



Press Release
Regulated Information

VGP presents an update on the third quarter of 2017
to present date and business highlights

27 September 2017, Diegem (Belgium) – VGP NV (‘VGP’ or ‘the Group’, Euronext Brussels ISIN BE0003878957) today announced an update on the third quarter of 2017 to present date and business highlights.

Highlights of the trading update and business highlights

- € 3.3 million of additional new leases signed bringing the annualised committed leases for the year to date to € 77.2 million¹ (+ € 17.1 million compared to 31 December 2016) with several new leases in advanced / final phase(s) of negotiations
- 328,246 sqm of new land plots acquired adding 159,208 sqm of additional development lettable area potential
- 660,000 sqm of new land plots secured which brings the total land bank under option to 1,300,000 sqm having a development potential of circa 600,000 sqm of future lettable area
- Completion of the sale of VGP Park Nehatu (Estonia) which represented 77,000 sqm of lettable area (5 buildings) and € 4.2 million of annualised committed leases). Net proceeds of the sale of circa € 34.5 million to be re-applied towards the further expansion of the development activities in the core markets
- Development of 6 new projects started up totalling 46,536 sqm of future lettable area increasing the current buildings under construction to 563,198 sqm of future lettable area. These buildings under construction on which 76% pre-leases have already been signed, represent a total estimated annualised rent income of € 26.9 million (assuming full occupancy and current market rental conditions)
- The completed buildings (of both the own and joint venture portfolios) remain 100% let

Geographic expansion to a new market in preparation

Negotiations are ongoing for the acquisition of four separate locations in a new European market. The exact location of the new market will be announced as soon as the negotiations are finalized and all permits have been obtained, after which it is expected that shortly thereafter the first development will be started up.

Jan Van Geet, CEO of the VGP Group, mentioned: *“Over the past months we have recorded strong growing demand from both our existing and potential new customers for first-class logistics real estate across Europe. We’re happy to meet these demands and are ready to expand our commitment towards our customer base beyond our existing markets. Further geographic expansion will maintain the momentum of our development activities seen over the last 18 months. Such geographic expansion is*

¹ Including VGP European Logistics (joint venture with Allianz Real Estate) which stood at € 51.6 million, excluding Estonia which has been successfully disposed on 15 September 2017.



fully in line with VGP's strategy to enter into a new market every c.2 years. The last market which VGP entered was Spain in 2015."

Germany continues to perform strongly

During the third quarter to present date VGP acquired 253,511 sqm of new land plots to develop two new parks. In Halle an der Saale (region of Leipzig) a new land plot of 16.6 hectare was acquired on which VGP intends to develop the new VGP Park Halle. This park will allow the development of 3 buildings totaling c.78,000 sqm of future lettable area. VGP was able to immediately secure the first tenant with the lease out of 10,000 sqm under a 10-year lease contract with a tenant which is a world leader in the production of elastomeric insulation for energy saving. The first building will therefore be started up in the next few weeks.

In Wustermark, in the German state of Brandenburg, VGP acquired 8.8 hectare of land and expects to hand over two properties to customers in early 2018. These two buildings, one for 12,000 sqm and the other for 6,000 sqm, have each been leased out under 10-year lease contracts.

First tenant for VGP Park San Fernando in Spain

Following the start-up of the development of the first building in VGP Park San Fernando de Henares (Madrid) in June 2017, the first lease agreement was signed with the elevator company ThyssenKrupp for a lettable area of circa 6,700 sqm under a 7-year lease agreement.

In VGP Park Mango several negotiations are currently under way. In view of the recorded demand for lettable space in this park and the shortage of grade A logistic buildings in the Barcelona region, VGP is planning the construction of a multi-tenant warehouse in November of this year.

Czech Republic robust growth

The Czech Republic continues to perform robustly. VGP is currently developing 155,000 sqm of new lettable area in which more than 77% are pre-let.

In addition, the last remaining land plot (of 75,000 sqm) of VGP Park Olomouc was acquired in the third quarter of 2017 having a development potential of 33,000 sqm of future lettable area. The total park consists of 479,753 sqm of land on which 206,000 sqm of lettable area can be developed. At the moment 2 buildings (totaling 34,486 sqm lettable area) have been completed and fully let. Three further buildings are being constructed of which 2 buildings (totaling 16,786 sqm of future lettable area) are fully pre-let and for the last building (10,476 sqm of future lettable area) negotiations are on-going with potential tenants.

Portfolio summary as of Third Quarter to date²

Completed: 1.1³ million sqm GLA

Under construction: 0.6 million sqm GLA

Remaining potential⁴: 1.6 million sqm GLA

² All below figures include Own portfolio and 100% of the JV portfolio. "Completed" refers to fully completed investment properties; "under construction" refers to assets under construction; "Remaining potential" refers to remaining landbank already on the balance sheet of the Company or contractually locked in.

³ Difference to 1.2 million sqm as of 30 June 2017 related to the disposal of assets in Estonia.

⁴ "Remaining potential" refers to remaining landbank already on the balance sheet of the Company or contractually locked in.



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Profile

VGP (www.vgpparks.eu) constructs and develops high-end logistic real estate and ancillary offices for its own account and for the account of its VGP European Logistics joint venture (50:50 joint venture between Allianz Real Estate and VGP), 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.