

(Closes share price in seventh paragraph.)

By Peter Woodifield

Aug. 24 (Bloomberg) -- Corio NV, a Dutch company that owns shopping centers in the Netherlands, France, Italy and Spain, said first-half profit gained 61 percent as investor demand pushed up the value of its malls.

Net income rose to 268.3 million euros (\$343 million), or 4.05 euros per share, from 166.3 million euros, or 2.51 euros, a year earlier, the Utrecht-based company said today in a statement.

The like-for-like rental growth for Corio's properties amounted to 2.9 percent, which was "a little bit disappointing compared with companies like Rodamco and Klepierre," said Harm Meijer, an analyst at JPMorgan in London with a "neutral" rating on the stock.

Corio has this year spent more than 200 million euros on shopping centers to reduce the proportion of income from offices, whose performance is more volatile. In July, the company agreed to pay 122 million euros for Barcelona's Maremagnum retail complex, which will contribute to this year's earnings.

Net asset value, a measure used by investors and analysts to gauge real estate company performance, rose 7.1 percent to 44.49 euros per share at June 30 from three months earlier, according to today's statement.

### Construction Costs

The revaluation of Corio's properties added 194.3 million to earnings in the first half, up from a gain of 75.2 million euros a year earlier. The biggest percentage gain was in its shopping centers, which account for more than 79 percent of Corio's 4.8 billion euros of assets.

Shares of Corio fell 70 cents, or 1.3 percent, to 52.70 euros in Amsterdam, giving the company a market value of 3.54 billion euros. The stock has gained 13 percent in the past year. That compares with a 22 percent gain among real estate companies in the euro zone that focus on shops and malls, according to AME Capital.

Net rental income rose 2 percent to 140.8 million euros. Corio forecast that rents to France, most of which rise in line with construction costs, will increase faster next year.

The company reiterated a forecast that the so-called direct result, which excludes gains and losses on valuations, will fall "slightly" this year on higher interest and administrative costs. The direct result fell 1.5 percent in the first half to 98.9 million euros as higher administrative and financing costs overshadowed the growth in rental income.

--Editor: Blackman.