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CONSOLIDATED INCOME STATEMENT

For the year ended 31 December (€ million)	Note	2013	2012
Gross rental income	<u>2</u>	462.2	475.6
Service charges recovered from tenants		97.0	94.2
Service charges		-120.3	-113.3
Net service charges		-23.3	-19.1
Property operating expenses	<u>3</u>	-59.2	-59.0
Net rental income		379.7	397.5
Proceeds from sales of investment property		225.1	329.4
Carrying amount of investment property sold		-262.9	-349.4
Results on sales of investment property	<u>8,9</u>	-37.8	-20.0
Valuation gains		80.2	86.4
Valuation losses		-446.9	-286.0
Net valuation gain/loss on investment property	<u>8,9</u>	-366.7	-199.6
Administrative expenses	<u>4</u>	-39.1	-45.4
Impairment of assets	<u>13</u>	-	-1.8
Other income and expenses	<u>5</u>	-40.3	-27.8
Results before finance expenses and tax		-104.2	102.9
Finance costs		-136.7	-123.0
Finance income		9.9	12.0
Net finance expenses	<u>6</u>	-126.8	-111.0
Share of result of equity accounted investees (net of income tax)	<u>10</u>	2.7	15.6
Result before tax		-228.3	7.5
Current tax		-4.0	-6.6
Deferred tax		-21.6	14.8
Tax	<u>7</u>	-25.6	8.2
Net result		-253.9	15.7
Attributable to:			
Shareholders		-250.5	16.0
Non-controlling interest		-3.4	-0.3
Net result		-253.9	15.7
Weighted average number of shares		97,411,238	94,664,641
Result per share (€)			
Basic earnings per share	<u>20</u>	-2.57	0.17
Diluted earnings per share	<u>20</u>	-2.57	0.17

The notes on pages 83 to 116 are an integral part of these consolidated financial statements.



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December (€ million)	Note	2013	2012
Net result attributable to shareholders		-250.5	16.0
Net result attributable to non-controlling interest		-3.4	-0.3
Net result		-253.9	15.7
Other comprehensive income:			
<i>Items that may be subsequently reclassified to profit or loss</i>			
Foreign currency translation differences for foreign operations		-0.3	1.7
Effective portion of the changes in fair value of the cash flow hedges		1.9	-13.6
Other comprehensive income for the year, net of tax *		1.6	-11.9
Total comprehensive income		-252.3	3.8
Attributable to:			
Shareholders		-248.9	4.1
Non-controlling interest		-3.4	-0.3
Total comprehensive income		-252.3	3.8

* Effective tax rate for comprehensive income is nil.

The notes on pages 83 to 116 are an integral part of these consolidated financial statements.



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(€ million)	Note	31 December 2013	31 December 2012
ASSETS			
Investment property	<u>8</u>	6,063.8	6,228.0
Investment property under development	<u>9</u>	594.5	486.6
Investment in equity accounted investees	<u>10</u>	348.9	368.3
Other property related investments	<u>11</u>	111.3	135.5
Derivative financial instruments	<u>12</u>	1.3	33.9
Intangible assets	<u>13</u>	63.1	60.6
Property, plant and equipment	<u>14</u>	23.1	23.7
Deferred tax assets	<u>15</u>	28.4	22.5
Other non-current receivables	<u>16</u>	18.6	47.2
Total non-current assets		7,253.0	7,406.3
Trade and other receivables	<u>17</u>	174.6	139.5
Other property related investments	<u>11</u>	22.6	75.0
Derivative financial instruments	<u>12</u>	0.6	-
Cash and cash equivalents	<u>18</u>	8.8	10.2
Total current assets		206.6	224.7
Total assets		7,459.6	7,631.0
EQUITY			
Share capital		983.0	961.8
Share premium		1,404.6	1,425.8
Reserves		1,506.6	1,678.9
Net result for the year		-250.5	16.0
Total shareholders' equity		3,643.7	4,082.5
Non-controlling interest		52.0	48.0
Total equity	19	3,695.7	4,130.5
LIABILITIES			
Loans and borrowings	<u>21</u>	2,678.1	2,761.9
Employee benefits		-	1.1
Provisions	<u>23</u>	39.2	16.7
Deferred tax liabilities	<u>15</u>	322.2	294.7
Derivative financial instruments	<u>12</u>	24.5	35.4
Other non-current payables	<u>24</u>	45.1	31.9
Total non-current liabilities		3,109.1	3,141.7
Bank overdraft	<u>18</u>	15.5	17.3
Loans and borrowings	<u>21</u>	401.0	175.3
Trade and other payables	<u>25</u>	233.4	166.1
Derivative financial instruments	<u>12</u>	4.9	0.1
Total current liabilities		654.8	358.8
Total liabilities		3,763.9	3,500.5
Total equity and liabilities		7,459.6	7,631.0

The notes on pages 83 to 116 are an integral part of these consolidated financial statements.



CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December (€ million)	Note	2013	2012
Cash flows from operating activities			
Result before tax		-228.3	7.5
Adjustments for:			
Share of result of equity accounted investments	10	-2.7	-15.6
Net finance costs	6	126.8	111.0
Depreciation/Amortisation/Impairment		-0.6	8.4
Acquisition-related costs		3.4	0.1
Valuation gains and losses		366.7	199.6
Gains and losses on disposals		37.9	20.0
Change receivables		14.0	11.5
Change payables		61.4	-0.7
Change in provisions and employee benefits		21.4	14.4
Cash generated from operations		400.0	356.2
Finance income received		2.9	12.1
Finance expense paid		-117.8	-129.2
Tax paid		-4.0	-6.6
Net cash from/(used in) operating activities		281.1	232.6
Cash flows from investing activities			
Proceeds from sale of investment property		225.0	329.4
Acquisition-related costs		-3.4	-0.1
Acquisition of investment property		-404.1	-22.8
Investment in investment property	8	-72.8	-56.4
Investment in other property related investments		76.5	-35.9
Investment in investment property under development	9	-97.9	-124.7
Investment in equity accounted investees		3.9	-
Investment in property, plant and equipment and other intangible assets		-7.0	-5.0
Dividends received	10	10.6	7.6
Net cash from investing activities		-269.2	92.1
Cash flows from financing activities			
Share premium non-controlling interest		0.8	-
Proceeds from loans and borrowings		784.0	377.9
Repayments of loans and borrowings		-608.3	-605.8
Dividends paid	19	-189.9	-127.5
Cash settlement net investment hedges		1.9	-0.7
Net cash from financing activities		-11.5	-356.1
Net increase in cash and cash equivalents		0.4	-31.4
Net cash and cash equivalents at 1 January		-7.1	24.3
Net cash and cash equivalents at 31 December*		-6.7	-7.1

*Reconciliation of net cash and cash equivalents at 31 December.

Cash and cash equivalents	18	8.8	10.2
Bank overdraft	18	-15.5	-17.3
Net cash and cash equivalents		-6.7	-7.1

The notes on pages 83 to 116 are an integral part of these consolidated financial statements.



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(€ million)	Note	Share capital	Share premium	General reserve	Revaluati- on reserve	Asso- ciates reserve	Hedge reserve	Transl- ation reserve	Net result for the year	Total	Non- controlling interest	Total equity
FOR THE YEAR ENDED 31 DECEMBER 2012												
Balance as at 31 December 2011		922.9	1,464.8	197.1	1,375.3	38.8	5.8	-17.0	218.2	4,206.0	48.3	4,254.3
Profit appropriation 2011				143.0	76.0	-0.8			-218.2	-		-
Balance as at 1 January 2012		922.9	1,464.8	340.1	1,451.3	38.0	5.8	-17.0	-	4,206.0	48.3	4,254.3
Net result									16.0	16.0	-0.3	15.7
Other comprehensive income							-13.6	1.7		-11.9		-11.9
Total comprehensive income		-	-	-	-	-	-13.6	1.7	16.0	4.1	-0.3	3.8
Dividends to shareholders		38.9	-39.0	-127.4						-127.5		-127.5
Non-controlling interest due to acquisitions										-		-
Additional share premium non-controlling interest										-		-
Balance as at 31 December 2012	19	961.8	1,425.8	212.7	1,451.3	38.0	-7.8	-15.3	16.0	4,082.5	48.0	4,130.5
FOR THE YEAR ENDED 31 DECEMBER 2013												
Balance as at 31 December 2012		961.8	1,425.8	212.7	1,451.3	38.0	-7.8	-15.3	16.0	4,082.5	48.0	4,130.5
Profit appropriation 2012				109.1	-104.2	11.1			-16.0	-		-
Balance as at 1 January 2013		961.8	1,425.8	321.8	1,347.1	49.1	-7.8	-15.3	-	4,082.5	48.0	4,130.5
Net result									-250.5	-250.5	-3.4	-253.9
Other comprehensive income							1.9	-0.3		1.6		1.6
Total comprehensive income		-	-	-	-	-	1.9	-0.3	-250.5	-248.9	-3.4	-252.3
Dividends to shareholders		21.2	-21.2	-189.9						-189.9		-189.9
Non-controlling interest due to acquisitions										-	6.6	6.6
Additional share premium non-controlling interest										-	0.8	0.8
Balance as at 31 December 2013	19	983.0	1,404.6	131.9	1,347.1	49.1	-5.9	-15.6	-250.5*	3,643.7	52.0	3,695.7

* The proposed profit appropriation is included in other information. € 164.5 million of the result for 2013 (2012: € 93.1 million) will be deducted from the non-distributable reserves.

The notes on pages 83 to 116 are an integral part of these consolidated financial statements.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

REPORTING ENTITY

Corio N.V. (the Company) and its subsidiaries (together, the group) is a closed-end property investment fund and is licensed under the Dutch Act on Financial Supervision (Wet op het Financieel Toezicht: 'WFT'). The Company is domiciled in Utrecht, the Netherlands. The financial statements have been prepared by the Management Board and were authorised for publication on 17 February 2014. The financial statements will be presented to the Annual General Meeting of Shareholders for approval on 17 April 2014.

For the company financial statements of Corio, use has been made of the exemption provided by Section 402, Book 2, of the Netherlands Civil Code. The financial statements have been prepared in compliance with the Financial Supervision Act 2007.

TAX STATUS

Corio has the tax status of an investment company in accordance with section 28 of the Dutch 'Wet op de vennootschapsbelasting 1969'. This means that no corporation tax is due in the Netherlands, provided that certain conditions are met. The main conditions concern the requirement to distribute the taxable profit as dividend and the restrictions with respect to financing of investments with loans. The subsidiaries in France have a similar status. Subsidiaries in other countries have no specific tax status.

BASIS OF PREPARATION

STATEMENT OF COMPLIANCE

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards ('IFRS') as adopted by the European Union.

BASIS OF MEASUREMENT

The consolidated financial statements have been prepared on the basis of historical cost except for investment property, investment property under development, financial assets at fair value through income statement and derivatives, which are recognised at fair value. Unless otherwise stated, the figures are presented in millions of euros rounded to one decimal place. The financial statements have been prepared using the going concern basis of accounting.

FUNCTIONAL AND PRESENTATION CURRENCY

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in euros, which is the Company's functional currency and the Group's presentation currency.

USE OF ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and related assumptions are based on historical experience and various other factors considered appropriate. Actual results may differ from these estimates. The estimates and underlying assumptions are constantly reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

CHANGES IN ACCOUNTING POLICIES

The following new standards, amendments to standards and interpretations relevant to Corio are applied for the first time for the financial year beginning 1 January 2013. Unless otherwise mentioned, these changes had no impact on income statement and equity.

(A) CHANGES IN ACCOUNTING POLICIES

Corio has not changed her accounting policies, except for the changes mentioned in section (B) 'NEW AND AMENDED STANDARDS ADOPTED BY THE GROUP'.

(B) NEW AND AMENDED STANDARDS ADOPTED BY THE GROUP

The Group applies, for the first time, certain standards and amendments that require restatement of previous financial statements. These include IFRS 13 Fair Value Measurement and amendments to IAS 1 Presentation of Financial Statements. The nature and the effect of these changes are disclosed below.

Several other new standards and amendments apply for the first time in 2013. However, they do not impact the annual consolidated financial statements of the Group.

The nature and the impact of each new standard/amendment relevant to the Group, is described below:

Amendment to IAS 1, 'Financial statement presentation', regarding other comprehensive income. In June 2011, the IASB issued 'Presentation of items of other comprehensive income' (amendments to IAS 1). The amendments improved the consistency and clarity of the presentation of items of other comprehensive income (OCI). The amendments also highlighted the importance that the Board places on presenting income statement and OCI together and with equal prominence. The amendments issued in June 2011 retain the requirement to present income statement and OCI together, but focus on improving how items of OCI are presented. The main change resulting from the amendments was a requirement for entities to group items presented in OCI on the basis of whether they are potentially reclassifiable to income statement subsequently (reclassification adjustments). The amendments did not address, which items are presented in OCI. The amendment affected presentation only and had no impact on the Group's financial position or performance.



Amendment to IFRS 7, 'Financial instruments: Disclosures', on asset and liability offsetting. This amendment includes new disclosures to facilitate comparison between those entities that prepare IFRS financial statements to those that prepare financial statements in accordance with US GAAP. The amendment affected presentation only and had no impact on the Group's financial position or performance.

IFRS 13, 'Fair value measurement'. IFRS 13 aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs.

(C) NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS ISSUED BUT NOT EFFECTIVE FOR THE FINANCIAL YEAR BEGINNING 1 JANUARY 2013 AND EARLY ADOPTED

Corio has not early adopted new and amended standards.

(D) NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS ISSUED BUT NOT EFFECTIVE FOR THE FINANCIAL YEAR BEGINNING 1 JANUARY 2013 AND NOT EARLY ADOPTED

IAS 27, 'Separate financial statements', IAS 27 (revised 2011) includes the provisions on separate financial statements that are left after the control provisions of IAS 27 have been included in the new IFRS 10. Based on our assessment we expect the effect of the new standard on the balance sheet and income statement to be limited. Corio intends to adopt IAS 27 no later than the accounting period beginning on 1 January 2014.

IAS 28, 'Associates and joint ventures', IAS 28 (revised 2011) includes the requirements for joint ventures, as well as associates, to be equity accounted following the issue of IFRS 11. Based on our assessment we expect the effect of the new standard on the balance sheet and income statement to be limited. Corio intends to adopt IAS 28 no later than the accounting period beginning on 1 January 2014.

Amendments to IAS 32, 'Financial instruments: Presentation', on asset and liability offsetting. These amendments are to the application guidance in IAS 32 'Financial instruments: Presentation', and clarify some of the requirements for offsetting financial assets and financial liabilities on the statement of financial position. Corio intends to adopt the amendments to IAS 32 no later than the accounting period beginning on 1 January 2014.

IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November 2009 and October 2010. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. IFRS 9 continues to be amended and the implementation date is expected to be not before 1 January 2017.

IFRS 10, 'Consolidated financial statements' builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. Based on our assessment we expect the effect of the new standard on the balance sheet and income statement to be limited. Corio intends to adopt IFRS 10 no later than the accounting period beginning on or after 1 January 2014.

IFRS 11, 'Joint arrangements'. IFRS 11 is a more realistic reflection of joint arrangements by focusing on the rights and obligations of the parties to the arrangement rather than its legal form. There are two types of joint arrangements: joint operations and joint ventures. Joint operations arise where a joint operator has rights to the assets and obligations relating to the arrangement and therefore accounts for its share of assets, liabilities, revenue and expenses. Joint ventures arise where the joint venturer has rights to the net assets of the arrangement and therefore equity accounts for its interest. Proportional consolidation of joint ventures is no longer allowed. Based on our assessment we expect the effect of the new standard on the balance sheet and income statement to be limited. Corio intends to adopt IFRS 11 no later than the accounting period beginning on or after 1 January 2014.

IFRS 12, 'Disclosures of interests in other entities'. IFRS 12 includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. The group is currently assessing IFRS 12's full impact and intends to adopt IFRS 12 no later than the accounting period beginning on or after 1 January 2014.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the group.

CHANGES IN PRESENTATION

Corio has not made changes in her presentation, except for the changes mentioned in section (B) 'NEW AND AMENDED STANDARDS ADOPTED BY THE GROUP'.

SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements for 2013 relate to the Company and its subsidiaries (together referred to as the 'Group') and to the Group's investments in associates and interests in joint ventures.



BASIS OF CONSOLIDATION

SUBSIDIARIES

Subsidiaries are all entities (including special purpose entities) over which Corio has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity. Corio also assesses existence of control where it does not have more than 50% of the voting power but is able to govern the financial and operating policies by virtue of de-facto control. De-facto control may arise in circumstances where the size of the Corio's voting rights relative to the size and dispersion of holdings of other shareholders give Corio the power to govern the financial and operating policies, etc.

Subsidiaries are fully consolidated from the date on which control is transferred to Corio. They are deconsolidated from the date that control ceases.

A list of consolidated subsidiaries has been filed with the Chamber of Commerce in Utrecht.

ASSOCIATES

Associates are all entities over which Corio has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the income statement of the investee after the date of acquisition. Corio's investment in associates includes goodwill identified on acquisition. Associates are presented under investments in Equity Accounted Investees.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to income statement where appropriate. Corio's share of post-acquisition income statement is recognised in the income statement and its share of postacquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When Corio's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

Corio determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of profit/ (loss) of an associate' in the income statement.

Profits and losses resulting from upstream and downstream transactions between Corio and its associate are recognised in the group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by Corio. Dilution gains and losses arising in investments in associates are recognised in the income statement.

JOINT VENTURES

Joint ventures are those entities over whose activities the Company has joint control with other shareholders on the basis of a contractual agreement. Corio applies the equity method when accounting for joint ventures. Joint ventures are presented under investments in Equity Accounted Investees.

TRANSACTIONS ELIMINATED ON CONSOLIDATION

Intragroup balances and any unrealised gains and losses arising from intragroup transactions are eliminated in preparing the consolidated financial statements.

FOREIGN CURRENCY

FOREIGN CURRENCY TRANSACTIONS AND BALANCES

Transactions in foreign currencies are translated into the functional currency at the spot exchange rate on the transaction date. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate prevailing at that date. Exchange differences arising on translation are recognised in the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges.

OPERATIONS OUTSIDE THE EURO AREA

The assets and liabilities of operations outside the euro area, including goodwill and fair value adjustments arising on consolidation, are translated into euros at the exchange rates prevailing at the reporting date. The income and expenses of such operations are translated into euros at average exchange rates. Exchange differences arising on translation of the net investment in operations outside the euro area and from the related hedges are recognised in other comprehensive income. They are released to income statement upon disposal.



BUSINESS COMBINATIONS

Corio applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through income statement. Any contingent consideration to be transferred by the group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in income statement or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. For Corio the goodwill on business combinations relates to the difference between the undiscounted deferred tax liabilities recognised in accordance with IAS 12 on purchase price allocation adjustments and the fair value of such deferred tax liabilities. If this consideration is lower than the net assets of the subsidiary acquired, the difference is recognised in the income statement.

INVESTMENT PROPERTY

Investment property covers investments in property held for the purpose of generating rental income, for capital appreciation or for a combination of both. Investment property is carried at fair value. When the Group undertakes redevelopment of an existing investment property for continued future use as investment property, the property continues to be treated as investment property. Only in cases of major reconstruction whereby at least 20% of the net rental income related to the redeveloped part of the centre is at risk, that part of the centre will be transferred to investment property under development. Gains and losses arising from changes in fair value are recognised in income statement. The portfolio is appraised every six months (30 June and 31 December) by independent external valuers who hold a recognised and relevant professional qualification and have experience relating to the location and category of the property being appraised. The fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Market values have been determined on the evidence of recent market transactions for similar properties in similar locations to the Group's investment property. Appraisals require the use of both the conventional method and the net present value method. The conventional method involves valuation based on capitalisation at net initial yields for similar transactions. The net present value method gives an amount derived from the projected cash flows for at least the next ten years and end after ten years an exit value based on a yield. At 31 March and 30 September the properties are valued by the Group itself. Estimated costs a purchaser will necessarily incur to acquire the property are deducted from the property value. Investment properties that are expected to be sold and that are in very advanced stage of negotiation are valued at the expected selling price.

A number of inputs to the valuation process are not directly observable in the market and significantly impact the valuation. Therefore valuations are considered to be Level 3 in the fair value hierarchy.

The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions. The fair value also reflects, on a similar basis, any cash outflows that could be expected in respect of the property.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

An investment property shall be derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal.

Property held under finance leases and leased out under operating leases is classified as investment property and carried at fair value. Property held under operating leases may be classified as investment property on a property-by-property basis if the property meets the definition of investment property and the Group recognises it at fair value.

Own use property is re-classified to, or from, investment property providing that there has been a change in use.

INVESTMENT PROPERTY UNDER DEVELOPMENT

Investment property under development is initially recognised at cost price. Subsequently, when the fair value of the complete investment is reliably determinable the property under development is measured at fair value. The portfolio is appraised every six months (30 June and 31 December) by independent external valuers who hold a recognised and relevant professional qualification and have experience relating to the location and category of the property being appraised. The fair value is based on residual value method. In this method, the market value upon completion is being determined using either the discounted cash flow model or the capitalisation method and subsequently the estimated remaining costs of the development at valuation date



are subtracted to arrive at the market value of the development project. A project is completed and transferred to investment property when it is ready for its intended use as an investment property, being the earlier of rental contract start date or technical completion date. At 31 March and 30 September the properties under development are valued by the Group itself.

All costs directly associated with the purchase and construction of a property and all subsequent capital expenditure, connected with the development, qualify as attributable costs are capitalised. General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. Capitalisation of borrowing costs starts with the commencement date of preparatory development activities giving rise to payments and interest charges. Capitalisation of borrowing costs continues until the assets are substantially ready for their intended use.

OTHER INVESTMENTS, NON-CURRENT

LOANS AND RECEIVABLES

Loans and receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less impairment losses, if applicable.

DERIVATIVE FINANCIAL INSTRUMENTS

The sole purpose of the derivative financial instruments contracted by the Company is to cover exchange rate and interest rate risks arising from operating, financing and investing activities. The Group does not hold any derivatives for trading purposes. Derivatives that do not qualify for hedge accounting are, however, accounted for as trading instruments. Derivative financial instruments are carried at fair value. Transaction expenses related to derivative financial instruments are accounted for in the income statement.

Changes in the fair value of derivatives that do not qualify for hedge accounting are recognised in the income statement as they arise.

HEDGE ACCOUNTING

Corio hedges the interest rate risk related to its loans and the currency risk related to its loans and related to its subsidiaries with a functional currency other than the euro. If possible, hedge accounting is applied to these transactions.

On initial designation of the hedge, Corio formally documents the relationship between the hedging instrument(s) and hedged item(s), including the risk management strategy and objectives and strategy in undertaking the hedge transaction, together with the methods that will be used to assess the effectiveness of the hedging relationship. Corio makes an assessment, both at inception of the hedge relationship as well as on an ongoing basis, whether the hedging instruments are expected to be "highly effective" in offsetting the changes in the fair value or cash flows of the respective hedged items during the period for which the hedge is designated, and whether the actual results of each hedge are within a range of 80-125 percent. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in income statement (net finance expenses).

CASH FLOW HEDGE ACCOUNTING

When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction that could affect income statement, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and presented in the hedge reserve in equity. The amount recognised in other comprehensive income is removed and included in income statement under the same line item in the statement of comprehensive income as the hedged item. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in income statement (net finance expenses).

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated, exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in other comprehensive income and presented in the hedge reserve in equity remains there until the forecast transaction affects income statement. If the forecast transaction is no longer expected to occur, then the balance in other comprehensive income is recognised immediately in income statement.

FAIR VALUE HEDGE ACCOUNTING

Changes in the fair value of a derivative hedging instrument designated as a fair value hedge are recognised in income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. Corio only applies fair value hedge accounting for hedging fixed interest risk on borrowings.

If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used, is amortised to income statement over the period to maturity.

HEDGE OF NET INVESTMENT IN FOREIGN OPERATION

Corio applies hedge accounting to foreign currency differences arising between the functional currency of foreign operations and the parent entity's functional currency (euro), regardless of whether the net investment is held directly or through an intermediate parent.



Foreign currency differences arising on the retranslation of a financial liability or foreign exchange forward/swap contract designated as a hedge of a net investment in a foreign operation are recognised in other comprehensive income to the extent that the hedge is effective, and are presented in other comprehensive income. To the extent that the hedge is ineffective, such differences are recognised in income statement. When the hedged part of a net investment is disposed of, the relevant amount in the translation reserve is transferred to income statement as part of the income statement in disposal.

INTANGIBLE ASSETS

Intangible assets mainly relate to goodwill. Goodwill only arises upon a business combination. For the initial measurement, reference is made to the accounting policy for business combinations.

Goodwill is recognised in the consolidated statement of financial position as an intangible asset or, for associates, included in the carrying amount of the investments in equity accounted investees. Goodwill is carried at cost less any accumulated impairment losses. An impairment test is performed annually, or more frequently if deemed necessary. The impairment test is performed on the smallest group of assets, the cash-generating units, which are usually individual shopping centres. Goodwill impairment losses are not reversed. For goodwill, the method applied is fair value less costs to sell: the recoverable amount of the cash-generating unit comprises the fair value of the included property as determined by external valuers as well as the fair value of recognised deferred tax liabilities. The deferred tax liabilities are generally represented in the cash-generating unit at a recoverable value of zero. This reflects the fact that property transactions normally take the form of share deals, and the deduction of deferred tax liabilities on the purchase and sale of property companies is generally difficult in the Group's home markets. The recoverable amount is compared with the carrying amount of the included property and deferred tax liabilities.

Other intangible assets mainly relate to software (including project costs for developing the software in line with IAS 38), which have finite useful lives and are measured at cost less accumulated amortisation and accumulated impairment losses. Software is generally amortised over a period of three years. Amortisation is recognised within the administrative expenses.

PROPERTY, PLANT AND EQUIPMENT

Items of property, plant and equipment are measured at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost of an item of property, plant and equipment includes its purchase price and any direct attributable costs. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment. The useful lives are reviewed each year.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation is charged to income statement on a straight-line basis over the estimated useful lives of items of property, plant and equipment, based on a component approach, taking into account their residual lives. Buildings are depreciated over a period of 25 years and the remaining assets are depreciated over a period between three to ten years. Depreciation is recognised within the administrative expenses.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in the income statement.

DEFERRED TAX / INCOME TAX

Income tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in income statement except to the items recognised directly in equity or in other comprehensive income in which case, the tax is also recognised in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax payable also includes any tax liability arising from the declaration of dividends.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable income statement;
- temporary differences related to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future;
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.



Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

The carrying value of the Group's investment property is assumed to be realised by sale at the end of use.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

TRADE AND OTHER RECEIVABLES

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less impairment losses.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash balances and call deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

IMPAIRMENT OF NON FINANCIAL ASSETS

The carrying amounts of the Group's non-financial assets, other than investment property and deferred tax assets, are reviewed at the reporting date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated.

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

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

An impairment loss is reversed if there is an indication that the impairment loss no longer exists or if there has been a change in the estimates used to measure the recoverable amount at the date of recognition of the impairment loss.

A financial asset not carried at fair value through income statement is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably. For groups of similar assets, such as trade receivables, a collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise or other indications that a debtor will enter bankruptcy.

EQUITY

Share capital is classified as equity. External costs directly attributable to the issue of new shares are deducted from the proceeds. When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, is recognised as a change in the general reserve in equity. Repurchased shares are classified as treasury shares and deducted from total equity. When treasury shares are reissued the proceeds are credited to the treasury share reserve and any surplus is credited to the share premium reserve. Dividends are recognised as a liability in the period in which they are declared.

The Company measures the non-controlling interest at the non-controlling interest's proportionate share of the acquiree's identifiable assets and liabilities.

DIVIDEND DISTRIBUTION

Corio distributes its dividends at least once per year. The objective of Corio's dividend policy is at least to comply with the fiscal investment institution (FBI) requirements. Corio may propose to the General Meeting of Shareholders to pay this dividend, within the fiscal investment institution (FBI) requirements, in cash or in shares or a combination thereof.

LOANS AND BORROWINGS

Loans and borrowings are initially recognised at fair value, less attributable transaction costs. After initial recognition in the statement of financial position, Loans and borrowings are measured at amortised cost unless they are part of a fair value hedge relationship. Any difference between cost and redemption value is recognised in income statement over the period to maturity using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

**EMPLOYEE BENEFITS****DEFINED CONTRIBUTION PLANS**

Obligations to pay contributions under defined contribution plans are charged to income statement as incurred.

PHANTOM SHARE PLAN

Under the 'Performance Phantom Share Plan', conditional share units are granted annually. Three years after the grant date, the vested units are paid out in cash. The number of units that vest depends on the 'total shareholder return' generated by Corio N.V. during the three-year period, compared to the total shareholder returns generated by companies in a pre-defined peer group. The amount payable in respect of the vested units is the value of the units as at the vesting date.

Corio recognises the expenses for the services performed by the plan participants linearly spread over the vesting period, which is the period between the performance commencement date and the vesting date. At the end of the reporting period the liability is measured at the fair value of the expected cash outflow required to settle the phantom share units that have not yet vested or the units that have vested but have not yet been paid. The difference between the liability at the year-end and the liability at the comparative year-end is recognised as an income or expense (within the administrative expenses).

PROVISIONS

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discounting is recognised as finance cost.

TRADE AND OTHER PAYABLES

Trade and other payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

GROSS RENTAL INCOME

Gross rental income consists of theoretical rent (including contingent rental income) and rental loss. Rental income from investment property leased out under operating leases is recognised in income statement on a straight-line basis over the term of the lease. The cost of lease incentives, such as free rent and discounts, granted by the Group to its tenants are recognised as a reduction from total rental income and recognised in income statement on a straight-line basis.

SERVICE CHARGES, PROPERTY OPERATING EXPENSES AND ADMINISTRATIVE EXPENSES

Where there are service contracts with third parties, service charges are recovered from tenants. Service charges in respect of vacant property are expensed. They mainly relate to gas, water, electricity, cleaning and security. Property operating expenses comprise those costs that are directly attributable to the operation of properties, net of costs charged to tenants. They mainly relate to tax, insurance, lease hold, maintenance and professional fees. They are expensed as incurred. Administrative expenses are expenses that are not directly attributable to the operation of properties (including salaries of staff not directly involved with properties, office overheads, advice, valuation and audit fees, listing costs and promotion costs).

FINANCE INCOME/COSTS

Finance expenses relates to interest payable on borrowings (calculated using the effective interest rate method), less capitalised interest (see the accounting policy on investment property under development). Interest income is recognised in the income statement as it accrues. Gains and losses on foreign exchange and the net result on hedges (including ineffectiveness) are included in the finance expenses on a net basis. The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial asset or financial liability.

DIVIDEND INCOME

Dividend income is recognised as a reduction of the carrying amount of equity accounted investees (associates and joint ventures) on the date on which the dividend is declared.

CASH FLOW STATEMENT

Cash flows from operating activities are reported using the indirect method, whereby net result before tax is adjusted for the effects of transactions of non-cash nature and for any deferrals or accruals of past or future operating cash receipts or payments. Dividends received from equity accounted investees are included in investing activities. Dividends paid is represented as financing activities.

EARNINGS PER SHARE

The company presents basic and diluted earnings per share (EPS). The earnings per ordinary share are calculated by dividing the income statement attributable to the Group's shareholders by the weighted average number of issued ordinary shares during the reporting period. In calculating the diluted earnings per share, the income statement attributable to the Group's shareholders and the weighted average number of issued ordinary shares during the reporting period are adjusted for all potential dilutive effects on the ordinary shares.



SEGMENT REPORTING

The Management Board is the group's chief operating decision-maker. Management has determined the operating segments based on the information reviewed by the Management Board for the purposes of allocating resources and assessing performance. The Management Board considers the business from both a geographic and portfolio perspective. Geographically, management considers the performance in the Netherlands, France, Italy, Spain/Portugal, Germany, Turkey and Head office and other. From a portfolio perspective, management separately considers Favorite Meeting Places (FMP) and Traditional Retail Centres (TRC). The segmental format is based on Corio's management structure and on the internal reporting lines at Corio. Net finance expenses and liabilities are not attributed to specific segments, as they are managed centrally.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience as adjusted for current market conditions and other factors.

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

Management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates, assumptions and management judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

(A) PRINCIPAL ASSUMPTIONS UNDERLYING MANAGEMENT'S ESTIMATION OF FAIR VALUE

The portfolio is appraised every six months (30 June and 31 December) by independent external valuers who hold a recognised and relevant professional qualification and have experience relating to the location and category of the property being appraised. At 31 March and 30 September the properties are valued by the Group itself. Market values have been determined on the evidence of recent market transactions for similar properties in similar locations to the Group's investment property. Appraisals require the use of both the conventional method and the net present value method. The conventional method involves valuation based on capitalisation at net initial yields for similar transactions. The net present value method gives an amount derived from the projected cash flows for at least the next ten years, using discounted cash flow projections based on estimates of future cash flows, supported by the terms of any existing lease and other contracts and by external evidence such as current market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows. The future rental rates were estimated depending on the actual location, type and quality of the properties, and taking into account market data and projections at the valuation date (Note 8 to the consolidated financial statements).

In addition, investment properties with a carrying value of € 594.5 million were not in use as of 31 December 2013 (31 December 2012 € 486.6 million), as they were in the process of construction. Some properties under construction or development require approval or permits from oversight bodies at various points in the development process, including approval or permits in respect of initial design, zoning, commissioning, compliance with environmental regulations and other matters. Based on the Group's historical experience with similar developments in similar locations, all relevant permits and approvals are expected to be obtained, but the completion date of the development may vary depending on, among other factors, the timeliness of obtaining approvals and any remedial action required by the Group (Note 9 to the consolidated financial statements).

(B) ESTIMATED IMPAIRMENT OF GOODWILL

The group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy. The recoverable amounts of cash-generating units (CGU) have been determined based on value-in-use calculations. These calculations require the use of estimates. There is no impairment charge for 2013. (2012: € 1.8 million in Portugal). (Note 13 to the consolidated financial statements).

(C) FAIR VALUE OF DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period (Note 26 to the consolidated financial statements).

(D) BUSINESS COMBINATIONS

The Group determines whether acquisition of investment property or the acquisition of shares in an investment company is a business combination. The Group did not acquire any investment property that classifies as a business combination in 2013 and 2012.

CRITICAL JUDGEMENTS IN APPLYING THE GROUP'S ACCOUNTING POLICIES

The Group did not make any critical accounting judgements in 2013 or 2012.



1 SEGMENTED INFORMATION

BUSINESS SEGMENT INFORMATION 2013

The Management Board assesses the performance of the operating segments based on a measure of operating profit. The operating profit or loss of the Group's reportable segments reported to the Management Board are measured in a manner consistent with that in profit or loss. A reconciliation of operating profit to profit before tax is therefore not presented separately.

(€ million)	Netherlands	France	Italy	Spain/ Portugal	Germany	Turkey	Head office and other	Total
Favourite Meeting Places (FMP)								
Gross rental income	106.7	62.5	81.5	35.5	60.8	31.5	-	378.5
Net service charges	-3.0	-4.2	-	-3.2	-3.7	-2.2	-	-16.3
Property operating expenses	-18.7	-3.3	-7.4	-5.7	-5.0	-5.4	-	-45.5
Net rental income FMP	85.0	55.0	74.1	26.6	52.1	23.9	-	316.7
Traditional Retail Centres (TRC)								
Gross rental income	31.4	30.5	2.5	16.5	-	2.8	-	83.7
Net service charges	-0.5	-4.3	-0.1	-1.7	-	-0.6	-	-7.2
Property operating expenses	-6.3	-3.4	-0.2	-3.5	-	-0.4	-	-13.8
Net rental income TRC	24.6	22.8	2.2	11.3	-	1.8	-	62.7
Gross rental income	138.1	93.0	84.0	52.0	60.8	34.3	-	462.2
Net service charges	-3.5	-8.5	-	-4.9	-3.7	-2.7	-	-23.3
Property operating expenses	-25.0	-6.6	-7.6	-9.2	-5.0	-5.8	-	-59.2
Net rental income Total	109.6	77.9	76.4	37.9	52.1	25.8	-	379.7
Results on sales of investment property FMP	-	-	-	-	-	-	-	-
Results on sales of investment property TRC	-11.8	-25.9	-	-0.1	-	-	-	-37.8
Results on sales of investment property Total	-11.8	-25.9	-	-0.1	-	-	-	-37.8
Net valuation gain/loss on investment property FMP	-48.9	-13.2	43.8	-52.7	-33.5	-	-	-104.5
Net valuation gain/loss on investment property TRC	-125.3	-76.7	-2.6	-49.0	-	-8.6	-	-262.2
Valuation gains	15.7	12.1	43.9	0.1	3.0	5.4	-	80.2
Valuation losses	-189.9	-102.0	-2.7	-101.8	-36.5	-14.0	-	-446.9
Net valuation gain/loss on investment property Total	-174.2	-89.9	41.2	-101.7	-33.5	-8.6	-	-366.7
Administrative expenses	-10.1	-7.3	-2.6	-3.0	-6.2	-5.4	-4.5	-39.1
Impairment of assets	-	-	-	-	-	-	-	-
Other income/expenses	-22.4	-1.0	-9.5	-2.6	-0.3	-0.1	-4.4	-40.3
Results before finance expenses	-108.9	-46.3	105.3	-69.4	12.2	11.8	-8.9	-104.2
Finance costs	-	-	-	-	-	-	-136.7	-136.7
Finance income	-	-	-	-	-	-	9.9	9.9
Net finance expenses	-	-	-	-	-	-	-126.8	-126.8
Share of results of equity accounted investees	-	-0.2	9.2	-	-	-5.9	-0.4	2.7
Result before tax	-108.9	-46.5	114.5	-69.4	12.2	5.9	-136.1	-228.3
Current tax	-0.1	-0.5	-1.4	-	-1.4	-0.3	-0.3	-4.0
Deferred tax	-	0.6	-19.4	17.9	-4.2	-16.5	-	-21.6
Tax	-0.1	0.1	-20.8	17.9	-5.6	-16.8	-0.3	-25.6
Net result	-109.0	-46.4	93.7	-51.5	6.6	-10.9	-136.4	-253.9
Non-controlling interest	-	-0.4	-	-0.1	-1.6	-1.3	-	-3.4
Net result attributable to shareholders	-109.0	-46.0	93.7	-51.4	8.2	-9.6	-136.4	-250.5

The amounts provided to the Management Board in respect of total assets and total liabilities are measured in a manner consistent with that of the consolidated financial statements.



(€ million)	Netherlands	France	Italy	Spain/ Portugal	Germany	Turkey	Head office and other.	Total
Favourite Meeting Places (FMP)								
Investment property	1,454.2	1,087.0	1,168.0	424.0	769.4	324.1	-	5,226.7
Investment property under development	116.6	138.4	4.9	-	303.7	-	-	563.6
Investment in equity accounted investees	-	66.1	43.6	-	-	167.8	-	277.5
Investments FMP	1,570.8	1,291.5	1,216.5	424.0	1,073.1	491.9	-	6,067.8
Traditional Retail Centres (TRC)								
Investment property	287.6	305.5	28.6	187.0	-	28.4	-	837.1
Investment property under development	-	19.3	-	-	-	-	11.6	30.9
Investment in equity accounted investees	-	17.3	54.1	-	-	-	-	71.4
Investments TRC	287.6	342.1	82.7	187.0	-	28.4	11.6	939.4
Investment property	1,741.8	1,392.3	1,196.6	611.1	769.5	352.5	-	6,063.8
Investment property under development	116.6	157.8	4.9	-	303.6	-	11.6	594.5
Investment in equity accounted investees	-	83.3	97.8	-	-	167.8	-	348.9
Other assets	29.8	50.4	112.7	58.1	35.7	57.4	108.2	452.3
Total assets	1,888.2	1,683.8	1,412.0	669.2	1,108.8	577.7	119.8	7,459.5

**BUSINESS SEGMENT INFORMATION 2012**

The Management Board assesses the performance of the operating segments based on a measure of operating profit. The operating profit or loss of the Group's reportable segments reported to the Management Board are measured in a manner consistent with that in profit or loss. A reconciliation of operating profit to profit before tax is therefore not presented separately.

(€ million)	Netherlands	France	Italy	Spain/Portugal	Germany	Turkey	Head office and other	Total
Favourite Meeting Places (FMP)								
Gross rental income	109.2	66.1	80.2	40.4	43.0	33.5	-	372.4
Net service charges	-3.1	-2.5	-2.0	-2.2	-2.6	-1.6	-	-14.0
Property operating expenses	-16.8	-4.5	-6.0	-6.3	-6.2	-5.6	-	-45.4
Net rental income FMP	89.3	59.1	72.2	31.9	34.2	26.3	-	313.0
Traditional Retail Centres (TRC)								
Gross rental income	38.0	40.4	2.4	18.6	0.1	3.7	-	103.2
Net service charges	-0.8	-2.9	-0.1	-1.1	-	-0.2	-	-5.1
Property operating expenses	-4.5	-5.3	-0.2	-3.0	-	-0.6	-	-13.6
Net rental income TRC	32.7	32.2	2.1	14.5	0.1	2.9	-	84.5
Gross rental income	147.2	106.5	82.6	59.0	43.1	37.2	-	475.6
Net service charges	-3.9	-5.4	-2.1	-3.3	-2.6	-1.8	-	-19.1
Property operating expenses	-21.3	-9.8	-6.2	-9.3	-6.2	-6.2	-	-59.0
Net rental income Total	122.0	91.3	74.3	46.4	34.3	29.2	-	397.5
Results on sales of investment property FMP	-	-	-	-	-	-	-	-
Results on sales of investment property TRC	-3.2	-16.8	-	-	-	-	-	-20.0
Results on sales of investment property Total	-3.2	-16.8	-	-	-	-	-	-20.0
Net valuation gain/loss on investment property FMP	22.5	-15.8	-39.7	-27.3	-58.2	-6.0	-	-124.5
Net valuation gain/loss on investment property TRC	-22.0	-1.3	-5.3	-31.9	-	-14.6	-	-75.1
Valuation gains	58.2	24.4	0.5	-	-	3.3	-	86.4
Valuation losses	-57.7	-41.5	-45.4	-59.2	-58.2	-23.9	-	-286.0
Net valuation gain/loss on investment property Total	0.5	-17.1	-45.0	-59.2	-58.2	-20.6	-	-199.6
Administrative expenses	-9.5	-8.3	-4.8	-3.0	-5.7	-6.5	-7.7	-45.4
Impairment of assets	-	-	-	-	-	-	-1.8	-1.8
Other income/expenses	-14.8	2.3	-12.9	-0.3	-	-2.1	-	-27.8
Results before finance expenses	95.1	51.4	11.6	-16.1	-29.6	-	-9.5	102.9
Finance costs	-	-	-	-	-	-	-123.0	-123.0
Finance income	-	-	-	-	-	-	12.0	12.0
Net finance expenses	-	-	-	-	-	-	-111.0	-111.0
Share of results of equity accounted investees	-	6.0	-1.2	-	-	11.1	-0.3	15.6
Result before tax	95.1	57.5	10.4	-16.1	-29.6	11.1	-120.8	7.5
Current tax	-0.1	-0.8	-2.0	-3.5	0.6	-0.5	-0.3	-6.6
Deferred tax	-	-0.4	1.7	13.4	-	0.1	-	14.8
Tax	-0.1	-1.2	-0.3	9.9	0.6	-0.4	-0.3	8.2
Net result	95.0	56.2	10.1	-6.2	-29.0	10.7	-121.1	15.7
Non-controlling interest	-	0.4	-	0.1	-2.0	1.2	-	-0.3
Net result attributable to shareholders	95.0	55.8	10.1	-6.3	-27.0	9.5	-121.1	16.0

The amounts provided to the Management Board in respect of total assets and total liabilities are measured in a manner consistent with that of the consolidated financial statements.



(€ million)	Netherlands	France	Italy	Spain/ Portugal	Germany	Turkey	Head office and other	Total
Favourite Meeting Places (FMP)								
Investment property	1,566.5	1,051.5	1,120.8	501.1	537.7	323.1	-	5,100.7
Investment property under development	93.1	188.7	7.5	-	146.4	-	-	435.7
Investment in equity accounted investees	-	63.2	36.7	-	-	190.5	-	290.4
Investments FMP	1,659.6	1,303.4	1,165.0	501.1	684.1	513.6	-	5,826.8
Traditional Retail Centres (TRC)								
Investment property	372.5	480.8	31.2	206.3	-	36.5	-	1,127.3
Investment property under development	-	26.0	-	-	-	13.3	11.6	50.9
Investment in equity accounted investees	-	20.3	57.6	-	-	-	-	77.9
Investments TRC	372.5	527.1	88.8	206.3	-	49.8	11.6	1,256.1
Investment property	1,939.0	1,532.3	1,152.0	707.4	537.7	359.6	-	6,228.0
Investment property under development	93.1	214.7	7.5	-	146.4	13.3	11.6	486.6
Investment in equity accounted investees	-	83.5	94.3	-	-	190.5	-	368.3
Other assets	27.9	16.1	138.2	61.0	37.8	77.8	189.3	548.1
Total assets	2,060.0	1,846.6	1,392.0	768.4	721.9	641.2	200.9	7,631.0



2 GROSS RENTAL INCOME

(€ million)	2013	2012
Theoretical rent	512.8	510.6
Rental loss	-50.6	-35.0
	462.2	475.6

The Group leases investment property to third parties on the basis of operating leases. Contingent rental income (turnover rent) amounts to 1.8% of the gross rental income in 2013 (2012: 1.4%). Rental loss consists primarily of vacancy and lease incentives.

The maturities of the lease contracts in existence on 31 December can be analysed as follows:

(€ million)	2013	2012
First year	68.0	71.7
Second to fifth year	195.0	190.3
More than five years	161.4	164.2

3 PROPERTY OPERATING EXPENSES

(€ million)	2013	2012
Municipal taxes	8.7	10.4
Insurance	1.2	1.0
Maintenance	2.6	3.1
Property managers' fee	12.7	10.8
Professional fees	2.3	3.2
Promotion and marketing	4.5	4.6
Lease hold	11.3	10.7
Addition to provision for bad debts	13.2	11.7
Other operating expenses	2.7	3.5
	59.2	59.0

4 ADMINISTRATIVE EXPENSES

(€ million)	2013	2012
Salaries	37.0	36.1
Social security charges	6.9	6.8
Contributions to pension plan	2.0	3.9
Other staff costs	10.6	11.8
Office expenses	16.7	16.9
Advice, valuation and audit fees	9.2	9.1
Listing and promotional costs	3.0	2.4
Other administrative expenses	3.1	1.1
Charged to operating expenses	-24.0	-19.0
Charges to property portfolio	-12.3	-10.3
Charged to third parties	-13.1	-13.4
	39.1	45.4

In 2013, the Group employed an average of 560 full-time equivalent staff (2012: 549 FTEs). On average, 375 of these were employed outside the Netherlands (2012: 358 FTEs).

Where administrative expenses relate directly to the operation of the property portfolio, they are charged to operating expenses. Where administrative expenses relate directly to the development of the property portfolio, they are capitalised.

The administrative expenses include the remuneration of the Management Board and the Supervisory Board (see note 22).



5 OTHER INCOME AND EXPENSES

(€ million)	2013	2012
Other income	-	3.5
Other expenses	-40.3	-31.3
	-40.3	-27.8

In 2013 other income and expenses consist primarily of an addition to the provision of € 21.8 million (2012: € 14.1 million) related to a turnkey project in the Netherlands, costs of cancelled projects amounting to € 10.9 million and acquisition/disposal costs of € 7.6 million.

In 2012 in Italy Corio has been challenged by the local tax authorities in relation to the recovery by Corio of VAT paid on the acquisition of the Marcianise shopping centre in Naples. The courts have ruled against Corio's position in two instances. The second ruling was issued at the end of March 2012. Corio will appeal the decision of the courts at the Italian Supreme Court in Rome since it is of the opinion that the rulings in both instances lack sufficient grounds and are based on a narrow and formal Interpretation of the law. Notwithstanding the aforementioned appeal, Corio recorded an expense in other expenses of € 12.9 million related to this court ruling.

6 NET FINANCE EXPENSES

(€ million)	2013	2012
Finance costs		
Interest expense	120.2	125.5
Net result on hedges		
- Change in fair value of hedging instrument (fair value hedges)	2.0	-23.6
- Change in fair value of hedged items (fair value hedges)	-2.0	23.6
Change in fair value of derivative financial instruments	2.9	-
Net foreign exchange differences	4.8	-0.8
Other finance expenses	23.3	8.7
Less: capitalised interest	-14.5	-10.4
	136.7	123.0
Finance income		
Interest income	-9.9	-12.0
	-9.9	-12.0
	126.8	111.0

The net finance expenses increased from € 111.0 million to € 126.8 million. Interest expense decreased € 5.3 million from € 125.5 to € 120.2 million mainly due to lower interest rates for borrowing money. The increase of other finance expenses from € 8.7 million to € 23.3 million is mainly attributable to early repayment fees incurred for the repayment of € 250 million debt in March 2013, which otherwise would be due in August 2014. Net foreign exchange differences primarily consist of the revaluation of a Turkish lira denominated VAT receivable.

7 TAX

(€ million)	2013	2012
Current tax		
Current year	4.0	6.6
	4.0	6.6
Deferred tax		
Origination of temporary differences investment property and investment property under development	19.2	-14.7
Recognition of tax losses	2.4	-0.1
	21.6	-14.8
	25.6	-8.2

In 2013 the Group's total tax expense increased to € 25.6 million. The increase mainly relates to temporary differences related to the valuation of investment property and investment property under development which are mainly due to the combined effect of negative revaluations and fiscal amortisation in Italy, Spain, Germany and Turkey, furthermore an increase in the tax charge was due to a lower fiscal value compared to year-end 2012 related to the investment property in Turkey, resulting in a higher deferred tax liability. In the Netherlands and France Corio has a tax exempt status.



In 2012 the temporary differences related to investment property and investment property under development are mainly due to the combined effect of negative revaluations and fiscal amortisation in Italy and Spain. Recognition of tax losses relates to the increase of loss positions in Turkey and the release in Spain, France, Italy, Turkey and Germany related to the absorption of losses and booking of allowances for prudence reasons. In the Netherlands and France Corio has a tax exempt status.

EFFECTIVE TAX RATE AND TAX BURDEN

(€ million)		2013		2012
Net profit before tax		-228.3		7.5
Tax at standard Dutch rate	25.0%	-57.1	25.0%	1.9
Adjustment for tax rates in other countries	4.4%	-10.1	67.9%	5.1
Exempt because of tax status	-27.6%	63.1	-497.2%	-37.4
Tax exempt income (in non tax exempt countries)	-7.8%	17.7	9.5%	0.7
Non-deductible expenses	0.7%	-1.5	66.5%	5.0
Allowances on tax losses carried forward	-4.7%	10.8	165.3%	12.4
Reversals of allowances on tax losses carried forward	-	-	-3.3%	-0.2
Tax adjustments due to prior year tax calculations	0%	-	-4.6%	-0.3
Other than corporation tax	-1.2%	2.7	60.3%	4.5
Change in tax rate during the year	0%	-	1.3%	0.1
Tax	-11.2%	25.6	-109.1%	-8.2

The 2013 effective tax rate is significantly adjusted due to the tax exempt status of Corio in The Netherlands and in France. Tax exempt income in non tax exempt countries mainly related to currency results in Turkey that locally are not subject to taxes.

The 2012 effective tax rate differs from the effective tax rate over 2011, notably due to the relation between negative revaluation of the portfolio and the movement in the lines 'Exempt because of tax status' and 'Allowances on tax losses carried forward'. The increase is notably due to the losses incurred in Germany and Turkey that cannot be recognised.

8 INVESTMENT PROPERTY

(€ million)	2013	2012
Balance as at 1 January	6,228.0	6,624.6
Acquisitions	404.1	15.8
Investments	72.8	56.4
Transfer from property under development	-74.4	105.8
Carrying value of sales	-241.4	-349.4
Revaluations	-323.8	-223.7
Other	-1.3	-1.5
Balance as at 31 December	6,063.8	6,228.0

The carrying amount of the investment property includes leasehold property. The total prepaid amount in respect of lease hold for 2013 is € 11.7 million (2012: € 12.0 million). The investment properties include € 20.2 million (2012: € 19.9 million) of operating leased property. The acquisitions in 2013 relates to Boulevard Berlin (€ 366 million) in Germany and Oosterheem (€ 38 million) in the Netherlands. The result on sales of investment property and investment property under development amounts € 37.8 million negative (2012: € 20.0 million negative). (In 2013 five shopping centres in The Netherlands and three shopping centres in France were sold at a value of € 241.4 million.) Investment property on the disposal list as at 31 December 2013 amounts to € 868.0 million (excluding EAI) (2012: € 1,178.2 million) of which € 30.9 million (2012: € 50.9 million) investment property under development. € 250.0 million of investment property on the disposal list has been sold in January 2014.

FAIR VALUE OF INVESTMENT PROPERTY

Investment properties measured at fair value in the statement of financial position are categorised by level according to the significance of the inputs used in making the measurements. Based on the fact that the significant inputs are unobservable the fair value measurement of investment property is categorised in Level 3.

Corio's policy is to recognise transfers into and transfers out of fair value hierarchy levels as of the date of event or change in circumstances that caused the transfer from unobservable to observable inputs. There were no transfers in or out of Level 3 fair value measurements for investment properties during 2013.



Fair values for investment properties are determined using the discounted cash flow method and/or the direct capitalisation method, in which market parameters concerning rents and yields are based on comparable and current market transactions. In all cases reference transactions for both market rent and yield are included in the valuation report.

Investment properties are valued on a highest and best used basis. For all of Corio's investment properties the current use is considered to be the highest and best use.

The net Theoretical Yield (NTY) is calculated as an output yield by dividing the Net Theoretical Rental Income by the Net Market Value. The Net Theoretical Rental Income is the sum of the annualised contractual rent (excl. discounts and rent incentives) plus turnover based rent plus other income plus market rent for vacancy minus total non-recoverable operating expenses. Gross Leasable Area (GLA) is any part of property, expressed in physical m² and owned by Corio.

Significant unobservable inputs at 31 December 2013 In Level 3 valuations are as follows:

Class		Input	Weighted average	Input	Weighted average in €
Retail					
Netherlands	FMP	NTY	6.4%	NTRI/GLA	283
	TRC		10.5%		166
France	FMP	NTY	5.5%	NTRI/GLA	299
	TRC		8.4%		195
Italy	FMP	NTY	6.5%	NTRI/GLA	360
	TRC		7.4%		297
Spain/Portugal	FMP	NTY	7.0%	NTRI/GLA	284
	TRC		10.1%		241
Germany	FMP	NTY	6.0%	NTRI/GLA	243
	TRC		n/a		n/a
Turkey	FMP	NTY	8.3%	NTRI/GLA	129
	TRC		8.8%		99
Other		NTY	14.9%	NTRI/GLA	97

VALUATION PROCESSES

Corio's valuation policy entails a quarterly appraisal of fair value for the operational and development portfolio. All external valuations are performed in compliance with the valuation standards in the 'Red Book' of the Royal Institute of Chartered Surveyors (RICS) and the International Valuation Standards of the International Valuation Standard Committee (IVSC). External valuations, based on the highest and best use, are performed twice a year at 30 June and 31 December for all operational investment properties that generate rental income. The external valuations are carried out by independent certified appraisers with recognised and relevant professional qualifications and experience within the local market and the category of properties to be valued. Corio provides the appraiser with adequate information to conduct a comprehensive valuation. Each of Corio's business units works with at least two independent appraisers. At least once every three years a rotation or change in appraisers takes place. To assure the independence of the appraisers, valuation fees are not directly related to the current market value of the properties.

ESTIMATES

The appraisal of the portfolio implies a net theoretical yield of 6.9% (2012: 6.6%). If the yields used for the appraisals of investment properties on 31 December 2013 had been 100 basis points higher than is currently the case, the value of the investment would decrease with 12.7% (2012: 13.1%). In this situation, the shareholders' equity would be € 737.0 million lower (2012: € 743.3 million). The debt ratio in this case rises from 43.7% to 49.1 % (2012: 40.3% to 45.3%).

A sensitivity analysis with possible changes in yield and net theoretical rental income (NTRI) result in the following changes in portfolio value:

SENSITIVITIES OF OPERATIONAL PORTFOLIO VALUE (EXCL EQUITY ACCOUNTED INVESTEEES)

Change in Portfolio Value (in%)	Change in Yield				
		-50 base points	50 base points	100 base points	150 base points
2013	6.9%	6.4%	7.4%	7.9%	8.4%
Change in NTRI		7.8%	-6.8%	-12.7%	-17.9%
+5%	+5%	13.2%	-2.1%	-8.3%	-13.7%
-5%	-5%	2.4%	-11.4%	-17.1%	-22%
-10%	-10%	-3.0%	-16.1%	-21.4%	-26.1%
-15%	-15%	-8.4%	-20.8%	-25.8%	-30.2%

effect of change in yield only effect of change in NTRI only combined effect of change in yield and NTRI



The appraisal of the portfolio is based on the assumption that the euro area countries are able to meet future financial obligations, the overall stability of the euro and the sustainability of the Euro as single currency.

SECURITY

As at 31 December 2013, loans for notional amounts of € 209.8 million (2012: € 437.7 million) have been secured by assets and mortgaging properties.

9 INVESTMENT PROPERTY UNDER DEVELOPMENT

(€ million)	2013	2012
Balance as at 1 January	486.6	440.0
Acquisitions	-	7.0
Investments	83.4	114.3
Transfer to investment portfolio	74.4	-105.8
Transfer to other investments	-	-3.4
Capitalised interest	14.5	10.4
Carrying value of sales	-21.5	-
Revaluations	-42.9	24.1
Balance as at 31 December	594.5	486.6

Investments made in 2013 amounted to EUR 97.9 million (including capitalised interest) (2012: EUR 124.7) consist of several projects in the Netherlands, Germany and France. The largest four objects are Nieuw Hoog Catharijne in the Netherlands, Saint Jacques and Grand Littoral in France and Centrum Galerie in Germany.

FAIR VALUE OF INVESTMENT PROPERTY UNDER DEVELOPMENT

Investment properties under development measured at fair value in the statement of financial position are categorised by level according to the significance of the inputs used in making the measurements. Based on the fact that the significant inputs are unobservable the fair value measurement of investment property under development is categorised in Level 3.

Corio's policy is to recognise transfers into and transfers out of fair value hierarchy levels as of the date of event or change in circumstances that caused the transfer from unobservable to observable inputs. There were no transfers in or out of Level 3 fair value measurements for investment properties under development during 2013.

Fair values for investment properties under development are calculated using the discounted cash flow method and/or the direct capitalisation method, in which market parameters concerning rents and yields are based on comparable and current market transactions. In all cases reference transactions for both market rent and yield are included in the valuation report.

Investment properties under development are valued on a highest and best used basis. For all of Corio's investment properties under development the current use is considered to be the highest and best use.

VALUATION PROCESSES

Corio's valuation policy entails a quarterly appraisal of fair value for the operational and development portfolio. All external valuations are performed in compliance with the valuation standards in the 'Red Book' of the Royal Institute of Chartered Surveyors (RICS) and the International Valuation Standards of the International Valuation Standard Committee (IVSC). External valuations, based on the highest and best use, are performed twice a year at 30 June and 31 December for all operational investment properties that generate rental income. The external valuations are carried out by independent certified appraisers with recognised and relevant professional qualifications and experience within the local market and the category of properties to be valued. Corio provides the appraiser with adequate information to conduct a comprehensive valuation. Each of Corio's business units works with at least two independent appraisers. At least once every three years a rotation or change in appraisers takes place. To assure the independence of the appraisers, valuation fees are not directly related to the current market value of the properties.

For the largest objects in investments under development significant unobservable inputs at 31 December 2013 in Level 3 valuations are as follows: Market rent is the estimated amount for which a part in real property should be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion. The market rent is a gross rent before any deduction of operational expenses. The Exit yield is the Net Initial Yield (NIY) at the end of the projected cash flow. For Investment property under construction valuations it represents the yield applied at the end of the cash flow to the net income when the property has become fully operational to arrive at the gross value of the property. Gross Lettable Area (GLA) is any part of property, expressed in physical m² and owned by Corio.

Class	Market rents per GLA in € (range)	Exit yields (range)
Largest objects*	227-520	4.95%-6.2%

*The largest objects in this table represent 91.5% of total portfolio investments under development

Gross Leasable Area (GLA) is any part of property, expressed in physical m² and owned by Corio.



10 INVESTMENTS IN EQUITY ACCOUNTED INVESTEEES

(€ million)	2013	2012
Investment in associates		
Balance as at 1 January	190.5	188.3
Dividends received	-9.2	-7.3
Share of results	-5.9	11.1
Exchange differences	-7.6	-1.6
Balance as at 31 December	167.8	190.5
Interests in joint ventures		
Balance as at 1 January	177.8	173.6
Capital contributions	-3.9	-
Dividends received	-1.4	-0.3
Share of results	8.6	4.5
Balance as at 31 December	181.1	177.8
Balance as at 31 December	348.9	368.3

The investments in equity accounted investees consist of the associate Akmerkez and the joint ventures.

Summarised financial information for the equity accounted investees as at year-end 2013 and 2012:

INVESTMENT IN ASSOCIATE:

(€ million)	2013		2012	
	100%	Corio share (46.92%)	100%	Corio share (46.92%)
Assets	358.6	168.3	407.1	191.0
Liabilities	-1.3	-0.5	-1.1	-0.5
Net assets	357.3	167.8	406.0	190.5
Gross rental income	26.5	12.5	34.1	16.0
Expenses (including financing income)	-2.3	-1.1	-10.6	-5.0
Revaluations	-36.8	-17.3	0.2	0.1
Result	-12.6	-5.9	23.7	11.1

On 31 December 2013, the market capitalisation of Akmerkez (46.92%) is € 89.7 million (2012: € 165.8 million). The carrying amount of Akmerkez is € 167.8 million (2012: € 190.5 million). Based on the external valuation of the property and the fact that the liquidity of the shares of Akmerkez on the local stock exchange is low, the lower market capitalisation of Akmerkez does not trigger an impairment.

INTEREST IN JOINT VENTURES:

	2013	2012
International Shopping Centre Investment S.A. (Porta di Roma)	50.00%	50.00%
C.C.D.F. Spa (Città Fiera)	49.00%	49.00%
SNC Murier (Mayol)	40.00%	40.00%
SNC Haven (Mayol)	40.00%	40.00%
SCI Kupka C (Le Kupka)	40.00%	40.00%
SCI Pivoines (Brie-Comte-Robert)	33.33%	33.33%
SCI Crocus (Brie-Comte-Robert)	33.33%	33.33%
SCI Sureaux (Brie-Comte-Robert)	33.33%	33.33%
SCI Sorbiers (Brie-Comte-Robert)	33.33%	33.33%
SCI Les Silenes (Brie-Comte-Robert)	33.33%	33.33%
SCI Primeveres (Brie-Comte-Robert)	33.33%	33.33%

**CORIO'S SHARE OF THESE JOINT VENTURES IS:**

(€ million)	2013	2012
Non-current assets	406.1	407.1
Current assets	31.6	56.3
	437.7	463.4
Non-current liabilities	251.7	271.1
Current liabilities	15.2	24.8
	266.9	295.9
Net rental income	24.2	25.0
Revaluation	-5.7	-7.2
Other expenses	-9.9	-13.3
Net result for the year	8.6	4.5

Corio's share in 2013 in the equity of the joint ventures amounts to €170.8 million (assets € 437.7 million minus liabilities € 266.9 million). The goodwill of C.C.D.F. Spa of € 10.3 million is part of the equity value of the joint ventures resulting in a total investment of € 181.1 million.

11 OTHER PROPERTY RELATED INVESTMENTS

(€ million)	2013	2012
Other property related investments, non-current	111.3	135.5
Other property related investments, current	22.6	75.0

Other property related investments, both 2013 and 2012, comprise of loans and receivables. The loans and receivables under 'other investments, non-current' relates to financing provided to the seller for their remaining non-controlling interest in certain acquired German subsidiaries (interest 12 months Euribor plus 200 basis points, secured by a pledge on the shares) and 50% of the financing to the joint venture International Shopping Centre Investment S.A. (Porta di Roma) (interest 5.0%, not secured).

In addition in 2012 a loan provided for prefinancing an Italian investment (interest partly 4.3% fixed, partly 6 months Euribor plus 200 basis points and partly 3 months Euribor plus 200 basis points, all secured by bank guarantees) was recorded.

The loans and receivables under 'other investments, current' in 2013 relates to an advance payment on a turnkey project. The 2012 amount related to a loan provided for a turnkey project (interest 8.0%, secured by a second mortgage).

See note 26 for more information about the fair value on the loans receivables.

12 DERIVATIVE FINANCIAL INSTRUMENTS

(€ million)	2013	2012
Derivative financial instruments, assets		
Derivative financial instruments, non-current assets	1.3	33.9
Derivative financial instruments, current assets	0.6	-
Derivative financial instruments, liabilities		
Derivative financial instruments, non-current liabilities	24.5	35.4
Derivative financial instruments, current liabilities	4.9	0.1

The derivative financial instruments represent the fair value of the derivatives, mainly swaps. In 2013 15 positions were settled, both derivative financial instruments liabilities and assets.



13 INTANGIBLE ASSETS

(€ million)	2013	2012
Goodwill		
Gross amount as at 31 December previous year	68.0	78.4
Fully impaired goodwill cash-generating units	-3.1	-10.4
Gross amount as at 1 January	64.9	68.0
Acquisitions through business combinations	-	-
Gross amount as at 31 December	64.9	68.0
Accumulated impairments as at 31 December previous year	-11.4	-20.0
Fully impaired goodwill cash-generating units	3.1	10.4
Accumulated impairments as at 1 January	-8.3	-9.6
Impairment of goodwill	-	-1.8
Accumulated impairments as at 31 December	-8.3	-11.4
Carrying amount goodwill	56.6	56.6
Other Intangible assets		
Cost as at 1 January	19.4	18.1
Acquired/divested software	3.8	0.9
Transfer from property, plant and equipment	0.1	0.4
Cost as at 31 December	23.3	19.4
Accumulated amortisation as at 1 January	-15.4	-13.6
Acquired/divested software	0.2	-
Transfer from depreciation property, plant and equipment	-	-0.2
Amortisation charge for the year	-1.6	-1.6
Accumulated amortisation 31 December	-16.8	-15.4
Carrying amounts other intangible assets	6.5	4.0
Balance as at 31 December	63.1	60.6

The goodwill on business combinations relates mainly to the difference between the undiscounted deferred tax liabilities recognised in accordance with IAS 12 on purchase price allocation adjustments and the fair value of such deferred tax liabilities (see note 15). The fully impaired goodwill (€ 3.1 million) relates to Espaço Guimaraes, Portugal.

The goodwill can be divided over the following cash-generating units:

(€ million)	1 January 2013			Movements 2013		31 December 2013		
Cash-generating unit	Gross amount	Accumulated impairments	Carrying amount	Additions	Impairments	Gross amount	Accumulated impairments	Carrying amount
Odisea (Maremagnum) Spain	21.6	-7.7	13.9	-	-	21.6	-7.7	13.9
Comes Srl (Marcianise) Italy	20.1	-	20.1	-	-	20.1	-	20.1
TIM Trakya Is Merkezi Yatirim ve Ticaret AS (Tekira) Turkey	6.4	-0.6	5.8	-	-	6.4	-0.6	5.8
Príncipe Pío Gestion SA (Príncipe Pío Gestion) Spain	10.7	-	10.7	-	-	10.7	-	10.7
Shopping centre Forum Duisburg, Germany	5.8	-	5.8	-	-	5.8	-	5.8
Goodwill related to tax liabilities	64.6	-8.3	56.3	-	-	64.6	-8.3	56.3
Other Goodwill	0.3	-	0.3	-	-	0.3	-	0.3
Total Goodwill	64.9	-8.3	56.6	-	-	64.9	-8.3	56.6



Each item of goodwill was tested for impairment. The following table provides details of the impairment tests.

Cash-generating unit (€ million) 2013	Goodwill before impairment	Carrying value investment property	Deferred tax liabilities	Total carrying amounts	Fair value investment property	Fair value deferred tax liabilities	Total fair value	Impairment charge
Odisea (Maremagnum) Spain	13.9	123.3	-25.6	111.6	123.3	-	123.3	-
Comes Srl (Marcianise) Italy	20.1	318.7	-52.8	286.0	318.7	-	318.7	-
TIM Trakya Is Merkezi Yatirim ve Ticaret AS (Tekira) Turkey	5.8	74.8	-10.5	70.1	74.8	-	74.8	-
Príncipe Pío Gestion SA (Príncipe Pío Gestion) Spain	10.7	162.7	-24.7	148.7	162.7	-	162.7	-
Shopping centre Forum Duisburg, Germany	5.8	241.9	-11.1	236.6	241.9	-	241.9	-
Goodwill related to tax liabilities	56.3	921.4	-124.7	853.0	921.4	-	921.4	-

The carrying values/fair values of the cash-generating units (the investment properties) are based on net initial yields varying from 6.04% to 8.17% (2012: 5.9% to 11.0%). The carrying amounts of deferred tax liabilities are depending on the country tax rates applied to the difference between the fair value and the tax book values of these cash-generating units. If the yields used for the appraisals of investment properties on 31 December 2013 had been 100 basis points higher than is currently the case, this would have caused higher impairment amounts for the following cash-generating units:

- Shopping centre Forum Duisburg, Germany: impairment € 0.1 million

14 PROPERTY, PLANT AND EQUIPMENT

(€ million)	2013	2012
COST		
Balance as at 1 January	36.8	33.4
Investments/divestments	1.3	3.3
Transfer	-	0.1
Balance as at 31 December	38.1	36.8
DEPRECIATION AND IMPAIRMENT		
Balance as at 1 January	-13.1	-9.9
Investments/divestments	1.7	-
Depreciation charge for the year	-3.6	-3.7
Transfer	-	0.5
Balance as at 31 December	-15.0	-13.1
CARRYING AMOUNT		
As at 1 January	23.7	23.5
As at 31 December	23.1	23.7

The property, plant and equipment consists mainly of buildings and furniture.

15 DEFERRED TAX

Deferred tax assets and liabilities are attributable to the following items:

(€ million)	Assets		Liabilities		Total
	2013	2012	2013	2012	
Investment property and investment property under development			322.2	294.7	294.7
Tax losses	28.4	22.5			-28.4
Balance as at 31 December					293.8

MOVEMENTS IN DEFERRED TAX

(€ million)	2013	2012
Balance as at 1 January	272.2	287.0
Movement arising from revaluations	27.5	-14.7
Deferred tax assets credited/charged to the income statement	-5.9	-0.1
Balance as at 31 December	293.8	272.2

Movements arising from revaluations are recognised through income statement. All tax losses that are expected to be utilised within the local statutory period for loss compensation have been recognized.



Deferred taxes mainly relate to Corio's operations in Italy, Spain, Germany and Turkey. Deferred tax liabilities are primarily caused by taxation on valuation gains on losses in these countries. In Turkey the depreciation of the lira versus the euro caused a valuation gain in local currency, in turn leading to a deferred tax liability. In Italy a deferred tax liability was recognized and in Germany and Spain the opposite occurred.

In 2013 no tax assets were utilised, but deferred tax assets were created for Corio's operations in Italy, Spain and Germany. The deferred tax assets have a long term nature and are to be recognised when future taxable profits are probable. The expiry date of unused tax losses differs per country and is between 5 years up to an unlimited period of time.

In 2013 deferred tax assets have not been recognised for an amount of € 37.1 million (2012: € 29.1 million) of which € 18.6 million (2012: € 14.8 million) relates to tax losses. The deferred tax liabilities are in general long term, only the deferred tax liabilities related to the investment property on the disposal list (€9.5 million) is short to medium term.

16 OTHER NON-CURRENT RECEIVABLES

(€ million)	2013	2012
Other non-current receivables	18.6	47.2
Balance as at 31 December	18.6	47.2

This item mainly relates to reclaimable VAT and deposits. 2012 includes an advanced payment on a turnkey project.

17 TRADE AND OTHER RECEIVABLES

(€ million)	2013	2012
Trade receivables	47.2	54.5
Tax and social security	53.6	41.3
Other receivables	73.8	43.7
Balance as at 31 December	174.6	139.5

The tax item mainly concerns reclaimable VAT.

See note 26 for more information on the Group's financial risks.

18 CASH AND CASH EQUIVALENTS

(€ million)	2013	2012
Bank balances	8.2	8.5
Call deposits	0.4	1.5
Cash	0.2	0.2
Balance as at 31 December	8.8	10.2

The cash and cash equivalents are freely available to the company.

The balance sheet item "bank overdraft" is subject to offsetting. The gross amount of recognised financial liability is € 50.1 million (2012: € 55.3 million). The gross amount of recognised financial assets, set off in the balance sheet is € 34.6 million (2012: € 38.0 million), resulting in a net amount of financial liability of € 15.5 million (2012: € 17.3 million) presented in the balance sheet.

19 EQUITY

SHARE CAPITAL

The authorised capital comprises 120 million shares each with a nominal value of € 10. As at 31 December 2013, 98,295,391 shares were issued (31 December 2012: 96,186,136). The number of shares issued increased due to stock dividend on 3 June 2013 (2,109,255). The shareholders are entitled to receive the dividends declared in the second quarter of the year and are entitled to cast one vote per share at meetings of the Company.

SHARE PREMIUM

Share premium consists of capital paid on shares in excess of the nominal value. For tax reasons a total of € 1,024.4 million (2012: € 1,045.7 million) is recognised as share premium and can in certain circumstances be distributed tax-free.

(€ million)	2013	2012
Balance as at 1 January	1,425.8	1,464.8
Dividend paid	-75.6	-127.4
Issue of shares due to stock dividend	54.4	88.4
Balance as at 31 December	1,404.6	1,425.8



REVALUATION RESERVE

The revaluation reserve concerns the revaluation of the property investments. The (unrealised) positive difference between the cumulative increase in the fair value of the property owned at the end of the year minus the deferred tax to which this gives rise has been included in the revaluation reserve. The revaluation reserve as at year-end has been determined at individual property level, taking into account deferred tax.

ASSOCIATES RESERVE

This reserve comprises the retained earnings of associates.

HEDGE RESERVE

The hedge reserve comprises the effective portion of the cumulative net change in the fair value of hedge instruments designated as cash flow hedges where the hedged transaction has not yet taken place.

TRANSLATION RESERVE

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of operations outside the euro area, as well as from the translation of financial liabilities and foreign exchange forward/swap contracts designated as a hedge of a net investment in an operation outside the euro area.

RESULT APPROPRIATION

The dividend proposal for 2013 is € 209.0 million (2012: € 265.5 million) which is € 2.13 per share (2012: € 2.76). This dividend proposal has not been recognised in the financial statements.

The dividend for 2013 may be taken in cash or in shares. Of the dividend for 2012 € 75.6 million was paid out in stock and € 189.9 million in cash. The objective of Corio's dividend policy is to at least comply with the requirements imposed on fiscal investment institution (FBI) and, except in special circumstances, to maintain the level of dividend and preferably increase it by the average rate of inflation in the euro area.

An amount of € 1,396.2 million (2012: € 1,489.3 million) relates to non-distributable reserves. The non-distributable reserves are the revaluation reserve, the associates reserve and translation reserve.

20 EARNINGS PER SHARE

NET RESULT PER ORDINARY SHARE

The calculation of earnings per share as at 31 December 2013 is based on the net result for the period which is attributable to the shareholders, amounting to € 250.5 million negative (2012: € 16.0 million), and the weighted average number of shares in issue during the year ended 31 December 2013, calculated as follows:

	2013	2012
Net result attributable to shareholders (€ million)	-250.5	16.0
Weighted average number of ordinary shares	97,411,238	94,664,641
Earnings per share (€)	-2.57	0.17

The earnings per share are not subject to any potential dilutive effects.

21 LOANS AND BORROWINGS

This note gives information on the contractual conditions of the Group's loans and borrowings. See note 26 for more information on the Group's interest rate and currency risks and note 8 for secured loans.

(€ million)	2013	2012
Long-term		
Secured loans	193.9	458.6
Other loans	1,224.3	1,537.4
Bonds	1,259.9	765.9
	2,678.1	2,761.9
Short-term		
Secured loans	14.3	9.7
Other loans	386.7	165.6
	401.0	175.3
	3,079.1	2,937.2



The increase of the Bonds is mainly the result of the issuance of a € 500 million public bond in February 2013. The proceeds were used to repay Other loans. Secured loans decreased € 260.1 million, of which € 162 million was repaid before the respective maturity dates in December 2015 (€ 135 million) and mid 2016 (€ 27million).

Short term Other loans includes € 278 million of commercial paper and drawdowns under revolving credit facilities. The latter amount to € 905 million.

22 REMUNERATION

REMUNERATION OF THE MANAGEMENT BOARD IN 2013

(€ thousands)	Salary	Severance payment/compensation	Annual cash incentive	Pension charges	Social security Charges	Phantom share plan	Total
G.H.W. Groener	452	-	69	122*	62	-	705
B.A. van der Klift	312	-	48	62	46	-	468
F.Y.M.M. Fontaine	288	-	45	58	37	-	428
	1,052	-	162	242	145	-	1,601

* This amount includes other insurances such as disability insurance and a transitional arrangement related to previous changes in legislation.

The Phantom shares awarded in 2013 have a value of € 608,000 (based on a pay-out ratio of 100%).

The Dutch government decided to extend the so-called “crisis tax”. The crisis tax is an additional final levy charge of 16%, payable by the employer in 2014. The total amount of the crisis tax is € 162,000 of which € 122,000 relates to the Management Board. This amount is included in the social security charges in the table above.

The salary, pension charges and social security charges, excluding the crisis tax charge, have been paid in 2013. The remainder (annual cash incentive and crisis tax) will be paid in 2014.

REMUNERATION OF THE MANAGEMENT BOARD IN 2012

(€ thousands)	Salary	Severance payment/compensation	Annual cash incentive	Pension charges	Social security Charges plan	Phantom share	Total
G.H.W. Groener	438	-	88	113*	71	-	710
B.A. van der Klift	309	-	60	62	55	-	486
F.J. Zijlstra	267	495	-	53	56	-	871
F.Y.M.M. Fontaine	272	-	41	47	103	-	463
	1,286	495	189	275	285	-	2,530

* This amount includes other insurances such as disability insurance and a transitional arrangement related to previous changes in legislation.

Mrs. Zijlstra resigned from the Management Board as per 1 December 2012. In line with the Corporate Governance Code Mrs. Zijlstra received a severance payment of 1 year annual salary of € 297,000 and a compensation covering her notice period (including pension charges) of € 150,000 and a short term cash incentive of € 48,000.

The Phantom shares awarded in 2012 have a value of € 638,000 (based on a pay-out ratio of 100%).

The Dutch government proposed several tax law changes for 2013, among which the so-called “crisis tax”. The crisis tax is an additional final levy charge of 16%, payable by the employer in 2013. The total amount of the crisis tax is € 217,000 of which € 157,000 relates to the Management Board. This amount is included in the social security charges in the table above.

SHARES AND OPTIONS

As per 31 December 2013, the number of Corio shares and options owned by the members of the Management Board and the Supervisory Board are as follows:

G.H.W. Groener	1,167 shares
G.A. Beijer	9,231 shares

**PHANTOM SHARE PLAN**

OVERVIEW OF OUTSTANDING PHANTOM SHARES DURING THE YEAR:

	Outstanding 1 January	Granted	Awarded units (#)		Forfeited	Liabilities (€ thousands)	
			Vested			Outstanding 31 December	31 December
G.H.W. Groener							
2010	4,709	-	-4,709	-	-	-	-
2011	4,943	-	-	-	-	4,943	-
2012	7,445	-	-	-	-	7,445	-
2013	-	7,559	-	-	-	7,559	-
	17,097	7,559	-4,709			19,947	
B.A. van der Klift							
2010	2,625	-	-2,625	-	-	-	-
2011	3,808	-	-	-	-	3,808	-
2012	5,139	-	-	-	-	5,139	-
2013	-	5,217	-	-	-	5,217	-
	11,572	5,217	-2,625			14,164	
F.Y.M.M. Fontaine							
2010	1,072	-	-1,072	-	-	-	-
2011	1,069	-	-	-	-	1,069	-
2012	1,510	-	-	-	-	1,510	-
2013	-	4,933	-	-	-	4,933	-
	3,651	4,933	-1,072			7,512	
	32,317	17,709	-8,406			41,623	

The liability of the outstanding phantom shares for the years 2011, 2012 and 2013, taking into account the vesting period and the expected relative total shareholders return, is included in the accruals within trade and other payables for € 0.0 million (31 December 2012: € 0.0 million for the years 2010, 2011 and 2012). During the year 2013, expenses, related to the phantom shares have been included in the administrative expenses for € 0.0 million. For 2011 and 2012 the expense was € 0.0 million and € 0.0 million respectively.

Based on the ranking in the performance reference group, there was no pay-out for the Phantom Shares awarded in 2010. This resulted in an amount of € 0.0 million. As per the end of 2013 no remaining liability exists for the company on the granted Phantom Shares in 2010.

The fair values of the outstanding Phantom Shares have been estimated using a valuation technique based on the development of the total shareholders return (share price development, if applicable corrected for rights issues, and dividend yield) of Corio and its peers.

The performance period for the phantom shares awarded in 2011 ended at 31 December 2013, and the total intrinsic value of these vested awards was € 0.0 million (31 December 2012: € 0.0 million for the phantom shares awarded in 2010).

REMUNERATION OF THE SUPERVISORY BOARD

(€ thousands)	Remuneration 2013	Remuneration 2012
D.C. Doijer	60	58
R.A.H. van der Meer	50	50
G.A. Beijer	43	43
R.C. van den Berg	45	42
J.G. Blokhuis	11	30
J.A. Carrafiell	43	28
B. Vos	-	20
W. Borgdorff	-	14
	252	285

As per 1 April 2013, J.G. Blokhuis stepped down from the Supervisory Board to lead the disposal programme.

On 19 April 2012 J.G. Blokhuis and J.A. Carrafiell were appointed as members of the Supervisory Board. B. Vos and W. Borgdorff resigned from the Supervisory Board as per 19 April 2012.

The Management Board and the Supervisory Board have been identified as key management personnel.



23 PROVISIONS

(€ million)	2013	2012
Balance as at 1 January	16.7	2.2
Provisions made during the year	23.3	14.9
Provisions utilised during the year	-0.1	-0.2
Provisions released during the year	-0.7	-0.2
Balance as at 31 December	39.2	16.7
Long term	39.2	16.7
Short term	-	-

The item includes a provision of € 35.9 million (2012: € 14.1 million) related to a turnkey project in the Netherlands. The other provisions relate mainly to legal disputes and personnel indemnities.

24 OTHER NON-CURRENT PAYABLES

(€ million)	2013	2012
Other non-current payables	45.2	31.9
Balance as at 31 December	45.2	31.9

This item relates to security deposits received from tenants, with a maturity longer than one year. The deposits are not interest bearing. Furthermore the long-term part of the amount payable to the Italian tax authorities with respect to Comes (see note 5) is included.

25 TRADE AND OTHER PAYABLES

(€ million)	2013	2012
Taxes and social security	18.0	24.8
Rent invoiced in advance	17.2	9.7
Security deposits	3.6	4.3
Interest payable	58.7	39.8
Accruals	46.6	32.5
Other payables	89.3	55.0
Balance as at 31 December	233.4	166.1

Other payables relate to accounts payable and invoices yet to be received for maintenance of and investments in the portfolio.

The liability of the outstanding phantom shares awarded for the years 2011, 2012 and 2013 is included in Accruals for € 0.0 million (31 December 2012: € 0.0 million for the years 2010, 2011 and 2012). For further information on the phantom share plan, please refer to note 22.

26 FINANCIAL INSTRUMENTS

FINANCIAL RISKS

The Group is exposed to a number of financial risks, i.e. credit risk, liquidity risk and market risk (mainly currency risk and interest rate risk).

The overall risk management policy focuses on the unpredictable nature of the financial markets, with the emphasis on minimising any negative impacts on the financial performance of the Group. The Group makes use of derivative financial instruments and non-derivative financial instruments to hedge certain risk exposures. The derivative contracts are not used for trading purposes at all.

The regular way purchases and sales of financial assets are accounted for is based on settlement date.

The risk management activities are conducted according to a policy approved by the Management Board and Supervisory Board.

CREDIT RISK

The credit risk is defined as the unforeseen losses on assets if counterparties should default.

The creditworthiness of tenants is closely monitored by checking their credit rating and keeping a close watch on the accounts receivable. Rents are in general payable in advance and part of the rent payable is secured by means of bank guarantees or guarantee deposits. There are no significant credit risk concentrations.



Corio has a counterparty risk policy for treasury related transactions in place. Corio has defined credit limits for counterparty risk exposures arising from cash, deposits and derivative financial instruments. Limits have been determined per credit rating scale for individual counterparties and cumulatively for all counterparties within a credit rating scale. Financial transactions are only entered into with financial institutions having a credit rating of at least A- (Standard & Poor's and Fitch) or A3 (Moody's). If there is a deviation in the rating for a counterparty provided by the rating agencies, the most conservative credit rating prevails. Furthermore, Corio has defined credit limits for counterparties which have provided revolving credit facilities, as a counterparty default would cause Corio's liquidity risk to increase. These limits apply to the inception date, when Corio enters into a new credit facility, and they have been determined per credit rating scale for individual counterparties with the minimum credit rating set at BBB+ (Standard & Poor's and Fitch) or Baa1 (Moody's). Exposures are monitored on a regular basis.

The carrying amounts of the financial assets represent the maximum credit risk. The combined carrying amount on the reporting date was made up as follows:

(€ million)	Note	2013	2012
Loans and receivables (excluding taxes)	11,17	254.8	308.7
Derivative financial instruments (assets)	12	1.9	33.9
Cash and cash equivalents	18	8.8	10.2
		265.5	352.8

The loans and receivables line includes an amount of € 24.4 million relating to financing provided to the seller for their remaining non-controlling interest in certain acquired German subsidiaries, a loan provided for prefinancing an Italian investment, and a loan to the joint venture International Shopping Centre Investment S.A. (Porta di Roma) which is not secured as this is regarded financing of our own shopping centre. The joint venture partner provided an equal loan.

The ageing analysis of the trade receivables is as follows:

(€ million)	2013		2012	
	Gross	Provision	Gross	Provision
Not due	18.0	-	13.8	-
Overdue by 0-60 days	7.8	3.1	9.8	1.5
Overdue by between 61 days and one year	26.3	12.3	31.9	10.6
Overdue by more than one year	28.1	17.4	23.4	12.3
	80.2	32.8	78.9	24.4

Movements in the provision for bad debts during the year were as follows:

(€ million)	2013	2012
Balance as at 1 January	24.4	21.9
Added	26.5	14.3
Use of provision	-4.6	-9.1
Release	-13.5	-2.7
Balance as at 31 December	32.8	24.4

The bad debt provision is used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible. At that point the amounts are considered irrecoverable and are written off against the financial asset directly. With respect to the accounts receivable, the Group holds guarantee deposits from its tenants totalling € 34.6 million (2012: € 36.2 million) in addition to bank guarantees.

LIQUIDITY RISK

Managing the liquidity risk involves ensuring the availability of adequate credit facilities. The greater part of the Group's finance is provided by US private placements, bonds, a long-term revolving credit facility and by mortgages and other loans. Corio has been assigned credit ratings by Standard & Poor's (BBB+) and Moody's (Baa2).

Fluctuations in the liquidity requirement are accommodated by means of several revolving credit facilities of in total € 905 million. The maturity of € 775 million was extended to the third quarter of 2018, and the remaining € 130 million revolving credit facilities are available until the second half of 2016. As at year-end 2013, borrowing under the facility stood at € 278 million (2012: € 139 million). The interest and repayment obligations for 2014 are guaranteed by means of the available facilities.

Existing investment commitments are partly financed with disposals. The group aims to have sufficient financing available to cover net committed cash flow at least 18 months ahead. As at year-end 2013, the average maturity of the finance arrangements was 4.8 years (2012: 4.7 years).



Corio must at all times meet its obligations under the loans it has taken out, including the interest cover ratio. The interest cover ratio is calculated by dividing the net rental income plus dividends received by the net interest payable. This must not be less than 2.2. The 2013 interest cover ratio was 3.5 (2012: 3.4). Corio must also meet leverage requirements: the total amount of liabilities adjusted for accounts payable in the ordinary course of business and for deferred tax liabilities may not exceed 55% of the total assets less goodwill. At year-end 2013, the leverage was 43.7% (2012: 40.3%). During the period, the Group did not breach any of its loan covenants, nor did it default on any other of its obligations under its loan agreements.

Corio's targeted ratio's are monitored periodically. The consolidated cash flow plan, which is updated on the basis of investment and disposal proposals and any fluctuations in income and expenditure, is the most important basis for this analysis. It is Corio's policy to have a minimum headroom enough to cover 100% of the committed net cash flows for the coming 18 months. At year-end 2013 Corio had a financial headroom (sum of unused committed credit facilities, cash and cash equivalents less negative bank balances managed at group level, less drawing on uncommitted facilities, less commercial paper issued) of € 611 million (2012: € 750 million) in undrawn revolving credit facilities that were freely available.

Apart from these obligations and commitments, Corio's investment institution tax status imposes financing limits.

The following are the effective, contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements at year-end.

2013 (€ million)	Carrying amount	2014	2015	2016	2017	2018	>2018
Loans and borrowings	-3,079.1	-239.7	-175.6	-468.9	-615.9	-601.2	-1315.0
Financial derivatives	-29.4						
- Cash inflows		148.4	36.5	36.4	391.2	14.1	157.0
- Cash outflows		-142.9	-25.7	-28.6	-424.0	-17.1	-177.1
Other current liabilities	-89.4	-	-	-	-	-	-
Total	-3,197.9	-234.2	-164.8	-461.1	-648.7	-604.2	1,335.1

2012 (€ million)	Carrying amount	2013	2014	2015	2016	2017	>2017
Loans and borrowings	-2,937.2	-186.1	-478.2	-295.1	-475.4	-613.2	-1,387.2
Financial derivatives	-35.5						
- Cash inflows		63.4	406.1	43.8	43.5	404.6	173.4
- Cash outflows		-49.8	-413.2	-33.6	-33.9	-423.0	-172.7
Other current liabilities	-55.0	-55.0	-	-	-	-	-
Total	-3,027.7	-227.5	-485.3	-284.9	-465.8	-631.6	-1,386.5

In 2012, Corio N.V. launched an Euro Medium-Term Note (EMTN) and an Euro Commercial Paper (ECP) programme. The ECP programme gives Corio efficient and flexible access to working capital, in addition to the customary sources of capital. In the final quarter of 2012 € 235 million was raised under the EMTN programme and an additional € 500 million was raised in February 2013. The total outstanding amount under the ECP programme per 31 December 2013 was € 123 million (31 December 2012: € 140 million). The maximum total financing available under these programmes is € 3 billion.

CURRENCY RISK

With the exception of Turkey and Bulgaria, Corio operates in euro countries only. For foreign operations in Turkey, functional currencies are used that are based on the economic risk attached to the rental cash flows. These currencies are either the euro or the USD.

Besides the currency risk related to foreign operations with a functional currency other than the euro, the main currency risk relates to US private placements in USD and GBP. It is Corio's policy to fully hedge the currency risk related to loans and to hedge the majority of the currency risk related to foreign operations. The US private placement is hedged with cross-currency swaps, with the exception of a loan of USD 190 million which is used to hedge part of the currency risk related to foreign operations with functional currency USD. The remaining currency risk of the foreign operations is hedged with currency swaps.

The following table analyses the Group's currency exposure as at 31 December arising from financial instruments:

(€ million)	2013			2012		
	USD	GBP	TRY	USD	GBP	TRY
Loans and borrowings	-710.6	-59.9	-	-970.1	-68.6	-
Cash and cash equivalents	0.3	-	0.1	0.4	-	0.1
Loans and receivables	-	-	-	-	-	-
Balance sheet exposure, gross	-710.3	-59.9	0.1	-969.7	-68.6	0.1
Cross-currency swaps	572.8	59.9	-	826.1	68.6	-
Currency swaps	-58.7	-	-	-61.4	-	-
Net position	-196.2	-	0.1	-205.0	-	0.1



SENSITIVITY ANALYSIS

Corio's currency risk derives from its investments in Akmerkez and Adacenter. The value of these investments is USD 270 million (2012: USD 296.3 million). These investments are hedged by a USD 190 million (2012: USD 190 million) loan and by currency swap contracts for an amount of USD 81 million (2012: USD 81 million). A 10% depreciation of the USD against the EUR would result in a loss in 2014 on the investment of € 17.7 million (2012: € 20.4 million) and a gain on the related hedging instruments thereon of € 17.5 million (2012: € 18.7 million) in other comprehensive income. A 10% appreciation of the USD against the EUR would result in a gain in 2014 on the investment of € 21.6 million (2012: € 22.5 million) and a loss on the related hedging instruments thereon of € 21.4 million (2012: € 20.5 million) in other comprehensive income. The balance of these amounts will affect equity.

INTEREST RATE RISK

Although the automatic inflation adjustment in rental contracts provides a certain degree of protection, this is insufficient to cover an increase in interest rates in the same period. Corio's policy is to manage fixed interest rates in the longer term for around two-thirds of the loan portfolio. The interest rate risk is managed by contracting both fixed and floating loans and interest rate swaps. The actual fixed portion of the loan portfolio is stated in the table below, which includes the effects of interest rate swaps.

2013 (€ million)	Fixed rate	Floating rate	Total
Short-term loans	-	-10.0	-10.0
Long-term loans	1,928.8	1,052.5	2,981.3
Total	1,928.8	1,042.5	2,971.3
% of total	65%	35%	100%

2012 (€ million)	Fixed rate	Floating rate	Total
Short-term loans	-	32.4	32.4
Long-term loans	2,025.1	860.1	2,885.2
Total	2,025.1	892.5	2,917.6
% of total	69%	31%	100%

The notional amount of the loans and borrowings is stated at the hedged foreign exchange rates. The cash position available at corporate level (2013: a debit position of € 15.7 million; 2012: a debit position of € 15.8 million) is or added to the loan portfolio.

According to Corio's interest rate risk policy, fixed debt with a maturity of less than one year is considered as floating debt. Furthermore, a portion of floating debt is labelled as short term financing of Corio's yearly dividend payments in the second quarter. This results in a fixed part of the loan portfolio as at 31 December 2013 of 65% (31 December 2012: 69%).

SENSITIVITY ANALYSIS

An immediate increase of 100 basis points in the variable interest rate as at 31 December 2013 would increase the theoretical interest expense for 2014 by € 13.0 million (31 December 2012: € 12.2 million), assuming that the composition of the financing is unchanged. If the interest rate would rise by 100 basis points gradually during the year, the interest expense for 2014 would increase by € 5.1 million (31 December 2012: € 5.9 million). These calculations take into account interest rate swap transactions. The sensitivity to changes in the variable interest rate in 2014 is reduced by using short-term interest rate swaps and by fixing part of the variable interest rate at year-end 2013.

The effect of an immediate increase of 100 basis points in the short term interest rates at the start of 2013 would have resulted in higher finance costs of € 9.5 million.

An immediate increase of 100 basis points in the interest rates as at 31 December 2013 would have an impact on the fair value of derivative financial instruments used in cash flow hedge relationships. As a result, the amount in the hedge reserve would have increased by € 7.4 million (31 December 2012: increase € 4.2 million).

A decrease of 100 basis points in the interest rates have an equal but opposite effect for all scenarios mentioned above.

CAPITAL STRUCTURE MANAGEMENT

The Group's objectives when managing its capital structure (equity) are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. When doing so, the Group takes into account:

- the requirements imposed as a result of the financing covenants as mentioned at Liquidity risk;
- a capital structure required to remain an investment grade rated company;
- the requirements imposed on a fiscal investment institution (FBI).

The Group was able to achieve the above objectives during the year 2013.

**HEDGE ACCOUNTING**

Corio hedges the interest rate risk related to its loans and the currency risk related to its loans and related to its subsidiaries with a functional currency other than the euro.

Corio uses the following types of hedges:

- Cash flow hedges used to hedge the risk on future foreign currency cash flows and floating interest rate cash flows;
- Net investment hedges used to hedge the investment value of our foreign operations.

Corio no longer has fair value hedges, the last fair value hedge was cancelled and the related hedged item has been repaid.

Reference is made to the tables below for further details about Corio's hedges:

2013 (€ million)	Risks being hedged	Notional amount	Fair value assets	Fair value liabilities
Cash flow hedge accounting				
Cross currency interest rate swaps	Currency	632.9	-	-27.9
Interest rate swaps	Interest	-	-	-
Fair value hedge accounting				
Cross currency interest rate swaps	Currency, interest	-	-	-
Interest rate swaps	Interest	-	-	-
Hedge of net investment in foreign operation				
Loans and borrowings in currency	Currency	137.7	-	-
Foreign exchange forwards/swaps	Currency	58.7	0.6	-
No hedge accounting				
Foreign exchange forwards/swaps	Currency	60.0	-	-1.5
Interest rate swaps	Interest	400.0	1.3	-

2012 (€ million)	Risks being hedged	Notional amount	Fair value assets	Fair value liabilities
Cash flow hedge accounting				
Cross currency interest rate swaps	Currency	887.4	2.2	-31.5
Interest rate swaps	Interest	125.0	-	-2.8
Fair value hedge accounting				
Cross currency interest rate swaps	Currency, interest	7.4	-	-1.1
Interest rate swaps	Interest	500.0	31.7	-
Hedge of net investment in foreign operation				
Loans and borrowings in currency	Currency	144.0	-	-
Foreign exchange forwards/swaps	Currency	61.4	-	-0.1
No hedge accounting				
Foreign exchange forwards/swaps	Currency	-	-	-
Interest rate swaps	Interest	-	-	-



The following table shows the period in which the cash flows on the derivatives, to which cash flow hedge accounting applies, are expected to occur:

2013 (€ million)	Sum of cash flows	2014	2015	2016	2017	2018	>2018
Interest cash inflows							
- Foreign currency interest		33.9	30.9	30.7	19.5	8.4	4.2
- Floating interest							
Interest cash outflows		-28.8	-25.7	-28.7	-22.5	-17.1	-17.4
Net cash flows impact on income statement	-12.6	5.1	5.2	2.0	-3.0	-8.7	-13.2
Foreign currency notional cash inflows		108.7	-	-	366.1	-	145.7
Notional cash outflows		-114.1	-	-	-401.5	-	-159.7
Net foreign currency impact on hedged loans	-54.8	-5.4	-	-	-35.4	-	-14.0
Net cash flows of hedging instruments	-67.4	-0.3	5.2	2.0	-38.4	-8.7	-27.2

2012 (€ million)	Sum of cash flows	2013	2014	2015	2016	2017	>2017
Interest cash inflows							
- Foreign currency interest		49.9	46.5	30.6	30.4	19.6	13.2
- Floating interest		0.5	0.4	0.6	0.4	-	-
Interest cash outflows		-45.4	-42.8	-28.8	-28.0	-17.6	-11.9
Net cash flows impact on income statement	17.6	5.0	4.1	2.4	2.8	2.0	1.3
Foreign currency notional cash inflows		-	338.9	-	-	378.6	153.8
Notional cash outflows		-	-358.0	-	-	-401.5	-159.7
Net foreign currency impact on hedged loans	-47.8	-	-19.1	-	-	-22.8	-5.9
Net cash flows of hedging instruments	-30.2	5.0	-15.0	2.4	2.8	-20.8	-4.6

FAIR VALUE OF FINANCIAL INSTRUMENTS

The financial statements have been prepared on a historical cost basis, except for property investments and some of the financial instruments, which are carried at fair value. The carrying amounts of the financial instruments and their fair values were as follows:

(€ million)	Note	2013		2012	
		Carrying amount	Fair value	Carrying amount	Fair value
Loans and receivables (excluding taxes)	11,17	254.7	254.7	308.7	308.7
Derivative financial instruments (assets)	12	1.9	1.9	33.9	33.9
Cash and cash equivalents	18	8.8	8.8	10.2	10.2
Loans and borrowings (including bank overdraft)	21	-3,094.6	-3,245.2	-2,954.5	-3,234.8
Derivative financial instruments (liabilities)	12	-29.4	-29.4	-35.5	-35.5
Other payables excluding taxes	24, 25	-248.4	-248.4	-173.2	-173.2

The fair value of the non-current items are measured on the basis of the swap yield curve at year-end plus credit spreads applicable to the Group and credit spreads applicable to the counterparties. Since the other items of the statement of financial position are short-term, their fair value approximates the carrying amount. The line item loans and borrowings include fair value adjustments amounting to € 24.6 million (2012: € 30.0 million), which will be amortised in the coming years.

FAIR VALUE HIERARCHIES

The fair values of financial instruments are measured at three levels:

- Level 1: For Corio's public debt the fair value is based on quoted prices in active markets for identical assets or liabilities.
- Level 2: For Corio's private debt the fair value is the present value of the stream of cash flows it is expected to pay. The fair value of the debt is obtained by discounting the expected cash flows to the present using an appropriate discount rate. The discount rate is determined by reference to similar instruments issued by Corio in the public market. Various related yield-measures are calculated for the given price. Financial instruments, whose fair value is based on a valuation technique whose inputs include only observable market data, either directly (i.e., as prices) or indirectly (i.e., derived from prices). The derivatives, with assets totaling € 1.9 million (2012: € 33.9 million) and liabilities of € 29.4 million (2012: € 35.5 million) are categorised at level 2.
- Level 3 Financial instruments, whose fair value is determined in whole or in part using a valuation technique based on assumptions that are not based on available observable market data, are not applicable to Corio.

Level 2 hedging derivatives comprise forward foreign exchange contracts and interest rate swaps. These forward foreign exchange contracts have been fair valued using forward exchange rates that are quoted in an active market. Interest rate swaps are fair valued using forward interest rates extracted from observable yield curves and observable credit default rates. Corio uses a Value At Risk (VAR) model for quantifying the credit risk on the derivatives. The valuation technique used to determine the credit value adjustment (CVA) is based on the Variance/Co-Variance approach, whereby the price action is assumed to be normally distributed, and the variance is determined based on historical time series. Other inputs include Corio's own credit default probabilities and those of the counterparties.



Corio's policy is to recognise transfers into and transfers out of fair value hierarchy levels as of the date of event or change in circumstances that caused the transfer. In 2013 there were no transfers between level 1, level 2 and level 3, nor were any transfers into or out of level 3.

27 CONTINGENT LIABILITIES

As at 31 December 2013, Corio's total committed pipeline amounts to € 780.1 million (2012: € 887.3 million), of which an amount of € 125.3 million (2012: € 123.4 million) is already invested, resulting in a future committed pipeline of € 654.8 million (2012: € 763.8 million). These committed pipeline investments are made up as follows:

COMMITTED PIPELINE INVESTMENTS

(€ million)	2013	2012
First year	339.0	416.5
Second to fourth year	315.9	347.4
Fifth year and more	-	-

Projects in the deferrable pipeline on 31 December 2013 represented a total investment of € 442.9 million (2012: € 920.6 million), including € 139.1 million (2012: € 159.6 million) already invested.

Minimum lease commitments totaling € 430.5 million (2012: € 459.8 million), mainly related to ground leases, are made up as follows:

LEASE COMMITMENTS

(€ million)	2013	2012
First year	13.8	13.5
Second to fourth year	37.6	41.7
Fifth year and more	379.1	404.6

Guarantees totaling € 63.8 million (2012: € 72.5 million) have been granted for other possible acquisitions and guarantees for an amount of € 16.6 million (2012: € 16.6 million) for other purposes.

In February 2012 Corio received a letter from the Bursa municipality requesting to return part of the title of the land on which our Anatolium project is located. This request follows after a lawsuit regarding the expropriation of the former landowners against the municipality. This lawsuit is not yet finalized. The loss of title could materially impact the value of the property, however we are legally contesting the Municipality's request in which we have strong position. We therefore consider it very unlikely that we will lose part of the title of the land. In addition, Corio has an indemnification of the vendor for any damage that we may suffer in this regard.

For 2006 the Italian tax authorities have issued an assessment for a total amount of € 58.6 million (including penalties and interest) of VAT which according to the tax authorities was incorrectly claimed back by Corio because the underlying transaction is allegedly considered as void by the Tax Authorities. We are legally contesting this assessment in which we have a strong position. We therefore consider it very unlikely that this will lead to material disbursements for the company.

The Italian tax authorities have taken the position that two Italian subsidiaries of Corio were not entitled to apply the exception to the general thin cap rules which states that interest paid on mortgage loans is fully deductible if certain conditions are met. Corio has legal and fiscal opinions which state we have good grounds to defend our position. We therefore consider it unlikely that this will lead to amounts tax payable.

The Spanish tax authorities have made their assessment that the sale and purchase transaction, carried out in 2009 through which Corio acquired the shares of one of our Spanish entities, was subject to transfer tax and proposed a settlement of € 6.3 million of tax payable (including late-payment interest). We are legally contesting this assessment in which we have strong defense arguments. We therefore consider it unlikely that this will lead to amounts tax payable.



28 RELATED PARTIES

Qualifying as related parties of the Group are its subsidiaries, joint ventures, associates, members and close family members of the Supervisory Board and Management Board and Stichting Pensioenfondsv ABP (through direct and indirect holdings). Transactions with related parties take place at arm's length.

Members and close family members of the Supervisory Board and Management Board do not have any material interest in Corio's voting shares and do not have options on the shares. In 2011 one of the Management Board members (B.A. van der Klift) purchased Eurobonds with a nominal value of € 30,000 which were placed by the company at an 4.625% interest rate in October 2010. Mr. Carrafiell (member of the Supervisory Board) is a partner at GreenOak Real Estate. GreenOak Real Estate acts as a consultant with regard to one of Corio's projects. In this regard Mr. Carrafiell did not take part in the deliberations and decision-making regarding these topics in the Supervisory Board, nor did the Company share any information for decision-making with him, in accordance with article 11 of the Supervisory Board rules. Corio paid an amount of € 0.12 million to GreenOak Real Estate. Access to Quality, of which Mr. Van den Berg (member of the Supervisory Board) is one of the owners, has advised Corio on some projects. The related amount Corio paid is € 0.05 million. The Group has not granted any loans to the members of the Supervisory Board and Management Board. The remuneration of the members of the Supervisory Board and Management Board in 2013 was respectively € 0.3 million and € 1.6 million (2012: respectively € 0.3 million and € 2.5 million). For more information on the remuneration and Corio shares owned by the members of the Management Board and the Supervisory Board we refer to note 22. Pursuant to the Dutch Authority on Financial Supervision, the members of the Supervisory Board and Management Board of Corio report that they held no personal interest in the Company's investments in 2013.

To the best of Corio's knowledge, ABP is the only shareholder which can be considered a related party within the meaning of the Decree on the Supervision of the Conduct of Financial Undertakings (under the WFT) in that it holds more than 20% of the voting rights conferred by Corio shares. Per 31 December 2013, ABP holds approximately 30.58% of the Corio shares. ABP acts as pension fund provider for a number of employees. In 2010 this agreement was extended by five years. The pension contributions are determined according to the ABP retirement plans. In 2013 these contributions amounted to €1.0 million (2012: € 1.0 million). In 2009 Corio contracted a floating-rate inflation linked loan of € 200 million for seven years from a subsidiary of ABP. The balance of this loan as per 31 December 2013 amounts to € 216.6 million and the interest expense for the year then ended amounts to € 12.8 million. As per 31 December 2013 Corio has a loan receivable of € 86 million towards its joint venture International Shopping Centre Investment S.A. (Porta di Roma). An amount of € 4.4 million is received as interest income on this loan.

EVENTS AFTER THE REPORTING PERIOD

Corio has sold 12 retail properties in the Netherlands and in France for a total amount of € 250.0 million in the first two months of 2014, which equals the fair value per 31 December 2013. The disposals concern small to medium sized shopping centres, mainly outside the metropolitan area.

In the first half year of 2014 Corio will align the organization in the Netherlands and France following the disposals. Not only staff reduction but also the organizational structure will be adjusted to support a more agile, performance driven, culture. Both in France and the Netherlands layers will be reduced in the organisation and enhance profit responsibility at shopping centre level.



COMPANY STATEMENT OF FINANCIAL POSITION

BEFORE PROFIT APPROPRIATION

(€ million)	Note	31 December 2013	31 December 2012
Intangible assets	<u>1</u>	4.7	3.3
Investments	<u>2</u>	29.2	29.5
Property, plant and equipment	<u>3</u>	0.8	1.2
Financial fixed assets	<u>4</u>	7,070.9	6,883.1
Total non-current assets		7,105.6	6,917.1
Current assets	<u>5</u>	501.7	526.5
Total assets		7,607.3	7,443.6
Shareholders' equity			
Issued capital		983.0	961.8
Share premium		1,404.6	1,425.8
Legal and statutory reserves		1,380.6	1,474.0
Other reserves		126.0	204.9
Net result for the year		-250.5	16.0
Total shareholders' equity	<u>6</u>	3,643.7	4,082.5
Non-current liabilities	<u>7</u>	2,587.6	2,348.5
Bank overdraft		47.2	44.1
Current liabilities	<u>8</u>	1,328.8	968.5
Total equity and liabilities		7,607.3	7,443.6

The notes on pages 118 to 122 are an integral part of these company financial statements.

COMPANY INCOME STATEMENT

(€ million)	Note	2013	2012
Company result		-120.4	-83.6
Result of subsidiaries after tax		-130.1	99.6
Net result of the year		-250.5	16.0

The notes on pages 118 to 122 are an integral part of these company financial statements.



NOTES TO THE COMPANY FINANCIAL STATEMENTS

The company financial statements form part of the financial statements of Corio N.V. ('Corio' or 'the Company') for 2013. The company financial statements presented are in accordance with Part 9, Book 2, of the Netherlands Civil Code.

For the company financial statements of Corio, use has been made of the exemption provided by Section 402, Book 2, of the Netherlands Civil Code. The financial statements have been prepared in compliance with the Financial Supervision Act 2007 (incorporated changes made subsequent to 2007).

BASIS FOR THE RECOGNITION AND MEASUREMENT OF ASSETS AND LIABILITIES AND THE DETERMINATION OF THE RESULT

In establishing the basis for the recognition and measurement of assets and liabilities and the determination of the result for its company financial statements, Corio makes use of the option provided by Section 362, subsection 8, Book 2, of the Netherlands Civil Code whereby the basis for the recognition and measurement of assets and liabilities and the determination of the result (accounting policies) used for Corio's company financial statements are the same as that for the consolidated financial statements. Subsidiaries in which Corio has a controlling interest are presented applying the equity method. The consolidated figures are prepared according to the standards laid down by the International Accounting Standards Board and adopted by the European Union (EU-IFRS). See pages 83 to 91 for a description of these accounting policies.

The share of the results of subsidiaries, associates and joint ventures consists of Corio's share of the results of these entities. Results on transactions in which assets and liabilities have been transferred between Corio and other entities in the Group and between these entities themselves have not been included where they can be deemed to be unrealised.

1 INTANGIBLE ASSETS

Intangible assets comprises software.

(€ million)	2013	2012
Cost		
Balance as at 1 January	16.5	16.0
Investments	2.7	0.5
Impairment of assets	-	-
Balance as at 31 December	19.2	16.5
Amortisation and impairment		
Balance as at 1 January	-13.2	-12.0
Amortisation charge for the year	-1.3	-1.2
Balance as at 31 December	-14.5	-13.2
Carrying amount		
As at 1 January	3.3	4.0
As at 31 December	4.7	3.3

2 INVESTMENTS

(€ million)	2013	2012
As at 1 January	29.5	29.3
Revaluation/investments	-0.3	0.2
As at 31 December	29.2	29.5



3 PROPERTY PLANT AND EQUIPMENT

Property, plant and equipment comprises IT hardware.

(€ million)	2013	2012
Cost		
Balance as at 1 January	3.7	3.0
Investments/divestments	0.3	0.7
Balance as at 31 December	4.0	3.7
Depreciation and impairment		
Balance as at 1 January	-2.5	-1.7
Depreciation charge for the year	-0.7	-0.8
Balance as at 31 December	-3.2	-2.5
Carrying amount		
As at 1 January	1.2	1.3
As at 31 December	0.8	1.2

4 FINANCIAL FIXED ASSETS

(€ million)	2013	2012
Investments in subsidiaries	6,661.0	6,624.4
Investments in equity accounted investees	211.4	227.1
Loans to group companies	198.5	-
Derivative financial instruments	-	31.6
As at 31 December	7,070.9	6,883.1

INVESTMENTS IN SUBSIDIARIES

(€ million)	2013	2012
As at 1 January	6,624.4	6,353.1
Capital contributions	173.2	183.3
Changes accounted for directly in equity	-5.4	-11.6
Results of subsidiaries	-131.2	99.6
As at 31 December	6,661.0	6,624.4

INVESTMENTS IN EQUITY ACCOUNTED INVESTEEES

(€ million)	2013	2012
Investment in associates		
Balance as at 1 January	190.4	188.3
Dividends received	-9.2	-7.4
Share of results	-5.9	11.1
Exchange differences	-7.6	-1.6
Balance as at 31 December	167.7	190.4
Interests in joint ventures		
Balance as at 1 January	36.7	38.3
Share of results	7.0	-1.6
Balance as at 31 December	43.7	36.7
Balance as at 31 December	211.4	227.1

The investments in equity accounted investees consist of the associate Akmerkez and the interest in the joint venture International Shopping Centre Investment S.A. (Porta di Roma).

The following entities are the legal owners of shares of Akmerkez GYO A.S.: Bocan B.V. (7.7%), Corio Nederland Kantoren B.V. (7.9%), Corio N.V. (8.5%), Corio Real Estate España S.A. (<0.1%), Hoog Catharijne B.V. (7.5%), Patio Onroerend Goed B.V. (7.3%), Shopville GranReno SpA (<0.1%), SNC Les Ailes (<0.1%), VIB North America B.V. (8.0%). Corio N.V. has beneficial ownership.



5 CURRENT ASSETS

(€ million)	2013	2012
Trade and other receivables	6.2	3.1
Receivables from entities in the Group	495.5	523.4
As at 31 December	501.7	526.5

6 SHAREHOLDERS' EQUITY

(€ million)	Share capital	Share premium	General reserve	Revaluation reserve	Associates reserve	Hedge reserve	Translation reserve	Net result for the year	Total equity
Balance as at 31 December 2011	922.9	1,464.8	197.1	1,375.3	38.8	5.8	-17.0	218.2	4,206.0
Profit appropriation 2011			143.0	76.0	-0.8			-218.2	-
Balance as at 1 January 2012	922.9	1,464.8	340.1	1,451.3	38.0	5.8	-17.0	-	4,206.0
Net result								16.0	16.0
Other comprehensive income						-13.6	1.7		-11.9
Total comprehensive income	-	-	-	-	-	-13.6	1.7	16.0	4.1
Dividends to shareholders	38.9	-39.0	-127.4						-127.5
Balance as at 31 December 2012	961.8	1,425.8	212.7	1,451.3	38.0	-7.8	-15.3	16.0	4,082.5

(€ million)	Share capital	Share premium	General reserve	Revaluation reserve	Associates reserve	Hedge reserve	Translation reserve	Net result for the year	Total equity
Balance as at 31 December 2012	961.8	1,425.8	212.7	1,451.3	38.0	-7.8	-15.3	16.0	4,082.5
Profit appropriation 2012			109.1	-104.2	11.1			-16.0	-
Balance as at 1 January 2013	961.8	1,425.8	321.8	1,347.1	49.1	-7.8	-15.3	-	4,082.5
Net result	-	-	-	-	-	-	-	-250.5	-250.5
Other comprehensive income						1.9	-0.3		1.6
Total comprehensive income	-	-	-	-	-	1.9	-0.3	-250.5	-248.9
Dividends to shareholders	21.2	-21.2	-189.9						-189.9
Balance as at 31 December 2013	983.0	1,404.6	131.9	1,347.1	49.1	-5.9	-15.6	-250.5	3,643.7

* The proposed profit appropriation is included in other information. € 164.5 million of the result for 2013 (2012: € 93.1 million) will be deducted from the non-distributable reserves.

Legal and statutory reserves, which are non-distributable reserves, comprise the revaluation reserve, associates reserve and translation reserve. Other reserves comprise general reserve and hedge reserve.

For more information, reference is made to note 19 to the consolidated financial statements.

7 NON-CURRENT LIABILITIES

(€ million)	2013	2012
Bonds	1,259.9	765.9
Loans to entities in the Group	869.8	876.0
Other loans	457.9	686.7
Derivative financial instruments	-	19.9
As at 31 December	2,587.6	2,348.5

The increase of the Bonds is mainly the result of the issuance of a € 500 million public bond in February 2013. The proceeds were partly used to repay Other loans.

8 CURRENT LIABILITIES

(€ million)	2013	2012
Loans and borrowings	278.0	139.2
Derivative financial instruments	-	0.1
Amounts owed to entities in the Group	1,001.1	793.2
Accruals	49.7	36.0
As at 31 December	1,328.8	968.5



9 REMUNERATION

For information on the remuneration, please refer to note 22 of the consolidated financial statements.

10 LIST OF GROUP COMPANIES AND ASSOCIATES

MOST IMPORTANT SHAREHOLDINGS:

Name	Registered office	Share in capital	Consolidate
NETHERLANDS Corio Nederland B.V. (previously CNR)	Utrecht	100%	yes
NETHERLANDS CCA German Retail I B.V.	Utrecht	100%	yes
NETHERLANDS CCA German Retail II B.V.	Utrecht	100%	yes
FRANCE Corio SA	Parijs	100%	yes
SPAIN Corio Real Estate España SL	Madrid	100%	yes
ITALY Corio Italia S.r.l.	Milan	100%	yes
ITALY CCDF S.p.a.	Udine	49%	no
TURKEY Corio Yatirim Holding AS	Istanbul	100%	yes
TURKEY Akmerkez Gayrimenkul Yatirim Ortakligi Anonim Sirketi	Istanbul	47%	no
TURKEY Tan Gayrimenkul Yatirim Insaat Turizm Pazarlama ve Ticaret S.A.	Denizli	51%	yes
BULGARIA Corio Lulin EOOD	Sofia	100%	yes
LUXEMBOURG Reluxco International S.A.	Luxembourg	100%	yes

11 INFORMATION PURSUANT TO THE FINANCIAL SUPERVISION ACT (WFT)

Pursuant to the Financial Supervision Act (WFT), the members of the Supervisory Board and Management Board of Corio report that they held no personal interest in the Company's investments in 2013. To the best of Corio's knowledge, ABP (through direct and indirect holdings) is the only shareholder which can be considered a related party within the meaning of the Decree on the Supervision of the Conduct of Financial Undertakings (under the WFT) in that it holds more than 20% of the voting rights conferred by Corio shares.

COST RATIO

The WFT requires investment institutions to report cost ratios such as the Ongoing Charges Figures (OCF). This requirement was introduced to ensure the availability of clear and comparable information on cost levels. With effect from 2006 and in compliance with the Further Rules for Supervision of the Market Conduct of Investment Institutions, issued by the Dutch regulator the Netherlands Authority for the Financial Markets (AFM), the OCF is defined as total costs (property operating expenses, general expenses and taxes), excluding interest charges, as a percentage of the weighted average net asset value for the four quarters in the book year. In 2013, Corio's cost ratio worked out at 2.64% compared to 2.66% in 2012.

12 RELATED PARTIES

Qualifying as related parties of the Group are its subsidiaries, joint ventures, associates, members and close family members of the Supervisory Board and Management Board and Stichting Pensioenfonds ABP (through direct and indirect holdings). Transactions with related parties take place at arm's length.

Members and close family members of the Supervisory Board and Management Board do not have any material interest in Corio's voting shares and do not have options on the shares. In 2011 one of the Management Board members (B.A. van der Klift) purchased Eurobonds with a nominal value of € 30,000 which were placed by the company at an 4.625% interest rate in October 2010. Mr. Carrafiell (member of the Supervisory Board) is a partner at GreenOak Real Estate. GreenOak Real Estate acts as a consultant with regard to one of Corio's projects. In this regard Mr. Carrafiell did not take part in the deliberations and decision-making regarding these topics in the Supervisory Board, nor did the Company share any information for decision-making with him, in accordance with article 11 of the Supervisory Board rules. Corio paid an amount of € 0.12 million to GreenOak Real Estate. Access to Quality, of which Mr. Van den Berg (member of the Supervisory Board) is one of the owners, has advised Corio on some projects. The related amount Corio paid is € 0.05 million. The Group has not granted any loans to the members of the Supervisory Board and Management Board. The remuneration of the members of the Supervisory Board and Management Board in 2013 was respectively € 0.3 million and € 1.6 million (2012: respectively € 0,3 million and € 2.5 million). For more information on the remuneration and Corio shares owned by the members of the Management Board and the Supervisory Board we refer to note 22. Pursuant to the Dutch Authority on Financial Supervision, the members of the Supervisory Board and Management Board of Corio report that they held no personal interest in the Company's investments in 2013.

To the best of Corio's knowledge, ABP is the only shareholder which can be considered a related party within the meaning of the Decree on the Supervision of the Conduct of Financial Undertakings (under the WFT) in that it holds more than 20% of the voting rights conferred by Corio shares. Per 31 December 2013, ABP holds approximately 30.58% of the Corio shares. ABP acts as pension fund provider for a number of employees. In 2010 this agreement was extended by five years. The pension contributions are determined according to the ABP retirement plans. In 2013 these contributions amounted to €1.0 million (2012: € 1.0 million). In 2009 Corio contracted a floating-rate inflation linked loan of € 200 million for seven years from a subsidiary of ABP. The balance of this loan as per 31 December 2013 amounts to € 216.6 million and the interest expense for the year then ended amounts to € 12.8 million. As per 31 December 2013 Corio has a loan receivable of € 86 million towards its joint venture International Shopping Centre Investment S.A. (Porta di Roma). An amount of € 4.4 million is received as interest income on this loan.



13 CONTINGENT LIABILITIES

Corio has provided a guarantee pursuant to Section 403 of Part 9, Book 2, of the Netherlands Civil Code in respect of several of its subsidiaries in the Netherlands. The majority of the Dutch Corio entities are part of the Corio VAT-group and therefore legally bear joint and several liability. Corio N.V. forms a tax group for corporate income tax along with a number of Dutch subsidiaries and, under the standard conditions, each of the subsidiaries is liable for the tax payable by all the subsidiaries that are part of the tax group.

14 AUDIT FEES

The table below shows the fees charged by the PricewaterhouseCoopers Accountants N.V. network in respect of activities for Corio N.V. and its subsidiaries.

(€ thousands)	2013	2012
Audit of the financial statements	739	591
Other audit engagements	335	560
Other non-audit services	13	75
Total	1,087	1,226

An amount of € 418,000 (2012: € 567,000) relates to work performed in the Netherlands, of which € 270,000 (2012: € 190,000) relates to the audit of the financial statements and € 135,000 (2012: € 331,000) relates to the other audit engagements and € 13,000 (2012: € 46,000) to other non-audit services.

Utrecht, 17 February 2014

The Supervisory Board

The Management Board



OTHER INFORMATION

PROVISIONS OF THE ARTICLES OF ASSOCIATION CONCERNING RESULT APPROPRIATION

The result appropriation is subject to the provision of Article 34, paragraph 2, of Corio's articles of association, which states that the result shown by the income statement as adopted by the General Meeting of Shareholders is at the disposal of the General Meeting. In order to comply with the requirements imposed on fiscal investment institution (FBI), Corio must, as a minimum, distribute its entire taxable profit in cash. If it appears after notification that the dividend to be paid in shares is such that the amount paid in cash is lower than the taxable profit for the year, then a pro-rata discount will be applied to the payment in shares so that the distribution requirement in cash is complied with. The pro-rata discount will be paid in cash.

PROPOSAL FOR RESULT APPROPRIATION

For 2013, a dividend of € 209.0 million, which is € 2.13 (in cash or in shares) per share is proposed. Of the result for 2013 amounting to € 250.5 million negative, € 164.5 million of the result for 2013 will be deducted from (2012: € 93.1 million) the non-distributable reserves. The remainder of the result will be appropriated to the general reserve.

EVENTS AFTER THE REPORTING PERIOD

Corio has sold 12 retail properties in the Netherlands and in France for a total amount of € 250.0 million in the first two months of 2014, which equals the fair value per 31 December 2013. The disposals concern small to medium sized shopping centres, mainly outside the metropolitan area.

In the first half year of 2014 Corio will align the organization in the Netherlands and France following the disposals. Not only staff reduction but also the organizational structure will be adjusted to support a more agile, performance driven, culture. Both in France and the Netherlands layers will be reduced in the organisation and enhance profit responsibility at shopping centre level.



INDEPENDENT AUDITOR'S REPORT

To the General Meeting of Corio N.V.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

IN OUR OPINION

- the consolidated financial statements as set out on pages 78 to 116 give a true and fair view of the financial position of Corio N.V., (the 'Company') and its subsidiaries (the 'Group') as at 31 December 2013, and of their result and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code; and
- the Company financial statements as set out on pages 117 to 122 give a true and fair view of the financial position of Corio N.V. as at 31 December 2013, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

WHAT WE HAVE AUDITED

We have audited the accompanying financial statements 2013 as set out on pages 78 to 122 of Corio N.V., Utrecht. These financial statements consist of the consolidated financial statements and the Company financial statements. The consolidated financial statements comprise the consolidated statement of financial position as at 31 December 2013, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes, comprising a summary of significant accounting policies and other explanatory information. The Company financial statements comprise the Company statement of financial position as at 31 December 2013, the Company income statement for the year then ended and notes, comprising a summary of significant accounting policies and other explanatory information.

THE BASIS FOR OUR OPINION

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the section *Our Responsibilities for the Audit of Financial Statements* of our report.

We are independent of the Group in accordance with the relevant Dutch ethical requirements as included in the 'Verordening op de gedrags- en beroepsregels accountants' (VGBA) and the 'Verordening inzake de onafhankelijkheid van accountants assuranceopdrachten' (ViO) and have fulfilled our other responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

THE KEY AUDIT MATTERS FROM OUR AUDIT

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements 2013. Key audit matters are selected from the matters communicated with the Supervisory Board, but are not intended to represent all matters that were discussed with them. Our audit procedures relating to these matters were designed in the context of our audit of the financial statements as a whole. Our opinion on the financial statements is not modified with respect to any of the key audit matters described below, and we do not express an opinion on these individual matters.

VALUATION OF INVESTMENT PROPERTY (UNDER DEVELOPMENT)

The valuation of the 'Investment Property (under development)' ('Property') is important to our audit as it is the Group's most significant asset and is highly dependent on estimates. The Management Board uses external appraisers to support its determination of the individual fair value of the Properties. Properties that are expected to be sold and that are in a very advanced stage of negotiations are valued at the expected selling price. Amongst others, we have considered the objectivity, independence and expertise of the external appraisers, assessed the correctness of the property related data as used by the external appraisers and used our PwC valuation specialists to assist us in analysing the external valuations. All individual Properties are valued externally. Furthermore, we have also challenged the Management Board on the difference between the selling price of the portion of the TRC Assets that were sold during 2013 and January 2014. We also assessed the impact of the January 2014 transaction on the valuation of the remaining Property portfolio of the Group. We have discussed with all external appraisers the (movements in) fair value of the Property. Refer to Note 8 and 9 for more information on the valuation of the Property

(DEFERRED) INCOME TAX

The Group operates in various countries with local tax regulations. The (Deferred) income tax related valuation is significant to our audit as the assessment process is complex and judgemental and is based on assumptions that are affected by expected future market or economic conditions. The Group has recorded deferred tax assets in the financial statements resulting from losses carried forward and deferred tax liabilities from temporary differences between the fair value of the Investment Property (under development) and the tax base of the Investment Property (under development). The Management Board has updated the (deferred) income tax position in cooperation with its external tax advisors. Our audit procedures included, among others, evaluating assumptions and methodologies used by the Group to determine the recoverable amount on deferred tax assets per country and the calculation of the temporary differences based on local tax regulations for the deferred tax liability. We also used PwC tax specialists to assist us in evaluating the assumptions and methodologies used by the Group. For more information on (deferred) income tax reference is made to note 7 and 15.

MONITORING OF CLAIMS AND LITIGATION

The Group is faced with claims and litigation – primarily tax related, in Turkey, Italy and Spain. Claims (including those litigation-related) are either provided for as a liability or reflected as contingent liabilities in the notes to the financial statements, depending on the actual legal positions and the expectations of the Management Board. The Group updated the legal positions with the use of external legal experts in the applicable countries. As a part of our audit, we considered the claims and litigation important given the related subjectivity. Therefore, amongst others, we have read the external legal opinions and used PwC tax specialists to assist us in evaluating the status of the claims and litigation as well as obtained lawyers' letters as we considered necessary for our audit. For more information on claims and litigations reference is made to note 27.

**OUR FINDINGS WITH RESPECT TO GOING CONCERN**

As included in the Basis of Measurement paragraph in the notes to the consolidated financial statements, the financial statements have been prepared using the going concern basis of accounting. The use of this basis of accounting is appropriate unless the Management Board either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

As part of our audit of the financial statements, we concur with the Management Board's use of the going concern basis of accounting in the preparation of the financial statements.

The Management Board has not identified a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern, and accordingly none is disclosed in the financial statements. Based on our audit of the financial statements, in which we have considered the headroom analysis for the next 18 months, we also have not identified such a material uncertainty.

However, neither the Management Board nor the auditor can guarantee the Company's ability to continue as a going concern.

RESPONSIBILITIES OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD FOR THE FINANCIAL STATEMENTS

The Management Board is responsible for the preparation and fair presentation of these financial statements in accordance with EU-IFRS and with Part 9 of Book 2 of the Dutch Civil Code, and for the preparation of the Management Board report in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the Management Board is responsible for such internal control as the Management Board determines is necessary to enable the preparation of financial statements that are free of material misstatement, whether due to fraud or error. The Supervisory Board is responsible for overseeing the Group's financial reporting process.

OUR RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Dutch Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Dutch Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the planning and performance of the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Board.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company and business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We are required to communicate with the Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We are also required to provide the Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with the Supervisory Board all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

REPORT ON THE MANAGEMENT BOARD REPORT AND OTHER INFORMATION

Pursuant to the legal requirement under Part 9 of Book 2 of the Dutch Civil Code regarding our responsibility to report on the Management Board report and the other information:

- We have no deficiencies to report as a result of our examination whether the Management Board report, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of the Dutch Civil Code, and whether the other information has been annexed as required by Part 9 of Book 2 of this Code; and
- We report that the Management Board report, to the extent we can assess, is consistent with the financial statements.

Amsterdam, 17 February 2014
PricewaterhouseCoopers Accountants N.V.

Original has been signed by
Drs. P.J. van Mierlo RA