VGP

ANNUAL REPORT
2009

CONTENTS


VGP
PARK
HORNÍ POČERNICE

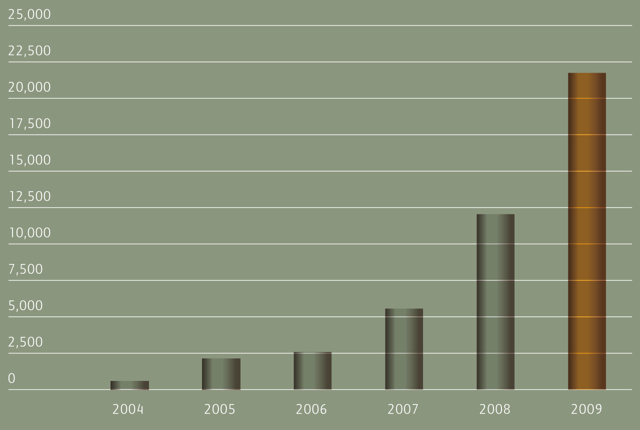
KEY FIGURES

in thousands of €

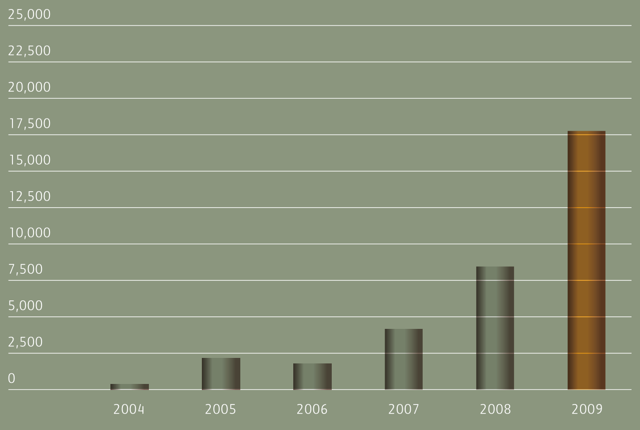
INVESTMENT PROPERTY	2009	2008	2007
Total lettable area (m²)	535,872	351,661	176,614
Occupancy rate (%)	91%	95%	100%
Fair value of property portfolio	428,105	394,027	225,171
BALANCE SHEET			
Shareholders' equity	155,240	155,555	130,814
Gearing			
Net debt / shareholders' equity	1.53	1.19	0.51
Net debt / total assets	54.0%	45.2%	23.2%
INCOME STATEMENT – ANALYTICAL FORM			
Gross rental income	21,726	12,037	5,557
Property operating expenses and net service charge income / (expenses)	(1,680)	(1,704)	(984)
Net rental and related income	**20,046**	**10,333**	**4,573**
Other income / (expenses) – incl. Administrative costs	(2,285)	(1,882)	(403)
Operating result (before result on portfolio)	**17,761**	**8,451**	**4,170**
Net current result	**6,678**	**(917)**	**2,792**
Net valuation gains / (losses) on investment property	(6,754)	36,396	41,527
Deferred taxes	1,252	(6,915)	(7,890)
Result on property portfolio	**(5,502)**	**29,481**	**33,637**
Net result	**1,176**	**28,564**	**36,429**

RESULT PER SHARE	2009	2008	2007
Number of ordinary shares	18,583,050	18,583,050	18,583,050
Net current result per share (in €)	0.36	(0.05)	0.15
Net result per share (in €)	0.06	1.54	1.96

GROSS RENTAL INCOME
in thousands of €



OPERATING RESULT before result on portfolio
in thousands of €



LETTER TO THE SHAREHOLDERS

Dear shareholders,
2009 has been a challenging year for everyone active in our field of business – with the crisis affecting the real economy, most industrial companies reacted decisively by reducing their stocks to a minimum in an urge to minimise cost with direct effects on the vacancy of industrial property.

Increasing vacancy resulted in a downward pressure of rental prices especially for the larger units used for large logistic operations.

Estimated market value of semi-industrial real estate fell significantly and some of the higher leveraged real estate companies were forced to recapitalise their businesses at substantial discounts to their share prices in order to avoid breaching their bank covenants and to save their companies from the worst.

Banks virtually stopped lending and in the rare case when financing was provided bank margins increased radically resulting in a significant adverse effect on the the profitability of the real estate sector as a whole.

Towards the end of 2009 we have seen some easing of these restrictive credit policies, a pick up of industrial activity and last but not least an renewed increase in the demands for lettable area. The worst seems therefore to have passed now.

In the midst of all this turmoil we at VGP have had an excellent year.

Our strategy to concentrate on top locations, close to city centres and therefore a far less exposure to the large logistic box units of say around 50,000 m^2 proved to be the right strategy. VGP was able to attract a lot more end users with small to medium size units between 2,000 up to 10.000 m^2. Those tenants have proven more resistant to the economic downturn and what is more – the request for small and medium size units has remained fairly stable whereas large units are often difficult to split into smaller ones and requests for large logistic units have become rare.

It is sufficient to compare our performance with the rest of the market to illustrate these facts:

During the year our development team delivered a record 184.000 m^2 to the market, consisting of 14 buildings which led to an increase in total lettable area of our Group up to more than 535.000 m^2. The delivery of this additional space during the year corresponds to a developer market share of 37 % in the Czech Republic, almost twice as much as our closest competitor.

In our Czech home market, our occupancy rate remained almost stable at 94,4 % (against an occupancy rate of 84,6% for the total Czech industrial market). In addition we were pleased to note that the rental price for new negotiated rental agreements during the year 2009 remained stable, showing a variance of less than 1 % in average year on year.

Outside the Czech Republic, 2009 was our first full operational year. In these new markets we also performed well, signing 9 lease agreements for a total of over 40.000 m^2, resulting in 70% of the buildings , which were started at the beginning of the year on a speculative basis , being already leased. VGP has adopted, for marketing purposes, a policy to construct the first building for a new business park in a new country on a speculative basis.

The new signed rental agreements increased our committed annualised income with € 5.5 million up to € 29.2 million. In addition € 1.1 million of renewal or replacement leases were signed.

On the development side we benefited a lot from the fact that our development team remained intact: instead of reducing headcount to anticipate reduced building activity,

we integrated our people more into the construction process.

As a result VGP now takes on the role of general contractor in 100% of its building activities - achieving overall a better control of the construction process which is to the benefit of the tenants and ourselves. Commercially we have benefited from the fact of having a team of competent and experienced engineers who actively help new customers to integrate their processes into our buildings, to obtain necessary permits and by innovative design of the buildings generate cost savings. This has undoubtedly helped us to conclude more lease agreements. The high-level of specialisation and integration in our buildings of our tenants' activities has helped us to negotiate lease agreements with a longer lease term, well above the general institutionalised lease term of 3 to 5 years.

Despite a further yield decompression and with a lot of buildings contracted in 2008, when construction prices were still very high, the development activities performed solidly with a fair value profit contribution of € 16 million.

The development activities in the year 2010 continue to look very promising ,with almost 50,000 m^2 of new projects in the pipeline on which we will be able to benefit to a maximum extend from construction prices at historic lows and our optimised internal structure.

On the lease side, our gross rental income grew substantially in 2009 – totalling € 21.7 million, a growth of 80.5 % compared to the previous year. With virtually no leases expiring during 2010 and our committed annualised rent income already amounting to more than € 29 million, we expect a very strong performance in 2010 with again a double digit growth in gross rental income.

With the growing number of completed projects and the exponential growth of lease contracts VGP has had to invest extensively in a professional set up of its Facility management team. In this respect we invested in a new software to ensure adequate follow up on the facility management activities of our property portfolio.

Facility management will remain one of the main targets during the year 2010 since we believe that a lot of savings and improvements benefiting both our tenants and ourselves can be achieved thanks to the economics of scale of our fast growing portfolio.

We therefore look to the year 2010 with a lot of enthusiasm. VGP has the team, the land, the finance, the experience and a lot of energy to continue to be a fast but sound growing company and to become a leader in our field of business. We will try to profit from the many opportunities to expand our business further, mainly in our core market.

I would like to take the opportunity to thank all, shareholders, banks, financing partners, customers and suppliers for the continuous support of VGP.

Jan Van Geet, CEO


J
STILL

VGP IN 2009

TOMAS VAN GEET
HEAD OF COMMERCIAL DEPARTMENT

MARKETS

The year 2009 was a record year for VGP, despite experiencing the full impact of the economic and financial crisis, which saw demands for lettable area decline substantially and availability of new bank financing almost disappearing.

The strategy of the Group to concentrate on top locations and mid sized units combined with a strong balance sheet and financial position proved to be the right recipe to weather the economic storm.

COMMERCIAL ACTIVITIES

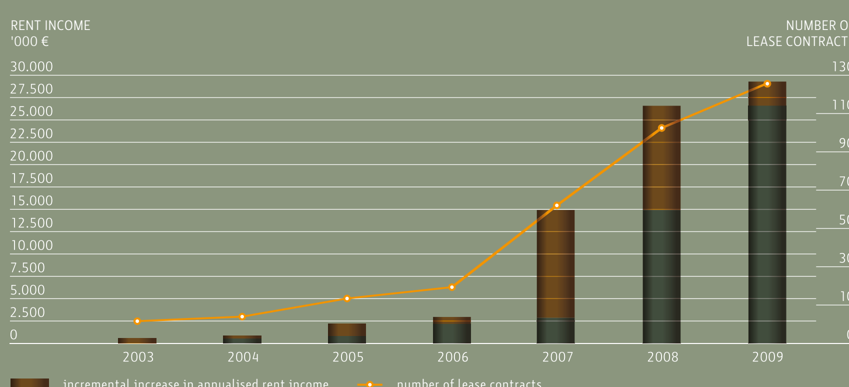
During the year 2009 the committed annual rent income showed a strong growth compared to the overall market environment.

The annualised committed leases increased to € 29.2 million as at 31 December 2009. During the year 2009 the total new annualised committed leases signed were in excess of € 6.6 million, of which € 5.5 million related to new lettable area and € 1.1 million were renewal of existing or replacement leases.

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

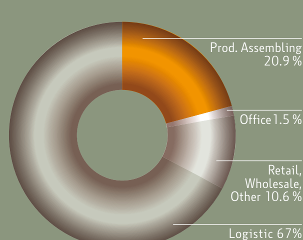
The signed lease agreements now represent a total of 490,720 m² of lettable area and correspond to 124 different tenants' lease or future lease agreements.

COMMITED ANNUALISED RENT INCOME AND NUMBER OF LEASE CONTRACTS 31 DECEMBER 2009 in m²

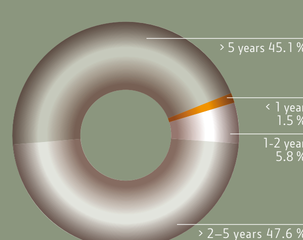


The weighted average term of the committed leases as at 31 December 2009 stood at 5.72 years which remained therefore stable as compared to the end of 2008*.

PORTFOLIO BREAKDOWN BY USE
31 December 2009 (in m²)



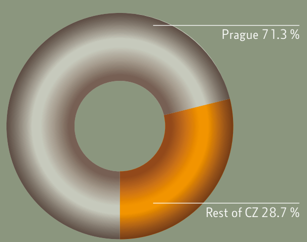
COMMITED LEASE MATURITY
31 December 2009 (in m²)



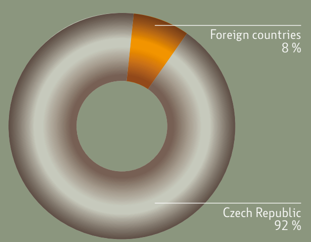
During the year VGP completed its first three buildings outside the Czech Republic i.e. VGP Park Tallinn (Estonia), VGP Park Malacky (Slovakia) and VGP Park Győr (Hungary). The policy adopted by VGP for a start up of a new business park in a new country is that, for marketing purposes, the first building is constructed on a speculative basis. This was the case for these three buildings. Despite some very difficult local economic conditions in these countries VGP managed 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

The Czech Republic remains the home market of the Group with the Prague area being the most important geographic area of the Group's property portfolio.

COMMITED LEASES IN THE CZECH REPUBLIC
31 December 2009 (in m²)



COMMITED LEASES BY GEOGRAPHIC REGION
31 December 2009 (in m²)



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. This was a very solid performance given the Czech market occupancy rate of 84.6%**.

The overall occupancy rate of the Group was 91.4% which is a pleasing evolution given the start up of the 3 new business parks outside the Czech Republic.

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.

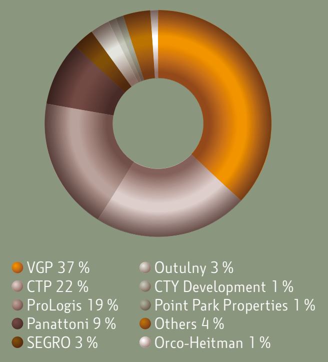
VGP keeps recording a sound demand in those markets where it is operating. The types of demands which we are seeing remain driven by a need from our tenants to adapt to the fast changing economic environment resulting in consolidating production sites and shifting partly or totally their production capacity from Western Europe to the mid-European region or in streamlining their supply chains by centralizing the logistic activities in the mid European region in different regional hubs.

Having buildings on top locations and a flexible approach towards our existing and future potential tenants whereby VGP helps tenants to integrate their demands and operational processes in the design process of the buildings makes VGP's offer a very valuable proposition in comparison to its competitors.

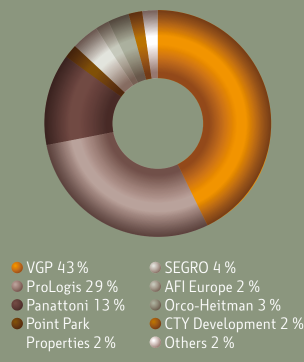
DEVELOPMENT ACTIVITIES

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

DEVELOPERS MARKET SHARE: 579,448 m²
Czech Republic, full year 2009



DEVELOPERS MARKET SHARE: 338,722 m²
Prague, full year 2009



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

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 CAGR**** of 136%.
The current available land bank allows the VGP Group to still develop more than 400,000 m² of lettable area.

The expected continuing low construction prices combined with the substantial growth potential on the top locations in our portfolio and strong cost control should underpin the development activities of VGP in 2010 and thereafter.

COMPOUND ANNUAL GROWTH RATE in m²

* 2008 figures corrected for the discontinued lease agreement in the Baltic States in Q1 2009.
** Source: Cushman & Wakefield
*** 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)
**** Compound Annual Growth Rate

DESIGNING SEMI-INDUSTRIAL BUILDINGS

PETR KRÁL
PURCHASING MANAGER

Successfully designing industrial buildings in a fast changing environment is a daily challenge VGP is faced with. Especially in the current difficult economic climate, potential tenants are sensitive not only to effective rent price levels but are looking more and more to the operational costs of the leased building. The latter is becoming increasingly important when it comes to choosing a building, which they intend to use for a long term period.

VGP's strategy has always been focused on delivering high quality projects developed on the basis of VGP's building standards, with adaptations to meet specific requirements of future tenants but always ensuring multiple purpose use and future re-leasability. The standards set by VGP are based on a long sustainability of the materials used combined with low operating costs. Alhtough at first sight this could lead to higher initial investment costs, VGP has always been able to mitigate these effects by combining its thorough knowledge of local markets and the high standardisation of its projects in order take as much as possible advantage of economies of scale when purchasing the different building components.

The last evolution in VGP's approach has been an increased control over the whole procurement process. Where initially VGP would use general contractors to deliver turn-key projects (based on VGP's standards), VGP has over the last years been taking increasing responsibility of negotiating and buying the different materials and building components itself. This evolution has gone a step further in 2009 during which VGP has started to also take-on the role of general contractor for a number of projects.

Against the general background of the economic downturn and resulting falling construction activity, we have seen construction prices falling to all time lows in 2009. This evolution had a positive effect on the overall construction cost of the buildings completed during the year. VGP expects that the low construction prices should remain at their current levels for a longer period of time.

Although cost is an important driver for VGP, equally important is maintaining its high quality standards. In order to continue to build as effectively as possible without giving in on quality, VGP continuously looks for new revolutionary construction materials which improve the quality of the buildings and at the same time reduce the operating costs for tenants. In addition and based on the recent trends towards eco-friendly buildings, VGP has also been focussing on this aspect when looking at new materials to improve its standards

These new trends in materials can be illustrated as follows:

- Using of new revolutionary thermal insulation for cladding and roof constructions resulted not only in an improvement of thermal comfort, lower investment and operational costs in our buildings, but thanks to the reduced load on our roofs, it also enables us to instal more solar panels per m²;
- From the beginning of 2010 VGP institutionalised energy saving lighting in its buildings. These products which regulate the light intensity depending on the tenants´current needs and the daylight intensity, have been well received by our tenants. Tenants´operational costs for lighting decrease considerably due to the energy savings which ultimately results in decreasing $C0_2$ emissions.

All of these improvements are not only used for the newly built buildings but are also being used to upgrade our existing buildings.

Finally VGP always ensures that its construction materials are disposed of in an ecological way.

VGP FACILITY MANAGEMENT

yesterday – today – tomorrow

JAKUB VODRÁŽKA
FACILITY MANAGER

FOUR MAIN BASIC PRINCIPLES

1/ Ensuring good technical condition of the buildings throughout the whole lifetime.

2/ Flexible and fast response to tenants' requests and requirements.

3/ Cost minimisation whilst at the same time keeping high service levels.

4/ Feedback on the sustainability of the used materials to the development activities.

VGP adheres to the strategy of being a long term developer / investor in semi-industrial real estate and to hold those developed projects in its own portfolio. From the very start VGP has been of the opinion that besides the initial leasing of the building, a sound operational environment with acceptable operating costs is crucial for our tenants.

As a result VGP has created its own facility management team which looks after the maintenance of the Group's portfolio.

VGP's Facility Management activities in fact started prior to the start up of its own property portfolio, by providing facility management activities for third parties. The facility management is currently primarily focussed on the 45 buildings of the VGP portfolio representing more than 535,000 m^2 and to a lesser extend continues to provide services for other property portfolios outside the VGP Group.

In line with the strong increase in the Group's property portfolio VGP has significantly developed its facility management team.

During 2009 the facility management was set up as a fully independent department within VGP. The team was strengthened and is currently composed of 6 collegues which are supported by a team of external technical workers covering the different VGP Parks. During the year a new state of the art facility management system was implemented. This new system integrates all aspects of facility management and interacts with the commercial and accounting departments, allowing VGP to be even more effective in its facility management and thus ultimately providing an improved service to our tenants.

Besides the strengthening of the team and the new system VGP has been focussing on delivering additional value to our tenants by optimising the operating costs of our property portfolio.

The facility team ensures that regular contact is maintained with all tenants in order to allow us to improve our service levels. This feedback is also shared with the other members of the VGP team in order to ensure continuous improvement in our used materials and building processes.

Facility management has become an important part of the VGP Group, creating a Win-Win situation for the tenants and the Group.

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 focuses on top locations which are located in the vicinity of highly concentrated living and/or production centres, with an optimal access to transport infrastructure.

VGP is quoted on Euronext Brussels and the Main Market of the Prague Stock Exchange. VGP owns a property portfolio of € 428.1 million which is expanding rapidly. The portfolio represents a total lettable area of over 535,000 m^2 as at 31 December 2009.

VGP owns a land bank of over 2.5 million m^2 on which it has the necessary permits to develop an additional 400,000 m^2 of lettable area.

STRATEGY

KEY PRINCIPLES OF VGP

- Strategically located plots of land
- Focus on business parks to realise economies of scale
- High quality standardised semi-industrial real estate
- In-house competences enabling a fully integrated business model
- Considerable land bank securing further expansion
- Develop-and-hold strategy

The Group pursues a growth strategy in terms of development of a strategic land bank which is suitable for the development of turnkey and ready-to-be-let semi-industrial projects. The plots are zoned for semi-industrial activities. The management of VGP is convinced that the top location of the land and the high quality standards of its real estate projects contribute to the long term value of its portfolio.

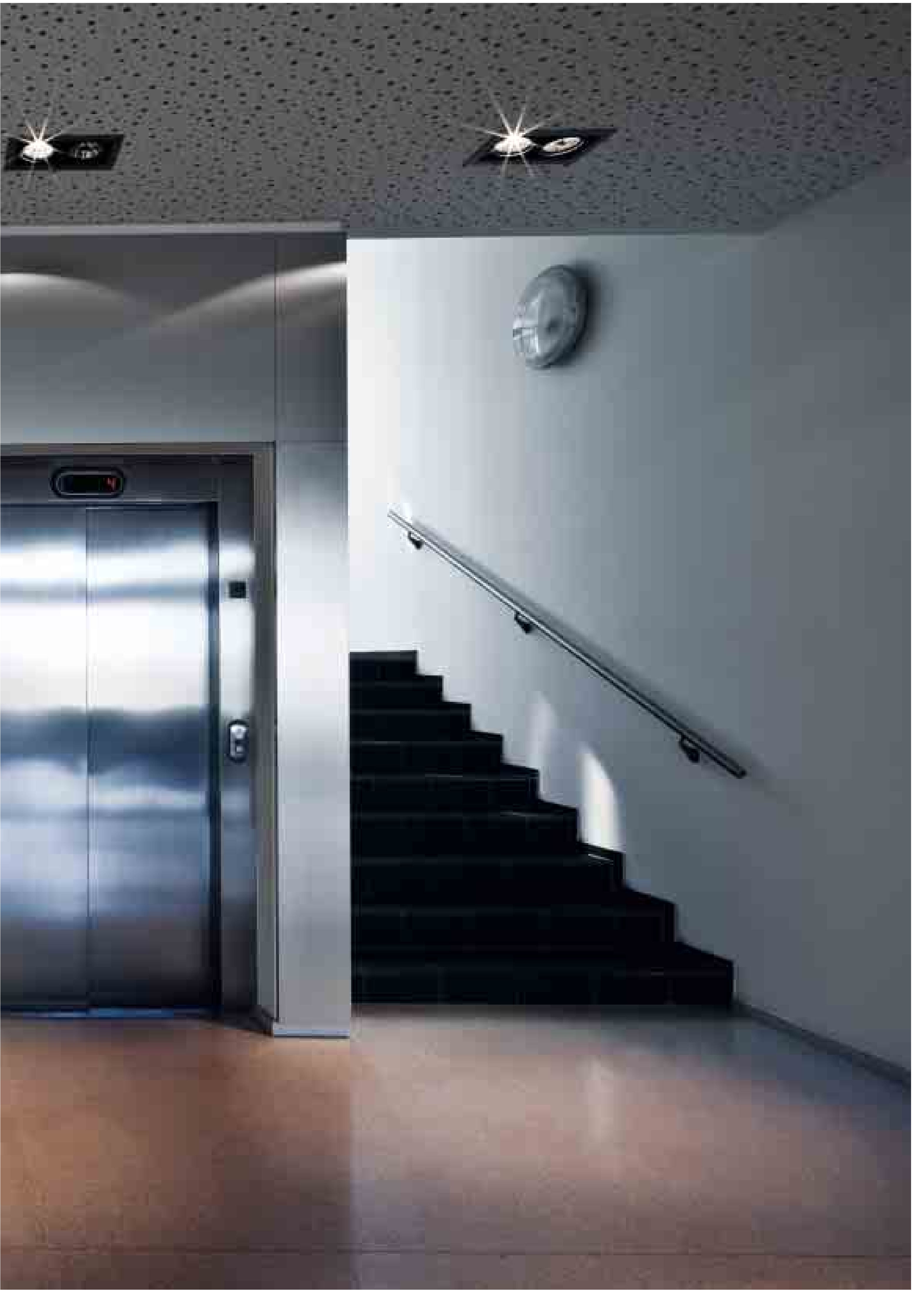
The Group concentrates on the sector of semi-industrial accommodation projects situated in the mid-European region . High quality projects are always developed on the basis of VGP building standards, with adaptations to meet specific requirements of future tenants but always ensuring multiple purpose use and future re-leasability. In their initial phase of development, some projects are being developed at the Group's own risk (i.e., without being pre-let). Given the uncertainty of the economic outlook and the evolution of the financial markets VGP will continue its last year's adopted cautious policy in 2010 whereby any new project started during the year will need to be at least partly pre-let and will need to be supported by adequate credit facilities.

The constructions, which respond to the latest modern quality standards, are leased under long term lease agreements to tenants which are active in the semi-industrial sector, including storing but also assembling, re-conditioning, final treatment of the goods before they go to the industrial clients or the retailers.

The land positions are located in the vicinity of highly concentrated living and/or production centres, with an optimal access to transport infrastructure.

The Group relies on the in-house competences of its team to execute its fully integrated business model, consisting of: the identification and acquisition of the land and development of the infrastructure, the design of the buildings, the coordination of architectural and engineering aspects, the administration to obtain the necessary permits, the tendering and coordination of the construction works including site management, and upon completion the facility management of the real estate portfolio.

The Group's team negotiates and contracts building subcontractors and building material deliveries directly and monitors the follow up and coordination of the building activities itself.



REPORT OF THE BOARD OF DIRECTORS

DECLARATION REGARDING THE INFORMATION GIVEN IN THIS ANNUAL REPORT 2009

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 Šebesťák, Mr. Jan Van Geet, Mr. Bart Van Malderen, Mr. Jos Thys and Mr. Alexander Saverys, jointly certify that, to the best of their knowledge:

I. the consolidated annual accounts, based on the relevant accounting standards, give a true and fair view of the assets, liabilities, financial position and results of VGP NV, including its consolidated subsidiaries.

II. the annual report gives a true and fair view of the development and results of VGP NV, including its consolidated subsidiaries, as well as on the main risk factors and uncertainties which VGP NV and its consolidated subsidiaries are faced with.

CORPORATE GOVERNANCE STATEMENT

In early 2008 the board of directors adopted a corporate governance charter ("VGP Charter") in accordance with the recommendations set out in the Belgian Code on Corporate Governance issued on 9 December 2004 ("2004 Code") by the Belgian Corporate Governance Committee.

The original Corporate Governance Code of 2004 was replaced by the amended 2009 Code published on 12 March 2009 ("2009 Code"). The board of directors brought its Corporate Governance Charter in line with the 2009 Code at its meeting on 20 April 2010. The amended document is available on the Company's website (www.vgpparks.eu).

This Corporate Governance Statement outlines the key components of VGP's governance framework and also explains why the Company departs from a few of the 2009 Code's provisions.

ACTIVITY REPORT ON BOARD OF DIRECTORS' AND BOARD COMMITTEES' MEETINGS

BOARD OF DIRECTORS

NAME	YEAR APPOINTED	NEXT DUE FOR RE-ELECTION	MEETINGS ATTENDED
Executive director and Chief Executive Officer			
Jan Van Geet s.r.o. represented by Jan Van Geet	2008	2013	4
Non-executive director			
Bart Van Malderen	2007	2013	4
Independent, non-executive directors			
Marek Šebesťák	2007	2011	4
Alexander Saverys	2007	2011	3
Rijo Advies BVBA represented by Jos Thys	2007	2011	4

Reference is made to Terms of Reference of the board of directors - in Annex 1 of the VGP Charter - for an overview of the responsibilities of the board of directors and for a survey of topics discussed at board meetings.

The board of directors consists of five members, with one executive director (the Chief Executive Officer) and four non-executive directors, of which three are independent directors.

The biographies for each of the current directors (see page 42/43), indicate the breadth of their business, financial and international experience. This gives the directors the range of skills, knowledge and experience essential to govern VGP.

The board of directors do not intend to appoint a company secretary. By doing so the company deviates from the recommendation in the provisions 2.9 of the Corporate Governance Code. The small size of the company and its board of directors makes such appointment not necessary.

The board of directors met 4 times in 2009. The most important points on the agenda were:

- approval of the 2008 annual accounts and 2009 semi-annual accounts
- approval of budgets
- follow-up of the long term strategy of the Group and its major components
- discussion of the property portfolio (i.e. investments, tenant issues etc.)
- approval of new credit facilities to support the growth of the Group

BOARD COMMITTEES

AUDIT COMMITTEE

NAME	YEAR APPOINTED	EXECUTIVE OR NON-EXECUTIVE	INDEPENDENT	NEXT DUE FOR RE-ELECTION	MEETINGS ATTENDED
Jos Thys (Chairman)	2008	Non-executive	Independent	2011	2
Bart Van Malderen	2008	Non-executive	—	2011	2
Marek Šebesťák	2008	Non-executive	Independent	2011	1

The audit committee is comprised of 3 members of the board of directors, of whom 2 are independent.

The board of directors sees to it that the audit committee possesses sufficient relevant expertise, particularly regarding financial, audit, accounting and legal matters, to be able to carry out its function effectively. Reference is made to the short biographies of the above mentioned members of the audit committee to testify to their competence in accounting and auditing, as required by the Companies Code, Art. 119, 6°. These biographies can be found on pages 42/43 of this annual report.

The members of the audit committee are appointed for a period that does not exceed the duration of a director's mandate.

Reference is made to Terms of Reference of the audit committee - in Annex 3 of the VGP Charter - for an overview of the responsibilities of the audit committee.

The audit committee meets at least twice a year. By doing so the company deviates from the recommendation in the provisions 5.2/28 of the Corporate Governance Code that requires the audit committee to convene at least four times a year. The deviation is justified considering the smaller size of the company.

Each year, the audit committee assesses its composition and its operation, evaluates its own effectiveness, and makes the necessary recommendations regarding these matters to the board of directors.

Given the size of the Group no internal audit function has currently been created. The statutory auditor has direct and unlimited access to the chairman of the audit committee and the chairman of the board of directors.

The Chief Executive Officer and the Chief Financial Officer attend all the meetings.

The audit committee met twice in 2009. The most important points on the agenda were:

- discussion on the 2008 annual accounts and 2009 semi-annual accounts
- analysis of the recommendations made by the statutory auditor
- analysis of the internal control systems of the company

REMUNERATION COMMITTEE

NAME	YEAR APPOINTED	EXECUTIVE OR NON-EXECUTIVE	INDEPENDENT	NEXT DUE FOR RE-ELECTION	MEETINGS ATTENDED
Bart Van Malderen (Chairman)	2008	Non-executive	—	2011	1
Alexander Saverys	2008	Non-executive	Independent	2011	1
Jos Thys	2008	Non-executive	Independent	2011	1

The remuneration committee is comprised of 3 members of the board of directors, of whom 2 are independent.

The remuneration committee meets at least once a year. By doing so the company deviates from the recommendation in the provisions 5.4/5 of the Corporate Governance Code that requires the remuneration committee to convene at least twice a year. The deviation is justified considering the smaller size of the company.

The CEO and CFO participate in the meetings when the remuneration plan proposed by the CEO for members of the management team is discussed, but not when their own remunerations is being decided.

In fulfilling its responsibilities, the remuneration committee has access to all resources that it deems appropriate, including external advice or benchmarking as appropriate.

Reference is made to Terms of Reference of the remuneration committee - Annex 2 of the VGP Charter - for an overview of the responsibilities of the remuneration committee.

The remuneration committee met once in 2009. The most important points on the agenda were:

- discussion on the long term incentive plan and remuneration policy.

NOMINATION COMMITTEE

The company has not set up a nomination committee. By doing so the company deviates from the recommendation in the provisions 5.3 of the Corporate Governance Code. The deviation is justified considering the smaller size of the company.

MANAGEMENT COMMITTEEE

Since no management committee in the meaning of article 524bis et seq of the Belgian Companies Code has been established, the company has not included specific terms of reference of the executive management. The tasks, responsibilities and powers of the CEO and the executive management are set out in the terms of reference of the board of directors. By doing so, the company as a smaller listed company deviates from the recommendation in provision 6.1 of the Corporate Governance Code.

INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

The executive management team of the company has set up an internal control and risk management system that is adapted according to the situation at hand and where needed. Its targets are applicable for the various departments of the Group.

Internal control processes are communicated to all employees who carry responsibilities with regard to internal risk management.

The primary objective of internal risk management is to comply with laws and regulations, and to apply internal processes.

The effectiveness of the specific risk controls and risk improvement programs are also periodically reviewed by the external auditors and results are reported to the audit committee and board.

In 2009 particular attention was given to the implementation of a new facility management software program which covers the facility management activities as well as the contractual follow-up of the lease agreements.

EVALUATION OF THE BOARD OF DIRECTORS AND ITS COMMITTEES

In accordance with its rules of procedure, the board of directors assesses its performance every three years as well as to the operation of the audit and remuneration committees.

Given the fact that the board of directors and its Committees was only put in place at the end of 2007 / beginning of 2008, the first assessment will be carried out during 2010.

** includes board of directors' remuneration*

REMUNERATION REPORT

REMUNERATION POLICY FOR NON-EXECUTIVE DIRECTORS

The independent and non-executive directors receive an annual remuneration of € 10,000 (the chairman receives an annual remuneration of € 20,000). The directors also receive a remuneration of € 1,000 for each meeting of the board of directors (the chairman receives a remuneration of € 2,000) and €500 for each meeting of the audit committee or the remuneration committee they attend.

For further details of the remuneration policy of the directors we refer to Annex 2 point 6.1 of the VGP Charter

The remuneration of the members of the board of directors is reflected in the table below.

NAME	FIXED REMUNERATION	VARIABLE BOARD ATTENDANCE	VARIABLE COMMITTEE ATTENDANCE	TOTAL
Chairman				
Marek Šebesťák	20,000	8,000	500	28,500
Directors				
Alexander Saverys	10,000	3,000	500	13,500
Rijo Advies BVBA represented by Jos Thys	10,000	4,000	1,500	15,500
Bart Van Malderen	10,000	4,000	1,500	15,500
Jan Van Geet s.r.o. represented by Jan Van Geet	10,000	4,000	—	14,000
Total	**60,000**	**23,000**	**4,000**	**87,000**

REMUNERATION POLICY OF EXECUTIVE MANAGEMENT

The remuneration policy of the executive management is described in Annex 2 point 6.2 of the VGP Charter.

In view of the fact that the executive management is only composed of three members, the board of directors is of the opinion that, from a privacy point of view, the disclosure of the total remuneration of the executive management suffices, and that therefore the disclosure of the individual remuneration of the CEO is not required. By doing so the company deviates from the recommendations in the provisions 7.14/15 of the Corporate Governance Code. This deviation is justifiied given the small size of the executive management team.

The remuneration paid to to executive management team in 2009 was € 562(000) including a variable remuneration of € 62.500.

The members of the executive team are appointed for an undetermined period and the notification period, in case of termination of their employment contract is 12 months.

POLICIES OF CONDUCT

TRANSPARENCY OF TRANSACTIONS INVOLVING SHARES OF VGP

In line with the Royal Decree of 5 March 2006, which came into force on 10 May 2006, members of the board of directors and the executive committee must notify the BFIC (Banking, Finance and Insurance Commission) of any transactions involving shares of VGP within 5 business days after the transaction. These transactions are made public on the web site of the BFIC (www.cbfa.be) and also on the VGP website (www.vgpparks.eu/investors/corporate-governance/). The Compliance Officer of VGP ensures that all transactions by “insiders” are made public on this website in a timely manner.

Reference is also made to Annex 4 of the VGP Charter.

During 2009 no transactions by “insiders” were reported. However after year-end one transaction related to the purchase of 523 VGP shares (for a total equivalent amount of € 5k) was reported by Mr. Jan Van Geet.

CONFLICT OF INTEREST

In accordance with Article 523 of the Companies Code, a member of the board of directors should give the other members prior notice of any agenda items in respect of which he has a direct or indirect conflict of interest of a financial nature with the Company.

One conflict of interest arose during 2009 and one in 2010:

Excerpt from the minutes of the board of directors meeting of 20 November 2009.

The agenda calls for a discussion and approval to ratify the decision to amend the interest rates on the shareholder loans granted by VM Invest NV from a floating rate to a fixed rate of 7.00% per annum, with retroactive effect as from 1 January 2009.

After deliberation the board of directors unanimously resolves that the proposed ratification of the decision to amend the interest rates on the shareholder loans granted by VM Invest NV from a floating rate to a fixed rate of 7.00% per annum, with retroactive effect as from 1 January 2009, is approved.

Excerpt from the minutes of the board of directors meeting of 20 April 2010.

The agenda calls for a discussion and approval to ratify the decision, with retroactive effect, to enter into the Shareholder Loan Agreement dated 8 February 2008.

After deliberation the board of directors unanimously approves to ratify its decision, with retroactive effect, to enter into the Shareholder Loan Agreement dated 8 February 2008 and confirm that the terms and conditions which were approved during the board meeting of 20 November 2009 remain unchanged and in full force and effect.

STATUTORY AUDITOR

DELOITTE Bedrijfsrevisoren BV o.v.v.e. CVBA having its offices at Berkenlaan 8B, 1831 Diegem, Belgium represented by Mr. Gino Desmet has been appointed as statutory auditor.

The statutory auditor's term of office expires at the conclusion of the Ordinary General Meeting on 14 May 2010. It will be proposed at this meeting to renew the appointment for a further period of three years and to set its fees at € 75(000) per year. If the General Meeting approves this proposal, the statutory auditor will continue to be represented by Mr. Gino Desmet.

RISK FACTORS

The following risk factors that could influence the Group's activities, its financial status, its results and further development, have been identified by the Group.

The Group takes and will continue to take the necessary measures to manage those risks as effectively as possible.

The Group is amongst others exposed to:

RISKS RELATED TO THE GROUP'S INDUSTRY, PROPERTIES AND OPERATIONS

Risks related to the nature of the Group's business.
Since the Group's business involves the acquisition, development and operation of real estate, it is subject to real estate operating risks, of which some are outside the Group's control. The results and outlook of the Group depend amongst others on the ability to identify and acquire interesting real estate projects and to commercialise such projects at economically viable conditions.

Risks related to the nature and composition of its portfolio:
Land for development, semi-industrial properties. The Group's real estate portfolio is concentrated on semi-industrial property. Due to this concentration, an economic downturn in this sector could have a material adverse affect on the Group's business, financial condition, operating results and cash flows. These risks are mitigated by the fact that the real estate portfolio is becoming more and more geographically diversified.

Risks related to the ability to generate continued rental income.
The value of a rental property depends to a large extent on the remaining term of the related rental agreements as well as the creditworthiness of the tenants. The Group applies a strict credit policy by which all future tenants are screened for their creditworthiness prior to being offered a lease agreement. In addition the Group will seek to sign as much as possible future lease agreements in order to secure a sustainable future rental income stream.

Nearly 100% of the lease contracts incorporate a provision whereby rents are annually indexed. Tenants will, in general, be required to provide a deposit or bank guarantee or a corporate guarantee depending on their creditworthiness. The lease contracts are usually concluded for periods between 5-10 years (first break option) and include most of the time an automatic extension clause. The lessee cannot cancel the lease contract until the first break option date.

Risks related to the Group's development activities.
The Group could be exposed to unforeseen cost-overruns and to a delay in the completion of the projects. Within VGP there are several internal controls available to minimise these risks i.e. specific cost control functions as well as project management resources which monitor the projects on a daily basis.

Risks related to legal, regulatory and tax matters.
The Group is subject to a wide range of EC, national and local laws and regulations. In addition the Group may become subject to disputes with tenants or commercial parties with whom the Group maintains relationships or other parties in the rental or related businesses. Finally a change in tax rules and regulations could have an adverse effect on the tax position of the Group. All these risks are monitored on an on-going basis and there where necessary, the Group will use external advisors to advice on contract negotiations, regulatory matters or tax matters as the case may be.

Property maintenance and insurance risk.
To remain attractive and to generate a revenue stream over the longer term,

a property's condition must be maintained or, in some cases, improved to meet the changing needs of the market. To this end the Group operates an internal facility management team in order to ensure that the properties are kept in good condition. All buildings are insured against such risks as are usually insured against in the same geographical area by reputable companies engaged in the same or similar business.

Legal systems in the mid-European countries are not yet fully developed.
The legal systems of the mid-European countries have undergone dramatic changes in recent years, which may result in inconsistent applications of existing laws and regulations and uncertainty as to the application and effect of new laws and regulations. The Group mitigates this risk by using reputable external local lawyers to advise on such specific legal issues as they arise.

FINANCIAL RISKS

Availability of adequate credit facilities.
The Group is partly financed by shareholder loans and partly by bank credit facilities. The non- availability of adequate credit facilities could have an adverse effect on the growth of the Group as well as on its financial condition in case bank credit facilities cannot be extended at their maturity date. The Group ensures that adequate committed credit facilities are in place to sustain its growth. VGP will start renegotiating the extension of maturing credit facilities well in advance of the respective maturity dates (usually 12 months prior to maturity date). As at 31 December 2009 the Group had € 197.4 million committed credit facilities in place with an average maturity of 3.4 years and which were drawn for 86 %. The Group is currently finalising its negotiations for additional committed credit facilities for a total amount of € 30 million.

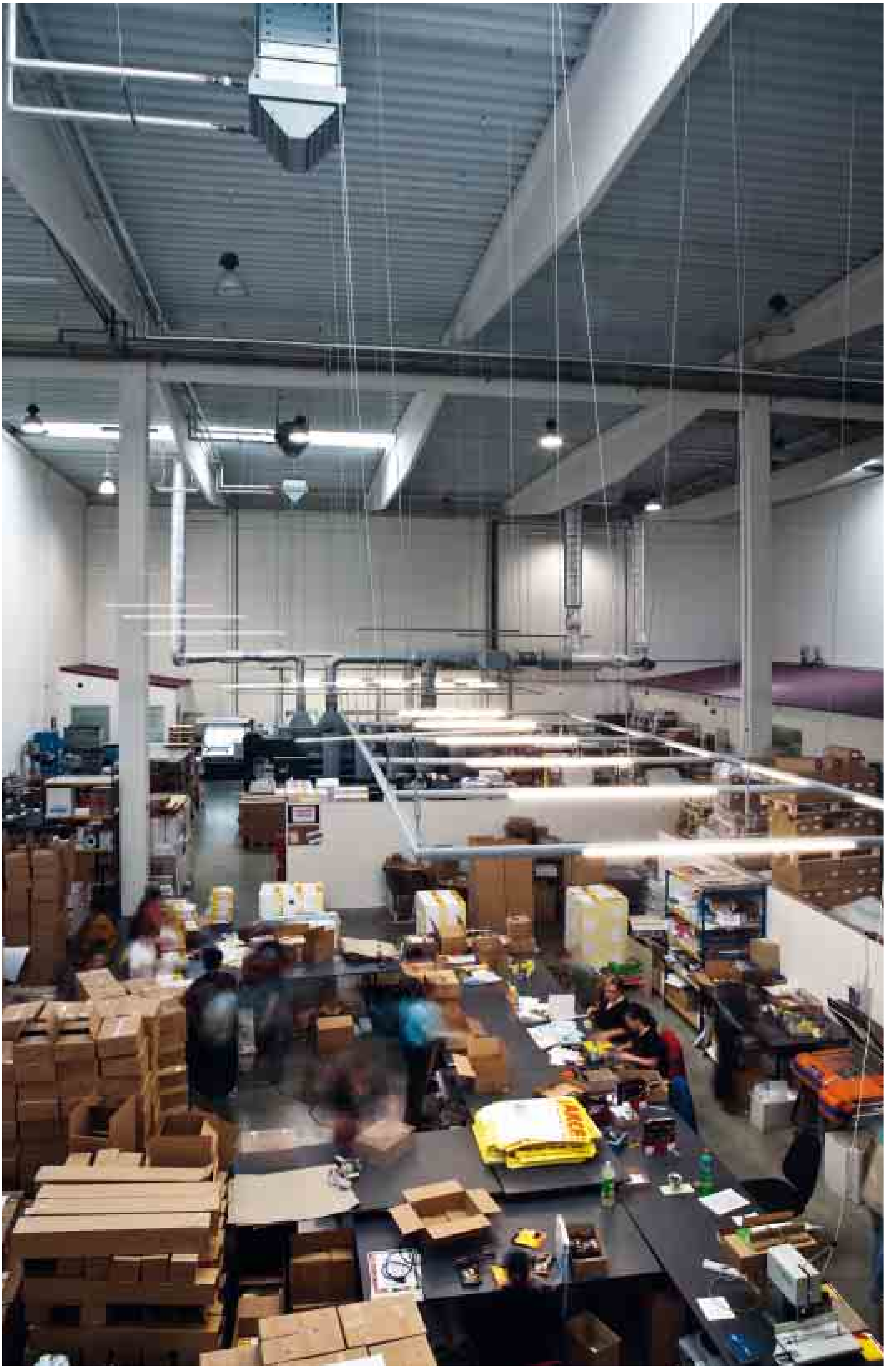
Compliance of financial covenants.
The loan agreements of the Group include financial covenants (see page 92/93 for further details). Any breach of covenant could have an adverse effect on the financial position of the Group. Covenants are therefore monitored on an on-going basis in order to ensure compliance and to anticipatively identify any potential problems of non-compliance for action. During 2009 the VGP Group – despite the unrealised loss on its property portfolio- remained well within its covenants.

Evolution of debt ratio of the Group.
The Group expects that in the medium term it will significantly increase the amount of borrowings. The Group expects that for the foreseeable future it will be operating within a gearing level (net debt / equity) of up to 2: 1.

As at 31 December 2009 the "net debt (excluding shareholder loans) / equity" ratio was 1.06 compared to 0.80 as at 31 December 2008. As at 31 December 2009 the "net debt (including shareholder loans) / equity" ratio was 1.53 compared to 1.19 as at 31 December 2008.

Evolution of interest rates.
Changes in interest rates could have an adverse effect on the Group's ability to obtain or service debt and other financing on favourable terms. To this end the Group hedges its interest rate exposure by converting the majority of its variable rate debt to fixed rate debt. As at 31 December 2009, 88.7 % of the Group's debt was at a fixed rate.

Fluctuation in currency rates.
The Group's revenues are predominantly denominated in Euro, however, expenses, assets and liabilities are recorded in a number of different currencies other than the Euro, in particular the Czech Crown. The Group reviews these risks on a regular basis and uses financial instruments to hedge these exposures as appropriate.



SUMMARY OF THE ACCOUNTS AND COMMENTS

INCOME STATEMENT

CONSOLIDATED INCOME STATEMENT — ANALYTICAL FORM in thousands of €	2009	2008
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 *	(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**

RESULT 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

* *Excluding the revaluation of interest rate financial instruments.*

BALANCE SHEET

CONSOLIDATED BALANCE SHEET (in thousands of €)	2009	2008
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**
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	235,922	180,445
Other non-current financial liabilities	10,243	7,268
Other non-current liabilities	3,396	3,150
Deferred tax liabilities	21,866	21,762
Total non-current liabilities	**271,427**	**212,625**
Current financial debt	5,450	8,484
Other current financial liabilities	272	4,524
Trade debts and other current liabilities	7,357	29,098
Total current liabilities	**13,079**	**41,106**
Total liabilities	**284,506**	**253,731**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**439,746**	**409,286**

INCOME STATEMENT – ANALYTICAL FORM

GROSS RENTAL INCOME AND OPERATING COSTS

Gross rental income relates to the lease income from the operating leases concluded with the Group's customers. Fluctuations in the rental income are mainly a result of the growth of the semi-industrial property portfolio. Future growth of the top line will be driven by the development and delivery of new properties to tenants.

Operating cost for the Group are composed of service charge income and expenses, property operating expenses and other income and expenses (including administrative costs).

The service charge income and expenses relate to operating expenses borne by the Group and recharged to the tenants: repair & maintenance, energy, insurance etc. Whereas property operating expenses will relate to operating costs borne by the Group which cannot be fully recouped and which mainly relate to consultancy costs of lawyers, brokers and appraisal fees.

Other income relate to income from engineering activities and facility management for third parties and non-recurrent income from tenants. Other expenses relate to the disposal of material, property and equipments and other sundry expenses. Administrative costs relate to general overhead costs.

Net rental and related income for the financial year ending 31 December 2009 increased by 94.0 per cent from € 10.3 million for the period ending 31 December 2008 to € 20.0 million for the period ending 31 December 2009.

The strong growth reflects the increase in the portfolio of delivered assets. During 2009 a total of 14 projects were completed which represented 184,211 m^2 of lettable area.

Total operating costs in 2009 grew at a lower pace i.e. 10.5 percent (from € 3.6 million in 2008 to € 4.0 million in 2009) than the growth in gross rental income (80.5 per cent). The increase of these costs, in absolute terms, was due to the strong increase of the committed lease contracts which were signed during 2009 and for which a number of costs were made such as broker and lawyer fees whereas the rent income of these contracts is not yet fully reflected in the 2009 gross rental income. The proportional decrease, in percentage terms, was achieved by taking full benefit of economies of scale.

NET VALUATION GAINS ON INVESTMENT PROPERTY

The valuation gains or losses on investment property and investment property under construction (the "property portfolio") represents the change in the fair value of the property portfolio during the respective periods.

The carrying amount of the property portfolio is the fair value of the property as determined by an external valuation expert i.e. Jones Lang LaSalle. The fair value valuations are prepared on the basis of Market Value (in accordance with the current Practices Statements – section 3.2 contained within the RICS Appraisal and Valuation Standards (Sixth Edition – January 2008) published by the Royal Institution of Chartered Surveyors (the "Red Book") and are carried out twice per annum.

The average yield applied for valuing the property portfolio as at

31 December 2009 increased from 7.87 per cent at the end of December 2008 to 8.33 per cent 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 € 6.8 million as at 31 December 2009 compared to an unrealised gain of € 36.4 million as at 31 December 2008.

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

NET FINANCIAL RESULT

Net financial result consists of financial income and financial expenses.

Financial income relates to interest income, unrealised gains on interest rate hedging as well as to the positive effect of realised and unrealised foreign exchange gains on monetary and non-monetary assets and liabilities. Financial expenses mainly relate to the interest expense on the bank credit facilities and shareholder debt, the unrealised loss on interest rate hedging and the negative realised and unrealised foreign exchange results on monetary and non-monetary assets and liabilities.

The financial expenses as at 31 December 2009 are mainly made up of € 13.7 million interest expenses related to financial debt, € 0.9 million unrealised losses on interest rate derivatives and a positive impact of € 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 € 188.9 million as at 31 December 2008 to € 241.9 million as at 31 December 2009.

In addition the financial expenses were also significantly impacted by the negative fair value adjustments on the outstanding interest rate swap and forward foreign exchange hedging transactions. As at 31 December 2009 the total unrealised losses on these financial instruments was € 10.5 million of which € 3.7 million (against € 7.1 million in 2008) were accounted for through the income statement and € 5.3. million (including deferred tax impact) through equity as a portion of these financial instruments qualified for hedge accounting under IAS .

TAXES

The Group is subject to tax at the applicable tax rates of the respective countries in which it operates. Additionally, a deferred tax charge is provided for on the fair value adjustment of the property portfolio.

Taxes decreased from a negative amount of € 6.2 million as at 31 December 2008 to a positive amount of € 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 PROFIT FOR THE PERIOD

Net profit decreased from € 28.6 million (€ 1.54 per share) as at 31 December 2008 to € 1.2 million (€ 0.06 per share) for the financial year ended 31 December 2009

BALANCE SHEET

INVESTMENT PROPERTY

The investment property portfolio grew by 21.1 per cent (+ € 74.1 million) in value during the year.

The lettable area of the investment property portfolio increased by 52.4 per cent during the year i.e. from 351,661 m² to 535,872 ,m². During the year a total of 14 projects were completed representing 184,211 m² of lettable space. The investment property portfolio therefore increased to a total of 45 projects.

INVESTMENT PROPERTY UNDER CONSTRUCTION

Investment property under construction relates to the real estate projects under construction. The fluctuations from one year to the other reflect the timing of the completion and delivery of the real estate projects.

At the end of December 2009 the assets under construction amounted to € 2.1 million. The current pipeline of contracted projects is already in excess of 50,000 m². These development activities (of which 3 projects have already begun) will be started up during 2010.

TOTAL CURRENT ASSETS

Total current assets relate to trade and other receivables and cash held by the Group.

The trade and other receivables decreased from € 9.4 million at the end of 2008 to € 4.5 million at the end of 2009. This reduction is mainly due to the relatively high VAT receivable balance per 31 December 2008 (€ 4.8 million) resulting from the significant amount of projects under construction at the end of 2008 (against € 0.6 million VAT receivable per 31 December 2009)

SHAREHOLDERS' EQUITY

The other reserves at the end of 2009 include € 5.3 million (net from deferred tax impact) unrealised losses on financial instruments. These financial instruments were designated as effective cash flow hedges and the unrealised losses on these financial instruments were recognised directly in equity (“other reserves”).

TOTAL NON-CURRENT LIABILITIES

Total non-current liabilities comprise non-current financial debt, other non-current liabilities and deferred tax liabilities.

The outstanding financial debt amounted to € 241.4 million as at 31 December 2009 compared to € 188.9 million as at 31 December 2008.

Financial debt can be split into shareholder loans and bank debt and comprise € 73.1 million shareholder loans, € 168.9 million bank debts and € (0.6) million arrangement fees as at 31 December 2009. As at 31 December 2008 the split was € 60.6 million shareholder loans, € 128.8 million bank debt and € (0.5) million arrangement fees.

INFORMATION ABOUT THE SHARE

LISTING OF SHARES

Euronext Brussels
Main Market of Prague

VGP share .... VGP .... ISIN BE0003878957
VGP VVPR-strip .... VGPS .... ISIN BE0005621926

Market capitalisation 31 Dec-09 ....306,620,325 €
Highest capitalisation ....332,636,595 €
Lowest capitalisation ....283,391,513 €
Share price 31 Dec-08 .... 17.00 €
Share price 31 Dec-09 .... 16.50 €

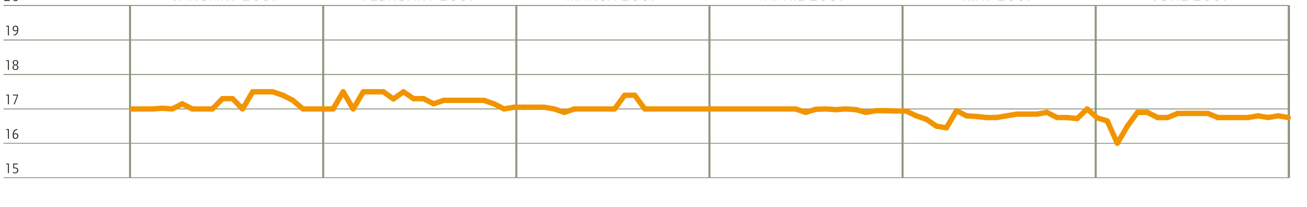
SHAREHOLDER STRUCTURE

As at 31 December 2009 the share capital of VGP was represented by 18,583,050 shares.

Ownership of the Company's shares as at 20 April 2010 was as follows:

SHAREHOLDERS	% OF SHARES ISSUED	NUMBER OF SHARES
VM Invest NV	24.04%	4,466,624
Mr. Bart Van Malderen	19.08%	3,545,250
Sub-total Bart Van Malderen Group	**43.11%**	**8,011,874**
Alsgard SA	37.93%	7,048,780
Mr. Jan Van Geet	0.00%	325
Sub-total Jan Van Geet Group	**37.93%**	**7,049,105**
Comm. VA VGP MISV	5.00%	929,153
Vadebo France NV	3.53%	655,738
Mrs. Celina Jeannine Van den Bossche	3.53%	655,738
Public	6.90%	1,281,442
TOTAL	**100.00%**	**18,583,050**

EVOLUTION OF THE SHARE PRICE on Euronext, in € (January – June 2010)



- VM Invest NV is a company controlled by Mr. Bart Van Malderen.
- Alsgard SA is a company controlled by Mr. Jan Van Geet.
- Comm VA VGP MISV is a company controlled by Mr. Bart Van Malderen and Mr. Jan Van Geet.
- VM Invest NV, Mr. Bart Van Malderen, Comm VA VGP MISV, Alsgard SA and Mr. Jan Van Geet are acting in concert in respect of the holding, the acquisition or disposal of securities.
- Vadebo France NV is a company controlled by Mrs. Griet Van Malderen.

There are no specific categories of shares. Each share gives the right to one vote.

In accordance with Articles 480 to 482 of the Company Code, the company can create shares without voting rights, subject to the fulfilling requirements related to the change of the articles of association.
All shares are freely transferable.

PERMITTED CAPITAL

The board of directors is expressly permitted to increase the nominal capital on one or more occasions up to an aggregate amount of € 100 million by monetary contribution or contribution in kind, if applicable, by contribution of reserves or issue premiums, under regulations provided by the Belgian Company Code and the articles of association.

This permission is valid until 21 December 2012.

LIQUIDITY OF THE SHARES

To improve the liquidity of its shares VGP NV concluded a liquidity agreement with KBC Bank.

This agreement ensures that there is increased liquidity of the shares which should be to the benefit of the Group in the future as more liquidity allows new shares to be more easily issued in case of capital increases.

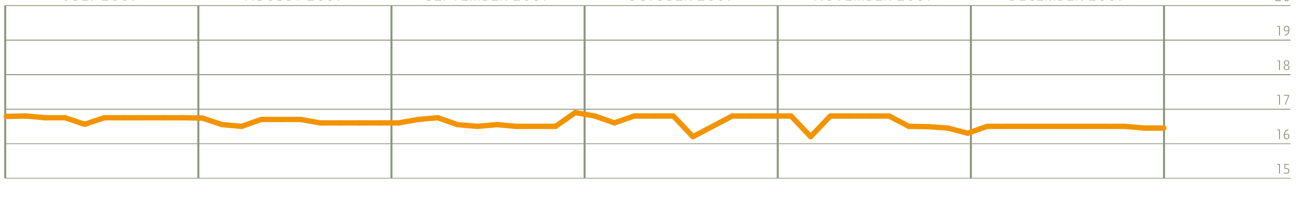
DIVIDEND

The board of directors will propose that the General Meeting of Shareholders approve the distribution of a gross dividend of € 0.280 per share, or a total dividend payment of € 5,203,254. If this proposal is accepted, the net dividend per share will be € 0.210, and the the net dividend on shares with VVPR strip, thereby reducing the withholding tax to 15%, will be € 0.238 per share.

The dividend will be payable from 1 October 2010 onwards upon presentation of dividend coupon no. 1, at KBC Bank.

FINANCIAL CALENDAR	
First quarter trading update 2010	14 May 2010
General meeting of shareholders	14 May 2010
2010 half year results	16 August 2010
Ex-dividend	28 September 2010
Dividend payable	1 October 2010
Third quarter trading update 2010	15 November 2010

EVOLUTION OF THE SHARE PRICE on Euronext, in € (July – December 2010)



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.

BOARD OF DIRECTORS AND MANAGEMENT

BOARD OF DIRECTORS

COMPOSITION ON 31 DECEMBER 2009					
	NAME	YEAR APPOINTED	EXECUTIVE OR NON-EXECUTIVE	INDEPENDENT	NEXT DUE FOR RE-ELECTION
Chairman	Marek Šebesťák	2007	Non-executive	Independent	2011
CEO	Jan Van Geet s.r.o. represented by Jan Van Geet	2008	Executive and reference shareholder	—	2013
Directors	Bart Van Malderen	2007	Non-executive and reference shareholder	—	2013
	Alexander Saverys	2007	Non-executive	Independent	2011
	Rijo Advies BVBA represented by Jos Thys	2007	Non-executive	Independent	2011

MAREK ŠEBESŤÁK

*1954

Mr Šebesťák is founder and former Chairman of BBDO-Czech Republic, one of the leading international advertising and communication agencies.

JAN VAN GEET

*1971

Is permanent representative of Jan Van Geet s.r.o. Jan Van Geet is the founder of VGP. He has overall daily as well as strategic management responsibilities of the Group. He started in the Czech Republic in 1993 and was manager of Ontex in Turnov, a producer of hygienic disposables. Until 2005, he was managing director of WDP Czech Republic. WDP is a Belgian real estate investment trust with several projects in the Czech Republic.

BART VAN MALDEREN

*1966

During his career, Mr Bart Van Malderen was involved in the management of Ontex, a leading European manufacturer of hygienic disposable products. He became CEO in 1996 and Chairman of the Board in 2003, a mandate which he occupied until mid July 2007.

ALEXANDER SAVERYS

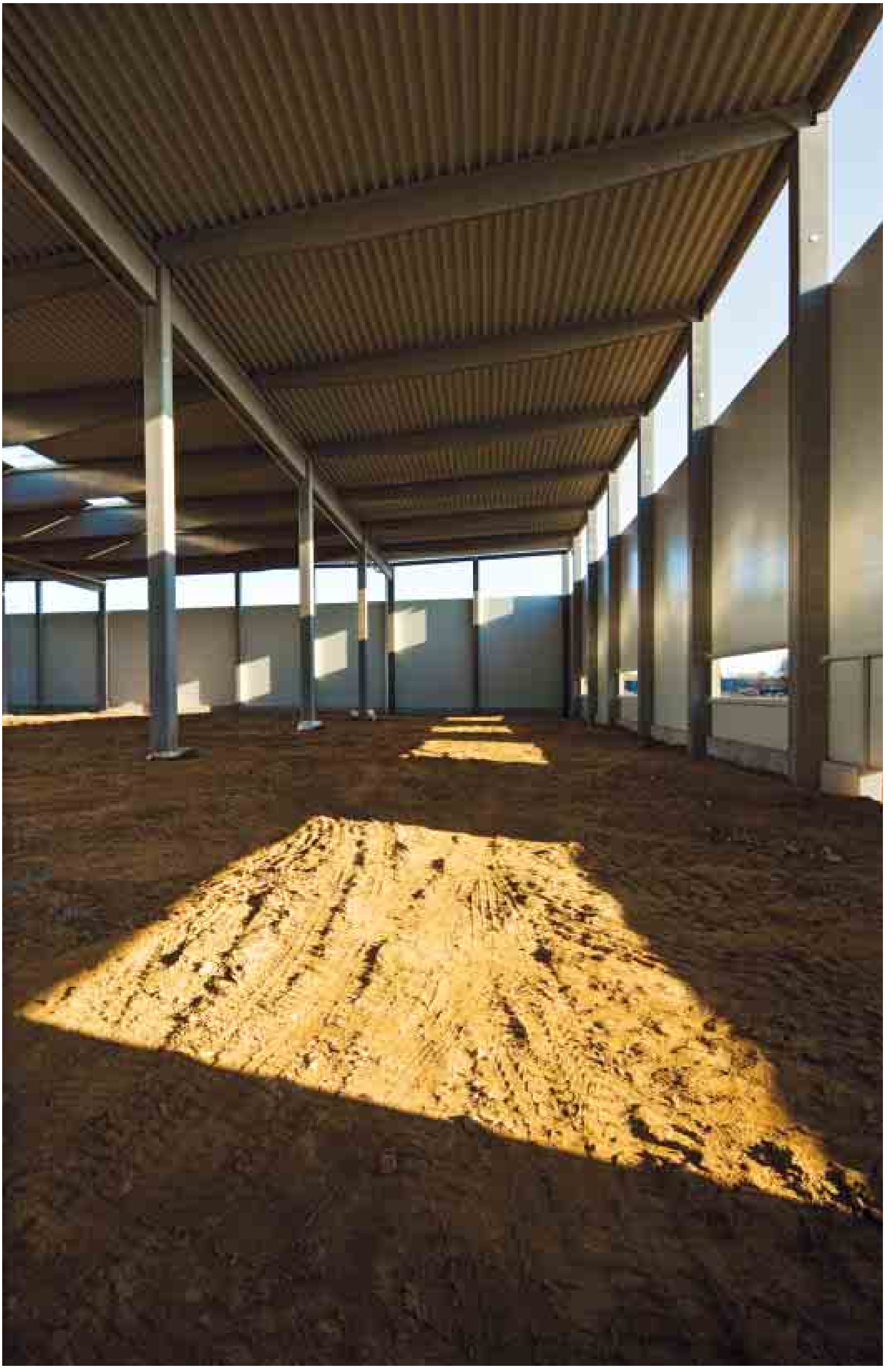
*1978

After his university education in law (KU Leuven) and his MBA in Berlin. Mr Alexander Saverys founded Delphis NV in 2004. Delphis is a company offering multimodal transport solutions throughout Europe, where he acts as CEO. He is also a Director of CMB. In 2006, Delphis bought Team Lines, Europe's no. 2 feeder container operator, operating a network from Iberia to Saint-Petersburg with a clear focus on the Baltic Sea. Team Lines/ Delphis control 62 ships with another 10 container vessels on order.

JOS THYS

*1962

Mr Jos Thys holds a Masters Degree in Economics from the University of Antwerp (UFSIA). He is counsel to family owned businesses where he advises on strategic and structuring issues. He also acts as a counsel for the implementation of Corporate Governance at corporate and non-profit organisations. Jos previously had a long career in corporate and investing banking with Paribas, Artesia and Dexia.



EXECUTIVE MANAGEMENT

COMPOSITION ON 31 DECEMBER 2009

JAN VAN GEET S.R.O., represented by Jan Van Geet .... Chief Executive Officer
JAN PROCHÁZKA .... Chief Operating Officer
DIRK STOOP BVBA, represented by Dirk Stoop .... Chief Financial Officer

JAN VAN GEET

*1971

is permanent representative of Jan Van Geet s.r.o. Jan Van Geet is the founder of VGP. He has overall daily as well as strategic management responsibilities of the Group. He started in the Czech Republic in 1993 and was manager of Ontex in Turnov, a producer of hygienic disposables. Until 2005, he was managing director of WDP Czech Republic. WDP is a Belgian real estate investment trust with several projects in the Czech Republic.

JAN PROCHÁZKA

*1964

He is civil engineer and architect and joined VGP's team in 2002. He takes responsibility for technical concepts and contract execution. Prior to this position, Jan was the managing director of Dvořák, a civil contracting company, at his time one of the major players in the Czech market. Well known projects under his management are the airport terminal Sever 1 in Prague, the cargo terminal, as well as the headquarters of Česká Spořitelna.

DIRK STOOP

*1961

Is permanent representative of Dirk Stoop BVBA. joined VGP in 2007. He is responsible for all finance matters i.e. financial planning, control, forecasting, treasury, tax and insurance for all the countries where VGP is/will be active, as well as investor relations. Dirk worked at Ontex for 5 years as Group Treasurer where he was also responsible for tax and insurance matters. Prior to this he worked at Chep Europe based in London as Treasurer Europe, South America & Asia. Dirk Stoop holds a Masters Degrees in Financial and Commercial Sciences from VLEHKHO in Belgium.

OUR CUSTOMERS

ABRA Software
Activa
A.L.L. Production
Alito
ARDO Mochov
Aries Data
Askino
ASKO nábytek
Astron studio CZ
Auto Štangl

BASF Stavební hmoty Česká republika
Baumatic-ČR
BDP Eesti
BDP RSC
Bell Technology
Benteler
Bella Bohemia
BLG Logistics CZ
Bohemia Cargo

Cadence Innovation
Coca-Cola HBC Česká republika
Commerce & Consulting
CompuGROUP Medical Česká republika
Continental Automotive ČR
CWS-boco Česká republika

Dandeli Havelland Foods
Datart International
Den Braven Czech and Slovak
Dexion
Diamant Spa
DHL Express
DSV Road

Enfinity Czech Republic
Excelsior Packaging

Franke
Fresenius Kabi
Friends textile

Gastrostella Group
Gimborn ČR
Grupo Antolin Turnov
Gumex

HAVI Logistics
HIAB
HL Display
HP Pelzer
Humana Sorteerimiskeskus

IKEA Česká republika
Internet Mall

Kiomatic service
Knorr - Bremse
Kofola
KUKA Roboter Austria

Laconex
Landgard květiny & rostliny
LDVK – Ing. Pavel Halada
Lekkerland Česká republika
Levné knihy
Licon Heat

Magna Exteriors & Interiors (Bohemia) s.r.o.
Mail Step
Martifer Solar CZ
MD Logistika
Mediaservis
Mitsui-soko (Europe)
MK
Mountfield

Nachi Europe
Nilfisk Advances

Océ Česká republika
OK-COLOR
Ontex CZ

Pebal
PEKM Kabeltechnik
Penny Market
Prime Partner
Procom Bohemia
První novinová společnost

Radiálka Hradec Králové
Ranpak
Rejlek Jan
RM Gastro CZ
RTR Transport a Logistika

Satrema Int
Sikla Bohemia
SKANSKA
Skiny
Star Impex
STROM Praha
Szemerey Transport

Timbeum
Tiskové a obálkové centrum
TNT Post ČR
Transforwarding
TRANSKAM
Transport International (CZ)
Tuplex CZ

u & we Advertising
UTi (CZ)

Václav Čížek
Veba, textilní závody
Vermeiren ČR
Vetro Plus
Vlabo interiéry
V-PLAST Vsetín

WAVIN Ekoplastik
WashTec Cleaning Technology
Whitesoft

HUMANA SORTEERIMISKESKUS

Our cooperation with VGP has been very effective and efficient so far. They found solutions to all our problems and demands very fast and have been very flexible. For us it was really refreshing to meet VGP´s professional team, who really want to work together with the tenant to achieve better results for both sides. After moving, our efficiency increased by about 10 % due to better internal logistics. Our workers are very happy about the improved working conditions – and happy workers are always better workers.

Eve Piibeleht,
Managing Director of Humana Sorteerimiskeskus

OCÉ TECHNOLOGIES B.V.

In 2009 we concentrated our two production-plants in the Czech Republic in one building at VGP Park in Horni Pocernice, Prague. Architectonical the building has an easy design, but is therefore very efficient, which is the highest priority for a production-plant. The quality and finishing of the building has a high standard. Even more important for us is the accessibility of the location for our employees from within Prague and the region. Subway-, bus- and train-connection are available within a few hundred meters. Alltogether, we are very satisfied with the premises at VGP.

Hans Joosten,
Plant Manager Océ-Technologies B.V.

PROJEKT VGP MIT KNORR BREMSE

Als wir die ersten Meetings mit VGP bezüglich eines möglichen Neubaus hatten, war uns schnell klar einen guten Partner gefunden zu haben. Nach einer intensiven Benchmark Phase haben wir dann den Vertrag unterschrieben. In der Projektplanungsphase haben wir ausschließlich positive Erfahrungen gemacht. Hierbei war es sehr hilfreich, dass VGP ein breites Spektrum an internationalen Sprachen stellt und auch Verträge in mehreren Sprachen geschlossen werden können. Die Möglichkeiten aus dem "Baukastensystem" den VGP als Standard hat eine Auswahl zu treffen ist besonders zu erwähnen. Hierbei können wir die Flexibilität von VGP bei der Realisierung unserer Wünsche hervorheben. Im Laufe des Projektes haben wir ca. 90 kundenspezifische Änderungswünsche gehabt die wir gemeinsam realisieren konnten. Die offene Zusammenarbeit hat es dabei ermöglicht selber einen Benchmark zu betreiben und vor Umsetzung der Wünsche, gemeinsam über die beste Lösung zu entscheiden. VGP hat die Koordination kpl. übernommen und mit uns in regelmäßigen Meetings den Fortschritt überwacht. Bei der Gestaltung des Gebäudes hat VGP immer mit Rat und Tat an unserer Seite gestanden und uns hilfreiche Tipps gegeben. Selbstverständlich haben wir auch eine Lösung bezüglich einer möglichen Erweiterung gefunden die wir als Option seitens VGP angeboten bekommen haben. Durch die gute Kooperation konnte das Projekt in nur 5 Monaten realisiert werden. Wir freuen uns auf eine lange und gute partnerschaftliche Zusammenarbeit.

Matthias Sander
Managing Director
Knorr-Bremse Systémy
pro užitková vozidla ČR, s.r.o.

PORTFOLIO

CZECH REPUBLIC

1 VGP PARK NÝŘANY — PILSEN
2 GREEN TOWER PRAGUE — WEST
3 BLUE PARK PRAGUE — EAST
4 GREEN PARK PRAGUE — EAST
5 VGP PARK HORNÍ POČERNICE
6 VGP PARK TURNOV VESECKO
7 VGP PARK TURNOV PŘÍŠOVICE
8 VGP PARK LIBEREC I., VGP PARK LIBEREC II.
9 VGP PARK HRADEC KRÁLOVÉ
10 VGP PARK OLOMOUC
11 VGP PARK TUCHOMĚŘICE
12 VGP PARK MLADÁ BOLESLAV
13 VGP PARK PŘEDLICE

BLUE PARK
Prague 9, Czech Republic

tenant	Activa
lettable area (m^2)	10,200
built	2003 | 2005 | 2008

GREEN PARK
Prague 9, Czech Republic

tenants	Auto Štangl, Activa, Mitsui-soko, ASTRON studio
lettable area (m^2)	17,073
built	2005

GREEN TOWER
Prague 5, Czech Republic

tenants	Mountfield, ABRA Software, MK, Grundig Intermedia, CompuGroup CZ a SK
lettable area (m^2)	3,559
built	2005

VGP PARK HORNÍ POČERNICE | BUILDING I1
Prague 9 Horní Počernice, Czech Republic

tenants	Sikla Bohemia, Veba, textilní závody, RM GASTRO CZ, Václav Čížek, Whitesoft
lettable area (m^2)	6,398
built	2006

VGP PARK HORNÍ POČERNICE | BUILDING I2

Prague 9 Horní Počernice, Czech Republic

tenant	GASTROSTELLA GROUP
lettable area (m^2)	4,067
built	2006

VGP PARK HORNÍ POČERNICE | BUILDING B2

Prague 9 Horní Počernice, Czech Republic

tenants	Lekkerland Česká republika, Uti (CZ)
lettable area (m^2)	14,425
built	2006

VGP PARK HORNÍ POČERNICE | BUILDING J

Prague 9 Horní Počernice, Czech Republic

tenant	SATREMA Int.
lettable area (m^2)	2,017
built	2007

VGP PARK HORNÍ POČERNICE | BUILDING H1

Prague 9 Horní Počernice, Czech Republic

tenant	GIMBORN Česká republika
lettable area (m^2)	8,278
built	2007

VGP PARK HORNÍ POČERNICE | BUILDING D1

Prague 9 Horní Počernice, Czech Republic

tenants	U&WE Advertising, A.L.L. production, TNT Post ČR, Bell Technology, MT Transport, Timbeum, ING. Pavel Halada, Transforwarding České Budějovice, V-PLAST Vsetín, Fresenius Kabi, CWS Čechy
lettable area (m^2)	28,000
built	2007 – 2008

VGP PARK HORNÍ POČERNICE | BUILDING H2

Prague 9 Horní Počernice, Czech Republic

tenants	IKEA Česká republika, NILFISK-ADVANCES, FRANKE
lettable area (m^2)	7,646
built	2007

VGP PARK HORNÍ POČERNICE | BUILDING I3/I4

Prague 9 Horní Počernice, Czech Republic

tenants	Dandeli Havelland Foods, STAR IMPEX, RTR – TRANSPORT A LOGISTIKA, Strom Praha
lettable area (m^2)	8,247
built	2008

VGP PARK HORNÍ POČERNICE | BUILDING B3

Prague 9 Horní Počernice, Czech Republic

tenant	WAVIN Ekoplastik
lettable area (m^2)	13,550
built	2007

VGP PARK HORNÍ POČERNICE | BUILDING C2

Prague 9 Horní Počernice, Czech Republic

tenant	Kofola
lettable area (m²)	9,890
built	2007

VGP PARK HORNÍ POČERNICE | BUILDING B1

Prague 9 Horní Počernice, Czech Republic

tenants	BLG Logistics CZ, Levné knihy, Continental Automotive
lettable area (m²)	12,868
built	2007

VGP PARK HORNÍ POČERNICE | BUILDING C1

Prague 9 Horní Počernice, Czech Republic

tenant	DSV Road
lettable area (m²)	11,623
built	2007

VGP PARK HORNÍ POČERNICE | BUILDING C3

Prague 9 Horní Počernice, Czech Republic

tenant	Coca-Cola HBC Czech Republic
lettable area (m²)	10,837
built	2008

VGP PARK HORNÍ POČERNICE | BUILDING C4

Prague 9 Horní Počernice, Czech Republic

tenant	Océ Česká republika
lettable area (m^2)	9,517
built	2008

VGP PARK HORNÍ POČERNICE | BUILDING PNS/MEDIASERVIS

Prague 9 Horní Počernice, Czech Republic

tenants	PNS, Mediaservis
lettable area (m^2)	26,296
built	2008

VGP PARK HORNÍ POČERNICE | BUILDING E

Prague 9 Horní Počernice, Czech Republic

tenants	LACONEX, Martifer Solar
lettable area (m^2)	9,700
built	2008

VGP PARK HORNÍ POČERNICE | BUILDING D2

Prague 9 Horní Počernice, Czech Republic

tenants	Tuplex CZ, OK-Color, BASF stavební hmoty ČR, Procom Bohemia, Mail Step, Den Braven Czech and Slovak, Coca-Cola HBC Česká republika, Internet Mall
lettable area (m^2)	28,219
built	2008

VGP PARK HORNÍ POČERNICE | BUILDING I.

Prague 9 Horní Počernice, Czech Republic

tenants	Bella Bohemia, Askino
lettable area (m²)	4,523
built	2009

VGP PARK HORNÍ POČERNICE | BUILDING II.

Prague 9 Horní Počernice, Czech Republic

tenants	Radiálka Hradec Králové, Alito, Dexion, Tiskové a obálkovací centrum
lettable area (m²)	6,456
built	2009

VGP PARK HORNÍ POČERNICE | BUILDING V.

Prague 9 Horní Počernice, Czech Republic

tenants	MD Logistika, Datart International
lettable area (m²)	52,121
built	2009

VGP PARK HORNÍ POČERNICE | BUILDING B4

Prague 9 Horní Počernice, Czech Republic

tenants	Landgard květiny & rostliny, Asko - nábytek, Penny Market
lettable area (m²)	15,012
built	2008

VGP PARK HORNÍ POČERNICE | BUILDING A1

Prague 9 Horní Počernice, Czech Republic

tenants	Whitesoft, VGP – industriální stavby,Vermeiren ČR, Enfinity, NACHI Europe, Diamant Spa, Kuka Roboter Austria, Comerce & Consulting, Hiab, European Distribution of Drinks and Foods, Kiomatic Service, Jan Rejlek, Martifer Solar, Ardo Mochov, Vlabo Interiéry, Daewoo Leasing Czech Republic, BDP Global services
lettable area (m²)	5,064
built	2008

VGP PARK TURNOV | BUILDING ONTEX

Industrial zone Vesecko – Turnov, Czech Republic

tenant	Ontex CZ
lettable area (m²)	12,037
built	2007

VGP PARK PŘÍŠOVICE

Příšovice, Czech Republic

tenants	Grupo Antolin Turnov, Aries Data
lettable area (m²)	10,334
built	2008

VGP PARK LIBEREC I. | BUILDING H1

Industrial zone Liberec – North, Czech Republic

tenant	PEKM Kabeltechnik
lettable area (m²)	9,973
built	2008

VGP PARK LIBEREC I. | BUILDING H2

Industrial zone Liberec – North, Czech Republic

tenant	BAUMATIC-ČR
lettable area (m^2)	11,878
built	2008

VGP PARK LIBEREC I. | BUILDING H3

Industrial zone Liberec – North, Czech Republic

tenant	Licon Heat
lettable area (m^2)	9,135
built	2009

VGP PARK LIBEREC I. | BUILDING H5

Industrial zone Liberec – North, Czech Republic

tenant	Knorr Bremse
lettable area (m^2)	8,270
built	2009

VGP PARK LIBEREC II. | BUILDING H0

Industrial zone Liberec – North, Czech Republic

tenant	Magna Exteriors & Interiors (Bohemia) s.r.o.
lettable area (m^2)	5,028
built	2004 – 2006

VGP PARK NÝŘANY | BUILDING B1

Industrial zone Nýřany, Czech Republic

tenants	Ranpak, WashTec Cleaning Technology
lettable area (m²)	10,186
built	2007 – 2008

VGP PARK NÝŘANY | BUILDING A4

Industrial zone Nýřany, Czech Republic

tenant	Pebal
lettable area (m²)	6,476
built	2009

VGP PARK OLOMOUC | BUILDING DHL

Olomouc – Nemilany, Czech Republic

tenant	DHL Express
lettable area (m²)	9,144
built	2008

VGP PARK OLOMOUC | BUILDING C

Olomouc – Nemilany, Czech Republic

tenants	Activa, V-PLAST Vsetín, Aries Data
lettable area (m²)	9,680
built	2009

VGP PARK OLOMOUC | BUILDING A

Olomouc – Nemilany, Czech Republic

tenant	Transkam
lettable area (m²)	7,023
built	2009

VGP PARK HRADEC KRÁLOVÉ | BUILDING H4

Dobřenice, Czech Republic

tenant	Vetro Plus
lettable area (m²)	13,446
built	2008

VGP PARK HRADEC KRÁLOVÉ | BUILDING H1

Dobřenice, Czech Republic

tenant	Excelsior Packaging
lettable area (m²)	10,610
built	2009

VGP PARK MLADÁ BOLESLAV | BUILDING A

Industrial zone Mladá Boleslav, Czech Republic

tenant	HP Pelzer
lettable area (m²)	14,980
built	2009

VGP PARK PŘEDLICE | BUILDING A

Ústí nad Labem, Czech Republic

tenant	Activa
lettable area (m^2)	581
built	2009

VGP PARK PŘEDLICE | BUILDING B

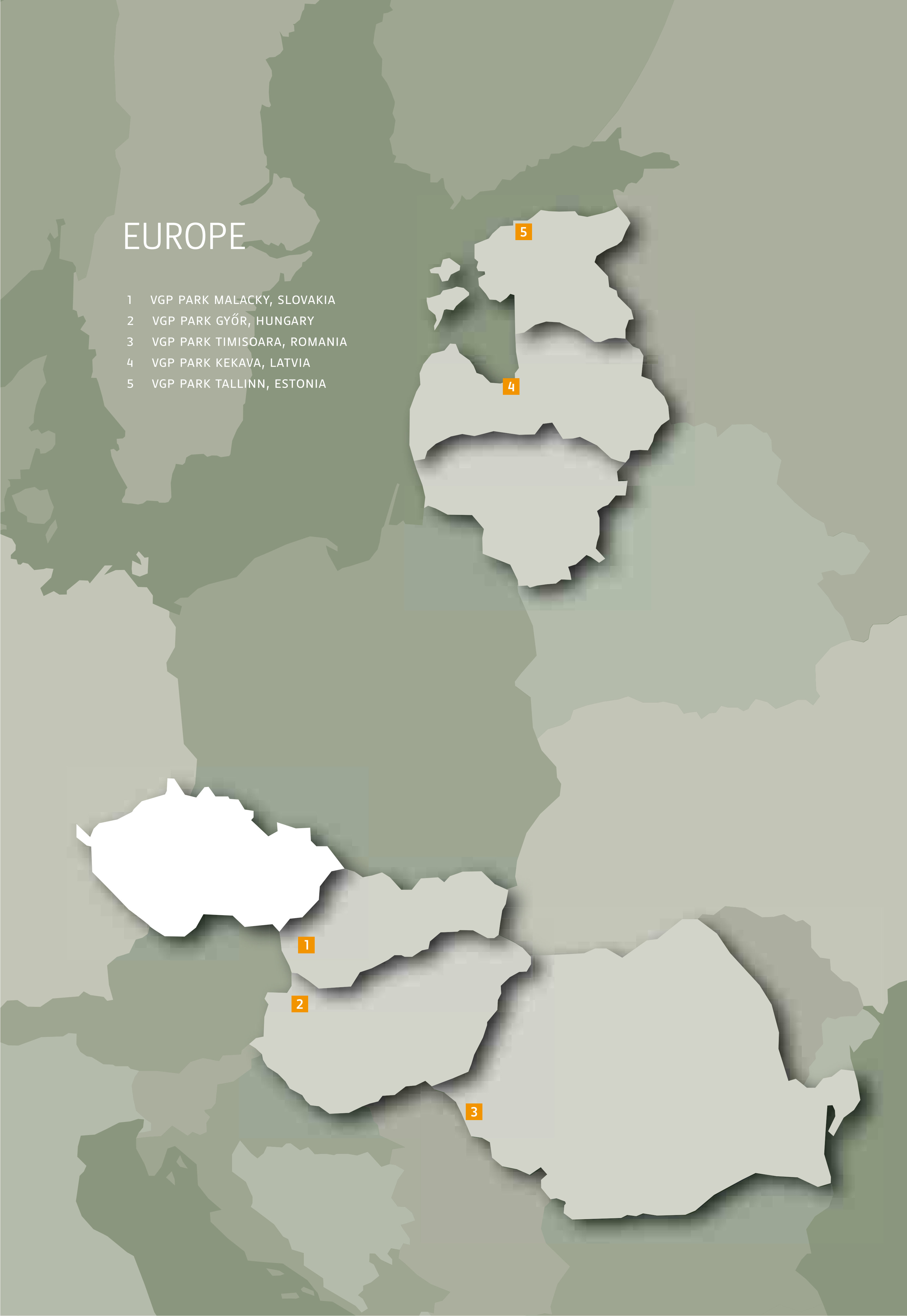
Ústí nad Labem, Czech Republic

tenant	Bohemia Cargo
lettable area (m^2)	1,502
built	2009

FUTURE DEVELOPMENT IN CZECH REPUBLIC

VGP PARK	LAND AREA (m^2)	POTENTIAL LETTABLE AREA (m^2)
VGP PARK HORNÍ POČERNICE	180,167	66,183
VGP PARK PŘÍŠOVICE	4,896	1,700
VGP PARK MLADÁ BOLESLAV	50,906	24,430
VGP PARK NÝŘANY	75,823	26,920
VGP PARK OLOMOUC	94,722	36,480
VGP PARK HRADEC KRÁLOVE	70,569	26,400
VGP PARK LIBEREC	65,293	27,103
VGP PARK TUCHOMĚŘICE	59,764	26,610
TOTAL	**602,140**	**235,826**

The above figures include the current projects under construction.


EUROPE
1 VGP PARK MALACKY, SLOVAKIA
2 VGP PARK GYŐR, HUNGARY
3 VGP PARK TIMISOARA, ROMANIA
4 VGP PARK KEKAVA, LATVIA
5 VGP PARK TALLINN, ESTONIA
5
4
1
2
3

VGP PARK MALACKY | BUILDING A

Malacky, Slovakia

tenant	Benteler Automobiltechnik GmBH
lettable area (m^2)	13,180
built	2009

VGP PARK GYŐR | BUILDING A

Győr, Hungary

tenants	HL Display, Szemerey Transport, Skiny
lettable area (m^2)	20,160
built	2009

VGP PARK TALLINN | BUILDING A

Tallinn, Estonia

tenants	Humana, Friends textile, Prime Partner, BDP, Havi Logistics
lettable area (m^2)	26,665
built	2009

FUTURE DEVELOPMENT OUTSIDE CZECH REPUBLIC

VGP PARK	LAND AREA (m^2)	POTENTIAL LETTABLE AREA (m^2)
VGP PARK TALLINN	22,872	12,024
VGP PARK KEKAVA	83,173	34,400
VGP PARK GYŐR	68,501	25,920
VGP PARK MALACKY	188,993	75,600
VGP PARK TIMISOARA	193,208	57,900
TOTAL	**556,747**	**205,844**

FINANCIAL REVIEW VGP NV

for the year ended 31 december 2009

CONTENTS

FINANCIAL REVIEW

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2009

INCOME STATEMENT (in thousands of €)	NOTE	2009	2008
Gross rental income	3.1.	21,726	12,037
Service charge income	3.2.	4,829	2,490
Service charge expenses	3.3.	(4,343)	(2,344)
Property operating expenses	3.4.	(2,166)	(1,850)
Net rental and related income		**20,046**	**10,333**
Net valuation gains / (losses) on investment property	3.13.	(6,754)	36,396
Property result	3.10.	**13,292**	**46,729**
Administrative cost	3.5.	(2,431)	(1,746)
Other income	3.6.	715	413
Other expenses	3.7.	(569)	(549)
Net operating profit before net financial result		**11,007**	**44,847**
Financial income	3.8.	993	304
Financial expenses	3.8.	(11,369)	(10,374)
Net financial result		**(10,376)**	**(10,070)**
Result before taxes		**631**	**34,777**
Taxes	3.9.	545	(6,213)
Net result		**1,176**	**28,564**

RESULT PER SHARE	NOTE	2009	2008
Basic earnings per share (in €)	3.10.	0.06	1.54
Diluted earnings per share (in €)	3.10.	0.06	1.54

The consolidated income statement should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2009

STATEMENT OF COMPREHENSIVE INCOME (in thousands of €)		**2009**	**2008**
Net result		**1,176**	**28,564**
Other comprehensive income / (loss)			
Interest rate hedging derivatives		(1,840)	(4,720)
Tax relating to components of other comprehensive income		350	897
Net profit / (loss) recognised directly into equity		**(1,490)**	**(3,823)**
Total comprehensive income / (loss) of the period		**(314)**	**24,741**
Attributable to:			
Equity holders of the parent		(314)	24,741
Minority interests		—	—

CONSOLIDATED BALANCE SHEET

For the year ended 31 December 2009

ASSETS (in thousands of €)	NOTE	2009	2008
Intangible assets	3.14.	64	10
Investment property	3.11.	426,010	351,886
Investment property under construction	3.12.	2,095	42,141
Other tangible assets	3.14.	338	409
Deferred tax assets	3.9.	2,379	1,159
Total non-current assets		**430,886**	**395,605**
Trade and other receivables	3.15.	4,533	9,392
Cash and cash equivalents	3.16.	4,327	4,289
Total current assets		**8,860**	**13,681**
TOTAL ASSETS		**439,746**	**409,286**

SHAREHOLDERS' EQUITY AND LIABILITIES (in thousands of €)	NOTE	2009	2008
Share capital	3.17.	62,251	62,251
Retained earnings		98,233	97,058
Other reserves	3.18.	(5,244)	(3,754)
Shareholders' equity		**155,240**	**155,555**
Non-current financial debt	3.19.	235,922	180,445
Other non-current financial liabilities	3.20.	10,243	7,268
Other non-current liabilities	3.21.	3,396	3,150
Deferred tax liabilities	3.9.	21,866	21,762
Total non-current liabilities		**271,427**	**212,625**
Current financial debt	3.19.	5,450	8,484
Other current financial liabilities	3.20.	272	4,524
Trade debts and other current liabilities	3.22.	7,357	28,098
Total current liabilities		**13,079**	**41,106**
Total liabilities		**284,506**	**253,731**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**439,746**	**409,286**

The consolidated balance sheet should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2009

STATEMENT OF CHANGES IN EQUITY (in thousands of €)	SHARE CAPITAL	RETAINED EARNINGS	OTHER RESERVES		TOTAL EQUITY
			SHARE PREMIUM	HEDGING RESERVE	
Balance as at 1 January 2008	**62,251**	**68,493**	**69**	**—**	**130,814**
Other comprehensive income / (loss)	—	—	—	(3,823)	(3,823)
Result of financial year 2008	—	28,564	—		28,564
Total comprehensive income / (loss)	**—**	**28,564**	**—**	**(3,823)**	**24,741**
Balance as at 31 December 2008	**62,251**	**97,057**	**69**	**(3,823)**	**155,555**
Balance as at 1 January 2009	**62,251**	**97,057**	**69**	**(3,823)**	**155,555**
Other comprehensive income / (loss)	—	—	—	(1,490)	(1,490)
Result of financial year 2009	—	1,176	—		1,176
Total comprehensive income / (loss)	**—**	**1,176**	**—**	**(1,490)**	**(314)**
Balance as at 31 December 2009	**62,251**	**98,233**	**69**	**(5,313)**	**155,240**

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2009

CASH FLOW STATEMENT (in thousands of €)	2009	2008
Cash flows from operating activities		
Result before taxes	631	34,777
Adjustments for:		
Depreciation	257	181
Change in value of investment property	6,754	(36,396)
Unrealised losses / (gains) on financial instruments	(4,283)	5,756
Net interest paid	14,259	7,880
Operating profit before changes in working capital and provisions	**17,618**	**12,198**
Decrease/(Increase) in trade and other receivables	6,490	(1,574)
(Decrease)/Increase in trade and other payables	(21,120)	9,980
Cash generated from the operations	**2,988**	**20,604**
Net Interest paid	(14,259)	(7,880)
Income taxes paid	27	(89)
Net cash from operating activities	**(11,244)**	**12,635**
Cash flows from investing activities		
Cash flow from investing activities	(40,680)	(132,222)
Net cash from investing activities	**(40,680)**	**(132,222)**
Cash flows from financing activities		
Net proceeds from the issue of share capital	—	—
Proceeds from loans	58,449	138,540
Loan repayments	(6,497)	(68,992)
Net cash from financing activities	**51,952**	**69,548**
Net increase / (decrease) in cash and cash equivalents	**28**	**(50,039)**
Cash and cash equivalents at the beginning of the period	4,289	52,835
Effect of exchange rate fluctuations	10	1,493
Cash and cash equivalents at the end of the period	4,327	4,289
Net increase / (decrease) in cash and cash equivalents	**28**	**(50,039)**

The consolidated cash flow statement should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2009

1. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES

1.1 STATEMENT OF COMPLIANCE

VGP NV (the "Company") is a limited liability company and was incorporated under Belgian law on 6 February 2007 for an indefinite period of time with its registered office located at Greenland – Burgemeester Etienne Demunterlaan 5 , 1090 Brussels, and the Company is registered under enterprise number 0887.216.042 (Register of Legal Entities Brussels, Belgium).

The Group is a real estate group specialised in the acquisition, development, and management of semi-industrial real estate. The Group focuses on strategically located plots of land in the mid-European region suitable for the development of semi-industrial business parks of a certain size, so as to build up an extensive and well-diversified property portfolio on top locations.

During the year 2009 VGP merged its Czech asset companies into 2 newly incorporated companies i.e. Industrie Park Sever a.s., VGP Park Turnov a.s. and VGP CZ s.r.o. were merged into VGP CZ I, a.s. ; and VGP Park Nýřany, a.s., VGP Park Hradec Králové a.s., VGP Park Lovosice a.s., VGP Park Olomouc a.s., VGP Park Liberec a.s. and VGP Park Mladá Boleslav a.s. were merged into VGP CZ II, a.s. The merger was driven by administrative optimisation and simplification and did not have any impact on the rights, obligations or financials results of the Group.

STATEMENT OF COMPLIANCE

The Company's consolidated financial statements include those of the Company and its subsidiaries (together referred to as "Group"). The consolidated financial statements were approved for issue by the board of directors on 20 April 2010. The consolidated financial statements have been prepared in accordance with the requirements of International Financial Reporting Standards (IFRS) which have been adopted by the European Union.

These standards comprise all new and revised standards and interpretations published by the International Accounting Standards Board (IASB) and interpretations issued by the International Financial Interpretations Committee of the IASB, as far as applicable to the activities of the Group and effective as from 1 January 2009.

NEW STANDARDS AND INTERPRETATIONS APPLICABLE DURING 2009

A number of new standards, amendments to standards and interpretations became effective during the financial year:

- IFRS 1 *First-time Adoption of International Financial Reporting Standards* (applicable for accounting years beginning on or after 1 January 2009)
- IFRS 8 *Operating Segments* (applicable for accounting years beginning on or after 1 January 2009)
- IAS 1 *Presentation of Financial Statements* (annual periods beginning on or after 1 January 2009). This Standard replaces IAS 1 *Presentation of Financial Statements* (revised in 2003) as amended in 2005.
- Improvements to IFRS (2007-2008) (normally applicable for accounting years beginning on or after 1 January 2009)
- Amendment to IFRS 1 *First Time Adoption of International Financial Reporting Standards* and IAS 27 *Consolidated and Separate Financial Statements* (normally prospective application for annual periods beginning on or after 1 January 2009)
- Amendment to IFRS 2 *Vesting Conditions and Cancellations* (applicable for annual periods beginning on or after 1 January 2009).
- Amendment to IFRS 7 *Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments* (applicable for accounting years beginning on or after 1 January 2009)
- Amendment to IAS 23 *Borrowing Costs* (applicable for accounting years beginning on r after 1 January 2009)
- Amendment to IAS 32 *Financial Instruments: Presentation* and IAS 1 *Presentation of Financial Statements – Puttable financial instruments and obligations arising on liquidation* (annual periods beginning on or after 1 January 2009).
- IFRIC 13 *Customer Loyalty Programmes* (applicable for accounting years beginning on or after 1 July 2008)
- IFRIC 16 *Hedges of a net investment in a foreign operation* (applicable for accounting years beginning on or after 1 October 2008)
- IFRIC 18 *Transfers of Assets from Customers* (applicable for Transfers received on or after 1 July 2009)
- Amendment to IFRIC 9 *Reassessment of Embedded Derivatives* and IAS 39 *Financial Instruments: Recognition and Measurement* (applicable for accounting years ending on or after 30 June 2009)

The above new standards, amendments to standards and interpretation did not give rise to any material changes in the presentation and preparation of the consolidated financial statements

It should be noted that the only amendment included in Improvements to IFRS standards that has had a material impact on the Group's accounting policies is the amendment to IAS 16 Property, Plant and Equipment and IAS 40 Investment Property which has been amended to state that once an entity becomes able to measure reliably the fair value of an investment property under construction that has previously been measured at cost, it shall measure that property at its fair value. These amendments to IAS 40 have been applied prospectively in accordance with the relevant transitional provisions, resulting in an increase (pre-tax) in the portfolio result for the 12 months period ended 31 December 2009 for an amount of EUR 81k.

NEW STANDARDS AND INTERPRETATIONS NOT YET EFFECTIVE DURING 2009

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 31 December 2009, and have not been applied when preparing the financial statements:

- IFRS 3 *Business Combinations* (applicable to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009). This Standard replaces IFRS 3 Business Combinations as issued in 2004;
- IFRS 9 *Financial Instruments* (applicable for annual periods beginning on or after 1 January 2013);
- Improvements to IFRS (2008-2009) (normally applicable for accounting years beginning on or after 1 January 2010)
- Amendment to IFRS 1 *First Time Adoption of International Financial Reporting Standards – Additional exemptions* (applicable for annual periods beginning on or after 1 January 2010)
- Amendment to IFRS 1 *First Time Adoption of International Financial Reporting Standards – IFRS 7 exemptions* (applicable for annual periods beginning on or after 1 July 2010)
- Amendment to IFRS 2 *Share-based Payment* (applicable for annual periods beginning on or after 1 January 2010)
- Amendment to IAS 24 *Related Party Disclosures* (applicable for annual periods beginning on or after 1 January 2011). This Standard supersedes IAS 24 Related Party Disclosures as issued in 2003.
- Amendment to IAS 27 *Consolidated and Separate Financial Statements* (applicable for annual periods beginning on or after 1 July 2009). This Standard amends IAS 27 *Consolidated and Separate Financial Statements* (revised 2003).
- Amendments to IAS 32 *Financial Instruments: Presentation – Classification of Rights Issues* (applicable for annual periods beginning on or after 1 February 2010)
- Amendments to IAS 39 *Financial Instruments: Recognition and Measurement – Eligible Hedged Items* (applicable for annual periods beginning on or after 1 July 2009).
- IFRIC 15 *Agreements for the construction of real estate* (applicable for accounting years beginning on or after 1 January 2010)
- IFRIC 17 *Distributions of Non-cash Assets to Owners* (applicable for accounting years beginning on or after 1 July 2009)
- IFRIC 19 *Extinguishing Financial Liabilities with Equity Instruments* (applicable for annual periods beginning on or after 1 July 2010)
- Amendment to IFRIC 14 IAS 19 – *The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction – Prepayments of a Minimum Funding Requirement* (applicable for annual periods beginning on or after 1 January 2011)

1.2 GENERAL PRINCIPLES

BASIS OF PREPARATION

The consolidated 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 (in thousands of €), unless stated otherwise. Minor rounding differences might occur.

Intra-group balances and any gains and losses or income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

FOREIGN CURRENCY

The consolidated financial statements are presented in Euro (€), rounded to the nearest thousand. The Euro is the functional currency of all Group subsidiaries. Euro is commonly used for transactions in the European real estate market.

Transactions in foreign currencies are translated to Euro at the foreign exchange rate ruling at the date of the transaction. Consequently non-monetary assets and liabilities are presented at Euro using the historic foreign exchange rate. Monetary assets and liabilities denominated in a currency other than Euro at the balance sheet date are translated to Euro at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the consolidated income statement.

The following exchange rates were used during the period:

DATE	CZECH REPUBLIC	CLOSING RATE
31 December 2009	CZK/EUR	26.4650
31 December 2008	CZK/EUR	26.9300

DATE	ESTONIA	CLOSING RATE
31 December 2009	EEK/EUR	15.6466
31 December 2008	EEK/EUR	15.6466

DATE	ROMANIA	CLOSING RATE
31 December 2009	RON/EUR	4.2282
31 December 2008	RON/EUR	3.9852

DATE	LATVIA	CLOSING RATE
31 December 2009	LVL/EUR	0.702804
31 December 2008	LVL/EUR	0.708300

DATE	HUNGARY	CLOSING RATE
31 December 2009	HUF/EUR	270.8400
31 December 2008	HUF/EUR	264.7800

USE OF ESTIMATES AND JUDGMENTS

The preparation of consolidated financial statements in compliance with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making the judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. The actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both the current and future periods.

The main sources of estimates are the valuations made of the property portfolio by the independent external valuation expert. The main uncertainties surrounding the valuation of the portfolio property relate to the current low levels of liquidity in the real estate market and the significantly reduced transactions, resulting in a lack of clarity as to pricing levels and the market drivers. Many transactions that are occurring involve vendors who are more compelled to sell, or purchasers who will only buy at discounted prices. In this environment, prices and values are going through a period of heightened volatility. As a result there is less certainty with regard to valuations with the result that market values can change rapidly in the current market conditions.

As of 31 December 2009, there are no other significant assumptions concerning the future and other key sources of estimation uncertainty on the balance sheet, which would carry a significant risk of material adjustment to the book value of assets and liabilities for the next financial year.

1.3 BALANCE SHEET ITEMS

INVESTMENT PROPERTY

Investment properties, which incorporate land held for development, are held to earn rental income, for capital appreciation, or for both. Investment properties are stated at fair value. An external independent valuation expert with recognised professional qualifications and experience in the location and category of the property being valued, values the portfolio at least annually. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

Land of which the Group has full ownership and on which the Group intends or has started construction (so called "development land") is immediately classified as investment property and as such valued at fair value.

Infrastructure works are not included in the fair value of the development land but are recognised as investment property under construction and valued at cost.

The valuations of properties are prepared by considering the aggregate of the net annual rents receivable from the properties, and where relevant, associated costs. A yield which reflects the risks inherent in the net cash flows is then applied to the net annual rentals to arrive at the property valuation.

In view of the nature of the properties and the basis of valuation the valuation expert, Jones Lang LaSalle, adopted the Income Approach based on the discounted cash flow technique for a 10 year period. The cash flow assumes a ten-year hold period with the exit value calculated on the Estimated Rental Value (ERV). To calculate the exit value the valuation expert has used the exit yield which represents his assumption of the possible yield in the 10th year.

The cash flow is based on the rents receivable under existing lease agreements until their expiry date and the expected rental value for the period remaining in the ten-year period, as applicable. After the termination of existing leases (first break option) the valuator has assumed a certain expiry void i.e. an expiry void of 4 months for industrial premises and 6 months for office premises. The assumed voids are used to cover the time and the cost of marketing, re-letting and possible reconstruction. For currently vacant industrial and office premises an initial void of 8 months has been assumed. Finally the valuator made a general deduction of 0%-2% from the gross income for an on-going vacancy.

Valuations reflect, where appropriate, the type of tenants actually occupying the property or responsible for meeting the lease commitments or likely to be occupying the property after letting vacant accommodation and the market's general perception of their creditworthiness; the allocation of maintenance and insurance responsibilities between lessor and lessee; and the remaining economic life of the property. It has been assumed that whenever rent reviews or lease renewals are pending with anticipated reversionary increases, all notices, and where appropriate counter notices, have been served validly and within the appropriate time.

Any gain or loss arising from a change in fair value is recognised in the consolidated income statement.

INVESTMENT PROPERTY UNDER CONSTRUCTION

Property that is being constructed or developed for future use as investment property is classified as investment property under construction and stated at fair value. The investment properties under construction are valued by the same independent valuation expert i.e. Jones Lang LaSalle. For the properties under construction the valuation expert has used the same approach as applicable for the completed properties but deducting the remaining construction costs from the calculated market value.

All costs directly associated with the purchase and construction of a property and all subsequent capital expenditure qualifying as acquisition costs are capitalised.

CAPITALISATION OF BORROWING COSTS

Interest and other financial expenses relating to the acquisition of fixed assets incurred until the asset is put in use are capitalised. Subsequently, they are recorded as financial expenses.

OTHER TANGIBLE ASSETS

OWNED ASSETS

Other tangibles assets are stated at cost less accumulated depreciation (see below) and impairment losses (see accounting policy "Impairment on other tangible assets and intangible assets"). The cost of self-constructed assets includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing building items and restoring the building site at which they are located, and an appropriate proportion of production overheads.

Where components of other tangible assets have different useful lives, they are accounted for as separate items of other tangible assets.

SUBSEQUENT COSTS

The Group recognises in the carrying amount the cost of replacing part of an item of other tangible assets at the time that cost is incurred, if it is probable that the future economic benefits embodied within the item will flow to the Group and the cost of the item can be measured reliably. All other costs are recognised in the consolidated income statement as expenses at the time they are incurred.

DEPRECIATION

Depreciation is charged to the consolidated income statement on a straight-line basis over the estimated useful lives of each part of an item of other tangible assets. Land is not depreciated.

The estimated useful lives are as follows:

ASSETS	2009	2008
Motor vehicles	4 years	4 years
Other equipment	4-6 years	4-6 years

The residual value, if not insignificant, is reassessed annually.

TRADE AND OTHER RECEIVABLES

Trade receivables do not carry any interest and are stated at amortised cost as reduced by appropriate allowances for estimated irrecoverable amounts.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the consolidated cash-flow statement.

INTEREST-BEARING BORROWINGS

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the consolidated income statement over the period of the borrowings on an effective interest basis. The Group classifies as a current portion any part of long-term loans that is due to be settled within one year from the balance sheet date.

TRADE AND OTHER PAYABLES

Trade and other payables are stated at amortised cost.

DERIVATIVE FINANCIAL INSTRUMENTS

A derivative is a financial instrument or other contract which fulfils the following conditions:

— its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract;
— it requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors; and
— it is settled at a future date.

Hedging derivatives are defined as derivatives that comply with the company's risk management strategy, the hedging relationship is formally documented and the hedge is effective, that is, at inception and throughout the period, changes in the fair value or cash flows of the hedged and hedging items are almost fully offset and the results are within a range of 80 percent to 125 percent.

Derivative financial instruments that are not designated as hedging instruments are classified as held-for-trading and carried at fair value, with changes in fair value included in net profit or loss of the period in which they arise.

Fair values are obtained from quoted market prices or discounted cash-flow models, as appropriate. All non-hedge derivatives are carried (as applicable) as current or non-current assets when their fair value is positive and as current and non-current liabilities when their fair value is negative.

VGP holds no derivative instruments nor intends to issue any for speculative purposes.

IMPAIRMENT ON OTHER TANGIBLE ASSETS AND INTANGIBLE ASSETS

The carrying amounts of the Group's other tangible assets and intangible assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the consolidated income statement.

Impairment losses recognised in respect of cash-generating units reduce the carrying amount of the assets in the unit (group of units) on a pro-rata basis.

REVERSALS OF IMPAIRMENT

An impairment loss is reversed in the consolidated income statement if there has been a change in the estimates used to determine the recoverable amount to the extent it reverses an impairment loss of the same asset that was recognised previously as an expense.

PROVISIONS

A provision is recognised in the consolidated balance sheet when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

1.4 INCOME STATEMENT ITEMS

RENTAL INCOME

Rental income from investment property leased out under an operating lease is recognised in the consolidated income statement on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income. Rental income is recognised as from the commencement of the lease contract.

The Group did not enter into any financial lease agreements with tenants, all lease contracts qualify as operating leases.

The lease contracts concluded can be defined as ordinary leases whereby the obligations of the lessor under the lease remain essentially those under any lease, for instance to ensure that space in a state of being occupied is available to the lessee during the whole term of the lease . The lease contracts are usually concluded for periods between 5-10 years (first break option) and include most of the time an automatic extension clause. The lessee cannot cancel the lease contract until the first break option date.

EXPENSES

SERVICE COSTS AND PROPERTY OPERATING EXPENSES

Service costs for service contracts entered into and property operating expenses are expensed as incurred.

LEASES AS LESSEE

All leases where VGP act as a lessee are operational leases. The leased assets are not recognised on the balance sheet. Payments are recognised in profit and loss on a straight line basis over the term of the lease.

NET FINANCIAL RESULT

Net financial result comprises interest payable on borrowings calculated using the effective interest rate method net of interest capitalised, interest receivable on funds invested, foreign exchange gains and losses that are recognised in the consolidated income statement.

INCOME TAX

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the consolidated income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets and deferred tax liabilities have been offset, pursuant to the fulfilment of the criteria of IAS 12 §74. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

2. SEGMENT REPORTING

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 a distinction between the Czech Republic 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). Unallocated amounts include the administrative costs incurred for the Group's supporting functions. Rent income is coming from semi-industrial buildings (98.2%) and offices (1.8%). There is no risk concentration in terms of income contribution from a single tenant.

INCOME STATEMENT (in thousands of €)	CZECH REPUBLIC		
	2009	2008	
Gross rental income	21,477	12,037	
Service charge income / (expenses)	1,526	154	
Property operating expenses	(1,987)	(1,366)	
Net rental and related income	**21,016**	**10,825**	
Other income / (expenses)- incl. administrative costs	(560)	(884)	
Operating result (before result on portfolio)	**20,456**	**9,941**	
Net valuation gains / (losses) on investment property	(5,398)	38,431	
Operating result (after result on portfolio)	**15,058**	**48,372**	
Net financial result	—	—	
Taxes	—	—	
Net result	—	—	

BALANCE SHEET (in thousands of €)	CZECH REPUBLIC		
	2009	2008	
Assets			
Investment property	378,633	324,161	
Investment property under construction	1,271	28,318	
Other assets (incl. deferred tax)	6,406	9,066	
Total assets	**386,310**	**361,545**	
Shareholders' equity and liabilities			
Shareholders' equity	—	—	
Total liabilities	—	—	
Total shareholders' equity and liabilities	—	—	

	OTHER COUNTRIES		UNALLOCATED AMOUNTS		TOTAL	
	2009	2008	2009	2008	2009	2008
	249	0	—	—	21,726	12,037
	(1,040)	(8)	—	—	486	146
	(179)	(484)	—	—	(2,166)	(1,850)
	(970)	**(492)**	**—**	**—**	**20,046**	**10,333**
	(430)	(310)	(1,295)	(688)	(2,285)	(1,882)
	(1,400)	**(802)**	**(1,295)**	**(688)**	**17,761**	**8,451**
	(1,356)	(2,035)	—	—	(6,754)	36,396
	(2,756)	**(2,837)**	**(1,295)**	**(688)**	**11,007**	**44,847**
	—	**—**	**(10,376)**	**(10,070)**	**(10,376)**	**(10,070)**
	—	**—**	**545**	**(6,213)**	**545**	**(6,213)**
	—	**—**	**1,176**	**28,564**	**1,176**	**28,564**

	OTHER COUNTRIES		UNALLOCATED AMOUNTS		TOTAL	
	2009	2008	2009	2008	2009	2008
	47,377	27,725	—	—	426,010	351,886
	824	13,823	—	—	2,095	42,141
	5,235	6,193	—	—	11,641	15,259
	53,436	**47,741**	**—**	**—**	**439,746**	**409,286**
	—	—	155,240	155,555	155,240	155,555
	—	—	284,506	253,731	284,506	253,731
	—	**—**	**439,746**	**409,286**	**439,746**	**409,286**

3. SUPPORTING NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3.1 GROSS RENTAL INCOME

in thousands of €	2009	2008
Gross lease payments collected/accrued	21,308	11,427
Rent indexation and discounts	418	610
Total	**21,726**	**12,037**

The Group leases out its investment property under operating leases. The operating leases are generally for terms of more than 5 years. As at 31 December 2009 the weighted average term of the committed leases was 5.72 years.

3.2 SERVICE CHARGE INCOME

in thousands of €	2009	2008
Recharge of costs borne by tenants	4,337	2,241
Administration fees	492	249
Total	**4,829**	**2,490**

Service charge income represents income receivable from tenants for energy, maintenance, cleaning, security, garbage management and usage of infrastructure which relates to the service charge expenses charged to the Group.

3.3 SERVICE CHARGE EXPENSES

in thousands of €	2009	2008
Energy	(3,041)	(1,535)
Repairs, maintenance and cleaning	(164)	(213)
Property taxes	(126)	(120)
Others	(1,012)	(476)
Total	**(4,343)**	**(2,344)**

3.4 PROPERTY OPERATING EXPENSES

in thousands of €	2009	2008
Consultancy fees (lawyers, brokers and others)	(1,318)	(1,373)
Other	(848)	(477)
Total	**(2,166)**	**(1,850)**

Property operating expenses mainly include lawyer and broker fees with respect to the conclusion of new rental agreements on completed investment property.

3.5 ADMINISTRATIVE COST

in thousands of €	2009	2008
Audit, legal and other advisors	(977)	(783)
Payroll, management fees and other expenses	(1,197)	(781)
Depreciation	(257)	(182)
Total	**(2,431)**	**(1,746)**

3.6 OTHER INCOME

in thousands of €	2009	2008
Operating result from engineering activities	339	203
Other operating income	376	210
Total	**715**	**413**

3.7 OTHER EXPENSES

in thousands of €	2009	2008
Marketing expenses	(438)	(248)
Other operating expenses	(131)	(301)
Total	**(569)**	**(549)**

3.8 NET FINANCIAL COSTS

in thousands of €	2009	2008
Bank interest income	9	294
Other financial income	98	10
Net foreign exchange gains	886	—
Financial income	**993**	**304**
Bank interest expense – variable debt	(5,139)	(4,614)
Bank interest expense – interest rate swaps – hedging	(1,222)	224
Bank interest expense – interest rate swaps – non-hedging	(2,635)	280
Interest paid to related parties	(4,813)	(3,304)
Interest capitalised into investment property and property under construction	3,902	4,904
Other financial expenses	(557)	(770)
Unrealised losses on interest rate derivatives	(905)	(3,477)
Net foreign exchange losses	—	(3,617)
Financial expenses	**(11,369)**	**(10,374)**
Net financial costs	**(10,376)**	**(10,070)**

3.9 TAXATION

3.9.1 INCOME TAX EXPENSE RECOGNISED IN THE CONSOLIDATED INCOME STATEMENT

in thousands of €	2009	2008
Current tax	26	(20)
Deferred tax	519	(6,193)
Total	**545**	**(6,213)**

3.9.2 RECONCILIATION OF EFFECTIVE TAX RATE

in thousands of €		2009		2008
Result before taxes		631		34,777
Income tax using the domestic corporation tax rate	19.0%	(120)	19.0%	(6,608)
Difference in tax rate non-CZ companies		(48)		6
Non-tax-deductible expenditure		(85)		(49)
Non recognition of deferred tax assets		656		268
Other		142		170
Total	**-86.5%**	**545**	**17.9%**	**(6,213)**

The majority of the Group's profit before taxes is earned in the Czech Republic. Hence the effective corporate tax rate in Czech Republic is applied for the reconciliation.
The expiry of the tax loss carry forward of the Group as per 31 December 2009 can be summarised as follows:

in thousands of €	< 1 YEAR	2-5 YEARS	5 YEARS >
Tax loss carry forward	114	35,233	5,672

3.9.3 DEFERRED TAX ASSETS AND LIABILITIES

The deferred tax assets and liabilities are attributable to the following:

in thousands of €	ASSETS		LIABILITIES		NET	
	2009	2008	2009	2008	2009	2008
Fixed assets	20,864	1,208	(47,431)	(24,757)	(26,567)	(23,549)
IFRS hedge accounting	1,290	897	—	—	1,290	897
Tax losses carried-forward	7,464	3,763	—	—	7,464	3,763
FX differences CZ loans	771	—	—	(35)	771	(35)
Capitalized interest	—	—	(2,192)	(1,549)	(2,192)	(1,549)
Capitalised cost	—	—	(156)	(130)	(156)	(130)
Other	—	—	(97)	—	(97)	—
Tax assets / (liabilities)	**30,389**	**5,868**	**(49,876)**	**(26,471)**	**(19,487)**	**(20,603)**
Set-off of assets and liabilities	(28,010)	(4,709)	28,010	4,709	0	0
Net tax assets / (liabilities)	**2,379**	**1,159**	**(21,866)**	**(21,762)**	**(19,487)**	**(20,603)**

The total deferred tax recognised in equity amounts to € 1,246k; a total deferred tax assets of € 627k was not recognised.

3.10 EARNINGS PER SHARE

in number	2009	2008
Weighted average number of ordinary shares (basic)	18,583,050	18,583,050
Dilution	—	—
Weighted average number of ordinary shares (diluted)	18,583,050	18,583,050

in thousands of €	2009	2008
Result for the period attributable to the Group and to ordinary shareholders	1,176	28,564
Earnings per share (in €) - basic	0.06	1.54
Earnings per share (in €) - diluted	0.06	1.54

A gross dividend in respect of 2009 of € 0.280 per share amounting to a total dividend of € 5,203,254 is to be proposed at the Ordinary General Meeting of Shareholders on 14 May 2010.

3.11 INVESTMENT PROPERTY

in thousands of €	2009	2008
Balance at 1 January	**351,886**	**211,760**
Capital expenditure	8,152	26,653
Capitalised interest	1,729	1,364
Acquisitions	—	—
Transfer from investment property under construction	86,881	113,790
Increase / (Decrease) in fair value	(22,638)	(1,681)
Balance at 31 December	**426,010**	**351,886**

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

As at 31 December 2009 most properties were secured in favour of the Group's banks (see note 3.19).

3.12 INVESTMENT PROPERTY UNDER CONSTRUCTION

in thousands of €	2009	2008
Balance at 1 January	**42,141**	**13,411**
Capital expenditure	28,778	100,903
Capitalised interest	2,173	3,540
Acquisitions	—	—
Transfer to Investment property	(86,881)	(113,790)
Increase / (Decrease) in fair value	15,884	38,077
Balance at 31 December	**2,095**	**42,141**

3.13 BREAKDOWN OF THE CHANGES IN FAIR VALUE OF INVESTMENT PROPERTIES

in thousands of €	2009	2008
Investment property	(6,909)	36,396
Investment property under construction	155	—
Total	**(6,754)**	**36,396**

The total property portfolio (excluding development land) is valued by the valuation expert at 31 December 2009 based on a market rate of 8.33% applied to the contractual rents increased by the estimated rental value on unlet space. A 0.10% variation of this market rate would give rise to a variation of the total portfolio value of € 4.6 million.

3.14 INTANGIBLE ASSETS AND OTHER TANGIBLE ASSETS

in thousands of €	INTANGIBLE ASSETS		TANGIBLE ASSETS	
	2009	2008	2009	2008
Balance at 1 January	**10**	**9**	**409**	**210**
Acquisitions of the year				
IT software	57	6	—	—
Plant and equipment	—	—	99	21
Furniture and fixtures	—	—	19	0
Motor vehicles	—	—	—	335
Other	—	—	4	21
	57	**6**	**122**	**377**
Depreciation of the year				
IT software	(3)	(3)	—	—
Plant and equipment	—	—	(21)	(15)
Furniture and fixtures	—	—	(11)	0
Motor vehicles	—	—	(142)	(144)
Other	—	(2)	(19)	(19)
	(3)	**(5)**	**(193)**	**(178)**
At 31 December	**64**	**10**	**338**	**409**

3.15 TRADE AND OTHER RECEIVABLES

in thousands of €	2009	2008
Trade receivables	1,501	2,375
Tax receivables - VAT	616	4,826
Accrued income and deferred charges	2,340	1,974
Other receivables	76	217
Total	**4,533**	**9,392**

3.16 CASH AND CASH EQUIVALENT

The Group's cash and cash equivalents comprise primarily cash deposits held at Czech and Belgian banks

3.17 SHARE CAPITAL

		SHARE CAPITAL MOUVEMENT	TOTAL OUTSTANDING SHARE CAPITAL AFTER THE TRANSACTION	NUMBER OF SHARE ISSUED	TOTAL NUMBER OF SHARES
		(in thousands of €)	(in thousands of €)	(in units)	(in units)
01. 01. 2006	Cumulative share capital of all Czech companies	10,969	10,969	—	—
06. 02. 2007	Incorporation of VGP NV	100	11,069	100	100
05. 11. 2007	Share split	—	11,069	7,090,400	7,090,500
11. 12. 2007	Contribution in kind of Czech companies	120,620	131,689	7,909,500	15,000,000
11. 12. 2007	Capital increase IPO	50,000	181,689	3,278,688	18,278,688
28. 12. 2007	Exercise of over allotment option – IPO	4,642	186,331	304,362	18,583,050
31. 12. 2007	Elimination capital increase – contribution in kind	(120,620)	65,711	—	18,583,050
31. 12. 2007	Issuing costs capital increase	(3,460)	62,251	—	18,583,050

3.18 OTHER RESERVES

CARRYING AMOUNT

in thousands of €	2009	2008
Share premium	69	69
Hedging reserve	(5,313)	(3,823)
Total	**(5,244)**	**(3,754)**

HEDGING RESERVE

in thousands of €	2009	2008
As at 1 January	**(3,823)**	**—**
Gains / (loss) recognised on cash flow hedges	—	—
Interest rate swaps	(4,475)	(4,496)
Reclassified to profit or loss	—	—
Interest rate swaps	2,635	(224)
Income tax related to gains/losses recognised in other comprehensive income	350	897
As at 31 December	**(5,313)**	**(3,823)**

3.19 CURRENT AND NON-CURRENT FINANCIAL DEBT

in thousands of €	2009	2008
Loans from related parties VM Invest NV	73,087	60,567
Non-current bank loans	163,243	120,295
Current bank loans	5,633	8,521
Arrangement fees	(591)	(454)
Total	**241,372**	**188,929**

Interest bearing loans and borrowings are payable as follows:

MATURITY	2009		
in thousands of €	< 1 YEAR	> 1-5 YEARS	> 5 YEARS
Loans granted by VM Invest NV	—	73,087	—
Non current bank loans	5,633	162,443	800
Arrangement fees	(183)	(408)	—
Total	**5,450**	**235,122**	**800**

MATURITY	2008		
in thousands of €	< 1 YEAR	> 1-5 YEARS	> 5 YEARS
Loans granted by VM Invest NV	—	—	60,567
Noncurrent bank loans	8,521	108,859	11,436
Arrangement fees	(37)	(417)	—
Total	**8,484**	**108,442**	**72,003**

SECURED BANK LOANS

The loans granted to the VGP Group are all denominated in € and can be summarised as follows:

in thousands of €	FACILITY AMOUNT	FACILITY EXPIRY DATE	OUTSTANDING BALANCE	< 1 YEAR	> 1-5 YEARS	> 5 YEARS
KBC Bank / CSOB	126,130	30-Jun-12	126,130	4,121	122,009	—
UniCredit Bank/LBBW	66,100	31-Dec-14	37,546	912	36,634	—
Tatra Banka	3,400	31-Dec-11	3,400	400	3,000	—
Tatra Banka	1,800	31-Dec-18	1,800	200	800	800
Total	**197,430**		**168,876**	**5,633**	**162,443**	**800**

In order to secure the obligations under these agreements, the Group created:

- Mortgage agreement over the existing properties;
- Mortgage agreement over the land acquired prior to the date of the agreement;
- Agreement on future mortgage agreement with respect to the remaining part of the project land and project buildings;
- Pledge all existing and future receivables;
- Pledge over the shares whereby VGP NV as the pledgor and the security agent as the pledgee enter into a Share Pledge Agreement. All shares issued by the borrower are pledged in favour of the security agent;
- Pledge of rental fee revenues and guarantees;
- Pledge of bank accounts receivables;
- Pledge of rights and receivables under the construction contracts.

As at the 31 December 2009 the mortgage agreements over the Czech assets have been provided for a total amount of € 231,160k against € 172,988k as at 31 December 2008.

INTEREST RATE SWAPS

As a general principle, loans are entered into by the Group in Euro at a floating rate, converting to a fixed rate through interest rate swaps in compliance with the respective loan agreements

For further information on financial instruments we refer to note 3.23.

EVENTS OF DEFAULTS AND BREACHES OF LOAN COVENANTS

The loan agreements granted by the banks are subject to a number of covenants which can be summarised as follows:

- Loan to cost ratio for development loan tranches between 50% - 70% of investment cost;
- Loan to value ratio for investment loan tranches equal or less than 65%;
- Consolidated financial debt/equity ratio equals or is less than 2.0 ;
- Debt service cover ratio equal or higher than 1.2 ;
- Interest cover ratio equal or higher than 1.2. For some loan agreements this ratio varies over the term of the credit facility between 1.2 and 1.3;
- Pre-lease requirement to ensure that interest cover ratio equal or higher than 1.2 is achieved or alternatively pre-lease requirement ranging from 35% to 70%.

The above mentioned ratio's are tested based on a 12 month period and are calculated as follows:

- Loan to cost ratio means in respect of a project the aggregate loans divided by the total investment costs;
- Loan to value ratio means in respect of a project the aggregate loans divided by the open market value as valued by an independent valuator;
- Debt service cover ratio means cash available for debt service divided by debt service whereby debt service means the aggregate amount of financial expenses due and payable together with any loan principal due and payable;
- Interest cover ratio means in respect of a project the net rent income divided by the aggregate amount of the financial expenses due and payable.

During the year there were no events of default nor were there any breaches of covenants with respect to loan agreements.

3.20 OTHER FINANCIAL LIABILITIES

in thousands of €	2009	2008
Fair value of interest rate swaps – hedge accounting	6,791	4,720
Fair value of interest rate swaps – held for trading	3,452	2,548
Fair value of foreign exchange contracts	272	4,524
Total	**10,515**	**11,792**
Non-current	10,243	7,268
Current	272	4,524
Total	**10,515**	**11,792**

3.21 OTHER NON-CURRENT LIABILITIES

in thousands of €	2009	2008
Deposits	1,779	902
Retentions	1,584	2,157
Other non-current liabilities	33	91
Total	**3,396**	**3,150**

Deposits are received from tenants. Retentions are amounts withheld from constructors' invoices. It is common to pay only 90 percent of the total amount due. 5 percent is due upon final delivery of the building; the remaining part is paid, based on individual agreements, most commonly after 3 or 5 years.

3.22 TRADE DEBTS AND OTHER CURRENT LIABILITIES

in thousands of €	2009	2008
Trade payables	4,493	22,483
Retentions	1,069	4,036
Accrued expenses and deferred income	297	472
Other payables	1,498	1,107
Total	**7,357**	**28,098**

3.23 FINANCIAL INSTRUMENTS

3.23.1 TERMS, CONDITIONS AND RISK MANAGEMENT

Exposures to foreign currency, interest rate, liquidity and credit risk arises in the normal course of business of VGP.

The company analyses and reviews each of these risks and defines strategies to manage the economic impact on the company's performance. The results of these risk assessments and proposed risk strategies is reviewed and approved by the board of directors on regular basis.

Some of the risk management strategies include the use of derivative financial instruments which mainly consists of forward exchange contracts and interest rate swaps. The company holds no derivative instruments nor would it issue any for speculative purposes.

The following table provides an overview of the derivative financial instruments as at 31 December 2009. The amounts shown are the notional amounts:

DERIVATIVES	2009			2008		
in thousands of €	< 1 YEAR	> 1-5 YEARS	> 5 YEARS	< 1 YEAR	> 1-5 YEARS	> 5 YEARS
Foreign currency						
Forward exchange contracts	11,336	—	—	60,969	—	—
Interest rates						
Interest rate swaps	—	141,457	—	—	120,000	—

We also refer to note 3.23.3.

3.23.2 FOREIGN CURRENCY RISK

VGP incurs principally foreign currency risk on its capital expenditure as well as some of its borrowings and net interest expense/income.

VGP's policy is to economically hedge its capital expenditure as soon as a firm commitment arises, to the extent that the cost to hedge outweighs the benefit and in the absence of special features which require a different view to be taken.

The table below summarises the Group's main net foreign currency positions at the reporting date. Since the Group has elected not to apply hedge accounting, the following table does not include the forecasted transactions. However the derivatives the Group has entered into, to economically hedge the forecasted transactions are included.

in thousands of €	2009				
	CZK	EEK	HUF	RON	LVL
Trade & other receivables	37,469	183	4,351	461	66
Non-current liabilities and trade & other payables	(211,416)	(69)	(1,256)	—	(138)
Gross balance sheet exposure	**(173,947)**	**114**	**3,095**	**461**	**(72)**
Forward foreign exchange	300,000	—	—	—	—
Net exposure	**126,053**	**114**	**3,095**	**461**	**(72)**

in thousands of €	2008				
	CZK	EEK	HUF	RON	LVL
Trade & other receivables	176,028	5,747	16,479	637	30
Non-current liabilities and trade & other payables	(732,238)	—	(14,583)	(38)	(22)
Gross balance sheet exposure	**(556,210)**	**5,747**	**1,896**	**599**	**8**
Forward foreign exchange	1,587,000	—	—	—	—
Net exposure	**1,030,790**	**5,747**	**1,896**	**599**	**8**

The following significant exchange rates applied during the year:

1 € =	2009	2008
	CLOSING RATE	CLOSING RATE
CZK	26.465000	26.930000
EEK	15.646600	15.646600
RON	4.228200	3.985200
LVL	0.702804	0.708300
HUF	270.840000	264.780000

SENSITIVITY

A 10 percent strengthening of the euro against the following currencies at 31 December 2009 would have increased / (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2008.

EFFECTS	2009	
in thousands of €	EQUITY	PROFIT OR (LOSS)
CZK	—	(433)
EEK	—	(1)
HUF	—	(1)
RON	—	(10)
LVL	—	9
Total	**—**	**(436)**

EFFECTS	2009	
in thousands of €	EQUITY	PROFIT OR (LOSS)
CZK	—	(3,480)
EEK	—	(33)
RON	—	(14)
Other currencies	—	(2)
Total	**—**	**(3,529)**

A 10 percent weakening of the euro against the above currencies at 31 December 2009 would have had the equal but opposite effect on the above currencies to amounts shown above, on the basis that all other variables remain constant.

3.23.3 INTEREST RATE RISK

The Group applies a dynamic interest rate hedging approach whereby the target mix between fixed and floating rate debt is reviewed periodically. These reviews are carried out within the confines of the existing loan agreements which require that interest rate exposure is to be hedged when certain conditions are met.

Where possible the Group will apply IAS 39 to reduce income volatility whereby some of the interest rate swaps may be classified as cash flow hedges. Changes in the value of a hedging instrument that qualifies as highly effective cash flow hedges are recognised directly in shareholders' equity (hedging reserve).

The Group also uses interest rate swaps that do not satisfy the hedge accounting criteria under IAS 39 but provide effective economic hedges. Changes in fair value of such interest rate swaps are recognised immediately in the income statement. (interest rate swaps held for trading).

At the reporting date the Group interest rate profile of the Group's financial instruments was:

In thousands of € - Nominal amounts	2009	2008
Financial debt		
Fixed rate		
Shareholder loans	73,087	—
Variable rate		
Shareholder loans	—	60,567
Bank debt	168,876	128,816
	168,876	**189,383**
Interest rate hedging		
Interest rate swaps		
held for trading	40,000	40,000
In connection with cash flow hedges	101,457	80,000
	141,457	**120,000**
Financial debt after hedging		
Variable rate		
Bank debt	27,419	69,383
Fixed rate		
Shareholder loans	73,087	9,984
Bank debt	141,457	110,016
	214,544	**120,000**
Fixed rate / total financial liabilities	**88.7%**	**63.4%**

The shareholder loans are at a fixed interest rate of 7.00% per annum.
The effective interest rate on bank debt, including all bank margins and cost of interest rate hedging instruments was 5.61 % for the year 2009. The effective interest rate on total financial debt was 6.15% for the year 2009.

SENSITIVITY ANALYSIS OF THE FINANCIAL DEBT

An increase / decrease of 100 basis points in the interest rates on the floating rate debt and interest rate swaps held for trading at the reporting date, with all variables held constant, would have resulted in a € 181k lower / higher profit for 2009 as compared to a € 68k lower / higher profit for 2008.

SENSITIVITY ANALYSIS IN RELATION TO HEDGE ACCOUNTING

An increase / decrease of 100 basis points in the interest rates on the cash flow hedges at the reporting date, with all variables held constant, would have resulted in a € 248k improvement / worsening of the shareholders' equity for 2009 as compared to € 114k improvement / worsening of the shareholders' equity for 2008.

3.23.4 CREDIT RISK

Credit risk is the risk of financial loss to VGP if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from VGP's receivables from customers and bank deposits.
The management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Each new tenant is analysed individually for creditworthiness before VGP offers a lease agreement. In addition the Group applies a strict policy of rent guarantee whereby, in general, each tenant is required to provide a rent guarantee for 6 months. This period will vary in function of the creditworthiness of the tenant.

At the balance sheet date there were no significant concentrations of credit risk.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset. The maximum exposure to credit risk at the reporting date was:

in thousands of €	2009 CARRYING AMOUNT	2008 CARRYING AMOUNT
Trade & other receivables	4,533	9,392
Cash and cash equivalents	4,327	4,289
Total	**8,860**	**13,681**

The aging of trade receivables at the reporting date was:

in thousands of €	2009 CARRYING AMOUNT	2008 CARRYING AMOUNT
Not past due	694	1,136
Past due < 30 days	670	982
> 30- 60 days	36	148
> 60-90 days	8	30
> 90 days	93	79
Total	**1,501**	**2,375**

At the reporting date the outstanding trade receivables were covered by rent guarantees totalling € 3,733k compared to € 4,689k as at 31 December 2008.

There were impairments for a total amount of € 257k recognised during the year:

in thousands of €	2009	2008
Gross amount trade receivables	2,261	2,878
Allowance for bad debts (impaired)	(760)	(503)
Net carrying amount trade receivables	**1,501**	**2,375**

3.23.5 LIQUIDITY RISK

The following are contractual maturities of financial liabilities, including interest payments and derivative financial assets and liabilities.

in thousands of €	2009					
	CARRYING AMOUNT	CONTRACTUAL CASH FLOWS	> 1 YEAR	1-2 YEARS	2-5 YEARS	MORE THAN 5 YEARS
Non- financial liabilities						
Accrued expenses and deferred income	297	(297)	(297)	—	—	—
Financial liabilities						
At amortised cost						
Financial liabilities	7,060	(7,060)	(7,060)	—	—	—
Shareholder loans	73,087	(98,667)	(5,116)	(5,116)	(88,435)	—
Secured bank loans	168,876	(182,552)	(9,907)	(12,674)	(159,098)	(873)
Hedging derivatives						
Interest rate derivatives	6,791	(12,990)	(3,570)	(3,539)	(5,881)	—
Non-hedging derivatives						
Interest rate derivatives	3,452	(5,530)	(1,583)	(1,579)	(2,368)	—
Foreign exchange derivatives						
Outflow	272	(11,424)	(11,424)	—	—	—
Inflow	—	11,336	11,336	—	—	—
	259,835	**(307,184)**	**(27,621)**	**(22,908)**	**(255,782)**	**(873)**

3.23.6 CAPITAL MANAGEMENT

in thousands of €	2008					
	CARRYING AMOUNT	CONTRACTUAL CASH FLOWS	> 1 YEAR	1-2 YEARS	2-5 YEARS	MORE THAN 5 YEARS
Non- financial liabilities						
Accrued expenses and deferred income	472	(472)	(472)	—	—	—
Financial liabilities						
At amortised cost						
Financial liabilities	27,613	(27,613)	(27,613)	—	—	—
Shareholder loans	60,567	(75,914)	(2,558)	(2,558)	(7,673)	(63,125)
Secured bank loans	128,816	(149,948)	(14,447)	(9,023)	(114,382)	(12,096)
Hedging derivatives						
Interest rate derivatives	4,720	(5,566)	(1,239)	(1,239)	(3,088)	—
Non-hedging derivatives						
Interest rate derivatives	2,548	(2,983)	(664)	(664)	(1,655)	—
Foreign exchange derivatives						
Outflow	4,524	(63,043)	(63,043)	—	—	—
Inflow	—	58,931	58,931	—	—	—
	229,260	**(266,608)**	**(51,105)**	**(13,484)**	**(126,798)**	**(75,221)**

VGP is continuously optimising its capital structure targeting to maximise shareholder value while keeping the desired flexibility to support its growth. The Group targets a maximum gearing ratio of net debt / equity of 2:1. At the end of 2009 the net debt / equity ratio was 1.53 (1.19 for 2008).

3.23.7 FAIR VALUE

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The fair values of financial assets and liabilities, together with the carrying amounts shown in the balance sheet, are as follows:

in thousands of €	2009			
	CARRYING AMOUNT	IN ACCORDANCE WITH IAS 39		FAIR VALUE
		FAIR VALUE RECOGNISED IN EQUITY	FAIR VALUE RECOGNISED IN PROFIT OR LOSS	
Financial assets				
Loans and receivables				
Trade receivables & others	4,533	—	—	4,533
Cash & cash equivalents	4,327	—	—	4,327
Long term receivables	—	—	—	—
Derivative financial assets	—	—	—	—
Without a hedging relationship	—	—	—	—
With a hedging relationship	—	—	—	—
Financial liabilities				
At amortised cost				
Financial liabilities	(7,060)	—	—	(7,060)
Shareholder loans	(73,087)	—	—	(75,256)
Secured bank loans	(168,876)	—	—	(168,876)
Derivative financial liabilities				
With a hedging relationship	(6,791)	(6,791)	—	(6,791)
Without a hedging relationship	(3,724)	—	(3,724)	(3,724)
	(250,678)	**(6,791)**	**(3,724)**	**(252,847)**

in thousands of €	2008			
	CARRYING AMOUNT	IN ACCORDANCE WITH IAS 39		FAIR VALUE
		FAIR VALUE RECOGNISED IN EQUITY	FAIR VALUE RECOGNISED IN PROFIT OR LOSS	
Financial assets				
Loans and receivables				
Trade receivables & others	9,392	—	—	9,392
Cash & cash equivalents	4,289	—	—	4,289
Long term receivables	—	—	—	—
Derivative financial assets				
Without a hedging relationship	—	—	—	—
With a hedging relationship	—	—	—	—
Financial liabilities				
At amortised cost				
Financial liabilities	(27,613)	—	—	(27,613)
Shareholder loans	(60,567)	—	—	(60,567)
Secured bank loans	(128,816)	—	—	(128,816)
Derivative financial liabilities				
With a hedging relationship	(4,720)	(4,720)	—	(4,720)
Without a hedging relationship	(7,072)	—	(7,072)	(7,072)
	(215,107)	**(4,720)**	**(7,072)**	**(215,107)**

Total net gains / (losses) on non hedging derivatives amounted to,€ 3,348k in 2009 (€ 5,756k in 2008). There were no gain / (losses) on non-financial assets and liabilities, financial liabilities at amortised costs.
Financial and non-financial assets amounting to € 2,193k in 2009 (€ 7,418k in 2008) were pledged in favour of VGP's financing banks.

BASIS FOR DETERMINING FAIR VALUES

The following summarises the methods and assumptions used in estimating the fair values of financial instruments reflected in the table above:

The fair value of financial instruments is determined based on quoted prices in active markets. When quoted prices in active markets are not available, valuation techniques are used. Valuation techniques make maximum use of market inputs but are affected by the assumptions used, including discount rates and estimates of future cash flows. Such techniques include amongst others market prices of comparable investments and discounted cash flows.

The principal methods and assumptions used by VGP in determining the fair value of financial instruments are obtained from active markets or determined using, as appropriate, discounted cash flow models and option pricing models. Amongst others VGP will rely on the quoted prices from its relationship banks.

FAIR VALUE HIERARCHY

As at 31 December 2009, the Group held following financial instruments at fair value:

in thousands of €	31-DEC-09	LEVEL 1	LEVEL 2	LEVEL 3
Liabilities measured at fair value				
Financial liabilities at fair value through profit or loss				
Interest rate swaps - non-hedged	3,452	—	3,452	—
Foreign exchange contracts - non-hedged	272	—	272	—
Financial liabilities at fair value through equity				
Interest rate swaps - hedged	6,791	—	6,791	—

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 31 December 2009, 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.

3.24 PERSONNEL

EMPLOYEE BENEFIT OBLIGATIONS

The Group had no post-employment benefit plans in place at the reporting date.

INCENTIVE STRUCTURE

The Group has an incentive structure in place for selected member's of the Group's management which was set up after the initial public offering of December 2007 and whereby the existing shareholders VM Invest and Alsgard SA have transferred a number of VGP shares representing 5 percent of the aggregate number of shares in VGP NV into VGP MISV, a limited partnership controlled by Mr Jan Van Geet as managing partner ("beherend vennoot" / "associé commandité"). This structure does not have any dilutive effect on any existing or new shareholders.

VGP MISV is an independent company from the VGP Group companies. As a result VGP NV's financial statements are not in any way impacted by the operations and or existence of VGP MISV.

3.25 COMMITMENTS

The Group has concluded a number of contracts concerning the future purchase of land. At 31 December 2009 the Group had future purchase agreements for land totalling 86,763 m^2 representing a commitment of € 5.5 million and for which deposits totalling € 0.1 million had been made.

At the end of December 2009 the Group had committed annualised rent income of € 29.2 million (€ 23.9 million as at December 2008 which includes the effect of a discontinued € 2.6 million future lease contract during Q1 2009).

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:
As at 31 December 2009 the Group had contractual obligations to develop new projects for a total amount of

in thousands of €	2009	2008
Less than one year	28,664	22,304
Between one and five years	87,701	88,303
More than five years	50,442	61,745
Total	**166,807**	**172,352**

€ 1.4 million.

3.26 RELATED PARTIES

3.26.1 IDENTITY OF RELATED PARTIES

The Group has a related party relationship with its directors, executive officers and other companies controlled by its owners.

The executive management consists of Jan Van Geet (CEO), Jan Procházka (COO) and Dirk Stoop (CFO). Jan Van Geet (CEO) and Jan Procházka (COO) are also reference shareholders.

3.26.2 DIRECTORS AND EXECUTIVE MANAGERS

The accrued remuneration of the directors and executive managers are as follows:
The remuneration paid to the executive managers are all short term remunerations.

in thousands of €	2009	2008
Directors	87	87
Executive managers	562	441
Total	**649**	**528**

3.26.3 TRANSACTIONS WITH RELATED PARTIES

The Group identified the following transactions with related parties in 2009 and 2008:

in thousands of €		2009	2008
Mr Jan Van Geet	Loans provided to the Group	6	6
	Interests received from the Group	—	—
	Loans granted by the Group – LT	—	—
	Loans granted by the Group – ST	—	—
	Interests paid to the Group	—	—
Mr Jan Procházka	Loans provided to the Group	—	—
	Loans granted by the Group – LT	—	—
	Loans granted by the Group – ST	—	8
	Interests paid to the Group	—	—
Jan Van Geet s.r.o.	Trade receivables from the Group	21	8
	Trade payables to the Group	14	49
	Services provided to the Group	301	244
	Services provided by the Group	27	37
	Loans granted by the Group – LT	—	—
	Interests paid to the Group	—	—
PVM Invest Lux SA	Loans provided to the Group	—	—
	Interest received from the Group	—	114
VM Invest NV	Loans provided to the Group	73,087	60,567
	Interest received from the Group	4,813	3,190

The Group rents offices from Jan Van Geet s.r.o. for which it concluded a 10 year lease agreement. The monthly lease for these offices is CZK 136k (€ 5k equivalent). The lease started on 24 October 2008. The operating lease rentals are payable as follows:

in thousands of €	2009	2008
Less than one year	62	61
Between one and five years	247	242
More than five years	221	278
Total	**530**	**581**

3.27 EVENTS AFTER THE BALANCE SHEET DATE

There are no significant events to be mentioned that occurred after the closing of the accounts as at 31 December 2009.

3.28 SERVICES PROVIDED BY THE STATUTORY AUDITOR AND RELATED PERSONS

The audit fees for VGP NV and its subsidiaries amounted to € 86k. During the year, the statutory auditor and persons professionally related to him performed additional services for fees of € 2k. These fees relate to non-audit services.

3.29 SUBSIDIARIES

COMPANIES FORMING PART OF THE GROUP AS AT 31 DECEMBER 2009

The following companies were included in the consolidation perimeter of the VGP Group

SUBSIDIARIES	ADDRESS	%
VGP CZ I a.s.	Jenišovice u Jablonce nad Nisou,Czech Republic	100
VGP CZ II a.s.	Jenišovice u Jablonce nad Nisou,Czech Republic	100
VGP DEUTSCHLAND GmbH	Leipzig, Germany	100
VGP ESTONIA OÜ	Tallinn, Estonia	100
VGP FINANCE NV	Jette, Belgium	100
VGP -INDUSTRIÁLNÍ STAVBY s.r.o.	Jenišovice u Jablonce nad Nisou,Czech Republic	100
VGP LATVIA s.i.a.	Kekava, Latvia	100
VGP PARK GYÖR Kft	Györ , Hungary	100
VGP ROMANIA S.R.L.	Timisoara, Romania	100
VGP SLOVAKIA a.s.	Malacky, Slovakia	100

CHANGES IN 2009

During 2009 the Czech asset companies were merged into 2 newly incorporated companies i.e. VGP CZ s.r.o., Industrie Park Sever a.s. and VGP Park Turnov a.s. were merged into VGP CZ I a.s. The Czech companies VGP Park Lovosice a.s., VGP Park Hradec Králové a.s., VGP Park Liberec a.s., VGP Park Mladá Boleslav a.s., VGP Park Nýrany a.s and VGP Park Olomouc a.s. were merged into VGP CZ II a.s.

PARENT COMPANY INFORMATION

1. FINANCIAL STATEMENTS OF VGP NV

PARENT COMPANY ACCOUNTS

The financial statements of the parent company VGP NV, are presented below in a condensed form.
In accordance with Belgian company law, the directors' report and financial statements of the parent company VGP NV, together with the auditor's report, have been deposited at the National Bank of Belgium.

They are available on request from:

VGP NV
Greenland – Burgemeester Etienne Demunterlaan 5
B-1090 Brussels
Belgium
www.vgpparks.eu

CONDENSED INCOME STATEMENT

in thousands of €	2009	2008
Other operating income	1,058	1,216
Operating profit or loss	0	74
Financial result	5,454	(17)
Extraordinary result	2,458	—
Current and deferred income taxes	27	(20)
Profit or loss for the year	**7,939**	**37**

CONDENSED BALANCE SHEET AFTER PROFIT APPROPRIATION

in thousands of €	2009	2008
Formation expenses, intangible assets	—	—
Tangible fixed assets	8	—
Financial fixed assets	256,063	239,157
Total Non-current assets	**256,071**	**239,157**
Trade and other receivables	9,842	7,320
Cash & cash equivalents	738	1,782
Total current assets	**10,580**	**9,102**
TOTAL ASSETS	**266,651**	**248,259**
Share capital	175,361	175,361
Non-distributable reserves	400	—
Retained earnings	2,250	(86)
Shareholders' equity	**178,011**	**175,275**
Amounts payable after one year	73,087	60,567
Amounts payable within one year	15,553	12,417
Creditors	**88,640**	**72,984**
TOTAL EQUITY AND LIABILITIES	**266,651**	**248,259**

VALUATION PRINCIPLES

Valuation and foreign currency translation principles applied in the parent company's financial statements are based on Belgian accounting legislation.

2. PROPOSED APPROPRIATION OF VGP NV 2009 RESULT

The profit after tax for the year ended was € 7,938,833.33.

At the General Meeting of Shareholders on 14 May 2009, the Board of Directors will propose that the above result be appropriated as follows:

in €	2009	2008
Profit of the financial year	7,938,833.33	37,450.01
Loss carried forward	(85,682.75)	(123,132.76)
Transfer to legal reserves	(400,066.67)	—
Profit / (loss) to be carried forward	2,249,829.91	(85,682.75)
Profit to be distributed (gross dividend)	5,203,254.00	—

The board of directors will propose that the General Meeting of Shareholders approve the distribution of a gross dividend of € 0.280 per share. If this proposal is accepted, the net dividend per share will be € 0.210, and the net dividend on shares with VVPR strip, giving entitlement to reduced withholding tax of 15%, will be € 0.238 per share.

The dividend will be payable as from 1 October 2010 upon presentation of dividend coupon no. 1 at KBC Bank.

AUDITOR'S REPORT

VGP NV

Statutory auditor's report on the consolidated financial statements for the year ended 31 December 2009 to the shareholders' meeting

TO THE SHAREHOLDERS

As required by law and the company's articles of association, we are pleased to report to you on the audit assignment which you have entrusted to us. This report includes our opinion on the consolidated financial statements together with the required additional comment.

UNQUALIFIED AUDIT OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of VGP NV("the company") and its subsidiaries (jointly "the group"), prepared in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium. Those consolidated financial statements comprise the consolidated balance sheet as at 31 December 2009, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, as well as the summary of significant accounting policies and other explanatory notes. The consolidated balance sheet shows total assets of 439.746 (000) EUR and the consolidated income statement shows a consolidated profit for the year then ended of 1.176 (000) EUR.

The board of directors of the company is responsible for the preparation of the consolidated financial statements. This responsibility includes among other things: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with legal requirements and auditing standards applicable in Belgium, as issued by the "Institut des Réviseurs d'Entreprises/Instituut van de Bedrijfsrevisoren". Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

In accordance with these standards, we have performed procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we have considered internal control relevant to the group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the group's internal control. We have assessed the basis of the accounting policies used, the reasonableness of accounting estimates made by the company and the presentation of the consolidated financial statements, taken as a whole. Finally, the board of directors and responsible officers of the company have replied to all our requests for explanations and information. We believe that the audit evidence we have obtained provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the group's financial position as of 31 December 2009, and of its results and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the EU and with the legal and regulatory requirements applicable in Belgium.

ADDITIONAL COMMENT

The preparation and the assessment of the information that should be included in the directors' report on the consolidated financial statements are the responsibility of the board of directors.

Our responsibility is to include in our report the following additional comment which does not change the scope of our audit opinion on the consolidated financial statements:

— The directors' report on the consolidated financial statements includes the information required by law and is in agreement with the consolidated financial statements. However, we are unable to express an opinion on the description of the principal risks and uncertainties confronting the group, or on the status, future evolution, or significant influence of certain factors on its future development. We can, nevertheless, confirm that the information given is not in obvious contradiction with any information obtained in the context of our appointment.

Kortrijk 21 April 2010
The statutory auditor

DELOITTE Bedrijfsrevisoren / Reviseurs d'Entreprises
BV o.v.v.e. CVBA / SC s.f.d. SCRL
Represented by Gino Desmet

NOTES

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