



VGP NV

**public limited liability company (*naamloze vennootschap / société anonyme*)
under Belgian law**

Public Offer in Belgium
3.90 per cent. fixed rate bonds due 21 September 2023

Issue Price: 100 per cent.
Yield (gross actuarial return): 3.90 per cent. (on an annual basis)
Net yield: 2.847 per cent. (on an annual basis)

The yield is calculated on the basis of the issue of the Bonds on the Issue Date, the Issue Price, the Interest Rate of 3.90 per annum and is based on the assumption that the Bonds will be held until 21 September 2023 when they will be repaid at 100% of their principal amount in accordance with the Conditions. It is not an indication of future yield if the Bonds are not held until their Maturity Date. The net yield reflects a deduction of Belgian WHT at the rate of 27 per cent. (Investors should consult Part XI: Taxation of this Prospectus for further information about Belgian taxation).

ISIN Code: BE0002258276
Common Code: 148397694 (the **Bonds**)

for an expected minimum amount of EUR 150 million and a maximum amount of EUR 225 million

Issue Date: 21 September 2016
Subscription Period: from 9 September 2016 until 15 September 2016 included (subject to early closing)

Application has been made for the Bonds to be listed on the regulated market of Euronext Brussels and to be admitted to trading on the regulated market of Euronext Brussels

Lead Manager and Bookrunner

KBC Bank NV

The date of this Prospectus is 6 September 2016

These Bonds constitute debt instruments. An investment in the Bonds involves risks. Before making any investment decision the investors must read the Prospectus and more particularly the section Risk Factors (please see page 17 and following (Part I: Summary) and page 26 and following (Part II: Risk Factors)). By subscribing to the Bonds, investors lend money to the Issuer who undertakes to pay interest on an annual basis and to reimburse the principal on the Maturity Date. In case of bankruptcy or default by the Issuer, however, investors may not recover the amounts they are entitled to and risk losing all or a part of their investment. These Bonds are intended for investors who are capable of evaluating the interest rates in light of their knowledge and financial experience. Each decision to invest in these Bonds must be based solely on the information contained in this Prospectus (including the section Risk Factors) and more generally Factors that may affect the Issuer's ability to fulfil its obligations under the Bonds and Factors which are material for the purpose of assessing the market risks associated with the Bonds.

VGP NV, a public limited liability company (*naamloze vennootschap / société anonyme*) incorporated under Belgian law, having its registered office at Spinnerijstraat 12, 9240 Zele, Belgium, registered with the Crossroads Bank for Enterprises under number 0887.216.042, commercial court of Ghent, division Dendermonde (the **Issuer** or the **Company**) intends to issue the Bonds for an expected minimum amount of EUR 150 million and a maximum amount of EUR 225 million. The Bonds will bear interest at the rate of 3.90 per cent. per annum, subject to Condition 5 (*Interest*). Interest on the Bonds is payable annually in arrears on the Interest Payment Dates falling on, or nearest to 21 September in each year. The first payment on the Bonds will occur on 21 September 2017, and the last payment on 21 September 2023. The Bonds will mature on 21 September 2023.

KBC Bank NV (having its registered office at Havenlaan 2, 1080 Brussels, Belgium) (**KBC**) is acting as exclusive lead manager and bookrunner and as domiciliary, calculation, paying and listing agent (the **Lead Manager, Manager, or Agent**) for the purpose of the offer of the Bonds to the public in Belgium (the **Public Offer**).

The denomination of the Bonds shall be EUR 1,000.

This listing and offering prospectus dated 6 September 2016 (the **Prospectus**) was approved on 6 September 2016 by the Financial Services and Markets Authority (*Autoriteit voor Financiële Diensten en Markten / Autorité des services et marchés financiers*) (the **FSMA**) in its capacity as competent authority under article 23 of the Belgian Law dated 16 June 2006 concerning the public offer of investment securities and the admission of investment securities to trading on a regulated market (the **Prospectus Law**). This approval cannot be considered as a judgment as to the opportunity or the quality of the transaction, nor on the situation of the Issuer and the FSMA gives no undertaking as to the economic and financial soundness of the transaction and the quality or solvency of the Issuer, in line with the provisions of article 23 of the Prospectus Law. Application has been made to Euronext Brussels for the Bonds to be listed on the regulated market of Euronext Brussels. References in this Prospectus to the Bonds as being listed (and all related references) shall mean that the Bonds have been listed on the official list of Euronext Brussels and admitted to trading on the regulated market of Euronext Brussels. The regulated market of Euronext Brussels is a regulated market for the purposes of Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on market in financial instruments, as amended. Prior to the offering of the Bonds referred to in this Prospectus, there has been no public market for the Bonds. This Prospectus will be published on the website of Euronext Brussels (www.euronext.com). The Prospectus, the Dutch translation of the Prospectus and the French translation of the summary of the Prospectus will also be available on the website of the Issuer in the section addressed to investors as “Bonds” (www.vgpparks.eu) and on the website of KBC at www.kbc.be/vgp.

The Prospectus is a prospectus for the purposes of article 5(3) of Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC, as amended (the **Prospectus Directive**) and the Prospectus Law. This Prospectus has been prepared in accordance with the Prospectus Law and Commission Regulation (EC) 809/2004 of 29 April 2004 implementing the Prospectus Directive, as amended (the **Prospectus Regulation**) and in accordance with the Annexes IV, V and XXX of the Prospectus Regulation. It intends to give the information with regard to the Issuer and the Bonds, which according to the particular nature of the Issuer and the Bonds, is necessary to enable investors to make an informed assessment of the rights attaching to the Bonds and of the assets and liabilities, financial position, profit and losses and prospects of the Issuer.

The Bonds will be issued in dematerialised form (*gedematerialiseerd / dématérialisé*) under the Belgian Company Code (*Wetboek van Vennootschappen / Code des Sociétés*) (the **Belgian Company Code**) and cannot be exchanged for bonds in bearer form. The Bonds will be represented exclusively by book entries in the records of the X/N securities and cash clearing system operated by the National Bank of Belgium (the **NBB**) or any successor thereto (the **Clearing System**). Access to the Clearing System is available through those of its

Clearing System Participants whose membership extends to securities such as the Bonds. Clearing System Participants include certain banks, stockbrokers (*beursvennootschappen / sociétés de bourse*), Euroclear Bank SA/NV (**Euroclear**) and Clearstream Banking, société anonyme, Luxembourg (**Clearstream, Luxembourg**). Accordingly, the Bonds will be eligible to clear through, and therefore accepted by, Euroclear and Clearstream, Luxembourg and investors can hold their Bonds within securities accounts in Euroclear and Clearstream, Luxembourg.

Unless otherwise stated, capitalised terms used in this Prospectus have the meanings set forth in this Prospectus. Where reference is made to the Conditions of the Bonds or to the Conditions, reference is made to the Terms and Conditions of the Bonds (see Part IV: *Terms and Conditions of the Bonds*). Capitalised terms used in the summary and not defined in the summary, shall have the meaning given to it in *Part XIV: Definitions* of this Prospectus.

In this Prospectus, references to **we**, **VGP** or the **Group** shall be construed as reference to the Issuer and its Subsidiaries.

An investment in the Bonds involves certain risks. Prospective investors should refer to the section entitled Risk Factors on page 26 for an explanation of certain risks of investing in the Bonds.

RESPONSIBLE PERSON

The Issuer (the **Responsible Person**), having its registered office at Spinnerijstraat 12, 9240 Zele, Belgium accepts responsibility for the information contained in this Prospectus. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and contains no omission likely to affect its import.

Market data and other statistical information used in this Prospectus have been extracted from a number of sources, including independent industry publications, government publications, reports by market research firms or other independent publications (each an **Independent Source**). The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by the relevant Independent Source, no facts have been omitted which would render the reproduced information inaccurate or misleading.

This Prospectus has been prepared in English and translated into Dutch. The summary of the Prospectus has also been translated into French. The Issuer is responsible for the consistency between the English and Dutch version of the Prospectus and the consistency between the English, Dutch and French version of the summary of the Prospectus. The investors will have the right, in case of inconsistencies between the English and Dutch version of the Prospectus, to refer either to the English or to the Dutch version of the Prospectus.

PUBLIC OFFER IN BELGIUM

This Prospectus has been prepared in connection with the Public Offer and with the listing of the Bonds on the regulated market of Euronext Brussels. This Prospectus has been prepared on the basis that any offer of Bonds in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**) other than offers in Belgium (the **Permitted Public Offer**), will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Bonds. Accordingly any person making or intending to make an offer in that Relevant Member State of Bonds which are the subject of the offering contemplated in this Prospectus, other than the Permitted Public Offer, may only do so in circumstances in which no obligation arises for the Issuer or the Manager to publish a prospectus pursuant to article 3 of the Prospectus Directive or supplement a prospectus pursuant to article 16 of the Prospectus Directive, in each case, in relation to such

offer. Neither the Issuer nor the Manager have authorised, nor do they authorise, the making of any offer (other than the Permitted Public Offer) of Bonds in circumstances in which an obligation arises for the Issuer or the Manager to publish or supplement a prospectus for such offer.

This Prospectus is to be read in conjunction with all the documents which are incorporated herein by reference (see Part III: *Documents Incorporated by Reference*). This Prospectus shall be read and construed on the basis that such documents are incorporated in and form part of the Prospectus.

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy the Bonds in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Prospectus and the offer or sale of Bonds may be restricted by law in certain jurisdictions. The Issuer and the Manager do not represent that this Prospectus may be lawfully distributed, or that the Bonds may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or the Manager which is intended to permit a public offering of the Bonds or the distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Bonds may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus or any Bonds may come must inform themselves about, and observe, any such restrictions on the distribution of this Prospectus and the offering and sale of Bonds.

The Issuer authorises that this Prospectus may be used for the purposes of a public offer until the last day of the Subscription Period (regardless of a possible early termination as specified in Part XII: *Subscription and Sale* below) in Belgium, by any credit institution authorised pursuant to Directive 2013/36/EU or any investment firm authorised pursuant to Directive 2004/39/EC to conduct such offers (an **Authorised Offeror**).

Any Authorised Offeror envisaging to use this Prospectus in connection with a Permitted Public Offer is obliged to state on its website, during the relevant subscription period, that this Prospectus is used for a Permitted Public Offer with the authorisation of the Issuer and in accordance with the relevant applicable conditions.

If, during the period for which the Issuer authorised the use of this Prospectus, a public offer was made in Belgium, the Issuer accepts responsibility for the content of this Prospectus as set out below. Neither the Issuer, nor the Manager can be held responsible or liable for any act or omission from any Authorised Offeror, including compliance with any rules of conduct or other legal or regulatory requirements under or in connection with such public offer.

Neither the Issuer nor the Manager has authorised any public offer of the Bonds by any person in any circumstance and such person is under no circumstance authorised to use this Prospectus in connection with a public offer of the Bonds, unless (i) the public offer is made by an Authorised Offeror, or (ii) the public offer is made within an exemption from the requirement to publish a prospectus under the Prospectus Directive. Any such unauthorised public offer is not made by or on behalf of the Issuer or the Manager and the Issuer nor the Manager can be held responsible or liable for the actions of any such person engaging in such unauthorised public offers.

Each offer and each sale of the Bonds by an Authorised Offeror will be made in accordance with the terms and conditions agreed between a Financial Intermediary and the investor, including in relation to the price, the allocation and the costs and/or taxes to be borne by an investor. The Issuer is not a party to any arrangements or terms and conditions in connection with the offer and sale of the Bonds between the

Authorised Offeror and an investor. This Prospectus does not contain the terms and conditions of any Authorised Offeror. The terms and conditions the Public Offer of the Bonds by the Manager are however included in this Prospectus (see Part XII: *Subscription and Sale*). The terms and conditions in connection with the offer and sale of the Bonds will be provided to any investor by an Authorised Offeror during the Subscription Period. The Issuer nor the Manager can be held responsible or liable for any such information. This Prospectus may be used for the purposes of a public offer in Belgium by an Authorised Offeror until the last day of the Subscription Period (regardless of a possible early termination as specified in Part XII: *Subscription and Sale* below).

For a description of further restrictions on offers and sales of Bonds and distribution of this Prospectus see Part XII: *Subscription and Sale* below.

No person is or has been authorised to give any information or to make any representation not contained in or not consistent with this Prospectus and any information or representation not so contained or inconsistent with this Prospectus or any other information supplied in connection with the Bonds and, if given or made, such information must not be relied upon as having been authorised by or on behalf of the Issuer or the Manager. Neither the delivery of this Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that the information contained in this Prospectus is true subsequent to the date hereof or otherwise that there has been no change in the affairs of the Issuer since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that there has been no adverse change, or any event likely to involve any adverse change, in the condition (financial or otherwise) of the Issuer since the date hereof or, if later, the date upon which this Prospectus has been most recently amended or supplemented or that the information contained in it or any other information supplied in connection with the Bonds is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same. The Manager and the Issuer expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Bonds.

Neither this Prospectus nor any other information supplied in connection with the offering of the Bonds (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer or the Manager that any recipient of this Prospectus or any other information supplied in connection with the offering of the Bonds should purchase any Bonds. Each investor contemplating a purchase of the Bonds should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer.

Save for the Issuer, no other party has independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Manager as to the accuracy or completeness of the information contained or incorporated in this Prospectus or any other information in connection with the Issuer or the offering of the Bonds. The Manager does not accept any liability, whether arising in tort or in contract or in any other event, in relation to the information contained or incorporated by reference in this Prospectus or any other information in connection with the Issuer, the offering of the Bonds or the distribution of the Bonds.

The Bonds have not been and will not be registered under the United States Securities Act of 1933, as amended (the **Securities Act**), or the securities laws of any state or other jurisdiction of the United States. The Bonds are being offered and sold solely outside the United States to non U.S. persons in reliance on Regulation S under the Securities Act (**Regulation S**). The Bonds may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) unless they have been so registered or pursuant to an available exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. For a further description of certain restrictions on the offering and sale of the Bonds and on the distribution of this document, see Part XII: *Subscription and Sale* below.

All references in this document to **euro, EUR** and **€** refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended.

This Prospectus contains various amounts and percentages which are rounded and, as a result, when these amounts and percentages are added up, the totals may not be an arithmetic aggregation of these amounts and percentages.

WARNING

The Prospectus has been prepared to provide information on the Public Offer. When potential investors make a decision to invest in the Bonds, they should base this decision on their own research of the Issuer and the conditions of the Bonds, including, but not limited to, the associated benefits and risks, as well as the conditions of the Public Offer itself. The investors must themselves assess, with their own advisors if necessary, whether the Bonds are suitable for them, considering their personal income and financial situation. In case of any doubt about the risk involved in purchasing the Bonds, investors should abstain from investing in the Bonds.

The summaries and descriptions of legal provisions, taxation, accounting principles or comparisons of such principles, legal company forms or contractual relationships reported in the Prospectus may in no circumstances be interpreted as investment, legal or tax advice for potential investors. Potential investors are urged to consult their own advisor, bookkeeper, accountant or other advisors concerning the legal, tax, economic, financial and other aspects associated with the subscription to the Bonds.

In the event of important new developments, material errors or inaccuracies that could affect the assessment of the securities, and which occur or are identified between the time of the approval of the Prospectus and the final closure of the Public Offer, or, if applicable, the time at which trading on the regulated market of Euronext Brussels commences, the Issuer will have a supplement to the Prospectus published containing this information. This supplement will (i) need to be approved by the FSMA and (ii) be published in compliance with at least the same regulations as the Prospectus and applicable law, and will be published on the websites of the Issuer (within the section addressed to investors as “Bonds” (www.vgpparks.eu), and the Manager (www.kbc.be/vgp). The Issuer must ensure that any such supplement is published as soon as possible after the occurrence of such new significant factor.

Investors who have already agreed to purchase or subscribe to securities before the publication of the supplement to the Prospectus, have the right to withdraw their agreement during a period of two working days commencing on the day after the publication of the supplement.

FURTHER INFORMATION

For more information about the Issuer, please contact:

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Spinnerijstraat 12
9240 Zele
Tel.: 0032 52 45 43 86

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PART I: SUMMARY

The summary has been prepared in accordance with the content and format requirements of the Prospectus Regulation.

Summaries are made up of disclosure requirements known as 'Elements'. These elements are numbered in Sections A – E (A.1 – E.7).

This summary contains all the Elements required to be included in a summary for this type of securities and Issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of securities and Issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of 'not applicable'.

Section A – Introduction and warnings

A.1 Introduction This summary should be read as an introduction to the Prospectus and any decision to invest in the Bonds should be based on consideration of the Prospectus as a whole by the investor. Where a claim relating to the information contained in the Prospectus is brought before a court in any Member State of the European Economic Area, the plaintiff investor might, under the national legislation of the Member State of the European Economic Area, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such Bonds.

A.2 Consent to use of the Prospectus The Issuer authorises that this Prospectus may be used for the purposes of a public offer until 15 September 2016 (regardless of a possible early termination as specified in Part XII: *Subscription and Sale* below) in Belgium, by any credit institution authorised pursuant to Directive 2013/36/EU or any investment firm authorised pursuant to Directive 2004/39/EC to conduct such offers (an **Authorised Offeror**).

Each offer and each sale of the Bonds by an Authorised Offeror will be made in accordance with the terms and conditions agreed between an Authorised Offeror and the investor, including in relation to the price, the allocation and the costs and/or taxes to be borne by an investor. The Issuer is not a party to any arrangements or terms and conditions in connection with the offer and sale of the Bonds between the Authorised Offeror and an investor. This Prospectus does not contain the terms and conditions of any Authorised Offeror. The terms and conditions of the Public Offer of the Bonds by the Lead Manager are however included in this Prospectus (see Part XII: *Subscription and Sale*). The terms and conditions in connection with the offer and sale of the Bonds will be provided to any investor by an Authorised Offeror until and including the last day of the Subscription Period, being 15 September 2016, regardless of a possible early termination.

Section B - Issuer

B.1 **Legal and commercial name of the** VGP NV

Issuer	
B.2	<p>Domicile / Legal Form / Legislation / Country of incorporation</p> <p>The Issuer is a public limited liability company (<i>naamloze vennootschap / société anonyme</i>) incorporated under Belgian law, having its registered office at Spinnerijstraat 12, 9240 Zele, Belgium.</p>
B.4b	<p>Trends</p> <p>The Issuer is the holding company of the Group. The Group is specialised in the acquisition, development, and management of semi industrial real estate, i.e. buildings suitable for logistical purposes and light industrial activities.</p> <p>Since 2010, the Group has changed its business model and strategy from a strict develop and hold strategy towards a strategy with an increased focus on development and more pro-active approach in respect of potential disposal of the income-generating assets, as a result of which the Group could realise valuation gains and generate additional fee income from Facility Management services. This change in strategy has been further amended over the past 12 months with the entry into a 50:50 joint venture with Allianz in the first quarter of 2016. This Joint Venture confirms the long term strategy of the Group to realise valuation gains and will over time have a significant impact on the fee income generating capabilities of the Group as VGP will benefit from fee income generated from asset management, property management and development management services. Although this strategy has a negative impact on the recurrent rent income for the Group as the income generating assets are sold to realize capital gains, such rent income will grow again in the short and medium term once new developments are constructed on the land bank that has been acquired, among others, with proceeds from these transactions and that will subsequently be let to tenants and which are not transferred to the newly established Joint Venture. In addition, the Group will indirectly benefit from the underlying increase in rent income of the Joint Venture as it will be entitled to 50% of its profits.</p> <p>The Group's assets are currently geographically concentrated mainly in Germany and the Czech Republic and to a lesser extent in Estonia, Latvia, Slovakia, Hungary and Romania. Following the initial steps into the Spanish market in 2015 with the opening of an office in Barcelona, the Group plans to substantially expand its presence in Spain during 2016. The Group's Property Portfolio is rapidly expanding, with Germany having become the main market where the Group is active and where the Group has become one of the leading developers over the past 24 months (<i>source: wirtschaftswoche.de</i>). Notwithstanding the anticipated growth in new markets such as Spain, Germany will remain the main market for the Group for the foreseeable future given the fact that Germany is one of the top logistics locations in Europe. In recent years the supply of stock available for leasing in Germany has become very scarce, and there is an increasing demand for lettable spaces of around and above 10,000 m² which is in line with the niche market in which the Group wants to be active in. The property market in which the Group is active in the European countries has experienced a significant increase of investment activity in the last few years, caused by, among others, a climate of falling interest rates, strong economic growth and increasing exchange rate stability. The prime headline rents for modern logistics space in all of the markets where the Group is active have remained flat over the past 12 months and are</p>

expected to remain stable for the foreseeable future (source: Jones Lang LaSalle).

B.5 Group The Issuer is the holding company of the different entities that constitute the Group. The Group constructs and develops high-end semi-industrial real estate and ancillary offices, 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. The Issuer holds 100% of the shares in a number of subsidiaries (the **Subsidiaries**). In addition, VGP NV currently also holds a 50% participation in the share capital of VGP European Logistics S.à r.l. (the vehicle of the newly established joint venture with Allianz, the **Joint Venture**) and currently also holds a 20% participation in the share capital of Snow Crystal S.à r.l. and Sun S.à.r.l. (currently being liquidated following the sale of the VGP CZ I, II and IV portfolios in October 2014) and 42.87% of the share capital of VGP MISV Comm. VA (the **Associates**).

B.9 Profit forecast / estimate Not applicable; no profit forecasts or estimates have been made by the Issuer.

B.10 Qualification audit report Not applicable; there are no qualifications in any Auditor report on the historical financial information included in the Prospectus.

B.12 Key financial information / material adverse changes	Year Ended			Six-Months Ended	
	INCOME STATEMENT (in '000 EUR	31 Dec-13	31 Dec-14	31 Dec-15	30 Jun-15
Gross rental Income	4,613	9,596	17,073	6,980	13,085
Property operating expenses and net service charge income / (expenses)	(818)	(1,082)	(550)	(501)	(504)
Net rental and related income	3,795	8,514	16,523	6,479	12,581
Property-, facility management and property development income	3,875	3,407	2,547	1,645	877
Other income / (expenses) - incl. Administrative costs	(4,850)	(7,089)	(13,998)	(6,164)	(5,258)
Share in result of associates and joint ventures	1,526	14,473	191	5	(3,279)
Operating result (before result on portfolio)	4,346	19,305	5,263	1,965	4,921
Net current result	4,095	9,463	621	(3,353)	(8,540)
Net valuation gains / (losses) on investment property	27,872	53,920	103,981	48,059	65,127
Deferred taxes	(7,665)	(14,024)	(18,041)	(12,500)	(13,849)
Result on property portfolio	20,207	39,896	85,940	35,559	51,278
Profit for the year	24,302	49,359	86,561	32,206	42,738
BALANCE SHEET					
Investment properties	225,804	416,089	173,972	503,467	258,136
Investments in joint ventures and associates	982	17	(103)	22	73,925
Other non-current receivables	49,114	-	-	-	7,991
Other	1,114	1,316	1,326	4,077	1,070
Total non-current assets	277,014	417,422	175,195	507,566	341,122
Trade and other receivables	10,242	6,822	4,927	7,282	17,810
Cash and cash equivalents	79,226	43,595	9,825	30,586	51,751
Disposal group held for sale	-	-	527,361	-	157,028
Total current assets	89,468	50,417	542,113	37,868	226,589
Total Assets	366,482	467,839	717,308	545,434	567,711

Total equity	166,057	215,417	361,978	247,623	341,757
Total non-current liabilities	172,555	223,141	180,419	268,046	188,749
Total Current Liabilities	27,870	29,281	174,911	29,765	37,205
Total Liabilities	200,425	252,422	355,330	297,811	225,954
Total equity and liabilities	366,482	467,839	717,308	545,434	567,711
INVESTMENT PROPERTY					
Total lettable area (m ²)	761,724	268,232 ¹	548,838	365,971	691,627 ⁴
Occupancy rate (%)	96.2%	94.0% ²	97.3%	94.8%	97.8% ⁵
Fair value of property portfolio ³	225,804	416,089	677,084	503,467	415,164
GEARING					
Net debt / shareholders equity	0.55	0.72	0.71	0.82	0.39
Net debt / total assets	24.9%	33.2%	35.7%	37.3%	23.5%

(a limited review of the consolidated interim financial information for the six-month period ended 30 June 2016 and 30 June 2015 has been performed by the Auditor)

- ¹ As at 22 October 2014 the associated companies sold their respective Property Portfolios which represented 627,523 m² of lettable area which were under VGP's management (627,527 m² of assets under management as at 31 December 2013).
- ² Excludes the effects of the portfolio sold by the Associates in 2014. The year 2013 includes the respective Occupancy Rates of the Associates. Excluding Associates, the Occupancy Rate would be 96.9% as at 31 December 2013.
- ³ Property that is being constructed or developed for future use as investment property is also 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, whereby "remaining construction costs" means overall pending development cost, which include all hard costs, soft costs, financing costs and developer profit (developer profit expresses the level of risk connected with individual property and is mainly dependent on development stage and pre-letting status). All costs directly associated with the purchase and construction of a property and all subsequent capital expenditure qualifying as acquisition costs are capitalised.
- ⁴ As at 31 May 2016 VGP NV sold 15 parks to the Joint Venture. As at 30 June 2016 the Joint Venture's Property Portfolio represents 561,306 m² which are under VGP's management.
- ⁵ Includes the respective Occupancy Rates of the Joint Venture as at 30 June 2016 and includes 3 additional buildings which were completed after 31 May 2016. Excluding the Joint Venture, the Occupancy Rate would be 91.8% as at 30 June 2016.

At the end of May 2016, the Joint Venture completed the acquisition of 15 parks of VGP (the initial **Seed Portfolio**).

The 15 parks which are located in Germany (8 parks), the Czech Republic (4 parks), Slovakia (1 park) and Hungary (2 parks) comprise 28 logistic and semi-industrial buildings which are 100% occupied and are of high quality having for the majority been built over the last two years.

The initial transaction value i.e. the aggregate value at which the transaction was concluded, comprising the value of the completed properties, of the properties under construction and of the remaining land for future development, was in excess of EUR 500 million. After adjustment for bank loans, construction and development loans, balance sheet adjustments and VGP contributions to the Joint Venture, this resulted into net cash proceeds of EUR 175 million (subject to further adjustment).

Following the completion of the acquisition of the initial Seed Portfolio by the Joint Venture, the board of directors approved the redemption of all issued hybrid

securities against a price equal to the issue price (in total EUR 63.0 million, including the interest accrued from the issue date of each such security), after complying with the conflict of interest procedure in accordance with article 523 of the Belgian Company Code. The redemption occurred on 1 June 2016.

VGP is currently negotiating a potential acquisition of a prime industrial park in Spain. This acquisition would comprise a newly built fully let warehouse with certain expansion commitments for the tenant and a significant portion of further development land. The transaction value is expected to exceed EUR 160 million and the proceeds of the current Bond (currently for an estimated amount of EUR 100 million) should be used to partially finance this transaction, with the remaining portion expected to be financed by bank loans.

There has been no material adverse change in the prospects of the Issuer since the date of its last audited financial statements, i.e. 30 June 2016.

Taking into consideration the bonds issued in July 2013 and December 2013 and the current Bonds for an aggregate amount of EUR 375 million, the net debt / shareholder's equity and total liabilities Gearing Ratio as of 30 June 2016 would increase to 51%, once all proceeds of the Bonds are invested.

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| B.13 | Recent events | Not applicable; there are no recent events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer's solvency. |
| B.14 | Dependence on other entities within the Group | At the date of the Prospectus, the Issuer is a holding company. The real estate portfolios of the Group are owned through specific asset companies which are 100% Subsidiaries of the Issuer or of the Joint Venture ¹ . The Issuer's sole activity consists of financing its Subsidiaries and the Joint Venture and its subsidiaries and supplying these entities with daily operational management services. Besides interest income, as well as recharging of costs and services which are invoiced to these entities, the Issuer's cash inflow comes from dividends and from the sale of specific asset companies holding income generating assets or parks. Hence, the Issuer has no operational income and is solely dependent on members of the Group in respect of its income. The Group financings and the financings of the Joint Venture and the subsidiaries of the Joint Venture contain restrictions on distributions by such members of the Group to the Issuer respectively such subsidiaries of the Joint Venture to the Joint Venture in case of an event of default, a potential event of default or in case of a breach of the financial covenants and, in some cases, as regards frequency and maximum amount distributed. |
| B.15 | Principal activities of the Issuer | The Issuer is the holding company of the Group whose main activity is the acquisition, development and management of semi industrial real estate. |
| B.16 | Control | 47.13% of the shares in the Issuer are, directly or indirectly, held by Mr Bart Van Malderen: 19.08% of the shares in the Issuer are held by Mr Bart Van Malderen personally, and 28.05% of the shares in the Issuer are held by VM Invest NV, a company controlled by Mr Bart Van Malderen.

25.33% of the shares in the Issuer are held by Little Rock SA, a company controlled by Mr Jan Van Geet. |

¹ The subsidiaries of the Joint Venture which are holding assets located in Germany are held 94.9% by the Joint Venture and 5.1% directly by VGP NV.

In addition, 5.00% of the shares in the Issuer are held by VGP MISV Comm. VA, a company controlled by Mr Bart Van Malderen and Mr Jan Van Geet.

12.97% of the shares in the Issuer are held by Alsgard SA, a company controlled by Mr Jan Prochazka.

VM Invest NV, Mr Bart Van Malderen, Little Rock SA, Mr Jan Van Geet, Alsgard SA and VGP MISV Comm. VA are acting in concert in respect of the holding, the acquisition and disposal of securities.

3.53% of the shares in the Issuer are held by Vadebo France NV, a company controlled by Mrs Griet Van Malderen.

6.04% of the shares in the Issuer are held by the public.

B.17	Credit ratings	Not applicable; the Issuer is not rated. The Bonds are not rated and the Issuer does not intend to request a rating for the Bonds
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Section C – Securities

C.1	Description of the Bonds and security identification number	3.90 per cent. fixed rate bonds due 21 September 2023 denominated in euro. ISIN BE0002258276 , Common Code 148397694. Dematerialised form under the Belgian Company Code.
C.2	Settlement currency	EUR
C.5	Transferability	Subject to the restrictions in all jurisdictions in relation to offers, sales or transfers, the Bonds are freely transferrable in accordance with the Belgian Company Code. In all jurisdictions, offers, sales or transfers of Bonds may only be effected to the extent lawful in the relevant jurisdiction. The distribution of the Prospectus or its summary may be restricted by law in certain jurisdictions.
C.8	Description of the rights attached to the Bonds	
	<i>Status</i>	The Bonds constitute direct, unconditional, unsubordinated and (subject to Condition 3 (<i>Negative Pledge</i>)) unsecured obligations of the Issuer and rank and will at all times rank <i>pari passu</i> and rateably, without any preference among themselves, and equally with all other existing and future unsecured and unsubordinated obligations of the Issuer, save for such obligations that may be preferred by provisions of law that are both mandatory and of general application.
	<i>Issue Date</i>	21 September 2016
	<i>Issue Price</i>	100 per cent.
	<i>Specified Denomination</i>	EUR 1,000 per Bond
	<i>Events of Default</i>	Events of Default under the Bonds include (i) Non-payment, (ii) Breach of ratios, (iii) Breach of other covenants, agreements or undertakings, (iv) Cross-Default of the Issuer or a Subsidiary, (v) Enforcement Proceedings, (vi) Security Enforced, (vii) Unsatisfied Judgement, (viii) Insolvency and insolvency proceedings,

(ix) Reorganisation, change of or transfer of business or transfer of assets, (x) Winding-Up, (xi) Failure to take action, (xii) Unlawfulness and (xiii) Delisting of the Bonds.

Cross-Default and Negative Pledge

Cross-Default of the Issuer or a Subsidiary means at any time, (i) any Financial Indebtedness of the Issuer or any Subsidiary is not paid when due or, as the case may be, within any originally applicable grace period; (ii) any Financial Indebtedness of the Issuer or any Subsidiary is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described); (iii) any commitment for any Financial Indebtedness of the Issuer or any Subsidiary is cancelled or suspended by any creditor as a result of an event of default (however described); or (iv) any creditor of the Issuer or any Subsidiary becomes entitled to declare any Financial Indebtedness of the Issuer or any Subsidiary due and payable prior to its specified maturity as a result of an event of default (however described), provided that no Event of Default under this paragraph will occur if the aggregate amount of Financial Indebtedness or commitment for Financial Indebtedness falling within this paragraph (i) through (iv) is less than EUR 20,000 (or its equivalent in any other currency);

Negative Pledge: So long as any Bond remains outstanding, the Issuer:

- (a) will not create or permit to subsist any Security upon the whole or any part of its undertaking, assets or revenues present or future to secure any Financial Indebtedness of the Issuer or a Subsidiary or any other person or to secure any Personal Security, guarantee of or indemnity in respect of any Financial Indebtedness of the Issuer or a Subsidiary or any other person;
- (b) will procure that no Subsidiary creates or permits to subsist any Security upon the whole or any part of its undertaking, assets or revenues present or future to secure any Financial Indebtedness of the Issuer or a Subsidiary or any other person or to secure any Personal Security, guarantee of or indemnity in respect of a Financial Indebtedness of the Issuer or a Subsidiary or any other person;
- (c) will not give any Personal Security, guarantee of or indemnity in respect of any of the Financial Indebtedness of a member of the Group or any other person; and
- (d) will procure that no Subsidiary gives any Personal Security, guarantee of or indemnity in respect of any of the Financial Indebtedness of the Issuer or a member of the Group or any other person;

unless, other than with respect to (c) above where there will be no exception to the negative pledge undertaking contained in such paragraph (c) except as set forth in Condition 3.3 of the Terms and Conditions of the Bonds (*Part IV of the Prospectus*), at the same time or prior thereto, the Issuer's obligations under the Bonds (i) are secured equally and ratably therewith or benefit from a Personal Security, guarantee or indemnity in substantially identical terms thereto, as the case may be,

or (ii) have the benefit of such other security, guarantee, indemnity or other arrangement as shall be approved by a general meeting of the Bondholders in accordance with Condition 13 (*Meeting of Bondholders, Modification and Waiver*) of the Terms and Conditions of the Bonds (*Part IV of the Prospectus*).

The prohibition contained in this Condition 3 (*Negative Pledge*) does not apply to

- (a) Security existing prior to any entity becoming a Subsidiary (provided that such Security was not created or assumed in contemplation of such company or other entity becoming a Subsidiary of the Issuer and that the principal amount of such Financial Indebtedness is not subsequently increased);
- (b) Security arising by operation of law in the ordinary course of business of the Issuer or a Subsidiary and not resulting of any default or omission of the Issuer or a Subsidiary;
- (c) Personal Security given by the Issuer to guarantee (i) the Financial Indebtedness of a Subsidiary incurred in order to finance Project Land or Project Buildings of such relevant Subsidiary or (ii) the performance of Projects by a Subsidiary including the payment of any indemnities or penalties under performance guarantees in relation to Projects of such Subsidiary;
- (d) Personal Security given by a Subsidiary in respect of a Financial Indebtedness of another Subsidiary; or
- (e) Security granted by a Subsidiary to secure its own Financial Indebtedness incurred in order to finance Project Land or Project Buildings of such relevant Subsidiary.

Meeting of Bondholders

The Conditions of the Bonds contain certain provisions for calling of meetings of Bondholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority.

C.9 **Further description of rights attached to the Bonds (see also element C.8)**

Please also see Element C.8 above for additional information.

Interest

Subject to an increase as described in Condition 6.2(c), each Bond bears interest from (and including) the Issue Date at the rate of 3.90 per cent. per annum (the **Interest Rate**) calculated by reference to its Specified Denomination (being EUR 1,000).

Interest Payment Date

Interest will be payable annually in arrears on 21 September of each year (each an **Interest Payment Date**), commencing with the Interest Payment Date falling on 21 September 2017. An Interest Period shall mean the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

<i>Change of Control Step-Up and Change of Control Step-Down</i>	<p>If by not later than 31 December 2016 (the Long Stop Date) (i) the decisions by the general shareholders' meeting of the Issuer approving Condition 6.2(a) (the Change of Control Resolutions) are not passed, approved or adopted or (ii) the Change of Control Resolutions have not been duly filed with the Clerk of the Commercial Court of Ghent, division Dendermonde, then, with effect from the Interest Period starting on the first Interest Payment Date following the Long Stop Date, the then prevailing interest rate shall be increased by 0.50 per cent. until the last day of the Interest Period during which the Change of Control Resolutions were approved by a general meeting of the Shareholders of the Issuer and deposited with the Clerk of the Commercial Court of Ghent, division Dendermonde.</p>	
<i>Yield</i>	<p>Gross actuarial yield: 3.90 per cent. (on an annual basis) Net yield: 2.847 per cent. (on an annual basis)</p> <p>The yield is calculated on the basis of the issue of the Bonds on the Issue Date, the Issue Price, the Interest Rate of 3.90% per annum and is based on the assumption that the Bonds will be held until 21 September 2023 when they will be repaid at 100% of their principal amount in accordance with the Conditions. It is not an indication of future yield if the Bonds are not held until their Maturity Date. The net yield reflects a deduction of Belgian WHT at the rate of 27 per cent. (Investors should consult the Part XI: <i>Taxation</i> of this Prospectus for further information about Belgian taxation).</p>	
<i>Maturity Date</i>	21 September 2023	
<i>Redemption Amount at Maturity Date</i>	The Bonds will be redeemed at 100 per cent. of the nominal amount.	
<i>Early Redemption</i>	<p>Early redemption of the Bonds may occur:</p> <ul style="list-style-type: none"> • following an Event of Default (at 100 per cent. of the nominal amount together with accrued interest); • at the option of the Bondholders in case of a Change of Control at the Put Redemption Amount (as specified in the Conditions, and which is at least equal to the sum of the principal amount and accrued interest). The Put Redemption Amount applicable in the case of, or following, a Change of Control reflects a maximum yield of 0.75 points above the yield of the Bonds on the Issue Date up to the Maturity Date; 	
<i>Name of the representative of the security holders</i>	Not applicable	
C.10	Derivative component in the interest payment	Not applicable
C.11	Listing and admission to	An application has been made with Euronext Brussels to list the Bonds on the

trading

regulated market of Euronext Brussels and to be admitted to trading on the regulated market of Euronext Brussels.

Section D – Risks

D.2 Risks specific to the Issuer and the Group

Risks related to the Joint Venture.

There is a risk that the Joint Venture would discontinue acquiring the completed assets from the Group. However, if the completed asset meets specific investment criteria and as long as Jan Van Geet, as CEO of the Group, devotes sufficient time to the development of the portfolio of the Joint Venture, then the Joint Venture is in principle required to acquire it. Alternatively, VGP will be authorized to market the proposed assets on the open market, allowing it to generate sales proceeds from another source than the Joint Venture. This risk is further mitigated by the strong historic track record of VGP and the good negotiating position of VGP as the operator and manager of the portfolio.

The main risk results from the fact that the Group undertakes development activities on behalf of the Joint Venture and is required to pre-finance the remaining development pipeline of the Joint Venture. As of 30 June 2016, the total outstanding development and construction loans amounted to EUR 99.8 million. Upon the acquisition of the developed assets by the Joint Venture these loans should be repaid from the additional bank debt. In addition, VGP will also be entitled to a top-up payment based on the agreed market value of such assets and may be adversely affected in case the actual construction costs would be higher than the market value of the completed building. In such case, such difference would need to be fully borne by the Group.

The Group has recognized that it has de facto a constructive obligation towards the Joint Venture (of up to its proportional share) as it will always ensure that the Joint Venture and its subsidiaries will be in a position to fulfill their respective obligations. There is no legal obligation to support the Joint Venture.

Should a member of the Group or the Issuer itself breach certain material obligations under any management agreement or the Joint Venture Agreement which are not remedied, then Allianz will have the right to terminate all the management agreements and/or exercise a call option over all the Issuer's shares in the Joint Venture against payment of a discounted price equal to 90% of the fair market value.

Allianz has the right to dilute the Issuer in the Joint Venture pursuant to the Issuer defaulting under its funding obligations towards the Joint Venture or pursuant to Allianz being required to consolidate the Joint Venture within its companies' group.

Risks related to the construction and development loans

The loans granted to the Joint Venture, which comprise development and construction loans granted directly to the project companies of the Joint Venture as well as other shareholder loans granted to the Joint Venture in a total amount of EUR 107.5 million as at 30 June 2016, are considered fully collectable. The purpose of the Joint Venture is only to invest in income generating assets and both Joint Venture's partners have agreed that as a result, any development undertaken within the Joint Venture will be in first instance pre-financed by VGP. The

repayment of these construction and development loans will be principally driven by the subsequent refinancing of the Joint Venture's assets upon their completion. Should the proceeds of such refinancing be significantly lower than the development costs, then it could be possible that VGP is unable to recoup the total amount of the loans granted to the Joint Venture.

Risks related to the fact that the Joint Venture does not qualify as a Subsidiary

The Joint Venture does not qualify as a Subsidiary of the Issuer. Consequently, any event occurring in respect of the Joint Venture shall not trigger the application of Condition 9(d) (Cross-Default of the Issuer or a Subsidiary) nor the application of any of the other Events of Default that also relate to a Subsidiary of the Issuer such as Condition 9(e) (Enforcement Proceedings), Condition 9(f) (Security Enforced), Condition 9(g) (Unsatisfied Judgment), Condition 9(h) (Insolvency and insolvency proceedings), Condition 9(i) (Reorganisation, change or transfer of business or transfer of assets) or Condition 9(j) (Winding-up) and shall therefore not result in an Event of Default under the Bonds.

Risks related to the total or partial sale of income-generating assets

The Group may divest income generating assets, as a result of which its operational income would decrease. The proceeds of such divestments may be used for a new development cycle, i.e. to fund the acquisition and development of new plots of land. During the first phase of the development of a new project, no income is generated by the new development until such project is completed and delivered to a tenant.

Evolution of debt ratio of the Group. In order to finance the Group's growth, a significant increase in the amount of the Group's borrowings is expected, which would result in higher financing costs and financing and refinancing risks. Realising the total current development pipeline (including the expansion in the Spanish market) will entail investments in an expected amount of EUR 322 million. VGP expects that besides the Bonds additional credit facilities in an aggregate amount of between EUR 50 million and EUR 150 million will be needed to realise such investment pipeline. The bank debt will fluctuate based on the timing of the recycling of shareholder loans granted to the Joint Venture as these shareholder loans are repaid when projects are being acquired by the Joint Venture. It is nevertheless expected that for the foreseeable future, the Group will operate within a Gearing Ratio of up to 55%.

The Group may not be able to generate sufficient cash flows. The Group's short term cash flow may be affected if it is unable to continue to successfully sign new lease contracts, which, in its turn, may affect the interest payment capacity of the Group. The medium term results of the Group may fluctuate significantly depending on the projects/parks that can be divested in a given year. Inability to generate sufficient cash in the medium term may affect the debt repayment capacity of the Group.

Nature of the Group's business. The results and the outlook of the Group depend among others on the ability of the management to identify and acquire interesting real estate projects and to develop and commercialise such projects at economically viable conditions.

Nature and composition of portfolio. The valuation of the property depends largely on national and regional economic conditions. Due to the nature of the real estate and the lack of alternative uses of semi-industrial properties with its ancillary offices, the ability to respond to adverse changes in the performance of the properties could be limited.

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 effect on the Group's business.

Ability to generate continued rental income. The value of a rental property depends largely on the remaining term of the related rental agreement as well as of the creditworthiness of the tenants. If one or more of the Group's largest customers is unable to meet its lease obligations, the Group's business could be materially adversely affected.

Group's development activities. During the development phase of projects, the Group usually carries the costs of the project and begins to receive revenues only at a later point in time. Delays in the completion, cost overruns, underestimation of costs, etc. could decrease the Group's cash flows.

Disposal of projects. The Issuer's cash flow can fluctuate considerably from year to year depending on the number of projects which can be sold in a given year.

Insurance risks of the real estate. The Group may have to bear the costs related to or be liable for any debt or other financial obligation related to the property in case of damages or loss of the property. Certain types of losses may be uninsurable or not economically insurable and insurance proceeds are not always sufficient to cover the costs.

Regulatory matters. Regulatory changes in the different countries where the Group is active could have a material adverse effect on the Group's business. Additionally, the Group may encounter difficulties in obtaining the relevant permits (within the expected timeframe).

Ability to generate capital gains. A downturn of the property market or a negative change in one of the assumptions used or factors considered in making a property's valuation could decrease the value of the property of the Group.

Competition. Increased competition could have an impact on the purchase price and development costs of the sites, as well as on rental revenues and Occupancy Rates.

Dependency on key personnel. As the Group depends largely on the expertise and commercial quality of its management, commercial and technical team, the loss of or failure to attract such persons may have a material adverse effect on the Group's business.

Counterparty risk. Counterparties of the Group's agreements may not be able to comply with their contractual obligations.

Availability of adequate credit facilities or shareholder loans. The non-availability of adequate credit facilities or shareholder loans may have an adverse effect on the growth of the Group and its financial condition.

Compliance with financial covenants. A breach of financial covenants could have an

adverse effect on the financial position of the Group.

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.

Fluctuation in currency exchange rates. The Group's revenues are predominantly denominated in euro, whereas expenses, assets and liabilities are recorded in a number of different currencies other than euro. Variations in exchange rates may affect the amount of these items in the consolidated financial statements.

Defects in the ownership title. Real estate registries in some of the mid-European countries do not provide conclusive evidence of ownership of title to property. Some of the members of the Group may not have title to some of the plots of land despite being registered as owners.

Other risk factors specific to the Issuer and the Group are included in Part II: *Risk Factors* of this Prospectus and should be taken into consideration by investors as well.

D.3 **Risks specific to the Bonds**

The main risk factors in relation to the Bonds include:

The Bonds may not be a suitable investment for all investors. Each potential investor in the Bonds must determine the suitability of the investment in light of its own circumstances, based on its own independent review and such professional advice as it deems appropriate under the circumstances. In particular, each potential investor should have sufficient knowledge and experience, appropriate analytical tools to make a meaningful evaluation of the Bonds, evaluate the impact of the Bonds on its overall investment portfolio, and have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds.

The Issuer may not have the ability to repay the Bonds. The Issuer may not be able to repay the Bonds at their maturity. If the Bondholders were to ask the Issuer to repay their Bonds upon the occurrence of an Event of Default, the Issuer cannot be certain that it will be able to pay the required amount in full.

Holding company. the Issuer is a holding company with no operating income and is therefore solely dependent on distributions made by members of the Group or by the Joint Venture to the Issuer. Accordingly, the Issuer's ability to meet its financial obligations under the Bonds will largely depend on the cash flows from the Joint Venture and the Joint Venture's subsidiaries and from members of the Group and the distributions paid to it by the Joint Venture and by members of the Group. The Group financings contain restrictions on the distributions by members of the Group to the Issuer, in case certain financial tests are not met.

Outstanding debt. Substantial outstanding financial debt could negatively impact the Issuer and its ability to make payments under the Bonds.

The Issuer may incur additional indebtedness. This could have an impact on its ability to meet the obligations under the Bonds or could cause the value of the Bonds to decrease. The Conditions do not limit the amount of unsecured or secured debts that the Issuer can incur.

Status and structural subordination. The right of the Bondholders to receive payment on the Bonds is not secured or guaranteed and will effectively be subordinated to any secured indebtedness of the Issuer and will be effectively

structurally subordinated to any indebtedness of the Joint Venture, the Joint Venture's subsidiaries and of the members of the Group (other than the Issuer).

It cannot be excluded that following demands under the guarantees granted by the members of the Group or the by the Joint Venture's subsidiaries and/or enforcement of the security interest granted by the members of the Group or by the Joint Venture's subsidiaries, no or only limited amounts remain available for distribution to other holders of indebtedness owed by members of the Group or owed by the Joint Venture's subsidiaries and, hence, that no or only limited amounts will remain available for distribution to the Issuer and payments to the creditors of the Issuer, including the Bondholders.

The Issuer may not be able to repay the Bonds at their maturity. The Issuer's ability to repay the Bonds will depend on the Issuer's financial condition (including its cash position resulting from its ability to receive income and dividends from the Joint Venture and from its Subsidiaries) at the time of the requested repayment, and may be limited by law, by the terms of its indebtedness and by the agreements that it may have entered into on or before such date, which may replace, supplement or amend its existing or future indebtedness.

The Bonds may be redeemed prior to maturity. In the event of the occurrence of an Event of Default, the Bonds may be redeemed prior to maturity. In such circumstances, an investor may not be able to reinvest the repayment proceeds (if any) at a yield comparable to that of the Bonds.

Taxes. Payments with respect to the Bonds may be subject to Belgian withholding tax. Potential purchasers and sellers of the Bonds may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the countries where the Bonds are transferred or other jurisdictions. Belgian withholding tax, currently at a rate of 27%, will in principle be applicable to the interest on the Bonds held in a non-exempt securities account (an N Account) in the X/N System.

Market for the Bonds and price. There is no assurance as to the liquidity of any trading market for the Bonds. Any sale of the Bonds prior to maturity occurs at a price on a secondary market, which may be less than the nominal value of the Bonds and is affected by a range of factors, such as the solvency of the Issuer. An increase in the market interest rates or inflation can result in the Bonds trading at prices lower than the nominal amount of such Bonds.

Changes to the Conditions. Provided that certain majorities are achieved and pursuant to specified procedures, a meeting of Bondholders may amend the Conditions, without the consent of each individual Bondholder. Furthermore, a change in governing law could modify certain conditions.

Change of Control Put. In case of a Change of Control the Bondholders may (under certain conditions) obtain an early redemption of the Bonds. The Change of Control Put has to be approved by the general meeting of shareholders of the Issuer in order to be effective. It is not assured that such approval from the Shareholders will be obtained.

Payments through the Agent and the Clearing System. The Agent is not required to segregate amounts received by it in respect of Bonds cleared through the Clearing System. Transfers of the Bonds, payments made in respect of the Bonds and all

communication with the Issuer will occur through the Clearing System. The Issuer cannot guarantee the proper performance by the Clearing System.

Position of the Agent and the Lead Manager. The Issuer, the Agent and the Lead Manager may participate in transactions which could have an adverse effect on the interests of the Bondholders. The Agent and the Lead Manager already have entered into loans and other facilities with the Issuer. The Agent does not assume any fiduciary duties or other obligations to the Bondholders.

Financing of purchase of the Bonds. If a Bondholder obtains financing to purchase the Bonds, it will possibly not only be confronted with a loss on its investment if an Event of Default occurs or if the price of the Bonds decreases significantly, but it will also be required to repay the loan as well as the interest in respect of such a loan. Such a credit facility can therefore lead to a significant increase in the loss on the investment for the investor.

Credit rating. The Issuer and the Bonds do not have a credit rating and the Issuer currently does not intend to request a credit rating for itself or the Bonds at a later date, which may render the price setting of the Bonds more difficult.

There is no active trading market for the Bonds. Illiquidity may have a severely adverse effect on the market value of Bonds.

The Bonds are exposed to market interest rate risk. The Bonds provide a fixed interest rate until the Maturity Date. An increase in the market interest rates can result in the Bonds trading at prices lower than the nominal amount of such Bonds.

Market value of the Bonds. The market value of the Bonds will be affected by the creditworthiness of the Issuer and a number of additional factors.

Risk of withdrawal and cancellation of the Public Offer/ Issue of a lower amount than the expected minimum amount.

Other risk factors specific to the Bonds are included in Part II: *Risk Factors* of this Prospectus and should be taken into consideration by investors as well.

Section E - Offer

E.2b	Reasons of the Offer	The net proceeds of the issue of the Bonds, expected to amount to approximately EUR 220,500,000 for a nominal amount of EUR 225 million will be used to acquire development land in Spain and finance the equity portion of the acquisition costs of the new building and development land in Barcelona (in total EUR 100 million) and to further finance the development of new projects on development land for the remaining EUR 125 million. The Group expects that the application of the funds towards the aforementioned expansion and development plans will be made within a period of 12 to 18 months following the issuance of the Bonds, provided there are no adverse market conditions.
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The development business is subject to a series of regulatory and commercial uncertainties as a result of which VGP's development pipeline is a dynamic, continuously evolving set of projects. Therefore, VGP can only provide estimates relating to the use of proceeds of the Bonds based on its current pipeline. VGP is, however, confident that, if the current projects would be aborted, sufficient equally attractive replacement projects are available on the market. Such circumstances might result in a different ratio between the amount of proceeds currently allocated to acquiring new land (i.e. EUR 100 million) and the amount of proceeds

currently allocated to developments on such land (currently EUR 125 million).

The expenses in connection with the issue of the Bonds, including the Placement Fee and the Arrangement Fee, are expected to amount to EUR 4,489,750 in the aggregate, which consists of EUR 4,354,750 related to the Arrangement, Placement and Agency Fees, and the remaining EUR 135,000 costs, incurred for advisory services. The Placement Fee will amount to 1.875% of the Aggregate Nominal Amount or EUR 4,218,750 if the maximum amount of EUR 225,000,000 is issued.

The net proceeds of the issue of the 2017 Bonds and the 2018 Bonds amounting to EUR 147 million were fully applied towards the financing of the development pipeline and the anticipated developments in Frankfurt (VGP Park Rodgau) and Hamburg (VGP Park Hamburg), as described in the prospectuses pertaining to the 2017 Bond and the 2018 Bond respectively. These projects were not only successfully realised, but exceeded the anticipated development objectives. Since July 2013 VGP acquired 1,660,000 m² of new development land located in Germany (759,000 m²), Czech Republic (707,000 m²), Estonia (45,000 m²), Hungary (85,000 m²) and Latvia (64,000 m²) for a total aggregate amount of EUR 84 million. The remaining net proceeds were used to partially finance the development activities i.e. during the period from July 2014 to June 2016, the Group delivered 28 new buildings representing 473,383 m² of lettable area and at the end of June 2016 the Group had 17 buildings under construction (383,894 m²).

With the Bonds the Group wants to finance a new development cycle and continue to support its strong growth and track record of delivering income generating assets.

E.3 Terms and conditions of the Offer

Offer period From 9 September 2016 to 15 September 2016 (subject to early closing).

Lead Manager and Bookrunner KBC Bank NV

Paying Agent, Domiciliary Agent and Calculation Agent KBC Bank NV

Listing Agent KBC Bank NV

Public Offer Jurisdictions Belgium

Conditions to which the Offer is subject The Public Offer and the issue of the Bonds is subject to a limited number of conditions set out in the Placement Agreement, which are customary for this type of transaction, and which include, amongst others: (i) the correctness of the representations and warranties made by the Issuer and in the Placement Agreement, (ii) the Placement Agreement, the Clearing Agreement and the Agency

Agreement having been executed by all parties thereto prior to the Issue Date, (iii) the admission to trading of the Bonds on the regulated market of the Euronext Brussels having been granted on or prior to the Issue Date, (iv) there having been, as at the Issue Date, no Material Adverse Change affecting the Issuer or any of its Subsidiaries (v) the Issuer having performed all the obligations to be performed by it under the Placement Agreement on or before the Issue Date (vi) the market conditions being satisfactory in the Lead Manager's reasonable opinion and with the agreement of the Issuer, (vii) no force majeure having been invoked by the Lead Manager as determined on their discretion and (viii) at the latest on the Issue Date, the Lead Manager having received customary confirmations as to certain legal and financial matters pertaining to the Issuer and the Group. The Placement Agreement does not entitle the Lead Manager to terminate its obligations prior to payment being made to the Issuer, except in certain limited circumstances. If the conditions are not fulfilled, the Bonds will not be issued and the total amount of funds already paid by investors for the Bonds will be returned.

Allocation Early termination of the Subscription Period will intervene at the earliest on 9 September 2016 at 5h30 pm (Brussels time) (the minimum Subscription Period is referred to as the **Minimum Sales Period**) (this is the third Business Day in Belgium following the day on which the Prospectus has been made available on the websites of the Issuer and the Lead Manager (including the day on which the Prospectus was made available)). All subscriptions that have been validly introduced by the Retail Investors with the Lead Manager before the end of the Minimum Sales Period will be taken into account when the Bonds are allotted, it being understood that in case of oversubscription, a reduction may apply, i.e. the subscriptions will be scaled back proportionally, with an allocation of a multiple of EUR 1,000, and to the extent possible, a minimum nominal amount of EUR 1,000, which is the minimum subscription amount for investors.

Authorised Offerors The terms and conditions of any Authorised Offeror (other than the Public Offer by Lead Manager set out in this Prospectus) shall be published by the relevant Authorised Offeror on its website at the relevant time.

E.4 **Interest material to the issue** Investors should be aware that the Issuer is involved in a general business relationship or/and in specific transactions with the Lead Manager and the Agent and that they might have conflicts of interests which could have an adverse effect on the interests of the Bondholders. Potential investors should also be aware that the Agent may hold from time to time debt securities, shares or/and other financial instruments of the Issuer. Within the framework of normal business relationship with its banks, the Issuer or any Subsidiary has entered or could enter into loans and other facilities with the Lead Manager and the Agent (or some of their respective affiliates) (via bilateral transactions or/and syndicated loans together with other banks). The terms and conditions of these debt financings may differ from the terms and conditions of the proposed Bonds and certain of the terms and conditions of such debt financings could be stricter or more extensive than the terms and conditions of the proposed Bonds. When acting in the capacity of lenders, the Lead Manager and the Agent have no duty to take into account the interests of the Bondholders.

E.7 **Expenses**

The net proceeds (before deduction of expenses) will be an amount equal to the aggregate nominal amount of the Bonds issued (the **Aggregate Nominal Amount**) multiplied by the Issue Price expressed in percentage, minus Placement Fee of 1.875 per cent. of the Aggregate Nominal Amount and the fee agreed between the Issuer and the Lead Manager in relation to the structuring of the issuance of the Bonds. The financial services in relation to the Bonds will be provided free of charge by the Lead Manager. The costs for the custody fee for the Bonds are charged to the subscribers. Investors must inform themselves about the costs their financial institutions might charge them. Any expenses chargeable by an Authorised Offeror (other than the Lead Manager) to an investor shall be charged in accordance with any contractual arrangement agreed between the investor and such Authorised Offeror at the time of the relevant offer. Investors should inform themselves concerning the costs and fees charged by Authorised Offerors.

PART II: RISK FACTORS

*The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Bonds. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. The risk factors may relate to the Issuer or any of its Subsidiaries (together, the **Group**) or to the Joint Venture or any of the Joint Venture's subsidiaries.*

Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with the Bonds are also described below.

Before investing in the Bonds, prospective investors should consider carefully all of the information in this Prospectus, including the following specific risks and uncertainties. If any of the following risks materialises, the Issuer's business, results of operations, financial condition and prospects could be materially adversely affected. In that event, the value of the Bonds could decline and an investor might lose part or all of its investment due to an inability of the Issuer to fulfil its obligations under the Bonds. Although the Issuer believes that the risks and uncertainties described below represent all material risks and uncertainties considered relevant, on the date of publication of this Prospectus, for the Issuer's business, the Issuer may face additional risks and uncertainties not presently known to the Issuer or that the Issuer currently deems to be immaterial. The latter may also have a material adverse effect on the Issuer's business, results of operations, financial condition and prospects, and could negatively affect the value of the Bonds and/or the ability of the Issuer to fulfil its obligations under the Bonds. The sequence in which risk factors are listed is not an indication of their likelihood to occur or the extent of their commercial consequences.

Prospective investors should also read the detailed information set out elsewhere in this Prospectus (including any documents incorporated by reference herein) and should reach their own views before making an investment decision with respect to any Bonds. Furthermore, before making an investment decision with respect to any Bonds, prospective investors should consult their own stockbroker, bank manager, lawyer, auditor or other financial, legal and tax advisers and carefully review the risks associated with an investment in the Bonds and consider such an investment decision in light of the prospective investor's own circumstances.

Terms defined in Part IV: Terms and Conditions of the Bonds shall have the same meaning when used below.

1 Factors that may affect the Issuer's ability to fulfil its obligations under the Bonds

The Group is among others exposed to:

1.1 Risks related to the Group's industry, properties, operations and financing

1.1.1 Risks related to the total or partial sale of income-generating assets

The Group may divest real estate in its portfolio, i.e. the income-generating assets, as a result of which its operational income would decrease. The proceeds of such divestments may be used for a new development cycle, i.e. to fund the acquisition and development of new plots of land. During the first phase of the development of a new project, however, no income will be generated by the new development until such project is completed and delivered to a tenant.

Whilst initially the strategy of partial or total divestment of rent income generating assets was made on an ad hoc basis, the Group decided during the last 24 months to consider a more structured divestment approach to its income generating assets located in Germany, the Czech Republic, Slovakia and Hungary. This resulted in the entering into a 50:50 joint venture with Allianz in the first quarter of 2016.

The Joint Venture will have an exclusive right of first refusal (in accordance with the conditions as set forth in the JVA) in relation to acquiring the income generating assets developed by VGP and located in Germany, the Czech Republic, Slovakia and Hungary. VGP will continue to service the Joint Venture as asset-, property- and development manager.

The Joint Venture will allow VGP to recycle its initial (partially or totally) invested equity when such developments are acquired by the Joint Venture and to re-invest these monies in the continued expansion of the development pipeline, including further expansion of the land bank, thus allowing VGP to concentrate on its core development activities.

With Allianz, VGP attracts a long term investor in logistic real estate that looks beyond the economic cycles and has the necessary financial resources to co-invest in the expansion of the logistic and semi-industrial real estate portfolio and which significantly mitigates the liquidity risk for VGP.

The Joint Venture completed the acquisition of the first 15 VGP parks at the end of May 2016 (the **Seed Portfolio**). The 15 parks which are located in Germany (8 parks), the Czech Republic (4 parks), Slovakia (1 park) and Hungary (2 parks) comprise 28 logistic and semi-industrial buildings which are 100% occupied and are of high quality having for the majority been built over the last two years. The initial transaction value is in excess of EUR 500 million, which includes some future development pipeline.

This development pipeline and future development of other new projects in these four countries will continue to be developed at VGP's own risk to be subsequently acquired by the Joint Venture subject to pre-agreed completion and lease parameters.

The properties that were sold generated a significant contribution to the income and result of the Group, prior to their sale, and their deconsolidation will result in a decrease of the reported gross rental income of the Group. As at 30 June 2016 the EUR 13.1 million total gross rental income (EUR 17.1 million as at 31 December 2015) was made up of EUR 9.4 million gross rental income generated by the sold portfolios (EUR 12.7 million as at 31 December 2015) and EUR 3.7 million from gross rental income generated by the remaining VGP portfolio (EUR 4.4 million as at 31 December 2015).

The gross rental income will show a cyclical pattern during the years to come whereby the growth of the rent income will initially accelerate and increase once buildings are being delivered to tenants and showing a significant decrease once buildings are being sold to the Joint Venture. This loss of revenue will be mitigated by the increased profit contribution of the Joint Venture as the portfolio of the Joint Venture is expected to grow substantially over the next 5 years. In addition, in view of this growth, VGP, as asset manager and property manager, and to a lesser extent development manager, will continue to benefit from increasing fee income from these services granted to the Joint Venture.

In addition to the recurrent nature of the aforementioned rent and fee income, VGP will be able to realise its development profits at the moment of each delivery of the buildings to the Joint Venture. Although the Joint Venture is an exclusivity agreement between VGP and Allianz, VGP will be able to solely decide on the timing of proposing rent income generating assets to the Joint Venture for acquisition, thus providing operational flexibility and retaining full control over the development cycle of the assets to be developed.

The initial transaction value of the sale of the Seed Portfolio to the Joint Venture, i.e. the aggregate value at which the transaction was concluded, comprising the value of the completed properties, of the properties under construction and of the remaining land for future development, was in excess of EUR 500 million. After adjustment for bank loans, construction and development loans, balance sheet adjustments and VGP contributions to the Joint Venture, this resulted into net cash proceeds of EUR 175 million (subject to further adjustment). The net cash proceeds from the acquisition of the initial Seed Portfolio allowed the Group to deleverage itself with the repayment of EUR 50 million bank debt and optimise its capital structure with the repayment of EUR 63 million (including accrued interest) of hybrid instruments. The remaining amount has been applied towards the financing of the development pipeline i.e. acquisition of new development land in Germany, Spain, the Czech Republic and Slovakia and the further financing of the current buildings under construction.

In October 2014 VGP together with its joint venture partners European Property Investors Special Opportunities, L.P. (EPISO) and Curzon Capital Partners III LP (CCP III), both property funds managed by Tristan Capital Partners, completed the sale of their respective stakes in the VGP CZ I and VGP CZ II portfolios in the Czech Republic to PointPark Properties (P3).

The total proceeds of this sale were around EUR 65.2 million (EUR 15.4 million net proceeds from the sale of the remaining 20% interest and EUR 49.8 million repayment of shareholder loans granted to the Associates) and were primarily used to finance the further expansion of the development pipeline in Germany.

1.1.2 Evolution of debt ratio of the Group

The Group expects that the expansion to Spain and the further realisation of its development pipeline will result, in the medium term, in an increase of its amount of borrowings. Additional borrowings may be required, among other things, to make future investments in the acquisition of strategically located land, mainly in Germany and Spain and to a lesser extent in the other countries where the Group is active, to develop semi-industrial property on its land bank and to partially refinance shareholder loans used to pre-finance such developments.

In order to accelerate its growth and to secure the acquisition and expansion of the land bank with large land plots, the Issuer issued 2 retail bonds in 2013. One EUR 75 million fixed rate bond maturing on 12 July 2017 which carries a coupon of 5.15% per annum (listed on the regulated market of Euronext Brussels with ISIN Code: BE0002201672 - Common Code: 094682118) (the **2017 Bond**), and one EUR 75 million fixed rate bond maturing on 6 December 2018 which carries a coupon of 5.10% per annum (listed on the regulated market of Euronext Brussels with ISIN Code: BE0002208743 - Common Code: 099582871) (the **2018 Bond**).

In the Czech Republic the development pipeline can be financed in part via the available credit facilities under the credit facility agreement made between the Group and UniCredit Bank. In Estonia the development pipeline can be financed via the available credit facilities under the credit facility agreement made between the Group and Swedbank. In Romania the Group is currently negotiating a credit facility with Raiffeisen Bank in relation to the financing of VGP Park Timisoara.

The Joint Venture has been able to secure 10 year committed credit facilities in Germany, the Czech Republic, Slovakia and Hungary. The aggregate committed credit facilities amount to EUR 549.7 million and cover the first 3 years of the initial investment period of the Joint

Venture. For the acquisition of the Seed Portfolio the Joint Venture made a EUR 238.1 million drawdown under these credit facilities.

Given the quick development cycle of the logistic properties, the Group has been financing most of its development pipeline from its equity and intends to continue doing so for the foreseeable future. The recent expansion of land in Spain, as described in Part VI: *Description of the Issuer* (section 4.2) will entail an initial investment value of around EUR 197 million. A number of discussions / negotiations have already been initiated with the main Spanish banks which have all expressed their interest to finance the anticipated investments in the Madrid and Barcelona areas. In Germany, the Group has also started initial discussions with 2 main banks in order to agree on adequate committed facilities to finance the development pipeline and at the same time allow sufficient flexibility for a refinancing when the income generated assets are being transferred to the Joint Venture. As a result, combined with the effect of the issuance of the current Bonds, the Group expects that its total indebtedness as a percentage of total assets and its financing costs will increase substantially, which will result in higher financing costs and financing and refinancing risks.

The Group expects that for the foreseeable future it will be operating within a Consolidated Gearing of up to 55% which is the maximum gearing allowed under the covenants of the 2017 Bond and the 2018 Bond. As at 30 June 2016 the Gearing Ratio stood at 23.5% (compared to 35.7% as at 31 December 2015, for detailed calculation see Compliance Certificates published on the Issuer's website).

Assuming that the current Bonds are issued in an aggregate amount of EUR 225 million, the Gearing Ratio as at 30 June 2016 would gradually increase to 51.0%, once all proceeds of the Bonds are invested in the development pipeline.

Based on the main capital investments which are anticipated to occur during the coming years the Gearing Ratio would look as follows:

					Adjusted
('000 EUR)	30-Jun-16	New Bond	Recycling of own equity and use of available cash	Assumed investment costs (Over term of New Bond)	30-Jun-16
Total Equity	341,757				341,757
Financial debt	34,905				34,905
Existing Bonds	150,000				150,000
Available Cash	(51,751)				0
Net Debt (/ (Surplus cash))	133,154				184,905
Assumed major investments					
Spain - initial investment				197,000	
Recurrent annualised investments				125,000	
Total				322,000	
New Bond		225,000	(225,000)		225,000
Application of available cash			(51,751)		
Shareholder loans granted to Joint Venture and recycled	99,753		(99,753)		
Additional required bank debt / (surplus cash)			(54,504)		(54,504)
Financing sources	99,753	225,000	(431,008)		170,496

Total adjusted net debt					355,401
Gearing (Consolidated Total Net Debt / Total equity and liabilities)	n.a.				51.0%

The above figures do not take into consideration any potential development gain which the Group would normally generate once a building is delivered to a tenant or the Joint Venture nor any future rent income (generated directly by the Group or indirectly through the Joint Venture) nor any fee income from asset management, property management and development management services provided to the Joint Venture or to the Joint Venture's subsidiaries.

VGP is therefore convinced that it will be able to operate within a Gearing Ratio (net debt / total equity and liabilities) of 55%. The net debt will only increase gradually over the next years in line with the development pace of the different parks. In addition, the expected development valuation gains and the rent income generated by the underlying completed buildings, the growth of the fee income from services provided to the Joint Venture as well as (indirectly) the growth of the rent income at the Joint Venture level, allowing profit distribution to VGP, should generate sufficient profits to ensure that a 55% Gearing Ratio can be adhered to.

VGP is currently negotiating a potential acquisition of a prime industrial park in Spain. This acquisition would comprise a newly built fully let warehouse with certain expansion commitments for the tenant and a significant portion of further development land. The transaction value is expected to exceed EUR 160 million and the proceeds of the current Bond should be used to partially (i.e. for a currently estimated amount of EUR 100 million) finance this transaction. The remaining portion is expected to be financed by bank loans. The acquisition provides a rare opportunity for VGP to acquire a new land mark logistics building in Spain and at the same time to acquire development land on a prime location, which has the necessary permits in place to immediately start its development. The Group intends to complete one further transaction in Spain, bringing the total expected initial value of the investments in Spain to EUR 197 million.

In addition to the substantial expansion of the Group in Spain, the Group will continue to primarily invest in Germany and to a lesser extend in its other markets, in particular in the Czech Republic and Slovakia. Germany has become the main market for the Group over the past 24 months and during this period the Group has established itself as one of the top tier developers of logistic and semi-industrial real estate. Germany will remain the main market for the Group over the medium term given the fact that Germany is one of the top logistics locations in Europe (*Source: Jones Lang LaSalle*).

With the Joint Venture in place, the Group anticipates that its recurrent investment and re-investment programme of up to an annual amount of around EUR 125 million will be sustainable as VGP will be able to recycle its initial (partially or totally) invested equity when such developments are acquired by the Joint Venture and to re-invest these proceeds in the continued expansion of the development pipeline.

Given the fact that the development business is subject to regulatory and commercial uncertainties, it cannot be guaranteed that all of the projects currently contemplated will

effectively come to completion. Considering the current development markets in Germany, Spain and the other countries where the Group is active, however, VGP is confident that, if the current projects are aborted, sufficient equally attractive replacement projects will be available in these markets.

The Group must respect certain financial covenants under its finance agreements and under the 2017 Bonds and the 2018 Bonds (including amongst others a 55% Gearing Ratio). Given the limited amount of bank financing of the Group and the headroom currently available under the covenants of the 2017 Bonds and the 2018 Bonds, the Group does not expect that the eventual increase of its debt levels will cause any breach of the financial covenants under its finance agreements or under the 2017 Bonds and the 2018 Bonds. As at 31 December 2015 the Gearing Ratio stood at 35.7% compared to 33.2% as at 31 December 2014.

Consequently, the Group does not expect that it will have to suspend the development of any of its projects in order to ensure that it continues to operate within the net debt / total equity and liabilities Gearing Ratio of 55%.

Risks associated with debt financing include the risk that available funds will be insufficient to meet the required payments and the risk that the existing indebtedness will not be refinanced or that additional debt obtained, or that the terms of such refinancing or additional debt will not be as favourable as the terms of existing indebtedness.

The Group's remaining bank debt at the level of subsidiaries is generally secured by real estate or related collateral. To the extent that the Group is unable to meet required payments, pledged assets could be transferred to the lender, with a consequent loss of such assets.

The impact of the Bonds on the financial costs will depend on the amount placed. The Group is ready to accept the increase in the financial costs, which shall be offset by the income derived from newly acquired assets.

1.1.3 Risks related to the Joint Venture

The Joint Venture has an exclusive right of first refusal (in accordance with the conditions as set forth in the JVA) in relation to acquiring the Czech, German, Hungarian and Slovak income generating assets of the Group. The Joint Venture does not have a contractual or legal obligation to acquire the income generating assets proposed by VGP. There is therefore a risk that the Joint Venture would discontinue acquiring the completed assets from the Group. This risk is, however, mitigated by the fact that specific investment criteria have been agreed for an investment period of several years, which ensure that when such criteria are met the Joint Venture is in principle required to acquire the proposed income generating assets. In case the Joint Venture does not acquire the assets, a number of chronological actions have been agreed between the Joint Venture partners, which ultimately allow VGP to market the proposed assets on the open market, allowing it to generate sales proceeds from another source than the Joint Venture. This risk is further mitigated by the strong historic track record of VGP in developing high-end logistic and semi-industrial buildings and leasing out these buildings at attractive rent rates and the fact that the Issuer has a good negotiating position as the operator and manager of the portfolio. The transactions whereby income generating assets are transferred to the Joint Venture may affect the Issuer's short and mid-term income and therefore its ability to fulfil its obligations under the Bonds, as well as its net value. It should be noted that if Jan Van Geet, as CEO of the Group, would no longer devote sufficient time to the development of the portfolio of the Joint Venture, Allianz can, upon notice

thereof, stop the acquisition process of the proposed income-generating assets, until Jan Van Geet has been replaced to the satisfaction of Allianz. Such temporary standstill of Allianz's investment obligation might negatively impact the short-term cash position of the Group. Prospective investors should furthermore note that the Joint Venture Agreement between the Issuer and Allianz is subject to further amendments, or may be terminated, during the lifetime of the Bonds. This may have a negative impact on the Issuer's financial position and income and therefore on its ability to fulfil its obligations under the Bonds.

The main potential liability that the Group has towards the Joint Venture relates to the development management activities undertaken by the Group for and on behalf of the Joint Venture. VGP is required to pre-finance the remaining development pipeline of the Joint Venture. This includes the pre-financing of development land which has not yet been developed as well as buildings under construction through development and construction loans. At the moment of the acquisition of the initial Seed Portfolio on 31 May 2016 the total outstanding development and construction loans amounted to EUR 92.7 million. Upon the acquisition of the developed assets by the Joint Venture these VGP loans will be repaid from the additional bank debt drawn by the Joint Venture allowing VGP to recycle and apply these proceeds towards the financing of the development pipeline. Besides the proceeds from the repayment of the respective development and construction loans, VGP will also be entitled to a top-up payment corresponding to the agreed market value of the acquired assets by the Joint Venture at completion less the respective repaid development or construction loan.

As the Group will be appointed as development manager vis-à-vis the Joint Venture, the Group will be responsible for ensuring that any development is being made within the initially agreed construction price/budget. In case the actual construction cost would be higher than the initial construction budget, the aforementioned top-up payment will be adversely affected and in case the actual construction costs would be higher than the market value of the completed building, then such difference would need to be fully borne by the Group (provided this was due to the Group). At the moment there is no outstanding quantifiable potential liability in this respect.

In addition and although there is no legal obligation, the Group has recognised that it has de facto a constructive obligation towards the Joint Venture (of up to its proportional share) as it will always ensure that the Joint Venture and its subsidiaries will be in a position to fulfil their respective obligations. It should be noted that the assets of the Joint Venture are prime assets on top locations and all the assets in the portfolio are generating excess cash used to repay the loans and generate dividends for the Group from time to time.

The loans granted to the Joint Venture, which comprise development and construction loans granted directly to the project companies of the Joint Venture as well as other shareholder loans granted to the Joint Venture in a total amount of EUR 107.5 million as at 30 June 2016, are considered fully collectable. The purpose of the Joint Venture is only to invest in income generating assets and both Joint Venture's partners have agreed that as a result, any development undertaken within the Joint Venture will be in first instance pre-financed by VGP. The repayment of these construction and development loans will be principally driven by the subsequent refinancing of the Joint Venture's assets upon their completion. Should the proceeds of such refinancing be significantly lower than the development costs, then it could be possible that VGP is unable to recoup the total amount of the loans granted to the Joint Venture.

Though the Joint Venture is structured as joint venture under IFRS 11 (and not as a joint operation), the Joint Venture Agreement caters for two situations where the joint control may come to an end: (i) as a penalty in case of a failure to fund by VGP and (ii) in case of a change in rules or regulations.

If the Issuer fails to provide funds to the Joint Venture that were committed under the terms of the Joint Venture Agreement, Allianz is entitled to either exclusively subscribe to three times the number of shares that represents the amount of the funds not provided by the Issuer or alternatively to provide itself funding to the Joint Venture on preferential interest terms and repayment conditions. For instance: *If there are five hundred (500) issued Shares, and if the default amount (the amount which would have otherwise been financed by VGP for example) is equal to 2% of the fair market value of the Joint Venture, Allianz shall be entitled to subscribe for and acquire, following payment therefore in cash, thirty (three times ten) newly issued shares of the Joint Venture, which is equal to three times 2% of the outstanding shares of the Joint Venture on a pre-dilution basis.*

In the event that Allianz would be subject to an obligation to consolidate the Joint Venture (for instance after a change in accounting rules or other regulations) within its companies' group, it has been agreed under the Joint Venture Agreement that Allianz has the right to replace the existing debt financing in the Joint Venture by equity, which might result in a dilution of the Issuer if the Issuer is unable to fund its commensurate part of the equity. However, as the debt position of the Joint Venture would be replaced by equity financing by Allianz on a 1:1 basis, in such case, the Net Asset Value of the Issuer's stake in the Joint venture would not be affected.

The occurrence of any of the aforementioned events might impact the Issuer's ability to retain joint control over the Joint Venture and the occurrence of the Issuer's failure to fund might materially impact the Issuer's ability to generate sufficient dividend income out of the Joint Venture.

The Group has executed several management agreements pursuant to which it is acting as exclusive asset manager, property manager and development manager of the Joint Venture and of the Joint Venture's subsidiaries. Should a member of the Group materially breach its obligations under a management agreement which is not remedied within a certain period in time following a notification thereof, or should the Issuer breach its exclusivity obligations under the Joint Venture Agreement in relation to the offering of income-generating assets, then Allianz is entitled to terminate all the management agreements with immediate effect and/or to exercise a call option on all the shares the Issuer holds in the Joint Venture against payment of a discounted purchase price of 90% of the fair market value of these shares. The occurrence of any of the aforementioned events might materially impact VGP's ability to generate sufficient dividend income out of the Joint Venture and/or to retain joint control over the Joint Venture.

Any default of the Joint Venture or of any of its subsidiaries under the development and construction loans or shareholder loans granted by the Group may have a negative impact on the Issuer's ability to fulfil its obligations under the Bonds, but would in itself not result in an Event of Default under the Bonds since the Joint Venture does not qualify as a Subsidiary of the Issuer for purposes of the Conditions. The repayment of other shareholder loans will be made from excess cash generated by the different project companies of the Joint Venture.

The Joint Venture does not qualify as a Subsidiary of the Issuer. Consequently, any event occurring in respect of the Joint Venture shall not trigger the application of Condition 9(d) (Cross-Default of the Issuer or a Subsidiary) nor the application of any of the other Events of Default that also relate to a Subsidiary of the Issuer such as Condition 9(e) (Enforcement Proceedings), Condition 9(f) (Security Enforced), Condition 9(g) (Unsatisfied Judgment), Condition 9(h) (Insolvency and insolvency proceedings), Condition 9 (i) (Reorganisation, change or transfer of business or transfer of assets) or Condition 9(j) (Winding-up) and shall therefore not result in an Event of Default under the Bonds.

The amounts contained in the following chart relate to 50% of the Joint Venture's assets (presented as at the date of sale, i.e. 31 May 2016) and results and the 20% of the Associates' assets and results:

<i>In thousands of EUR</i>	Year-ended		6 months-ended	
	31 Dec-14	31 Dec-15	30 Jun-15	30 Jun-16
As at 1 January	982	17	17	(103)
Fair Value at initial recognition	-	-	-	77,307
Result of the year	14,473	191	5	(3,279)
Proceeds from sale of participations	(15,438)	(311)	-	
Total	17	(103)	22	73,925
<i>In thousands of EUR</i>				
Investment properties	-	-	-	264,910
Other non-current assets	-	-	-	345
Current assets	600	45	160	13,933
Non-current liabilities	-	-	-	(193,171)
Current liabilities	(583)	(148)	(138)	(8,709)
Total net assets	17	(103)	22	77,307
Gross rental income	5,382			1,152
Result for the period	14,473	191	5	(3,279)

The following chart contains the amounts of shareholder loans outstanding (the amounts relate to 100% of the Issuer's receivables on the Joint Venture):

<i>In thousands of EUR</i>		31 May-16	30 Jun-16
VGP European Logistics S.à.r.l.	Holding	7,111	7,111
VGP Park Rodgau GmbH	German portfolio	190	190
VGP Park Berlin GmbH	German portfolio	17	17
VGP Park Hamburg GmbH	German portfolio	255	255
VGP Park Höchststadt GmbH	German portfolio	96	96
VGP Park Leipzig S.à r.l.	German portfolio	102	102
Shareholder Loans		7,771	7,771
VGP CZ V a.s.	Czech portfolio	2,768	2,777
VGP CZ VI a.s.	Czech portfolio	2,545	2,554
VGP Slovakia a.s.	Slovakian portfolio	4,878	6,117
VGP Park Rodgau GmbH	German portfolio	17,738	18,583
VGP Park Hamburg GmbH	German portfolio	9,211	9,265
VGP Park Hamburg 2 S.à r.l.	German portfolio	14,450	14,499

VGP Park Frankenthal S.à r.l.	German portfolio	39,323	44,200
VGP Park Győr Kft	Hungarian portfolio	915	915
VGP Park Alsonemedi Kft	Hungarian prtfolio	843	843
Total development and construction loans		92,671	99,753
TOTAL		100,442	107,524

As at 31 December 2015 the above companies were Subsidiaries of the Issuer.

1.1.4 The Group may not be able to generate sufficient cash flows

The Group's revenues are determined by the ability to sign new lease contracts and by the disposal of real estate assets, in particular to the Joint Venture. The Group's short term cash flow may be affected if it is unable to continue successfully signing new lease contracts. The inability to generate sufficient short term cash flow may affect the interest payment capacity of the Group.

In the medium term the Group's results and cash flows may fluctuate significantly depending on the projects/parks which can be put up for sale and sold in a given year. The inability to generate sufficient cash in the medium term may affect the debt repayment capacity of the Group. However, the Group has entered into the Joint Venture precisely for the purpose of mitigating this risk and is confident that the structure of the joint venture arrangement will enable it to effectively achieve this.

The increase in the financial costs resulting from the current Bonds are expected to be mainly offset by the revenues from the new developments and from the sale of completed assets to the Joint Venture. It is expected that additional interest expenses resulting from increased bank debt incurred to finance the acquisition of a completed project in Spain should be mainly offset by the rent income of this project. In this respect it should be noted that the contemplated acquisition of the completed fully let warehouse in Spain, which is under a long term lease agreement, will already substantially absorb the additional interest expense incurred with the issuance of the Bonds.

1.1.5 Risks related to the nature of the Group's business: acquiring, developing, owning, managing a semi-industrial real estate portfolio

The Group's assets are currently geographically concentrated in Germany, the Czech Republic, and to a lesser extent, in Estonia, Latvia, Slovakia, Hungary and Romania.

Following the initial steps in the Spanish market and the opening of an office in Barcelona during the first half 2015, VGP secured its first substantial (223,000 m²) land plot in the Madrid area during the second half of 2015, allowing it to potentially develop circa 179,000 m² of lettable area. The acquisition of the land plot is still subject to permits, and the Group expects that the completion of the purchase will occur during the third quarter of 2016 after which the construction of the first building will be launched. The Group plans to accelerate its growth in Spain with the acquisition of a completed and fully let warehouse with a large portion of additional development land having all necessary permits to start immediate development. It is anticipated that the acquisition will be completed in the fall of 2016.

The Group intends to expand its portfolio cautiously into these and other countries whereby the Group will continue to concentrate on top locations and its main markets Germany and the Czech Republic.

In Hungary, Slovakia, Estonia, Latvia and Romania, the Group plans to develop new buildings. In Estonia, Latvia and Hungary, the Group does not intend to acquire new development land. In the Baltics the markets are rather small niche markets. After the complete development of the current parks VGP will review its hold strategy for these Baltic parks and may consider divesting these parks over the medium term should it receive an attractive proposal for these parks.

In Slovakia, the Group has secured a new park on a top location allowing VGP to develop in a first phase circa 90,000 m². VGP expects to acquire this park during the next 12 months.

The Group intends only to start constructing any new building in a park if all existing buildings in these parks have been fully or almost fully let, if there is a full pre-let for a specific building or if demand for lettable space is so strong that waiting to start up an additional building might put the Group at a significant competitive disadvantage due to the short lead times that potential tenants may require to take possession of the leased building. For instance, in Romania, the Group has started up the last building in March 2016 and has already been able to secure the full lease out of this building (around 17,000 m²). In Latvia the first building (20,000 m²) was launched in July 2016 on the back of the recorded strong demand from tenants. In the Czech Republic and Germany, the Group is close to signing additional lease agreements following which the construction of new buildings will be initiated, i.e. during the second quarter of 2016 the Group has started up 4 new buildings in the Czech Republic. These new buildings for which several pre-leases have already been signed, represent a total future lettable area of 38,920m².

The results and the outlook of the Group depend among others on the ability of the management to identify and acquire interesting real estate projects to develop the sites at economically viable conditions and to commercialise its projects at attractive rental rates.

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, including risks relating to:

- changes in the general economic conditions, or the local property markets;
- local conditions, such as an oversupply of semi-industrial property or a reduction in demand for such property;
- the Group's ability to provide adequate maintenance of the buildings;
- impact of environmental protection, planning and health and safety laws;
- changes in tax, real estate and planning laws and regulations;
- the Group's ability to achieve optimal rental growth and control operating costs;
- the Group's ability to obtain project financing on economically viable terms;
- the Group's ability to timely obtain all necessary permits and consents;
- inherent risks in respect of ownership title in certain jurisdictions;
- currency exchange rate fluctuations;
- construction delays and construction budget overruns;

- contamination of sites and soil pollution;
- opposition from civic or environmental groups;
- tenant claims;
- natural disasters or catastrophic property damage (e.g. caused by fire);
- potential compulsory purchase or expropriation of one or more property by government agencies; and
- potential terrorist attacks.

The occurrence of any of these events in any of the geographic markets where the Group is active could result in a material adverse effect on the Group's future business, financial condition, operating results and cash flows.

1.1.6 Risks related to the nature and composition of the Group's portfolio: land for development, semi-industrial properties and ancillary offices

The valuation of a property depends largely on national and regional economic conditions. The value of the Group's portfolio may be affected by a downturn of the property market or a change in the economic condition of the countries where the Group is present. Also the level of the interest rates is an important parameter for the valuation of real estate. A change in one of the assumptions used or factors considered in making a property's valuation could considerably decrease or increase the value of the property.

The Group's intention is to construct primarily semi-industrial properties and ancillary offices. In case of termination of a lease of semi-industrial property with ancillary offices, it may be difficult to attract a new tenant requiring all of the ancillary office space. Due to the nature of the real estate and the lack of alternative uses of semi-industrial properties and to a more limited extent the offices, the ability to respond to adverse changes in the performance of the properties could be limited, which could impact the business, financial condition, operating results and cash flows of the Group.

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 effect 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. In addition the properties are as much as possible standardised, allowing easy re-utilisation in case a tenant would terminate its lease.

1.1.7 Risks related to the ability to generate continued rental income

The semi-industrial property lease market also depends largely on the economic conditions and parameters relating specifically to the property such as location and the condition of the property. In addition, the legal context or regulatory changes may impose constraints on the Indexation of lease income.

The value of a rental property depends largely on the remaining term of the related rental agreements as well as the creditworthiness of the tenants. The Group concludes contracts with reputable companies that have a solid financial reputation in order to assure itself of a recurrent rental income. Contracts are secured by standby letters of credit and/or parent guarantees covering in general a six-month lease period. If a significant number of customers,

or one or more of its largest customers, were unable to meet their lease obligations, this could materially adversely affect the Group's business, financial condition, operating results and cash flows. As a result of the growth strategy of the Group, the customers' base is expected to become more diversified. 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 many as possible future lease agreements in order to secure a sustainable future rental income stream.

Nearly all lease contracts contain a provision pursuant to which the rent is 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.

Since 2010, the Group changed its business model and strategy from a strict develop and hold strategy towards a strategy with an increased focus on development and more pro-active approach in respect of potential disposal of the income generating assets, as a result of which VGP could realise valuation gains and generates additional fee income from Facility Management. This change in strategy has been further amended over the past 12 months with the entry into the 50:50 joint venture with Allianz in the first quarter of 2016. This joint venture confirms the long term strategy of the Group to realise valuation gains and will over time have a significant impact on the fee income generating capabilities of the Group as VGP will benefit from fee income generated from asset management-, property management- and development management services. Although this strategy has a negative impact on the recurrent rent income for the Group as the income generating assets are sold to realise capital gains, such rent income will grow again in the short and medium term once new developments are constructed on the land bank that has been acquired, among others, with proceeds from these transactions, and that will subsequently be let to tenants and which are not being transferred to the Joint Venture. In addition, the Group will indirectly benefit from the underlying increase in rent income of the Joint Venture as it will be entitled, to the proportional share of the profits of the Joint Venture generated by a growing real estate portfolio.

For more information on the impact of the disposal of income generating assets on the Group's rental income, reference is made to Part VI: *Description of the Issuer*, section 1 (*General Information*).

1.1.8 Risks related to the Group's development activities

The Group's strategy focuses on development and a pro-active approach in respect of potential disposal of the Group's income generating assets once such assets have reached a mature stage.

Development of the Group's semi-industrial property involves risks in addition to those involved in owning and operating the Group's existing semi-industrial property, particularly with respect to developing semi-industrial property in new markets. During the initial phases of development projects, the Group normally carries the costs of the project and begins to receive revenues only at a later point in time. Development projects sometimes face cost overruns and delays in completion, many of which are caused by factors that are not directly within the control of the developer. Unfamiliarity with local regulations, delays in obtaining

construction permits or contract and labour disputes with construction contractors or subcontractors and unforeseen site conditions may require additional work and construction delays. Failure of the Group to perform as expected or the cost of unforeseen significant capital improvements could decrease the Group's cash flows. The Group may also have underestimated the cost of improvements needed to market the property effectively to potential tenants. Within VGP there are several internal controls available to minimise this risk, i.e. specific cost control functions as well as Project Management resources which monitor the projects on a daily basis.

When considering property development investments, the Group makes certain estimates as to the economic, market and other conditions, including estimates relating to the value or potential value of a property and the potential return on investment. These estimates may prove to be incorrect, rendering the Group's strategy inappropriate with consequent negative effects on the Group's business, results of operations, financial conditions and prospects.

1.1.9 Risks associated with the disposal of projects

Upon completion of real estate projects, the Issuer has usually a considerable amount of own funds invested in the project. The Group therefore adopts a pro-active strategy towards disposal of the assets, in particular within the Joint Venture, in order to recycle the invested funds and freeing up these funds to re-invest in the development pipeline.

The Group's revenues will as a result be partly determined by disposals of real estate projects, in particular to the Joint Venture. This means that Group's results and cash flow can fluctuate considerably from year to year depending on the number of projects that can be put up for sale and can be sold, in particular to the Joint Venture, in a given year. The Group's inability to conclude sales can give rise to significant fluctuations of the cash flows of the Issuer.

However, one of the aims of entering into the Joint Venture arrangement is that with Allianz, the Issuer has been able to attract a long term investor in logistic real estate and who thinks beyond the economic cycles and who has the necessary financial resources to co-invest in the expansion of the logistic and semi-industrial real estate portfolio. The long term commitment of this co-investor mitigates the risks related to the disposal of the Group's income-generating assets.

1.1.10 Property maintenance risk

The desirability of rental property depends not only on its location but also on its condition. 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. Most of the Group's properties are new, and are expected to require only standard maintenance in the near term. As these properties age, or as market requirements change, maintaining or upgrading these properties in accordance with market standards may entail significant costs, which are typically borne primarily by the property owner, not the tenants. If the actual costs of maintaining or upgrading a property exceed the Group's estimates, or if hidden defects are discovered during maintenance or upgrading that are not covered by insurance or contractual warranties, or if the Group is not permitted to raise its rents, the Group will have to bear the additional costs. Furthermore, any failure by the Group to undertake relevant repair work in response to the factors described above could adversely affect the income earned from affected properties.

Property management services are mainly provided internally and to a lesser extent externally whereby the respective Group property management company is responsible for managing the proper and undisturbed operation of the buildings. As part of its offered services the Group's property management companies will also perform Project Management services. These services cover the performance of capital improvements and any other construction works as may be requested by the owner of the buildings. This scope covers the full range of Project Management services (supervision and coordination of the contractors for design, advising on obtaining permits, advising on the works and any tenders relating thereto).

The Group has regrouped the Facility Management services in the Czech Republic in SUTA s.r.o. (**SUTA**). Facility Management services are provided internally as well as externally whereby SUTA is responsible for managing the proper and undisturbed operation of the buildings and performs all actions such as maintenance services, waste management services, maintenance of greenery etc. that may be necessary in this respect. In other countries where no specific Facility Management team will be in place, the Group will use third party Facility Management services companies to perform these activities.

The property management and Facility Management companies of the Group will therefore be potentially liable for the quality and or non-performance of their services. In order to minimise this risk a professional indemnity insurance cover has been taken out.

1.1.11 Insurance risks of the real estate

The Group's real estate can be damaged or destroyed by acts of violence, natural disaster, civil unrest or terrorist attacks or accidents, including accidents linked to the goods stored. Certain types of losses, however, may be either uninsurable or not economically insurable in some countries, such as losses due to floods, riots, acts of war or terrorism. In such circumstances, the Group would remain liable for any debt or other financial obligation related to that property. Inflation, changes in building codes and ordinances, environmental considerations and other factors also might make insurance proceeds insufficient to cover the cost of restoring or replacing a property after it has been damaged or destroyed. The Group's business, financial condition, operating results and cash flows may be adversely affected in such circumstances.

If after damage or destruction, the property cannot be rebuilt or achieve former occupancy and profitability levels within the period of coverage, this could result in a material adverse effect on the Group's future business, financial condition, operating results and cash flows. All buildings are insured against such risks as are usually insured against in the same geographic area by reputable companies engaged in the same or similar business.

1.1.12 Risks related to legal and regulatory matters

As the Group is active and intends to further develop business in the mid-European countries and Germany, the Group is subject to a wide range of EU, national and local laws and regulations. These include requirements in terms of building and occupancy permits (which must be obtained in order for projects to be developed and let), as well as zoning, health and safety, environmental, monument protection, tax, planning, foreign ownership limitations and other laws and regulations. These risks are monitored on an on-going basis and, where necessary, the Group will use external advisers to advise on regulatory matters.

The Group applies for the permits necessary to construct and exploit its real estate. Because of bureaucracy, environmental and heritage protection laws, and time constraints with the administrative authorities in the relevant jurisdictions, the Group may encounter difficulties in obtaining relevant permits or, more likely, may acquire those permits later than expected. The lead time to obtain necessary permits varies across the Central and Eastern Europe (CEE), South East Europe (SEE) and Baltic regions, ranging from a few months to up to 18 months. Delay and/or changes in the construction process and plans might occur as a result of external factors, e.g. the discovery of archaeological sites.

Changes in laws and governmental regulations, or their interpretation by agencies or the courts, could occur. Such regulatory changes and other economic and political factors, including civil unrest, governmental changes and restrictions on the ability to transfer capital in the foreign countries in which the Group has invested, could have a materially adverse effect on the Group's business, financial condition, operating results and cash flows.

1.1.13 Risks related to the ability to generate valuation gains

Valuation gains and losses (which are not realised) are recognised in the income statement. Consequently, a downturn of the property market or a negative change in one of the assumptions used or factors considered in making a property's valuation (interest rates, local economic situation, market sentiment, market yield expectation, inflation) could decrease the value of the property and have a material adverse effect on the operating results of the Group. These factors are not under the Group's control.

The Group may not be able to offset such valuation losses through expected future rental income or development activity gains, which may adversely affect the operating results.

1.1.14 Risks related to competition

The markets in which the Group operates are exposed to local and international competition. It cannot be excluded that the Group may experience increased competition in acquiring land in interesting locations. This could have an influence on the purchase price and on the development costs of the sites, which could have an impact on the Group's financial results. If competition intensifies and the Group's Occupancy Rates or rental revenues decline, this could materially adversely affect the Group's business, financial condition, operating results and cash flows.

The Group's competitors and potential competitors may have significantly greater financial, technical, marketing, service or resources than the Group and have a longer operating history in certain countries or regions or greater name recognition. The Group's smaller size may therefore be considered negatively by prospective customers. In addition, the Group's competitors may be able to respond more quickly than the Group can to changes in customer requirements and devote greater resources to the enhancement, promotion and rental of its semi-industrial real estate. If competition intensifies and the Group's Occupancy Rates or rental revenues decline, this could have a material adverse effect on the Group's business, financial condition, operating results and cash flows.

1.1.15 Ability to manage growth and to continue adequate and efficient monitoring of the portfolio

The Group's future success will depend in part on its ability to manage future expansion and to identify attractive investment opportunities. Such expansion is expected to place significant demands on management, support functions, accounting and financial control, sales and

marketing and other resources and would involve a number of risks, including: the difficulty of assimilating operations and personnel in the Group's operations, the potential disruption of ongoing business and distraction of management; expenses related to such integration and in the case of acquisitions in certain mid-European countries, uncertainty regarding foreign laws and regulations. The Group's headcount as at 30 June 2016 amounts to 98 people, which should be adequate to support the current growth rate of the Group.

1.1.16 Risk of environmental claims

Although the Group has so far realised all of its projects on greenfields where the presence of environmental pollutants is unlikely, when acquiring new plots of land, the Group runs the risk of acquiring land which contains environmental pollutants (e.g. waste, oil or toxic chemicals) which are harmful to the environment or to the health of workmen on the sites. The removal and disposal of such hazardous substances, along with the associated maintenance and repair work, could entail significant costs and it may be impossible for the Subsidiaries to obtain recourse against the party responsible for the pollution or against prior owners.

These environmental risks are particularly acute with respect to plots of land located in countries where reliable documentation for past contamination does not exist or where the laws governing environmental matters are in development or unclear, as is more often the case in the mid-European countries than in Western Europe. These risks associated with environmental claims are not always predictable or under the Subsidiaries' control. The incurrence of environmental claims or unforeseen costs to remove or dispose of these substances or to repair resultant damage caused by them could adversely affect the Group's business, financial condition, results of operations and prospects.

1.1.17 Risks related to goods stored by the Group's customers

Generally, the Group does not have access to its leased out property and cannot prevent its tenants from storing hazardous materials, stolen goods, counterfeit goods, drugs or other illegal substances. Although the terms of the standard lease contracts for customers prohibit the storage of illegal and certain other goods on the Group's premises, the Group cannot exclude the possibility that the Group may be held ultimately liable with respect to the goods stored by its customers. In addition, unfavourable publicity as a result of illegal contents stored at one of the Group's property could have a material adverse effect on the Group's business, financial condition, operating results and cash flows.

1.1.18 Dependency on key personnel

The Group depends to a large degree on the expertise and commercial qualities of its management, commercial and technical team and recognises the need to provide incentive for and retain employees. The loss of services of any members of the management or failure to attract and retain sufficiently qualified personnel may have a material adverse effect on the Group's business, financial condition, operating results and cash flows.

In order to retain personnel the reference shareholders (Mr Bart Van Malderen and Mr Jan Van Geet) have put a long-term incentive plan in place through a separate vehicle, VGP Misv. Comm. VA (see paragraph 3.2.11 (Snow Crystal S.à r.l., SUN S.à r.l. and VGP MISV Comm. VA) of *Part VI: Description of the Issuer*).

In April 2015, the Board of Directors approved a new management agreement with Little Rock SA, a company controlled by Mr Jan Van Geet, relating to the services rendered by some of

VGP's key managers. Following such decision, Little Rock SA became responsible for the Group's daily management, financial management and commercial management (see paragraph 3.3 (Management Agreement with Little Rock S.A.) of *Part VI: Description of the Issuer* and the Remuneration Report of the Annual report 2015 (in particular page 39 of the Remuneration Report of the Annual Report 2015) for further details).

1.1.19 Litigation

The Group may become subject to disputes with tenants, commercial parties with whom the Group maintains relationships or other commercial parties in the rental or related businesses. Any such dispute could result in litigation between the Group and such commercial parties. Whether or not any dispute actually proceeds to litigation, the Group may be required to devote significant management time and attention to its successful resolution (through litigation, settlement or otherwise), which would detract from the Group management's ability to focus on its business. Any such resolution could involve the payment of damages or expenses by the Group, which may be significant. In addition, any such resolution could involve the Group agreement to terms that restrict the operation of the Group's business. These risks are monitored on an on-going basis and there where necessary, the Group will use external advisers to advise on contract negotiations.

1.1.20 The Issuer is exposed to counterparty risk

The Issuer has contractual relationships with multiple parties, such as partners, investors, tenants, contractors, architects, financial institutions, including the Joint Venture. The inability of such counterparty to live up to their contractual obligations could have a significant impact on the Issuer's financial and operational position.

1.1.21 Availability of adequate credit facilities or shareholder loans

Apart from the funds generated by the Bonds, the Group is partly financed by shareholder loans and partly by bank credit facilities from time to time. Currently, no shareholder loans which have been granted to the Issuer are in place. 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).

Most of the credit facilities of the Group were repaid upon transfer of the Seed Portfolio to the Joint Venture as of 31 May 2016 (*see paragraph 1.1 of Part VI: Description of the Issuer*). Therefore, as at 30 June 2016 the Group had EUR 35.5 million committed credit facilities in place with an average maturity of 3.1 years and which were drawn for 65%. The Group intends to negotiate new credit facilities for its continued expansion, in particular in Spain and other countries.

30/06/2016 In thousands of EUR	FACILITY AMOUNT	FACILITY EXPIRY DATE	OUTSTANDING BALANCE	< 1 YEAR	> 1-5 YEARS	> 5 YEARS
UniCredit Bank –						
Czech Republic	15,353	31-Dec-19	3,031	-	3,031	-
Swedbank	20,166	30-Aug-18	20,166	1,428	18,738	-
Other bank debt	21	2016-2018	21	17	4	-
Total	35,540		23,218	1,445	21,773	-

1.1.22 Compliance with financial covenants

The loan agreements of the Group and of the Joint Venture, as well as the 2017 Bonds and the 2018 Bonds, include financial covenants. Any breach of covenants 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 2014 and 2015, as well as during the first half of 2016, the Group remained well within its covenants. More information regarding the covenants is set out in pages 108 and 109 of the Annual Report of VGP NV for the year ended 31 December 2015.

The terms and conditions of the 2017 Bonds and the 2018 Bonds include following financial covenants, evaluated at the level of the Issuer:

- Consolidated Gearing to equal or to be below 55%;
- Interest Cover Ratio to equal or to be above 1.2;
- Debt Service Cover Ratio (or DSCR) to equal or to be above 1.2.

The above mentioned ratios are tested semi-annually based on a 12 month period and are calculated as follows:

- Consolidated Gearing means consolidated Total Net Debt divided by the sum of the equity and total liabilities;
- Interest Cover Ratio means the aggregate net rental income (increased with the available cash and cash equivalents) divided by the net Finance Charges;
- Debt Service Cover Ratio means Cash Available for Debt Service divided by Net Debt Service.

As at 30 June 2016 the Consolidated Gearing stood at 23.5% compared to 37.3% as at 30 June 2015 . The Interest Cover Ratio was 3.34 as at 30 June 2016 compared to 6.01 as at 30 June 2015 and finally the Debt Service Cover Ratio was 7.61 as at 30 June 2016 compared to 3.24 as at 30 June 2015. As at 31 December 2015 the Consolidated Gearing Ratio was 35.7% compared to 33.2% as at 31 December 2014, whereas the Interest Cover Ratio was 3.99 (compared to 6.79 as at 31 December 2014) and the Debt Service Cover Ratio was 3.69 (compared to 7.77 as at 31 December 2014).

The bank facilities contain certain covenants, tested at the level of the respective Subsidiaries, which can be summarized as follows:

UniCredit Bank CZ:	DSCR to be equal to or higher than 1.10 (calculated on an actual as well as forward looking basis) Loan to Value to be equal to or lower than 60% Loan to Cost to be equal to or lower than 70%
Swedbank	DSCR to be equal to or higher than 1.15

The abovementioned ratios are tested based on a 12 month period and are calculated as follows:

- 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;
- Loan to cost ratio means in respect of a project the aggregate loans divided by the total investment costs;
- Debt Service Cover Ratio means net rental income 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 on the respective bank debt.

As at 30 June 2016, the DSCR under the Swedbank credit facility granted to VGP Estonia OÜ was 1.82 compared to 1.33 as at 31 December 2015.

For the Czech companies financed by UniCredit Bank CZ, the values of the various ratios as of 31 December 2015 were as follows:

- (i) VGP CZ III., a.s.

	31-Dec-15	30-Jun-16
DSCR - Backward	2.62	1.94
DSCR - Forward	2.97	1.45
LTV	46.0%	46.8%
LTC	59.0%	59.0%

- (ii) VGP CZ VII., a.s.

	31-Dec-15	30-Jun-16
DSCR - Backward	1.84	2.22
DSCR - Forward	4.64	3.75
LTV	29.0%	28.5%
LTC	30.0%	30.0%

- (iii) Aggregate portfolio basis

	31-Dec-15	30-Jun-16
DSCR - Backward	2.18	2.10
DSCR - Forward	3.57	2.28
LTV	37.9%	38.0%

The Group has never been in breach of covenants in the past. It is not expected that the increase in debt level due to the Bonds will endanger the current solvency or that it will trigger any breach in the conditions of the existing credit facilities or the 2017 Bonds or the 2018 Bonds.

1.1.23 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.

The interest rate risk will depend on the evolution of the gearing level of the Group and the evolution of the interest rates on the financial markets.

In order to mitigate its future interest rate risk, the Group entered into 2 new interest rate swaps, each for a notional amount of EUR 75 million during the first half of 2015. These 2 interest rate swaps will start in July 2017 and December 2018 respectively and will run until July 2022 and December 2023 respectively. The average interest rate which has been fixed is 0.84% p.a. In order to hedge the interest rate exposure under the UniCredit Bank CZ facility the Group entered into a 5 year interest rate swap transaction for a nominal amount of EUR 37 million in January 2013. This interest rate swap was partly liquidated in May 2016 following the transfer of some of the Czech asset companies to the Joint Venture. The remaining notional amount was therefore reduced to EUR 15.9 million carrying an average interest of 1.20% p.a.

In addition, the Bond will be issued at a fixed rate decreasing further any dependence on interest rate volatility.

1.1.24 Fluctuation in currency exchange rates

The Group publishes its financial statements in euro. 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. Assets and liabilities denominated in local currencies are translated into euro. Consequently, variations in the exchange rate of the euro versus these other currencies will affect the amount of these items in the Group's consolidated financial statements, even if their value remains unchanged in their original currency.

Under the Group's foreign exchange policy, foreign exchange hedging is mainly confined to hedging transaction exposures exceeding certain thresholds and/or if required under the existing loan agreements. The Group reviews these risks on a regular basis and uses financial instruments to hedge these exposures as appropriate.

These translations have resulted in the past and could result in the future in changes to the Group's results of operations, balance sheet and cash flows from period to period.

As at 30 June 2016 the Group had a net currency payable exposure of CZK 61.0 million (EUR 2.6 million equivalent), a net currency receivable of HUF 0.2 million (EUR 0.01 million equivalent) and a net currency receivable of RON 0.9 million (EUR 0.2 million equivalent), compared to a net currency receivable exposure of CZK 141.8 million (EUR 5.2 million equivalent), RON 1.2 million (EUR 0.3 million equivalent) and HUF 1.3 million (EUR 0.1 million equivalent) as at 31 December 2015.

1.1.25 The Group is exposed to liquidity and financing risks

The Group is exposed to a liquidity and financing risk which might result from a lack of funds in the event of non-renewal or cancellation of its existing credit facilities or its inability to attract new financing.

The Group ensures that it is adequately financed prior to undertaking any new development and does not initiate the development of new projects if the financing is not assured for its estimate duration, by external as well as internal sources.

1.1.26 Risks related to tax aspects

New tax legislation as well as changing interpretation of tax regulations in the different countries in which the Company is operating could have an impact on the tax position of the Group.

Each of the Group's properties is subject to real estate and property taxes. These taxes may increase in the future as tax rates change and as the Group's property values are assessed or reassessed by tax authorities. Depending on local market conditions, the Group may not be able to offset the tax increases through increases in rent or other income, which may adversely affect the yields on the Group's investments and business, financial condition, operating results and cash flows. These risks are monitored on an on-going basis and where necessary, the Group will use external advisers to advise on tax matters.

1.2 Risks relating to the mid-European countries

1.2.1 Inherent risks related to ownership titles to property

(i) Defects in the ownership title

Local laws set specific statutory requirements for the acquisition of property (such as approvals of transfers by corporate bodies, obtaining zoning permits for land division, complying with statutory or contractual pre-emption rights, consent of the spouses or municipalities, fulfilment of various contractual conditions). Due to the inconsistency in the interpretation and application of law by the competent authorities, and potential lack of compliance with all legal requirements during the acquisition process, some members of the Group may not have title to some of the plots of land despite being registered as the owners of such plots of land in the relevant real estate registry. The real estate registries in these countries may not provide conclusive evidence of ownership title to property, and thus there can be no assurance provided that the person registered in the real estate registry is, in fact, the actual owner of such real estate property.

While none of the members of the Group has to date experienced the situation where title to plots of land has been subject to any legal proceedings leading to the loss of the title, the risk exists that members of the Group may not acquire or have acquired titles to some of the plots of land, and/or that the relevant member of the Group could be held to be in violation of applicable law. Any such outcome could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

The Group mitigates this risk as much as possible by carrying out a thorough due diligence prior to any acquisition of a plot of land.

(ii) Land subject to future purchase agreements

A small number of plots of land intended for a limited number of projects of the relevant member of the Group are subject to agreements on future purchase agreements. A potential breach of the future seller's obligations to sell the plots of land to the relevant member of the Group may lead to a delay in the time schedule for the realisation of the relevant project or jeopardise the acquisition of such plots of land by the relevant member of the Group.

The total land bank that is currently owned by the Group or for which future purchase agreements exist, amounts to 3,015,421 m² of which 2,318,588 m² (77 %) was in full ownership.

(iii) Restitution claims

Under Czech, Slovak, Latvian, Estonian, Romanian and Hungarian law it was possible to file restitution claims to claim back ownership of previously nationalised property (including real estate) until the end of 2005. Not all such restitution claims have been fully settled to date, and no assurance can be given that such a restitution claim would not be or has not been brought against the plots of land owned (or planned to be acquired) by the VGP Group in the Czech Republic, Slovakia, Latvia, Estonia, Romania and Hungary. As a result of such a restitution claim, the ownership title to the plots of land of the VGP Group in the Czech Republic, Slovakia, Latvia, Estonia, Romania and Hungary could be adversely affected or additional costs (remediation or compliance) could be incurred. Any such outcome could have a material adverse effect on the Company's business, financial condition, results of operations or prospects.

The Group is not aware of any outstanding challenges of ownership title to the plots of land owned (or planned to be acquired) by members of the Group or by the Joint Venture in any of the above-mentioned countries through a restitution claim. It should be noted that for the Joint Venture's portfolio, a title insurance has been obtained by the respective subsidiaries of the Joint Venture which covers this title risk.

1.2.2 Legal systems are not yet fully developed

The legal systems and procedural safeguards 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. In many cases, the interpretation and procedural safeguards of the new legal and regulatory systems are still being developed, which may result in an inconsistent application of existing laws and regulations and uncertainty as to the application and effect of new laws and regulations.

Additionally, in some circumstances, it may not be possible to obtain the legal remedies provided for under relevant laws and regulations in a reasonably timely manner or at all. Although institutions and legal and regulatory systems characteristic for parliamentary democracies have been developed in the mid-European countries, they lack an institutional history. As a result, shifts in government policies and regulations tend to be more frequent and less predictable than in the countries of Western Europe, and at the same time the enforceability of law is lower. Moreover, a lack of legal certainty or the inability to obtain effective legal remedies in a reasonably timely manner may have a material adverse effect on the Group's business, financial condition, results of operations or prospects. The Group mitigates this risk by using reputable external local lawyers to advise on such specific legal issues as they arise.

2 Factors which are material for the purpose of assessing the market risks associated with the Bonds

2.1 The Bonds may not be a suitable investment for all investors

Each potential investor in the Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in this Prospectus or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact the Bonds will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds, including where the currency for principal or interest payments is different from the potential Investor's Currency;
- (iv) understand thoroughly the terms of the Bonds and be familiar with the behaviour of any relevant financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

A potential investor should not invest in the Bonds unless it has the expertise (either alone or with a financial adviser) to evaluate how the Bonds will perform under changing conditions, the resulting effects on the value of the Bonds and the impact the investment will have on the potential investor's overall investment portfolio.

2.2 Independent Review and Advice

Each prospective investor in the Bonds must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Bonds is fully consistent with its financial needs, objectives and condition, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it and is a fit, proper and suitable investment for it, notwithstanding the clear and substantial risks inherent in investing in or holding the Bonds.

Before making any investment decision the investors must read the Prospectus and more particularly the section Risk Factors (please see page 17 and following (*Part I: Summary*) and page 26 and following (*Part II: Risk Factors*)).

2.3 Risk related to the fact that the Issuer is a holding company with no operating income and is hence solely dependent on distributions made by the members of the Group to the Issuer

The Issuer is a holding company with as sole activity the holding and managing of its only asset, i.e. its participations in the Subsidiaries and in the Joint Venture. The real estate portfolios of the Group are owned through specific asset companies which are 100% subsidiaries of the Issuer or which are subsidiaries of the Joint Venture. Apart from interest income, as well as recharging of costs and services which are invoiced to the Subsidiaries, the Joint Venture and Associates, the Issuer's sole

source of cash inflow comes from dividends and from the sale of income generating assets or parks. Accordingly, the Issuer's ability to meet its financial obligations under the Bonds will largely depend on the cash flows from the members of the Group and the distributions paid to it by members of the Group or the Joint Venture. The Group members' and the Joint Venture's ability to make distributions to the Issuer depends on the rental income generated by their respective portfolios. The financing arrangements of the Joint Venture contain restrictions on distributions by the Joint Venture to the Issuer, in case certain financial tests are not met. Similarly, the financing documentation of the Group contains similar restrictions on distributions by members of the Group to the Issuer.

2.4 Substantial outstanding financial debt which could negatively impact the Issuer and its ability to make payments under the Bonds

The Issuer's ability to pay principal and interest on the Bonds largely depends on the future operating performance of the Group and of the Joint Venture and the ability of the members of the Group and of the Joint Venture to upstream cash to the Issuer. The members of the Group also have to pay principal and interests on their existing debt financings (see Part VI: *Description of the Issuer – 6 Funding Sources*).

Moreover, the financing arrangements of the Joint Venture, and to a lesser extent also of the Group members are subject to a number of covenants and restrictions which, in the case of a default or breach which is not remedied or cured, could restrict the ability to upstream cash to the Issuer. The bank facilities require the Joint Venture and the members of the Group to maintain specified financial ratios and meet specific financial tests. A failure to comply with these covenants could result in an event of default that, if not cured or waived, could result in the Joint Venture or the members of the Group being required to repay these borrowings before their due date. If the Joint Venture or the respective member of the Group would be unable to make this repayment or otherwise refinance these borrowings, its lenders could foreclose on its assets. If the Group is unable to refinance borrowings on favourable terms, its business can be adversely impacted. These events would have a severe negative impact on the Issuer's financial position and its capability to pay all amounts due to its Bondholders.

Furthermore, the future operating performance of the Group is subject to market conditions and business factors that often are beyond the control of the Issuer. If cash flows and capital resources of the Issuer and the Group are insufficient to allow them to make scheduled payments on their debt, they may have to reduce or delay capital expenditures, sell assets, seek additional capital or restructure or refinance their debt. If the Issuer and the Group cannot make scheduled payments on its debt, it will be in default and, as a result, its debt holders could declare all outstanding principal and interest to be due and payable, terminate their commitments and force the concerned entities of the Group into bankruptcy or liquidation. This would also have a direct negative impact on the Issuer's financial position. In such case, Bondholders may not receive all amounts due by the Issuer. Hence, they may lose all or part of the capital invested in the Bonds.

2.5 The Bonds are unsecured obligations of the Issuer which do not benefit from any guarantee – Structural Subordination

The right of the Bondholders to receive payment on the Bonds is not secured or guaranteed. In the event of liquidation, dissolution, reorganisation, bankruptcy or similar procedure affecting the Issuer, the holders of secured indebtedness will be repaid first with the proceeds of the enforcement of such security. The Bondholders will effectively be subordinated to any secured indebtedness of the Issuer. In

addition, the Bondholders will effectively be structurally subordinated to any indebtedness of the members of the Group (other than the Issuer).

Moreover, the Issuer and certain members of the Group have provided and may in the future (subject to Condition 3 (*Negative Pledge*)) provide guarantees and security interests for the benefit of holders of other indebtedness incurred by certain Subsidiaries (see Part VI: *Description of the Issuer – 6 Funding Sources*). Currently, some assets of the members of the Group are encumbered with security interests for the benefit of indebtedness incurred by the members of the Group. For more information on the encumbrances on the Group's assets, see Part VI: *Description of the Issuer, (6 Group's Funding Sources)* of this Prospectus.

In circumstances where the holders of indebtedness are allowed to claim payment from a member of the Group in respect of any indebtedness (including in the event of liquidation, dissolution, reorganisation, bankruptcy or similar procedure affecting the Group), the holders of any indebtedness which benefit from guarantees from Group members may recover their claims through payments by such group members under the guarantees provided by them, whereas such right will not be available to the Bondholders. In addition, the holders of any indebtedness which benefit from security interests granted by Group members in respect of their respective assets may recover their claims through the enforcement of security interests granted by such Group members under the security interests granted by them, whereas such right will not be available to the Bondholders. It cannot be excluded that following demands under the guarantees granted by the members of the Group and/or enforcement of the security interest granted by the members of the Group, no or only limited amounts remain available for distribution to other holders of indebtedness owed by members of the Group and, hence, that no or only limited amounts will remain available for distribution to the Issuer and payments to the creditors of the Issuer, including the Bondholders.

The Bonds do not provide for any limitations on the amount of any indebtedness which the Issuer or its Subsidiaries may incur, except that if guarantees or security are provided in respect of any present or future indebtedness in whatever form, the Bonds will have to benefit from similar guarantees or security (as set out in Condition 3 (*Negative Pledge*)) (subject to certain exceptions, including Personal Security given by the Issuer to guarantee (i) the Financial Indebtedness of a Subsidiary incurred in order to finance Project Land or Project Buildings of such relevant Subsidiary or (ii) the performance of Projects by a Subsidiary including the payment of any indemnities or penalties under performance guarantees in relation to Projects of such Subsidiary).

2.6 No intervention of Bondholders required in case of creation, exercise or release of any security

Under the conditions set out in Condition 3 (*Negative Pledge*) and to the extent that any Security, Personal Security, guarantees or indemnity would be granted or provided by the Issuer, the Issuer's obligations under the Bonds (i) will be secured equally and rateably therewith or benefit from a Personal Security, guarantee or indemnity in substantially identical terms thereto, as the case may be, or (ii) will have the benefit of such other security, guarantee, indemnity or arrangement as shall be approved by a general meeting of the Bondholders in accordance with Condition 13 (Meeting of Bondholders, Modification and Waiver).

It is quite common to provide or grant Security, Personal Security, guarantees or indemnity on the basis of a so-called "Parallel Debt" as provided by paragraph (f) of Condition 15 (*Security*). This ensures that the Security Agent can hold the security on the basis of a debt that is parallel to the debt owed to the third party creditors (the so-called "Corresponding Debt"). This is required due to the accessory nature of a Security. The mechanism of the parallel debt further provides that the Parallel Debt and

the Corresponding Debt will at all times be equal (and that in case of a payment under the Parallel Debt or the Corresponding Debt, as applicable, the Parallel Debt or the Corresponding Debt will decrease for the same amount).

However, the Conditions contain certain limitations regarding such Security, Personal Security, guarantees or indemnity and the exercise thereof. The Conditions in particular provide that the provisions of the relevant security document or, if applicable, the intercreditor agreement will be agreed without any intervention of the Bondholders and that the Security Agent is authorised to release the Security, Personal Security, guarantees or indemnity in accordance with the provisions set out in the relevant security document, but without the express consent or any other intervention of the Bondholders. Furthermore, the Bondholders are restricted in their right to exercise such Security, Personal Security, guarantee or indemnity since these can be exercised by the Security Agent or the Relevant Creditors without any control or intervention of the Bondholders). In addition, any grant, release or exercise of such Security, Personal Security, guarantee or indemnity will not be submitted for decision by the general meeting of Bondholders (except in case of enforcement by the Bondholders if provided by the relevant security document or any intercreditor agreement, if applicable).

A Security Agent will only be appointed to hold security for the Bondholders in the circumstances provided by Condition 3 (*Negative Pledge*) (and only if this structure is chosen in that case). It is the Issuer's responsibility to assure compliance with Condition 3 (*Negative Pledge*) and to verify whether any of the exemptions set forth in Condition 3.3 apply when it grants or provides any Security, Personal Security, guarantee or indemnity.

2.7 The Issuer may incur additional indebtedness

In the future, the Issuer or any other member of the Group could decide to incur additional indebtedness or further increase their indebtedness. This could have an impact on its ability to meet its obligations under the Bonds or could cause the value of the Bonds to decrease. The Conditions do not limit the amount of unsecured or secured debts that the Issuer can incur.

2.8 The Issuer may not have the ability to repay the Bonds

The Issuer may not be able to repay the Bonds at their maturity. The Issuer may also be required to repay all or part of the Bonds upon the occurrence of an Event of Default. If the Bondholders were to ask the Issuer to repay their Bonds upon the occurrence of an Event of Default, the Issuer cannot be certain that it will be able to pay the required amount in full. The Issuer's ability to repay the Bonds will depend on the Issuer's financial condition (including its cash position resulting from its ability to receive income and dividends from its Subsidiaries) at the time of the requested repayment, and may be limited by law, by the terms of its indebtedness and by the agreements that it may have entered into on or before such date, which may replace, supplement or amend its existing or future indebtedness. The Issuer's failure to repay the Bonds may result in an event of default under the terms of other outstanding indebtedness.

The Issuer and the Bonds do not have a credit rating, and the Issuer currently does not intend to request a credit rating for itself or for the Bonds at a later date. This may render the price setting of the Bonds more difficult.

The Issuer and the Bonds do not have a credit rating and the Issuer does not intend to request a credit rating for itself or the Bonds. This may impact the trading price of the Bonds. There is no guarantee that the price of the Bonds will cover the credit risk related to the Bonds and the Issuer. In addition,

there can be no assurance that, should a rating be requested in respect of the Issuer or the Bonds, an investment grade rating would be assigned.

2.9 There is no guarantee of an active trading market for the Bonds; the Bonds may be illiquid

The only manner for the holder of the Bonds to convert its investment in the Bonds into cash before their Maturity Date is to sell them at the applicable market price at that moment. The price can be less than the nominal value of the Bonds. The Bonds are new securities which may not be widely traded and for which there is currently no active trading market. The Issuer has filed an application to have the Bonds listed on and admitted to trading on the regulated market of Euronext Brussels. If the Bonds are admitted to trading after their issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. There is no assurance that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for the Bonds. Therefore, investors may not be able to sell their Bonds easily or at all, or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. Illiquidity may have a severely adverse effect on the market value of Bonds. In the event that put options are exercised in accordance with Condition 6.2(*Redemption at the Option of Bondholders*), liquidity will be reduced for the remaining Bonds. Furthermore, it cannot be guaranteed that the admission to listing and trading once approved will be maintained.

2.10 The Bonds are exposed to market interest rate risk

The Bonds provide a fixed interest rate until the Maturity Date. Investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds. The longer the maturity of bonds, the more exposed bonds are to fluctuations in market interest rates. An increase in the market interest rates can result in the Bonds trading at prices lower than the nominal amount of such Bonds.

2.11 The market value of the Bonds may be affected by the creditworthiness of the Issuer and a number of additional factors

The value of the Bonds may be affected by the creditworthiness of the Issuer and a number of additional factors, such as market interest rates, exchange rates and yield rates and the time remaining to the Maturity Date and more generally all economic, financial and political events in any country, including factors affecting capital markets generally and the stock exchanges on which the Bonds are traded. The price at which a Bondholder will be able to sell the Bonds prior to maturity may be at a discount, which could be substantial, from the Issue Price or the purchase price paid by such investor.

2.12 The Bonds may be redeemed prior to maturity

In the event of the occurrence of an Event of Default the Bonds may be redeemed prior to maturity in accordance with the Conditions. In such circumstances, an investor may not be able to reinvest the repayment proceeds (if any) at a yield comparable to that of the Bonds.

2.13 The Bonds may be redeemed prior to maturity in the event of a Change of Control

Each Bondholder will have the right to require the Issuer to repurchase all or any part of such holder's Bonds at the Put Redemption Amount upon the occurrence of a Change of Control, as such terms are defined herein, and in accordance with the Conditions of the Bonds (the **Change of Control Put**). However, Bondholders should be aware that, in the event that holders of a significant proportion of

the aggregate principal amount of the Bonds exercise their option under Condition 6.2 (*Redemption at the Option of Bondholders*), Bonds in respect of which the Change of Control Put is not exercised may be illiquid and difficult to trade.

Accordingly, the put option may arise, at times when prevailing interest rates may be relatively low. In such circumstances, an investor may not be able to reinvest the repayment proceeds (if any) at a yield comparable to that of the Bonds. Potential investors should be aware that the Change of Control Put can only be exercised upon the occurrence of a Change of Control, which may not cover all situations where a change of control may occur or where successive changes of control occur in relation to the Issuer.

Bondholders deciding to exercise the Change of Control Put shall have to do this through the bank or other financial intermediary through which the Bondholder holds the Bonds (the **Financial Intermediary**) and are advised to check when such Financial Intermediary would require to receive instructions and Change of Control Put Exercise Notices from Bondholders in order to meet the deadlines for such exercise to be effective. The fees and/or costs, if any, of the relevant Financial Intermediary shall be borne by the relevant Bondholders.

2.14 The Bondholders' put option upon a Change of Control under the Bonds is subject to Shareholders' approval

The exercise by any of the Bondholders of the option to demand an early redemption in the event of a Change of Control as set out in Condition 6.2 (*Redemption at the Option of the Bondholders*) may only be effective against the Issuer under Belgian law if and when (i) the terms of Condition 6.2 (*Redemption at the Option of the Bondholders*) have been approved by the shareholders of the Issuer in general shareholders' meeting, and if such resolution has been filed with the Clerk of the Commercial Court of Ghent, division Dendermonde (*griffie van de rechtbank van koophandel / greffe du tribunal de commerce*).

An extraordinary shareholders' meeting of the Issuer to take place before 31 December 2016 will be requested to approve, the terms of Condition 6.2 (*Redemption at the Option of the Bondholders*) of the Bonds in accordance with Belgian law. The resolution to approve these terms requires an approval of more than 50 per cent. of the votes cast at the general shareholders' meeting and does not have quorum requirement. There can be no assurance that such approval will be granted at such meeting.

If a Change of Control occurs prior to such approval and filing, Bondholders may not be entitled to exercise the option set out in the terms of Condition 6.2 (*Redemption at the Option of the Bondholders*).

2.15 The Bonds may be affected by the turbulence in the global credit markets

Potential investors should be aware of the turbulence in the global credit markets which has led to a general lack of liquidity in the secondary market for instruments similar to the Bonds. The Issuer cannot predict when these circumstances will change and if and when they do there can be no assurance that conditions of general market illiquidity for the Bonds and instruments similar to the Bonds will not return in the future.

2.16 Eurozone crisis and Brexit

Potential investors should be aware of the crisis affecting the Eurozone, the turbulence in the global credit markets and the general economic outlook. The Issuer cannot predict when these circumstances

will change and potential investors need to be aware of the significant uncertainty about future developments in this regard.

Potential investors should be aware of the referendum held in the United Kingdom on 23 June 2016 whereby a majority of the voters voted in favour of the United Kingdom exiting the European Union. The uncertainty in connection with the consequences of this referendum and in particular in relation to the timing and the conditions of such exit by the United Kingdom as well as the uncertainty in relation to the future trade and other relations between the United Kingdom and the European Union (and the terms thereof) has led to turbulences on the global securities and financial markets. The Issuer cannot predict when these circumstances will change and potential investors need to be aware of the significant uncertainty about future developments in this regard. However, it should be noted that the Group does not operate in the United Kingdom and does not consider its business to be dependent from the United Kingdom remaining in the European Union.

2.17 Modification to the Conditions of the Bonds can be imposed on all Bondholders upon approval by defined majorities of Bondholders

The Conditions of the Bonds contain provisions for calling meetings of Bondholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority.

2.18 The Bonds may be exposed to exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Bonds in Euro. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than the Euro. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Euro or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Euro would decrease (1) the Investor's Currency-equivalent yield on the Bonds, (2) the Investor's Currency equivalent value of the principal payable on the Bonds, and (3) the Investor's Currency equivalent market value of the Bonds.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal at all.

2.19 Risk of inflation

The inflation risk is the risk of future value of money. The actual yield of an investment in the Bonds is being reduced by inflation. The higher the rate of inflation, the lower the actual yield of a Bond will be. If the rate of inflation is equal to or higher than the nominal output of the Bonds, then the actual output is equal to zero, or the actual yield will even be negative.

2.20 Payments made in respect of the Bonds may be subject to Belgian withholding tax

Potential investors should be aware that neither the Issuer, the NBB, the Agent nor any other person will be liable for or otherwise obliged to pay, and the relevant Bondholders will be liable for and/or pay, any tax, duty, charge, withholding or other payment whatsoever which may arise as a result of, or

in connection with, the ownership, any transfer and/or any payment in respect of the Bonds, except as provided for in Condition 8 (*Taxation*).

If the Issuer, the NBB, the Agent or any other person is required by law to make any withholding or deduction for, or on account of, any present or future taxes, duties or charges of whatever nature in respect of any payment in respect of the Bonds, the Issuer, the NBB, the Agent or that other person shall make such payment after such withholding or deduction has been made and will account to the relevant authorities for the amount so required to be withheld or deducted.

Belgian withholding tax, currently at a rate of 27%, will in principle be applicable to the interest on the Bonds held in a non-exempt securities account (an **N Account**) in the X/N System, as further described in Part X: *Taxation*. Potential investors should be aware that any relevant tax law or practice applicable as at the date of this Prospectus and/or the date of purchase or subscription of the Bonds may change at any time (including during the Subscription Period or the term of the Bonds). Any such change may have an adverse effect on a Bondholder, including that the liquidity of the Bonds may decrease and/or the amounts payable to or receivable by an affected Bondholder may be less than otherwise expected by such Bondholder.

Potential investors who are in any doubt as to their tax position should consult their own independent tax advisers.

2.21 Potential purchasers and sellers of the Bonds may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Bonds are transferred or other jurisdictions

Potential purchasers and sellers of the Bonds should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Bonds are transferred or other jurisdictions. Potential investors are advised not to rely upon the tax summary contained in this Prospectus but to seek the advice of a tax professional regarding their individual tax liabilities with respect to the acquisition, sale and redemption of the Bonds. Only these advisors are in a position to duly consider the specific situation of the potential investor. This investment consideration has to be read in connection with the taxation sections of this Prospectus. Such taxes or documentary charges could also be due in case of a possible change of the statutory seat of the Issuer. In addition, potential purchasers should be aware that tax regulations and their application by the relevant taxation authorities change from time to time. Accordingly, it is not possible to predict the precise tax treatment which will apply at any given time.

2.22 Changes in governing law could modify certain Conditions

The Conditions are based on the laws of Belgium in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to the laws of Belgium, the official application, interpretation or the administrative practice after the date of this Prospectus.

2.23 Relationship with the Issuer

All notices and payments to be delivered to the Bondholders will be distributed by the Issuer to such Bondholders in accordance with the Conditions. In the event that a Bondholder does not receive such notices or payments, its rights may be prejudiced, but it may not have a direct claim against the Issuer with respect to such prejudice.

2.24 The transfer of the Bonds, any payments made in respect of the Bonds and all communications with the Issuer will occur through the Clearing System

The Bonds will be issued in dematerialised form under the Belgian Company Code and cannot be physically delivered. The Bonds will be represented exclusively by book entries in the records of the Clearing System. Access to the Clearing System is available through its Clearing System Participants whose membership extends to securities such as the Bonds. Clearing System Participants include certain banks, stockbrokers (*beursvennootschappen / sociétés de bourse*), and Euroclear and Clearstream, Luxembourg. Transfers of interests in the Bonds will be effected between the Clearing System Participants in accordance with the rules and operating procedures of the Clearing System. Transfers between investors will be effected in accordance with the respective rules and operating procedures of the Clearing System Participants through which they hold their Bonds. The Issuer and the Agent will have no responsibility for the proper performance by the Clearing System or the Clearing System Participants of their obligations under their respective rules and operating procedures.

A Bondholder must rely on the procedures of the Clearing System to receive payments under the Bonds. The Issuer will have no responsibility or liability for the records relating to, or payments made in respect of, the Bonds within the Clearing System.

2.25 The Agent is not required to segregate amounts received by it in respect of Bonds cleared through the Clearing System

The Conditions of the Bonds and the Agency Agreement provide that the Agent will debit the relevant account of the Issuer and use such funds to make payment to the Bondholders. The Agency Agreement provides that the Agent will, simultaneously with the receipt by it of the relevant amounts, pay to the Bondholders, directly or through the NBB, any amounts due in respect of the relevant Bonds. However, the Agent is not required to segregate any such amounts received by it in respect of the Bonds. The Conditions provide that the payment obligations of the Issuer will be discharged by payment to the Clearing System in respect of each amount so paid.

2.26 The Issuer, the Agent and the Lead Manager may engage in transactions adversely affecting the interests of the Bondholders

The Agent might have conflicts of interests which could have an adverse effect on the interests of the Bondholders. Potential investors should be aware that the Issuer is involved in a general business relationship or/and in specific transactions with the Lead Manager and the Agent and that they might have conflicts of interests which could have an adverse effect to the interests of the Bondholders. Potential investors should also be aware that the Agent may hold from time to time debt securities, shares or/and other financial instruments of the Issuer.

Within the framework of normal business relationship with its banks, the Issuer, any Subsidiary, the Joint Venture or any other joint venture the Issuer or any of its Subsidiaries may from time to time enter into has entered or may enter into loans and other facilities with the Lead Manager and the Agent (or some of its affiliates) (via bilateral transactions or/and syndicated loans together with other banks). The terms and conditions of these debt financings may differ from the terms and conditions of the proposed Bonds and certain of the terms and conditions of such debt financings could be stricter or more extensive than the terms and conditions of the proposed Bonds. In addition, as part of these debt financings, the lenders may have the benefit of guarantees, whereas the Bondholders will not have the benefit from similar guarantees. This results in the Bondholders being subordinated to the lenders under such debt financings. As a consequence the Agent may have interests that are different than and/or adverse to the interests of the Bondholders during the term of the Bonds. Such diverging

interests may manifest themselves, for example, in case of an event of default under those facility agreements before the maturity of the Bonds or in case of a mandatory early repayment and may have a negative impact on the repayment capacity of the Issuer. The Lead Manager has, in its capacity of lender, no obligation to take into account the interests of the Bondholders when exercising its rights as lender under those facility agreements.

The Bondholders should be aware of the fact that the Agent, when it acts as lender to the Issuer or another company within the Group (or when they act in any other capacity whatsoever), have no fiduciary duties or other duties of any nature whatsoever vis-à-vis the Bondholders and that it is under no obligation to take into account the interests of the Bondholders.

The Agent and its affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with the Issuer or its affiliates. They have received, or may in the future receive, customary fees and commissions for these transactions. In addition, in the ordinary course of their business activities, the Agent and its affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or its affiliates. The Agent and its affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

2.27 Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) Bonds are legal investments for it, (ii) Bonds can be used as collateral for various types of borrowing, and (iii) other restrictions apply to its purchase or pledge of any Bonds. The investors should consult their legal advisers to determine the appropriate treatment of Bonds under any applicable risk-based capital or similar rules.

2.28 Financing of purchase of the Bonds

If an investor obtains financing to purchase the Bonds and an Event of Default occurs with respect to the Bonds or the price at which the Bonds decreases significantly, then the Bondholder-investor will possibly not only be confronted with a loss on its investment, but it will also be required to repay the loan obtained by it as well as the interest in respect of such a loan. Such a credit facility can therefore lead to a significant increase in the loss on the investment for the investor. Potential investors in the Bonds should therefore not assume that they will be in a position to repay a loan (principal as well as interests on the loan) solely based on a transaction involving the Bonds. On the contrary, potential investors must make a careful assessment of their financial situation and in particular assess whether they would be capable to pay interest and to repay the loans and they must also take into account that they will possibly incur a loss instead of a gain in respect of their investment in the Bonds.

2.29 The Agent does not assume any fiduciary duties or other obligations to the Bondholders and, in particular, is not obliged to make determinations which protect their interests

KBC Bank NV will act as the Issuer's domiciliary, calculation, paying and listing agent (the **Agent**). In its capacity as Agent, it will act in accordance with the Conditions of the Bonds in good faith and endeavour at all times to make its determinations in a commercially reasonable manner. However,

Bondholders should be aware that the Agent does not assume any fiduciary or other obligations to the Bondholders and, in particular, is not obliged to make determinations which protect or further the interests of the Bondholders.

The Agent may rely on any information that is reasonably believed by it to be genuine and to have been originated by the proper parties. The Agent shall not be liable for the consequences to any person (including Bondholders) of any errors or omissions in (i) the calculation by the Agent of any amount due in respect of the Bonds or (ii) any determination made by the Agent in relation to the Bonds or interests, in each case in the absence of bad faith or wilful default. Without prejudice to the generality of the foregoing, the Agent shall not be liable for the consequences to any person (including Bondholders) of any such errors or omissions arising as a result of (i) any information provided to the Agent proving to have been incorrect or incomplete or (ii) any relevant information not being provided to the Agent on a timely basis.

2.30 Insolvency laws

The Issuer is subject to applicable Belgian or other countries' bankruptcy and insolvency laws. The application of these bankruptcy and insolvency laws may substantially affect the Bondholders' claims to obtain repayment in full of the Bonds, e.g. through a suspension of payments, a stay on enforcement measures or an order providing for partial repayment of the Bonds only. At the date of the Prospectus, certain Subsidiaries of the Issuer have their statutory seat outside Belgium (in the Netherlands, Luxembourg, Germany, the Czech Republic, Romania, Latvia, Estonia, Poland, Slovakia, Spain and Hungary).

2.31 Risk of withdrawal or cancellation of the Public Offer / issue of a lower amount than the expected minimum amount

As from the date of this Prospectus and at any time prior to the Issue Date of the Bonds, the Public Offer may be wholly or partially retracted or cancelled in accordance with the provisions of the Placement Agreement. In this case, investors who paid the Issue Price for the Bonds prior to the notification of retraction or cancellation of the offer shall receive the total amounts of funds already paid by them as Issue Price for the Bonds. However, such investor may not receive the interest on such amount they otherwise could have earned if they had not paid the Issue Price for the Bonds. Investors should also note that the Issuer with the consent of the Manager may decide to issue a lower amount than the expected minimum amount. In such case, a supplement to the Prospectus will be published (and investors will have a withdrawal right as described in this Prospectus). If Bonds are issued for a lower amount than the expected minimum amount, the Issuer may need to obtain additional financing in relation to the projects mentioned in the use of proceeds.

PART III: DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus shall be read and construed in conjunction with the annual report and audited financial statements of the Issuer for the years ended 31 December 2015 and 31 December 2014 (statutory in accordance with Belgian GAAP as well as consolidated in accordance with IFRS), together with the audit reports thereon and the half year results 2016 and 2015, together with the report relating to the limited review of the 2016 and 2015 half year results, which have been previously published or are published simultaneously with this Prospectus and which have been filed with the FSMA. Such documents shall be incorporated in, and form part of this Prospectus, save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus.

Copies of documents incorporated by reference in this Prospectus may be obtained (without charge) from the registered offices of the Issuer or on the website of the Issuer in the section for investors (www.vgpparks.eu).

The Issuer confirms that it has obtained the approval from the Auditor to incorporate by reference in this Prospectus the Auditor's reports for the financial years ended 31 December 2015 and 31 December 2014, as well as the report relating to the limited review of the 2016 and 2015 half year results.

Any information not listed in the cross reference list but included in the documents incorporated by reference is given for information purposes only.

Annual audit report and audited statutory IFRS consolidated accounts of the Issuer, audit report and explanatory notes of the Issuer for the financial year ended 31 December 2014

VGP NV Consolidated Annual Accounts 2014 (IFRS)	
Statutory balance sheet	Page 74
Statutory income statement	Page 72
Explanatory notes	Page 77-111
Statutory Auditor's report on the consolidated annual accounts 2014	Page 114

Annual audit report and audited statutory IFRS consolidated accounts of the Issuer, audit report and explanatory notes of the Issuer for the financial year ended 31 December 2015

VGP NV Consolidated Annual Accounts 2015 (IFRS)	
Statutory balance sheet	Page 84
Statutory income statement	Page 82
Explanatory notes	Page 87-122
Statutory Auditor's report on the consolidated annual accounts 2015	Page 125

Annual audit report and audited statutory Belgian GAAP accounts of the Issuer, audit report and explanatory notes of the Issuer for the financial year ended 31 December 2014

VGP NV Annual Accounts 2014 (Belgian GAAP)	
Statutory balance sheet	Page 20-21
Statutory income statement	Page 22-23
Explanatory notes	Page 25-68
Statutory Auditor's report on the annual accounts 2014	Page 1-3

Annual audit report and audited statutory Belgian GAAP accounts of the Issuer, audit report and explanatory notes of the Issuer for the financial year ended 31 December 2015

VGP NV Annual Accounts 2015 (Belgian GAAP)	
Statutory balance sheet	Page 24-25
Statutory income statement	Page 26-27
Explanatory notes	Page 29-56
Statutory Auditor's report on the annual accounts 2015	Page 1-3

VGP NV Half year results 2015	
Half year results 2015	Page 1-7
Condensed consolidated interim financial accounts	Page 8-23
Auditor's report regarding limited review of the Issuer's half year results 2015	Page 24

VGP NV Half year results 2016	
Half year results 2016	Page 1-7
Condensed consolidated interim financial accounts	Page 8-26
Auditor's report regarding limited review of the Issuer's half year results 2016	Page 27

The terms on financial performance related information used in this Prospectus shall have the same meaning as in the Annual Report 2015 of VGP and are in accordance with the ESMA guidelines on Alternative Performance Measures.

The Compliance Certificates of the 2017 Bond and the 2018 Bond are published on the Issuer's website.

PART IV: TERMS AND CONDITIONS OF THE BONDS

The following is the text of the Conditions of the Bonds save for the paragraphs in italics that shall be read as complementary information.

The issue of the 3.90 per cent. fixed rate Bonds due 21 September 2023, for an expected aggregate amount of minimum EUR 150 million and a maximum aggregate amount of EUR 225 million (the **Bonds**) was authorised by a resolution of the Board of Directors of VGP NV, a limited liability company (*naamloze vennootschap / société anonyme*) organised and existing under the laws of Belgium, having its registered office at Spinnerijstraat 12, 9240 Zele, Belgium, registered with the Crossroads Bank for Enterprises under number 0887.216.042, *RPR / RPM* Dendermonde (the **Issuer**), passed on 5 September 2016. The Bonds are issued subject to and with the benefit of a domiciliary agency agreement dated 6 September 2016 entered into between the Issuer and KBC Bank NV acting as domiciliary and paying agent (the **Agent**, which expression includes any successor as Agent under the Agency Agreement) (such agreement as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**). The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement and the Clearing Agreement. The Agency Agreement contains, amongst other things, provisions dealing with the appointment, changes in Agents and the respective obligations and duties of the Issuer and the Agent in respect of (i) the issue, payment and delivery of the Bonds; (ii) the payment of principal and interest on the Bonds; (iii) the redemption of the Bonds; (iv) the calculation of the Put Redemption Amount; and (v) the application for the listing of the Bonds. The Agency Agreement also contains detailed provisions in relation to the meetings of Bondholders, which are set out in full in Schedule 1 to the Conditions. Summaries of the provisions of the Agency Agreement and of the Clearing Agreement that are relevant to the Bondholders are reflected in the Prospectus. Copies of the Agency Agreement and the Clearing Agreement are available for inspection during normal business hours at the specified office of the Agent. The specified office of the Agent is at Havenlaan 2, 1080 Brussels, Belgium. The Bondholders are bound by, and deemed to have notice of, all the provisions of the Agency Agreement applicable to them.

References herein to **Conditions** are, unless the context otherwise requires, to the numbered paragraphs below.

The capitalized terms used in this *Part IV: Terms and Conditions* are defined in *Part XIV: Definitions* of this Prospectus. As a consequence *Part XIV: Definitions* should be read together with the Conditions and form together with the Conditions an integral part of this *Part IV: Terms and Conditions* for any and all purposes. A reference to the Conditions shall include a reference to *Part XIV: Definitions* and vice versa.

1 Form, Denomination and Title

The Bonds are issued in dematerialised form in accordance with article 468 et seq. of the Belgian Company Code (*Wetboek van vennootschappen / Code des sociétés*) and cannot be physically delivered. The Bonds will be exclusively represented by book entry in the records of the clearing system operated by the National Bank of Belgium (the **NBB**) or any successor thereto (the **Clearing System**). The Bonds can be held by their holders through Participants in the Clearing System, including Euroclear and Clearstream, Luxembourg and through other financial intermediaries which in turn hold the Bonds through Euroclear and Clearstream, Luxembourg, or other Participants in the Clearing System. The Bonds are accepted for clearance through the Clearing System, and are accordingly subject to the applicable Belgian clearing regulations, including the Belgian law of 6 August 1993 on transactions in certain securities, its implementing Belgian Royal Decrees of 26 May 1994 and 14 June 1994 and the rules of the Clearing System and its annexes, as issued or modified by the NBB from time

to time (the laws, decrees and rules mentioned in this Condition being referred to herein as the **Clearing System Regulations**). Title to the Bonds will pass by account transfer. The Bonds may not be exchanged for bonds in bearer form.

If at any time the Bonds are transferred to another clearing system, not operated or not exclusively operated by the NBB, these provisions shall apply *mutatis mutandis* to such successor clearing system and successor clearing system operator or any additional clearing system and additional clearing system operator (any such clearing system, an **Alternative Clearing System**).

Bondholders are entitled to exercise the rights they have, including voting rights, making requests, giving consents, and other associative rights (as defined for the purposes of article 474 of the Belgian Company Code) upon submission of an affidavit drawn up by the NBB, Euroclear, Clearstream, Luxembourg or any other participant duly licensed in Belgium to keep dematerialised securities accounts showing such holder's position in the Bonds (or the position held by the financial institution through which such holder's Bonds are held with the NBB, Euroclear, Clearstream, Luxembourg or such other participant, in which case an affidavit drawn up by that financial institution will also be required).

The Bonds are in principal amounts of EUR 1,000 each (the **Specified Denomination**).

2 Status of the Bonds

The Bonds constitute direct, unconditional, unsubordinated and (subject to Condition 3 (*Negative Pledge*)) unsecured obligations of the Issuer and rank and will at all times rank *pari passu* and rateably, without any preference among themselves, and equally with all other existing and future unsecured and unsubordinated obligations of the Issuer, save for such obligations that may be preferred by provisions of law that are both mandatory and of general application.

3 Negative Pledge

3.1 So long as any Bond remains outstanding, the Issuer:

- (a) will not create or permit to subsist any Security upon the whole or any part of its undertaking, assets or revenues present or future to secure any Financial Indebtedness of the Issuer or a Subsidiary or any other person or to secure any Personal Security, guarantee of or indemnity in respect of any Financial Indebtedness of the Issuer or a Subsidiary or any other person;
- (b) will procure that no Subsidiary creates or permits to subsist any Security upon the whole or any part of its undertaking, assets or revenues present or future to secure any Financial Indebtedness of the Issuer or a Subsidiary or any other person or to secure any Personal Security, guarantee of or indemnity in respect of a Financial Indebtedness of the Issuer or a Subsidiary or any other person;
- (c) will not give any Personal Security, guarantee of or indemnity in respect of any of the Financial Indebtedness of a member of the Group or any other person; and
- (d) will procure that no Subsidiary gives any Personal Security, guarantee of or indemnity in respect of any of the Financial Indebtedness of the Issuer or a member of the Group or any other person;

unless, other than with respect to (c) above where there will be no exception to the negative pledge undertaking contained in such paragraph (c) except as set forth in Condition 3.3 below, at the same time or prior thereto, the Issuer's obligations under the Bonds (i) are secured equally and rateably

therewith or benefit from a Personal Security, guarantee or indemnity in substantially identical terms thereto, as the case may be, or (ii) have the benefit of such other security, guarantee, indemnity or other arrangement as shall be approved by a general meeting of the Bondholders in accordance with Condition 13 (*Meeting of Bondholders, Modification and Waiver*).

3.2 The Issuer shall be deemed to have satisfied the obligation under (i) above if the benefit of such Security, Personal Security, guarantee or indemnity is equally granted to an agent or trustee on behalf of the creditors of the relevant Financial Indebtedness (provided that the Bonds are also secured by such Security, Personal Security, guarantee or indemnity and on the understanding that any creation, change, release or exercise of the Security, Personal Security, guarantee or indemnity, as the case may be, can only be decided by such agent, the creditors and/or a majority of the creditors of the relevant Financial Indebtedness) or through any other structure which is customary in the debt capital markets (whether by way of supplement, guarantee agreement, deed, intercreditor agreement or otherwise). In particular, but without limitation, such Security, Personal Security, guarantee or indemnity can be granted in accordance with, and each Bondholder agrees with the provisions set forth in, Condition 15 (*Security*).

3.3 The prohibition contained in this Condition 3 (*Negative Pledge*) does not apply to

- (a) Security existing prior to any entity becoming a Subsidiary (provided that such Security was not created or assumed in contemplation of such company or other entity becoming a Subsidiary of the Issuer and that the principal amount of such Financial Indebtedness is not subsequently increased);
- (b) Security arising by operation of law in the ordinary course of business of the Issuer or a Subsidiary and not resulting of any default or omission of the Issuer or a Subsidiary;
- (c) Personal Security given by the Issuer to guarantee (i) the Financial Indebtedness of a Subsidiary incurred in order to finance Project Land or Project Buildings of such relevant Subsidiary or (ii) the performance of Projects by a Subsidiary including the payment of any indemnities or penalties under performance guarantees in relation to Projects of such Subsidiary;
- (d) Personal Security given by a Subsidiary in respect of a Financial Indebtedness of another Subsidiary; or
- (e) Security granted by a Subsidiary to secure its own Financial Indebtedness incurred in order to finance Project Land or Project Buildings of such relevant Subsidiary.

4 Interpretation

A “**person**” includes any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organisation, trust, state or agency of a state (in each case whether or not being a separate legal entity).

A reference to any act, law, statute or any provision of any act, law or statute shall be deemed also to refer to any statutory modification or re-enactment thereof or any statutory instrument, order or regulation made thereunder or under such modification or re-enactment.

5 Interest

5.1 Interest Rate and Interest Payment Dates

Subject to an increase as described in Condition 6.2(c), each Bond bears interest from (and including) the Issue Date at the rate of 3.90 per cent. per annum (the **Interest Rate**) calculated by reference to its Specified Denomination and such interest amount is payable annually in arrears on 21 September of each year (each an **Interest Payment Date**), commencing with the Interest Payment Date falling on 21 September 2017.

When interest is required to be calculated in respect of any period which is shorter than an Interest Period, it shall be calculated by multiplying the product of the Interest Rate and the Specified Denomination with (i) the actual number of days in the relevant period from (and including) the first day of such period to (but excluding) the date on which it falls due divided by (ii) the actual number of days from (and including) the immediately preceding Interest Payment Date (or, if none, the Issue Date) to (but excluding) the next following Interest Payment Date.

5.2 Accrual of Interest

Each Bond will cease to bear interest from and including its due date for redemption or repayment thereof unless payment of principal is improperly withheld or refused or unless default is otherwise made in respect of payment, in which case interest will continue to accrue at the rate specified in Condition 5.1 (*Interest Rate and Payment Dates*) (both before and after judgment and if necessary to be increased with judicial interest) until the earlier of:

- (i) the day on which all sums due in respect of such Bond up to that day are received by or on behalf of the relevant Bondholder; or
- (ii) the day falling two TARGET Business Days after the Clearing System has received all amounts then due under the Bonds (except to the extent that any subsequent default would exist).

6 Redemption and Purchase

6.1 Redemption at maturity

Unless previously purchased and cancelled or redeemed as herein provided, the Bonds will be redeemed at their principal amount (together with interest accrued to the Maturity Date) on the Maturity Date.

6.2 Redemption at the Option of Bondholders

- (a) Upon a Change of Control

In the event that a Change of Control occurs, then each Bondholder will have the right to require the Issuer to redeem all or any part of its Bonds on the Change of Control Put Date at the Put Redemption Amount.

For the purpose of this Condition, a **Change of Control** shall be deemed to have occurred if (a) any person other than the Reference Shareholders or (b) a group of persons other than the Reference Shareholders, Acting in Concert, gain(s) Control of the Issuer;

whereby:

- (i) **Control** means (A) the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to (i) cast, or control the casting of more than 50 per cent. of the maximum number of votes that might be cast at a general meeting of Shareholders of the Issuer; or, (ii) exercise a decisive influence on the appointment or removal of all or a majority of the directors of the Issuer (including, but not limited to the right to nominate, pursuant to the articles of association or pursuant to agreements known by the Issuer, the majority of the directors of the Issuer); or (iii) exercise a decisive influence on the operating or financial policies of the Issuer with which the directors or other equivalent officers of the Issuer are to comply or (B) the acquisition or the holding of a number of voting rights, even if such number is less than 50 per cent. of the outstanding voting rights in the Issuer, if such acquisition or holding has resulted in a mandatory public offer over the whole of the outstanding shares of the Issuer; and
- (ii) **Acting in Concert** means a group of persons who, pursuant to an agreement or understanding (whether formal or informal), actively co-operate, through the acquisition directly or indirectly of shares in the Issuer by any of them to obtain or consolidate control over the Issuer.

To exercise such right, the relevant Bondholder must complete and deposit with the bank or other financial intermediary through which the Bondholder holds Bonds (the **Financial Intermediary**) for further delivery to the Issuer (with a copy to the specified office of the Agent) a duly completed and signed notice of exercise in the form attached as schedule 2 to the Terms and Conditions of the Bonds (*Part IV of the Prospectus*) (a **Change of Control Put Exercise Notice**), at any time during the Change of Control Put Exercise Period, provided that the Bondholders must check with their Financial Intermediary, as applicable, when such Financial Intermediary would require to receive instructions and Change of Control Put Exercise Notices in order to meet the deadlines for such exercise to be effective. By delivering a Change of Control Put Exercise Notice, the Bondholder shall undertake to hold the Bonds up to the date of effective redemption of the Bonds

Payment in respect of any such Bond shall be made by transfer to a euro account maintained with a bank in a city in which banks have access to the TARGET System as specified by the relevant Bondholder in the relevant Change of Control Put Exercise Notice.

A Change of Control Put Exercise Notice, once delivered, shall be irrevocable and the Issuer shall redeem all Bonds the subject of Change of Control Put Exercise Notices delivered as aforesaid on the Change of Control Put Date.

Bondholders should note that the exercise by any of them of the option set out in this Condition 6.2. will only be effective under Belgian law if, prior to the earliest of (a) the Issuer being notified by the Belgian Financial Services and Markets Authority of a formal filing of a proposed offer to the shareholders of the Issuer or (b) the occurrence of a change of control within the meaning of article 5 of the Belgian Company Code, (i) the Change of Control Resolutions have been approved by the Shareholders of the Issuer in a general meeting and (ii) such resolutions have been filed with the Clerk of the Commercial Court of Brussels (greffe du tribunal de commerce / griffie van de rechtbank van koophandel). Pursuant to Condition 10.8, the Issuer has undertaken to file a copy of the Change of Control Resolutions by the Long Stop Date. If a change of control within the meaning of article 5 of the Belgian Company Code occurs prior to such approval and filing, the Bondholders will not be entitled to exercise the

option set out in this Condition 6.2. There can be no assurance that such approval will be granted at such shareholders' meeting. Reference is however made to the increase of Interest Rate included in Condition 6.2(c).

The Put Redemption Amount applicable in the case of, or following, a Change of Control referred to under Condition 6.2(a), will be equal to the amount which is the lowest of the following two possibilities: (i) 101% of the principal amount of each Bond or (ii) such percentage (higher than 100%) of the principal amount of each Bond, which results in the actuarial yield of an investor between the Issue Date and the date of redemption in accordance with Condition 6.2(a) not being higher than the Interest Rate plus 0.75 points. This reflects a maximum yield of 0.75 points above the yield of the Bonds on the Issue Date up to the Maturity Date in accordance with the "Arrêté Royal du 26 mai 1994 relatif à la perception et à la bonification du précompte mobilier" (Royal decree of 26 May 1994 on the deduction of withholding tax) (the **Royal Decree**). Indeed, it follows from the Royal Decree that, because the Bonds can be traded on N accounts, the actuarial return cannot exceed the actuarial return of the Bonds upon the issue up to the final maturity by more than 0.75 points if investors exercise a right to have the Bonds redeemed early. This to safeguard the exemption of Belgian withholding tax for the Bonds held on X accounts.

(b) Change of Control Notice

Within 5 Business Days following a Change of Control, the Issuer shall give notice thereof to the Bondholders in accordance with Condition 14 (*Notices*) (a **Change of Control Notice**). The Change of Control Notice shall contain a statement informing Bondholders of their entitlement to exercise their rights to require redemption of their Bonds pursuant to Condition 6.2 (*Redemption at the Option of Bondholders*). Such notice shall be irrevocable.

The Change of Control Notice shall also specify:

- (i) to the fullest extent permitted by applicable law, all information material to Bondholders concerning the Change of Control;
- (ii) the last day of the Change of Control Put Exercise Period;
- (iii) the Change of Control Put Date; and
- (iv) the Put Redemption Amount.

The Agent shall not be required to monitor or take any steps to ascertain whether a Change of Control or any event which could lead to a Change of Control has occurred or may occur and will not be responsible or liable to Bondholders or any other person for any loss arising from any failure by it to do so.

(c) Change of Control Resolutions

If by not later than the Long Stop Date:

- (i) the Change of Control Resolutions are not passed, approved or adopted at a general meeting of the Shareholders of the Issuer; or
- (ii) the Change of Control Resolutions have not been duly filed with the Clerk of the Commercial Court of Ghent, division Dendermonde,

then, with effect from the Interest Period starting on the first Interest Payment Date following the Long Stop Date, the then prevailing Interest Rate shall be increased by 0.50 per cent. per

annum until the last day of the Interest Period during which the Change of Control Resolutions were approved by a general meeting of the Shareholders of the Issuer and filed with the Clerk of the Commercial Court of Ghent, division Dendermonde.

6.3 Purchase

Subject to the requirements (if any) of any stock exchange on which the Bonds may be admitted to listing and trading at the relevant time and subject to compliance with applicable laws and regulations, the Issuer or any Subsidiary of the Issuer may at any time purchase any Bonds in the open market or otherwise at any price.

6.4 Cancellation

All Bonds which are redeemed will be cancelled and may not be reissued or resold. Bonds purchased by the Issuer or any of its Subsidiaries may be held, reissued or resold at the option of the Issuer or relevant Subsidiary, or surrendered to the Agent for cancellation.

6.5 Multiple Notices

If more than one notice of redemption is given pursuant to this Condition 6 (*Redemption and Purchase*), the first of such notices to be given shall prevail.

7 Payments

7.1 Principal, Premium and Interest

Without prejudice to article 474 of the Belgian Company Code, all payments of principal, premium or interest in respect of the Bonds shall be made through the Agent and the Clearing System in accordance with the Clearing System Regulations. The payment obligations of the Issuer under the Bonds will be discharged by payment to the Clearing System in respect of each amount so paid.

7.2 Payments

Each payment in respect of the Bonds pursuant to Condition 7.1 (*Principal, Premium and Interest*) will be made by transfer to a euro account maintained by the payee with a bank in a city in which banks have access to the TARGET System.

7.3 Payments subject to fiscal and other applicable laws

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives, without prejudice to the provisions of Condition 8 (*Taxation*). No commission or expenses shall be charged to the Bondholders in respect of such payments.

7.4 Agents, etc.

The Issuer reserves the right under the Agency Agreement at any time, with the prior written approval of the Agent, to vary or terminate the appointment of the Agent and appoint additional or other agents, provided that it will (i) maintain a principal paying agent and (ii) maintain a domiciliary agent and the domiciliary agent will at all times be a Participant in the Clearing System. Notice of any change in Agent or its specified offices will promptly be given by the Issuer to the Bondholders in accordance with Condition 14 (*Notices*).

7.5 No Charges

The Agent shall not make or impose on a Bondholder any charge or commission in relation to any payment in respect of the Bonds.

7.6 Fractions

When making payments to Bondholders, if the relevant payment is not of an amount which is a whole multiple of the smallest unit of the relevant currency in which such payment is to be made, such payment will be rounded down to the nearest unit.

7.7 Non-TARGET Business Days

If any date for payment in respect of the Bonds is not a TARGET Business Day, the Bondholder shall not be entitled to payment until the next following TARGET Business Day, nor to any interest or other sum in respect of such postponed or anticipated payment. For the purpose of calculating the interest amount payable under the Bonds, the Interest Payment Date shall not be adjusted.

8 Taxation

All payments of principal and interest by or on behalf of the Issuer in respect of the Bonds shall be made free and clear of, and without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature (**Taxes**) imposed, levied, collected, withheld or assessed by or on behalf of Belgium, or any political subdivision or any authority therein or thereof having power to tax, unless such withholding or deduction of the Taxes is required by law. In that event the Issuer shall pay such additional amounts as will result in receipt by the Bondholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Bond:

- (a) **Other connection:** to, or to a third party on behalf of, a Bondholder who is liable to such Taxes in respect of such Bond by reason of his having some connection with Belgium other than the mere holding of the Bond; or
- (b) **Non-Eligible Investor:** to a Bondholder, who at the time of issue of the Bonds, was not an eligible investor within the meaning of article 4 of the Belgian Royal Decree of 26 May 1994 on the deduction of withholding tax or to a Bondholder who was such an eligible investor at the time of issue of the Bonds but, for reasons within the Bondholder's control, either ceased to be an eligible investor or, at any relevant time on or after the issue of the Bonds, otherwise failed to meet any other condition for the exemption of Belgian withholding tax pursuant to the law of 6 August 1993 relating to certain securities; or
- (c) **Conversion into registered securities:** to a Bondholder who is liable to such Taxes because the Bonds were upon his/her request converted into registered Bonds and could no longer be cleared through the Clearing System.

Every reference in these Conditions to principal payments and interest contains any additional amounts in respect of principal payments and interest which would be payable pursuant to this Condition 8 (*Taxation*).

9 Events of Default

If any of the following events (each an **Event of Default**) occurs and is continuing then any Bond may, by notice in writing given to the Issuer at its registered office with a copy to the Agent at its specified office by the Bondholder, be declared immediately due and payable whereupon it shall become immediately due and payable at its principal amount together with accrued interest without further formality unless such Event of Default shall have been remedied prior to the receipt of such notice by the Agent:

- (a) **Non-payment:** the Issuer fails to pay the principal of or interest on any of the Bonds when due and such failure continues for a period of 10 Business Days;
- (b) **Breach of ratios:** any of the Consolidated Gearing, the Interest Cover Ratio or the Debt Service Cover Ratio does not comply with the applicable ratios and thresholds as set out in Condition 10;
- (c) **Breach of other covenants, agreements or undertakings:** the failure on the part of the Issuer to observe or perform (i) any provision (other than those referred to under (a) and (b) above) set out in the Conditions, the Agency Agreement or the Clearing Agreement or (ii) any other provision, covenant, agreement, undertaking or obligation relating to the Bonds, which default is incapable of remedy, or if capable of remedy, is not remedied within 10 Business Days after notice of such default has been given to the Issuer by any Bondholder or the Agent;
- (d) **Cross-Default of the Issuer or a Subsidiary:** at any time, (i) any Financial Indebtedness of the Issuer or any Subsidiary is not paid when due or, as the case may be, within any originally applicable grace period; (ii) any Financial Indebtedness of the Issuer or any Subsidiary is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described); (iii) any commitment for any Financial Indebtedness of the Issuer or any Subsidiary is cancelled or suspended by any creditor as a result of an event of default (however described); or (iv) any creditor of the Issuer or any Subsidiary becomes entitled to declare any Financial Indebtedness of the Issuer or any Subsidiary due and payable prior to its specified maturity as a result of an event of default (however described), provided that no Event of Default under this paragraph (d) will occur if the aggregate amount of Financial Indebtedness or commitment for Financial Indebtedness falling within this paragraph (d) (i) through (iv) is less than EUR 20,000 (or its equivalent in any other currency);
- (e) **Enforcement Proceedings:** a distress, attachment, execution or other process is levied or enforced upon or against all or any part of the property, assets or revenues of the Issuer or any Subsidiary and is not discharged or stayed within 30 Business Days after their commencement;
- (f) **Security Enforced:** any Security created or assumed by the Issuer or any of its Subsidiaries in respect of any of its property or assets or any Personal Security granted or assumed by the Issuer or any of its Subsidiaries for an amount at the relevant time of at least EUR 250,000 or its equivalent becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, manager or other similar person);
- (g) **Unsatisfied judgment:** one or more judgment(s) or order(s) for the payment of an amount in excess of EUR 250,000 (or its equivalent in any other currency or currencies, whether individually or in aggregate) is rendered against the Issuer or any of its respective Subsidiaries,

and it is no longer possible for the relevant entity to lodge an appeal or other legal remedy against such judgement(s) or order(s) that would suspend the payment obligation thereunder, and continue(s) unsatisfied and unstayed for a period of 15 Business Days after the date(s) thereof or, if later, the date therein specified for payment;

(h) **Insolvency and insolvency proceedings:**

- (i) the Issuer or any of its Subsidiaries becomes insolvent or bankrupt (*est déclaré en faillite / wordt failliet verklaard*) or is unable to pay its debts as they fall due;
- (ii) the Issuer or any Subsidiary initiates a bankruptcy proceeding or another insolvency proceeding (or such proceedings are initiated against the Issuer or any Subsidiary), under applicable Belgian or foreign bankruptcy laws, insolvency laws or similar laws (including the Belgian Law of 8 August 1997 on bankruptcy proceedings and the Belgian Law of 31 January 2009 regarding judicial reorganisation),
- (iii) a petition has been filed with a court for the bankruptcy, impending insolvency, a protection period, moratorium or settlement or reorganisation or any other insolvency petition has been filed in respect thereof, provided that no Event of Default under this paragraph will occur if the Issuer or the relevant Subsidiary (acting reasonably and in good faith) promptly disputes any such petition, proceedings or actions before a court as being unsubstantiated or vexatious and the proceedings initiated on the basis of such petition are dismissed within 45 days after their commencement,
- (iv) the Issuer or any Subsidiary are declared bankrupt by a competent court or if a bankruptcy trustee, liquidator, administrator (or any similar official under any applicable law) is appointed with respect to the Issuer or any Subsidiary, or a bankruptcy trustee, liquidator, administrator (or any similar official under any applicable law) takes possession of all or a substantial part of the assets of the Issuer or any Subsidiary,
- (v) the Issuer or any Subsidiary stops, suspends or announces its intention to stop or suspend payment of all, or a material part of (or a particular type of) its debts; or
- (vi) the Issuer or any of its Subsidiaries (in each case by reason of actual or anticipated financial difficulties) commences negotiations with one or more of its creditors with the view of deferring, rescheduling or otherwise readjusting any of its debts or makes any agreement for the deferral, rescheduling or other readjustment of all of (or all of a particular type) its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any such debts or a moratorium is declared or comes into effect in respect of all or any part of (or of a particular type of) the debts of the Issuer or any of Subsidiary (including judicial reorganisation (*gerechtelijke reorganisatie / réorganisation judiciaire*), as applicable);

- (i) **Reorganisation, change of or transfer of business or transfer of assets:** (a) a material change of the nature of the activities of the Issuer or the Group, as compared to the activities as these are carried out on the Issue Date, occurs or (b) a reorganisation or transfer of the assets of the Issuer or the Group occurs resulting in (i) a material change of the nature of the activities of the Issuer or the Group or (ii) a transfer of all or substantially all of the assets of the Issuer or

the Group, whereby (ii) will not give rise to an Event of Default if the proceeds from such transfer of assets are reinvested by the Issuer or the relevant member of the Group in line with the current business model of the Group or are used to repay existing Financial Indebtedness, or (c) the Issuer or the Group (taken as a whole) ceases to carry on all or substantially all of its business, other than for (a), (b) and (c) on terms approved by the general meeting of Bondholders.

- (j) **Winding-Up:** a court order or an effective resolution passed for the winding-up or the liquidation of the Issuer or any of its Subsidiaries (except for (in the case of any of the Subsidiaries) a solvent winding-up or liquidation procedure), or the Issuer or any of its Subsidiaries ceases or threatens to cease to carry on all or substantially all of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation on a solvent basis;
- (k) **Failure to take action:** any action, condition or thing at any time required to be taken, fulfilled or done in order:
 - (i) to enable the Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under and in respect of the Bonds;
 - (ii) to ensure that those obligations are legal, valid, binding and enforceable; or
 - (iii) to make the Bonds admissible in evidence in the courts of Belgium,is not taken, fulfilled or done;
- (l) **Unlawfulness:** it is or becomes unlawful for the Issuer to perform or comply with its obligations under or in respect of the Bonds;
- (m) **Delisting of the Bonds:** the listing of the Bonds on the regulated market of Euronext Brussels is withdrawn or suspended for a period of at least 7 subsequent Business Days as a result of a failure of the Issuer, unless the Issuer obtains the listing of the Bonds on another regulated market of the European Union at the latest on the last day of this period of 7 Business Days.

10 Undertakings

10.1 Consolidated Gearing

The Issuer shall, as long as any Bond remains outstanding, ensure that the Consolidated Gearing on each testing date is equal to or below 65 per cent.

10.2 Interest Cover Ratio

- (a) The Issuer shall, as long as any Bond remains outstanding, ensure that the Interest Cover Ratio on each testing date shall be equal to or shall exceed 1.2.
- (b) For the avoidance of doubt, the Interest Cover Ratio will not be considered to be breached on a testing date, if in relation to the Annual Relevant Period immediately preceding such testing date the Finance Charges are negative or equal to zero.

10.3 Debt Service Cover Ratio

- (a) The Issuer shall, as long as any Bond remains outstanding, ensure that the Debt Service Cover Ratio on each testing date shall be equal to or shall exceed 1.2.

- (b) For the avoidance of doubt, the Debt Service Cover Ratio will not be considered to be breached on a testing date, if in relation to the Annual Relevant Period immediately preceding such testing date the Net Debt Service is negative or equal to zero.

10.4 Financial testing

The Consolidated Gearing, the Interest Cover Ratio and the Debt Service Cover Ratio shall be calculated and tested semi-annually on a rolling annual basis in relation to the relevant Annual Relevant Period as at the last day of each calendar half-year, for the first time as of 31 December 2016.

10.5 Representation by the Issuer

The Issuer represents and confirms that as of 30 June 2016 the Consolidated Gearing, the Interest Cover Ratio or the Debt Service Cover Ratio comply with the applicable ratios and thresholds as set out in Conditions 10.1 through 10.3.

10.6 Domiciliation of the Issuer

The Issuer will procure that the Issuer shall not become domiciled or resident in or subject generally to the taxing authority of any jurisdiction other than Belgium.

10.7 Listing of the Bonds on a regulated market

Upon the Bonds becoming listed on the regulated market of Euronext Brussels on or prior to the Issue Date, the Issuer undertakes to furnish to the relevant stock exchange all documents, information and undertakings and publish all advertisement or other material that may be necessary in order to effect and maintain such listing, and to cause such listing to be continued so long as any of the Bonds remain outstanding. If the Bonds are not or cease to be listed on Euronext Brussels, the Issuer undertakes to ensure admission of the Bonds to trading on another regulated market in the European Union.

10.8 Change of Control Resolutions

The Issuer undertakes to (i) use its best endeavours to procure that the Change of Control Resolutions be passed at the general meeting of Shareholders of the Issuer scheduled to be held prior to the Long Stop Date and (ii) file a copy of the resolutions as aforesaid promptly thereafter with the Clerk of the Commercial Court of Ghent, division Dendermonde (*greffe du tribunal de commerce / griffie van de rechtbank van koophandel*) by the Long Stop Date.

11 Compliance Certificate

On the date falling no later than (i) 120 days after the end of each of its financial years, starting from the financial year 2016 or on the date of the publication of its financial statements for the relevant financial year, starting from the financial year 2016, whichever is earlier and (ii) 60 days after the end of the first half of each of its financial years, starting from the financial year 2017, the Issuer shall publish on its website a copy of the Compliance Certificate and a statement that indicates whether the applicable ratios set out in Condition 10 have or have not been breached.

For the purpose hereof, **Compliance Certificate** means a certificate from the Issuer, signed by two directors of the Issuer (one of which must be its executive director) or alternatively by the executive director and the chief financial officer and approved by the Auditors, setting out in detail computations, indicating and confirming whether the Consolidated Gearing, the Interest Cover Ratio and the Debt Service Cover Ratio comply with the applicable ratios and thresholds as set out in

Condition 10, as at the date of the relevant financial statements to which such Compliance Certificate relates.

12 Prescription

Claims against the Issuer for payment in respect of the Bonds shall be prescribed and become void unless made within 10 years (in the case of principal) or 5 years (in the case of interest) from the appropriate Relevant Date in respect of such payment.

Claims in respect of any other amounts payable in respect of the Bonds shall be prescribed and become void unless made within 10 years following the due date for payment thereof.

13 Meeting of Bondholders, Modification and Waiver

13.1 Meetings of Bondholders

The Agency Agreement contains provisions for convening meetings of Bondholders to consider matters affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions.

All meetings of Bondholders will be held in accordance with the Belgian Company Code with respect to bondholders' meetings; provided however that the Issuer shall, at its own expense, promptly convene a meeting of Bondholders upon the request in writing of Bondholders holding not less than one-tenth of the aggregate principal amount of the outstanding Bonds. Subject to the quorum and majority requirements set out in article 574 of the Belgian Company Code, and if required thereunder subject to validation by the court of appeal, the meeting of Bondholders shall be entitled to exercise the powers set out in article 568 of the Belgian Company Code and, upon proposal of the Board of Directors, to modify or waive any provision of these Conditions, provided however that the following matters may only be sanctioned by an Extraordinary Resolution passed at a meeting of Bondholders at which two or more persons holding or representing not less than three-quarters or, at any adjourned meeting, one quarter of the aggregate principal amount of the outstanding Bonds form a quorum: (i) proposal to change any date fixed for payment of principal or interest in respect of the Bonds, to reduce the amount of principal or interest payable on any date in respect of the Bonds or to alter the method of calculating the amount of any payment in respect of the Bonds on redemption or maturity or the date for any such payment; (ii) proposal to effect the exchange, conversion or substitution of the Bonds for, or the conversion of the Bonds into, shares, bonds or other obligations or securities of the Issuer or any other person or body corporate formed or to be formed; (iii) proposal to change the currency in which amounts due in respect of the Bonds are payable; (iv) proposal to change the quorum required at any meeting of Bondholders or the majority required to pass an Extraordinary Resolution.

Convening notices for meetings of Bondholders shall be made in accordance with article 570 of the Belgian Company Code, which currently requires an announcement to be published not less than fifteen days prior to the meeting in the Belgian Official Gazette (*Moniteur Belge / Belgisch Staatsblad*) and in a newspaper of national distribution in Belgium. Convening notices shall also be made in accordance with Condition 14 (*Notices*).

Resolutions duly passed in accordance with these provisions shall be binding on all Bondholders, whether or not they are present at the meeting and whether or not they vote in favour of such a resolution.

The Agency Agreement provides that a resolution in writing signed by or on behalf of all Bondholders shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Bondholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Bondholders.

13.2 Modification and Waiver

The Agent may agree, without the consent of the Bondholders, to any modification of the provisions of the Agency Agreement or any agreement supplemental to the Agency Agreement either (i) which in the Agent's opinion is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of law, and (ii) any other modification to the provisions of the Agency Agreement or any agreement supplemental to the Agency Agreement, which is, in the opinion of the Agent, not materially prejudicial to the interests of the Bondholders. In addition, the Issuer shall only permit any waiver or authorisation of any breach or proposed breach of or any failure to comply with, the Agency Agreement, if to do so could not reasonably be expected to be prejudicial to the interests of the Bondholders.

13.3 Meetings of Shareholders and Right to Information

The Bondholders shall be entitled to attend all general meetings of Shareholders of the Issuer, in accordance with article 537 of the Belgian Company Code, and they shall be entitled to receive or examine any documents that are to be remitted or disclosed to them in accordance with the Belgian Company Code. The Bondholders who attend any general meeting of shareholders shall be entitled only to a consultative vote.

14 Notices

Notices to the Bondholders shall be valid (i) if delivered by or on behalf of the Issuer to the Clearing System for communication by it to the Clearing System Participants and (ii) if published on the website of the Issuer (on the Issue Date: www.vgpparks.eu), and (iii) if published through the usual newswires agency (or any of the usual newswires agencies) used by the Issuer to discharge its ongoing information duties pursuant to the Royal Decree of 14 November 2007. Any such notice shall be deemed to have been given on the latest day of (i) seven days after its delivery to the Clearing System and (ii) the date of first publication. The Issuer shall bear all fees, costs and expenses in relation to the drafting, delivery and publication of such notices.

The Issuer shall also ensure that all notices are duly published in a manner which complies with the rules and regulations of any stock exchange or other relevant authority on which the Bonds are for the time being listed. Any such notice shall be deemed to have been given on the date of such publication or, if required to be published in more than one newspaper or in more than one manner, on the date of the first such publication in all the required newspapers or in each required manner.

In addition to the above communications and publications, with respect to notices for a meeting of Bondholders, any convening notice for such meeting shall be made in accordance with article 570 of the Belgian Company Code, which currently requires an announcement to be inserted at least fifteen days prior to the meeting, in the Belgian Official Gazette (*Moniteur belge / Belgisch Staatsblad*) and in a newspaper with national coverage in Belgium. Resolutions to be submitted to the meeting must be described in the convening notice.

15 Security

If pursuant to Condition 3 (*Negative Pledge*) any Security, Personal Security, guarantee or indemnity would be provided or granted in connection with the Bonds, then each Bondholder shall be deemed to have agreed with each of the following:

- (a) The relevant Security, Personal Security, guarantee or indemnity may be provided or granted to a security agent appointed in the context of the relevant Financial Indebtedness (the **Security Agent**) on the basis of the Parallel Debt or in any other manner that is customary or prescribed by law.
- (b) Each Bondholder hereby grants a power to any Security Agent to enter into all documents relating to such Security, Personal Security, guarantee or indemnity (the **Security Documents**) (as well as any communication thereunder or any intercreditor agreement or other agreement or document related thereto) and to hold this, or to be the beneficiary thereof, for the account of the Bondholders and the creditors of the relevant Financial Indebtedness (the **Relevant Creditors**).
- (c) Provided that the equal and *pari passu* sharing of such Security, Personal Security, guarantee or indemnity (i.e. the proceeds of any enforcement of the Security, Personal Security, guarantee or indemnity are shared *pro rata* among the different liabilities secured by the Security, Personal Security, guarantee or indemnity) is not prejudiced, the provider of the Security, Personal Security, guarantee or indemnity and the Relevant Creditors may agree on, or amend, the terms and conditions of the relevant Security Document or any other agreement related thereto (including, without limitation, any intercreditor agreement). The Security Document or, if applicable, any intercreditor agreement, can provide that in certain circumstances the Security, Personal Security, guarantee or indemnity can only be enforced by the Security Agent, at its own initiative or acting upon the instructions of the Relevant Creditors or a majority thereof (as defined in the relevant finance document or, if the Relevant Creditors would agree with this at the time of the creation of the Security, Personal Security, guarantee or indemnity or the entry into the intercreditor agreement (if any), upon the instruction of the general meeting of the Bondholders (decided with absolute majority).
- (d) The Security Agent is authorised to release the Security, Personal Security, guarantee or indemnity in accordance with the applicable provisions set forth in the Security Document, without the express consent or any other intervention of the Bondholders. In particular, the Security Agent may release the relevant Security, Personal Security, guarantee or indemnity upon full discharge of the relevant Financial Indebtedness of the Relevant Creditors or in all other circumstances the Relevant Creditors may agree with the security provider (regardless of whether the obligations under the Bonds remain outstanding).
- (e) The Security Agent cannot be held liable for the holding of a Security or for being the beneficiary of a Personal Security, guarantee or indemnity, the release or the execution thereof or for (not) taking any action with respect to a Security Document or the relevant Security, Personal Security, guarantee or indemnity, except in case of fraud or willful misconduct.
- (f) Parallel Debt
To the extent that any debt of the Issuer or any of its Subsidiaries (including any debt under the Bonds) is guaranteed by any Security, Personal Security, guarantee or indemnity that also secures the Bonds in accordance with these terms and conditions (together, the **Corresponding Debt**), the Issuer and its relevant Subsidiaries shall pay to the Security Agent an amount equal to the amount of the Corresponding Debt provided that any amounts are outstanding under the Corresponding Debt (the **Parallel Debt**).

The Parallel Debt is a separate debt independent from the Corresponding Debt, except that in case of a payment under the Corresponding Debt or the Parallel Debt, as applicable, the Parallel Debt or the

Corresponding Debt will decrease for the same amount (so that at any time the amount under the Corresponding Deb and the Parallel Debt will be equal).

In case the Security Agent receives any payment under the Parallel Debt or as a consequence of the enforcement of any Security, Personal Security, guarantee or indemnity, such amount (after deduction of any costs or taxes) shall be applied in accordance with the provisions of the relevant Security Document (it being understood that the amount that is due to the Bondholders in accordance with the Conditions will only be reduced with the amount the Security Agent would pay to the Bondholders under the Parallel Debt or the enforcement of any Security, Personal Security, guarantee or indemnity).

16 Further Issues

The Issuer may from time to time without the consent of the Bondholders create and issue further notes, bonds or debentures either (i) having the same terms and conditions in all respects as the outstanding notes, bonds or debentures of any series (including the Bonds) or (ii) having the same terms and conditions in all respects except for the first payment of interest on them and so that such further issue shall be consolidated and form a single series with the outstanding notes, bonds or debentures of any series (including the Bonds) or upon such terms as to interest, premium, redemption and otherwise as the Issuer may determine at the time of their issue. The Agency Agreement contains provisions for convening a single meeting of the Bondholders.

17 Governing Law and Jurisdiction

17.1 Governing Law

The Agency Agreement and the Bonds and any non-contractual obligations arising out of or in connection with the Bonds are governed by, and shall be construed in accordance with, Belgian law.

17.2 Jurisdiction

The courts of Brussels, Belgium are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Agency Agreement and the Bonds and accordingly any legal action or proceedings arising out of or in connection with the Agency Agreement or the Bonds may be brought in such courts.

Schedule 1 to the Conditions

Provisions for Meetings of Bondholders

The capitalized terms used in this *Part IV: Terms and Conditions* are defined in *Part XIV: Definitions* of this Prospectus. As a consequence *Part XIV: Definitions* should be read together with the Conditions and form together with the Conditions an integral part of this *Part IV: Terms and Conditions* for any and all purposes. A reference to the Conditions shall include a reference to *Part XIV: Definitions* and vice versa.

1 CALLING OF THE GENERAL MEETING

- (a) The Board of Directors or the Auditors for the time being may at any time convene a meeting of Bondholders. The Issuer shall, at its own expense, promptly convene a meeting of Bondholders upon the request in writing of Bondholders holding not less than 10 per cent. of the aggregate principal amount of the outstanding Bonds.
- (b) At least 15 days' notice (exclusive of the day on which the notice is given and the day on which the general meeting is held) specifying the day, time and place of general meeting shall be given to the Bondholders in the manner provided by Condition 14 (*Notices*). Such notice shall include the agenda of the meeting. The agenda shall state the nature of the business to be transacted at the general meeting thereby convened and specify the terms of any resolution to be proposed. Such notice shall include a statement to the effect that Bonds must be held with or under the control of and blocked by a Recognised Accountholder for the purpose of obtaining Voting Certificates or appointing proxies, until three Business Days before the time fixed for the general meeting but not thereafter.

2 ACCESS TO THE GENERAL MEETING

- (a) Save as expressly provided otherwise herein, no person shall be entitled to attend or vote at any general meeting of the Bondholders unless he produces a Voting Certificate or is a proxy.
- (b) The Issuer (through its respective officers, employees, advisers, agents or other representatives) and its financial and legal advisers shall be entitled to attend and speak at any general meeting of the Bondholders.
- (c) Proxies (as defined below) need not to be Bondholders.
- (d) If foreseen by the articles of association of the Issuer, the Bondholders may participate at the meeting by electronic means in accordance with article 571bis of the Belgian Company Code. In that case, these Bondholders are deemed to be present at the place where the meeting of the Bondholders is held for quorum and majorities purposes.

3 QUORUM AND MAJORITIES

- (a) All meetings of Bondholders will be held in accordance with the Belgian Company Code.
- (b) The quorum at any such meeting convened to consider an Extraordinary Resolution will be two or more persons holding or representing not less than 75 per cent. of the aggregate principal amount of Bonds then outstanding. If within half an hour from the time appointed for such general meeting a quorum is not present, the general meeting shall, if convened upon the requisition of the Bondholders, be dissolved. In any other case, it shall be adjourned for such period being not less than 14 days nor more than 42 days, and at such place as may be

decided by the chairman. At any adjourned meeting after publication of a new convening notice pursuant to Condition 13 (*Meeting of Bondholders, Modification and Waiver*), two or more persons holding or representing not less than 25 per cent. of the aggregate principal amount of Bonds then outstanding shall form the quorum.

- (c) In accordance with article 574 of the Belgian Company Code, no Extraordinary Resolution shall be adopted if not approved by members voting in their own name or as proxy, representing at least 75 per cent. of the amounts of Bonds having participated in the vote. If an Extraordinary Resolution is adopted by Bondholders holding or representing less than one-third of the aggregate principal amount of the Bonds outstanding (whether present or represented at the meeting or not), such Extraordinary Resolution is not binding unless approved by the competent Court of Appeal in the district where the Issuer's registered office is located.
- (d) In accordance with article 574 of the Belgian Company Code, the above quorum and special majority requirements do not apply to Extraordinary Resolutions relating to interim measures taken in the common interest of the Bondholders or to the appointment of a representative of the Bondholders. In such cases, the Extraordinary Resolutions are adopted by Bondholders holding or representing at least a majority of the aggregate principal amount of the Bonds outstanding present or represented at the meeting.
- (e) The matters listed in article 568 of the Belgian Company Code in respect of which an Extraordinary Resolution may be adopted, upon proposal of the Board of Directors, include modifying or suspending the date of maturity of Bonds, postponing any day for payment of interest thereon, reducing the rate of interest applicable in respect of such Bonds, altering the method of calculating the amount of any payment in respect of the Bonds on redemption or maturity or the date for any such payment, deciding urgent interim actions in the common interest of Bondholders, accepting a security in favour of the Bondholders, effecting the exchange, conversion or substitution of the Bonds for, or the conversion of the Bonds into, shares, bonds or other obligations or securities of the Issuer or any other person or body corporate formed or to be formed, changing the currency in which amounts due in respect of the Bonds are payable, changing the quorum required at any meeting of Bondholders or the majority required to pass an Extraordinary Resolution.
- (f) The term Extraordinary Resolution when used herein means a resolution passed at a meeting of Bondholders duly convened in accordance with the provisions contained herein.

4 MANAGEMENT OF THE GENERAL MEETINGS

- (a) The Issuer may appoint a chairman. Failing such choice the Bondholders may appoint a chairman.
- (b) In accordance with article 573 of the Belgian Company Code, the Issuer will make a list of the outstanding Bonds available to the Bondholders at the start of the meeting.
- (c) The chairman may with the consent of (and shall if directed by) any general meeting, adjourn the same from time to time and from place to place but no business shall be transacted at any adjourned general meeting except business which could have been transacted at the general meeting from which the adjournment took place.
- (d) Notice of any adjourned general meeting shall be given in the same manner as for an original general meeting, and such notice shall state the quorum required at the adjourned general

meeting. Subject as aforesaid, it shall not be necessary to give any other notice of an adjourned general meeting.

5 VOTING

- (a) Every question submitted to a general meeting shall be decided in the first instance by a show of hands, then (subject to paragraph 5(b)) by a poll.
- (b) At any general meeting, unless a poll is (before or on the declaration of the result of the show of hands) demanded by the chairman, the Issuer, one or more persons holding Voting Certificates in respect of the Bonds or proxies holding or representing in the aggregate not less than 2 per cent. of the aggregate principal amount of the outstanding Bonds, a declaration by the chairman that a resolution has passed or not passed, shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.
- (c) If at any general meeting a poll is so demanded, it shall be taken in such manner and (subject as hereinafter provided) either at once or after such an adjournment as the chairman directs. The result of such poll shall be deemed to be the resolution of the general meeting at which the poll was demanded as at the date of the taking of the poll. The demand for a poll shall not prevent the continuance of the general meeting for the transaction of any business other than the question on which the poll has been demanded.
- (d) Any poll demanded at any general meeting on the election of a chairman or on any question of adjournment shall be taken at the general meeting without adjournment.
- (e) Any vote given in accordance with the terms of a Block Voting Instruction shall be valid notwithstanding the previous revocation or amendment of the Block Voting Instruction or of any Bondholder's instructions pursuant to which it was executed, provided that no confirmation in writing of such revocation or amendment shall have been received from the Recognised Accountholder by the Issuer at its headquarters (Spinnerijstraat 12, 9240 Zele, Belgium), or such other address as notified to the Bondholders in accordance with the Conditions of the Bonds) by the time being 24 hours before the commencement of the general meeting or adjourned general meeting at which the Block Voting Instruction is intended to be used.

6 BINDING RESOLUTIONS

Any resolution passed at a meeting of the Bondholders duly convened and held in accordance with the Belgian Company Code and the provisions contained herein shall be binding upon all the Bondholders whether or not they are present at the meeting and whether or not they vote in favour of such resolution.

7 RESOLUTIONS IN WRITING

A resolution in writing signed by on or behalf of all Bondholders shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Bondholders duly convened and held in accordance with the provisions herein contained. Such resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Bondholders.

8 MINUTES

Minutes of all resolutions and proceedings at every such general meeting as aforesaid shall be made and duly entered in books to be from time to time provided for that purpose by the Issuer and signed by the chairman, the Bondholders so requesting and the members of the "bureau" if a bureau is formed at the meeting, and any such minutes as aforesaid shall be conclusive evidence of the matters therein contained, and until the contrary is proved each such general meeting in respect of the proceedings of which minutes have been made and signed as aforesaid shall be deemed to have been duly held and convened and all resolutions passed or proceedings transacted thereat to have been duly passed or transacted. An attendance list will be attached to the minutes. Certified copies or extracts of the minutes shall be signed by two directors of the Issuer.

9 VOTING CERTIFICATES AND BLOCK VOTING INSTRUCTIONS

- (a) Voting Certificates and Block Voting Instructions will only be issued in respect of Bonds (to the satisfaction of such Recognised Accountholder) held to the order or under the control and blocked by a Recognised Accountholder not less than three Business Days before the time for which the meeting or the poll to which the same relate has been convened or called and shall be valid for so long as the relevant Bonds continue to be so held and blocked and during the validity thereof the holder of any such Voting Certificate or (as the case may be) the proxies named in any such Block Voting Instruction shall, for all purposes in connection with the relevant meeting of the Bondholders, be deemed to be the holder of the Bonds to which such Voting Certificate or Block Voting Instruction relates and the Recognised Accountholder with which such Bonds have been deposited or to whose order or under whose control they are held or the person holding them blocked as aforesaid shall be deemed for such purpose not to be the holder of those Bonds.
- (b) Each Block Voting Instruction shall be deposited at the registered office of the Issuer not less than three Business Days before the time appointed for holding the general meeting or adjourned general meeting at which the proxies named in the Block Voting Instruction propose to vote and in default of such deposit the Block Voting Instruction shall not be treated as valid unless the chairman of the general meeting decides otherwise before such general meeting or adjourned general meeting proceeds to business.
- (c) articles 578 and 579 of the Belgian Company Code shall apply.

10 COMPLIANCE WITH BELGIAN LAW

Subject to all other provisions contained in this Schedule, the Issuer may prescribe such further regulations regarding the holding of general meetings of Bondholders and attendance and voting thereat as are necessary to comply with Belgian law.

Article 575 of the Belgian Company Code shall apply.

Schedule 2 to the Conditions
Form of Change of Control Put Exercise Notice

Bondholders wishing to exercise the put option following a Change of Control pursuant to Condition 6.2 (Redemption at the Option of Bondholders) will be required to deposit during the Change of Control Put Exercise Period a duly completed and signed Change of Control Put Exercise Notice with the relevant Financial Intermediary.

Such Financial Intermediary is the bank or other financial intermediary, whether in Belgium, Luxembourg or any other jurisdiction, through which the Bondholder holds the Bonds.

When depositing the Change of Control Put Exercise Notice, the Bondholder requests that such Financial Intermediary (i) delivers the Change of Control Put Exercise Notice to the Agent, (ii) liaises with the Agent to organise the early redemption of the relevant Bonds pursuant to Condition 6.2 and (iii) transfers the relevant Bond(s) to the account of the Agent. Any fees and/or costs charged by the Financial Intermediary in relation to the deposit of the Change of Control Put Exercise Notice or the transfer of the relevant Bonds will be borne by the relevant Bondholder.

To: [Details of the Financial Intermediary through which the Bondholder holds the Bonds]

Issuer

VGP NV

Spinnerijstraat 12

B-9240 Zele

Public limited liability company (naamloze vennootschap/société anonyme) under Belgian law

3.90 per cent. fixed rate bonds due 21 September 2023

ISIN: BE0002258276

Common Code: 148397694

(the **Bonds**)

CHANGE OF CONTROL PUT EXERCISE NOTICE

By sending this duly completed Change of Control Put Exercise Notice to the Agent in accordance with Condition 6.2 (*Redemption at the Option of Bondholders*) of the Bonds, the undersigned Bondholder specified below irrevocably exercises its option to have such Bonds redeemed early in accordance with Condition 6.2 on the Change of Control Put Date falling on* The undersigned holder of such Bonds hereby confirms to the Issuer that (i) he/she holds the amount of Bonds specified in this Change of Control Put Exercise Notice and (ii) he/she undertakes not to sell or transfer such Bonds until the Change of Control Put Date specified above.

Aggregate nominal amount of Bonds held:

EUR..... ([amount in figures] Euro)

Bondholder contact details:

Name and first name or Company:

Address:

Telephone number:.....

Payment instructions:

Please make payment in respect of the Bonds redeemed early pursuant to Condition 6.2 by Euro transfer to the following bank account:

Name of Bank:

Branch Address:

Account Number:

* Complete as appropriate.

The undersigned holder of the Bonds confirms that payment in respect of the redeemed Bonds shall be made against debit of his/her securities account number [*account number*] with [*name and address of bank*] for the above-mentioned nominal amount of the Bonds.

All notices and communications relating to this Change of Control Put Exercise Notice should be sent to the address specified above.

Terms used and not otherwise defined in this Change of Control Put Exercise Notice have the meanings given to them in the terms and conditions of the Bonds.

Signature of the holder:

Date:.....

THIS CHANGE OF CONTROL PUT EXERCISE NOTICE WILL NOT BE VALID UNLESS (I) ALL OF THE PARAGRAPHS REQUIRING COMPLETION ARE DULY COMPLETED AND (II) IT IS DULY SIGNED AND DATED AND SENT TO THE RELEVANT FINANCIAL INTERMEDIARY.

BONDHOLDERS ARE ADVISED TO CHECK WITH THE RELEVANT FINANCIAL INTERMEDIARY WHEN SUCH FINANCIAL INTERMEDIARY WOULD REQUIRE TO RECEIVE THE COMPLETED CHANGE OF CONTROL PUT EXERCISE NOTICE TO ARRANGE TO DELIVER THE CHANGE OF CONTROL PUT EXERCISE NOTICE AND THE BONDS TO BE REDEEMED TO THE ACCOUNT OF THE AGENT FOR THE ACCOUNT OF THE ISSUER BY THE RELEVANT CHANGE OF CONTROL PUT DATE.

ONCE VALIDLY GIVEN THIS CHANGE OF CONTROL PUT EXERCISE NOTICE IS IRREVOCABLE.

PART V: CLEARING

The Bonds will be accepted for clearance through the Clearing System under the ISIN number BE0002258276 and Common Code 148397694 with respect to the Bonds and will accordingly be subject to the Clearing System Regulations.

The number of Bonds in circulation at any time will be registered in the register of registered securities of the Issuer in the name of the NBB (National Bank of Belgium, Boulevard de Berlaimont 14, B-1000 Brussels).

Access to the Clearing System is available through those of its Clearing System Participants whose membership extends to securities such as the Bonds.

Clearing System Participants include certain banks, stockbrokers (*beursvennootschappen / sociétés de bourse*), and Euroclear and Clearstream, Luxembourg. Accordingly, the Bonds will be eligible to clear through, and therefore accepted by Euroclear and Clearstream, Luxembourg and investors can hold their Bonds within securities accounts in Euroclear and Clearstream, Luxembourg.

Transfers of interests in the Bonds will be effected between Clearing System Participants in accordance with the rules and operating procedures of the Clearing System. Transfers between investors will be effected in accordance with the respective rules and operating procedures of the Clearing System Participants through which they hold their Bonds.

The Agent will perform the obligations of domiciliary agent included in the clearing services agreement that will be entered into on or about 21 September 2016 by the NBB, the Issuer and KBC Bank NV as Domiciliary Agent (the **Clearing Agreement**) and the Agency Agreement. The Issuer and the Agent will not have any responsibility for the proper performance by the Clearing System or its Clearing System Participants of their obligations under their respective rules and operating procedures.

PART VI: DESCRIPTION OF THE ISSUER

1 General information

VGP NV is a limited liability company that was incorporated under Belgian law on 6 February 2007 for an indefinite period of time with its registered office located at Spinnerijstraat 12, 9240 Zele, with telephone number +32 52 45 43 86. VGP is registered under enterprise number VAT BE 0887 216 042 (RPM-RPR Ghent (division Dendermonde), Belgium).

VGP NV, being a holding company falling within the exception set forth in article 7 °1 of the Belgian law on alternative investment funds of 19 April 2014 (*wet betreffende de alternatieve Instellingen voor collectieve belegging en hun beheerders / loi relative aux organismes de placement collectif alternatifs et à leurs gestionnaires*) has not been set up as a Belgian regulated real estate investment company within the meaning of the law of 12 May 2014 on regulated real estate investment companies (*wet betreffende de gereguleerde vastgoedvennootschappen/ loi relative aux sociétés immobilières réglementées*) nor as a UCITS undertaking under the law of 3 August 2012 (*wet betreffende bepaalde vormen van collectief beheer van beleggingsportefeuilles / loi relative à certaines forms de gestion collective de portefeuilles d'investissement*).

As a consequence, the Company does not benefit from the fiscal advantages of a Belgian real estate investment trust and is not subject to the regulatory framework applicable to these real estate investment trusts.

The Company, together with its Subsidiaries (collectively, **VGP**, the **VGP Group** or the **Group**) is a real estate group specialised in the acquisition, development, and management of semi industrial real estate, i.e. buildings suitable for logistical purposes and light industrial activities. The Group focuses on strategically located plots of land in Germany, some Central European countries, Spain and the Baltic countries, suitable for development of semi-industrial business parks of a certain size, so as to build up an extensive and well-diversified land bank on top locations.

The Group constructs and develops high-end semi-industrial real estate and ancillary offices for its own account and for the account of the Joint Venture, which are subsequently rented out to reputable clients by means of long term commercial lease contracts. The Group has an in-house team which manages all the activities of the fully integrated business model: from the identification and acquisition of the land, to the conceptualisation and design of the project, the supervision of the construction works, the contacts 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.

The aim of the Group is to become a leading specialised developer and owner of semi-industrial property for the mid-European region, Germany, Spain and possibly other countries.

1.1 Joint Venture with Allianz

Over the past 24 months VGP's management performed a strategic exercise reviewing different alternatives in order to enable the Group to continue to invest in its development pipeline whilst at the same time being adequately financed. During this period the Group came to a view that entering into a joint venture with a long term partner would represent the best alternative to achieve the aforementioned objectives and at the same time maximise shareholder value.

As a result, VGP entered into a 50:50 joint venture with Allianz during the first quarter of 2016.

The joint venture structure will allow VGP to recycle (partially or totally) its initial invested capital when completed projects are acquired by the Joint Venture and will allow VGP to re-invest these monies in the continued expansion of the development pipeline, including the further expansion of the land bank, thus allowing VGP to concentrate on its core development activities.

The new Joint Venture will have the exclusive right of first refusal (in accordance with the conditions as set forth in the JVA) in relation to acquiring the income generating assets located in Germany, the Czech Republic, Slovakia and Hungary.

VGP will continue to service the Joint Venture as asset-, property- and development manager which should see a significant increase in the fee income from these activities in the future years.

Finally, VGP will retain a 50% share in the Joint Venture holding a growing rent income generating logistic and semi industrial real estate portfolio which over time will generate a recurrent cash flow stream which can support a sustained dividend policy.

On 31 May 2016 the newly established Joint Venture (“VGP European Logistics S.à r.l.”) completed the acquisition of the first 15 parks (**Seed Portfolio**) of VGP.

The Seed Portfolio comprises 8 parks located in Germany: VGP Park Bingen, VGP Park Bobenheim-Roxheim, VGP Park Frankenthal, VGP Park Rodgau, VGP Park Hamburg, VGP Park Berlin, VGP Park Höchststadt and VGP Park Borna; 4 parks in the Czech Republic: VGP Park BRNO, VGP Park Plzeň, VGP Park Hrádek nad Nisou, VGP Park Olomouc (first phase); 1 park located in Slovakia: VGP Park Malacky and 2 parks located in Hungary: VGP Park Győr and VGP Park Alsónémedi. Within these parks 28¹ buildings have been completed totalling circa 509,647² m², 8 buildings are under construction due to be completed within the next 12 months totalling circa 161,073³ m² and there is some remaining development land which will allow some limited additional developments.

The completed buildings are of high quality having for the majority been built over the last two years. At the moment of closing the completed buildings were 100%⁴ occupied with a diversified tenant base of over 55 tenants representing Annualised Committed Leases of EUR 30.4 million. The development pipeline and future development of other new projects in these four countries will continue to be developed at VGP’s own risk to be subsequently acquired by the Joint Venture subject to pre-agreed completion and lease parameters. The acquisition of any building by the Joint Venture will always occur on the basis of the prevailing market rates at the moment of such acquisition.

The proceeds received from the sale of the Seed Portfolio to the Joint Venture can be summarized as follows:

Date of transaction:	31 May 2016
EUR ‘000	
Gross sales price of the assets	505,408
Trade and other receivables	6,249
Cash and cash equivalents	19,329
Non-current financial debt	(123,618)

¹ Compared to 27 buildings reported in the 2015 Annual Report 2015. The difference is due to the building D in VGP Park Pilsen which was delivered during month of May 2016.

² Compared to 505,662 m² reported in the Annual Report 2015. The difference due to building D in VGP Park Pilsen.

³ Compared to 163,566 m² reported in the Annual Report 2015. The difference due to building D in VGP Park Pilsen.

⁴ Compared to 98.2% m² reported in the Annual Report 2015. The difference due to building D in VGP Park Pilsen.

Shareholder Debt	(218,764)
Other non-current financial liabilities	(749)
Deferred tax liabilities	(20,210)
Trade debts and other current liabilities	(20,855)
Total net assets disposed	146,790
Total non-controlling interest retained by VGP	(4,066)
Shareholder loans repaid at closing	103,878
Equity contribution	(71,362)
Net cash received	175,240

¹The net cash reflects also the consideration for EUR 19.3 million of cash held by the Issuer's Subsidiaries transferred to the Joint Venture and will be subject to a limited final settlement adjustment which is currently estimated at around EUR 4 million.

The above table reflects only the net sales proceeds of the completed assets included in the Seed Portfolio. VGP is required to pre-finance the remaining development pipeline of the Joint Venture. This includes the pre-financing of development land which has not yet been developed as well as buildings under construction through development and construction loans. Upon the acquisition or settlement of the buildings under construction and new developed assets by the Joint Venture these VGP development and construction loans will be repaid from the additional bank debt drawn by the Joint Venture under committed credit facilities allowing VGP to recycle these proceeds towards the financing of the Group's development pipeline. VGP will be entitled to an additional top-up payment corresponding to the difference between the agreed market value at completion of these buildings under construction or new developed buildings and the respective repaid development or construction loan.

1.2 Portfolio

The total consolidated assets of the VGP Group as at 31 December 2014 stood at EUR 467.8 million.

The total consolidated assets of the VGP Group as at 31 December 2015 stood at EUR 717.3 million of which EUR 527.4 million (73.5%) was classified as disposal group held for sale representing the respective Allianz transaction including the completed income generating assets (the Seed Portfolio), the assets under construction due to be completed within the next 12 months and the remaining development land on which some residual new developments can be developed.

The strategic joint venture transaction with Allianz allowed VGP to realize its historic fair value gains on the respective Property Portfolios. The transfer of the Seed Portfolio to the Joint Venture allowed the Group to realize EUR 117.5 millions of historically built up valuation gains. In the future VGP will be able to continue realising its development profits at the moment of each delivery of the buildings to the Joint Venture. Although the Joint Venture is an exclusivity agreement between VGP and Allianz VGP will be able to solely decide on the timing of proposing rent income generating assets to the Joint Venture for acquisition, thus providing operational flexibility and retaining full control over the development cycle of the assets to be developed.

The properties that were sold generated a significant contribution to the income and result of the Group, prior to their sale, and their deconsolidation will result in a decrease of the reported gross rental income of the Group. As at 30 June 2016 the EUR 13.1 million total gross rental income (EUR 17.1 million as at 31 December 2015) was made up of EUR 9.4 million gross rental income generated by the sold portfolios (EUR 12.7 million as at 31 December 2015) and EUR 3.7 million from gross rental income generated by the remaining VGP portfolio (EUR 4.4 million as at 31 December 2015).

The gross rental income will show a cyclical pattern during the years to come whereby the growth of the rent income will initially accelerate and increase once buildings are delivered to tenants and

showing a significant decrease once buildings are sold to the Joint Venture. This loss of revenue will be mitigated by the increased profit contribution of the Joint Venture as the portfolio of Joint Venture is expected to grow substantially over the next 5 years.

During the first half year of 2016, VGP signed new Annualised Committed Leases in excess of EUR 9.0 million in total of which EUR 7.0 million related to new or replacement leases and EUR 2.0 million were related to renewals of existing lease contracts.

The committed Annualised Rent Income represents the Annualised Rent Income generated or to be generated by executed lease and future lease agreements.

Besides rental income, additional buildings will be delivered during the course of 2016. Finally, the Group generates income from its relationship with the Joint Venture through interest income and additional operational fee income as manager and operator of the Joint Venture's portfolio.

For an overview of VGP's real estate portfolios as at 31 December 2015, reference is made to pages 56-80 of the Issuers annual report for 2015.

In view of this growth, VGP, as asset manager and property manager, and to a lesser extent development manager, will continue to benefit from increasing fee income from these services granted to the Joint Venture. As at 30 June 2016 the fees generated by the services provided to the Joint Venture amounted to EUR 0.2 million. From the total recorded asset, property, facility and development management fee income of EUR 0.9 million as at 30 June 2016 (compared to EUR 2.5 million as at 31 December 2015 and EUR 1.6 million as at 30 June 2015) EUR 0.2 million (compared to EUR 1.1 million as at 31 December 2015 and EUR 0.6 million as at 30 June 2015) was directly attributable to Facility Management services provided in the Czech Republic to other third parties. As at 30 June 2016 an interest income of EUR 0.5 million was recorded on loans granted to the Joint Venture.

The EUR 175 million net cash proceeds from the acquisition of the initial Seed Portfolio allowed the Group to deleverage itself with the repayment of EUR 50 million short term bank debt and optimise its capital structure with the repayment of EUR 63 million (including accrued interest) of hybrid instruments. The remaining amount has been applied towards the financing of the development pipeline i.e. acquisition of new development land in Germany, Spain, the Czech Republic and Slovakia and further financing of the current buildings under construction.

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

During the first half of 2016, VGP delivered 7 buildings representing 139,955 m². There were 3 buildings (in total 52,484 m²) completed after 31 May 2016 for and on behalf of the Joint Venture. VGP is currently developing and hence pre-financing the development of 7 remaining buildings (171,776 m²) for the Joint Venture. It is expected that a second closing will be made between VGP and the Joint Venture during the last quarter of 2016, once the majority of these buildings under construction will have been completed.

As at 30 June 2016, the Group had 10 buildings under construction for its own portfolio. These buildings represent 212,836 m² of lettable area. Besides this the Group is planning to start up

5 new buildings during the second half of 2016 totalling circa 99,000 m², of lettable area of which 3 buildings are located in Germany (in total circa 67,000 m²).

The plots of land that have been acquired or secured in the Czech Republic, Spain and Germany in 2015 and 2016 with the proceeds from the sale of the Seed Portfolio should start generating additional development profits and additional rent income within the next twelve to eighteen months. Until then, the Group will receive rent income from the income generating assets that are still held and being constructed and completed by it.

In addition, VGP has been negotiating the acquisition of a completed state-of-the art logistics centre in Spain, which offers for the Group the opportunity to acquire a substantial plot of development land. The acquisition of this building is due to be concluded in the second half of 2016 and will generate significant immediate rental income for the Group. The acquisition of the building provides a rare opportunity for the Group to fully benefit from economies of scale from a development and commercial point of view and will immediately contribute to the Group's generated rent income. It is also in line with the Group's strategy of expansion in Spain, which started in 2015 with the set-up of the Spanish offices in Barcelona and securing during the second half of 2015 a 223,000 m² land plot in the Madrid area. The Group expect to invest an initial amount of EUR 197 million in Spain during the next 12 months.

The Annualised Committed Leases (including the Joint Venture) increased to EUR 45.0 million as at the end of June 2016 (compared to EUR 38.0 million as at the end of December 2015). The Annualised Committed Leases attributable to the Joint Venture amounted to EUR 33.6 million of which EUR 29.2 million related to the completed income generating assets.

As at 30 June 2016, after the divestment of the initial Seed Portfolio to the Joint Venture, VGP owns for its own account a rapidly expanding Property Portfolio of EUR 258.1 million (compared to EUR 174.0 million as of 31 December 2015) which consists of 10 completed buildings representing 129,580 m² of lettable area with another 10 buildings under construction representing 212,836 m² of lettable area. These buildings which will be delivered during the second half of 2016 are currently pre-let for more than 40% with a substantial number of additional leases under negotiation. The 31 buildings partly owned through the Joint Venture and under management by VGP represent 561,306 m² of lettable area as at 30 June 2016 (compared to 509,647 m² (28 buildings) as at 31 May 2016). The Group currently has a secured land bank of 3,015,421 m² of which 2,318,588 m² (77 %) is in full ownership. The secured land bank allows VGP to develop besides the current completed projects, projects under construction and the current Spanish building under offer (in total 517,567 m²) some 1,079,047 m² of additional lettable area of which approximately 351,052 m² in Germany, approximately 217,265 m² in the Czech Republic, approximately 337,757 m² in Spain and approximately 172,973 m² in the other remaining countries where VGP is active.

2 Corporate purpose

Article 3 of the articles of association (see www.vgpparks.eu) sets forth that the Company has as its purpose, in Belgium and abroad, exclusively in its own name and for its own account:

- (i) the acquisition through purchase or otherwise, the sale, exchange, improvement, equipment, renovation, encumbering, disposal of, making productive, rent, lease and management of all real estate, and, in general, all real estate transactions;

- (ii) the acquisition of participations in whatever form in commercial, industrial and financial undertakings and companies, Belgian as well as foreign, the management and sale of these participations and the acquisition through participation, subscription, purchase, option or by whatever means of all parts, shares, bonds, values and titles;
- (iii) the representation, management, supervision and liquidation of all companies and undertakings of whatever nature;
- (iv) engineering, development, commercialisation, representation and providing services with regard to movable assets, material, machines and equipment;
- (v) providing services, giving advice, research, preparing and setting up organisation systems, setting up systems for data management and all techniques with regard to technical, administrative, economic and general management of companies. In general, it can take all actions to protect its rights and it will perform all transactions that are directly or indirectly in connection with or contribute to the realisation of its purpose; and
- (vi) acquiring, commercialising or disposing of all patents, trademarks, licenses and intellectual property rights.

In general it can take all actions to protect its rights and it will perform all transactions that are directly or indirectly in connection with or contribute to the realisation of its purpose.

It can also hold participations, by means of contribution, subscription or otherwise, in all companies, associations or undertakings that have a similar, analogue or related purpose, or whose own purpose it is to promote the Company's purpose. It can provide facilities or guarantee third parties' obligations.

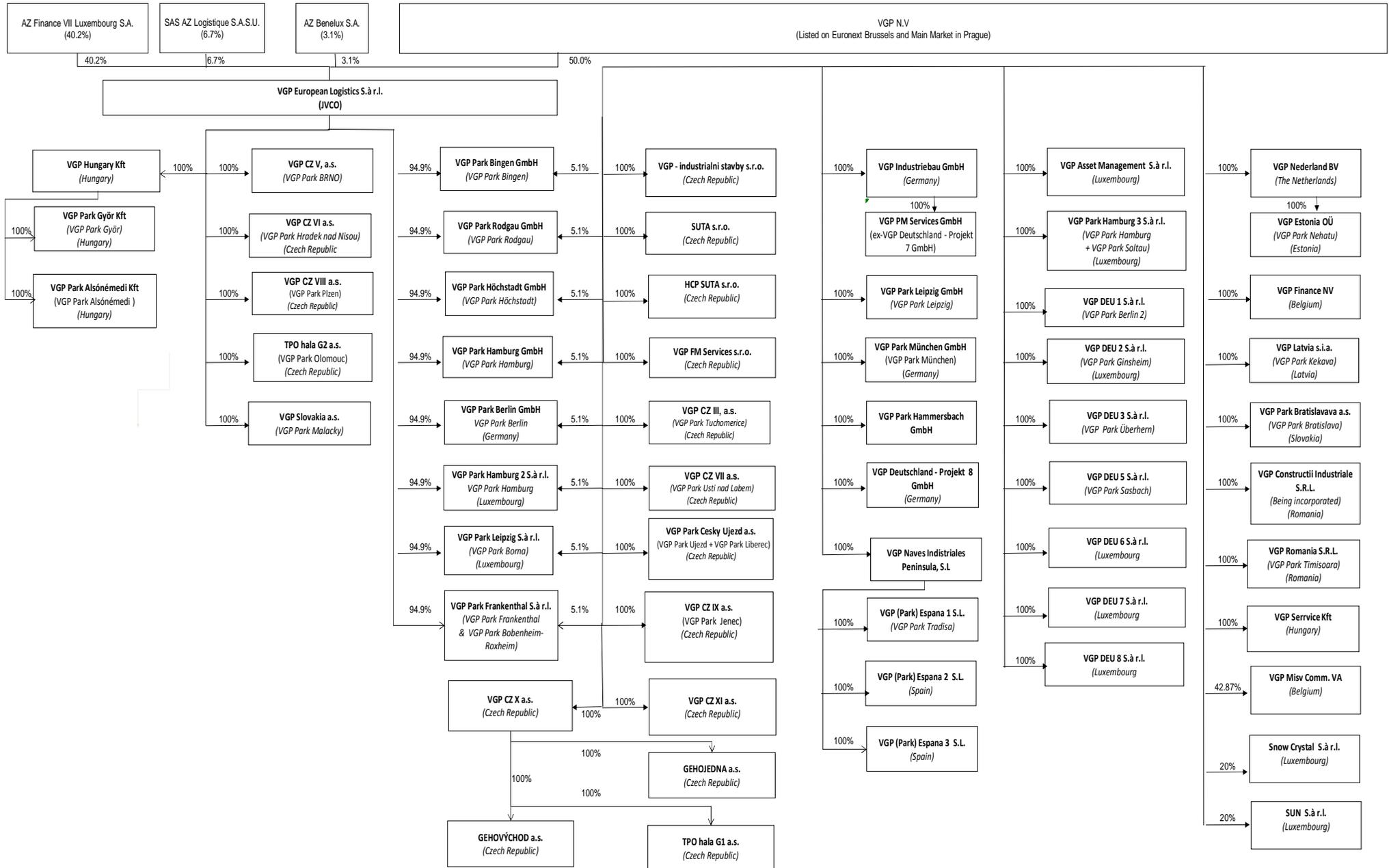
The Company can work together with and participate in, directly or indirectly, companies of whatever nature, make any undertakings, grant facilities and loans, guarantee third parties' obligations, mortgage or pledge its assets, including its own commerce. It can do all that is in relation to abovementioned purpose or can be beneficial to the realisation of it.

3 VGP Group

3.1 Organisational structure

A structure chart of the VGP Group is included on the next page.

The entities included in the Group structure below, with the exception of (i) VGP European Logistics S.à r.l. (the Joint Venture) and its respective subsidiaries, Snow Crystal S.à r.l. and SUN S.à.r.l., VGP MISV Comm. VA and (ii) the Company, are the Company's **Subsidiaries**. VGP European Logistics S.à r.l. and its respective subsidiaries, i.e. the entities in which the Company (directly or indirectly) holds a 50% participation (52.55% participation for German asset companies) are the Company's **Joint Venture**. Snow Crystal S.à.r.l. and SUN S.à.r.l., in which the Company holds 20% participation and VGP MISV Comm. VA in which the Company holds 42.87% are the Company's **Associates**.



3.2 Relationship with the Associates and the Joint Venture

The relationship with the Associates is described under point 3.2.11.

The Joint Venture is a 50:50 partnership whereby the Group, in addition to being a co-owner, provides development management services and acts as asset manager, property manager responsible also for Facility Management and leasing services in respect of the portfolios. The Joint Venture is entered into for a period of ten years with possible extensions.

VGP NV and Allianz have contractually agreed to share control and made arrangements whereby both parties have agreed that when decisions about the relevant activities are required such decisions are made with unanimous consent of both parties. In the first quarter of 2016, a share purchase agreement was entered into by the Issuer as seller and Allianz AZ Finance VII Luxembourg S.A., SAS Allianz Logistique S.A.S.U. and Allianz Benelux SA (together **Allianz**) as purchaser relating to the sale of 50% of the shares in VGP European Logistics S.à r.l. which included the 100% participation in the Hungarian companies VGP Hungary Kft, VGP Park Győr Kft (owning the VGP Park Győr) and VGP Park Alsonemedi Kft (owning the VGP Park Alosnemedi) (the **Company SPA**).

Immediately thereafter, the Issuer and VGP CZ X a.s. (as sellers) and VGP European Logistics S.à r.l. (as a purchaser) entered into a share purchase agreement related to a sale of (i) 100% participation in the Czech companies VGP CZ V a.s. (owning VGP Park BRNO), VGP CZ VI a.s. (owning VGP Park Hradec nad Nisou), VGP CZ VIII a.s. (owning VGP Park Plzen) and TPO hala G2 a.s. (owning partially VGP Park Olomouc), (ii) 100% participation in the Slovak company VGP Slovakia a.s. (owning VGP Park Malacky), (iii) 94.9% participation in the German companies VGP Park Bingen GmbH (owning VGP Park Bingen), VGP Park Berlin GmbH (owning VGP Park Berlin), VGP Park Höchststadt GmbH (owning VGP Park Höchststadt), VGP Park Hamburg GmbH (owning VGP Park Hamburg) and VGP Park Rodgau GmbH (owning VGP Park Rodgau), and (iv) 94.9% participation in the Luxembourg companies VGP Park Hamburg 2 S.à r.l. (VGP park Hamburg 2), VGP Park Frankenthal S.à r.l. (owning VGP Park Frankenthal and VGP Park Bobenheim-Roxheim) and VGP Park Leipzig S.à r.l. (owning VGP Park Borna) (the **Seed Portfolio SPA**).

VGP European Logistics S.à r.l. is a holding company that was incorporated specifically for the purpose of entering into a joint venture with Allianz.

The transactions contemplated by the Company SPA and the Seed Portfolio SPA, were completed on 31 May 2016. The Allianz entities that are the shareholders of the Joint Venture belong to the well - known Allianz SE Group, a worldwide leading insurance Group, which applies a strong corporate governance policy towards the management of the Joint Venture.

3.2.1 Share purchase agreements

Each of the Company SPA and Seed Portfolio SPA contained a set of representations and warranties which were granted by the Issuer to the respective purchasers and which were in accordance with market practice. The maximum liability of the Issuer for breaches of the representations and warranties granted in the share purchase agreements amounts to approximately EUR 18.1 million in respect of the Company SPA and to EUR 147.8 million in respect of the Seed Portfolio SPA. Until the date of this Prospectus, the Issuer has not received any claims under these share purchase agreements.

3.2.2 Joint Venture Agreement (JVA)

Under the JVA, the Issuer and Allianz each have the right to appoint two representatives in the management body of the Joint Venture and one or two representatives in the management and supervisory bodies of the Joint Venture's subsidiaries, depending on the local regulations. The directors appointed by VGP and by Allianz always have to act jointly, whereas most important matters always require prior consent by both shareholder parties. These matters include (i) commencing the winding-up or liquidation of the Joint Venture or any of its subsidiaries or filing any of these companies as bankrupt (except if otherwise provided under mandatory legal provisions), (ii) initiating capital calls to the shareholders of the Joint Venture, which are not contemplated by the business plan of such company, (iii) sale or disposition of any properties of project companies, (iv) making any distributions to the shareholders of the Joint Venture that are not in proportion to their shareholdings in the Joint Venture, (v) any amendment to the articles of association of the Joint Venture or any of its subsidiaries not in line with the Joint Venture Agreement, (vi) the acquisition of additional immovable properties or formation of a subsidiary by the Joint Venture or any of its subsidiaries, and (vii) the entering into by the Joint Venture or any of its subsidiaries of any joint venture, partnership or similar agreement.

In the Joint Venture Agreement, the Issuer has taken up the obligation to provide the Joint Venture with its share of future financing in respect of completed properties, as well as to provide 100% of current and future financing of the remaining development pipeline through additional development and constructions loans. The Joint Venture has adequate committed credit facilities available to refinance such development and construction loans upon completion and purchase settlement of the respective assets. In the Czech Republic, there is a building under construction and two new buildings can still be developed for an aggregate investment amount of EUR 23.0 million against which there are available credit facilities of EUR 63.7 million. In Slovakia, one building has been completed and settlement will occur during Q3 2016, one building is under construction and one new building can still be developed for an aggregate investment amount of EUR 19.3 million against which there are available credit facilities of EUR 19.6 million. In Germany, two buildings have been completed and settlement will occur during Q3 2016, five buildings are under construction and five new buildings can still be developed for an aggregate investment amount of EUR 153.7 million against which there are available credit facilities of EUR 220.8 million. In Hungary, two new buildings can still be developed for an aggregate investment amount of EUR 12.1 million against which there are available credit facilities of EUR 7.5 million. If the Joint Venture would be unable to increase the credit facilities in Hungary by the time the last two buildings are delivered, VGP could be obliged to provide additional funding to the Joint Venture for its proportional interest in the Joint Venture in an amount of EUR 2.3 million (50% of EUR 4.6 million).

Specific investment criteria have been agreed in the JVA for an investment period of several years which ensure that when such criteria are met the Joint Venture is in principle required to acquire the proposed income generating assets. In case the Joint Venture does not acquire the assets, a number of procedural steps have been agreed between the Joint Venture partners which ultimately allow VGP to market the proposed assets on the open market and hence allow the Group to generate sales proceeds from another source than the Joint Venture.

Under the JVA, both parties agreed to significant limitations on their ability to transfer the shares in the Joint Venture to third parties. In case a shareholder wishes to transfer its shares, the other shareholder has a pre-emption right to purchase such shares under the JVA. The Joint Venture Agreement also provides for a lock-up period of five years as from the closing date, during which VGP is not allowed to transfer its shares in the Joint Venture other than to one of its affiliates. The JVA further contains elaborate provisions on transfers of the shares, which may lead to the transfer by VGP and by Allianz of all of their shares to a third party. The JVA applies the principle of market price value ensuring that if any party wants to dispose of part or all of its shares, such disposal is made at prevailing market conditions provided the disposal is not triggered by an event of default under the JVA which has not been cured within the agreed cure period.

In addition, VGP acts as asset manager, development manager, as well as property and leasing manager of the Joint Venture, activities which generate recurrent income for VGP.

3.2.3 Promote

VGP will be entitled to a one-time promote payment at the end of the initial 10-year term of the Joint Venture. This promote is based on all the pre-tax cash flows received from the Joint Venture between the closing date and the expiry of the 10-year term of the venture and is structured in a similar way that is usually applicable for similar transactions in the market.

3.2.4 Asset management agreements

VGP acts as the asset manager of the Joint Venture and its respective subsidiaries. As part of these services, VGP ensures standard corporate administration, administration of financing, business planning, reporting, budgeting, management of tax and legal affairs, controlling, etc. VGP is entitled to an asset management fee calculated based on the invested equity, in the Joint Venture adjusted for any future capital contribution / distribution. The asset management services are delivered by a newly established subsidiary of VGP, VGP Asset Management S.à r.l., and operates from Luxembourg.

3.2.5 Development management agreements

The Joint Venture has appointed VGP as an advisor to provide the development management services in respect of specific development projects and on specific terms. VGP as advisor has accepted to perform the services and carry out the works as described in the development management agreement according to the applicable law, the generally accepted rules of technology and with all due care, attention and diligence as is expected of a competent advisor experienced in carrying out services and works similar to the services and works on projects of size, scope, type and complexity comparable with the development project. The services performed by VGP include all and any services and actions (excluding however in any event performing itself the works) required to procure the design, building of and completion of the development project, even if such services or actions are not expressly mentioned in the development agreements.

The advisor shall use its reasonable best efforts to procure that the development project completion is achieved by the estimated project completion date.

In consideration of the advisor providing the services pursuant to the development agreement, the owner shall pay to the advisor a development management fee which will be based on an agreed arm's length hourly rate.

3.2.6 Property management agreements

The property management agreements that have been entered into with respect to the Joint Venture's subsidiaries detail the services to be provided by VGP in respect of Facility Management services, Project Management services (which covers additional smaller building improvements to existing buildings), lease management services, budgeting, accounting and reporting.

The fees received for VGP's services are composed of a property management fee, which corresponds to the administration fee included in each respective lease contract and varies between 0%-3% of the monthly rent. The Project Management fee is based on the respective improvement costs to the building and consists of a scaling fee structure with a maximum fee of 4% for smaller improvements going down to 2% for larger improvements. Finally, VGP will be entitled to a leasing fee for each new / renewed lease contract which is the result of the direct marketing of VGP. The leasing fee is based on what a third party real estate broker would usually receive, i.e. between 12.5% and 25% of the annual rent of the respective lease contract. VGP will only be liable for the qualitative performance of its services and no specific quantifiable liability clause has been included in these agreements.

3.2.7 Constructive Obligation

Besides the aforementioned potential liabilities, the Board of Directors have taken a conservative view in respect of the financial support of the Issuer towards the Joint Venture. Although the Issuer does not have any other contractual obligations outside the JVA, the Company SPA, the Seed Portfolio SPA, the asset management agreements, development management agreements and the property management agreements, the Board of Directors has taken a conservative approach vis-à-vis the Joint Venture and has therefore recognised that the Issuer has a constructive obligation towards the Joint Venture. Given the importance of the Joint Venture's portfolio, VGP will take all necessary measures to ensure that for its proportional share in the Joint Venture it will ensure that the Joint Venture will always be in a position to fulfil all its obligations. As at 30 June 2016 the 'Investments in joint ventures and associates' showed a positive balance of EUR 73.9 million compared to a negative balance of EUR 103,000 as at 31 December 2015 which was a reflection of the costs incurred by Snow Crystal S.à r.l. and SUN S.à r.l from the liquidation process that both companies are currently subject to and which is expected to be finalised by the end of 2016.

3.2.8 Bank financing

The assets of the Joint Venture are financed through equity, shareholder loans and bank financing.

For the Czech and Slovak assets, an EUR 146.4 million facility was arranged by Československá obchodní banka, as. (**CSOB**). CSOB is the Agent, Arranger and sole Lending Bank of the facility. The outstanding amount under the facility as at 30 June 2016 was EUR 62.7 million. The maturity date of the facility is 26 May 2026.

For the German assets, an EUR 368.2 million facility was arranged by Aareal Bank AG. Aareal Bank AG is the Agent, Arranger and sole Lending Bank of the facility. The outstanding amount under the facility as at 30 June 2016 was EUR 146.2 million. The maturity date of the facility is 31 May 2026.

For the Hungarian assets, an EUR 35.1 million facility was arranged by UniCredit Bank Hungary. UniCredit Bank Hungary is the Agent, Arranger and sole Lending Bank of the facility. The outstanding amount under the facility as at 30 June 2016 was EUR 27.3 million. The maturity date of the facility is 26 May 2026.

All three credit facilities are secured and have the same security structure as is applicable to VGP's own portfolio, of which the main is the mortgage on all the assets.

As at 30 June 2016, the balance sheet (IFRS) of the Joint Venture's portfolio records investment properties (comprising the completed projects, projects under construction and development land) of EUR 519.6 million which were pledged to the banks.

The covenants applied are as follows:

(i) German assets

The respective project companies, which are borrowers under the Aareal Bank credit facility, must ensure that they comply with following covenants:

- Projected Debt Service Cover Ratio of at least 110% tested on a quarterly basis (31 March, 30 June, 30 September and 31 December); and
- Loan to value of at least 75% tested on an annual period (31 December).

The covenants are calculated on a portfolio basis. The loan to value will be progressively reduced to 70% over the course of first four years of the facility.

As at 30 June 2016 there were no breaches of covenants.

(ii) Czech and Slovak assets

The respective project companies which are borrowers under the CSOB credit facility must ensure that they comply with following covenants:

- Debt Service Cover Ratio of at least 110% tested on a semi-annual period (30 June and 31 December); and
- Loan to value of at least 75% tested on an annual period (31 December).

The covenants are calculated on a portfolio basis. The loan to value will be progressively reduced to 65% over the course of first six years of the facility.

As at 30 June 2016 there were no breaches of covenants.

(iii) Hungarian assets

The respective project companies which are borrowers under the UniCredit Bank Hungary credit facility must ensure that they comply with following covenants:

- Projected Debt Service Cover Ratio of at least 115% tested on a quarterly basis (31 March, 30 June, 30 September and 31 December);
- Debt Service Cover Ratio of at least 115% tested on a quarterly basis (31 March, 30 June, 30 September and 31 December); and
- Loan to value of at least 75% tested on an annual period (31 December).

The covenants are calculated on a portfolio basis. As at 30 June 2016 there were no breaches of covenants.

The above mentioned ratios are calculated as follows:

- Projected Debt Service Cover Ratio means the 12 month forward looking passing rent as a percentage of the debt service whereby debt service means the aggregate amount of financial expenses due and payable together with any loan principal due and payable on the respective bank debt during any calculation period in respect of which passing rental has been calculated.
- Debt Service Cover Ratio means the Cash Available for Debt Service (or net operating income) 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 on the respective bank debt.
- Loan to value ratio means the aggregate loans outstanding divided by the open market value as valued by an independent valuator.

3.2.9 Permitted distributions under the credit facilities

The following distributions by the Joint Venture's Czech and Slovak subsidiaries are permitted under the CSOB credit facility:

- distribution in the form of payment of interest or principal under any shareholder loan;
- distribution in the form of payment of any asset management fees to the Group under the Property Management Agreements, the Development Management Agreements or the Asset Management Agreements; and
- distribution in the form of dividends to the Joint Venture;

in each case, provided that such distribution is made from the balance of a specified account and that no event of default is continuing at the time of such distribution or would occur as a consequence of making such distribution. In addition, principal and interest on the development and construction loans made by VGP to the Joint Venture's respective subsidiaries for the purpose of financing the development and/or construction of new buildings by such Joint Venture's subsidiary may be paid without any limitations before such new buildings are refinanced by CSOB.

The Joint Venture's subsidiaries holding assets in Germany are permitted under the Aareal credit facility to distribute any funds that remain free after fulfilling all their contractual obligations towards the finance parties and provided that no default is continuing or would result from the payment and provided that the loan to value ratio is at least five percentage points lower than the contractually agreed minimum.

The following distributions by the Joint Venture's Hungarian subsidiaries are permitted under the UniCredit Bank Hungary credit facility:

- distribution in the form of payment of interest or principal under any shareholder loan, subject to a prior approval by the lender, such approval not to be unreasonably withheld;

- distribution in the form of payment of any asset management fees to the Group under the Property Management Agreements, the Development Management Agreements or the Asset Management Agreements; and
- distribution in the form of dividends to the interim holding company (VGP Hungary Kft), a subsidiary of the Joint Venture;

in each case, provided that such distribution is made from excess cash and that no default is continuing or would occur as a consequence of making such distribution. In addition, principal and interest in respect of the development and construction loans made by VGP to the respective subsidiaries of the Joint Venture for the purpose of financing the development and/or construction of new buildings by such Joint Venture's subsidiary may be paid without any limitations.

3.2.10 Shareholder loans

The Shareholders have provided the shareholder loans in proportion to their aggregate interest in the Joint Venture. For project companies holding German assets VGP will provide 52.55% of shareholder loans and Allianz will grant their respective 47.45% shareholder loans. For all other project companies VGP will provide 50% of shareholder loans and Allianz will grant their respective 50% shareholder loans.

Besides the usual shareholder loans, VGP provides 100% of the development and construction loans to the Joint Venture.

As at 30 June 2016 the outstanding shareholder loans provided by VGP to the Joint Venture was as follows:

In thousands of EUR		31 May-16	30 Jun-16
VGP European Logistics S.à.r.l.	Holding	7,111	7,111
VGP Park Rodgau GmbH	German portfolio	190	190
VGP Park Berlin GmbH	German portfolio	17	17
VGP Park Hamburg GmbH	German portfolio	255	255
VGP Park Höchststadt GmbH	German portfolio	96	96
VGP Park Leipzig S.à r.l.	German portfolio	102	102
Shareholder Loans		7,771	7,771
VGP CZ V a.s.	Czech portfolio	2,768	2,777
VGP CZ VI a.s.	Czech portfolio	2,545	2,554
VGP Slovakia a.s.	Slovakian portfolio	4,878	6,117
VGP Park Rodgau GmbH	German portfolio	17,738	18,583
VGP Park Hamburg GmbH	German portfolio	9,211	9,265
VGP Park Hamburg 2 S.à r.l.	German portfolio	14,450	14,499
VGP Park Frankenthal S.à r.l.	German portfolio	39,323	44,200
VGP Park Györ Kft	Hungarian portfolio	915	915
VGP Park Alsonemedi Kft	Hungarian portfolio	843	843
Total development and construction loans		92,671	99,753
TOTAL		100,442	107,524

The shareholder loans have a term of 120 months and can be prepaid at first demand. The development and construction loans can only be prepaid at the moment of delivery of the completed building financed by such loan.

The interest rates applied on the shareholder loans are between 4 % and 4.125% p.a.. All shareholder loans are unsecured and subordinated to the bank debt.

3.2.11 Snow Crystal S.à r.l., SUN S.à r.l. and VGP MISV Comm. VA

The Issuer currently holds a 20% participation in the share capital of and certain limited shareholder loans vis-à-vis Snow Crystal S.à r.l. and Sun S.à r.l. Both companies are currently being liquidated following the sale of the VGP CZ I, II and IV portfolios in October 2014.

VGP MISV Comm. VA was incorporated at the Issuer's initial public offering to be used as a structure for a long term management incentive plan whereby the existing shareholders VM Invest NV and Little Rock SA initially 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*"). In 2013, following the expiry of the five year lock-up period in December 2012, the Company acquired a 42.87% participation in VGP MISV Comm. VA (398,368 out of 929,153 shares). In order to retain personnel and following the expiry of first 5 year lock-up period at the end of December 2012 the Reference Shareholders have put in place a new long term incentive plan for selected members of the Group's management and which allows such members to be incentive based on the growth of the net assets value over a period of 5 years, such period also being the lock-up period for the participating members of the Group. As before the new incentive plan does not have any dilutive effect on any existing or new shareholders.

VGP MISV Comm. VA 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 Comm. VA.

3.3 Management agreement with Little Rock S.A.

In April 2015, the Board of Directors approved a new management agreement relating to the services rendered by some of VGP's key managers. Following such decision, Little Rock SA became responsible for the Group's daily management, financial management and commercial management and is represented for this purpose by the CEO (Mr Jan Van Geet), CFO (Mr Dirk Stoop) and CCO (Mr Tomas Van Geet) respectively. As a consideration for rendering such services, Little Rock SA is entitled to receive a fixed fee, a short term variable fee subject to certain criteria being met, and a mid-term variable fee of 5% of the profits before taxes of the Group on a consolidated basis, in return for Little Rock SA's (and the aforementioned managers') commitment to observe the Group's daily, financial and commercial management for an additional period of five years. The fixed fee and short term variable remuneration has been included in the remuneration overview of the CEO and the executive management disclosed in the remuneration report included in the Annual Report 2015 (page 38/39) . The mid-term variable remuneration for 2015 approved by the Board amounts to EUR 5,215,272 and has been fully provided for in the 2015 consolidated accounts. This amount will be paid out over the next three years at a rate of 1/3 per annum.

4 Profile of the VGP Group

4.1 Activities

4.1.1 Fully integrated business model



The Group has an in-house team which manages all the activities of the fully integrated business model: from the identification and acquisition of the land, to the conceptualisation and design of the project, the supervision of the construction works, the contacts with potential tenants and the Facility Management of its own real estate portfolio.

(i) Plots of land

The first phase of the business model is the identification of top locations for semi-industrial projects. For this activity, the Group works in close cooperation with several local real estate brokers, some of which have an exclusive agreement with the Group. Moreover, the Group has a core team which has an intensive proprietary prospection function.

The management and the team gather on a regular basis to evaluate potential projects. Once a project is approved, a technical due diligence is performed. As a general rule, any acquisition of land is in principle subject to obtaining the zoning and/or building permit for semi-industrial activities and the absence of any other obstacles such as environmental issues etc.

For legal assistance, drafting of contracts as well as legal due diligence of acquisition targets, the Group relies on reputable local or international law firms.

Finally, it should be noted that VGP only buys plots of land which are directly connectable to existing infrastructure. In respect of the respective parks, VGP will undertake infrastructure works within the parks if necessary. This infrastructure work will always be directly linked to the developed properties.

VGP always buys on the pre-condition that all permits, i.e. including the required permits related to the infrastructure works within the parks, are obtained and approved.

(ii) Concept and design

VGP applies strict guidelines to the design of its buildings. The Group uses a facility brief describing in detail the minimum requirements the building should respond to. This design ensures multi-purpose utilisation throughout the life cycle of the building.

For architectural and design matters, the Group works with its internal team supported where necessary by several dedicated external offices of architects and designers. Amongst others the Group has a strategic alliance with Atelier 24, an architectural bureau co-ordinating all necessary design and architectural works.

In addition to the Group's standard building requirements, some adaptation (lay-out, finishing) can be done according to the tenants' requirements. The design as well as

the technical description of the necessary infrastructure for the tenants' operations is always designed by VGP itself, in close co-operation with the tenant's technical advisers, ensuring a thorough understanding of the customers' needs.

(iii) Construction

High quality semi-industrial projects are constructed in close co-operation with future tenants and partly at own risk. The buildings are finished taking into account the future tenants requirements and specifications but always with respect to the Group's prevailing technical and quality standards.

The Group centralizes the purchasing of materials and construction components for its buildings at each of its local offices. The enhanced purchase power strengthens the Group's negotiation power allowing to realise economies of scale. The Group cooperates with local general contractors for the coordination of the individual building sites. The Group's cost controllers are responsible for the daily follow up of the actual costs versus the budgeted costs of the respective projects.

(iv) Rent out and marketing

The buildings are leased under long term lease agreements to tenants which are active in the logistics sector and/or light manufacturing sector, such as assembling, re-conditioning, final treatment of the goods before they go to the industrial clients or the retailers.

The Group attaches great importance to its direct client relations. The commercial officers are responsible for the contacts with the existing and potential tenants, the proposals and monitoring of the tenants' requirements during the building process until the handover of the premises.

(v) Portfolio and Facility Management

The Group 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 or through its Joint Venture. The maintenance of the properties is centralised within the Facility Management team responsible for the Group's portfolio. The Facility Management team is assisted by external facility management specialists when necessary.

(vi) Activities for third parties

The Group manages all assets on behalf of its Joint Venture companies. The services provided cover activities such as asset, development, property management, Facility Management and leasing activities.

Property management services are mainly provided internally and to a lesser extent externally whereby the respective VGP property management company is responsible for managing the proper and undisturbed operation of the buildings. As part of its offered services the VGP property management companies will also perform Project Management services. These services cover the performance of capital improvements and any other construction works as may be requested by the owner of the buildings. This scope covers the full range of Project Management services (supervision and

coordination of the contractors for design, advising on obtaining permits, advising on the works and any tenders relating thereto).

Facility Management services, have been regrouped in SUTA. Facility Management services are provided internally as well as externally whereby SUTA is responsible for managing the proper and undisturbed operation of the buildings and performs all actions such as maintenance services, waste management services, maintenance greenery etc. that may be necessary in this respect. In other countries where no specific Facility Management team will be in place, the Group will use third party Facility Management services companies to perform these activities.

The asset management function has been created during 2016 as part of the services rendered to the newly established Joint Venture and provides advice and recommendations to the Joint Venture companies on the Joint Venture's assets managing on property level strategy and thereby optimising the value of the Joint Venture assets. Further advice and recommendations are given by the asset manager in respect of appropriate tenant mix, execution of leasing strategy that aligns cash flows with portfolio needs, and manage both capital and operating expenses. The asset management services are provided by a newly established subsidiary VGP Asset Management S.à r.l. and operates from Luxembourg.

4.2 Expansion into Spain

4.2.1 Background and rationale

Over the past few years VGP has been reviewing the different geographic areas where the Group wants to be active in. One of key drivers to look at the different markets was the long term growth possibilities such markets would offer. This resulted in the entrance into the German markets in 2013 and establishing a strong local presence there. Although it is anticipated that Germany will remain the main market for the Group for many years to come, VGP continues to look to diversify into interesting new markets.

One of the more interesting markets which was identified by the Group was Spain. The Spanish market is coming out of a severe crisis whereby the development activities were substantially scaled down over the last 10 years. At the same time developments on top locations did not suffer as much from the crisis as the vacancy rates for logistic or semi-industrial buildings located on top locations remained very low over these years. Based on these prospects, VGP decided to open a new office in Barcelona during the first half of 2015.

VGP intends to increase its development activities and to invest a substantial amount in Spain over the next 12 months. Meanwhile, a first land plot in the Madrid area (223,000 m²) has been secured and with a further anticipated expansion in the Barcelona area (see point 4.2.2 below) VGP is well on track to realize its expansion plans for Spain.

4.2.2 Development pipeline

In 2015, VGP secured a new substantial (223,000 m²) land plot in Madrid which will be acquired subject to obtaining the necessary permits. The land plot is located at San Fernando de Henares, in the vicinity of the Madrid Barajas airport, immediately adjacent to the highway. The new land plot allows VGP to potentially develop circa 179,000 m² of lettable area. It is expected that the land will be acquired during the second half of 2016 and it is anticipated

that the first development will still be launched in 2016 i.e. as soon as possible after the acquisition of the land.

VGP is currently also negotiating a potential acquisition of a prime logistics park in Spain. This acquisition would comprise a newly built warehouse which is fully let under a long term lease agreement and having certain expansion commitments for the tenant and a significant portion of further development land. The transaction value is expected to exceed EUR 160 million and the proceeds of the current Bond should be used to partially (currently for an estimated amount of EUR 100 million) finance this transaction. The remaining portion of the acquisition price is expected to be financed through bank loans. The acquisition provides a rare opportunity for VGP to acquire a new land mark logistics building in Spain and at the same time acquire development land on a prime location, which has the necessary permits to start its immediate development. The transaction will also allow VGP to immediately benefit from a significant annual rent income resulting from the long term lease agreement which VGP will enter into with the tenant of the building.

4.3 Main markets

The main market overview describes the geographical and real estate markets in which VGP is active and provides an update on current market circumstances.

VGP is active in Germany, Spain and a number of mid-European countries with main focus on the Czech Republic. Besides the Czech Republic, VGP is also active in the following periphery countries: Slovakia, Hungary, Romania, Estonia and Latvia. Given the small size of the activities in the Baltic countries it is the intention of VGP that once these parks will have reached a mature stage, i.e. fully developed, that these parks could be put into the market for sale subject to attractive market pricing.

The markets in which the Group operates are exposed to local and international competition. Basically, there are 4 types of competitors i.e. small local players, large established real estate players, occasional new real estate players, and lease companies.

The competition in the Czech Republic comes mainly from large established real estate developers. These developers have land bank positions and established projects and business parks in the Czech Republic. The biggest competitors amongst them are: CTP Invest, P3, ProLogis, Goodman and Pannatoni. Besides these there are a number of investment funds who have bought existing stock from developers which may from time to time lose a tenant and promote the resulting vacancy in the market. The biggest competitors amongst them are Segro and Heitman.

As regards Germany and the countries in the mid-European region, ProLogis, Segro, Goodman and Pannatoni are some of the largest market players in Germany and the CEE region. None of the above-mentioned developers, however, occupies a dominant position in Germany or in the mid-European market as a whole.

In Germany, a number of regional local developers are active, typically developing in their respective Länder.

The different real estate companies usually have different business models. Whereas the large real estate players will usually concentrate on "big box" logistic warehouses i.e. large buildings >50,000 m², VGP operates in a niche market concentrating on smaller buildings 5,000 m² - 20,000 m² (up to around 50,000 m² in Germany) which attract more interest from end users. VGP experienced this model to be more resilient to the economic downturn of the past few years.

4.3.1 The semi-industrial property market in Germany

(i) Economic overview

Economic growth has been stable in recent years with domestic demand, notably private consumption, as the main growth driver. Real GDP growth stood at 1.6 % in 2014 and 1.7 % in 2015, according to first official results. The growth pattern has evolved with domestic demand having become a key growth driver. Notably, private consumption has strengthened, supported by the strong performance of the labour market and temporary factors such as low energy prices. The labour market weathered the crisis well and the unemployment rate has decreased to a post reunification low.

By contrast, the recovery in private investment has been uneven and despite recent efforts, public investment remains low. Public investment has been falling and its share in GDP remains below the euro area average despite the large public investment backlog. Some areas of corporate investment, notably in machinery and equipment investment, still have not caught up with pre-crisis levels, in spite of the supportive financing conditions and strong corporate profits.

Going forward, growth is expected to strengthen slightly. Despite weaker export demand in emerging markets, real GDP is set to expand by 1.8 % in 2016 and 2017, respectively. Further growth in employment and wages should support private consumption. Public expenditure on refugees should provide further stimulus. Inflation is set to pick up slowly as the effect of low oil prices is dissipating only gradually. Risks include a weaker external environment, recent financial market volatility, and uncertainty surrounding the impact of the strong inflow of refugees (*Source: European Commission – Country Report Germany 2016*).

A total of around 1.5 million m² was taken-up in the German warehousing and logistic space market (owner-occupiers and lettings) in the first three months of 2016, which is 3% more than in the same period last year; a similarly high Q1 result was last achieved in 2014. The current result equates to increases of 5% and 29% compared to the 5- and 10-year averages. Demand from occupiers for different types of logistic space remains very high. In view of the stable economic situation, we anticipate another excellent result in 2016. It is even possible that the 6 million m² mark could be reached (*Source: Jones Lang LaSalle*).

(ii) Semi-industrial property market– Take-up in excess of 6 million m² for the first time

A total of around 6.18 million m² was taken-up in the German warehousing and logistic space market (owner-occupiers and lettings) in 2015, which is 5% more than in the previous record year 2011 and equates to increases of 21% and 47% compared to the 5- and 10-year averages. Four large-scale lettings, each with >100,000 m², contributed significantly to this above-average result.

A total of around 1.5 million m² was taken-up in the German warehousing and logistic space market (owner-occupiers and lettings) in the first three months of 2016, which is 3% more than in the same period last year; a similarly high Q1 result was last achieved in 2014. The current result equates to increases of 5% and 29% compared to the 5- and 10-year averages. Demand from occupiers for different types of logistic

space remains very high. In view of the stable economic situation, we anticipate another excellent result in 2016. It is even possible that the 6 million m² mark could be reached. (Source: Jones Lang LaSalle).

Berlin and Hamburg record significant growth amongst the “Big 5”

In 2015 space Take-up volume in the “Big 5” conurbations (Berlin, Düsseldorf, Frankfurt, Hamburg and Munich) exceeded the previous year’s result by 9%. At around 2.06 million m², this was the second highest result since 2011. The Berlin and Hamburg regions recorded the strongest growth year-on-year, with 39% and 33% respectively. Growth of 16% was also registered in Düsseldorf. However, the Take-up results in the Munich and Frankfurt regions reduced compared to 2014, by 25% and 16% respectively. Whilst Berlin and Düsseldorf witnessed a number of deals involving premises greater than 30,000 m², thereby achieving the best Take-up results of the past 10 years, Hamburg, despite the uplift registered between 2014 and 2015, could only record its third best year of the past 10 years. In 2015, the biggest deal in the “Big 5” took place in the Düsseldorf region where Bauhaus is constructing a 60,000 m² logistic centre for its own occupation in Krefeld. The biggest letting was concluded in Großbeeren near Berlin: the online fashion retailer ASOS leased 42,000 m². Another lease for almost 42,000 m² was signed by the logistic company Rhenus in the VGP Park in Rodgau near Frankfurt. A total Take-up volume of around 1.3 million m² was recorded for premises with more than 5,000 m² in the “Big 5”, with 56% of these taking place in new-builds and project developments. The short-term availability of space in the ≥5,000 m² size category reduced significantly in the “Big 5” in 2015. An alternative to existing properties is project developments which, in previous years, have normally only be constructed after sufficient pre-letting or for an owner-occupier. In the meantime, developers have either started to construct speculative projects or plan to do so in 2016, with the result that there was already 150,000 m² of speculative space under construction in the “Big 5” by the end of 2015 (Source: Jones Lang LaSalle).

During Q1 2016 the space Take-up volume in the “Big 5” conurbations (Berlin, Düsseldorf, Frankfurt, Hamburg and Munich) reached the previous year’s result at 466,000 m², exceeding the Q1 5-year average by 3%. The Frankfurt region recorded a significant uplift of 59% year-on-year and was the frontrunner of the “Big 5”, with space Take-up in the order of 183,000 m². At some distance behind, and with 8% less space Take-up over the same period, was second placed Hamburg with 135,000 m². Whilst Take-up in the Munich region was slightly higher year-on-year, the Berlin and Düsseldorf regions recorded the highest falls, of 35% and 31% respectively. The Frankfurt region profited from the country’s second biggest letting: the Dutch retailer Action leased over 82,000 m² in a development project in Biblis for its new logistic centre. The two next biggest deals in the “Big 5” were lettings by retailers in project developments; although these were much smaller at approx. 14,000 m² and 13,000 m². In total, retailers accounted for 47% of Take-up, and a further 27% was concluded by companies from the distribution / logistics sector. In the “Big 5”, space Take-up of premises with more than 5,000 m² was significantly reduced, down 13% year-on-year, as was Take-up by owner-occupiers (-52%). In the “Big 5”, the shortage of premises with more than 5,000 m² available for immediate occupation was already becoming apparent in the Take-up figures in 2015, and this situation intensified further in the

first quarter. Almost 60% of space Take-up of premises of this volume was secured in project developments / new-builds. Due to the lack of alternatives in terms of existing properties, this trend looks set to continue (*Source: Jones Lang LaSalle*).

New record result outside the “Big 5”

In 2015, outside the “**Big 5**” conurbations*, warehousing space Take-up exceeded 4 million m² for the first time ever. At around 4.12 million m², 12% more warehousing space was taken up than in the year before. This was a staggering 28% and 58% above the 5- and 10-year averages. Whilst owner-occupiers took up around 10% less space year-on-year, the volume of lettings increased by 37% (*Source: Jones Lang LaSalle*).

Outside the “Big 5” conurbations*, the one million m² mark was already exceeded in the first quarter of 2016, making this the second highest Q1 result since 2013. It was also 4% higher year-on-year and exceeded the 5- and 10-year averages by 6% and 36% respectively. Whilst owner-occupiers took up around 16% less space compared to the same quarter in 2015, lettings were up 32%. However, the biggest deal recorded so far across Germany was concluded by an owner-occupier: Opel commenced construction on an approx. 95,000 m² distribution centre in Bochum. Even the two biggest lettings outside the “Big 5” were secured in project developments: DeLaval GmbH leased approx. 57,000 m² for its new logistic centre in Gallin in Mecklenburg-Western Pomerania; and Audi signed a contract for 45,000 m² in Soltau. This means that the automotive sector has continued its tendency to conclude largescale lettings in 2016. In total, manufacturing was responsible for 36% of Take-up, although the majority of space (44%) was taken up by companies from the distribution / logistics sector, whilst retailers accounted for a mere 14% (*Source: Jones Lang LaSalle*).

Prime rents rise in Munich

In 2015 prime rents for warehousing space in the ≥5,000 m² size category remained stable in most regions. Only Munich recorded a rise of EUR 0.25/m²/month in the prime rent to EUR 6.75/m²/month due to the continued scarcity of supply. This was followed by the Frankfurt (EUR 6.00/m²/month), Hamburg (EUR 5.60/m²/month) and Düsseldorf regions (EUR 5.40/m²/month). The lowest prime rents were paid by tenants in the Berlin region (EUR 4.70/m²/month) (*Source: Jones Lang LaSalle*).

Prime rents for warehouses with more than 5,000 m² remained stable in all regions in the first three months of 2016. Munich retained pole position with EUR 6.75 per m² and month, followed by the Frankfurt, Hamburg and Düsseldorf regions with EUR 6.00, EUR 5.60 and EUR 5.40 per m² and month respectively. The most inexpensive logistic space could be found in the Berlin region (EUR 4.70 per m² and month). This trend is expected to continue over the next few months (*Source: Jones Lang LaSalle*).

Warehousing Take-up Germany: lettings / owner-occupiers

	2009 (m ²)	2010 (m ²)	2011 (m ²)	2012 (m ²)	2013(m ²)	2015(m ²)
Outside the "Big 5"-Conurbations:						
- Lettings	1,381,200	2,032,000	1,637,300	1,539,062	1,759,872	2,406,425 ¹
- Owner-occupiers	1,141,900	1,585,900	1,299,600	1,772,338	1,906,528 ¹	1,715,875
- Total	2,523,100	3,617,900	2,936,900	3,311,400	3,666,400	4,122,300
"Big 5"-Conurbations:						
- Lettings	1,431,900	1,781,900	1,365,500	1,206,200	1,406,000	1,545,000
- Owner-occupiers	363,400	464,300	418,900	499,900	484,300	512,900
- Total	1,795,300	2,246,200	1,784,400	1,706,100	1,890,300	2,057,900
Lettings	2,813,100	3,813,900	3,002,800	2,745,262	3,165,872	3,951,425
Owner-occupiers	1,505,300	2,050,200	1,718,500	2,272,238	2,390,828	2,228,775
Total	4,318,400	5,864,100	4,721,300	5,017,500	5,556,700	6,180,200

Source: Jones Lang LaSalle

¹ As calculated by the company based on Jones Lang LaSalle data

Warehousing Take-up Germany

	2010 (m ²)	2011 (m ²)	2012 (m ²)	2013 (m ²)	2014 (m ²)	2015 (m ²)
Region:						
- Berlin	359,900	412,000	333,600	333,000	327,400	456,100
- Dusseldorf	166,000	205,800	145,100	295,200	283,200	328,900
- Frankfurt (incl. Wiesbaden/Mainz)	326,400	540,000	455,600	415,000	559,000	470,500
- Hamburg	616,300	740,000	575,400	450,000	450,000	600,000
- Munich	326,700	348,400	274,700	212,900	270,000	202,400
Total "Big 5"-Conurbations	1,795,300	2,246,200	1,784,400	1,706,100	1,890,300	2,057,900
Outside "Big 5"-Conurbations	2,523,100	3,617,900	2,936,900	3,311,400	3,666,400	4,122,300
Total	4,318,400	5,864,100	4,721,300	5,017,500	5,556,400	6,180,200

Source: Jones Lang LaSalle

4.3.2 The semi-industrial property market in Spain

Spain ended 2015 as one of the fastest growing Eurozone economies, with GDP growth of 3.2%. This was the strongest performance in eight years, with household consumption, investment and exports all expanding strongly.

The ultra-loose monetary policy stance of the ECB and low oil prices continue to play a major role in boosting domestic demand across the Spanish economy. Consumer spending is estimated to have grown by around 3.1% in 2015, with similar growth anticipated for 2016. Household confidence is high and rising as employment growth strengthens and real disposable incomes gradually tick higher. Business confidence has been also rising and companies are showing a strong appetite for capital spending and staff hiring. Investment growth estimated to have reached 6.4% in 2015, the strongest annual performance since 2007. Investment growth is forecast to moderate to a still strong 4.1% in 2016, with activity and new orders expected to expand at a slower pace (*Source: Cushman&Wakefield*).

The key occupational markets of Madrid and Barcelona continue to be driven by the logistics and e-commerce sectors. Madrid has recently recorded one of its strongest Take-up levels in five years, with 184,000 m² space committed to in Q1. However, this was on the back of two exceptionally large deals signed, which may not be repeated in the quarters ahead. Amazon signed up for 57,000 m² of logistics space in Madrid's San Fernando de Henares submarket, while Luis Simoes took 48,500 m² in Guadalajara. The trend in Barcelona was the reverse, where the Q1 Take-up of 120,000 m² fell behind of the 2015 Q1 figure, but this was due to the

absence of extra large deals in the past three months. Main deals over the quarter were signed in the areas of l'Alt Camp, Baix Llobregat and Barcelonès.

The development pipeline is improving, particularly in Barcelona where construction commenced on additional 355,000 m² in Q1. However, 2016 should only see 16,000 m² (100% pre-let) of new space in the market, maintaining a tight vacancy rate in the short term. In Madrid, 130,000 m² speculative space should be delivered in 2016 (*Source: Cushman & Wakefield*).

4.3.3 The semi-industrial property markets in the mid-European countries

The property markets in which the Group invests or intends to invest, have experienced a significant increase of investment activity over the last decade. A climate of falling interest rates, strong economic growth and increasing exchange rate stability have also fed through the semi-industrial market segment in the region. In general, however this market segment to date has proven to be less responsive to the changing economic environment both in terms of generation of supply as the quality of the assets, thus attracting developers and investors. The liquidity of the semi-industrial market segment is gradually catching up with the other real estate market segments that gained interest of (international) investors and developers much earlier.

4.3.4 The semi-industrial property market in the Czech Republic

The road infrastructure in the Czech Republic is of a very good quality compared to other countries in the region. The D5 and D1 motorways create a west-east corridor connecting Western Europe with the East.

The Czech Republic semi-industrial market can be broadly divided into two submarkets – the Prague market and the regional market. The largest concentration of modern warehouses is located in the Prague area with West, South-East and North submarkets, while key regional distribution hubs are Brno and Humpolec on the D1 motorway to Slovakia, Pilsen on the D5 motorway to Germany and another increasingly popular location is Ostrava in the North-East, close to the Polish border, where the connection is not as good as in than to the rest of Czech Republic.

The first quarter of 2016 was particularly active for the industrial property market, bolstered by 2015's robust economic performance, the strongest annual outcome since 2007. Indeed, Czech's strengthening economy is attracting new investments and propelling activity from new market entrants. While prime rents have yet to feel the effects from this positive market momentum, rates in the logistics sector are likely to pick up later in the year.

The healthy industrial market is spurring sustained demand, and as a result, the core industrial cities are seeing vacant properties fill, bringing a shift to the market to one that is more landlord favourable. Automotive and e-commerce occupiers are propelling market activity. Further, foreign players from China, Germany and the USA are seeking to enter the Czech market, helping to support these favourable conditions. Local companies, on the other hand, tend to seek consolidation measures to limit their exposure (*Source : Cushman & Wakefield*).

With an increasing appetite from both occupiers and investors alike, vacancy has come under a downwards pressure, helping to absorb any excess space in the market. However, developers are increasingly considering speculative construction projects, looking for future growth in searching for suitable land sites.

After a healthy 2015, strong investor appetite is evident from institutional players for quality industrial schemes. However, this contrasts with the low level of available investment product and there is an expectation for developers to combat this lack of supply. Prime yields currently stand at 6.75%.

Although Czech's economic performance in 2016 is likely to decelerate following 2015's substantial growth, it will remain comfortably above the EU average. In turn, this is anticipated to maintain the pace of growth in the industrial market, with strong-but steady demand slowly eroding away at vacancy levels. Speculative development is expected to pick up as a result, although with supply levels still down, the market is set to remain firmly landlord favourable (*Source : Cushman & Wakefield*).

4.3.5 The semi-industrial property market in Slovakia

The market for semi-industrial property in Slovakia is considerably younger than in many other CEE countries. Over last few years, Slovakia has become a leading car manufacturer in Europe. This activity is driving demand for facilities and further strong growth can be expected. The location of automotive manufacturers generally becomes a hot spot for industrial development as affiliated companies, suppliers and sub-contractors move into the proximity of the main plant.

The logistics market in Slovakia can be divided into two main submarkets: i.e. Submarket 1 – Greater Bratislava Area: Warehouses and Warehouse Business Parks located within ca. 40km of the centre and Submarket 2 – Pan-Regional Slovakia: Warehouses and Logistic Centres located in the rest of Slovakia (*Source: CBRE*).

Industrial market fundamentals were strong in Q4 2015, underpinned by the rallying, export-led economy. In January 2016, the year-on-year growth in industrial production continued to slow down however, it remained positive at 1.6%. The recent commitment to new speculative construction may bring a temporary relief to the limited amount of quality space. However, it will be absorbed quickly and support rental growth.

Occupier focus

Industrial Take-up across Slovakia rose 17% on Q4 2015 levels to reach 61,500 m² in Q1. The wider Bratislava area is clearly the target location for occupiers, accounting for over 90% of the Q1 total (56,300 m²), matching the 5-year average. Activity is primarily driven by the automotive industry, a trend that has been seen in the past and is expected to continue to shape the industrial market over the course of 2016. Retailers are notably more active as well and a number of active requirements are evident which will support higher levels of occupier activity if suitable schemes can be found as companies examine their supply chains to ensure they are suitably positioned to serve their expanding consumer base.

The combination of low vacancy and a further strengthening of demand for warehouse space has spurred developers to reassess the viability of projects in the planning stages and begin construction on fully speculative schemes. Currently there is approximately 43,500 m² under construction across the country, over half of which is in Bratislava.

Both occupier and investor appetite is increasing for industrial space in Slovakia but the limited amount of quality space is a challenge for those looking for space. The uptick in speculative development is expected to increase but not on a wholesale basis as there are some concerns over the resilience of the Eurozone's recovery (*Source : Cushman & Wakefield*).

4.3.6 The semi-industrial property market in Hungary

The geographical position of Hungary in the middle of the region is vital to further development of its semi-industrial property market. The country serves as a good link between Western Europe and the Balkan states. From the east, Hungary also borders Ukraine, which is likely to grow into a large customer pool in the future.

Although rail freight is relatively important, the Hungarian logistic market is mainly based around the road network. The motorway network is still underdeveloped nationwide, with the capital Budapest being the main beneficiary of major infrastructural improvements so far. Running from the north west of the country, the M1 motorway is connecting Hungary with Austria and Slovakia. The M3, M5 and new M7 motorway serve region to the north east, south east and south west from Budapest.

The market in and around the capital has been favourable for tenants for three years already as vacancy stuck at a relatively high level. Countryside markets show a mixed picture with increasing availability in the Miskolc region but still short supply in key cities like Győr and Kecskemét (*Source: CBRE*).

The Hungarian industrial market had a strong start in 2016. Positive absorption of space was recorded in both the logistics and industrial subsectors. In addition, as the availability of existing vacant space continued to tighten and vacancy fell to 8.5%, finally some speculation construction did actually commence in Q1 2016. Prime rents and yields are, for now, unchanged, albeit medium to longer term rental growth is more of a reality now than six months ago.

Over 118,000 m² of modern logistics space were leased in and around Budapest in the first quarter of 2016. The automotive sector, along with occupiers from the pharmaceutical and FMCG logistics segments are the main drivers of demand. However, available relocation options have been increasingly limited due to the absence of new speculative supply and as a consequence the majority of the Q1 occupational activity was for renewed lease agreements. Aside that, the build-to-suit route of entering the market remains more or less the only viable alternative. On the supply side, the recent initiation of some fully or partly speculative developments which are due to complete in the latter half of the year will bring some temporary relief to the occupier market.

Demand, fuelled by strong economic growth, will continue to outstrip supply in the quarters ahead. This is expected to see incentives withdrawn, while growing headline rents are also a likelihood in 6-9 months. Subsequently, the firmer fundamentals in the occupier market should positively influence the investment market and further improve the risk perception of investing in this segment (*Source : Cushman & Wakefield*).

4.3.7 The semi-industrial property market in Romania

Despite being the second largest country in the region, development of the industrial and logistics market has historically been held back by a poor economy, a declining population and limited infrastructure.

The semi-industrial real estate market is greatly underdeveloped in Romania. Most new developments are in the west and north parts of Bucharest, where the infrastructure is to a standard to meet the needs of logistic/industrial companies. On the other hand, the western and north-western regions of Romania recently saw an increased activity in logistics and

industrial development due to their attractive locations and good connection with the rest of Europe. There is a high concentration of light manufacturing, especially car-production facilities in these areas. On the opposite side of Romania, some activity can be seen in the greater area of the Constanta port.

The industrial sector has had a rewarding year, as the market became more and more appealing to developers, investors, end users and tenants. Supported by consumption upsurge for the past 5 years, the logistic sector witnessed a year of strategic opportunity and has taken the lead. Production segment increase was triggered by stable economic fundamentals which have been characterizing Romania in the past years.

In Bucharest, for the fourth year in a row, 2015's logistics stock remained stagnant. Nonetheless, it marked the start of new developments that are expected to be delivered in the first half of 2016 and that will supply more than 100,000 m² to the current stock of 941,000 m². Immofinanz was the first to break ground by starting the development of 40,000 m² out of the 140,000 m² LogIQ Mogosoaia project. The past year witnessed a significant shift on the industrial market scene, when CTP and P3 Logistics entered the Romanian market through the acquisition of a number of logistics parks and became the largest local players.

The industrial market outside the capital city has witnessed new deliveries, either speculative developments or built-to-suit solutions. The 690,000 m² stock as of end of 2014 has added over 150,000 m² in 2015. Even though the western part of the country is the main attraction for both developers and tenants, some companies made a surprising bet on other areas, such as Yazaki that chose Braila for their new production facility, attracted by the available workforce pool and salary levels.

In Bucharest, 113,000 m² were subject to transactions in 2015 on the logistics market, pointing a 23% increase compared to 2014. 63,000 m² out of the total market activity resulted in transactions representing the net Take-up. Relocations stood for 15% of the transactional volume, while another 35,000 m² were originated in temporary transactions coming from players that needed additional spaces to supply the extra demand registered during the Black Friday event.

While 70% of the net Take-up was driven by logistic companies, the remaining 30% represents the contribution of the retail sector. Retail is expectedly dominated by on-line players as e-commerce retail will gather pace in the years to come. Having the lowest vacancy rate registered since the financial crisis begun in 2008, compressing from the maximum of 15.4% in 2010 to less than 5% in 2015, the market saw a steep decrease in available warehouse premises, which favoured a high number of speculative developments and pre-lease transactions.

Approximately 170,000 m² were leased outside Bucharest. More than 50% of the transactional activity was channelled to the western part of the country, the remaining demand being directed to cities such as Deva, Pitesti, Ploiesti, Ramnicu Valcea and Sibiu.

The average market rents are expected to experience further increases in the following 12 months. Headline rents range between 3.80 EUR/m² and 4.25 EUR/m² for class A premises, while service charge had steady evolution in 2015.

Demand from production sector will keep its leading role and logistic companies will try to catch up and optimize transportation routes from different areas of the country, considering

the continuous expanding sector of e-commerce and same/next day deliveries (*Source : Colliers*).

4.3.8 The semi-industrial property market in Latvia

After three to four silent years, development activity in the industrial sector has finally resumed. Growing transit activities, interest from Russian companies, rise of domestic consumption and, most importantly, low vacancy levels, have led developers to revive old plans that have remained on hold since the onset of the economic crisis in 2008-2009.

Continuing development activity resulted in six industrial properties commissioned, with more under construction to be commissioned the following year. Stable demand continued during 2015 with shortage of available premises serving as an activity limiter. 2015 saw a continuation of the trend that started in 2013, with companies centralizing their business and relocating in one place, thus improving logistics and optimizing their functionality. Negative market sentiment due to geopolitical tensions between Russia and Western countries has improved since the end of 2014. Business is adapting by partially switching to other markets. Nevertheless, hidden vacancy occurs with sublease opportunities offered in the array of premises occupied by companies serving eastern markets.

By the end of 2015, total leasable industrial space amounted to approximately 895,300 m², consisting of 615,300 m² of speculative premises and 280,000 m² of built-to-suit premises. During the year, the professional industrial market saw the largest space increase since 2009. Industrial space was supplemented by six properties with total GLA of 110,000 m², among which 84,000 m² of GLA were located in built-to-suit properties. The largest commissioned object was a BLS built-to-suit industrial property in Kekava parish consisting of 44,000 m² of A class GLA.

During 2015, rent rates in both in A and B class industrial premises remained unchanged. Rent rates for A class industrial premises stood at 3.5 - 4.5 EUR/m² per month and rent rates for B class industrial premises at 3 - 3.6 EUR/m² per month. However, we observed a tendency for the upper bounds of A class rent rates for premises located outside Riga to be up to 20 per cent less compared to those located in Riga. By the end of 2015, the total vacancy rate of industrial space had increased to 4.2 per cent, compared to 2.2 per cent at the end of 2014. The increase in total vacancy was driven by commissioning of a number of speculative industrial projects, which arrived on the market with available vacancy (*Source : Colliers*).

4.3.9 The semi-industrial property market in Estonia

The warehouse and industrial property market continued to remain active in 2015 in terms of new developments and buoyant demand for modern quality space. At the beginning of 2016, the estimated total stock of modern industrial facilities amounts to approximately 1,083,600 m². New supply delivered to the market reached 123,920 m² in 2015. 2015 saw completion and expansion of 22 warehouse and industrial buildings in industrial and logistics parks in Harju County, including the large-scale speculative VGP Nehatu project development.

Despite the large number of new development projects and a non-supportive external environment, demand for industrial and logistics facilities remained buoyant in 2015, with continually prevailing demand for built-to-suit facilities. At the same time, demand for new lettable space from manufacturing and logistics companies also supported speculative development as well as leasing activity throughout the year. Logistics operators, followed by

retailers, typically generated the strongest demand for new warehouse space in 2015. It is also worth mentioning that a significant share of 3PL's demand is derived from their contracts with retail chains. The market has been continually benefiting from increased consumption and improved retail sales numbers during the last four years, resulting in a stimulating effect on demand for premises. This is a main market growth engine, also fuelled by the development of e-commerce. Companies from the automotive (maintenance and repair of motor vehicles, buying used cars) and food (manufacture and catering of food products) sectors also secured a significant share in 2015 Take-up.

The most popular and frequently requested format of premises is quality space mainly in the size range from 500 up to 1,000 m². Currently available options on the rental market include mostly units over 1,000 m² in the classic warehouse space segment and small-size units (up to 500 m²) in the complex office warehouse premises and storage/small-scale industrial premises segment.

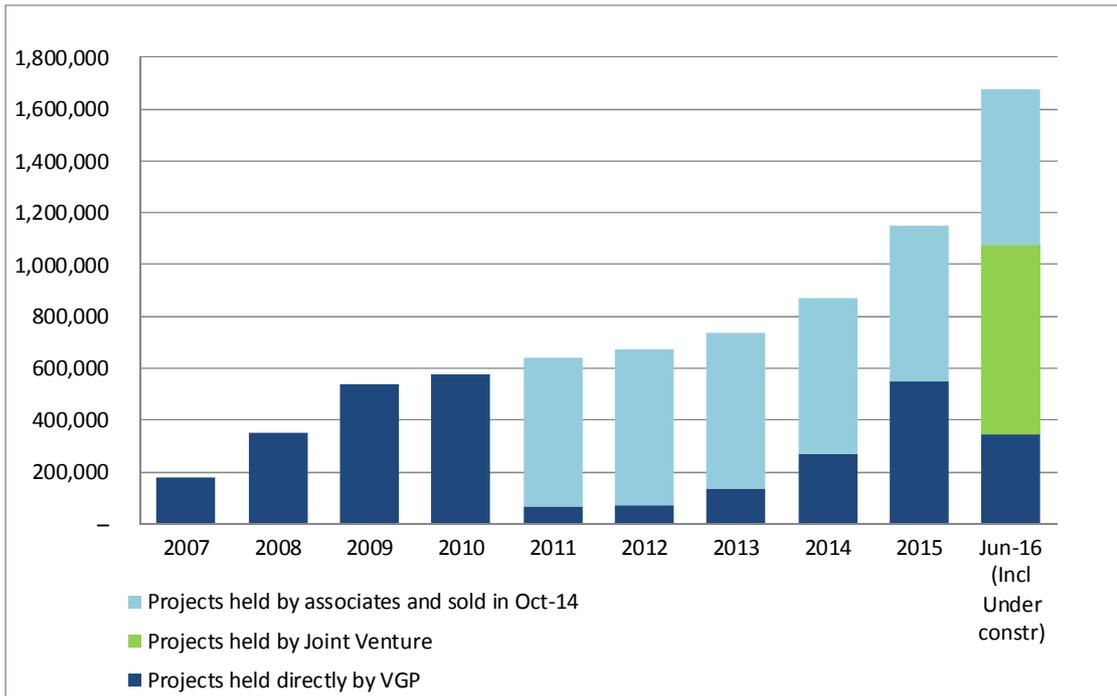
In 2015, rent rates largely remained at the 2014 level. Greatest demand continues to be for modern premises with a rent rate of 4.1 - 4.6 EUR/m²/month in the direction of Tartu - Tallinn Road and Peterburi Road area. At the same time, warehousing is the main real estate sector, where pressure on rental rates can be observed due to a high development pipeline, limited demand and the fact that new construction is continually mainly driven by built-to-suit activity. Nevertheless, no sharp decrease in rent rates or increase in vacancy is expected in the mid-term perspective if the overall economic situation remains stable. The actual asking rents for warehouse / industrial premises are expected to stay between 4.5 - 5.2 EUR/m²/month (up to 6.5 EUR/m²/month for Stock Offices) (Source : Colliers).

4.4 Brief History of VGP

Period	Description
1998	<ul style="list-style-type: none"> Start-up of the Group. Start of the coordination and construction of commercial and semi-industrial buildings on behalf of third parties.
2002	<ul style="list-style-type: none"> Start of the development of a proprietary portfolio with first developments Blue Park, Green Park and Green Tower.
2005-2006	<ul style="list-style-type: none"> Acquisition of a large plot of land in Prague (Horní Počernice - 73ha).
2006	<ul style="list-style-type: none"> Start of the construction of VGP Park Horní Počernice. Regional expansion in the Czech Republic with the acquisition of several other strategic plots of land in Olomouc, Nýřany, Lovosice, Hradec Králové, Liberec and Turnov. EUR 3 million of committed leases signed.
2007	<ul style="list-style-type: none"> Expansion throughout the mid-European region with the acquisition of plots of land in Latvia (Riga), Slovakia (Bratislava) and Hungary (Győr). Initial Public Offering. Listing on Euronext Brussels and Main Market in Prague (Czech Republic). EUR 15 million of committed leases signed.
2009	<ul style="list-style-type: none"> First realisations outside the Czech Republic with construction works started in Slovakia, Hungary and Estonia.

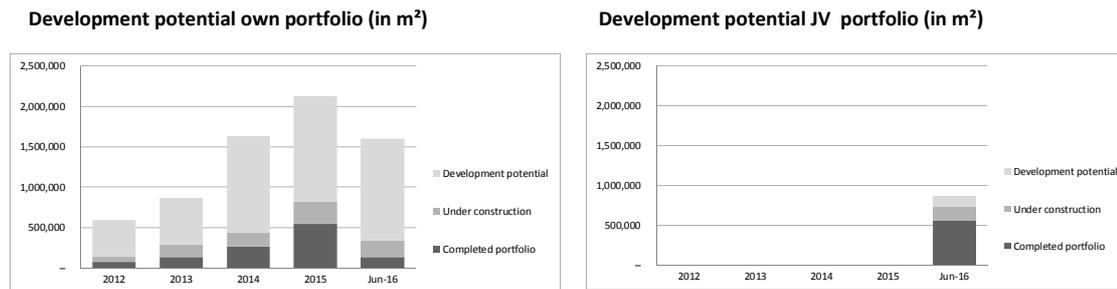
	<ul style="list-style-type: none"> • EUR 29 million of committed leases signed.
2011	<ul style="list-style-type: none"> • VGP steps into a 20:80 joint venture (Snow Crystal S.à.r.l.) with EPISO fund (AEW) on its VGP CZ I portfolio. • VGP steps into a 20:80 joint venture (SUN S.à.r.l.) with CCP III fund (Tristan Capital Partners) on its VGP CZ II portfolio. • EUR 40 million of committed leases signed.
2012	<ul style="list-style-type: none"> • VGP steps into a 20:80 joint venture with EPISO fund (AEW) on its VGP CZ IV portfolio. • VGP sells the Estonian assets of VGP Estonia to East Capital Baltic Property Fund II (East Capital). • EUR 5.0 million of committed leases signed.
2012-2013	<ul style="list-style-type: none"> • Expansion of land bank in the Czech Republic and securing substantial land positions in Germany.
2013	<ul style="list-style-type: none"> • First lease contract and development in Germany and acquisition of >500,000 m² land plot in Hamburg (Germany). • Issuance by VGP NV of bonds with a 4 year maturity, listed on the regulated market of NYSE Euronext Brussels, for a total nominal amount of 75 million EUR. • Decrease of VGP NV's capital in an amount equal to EUR 7,619,050.50, without cancelling any shares, as a result of which the Issuer's registered capital is equal to EUR 112,736,509. • EUR 10.4 million of committed leases signed.
2014	<ul style="list-style-type: none"> • Sale of the remaining 20% interest in the VGP CZ I, VGP CZ II and VGP CZ IV portfolios, termination of the joint venture with AEW and Tristan • EUR 22.6 million of committed leases signed.
2015	<ul style="list-style-type: none"> • Establishment of presence in Spanish market and securing of the first plot in Madrid (San Fernando)(Spain) • VGP becomes one of top tier developers in Germany • EUR 38.0 million of committed leases signed.
2016	<ul style="list-style-type: none"> • Entry into a joint venture with Allianz and completion of the acquisition of the initial Seed Portfolio (consisting of 15 VGP Parks) for a transaction value > EUR 500 million • EUR 45.0 million of committed leases signed at the end of June 2016

Total developed lettable area by the Group since 2007:



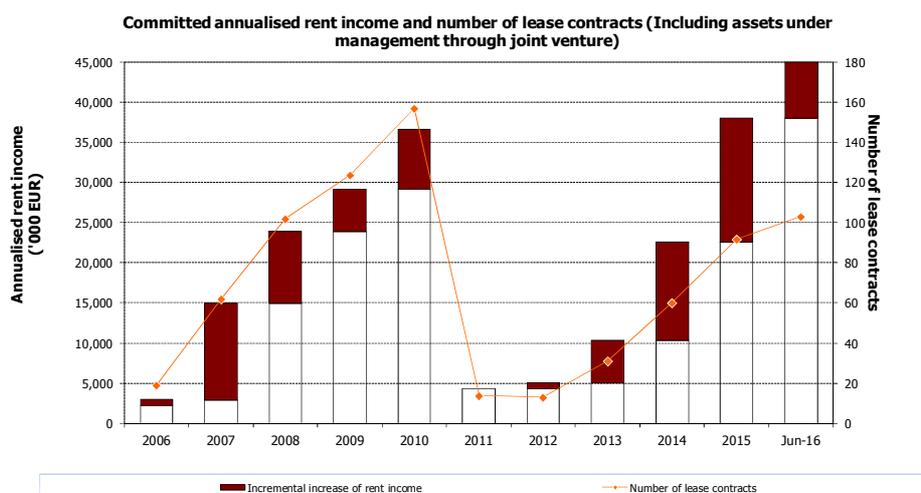
Note: The chart shows the total lettable area developed by the Group since 2007. While some of such areas have been sold in 2014 (and previously transferred to the Associates) and the Group does not retain any ownership to such areas, the Issuer considers that the chart shows a true picture of the actual development activity of the Group over the relevant period. For the avoidance of doubt, the areas shown in light blue colour are, as of the date of this Prospectus, no longer owned in any way by the Group. Similarly, the areas shown in green colour are owned by the Joint Venture and thus indirectly for 50% by the Group.

Total development potential (own portfolio and Joint Venture)



Note: The chart includes the targeted land and building for acquisition in Barcelona.

Evolution of committed leases (own portfolio and Joint Venture)



5 Strategy

5.1 General

VGP's strategy focuses on development and a pro-active approach in respect of potential disposal of the Group's income generating assets once such assets have reached a mature stage. This strategy has resulted in the disposal of a number of income generating assets over the past few years. During the last 12 months this strategy was further streamlined and resulted in the entering of the Joint Venture during the first quarter of 2016. This Joint Venture confirms the long term strategy of the Group to realise capital gains and will over time have a significant impact on the fee income generating capabilities of the Group as VGP will benefit from fee income generated from asset management-, property management- and development management services.

The Group's investment strategy is based on the following principles:

- 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.

VGP operates three main business lines, i.e. development activities, asset- and property management services and Facility Management services.

5.2 Development activities

Greenfield developments are the core activity of the VGP Group. Developments are undertaken primarily for the Group's own account. Besides this, additional development activities can be carried out on behalf of the Joint Venture or in some exceptional cases for third parties.

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 logistic and light-industrial accommodation projects situated in the mid-European region and Germany and has started to expand to other Western-European countries. During 2015 VGP already established its presence in Spain with the opening of a new office in Barcelona.

The Group aims to expand into other European markets in the near future.

High quality projects are always 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 easy future ability to lease again. 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 strong demands for lettable area recorded in most of VGP's parks, the advance stages of negotiations with potential tenants in these parks as well as to allow VGP to offer lettable area without long lead times, a number of projects have currently been started up on an own risk basis. Delaying the start-up of these buildings would have put the Group at a competitive disadvantage as it would have no immediate available or on a short notice available lettable area to offer to potential tenants. As at 30 June 2016, the following buildings have been started up on an own risk basis: (i) for its own portfolio: 1 building (13,000 m²) in VGP Park Český Újezd (Czech Republic), 1 building (11,600 m²) in VGP Park Olomouc (Czech Republic), 1 building (49,600 m²) in VGP Park Berlin 2 (Germany), 1 building (25,750 m²) in VGP Park Leipzig (Germany), (ii) for the account of the Joint Venture: 1 building (11,900 m²) in VGP Park BRNO (Czech Republic) and 1 building (48,400 m²) in VGP Park Frankenthal (Germany). For most of these buildings several pre-leases are in advanced stages of negotiations.

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 often negotiates and contracts building subcontractors and building material deliveries directly and monitors the follow up and coordination of the building activities itself.

5.3 Asset and property management services

Property management services are mainly provided internally and to a lesser extent externally whereby the respective Group property management company is responsible for managing the proper and undisturbed operation of the buildings. In addition, the property manager will on behalf of the Group or the respective third parties identify, supervise and manage the relationship with third party suppliers.

As part of its offered services the VGP property management companies will also perform Project Management services. These services cover the performance of capital improvements and any other construction works as may be requested by the owner of the buildings. This scope covers the full range of Project Management services (supervision and coordination of the contractors for design, advising on obtaining permits, advising on the works and any tenders relating thereto).

As part of the property management services VGP will also provide leasing services. The commercial department is responsible for all aspects of the performance and enforcement of the leases and the lease agreements on behalf of the associated companies and as from 2016 also for the Joint Venture companies, as well as for day-to-day co-operation with the tenants.

The asset management function was created during 2016 as part of the services rendered to the newly established Joint Venture and entails giving advice and recommendations to the Joint Venture companies on the Joint Venture's assets managing on property level strategy and thereby optimising the value of the Joint Venture assets. Further advice and recommendations will be given by the asset manager in respect of appropriate tenant mix, execution of leasing strategy that aligns cash flows with portfolio needs, and manage both capital and operating expenses. The asset management services are delivered by a newly established subsidiary VGP Asset Management S.à r.l. and operates from Luxembourg.

5.4 Facility Management services

Facility Management services have been regrouped in SUTA.

Facility Management services are provided internally as well as externally whereby SUTA is responsible for managing the proper and undisturbed operation of the buildings and performs all actions such as maintenance services, waste management services, maintenance greenery etc. that may be necessary in this respect.

In other countries where no specific Facility Management team will be in place, the Group will use third party Facility Management services companies to perform these activities.

6 Funding Sources

The main source of funding comes from the issuance of bonds. Previously, the Group has used considerable amount of bank financing for the development of its projects. However, with the entering of the Joint Venture with Allianz and the completion of the acquisition of the first 15 parks by the Joint Venture, VGP has been able to substantially deleverage the Group.

On 12 July 2013 the Issuer issued the 2017 Bond. The net proceeds of the 2017 Bond were used in Germany to settle the acquisition of development land in Hamburg and Frankfurt, the financing of the development pipeline in Germany and finally to acquire a new 25,000 m² building in Hamburg. In the other countries, the net proceeds of the 2017 Bond were used to settle the acquisition of additional development land and for the financing of the development pipeline in Czech Republic, Estonia, and Romania.

On 6 December 2013, the Issuer issued the 2018 Bond. The net proceeds of the 2018 Bond were used to acquire further development land in Germany and to finance the development of further projects on such acquired land.

The net proceeds of the current Bonds are expected to be used to acquire development land in Spain and finance the equity portion required to finance the acquisition of the new building in Barcelona (in

total EUR 100 million) and to further finance the development of new projects on development land for the remaining EUR 125 million.

The Issuer's source of recurrent income comes from the operating activities of its Subsidiaries and interest income and asset/property/development management fee income from its Joint Venture. In addition, the Issuer will benefit from the realisation of the development profits at the moment of the sale of the income generating assets to the Joint Venture and benefit on an ad hoc basis from the sale of income generating assets or business parks which are put into the market once they reach a certain maturity, i.e. a level of income generation.

As at 30 June 2016 the Gearing Ratio stood at 23.5% (compared to 35.7% as at 31 December 2015 on a net debt basis (measured as total bank, bond and shareholder debt less cash and cash equivalents).

6.1 Issuer's Funding Sources

Besides the issuance of the Bonds (cf. supra), the Issuer has no available committed bank credit facilities nor does it currently intend to arrange bank credit facilities in the future. Occasionally the Issuer will benefit from shareholder loans. They have always been considered as bridging debt allowing the Group to act as a fast mover on the acquisition of plots of land and are provided at arm's length.

6.2 Group's Funding Sources

As at 30 June 2016 the Subsidiaries had committed credit facilities of EUR 35.5 million which were utilised for 65% or EUR 23.2 million. The weighted average of the committed credit facilities was 3.1 years at the end of June 2016. The detailed terms and conditions can be found in the half year results 2016 (page 18).

As at 30 June 2016 the consolidated balance sheet records investment properties (comprising the completed projects, projects under construction and development land) of EUR 258.1 million. Of this, the Investment properties pledged in favour of the banks were EUR 71.9 million covering a total bank debt at the end of 30 June 2016 of EUR 23.2 million. As a result, the bank debt was 3.1 times covered by the secured assets.

Given the fact the Group adopts as much as possible a standardised approach in respect of financial bank covenants in general a Loan to Value of 65% will apply in respect of borrowings. This effectively means that the Group would only be able to leverage its assets base for a maximum amount corresponding to 65% of the value of the investment properties.

Besides the bank financing the Subsidiaries benefit from intra-group loans provided by the Issuer. These loans are used to finance the development pipeline.

As at 30 June 2016 the Issuer had granted EUR 180.1 million intragroup loans to its subsidiaries (EUR 328.6 million at the end of December 2015).

The intragroup loans are granted by the Issuer to the Group members on an arm's length basis, are unsecured and are on first demand.

Of these loans, as at 30 June 2016, EUR 17.4 million were subordinated intragroup loans, i.e. subordinated to bank financing.

The intragroup loans are usually used to finance the land and the initial stages of the development. Once a building becomes income generating and provided adequate bank financing is in place, the respective intragroup loan will be repaid by the bank financing and the proceeds received by the Issuer will be recycled and re-lent to finance other / new developments.

6.3 Funding Sources of the Joint Venture

Three major committed secured credit facilities (totalling EUR 549.7 million) have been arranged at the level of the Joint Venture and its respective German, Hungarian and Czech/Slovak portfolios. For more information on these loans, reference is made to section 3.2 (*Relationship with the Associates and the Joint Venture*) of this Part VI.

The Manager, nor any of its affiliates is a creditor of any of the members of the VGP Group.

7 Recent Developments, Investments and Trends

7.1 Development pipeline

Completed projects

During the first half of 2016, 7 buildings were completed. Of that, six were part of the initial Seed Portfolio to be transferred to the Joint Venture: two buildings in Germany totalling 68,129 m² in VGP Park Rodgau, one building of 22,892 m² in VGP Park Alsonemedi (Hungary), one building totalling 15,065 m² in VGP Park Hamburg (Germany), one building of 3,640 m² in VGP Park Plzen (Czech Republic) and one building of 12,665 m² in VGP Park Malacky (Slovakia). In addition, the Group has completed one building of 17,565 m² in VGP Park Timisoara (Romania), which remains on its own books.

The Group has currently a total of 10 completed buildings (130,321 m²) in its investment portfolio with another 31 buildings (561,306 m²) under management and partially owned through the Joint Venture.

Projects under construction

At the end of June 2015 there were 17 buildings under construction.

For its own account VGP has the following 10 new buildings under construction: In Germany: 1 building in VGP Park Soltau, 1 building in VGP Park Berlin 2 and 1 building in VGP Park Leipzig. In the Czech Republic: 1 building in VGP Park Tuhomerice, 2 buildings in VGP Park Český Újezd, 1 building in VGP Park Liberec and 1 building in VGP Park Olomouc. In the other countries: 1 building in VGP Park Nehatu (Estonia) and finally 1 building in VGP Park Timisoara (Romania). The new buildings under construction on which several pre-leases have already been signed, represent a total future lettable area of 212,118 m² which corresponds to an estimated Annualised Rent Income of EUR 9.3 million.

On behalf of the Joint Venture VGP is constructing 7 new buildings. In Germany: 1 building in VGP Park Rodgau, 1 building in VGP Park Frankenthal, 2 buildings in VGP Park Hamburg and 1 building in VGP Park Bobenheim-Roxheim. In the Czech Republic: 1 building in VGP Park BRNO and finally 1 building in VGP Park Malacky (Slovakia). The new buildings under construction on which several pre-leases have already been signed, represent a total future lettable area of 171,776 m², which corresponds to an estimated Annualised Rent Income of EUR 9.8 million.

During the second half of 2016, VGP currently expects to start up 5 new buildings totalling circa 99,000 m² of which 4 buildings (circa 89,500 m²) will be constructed for its own account and 1 building (circa 9,500 m²) on behalf of the Joint Venture.

Land bank

During the first six months of 2016 VGP continued to target a significant amount of land plots in order to ensure that the land bank remains sufficiently large to support the development pipeline for future

growth. In 2016 VGP acquired 597,000 m² of new development land of which 333,000 m² was located in Germany and 264,000 m² located in the Czech Republic.

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

Besides this VGP has another 697,000 m² (including the targeted land and building for acquisition in Barcelona) of new land plots under option, subject to permits. These land plots have a development potential of approx. 603,000 m² of new projects (including the targeted building for acquisition in Barcelona). These remaining land plots and the targeted acquisition of the building in Barcelona are expected to be acquired during the course of 2016.

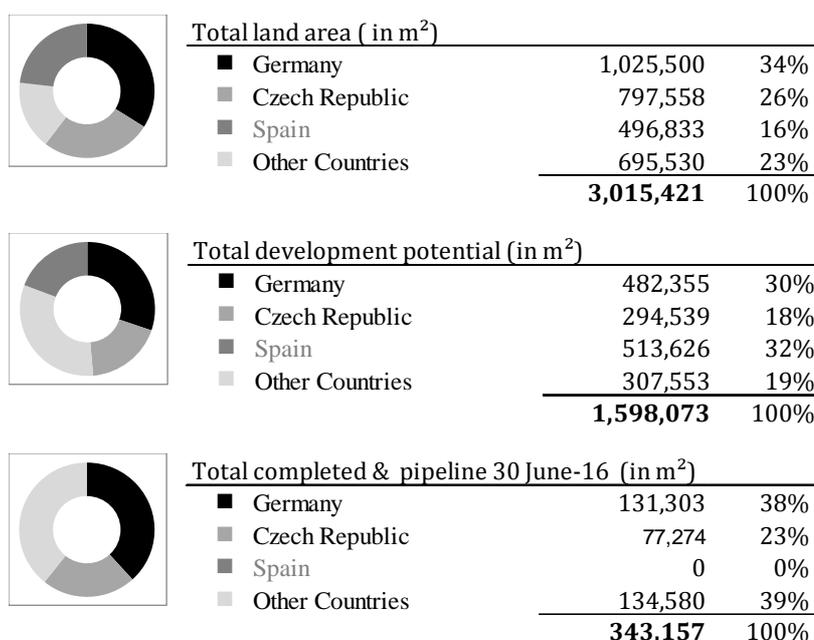
7.2 Acquisition of a major project in Spain

In line with its strategical entry into the Spanish market, the Group has been in negotiations about the acquisition of a completed project, providing the potential for development of a substantial additional area in a top location in Spain. While the negotiations have not yet been finalized, the Group expects to finalize the transaction by the end of 2016 and intends to utilize the proceeds of the Bonds (i.e. for a currently estimated amount of EUR 100 million) in particular for the financing of this transaction.

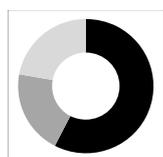
7.3 Summary of development potential of own portfolio and JV portfolio

The following chart contains a summary of the development potential of the Group's current secured land bank (including the targeted land and building for acquisition in Barcelona). The assessment of the development potential is based on the development of similar projects.

Development potential of own portfolio

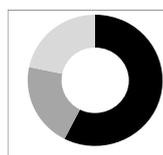


Development potential of Joint Venture



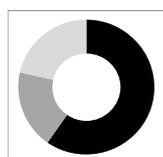
Total land area (in m²)

■ Germany	1,112,103	58%
■ Czech Republic	391,640	20%
■ Hungary and Slovakia	427,639	22%
	1,931,383	100%



Total development potential (in m²)

■ Germany	499,232	57%
■ Czech Republic	180,065	21%
■ Hungary and Slovakia	188,994	22%
	868,290	100%



Total completed & pipeline 30 June-16 (in m²)

■ Germany	437,294	60%
■ Czech Republic	138,246	19%
■ Hungary and Slovakia	157,542	21%
	733,082	100%

As at 30 June 2016 84% of the Joint Venture total development pipeline was already completed or under construction.

8 Material Adverse Effect

There has been no material adverse change in the prospects of the Group since 30 June 2016, except for those circumstances or events elsewhere stated or referred to in this Prospectus.

9 No Significant Change in Financial or Trading Position

With the exception of those circumstances or events elsewhere stated or referred to in this Prospectus, there has been no significant change in the financial or trading position of the Issuer or the Group since 30 June 2016.

10 Material Contracts

Neither the Issuer nor any other company of the Group has entered into any material contracts outside the ordinary course of its business which could result in the Issuer being under an obligation or entitlement that is material to the Issuer's ability to meet its obligation in respect of the Bonds, except for those elsewhere stated or referred to in this Prospectus, such as the agreements governing the relationship with the Joint Venture and/or the majority Shareholders of the Associates as referred to in Section 3.1 (*Organisational Structure*) of this Part VI: *Description of the Issuer*.

11 Governmental, Legal and Arbitration Proceedings

The Issuer and its Subsidiaries are currently not aware of nor subject to any claim, legal or governmental and arbitration proceedings, nor have they been subject to any claim, legal or governmental and arbitration proceedings during the last 12 months preceding the Issue Date, which

on aggregate, would have had or are likely to have a significant effect on the financial position of the Issuer and its Subsidiaries.

PART VII: MANAGEMENT AND CORPORATE GOVERNANCE

1 Board of Directors

In accordance with article 15 of the articles of association of the Company and paragraph 2 of annex 1 to the VGP Charter, the board of directors of the Company (the **Board of Directors** or the **Board**) is composed of at least three (3) members, who must not be Shareholders. The actual number of directors may vary depending on the needs of the Issuer. At least half of the directors must be non-executive directors and at least three of them must be independent based on the criteria of independence drawn up by the Board of Directors and set forth in paragraph 3 of annex 1 to the VGP Charter.

The directors are appointed for a term of no more than four years by the shareholders' meeting, and may be re-elected.

The Board of Directors must draw up nomination procedures and selection criteria for board members, including specific rules for executive and non-executive directors where appropriate. Based on these nomination procedures and the selection criteria, the Board of Directors recommends one or more candidates for nomination, taken into account the needs of the Issuer.

Any proposal for the appointment of a director by the shareholders' meeting is accompanied by a recommendation from the Board of Directors.

Whenever a legal entity is appointed as a director, it must specifically appoint an individual as its permanent representative, chosen from among its Shareholders, managers, directors or employees, and who will carry out the office of director in the name and on behalf of such legal entity. The legal entity may not revoke its permanent representative without simultaneously appointing a successor. The appointment and termination of the office of the permanent representative are governed by the same disclosure rules as if he/she were exercising the office on his/her own behalf.

The directors may be re-elected for a new term subject to the provisions regarding independent directors. The duties of directors who are not appointed for a new term terminate immediately after the shareholders' meeting which decided on any re-election.

Gender diversity and diversity in general, as well as complementary skills, experience and knowledge must be given due consideration in the composition of the Board of Directors.

Adequacy of size and composition will be regularly assessed by the Board of Directors upon the initiative of the chairman.

The Board of Directors does 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 make such appointment not necessary.

Current composition

The Issuer's Board of Directors is currently composed of the following 5 members:

Name	Function	Date of first appointment	Executive / Non-executive	Independent	Next due for re-election
Marek Šebest'ák	Chairman	2007	Non-executive	Independent	2019
Jan Van Geet ¹	CEO	2007	Executive and reference shareholder		2017
Bart Van Malderen ²	Director	2007	Non-executive and reference shareholder		2017
Alexander Saverys	Director	2007	Non-executive	Independent	2019
Jos Thys ³	Director	2007	Non-executive	Independent	2019

Marek Šebest'ák (b. 1954), is founder and former Chairman of BBDO-Czech Republic, one of the leading international advertising and communication agencies.

Jan Van Geet (b. 1971), 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 also managing director of WDP Czech Republic. WDP is a Belgian real estate investment trust with several projects in the Czech Republic.

Bart Van Malderen (b. 1966). Mr Bart Van Malderen founded Drylock Technologies in 2012. Drylock Technologies is a new hygienic disposable products manufacturer which introduced the revolutionary fluff-less diaper in 2013. Prior to this Bart Van Malderen held different management positions at Ontex, a leading European manufacturer of hygienic disposable products where he became CEO in 1996 and Chairman of the Board in 2003, a mandate which he occupied until mid-July 2007

Alexander Saverys (b. 1978). Mr Alexander Saverys holds a master of laws (University of Leuven and Madrid) and holds an MBA of the Fachhochschule für Wirtschaft Berlin. In 2004 he founded Delphis NV a company offering multimodal transport solutions throughout Europe. He became a director of CMB (Compagnie Maritime Belge SA) in 2006 and was appointed CEO in September 2014.

Jos Thys (b. 1962). Mr Jos Thys holds a Master's 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 BNP Paribas, Artesia and Dexia.

¹ As permanent representative of Jan Van Geet s.r.o.

² As permanent representative of VM Invest NV.

³ As permanent representative of Rijo Advies BVBA.

2 Board's Committees

2.1 Audit Committee

The audit committee of the Company (the **Audit Committee**) supervises the integrity of the financial information provided by the Company, and is more in particular responsible for, as set forth in paragraph 2 of annex 3 to the VGP Charter:

- ensuring that financial reporting gives a truthful, honest and clear picture of the situation and prospects of the Company, on both an individual and a consolidated basis, as the case may be;
- checking the accuracy, completeness and consistency of financial information, including the verification of the periodical information before it is announced;
- assessing the relevance and consistency of the Accounting Standards.

The composition of the Audit Committee is determined by paragraph 3 of annex 3 of the VGP Charter. The members of the Audit Committee are appointed by the Board of Directors. They may be dismissed by the Board of Directors at any time.

The Audit Committee consists out of at least three directors. The members of the Audit Committee must be non-executive directors, with a majority of independent directors. At least one of them has accounting and auditing experience.

The members of the Audit Committee have sufficient relevant expertise, especially in accounting, auditing and financial matters, to effectively perform their functions.

The duration of the appointment of a member of the Audit Committee may not exceed the duration of his/her directorship.

Current composition

Name	Expiration of mandate
Jos Thys ¹	2019
Bart Van Malderen ²	2017
Marek Šebest'ák	2019

In accordance with paragraph 5 of annex 3 to the VGP Charter, 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.

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 can, at its discretion, request any of the Company's executives, employees, external legal advisors, or the Statutory Auditor, the CEO or the head of internal audit of the Company

¹ As permanent representative of Rijo Advies BVBA.

² As permanent representative of VM Invest NV.

to attend a meeting of the Audit Committee or request such persons to confer with the members or advisors of the Audit Committee.

2.2 Remuneration Committee

In accordance with paragraph 2 of annex 2 to the VGP Charter, the remuneration committee of the Company (the **Remuneration Committee**) is responsible for the following tasks with respect to the remuneration:

- drawing up and evaluating proposals to the Board of Directors concerning the remuneration policy to be pursued for directors, members of the management committee, other leaders (*andere leiders / autres dirigeants*) and the executive managers and, where appropriate, on the resulting proposals to be submitted by the Board to the general shareholders' meeting;
- drawing up and evaluating proposals to the Board regarding the individual remuneration of directors, members of the management committee, other leaders (*andere leiders / autres dirigeants*) and the executive managers, including variable remuneration and long-term incentives, whether or not stock-related, in the form of stock options or other financial instruments, and regarding the arrangements on early termination, and where applicable, on the resulting proposals to be submitted by the Board to the general shareholders' meeting;
- drawing up and submitting of a remuneration report to the Board of Directors, to be included in the corporate governance statement of the annual report;
- explaining the remuneration report at the general shareholders' meeting;
- giving a motivated advice to the Board of Directors, every time when a severance payment up to 18 months is proposed in an agreement with an executive director, a member of the management committee, another leader (*andere leider / autre dirigeant*) or an executive manager.

The Remuneration Committee comprises at least three directors, in accordance with paragraph 3 of annex 2 to the VGP Charter. All members of the Remuneration Committee must be non-executive directors, a majority of whom are independent.

The members of the Remuneration Committee are appointed and may be dismissed at any time by the Board of Directors. The duration of the appointment of a member of the Remuneration Committee must not exceed the duration of his/her directorship.

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 are 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.

Current composition

Name	Expiration of mandate
Bart Van Malderen ¹ <i>Chairman</i>	2017
Alexander Saverys	2019
Jos Thys ¹	2019

¹ As permanent representative of VM Invest NV.

2.3 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.

2.4 Executive Management

Management Committee

Since no management committee in the meaning of article 524bis et seq of the Belgian Company 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, as set forth in paragraph 19 of annex 1 to the VGP Charter. By doing so, the Company as a smaller listed company deviates from the recommendation in provision 6.1 of the Corporate Governance Code.

Executive Management

The executive management is composed of the following members:

- Jan Van Geet² - Chief Executive Officer;
- Jan Procházka - Chief Operating Officer;
- Dirk Stoop³ - Chief Financial Officer;
- Tomas Van Geet⁴ Chief Commercial Officer; and
- Jan Papoušek⁵ Chief Operating Officer – outside CZ;

The curriculum vitae of the members of the executive management (except for the CEO – cf. supra) may be summarised as follows:

Mr Jan Procházka (b. 1964), 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 realised under his management are the airport terminal Sever 1 in Prague, the cargo terminal, as well as the headquarters of Česká Spořitelna.

Mr Dirk Stoop (b. 1961), 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 Degree in Financial and Commercial Sciences from VLEKHO (HUB) in Belgium.

Mr. Tomas Van Geet (b. 1976) joined VGP in 2005. He takes responsibility for all commercial strategic matters and commercial co-ordination of VGP's key accounts. Prior to joining VGP, Tomas held several

¹ As permanent representative of Rijo Advies BVBA.

² As permanent representative of Jan Van Geet s.r.o.

³ As permanent representative of Dirk Stoop BVBA.

⁴ As permanent representative of Thomas Van Geet s.r.o.

⁵ As permanent representative of Jan Papoušek s.r.o.

positions in the planning and logistics departments of Domo in Germany, Spain, Czech Republic and South Africa, Associated Weavers and Ontex.

Mr Jan Papoušek (b. 1974) is a civil engineer and joined VGP's team in 2007. He takes responsibility for technical concepts and contract execution for all projects outside the Czech Republic. Jan formerly worked for Gardiner and Theobald, a UK based well known cost controlling company with international activities, where he occupied the function of cost and project manager.

3 Evaluation of the Board of Directors and its Committees

In accordance with its rules of procedure as set forth in paragraph 6 of annex 1 to the VGP Charter, the Board of Directors assesses its performance every three years as well as to the operation of the Audit Committee and the Remuneration Committee.

The Board of Directors and its committees carried out the last self-assessment in March 2014 with satisfactory result.

4 Statutory Auditor

The Issuer's Statutory Auditor is DELOITTE Bedrijfsrevisoren BV o.v.v.e. CVBA, with registered office at Berkenlaan 8B, 1831 Diegem, Belgium, represented by Mr Rik Neckebroeck.

It has been re-appointed at the general meeting of shareholders on 13 May 2016 for a period of three years.

The audit fees at the consolidated level have been set at EUR 118,000 per year by the general meeting of shareholders. This fee will be subject to an annual review reflecting the changes in audit scope which might be required in order to ensure that such audit scope is kept in line with the evolution of the Group.

5 Corporate Governance

The Company has adopted the principles of corporate governance contained Belgian Code on Corporate Governance published on 12 March 2009 (the **Corporate Governance Code**) which can be consulted on http://www.corporategovernancecommittee.be/en/2009_code/latest_edition

In accordance with the recommendations set out by the Belgian Code on Corporate Governance, the Board of Directors adopted a corporate governance charter (the **VGP Charter**) which is available on the Company's website:

http://www.vgpparks.eu/investors/images/download/Corporate_Governance_Charter_-_EN_-__.pdf

Except as stated otherwise in sections 1, 2.1, 2.3 and 2.4 of this Part VII: *Management and Corporate Governance*, the Issuer complies with the obligations of the Belgian Corporate Governance Code.

6 Conflicts of Interest

In accordance with article 523 of the Belgian Company Code, a member of the Board of Directors should give the other members prior notice of any agenda item in respect of which he has a direct or indirect conflict of interest of a financial nature with the Company.

(i) Two conflicts of interests have arisen in 2015

During 2015 the following two conflict of interest arose:

Excerpt from the minutes of the Board of Directors meeting of 3 April 2015

“The agenda calls for a discussion and approval to (i) end the existing management agreements between, on the one hand Jan Van Geet s.r.o., Dirk Stoop BVBA, Tomas Van Geet, and on the other hand VGP (ii) to enter into new management agreements relating to the services rendered by some of VGP’s key managers. The board of directors takes note of the declaration of Mr. Jan Van Geet (acting as permanent representative of Jan Van Geet s.r.o.) that he has an interest of a financial nature which could conflict with the decision and transactions deliberated upon and contained in the agenda of this meeting, as Jan Van Geet s.r.o. will be appointed by Little Rock SA as a consultant responsible for the Group’s daily management and that he is at the same time the controlling shareholder of Little Rock SA. As a result he will not participate in the discussion and deliberation nor will he participate in the voting on these agenda points. After deliberating the board of directors decides (i) to end the existing management agreements between, on the one hand Jan Van Geet s.r.o., Dirk Stoop BVBA, Tomas Van Geet, and on the other hand VGP; (ii) to enter into new management agreements relating to the services rendered by some of VGP’s key managers.”

Another conflict of interest arose in respect of the issuing of a hybrid form of security instrument.

Excerpt from the minutes of the Board of Directors meeting of 7 July 2015

“The agenda calls for a discussion and approval to issue a hybrid form of security instrument. The Securities will be offered to certain investors and/or main shareholders and have the following main characteristics: (a) the Securities will be debt instruments under Belgian GAAP, but for IAS/IFRS purposes, they will qualify as equity; (b) the Securities will be perpetual debt instruments, i.e. debt instruments without a fixed maturity date. They may be redeemed at the option of the Company at any time. The Securities holders do not have a right to demand redemption of the Securities by the Company; (c) the Securities will entitle the holders to interests, which shall at the sole discretion of the Company, either: (i) be payable annually in cash on the interest payment date; or (ii) be compounded in respect of each Security with the principal amount of such Security and shall be deemed to form part of the principal amount of such Security and generate interest as from the first day of the next interest period (to the extent permitted by and in accordance with article 1154 of the Belgian Civil Code). The Securities bear interest of 7.00% p.a. for the first 5 years after which the interest rate will increase with 1.00% per annum on each subsequent third anniversary. After deliberation the Board of Directors approves the terms of the Transaction Documents (substantially in the form attached to these minutes) and the Transaction contemplated thereby, as well as the execution and performance by the Company of the Transaction Documents, including: (i) the draft Terms and Conditions of the Securities; and (ii) the draft Subscription Agreement.”

The complete minutes of these Board of Directors are included in the Board of Director’s report attached to the 31 December 2015 statutory accounts

(ii) One conflict of interests has arisen in 2016

During 2016 and prior to Issue Date, one conflict of interest has arisen:

Excerpt from the minutes of the Board of Directors meeting of 30 May 2016.

“Agenda

- 1. Conditional decision to redeem the Securities; and*
- 2. The granting of special powers of attorney.*

- 1 Introduction*

1.1 Description of the Transaction

The Company has issued a hybrid form of security instruments (that qualify as debt instruments under Belgian GAAP, but for IAS/IFRS purposes, as equity) on 29 July 2015, 16 September 2015 and 25 November 2015 (a "Security" or the "Securities"), as follows:

(i) 45 Securities were issued to VM Invest NV, of which 15 on 29 July 2015, 20 on 16 September 2015 and 10 on 25 November 2015; and

(ii) 15 Securities were issued to Little Rock SA, of which 5 on 29 July 2015, 5 on 16 September 2015 and 5 on 25 November 2015.

Pursuant to Article 5 "Redemption" of the Terms and Conditions of the Securities, the Company wishes to redeem all Securities against a price equal to the issue price plus the interest accrued from the issue date of each Security until the date of actual payment to the Securities Holder, such redemption being subject to the closing of the transaction entered into with Allianz, being the sale of 50% of the shares in the joint-venture vehicle VGP European Logistics S.à.r.l. by the Company to Allianz Finance VII Luxembourg S.A., SAS Allianz Logistique S.A.S.U. and Allianz Benelux S.A. (the "Closing") in accordance with the terms of the SPA signed on 14 March 2016 (the "Transaction").

1.2 Conflicts of interest

1.2.1 Declaration of the conflict of interest

Jan Van Geet s.r.o. and VM Invest NV have notified the board of directors that they have a conflict of interest of a patrimonial nature with respect to the decision to approve the Transaction, because they (or persons affiliated with them) are Securities Holders. The conflicted directors have indicated that their conflict of interest lies in the fact that if and when the board decides to redeem the Securities, they have a conflict of patrimonial nature, because they could, given the interest payments due in respect of the Securities compared to the current market interest rate, have an interest not to approve the redemption of the Securities. Therefore, Jan Van Geet s.r.o. and VM Invest NV will, in accordance with article 523 of the Belgian Company Code and article 16 of the articles of association of the Company, not participate in the deliberations and decisions of the board of directors on these items on the agenda.

1.2.2 Justification

The board of directors is of the opinion that the redemption of the Securities is desirable as the Company will have sufficient cash resources available at Closing to allow the redemption of the Securities to take place. Taking into account these new cash resources and the strengthened equity base of the Company as a result thereof, it is no longer necessary to further maintain an alternative funding resource such as the Securities.

2 Resolutions

After deliberation on all of the items on the agenda the board of directors, with respect to the procedure set forth in article 523 of the Belgian Company Code and article 16 of the articles of association of the Company,

DECIDES to approve the Transaction.

DECIDES to appoint Mr Jan Van Geet and Mr Dirk Stoop as its special attorney(s), (acting alone or jointly and with the right of substitution), with the power to in general, do all that is necessary or useful to implement the resolutions adopted during this meeting and to realise the Transaction within a period of 12 months as from the date hereof, including the negotiation, amending and execution of all documents connected to the Transaction.

Since there are no further items on the agenda, the meeting is adjourned.”

PART VIII: MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

1 Major Shareholders

The Company's shares are listed on Euronext Brussels and on the Main Market of the Prague Stock Exchange. Pursuant to article 6 of the Law of 2 May 2007 on the disclosure of important participations in listed companies and article 14 of the Company's articles of association, the identity of the Shareholders acquiring a participation of 3%, 5% or a multiple of 5% in the Company has to be made public.

As at 31 December 2015 the share capital of VGP was represented by 18,583,050 shares.

Shareholders	Number of shares	% of shares issued
VM Invest NV	5,212,390	28.05%
Mr Bart Van Malderen	3,545,250	19.08%
Sub-total Bart Van Malderen Group	8,757,640	47.13%
Little Rock SA	4,707,752	25.33%
Alsgard SA	2,409,914	12.97%
VGP MISV Comm. VA	929,153	5.00%
Vadebo France NV	655,738	3.53%
Public	1,122,853	6.04%
Total	18,583,050	100.00%

VM Invest NV is a company controlled by Mr Bart Van Malderen.

Little Rock SA (previously named JVG Invest SA) is a company controlled by Mr Jan Van Geet.

Alsgard SA is a company controlled by Mr Jan Prochazka.

VGP MISV Comm. VA is a company controlled by Mr Bart Van Malderen en Mr Jan Van Geet.

VM Invest NV, Mr Bart Van Malderen, VGP MISV Comm VA, Little Rock SA, Mr Jan Van Geet and Alsgard SA 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.

VGP MISV Comm. VA was incorporated at the Issuer's initial public offering to be used as a structure for a long term management incentive plan whereby the existing shareholders VM Invest NV and Little Rock SA initially 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*"). In 2013, following the expiry of the five year lock-up period in December 2012, the Company acquired a 42.87% participation in VGP MISV Comm. VA (398,368 out of 929,153 shares). In order to retain personnel and following the expiry of first 5 year lock-up period at the end of December 2012 the Reference Shareholders have put in place a new long term incentive plan for selected members of the Group's management and which allows such members to be incentive based on the growth of the net assets value over a period of 5 years, such period also being the lock-up period for the participating members of the Group. As before the new incentive plan does not have any dilutive effect on any existing or new shareholders.

2 Share Capital

2.1 Share Capital

On the date of the Prospectus, the share capital of VGP NV amounts to EUR 112,736,509 and is fully paid-up. It is divided into 18,583,050 shares without nominal value.

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

In accordance with articles 480 to 482 of the Companies 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.

2.2 Authorised Capital

According to article 44 of the Issuer's articles of association, the Board of Directors may increase the share capital, on one or more occasions, by an amount of EUR 100 million. This authorisation is valid until 23 May 2019.

The articles of association of the Issuer also authorise the Board of Directors to use the technique of the authorised capital as a defence mechanism in case of a public takeover bid on the securities of the Company, even after the Company has received a notification from the Financial Services and Markets Authority (FSMA) that the FSMA was notified of a public takeover bid on the securities of the Company provided that (i) the shares issued in the context of the capital increase are fully paid-up as from issuance, (ii) the issue price of the shares issued in the context of the capital increase is not lower than the offer price, and (iii) the number of shares issued in the context of the capital increase is 10% or less of the number of shares representing the Issuer's share capital which have been issued by the Issuer prior to the capital increase. This authorisation is valid until 23 May 2017.

2.3 Treasury Stock

The Issuer does not hold any treasury shares.

2.4 Other Securities with Voting Rights or Giving Access to Voting Rights

On the date of this Prospectus, the Issuer has not issued any securities with voting rights or giving access to voting rights, other than the shares referred to in this section of the Prospectus.

2.5 Acquisition of Own Shares

According to article 45 of the Issuer's articles of association, the Board of Directors may acquire the Company's own shares, by purchasing or exchanging them, directly or through a person acting in its own name but on behalf of the Issuer, in accordance with articles 620 until 625 of the Belgian Company Code.

The Board of Directors is authorised to acquire and sell the Company's own shares, in accordance with article 620 of the Belgian Company Code, in case such acquisition is required in order to avoid serious and imminent harm to the Company. This authorisation is valid until 23 May 2017.

The Board of Directors is authorised, in accordance with article 620 of the Belgian Company Code, to acquire shares representing a maximum 20% of the share capital of the Issuer against a price which must be more than 90% and less than 115% of the shares' listing price on the day preceding the acquisition or exchange. This authorisation is valid until 23 May 2019.

PART IX: FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFIT AND LOSSES

Selected consolidated financial information (in thousands of EUR) as at 31 December 2013, 31 December 2014, 31 December 2015, 30 June 2015 and 30 June 2016 is included below.

INCOME STATEMENT (in '000 EUR	Year Ended			Six-Months Ended	
	31 Dec-13	31 Dec-14	31 Dec-15	30 Jun-15	30 Jun-16
Gross rental Income	4,613	9,596	17,073	6,980	13,085
Property operating expenses and net service charge income / (expenses)	(818)	(1,082)	(550)	(501)	(504)
Net rental and related income	3,795	8,514	16,523	6,479	12,581
Property-, facility management and property development income	3,875	3,407	2,547	1,645	877
Other income / (expenses) - incl. Administrative costs	(4,850)	(7,089)	(13,998)	(6,164)	(5,258)
Share in result of associates and joint ventures	1,526	14,473	191	5	(3,279)
Operating result (before result on portfolio)	4,346	19,305	5,263	1,965	4,921
Net current result	4,095	9,463	621	(3,353)	(8,540)
Net valuation gains / (losses) on investment property	27,872	53,920	103,981	48,059	65,127
Deferred taxes	(7,665)	(14,024)	(18,041)	(12,500)	(13,849)
Result on property portfolio	20,207	39,896	85,940	35,559	51,278
Profit for the year	24,302	49,359	86,561	32,206	42,738
BALANCE SHEET					
Investment properties	225,804	416,089	173,972	503,467	258,136
Investments in joint ventures and associates	982	17	(103)	22	73,925
Other non-current receivables	49,114	-	-	-	7,991
Other	1,114	1,316	1,326	4,077	1,070
Total non-current assets	277,014	417,422	175,195	507,566	341,122
Trade and other receivables	10,242	6,822	4,927	7,282	17,810
Cash and cash equivalents	79,226	43,595	9,825	30,586	51,751
Disposal group held for sale	-	0	527,361	0	157,028
Total current assets	89,468	50,417	542,113	37,868	226,589
Total Assets	366,482	467,839	717,308	545,434	567,711
Total equity	166,057	215,417	361,978	247,623	341,757
Total non-current liabilities	172,555	223,141	180,419	268,046	188,749
Total Current Liabilities	27,870	29,281	174,911	29,765	37,205
Total Liabilities	200,425	252,422	355,330	297,811	225,954
Total equity and liabilities	366,482	467,839	717,308	545,434	567,711
INVESTMENT PROPERTY					
Total lettable area (m ²)	761,724	268,232 ¹	548,838	365,971	691,627 ⁴
Occupancy rate (%)	96.2%	94.0% ²	97.3%	94.8%	97.8% ⁵
Fair value of property portfolio ³	225,804	416,089	677,084	503,467	415,164
GEARING					
Net debt / shareholders' equity	0.55	0.72	0.71	0.82	0.39
Net debt / total assets	24.9%	33.2%	35.7%	37.3%	23.5%

a limited review of the consolidated interim financial information for the six-month period ended 30 June 2016 and 30 June 2015 has been performed by the Auditor)

¹ As at 22 October 2014 the associated companies sold their respective Property Portfolios which represented 627,523 m² of lettable area which were under VGP's management. (627,527 m² of assets under management as at 31 December 2013)

- ² Excludes the effects of the portfolio sold by the Associates in 2014. The year 2013 includes the respective Occupancy Rates of the Associates. Excluding Associates the Occupancy rate would be 96.9% as at 31 December 2013.
- ³ Property that is being constructed or developed for future use as investment property is also 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, whereby “remaining construction costs” means overall pending development cost, which include all hard costs, soft costs, financing costs and developer profit (developer profit expresses the level of risk connected with individual property and is mainly dependent on development stage and pre-letting status). All costs directly associated with the purchase and construction of a property and all subsequent capital expenditure qualifying as acquisition costs are capitalised.
- ⁴ As at 31 May 2016 VGP NV sold 15 parks to the Joint Venture. As at 30 June 2016 the Joint Venture’s Property Portfolio represents 561,306 m² which are under VGP’s management.
- ⁵ Includes the respective Occupancy Rates of the Joint Venture as at 30 June 2016 and includes 3 additional buildings which were completed after 31 May 2016. Excluding the Joint Venture, the Occupancy Rate would be 91.8% as at 30 June 2016.

PART X: USE OF PROCEEDS

The net proceeds of the issue of the Bonds, expected to amount to approximately EUR 220.5 million for a maximum nominal amount of EUR 225 million, will be used to acquire development land in Spain and finance the equity portion required to finance the acquisition of the new building in Barcelona (in total EUR 100 million) and to further finance the development of new projects on development land for the remaining EUR 125 million. The Group expects that the application of the funds towards the aforementioned expansion and development plans will be made within a period of 12 to 18 months following the issuance of the Bonds, provided there are no adverse market conditions.

The development business (like many businesses) is subject to a series of regulatory and commercial uncertainties (e.g. obtaining zoning and building permits and avoiding environmental issues and the possibility to acquire suitable plots of land) as a result of which VGP's development pipeline is a dynamic, continuously evolving set of projects. Therefore, VGP can only provide estimates relating to the use of proceeds of the Bonds (more specifically the division between EUR 100 million allocated to the acquisition of new land in Spain and the financing of the equity portion required to finance the acquisition of the new building in Barcelona (Spain) and EUR 125 million currently allocated to developing projects on the Group's development land) based on its current pipeline. It cannot be guaranteed that the projects currently contemplated will effectively come to completion. Considering the current development market in Germany VGP is confident that, if the current projects would be aborted, sufficient equally attractive replacement projects are available on the market. Such circumstances might result in a different ratio between the amount of proceeds currently allocated to acquiring new land and building (i.e. EUR 100 million) and the amount of proceeds currently allocated to developments on the Group's development land (currently EUR 125 million).

The expenses in connection with the issue of the Bonds, including the Placement Fee and the Arrangement Fee, are expected to amount to EUR 4,489,000 in the aggregate which consists of EUR 4,354,000 related to the Arrangement-, Placement- and Agency Fees, and the remaining EUR 135,000 costs, incurred for advisory services. The Placement Fee will amount to 1.875% of the Aggregate Nominal Amount or EUR 4,218,750 if the maximum amount of EUR 225,000,000 is issued.

The net proceeds of the issue of the 2017 Bonds and the 2018 Bonds amounting to EUR 147 million were fully applied towards the financing of the development pipeline and the anticipated developments in Frankfurt (VGP Park Rodgau) and Hamburg (VGP Park Hamburg), as described in the prospectuses pertaining to the 2017 Bond and the 2018 Bond respectively. These projects were not only successfully realised, but exceeded the anticipated development objectives. Since July 2013 VGP acquired 1,660,000 m² of new development land located in Germany (759,000 m²), Czech Republic (707,000 m²), Estonia (45,000 m²), Hungary (85,000 m²) and Latvia (64,000 m²) for a total aggregate amount of EUR 84 million. The remaining net proceeds were used to partially finance the development activities i.e. during the period from July 2014 to June 2016, the Group delivered 28 new buildings representing 473,383 m² of lettable area and at the end of June 2016 the Group had 17 buildings under construction (383,894 m²).

With the Bonds the Group wants to finance a new development cycle and continue to support its strong growth and track record of delivering income generating assets.

PART XI: TAXATION

1 Belgian Taxation on the Bonds

The following is a general description of the main Belgian tax consequences of acquiring, holding, redeeming and/or disposing of the Bonds. It is restricted to the matters of Belgian taxation stated herein and is intended neither as tax advice nor as a comprehensive description of all Belgian tax consequences associated with or resulting from any of the aforementioned transactions. Prospective investors are urged to consult their own tax advisors concerning the detailed and overall tax consequences of acquiring, holding, redeeming and/or disposing of the Bonds, including under the laws of their countries of citizenship, residence, ordinary residence or domicile.

The summary provided below is based on the information provided in this Prospectus and on Belgium's tax laws, regulations, resolutions and other public rules with legal effect, and the interpretation thereof under published case law, all as in effect on the date of this Prospectus and with the exception of subsequent amendments with retroactive effect.

1.1 Belgian Withholding Tax

All payments by or on behalf of the Issuer of interest on the Bonds are in principle subject to Belgian withholding tax on the gross amount of the interest, currently at the rate of 27 per cent. Tax treaties may provide for lower rates subject to certain conditions and formalities.

In this regard, "interest" means the periodic interest income, any amount paid by the Issuer in excess of the issue price (upon full or partial redemption whether or not on the maturity date, or upon purchase by the Issuer) and, in case of a disposal of Bonds between two interest payment dates, the pro rata of accrued interest corresponding to the detention period.

However, payments of interest and principal under the Bonds by or on behalf of the Issuer may be made without deduction of withholding tax in respect of the Bonds if and as long as at the moment of payment or attribution of interest they are held by certain eligible investors (the **Tax Eligible Investors**, see hereinafter) in an exempt securities account (an **X Account**) that has been opened with a financial institution that is a direct or indirect participant (a **Participant**) in the NBB System. Euroclear and Clearstream, Luxembourg are directly or indirectly Participants for this purpose.

Holding the Bonds through the NBB System enables Tax Eligible Investors to receive the gross interest income on their Bonds and to transfer Bonds on a gross basis.

Participants to the NBB system must enter the Bonds which they hold on behalf of Tax Eligible Investors in an X Account.

Tax Eligible Investors are those listed in article 4 of the Belgian Royal Decree of 26 May 1994 on the deduction of withholding tax (*arrêté royal du 26 mai 1994 relatif à la perception et à la bonification du précompte mobilier / koninklijk besluit van 26 mei 1994 over de inhouding en de vergoeding van de roerende voorheffing*) which include, inter alia:

- (i) Belgian corporations subject to Belgian corporate income tax;
- (ii) institutions, associations or companies specified in article 2, §3 of the law of 9 July 1975 on the control of insurance companies other than those referred to in (i) and (iii) subject to the application of article 262, 1° and 5° of the Belgian code on income tax of 1992 (*code des impôts sur les revenus 1992 / wetboek van de inkomstenbelastingen 1992*, the **BITC 1992**);

- (iii) state regulated institutions (*institutions parastatales / parastatalen*) for social security, or institutions which are assimilated therewith, provided for in article 105, 2^o of the royal decree implementing the BITC 1992 (*arrêté royal d'exécution du code des impôts sur les revenus 1992 / koninklijk besluit tot invoering van het wetboek inkomstenbelastingen 1992*, the **RD/BITC 1992**);
- (iv) non-resident investors provided for in article 105, 5^o of the RD/BITC 1992;
- (v) investment funds, recognised in the framework of pension savings, provided for in article 115 of the RD/BITC 1992;
- (vi) taxpayers provided for in article 227, 2^o of the BITC 1992 which have used the income generating capital for the exercise of their professional activities in Belgium and which are subject to non-resident income tax pursuant to article 233 of the BITC 1992;
- (vii) the Belgian State in respect of investments which are exempt from withholding tax in accordance with article 265 of the BITC 1992;
- (viii) investment funds governed by foreign law which are an indivisible estate managed by a management company for the account of the participants, provided the fund units are not offered publicly in Belgium or traded in Belgium; and
- (ix) Belgian resident corporations, not provided for under (i) above, when their activities exclusively or principally consist of the granting of credits and loans.

Tax Eligible Investors do not include, inter alia, Belgian resident investors who are individuals or non-profit making organisations, other than those mentioned under (ii) and (iii) above.

Participants to the NBB System must keep the Bonds which they hold on behalf of the non-Tax Eligible Investors in a non-exempt securities account (an **N Account**). In such instance, all payments of interest are subject to withholding tax (currently at the rate of 27 per cent.), which is withheld by the NBB and paid to the Belgian Treasury.

Transfers of Bonds between an X Account and an N Account give rise to certain adjustment payments on account of withholding tax:

- A transfer from an N Account (to an X Account or N Account) gives rise to the payment by the transferor non-Tax Eligible Investor to the NBB of withholding tax on the accrued fraction of interest calculated from the last interest payment date up to the transfer date.
- A transfer (from an X Account or N Account) to an N Account gives rise to the refund by the NBB to the transferee non-Tax Eligible Investor of an amount equal to the withholding tax on the accrued fraction of interest calculated from the last interest payment date up to the transfer date.
- Transfers of Bonds between two X Accounts do not give rise to any adjustment on account of withholding tax.

Upon opening of an X Account for the holding of Bonds, the Tax Eligible Investor is required to provide the Participant with a statement of its eligible status on a form approved by the Belgian Minister of Finance. There are no ongoing declaration requirements for Tax Eligible Investors save that they need to inform the Participants of any changes to the information contained in the statement of their tax eligible status. Participants are required to annually provide the NBB with listings of investors who have held an X Account during the preceding calendar year.

An X Account may be opened with a Participant by an intermediary (an **Intermediary**) in respect of Bonds that the Intermediary holds for the account of its clients (the **Beneficial Owners**), provided that each Beneficial Owner is a Tax Eligible Investor. In such a case, the Intermediary must deliver to the Participant a statement on a form approved by the Minister of Finance confirming that: (i) the Intermediary is itself a Tax Eligible Investor; and (ii) the Beneficial Owners holding their Bonds through it are also Tax Eligible Investors. The Beneficial Owner is also required to deliver a statement of its eligible status to the Intermediary.

These identification requirements do not apply to Bonds held in Euroclear or Clearstream, Luxembourg as Participants to the NBB System, provided that Euroclear or Clearstream only hold X Accounts and that they are able to identify the holders for whom they hold Bonds in such account.

1.2 Belgian Income Tax

1.2.1 Belgian resident individuals

Belgian resident individuals, i.e., natural persons who are subject to the Belgian personal income tax (*impôt des personnes physiques / personenbelasting*) and who hold the Bonds as a private investment, do not have to declare interest in respect of the Bonds in their personal income tax return, provided that Belgian withholding tax has effectively been levied on the interest.

Nevertheless Belgian resident individuals may elect to declare interest in respect of the Bonds in their personal income tax return. Interest income which is declared in this way will in principle be taxed at a flat rate of 27 per cent. (or at the relevant progressive personal income tax rate(s) taking into account the taxpayer's other declared income, whichever is more beneficial). The Belgian withholding tax levied may be credited.

Capital gains realised on the sale of the Bonds are in principle tax exempt, except to the extent the capital gains are realised outside the scope of the management of one's private estate or except to the extent they qualify as interest (as described in *Belgian Withholding Tax* above). Capital losses are in principle not tax deductible.

Other tax rules apply to Belgian resident individuals who do not hold the Bonds as a private investment.

1.2.2 Belgian resident companies

Interest attributed or paid to corporations which are Belgian residents for tax purposes, i.e. which are subject to Belgian corporate income tax (*impôt des sociétés / vennootschapsbelasting*), as well as capital gains realised upon the disposal of Bonds are taxable at the ordinary corporate income tax rate of in principle 33.99 per cent. (or the relevant progressive corporate income tax rate(s) in the case of certain corporations with limited profits). Capital losses realised upon the disposal of the Bonds are in principle tax deductible.

Different rules apply to companies subject to a special tax regime, such as investment companies within the meaning of article 185bis of the BITC 1992.

1.2.3 Belgian resident legal entities

Belgian legal entities subject to Belgian legal entities tax (*impôts des personnes morales / rechtspersonenbelasting*) and which do not qualify as Tax Eligible Investors will generally be

subject to the Belgian withholding tax at a rate of 27%. This tax constitutes the final levy for them and, in principle, fully discharges their income tax liability.

Belgian legal entities which qualify as Tax Eligible Investors and which consequently have received gross interest income are required to declare and pay the 27 per cent. withholding tax to the Belgian tax authorities.

Capital gains realised on the sale of the Bonds are in principle tax exempt, unless the capital gains qualify as interest (as described in *Belgian Withholding Tax* above). Capital losses are in principle not tax deductible.

1.2.4 Organisations for Financing Pensions

Interest and capital gains derived by Organisations for Financing Pensions in the meaning of the Law of 27 October 2006 on the activities and supervision of institutions for occupational retirement provision, are in principle exempt from Belgian corporate income tax. Capital losses are in principle not tax deductible. Subject to certain conditions, any Belgian withholding tax that has been levied can be credited against any corporate income tax due and any excess amount is in principle refundable.

1.2.5 Belgian non-residents

Bondholders who are not residents of Belgium for Belgian tax purposes and who are not holding the Bonds through a permanent establishment in Belgium will not become liable for any Belgian tax on income or capital gains by reason only of the acquisition or disposal of the Bonds, provided that they qualify as Tax Eligible Investors and that they hold their Bonds in an X Account.

1.3 Tax on stock exchange transactions and tax on repurchase transactions

A tax on stock exchange transactions (*taxe sur les opérations de bourse / taks op de beursverrichtingen*) will be levied on the acquisition and disposal of Bonds on the secondary market if executed in Belgium through a professional intermediary. The tax is due at a rate of 0.09 per cent. on each acquisition and disposal separately, with a maximum amount of EUR 650 per transaction and per party and collected by the professional intermediary. The acquisition of the Bonds upon their issuance (primary market) is not subject to the tax on stock exchange transactions.

A tax on repurchase transactions (*taxe sur les reports / taks op de reporten*) at the rate of 0.085 per cent. will be due from each party to any such transaction entered into or settled in Belgium in which a stockbroker acts for either party (with a maximum amount of EUR 650 per transaction and per party).

However neither of the taxes referred to above will be payable by exempt persons acting for their own account including investors who are not Belgian residents, provided they deliver an affidavit to the financial intermediary in Belgium confirming their non-resident status, and certain Belgian institutional investors as defined in article 126.1 2° of the code of miscellaneous duties and taxes (*Code des droits et taxes divers / Wetboek diverse rechten en taksen*) for the tax on stock exchange transactions and article 139, second paragraph, of the same code for the tax on repurchase transactions.

As stated below, the European Commission has published a proposal for a Directive for a common financial transactions tax (FTT). The proposal currently stipulates that once the FTT enters into force, the participating Member States shall not maintain or introduce taxes on financial transactions other than the FTT (or VAT as provided in the Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax). For Belgium, the tax on stock exchange transactions and the tax

on repurchase transactions should thus be abolished once the FTT enters into force. The proposal is still subject to negotiation between the participating Member States and therefore may be changed at any time. However, Estonia has announced its intention to not implement the FTT.

2 The Proposed Financial Transaction Tax (FTT)

On 14 February 2013, the EU Commission proposed a proposal (the Commission's Proposal) for a Council Directive on a common financial transaction tax (the FTT in Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Spain, Slovakia and Slovenia (together the Participating Member States)). However, Estonia has announced its intention to not implement the FTT.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in bonds (including secondary market transactions) in certain circumstances. The issuance and subscription of bonds should, however, be exempt.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the Participating Member States. Generally, it would apply to certain dealings in bonds where at least one party is a financial institution, and at least one party is established in a Participating Member State. A financial institution may be, or be deemed to be, "established" in a Participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a Participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a Participating Member State.

However, the FTT proposal remains subject to negotiation between the Participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective investors should consult their own professional advisors in relation to the FTT.

PART XII: SUBSCRIPTION AND SALE

KBC Bank NV (having its registered office at Havenlaan 2, 1080 Brussels, Belgium) (**KBC**) is acting as lead manager (the **Lead Manager** or **Manager**). The Manager has, pursuant to a placement agreement dated on or around 6 September 2016 (the **Placement Agreement**), agreed with the Issuer, subject to certain terms and conditions, to use best efforts to place the Bonds in a minimum amount of EUR 150 million and a maximum amount of EUR 225 million with third parties at the Issue Price and at the conditions specified below. KBC has also been appointed as Domiciliary, Calculation, Paying and Listing Agent for the purposes of the Public Offer in Belgium.

This section contains the terms and conditions of the Public Offer of the Bonds by the Manager. Each offer and sale of the Bonds by an Authorised Offeror will be made in accordance with the terms and conditions as agreed between an Authorised Offeror and an investor, including in relation to the price, the allocation and the costs and/or taxes to be borne by an investor. The Issuer is not a party to any arrangements or terms and conditions in connection with the offer and sale of the Bonds between the Authorised Offeror and an investor. This Prospectus does not contain the terms and conditions of any Authorised Offeror. The terms and conditions in connection with the offer and sale of the Bonds will be provided to any investor by an Authorised Offeror during the Subscription Period. The Issuer nor the Manager can be held responsible or liable for any such information.

Subscription Period

The Bonds will be offered to the public in Belgium (the **Public Offer**). Presently the Manager expects to offer the Bonds to qualified investors (as defined in the Prospectus Law, the **Qualified Investors**) and to investors who are not Qualified Investors (the **Retail Investors**). The Bonds will be issued on 21 September 2016 (the **Issue Date**). However, in case a supplement to the Prospectus gives rise to withdrawal rights exercisable on or after the Issue Date of the Bonds in accordance with article 34 of the Prospectus Law, the Issue Date will be postponed until the first Business Day following the last day on which the withdrawal rights may be exercised. Investors who have already agreed to purchase or subscribe to securities before the publication of the supplement to the Prospectus, have the right to withdraw their agreement during a period of two working days commencing on the day after the publication of the supplement.

The Public Offer will start on 9 September 2016 at 9.00 a.m. (Brussels time) and end on 15 September 2016 at 4.00 p.m. (Brussels time) (the **Subscription Period**), or such earlier date as the Issuer may determine in agreement with the Manager. In this case, such closing date will be announced by or on behalf of the Issuer, on its website (within the section addressed to investors as “Bonds”) (www.vgpparks.eu), and on the Manager’s website (www.kbc.be/vgp).

Except in case of oversubscription as set out below under *Early closure and reduction – allotment / oversubscription in the Bonds*, a prospective subscriber will receive 100 per cent. of the amount of the Bonds validly subscribed to it during the Subscription Period.

Prospective subscribers will be notified of their allocations of Bonds by the applicable Financial Intermediary in accordance with the arrangements in place between such Financial Intermediary and the prospective subscriber.

No dealings in the Bonds on a regulated market for the purposes of Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments amending Council Directives 85/611/EEC and 93/6/EEC and Directive 2000/12/EC of the European Parliament and of the Council and repealing Council Directive 93/22/EEC, as amended, may take place prior to the Issue Date.

After having read the entire Prospectus, the investors can subscribe to the Bonds via the branches of following Manager appointed by the Issuer, using the subscription form provided by the Manager (if any): KBC Bank NV (including CBC Banque SA and KBC Securities NV (through www.bolero.be)).

The applications can also be submitted via agents or any other financial intermediaries in Belgium. In this case, the investors must obtain information concerning the commission fees that the financial intermediaries can charge. These commission fees are charged to the investors.

Conditions to which the Public Offer is subject

The Public Offer and the issue of the Bonds is subject to a limited number of conditions set out in the Placement Agreement, which are customary for this type of transaction, and which include, amongst others: (i) the correctness of the representations and warranties made by the Issuer and in the Placement Agreement, (ii) the Placement Agreement, the Clearing Agreement and the Agency Agreement having been executed by all parties thereto prior to the Issue Date, (iii) the admission to trading of the Bonds on the regulated market of the Euronext Brussels having been granted on or prior to the Issue Date, (iv) there having been, as at the Issue Date, no Material Adverse Change affecting the Issuer or any of its Subsidiaries, (v) the Issuer having performed all the obligations to be performed by it under the Placement Agreement on or before the Issue Date, (vi) the market conditions being satisfactory in the Lead Manager's reasonable opinion and with the agreement of the Issuer, (vii) no force majeure having been invoked by the Manager as determined on their discretion and (viii) at the latest on the Issue Date, the Lead Manager having received customary confirmations as to certain legal and financial matters pertaining to the Issuer and the Group. The Placement Agreement does not entitle the Manager to terminate its obligations prior to payment being made to the Issuer, except in certain limited circumstances. If the conditions are not fulfilled, the Bonds will not be issued and the total amount of funds already paid by investors for the Bonds will be reimbursed.

Issue Price

The issue price for the Bonds will be 100 per cent. (the **Issue Price**). The Retail Investors will pay the Issue Price.

The Qualified Investors will pay the Issue Price less a discount, such resulting price being subject to change during the Subscription Period based among others on (i) the evolution of the credit quality of the Issuer (credit spread), (ii) the evolution of interest rates, (iii) the success (or lack of success) of the placement of the Bonds, and (iv) the amount of Bonds purchased by an investor, each as determined by the Manager in its sole discretion. The discount applicable to Qualified Investors shall be in the range of 0 to 1.875per cent.

The yield of the Bonds is 2.847 per cent. on an annual basis. The yield is calculated on the basis of the issue of the Bonds on the Issue Date, the Issue Price, the Interest Rate of 3.90% per annum and is based on the assumption that the Bonds will be held until 21 September 2023 when they will be repaid at 100% of their principal amount in accordance with the Conditions. It is not an indication of future yield if the Bonds are not held until their Maturity Date. The net yield reflects a deduction of Belgian WHT at the rate of 27 per cent. (Investors should consult the Part XI: *Taxation* of this Prospectus for further information about Belgian taxation).

The minimum amount of application for the Bonds is EUR 1,000. The maximum amount of application is the Aggregate Nominal Amount.

Aggregate Nominal Amount

The expected minimum nominal amount of the issue amounts to EUR 150 million and the maximum nominal amount amounts to EUR 225 million.

As the case may be, upon the decision of the Issuer in consultation with the Manager (taking into account the demand from investors), the final Aggregate Nominal Amount may be increased at the end (or upon the early closing) of the Subscription Period. In such case, a supplement to the Prospectus shall be published.

The criteria in accordance with which the final Aggregate Nominal Amount will be determined by the Issuer are the following: (i) the funding needs of the Issuer, which could evolve during the Subscription Period for the Bonds, (ii) the levels of the interest rates and the credit spread of the Issuer on a daily basis, (iii) the level of demand from investors for the Bonds as observed by the Manager on a daily basis, (iv) the occurrence or not of certain events during the Subscription Period of the Bonds giving the possibility to the Issuer and/or the Manager to early terminate the Subscription Period or not to proceed with the offer and the issue in accordance with section Conditions to which the Public Offer is subject and (v) the fact that the Bonds, if issued, will have a minimum aggregate amount of EUR 150 million and a maximum aggregate amount of EUR 225 million.

The Issuer has reserved the right not to proceed with the issue of the Bonds if at the end of the Subscription Period, the aggregate principal amount of the Bonds that have been subscribed for is lower than EUR 150 million. If the Issuer proceeds with the issue of the Bonds and the Aggregate Nominal Amount is lower than the expected minimum amount of EUR 150 million, a supplement to the Prospectus shall be published.

The final Aggregate Nominal Amount shall be published as soon as possible after the end (or the early closing) of the Subscription Period by the Issuer, on its website (within the section addressed to investors as "Bonds") (www.vgpparks.eu), and on the website of the Manager (www.kbc.be/vgp).

Payment date and details

The payment date is 21 September 2016. The payment for the Bonds can only occur by means of debiting from a deposit account.

On the date that the subscriptions are settled, the Clearing System will credit the custody account of the Agent according to the details specified in the rules of the Clearing System.

Subsequently, the Agent, at the latest on the payment date, will credit the amounts of the subscribed Bonds to the account of the Participants for onward distribution to the subscribers, in accordance with the usual operating rules of the Clearing System.

Costs and fees

The net proceeds (before deduction of expenses) will be the Aggregate Nominal Amount multiplied by the Issue Price expressed in percentage, minus the Placement Fee and the Arrangement Fee.

Financial services

The financial services in relation to the Bonds will be provided free of charge by the Lead Manager.

The costs for the custody fee for the Bonds are charged to the subscribers. Investors must inform themselves about the costs their financial institutions might charge them.

Bondholders should be aware that additional costs and expenses may be due to the relevant Financial Intermediary upon exercising the put option referred to Condition 6.2 (*Redemption at the option of Bondholders following a Change of Control*) through a Financial Intermediary (other than the Agent).

Early closure and reduction – allotment / over-subscription in the Bonds

Early termination of the Subscription Period will intervene at the earliest on 9 September 2016 at 5h30 pm (Brussels time) (the minimum Subscription Period is referred to as the **Minimum Sales Period**). This means that the Subscription Period will remain open at least one Business Day until 5h30 pm. Thereafter, early termination can take place at any moment (including in the course of a Business Day). In case of early termination of the Subscription Period, a notice will be published as soon as possible on the websites of the Issuer and the Manager. This notice will specify the date and hour of the early termination.

The Subscription Period may be shortened by the Issuer during the Subscription Period with the consent of the Manager (i) as soon as the total amount of the Bonds reaches EUR 225 million (i.e. the maximum amount), (ii) in the event that a major change in market conditions occurs, or (iii) in case a Material Adverse Change occurs with respect to the Issuer. In case the Subscription Period is terminated early as a result of the occurrence described under (ii) and (iii) in the preceding sentence, then the Issuer will publish a supplement to the Prospectus (see page 6 of the Prospectus, for further information with respect to the publication of supplements to the Prospectus).

The Issuer may, with the consent of the Manager, decide to limit the Aggregate Nominal Amount of the Bonds if the Subscription Period is closed early in response to a major change in market conditions (among others, but not limited to a change in national or international financial, political or economic circumstances, exchange rates or interest rates) or a Material Adverse Change. Thus the Aggregate Nominal Amount of the Bonds may be lower than expected minimum nominal amount of EUR 150 million.

The Issuer has reserved the right not to proceed with the issue of the Bonds if at the end of the Subscription Period, the Aggregate Nominal Amount that have been subscribed for is lower than EUR 150 million.

In addition, the offer is subject to specific conditions negotiated between the Manager and the Issuer that are included in the Placement Agreement, and in particular, the obligations of the Manager under the Placement Agreement could terminate, inter alia, as set out above.

All subscriptions that have been validly introduced by the Retail Investors with the Manager before the end of the Minimum Sales Period will be taken into account when the Bonds are allotted, it being understood that in case of oversubscription, a reduction may apply, i.e. the subscriptions will be scaled back proportionally, with an allocation of a multiple of EUR 1,000, and to the extent possible, a minimum nominal amount of EUR 1,000, which is the minimum subscription amount for investors.

At the end of the Minimum Sales Period, the Manager may publish a notice on its website to inform its clients that it will stop collecting subscriptions and will then send the same notice to the Issuer that will publish it on its website as soon as practicable.

Subscribers may have different reduction percentages applicable to them depending on the Authorised Offeror through which they have subscribed to the Bonds.

The Manager shall in no manner whatsoever be responsible for the allotment criteria that will be applied by other financial intermediaries.

In case of early termination of the Subscription Period, the investors will be informed regarding the number of Bonds that have been allotted to them as soon as possible after the date of the early termination of the Subscription Period.

Any payment made by a subscriber to the Bonds in connection with the subscription of Bonds which are not allotted will be refunded within 7 Business Days after the date of payment in accordance with the

arrangements in place between such relevant subscriber and the relevant Financial Intermediary, and the relevant subscriber shall not be entitled to any interest in respect of such payments.

Results of the Public Offer

The results of the offer of the Bonds (including its net proceeds) shall be published as soon as possible after the end of the Subscription Period and on or before the Issue Date by the Issuer, on its website (within the section addressed to investors as "Bonds") (www.vgpparks.eu), and by the Manager (www.kbc.be/vgp). The same method of publication will be used to inform the investors in case of early termination of the Subscription Period. Furthermore, the amount of Bonds will be notified to the FSMA as soon as possible at the earlier of the end of the Subscription Period and the date of the early termination of the Subscription Period.

In the event of the Public Offer being completed, the Manager shall have the right, at its own expenses, to disclose its participation in the Public Offer in investor presentations, reports or/and by way of placement of "tombstone" advertisements in financial or other newspapers or via any other communication means after prior approval of the Issuer.

Expected timetable of the Public Offer

The main steps of the timetable of the Public Offer can be summarised as follows:

- 7 September 2016: publication of the Prospectus on the website of the Issuer and the Manager;
- 9 September 2016, 9.00 a.m. (Brussels time): opening date of the Subscription Period;
- 15 September 2016, 4.00 p.m. (Brussels time): closing date of the Subscription Period (if not closed earlier);
- between 16 September 2016 and 19 September 2016: expected publication date of the results of the offer of the Bonds (including its net proceeds) on the website of the Manager, unless published earlier in case of early closing;
- 21 September 2016: Issue Date and listing of the Bonds on the regulated market of Euronext Brussels.

The dates and times of the Public Offer and periods indicated in the above timetable and throughout this Prospectus may change. Should the Issuer decide to amend such dates, times or periods, it will inform investors through a publication in the financial press. Any material alterations to this Prospectus are to be approved by the FSMA, and will be, in each case as and when required by applicable law, published in a press release, an advertisement in the financial press, and/or a supplement to this Prospectus.

Costs

Each subscriber shall make his own enquiries with his financial intermediaries on the related or incidental costs (transfer fees, custody charges, etc.), which the latter may charge him with.

Transfer of the Bonds

Subject to compliance with any applicable selling restrictions, the Bonds are freely transferable. See also *Selling Restrictions* below.

Selling Restrictions

Countries in which the Public Offer is open

The Bonds are being offered only to investors to whom such offer can be lawfully made under any law applicable to those investors. The Issuer has taken necessary actions to ensure that Bonds may lawfully be offered to the public in Belgium. The Issuer has not taken any action to permit any offering of the Bonds in any other jurisdiction outside of Belgium.

The distribution of this Prospectus and the subscription for and acquisition of the Bonds may, under the laws of certain countries other than Belgium, be governed by specific regulations or legal and regulatory restrictions. Individuals in possession of this Prospectus, or considering the subscription for, or acquisition of, the Bonds, must inquire about those regulations and about possible restrictions resulting from them, and comply with those restrictions. Intermediaries cannot permit the subscription for, or acquisition of, the Bonds for clients whose addresses are in a country where such restrictions apply. No person receiving this Prospectus (including trustees and nominees) may distribute it in, or send it to, such countries, except in conformity with applicable law.

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any securities other than the Bonds, or an offer to sell or the solicitation of an offer to buy the Bonds in any circumstances in which such offer or solicitation is unlawful. Neither the Issuer nor the Manager has authorised, nor do they authorise, the making of any offer of the Bonds (other than in the Public Offer in Belgium) in circumstances in which an obligation arises for the Issuer or the Manager to publish a prospectus for such offer.

The following sections set out specific notices in relation to certain countries that, if stricter, shall prevail over the foregoing general notice.

Selling restriction in the EEA

The Issuer has not authorised any offer to the public of the Bonds in any Member State of the European Economic Area, other than Belgium. In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**), an offer to the public of any Bonds may not be made in that Relevant Member State, other than the offer in Belgium contemplated in this Prospectus once this Prospectus has been approved by the FSMA and published in Belgium in accordance with the Prospectus Directive as implemented in Belgium, respectively, except that an offer to the public in that Relevant Member State of any Bonds may be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

- to legal entities which are qualified investors as defined under the Prospectus Directive;
- to fewer than 150, or, if the Relevant Member State has not (yet) implemented the relevant provisions of the 2010 PD Amending Directive, 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the Issuer for any such offer; or
- in any other circumstances falling within article 3(2) of the Prospectus Directive, provided that no such offer of the Bonds shall result in a requirement for the Issuer or the Manager to publish a prospectus pursuant to article 3 of the Prospectus Directive or supplement a prospectus pursuant to article 16 of the Prospectus Directive.

For the purposes of the provisions above, the expression an offer to the public in relation to any Bonds in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the Public Offer and the Bonds to be offered so as to enable an investor to decide to purchase any Bonds, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression Prospectus Directive means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in each Relevant Member State and the expression 2010 PD Amending Directive means Directive 2010/73/EU.

United Kingdom

The Manager has represented and agreed that:

- it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the **Financial Services and Markets Act**)) received by it in connection with the issue or sale of any Bonds in circumstances in which section 21(1) of the Financial Services and Markets Act does not apply to the Issuer; and
- it has complied and will comply with all applicable provisions of the Financial Services and Markets Act with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom.

United States

The Bonds have not been, and will not be, registered under the Securities Act, or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S), unless they have been so registered or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Bonds are being offered and sold solely outside the United States to non-U.S. persons in reliance on Regulation S. Terms used in this paragraph have the meaning given to them in Regulation S.

The Manager has agreed that it will not offer, sell or deliver the Bonds (i) as part of its distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the Public Offer and the Issue Date within the United States or to, or for the account or benefit of, U.S. persons, and that they will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration (if any) to which it sells Bonds during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Bonds within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meaning given to them in Regulation S.

In addition, until 40 days after the commencement of the Public Offer, an offer or sale of the Bonds within the United States by a dealer (whether or not participating in the Public Offer) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

PART XIII: GENERAL INFORMATION

1. Application has been made for the Bonds to be listed as from the Issue Date on the regulated market of Euronext Brussels. KBC has been appointed as Listing Agent for that purpose.
2. The issue of the Bonds was authorised by resolutions passed by the Board of Directors of the Issuer on 5 September 2016.
3. The Bonds have been accepted for clearance through the Clearing System of the National Bank of Belgium. The Common Code of the Bonds is 148397694. The International Securities Identification Number (ISIN) of the Bonds is BE0002258276. The address of the National Bank of Belgium is Boulevard de Berlaimont 14, B-1000 Brussels.
4. Where information in this Prospectus has been sourced from third parties, this information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain, to its reasonable knowledge, from the information published by such third parties no facts have been omitted which would render the reproduced information inaccurate or misleading in any material respect. The source of third party information is identified where used.
5. During the Subscription Period and during the life of the Bonds, copies of the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection at the registered office of the Issuer, Spinnerijstraat 12, 9240 Zele, Belgium, as well as on the Issuer's website (www.vgpparks.eu):
 - the articles of association (*statuts / statuten*) of the Issuer, in Dutch;
 - the annual report and audited financial statements of the Issuer for the years ended 31 December 2015 and 31 December 2014 (statutory in accordance with Belgian GAAP) and the annual report and audited financial statements of the year ended 31 December 2015 and 31 December 2014 (consolidated in accordance with IFRS) together with the audit reports thereon, as well as the half year results 2016 and 2015, together with the Auditor's report relating to the limited review of the Issuer's half year results 2016 and 2015;
 - a copy of this Prospectus together with any supplement to this Prospectus; and
 - all reports, letters and other documents, balance sheets, valuations and statements by any expert any part of which is included or referred to in this Prospectus.
6. The Statutory Auditor Deloitte Bedrijfsrevisoren BV o.v.v.e. CVBA, represented by Rik Neckebroeck (member of the *Institut des Réviseurs d'Entreprises / Instituut der Bedrijfsrevisoren*) has audited, and rendered unqualified audit reports on, the annual financial statements of the Issuer for the years ended 31 December 2015 and 31 December 2014 and the consolidated IFRS financial statements of the Issuer for the financial year ended 31 December 2015 and 31 December 2014, and has conducted a limited review of the consolidated interim financial information for the six-month period ended 30 June 2016 and 30 June 2015.

PART XIV: DEFINITIONS

2017 Bond	means the EUR 75 million fixed rate bond maturing on 12 July 2017 which carries a coupon of 5.15% per annum (listed on the regulated market of Euronext Brussels with ISIN Code: BE0002201672 – Common Code: 094682118);
2018 Bond	means the EUR 75 million fixed rate bond maturing on 6 December 2018 which carries a coupon of 5.10% per annum (listed on the regulated market of Euronext Brussels with ISIN Code: BE0002208743 – Common Code: 099582871);
Accounting Standards	means the accounting standards that are generally accepted in Belgium, including IFRS, to the extent applicable to the relevant financial statements;
Agency Agreement	means the domiciliary agency agreement dated 6 September 2016 entered into between the Issuer and the Agent (which expression includes any successor as Agent under the Agency Agreement) as amended and/or supplemented and/or restated from time to time;
Agent	means KBC acting as exclusive lead manager and bookrunner and as domiciliary, calculation, paying and listing agent for the purpose of the Public Offer;
Aggregate Net Rental Income	means the sum of any and all income of any member of the Group related to rent of its respective Project Buildings less the Rental Expenses;
Aggregate Nominal Amount	means the aggregate nominal amount of the Bonds issued;
Allianz	means Allianz AZ Finance VII Luxembourg S.A., SAS Allianz Logistique S.A.S.U. and Allianz Benelux SA (all affiliated companies of Allianz Real Estate GmbH) taken together;
Alternative Clearing System	means the successor clearing system and successor clearing system operator or any additional clearing system and additional clearing system operator if at any time the Bonds are transferred to another clearing system, not operated or not exclusively operated by the NBB;
Annual Relevant Period	means each period of 12 months ending on the last day of a financial year of the Issuer and each period of 12 months ending on the last day of the first half of the financial year of the Issuer;
Annualised Committed Leases or Annualised Rent Income	means the annualised rent income generated or to be generated by executed lease – and future lease agreements;
Arrangement Fee	means the arrangement fee agreed between the Issuer and the Lead Manager in relation to the structuring of the issuance of the Bonds;

Associates	means Snow Crystal S.à.r.l. and SUN S.à.r.l., in which the Company holds 20% participation and VGP MISV Comm. VA in which the Company holds 42.87%;
Audit Committee	means the audit committee of the Company supervising among others the integrity of the financial information provided by the Company;
Auditor	means DELOITTE Bedrijfsrevisoren BV o.v.v.e. CVBA, with registered office at Berkenlaan 8B, 1831 Diegem, Belgium, represented by Mr Rik Neckebroeck (or such auditor or statutory auditor of the Issuer as may be appointed from time to time);
Authorised Offeror	means any credit institution authorised pursuant to Directive 2013/36/EU or any investment firm authorised pursuant to Directive 2004/39/EC to conduct a public offer as contemplated in this Prospectus;
Belgian Company Code	means the Belgian Company Code (<i>Wetboek van Vennootschappen / Code des Sociétés</i>);
Belgian Corporate Governance Code	means the code drawn up by the Corporate Governance Commission and including the governance practices and provisions to be met by companies under Belgian law which shares are listed on a regulated market;
Beneficial Owners	means the clients for which the Intermediary holds the Bonds;
BITC 1992	means the Belgian code on income tax of 1992 (<i>code des impôts sur les revenus 1992 / wetboek van de inkomstenbelastingen 1992</i>);
Block Voting Instruction	<p>means a document in Dutch or French (with a translation in English) issued by the Recognised Accountholder and dated in which:</p> <ul style="list-style-type: none"> (i) it is certified that Bonds (not being Bonds in respect of which a Voting Certificate has been issued and is outstanding in respect of the meeting specified in such Block Voting Instruction and any such adjourned meeting) of a specified principal amount outstanding were (to the satisfaction of such Recognised Accountholder) held to its order or under its control and blocked by it and that no such Bonds will cease to be so held and blocked until the first to occur of: <ul style="list-style-type: none"> A. the conclusion of the meeting specified in such document or, if applicable, any such adjourned meeting; and B. the giving of notice by the Recognised Accountholder to the Issuer in accordance with paragraph 5(e) of Schedule 1 to the Conditions

(provisions for meetings of Bondholders), stating that certain of such Bonds cease to be held with it or under its control and blocked and setting out the necessary amendment to the Block Voting Instruction;

- (ii) it is certified that each holder of such Bonds has instructed such Recognised Accountholder, that the vote(s) attributable to the Bond(s) so held and blocked should be cast in a particular way in relation to the resolution or resolutions to be put to such meeting or any such adjourned meeting and that all such instructions are during the period commencing three Business Days prior to the time for which such meeting or any such adjourned meeting is convened and ending at the conclusion or adjournment thereof neither revocable nor capable of amendment;
- (iii) the nominal amount of the Bonds so held and blocked is stated, distinguishing with regard to each resolution between those in respect of which instructions have been given as aforesaid that the votes attributable thereto should be cast in favour of the resolution and those in respect of which instructions have been so given that the votes attributable thereto should be cast against the resolution; and
- (iv) one or more persons named in such document (each hereinafter called a proxy) is or are authorised and instructed by such Recognised Accountholder to cast the votes attributable to the Bonds so listed in accordance with the instructions referred to in paragraph (ii) above as set out in such document;

Board or Board of Directors

means the board of directors of the Issuer or any committee thereof duly authorised to act on behalf of the board of directors;

Bondholder

means, in respect of any Bond, the person entitled thereto in accordance with the Belgian Company Code and the Clearing System Regulations;

Bonds

means the 3.90 per cent. fixed rate bonds due 21 September 2023, for an expected aggregate amount of minimum EUR 150 million and a maximum aggregate amount of EUR 225 million;

Bookrunner

means KBC;

Business Day

means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets are open for business in Brussels;

Calculation Agent

means KBC or such other leading investment, merchant or commercial bank as may be appointed from time to time by the Issuer for purposes of calculating the Put Redemption Amount, and notified to the Bondholders in accordance with Condition 14 (*Notices*) of the Terms and Conditions of the Bonds (*Part IV of the Prospectus*);

Cash or Cash Equivalents

means

- (a) any cash at hand or on a deposit that is callable on first demand; and
- (b) highly liquid financial instruments that are easily convertible into cash, for which a recognised trading market exists, and which are not issued or guaranteed by any member of the Group or subject to any Security,

which in both cases (a) and (b) are freely available for the repayment of any Financial Indebtedness and are held by any member of the Group, and shall exclude restricted or unavailable cash;

Cash Available for Debt Service

means, for any Annual Relevant Period:

- (a) after tax profit of the Issuer earned in the relevant Annual Relevant Period;
- (b) **plus** any interest (i) accounted for but unpaid or (ii) accounted for and paid by all members of the Group under the subordinated Financial Indebtedness provided for by the Issuer during the relevant Annual Relevant Period;
- (c) **plus** any amount accounted for by all members of the Group in respect of depreciation and amortisation during the relevant Annual Relevant Period;
- (d) **plus** any expenses accounted for and payable by all members of the Group on non-realised foreign exchange losses in respect of such relevant Annual Relevant Period;
- (e) **plus** the aggregate amount of interest, commissions and other finance charges (including any Interest Rate Hedging costs) due and payable by all the members of the Group under any Financial Indebtedness in such relevant Annual Relevant Period;
- (f) **less** any revenue resulting from re-evaluation (accounted for but unpaid) of any derivatives,

options, futures or hedging or other similar financial instruments or contracts;

(g) **plus** any expense resulting from re-evaluation (accounted for but unpaid) of any derivatives, options, futures or hedging or other similar financial instruments or contracts; and

(h) **plus** any available Cash and Cash Equivalents on the last day of the Annual Relevant Period;

CEE

means Central and Eastern Europe;

Change of Control

means the situation whereby (a) any person other than the Reference Shareholders or (b) a group of persons other than the Reference Shareholders, Acting in Concert, gain(s) Control of the Issuer;

whereby;

(i) **Control** means (A) the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to (i) cast, or control the casting of more than 50 per cent. of the maximum number of votes that might be cast at a general meeting of Shareholders of the Issuer; or, (ii) exercise a decisive influence on the appointment or removal of all or a majority of the directors of the Issuer (including, but not limited to the right to nominate, pursuant to the articles of association or pursuant to agreements known by the Issuer, the majority of the directors of the Issuer); or (iii) exercise a decisive influence on the operating or financial policies of the Issuer with which the directors or other equivalent officers of the Issuer are to comply or (B) the acquisition or the holding of a number of voting rights, even if such number is less than 50 per cent. of the outstanding voting rights in the Issuer, if such acquisition or holding has resulted in a mandatory public offer over the whole of the outstanding shares of the Issuer; and

(ii) **Acting in Concert** means a group of persons who, pursuant to an agreement or understanding (whether formal or informal), actively co-operate, through the acquisition directly or indirectly of shares in the Issuer by any of them to obtain or consolidate control

over the Issuer;

Change of Control Notice	means the notice whereby the Issuer notifies the Bondholders of the occurring of a Change of Control in accordance with Condition 14 (<i>Notices</i>) of the Terms and Conditions of the Bonds (<i>Part IV of the Prospectus</i>);
Change of Control Put	means the right of the Bondholder to require the Issuer to repurchase all or any part of such holder's Bonds at the Put Redemption Amount upon the occurrence of a Change of Control;
Change of Control Put Date	means the fourteenth TARGET Business Day after the expiry of the Change of Control Put Exercise Period;
Change of Control Put Exercise Notice	means the duly completed and signed notice of the Bondholder of exercise the Change of Control Put, in the form attached as schedule 2 to the Terms and Conditions of the Bonds (<i>Part IV of the Prospectus</i>);
Change of Control Put Exercise Period	means the period commencing on the date of a Change of Control and ending 90 calendar days following such Change of Control, or, if later, 90 calendar days following the date on which a Change of Control Notice is given to Bondholders as required by Condition 6.2 (<i>Redemption at the Option of Bondholders</i>) of the Terms and Conditions of the Bonds (<i>Part IV of the Prospectus</i>);
Change of Control Resolutions	means one or more decisions validly taken by the general meeting of shareholders of the Issuer approving Condition 6.2 (<i>Redemption at the Option of Bondholders</i>) of the Terms and Conditions of the Bonds (<i>Part IV of the Prospectus</i>);
Clearing Agreement	means the clearing services agreement (<i>Overeenkomst van dienstverlening inzake de uitgifte van gedematerialiseerde obligaties / Convention de services de clearing relatifs à l'émission d'obligations dématérialisées</i>) to be dated on or about the Issue Date between the Issuer, the Agent and the NBB;
Clearing System	means the system by which the Bonds will be represented exclusively by book entries in the records of the X/N securities and cash clearing system operated by the NBB or any successor thereto;
Clearing System Regulations	means the applicable Belgian clearing regulations, including the Belgian law of 6 August 1993 on transactions in certain securities, its implementing Belgian Royal Decrees of 26 May 1994 and 14 June 1994 and the rules of the Clearing System and its annexes, as issued or modified by the NBB from time to time;
Clearstream, Luxembourg	means Clearstream Banking, société anonyme, Luxembourg, 42, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of

	Luxembourg;
Company	means VGP NV, a public limited liability company (<i>naamloze vennootschap / société anonyme</i>) incorporated under Belgian law, having its registered office at Spinnerijstraat 12, 9240 Zele, Belgium, registered with the Crossroads Bank for Enterprises under number 0887.216.042, commercial court of Ghent, division Dendermonde;
Company SPA	means the share purchase agreement between the Issuer as seller and Allianz as purchaser relating to the sale of 50% of the shares in VGP European Logistics S.à r.l.;
Compliance Certificate	means a certificate from the Issuer, signed by two directors of the Issuer (one of which must be its executive director) or alternatively by the executive director and the chief financial officer and approved by the Auditors, setting out in detail computations, indicating and confirming whether the Consolidated Gearing, the Interest Cover Ratio and the Debt Service Cover Ratio comply with the applicable ratios and thresholds as set out in Condition 10 (<i>Undertakings</i>) of the Terms and Conditions of the Bonds (<i>Part IV of the Prospectus</i>), as at the date of the relevant financial statements to which such compliance certificate relates;
Consolidated Financial Indebtedness	means, at any time, the aggregate amount of all obligations of the Group for or in respect of Financial Indebtedness but: <ul style="list-style-type: none"> (a) excluding any such obligation to any other member of the Group; and (b) deducting the aggregate amount of Cash and Cash Equivalents held by any member of the Group at such time and so that no amount shall be included or excluded more than once;
Consolidated Gearing	means, in respect of any Annual Relevant Period, the ratio of Consolidated Total Net Debt on the last day of that Annual Relevant Period to the sum of the equity and the total liabilities (including off-balance sheet liabilities) at Group level in respect of that Annual Relevant Period;
Consolidated Total Net Debt	means, at any time, Total Net Debt calculated at Group level;
Corporate Governance Code	means the principles of corporate governance contained in the Belgian Code on Corporate Governance published on 12 March 2009, as adopted by the Company and available on the Company's website;
Corresponding Debt	means any debt of the Issuer or any of its Subsidiaries (including any debt under the Bonds) that is guaranteed by any Security,

Personal Security, guarantee or indemnity that also secures the Bonds in accordance with the Terms and Conditions (*Part IV of the Prospectus*);

Debt Service Cover Ratio

means:

- (a) the Cash Available for Debt Service,
divided by
- (b) the Net Debt Service;

Domiciliary Agent

means KBC;

EUR, euro or €

means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended;

Euroclear

means Euroclear Bank SA/NV;

Event of Default

means one of the following events which are described in detail in Condition 9 (*Events of Default*) of the Terms and Conditions of the Bonds (*Part IV of the Prospectus*):

- (a) Non-payment;
- (b) Breach of ratios;
- (c) Breach of other covenants, agreements or undertakings;
- (d) Cross-Default of the Issuer or a Subsidiary;
- (e) Enforcement Proceedings;
- (f) Security Enforced;
- (g) Unsatisfied judgment;
- (h) Insolvency and insolvency proceedings;
- (i) Reorganisation, change of or transfer of business or transfer of assets;
- (j) Winding-Up;
- (k) Failure to take action;
- (l) Unlawfulness; and
- (m) Delisting of the Bonds;

Extraordinary Resolution

means a resolution passed at a meeting of Bondholders duly convened and held in accordance with these Conditions and the Belgian Company Code by a majority of at least 75 per cent. of the votes cast;

Facility Management

means the day-to-day maintenance, alteration and improvement work of buildings;

Fair Value

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

Finance Charges

means, for any Annual Relevant Period, the difference between on the one hand the interest charges (being the sum of the aggregate amount of interest, commissions and other finance charges (including any Interest Rate Hedging costs but excluding the Arrangement Fee and the Placement Fee paid by the Issuer to the Lead Manager for the first 12 months Testing Period) due and payable by all the members of the Group under any Financial Indebtedness in such relevant Annual Relevant Period and on the other hand the interest received (being the sum of the aggregate amount of interest, commissions and other finance income (including any Interest Rate Hedging income) and remuneration on finance leases and related products) in each case calculated on a consolidated basis on the last day of a financial year of the Issuer and on the last day of the first half of the financial year of the Issuer;

Financial Indebtedness

means any indebtedness for or in respect of:

- (a) moneys borrowed (on the basis of any credit agreement, loan agreement or any similar agreement);
- (b) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;
- (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument, including without limitation the Bonds;
- (d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with the relevant Accounting Standards, be treated as a finance or capital lease;
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis) and any assumed debt;
- (f) any Treasury Transaction and, when calculating the value of any Treasury Transaction, only the marked to market value shall be taken into account;
- (g) any counter-indemnity obligation in respect of a guarantee, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution;

- (h) any amount of any liability under any advance or deferred purchase agreement if one of the primary reasons behind entering into the agreement is to raise finance for a purchase of assets and payment is due after more than 90 (ninety) days;
- (i) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing; and
- (j) the amount of any liability in respect of any guarantee for any of the items referred to in paragraphs (a) to (i) above;

Financial Intermediary	means a bank or other financial intermediary through which the Bondholder holds the Bonds;
Financial Services and Markets Act	means the Financial Services and Markets Act 2000 of the United Kingdom;
FSMA	means the financial Services and Markets Authority (<i>Autoriteit voor Financiële Diensten en Markten / Autorité des services et marchés financiers</i>);
FTT	means the proposed financial transactions tax by the EU Commission;
GDP	means the gross domestic product (<i>bruto national product / produit national brut</i>) of a country;
Gearing Ratio	means the ratio calculated as consolidated Total Net Debt divided by the sum of the equity and total liabilities;
Group	means the Issuer and its Subsidiaries;
IAS	means the International Accounting Standards, the international accounting standards drawn up by the International Accounting Standards Board (IASB), for the preparation of financial statements;
IFRS	means the International Financial Reporting Standards (see also IAS);
Independent Source	means any market data and other statistical information used in this Prospectus which has been extracted from a number of sources, including independent industry publications, government publications, reports by market research firms or other independent publications;
Indexation	means the contractual annual adjustment of the rent on the anniversary of the contract effective date on the basis of the inflation rate according to a benchmark index in each specific

	country;
Interest Cover Ratio	means the ratio of Aggregate Net Rental Income (increased with the available Cash and Cash Equivalents on the last day of an Annual Relevant Period) to Finance Charges in respect of any Annual Relevant Period;
Interest Payment Date	means the date on which the interest will be payable annually in arrears on 21 September of each year, commencing with the Interest Payment Date falling on 21 September 2017;
Interest Period	means the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date;
Interest Rate	means 3.90 per cent. per annum;
Interest Rate Hedging	means the use of derived financial instruments to protect debt positions against interest rate rises;
Intermediary	see Financial Intermediary;
Investor's Currency	means the currency or currency unit in which the investor's financial activities are denominated;
IRS	means the Interest Rate Swap, a transaction in which the parties swap interest rate payments for a given duration (VGP uses interest rate swaps to hedge against interest rate increases by converting current variable interest payments into fixed interest payments);
Issuer	see Company;
Issue Date	means 21 September 2016;
Issue Price	means the issue price for the Bonds, which will be 100 per cent.;
Joint Venture	means VGP European Logistics S.à r.l., the newly established 50:50 joint venture between the Issuer and Allianz;
JVA or Joint Venture Agreement	means the joint venture agreement made between Allianz and the Issuer dated 14 March 2016;
KBC	means KBC Bank NV, having its registered office at Havenlaan 2, 1080 Brussels, Belgium;
Lead Manager	means KBC;
Listing Agent	means KBC;
Little Rock SA	means a limited liability company (<i>société anonyme</i>) organised and existing under the laws of Luxembourg, having its registered office at 25, Boulevard Prince Henri, L 1724 Luxembourg, Grand Duchy of Luxembourg, registered with the Luxembourg Register

	of Commerce and Companies under number B156902;
Long Stop Date	means 31 December 2016;
Manager	see Agent;
Material Adverse Change	means a material adverse change in the financial condition, business affairs, results or operations of the Issuer or the Group taken as a whole since the date of the Placement Agreement or the date of the Prospectus;
Maturity Date	means 21 September 2023;
Minimum Sales Period	means the minimum Subscription Period, i.e. a period of one Business Day starting on the third Business Day in Belgium following the day on which the Prospectus has been made available on the websites of the Issuer and the Lead Manager (including the day on which the Prospectus was made available);
N Account	means a non-exempt securities account in the X/N System that has been opened with a Participant in the NBB System;
NBB	means the National Bank of Belgium;
Net Asset Value	means the value of the Joint Venture's assets minus the value of its liabilities;
Net Current Result	means the operating result plus net financial result (financial income less financial charges) less income and deferred taxes;
Net Debt Service	means, in respect of any Annual Relevant Period, the sum of: <ul style="list-style-type: none"> (a) the Finance Charges; and (b) any principal due and payable by all members of the Group under any Financial Indebtedness in respect of such relevant Annual Relevant Period;
Occupancy Rate	means the occupancy rate which is calculated by dividing the total leased out lettable area (m ²) by the total lettable area (m ²) including any vacant area (m ²);
Ordinary Shares	means fully paid ordinary shares in the capital of the Issuer currently with no-par value;
Parallel Debt	means an amount equal to the amount of the Corresponding Debt provided that any amounts are outstanding under the Corresponding Debt;
Participant	means a financial institution that is a direct or indirect participant in the NBB System;
Paying Agent	means KBC;
Permitted Public Offer	means any offer of the Bonds in any Relevant Member State other than offers in Belgium;

Personal Security	means in relation to any Financial Indebtedness of any person, any obligation of another person to pay such Financial Indebtedness including (without limitation): (a) any obligation to purchase such Financial Indebtedness; (b) any obligation to lend money or to provide funds for the payment of such Financial Indebtedness; (c) any indemnity against the consequences of a default in the payment of such Financial Indebtedness; and (d) any other agreement to be responsible for such Financial Indebtedness;
Placement Agreement	means the placement agreement dated on or around 6 September 2016 between the Manager and the Issuer;
Placement Fee	means a placement fee of 1.875 per cent. calculated on the aggregate principal amount of Bonds effectively placed with investors (borne by the Issuer);
Profit for the year	means the Net Current Result plus the result on the portfolio;
Project Buildings	means any buildings the construction and development of which are carried out by any member of the Group;
Project Land	means plots of land owned by any member of the Group on which any Project Buildings are to be constructed and developed;
Project Management	means the management of building and renovation projects;
Projects	means the predevelopment of Project Land and the development, construction and operation of Project Buildings;
Property Portfolio	means the property investments, including property for lease, property investments in development for lease, assets held for sale and development land;
Prospectus Directive	means the Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC, as amended;
Prospectus	means this listing and offering prospectus dated 6 September 2016;
Prospectus Law	means the Belgian law dated 16 June 2006 concerning the public offer of investment securities and the admission of investment securities to trading on a regulated market;
Prospectus Regulation	means the Commission Regulation (EC) 809/2004 of 29 April 2004 implementing the Prospectus Directive, as amended;
Public Offer	means the Bonds offered to the public in Belgium;
Put Redemption Amount	means an amount per Bond calculated by the Calculation Agent by multiplying the Redemption Rate by the Specified Denomination of such Bond and rounding, if necessary, the

	resultant figure to nearest minimum sub-unit of euro (half of such unit being rounded downwards), and by adding any accrued but unpaid interest of such Bond to (but excluding) the relevant repayment date;
Qualified Investors	means qualified investors as defined in the Prospectus Law;
RD/BITC 1992	means the royal decree implementing the BITC 1992 (<i>arrêté royal d'exécution du code des impôts sur les revenus 1992 / koninklijk besluit tot invoering van het wetboek inkomstenbelastingen 1992</i>);
Recognised Accountholder	means, in relation to one or more Bonds, the Recognised Accountholder (<i>erkende rekeninghouder / teneur de compte agréé</i>) within the meaning of article 468 of the Belgian Company Code with which the Bondholder holds such Bonds on a securities account;
Redemption Rate	means $\text{MIN} (101\%; 100\% \times \text{Exp} (T \times 0,74720148386\%))$, rounded down to the 9th decimal, whereby: T means the time, expressed in decimals of a year, elapsed from (and including) the Issue Date until (and including) the relevant redemption date; and Exp means the exponential function meaning the function e^x , where e is the number (approximately 2.718) such that the function e^x equals its own derivative;
Reference Shareholders	means (i) VM Invest NV, (ii) Van Malderen Bart, (iii) Little Rock SA, (iv) Van Geet Jan, and (v) Comm. VA VGP MISV;
Regulation S	means the Regulation S under the Securities Act;
Relevant Creditor	means the creditors of the relevant Financial Indebtedness;
Relevant Date	means, in respect of any Bond, whichever is the later of: <ul style="list-style-type: none"> (a) the date on which payment in respect of it first becomes due; and (b) if any amount of the money payable is improperly withheld or refused, the date on which payment in full of the amount outstanding is made or (if earlier) the date on which notice is duly given by the Issuer to the Bondholders in accordance with Condition 14 (<i>Notices</i>) that such payment will be made, provided that such payment is in fact made as provided in these Conditions;
Relevant Member State	means each Member State of the European Economic Area which has implemented the Prospectus Directive;

Remuneration Committee	means the remuneration committee of the Company established in accordance with paragraph 2 of annex 2 of the VGP Charter;
Rental Expenses	means the sum of any and all expenses incurred in relation to the operation, administration, maintenance and repairs by any member of the Group in relation to its Projects;
Responsible Person	means the Issuer;
Retail Investors	means investors who are not Qualified Investors;
Royal Decree	means the <i>"Arrêté Royal du 26 mai 1994 relatif à la perception et à la bonification du précompte mobilier"</i> , Royal decree of 26 May 1994 on the deduction of withholding tax;
Securities Act	means the United States Securities Act of 1933, as amended;
Security	means any mortgage, charge, pledge, lien or any other form of encumbrance or security interest or any mandate to create the same, including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction;
Security Agent	means a security agent appointed in the context of the relevant Financial Indebtedness;
Security Documents	mean all documents relating to a Security, Personal Security, guarantee or indemnity;
SEE	means South East Europe;
Seed Portfolio	means the first 15 VGP parks acquired by the Joint Venture at the end of May 2016;
Seed Portfolio SPA	means the share purchase agreement between the Issuer and VGP CZ X a.s. (as sellers) and VGP European Logistics S.à r.l. (as purchaser) related to a sale of (i) 100% participation in the Czech companies VGP CZ V a.s. (owning VGP Park BRNO), VGP CZ VI a.s. (owning VGP Park Hradek nad Nisou), VGP CZ VIII a.s. (owning VGP Park Plzen) and TPO hala G2 a.s. (owning partially VGP Park Olomouc), (ii) 100% participation in the Slovak company VGP Slovakia a.s. (owning VGP Park Malacky), (iii) 94.9% participation in the German companies VGP Park Bingen GmbH (owning VGP Park Bingen), VGP Park Berlin GmbH (owning VGP Park Berlin), VGP Park Höchststadt GmbH (owning VGP Park Höchststadt), VGP Park Hamburg GmbH (owning VGP Park Hamburg) and VGP Park Rodgau GmbH (owning VGP Park Rodgau), and (iv) 94.9% participation in the Luxembourg companies VGP Park Hamburg 2 S.à r.l. (VGP park Hamburg 2), VGP Park Frankenthal S.à r.l. (owning VGP Park Frankenthal and VGP Park Bobenheim-Roxheim) and VGP Park Leipzig S.à r.l. (owning VGP Park Borna);
Shareholders	means the holders of Ordinary Shares;

Specified Denomination	means EUR 1,000 per Bond;
Statutory Auditor	see Auditor;
Subscription Period	means the period between 9 September 2016 at 9.00 a.m. (Brussels time) and 15 September 2016 at 4.00 p.m. (Brussels time);
Subsidiary	means a subsidiary of the Issuer within the meaning of article 6, 2° and article 8 of the Belgian Company Code;
SUTA	means SUTA s.r.o., having its registered office at Rozšířená 2159/15, Libeň, 182 00 Praha 8 and registered in the Commercial Register maintained by the Municipal Court in Prague, Section C, Entry No. 201835;
Take-up	means the letting of rental spaces to users in the rental market during a specific period;
TARGET Business Day	means a day (other than a Saturday or Sunday) on which the TARGET System is operating for the settlement of payments in euro;
TARGET System	means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) system, or any successor thereto;
Tax Eligible Investors	means the investors listed in article 4 of the Belgian Royal Decree of 26 May 1994 on the deduction of withholding tax (<i>arrêté royal du 26 mai 1994 relatif à la perception et à la bonification du précompte mobilier / koninklijk besluit van 26 mei 1994 over de inhouding en de vergoeding van de roerende voorheffing</i>);
Taxes	any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of Belgium, or any political subdivision or any authority therein or thereof having power to tax;
Total Debt	means at any time (but so that no amount shall be included or excluded more than once), the Consolidated Financial Indebtedness of the Group, excluding however all intra-Group Financial Indebtedness. For the avoidance of doubt, such intra-Group Financial Indebtedness shall include Financial Indebtedness incurred pursuant to any Financial Indebtedness of a member of the Group owed to another member of the Group which is senior, junior or <i>pari passu</i> with the Bonds;
Total Net Debt	means the Total Debt less Cash and Cash Equivalents;
Treasury Transaction	means any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price;

VGP or VGP Group	see Group;
VGP Charter	means the corporate governance charter of the Company adopted by the Board in accordance with the recommendations set out by the Belgian Code on Corporate Governance and available on the Company's website;
VGP MISV Comm. VA	means a company (<i>commanditaire vennootschap op aandelen / société en commandite par actions</i>), organised and existing under the laws of Belgium, having its registered office at Spinnerijstraat 12, 9240 Zele, Belgium, registered with the Crossroads Bank for Enterprises under number 0894.442.740, <i>RPR / RPM</i> Dendermonde;
VM Invest NV	means a limited liability company (<i>naamloze vennootschap / société anonyme</i>) organised and existing under the laws of Belgium, having its registered office at Spinnerijstraat 12, 9240 Zele, Belgium, registered with the Crossroads Bank for Enterprises under number 0418.701.587, <i>RPR / RPM</i> Dendermonde;
Voting Certificate	means a certificate in Dutch or French (with a translation in English) issued by the Recognised Accountholder and dated in which it is stated: <ul style="list-style-type: none"> (i) that on the date thereof Bonds (not being Bonds in respect of which a Block Voting Instruction has been issued and is outstanding in respect of the meeting specified in such Voting Certificate and any such adjourned meeting) of a specified principal amount outstanding were (to the satisfaction of such Recognised Accountholder) held to its order or under its control and blocked by it and that no such Bonds will cease to be so held and blocked until the first to occur of: <ul style="list-style-type: none"> A. the conclusion of the meeting specified in such certification or, if applicable, any adjourned such meeting; and B. the surrender of the certificate to the Recognised Accountholder who issued the same; and (ii) that until the release of the Bonds represented thereby the bearer thereof is entitled to attend and vote at such

meeting and any such adjourned meeting in respect of the Bonds represented by such certificate;

WHT

means Belgian withholding tax;

X Account

means an exempt securities account in the X/N System that has been opened with a Participant in the NBB System;

Registered Office of the Issuer

VGP NV
Spinnerijstraat 12
9400 Zele
Belgium

Lead Manager and Bookrunner

KBC Bank NV
Havenlaan 2
1080 Brussels
Belgium

Domiciliary and Paying Agent and Calculation Agent

KBC Bank NV
Havenlaan 2
1080 Brussels
Belgium

Legal Advisors

To the Issuer

Argo bcvba
Posthofbrug 12
2600 Antwerp
Belgium

To the Lead Manager and Bookrunner

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Uitbreidingstraat 72/b3
2600 Antwerp
Belgium