,141
Other tangible assets	338	409
Deferred tax assets	2,379	1,159
Total non-current assets	430,886	395,605
Trade and other receivables	4,533	9,392
Cash and cash equivalents	4,327	4,289
Total current assets	8,860	13,681
TOTAL ASSETS	439,746	409,286

Shareholders' equity and liabilities	2009	2008
<i>In thousands of €</i>		
Share capital	62,251	62,251
Retained earnings	98,233	97,058
Other reserves	(5,244)	(3,754)
Shareholders' equity	155,240	155,555
Non-current financial debt	235,739	180,445
Other non-current liabilities	3,396	3,150
Deferred tax liabilities	21,866	21,762
Total non-current liabilities	261,001	205,357
Current financial debt	5,633	8,484
Trade debts and other current liabilities	17,872	39,890
Total current liabilities	23,505	48,374
Total liabilities	284,506	253,731
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	439,746	409,286