Corio's first nine months 2013 update

Utrecht, 7 November 2013

Business update for the period 1 January – 30 September 2013

Gerard Groener (CEO Corio):

"*Since the implementation of our new strategic model at the start of the year, our complete focus has been on realising operational improvements in order to respond to the ongoing macroeconomic challenges across Europe. Moreover, our teams are working intensely on enhancing the fundamentals of the business to further improve Corio's shopping centres.*

We are still confronted with the impact of the economic headwinds on our results, especially in Spain and the Netherlands. However, signals of economic recovery are visible in our other home markets. While it is too early to state that these signals characterize a sustainable economic recovery, we did manage to successfully change and improve the tenant mix of Le Gru in Turin and Centro Commerciale in Naples and they are back into full operation again since Q3. Before the end of the year, two more major projects, Marseille Grand Littoral and Porta di Roma, will be completed and will show improved occupancy rates and performance.

While we expect the remainder of the year to be challenging, especially for our TRC-portfolio, we confirm our outlook for 2013."

Footfall

Footfall (like-for-like) change FMP portfolio (%)*	9M 2013	H1 2013
Portfolio average	**-0.5**	**-0.7**
The Netherlands	0.6	-0.4
France	-1.7	-2.3
Italy	0.1	2.1
Germany	-1.9	-3.0
Spain / Portugal	-2.8	-5.1
Turkey	1.6	-0.2

*Footfall, tenant sales, re-letting and renewal, occupancy rates and like-for-like exclude Hoog Catharijne (NL), Grand Littoral (FR), St Jacques (FR) and Centrum Galerie (GE) as these projects are subject to major redevelopments

Overall footfall was stable, showing growth in the Netherlands, Italy and Turkey. Moreover, footfall in Q3 improved compared to H1 2013, except in Italy. Q3 footfall in Italy was impacted by major re-tenanting in Le Gru and Campania, leading to only a slight footfall increase in 9M 2013 of 0.1%. Both centres are in full operation again.

To support footfall we organised numerous events in our centres, like a pop-up store for 1Direction (a boyband) in Hoog Catharijne in Utrecht, the 8th edition of the Gruvillage Jazz festival in Le Gru in Turin, a further roll out of our Loyalty Program (in Q3: Grand Littoral in Marseille and Maremagnum in Barcelona), an open air cinema in 365 in Ankara and Anatolium in Bursa and a casting for ‘The Face of Germany’ in Centrum Galerie in Dresden.

Tenant sales

Tenant sales change (like-for-like) FMP portfolio (%)	9M 2013	H1 2013
Portfolio average	**-2.4**	**-3.3**
The Netherlands	NA*	NA*
France	-2.1	-1.8
Italy	-2.2	-4.0
Germany	-3.8	-5.8
Spain / Portugal	-9.7	-8.8
Turkey	4.5	7.6

* Not Available

Tenant sales improved in 9M 2013 to 2.4% negative, coming from a decrease of 3.3% in H1 2013. Retail sales continue to be under pressure throughout Europe, especially for the non-food.

Re-letting and renewals

Re-letting and renewal results FMP portfolio (%)	9M 2013	H1 2013
Portfolio average	**0.9**	**-4.5**
The Netherlands	0.9	11.4
France	10.2	4.9
Italy	6.3	-0.4
Germany	-	-
Spain / Portugal	-31.3	-30.5
Turkey	1.8	-2.3

Although the countries showed mixed results, the overall re-letting and renewal numbers improved during Q3, resulting in turning a 4.5% negative in H1 2013 into 0.9% positive for the full FMP portfolio in 9M 2013. In total we (re)negotiated 340 contracts in the first nine months of 2013.

The decline in Spain is a consequence of declining spendable income due to the tough macro-economic environment. In Turkey, we saw positive results in 9M 2013. The portfolio in Germany is still young and contracts are still in their first term.

Major achievements in re-tenanting:

- In Le Gru in Turin the re-tenanting impacted 22% of total GLA (7 contracts): e.g. Zara increased from 1,600 m^2 to 2,800 m^2, Pull&Bear from 300 m^2 tot 800 m^2, Stradivarius and Bershka entered with shops of 500 m^2 and 1,400 m^2, Fiorella Rubino, Celio and Stroilo Oro changed location and increased their store size.
- In Campania in Naples the re-tenanting impacted 18% of GLA (11 contracts): e.g. Zara increased from 1,700 m^2 to 3,500 m^2 Pull&Bear and Bershka moved into the old Zara unit of 1,700 m^2 and Stradivarius will open a store of 700 m^2.

The re-developed Zone Azur of Grand Littoral in Marseille will open on 16 December 2013 with 15 new stores, new restaurants, an event area and the first Primark in France (7,500 m^2).

In Porta di Roma the re-tenanting impacted 13% of the GLA (21 contracts). The new and enlarged shops will open in Q4. The main changes are: Pellizzari, prime multi brand (2,800 m^2), H&M (2,800 m^2), Desigual (600 m^2), Massimo Dutti (800 m^2), Piazza Italia (800 m^2), Twin Set (300 m^2). Stroili Oro, Optissimo and Imperial were moved and enlarged.

Occupancy

Average Financial occupancy rate FMP portfolio* (%)	**9M 2013**	**H1 2013**
Portfolio average	**96.4**	**96.6**
The Netherlands	97.6	97.6
France	95.9	96.0
Italy	97.5	97.4
Germany	99.6	100.0
Spain	90.7	91.0
Turkey	93.8	93.8

* Including rental guarantees

In our FMP portfolio the occupancy rates remain strong with an average of 96.4%. In countries where we have our largest presence (Netherlands, France and Italy) and which represent two thirds of our FMP income stream, we see occupancy rates between 95.9% and 97.6%. We expect that occupancy levels in Italy will return to normal levels of above 98% at the end of 2013 as Le Gru in Turin and Campania near Naples will no longer be affected by the major re-tenanting that took place.

Like-for-like

Like-for-like change GRI FMP portfolio* (%)	9M 2013	H1 2013
Portfolio average	**-0.5**	**-0.5**
The Netherlands	1.6	2.5
France	0.7	0.9
Italy	-0.6	-1.3
Germany	6.5	6.7
Spain	-6.7	-6.9
Turkey	-3.0	-3.2

* Including rental guarantees

The like-for-like Gross Rental income (GRI) is slightly negative as discounts were required to temporary support a selective number of tenants. The Spanish performance is the result of ongoing challenging market conditions and the expiration of rental guarantees (effect of 1.3%). The reduced GRI in Italy is largely related to the refurbishments and re-tenanting in Le Gru in Turin and Campania near Naples that caused temporary vacancy in the first nine months. In Turkey the decline is the result of ending rental guarantees in Bursa’s Anatolium (effect of 4.7%).

Net Rental Income

NRI retail (incl. EAI) (€ million)	9M 2013			9M 2012		
Net Rental Income	**FMP**	**TRC**	**Total**	**FMP**	**TRC**	**Total**
The Netherlands	61.3	19.3	80.6	63.3	24.9	88.2
France	43.8	18.1	61.9	46.5	19.2	65.7
Italy	66.4	5.9	72.3	67.3	5.9	73.2
Germany	42.7	-	42.7	23.6	-	23.6
Spain/ Portugal	20.7	8.4	29.2	26.7	10.7	37.4
Turkey	28.1	1.5	29.6	28.4	2.3	30.7
Total	**263.1**	**53.2**	**316.3**	**255.8**	**63.1**	**318.8**

NRI growth of FMP was driven by extensions and (re)developments like Vredenburg and Singelborch in Hoog Catharijne and the acquisition of Boulevard Berlin.

Pipeline

(€ million)	Committed	Deferrable	Total
Already paid	110.4	135.6	**246.0**
Cost to completion	663.5	310.6	**974.1**
Total	**773.9**	**446.2**	**1,220.1**
Net Yield on cost (%)	6.9	8.5	**7.5**

The total pipeline decreased 33% from € 1.8 billion to € 1.2 billion in the first nine months of 2013. Two projects were taken into operation and one project in Italy was cancelled. No new additions were made to the pipeline. In Berlin the 86,000 m^2 Boulevard Berlin at the Schloßstrasse was acquired for a total amount of € 366 m, producing a 6.0% net yield as of 15 January 2013. Furthermore, a smaller project in Zoetermeer, a suburb of The Hague, was taken into operation for a total amount of € 39.5 m producing a net initial yield of 6.4% as of 1 January 2013. As mentioned earlier this year, Palazzo del Lavoro in Turin has been cancelled for administrative reasons and therefore taken out of the pipeline.

During the first quarter we also committed to realize the second phase of the Hoog Catharijne redevelopment scheme. This involves an amount of € 288 m, which we moved from the deferrable pipeline into the committed pipeline. With these and some smaller changes in the composition of the pipeline the overall picture is as shown on the previous page. The yield on cost of the pipeline improved from 7.4% at year-end 2012 to 7.5% at 30 September 2013.

Disposal program on track

The disposal program of the TRC portfolio is on track. Corio has sold for € 214 m properties until today.

Efficiency target on track

Corio aims to reduce administrative expenses with 10% in the coming years and lowering it to 8% of GTRI. We expect to make a significant first step in 2013.

Strong financing activities pushing net finance expense further down

The average interest rate in Q3 2013 was 3.6% (Q3 2012: 3.9%). Following a three-day roadshow in Europe, Corio successfully placed a € 500 m benchmark Eurobond maturing in February 2021. The 8-year bonds have a 3.25% coupon and the issue price is 99.945%. The bonds were issued under Corio's EMTN program and placed with a broad range of institutional investors, primarily from Europe.

Outlook 2013 confirmed

We confirm our outlook and expect to arrive at a total direct result in 2013 between € 254.0 m and € 260.0 m. The distributed stock dividend will reduce the direct result per share for 2013. Taken the aforementioned into account, we expect to arrive at a direct result per share in 2013 between € 2.61 and € 2.66 per share.

CONFERENCE CALL 9M 2013 UPDATE

Gerard Groener (CEO) and Ben van der Klift (CFO) are available for questions on Friday 8 November 2013 at 10.00 CET. You can listen to the call and ask questions by dialling: +31 (0)20 7965 008 or +44 (0)20 7162 0077, Conference ID: 938017. You can also listen to the call via: http://corio.dutchview.nl/corio20131108-analyst. More details about the audiocast and call (more toll free numbers) can be found on Corio's website: http://www.corio-eu.com/other-news.html.

Financial calendar

Date	**Event**
12 February 2014 (after market close)	Full year 2013 results
7 May 2014 (after market close)	First quarter 2014 update
6 August 2014 (after market close)	Half-year 2014 results
5 November 2014 (after market close)	First nine months 2014 update

Qualification regarding forward-looking information

This press release contains forward-looking information with respect to the financial position, plans and objectives, activities and market conditions in which the company operates. By their nature, forward-looking statements and forecasts imply risks and uncertainties, as they relate to known and unknown events and circumstances which may or may not happen in the future. The forward-looking statements and forecasts in this press release are based on management's current insights and assumptions. The actual earnings and developments may deviate from those expected, under the influence of factors such as: general economic circumstances, results on the financial markets, changes in interest rate levels and exchange rates, changes in the law and regulatory framework and in the policy of governments and/or regulatory authorities.

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APPENDIX

The table below gives an overview of % change of 9M 2013 compared with 9M 2012 for Corio's retail portfolio split in FMP, TRC and total, financial occupancy relates to 9M 2013.

%	NL	FR	IT	GE	SP/PO	TU	Total
Footfall FMP	**0.6**	**-1.7**	**0.1**	**-1.9**	**-2.8**	**1.6**	**-0.5**
Footfall TRC	-4.6	-5.1	-0.3	-	-0.1	-7.4	-3.0
Footfall Total	-1.3	-2.8	0.0	-1.9	-1.8	0.8	-1.1
Tenant sales FMP	**-**	**-2.1**	**-2.2**	**-3.8**	**-9.7**	**4.5**	**-2.4**
Tenant sales TRC	-	-4.4	-4.0	-	-6.3	-8.7	-5.2
Tenant sales Total	-	-2.8	-2.4	-3.8	-8.5	2.8	-2.8
Average Financial Occ FMP	**97.6**	**95.9**	**97.5**	**99.6**	**90.7**	**93.8**	**96.4**
Average Financial Occ TRC	93.9	89.9	96.3	-	85.2	92.6	90.5
Average Financial Occ Total	96.5	93.1	97.4	99.6	88.8	93.7	95.0
Re-letting/Renewal FMP	**0.9**	**10.2**	**6.3**	**-**	**-31.3**	**1.8**	**0.9**
Re-letting/Renewal TRC	-11.5	-2.3	-22.1	-	-41.6	-9.1	-18.9
Re-letting/Renewal Total	-3.5	6.5	6.0	-	-35.9	0.1	-3.6
Like-for-like GRI FMP	**1.6**	**0.7**	**-0.6**	**6.5**	**-6.7**	**-3.0**	**-0.5**
Like-for-like GRI TRC	-2.5	-4.3	0.1	-	-15.0	-23.9	-6.3
Like-for-like GRI Total	0.4	-1.0	-0.6	6.5	-9.5	-4.5	-1.7

Footfall, tenant sales, re-letting and renewal, occupancy rates and like-for-like exclude Hoog Catharijne (NL), Grand Littoral (FR), St Jacques (FR) and Centrum Galerie (GE) as these projects are subject to major redevelopments