CORIO

Why people buy

ANNUAL REPORT 2009


TERAS PAR
our clothes

CONTENT

PREFACE

After a disastrous year in the financial markets in 2008, 2009 was the year of the aftermath. Amid widespread corporate restructuring, Corio maintained a firm course and showed great resilience throughout the year. A major focus for us, as with all companies, was our balance sheet and the need to secure our longer term funding at sustainable rates. Even for highly respected companies like Corio this was a challenge as the availability of funding in the market shrank to near zero and any financing that could be obtained came at a high price. Funding growth and securing redemption schemes took up a good deal of management time. We were nevertheless able to keep an eye open for promising acquisitions and struck twice in 2009, in mid-year buying a prime property in central Madrid and later in the year making the decision to aim to enter the German market.

In the real estate sector at large, yields continued to rise during the year, pushing values down further. As a result a number of companies in our sector had to issue rights offerings to save their balance sheet and avoid breaching their covenants. Against this background, Corio intensified its acquisition search activities, analysing many options in our home markets. A good number of distressed sellers were expected to come to the market, but in fact this did not happen on a large scale. Our big triumph of the year was the acquisition of the Príncipe Pío shopping centre against a net initial yield of 7.9%. This acquisition is a good example of taking advantage of the depressed situation. In December, we announced plans to purchase part of the portfolio of Multi Corporation, consisting of shopping centres and developments mainly in Germany. This deal will potentially open up a new home market for Corio and give us a foothold in Europe's largest economy. At the same time we aim to form an alliance with Multi to jointly develop projects.

Meanwhile in the shopping centres of Europe, consumers changed their behaviour profoundly in response to the economic downturn, spending less as unemployment rose across Europe, saving more as they did not know how long the crisis would last or how deep it would be. Rising savings ratios and a shift towards discount products were two visible symptoms of this increased consumer caution, and durable consumer goods like furniture and electronics were hit the worst.

The property sector traditionally lags the real economy. Tenants can normally absorb the first period of declining turnover without it affecting their ability to pay the rent. In 2009, however, throughout the European market, declining turnover translated more rapidly into lower rental income as vacancy increased in all markets. The trend was particularly pronounced in the B locations.

CORIO SHOWED RESILIENCE IN THE FACE OF THE CRISIS THANKS TO ADVANCE PREPARATION AND THE QUALITY OF ITS PORTFOLIO

Corio showed resilience in the face of the crisis thanks to advance preparation and the quality of its portfolio. In 2008 the company had already made good progress in weather-proofing its exposure to the financial markets. We reduced the committed pipeline and ensured it was fully covered by available financing. This was continued in 2009 with actions to further strengthen the balance sheet.

On the operational income side the company achieved continued sustainable growth thanks to the quality of the portfolio and its heavy weighting towards A locations, which have shown greater immunity to the impact of the economic crisis.

Our management approach, whereby we stay close to the business we manage, also helps ensure we are able to act quickly and flexibly and better anticipate developments in our markets. As a result, especially in our larger markets in the Netherlands, France and Italy, the Corio centres achieved relatively strong like-for-like growth and reletting/renewal results when compared to the market. Even Spain and Turkey, where the crisis was more severe, turned in a relatively strong performance compared to the market, and managed to show high occupancy rates.

AMONG THE MOST NOTEWORTHY ACHIEVEMENTS OF 2009 WERE OUR SUCCESSFUL FINANCING ACTIVITIES

The vast majority of our centres are classified as ‘city centre’ or ‘district centres’, meaning that they are in the middle of their catchment area and thus enjoy a high loyalty rate. Some of our centres are also ‘transit orientated’ – located near public transport hubs, thus ensuring that footfall remains strong. This supports directly Corio’s main objective to create favourite meeting places and is the essence of our business: ensuring that people who visit our centres linger longer and come back again for more. Close attention was paid this year to the operations in order to keep occupancy rates high. Additional resources were spent on adapting centres to consumer needs and communicating with tenants, with a view to maintaining reletting/renewals at a good level and achieving positive like-for-like growth. The additional effort paid off with a like-for-like growth rate of 1.7% and occupancy rate of 96.3% in the retail part of the portfolio.

Building the development activity in house progressed less than anticipated given the market circumstances. In 2008 it was already clear that the development pipeline should be reviewed with caution. In 2008 the time was not right to expand and this was the consensus view in 2009 too. The only developments that were started in-house related to extensions of existing properties, the timing of which the company was able to control fully.

Among the most noteworthy achievements of 2009 were our successful financing activities. Apart from renewing and obtaining debt facilities, Corio raised € 258 million equity through an Accelerated Book Build (ABB). This step was crucial in safeguarding the future financial stability of the company for the coming years and in preparing us for opportunities.

Our strategy, meanwhile, remains on course. Our aim to become a pure play retail property company, investing in and operating dominant shopping centres with in-house management, still stands. The objective of Corio to in-source development activities is an important element of this. Looking at the market and where it stands, however, we decided to take things more cautiously in 2009 and wait until markets are more settled. We are applying the same caution to our goal to have up to a maximum of 20% of our capital invested in emerging markets.

In the second half of 2009, when the financial markets started recovering, it became clear that values were slowly turning around. First in the UK and later also in France, we finally saw upward movement again, if only in the A-class properties segment. Soon after we decided to enter negotiations regarding the purchase of A-class assets from Multi Corporation in Germany. If the negotiations are successful, we aim to create a new home market with immediate critical mass. At year end 2009 we were in exclusive ongoing negotiations with the company but without any assurance that an agreement would be reached.

In short, 2009 was a year of challenges and difficult decisions balanced by some opportunities, which we took with a view to securing sustainable future growth. Thanks to a combination of a strong starting position, expertise and team spirit we emerged from the year in many ways stronger than before. For that reason I would like to thank all Corio people for their effort and contribution and look forward to another year with all of you. Another year in which we will strive again to create favourite meeting places, where people like to meet, spend time and shop.

Gerard Groener
CEO Corio N.V.

FIVE-YEAR REVIEW

(x € million)	2009	2008	2007	2006	2005
FINANCIAL					
Gross rental income	390.8	397.9	363.1	327.4	315.0
Property operating expenses (including service charges)	-53.8	-51.9	-46.8	-47.7	-46.3
Net rental income	337.0	346.0	316.3	279.7	268.7
Direct share of results of associates	8.7	15.2	14.2	15.7	10.4
Revaluations (including result on sales)	-389.7	-355.4	552.5	458.5	396.0
Indirect share of result of associates	-5.6	-96.7	76.9	17.4	29.3
Net result	-131.9	-239.6	801.5	640.7	589.1
Direct result	218.2	204.1	203.1	197.7	201.4
Indirect result	-350.1	-443.7	598.4	443.0	387.7
Invested in property	5,885.5	6,038.7	6,459.7	5,458.6	4,542.9
Total assets	6,291.2	6,408.4	6,713.4	5,652.5	4,633.7
Shareholders' equity (excluding minority)	3,384.1	3,458.5	3,825.8	3,157.7	2,672.1
Leverage (%)*	40.4	40.1	34.0	35.8	35.1
Interest coverage ratio**	3.4	2.6	3.0	4.2	4.9
Average number of issued shares (x million)	72.16	66.25	66.25	66.25	66.25
Figures per share (x € 1)					
Net result	-1.83	-3.62	12.10	9.67	8.89
Direct result	3.02	3.08	3.07	2.98	3.04
Indirect result	-4.85	-6.70	9.03	6.69	5.85
Shareholders' equity (before result appropriation)	44.32	52.20	57.74	47.66	40.33
Dividend	2.65***	2.64***	2.60	2.53	2.45
Share closing price (highest)	49.20	62.66	75.19	61.90	48.94
Share closing price (lowest)	25.87	30.71	49.95	43.66	41.20
Share price at year-end	47.69	32.89	55.40	61.90	45.90
Average stock exchange turnover (shares per day)	300,800	438,421	350,634	175,046	148,567
Market capitalisation (€ billion)	3.6	2.2	3.7	4.1	3.0
BUSINESS					
Average financial occupancy rate retail (%)	96.3	97.7	96.8	97.5	98.3
Like-for-like retail (%)	1.7	4.0	5.9	3.3	3.8
Reletting and renewal retail, increase in rent (%)	7.2	16.6	18.7	20.9	20.0
Share portfolio in retail (%)	94	92	83	81	79
Gross Leasable Area retail (m^2)	1,467,600	1,355,000	1,210,000	1,098,000	1,048,000
Pipeline(€ billion)	2.3	2.7	3.5	2.1	1.7
Average Net Theoretical Yield retail portfolio (%)	6.7	6.1	5.7	NA	NA

* Leverage is defined as total liabilities less deferred tax and creditors, divided by the balance sheet total less goodwill.

** Interest cover is defined as total net rental income and dividends received from minority interests, divided by interest paid (or otherwise due) less interest income, both for the past 12 months.

*** In cash or shares.

PROFILE

- LISTED ON EURONEXT NYSE IN AMSTERDAM AND PARIS
- FBI AND SIIC REGIMES
- 5 HOME MARKETS
- CRITICAL MASS
- 91 SHOPPING CENTRES
- IN-HOUSE CENTRE MANAGEMENT, LETTING AND DEVELOPMENT
- DOMINANT SHOPPING CENTRES
- DECENTRALISED ORGANISATION > LOCAL+
- LOW LEVERAGE: HEALTHY FINANCIAL STRUCTURE
- 468 EMPLOYEES
- CORPORATE SOCIAL RESPONSIBILITY

Corio is a retail property company. It specialises in the selection, development, redevelopment and management of shopping centres. Currently Corio runs operations in five countries: the Netherlands, France, Italy, Spain and Turkey. The company's shares are traded on Euronext NYSE in Amsterdam and Paris. Under Dutch law Corio is a closed-end fiscal investment institution (FBI). It has a SIIC status in France. As of March 2008, Corio has been included in the Dutch blue-chip index of 25 leading shares, the AEX.

Corio wants to create favourite meeting places: sustainable centres where people like to meet, spend their leisure time and shop; places they want to visit again.

In selecting investments, Corio focuses on shopping centres that are dominant in their catchment area. These are the projects where we can present the consumer a full range of shops, convenience stores, restaurants, leisure & entertainment as well as event space and a wide range of services. This is where Corio, with its local and professional hands-on management, can add most value. In addition to buying and developing shopping centres, Corio leases and runs its shopping centres in house, making it an integrated and focused retail property company.

Corio takes an active approach to investing, aimed at creating value and based on the careful timing of acquisitions and sales. The quality of a shopping centre, as reflected in the cash flow, is determined by the quality of local management. The success of Corio's portfolio depends on the efforts of the local letting managers, centre managers and developers. For that reason Corio has a highly decentralised business model whereby the local business units in each country are largely responsible for their own operating results. This shortens response time to changing consumer demands and habits. The business unit management teams communicate regularly with the holding company in Utrecht.

Corio has an operational portfolio that was valued at € 5.7 billion on 31 December 2009, consisting of investments covering a Gross Leasable Area (GLA) for retail of 1.5 million m² in 105 projects, 91 of which are shopping centres. Corio's strategy is to expand this portfolio by extending and redeveloping existing operational centres and developing and acquiring new projects. The pipeline portfolio amounts to investments of € 2.3 billion, covering 0.6 million m² GLA in 31 projects. Of the pipeline, 45% consists of planned extensions of existing centres that Corio already owns.

There is also a divestment plan, the main objective of which is to sell non strategic assets like the office and industrial properties in France and smaller retail assets where Corio can no longer add value. When the projects in the pipeline are completed, Corio will have a portfolio of 100 retail projects with a GLA of 2.0 million m². Shopping centres will then account for 99% of the portfolio. Corio employs 468 people, 90% of whom are employed in the business units.

With 40.4% leverage and fixed-interest loans accounting for about 66% of its borrowings. Corio ensures its ability to meet its obligations in both the short and the long term. By financing its operations in this manner Corio takes a conservative approach. Corio organises and manages these financing activities centrally.

CONSUMERS DETERMINE THE SUCCESS OF OUR CENTRES. THEY CHOOSE WHERE AND HOW THEY SHOP, SPEND THEIR LEISURE TIME AND SOCIALISE.

Corio management closely monitors consumers by continually measuring how many people visit our centres and where and how they spend. There is no such thing as a typical consumer. Consumer behaviour is driven by individual mindset and consumers are impulsive. Just as the tourist's needs are different from those of the commuter, recreational shopping has to meet different needs than daily shopping. The needs of people going out for the evening with friends are different again.

At least 80% of the revenue generated by our centres comes from the primary catchment area. It is crucial to know who lives and works in the area in order to match the supply to their needs and wishes. Our understanding of what unites people and our use of this knowledge is key to the success of our centres, at the heart of the local community. The challenge extends beyond the shopping experience to embrace additional services, functions and events, by creating more occasions that establish ties between neighbourhood, district or town and our centre. This creates loyalty, it helps us to outperform and to fulfil our corporate social responsibility.

RETAILERS ARE CLOSE TO THE CONSUMER, SO THEY KNOW BETTER THAN ANYONE WHY PEOPLE VISIT OUR CENTRES, WHY THEY STAY AROUND AND BUY.

Retailers are our most important business partners. It is important for them to have good personnel policies, to make the right investments in and around their shops and to be responsive to the changing needs and expectations of their customers. Their success determines our centres' success. Corio management puts a great deal of work into selecting and combining tenants. Frequent contact with our retailers gives us a direct insight into the potential of our centres, as well as accurate numerical data. Corio's own letting and centre management disciplines are, of course, crucial in this business model.

By building a large portfolio and investing in new developments, we give our tenants the opportunity to replicate successful businesses in other regions, leading to higher revenues, closer cooperation and faster growth in rental income. To maximise this potential, Corio focuses primarily on larger, dominant centres, where there is more scope for expansion and adjusting the retail mix, and through that, enhancing our performance.

MUNICIPALITIES ARE ALWAYS SEEKING WAYS TO IMPROVE THE QUALITY OF THE PUBLIC REALM. URBAN CENTRE LOCATIONS THAT COMBINE MANY DIFFERENT FUNCTIONS PLAY AN IMPORTANT ROLE HERE.

The retail function is often the economic driver behind improvements in the public realm, that municipalities can implement. Corio offers solutions for municipalities wanting to invest in the quality of urban areas. Through its in-house market research, its understanding of consumers and their behaviour, its large portfolio, its mix of cultures and its knowledge of different European regions, Corio is able to bring maximum creativity to the solutions it proposes.

Being involved in these challenges from the start also brings advantages to Corio. Adding properties to the portfolio based on cost creates greater potential for future appreciation and performance than acquisitions in highly competitive environments with correspondingly high prices. It also means that Corio is able to influence the quality of the project from the start. Corio's quality is reflected in the mix of retailers, the design, the services and the management. In-house development expertise has become an important asset within the Corio organisation.

PEOPLE AT CORIO ALWAYS GIVE THEIR BEST. THEY ARE COMMITTED TO THEIR PROFESSION AND CONSIDER IT A PRIVILEGE TO BE ABLE TO PRACTICE IT AT CORIO.

Dedication is the source of outperformance, which is precisely why Corio adopts a hands-on management approach. Centre managers, letting managers and developers all work to create sustainable places which consumers enjoy visiting, where they enjoy spending time and socialising and where they like to return to, in the process making the Corio centres the heart of their communities. That is only possible if these front-line people have access to the best possible information. Professionals in fields ranging from market research to portfolio analysis and accounting work hard to gather this information and to present it in a transparent manner.

Corio gives its staff freedom, and with freedom comes accountability. Transparency and trust go hand in hand and are key to this. In this age of abundant information, knowledge is still important – and skills even more so. At Corio the open exchange of ideas, knowledge and information between different disciplines and cultures in Europe, teamwork is becoming ever more important. The company is therefore evolving into a network organisation in which fit-for-purpose teams take on the challenge of generating added value for consumers, retailers and shareholders.

HIGHLIGHTS

	2009	2008
NUMBER OF VISITORS	360 MILLION	345 MILLION
RETAIL CONTRACTS	5,300	4,800
LEASABLE AREA RETAIL	1.5 MILLION M^2	1.4 MILLION M^2
OCCUPANCY RETAIL	96.3%	97.7%
OPERATIONAL PORTFOLIO	€ 5.7 BILLION	€ 5.8 BILLION
PIPELINE	€ 2.3 BILLION	€ 2.7 BILLION
NET RENTAL INCOME	€ 337.0 MILLION	€ 346.0 MILLION
TOTAL RENTAL GROWTH (CONTINUED)	6.1%	14.0%
LIKE-FOR-LIKE GROWTH RETAIL	1.7%	4.0%
DIRECT RESULT	€ 218.2 MILLION	€ 204.1 MILLION
INDIRECT RESULT	-€ 350.1 MILLION	-€ 443.7 MILLION
NET PROFIT	-€ 131.9 MILLION	-€ 239.6 MILLION
MARKET CAPITALISATION	€ 3.6 BILLION	€ 2.2 BILLION
DIVIDEND PER SHARE	€ 2.65	€ 2.64
NAV	€ 44.32	€ 52.20
NNNAV	€ 47.14	€ 57.98

CREATING SUSTAINABLE PLACES WHERE PEOPLE LIKE TO MEET AND RETURN: FAVOURITE MEETING PLACES. CORIO IS A SPECIALIST IN DEVELOPING AND OPERATING SHOPPING CENTRES. RUNNING A PORTFOLIO OF 91 CENTRES IN FIVE COUNTRIES TAKES EXPERTISE. DESIGNING THE RIGHT LAYOUT AND SIZE, ENGAGING THE RIGHT RETAILERS, BUILDING ENOUGH PARKING AND ALL OTHER FUNCTIONS TO SERVE AND ENTERTAIN, TO ADAPT TO OUR CATCHMENT AREA; THAT IS OUR DAILY BUSINESS.

ALL THIS IS NECESSARY, BUT NOT SUFFICIENT. TO CREATE A FAVOURITE MEETING PLACE WE NEED TO BE INVOLVED. INVOLVED WITH OUR CONSUMERS. INVOLVED IN CREATING THE RIGHT ATMOSPHERE, THE RIGHT EVENTS, A SAFE ENVIRONMENT, A WARM FEELING, TO CREATE A PLACE WHERE PEOPLE LIKE TO COME TOGETHER, MEET ONE ANOTHER, AND COME BACK AGAIN. THERE'S NO DEFINITION, NOR A FIXED CONCEPT. ONE THING IS CLEAR: PEOPLE GO WHERE PEOPLE ARE.

SHOPPING

EVENTS

CROWDS

FUN

FOOD & DRINK

SERVICES

CREATING THAT FAVOURITE MEETING PLACE IS SOMETHING ELSE EVERY TIME WE LOOK AT A CITY, A NEIGHBOURHOOD, AT PEOPLE. IT REQUIRES INVOLVEMENT, EMPATHY, INSPIRATION, BEING DARING AND ALSO BEING RELIABLE, VALUES WE LIVE BY WHEN DOING OUR JOB. IT TAKES MANY SKILLS AND LOOKING AT CHALLENGES FROM VARIOUS ANGLES, WHICH AUTOMATICALLY LEADS TO TEAMWORK. NO SUCCESS WITHIN CORIO COMES FROM SOLO ACTIONS, THERE'S ALWAYS A TEAM INVOLVED

FRIENDS

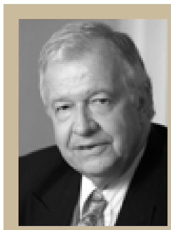
FAMILY

LEISURE

DESIGN

STYLE

CELEBRITIES

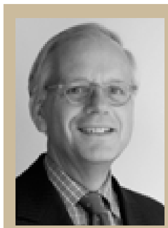


B. VOS
(Bas, 1939)

Chairman of the Supervisory Board
Dutch nationality. First appointed in 2000. Current term of office expires in 2012.

Supervisory directorships: Chairman of the Czech and Slovakia Fund, Romania and Bulgaria Fund, Russia Midcap Fund and KCM Beleggingsfondsen. Vice-Chairman of Koninklijke Reesink N.V. Member of Middle Europe Real Estate and several supervisory roles at unlisted companies.

Chairman of the Selection Committee
Member of the Audit Committee



R.A.H. VAN DER MEER
(Robert, 1949)

Vice-chairman of the Supervisory Board
Dutch nationality. First appointment in 2004. Current terms of office expires in 2012.

Present position: Professor of Finance, University of Groningen; director of Lesuut Finance B.V.\P&C B.V. and advisor of the Pension Fund Nederlandse Bisdommen and director of the Catharijne Stichting, Stichting Von Freiburg, Stichting Corpus and Stichting GITP International. Furthermore Mr. Van der Meer serves as deputy justice (raadsheerplaatsvervanger) with the Enterprise Chamber (High Court Amsterdam).
Supervisory directorships: European Asset Trust N.V., BNP Paribas OBAM N.V., Kas Bank N.V. and several supervisory roles at unlisted companies.

Chairman of the Audit Committee

W. BORGDORFF
(Wim, 1960)

Member of the Supervisory Board
Dutch nationality. First appointed in 2000. Current term of office expires in 2012.

Present position: Managing Partner of Fund Investment at AlpInvest Partners N.V.
Supervisory directorships: Member of the investment advisory committee of BPF Bouw (Industrial Sector Pension Foundation), member of the advisory board of Permira I, II, III and IV Limited Partnerships and Apax IV, V, VI, and VII Limited Partnerships.

Chairman of the Remuneration Committee

REPORT OF THE SUPERVISORY BOARD

TO THE GENERAL MEETING OF SHAREHOLDERS

Herewith we present the 2009 annual report and financial statements as drawn up by the Management Board. KPMG Accountants N.V. has audited the financial statements and issued an unqualified report on these statements. We recommend that you adopt the financial statements as presented and declare a dividend payable in cash or in shares of € 2.65 per share for 2009 in accordance with the Management Board's proposal. The objective of Corio's dividend policy, to be found on Corio's website (www.corio-eu.com), is at least to comply with the Dutch requirements for a fiscal investment institution (FBI) imposed on tax-exempted investment institutions and, except in special circumstances, to maintain the level of dividend on a per share basis and preferably increase this dividend by the average rate of inflation in the Euro Area.

STRUCTURE AND ACTIVITIES OF THE SUPERVISORY BOARD IN 2009

The organisation of the Supervisory Board is entirely consistent with the recommendations of the Dutch corporate governance code. With the exception of Mr W. Borgdorff, all the members of the Supervisory Board are independent within the meaning of best-practice provision III.2.1 of the code. According to the code the Supervisory Board members are deemed to be independent if they do not fulfill the dependence criteria as set out therein. Mr Borgdorff, however, is a director of a company of which 50% of the shares are held by ABP, which also holds more than 25% of the shares of Corio N.V.

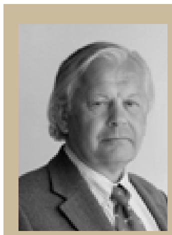
In the year under review, the Supervisory Board, the Audit Committee, the Remuneration Committee and the Selection Committee, performed their respective duties in accordance with the applicable rules, which can be downloaded from Corio's website. The Supervisory Board met with the Management Board in plenary session on eleven occasions in 2009. The main topics of discussion were strategy, investments, financing, risk management, Corporate Social Responsibility (CSR), targets, control systems, the annual budget and opportunities. During the year under review, Corio raised capital through a successful share issue and closed an inflation linked loan.

During the year press releases, quarterly reports, half-yearly figures and the annual report and financial statements were also discussed at the appropriate times. The external auditors presented the results of their examinations at the meetings at which the half-yearly figures and financial statements of the year were discussed. The Supervisory Board and the Audit Committee discussed the audit findings with the external auditors.

The members of the Supervisory Board held several meetings to discuss matters among themselves. The performance of the Management Board and the Supervisory Board as bodies and of the individual members of the boards were discussed and evaluated in meetings not attended by the Management Board. During these meetings the Supervisory Board discussed the composition of the Management Board, the portfolios assigned to Management Board members, and the remuneration policy for the Management Board.

The chairman of the Supervisory Board and the chairman of the Management Board met regularly to discuss general matters affecting Corio. The attendance rate of the members of the Board was 94%. None of the members of the Supervisory Board was frequently absent from meetings.

In November, an extra meeting of the Supervisory Board was held during a working visit in France, where the directors visited several shopping centres.



D.C. DOIJER
(Derk, 1949)

Member of the Supervisory Board
Dutch nationality. First appointed in 2005. Current term of office expires in 2013.

Present position: General Manager of DCD Holding B.V.
Supervisory directorships: Royal Ahold N.V. and several supervisory roles at unlisted companies.

Member of the Audit Committee
Member of the Remuneration Committee
Member of the Selection Committee

G.A. BEIJER
(Gobert, 1950)

Member of the Supervisory Board
Dutch nationality. First appointed in 2009. Current term of office expires in 2013.

Present position: Independent advisor and associate of Boer & Croon.
Supervisory directorships: Staedion (housing corporation The Hague)

Member of the Selection Committee
Member of the Remuneration Committee

COMPOSITION OF THE SUPERVISORY BOARD AND ACTIVITIES OF COMMITTEES

The curricula vitae of the Supervisory Board members, included in this section, provide information on the composition of all of the committees appointed by the Supervisory Board, whereby each committee consists of three Supervisory Board members. The activities of the committees are discussed below.
The Supervisory Board comprises five directors in total. In 2009, two members, Mr Doets and Mr Doijer, reached the end of their term of office. Mr Doets was replaced by a new member, Mr Beijer, who was appointed during the General Meeting of Shareholders on 17 April 2009. The Supervisory Board would like to thank Mr Doets for his efforts. At that same meeting Mr Doijer was reappointed by the Supervisory Board. In 2010 the Supervisory Board will review its profile taking into account the requirements of the Corporate Governance Code.

AUDIT COMMITTEE

The Audit Committee met four times in 2009. The main items on the agenda were the quarterly, half-yearly and annual report, the auditors' report, the management letters and the annual report. The Audit Committee therefore met with the external auditor at least once without any Management Board members being present in the applicable year. Risk management, treasury activities, foreign exchange policy and the company's financial results and position were discussed. The committee has reviewed furthermore the need for an internal auditor, but does not recommend one for the time being. This will be reviewed again in 2010.

REMUNERATION COMMITTEE

The Remuneration Committee met once during the year under review to discuss the variable remuneration and the short-term and long-term incentive of the Management Board.

Further information on the structure of and background to the remuneration policy can be found in the remuneration report section in this annual report. The remuneration report was prepared by the Remuneration Committee and has been adopted by the Supervisory Board. The process followed in 2009 is in line with the remuneration policy approved at the Extraordinary General Meeting of Shareholders on 10 December 2004 and the proposed amendment adopted by the General Meeting of Shareholders on 29 April 2008.

SELECTION COMMITTEE

The Selection Committee met once in 2009 to discuss the selection of the successor of the CFO, Mr Haars.

PERSONNEL

We would like to take this opportunity to express our appreciation and thanks to the Management Board and Corio's employees for all their hard work during the past year.

Utrecht, 18 February 2010
The Supervisory Board

TOP 10 VALUE
year-end

TOTAL

Value	€ 2,321.2 million
Footfall	107 million
GLA Corio	479,900 m²
Total GLA	791,800 m²
Number of contracts	1,488
% of total portfolio Corio	39.4%

Grand Littoral Marseille

Value	€ 333.4 million
Footfall	13.0 million
GLA Corio	57,100 m²
Total GLA	119,600 m²
Number of contracts	185
% of total portfolio Corio	5.7%

Hoog Catharijne Utrecht

Value	€ 317.2 million
Footfall	26.0 million
GLA Corio	112,400 m²
Total GLA	147,400 m²
Number of contracts	388
% of total portfolio Corio	5.4%

Shopville Le Gru Turin (incl. Ikea)

Value	€ 298.5 million
Footfall	10.9 million
GLA Corio	46,500 m²
Total GLA	93,000 m²
Number of contracts	166
% of total portfolio Corio	5.1%

Campania Naples

Value	€ 278.3 million
Footfall	10.2 million
GLA Corio	64,600 m²
Total GLA	108,000 m²
Number of contracts	176
% of total portfolio Corio	4.7%

Grand Place Grenoble

Value	€ 257.1 million
Footfall	8.3 million
GLA Corio	53,800 m²
Total GLA	80,000 m²
Number of contracts	124
% of total portfolio Corio	4.4%

Alexandrium Rotterdam

Value	€ 241.3 million
Footfall	8.5 million
GLA Corio	47,700 m²
Total GLA	47,700 m²
Number of contracts	172
% of total portfolio Corio	4.1%

Akmerkez Istanbul (46.9%)

Equity value Corio	€ 175.0 million
Footfall	6.5 million
GLA Akmerkez	33,400 m²
Total GLA	33,400 m²
Number of contracts	NA
% of total portfolio Corio	3.0%

Príncipe Pío Madrid

Value	€ 149.8 million
Footfall	12.0 million
GLA Corio	28,700 m²
Total GLA	28,700 m²
Number of contracts	115
% of total portfolio Corio	2.5%

Mondeville 2 Caen

Value	€ 142.4 million
Footfall	5.6 million
GLA Corio	15,900 m²
Total GLA	93,300 m²
Number of contracts	72
% of total portfolio Corio	2.4%

GrandEmilia Modena

Value	€ 128.2 million
Footfall	6.2 million
GLA Corio	19,800 m²
Total GLA	40,700 m²
Number of contracts	90
% of total portfolio Corio	2.2%

TOP 10 TENANTS
excluding turnover based rent

TOTAL

Rent	€ 66.8 million
% of total annual rent	16.8%
Number of contracts	267

Ahold
Albert Heijn, Etos, Gall&Gall

Rent	€ 10.4 million
% of total rent	2.6%
Number of contracts	59

PPR Group
FNAC, Conforama

Rent	€ 9.8 million*
% of total rent	2.5%
Number of contracts	9

* € 5.4 retail and € 4.4 industrial

Inditex
Zara, Berschka, Stradivarius, Pull & Bear

Rent	€ 9.2 million
% of total rent	2.3%
Number of contracts	51

Hennes & Mauritz
Hennes & Mauritz

Rent	€ 8.0 million
% of total rent	2.0%
Number of contracts	31

CSC Computer Sience

Rent	€ 7.6 million*
% of total rent	1.9%
Number of contracts	1

* Only offices.

Metro
Makro, Metro, Mediamarkt, Saturn

Rent	€ 5.9 million
% of total rent	1.5%
Number of contracts	15

Blokker
Blokker, Marskramer, Xenos, Bart Smit, Intertoys

Rent	€ 5.1 million
% of total rent	1.3%
Number of contracts	56

Carrefour
Carrefour

Rent	€ 4.7 million
% of total rent	1.2%
Number of contracts	9

Schuitema
C1000

Rent	€ 3.1 million
% of total rent	0.8%
Number of contracts	20

Courir Go Sport
Courir, Go Sport

Rent	€ 3.0 million
% of total rent	0.7%
Number of contracts	16

THE MANAGEMENT BOARD

G.H.W. GROENER
(GERARD, 1958)

CEO and chairman of the Management Board of Corio N.V

Appointed from 1 May 2008 to 1 May 2012.
Dutch nationality.

Ancillary positions: chairman of the board of the Dutch Urban Land Institute (from 1 January 2009).

J.G. HAARS
(JAN, 1951)

CFO and member of the Management Board of Corio N.V.

Appointed from 1 May 2007 to 1 May 2011. Mr Haars will resign at the AGM on 23 April 2010.
Dutch nationality.

Ancillary positions: member of the Supervisory Board of Delta Lloyd N.V., chairman of the Delta Lloyd N.V. audit committee, member of the Supervisory Board of Ajax N.V.

F.Y.M.M. FONTAINE
(FREDERIC, 1958)

Member of the Management Board of Corio N.V., CEO of Corio France

Appointed from 1 May 2008 to 1 May 2012.
French nationality.

Ancillary positions: member of the board of CNCC (Conseil National des Centres Commerciaux de France) and FSIF (Fédération des Sociétés Immobilières et Foncières).

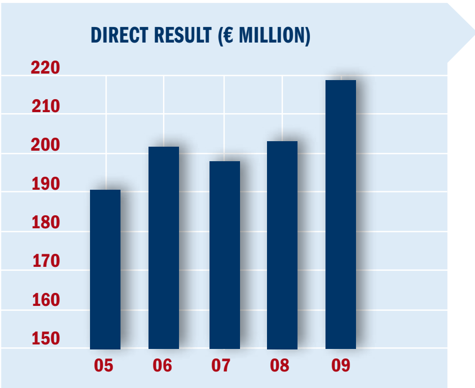
REPORT OF THE MANAGEMENT BOARD

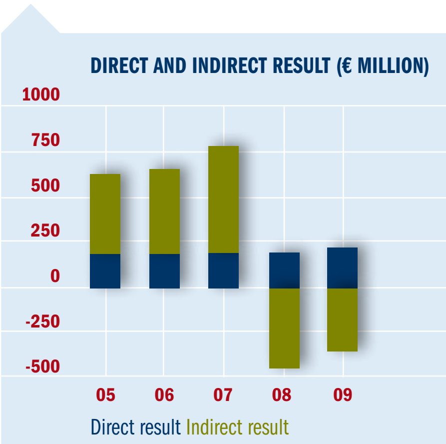
Corio's focus remains on growing income from its retail portfolio. After selling the Dutch office and industrial portfolio in 2008, Corio's retail exposure went from 83% to 92% (by value) at the start of 2009. Further sales of offices in France and investments in retail lifted this percentage to 94.

Fighting the adverse economic environment Corio again achieved strong net rental income growth on continuing operations of € 19.3 million in 2009, up 6.1%, and like-for-like growth of 1.8%. This growth came in above our target, which was to at least keep pace with consumer price inflation of 0.3% in the Euro Area and/or nominal growth in retail spending in the EU-15 countries, which averaged 2.0% negative. Financial markets remained difficult in 2009, especially in the first half. This led to another yield outshift. The strong rental growth compensated the loss in value due to the higher yield. In the second half of the year when yields began to stablise we returned to 'net-profit-territory'. Due to the acquisition of Príncipe Pío in Madid, Corio España was even able to achieve an upward revaluation over the second half. Over the full year Corio recognised a 6.4% negative revaluation of € 389.7 million on the total portfolio.

Caution was still the key word in managing the pipeline. Over the full year we cancelled three projects for a total amount of around € 188 million. These projects were cancelled because their (profitability) profiles no longer met our requirements. Other projects were renegotiated, some of them were still in that process at year-end. The completed renegotiations resulted in a net initial yield of between 50 and 100 basis points. The fixed committed part of the pipeline showed a net initial yield of 6.8% compared to 7.1% a year earlier.

THE MAIN RESULTS FOR 2009 CAN BE SUMMARISED AS FOLLOWS:





BUSINESS

DIRECT RESULT:

Top line growth was strong despite the difficult economic environment, with good top line growth, up 6.9% to € 218.2 million, laying the basis for a solid performance. Occupancy was relatively stable but operational expenses went up somewhat more than in 2008 as retailers ran into heavy weather, which was mostly visible in provisions for bad debt and non recoverable service charges. This led to a net rental income of € 337.0 million. The NRI growth for retail of € 21.0 million was achieved by way of a like-for-like increase of 1.7% (2.9% index, 0.6% reletting/renewals, 1.9% negative of other effects, mainly vacancy) and 4.7% coming from investment and divestment activities. Administrative expenses rose to € 35.5 million mostly because of growth in our organisations in Turkey and Italy, bringing EBIT on continuing operations to a level of € 310.2 million, up 2.5% compared to 2008.

PIPELINE

Seven projects were taken into operation and three projects left the pipeline due to cancellation. The total value of projects cancelled amounted to around € 188 million. Within the pipeline there were a number of movements between the various categories. The pipeline showed a net initial yield of 7.1% compared to 6.7% a year earlier.

ACQUISITIONS

In 2009 we made three acquisitions. Príncipe Pío in Madrid was purchased in June for € 126.5 million at a net initial yield of 7.9%. Furthermore we invested in two projects in Turkey: Tekira shopping centre (remaining 90%) and Teras Park, where we increased our share with 11% to a controlling 51% by means of a capital increase of 22% without the other shareholder participating. In December we approved another acquisition in Italy. Together with the Príncipe Pío investment we put the proceeds from the ABB to work.

FOR TWO YEARS CSR HAS BEEN AN INTEGRAL PART OF OUR STRATEGY

DISPOSALS

We did some disposals in France in 2009. In line with our strategy to focus primarily on retail, we sold three office buildings and one logistics centre for a total amount of € 63.2 million at a yield of around 8%. There are nine remaining projects whose total value at year end amounted to € 286.9 million. These projects will be sold on an item-by-item basis. Apart from the French sales in 2009, five retail projects were sold in the Netherlands for a total of € 21 million. After balance sheet date, the sale of the Bordeaux Megastore in France was announced for an amount of € 67.3 million.

VALUATIONS

During the first half of 2009 values were under a lot of pressure. The yield outshift, partially compensated by good rental growth, resulted in a total downward revaluation of € 389.7 million. In the third quarter yields started to stabilise and only a small downward adjustment had to be made, resulting in a net profit in that quarter once again. The fourth quarter showed a similar picture and modest upward valuations were booked, even in Spain, where the acquisition of Príncipe Pío led to an overall positive valuation in the fourth quarter.

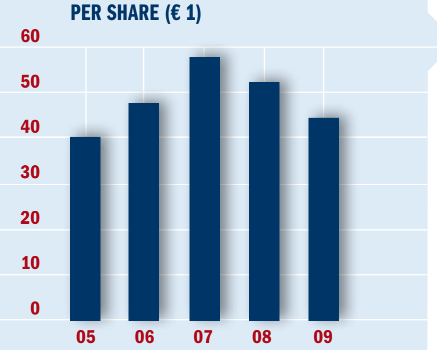
CSR

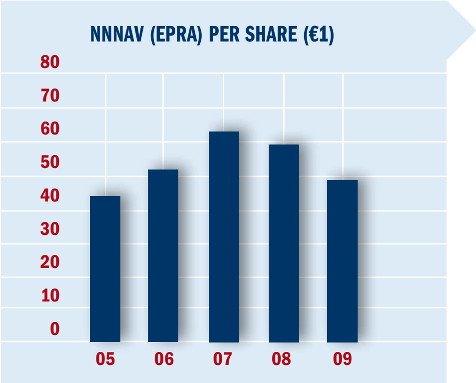
Our Corporate Social Responsibility (CSR) policy focusses on our main stakeholders, such as the consumers and the environment and is in line with our aim of creating favourite meeting places and thus strenghtening each other. For two years CSR has been an integral part of our strategy and is now embedded in our organisation and incorporated in the decision making and the the daily operations. As one of the consequences, Corio has been included in the FTSE4Good Index and was selected for inclusion in the Ethibel Excellence Investment Register. We have set ambitious targets for coming years, which will be included in the separate CSR report to be published in April.
For a summary of CSR we refer to the relevant section in this report.

FINANCING

Debt capital markets recovered in 2009 and increased demand for corporate, mainly high-grade, debt caused credit spreads to come in to more normal levels. In the second part of the year several traditional borrowing opportunities like corporate bonds and convertible bonds came back to the market, but secured real estate financing and bank loans remained scarce. In 2009 Corio successfully raised funding by issuing shares and raising of debt. Shareholders elected to receive 63% of the dividend in shares, of which 40% (€ 70 million) was granted, and soon thereafter Corio raised € 258 million through an Accelerated Book Build share issue. In the third quarter we raised € 200 million through a 7-year Dutch inflation-linked loan and extended the maturity of three bank loans totaling € 186.2 million by approximately 3 years.

NAV BEFORE RESULT APPROPRIATION PER SHARE (€ 1)





Throughout the year the Revolving Credit Facility, maturing in 2012, remained at our disposal, offering basic headroom of € 600 million. Shareholders' equity (after non controlling interest) at year-end 2009 amounted to € 3,384.1 million (year-end 2008: € 3,458.5 million) or € 44.32 per share (2008: € 52.20). The decrease is due primarily to the downward revaluation of our assets over the year and certain disposals, but was positively affected by the equity funding. Total assets fell from € 6,408.4 million to € 6,291.2 million. Based on the current debt covenants and the portfolio value at year-end Corio has a potential borrowing capacity of € 1.2 billion (2008: 1.3 billion). This capacity is theoretical because it is limited by the availability of funds and the internal financing policy. Undrawn committed credit facilities amounted to € 540 million. Total interest-bearing loans including capitalised costs at year-end 2009 fell to € 2,363.5 million (2008: € 2,467.0 million). Cash freely available was € 91.2 million.
New loans consists of the above mentioned inflation linked loan and the € 70.5 million annuity loan, due 2019, related with the acquisition of the Príncipe Pío shopping centre.

NET DEBT INCLUDING SWAPS AT YEAR END 2009

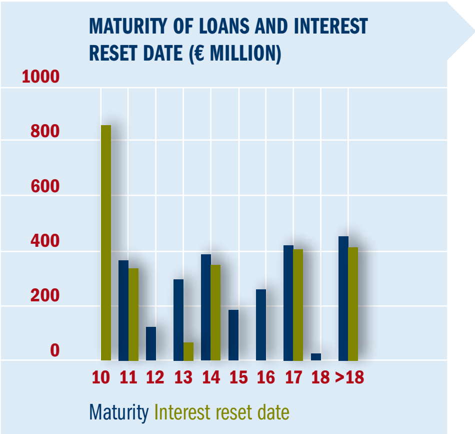
(€ million)	Fixed rate	Floating rate	Total	% of Total
Short	5.3	24.6	29.9	1%
Long	1,553.6	890.9	2,444.5	99%
Total*	1,558.9	915.5	2,474.4	
	63%	37%	100%	

*Excluding capitalised financing charges, including exchange result € 111 million.

PRINCIPAL RATIOS AT YEAR-END

	2009	2008	2007
Leverage	40.4%	40.1%	34,0%
Average interest on net debt in the 4th quarter	4.0%	5.1%	5.1%
Interest cover ratio	3.4	2.6	3.0
Average duration of debt (year)	5.8	5.7	6.7

At year-end 2009, leverage was 40.4% (2008: 40.1%) and the interest cover ratio was 3.4 (2008: 2.6). Leverage is defined as total liabilities less deferred tax and creditors, divided by the balance sheet total less intangible assets. This must be below 55%.



Interest cover is defined as total net rental income and dividends received from non controlling interests, divided by interest paid (or otherwise due) less interest income, both for the past 12 months. Interest cover must be at least 2.2. The definitions for both 2009 and 2008, are based on the conditions in the US private placements. The definitions for the revolving credit facility are different and less stringent.
The average duration of debt increased to 5.8 years at the end of 2009 (2008: 5.7 years).

INTEREST RATE EXPOSURE

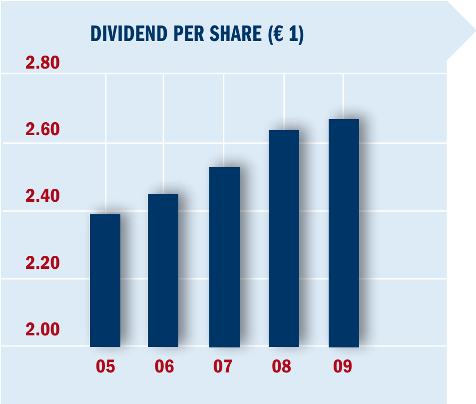
The average interest rate on borrowings in the fourth quarter of 2009 was 4.0% (2008: 5.1%). The average rate for the year was 4.3% (2008: 5.0%). Corio's policy is to arrange between one third and two thirds of its borrowing requirement at fixed rates and an average duration of at least five years. At year-end 2009, based on the debt position in relation to the property investments, fixed rate borrowings accounted for 66% of the group's interest bearing debt. Without this correction the percentage is 63. Fully included as floating-rate debt are a € 200 million inflation-linked loan and a € 70.5 million loan to which a minimum euribor rate of 2.65% applies. Due to the lower average borrowing amount and the reduced interest rate, the net finance expenses fell from € 127.2 million in 2008 to € 94.9 million. In 2010 about € 846 million of net borrowings will face an interest rate reset, of which € 495 million will be reset semi-annually, € 172 million quarterly and € 179 million on a monthly basis.

CURRENCY EXPOSURE

Corio's currency risk derives from its investments in Turkey and Bulgaria. The USD investment in Akmerkez and Adacenter are hedged by a $ 190 million loan and by a $ 81 million swap contract to avoid currency fluctuations having an impact on the group's results. The US dollar denominated rental income comes from the shopping centres Akmerkez and Adacenter in Turkey. The value of these investments is $ 289.2 million. A 10% depreciation of the US dollar will result in a loss on the investment of € 18.2 million and in a gain on the combined hedge instruments thereon of € 17.1 million. As at 31 December 2008 these investments were covered by loans amounting to $ 304 million.

TAX

The current corporate income tax amounted to € 3.5 million positive (2008: € 1 million). This is due to € 2.8 million negative on taxable profits and the recognition of deferred tax assets for an amount of € 6.3 million on taxable losses.



DIVIDEND AND DIVIDEND POLICY

The Management Board proposes to pay a dividend of € 2.65 per share for 2009 (2008: € 2.64), which corresponds to a payout ratio of 93% (2008: 86%). The increase of the pay out ratio partly reflects the increase in the number of shares. It is proposed that the dividend be paid in cash or shares at the shareholders' option, within the constraints imposed by the company's FBI status.

OUTLOOK

In December 2009 Corio published a press release announcing the exclusive negotiations with Multi Corporation regarding the possible acquisition of a standing portfolio and a development portfolio. Once we have concluded these negotiations we will provide an outlook for 2010.

FAVOURITE MEETING PLACES

WE ALREADY HAD A COMMON UNDERSTANDING OF WHAT MAKES A MEETING PLACE SPECIAL. BUT JUST TO MAKE SURE, WE ASKED ALL CORIO PEOPLE TO SEND IN A PHOTO OF THEIR FAVOURITE MEETING PLACE. STAFF MEMBERS INTERPRETED THIS TO MEAN A WIDE VARIETY OF THINGS, COVERING ENTERTAINMENT AND TRANQUILITY, FAMILY AND FRIENDS TO ARCHITECTURE AND STYLE. WE GROUPED THESE IDEAS AROUND THEMES AND WERE HAPPY TO FIND THAT ALL OF THESE THEMES COULD ALREADY BE FOUND IN CORIO SHOPPING CENTRES. CORIO'S FAVOURITE MEETING PLACES ARE ALL ABOUT FAMILY & FRIENDS, FOOD & DRINK, LEISURE, EVENTS AND - OF COURSE - SHOPPING.

IN THIS REPORT, YOU WILL FIND SOME OF THE PICTURES SUBMITTED BY CORIO STAFF TO ILLUSTRATE THEIR IDEA OF A FAVOURITE MEETING PLACE. THE TOPIC IS SOMETHING WE DISCUSS VERY FREQUENTLY WHEN TOGETHER. WE SEE IT AS CORE TO OUR BUSINESS.

FAMILY & FRIENDS








FAVOURITE MEETING PLACES

FINANCIAL CALENDAR 2010	
18 FEBRUARY 2010 (after close of trading)	2009 FULL-YEAR RESULTS
23 APRIL 2010	GENERAL MEETING OF SHAREHOLDERS
27 APRIL 2010	EX-DIVIDEND QUOTATION
UNTIL 18 MAY 2010	PERIOD OF CHOICE FOR DIVIDEND
20 MAY 2010	DIVIDEND PAYABLE FOR 2009
11 MAY 2010 (after close of trading)	2010 FIRST-QUARTER RESULTS
26 AUGUST 2010 (after close of trading)	2010 HALF-YEAR RESULTS
4 NOVEMBER 2010 (after close of trading)	2010 RESULTS FIRST THREE QUARTERS

SHAREHOLDERS' INFORMATION AND INVESTOR RELATIONS

INVESTOR RELATIONS

Corio aims for a high level of transparency regarding communication on its financial situation, strategy and plans, and other information of relevance to existing and potential stakeholders. The Management Board, together with the Investor Relations department, is committed to providing shareholders, stakeholders and other interested parties with information on an equal basis, simultaneously, on time and in a clear and consistent manner.

Financial results are published quarterly in the form of press releases. The full-year and half-year figures are presented and explained at meetings organised for analysts and the financial media. The analysts' meetings are accessible for everybody via a webcast and teleconference. The results for the first quarter and the first nine months of the year are clarified in a teleconference that is accessible to all. Price-sensitive information is published in a press release. For further information on Corio, please contact our Investor Relations department at investor.relations@nl.corio-eu.com, or by phone: +31 30 2829343.

In addition to the regular information described above, Corio believes it is also important to keep stakeholders informed about developments within the company. To this end, in 2009 Corio organised a number of roadshows, property tours and attended a number of conferences to present and discuss the company, its strategy, working methods and activities with analysts and investors.

CORIO BELIEVES IT IS IMPORTANT TO KEEP STAKEHOLDERS INFORMED

Corio updates and adds new features to its website (www.corio-eu.com) on a regular basis. In 2009 Corio added to its website a weblog and its portfolio in Google earth. The 2009 annual report is also available in html and Excel to make it even more accessible.

FINANCIAL CALENDAR 2011	
17 FEBRUARY 2011 (after close of trading)	**2010 FULL-YEAR RESULTS**
21 APRIL 2011	**GENERAL MEETING OF SHAREHOLDERS**
5 MAY 2011 (after close of trading)	**2011 FIRST-QUARTER RESULTS**
18 AUGUST 2011 (after close of trading)	**2011 HALF-YEAR RESULTS**
3 NOVEMBER 2011 (after close of trading)	**2011 RESULTS FIRST THREE QUARTERS**

MAJOR SHAREHOLDERS

As far as is known to Corio, Stichting Pensioenfonds ABP is the only shareholder with more than 5% of the issued share capital. Pursuant to the reporting requirement, ABP informed the Netherlands Authority for the Financial Markets (AFM) on 1 November 2006 that it held 36.59% of the issued share capital. ABP informed Corio that its interest in the company was 36.65% at year-end 2009 (year-end 2008: 36.43%). Disclosure is required once a shareholder's interest amounts to 5% or more of the issued capital and again if the interest reaches, exceeds or falls below certain threshold values (5%,10%, 15%, 20%, 25%, 30%, 40%, 50%, 60%, 75% and 95%). This may be due to a shareholder acquiring or disposing of shares, or to an increase or decrease in the company's issued capital.

TAX STATUS

TAX STRATEGY

Corio's tax strategy aims to support Corio's overall strategy. Corio strives to minimize this tax burden in order to achieve the highest possible return on its investment activities. This not only entails the optimisation of the tax position on the going concern business, but also applying best practice in the acquisition and disposal of its real estate portfolio.

Corio explores continuously possibilities to optimise its tax structure within the boundaries of the law. Due to the diversity of the various tax systems applicable in those jurisdictions where Corio performs its activities, the optimal tax structure may differ per jurisdiction. As a result Corio's current structure consists of a mix of taxable structures and tax exempt structures.

GEOGRAPHICAL SCOPE

Currently, Corio has activities in five countries: France, Italy, the Netherlands, Spain and Turkey. In the Netherlands and France Corio uses specific tax regimes (FBI and SIIC respectively), that results in an effective tax rate of 0% on the investment profit realised on virtually the entire local portfolio.

IN THE NETHERLANDS AND FRANCE CORIO USES SPECIFIC TAX REGIMES, THAT RESULT IN AN EFFECTIVE TAX RATE OF 0%

Activities in Italy, Spain and Turkey are taxed at the normal statutory tax rate, be it that the effective tax rate may be lower as a result of the combined effect of interest charges, depreciation and other operating expenses. With respect to these latter jurisdictions Corio is also investigating the possible application of tax-exempt regimes in these countries. If applying such a regime is deemed appropriate within the local investment structure and fits within Corio's overall strategy, necessary actions will be taken.

CONDITIONALITY OF SPECIAL TAX REGIMES

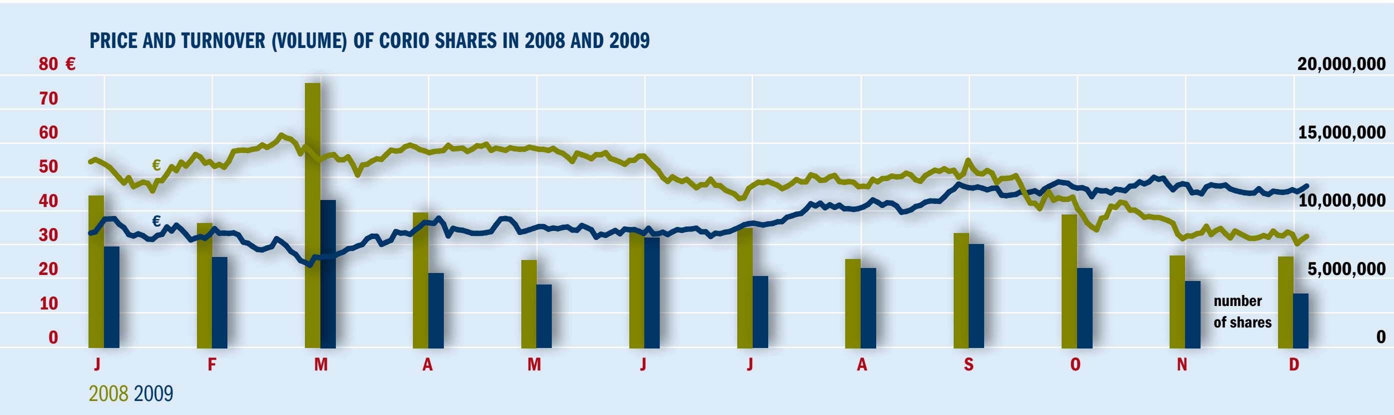
The tax-friendly regimes in the Netherlands and France are subject to certain conditions. The main conditions for an FBI entail restrictions on the maximum amount of externally borrowed funds, maximum shareholdership in an FBI, the scope of its activities and a 100% fiscal profit distribution requirement. Corio is constantly monitoring these conditions to make sure that no infraction is made that would jeopardize its status, whilst at the same time maintaining a dialogue with the Dutch government with a view to improving the existing FBI regime.

Similar conditions governing the distribution of the annual profit apply in France, but in this case the distribution may be spread over several years. On 1 January 2007, SIIC 4 came into force, stipulating that if a shareholder with an interest in Corio of, ultimately, more than 10% is not liable for tax, the SIIC must pay 20% tax on both its income and any capital gains that it has realised relative to this shareholdership. Corio is contesting this new law on the grounds that it is in violation of relevant EU legislation.

CORIO N.V.'S SHARES ARE LISTED ON NYSE EURONEXT IN AMSTERDAM AND PARIS

SHARES

In 2009, Corio's share price (closing) rose from € 32.89 (on 31 December 2008) to € 47.69 (on 31 December 2009), an increase of 45%. The lowest closing share price in 2009 was € 25.87, reached on 9 March 2009 and the highest share price was € 49.20, reached on 16 November 2009. In 2009 on average 300,800 shares were traded per day (2008: 438,421 and 2007: 350,634). This is lower than the previous periods because we believe that in general fewer hedge funds (or short term funds) invested in property shares and a number of investors tended to keep the shares instead of going for short term gain.



FIVE YEAR OVERVIEW CORIO SHARE

€	2009	2008	2007	2006	2005
Share price year end	47.69	32.89	55.40	61.90	45.90
Average share price	37.43	50.63	61.08	52.38	45.07
Highest closing share price	49.20	62.66	75.19	61.90	48.94
Lowest closing share price	25.87	30.71	49.95	43.66	41.20
Average number of daily traded shares (x million)	300,800	438,421	350,634	175,046	148,567
Dividend	2.65*	2.64*	2.60	2.53	2.45
Number of outstanding shares at year-end	76,363,025	66,253,702	66,253,702	66,253,702	66,253,702
Market capitalisation year end (x billion)	3.6	2.2	3.7	4.1	3.0
Free float	100%	100%	100%	100%	100%

* In cash or shares

Corio N.V.'s shares are listed on NYSE Euronext in Amsterdam and Paris. Corio joined the AEX index on 4 March 2008. Corio shares are included in several relevant leading indices including the European Public Real Estate Association index, the Global Property Research index, the Euronext 100 index and FTSE4good.

COST RATIO

Under the Dutch Financial Superivision Act (Wft), investment institutions are required to disclose their cost ratios. 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 cost ratio 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 past five quarters. Corio's cost ratio for 2009 was 2.4% (2008: 2.2%).

DIVIDEND

Corio pays a dividend at least once a year. The objective of Corio's dividend policy is to at a minimum comply with the requirements imposed on FBIs 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. In accordance with the Management Board's recommendation, Corio's Supervisory Board proposes that a dividend of € 2.65 per share, payable in cash or shares at the discretion of the shareholder, within the bounds set by Corio's FBI status, be distributed for 2009 (2008: € 2.64 in cash or shares). This represents a pay-out ratio of approximately 93%. The dividend yield is thus 5.6% on the basis of the closing price on 31 December 2009 and 7.1% on the basis of the average price in 2009. The dividend proposal will be submitted to the AGM on 23 April 2010. The dividend will become payable on 20 May 2010.

STRATEGY

CREATING SUSTAINABLE PLACES WHERE PEOPLE LIKE TO MEET

CREATING WE ADAPT CONSTANTLY TO CHANGING REQUIREMENTS DICTATED BY THE CATCHMENT AREA

SUSTAINABLE RECONCILING ECONOMIC, SOCIAL AND ENVIRONMENTAL CONSIDERATIONS

PLACES THE IDEAL FIXED LOCATION, TO SUCCEED, MUST BE FINANCIALLY, SOCIALLY, ENVIRONMENTALLY AND AESTHETICALLY SUCCESSFUL. IF IT DOES NOT COME UP TO OUR REQUIRED HIGH STANDARDS, IT DESERVES NO PLACE IN OUR PORTFOLIO

WHERE CORIO SELECTS PRIME SITES IN MAJOR CITIES IN EUROPE, FOCUSING ON OUR 'HOME' MARKETS

PEOPLE CORIO SEEKS TO CREATE APPEALING VENUES FOR SOCIAL INTERACTION IN A HOME FROM HOME

LIKE TO MEET CORIO'S CENTRES ARE FLAGSHIP SITES THAT CUSTOMERS FLOCK TO REGULARLY TO MEET AND SHOP

VISION

Creating sustainable places where people like to meet. Corio believes shopping centres can and should perform an important social role, first and foremost. Our vision of a shopping centre is of a meeting place where individuals can relax, socialise, feel at home and get inspired. We are convinced the creation of ideal meeting places will lead to economic activity and success, when managed properly. In striving towards the creation of such centres, we recognise the importance of being alert to changing requirements dictated by the people in the catchment area and adapting to their demands. We truly believe that to be successful, our centres must be sustainable in every respect: situational (location), conceptual, aesthetic, social, environmental and financial. We create to adapt.

MISSION

In realising its vision, Corio aspires to be a leading European retail property company. In our definition this will be achieved by being:

- A vehicle to offer investors access to quality retail real estate in core markets in continental Europe;
- A preferred partner for retailers;
- A preferred partner for municipalities in developing large-scale, city centre projects;
- A top financial, environmental and social performer among sector peers;
- A company with a strong financial profile; and
- A preferred employer for professionals.

Corio's focus is on Europe, a market with more than 700 million inhabitants. In its home markets it aims to improve and enrich the shopping experience of a growing share of over 250 million (potential) consumers. Our social goals are just as important as our dedication to sustainability, sound financial management and profitable growth, which is the basis of our existence. Managed well, these objectives go hand in hand. Our mission is to contribute to the economic and social development of the regions where our sites are located, by upgrading sites to create new and attractive amenities, to generate jobs and foster social interaction.

STRATEGY

Creating sustainable shopping centres: favourite places where people like to meet, spend their leisure time and money; places they want to go back to again and again. Sustainable centres offer more than just retail and we aim for a mix of activities in our developments. Retail, however, is what drives Corio's performance, accounting for more than 90% of our centres' turnover. A shopping centre's performance is determined by its popularity in the primary catchment area. Such popularity requires our local management to have the required in-depth knowledge of the local conditions and demands in order to identify opportunities and threats and act on them fast.

Corio understands that shopping centres increasingly have a social function for the local community. One of the main tasks of local management, therefore, is to monitor consumer trends and needs closely. Equally important is to foster close and effective cooperation among our developers, letting managers and centre managers. This enables Corio to achieve the optimum retail mix, best layout, accessibility and design, and thus to ultimately create value. Corio's centres are continually undergoing improvements and – where possible – extensions, all with the aim of serving the consumer.

FAVOURITE MEETING PLACES

SHOPPING DESIGN
CROWDS EVENTS
FOOD&DRINK FUN
FRIENDS FAMILY
LEISURE SERVICES
STYLE CELEBRITIES

KEY ELEMENTS OF OUR STRATEGY:

OUR CENTRES ARE DOMINANT IN THEIR CATCHMENT AREA

We own and manage shopping centres that are perceived as leading within their respective markets in-house. This enables us to draw large numbers of consumers from their catchment area. Dominance strengthens our position in the relation with retailers, local authorities and consumers.

THE MANAGEMENT, LETTING AND DEVELOPMENT IS DONE IN-HOUSE; 'HANDS-ON MANAGEMENT'

Management, letting and development are performed in-house, in order to stay in close contact with the shopping centres, the retailers and the consumers in the catchment areas. This proximity, in turn, enhances Corio's ability to react quickly and appropriately to changes, for example in consumer preferences. Local management and operating teams are closely involved in the operation of their shopping centre. Reviews of shopping centres' operations are generally conducted every month on the basis of a number of key performance indicators. Each shopping centre's competitiveness and ability to draw consumers in its catchment area is thus assessed regularly.

OUR MANAGEMENT MODEL IS DECENTRALISED: 'LOCAL+'

We have a management approach we call 'local+' whereby local business units in each home market combine their local market knowledge in each of Corio's home markets with central checks and balances, best practices and professional support expertise and financing from central headquarters.

CRITICAL MASS IN EACH HOME MARKET TO SUPPORT PROFESSIONAL IN-HOUSE MANAGEMENT.

Critical mass enables Corio to maintain and reinforce its position in its home markets. It makes Corio an attractive partner for retailers from outside Europe, and facilitates the expansion of retailers within Europe. Corio only enters a new home market if it sees potential to achieve that critical mass, based on the size and number of participants in the market.

IN SOURCING OF (RE)DEVELOPMENT ACTIVITIES

Corio is organizing the development activity in-house. This will give us a maximum grip on the quality of our products in all ways. Entering into the development activity will also enhance our performance growth without changing the risk profile of the company. Corio is willing to start developping a site once the land has been fully secured and zoning is in place. Construction costs are always capped to avoid the risk of budget overruns.

AT CORIO WE ARE AWARE THAT OUR BUSINESS ACTIVITIES HAVE AN IMPACT ON THE ECONOMY, SOCIETY AND THE ENVIRONMENT

OPTIMISING PROFITABLE GROWTH THROUGH AN ACTIVE ACQUISITION AND DISPOSAL POLICY

Corio is pursuing an active policy on acquisitions and disposals, to support the portfolio's quality and realise value on a continuous basis.

EXPOSURE TO EMERGING MARKETS TO REACH A MAXIMUM OF 20%.

Corio's portfolio is geographically diversified across regions in various stages of development of the retail (property) market. While stable mature markets and growth markets will continue to account for the bulk of the portfolio, Corio aims to grow progressively its share of emerging markets to up to 20% of total investments, with a maximum of 10% per region. This modal split is specifically chosen in pursuit of sustainable profitable growth and maintaining a sound risk return profile.

EFFECTIVE RISK MANAGEMENT

Effective operational and financial risk management is underpinned by monthly key performance indicator reporting, monthly country CEO meetings and quarterly management and financial reporting by the different Business Units.

CORPORATE SOCIAL RESPONSIBILITY (CSR) IS INCORPORATED IN CORIO'S DECISION MAKING PROCESS.

At Corio we are aware that our business activities have an impact on the economy, society and the environment. Therefore CSR is incorporated in Corio's decision making process, into its daily operations as well as its investment and (re)development activities.

NOTE TO THE STRATEGY

In the beginning of 2008, Corio decided to adjust its strategy and improve its risk-return profile by (i) in-sourcing development and redevelopment activities, (ii) pursuing a more active investment policy and (iii) investing up to 20% of its portfolio in emerging markets with a maximum of 10% per market, as explained above. However, in light of the events in the financial markets and the wider economy in 2008, Corio decided – at least for the short term – not to enter any emerging markets and to instead focus on managing its cash flow and to evaluate carefully its pipeline. Currently Corio believes we are witnessing the first signs of positive changes in the real estate investment market, which should allow the company to gradually resume carefully the strategy it had defined in the beginning of 2008.

MANAGEMENT TECHNIQUES AND INSTRUMENTS

CATCHMENT AREA ANALYSIS

Corio actively manages its shopping centres on the basis of its knowledge of the centres' catchment areas. We make use of consumer counting systems in our large and medium sized shopping centres and use turnover data from retailers for analyses. For the more qualitative dimension of a catchment area, Corio conducts surveys (tenant and consumer satisfaction surveys) and runs consumer panels through internet. In addition, qualitative data such as household profiles provide insight into the types of households in the catchment area, which in turn helps identify the kind of customers visiting the shopping centre. The different types of households are identified on the basis of factors such as household members, employment, income and education, the type and location of the house and whether it is rented or owner-occupied. Other data, such as family background, religious faith, use of media, values and mentality, are also considered. Such data are analysed in-house. These analyses provide in-depth knowledge of the shopping centre and its catchment area. Combined with the in-house shopping centre management formula Corio has developed, a shopping centre's quality in terms of design, tenant mix and marketing can be matched effectively to the primary catchment area that it serves. This approach supports long-term growth in the value of the portfolio.

IT IS ESSENTIAL THAT BOTH THE PHYSICAL SHOPPING CENTRE DESIGN AND THE TENANT MIX ARE ALIGNED WITH THE CONSUMER BASE IN TERMS OF BOTH SIZE AND QUALITY

MEASURING SHOPPING CENTRE QUALITY

Corio has defined a set of criteria to assess the quality of individual shopping centres in the portfolio on a continuing basis. This assessment includes six qualitative aspects aimed at identifying the current quality of a shopping centre in relation to its market and nine qualitative aspects aimed at identifying the shopping centre's potential quality. These aspects are similar to those used by the shopping centre industry generally, such as the criteria of the International Council of Shopping Centres (ICSC) for the European Shopping Centre Awards. Aspects taken into account in the 'current quality' score include catchment area quality, location quality, building quality, competitive position, tenant mix quality and legal aspects. Location quality and catchment area quality are considered the most fundamental. The relative location is determined by the position of the shopping centre with respect to other competitive centres and to potential consumers, and together they define the potential catchment area. The absolute location is determined by accessibility and attractiveness of the immediate surroundings. The catchment area is the consumer base and, therefore, the income base of a shopping centre. It is essential that both the physical shopping centre design and the tenant mix are aligned with this consumer base in terms of both size and quality. In addition to 'current quality', Corio has determined 'potential quality' criteria. These criteria include the possibility to refurbish and redevelop and to expand, as well as criteria for improving the shopping centre environmentally and commercially.

DEVELOPMENT ACTIVITIES

The insourcing of (re)development activities is in line with the trend in the real estate market towards increasing vertical integration between property owners and developers. It is also prompted by strategic reasons. Corio believes that combining the (re)development and investment activities will enable it to respond more swiftly to (re)development opportunities in the real estate market and to create sustainable shopping centres with features and a tenant mix that suits the consumers in the catchment areas of these shopping centres. Corio believes this will be attractive to long term investors. By insourcing the overall (re)development project management, taking the responsibility for the concept and design of the shopping centre and the leasing, Corio believes it can control the project better and monitor risks more effectively. Corio does not take any zoning or construction cost risks in its (re)developments. To eliminate these risks Corio subcontracts the construction of (re)development projects and does not acquire land before the required zoning is in place.

A change in the Dutch tax regime regarding FBI's which came into effect in August 2007 allowed Corio to create its own property (re)development business. This business was set up at the beginning of 2008. A precondition for an FBI to undertake (re)development activities is that activities are limited to Corio's portfolio. Corio is not allowed to engage in development business for third parties. At this point in time the larger part of our pipeline still consists of turnkey projects, shopping centres that are developed by external developers under Corio's supervision. The number of turnkey projects is expected to decrease over time. We recognize three stages of development: the sourcing of the opportunity, the design and development phase and the execution. The first and last phase are organised locally. The design and development phase however we choose to run more centrally, using all available knowledge in the company under the direct leadership of the CDO (Chief Development Officer).

FAVOURITE MEETING PLACES

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FOOD & DRINK








FAVOURITE MEETING PLACES

REMUNERATION REPORT 2009

INTRODUCTION

The remuneration policy of Corio was approved at the General Meeting of Shareholders on 29 April 2008. Details of the remuneration policy can be found on Corio's website. This report gives an overview of the remuneration of the Management Board and the Supervisory Board, and explains how the remuneration policy for the Management Board was applied in 2009.

REMUNERATION POLICY

The objective of the remuneration policy is to enable Corio to recruit directors for the Management Board with the necessary management skills, required background and experience in the property market. The policy should furthermore contribute to the company's performance and profitable growth objectives, as well as motivate and retain members of the Management Board by offering a competitive package.

The Remuneration Committee discussed the implementation of the remuneration policy for each of the individual members of the Management Board with full responsibility at holding level at the beginning of the calendar year. Specific attention was given during the year to reassess the implementation of the policy for a member of the Management Board with main responsibility for a country. The proposals of the Remuneration Committee were approved by the Supervisory Board.

REMUNERATION PRINCIPLES

The remuneration principles relate to the level and structure of the remuneration package for the Management Board.

LEVEL OF THE REMUNERATION PACKAGES

To meet the objectives of the remuneration policy, levels of compensation (both fixed and variable income) are set in line with levels of comparable Dutch and European companies. As part of relating levels of compensation to comparable companies, attention is given to the size of the company as a proxy to complexity. When deciding on the package size, the Supervisory Board took into consideration remuneration practices at similar companies as well as the provisions of the Corporate Governance Code.

For external reference of the size of the overall remuneration package, a specific labour market reference group has been defined. The Supervisory Board reviews this reference group periodically and updates it if and when required. Internal pay differentials are monitored as part of the benchmarking exercise.
The labour market reference group includes property investment companies that primarily focus on retail, operating in a number of European markets (pan-European strategy) and Dutch real estate companies comparable in terms of size and complexity. A significant part of the labour market reference group is listed companies operating in the property sector. The labour market reference group consisted of the following companies in 2009:

Deutsche Euroshop	**Mercialys**
Eurocommercial Properties	**Q-Park**
Hammerson	**Redevco**
ING Real Estate	**Unibail-Rodamco**
Klépierre	**Vastned Retail**
Liberty International	**Wereldhave**

STRUCTURE OF THE REMUNERATION PACKAGES

The total remuneration of the Management Board of Corio N.V. consists of:

- Base salary
- Short-term incentive scheme
- Long-term incentive scheme
- Pension and other benefits
- Contract with a severance clause

The remuneration package aims to ensure that the company's operational and financial performance – and through these the share price – relates to the level of compensation.

The remuneration package is based on an equal balance between fixed and variable components. Through this the company aims to offer a performance-oriented package in a balanced and controlled setting. Under normal circumstances, the long-term variable component constitutes a larger portion of variable income than the short-term component.

The Supervisory Board monitors the results of the remuneration policy and its relation to the company's value creation, by carrying out scenario analyses, as referred to in best practice provision II.2.1 of the Dutch Corporate Governance Code.

The remuneration policy applies in all respects to the members of the Management Board with full responsibility at the holding level. For members of the Management Board with main responsibility for a country, the annual salary, short-term incentive, level of long-term incentive and pension contributions are based on the local remuneration market. The long-term incentive plan in terms of structure is equally applicable to Management Board members with country responsibility.

Financial information on the total costs of the packages for the company in 2009 can be found on page 121 of this annual report.

BASE SALARY

The annual salary of the Management Board is in line with the labour-market reference group, taking into consideration Corio's size as a proxy to complexity compared with other companies in the reference group. Salary increases are determined by the Supervisory Board, based on the principle that the individual's annual salary will reach the reference level within three years after being appointed to the Management Board, provided that personal performance is satisfactory. Annual salaries are assessed and revised on 1 May each year, taking into account factors such as personal performance, the results for the past year, the relative performance of the property portfolio, any annual or other general change in salaries at Corio, and, for individual directors whose salary has not yet reached the standard level, the growth rate.
In 2009, in line with the remuneration policy applicable to other employees, base saleries for members of the Management Board with full responsibility at holding level are adjusted with indexation.

VARIABLE REMUNERATION

All members of the Management Board are eligible for variable remuneration if they achieve certain pre-agreed performance criteria that support Corio's short and long-term objectives. The variable remuneration components are predominantly of a long-term nature (maximum 60% of base salary on long term; 40% of base salary on short term), in cases of 'on target' performance in both the long term and the short term. The variable remuneration aligns with the objectives of the company of delivering both annual operational results and long-term shareholders return, while keeping in mind the risk profile attached to both performance objectives.

In the event of unforeseen circumstances the Supervisory Board has the ability as far as deemed reasonable to adjust any annual variable remuneration of the Management Board. The Supervisory Board has the right to reduce, cancel or claw back bonuses, either in full or in part, that have already been awarded if subsequently it is discovered that they had been wrongly awarded (on the basis of incorrect financial data or otherwise).

A. SHORT TERM INCENTIVE SCHEME

The short-term incentive scheme relates to the operational results of the company and includes financial and non-financial indicators that are relevant to the company's value creation. In the event of short-term 'on-target' performance, the annual incentive amounts to 40% of the Management Board member's base salary. The maximum short-term incentive is 60%, in the event of excellent performance against the targets. Two-thirds of the short-term incentive performance criteria consist of the metric 'growth in the company's Operating Result'; one-third relates to measurable individual targets. The Operating Result consists of 'direct results' and 'additions to the pipeline'. The pipeline is relevant for future years' turnover growth. Performance against targets for 2008 was reviewed in 2009.

Targets for 2008 and performance against these targets were as follows:
- the direct result target was based on the 2008 budget. The target was reached;
- the pipeline target has been met since the pipeline was successfully restructured related to market circumstances;
- non-financial targets, including CSR, are tuned to specific responsibilities of individual Board members and have been appraised.

After assessment and discussion by the Supervisory Board an 'on- target' bonus of 38.9% was granted. This is the average short term incentive for members of the Management Board with full responsibility at holding level.

Financial information on the short-term bonus can be found on page 121 of this annual report.

B. LONG TERM INCENTIVE SCHEME

The long-term incentive scheme was further detailed in 2008. Under the 'Performance Phantom Share Plan', conditional share units are awarded annually. Three years after the award date, 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 payment date. Unvested units forfeit.

The units represent the average value of Corio shares over a three-month period, starting January 1st. This three-month average aims to minimise the influence of short-term volatility on the share price. The three-month average also applies when calculating the relative total shareholders return of Corio N.V. and of the companies included in the performance reference group. The rules of the plan contain a provision to ensure that movements in the share price related to exceptional transactions do not affect the value of the units; e.g. in case of a take-over, the unit value is 'frozen' by limiting the value to the amount measured over the three-month period preceding the month before the notice of a change in control is made public.

The annual award value of units does not exceed 60% of annual base salary as determined after 1 May of the award year. The specific percentage is determined by the Supervisory Board and fixed in the individual contract.

The following scale applies to determine the number of units that vest, depending on the relative total shareholders return generated. The percentage of the units vesting ranges from 0% for below median performance, to 150% of the awarded number of units if Corio ranks first in the performance reference group. The scale used to determine the number of units to be paid out is as follows:

Position	Percentage pay-out*
1	150%
2	130%
3	110%
4	90%
5	70%
6 - 9	0%

* This percentage applies to the number of units that have been awarded (conditionally) three years before the vesting date.

The performance reference group consists of Corio and eight other listed property companies that primarily focus on retail. The performance reference group used for awards in 2009 consisted of Corio and the following companies.

Deutsche Euroshop
Eurocommercial Properties
Hammerson
Klépierre
Liberty International
Unibail-Rodamco
Vastned Retail
Wereldhave

The Remuneration Committee reviews the performance reference group periodically and adjusts it if necessary.

The Supervisory Board has the ability to adjust conditional awards if it believes that the application of the remuneration policy produces an unreasonable and unintended result or does not reflect Corio N.V.'s underlying financial performance.

In 2009, conditional units were awarded under the plan rules to Mr. Groener, relating to the years 2008 and 2009. Other members of the Management Board will receive units relating to the year(s) 2008 and 2009 in 2010.

Overview of Phantom Performance Shares awarded in 2009 relating to 2008 and 2009 (all were unvested in 2009):

Name	Year	Awarded units (#)	Maximum vesting (#)	Award date value (€)
G.H.W. Groener	2008	2,549	3,823	141,215
G.H.W. Groener	2009	6,784	10,177	223,126

Financial information on the long-term incentive awards can be found on page 122 of this report.

OVERVIEW OF SHARE-BASED REMUNERATION AWARDED IN PAST YEARS

At the end of 2009, there were no other outstanding unvested shares or share options than the rights detailed in the scheme above.

PENSIONS

The members of the Management Board each have their own individual pension plans. Corio N.V. pays an annual contribution, based on the labour market reference group, to each member of the Management Board. It is assumed that members of the Management Board retire at the age of 65 and therefore there are no agreed arrangements for the early retirement of Management Board Members.

The pension contribution for the CEO and CFO has been set at 20% of (fixed) annual salary.

Further information about the costs of the pension contributions by the company can be found on page 121 of this annual report.

OTHER FRINGE BENEFITS

Corio provides a competitive package of fringe benefits for its Management Board, in line with those applicable to other employees. These include items as accident insurance, disability insurance arrangements, a lease car and directors' and officers' liability insurance. Corio N.V. does not provide any loans to the members of the Management Board.

EMPLOYMENT CONTRACT AND SEVERANCE TERMS

The full terms and conditions of employment of the members of the Management Board are recorded in individual employment contracts. Members of the Management Board are appointed for periods of four years. If this is considered unreasonable, the relevant director may be eligible for severance pay up to two years' annual salary.

CHANGES IN COMPOSITION OF THE MANAGEMENT BOARD

There were no changes to the composition of the Management Board in 2009.

REMUNERATION POLICY AND IMPLEMENTATION IN FUTURE YEARS

At the time of the publication of this annual report, Corio N.V. had no intentions to amend its remuneration policy. It is expected that the application of the remuneration policy in 2010 will be in line with that in 2009.

SUPERVISORY BOARD REMUNERATION

The remuneration of the Supervisory Board was adopted at the General Meeting of Shareholders on 23 April 2007 for a minimum of three years. Since 1 May 2007, the annual remuneration has comprised € 40,000 for the chairman, € 35,000 for the vice-chairman and € 30,000 each for other members. In 2007, this level of compensation was in line with that paid by comparable property companies. In 2010 the Supervisory Board remuneration will be benchmarked. Supervisory Board members also receive a fee for attending meetings of the Audit, Remuneration and Selection Committees. For each meeting attended, members receive a fee of € 1,000, while the chairman of the committee in question receives a fee of € 1,500. Fees are not paid in respect of committee meetings of short duration that are held immediately before or after a Supervisory Board meeting. The remuneration is not dependent on results. Supervisory Board members are not eligible to receive company shares as part of their remuneration. Financial information on the remuneration level in 2009 can be found on page 121 of this annual report.

On behalf of the Remuneration Committee
Wim Borgdorff, Chairman

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LEISURE








FAVOURITE MEETING PLACES

REVIEW OF OPERATIONS

INTRODUCTION

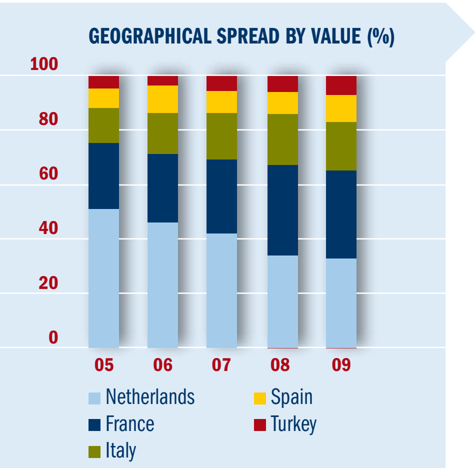
During 2009, the focus on retail increased further. The share of retail in the overall portfolio rose to 94% (2008: 92%) through the disposal of some offices and industrial properties and the addition of a number of dominant centres.

By the end of 2009, the property portfolio spread over the main home markets was: the Netherlands 33% (2008: 33%), France 32% (34%), Italy 18% (19%), Spain 10% (8%) and Turkey 7% (6%).

The changes in the operational property portfolio during the year, including our share in joint ventures in France and Italy and participating interests in Turkey, were as follows:

	Leasable area (x 1,000 m²)		Annual rent** (€ million)		Occupancy rate (%)		Value (€ million)	
	2009	2008	2009	2008	2009	2008	2009	2008
Retail*	1,468	1,355	374.3	356.5	95	97	5,357	5,321
Offices	117	140	28.0	35.7	97	95	283	395
Industrial	86	94	4.6	5.9	79	100	51	61
Total*	1,671	1,589	406.9	398.1	95	97	5,691	5,777
Investments in property under development*							195	262
Total*	1,671	1,589	406.9	398.1	95	97	5,886	6,039

* Including assiociates.
** The 2008 rent includes parking income.



About 113,000 m² of GLA was added to the retail portfolio in 2009. Annual rents increased through indexation and other rental increases in the existing portfolio, renovations and net acquisitions and disposals in the retail portfolio. The main acquisitions and openings of new projects were Príncipe Pío in Madrid (Spain) of € 131.6 million (full value, Corio has a 95% interest), acquisition of Tekira in Tekirdağ (Turkey) of € 66.3 million and the increase of the stake in Teraspark in Denizli (Turkey) from 40% to 51% of € 67.1 million (full value, Corio has a 51% interest).

In addition, the theoretical annual rents increased through the completion of the renovations of parts of Middenwaard in Heerhugowaard, ‘t Circus in Almere and De Mare in Alkmaar (the Netherlands), Capteor in Orgeval and Les Portes de Chevreuse in Cognières (France). The IKEA building in Turin was moved from the operational to the development portfolio. In addition to the activities in the home markets described below, Corio also owns land in Sofia (Bulgaria), where a shopping centre with a GLA of about 48,000 m² can be built. In view of the current market conditions, Corio has postponed the construction of this project. The expected investment is therefore not included in the pipeline.

The offices and industrial portfolio shrank by about 30,000 m² of GLA in 2009, through the sale of a number of French offices and industrials. Only three offices with a total GLA of 51,600 m² of strategic importance for the retail portfolio in the Netherlands are still owned by Corio. Corio plans to sell the properties in the French offices and industrial portfolio, with a total GLA of 138,200 m², in the course of the coming years on an individual basis. In addition to the activities in the home markets described below, Corio also has an office property in Böblingen (Germany) with a GLA of 13,700 m². Also this property is considered as being non strategic.

MARKET

The European economy slid into a deep recession at the end of 2008. The decline in economic growth was especially steep in the fourth quarter of 2008 and the first quarter of 2009. From the third quarter of 2009 onwards, the situation started to stabilise: the

Euro Area officially pulled out of the recession. The resumption of growth came earlier than some expected and was helped by the exceptional monetary and fiscal measures put in place as part of economic recovery plans. Annual GDP growth for 2009 as a whole was still 4.0% negative, an unprecedented contraction in the history of the Euro Area. Except for government spending, which grew 2.4%, all components of GDP were negative compared to 2008. Especially investments (-10.6%) together with both imports (-11.1%) and exports (-13.6%) showed a steep decline in 2009. Private consumption also fell, albeit more modestly, by 0.9%. As a result of the recession, the labour market has deteriorated significantly over the past year, leading to a climb in the unemployment rate to 9.4%, an all-time high in the Euro Area, up from an all-time low of 7.5% in 2008. From the end of 2008, inflation continued to ease, reaching an average of 0.3% over 2009 in the Euro Area. Against this backdrop retail turnover contracted 2.0% in the EU15 from 2008. In real terms, retail sales fell 1.3%. As in 2008 the food sector performed better than the non-food sector and the health and beauty sector held up exceptionally well. After contracting sharply in 2008, consumer confidence rose again in the course of 2009, although the pessimists continued to outnumber the optimists. In the European retail real estate market, a further polarisation between prime (A) and secondary retail locations became manifest in 2009. Prime locations weathered the crisis better than secondary locations and the gap in vacancy rates and market rents between both locations widened in 2009.

RETAIL

RETAIL (BY COUNTRY YEAR END 2009)

	Netherlands	France	Italy	Spain	Turkey	Total
Leasable floor area (x 1,000 m^2)	601	411	183	131	142	1,468
Occupancy rate (financial) %	98%	92%	99%	92%	94%	95%
Value of operational portfolio (€ million)	1,818	1,595	1,007	574	362	5,356
Total annual rent (€ million)*	125.3	104.1	64.7	44.6	35.6	374.3
Annual rent per m^2 per year (€)	208	253	354	340	250	255

* Annualised contractual rent applying at 31 December 2009 with current market rent being added in case of unlet space.

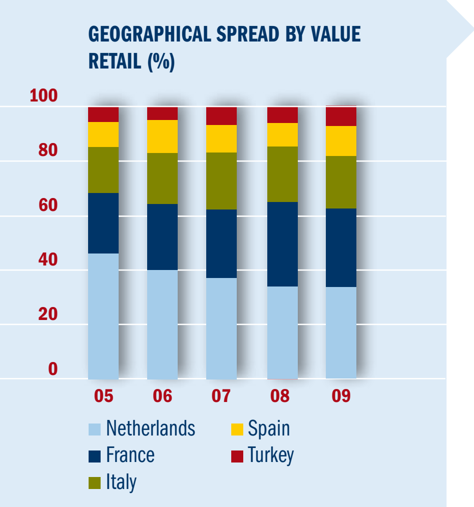
The annual rent of the retail portfolio (excluding associates) rose to € 374.3 million at year-end 2009. The annual rent rose partly through net acquisitions and disposals and partly through indexation and new and adjusted rental contracts.

NET RENTAL INCOME FROM RETAIL SPACE

(€ million) Home markets	2009	2008	%
Netherlands	112.6	114.8	-1.9%
France	87.6	77.1	13.6%
Italy	63.5	60.3	5.3%
Spain	32.3	28.5	13.3%
Turkey*	8.5	3.2	165.6%
Total	**304.5**	**283.9**	**7.3%**

* Excluding results of associates.

Net rental income rose 7.3% in 2009 (2008: 14.6%) to € 304.5 million. The increase of € 20.6 million was mainly attributable to acquisitions. The acquisitions like Príncipe Pío in Madrid in June 2009, Grand Littoral shopping centre in Marseille in March 2008, the IKEA unit at Shopville Le Gru in Turin in December 2008 and Tekira in Tekirdağ early 2009, contributed € 15.9 million to net rental income. The handover of new shopping centres or expansions and renovations such as Pieter Vreedeplein in Tilburg and Quais d'Ivry in Ivry-sur-Seine (both 2008) had a net positive effect of € 6.9 million on rental income in 2009. At the same time, € 6.5 million in net rental income was lost through disposals.



NET RENTAL INCOME RETAIL (LIKE-FOR-LIKE BASIS)

(€ million) Home markets	2009	2008	%
Netherlands	105.6	104.5	1.1%
France	64.6	60.9	6.1%
Italy	62.0	60.2	3.0%
Spain	26.3	28.6	-8.0%
Total	**258.5**	**254.2**	**1.7%**

The net rental growth of the standing retail properties in both 2008 and 2009 (like-for-like) was 1.7% (2008: 4.0%). This was higher than the 0.3% average consumer price index for the Euro Area and the nominal growth in retail spending, which was 2.0% negative in the EU-15.

NET RENTAL INCOME (LIKE-FOR-LIKE BASIS) BY SOURCE

(€ million) Home markets	Indexation	New and revised leases	Other	Total
Netherlands	2.2	0.1	-1.3	1.0
France	5.9	1.2	-1.0	6.1
Italy	2.1	0.9	–	3.0
Spain	0.8	0.6	-9.3	-7.9
Total	**2.9**	**0.6**	**-1.9**	**1.7**

THE HIGHEST NET RENTAL GROWTH WAS ACHIEVED IN FRANCE

The highest net rental growth was achieved in France, through the relatively high indexation and high relettings/renewals. The increase in the Netherlands is always relatively low, due to rent control legislation that does not permit direct adjustment to market rates. Total turnover-based rental income amounted to 0.9% of the theoretical rent. In Spain, despite good new and revised leases, the net like-for-like rental income was negatively affected by a combination of higher vacancies and higher operating expenses.

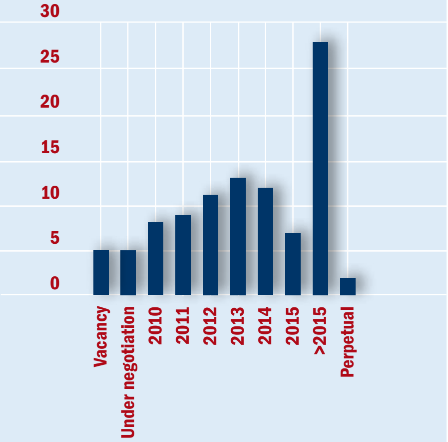
RELETTINGS AND RENEWALS IN THE RETAIL PORTFOLIO

Home markets		% of total	Rent increase (%)
Netherlands	Reletting	3.8	-2.5
	Renewal	2.1	8.2
	Total	**5.9**	**1.3**
France	Reletting	2.7	23.0
	Renewal	4.2	12.9
	Total	**6.9**	**16.8**
Italy	Reletting	4.0	10.6
	Renewal	8.0	5.5
	Total	**12.0**	**7.2**
Spain	Reletting	4.3	4.4
	Renewal	6.4	8.2
	Total	**10.7**	**6.6**
Total	Reletting	3.7	6.0
	Renewal	4.4	8.1
	Total	**8.1**	**7.2**

Turkey is not included because it is a relatively new activity.

Depending on the rent levels (or market rents) and revenue growth in the centre, rent increases or replacement of tenants can be achieved when leases expire. The increases are in excess of the indexation that has already taken place. In 2009 8.1% (2008: 8.1%) of the annual rent was relet or renewed resulting in an 7.2% (2008: 16.6%) higher contractual rent. The lower rate of increase compared with 2008 reflects the economic recession of 2009.

EXPIRATION OF THE RETAIL PORTFOLIO BY RENTAL VALUE (%)



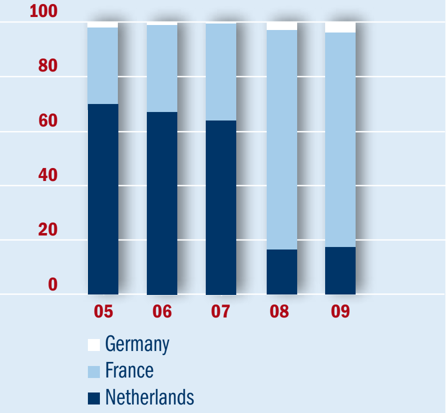
The expiration of retail leases is well spread over the years, and only a relatively small proportion of 8% will qualify for renewal or reletting in 2010.

AVERAGE OCCUPANCY RATE (EPRA) FOR RETAIL PORTFOLIO

In %	2009	2008
Netherlands	98.4	98.8
France	93.9	96.2
Italy	99.1	98.9
Spain	93.0	95.6
Turkey	92.2	95.8
Total retail	**96.3**	**97.7**

The occupancy rates in the Netherlands and Italy were strong at year end 2009. The lower occupancy in France resulted mainly from restructuring at Grand Littoral in Marseille, La Galerie in Mulhouse and Quais d' Ivry in Ivry-sur-Seine. The decrease in occupancy in Spain is mainly the result of optimising the tenant mix in the shopping centres. Strategic vacancy accounted for almost 1% point of the vacancy number presented.

GEOGRAPHICAL SPREAD IN VALUE OFFICES



OFFICES

The office portfolio accounted for only 5% of the total portfolio at year-end 2009, with 79% of these offices in France, concentrated in the Paris region.

NET RENTAL INCOME FROM OFFICE SPACE

(€ million) Home markets	2009	2008	%
Netherlands	6.5	27.3	-76.2%
France	21.3	22.2	-4.1%
Germany	0.4	0.1	NR
Total	**28.2**	**49.6**	**-43.1%**

Net rental income fell primarily as a result of the sale of the Dutch offices portfolio in 2008.

INDUSTRIAL

The industrial portfolio consists only of three properties in France. Corio sold one industrial site in France in 2009.

NET RENTAL INCOME

NET RENTAL INCOME FROM INDUSTRIAL SPACE

(€ million) Home markets	2009	2008	%
France	4.1	6.0	-30.7%

FNAC in Massy has renewed its rental contract for a fixed period of nine years.

OPERATING AND MANAGEMENT EXPENSES

Operating expenses for the continued activities increased by € 6.9 million (14.7%) in 2009, to € 53.8 million. Operating expenses also increased as a percentage of the theoretical rent, from 12.4% in 2008 to 12.9% in 2009. This increase was due to higher leasehold costs (Príncipe Pío in Madrid) and an increased allocation to the provision for doubtful debts and higher non-recoverable service charges as a result of existing and expected economic circumstances. Operating expenses as a percentage of theoretical income differ considerably per country.

OPERATING EXPENSES AS A % OF THEORETICAL RENT

	2009	2008
Netherlands	16.3	15.7
France	8.7	7.2
Italy	7.8	7.7
Spain	16.1	13.6
Turkey	29.8	41.8
Total	**12.9**	**12.3**

The higher percentages in the Netherlands, Spain and Turkey can largely be explained by leasehold expenses. Excluding leasehold expenses, the percentage for Corio would be 10.9% in 2009 (2008: 10.7%). In France and Italy a large part of the operating expenses is charged to tenants.

Management expenses also increased, by € 5.5 million to € 35.5 million in 2009. As a percentage of the theoretical rent, management expenses rose from 7.9% in 2008 to 8.5% in 2009. The increase was primarily attributable to higher personnel costs, lower charges to third parties and lower capitalised cost.

VALUATIONS

INVESTMENT MARKET

European commercial real estate investment markets saw a slight but continuing recovery during 2009 after one of the worst investment downturns in history. Investor confidence has improved from the historic lows at the beginning of 2009 and most economies have returned again to cautious growth. In the second quarter investment volumes in commercial real estate in Europe started to rise again from around € 11.5 to € 13 billion from the first to the second quarter, a 12.5% increase. The momentum was sustained in the third quarter, when an investment volume of around € 17.5 billion was reached - a 35% increase - and continued into the fourth quarter, when the volume of investments reached € 26 billion. Even though the total investment volume of 2009 reached nearly € 70 billion and indicates improving investor sentiment, full year volumes were still more than 40% down from a year earlier level, reaching the lowest level since 2001. Trends across the different markets were mixed: the main focus of renewed investor interest was in markets that had seen the greatest price correction, such as London, Madrid, Barcelona and Paris.

Retail property investments in Europe reached € 4.5 billion in the last quarter of 2009, a quarterly increase of nearly 60% and the highest total since the end of 2008. In the whole of 2009, transaction volume amounted to approximately € 12 billion, which represented a decline of more than 30% compared to 2008. Western Europe accounted for most of the retail investment volume (95%). Activity in Central and Eastern Europe was limited as most investors focused primarily on domestic and core European markets. In Continental Europe retail investment volume reached more than € 7 billion, a year-on-year decline of over 40%. However, towards the end of 2009 activity picked up, with total volumes in the fourth quarter 2009 reaching € 2.5 billion, almost 40% higher than the third quarter of 2009. With access to debt financing remaining restricted across most European markets, many of the larger deal makers have successfully turned to vendor financing.

The UK, Germany, Italy, Spain and France dominated the retail investment market in Europe, with each seeing over € 1 billion worth of deals transacted. In The Netherlands the transaction volume amounted to just under € 1 billion, with no transactions above € 100 million. Germany was the most active market in Continental Europe with a 20% share of total investments.

Shopping centres were the principal target for investors in 2009, with a continued focus on prime product in core Western markets. Notable transactions in 2009 included Pramerica's acquisition of 'Le 31' shopping centre in Lille for approximately € 160 million in the second quarter, Corio's acquisition of 95% of shopping centre Príncipe Pío in Madrid from Colonial for € 126.5 million and Orion's acquisition of Plenilunio Park in Madrid from Banif for approximately € 235 million, also in the second quarter.

VALUATION POLICY AND METHODS

Corio's valuation policy entails a quarterly appraisal at market value for the operational portfolio and the development portfolio. All valuations comply with IFRS and 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 are performed twice per year at 30 June and 31 December for all operational investment properties that generate rental income and all land plots. All investment properties under development are valued at fair value at half year and year-end.

AT LEAST TWO INDEPENDENT APPRAISERS VALUE EACH OF CORIO'S SUB-PORTFOLIOS, BY COUNTRY AND SECTOR

The external valuations must be done by independent certified appraisers with recognised and relevant professional qualifications and experience with the location and the category of properties to be valued. Corio provides the appraiser with as much information as possible so the appraiser can do a comprehensive valuation. At least two independent appraisers value each of Corio's sub-portfolios, by country and sector, if larger than € 250 million and/or consisting of over five properties. At least once every five years a rotation or change in appraisers should take place. The external appraisers of the Corio portfolio are CB Richard Ellis, Cushman & Wakefield, DTZ, Eva, Jones Lang LaSalle, PriceWaterhouseCoopers, RCG Expertise, Simonelli, TSKB and Weatherall. To assure the independence of the appraisers, valuation fees must not be directly related to the value of the properties.

The valuation methods used are the discounted cash flow method and the direct capitalisation method, in which market parameters concerning rents, yields and discount rates are based on comparable and current market transactions. Properties under € 25 million in value can be valued on the basis of either the discounted cash flow method, applying a 15 year holding period, or the extended direct income capitalisation method, or both, whatever the appraiser considers to be most suitable for the project in its market. However, properties above € 25 million must always be valued using both methods. In all cases reference transactions for both market rent and yield are to be included in the valuation report. For development projects the valuation method used is the residual value method. The residual value is derived by determining the market value of the property upon completion less the estimated remaining cost of construction.

Internal valuations are performed on 31 March and 30 September each year. These are done by the local business units in consultation with the Strategy and Investment Management department of Corio N.V. and by skilled employees with regard to valuations of real estate. The methodology of internal valuations is based on the direct capitalisation method by updating the value of the last external valuation according to recent and relevant changes in market parameters such as yields and (market) rents and/or changes in the property (occupancy, rents). If there are no significant changes in the market as evidenced by market transactions for both rents and yields or in the property, adjustments to the last external valuations are made only on the basis of quarterly changes in rental income by indexation and relettings and renewals.

CHANGES IN VALUE OF THE PORTFOLIO

In 2009 the value of the operational property portfolio fell from € 5,562.9 million to € 5,516.0 million. This decline is the balance of a downward revaluation of € 371.2 million and net acquisitions (€ 235.9 million), investments (€ 33.6 million), changes in consolidation (€ 30.8 million), the coming on-stream of development and redevelopment projects (€ 116.7 million), disposals (€ 91.5 million negative) and exchange differences (€ 1.1 million negative).

The value of the property portfolio in development, including land, fell from € 247.5 million to € 194.5 million. This decline reflects an impairment of € 22.4 million, a positive revaluation for properties under development of € 3.8 million, investments in pipeline projects of € 72.8 million, a drop of € 162.9 million because of projects becoming operational (€ 72.4 million of which concerns Les Portes de Chevreuse in Coignières, which became operational in the third quarter), a rise of € 46.2 million relating to the transfer of the IKEA property in Turin to the development portfolio and other net changes including capitalised interest totalling € 7.1 million.

As per 1 January 2009 the revised IAS40 was adopted, in which is stated that development projects have to be valued at fair value. The net effect of this adoption was € 2.4 million, which has been accounted for as direct equity movement.

REVALUATION OF THE PORTFOLIO IN 2009 (EXCLUDING ASSOCIATES)

(€ million)	Netherlands	France	Italy	Spain	Turkey	Germany Bulgaria	Total	Total %
Operational								
Retail	-94.3	-98.0	-72.2	-40.1	-10.5		-315.1	-5.7%
Offices	-18.2	-33.4				1.3	-50.3	-15.1%
Industrial		-5.8					-5.8	-10.2%
Total operational	**-112.5**	**-137.2**	**-72.2**	**-40.1**	**-10.5**	**1.3**	**-371.2**	**-6.3%**
Operational (%)	**-5.7%**	**-6.9%**	**-6.7%**	**-6.5%**	**-5.3%**	**11.0%**	**-6.3%**	
Development								
Retail	-0.7	-2.5	-8.5		-7.6	-0.8	-20.1	-10.2%
Offices		1.5					1.5	10.7%
Industrial		0.1					0.1	6.0%
Total development	**-0.7**	**-0.9**	**-8.5**		**-7.6**	**-0.8**	**-18.5**	**-8.7%**
Development (%)	**-1.1%**	**-2.5%**	**-17.1%**		**-15.7%**	**-6.4%**	**-8.7%**	
Total								
Retail	-95.0	-100.5	-80.7	-40.1	-18.1	-0.8	-335.2	-5.9%
Offices	-18.2	-31.9				1.3	-48.8	-14.0%
Industrial		-5.7					-5.7	-10.0%
Total revaluation	**-113.2**	**-138.1**	**-80.7**	**-40.1**	**-18.1**	**0.5**	**-389.7**	**-6.4%**
Total %	**-5.5%**	**-6.8%**	**-7.1%**	**-6.5%**	**-7.3%**	**1.9%**	**-6.4%**	

REVALUATION OF THE OPERATIONAL PORTFOLIO

The revaluation of the operational portfolio in 2009 amounted to 6.3% negative. This revaluation consists of negative revaluations of € 406.0 million, € 7.0 million losses on sales and positive revaluations totalling € 41.8 million. In absolute terms, the total positive revaluations mainly involved shopping centres in the Netherlands (totalling € 16.3 million, including 't Circus in Almere of € 14.3 million), France (totalling € 6.0 million including Galerie de l'Espace du Palais in Rouen of € 2.9 million and Passage Provence Opera in Paris of € 1.1 million) and Spain (Príncipe Pío in Madrid of € 18.2 million). The largest total amounts of negative revaluations were also seen for the largest retail sub-portfolios in the Netherlands (totalling € 109.0 million negative) and France (totalling € 104.0 million negative) and in Spain (totalling € 58.3 million negative). In relative terms, the negative revaluations primarily involved strategically held offices in the Netherlands (26.5% negative) and offices and industrials held for sale in France (respectively 13.2% and 10.2% negative).

The negative revaluations resulted primarily from an increase in market yields in the property investment market in the first half of 2009. In the second half of the year negative revaluations bottomed out to percentages that were less than 2% negative. The net theoretical yield of the total operational portfolio rose by 60 basis points, from 6.1% at year-end 2008 to 6.7% at year-end 2009. In the second half of 2009 the average net theoretical yield increased slightly and therefore remained unchanged at 6.7% at year-end 2009.

The revaluation of the operational portfolio as a result of the increase in market yields was partially offset by an increase in rental income and other income, except for retail in Spain and Turkey and offices and industrials in France. Looking at the like-for-like portfolio, the revaluation in 2009 for the total portfolio would have been 8.4% negative rather than 6.7% negative without the positive effect on the valuations of an increase of 1.7% in net income.

VALUATION OF OPERATIONAL PORTFOLIO (EXCLUDING ASSOCIATES)

	Net Market Value (€ million)		Revaluation*		Like-for-Like Revaluation**		Yield Effect %	Net Income
	31-12-2009	31-12-2008	€ million	%	€ million	%	valuation***	effect %
Retail								
Netherlands	1,817.3	1,839.5	-94.3	-4.9%	-97.4	-5.3%	-8.3%	3.0%
France	1,595.2	1,601.0	-98.0	-5.8%	-83.2	-5.2%	-7.7%	2.5%
Italy	1,007.3	1,124.7	-72.2	-6.7%	-72.2	-6.7%	-8.7%	2.0%
Spain	574.4	480.8	-40.1	-6.5%	-58.3	-12.1%	-9.1%	-3.0%
Turkey****	187.5	61.4	-10.5	-5.3%	-3.5	-8.6%	-1.1%	-7.5%
Total	**5,181.8**	**5,107.4**	**-315.1**	**-5.7%**	**-314.6**	**-6.3%**	**-8.2%**	**1.9%**
Offices								
Netherlands	50.4	71.6	-18.2	-26.5%	-18.2	-26.5%	-37.3%	10.8%
France	219.3	311.1	-33.4	-13.2%	-29.1	-11.7%	-12.1%	0.4%
Germany	13.5	12.2	1.3	11.0%	1.3	11.0%	8.2%	2.8%
Total	**283.2**	**394.8**	**-50.3**	**-15.1%**	**-46.0**	**-14.0%**	**-16.6%**	**2.6%**
Industrial								
France	**51.0**	**60.7**	**-5.8**	**-10.2%**	**-4.7**	**-8.4%**	**6.3%**	**-14.7%**
Total	**51.0**	**60.7**	**-5.8**	**-10.2%**	**-4.7**	**-8.4%**	**6.3%**	**-14.7%**
Total Operational	**5,516.0**	**5,562.9**	**-371.2**	**-6.3%**	**-365.2**	**-6.7%**	**-8.4%**	**1.7%**

* Revaluations of acquisitions were determined in relation to the fair value. Revaluations of sales were determined on the basis of the actual sale price.

** Revaluations for the like-for-like portfolio include all properties that were in the portfolio both at Q4 2008 and at Q4 2009 and excluding associates.

*** The net income effect in the valuation was calculated on basis of the change in net theoretical rent at valuation date of the properties (i.e. the annualised contractual rent plus turnover-based rent and other income plus market rent for vacancy minus operational expenses). Temporary discounts are taken into account in the valuation of the properties but are not included in the net income.

**** The values and revaluations for Turkey exclude associates.

YIELDS

During 2009 the increase in net yields for retail property in the portfolio amounted to 60 basis points on average. The rise primarily occurred in the first two quarters of the year. The increasing investment volume in the second half of the year positively affected the net initial yields in the market. Accordingly after some strong upward yield adjustments in the second half of 2008 and the first half of 2009, investment yields for shopping centres stabilised in the second half of 2009. By far the biggest yield adjustments in the retail portfolio arose in Spain. In the first six months of the year, the net theoretical initial yield of the operational portfolio rose by 70 basis points compared to the end of 2008. In the second half of 2009, value corrections on the basis of yield adjustments stabilised as investor interest for prime properties revived after one of the largest total yield shifts (180 basis points) in Europe over the 2008 and 2009 period. Including the acquisition of the prime shopping centre Príncipe Pío, the average net theoretical yield of the portfolio in Spain reached a level of 7.2% at the end of 2009, reflecting a total rise of 170 basis points for the portfolio in Spain.

The total increase in yields in the Netherlands, France and Italy in 2008 and 2009 was more muted and similar in all three countries. In the Netherlands the net theoretical initial yields of the operational portfolio increased 30 basis points in the first half and another 10 basis points in the second half of 2009, on top of 40 basis points in 2008, bringing the total yield shift to 80 basis points. In both France and Italy the increase in yield was 50 basis points during the first half of 2009 without any significant further yield shift occurring in the second half, bringing the total yield shift in 2008 and 2009 to respectively 90 and 80 basis points. In France the yields for shopping centres at the peak of the market were lower, so therefore the upward correction was slightly higher than in Italy. However there have hardly been any reference transactions of prime established shopping centres in 2009 in France. The increase in yields in the still developing Italian retail market was larger in 2009 than in 2008. Yields in the Italian retail market started to rise in the last quarter of 2008, later than in the other home markets. They rose first for secondary locations and later also for more prime locations, although to a lesser extent than elsewhere in Europe.

Yields for the Turkish portfolio during 2009 are not totally comparable because of ongoing changes in the composition of the portfolio in Turkey. The downward yield shift in Turkey in the first half of 2009 was caused by the additions of Teras Park and Tekira to the portfolio of investment properties. Total yield including associates remained stable at 8.0% in 2009, bringing the total increase in 2008 and 2009 to 220 basis points. On a like-for-like basis, thus only relating to shopping centres Adacenter and 365, yields increased by 50 basis points in 2009 from 9.5% to 10.0%.

VALUATION OF OPERATIONAL PORTFOLIO: WEIGHTED AVERAGE NET THEORETICAL YIELDS*(EXCLUDING ASSOCIATES)

	31-12-2009	30-06-2009	31-12-2008	Difference in basis points	
				2009 total	2009 first half
Retail					
Netherlands	6.6%	6.5%	6.2%	40	30
France**	6.4%	6.4%	5.9%	50	50
Italy	6.1%	6.1%	5.6%	50	50
Spain***	7.2%	7.2%	6.5%	70	70
Turkey****	8.3%	8.5%	8.9%	-60	-40
Total	**6.6%**	**6.5%**	**6.0%**	**60**	**50**
Offices					
Netherlands*****	11.1%	8.9%	7.8%	330	110
France	8.5%	7.7%	7.6%	90	10
Germany	9.1%	10.0%	9.8%	-70	10
Total	**9.0%**	**8.0%**	**7.7%**	**130**	**30**
Industrial					
France	8.6%	10.8%	9.3%	-70	150
Total	**8.6%**	**10.8%**	**9.3%**	**-70**	**150**
Total Corio	**6.7%**	**6.7%**	**6.1%**	**60**	**60**

* The Net Theoretical Yield (NTY) was calculated as an output yield using the following formula:
NTY = Net Theoretical Rent /Net Open Market Value.
Net Theoretical Rent = the annualised contractual rent + turnover-based rent and other income + market rent for vacancy -/- operational expenses.

** The unrounded yield for the retail portfolio in France increased slightly because of the addition of Les Portes de Chevreuse to the investment property portfolio.

*** The 'like-for-like' net theoretical yield (excluding Príncipe Pío) was 7.2% at Q4 2009.

**** For Turkey the associate Akmerkez is not included in the above yield calculation. When including Akmerkez the NTY in Turkey remained unchanged at 8.0% at 31-12-2009.

***** The valuation of the Dutch office portfolio is partly influenced by planned capital expenditures, whereas the possible added value is not (yet) fully reflected.

REVALUATION OF THE DEVELOPMENT PORTFOLIO

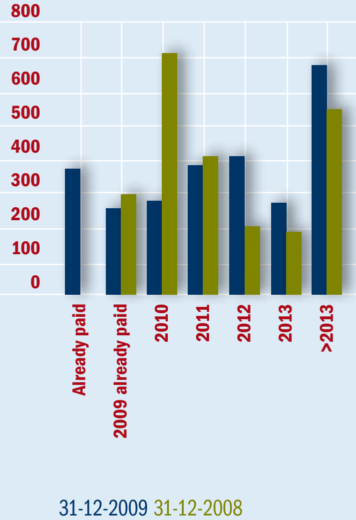
The revaluation of the development portfolio in 2009 amounted to 8.7% negative. This was in line with the overall further increase in risk premiums for development projects in the market.

VALUATION OF DEVELOPMENT PORTFOLIO

	Net Market Value (€ million)		Revaluation	
	31-12-2009	31-12-2008	(€ million)	%
Retail				
Netherlands	64.3	74.9	-0.7	-1.1%
France	17.6	95.6	-2.4	-12.1%
Italy	41.2	3.6	-8.5	-17.1%
Spain	1.5	1.3	–	–
Turkey	40.7	43.6	-7.6	-15.7%
Bulgaria	12.6	13.5	-0.9	-6.4%
Total	**177.9**	**232.6**	**-20.1**	**-10.2%**
Offices				
France	15.6	14.0	1.5	10.7%
Total	**15.6**	**14.0**	**1.5**	**10.7%**
Industrial				
France	1.0	0.9	0.1	6.0%
Total	**1.0**	**0.9**	**0.1**	**6.0%**
Total Development	**194.5**	**247.5**	**-18.5**	**-8.7%**

Total impairment of € 18.5 million primarily concerns negative revaluations totalling € 7.6 million of development projects in Turkey (shopping centre developments in Malatya € 7.1 million negative and Tarsus € 0.5 million negative), in Italy the former IKEA property in Turin (€ 8.5 million negative as a result of the property being currently redeveloped), in France (mainly the land Côte de Nacre in Caen, € 1.9 million negative), and in the Netherlands (of which project Metropole in Almere totalling € 0.6 million negative). Positive revaluations mainly included projects in France (Bureaux de Nacre NXP in Caen France, € 1.9 million) and the Netherlands (mainly Nieuw Hoog Catharijne, € 1.3 million). In Spain there were no revaluations of development property. Other changes in book value are reflected in the continuing investments in (re)development projects.

PIPELINE (€ MILLION)



PIPELINE

INTRODUCTION

Corio is continually working to strengthen its retail portfolio to enhance its total yield, while striving to improve its risk profile by selectively revitalising, renovating and expanding properties, as well as by initiating new developments and making appropriate acquisitions and disposals. Despite the limited availability of prime retail properties with dominant positions in Corio's highly competitive home markets, as of 31 December 2009, there were 31 projects in Corio's pipeline. The pipeline consists of our own (re)development projects or turnkey projects. The pipeline projects are divided into fixed and variable pipeline, depending on the status of the projects.

Contrary to projects in the fixed pipeline, projects in the variable pipeline have a term or a condition with which the parties still have to comply. Projects in the variable pipeline have an element of uncertainty as to their timing, for example due to the fact that a licence must be obtained before construction of the project can begin. Investments in existing operating properties are included in the fixed or variable pipeline only if they are likely to generate additional income for that property. In other words capital expenditures to improve the quality of a property, but without the possibility of generating additional income, are not included.

In order to provide insight into the extent of Corio's commitment to a pipeline project, an additional classification of the pipeline was introduced: 'committed', 'deferrable' and 'waivable'. The definitions of the classification of the pipeline projects can be found at the end of this report.

The risk/return profile of projects is continually evaluated in the light of changing market circumstances and Corio's short and long-term strategy. As a result in 2008 and 2009, two projects in France and three projects in Turkey were cancelled and removed from the pipeline. One project in France was renegotiated and may come back into the pipeline in 2010 at considerably better conditions. Due to the dynamics and long lead times of retail projects of this kind, the amounts to be invested, the completion dates and, therefore, the anticipated yields, may change at any time. Corio constantly evaluates opportunities for possible inclusion as projects in the pipeline.

OVERVIEW OF THE PIPELINE

The division of the pipeline projects at 31 December 2009 over the four categories and amounts already invested were as follows:

OVERVIEW OF THE PIPELINE

(€ million)	Fixed Committed	Fixed Deferrable	Variable Deferrable	Waivable	Total
Total already Invested	121.2	15.1	114.3	1.3	252.0
Total excl. amounts paid	581.5	41.9	1,126.0	263.5	2,013.0
Total Investment	702.7	57.1	1,240.3	264.8	2,265.0
% of total	31%	3%	54%	12%	100%

Projects in the fixed committed and fixed deferrable pipeline on 31 December 2009 fell substantially from € 1.1 billion (including € 136.4 million already invested) on 31 December 2008 to € 760 million (including € 136 million already invested) on 31 December 2009. The fixed pipeline consists of 19 projects, 6 of which are new projects and 13 are redevelopments. During 2009 three projects were cancelled and several projects were taken in operation, among which: Les Portes de Chevreuse in Coignières, Tekira in Tekirdağ and 't Circus in Almere. In Italy the extension of four existing centres and the development of a new shopping centre were moved from the variable to the fixed pipeline. On 31 December 2009 the yield on the total costs (projected net rental income as a percentage of investments, including financing costs and management costs) of the projects in the fixed pipeline was 6.9%. Corio does not take zoning or construction risks, so the actual return may be influenced only by the letting results and/or financing costs.

OVERVIEW OF THE TOP 10 FIXED PIPELINE PROJECTS

Country	City	Project	Type	Total Investment (x € million)	Additional m² developed	Total m² on completion	Expected opening date
Turkey	Bursa*	Anatolium	Development	183.3	83,800	83,800	2010
Italy	Venice	Marghera	Development	145.5	30,000	30,000	2012
Netherlands	Nieuwegein	Cityplaza	Redevelopment	116.9	51,200	80,300	2011/ 2013
Italy	Busnago	Globo III	Extension	52.6	8,400	30,300	2011
Turkey	Tarsus	Tarsu	Development	50.5	27,100	27,100	2011
Netherlands	Spijkenisse	Stadsplein en Kolkplein	Development	37.6	11,900	11,900	2011
Netherlands	Zoetermeer	Oosterheem	Redevelopment	32.1	12,000	12,000	2012
Netherlands	Rotterdam	Nesselande	Development	30.9	10,000	10,000	2010
Netherlands	Heerhugowaard	Middenwaard	Redevelopment	28.4	7,800	38,300	2011
Netherlands	Utrecht	H.C. De Vredenburg	Development	17.2	5,800	72,800	2012
Total				**695.0**	**248,000**	**396,500**	

* Turnkey deal, total investment may change as a result of actual rental income.

CORIO IS CONSTANTLY ACTIVE IN THE MARKET FOR NEW ACQUISITIONS AND NEW DEVELOPMENTS

Projects in the variable deferrable and waivable pipeline on 31 December 2009 represented a total investment of € 1.5 billion (2008: € 1.6 billion), including € 116 million (2008: € 73.6 million) already invested, consisting of 12 projects, of which three were new projects and nine were redevelopments. On 31 December 2009, the yield on the total costs as defined above was 7.4%.
According to the classification of the pipeline by degree of commitment, on 31 December 2009, projects were committed for a total sum of € 760 million (including € 136.4 million already invested), € 1.3 billion could be deferred, both fixed and variable (including € 129.4 million already invested) and € 265 million could be waived (including € 1.3 million already invested). Security for amounts Corio already invested in projects that can be cancelled or waived, such as bank guarantees, has been provided by Corio's project partners. In such case the relevant parties will have to pay back any investments already made by Corio if the project is cancelled or waived.
The amounts already invested in Corio's own (re)developments are already part of Corio's development portfolio, which are included in Corio's consolidated balance sheet as 'investment property under development''.

The amounts already invested in all pipeline projects do not match the amounts under 'investment property under development' in the balance, for the following reasons:

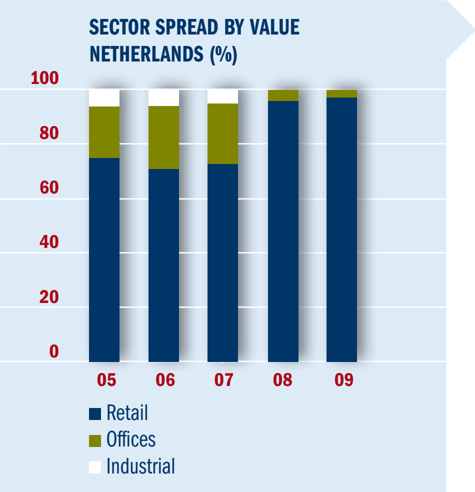
- Any investments in turnkey projects are included in other items on the balance sheet under the item 'advance payments', but are not included in investment property under development.
- The amounts already invested in pipeline projects are included at fair market value in Corio's consolidated balance sheet.
- Holdings of land are included at fair market value under 'investment property under development'. Most of these land holdings relate to potential retail projects or extensions of existing centres. Corio owns several plots of land, consisting of a a potential retail project in Bulgaria, two office and two retail plots in France and a retail project in Italy. Their value was approximately € 12.6 million, € 25.4 million and € 38.0 million respectively on 31 December 2009, representing 39% of total investment property under development. These projects are not included in the pipeline as these are not (yet) under development, except for the project in Italy. This project, acquired last year, is currently under redevelopment and is not generating income. The two office plots in France will be sold in due course, in line with Corio's strategy.
  For a breakdown of the properties under development we refer to the Valuation paragraph.

In the table below the changes in the portfolio are reflected as a result of the additions of the pipeline projects. In this table it has also been assumed that the offices and industrials in France have been sold by 2012. In particular the portfolios in Italy and the Netherlands will be strengthened by pipeline projects. Corio is constantly active in the market for new acquisitions and new developments.

INVESTMENTS IN PROJECTS ACCORDING TO DELIVERY DATE

	Portfolio at year-end 2009	Completion to 2014	Portfolio at year-end 2014	%	Completion to 2020	Portfolio at year-end 2020	%
Retail							
Netherlands	1,817	366	2,183	33%	646	2,830	37%
France	1,595	68	1,663	26%		1,663	21%
Italy	1,007	293	1,301	20%	530	1,830	24%
Spain	574	22	596	9%		596	8%
Turkey*	363	340	703	11%		703	9%
Total	**5,357**	**1,089**	**6,446**	**99%**	**1,176**	**7,622**	**99%**
Offices							
Netherlands	50		50	1%		50	1%
France	219						
Germany	13						
Total	**283**		**50**	**1%**		**50**	**1%**
Industrial							
France	51						
Total	**5,691**	**1,089**	**6,496**	**100%**	**1,176**	**7,672**	**100%**

* Including associates.



NETHERLANDS

CORIO NEDERLAND WAS ABLE TO KEEP THE AVERAGE OCCUPANCY RATE OF ITS € 1,817 MILLION OPERATIONAL RETAIL PORTFOLIO AT A HIGH LEVEL OF 98.4% (2008: 98.8%) AS A RESULT OF ACTIVE CENTRE MANAGEMENT AND LETTING MANAGEMENT. LIKE-FOR-LIKE NET RENTAL GROWTH OF THE RETAIL PORTFOLIO (EXCLUDING PARKING) WAS 1.2%.

THE OCCUPANCY RATE OF THE OPERATIONAL OFFICE PORTFOLIO OF € 50.4 MILLION ROSE TO 95.3% (2008: 89.2%)

APRIL: OPENING OF 'T CIRCUS IN ALMERE, A CITY CENTRE SHOPPING CENTRE OF 26,900 M² GLA WHICH WAS ACQUIRED IN OCTOBER 2009. VALUE AT YEAR END 2009 WAS € 42.3 MILLION.

JULY: OPENING OF REFURBISHED CASSANDRAPLEIN IN EINDHOVEN (4,400 M² GLA).

SEPTEMBER: OPENING OF REFURBISHED DE MARE IN ALKMAAR (10,500 M² GLA).

OCTOBER: EXTENSION OF CITYPLAZA IN NIEUWEGEIN, STARTED BY MULTI/ING; PROPERTY TO BE ACQUIRED BY CORIO UPON COMPLETION. TOTAL EXTENSION IS EXPECTED TO COST € 117 MILLION.

NOVEMBER: OPENING OF NEW SHOPPING CENTRE NESSELANDE IN ROTTERDAM; PROJECT TO BE ACQUIRED BY CORIO EARLY 2010 FOR € 30 MILLION.

DECEMBER: START OF CONSTRUCTION AT DE VREDENBURG IN UTRECHT; START OF REDEVELOPMENT OF HOOG CATHARIJNE

DECEMBER
START OF REDEVELOPMENT OF HOOG CATHARIJNE

MARKET

As one of the most open economies of Europe, the Netherlands could not remain unscathed by the global economic and financial crisis. In response to the economic crisis the government adopted several recovery packages. They were aimed at the areas most affected by the crisis, focusing on household purchasing power, private and public investment and employment protection. Government spending therefore grew 3.1% in 2009 compared to 2008. Together with a rebound in world trade volumes, the measures led to a resumption of growth at the end of 2009, ending six consecutive quarters of

negative growth. GDP in 2009 nonetheless fell 4.0%, which is the sharpest contraction in decades. The Netherlands was hit hard by the decline in world trade, as reflected in the negative trade figures, with both exports (-8.4%) and imports (-8.9%) showing declines. The unemployment rate, which is still among the lowest in Europe, rose to 4.9% in 2009 from 3.9% in 2008. Inflation (HICP) more than halved to 1.0% (2008: 2.2%), which was still higher than the Euro Area average. Retail sales turnover was also influenced by the crisis, contracting 4.3%. Retail sales volume fell 4.2%. The food sector performed better than non-food: in the latter category, the health and beauty segment bucked the trend and showed sales growth. The recession influenced the Dutch retail scene and widened the division between primary and secondary locations. Demand for primary locations held up well; they were not affected by vacancies and declines in market rents to the same extent as some secondary locations. Financially strong retailers benefitted from the circumstances by entering new markets and expanding market share. Prime rents therefore remained stable.

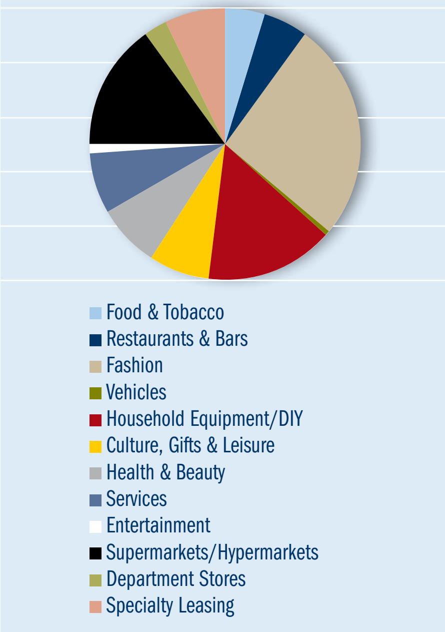
RETAIL

PORTFOLIO AND VALUATION

The value of the retail portfolio including investments in the pipeline in the Netherlands fell to € 1,881.7 million at year end 2009 from € 1,914.4 million a year earlier. A total of € 81.3 million was invested in the portfolio and pipeline. Investments in the operational portfolio related mainly to Alexandrium I in Rotterdam (€ 2.0 million). The pipeline investments of € 61.9 million mainly related to Middenwaard in Heerhugowaard (€ 19.7 million), De Mare in Alkmaar (€ 18.3 million), 't Circus in Almere (€ 6.0 million, Metropole in Almere (€ 3.4 million), Cassandraplein in Eindhoven (€ 3.2 million) and Maaswijk in Spijkenisse (€ 3.4 million). In the course of the year Corio took into operation 't Circus in Almere, the refurbished Cassandraplein in Eindhoven and the refurbished De Mare in Alkmaar, as well as parts of Middenwaard in Heerhugowaard.
Corio sold € 21.4 million in several small retail properties including Hollantlaan/Drommedarislaan (€ 9.6 million) and Zuidhaven in Zevenbergen (€ 3.2 million). The operational portfolio was revalued downwards by € 95.0 million, a reduction of 5.7% on the book value as at year end 2009 before revaluation. Increases in value totaled € 16.3 million, decreases totaled € 109.0 million and loss on disposals amounted to € 1.6 million.

Initial yields rose 40 basis points on average in Corio's Dutch retail portfolio, pushing the net theoretical yield of the Dutch retail portfolio to 6.6% at year end 2009 from 6.2% at year end 2008. The net theoretical yield rose in the last half year by 10 basis points, indicating that yields are stabilising.

SECTOR SPREAD NETHERLANDS (%)



RENTS AND OCCUPANCY RATES

The theoretical rent of the Dutch retail portfolio fell 0.9% to € 137.4 m. The first full year of operation of Pieter Vreedeplein in Tilburg as well as the reopening of Cassandraplein in Eindhoven and De Mare in Alkmaar balanced the effects of the disposal of a number of small retail projects in 2008 and 2009.

A total of 76 relettings and 42 renewals were signed in the Dutch portfolio in 2009, resulting in a total increase in rents of 1.3%. Reflecting the economic slowdown, the renewal process took longer as tenants tried to delay decisions as much as possible. Tenants are bracing themselves for a potentially more protracted period of lower sales in the next few years. The main factors causing the rather low increase of rents were lower basic rents at Villa ArenA and turnover-based rental agreements. In most other centres Corio was able to hold the level of market rent. Corio also signed some leases on a turnover rent basis in the Netherlands. Examples include Zara in Pieter Vreedeplein in Tilburg. Other income, which is mainly related to kiosks, remained stable at € 0.4 million.

The average financial EPRA occupancy rate fell slightly in 2009 to 98.4%. The strategic vacancy increased because of renovation in Cityplaza in Nieuwegein and Hoog Catharijne in Utrecht. Loss of rent due to vacancy was limited, reflecting the relative cyclical resilience of the Dutch portfolio.

Like-for-like net rental growth on properties which were in the portfolio in 2008 and 2009 rose 1.3% (2008: 3.6%), which was lower than the indexation of 2.0% due to higher vacancy, lower rental income from Villa ArenA and declining parking income.

VISITOR NUMBERS AND SALES

In general, footfall in the Dutch shopping centres has remained stable over the past few years. In 2009 it declined marginally by 1-2%, which is in line with the general market. Outstanding positive contributions came from the Rotterdam area, particularly from Alexandrium, Rotterdam and Kopspijker in Spijkenisse. The former grew rental income by 13% and drew 1.2 million more visitors thanks to new successful Zara and Primark shops. The negative contributors were Cityplaza, where rental income fell 5% and the number of visitors by 450,000 due to renovation; Emma passage, down 8% on rental income and 350,000 fewer visitors due partly to changes to the inner city ring road. Villa ArenA rental income was down 8% amid 110,000 lower visitor numbers as shoppers refrained from purchasing big-ticket home improvement items due to the economic crisis.

PIPELINE

Corio Vastgoed Ontwikkeling, the 100%-owned project development unit of Corio in the Netherlands, currently has six properties under construction:

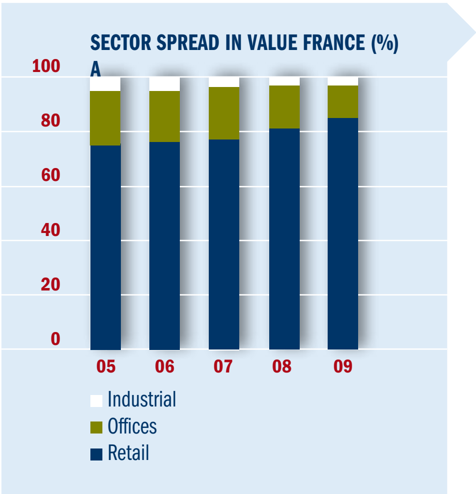
- Heerhugowaard-Middenwaard (M3 and M5)
- Nieuwegein-Cityplaza (extension)
- Spijkenisse-Stadsplein
- Rotterdam-Nesselande (it is open for public and has been delivered to Corio early 2010).
- Utrecht-NHC De Vredenburg
- Hoofddorp-Paradijs

The total pipeline in the Netherlands amounts to € 1.0 billion (2008: € 940 million), of which € 121.8 million (2008: € 127.8 million) has been invested. This pipeline has a fixed and a variable part of, respectively, € 276 million (2008: € 378 million) and € 736 million (2008: € 562 million). Of this, 27% is committed, 53% can be deferred and 20% can be cancelled. In 2009 the following projects were taken into operation: De Mare in Alkmaar, ‘t Circus in Almere, part of the project Middenwaard in Heerhugowaard and the small project Maaswijk in Spijkenisse. Two projects were moved from the fixed to the variable pipeline. The renovation of Hoog Catharijne has been mainly included in the variable pipeline for an updated higher investment amount. Once an extension or redevelopment of a particular section is started, that part will move to the fixed pipeline, as in the case of De Vredenburg extension.

OFFICE

Corio has a small strategic office portfolio valued at € 50.4 million. The like-for-like net rental income increased by 28.5%, mainly reflecting the letting of vacant space to new tenants, which resulted in an average financial EPRA occupancy rate of 95.3%, up from 89.2% in 2008.

The net rental income of the like-for-like Dutch offices portfolio rose to € 6.4 million at year end 2009 from € 5.0 million at year end 2008.



FRANCE

CORIO FRANCE WAS ABLE TO KEEP THE OCCUPANCY RATE OF ITS € 1,595.2 MILLION OPERATIONAL RETAIL PORTFOLIO AT A LEVEL OF 93.9% (2008: 96.2%). LIKE-FOR-LIKE NET RENTAL INCOME GROWTH FOR THE RETAIL PORTFOLIO WAS 6.1%.

THE OCCUPANCY RATE OF THE OPERATIONAL OFFICE PORTFOLIO OF € 219.3 MILLION REMAINED HIGH AT 99.6%, WHEREAS THE OCCUPANCY RATE OF THE OPERATIONAL INDUSTRIAL PORTFOLIO OF € 51.0 MILLION WAS 84.6%.

JANUARY: GRAND LITTORAL IN MARSEILLE MANAGEMENT TRANSFERRED TO ON SITE CORIO MANAGEMENT.

JUNE: SALES OF THE OFFICE TOULATRIA IN TOULOUSE (8,800 M² GLA) AND THE COMPANS INDUSTRIAL (7,600 M² GLA) FOR € 22.2 MILLION.

JUNE: OPENING OF MAIN TENANTS CASTORAMA, CONFORAMA AND BOULANGER (36,200 M² GLA) IN RETAIL PARK LES PORTES DE CHEVREUSE IN COIGNIÈRES.

JULY: SALE OF BCEOM MONTGOLFIER OFFICE IN GUYANCOURT FOR € 10.4 MILLION (5,000 M² GLA).

DECEMBER: SALE OF THE FRÈRES PEUGEOT OFFICE IN RUEIL-MALMAISON FOR € 30.6 MILLION (17,600 M² GLA).

JUNE OPENING OF MAIN TENANTS IN RETAIL PARK LES PORTES DE CHEVREUSE IN COIGNIÈRES

MARKET

Despite the collapse of economic growth in the fourth quarter of 2008 and first quarter of 2009 (both -1.4% quarter-on-quarter) France was one of the first countries in Europe to resume growth, in the second quarter of 2009, achieving quarter-on-quarter GDP growth of 0.3%. With strong balance sheets in the corporate and banking sector, the French economy proved to be resilient. The government boosted the recovery with fiscal and monetary measures, which helped support the ailing automotive industry in particular. Thanks in part to the level of government support, the recession was less steep than in many neighbouring countries and in the Euro Area as a whole. GDP fell 2.2% in 2009, less than the EU average. France was one of the very few European countries where domestic demand was resilient: private consumption slowed markedly but remained positive (0.8%). Despite France being relatively successful in weathering the storm in the European context, the labour market did not benefit. France's unemployment rate of 9.4% in 2009 (2008: 7.8%) was in line with the Euro Area average. Inflation in 2009, meanwhile, averaged only 0.1% (2008: 3.2%) and some months even witnessed slight deflation. Despite positive consumer spending growth, retail sales slipped 1.6% from the previous year; in terms of volume, the contraction was 0.7%. Despite the weakening economic climate, demand for retail space remained relatively resilient. Although in general demand weakened somewhat, there were still new openings and retailers willing to enter the market or expand. The focus is on obtaining good quality locations, which, like in the Netherlands, is leading to a greater division between primary and secondary locations. There was some mild downward pressure on rents during the year and the use of incentives became more common.

RETAIL

PORTFOLIO AND VALUATION

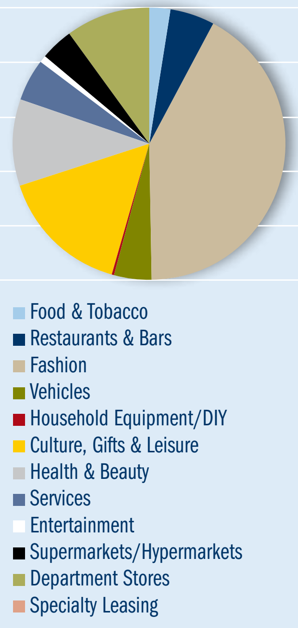
The value of the retail portfolio in France fell to € 1,612.8 million at year end 2009 from € 1,696.5 million a year earlier. The share of retail in the French portfolio was 85%. A total of € 12.7 million was invested in the portfolio and the pipeline. Investments in the operational portfolio related mainly to Les Portes de Chevreuse in Coignières (€ 11.1 million).

During 2009 Les Portes des Chevreuses in Coignières was taken into operation. This retail park made its début in June with the earlier than expected opening of the main anchors Boulanger, Conforama and Castorama. The Megastore in Bordeaux was sold in January 2010 for € 67.3 million. Corio decided to sell the Megastore because it wants to focus on shopping centres with more growth potential. The building accommodates 4 large tenants in the city centre of Bordeaux.

The operational portfolio was revalued downwards by € 98.0 million, a reduction of 5.9% on the book value as at year end 2009 before revaluation. Upward revaluations totaled € 6.0 million while downward adjustments totaled € 104.0 million.

In general initial yields rose between 40 and 60 basis points, pushing the net theoretical yield of the French retail portfolio to 6.4% at year end 2009 from 5.9% at year end 2008. Over the second half year no further yield shift took place, indicating that the market is stabilising.

SECTOR SPREAD FRANCE (%)



RENTS AND OCCUPANCY RATES

The theoretical rent of the French retail portfolio rose by 17.1% to € 107.4 million from € 91.7 million. The increase was mainly thanks to the addition of Les Portes de Chevreuse in the portfolio (€ 4.3 million) and the first full year of operation of Grand Littoral in Marseille, which was acquired in March 2008 (€ 5.6 million). Other contributors were the full years of operation for Capteor in Orgeval and new units in Charras in Courbevoie, as well as the reopening of Quais d'Ivry in Ivry-sur-Seine during 2008 and other income from several centres. A 3.85% rent indexation was another positive contributor.

The increase was also positively affected by relettings and renewals. The main relettings of 2009 concern GrandPlace, Centre Deux, Nice TNL, Mondeville2, Grand Littoral and La Grande Porte. The main renewals were concluded in Centre Deux, Mondeville 2, Quais D'Ivry and Grand Littoral. Over the year a total of 37 relettings and 35 renewals were concluded and an average of 16.8% higher rent was achieved through these relettings and renewals. The other rental income in 2009 amounted to 1.6% of the theoretical rent (1.2% in 2008). Turnover rent in 2009 was 0.9% of the theoretical rent, down from 1.3% in 2008 and mainly due to the difficult economic situation which led to declining turnover figures for our tenants in 2009.

The average financial EPRA occupancy rate fell to 93.9% (2008: 96.2%). This increase in vacancy was mainly caused by the effects of the recession, the departure of tenants in Quais d'Ivry in Ivry-sur-Seine, Art de Vivre in Orgeval (furniture mall) and Marques Avenue in Cholet, thus increasing the real vacancy. The strategic vacancy increased as well, to 1.6%, because of the planned restructuring of Grand Littoral in Marseille and the Monoprix site in la Galerie in Mulhouse. Total vacancy and free rent amounted to 8.8% of the theoretical rent (2008: 7.3%). Free rent in 2009 declined slightly compared to 2008.

Net rental income rose 13.9% to € 87.6 million in 2009. Like-for-like net rental growth on properties which were in the portfolio in 2008 and 2009 increased by 6.1% (2008: 7.3%), ahead of average inflation in France of 0.1%. Besides indexation, the main elements that contributed to this growth were other income (mainly in Mondeville2 and Nice TNL), less bad debt (Centre Deux) and less free rent given (Metz Megastore and Mayol in Toulon). These positive developments were partly offset by negative growth in Passage Provence Opera due partly to receipt of other income in the comparative period, vacancy at La Galerie in Mulhouse because of restructuring and La Galerie in Mulhouse and Galerie de l'Espace du Palais in Rouen, which suffered as a result of the economic crisis.

VISITOR NUMBERS AND SALES

Footfall in the French portfolio is measured for 12 centres, representing 57% of the retail portfolio. In 2009 those centres were visited by 54 million people, implying approximately 95 million visitors for the whole French retail portfolio, which is a decrease of 4.3% compared to 2008. Relative outperformers were Nice TNL, Mondeville2, Côte de Nacre and Centre Deux. Relative underperformers were La Galerie in Mulhouse which is being restructured, La Grande Porte in Montreuil and Galerie de l'Espace du Palais in Rouen. Cumulative turnover up to October 2009 was down 3.4% for 8 centres accounting for 48% of the retail portfolio. Better than average performers were Nice TNL, Centre Deux and Laval Mayenne. La Grande Porte and Les Trois Moulins were hardest hit by the downturn. The average occupancy cost ratio was a healthy 9.3%.

PIPELINE

At the end of 2009 Corio France had two projects in the variable pipeline valued at € 68 million (2008: € 283 million), € 14.5 million (2008: € 114.0 million) of which was invested. Both projects can be deferred if required. There were no projects added to the pipeline during 2009. Two projects were removed from the pipeline in 2009, however. They represent a total investment of approximately € 103 million. In the deteriorating market the conditions were no longer attractive. Corio might have the opportunity to reconsider this project under improved conditions. The retail project Les Portes de Chevreuse in Coignières was delivered and taken in operation.

OFFICE

Corio has a small office portfolio in France with a total value of € 219.3 million (2008: € 311.1 million). The value decreased as a result of the sales of Toulatria in Toulouse, BCEOM Montgolfier in Guyancourt and Frères Peugeot in Rueil-Malmaison (total: € 59.3 million) and a negative revaluation of € 33.4 million.

The net rental income of the French offices portfolio fell to € 21.3 million in 2009 from € 22.4 million in 2008, as a result of the sales of the above mentioned properties. The like-for-like net rental income rose 4.8%, which mainly reflects indexation (8.8% cost of construction index) and the letting of vacant space to new tenants resulting in an average financial EPRA occupancy rate of 99.6% in 2009 (2008: 98.9%).

INDUSTRIAL

Corio also has a small industrial portfolio in France with a total value of € 51 million (2008: € 60.6 million). The value of the portfolio decreased compared to 2008 as a result of negative revaluations of € 5.8 million and the sales of the Compans warehouse in Toulouse for € 3.8 million. The like-for-like net rental income fell 29.7%, which is mainly the result of reletting the FNAC Massy warehouse on a new 9-year lease at a lower rent level, and the vacancy of Paris Sud Bretigny. Because of this the EPRA occupancy rate fell to 84.6% from 99.1% in 2008.

ITALY

CORIO ITALIA WAS ABLE TO KEEP THE OCCUPANCY RATE OF ITS € 1,007.3 MILLION OPERATIONAL RETAIL PORTFOLIO AT A HIGH LEVEL OF 99.1% (2008: 98.9%). LIKE-FOR-LIKE NET RENTAL INCOME GROWTH FOR THE RETAIL PORTFOLIO WAS 3.0%.

JUNE: CORIO ITALIA WON THE IPD EUROPROPERTY AWARD BASED ON CORIO'S THREE-YEAR TOTAL RETURN ANNUALISED TO DECEMBER 2008.

JUNE: SHOPVILLE LE GRU WON THE ICSC SOLAL MARKETING AWARD IN THE CATEGORY ALTERNATIVE REVENUE FOR THE CAMPAIGN "NEW HORIZONS BESIDES THE BUDGET"

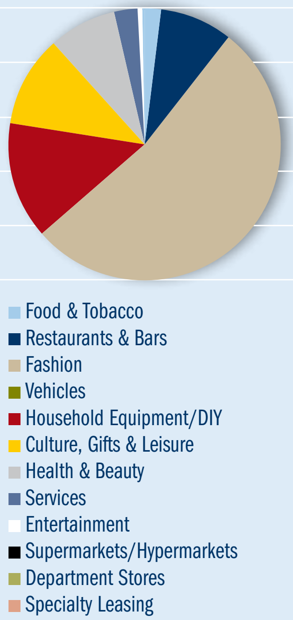
JUNE: SHOPVILLE GRAN RENO WON THE ICSC SOLAL MARKETING AWARD IN THE CATEGORY SALES PROMOTION FOR THE CAMPAIGN "REALITY IN CAR"

JUNE SHOPVILLE GRAN RENO WON THE ICSC SOLAL MARKETING AWARD IN THE CATEGORY SALES PROMOTION FOR THE CAMPAIGN "REALITY IN CAR"

MARKET

Despite the low indebtedness of the household sector and relatively solid financial system providing some shelter for the financial turmoil, the economy nevertheless experienced a sharp contraction. A marked slowdown of economic activity had already been underway when the financial crisis deepened in the first quarter of 2009. Overall, the economy declined 4.8% in 2009 (2008: -1.0%), more than most other Euro area countries.
Real GDP regained some strength in the second half of 2009, turning positive in the third quarter. But still, the depth of the output contraction resulted in the steepest fall in decades, with all major components of GDP growth below the Euro Area average. Both imports and exports suffered a particularly severe decline, contracting 16.1% and 20.1% respectively. Private consumption, down 1.7%, and investments, down 12.8% contributed to the strong drop in GDP. The unemployment rate, however, was below the Euro Area average at 7.9% in 2009 and inflation fell to 0.8% from 3.5% in 2008. Retail sales turnover declined 1.8% and 1.5% in terms of volume. Rental growth, which has grown at a healthy pace for several years now, stabilised under the influence of the recession. The shopping centre industry has performed relatively well as a whole over the past couple of years. Retailers continue to show interest in taking up new space, and as new shopping centre space meeting the needs of modern retail formats becomes available, new entrants are expected to enter the market. Interest in the most prime locations increased, despite the recession. The rents in secondary locations have weakened somewhat however.

SECTOR SPREAD ITALY (%)



PORTFOLIO AND VALUATION

The value of the retail portfolio in Italy fell to € 1,048.5 million at year end 2009 from € 1,128.3 million at year end 2008. A total of € 0.5 million was invested in the portfolio and the pipeline.

No new properties were taken into operation, nor were any properties sold. The IKEA store at Shopville Le Gru that was acquired in 2008 was moved from the operational portfolio to the pipeline. The aim is to redevelop the building in order to strengthen Shopville Le Gru as a retail destination and favourite meeting place in Turin.

The operational portfolio was revalued downwards by € 72.2 million, a reduction of 6.7% on the book value as at year end 2009 before revaluation. All revaluations were negative.

In general initial yields rose 50 basis points on average, pushing the net theoretical yield of the Italian retail portfolio from 5.6% at year end 2008 to 6.1% at year end 2009. Over the second half year no more yield shifts took place, indicating that the market is stabilising.

RENTS AND OCCUPANCY RATES

The total theoretical rent in 2009 amounted to € 70.2 million, a 6.0% increase on 2008. Factors influencing this include, on the positive side, the acquisition of the IKEA premises (€ 1.7 million) and indexation, albeit at a lower level than in 2008. Contracts were indexed to inflation at 2.1% in 2009, down from 2.6% in 2008. Factors on the downside included a lack of new developments or redevelopments coming on stream in 2009.

The increase was also positively affected by relettings and renewals, mainly in Il Maestrale in Senigallia and Campania in Naples, which embarked on its first ever reletting phase, taking the opportunity to optimise its offering to the market after the first full year of activity. Despite the market conditions, Corio Italia was able to increase rents by 7.2% for 12.0% of the contracts.

The contribution of turnover rent to the rental income decreased in comparison to 2008. In 2009 turnover-based rent as a percentage of theoretical rent was 1.5%, compared with 1.6% in 2008. Other income fell 24.5% to € 1.8 million.

The average financial EPRA occupancy rate increased to 99.1% (2008: 98.9%), mainly due to some large units that were let during the course of 2008. In 2008 most vacancy was strategic, whereas for 2009 the vacancy was mainly real vacancy. Corio's rental strategy aimed at maintaining an attractive tenant mix for the consumers in the catchment area, which may require selectively and temporarily supporting tenants' margins by means of free rent.

Like-for-like net rental income on properties which were in the portfolio in both 2008 and 2009 increased by 3.0% (2008: 3.3%), ahead of average inflation in Italy of 0.8% as well as the indexation of 2.1%.

VISITOR NUMBERS AND SALES

Footfall in Italy is measured for 6 centres, which represent 91% of the Italian portfolio. In 2009 those centres were visited by 44 million people, which is an increase of 0.5% compared to 2008, and implies a total number of visitors for the Italian portfolio of 48 million. The increase was mainly thanks to the rise in visitors in Campania (+11%) in its second year of operation. The number of visitors increased in Il Maestrale as well, but the other centres saw slight declines in footfall. Despite the economic circumstances cumulative turnover up to November rose 4% in Corio Italy's centres. The average occupancy cost ratio (rent and service charges over turnover) of the Italian centres amounts to a sound 10.6%.

The year was characterised by a very positive start in January, with a successful winter sales period that cancelled out the negative effects of a slow 2008 December period and stagnant footfall and turnover in all mature operations. Campania saw a substantial increase in turnover - a trend that is typical for the successful super regional shopping centres.

PIPELINE

The total pipeline of retail projects in Italy fell from € 909 million at year end 2008 to € 823 million at year end 2009, of which respectively € 13.2 million and € 24.4 million have been invested. The fixed pipeline rose from zero to € 228 million as five projects were moved up in the pipeline from the variable to the fixed status. These are: the extensions of the existing projects Globo, Città Fiera, Shopville Le Gru and Shopville Gran Reno and the new development Marghera. For the extension of Shopville Le Gru, Corio acquired the IKEA store last year. After a period of rental income from IKEA the store is now available for redevelopment. The letting is progressing well. The new project is a turnkey development of a shopping centre with a Gross Leaseable Area of approximately 30,000 m^2 in Marghera, a suburb of Venice.

SECTOR SPREAD IN VALUE SPAIN (%)

SPAIN

CORIO ESPAÑA'S € 574.4 MILLION OPERATIONAL RETAIL PORTFOLIO WAS AFFECTED BY THE WEAKER ECONOMIC CLIMATE DURING 2009, WHICH RESULTED IN A SLIGHT DROP IN OCCUPANCY TO 93.0% AND NEGATIVE LIKE-FOR-LIKE NET RENTAL INCOME OF 7.9%. THE RECESSION ALSO BROUGHT OPPORTUNITIES, HOWEVER, SUCH AS THE ACQUISITION OF THE PRÍNCIPE PÍO SHOPPING CENTRE IN MADRID.

JANUARY: CORIO ESPAÑA WAS ADMITTED AS MEMBER OF THE GREEN BUILDING COUNCIL.

MAY: MORE THAN 14,000 PEOPLE JOINED TOGETHER IN MAREMAGNUM TO WATCH THE CHAMPIONS' LEAGUE FOOTBALL MATCH FINAL BETWEEN BARCELONA AND MANCHESTER UNITED.

JUNE: ACQUISITION OF 95% OF THE SHARES OF PRÍNCIPE PÍO FOR € 126.5 MILLION, A 28,700 M² GLA SHOPPING CENTRE IN THE CITY CENTRE OF MADRID.

OCTOBER: SIGNING OF THE AGREEMENT FOR THE CLOSURE OF THE LAST TWO DISCOTHEQUES IN THE MAREMAGNUM SHOPPING CENTRE, ENABLING THE REDEVELOPMENT OF THE TOP FLOOR OF THIS CENTRE.

MAY MORE THAN 14,000 PEOPLE JOINED TOGETHER IN MAREMAGNUM TO WATCH THE CHAMPIONS' LEAGUE FOOTBALL MATCH FINAL

MARKET

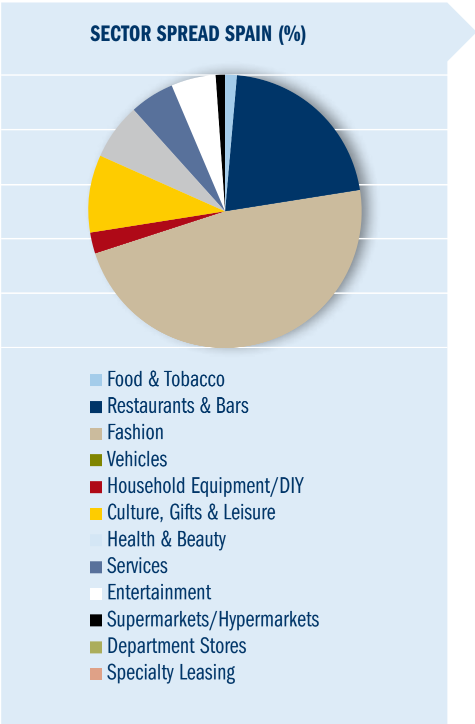
Spain was one of the first countries to notice the recession, as the credit crunch coincided with the bursting of an economic bubble that had been long building up in the domestic economy, with a high degree of household debt and an overheated housing sector.
The Spanish economy has been adjusting since the second half of 2008. While Spain still managed to show a positive GDP growth in 2008 (0.9%), the economy contracted -3.7% in 2009. A major negative contributor to the fall was domestic demand. Domestic demand fell sharply in 2009, driven by strong contraction in both investment, down 15.3%, and private consumption, minus 5%. The 19% steep fall in imports is also a symptom of shrunken domestic demand. The downturn caused heavy job losses, especially in the construction sector, where almost one out of four jobs was lost. The unemployment rate rose significantly to 18.1% in 2009 (2008: 11.3%). Although the long-term unemployment rate has always been relatively high in Spain, it was the highest in the Euro Area, and outstripped only by the mid 90's unemployment rate. In general,

consumer prices in Spain slightly receded in 2009 as inflation was a negative 0.3% and thus deflation became manifest. As a result, retail sales contracted more in nominal terms (-6.5%) than in real terms (-5.1%). The recession was also felt in the Spanish shopping centre industry. With declining footfall and retail sales alike, some retailers struggled. This has led to increasing vacancy. Also, retailers have been revising their strategies, carefully rethinking their expansion plans and the locations where they need to be. Together with the increase in supply – quite a few projects came on stream in the past two years – this has led to weaker demand and the increase of vacancies as mentioned. Owners have responded by offering some free rent periods, and new contracts have been negotiated at lower rents. In short, rental levels are under downward pressure.

PORTFOLIO AND VALUATION

The value of the portfolio of Corio Spain increased to € 575.9 million at the end of 2009 from € 482.1 million at year-end 2008. This increase was mainly thanks to the acquisition of Príncipe Pío in June, which added € 132 million (full value, Corio acquired 95% of the shares) to the operational portfolio. Príncipe Pío is a shopping centre of 28,700m² GLA, located in the centre of Madrid, on top of a busy train and metro station. A total of € 2.3 million of investments in the portfolio and pipeline were made. The higher portfolio value was partially offset by negative revaluations of € 40.1 million, a reduction of 6.5% on the book value at year end 2009 before revaluation. Total decreases in values amounted to € 58.3 million. The increase in value totalling € 18.3 million, was fully attributable to the revaluation of Príncipe Pío.

In general initial yields rose 70 basis points on average, pushing the net theoretical yield of the Spanish portfolio from 6.5% at year end 2008 to 7.2% at year end 2009.
No more yield shift took place in the second half year, indicating that the market is stabilising. A decrease in market rents also affected the valuations negatively. The rent impact on valuations was 3.0% negative.



RENTS AND OCCUPANCY RATES

Theoretical rental income in Spain amounted to € 43.4 million, an increase of 23.6% (€ 8.3 million) on 2008. This higher theoretical rent was mainly thanks to the acquisition of Príncipe Pío in June, which contributed € 7.4 million to the theoretical rent. Without Príncipe Pío, the increase over 2009 would have been 2.6%. Indexation and relettings and renewals contributed to this positive effect. In total 10.7% of the theoretical rent was either re-let or renewed and a 6.6% increase in rents was attained. Important relettings took place in Maremagnum and Las Huertas. In Ruta de la Plata a small renovation of 650 m² resulted in a rental increase of 18% at reletting.

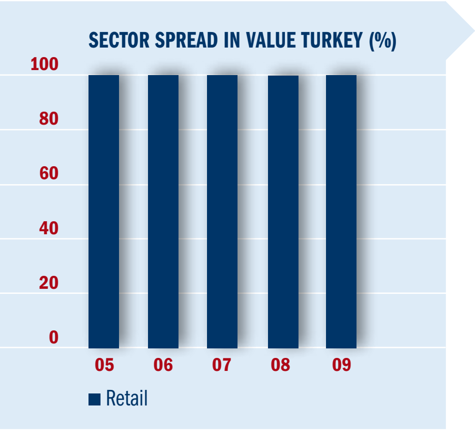
Net rental income increased 13.1%, again mainly thanks to the acquisition of Príncipe Pío. This positive effect was partly offset by an increase in vacancy. The EPRA occupancy rate declined to 93% over 2009 from 95.6% in 2008. Strategic vacancy remained at the same level. The largest increases in vacancy were noticed in Gran Turia, Sexta Avenida, Las Huertas and El Ferial. At the end of 2009, the trend started to turn around, and vacancy decreased slightly again. Free rent also rose slightly during 2009, to 2.3% of theoretical rent, as compared to 1.6% during 2008. Turnover-based rent fell € 0.8 million to € 0.4 million, partly because of decrease in turnover rent in Maremagnum. This was due to the fact that the turnover rent of 2008 in this centre also included part of 2007's turnover rent. Other income totaled € 4.9 million, including parking income, temporary lettings (such as kiosks), key money and some penalties paid by tenants for ending their contracts. Like-for-like net rental income fell 7.9%, due to the higher vacancy and higher non recoverable costs related to that.

VISITOR NUMBERS AND SALES

In 2009, almost 60 million people visited Corio's 10 shopping centres, down 4% from the previous year. The main reason for the fall in visitors was the economic recession. The inner city centres Príncipe Pío in Madrid, with more than 12 million visitors and Maremagnum in Barcelona, with almost 11 million visitors, were the most visited shopping centres in the Spanish portfolio. Maremagnum witnessed an increase of visitors, up 1.3% from 2008. The other centres which were also in the portfolio in 2008 witnessed the effects of the recession and footfall fell, Las Huertas being the weakest performer. In line with the lower visitor numbers, tenant turnover decreased as well. From September 2008 to September 2009, turnover (except Príncipe Pío) fell 8.5%. The occupancy costs ratio averaged 12% for the whole Spanish portfolio, which is an adequate level.

PIPELINE

The pipeline of (re)development projects in Spain amounted to € 22 million (2008: € 15 million), of which € 4.3 million (2008: € 0.8 million) has been invested to date. The extension of the shopping centre in La Loma in Jaen is still included in the fixed pipeline, but the project has been deferred. In addition, the redevelopment of the top floor of Maremagnum was included in the variable pipeline at the end of December 2009. After the departure of the discotheque tenants, Corio started with the redesign and reletting of that floor, which has a Gross leasable Area of approximately. 2,800 m^2. As soon as the required permits are in place, the works will start.



TURKEY

CORIO TÜRKIYE'S OCCUPANCY RATE OF ITS € 362.5 MILLION OPERATIONAL RETAIL PORTFOLIO (INCLUDING AKMERKEZ OF € 175.0 MILLION) WAS 92.2%.

FEBRUARY: CORIO TÜRKIYE RAISED ITS HOLDING IN THE DISTRICT SHOPPING CENTER TERAS PARK (29,900 M² GLA) IN DENIZLI TO 51% FROM 40%.

APRIL: CORIO TÜRKIYE BOUGHT THE REMAINING SHARES IN THE SHOPPING CENTRE IN THE TEKIRA SHOPPING CENTRE IN THE CITY CENTRE OF TEKIRDAĞ (GLA 29,900 M²), RAISING ITS HOLDING TO 100%. THE TOTAL VALUE OF THE SHOPPING CENTRE AT ACQUISITION WAS € 67.6 M.

NOVEMBER: RE-OPENING OF THE RENOVATED SECTIONS OF SHOPPING CENTRE TERAS PARK IN DENIZLI.

DECEMBER: CORIO TÜRKIYE SIGNED A TERMINATION AGREEMENT FOR THE DEVELOPMENT PROJECTS AKASYA (7% INTEREST) AND AKKOZA (25% INTEREST) BECAUSE CORIO PREFERS TO BE IN CONTROL OF THE MANAGEMENT AND LETTING OF PROJECTS AND THIS IS NOT THE CASE WITH MINORITY INTERESTS.

NOVEMBER
RE-OPENING OF THE RENOVATED SECTIONS OF SHOPPING CENTRE TERAS PARK

MARKET

Over the past couple of years Turkey has shown healthy GDP growth figures, outperforming many European markets. The country benefitted from strong global demand and its solid manufacturing basis for the European Market. Nevertheless, Turkey could not avoid being hit by the recession; the crisis hit Turkey mainly via the trade and financial channels. Overall, in 2009 gross domestic product contracted by 5.8% (2008: +0.9%). Structural reforms had put Turkey on a sturdy footing and improved the resilience which avoided a fully-fledged financial crisis. The government took some monetary and fiscal measures in response to the crisis and this alleviated the extent of the downturn and in particular the decline in private consumption (-4.9%), which is the most decisive driver of economic activity in Turkey. Both investments and import and export figures experienced double-digit declines in 2009 of -20.6%, -19.6% and -10.4% respectively. The recession has inevitably led to an increase of unemployment in Turkey. In 2009 the unemployment rate rose almost 4 percentage points to 13.5% (2008: 9.8%). After some years of above target inflation, inflation receded to below the central bank's target of 7.5% in 2009, arriving at 6.5%. The volatility of the Turkish market impacted the shopping centre sector. With retailers being hit by the recession, both occupancy rates and rental levels came under pressure. This was the result of lower spending in shopping centres, in combination with increased competition. Retailers also had to deal with currency effects, as rents have to be paid in euro or US dollars, while income is in Turkish Lira. New rental contracts were negotiated more often on the basis of step-up rents or with a turnover based component. To alleviate the currency effect for existing retailers temporary discounts were given. Considering the current economic climate, demand is now polarised towards the most attractive locations. New entrants to the market put their expansion plans on hold and adopted a wait-and-see attitude, also as many had trouble obtaining financing for expansion. Nevertheless, prime rents seemed to be stabilising as of year end 2009.

PORTFOLIO AND VALUATION

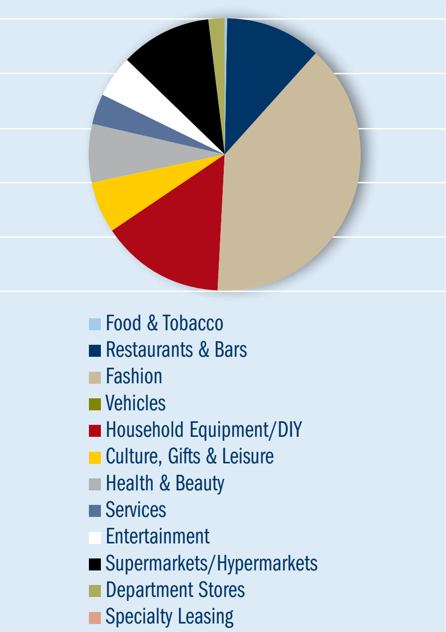
The value of the retail portfolio in Turkey (including associates) increased to € 403.2 million at year end 2009 from € 333.4 million at year end 2008. A total of € 7.8 million was invested in the portfolio and the pipeline. Investments in the operational portfolio related mainly to Teras Park in Denizli (€ 2.9 million). The investments in the pipeline were € 4.6 million.

During the year, Corio took the Tekira shopping centre in the city centre of Tekirdağ into operation. The total investment in the acquisition of this shopping centre against an 8.9% predefined gross yield was € 67.6 million. At the request of the hypermarket, the shopping centre, which has a gross leasable area of 29,900 m², was opened early in November 2008.

The operational portfolio was revalued downwards by € 10.5 million, a reduction of 5.3% on the book value at year end 2009 before revaluation. All revaluations were negative.

Yields for the Turkish portfolio during 2009 are not totally comparable because of ongoing changes in the composition of the portfolio in Turkey. The downward yield shift in Turkey in the first half of 2009 was caused by the additions of Teras Park and Tekira to the portfolio of investment properties. Total yield including associates increased 10 basis points from 8.0% to 8.1% in 2009. This was on top of an increase of 220 basis points in 2008, bringing the total increase in 2008 and 2009 to 230 basis points. On a like-for-like basis, thus only relating to shopping centres Adacenter and 365, yields increased by 50 basis points in 2009 from 9.5% to 10.0%.

SECTOR SPREAD TURKEY (%)



RENTS AND OCCUPANCY RATES

The net rental income of the Turkish retail portfolio rose 57% from € 5.4 million to € 8.5 million. This increase is mainly the result of the acquisition of both the shopping centers Teras Park (€ 1.6 million) and Tekira (€ 3.0 million) and the full year effect in 2009 of the acquisition of the shopping center Adacenter in May 2008 (€ 0.9 million). No properties were operational for the full year 2008 and 2009 and therefore like-for-like numbers are not available yet. The indexation for both 2008 and 2009 was 3% in the Turkish portfolio. The net rental income for Teras Park is still relatively low as a result of the difficult period the centre is going through. However, the revitalisations executed by Corio Türkiye since it took over control as from February 2009 are paying off and the centre is slowly but steadily improving.

The direct result of associates fell to € 8.7 million, down from € 15.2 million. For 2009, this virtually only relates to Akmerkez. The direct result of Akmerkez fell to € 8.7 million in 2009 from € 13.9 million in 2008. Besides market conditions putting downward pressure on the rental levels, the renovation and the delay in completing the renovation had a negative effect on the direct result of Akmerkez. The remaining direct result in 2008 relates to Adacenter and Teras Park - Corio acquired the remaining shares in the second quarter of 2008 and transferred this centre to the operational portfolio.

A total of 125 renewals and reletings were realised in 2009, mainly at 365 and Teras Park. The total rental income as a result of the new contracts fell 42.1%. In 365 rents came under downward pressure since the passing rent (contracts entered into in 2007) was above the market rent as a result of the combination of economic circumstances and local oversupply. As part of the restucturing of Teras Park, a substantial number of contracts had to be renewed or relet. In addition, Corio Türkiye is working on a conversion of contracts from all-inclusive into lease contracts, with separate charges for service costs. For most of the new contracts step up rents apply.

The other rental income fell € 0.1 million (32.7%) from € 0.3 million in 2008 to € 0.2 million in 2009. The turnover rent as a percentage of the theoretical rent rose in 2009 from 0.9% to 5.3%. This increase reflects the acquisition of Teras Park and the higher minimum guaranteed rent contracts with turnover rent clauses as a response to the lower base rents due to the economic crisis.

The average financial EPRA occupancy rate fell to 92.2% from 95.8%. Real vacancy as a percentage of the theoretical rent was 7.8% in 2009 and 4.2% in 2008, mainly as a result of the addition of Tekira and Teras Park to the portfolio. It takes some time to get an established situation for new or revitalized centres. The occupancy of Tekira shopping centre rose to 95% at year-end. Teras Park has been restructured and occupancy there increased to 94% at year-end 2009. There was no strategic vacancy in Turkey during the year. In 2009 total free rent represented 13.4% of the theoretical rent (2008 8.1%). The increase reflects the economic crisis and mainly relates to the shopping centers Adacenter and 365, where rents were relatively high as they were set during good times in 2007. Turnover improved slightly in the fourth quarter and Corio Türkiye is aiming to reduce the discounts.

VISITOR NUMBERS AND SALES

The estimated footfall for 2009 was 17.5 million. This figure includes Adacenter, 365, Teras Park and Tekira. Total footfall was 9.5 million in 2008 in Adacenter, 365 and Teras Park. However, 365 joined the portfolio in June 2008. On a like-for-like basis, 2009 footfall rose 4% compared with 2008. The breakdown per centre shows strong performances in Adacenter, up 11%; a strong performance in 365, up 19% when comparing the second half of 2008 and 2009, and a weaker performance in Teras Park, down 7%. Adacenter and 365 have completed their first operational years and are now considered established. The decline in Teras Park reflects the revitalization process and the construction works.

Total turnover achieved by tenants in Adacenter, Tekira, 365 and Teras Park increased 9%, comparing 2009 with 2008. Each of the four shopping centres achieved a similar level of turnover. In turnover per square metres, Teras Park was below average. As with the decline in footfall, this can be explained by the revitalisation of the shopping centre.

TOTAL TURNOVER ACHIEVED BY TENANTS IN ADACENTER, TEKIRA, 365 AND TERAS PARK INCREASED 9%

The occupancy cost average for Adacenter excluding Carrefour was 13% in 2009, and for 365 it averaged 16%.

PIPELINE

The total value of the pipeline in Turkey dropped by € 220 million from € 566 million (including € 117.5 million already invested) at year end 2008 to € 340 million including € 87.0 million already invested. This is a 39% decline from the end 2008 level. In December termination agreements were signed for the projects Akkoza (25% interest) and Akasya (7% interest). The projected investments were € 73.4 million and € 11.4 million respectively. The enlargements of Corio's stakes in two newly developed projects were included in the pipeline at year-end 2008 and both proceded as planned. In February Corio Türkiye increased its share in Teras Park by 11% to 51%. The total consideration amounted to € 9.9 million. In 2009 Corio Türkiye also increased its share in Tekira in Tekirdağ to 100%. For Tekira the total consideration paid was € 38.0 million. Of the total pipeline at year end 2009, two projects representing a total projected investment of € 234 million were included in the fixed pipeline and one project of approximately € 106 million in the variable pipeline. Two projects or 50% can be deferred, but the shopping centre Anatolium in Bursa is expected to be delivered in the second quarter of 2010.

FAVOURITE MEETING PLACES

WE ALREADY HAD A COMMON UNDERSTANDING OF WHAT MAKES A MEETING PLACE SPECIAL. BUT JUST TO MAKE SURE, WE ASKED ALL CORIO PEOPLE TO SEND IN A PHOTO OF THEIR FAVOURITE MEETING PLACE. STAFF MEMBERS INTERPRETED THIS TO MEAN A WIDE VARIETY OF THINGS, COVERING ENTERTAINMENT AND TRANQUILITY, FAMILY AND FRIENDS TO ARCHITECTURE AND STYLE. WE GROUPED THESE IDEAS AROUND THEMES AND WERE HAPPY TO FIND THAT ALL OF THESE THEMES COULD ALREADY BE FOUND IN CORIO SHOPPING CENTRES. CORIO'S FAVOURITE MEETING PLACES ARE ALL ABOUT FAMILY & FRIENDS, FOOD & DRINK, LEISURE, EVENTS AND - OF COURSE - SHOPPING.

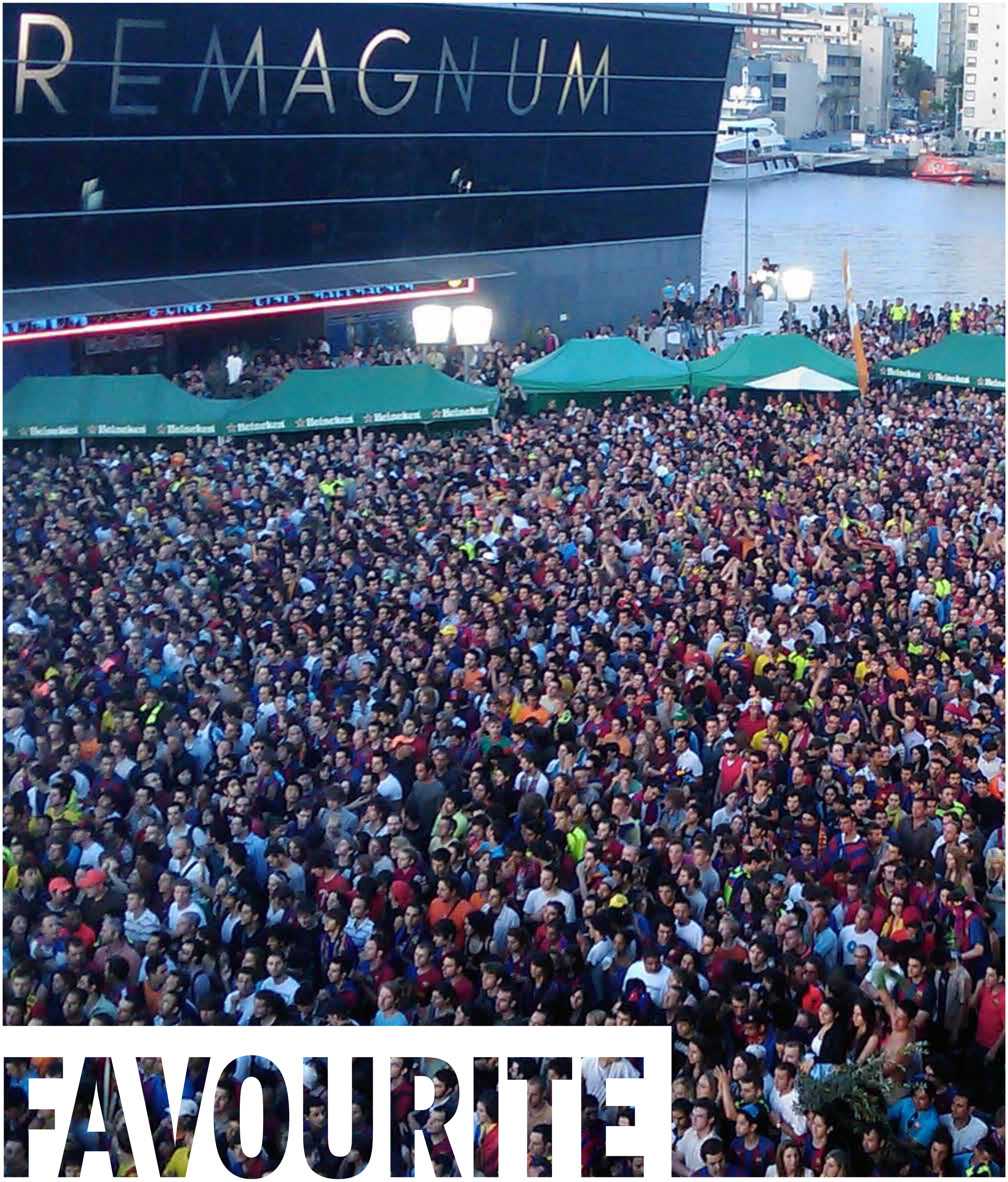
IN THIS REPORT, YOU WILL FIND SOME OF THE PICTURES SUBMITTED BY CORIO STAFF TO ILLUSTRATE THEIR IDEA OF A FAVOURITE MEETING PLACE. THE TOPIC IS SOMETHING WE DISCUSS VERY FREQUENTLY WHEN TOGETHER. WE SEE IT AS CORE TO OUR BUSINESS.

EVENTS









FAVOURITE MEETING PLACES

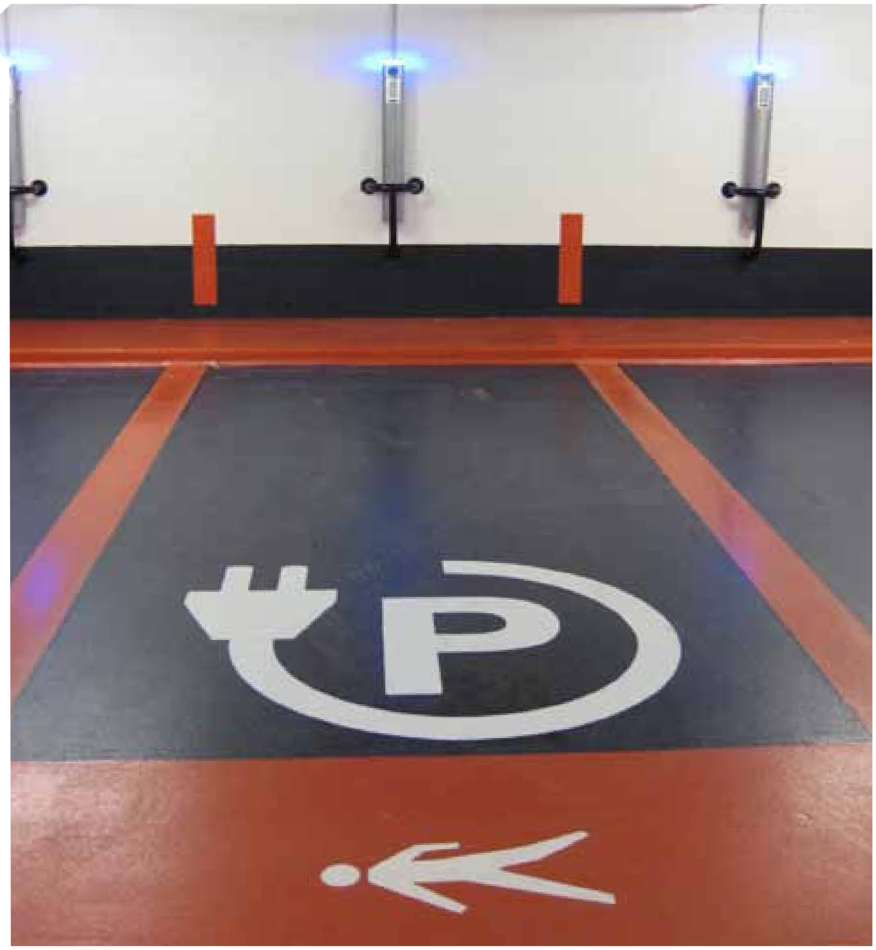
CORPORATE SOCIAL RESPONSIBILITY

IN APRIL 2010 CORIO WILL PUBLISH A SEPARATE CSR REPORT

At Corio we are aware that our business activities have an effect on the economy, society and the environment and we have consequently made corporate social responsibility (CSR) an integral part of our long-term strategy and our organisation. This has implications, not only for decision making in the daily operations, but also for our investment activities. Corio has therefore incorporated CSR into its investment policy and we are confident that our approach will create added value for the company and its stakeholders. As a result of our CSR strategy and management, Corio has been included in the FTSE4Good series and been selected for inclusion in the Ethibel EXCELLENCE Investment Register.

Corio's strategy is to create and maintain sustainable favourite meeting places for consumers in our shopping centres. We want our employees to consider their workplace as a favourite meeting place too. The need to balance environmental, social and economic issues is becoming more critical in the decision making process of all stakeholders. To that end we have taken an active approach in embedding our views on CSR within our centres, within the Corio organisation as well as within corporate decision making. We take our responsibility in breaking the so called circle of blame: the phenomenon whereby parties in the real estate sector acknowledge the need for sustainability, but when it comes to taking responsibility, point towards each other.

THE NEED TO BALANCE ENVIRONMENTAL, SOCIAL AND ECONOMIC ISSUES IS BECOMING MORE CRITICAL IN THE DECISION MAKING PROCESS OF ALL STAKEHOLDERS



In 2009 we formulated the following CSR building blocks and are in the process of applying these to the daily management of our shopping centres and in our workplaces:

COMMUNITIES

CONTRIBUTING TO THE WELLBEING OF COMMUNITIES, OUR VISITORS, CONSUMERS AND FUTURE VISITORS AND CONSUMERS, BY CREATING A SENSE OF BELONGING, A FAVOURITE MEETING PLACE IN THE HEART OF THEIR COMMUNITY.

We have a responsibility towards the communities where we work to contribute to healthy and safe living conditions. We therefore work on resource reduction (see below) and take into account the opinion of our consumers in setting our policy regarding health and safety issues, the tenant mix, services and activities. We frequently organise events and activities, as a pillar of our centre management, with a focus on children's education and sustainability issues in particular. Consumers, visitors and the local population welcome this and see Corio as adding value to the local community. This creates loyalty and ultimately will enhance our name and reputation. Our Italian business unit has a long-standing tradition in engagement with the community and in 2009 they developed this further. They regularly perform customer satisfaction surveys containing CSR related questions regarding environmental and social preferences. They have organised several events and fund raisings in the Italian shopping centres, the profit and proceeds of which were donated to local worthy causes such as a children's hospital and an orphanage.

TENANTS

COMMITTING TO TENANT SATISFACTION BY PROACTIVELY ENGAGING WITH THEM IN ENVIRONMENTAL AND HEALTH AND SAFETY ISSUES AND LISTENING TO THEIR SPECIFIC NEEDS AND CHALLENGES.

We want our tenants to be pleased and motivated tenants. We are keen to respond to their needs and set annual goals for ourselves in this regard. We report on these targets every year and involve our stakeholders in the process. We are as transparent as we can be regarding CSR issues of relevance to our tenants, communicating with them through meetings, newsletters, on our website and in our annual report. With a view to making Corio leases 'greener', we team up with our tenants on CSR issues, where possible combining strategies and collecting data.
In 2009 Corio Nederland organised a round-table meeting with top tenants to gain insight into their specific needs and challenges, including CSR issues. The meeting was fruitful and we plan to make it an annual event.

SUPPLIERS

ANCHORING SUSTAINABILITY IN OUR BUSINESS RELATIONS WITH SUPPLIERS. INTRODUCING OR COMBINING CSR STRATEGIES IN ORDER TO COME TO SUSTAINABLE INNOVATION WITH EXISTING SUPPLIERS AND MAKING CSR RELATED DEMANDS ON NEW SUPPLIERS IN ORDER TO TAKE CHAIN RESPONSIBILITY.

We believe that if we work together with our existing suppliers by encouraging them to adopt more responsible business practices, we can make a difference further down the supply chain. We will set demands for new suppliers by having them sign part of our Corio Code of Conduct through which we aim to convince them of our views on environmentally responsible behaviour and responsible labour. By setting up formal complaint procedures we want to develop a more responsible and transparant relationship with all suppliers. We see this as an important step in the realisation of reliable business partnerships and sustainable innovation.
In 2009 Corio España started making recommendations on environmental behaviour to suppliers and assists them, where possible, in complying with the Corio rules. They updated their supplier due diligence on CSR issues and are installing a complaint procedure to increase involvement with their suppliers on these issues.

EMPLOYEES

CREATING FAVOURITE MEETING PLACES FOR OUR EMPLOYEES, THE BASIS OF OUR SUCCESS.

Corio wants to attract and retain talent. Our employees receive on the job and external training in order to help them achieve their full potential. We want to develop leadership in our company as a whole and within management in order to enhance the Corio name in the real estate market and our reputation as an employer.
In 2009 Corio hired a Human Resources director at holding level who will develop a company-wide international HR policy covering all employees, which will be implemented in 2010. This policy will set a high standard to serve as a common basis for the HR policies that will be adapted further to local needs and practices. The objective is to engender an overall development scheme within Corio in which employees can thrive.
In 2009 we took several measures aimed at raising awareness on CSR issues within the company, as we believe we should ensure that these issues are taken just as seriously within the company as outside. We cannot set demands for our stakeholders if we do not live by them ourselves. We have therefore included environmental and labour issues, such as a conscious use of natural resources like energy, and clear communications on what Corio stands for and its ethics, in the Corio Code of Conduct. Another measure is the creation of an online CSR resource (sharepoint) aimed at all employees concerned with the topic. It comprises a database with several years of data covering, among other aspects, the environmental impact of our shopping centres. It also serves as a communication tool and resource with which to exchange knowledge and experience within the company.

ENVIRONMENT

CARING ABOUT THE ENVIRONMENT BY REDUCING AND ACCOUNTING FOR THE ENVIRONMENTAL IMPACT OF OUR ACTIVITIES AND RAISING AWARENESS AMONG ALL PARTIES INVOLVED.

Corio works towards reducing the production of CO_2, energy, water and waste in its centres with the aim of enhancing the quality of life of the catchment area. We also want to reduce the use of natural resources, as this benefits us in terms of cost savings while benefitting the planet. The reductions we intend to achieve and which we will achieve in close cooperation with the tenants, apply to the common public areas as well as the rented areas of our shopping centres. Together with these stakeholders we aim to create sustainable shopping centres. Every year we commit to improving our environmental footprint, a goal that requires investments and an open-minded approach to development and re-development, together with various technical and facilities issues.
In 2009 Corio France followed up on an environmental audit carried out in 2008 by amending their building management systems. France has installed new features such as online metres that can be followed in real time. The business unit has also followed up on the company's strategy of implementing BREEAM certifications, by requiring that all new projects should have at least a BREEAM Good rating. Since 2009 Corio Türkiye has started to get new developments and existing investments rated according to this system as well. Moreover, they have prepared detailed documentation and a step-by-step plan for measures to be taken to improve their ratings.

CSR IN 2010 AND BEYOND

Corio accords a high priority to corporate social responsibility and we plan to outperform in this area in the medium term. We are convinced that by setting targets and conducting regular reviews of our progress, as well as by engaging proactive engagement with our stakeholders, we will achieve continuous improvement that will boost our overall performance with regard to our people, our planet and our profit. We intend to be as transparent as possible on relevant CSR issues to stakeholders, covering our investors, tenants, suppliers and all other interested parties. We will do this by means of an annual report, summaries in our quarterly results press releases and on our website. Our CSR policy and targets are determined and adjusted by the Strategy department at holding level on the basis of market and stakeholder analyses and feedback from our local operations in the business units, where every country has an active CSR committee.

We recognise the need to be transparent in monitoring our CSR performance and for our performance to be measurable. We have therefore set ambitious targets for the coming years. These targets will allow us to meet environmental and social challenges we face in the shopping centre business while also taking care of our economic objectives. We aim to create sustainable value, by setting short-, medium- and long-term targets. The targets can be found in the separate 2009 Social Responsibility report that will be published for the first time in April 2010. It is set up according to the GRI 3.0 standard, which will add to the efficiency of our reporting and help our stakeholders to understand in greater depth our CSR approach and performance.

WE RECOGNISE THE NEED TO BE TRANSPARENT IN MONITORING OUR CSR PERFORMANCE

FAVOURITE MEETING PLACES

WE ALREADY HAD A COMMON UNDERSTANDING OF WHAT MAKES A MEETING PLACE SPECIAL. BUT JUST TO MAKE SURE, WE ASKED ALL CORIO PEOPLE TO SEND IN A PHOTO OF THEIR FAVOURITE MEETING PLACE. STAFF MEMBERS INTERPRETED THIS TO MEAN A WIDE VARIETY OF THINGS, COVERING ENTERTAINMENT AND TRANQUILITY, FAMILY AND FRIENDS TO ARCHITECTURE AND STYLE. WE GROUPED THESE IDEAS AROUND THEMES AND WERE HAPPY TO FIND THAT ALL OF THESE THEMES COULD ALREADY BE FOUND IN CORIO SHOPPING CENTRES. CORIO'S FAVOURITE MEETING PLACES ARE ALL ABOUT FAMILY & FRIENDS, FOOD & DRINK, LEISURE, EVENTS AND - OF COURSE - SHOPPING.

IN THIS REPORT, YOU WILL FIND SOME OF THE PICTURES SUBMITTED BY CORIO STAFF TO ILLUSTRATE THEIR IDEA OF A FAVOURITE MEETING PLACE. THE TOPIC IS SOMETHING WE DISCUSS VERY FREQUENTLY WHEN TOGETHER. WE SEE IT AS CORE TO OUR BUSINESS.

SHOPPING







FAVOURITE MEETING PLACES

CORPORATE GOVERNANCE

INTRODUCTION

In this chapter Corio will outline its corporate governance structure and compliance with the amended Corporate Governance Code (the “Code”). The Management Board and Supervisory Board are responsible for the preparation of, and compliance with, a proper corporate governance structure within Corio. This topic will be presented to the 2010 General Meeting for discussion as a separate agenda item, as recommended by the Corporate Governance Code Monitoring Committee Frijns.

Corio has been implementing the new requirements of the amended Code. If the company failed to comply with any of the principles and best-practice provisions in 2009, or if it does not intend to do so in 2010, it will explain the reasons for non-compliance (the ‘comply or explain’ principle). Except where otherwise indicated in this report, the company has complied with the applicable principles and best practice provisions and shall continue to do so in 2010. A checklist specifying the extent to which Corio currently complies with the principles and best practice provisions and an overview of the company’s corporate governance structure can be found on the website (www.corio-eu.com).

MANAGEMENT BOARD

The Management Board is responsible for managing the company, which means that it is responsible for achieving the corporate objectives, setting corporate strategy and policy, and for the ensuing trend inresults. The Management Board is accountable for this to the Supervisory Board, and the Supervisory Board is in turn accountable to the General Meeting.

The Management Board consists of at least two directors who are appointed by the Supervisory Board after first receiving the advice of the works council and notifying the General Meeting. The Supervisory Board can also appoint one of the directors as chairman of the Management Board, which has been done in Corio’s case. The Supervisory Board determines the number of directors. Members of the Management Board are appointed for a maximum period of four years, their term of office expiring on the day of the General Meeting four years after the year in which they were appointed, unless they step down earlier. Since 2008, the Management Board has consisted of three members, namely Mr. G. Groener (CEO), Mr. J. Haars (CFO), and Mr. F. Fontaine. On 4 December 2009 Mr. Haars indicated his wish to retire. To that end Mr. Haars will resign as CFO at the General Meeting on 23 April 2010. Corio started a search for a successor immediately following the announcement and is looking to make an appointment as soon as possible. The company has a policy for the remuneration of its Management Board, which was adopted by the General Meeting held on 29 April 2008 at the proposal of the Supervisory Board. For further information, please refer to the remuneration report on 2009 elsewhere in this annual report.

Conflicts of interest between the company and members of the Management Board are avoided as much as possible. No such conflicts arose during 2009.

SUPERVISORY BOARD

The role of the Supervisory Board is to oversee the Management Board’s policy and general developments within the company and its associated business, and to support the Management Board by giving advice. The Supervisory Board is responsible for the quality of its own performance. It consists of at least three members. The members of the Supervisory Board are (re-)appointed by the General Meeting following their nomination by the Supervisory Board. The General Meeting and the works council may recommend persons to the Supervisory Board for nomination. Members of the Supervisory Board must step down no later than the date of the first General Meeting held four years after the date of their (re-)appointment. A member of the Supervisory Board can be a member for a maximum of twelve years. The level of remuneration received by members of the Supervisory Board is determined by the General Meeting.
The Supervisory Board has appointed an audit committee, a remuneration committee and a selection and appointments committee from among its members. The task of these committees is to do preparatory work as part of the Supervisory Board’s decision-making process. Rules have been drawn up for each committee and can be found on the Corio website (www.corio-eu.com).
In 2010 the Supervisory Board will review its profile taking into account the requirements of the Code. Corio strives to ensure that every type of actual or perceived conflict of interest between the company and members of the Supervisory Board is avoided. No such conflicts arose during 2009.
Pursuant to the Dutch Financial Supervision Act and the Dutch Civil Code, transactions between the company and persons with a direct interest in it, including the members of the Management Board and Supervisory Board and major shareholders, are disclosed in the notes to the financial statements. In 2009 one transaction took place between the company and a company with a direct interest.

COMPANY SECRETARY

The Supervisory Board is supported by the Company Secretary. The Company Secretary ensures that the correct company law procedures are followed and that the Supervisory Board acts in accordance with its legal and statutory obligations and powers, and the applicable corporate governance rules.

SHAREHOLDERS

General Meetings of Shareholders are convened by either the Management Board or the Supervisory Board. They are held at least once a year to discuss the annual report, adopt the annual accounts, decide on the appropriation of the profit, discharge the members of the Management Board and the members of the Supervisory Board with regard to their fulfillment of their duties, and decide on appointments to fill vacancies and any other business. Shareholder approval is required for resolutions which have a substantial impact on the company and its risk profile. In compliance with the company's Articles of Association, the Management Board and/or the Supervisory Board will also put resolutions proposed by shareholders on the agenda of General Meetings of Shareholders.

Shareholders representing shares with a total nominal value of at least € 10 million may ask the Management Board and/or Supervisory Board to convene a General Meeting. Shareholders are entitled to cast one vote for each ordinary share they hold, and if necessary can vote by proxy. Resolutions of the General Meeting are carried by a simple majority of the votes cast, unless the law or Articles of Association prescribe a larger majority. To ensure that shareholders wishing to vote by proxy are given sufficient opportunity to perform a thorough analysis, the agenda and underlying documents are made available on Corio's website and at its offices not later than 15 calendar days before the General Meeting. The Management Board and the Supervisory Board provide the General Meeting with all required information unless an important interest of the company dictates otherwise.

EXTERNAL AUDITORS

The external auditors are appointed by the General Meeting on the recommendation of the Supervisory Board, which receives advice on this matter from both the audit committee and the Management Board. The remuneration of the external auditors and their terms of engagement to provide non-audit services are proposed by the audit committee and approved by the Supervisory Board after it has consulted the Management Board. The external auditors report the findings of their audit of the financial statements simultaneously to the Management Board and the Supervisory Board. The external auditors can be questioned by the General Meeting regarding their auditors' report on the fairness of the financial statements. The external auditors, therefore, are entitled to attend and address the General Meeting. The contents of the financial statements are primarily the responsibility of the Management Board. In 2009 the Management Board and the audit committee conducted a thorough assessment of the functioning of the external auditor. On the recommendation of the Supervisory Board and subject to the approval of the General Meeting on 23 April 2010, KPMG Accountants N.V. (KPMG) will be reappointed to carry out the audit of the 2010 financial statements.

REGULATORS

Financial supervision in the Netherlands is carried out by the Dutch central bank (DNB) and the Dutch Financial Markets Authority (AFM). DNB is responsible for prudential supervision, which means that its role is to ensure that parties can meet their financial obligations in the financial markets. See www.dnb.nl. The AFM is responsible for supervision regarding to the correct treatment of and proper provision of information to financial market participants.

The AFM issued Corio with a license under the Dutch Investment Institutions (Supervision) Act (WTB) on 19 June 2006. Following the introduction of the Dutch Financial Supervision Act (WFT) on 1 January 2007, the license was automatically converted into a WFT license.

RULES, REGULATIONS AND POLICIES

The company strives to prevent insider trading in shares and other financial instruments within the meaning of the Dutch Financial Supervision Act. By way of safeguards, it has drawn up a Compliance Code that applies to Corio's employees and Rules on Investments that apply to the Management Board and Supervisory Board. It has also appointed a corporate compliance officer and local compliance officers for Corio's business units. The compliance officer reports on these matters annually to the chairman of the Management Board.

Corio has further policies such as a Code of Conduct, which was revised in 2009 to better reflect Corio's mission, vision and values and that sets out the fundamental principles governing how Corio and its employees should behave. Corio also has Rules on Dealing with Suspected Abuses (whistleblower policy) by which employees can report their suspicions of abuses to their superiors and/or a locally appointed confidential counselor. In 2009 no reports under the whistleblower policy were made. For further information regarding these policies and to review the policies themselves we refer you to Corio's website: www.corio-eu.com.

COMMUNICATION POLICY AND POLICY REGARDING BILATERAL CONTRACTS WITH SHAREHOLDERS

Analysts' reports and valuations are not assessed, commented upon or corrected by the company before publication, other than to verify their factual content. The company refrains from actions which might affect the independence of analysts in relation to the company, and vice versa. The company makes every effort to improve participation in and communication with the international investment world by disseminating all important new information immediately using the services of a press release distribution service and by publishing such press releases along with other important information on its website. Corio adopted an outline policy regarding bilateral contracts with (potential) shareholders. The policy can be found on Corio's website www.corio-eu.com.

FURTHER INFORMATION WITHIN THE MEANING OF ARTICLE 10 OF THE TAKEOVER DIRECTIVE

Corio has an authorized capital of € 1,200,000,000, which is divided into 120,000,000 shares, each with a nominal value of € 10. One vote can be cast for each share.

Under the legal requirements for reporting holdings in listed companies, Stichting Pensioenfonds ABP (ABP) registered as a 36.59% shareholder in Corio on the basis of a disclosure of substantial holdings on 1 November 2006. There is no obligation to report changes in a substantial holding unless any such change results in a move above or below either of the 40% and 30% thresholds. ABP has informed Corio that its interest in the company was 36.65% as at year-end 2009.

Corio is a two-tier board company, which means that Management Board members are appointed by the Supervisory Board after the recommendations of the works council have been duly considered and the General Meeting has been informed. Members of the Management Board may be dismissed by the Supervisory Board after the recommendations of the works council have been duly considered but not without first having heard the views of the General Meeting concerning the proposed dismissal. Members of the Supervisory Board are appointed by the General Meeting following nomination by the Supervisory Board. The General Meeting and the works council may recommend persons to the Supervisory Board for nomination. The General Meeting may pass a resolution of no confidence in the Supervisory Board by a simple majority of the votes cast representing at least one third of the issued capital. Such a resolution results in the immediate dismissal of the members of the Supervisory Board. In addition, the Enterprise Division of the Amsterdam Court of Appeal may dismiss an individual member of the Supervisory Board on legal grounds at the request of the company, a representative of the General Meeting or the works council.

Corio is an investment company with variable capital as referred to in Section 76a of Book 2 of the Dutch Civil Code. This means that the Management Board has the power to issue shares and to repurchase shares, subject to the approval of the Supervisory Board. A resolution to amend the Articles of Association, dissolve the company or a legal merger or split up of the company can only be adopted by the General Meeting following a proposal by the Supervisory Board. The long-term agreements which Corio has with its lenders include a provision that gives the lenders the option of demanding early repayment of their loans in the event of a change in control of Corio. This would be the case, for example, after a takeover.

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

INTRODUCTION

Corio manages its operations from a holding company that is managed by the Management Board and which encompasses the following functions: Investor Relations, Public Relations, Strategy & Asset Allocation, Treasury, Finance & Control, Legal & Compliance, Information Management, Tax, Risk Management and Human Resources. The operations are managed primarily by five business units, which are directly linked to the countries and regions in which Corio is active. These business units are responsible for all operational functions within their individual areas of activity. Corio is therefore a highly decentralized organization that can respond quickly and properly to changing market circumstances, seize opportunities and identify risks at an early stage. Operations are structured according to local conditions and insights. As all management is done in house, market information can be acted upon quickly before being filtered. This concerns the primary processes such as purchases and sales, development, letting and shopping centre management and supporting processes. The management of the business units monitors the effectiveness and efficiency of these processes. Monthly KPI and quarterly reports, closing the quarter and forecasting for the remainder of the year, are produced for the holding company. These reports are based on an approved annual budget, approved investment proposals and comply with the accounting manual.

RISK ASSESSMENT

Corio has a structured, pro-active risk management system. A risk and control framework has been developed, based on the guidance of the Committee of Sponsoring Organizations of the Treadway Commission (COSO). This framework focuses on material strategic, operational, compliance and financial reporting risks. Using this framework, the business units and the holding company go through a systematic process of identifying and evaluating risks and controls and, where necessary, improving the way in which risks are managed. Each year, business unit management signs a letter of representation. In addition to financial reporting statements, the letter of representation contains statements regarding risk management, corporate social responsibility, integrity and compliance with the code of conduct, accounting manual, statutory provisions and other rules and regulations. A joint letter of representation is issued by the aforementioned holding company functions as well. The above processes make the risks and the areas requiring improvement in the internal control systems transparent. It is, however, always possible for circumstances to arise in which unidentified risks become apparent or in which the impact of identified risks becomes greater than originally estimated.

Every year, the strategy is evaluated by the Management Board in consultation with the Supervisory Board and adjusted where necessary. Decisions are taken on the basis of the strategy and are approved by the Management Board. Special cases, as laid down in the Management Board rules, require the approval of the Supervisory Board. Minutes are made of all decisions taken by the Management Board and Supervisory Board.

Based on defined strategic pillars that reflect Corio's risk appetite, opportunities and important business risks are identified and corporate objectives and strategy are evaluated and adjusted as required. A description of Corio's environment, market developments, their impact on strategy and the way in which Corio is responding to them is contained in a separate section on strategy in this annual report. Information on the financing structure and key ratios is provided in the Report of the Management Board. The table below outlines the principal risks and the key controls implemented to manage these risks. The risk management section on the Corio website provides a more detailed overview of risks related to, for example, asset & property management, financing, information management and compliance.

Risk	Key controls
Liquidity and (re)financing risk	Periodic reporting on the financing structure and key ratios based on financing policy Monitoring of headroom and leverage Cashflow forecasting Cash pool system Ongoing portfolio and pipeline management Continuous stress testing covenants against the relevant variables
Investment, disposal and (re)development risks	Proposals for all investments, (re)developments and disposals including sensitivity analysis Quarterly reports based on annual budgets and approved investment proposals, including forecasting
Tenant credit risk	Tenant screening on creditworthiness Obtaining deposits or guarantees Aging analysis and follow-up
Tax risk	Ongoing monitoring of compliance with local tax regimes and tax-exempt status Reporting and monitoring of tax positions
Fraud and misstatements	Setting the tone and culture Implemented control framework including segregation of duties, access controls and dual payment signatories procedures
Environmental and social risks	CSR policy, target setting and periodic reporting CSR committees on both BU and Group level Partnerships, event organization and frequent contact with local communities and stakeholders
Ethics and integrity	Code of Conduct Employee screening Contract party screening Whistleblowers Policy

During 2009 a strategic project with a 5-7 year horizon was started with the objective of establishing a clear view on the ideal future IT structure for Corio. Based on the conclusions of this project and given the expiring agreement with a current real estate management system supplier, a system selection process has been initiated. The business units will implement their system locally in order to align it with local business requirements. The business units, supported by the centralized Information Management department, are responsible for an efficient and effective implementation. An overall steering committee monitors the business unit's progress, costs against approved budgets and ensures that the outcomes remain in line with the conclusions of the strategic project. The project will be phased in at the various business units and not introduced simultaneously, in order to enable the sharing of best practices.

DECLARATIONS

CORPORATE GOVERNANCE 'IN CONTROL' STATEMENT

The adopted risk management approach has been developed in order to prevent material errors in financial reporting and to flag and mitigate failures in the management of strategic, operational and legal/regulatory risks in good time. The risk management and internal control systems reduce risks to an acceptable level but do not entirely exclude errors of judgment in the decision-making process, human error, the deliberate evasion of control processes by staff or third parties, or unforeseen circumstances. The presence and effectiveness of these systems cannot therefore provide absolute assurance with regard to the achievement of objectives. The risk management process as executed in 2009 will be repeated each year, paying constant attention to the implementation of action plans and the process for monitoring the effectiveness of control measures.

The Management Board believes that Corio's risk management and internal control systems satisfy the standards ensuing from the principles and the best practice provisions of the Dutch corporate governance code. These systems have shown themselves to be reasonably effective in the year under review and thus offer reasonable assurance that the financial reporting does not contain any material misstatements.

DECLARATION PURSUANT TO ARTICLE 5:25C OF THE DUTCH FINANCIAL SUPERVISION ACT (WFT)

The Management Board declares that to the best of its knowledge (i) the financial statements give a true and fair view of the assets, liabilities, financial position and profit and loss account result of Corio and the related companies included in the consolidated financial statements, (ii) the annual report gives a true and fair view of the situation at the balance sheet date and of the events at Corio and its related companies included in the consolidated financial statements during the financial year, as well as of the principal risks run by the issuer that are described in the annual report.

DECREE ON CORPORATE GOVERNANCE

The statements as required by the Decree on Corporate Governance are published on Corio's website (www.corio-eu.com).

FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

(€ million)	**Note**	**2009**	**2008**
Gross rental income	2	**390.8**	**364.7**
Service charges		-74.6	-52.5
Service charges recovered from tenants		65.0	44.2
Net service charges		**-9.6**	**-8.3**
Property operating expenses	3	**-44.2**	**-38.7**
Net rental income		**337.0**	**317.7**
Proceeds from sales of investment property		84.5	114.8
Carrying amount of investment property sold		-91.5	-117.6
Results on sales of investment property	10	**-7.0**	**-2.8**
Valuation gains		45.6	38.0
Valuation losses		-428.3	-374.6
Net valuation result on investment property	10, 11	**-382.7**	**-336.6**
Administrative expenses	4	**-35.5**	**-30.2**
Other income and expenses	5	**-4.8**	**0,1**
Results before finance costs		**-93.0**	**-51.8**
Finance costs		-108.0	-147.6
Finance income		13.1	20.4
Net finance expense	7	**-94.9**	**-127.2**
Other material non-cash items	6	**-9.2**	**-13.4**
Share of profit of equity accounted investees (net of income tax)	12	**3.1**	**-81.4**
Result before tax		**-194.0**	**-273.8**
Current tax		-2.8	-1.8
Deferred tax		64.3	23.5
Tax	8	**61.5**	**21.7**
Net result from continuing operations		**-132.5**	**-252.1**
Net result from discontinued operations	9	**–**	**12.5**
Net result		**-132.5**	**-239.6**
Attributable to:			
Shareholders		-131.9	-239.6
Non-controlling interest		-0.6	–
Earings per share (€)			
Earnings per share from continuing operations	20	-1.83	-3.81
Total earnings per share	20	-1.83	-3.62
Diluted earnings per share	20	-1.83	-3.62

DIRECT AND INDIRECT RESULT

(€ million)	Note	2009	2008
Gross rental income	2	390.8	364.7
Property operating expenses (including net service charges)		-53.8	-47.0
Net rental income		**337.0**	**317.7**
Administrative expenses	4	-35.5	-30.2
Operating income		**301.5**	**287.5**
Share of result of equity accounted investees (direct)	12	8.7	15.2
EBIT continuing operations		**310.2**	**302.7**
Operating income from discontinued operations		–	28.6
EBIT		**310.2**	**331.3**
Net finance costs	7	-94.9	-127.2
Corporate income tax		3.5	–
Direct result		**218.8**	**204.1**
Non-controlling interest		0.6	-
Direct result (excluding non-controlling interest)		**218.2**	**204.1**
Net revaluation gain/loss on investment property	10, 11	-382.7	-336.6
Result on sales of investment property	10	-7.0	-2.8
Share of result of equity accounted investees (indirect)	12	-5.6	-96.6
Deferred tax		58.0	21.7
Net other income / expenses		-14.0	-13.3
Indirect result from continuing operations		**-351.3**	**-427.6**
Indirect result from discontinued operations		–	-16.1
Indirect result		**-351.3**	**-443.7**
Non-controlling interest		-1.2	-
Indirect result (excluding non-controlling interest)		**-350.1**	**-443.7**
Net result (including non-controlling interest)		**-132.5**	**-239.6**
Attributable to:			
Shareholders		**-131.9**	**239.6**
Non-controlling interest		**-0.6**	**–**
Weighted average number of shares		**72,161,258**	**66,253,702**
Result per share			
Result per share (€) on basis: weighted average number of shares			
Direct result		3.02	3.08
Indirect Result		-4.85	-6.70
Net Result		**-1.83**	**-3.62**

This statement is not required under IFRS and is unaudited.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(€ million)	Note	2009	2008
Net result Group share		-131.9	-239.6
Non controlling interest		-0.6	–
Net Result		**-132.5**	**-239.6**
Other comprehensive income:			
Foreign currency translation differences for foreign operations		1.4	-9.1
Effective portion of the changes in fair value of the cash flow hedges		-95.3	53.7
Other comprehensive income for the year, net of tax		**-93.9**	**44.6**
Total comprehensive income		**-226.4**	**-195.0**
Attributable to:			
Shareholders		-225.8	-195.0
Non-controlling interest		-0.6	–

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

BEFORE PROFIT APPROPRIATION

(€ million)	Note	31 December 2009	31 December 2008
Assets			
Investment property	10	5,516.0	5,562.9
Investment property under development	11	194.5	247.5
Investment in associates	12	175.0	221.3
Other investments	13	0.7	56.4
Intangible assets	14	64.0	49.5
Property, plant and equipment	15	5.6	5.3
Deferred tax assets	16	20.6	13.4
Total non-current assets		**5,976.4**	**6,156.3**
Trade and other receivables	17	123.9	139.2
Other investments	13	99.7	102.1
Cash and cash equivalents	18	91.2	10.8
Total current assets		**314.8**	**252.1**
Total assets		**6,291.2**	**6,408.4**
Equity			
Share capital		763.6	672.5
Share premium		1,039.7	903.0
Reserves		1,712.7	2,122.6
Net result for the year		-131.9	-239.6
Total shareholders' equity		**3,384.1**	**3,458.5**
Non-controlling interest		35.7	-
Total equity		**3,419.8**	**3,458.5**
Liabilities			
Loans and borrowings	21	2,325.6	2,362.9
Employee benefits	22	0.6	0.8
Provisions	23	1.9	2.4
Deferred tax liabilities	16	251.3	288.0
Total non-current liabilities		**2,579.4**	**2,654.1**
Loans and borrowings	21	29.9	96.8
Trade and other payables	24	262.1	199.0
Total current liabilities		**292.0**	**295.8**
Total liabilities		**2,871.4**	**2,949.9**
Total equity and liabilities		**6,291.2**	**6,408.4**

		€ million	€ per share	€ million	€ per share
Shareholders' equity (balance sheet)		**3,384.1**	**44.32**	**3,458.5**	**52.20**
Deferred tax (balance sheet)		230.7	3.02	274.6	4.15
Change loans to market value		18.7	0.24	142.7	2.15
Deferred tax (EPRA)		-33.6	-0.44	-34.3	-0.52
EPRA NNNAV*		**3,599.9**	**47.14**	**3,841.5**	**57.98**
Share price at closing			47.69		32.89
NAV Premium/(discount)			7.61%		-36.99%
NNNAV Premium/(discount)			1.16%		-43.28%

* Reconciliation to EPRA NNNAV (non IFRS, not audited)

STATEMENT OF CASH FLOWS

(€ million)	Note	2009	2008*
Cash flows from operating activities			
Net result before tax		-194.0	-261.3
Adjustments for:			
Share of result of equity accounted investments	12	-3.1	81.4
Net finance costs	7	94.9	127.2
Depreciation/Amortization		11.6	12.0
Unrealised valuation gains and losses		382.7	336.6
Realised gains and losses on disposals		7.0	18.3
Change receivables		-5.8	45.0
Change payables		-40.2	-23.6
Change in provisions and employee benefits		-0.8	-0.5
Finance income	7	6.0	5.2
Finance expense	7	-100.9	-139.5
Tax paid		-2.8	-1.8
Net cash from / (used in) operating activities		**154.6**	**199.0**
Cash flows from investing activities			
Proceeds from sale of investment property		111.5	105.5
Proceeds from sale of associate		8.7	–
Proceeds from sale of discontinued operations		–	632.4
Acquisition of investment property		–	-480.9
Acquisition of consolidated subsidiaries, net of cash	29	-102.9	-71.3
Investment in investment property		-35.6	-115.0
Investment in other investments		10.4	-68.8
Investment in property under development	11	-79.9	-152.6
Investment in property, plant and equipment		-4.7	-2.8
Dividends received		9.2	10.5
Net cash used in investing activities		**-83.3**	**-143.0**
Cash flows from financing activities			
Proceeds from issue of share capital		254.0	–
Proceeds from loans and borrowings		476.2	678.0
Repayments of loans and borrowings		-616.1	-563.6
Dividends paid	19	-105.0	-172.3
Net cash from / (used in) financing activities		**9.1**	**-57.9**
Net increase in cash and cash equivalents		80.4	-1.9
Cash and cash equivalents at 1 January		10.8	12.7
Cash and cash equivalents at 31 December	18	**91.2**	**10.8**

* Cash flow from investing activities in 2008 has been reclassified which mainly relates to an adjustment from acquisition of investment property to investments in subsidiaries and associates for a total amount of € 65.1 million.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(€ million)	Share Capital	Share Premium	Treasury share Reserve	General Reserve	Revaluation Reserve	Associates Reserve	Hedge Reserve	Translation Reserve	Net result for the year	Non-controlling interest	Total
Balance as at 31 December 2007	**672.5**	**903.0**	**-26.2**	**194.3**	**1,202.0**	**51.3**	**38.3**	**-10.9**	**801.5**	**–**	**3,825.8**
Profit appropriation for 2007	–	–	–	218.9	507.9	74.7	–	–	-801.5	–	–
Other comprehensive income	–	–	–	–	–	–	53.7	-9.1	-239.6	–	-195.0
Dividends to shareholders	–	–	–	-172.3	–	–	–	–	–	–	-172.3
Balance as at 31 December 2008	**672.5**	**903.0**	**-26.2**	**240.9**	**1,709.9**	**126.0**	**92.0**	**-20.0**	**-239.6***	**–**	**3,458.5**
IAS 40 change					2.4						2.4
Profit appropriation for 2008				233.7	-396.8	-76.5			239.6		–
Balance as at 1 January 2009	**672.5**	**903.0**	**-26.2**	**474.6**	**1,315.5**	**49.5**	**92.0**	**-20.0**	**–**	**–**	**3,460.9**
Net result									-131.9	-0.6	-132.5
Other comprehensive income							-95.3	1.4			-93.9
Total comprehensive income							**-95.3**	**1.4**	**-131.9**	**-0.6**	**-226.4**
Dividends to shareholders	21.8	-21.8		-105.0							-105.0
Share issue**	69.3	158.5	26.2								254.0
Non-controlling interest										36.3	36.3
Balance as at 31 December 2009	**763.6**	**1,039.7**	**–**	**369.6**	**1,315.5**	**49.5**	**-3.3**	**-18.6**	**-131.9**	**35.7**	**3,419.8**

* The proposed profit appropriation is included in other information -€ 89.7 million of the result for 2009 will be incorporated in the legal reserves.

** After deduction of expenses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

GENERAL

Corio N.V. ('Corio' or 'the Company') is a closed-end property investment fund and is licensed under the Financial Supervision Act (WFT). The Company is domiciled in Utrecht, Netherlands. The financial statements have been prepared by the Management Board and were authorised for publication on 18 February 2010. The financial statements will be presented to the Annual General Meeting of Shareholders for approval on 23 April 2010.
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.

BASIS OF PREPARATION

STATEMENT OF COMPLIANCE

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

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 profit or loss and derivatives, which are recognised at fair value. Unless otherwise stated, the figures are presented in millions of euros rounded to one decimal place.

ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in accordance with IFRS requires management to make judgments, 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 are mandatory for the first time for the financial year beginning 1 January 2009:

- IAS 1 (revised) Presentation of Financial Statements. The revised standard prohibits the presentation of items of income and expenses (that is 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity. All 'non-owner changes in equity' are required to be shown in a performance statement.

  Entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the profit and loss account and statement of comprehensive income). The group has elected to present two statements: an income statement and a statement of comprehensive income. The interim financial statements have been prepared under the revised disclosure requirements.

- IFRS 8, Operating Segments. IFRS 8 replaces IAS 14 Segment Reporting. It requires a 'management approach' under which segment information is presented on the same basis as that used for internal reporting purposes. Operating segments are reported in a manner consistent with the internal reporting provided to the Management Board.

- The revised version of IAS 23 Borrowing Costs removed the previous option of either expensing or capitalising borrowing costs. Under the revised standard, an entity is required to capitalise borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. In accordance with the transitional provisions, the Group applies the revised IAS 23 to qualifying assets in respect of which borrowing costs are recognised on or after the date of mandatory implementation.

- IAS 40 has been changed for property being developed for future use if the investment meets the definition of 'investment property'. This results in property under development being brought within the scope of IAS 40 and its measurement at fair value; this was previously within the scope of IAS16 with measurement at cost. This change in measurement resulted in the opening balance in an increase of € 2.4 million directly in equity at 1 January 2009. Restatement of the comparative figures is not required by the revised IAS 40.

SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements for 2009 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

(I) SUBSIDIARIES

Subsidiaries are those entities ultimately controlled by Corio. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity. In assessing the degree of control, potential voting rights that can be exercised at the balance sheet date are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The share of non controlling interest is reflected separately in the statement of income and in equity. A list of consolidated subsidiaries has been filed with the Chamber of Commerce in Utrecht.

(II) ASSOCIATES

Associates are those entities in which the Group has significant influence over the financial and operating policies. The consolidated financial statements include the Group's share of the total recognised income and expense of associates where the investments are included on an equity-accounted basis using Corio accounting policies, from the date that significant influence commences until the date that significant influence ceases.

(III) JOINT VENTURES

Joint ventures are those entities over whose activities the Group has joint control with other shareholders on the basis of a contractual agreement. The consolidated financial statements include proportionate shares of the entities' assets, liabilities, income and expenses and items of a similar nature, using Corio accounting policies, from the date that joint control commences until the date that joint control ceases.

(IV) 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

(I) FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currencies are translated into euros at the spot exchange rate on the transaction date. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into euros at the exchange rate prevailing at that date. Exchange differences arising on translation are recognised in profit or loss.

(II) OPERATIONS OUTSIDE THE EUROZONE

The assets and liabilities of operations outside the eurozone, including goodwill and fair value adjustments arising on consolidation, are translated into euros at the exchange rates prevailing at the balance sheet date. The income and expenses of such operations are translated into euros at average exchange rates. Exchange differences arising on translation are recognised in the translation reserve which is a separate component of equity. They are released to profit or loss upon disposal.

(III) NET INVESTMENTS IN OPERATIONS OUTSIDE THE EUROZONE

Exchange differences arising from the translation of the net investment in operations outside the eurozone and from related hedges are recognised in the foreign currency translation reserve. They are released to profit or loss upon disposal.

INVESTMENT PROPERTY

Investment property covers investments in property held for the purpose of generating rental income, for capital gain 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. Gains and losses arising from changes in fair value are recognised in profit or loss. 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 fair market value, i.e. the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently, and without compulsion. 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. Per 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.

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.

INVESTMENT PROPERTY UNDER DEVELOPMENT

Investment property under development is initially recognized at cost price. Subsequently, when the fair value of the complete investment is reliably determinable the property under development will be measured at fair value.

All costs directly associated with the purchase and construction of a property and all subsequent capital expenditure connected with the development qualify as acquisition costs and are capitalised. Borrowing costs are capitalised if they are directly attributable to the acquisition, construction or production of a qualifying asset. Capitalisation of borrowing costs starts with the commencement 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 recognized at fair value and subsequently measured at amortised cost, less impairment losses, if applicable.

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets are carried at fair value, with gains and losses recognised in profit or loss if the Group manages the investments and takes buying and selling decisions based on the fair value. On initial recognition, attributable transaction costs are expensed as and when incurred.

DERIVATIVE FINANCIAL INSTRUMENTS

The sole purpose of the derivative financial instruments contracted by the Group 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. On initial recognition, derivative financial instruments are carried at fair value, attributable translation costs are recognized in profit or loss. The fair value of interest rate and currency swaps is the estimated amount that would be received or paid by the Group to end the swap at balance sheet date, taking the current interest rate into account. Where derivative financial instruments are designated as hedging transactions, recognition of any gain or loss arising from the change in the fair value depends on the accounting method method for the hedged item.

INTANGIBLE ASSETS

Intangible assets mainly relate to goodwill, being the difference between the purchase price of an acquisition and the fair value of the Group's share of the net assets of the acquired subsidiary, associate or joint venture at the effective date of acquisition, taking related costs into account. Goodwill is recognised in the consolidated statement of financial position as an intangible asset or, for investments accounted for using the equity method, included in the carrying amount of the investments in associates. Negative goodwill is recognised in profit or loss immediately.
Goodwill is carried at cost less any accumulated impairment losses. An impairment test is performed annually, or more frequently if deemed necessary. Goodwill impairment losses are not reversed.

Goodwill which is the result of deferred tax purchased with the acquisition of an entity is tested for possible impairment by repeating the calculations underlying the deferred tax provision. Deferred tax relates to unrealised gains and losses on the properties in the entities. The amount of goodwill recognised for a given entity must not exceed the amount of the deferred tax purchased with that entity. With respect to other goodwill, the recoverable amount of cash-generating units included in goodwill must be equal to the higher of the value in use and the fair value less divestment costs.

Other intangible assets mainly relate to software, which is carried at cost less accumulated depreciation and impairment losses.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment, are carried at cost less accumulated depreciation and impairment losses. Where components of an item of property, plant and equipment have different useful lives, they are appraised as separate items of property, plant and equipment.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of items of property, plant and equipment or their separately appraised components. Buildings are depreciated over a period of 25 years and the remaining assets are depreciated over an average period of five years.

DEFERRED TAX

Deferred tax is recognised using the balance sheet method, reflecting temporary differences between the carrying amounts of assets and liabilities and the amounts used for tax purposes. The amount of deferred tax is based on the expected realisation or settlement of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date. Deferred tax is not discounted.

A deferred tax asset for tax losses is only recognised to the extent that it is probable that future taxable profits will be available, enabling the asset to be realised. Deferred tax assets are derecognised if it is no longer probable that they can be realised.

TRADE AND OTHER RECEIVABLES

Trade and other receivables are initially recognized at fair value and subsequently measured at amortised cost, less impairment losses. Rental income invoiced in advance is set off against the rental income that has been invoiced but not yet received.

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.

DISCONTINUED OPERATIONS

A discontinued operation is a component of the Group's business that represents a separate line of business or geographical area of operations that has been disposed of or is expected to be disposed of, or is a component acquired exclusively with an intention to resale. Classification as discontinued operation takes place prior to the disposal or if the criteria for discontinued operations have already been met. If a line of business is characterised as a discontinued operation, the comparative figures are classified as being discontinued from the start of the comparative period.

IMPAIRMENT

The carrying amounts of the Group's assets, other than investment property and deferred tax assets, are reviewed at the balance sheet 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 profit or loss.

The recoverable amount of an asset is the higher of its net selling price and its value in use. In measuring value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Except in the case of goodwill, 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.

SHAREHOLDERS' 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. Dividends are recognised as a liability in the period in which they are declared.

INTEREST-BEARING LOANS AND BORROWINGS

Interest-bearing liabilities are initially recognised at fair value, less attributable transaction costs. After initial recognition in the statement of financial position, interest-bearing liabilities are measured at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period to maturity using the effective interest method. When a loan is hedged and the hedge is accounted for as a fair value hedge, the hedged risk is measured at fair value, with gains and losses recognised in profit or loss.

For cash flow hedges, the effective portion of any gain or loss on the derivative financial instrument is recognised directly in equity, while the ineffective portion is recognised in profit or loss.
The portion of the gain or loss on an instrument used to hedge a net investment in an activity outside the eurozone where the hedge is determined to constitute an effective hedge is recognised directly in equity. The ineffective portion is recognised in profit or loss immediately.

EMPLOYEE BENEFITS

(I) DEFINED CONTRIBUTION PLANS

Obligations to pay contributions under defined contribution plans are charged to profit or loss as incurred.

(II) DEFINED BENEFIT PLANS

The Group's net obligations in respect of defined benefit plans are calculated separately for each plan by estimating the amount of future benefit entitlements that employees have built up in return for their service in current and future periods. That benefit obligation is discounted to determine its present value and the fair value of plan assets is deducted. When determining the fair value of plan assets account is taken of previously unamortised actuarial gains and losses. The discount rate used is the yield at the balance sheet date on AA-rated bonds with maturities corresponding to the terms of the obligations under these plans. The calculation is performed by a qualified actuary using the projected unit credit method.

In calculating the Group's obligations in respect of a plan, cumulative unrealised actuarial gains or losses exceeding ten per cent of the higher of the present value of the defined benefit obligation and the market value of the plan assets are recognised in profit and loss over the expected average remaining working lives of the employees participating in the plan. Other actuarial gains or losses are not recognised.
Where the calculation results in a gain for the Group, the book profit is limited to the net total of all the unrealised actuarial losses and past service costs and the present value of future refunds from the plan or reductions in future contributions to the plan.

PHANTOM SHARE PLAN

Corio recognises an expense for the services performed by the plan participant (employee expense) spread over the period from Grant Date until Vesting Date. At the same time Corio recognises a liability for the same amount as the cumulative expense. The amount to be recognised as an expense in each of the following reporting periods is equal to the liability at the end of the period less the amount recognised in previous periods.

The liability is measured at the fair value of the estimated cash outflow required to settle the phantom share units that have not yet vested or units that have vested but have not yet been paid.

PROVISIONS

A provision is recognised in the statement of financial position when the Group has a present legal or constructive obligation as a result of a past event and it is also probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Where the effect of the time value of money is material, the amount of the provision is measured by discounting the expected future cash flows at a pre-tax discount rate that reflects current market assessments of the time value of money and (if applicable) the risks specific to the liability.

TRADE AND OTHER PAYABLES

Trade and other payables are initially recognized at fair value and subsequently measured at amortised cost.

RENTAL INCOME

Rental income from investment property leased out under operating leases is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted by the Group to its tenants are recognised as an integral part of the total rental income.

DIRECT AND INDIRECT RESULT

In the consolidated financial statements Corio presents results as direct and indirect results, enabling a better understanding of results. The direct result is shown as net rental income, administrative expenses, (direct) share of result of associates, finance expenses and corporate income tax.

The indirect result consists of revaluations on investment property, result on sales of investment property, (indirect) share of result of associates, deferred tax and other expenses (amongst other, goodwill impairments).

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/EXPENSE

Finance expense relates to interest payable on borrowings (calculated using the effective interest rate method), losses recognised in profit or loss on hedging instruments and other finance charges. The finance income consists of capitalised interest, interest income and gains recognised in profit or loss on hedging instruments. Interest income is recognised in profit or loss account as it accrues. Gains and losses on exchange are included on a net basis.

DIVIDEND INCOME

Dividend income is recognised as a reduction of the carrying amount of equity accounted associates on the date on which the dividend is declared.

TAX

Tax on the result for the year comprises current and deferred tax. Tax is recognised in profit or loss, except where it relates to items recognised directly in equity, in which case the tax is also recognised in equity. The current tax liability is the expected tax payable on the taxable income for the year, using tax rates in force or enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

CASH FLOW STATEMENT

Cash flows from operating activities are stated according to the indirect method. The starting point for the operating cash flows is net result before tax, to which adjustments are made to obtain the net operating cash flows.

EARNINGS PER SHARE

The Group presents basic and diluted earnings per share (EPS) for the ordinary share capital. The earnings per ordinary share are calculated by dividing the profit or loss 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 profit or loss 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 Group's activities are presented by business segment (Netherlands, France, Italy, Spain, Turkey, other countries and non allocated). The segmental format is based on Corio's management structure and on the internal reporting lines at Corio. Interest expenses and liabilities are not attributed to specific segments, as they are managed centrally.

STANDARDS AND INTERPRETATIONS NOT YET APPLIED

The following new standards and interpretations to existing standards relevant to Corio are not yet effective for the year ended 31 December 2009, and have not been applied in preparing these consolidated financial statements:

- IFRS 3 Revised Business Combinations (effective from 1 July 2009). This standard continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the income statement. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs should be expensed. Based on the revised IAS 12, tax losses from previous acquisitions and recognised subsequent to the implementation of IFRS 3R will be recognised through the income statement instead as adjustment to goodwill. Corio will apply IFRS 3R prospectively to all business combinations from 1 January 2010 and this will have an impact on the consolidated financial statements as from then.

- IAS 27 (Amended) Consolidated and Separate Financial Statements (effective from 1 July 2009) requires accounting for changes in ownership interests by the Group in a subsidiary, while maintaining control, to be recognised as an equity transaction. When the Group loses control of a subsidiary, any interest retained in the former subsidiary will be measured at fair value with the gain or loss recognised in the income statement. Corio will apply this standard as from 1 January 2010 and this will have an impact on the consolidated financial statement as from then.

1 SEGMENTED INFORMATION

BUSINESS SEGMENT INFORMATION 2009

(€ million)	Netherlands	France	Italy	Spain	Turkey	Other countr. + not alloc.	Total
Gross rental income	143.0	125.0	69.0	39.3	13.9	0.6	390.8
Net service charges	-2.4	-3.0	-1.0	-2.3	-0.8	-0.1	-9.6
Property operating expenses	-21.4	-8.9	-4.5	-4.7	-4.5	-0.2	-44.2
Net rental income	**119.2**	**113.1**	**63.5**	**32.3**	**8.6**	**0.3**	**337.0**
Results on sales of investment property	**-1.5**	**-5.5**	**–**	**–**	**–**	**–**	**-7.0**
Valuation gains	18.0	8.0	–	18.3	–	1.3	45.6
Valuation losses	-129.7	-140.6	-80.7	-58.3	-18.1	-0.9	-428.3
Net valuation gain on investment property	**-111.7**	**-132.6**	**-80.7**	**-40.0**	**-18.1**	**0.4**	**-382.7**
Administrative expenses	-7.3	-6.5	-3.5	-0.9	-6.5	-10.8	-35.5
Other income	0.6	–	-1.4	-3.5	-1.6	1.1	-4.8
Results before finance expense	**-0.7**	**-31.5**	**-22.1**	**-12.1**	**-17.6**	**-9.0**	**-93.0**
Finance costs						-108.0	-108.0
Finance income						13.1	13.1
Net finance expense						**-94.9**	**-94.9**
Other material non-cash items	–	–	-0.9	-8.3	–	–	-9.2
Share of results of equity accounted investees	–	–	–	–	3.1	–	3.1
Result before tax	**-0.7**	**-31.5**	**-23.0**	**-20.4**	**-14.5**	**-103.9**	**-194.0**
Current tax	-0.3	-0.3	-1.4	-0.3	–	-0.5	-2.8
Deferred tax	0.1	–	49.4	11.7	2.9	0.2	64.3
Tax expense	**-0.2**	**-0.3**	**48.0**	**11.4**	**2.9**	**-0.3**	**61.5**
Net result	**-0.9**	**-31.8**	**25.0**	**-9.0**	**-11.6**	**-104.2**	**-132.5**
Non controlling interest	–	–	–	0.9	-1.5	–	-0.6
Net result attributable to shareholders	**-0.9**	**-31.8**	**25.0**	**-9.9**	**-10.1**	**-104.2**	**-131,9**

BUSINESS SEGMENT INFORMATION 2009

(€ million)	Netherlands	France	Italy	Spain	Turkey	Other countr. + not alloc.	Total
Investment property	1,867.8	1,865.5	1,007.3	574.4	187.5	13.5	5,516.0
Investment property under development	64.3	34.2	41.2	1.5	40.7	12.6	194.5
Investments in associates and other investments	–	–	–	–	175.0	–	175.0
Other assets	66.6	20.7	103.8	43.8	110.4	60.4	405.7
Total assets	**1,998.7**	**1,920.4**	**1,152.3**	**619.7**	**513.6**	**86.5**	**6,291.2**

BUSINESS SEGMENT INFORMATION 2008

(€ million)	Netherlands	France	Italy	Spain	Turkey	Other countr. + not alloc.	Total
Gross rental income	145.2	114.0	65.4	33.3	6.1	0.7	364.7
Net service charges	-3.5	-1.8	-1.0	-1.8	-0.1	-0.1	-8.3
Property operating expenses	-21.3	-7.0	-4.1	-3.0	-2.8	-0.5	-38.7
Net rental income	**120.4**	**105.2**	**60.3**	**28.5**	**3.2**	**0.1**	**317.7**
Results on sales of investment property	**-3.4**	**1.0**	**–**	**-0.1**	**–**	**-0.3**	**-2.8**
Valuation gains	15.0	15.0	5.4	–	2.6	–	38.0
Valuation losses	-64.4	-182.0	-37.6	-66.2	-22.1	-2.3	-374.6
Net valuation gain on investment property	**-49.4**	**-167.0**	**-32.2**	**-66.2**	**-19.5**	**-2.3**	**-336.6**
Administrative expenses	-6.6	-6.7	-2.9	-0.9	-3.4	-9.7	-30.2
Other income	-1.0	–	–	–	–	1.1	0.1
Results before finance expense	**60.0**	**-67.5**	**25.2**	**-38.7**	**-19.7**	**-11.1**	**-51.8**
Finance costs						-147.6	-147.6
Finance income						20.4	20.4
Net finance expense						**-127.2**	**-127.2**
Other material non-cash items	–	–	-3.9	-5.5	1.1	-5.1	-13.4
Share of results of equity accounted investees	–	–	–	–	-81.4	–	-81.4
Result before tax	**60.0**	**-67.5**	**21.3**	**-44.2**	**-100.0**	**-143.4**	**-273.8**
Current tax	-0.7	-0.3	-1.1	-0.1	-0.3	0.7	-1.8
Deferred tax	–	0.5	1.6	16.4	4.8	0.2	23.5
Tax expense	**-0.7**	**0.2**	**0.5**	**16.3**	**4.5**	**0.9**	**21.7**
Net result from continuing operations	**59.3**	**-67.3**	**21.8**	**-27.9**	**-95.5**	**-142.5**	**-252.1**
Net result from discontinued operations	12.5	–	–	–	–	–	12.5
Net result attributable to shareholders	**71.8**	**-67.3**	**21.8**	**-27.9**	**-95.5**	**-142.5**	**-239.6**

BUSINESS SEGMENT INFORMATION 2008

(€ million)	Netherlands	France	Italy	Spain	Turkey	Other countr. + not alloc.	Total
Investment property	1,911.2	1,972.8	1,124.7	480.8	61.4	12.0	5,562.9
Investment property under development	75.0	110.5	3.6	1.3	43.6	13.5	247.5
Investments in associates and other investments	–	–	–	–	221.3	–	221.3
Other assets	83.7	21.8	86.0	38.8	61.7	84.7	376.7
Total assets	**2,069.9**	**2,105.1**	**1,214.3**	**520.9**	**388.0**	**110.2**	**6,408.4**

2 GROSS RENTAL INCOME

(€ million)	2009	2008
Theoretical rent	416.4	380.2
Vacancy	-25.6	-15.5
	390.8	**364.7**

The Group leases investment property to third parties on the basis of operating leases. Contingent rental income amounts to 1% of the gross rental income in 2009 and 2008.

The future contractual rent from leases in existence on 31 December 2009 until the end of contract (accounted for on the basis of the minimum rent) can be analysed as follows for the first five years:

(€ million)	2009	2008
First year	325.7	305.7
Second to fourth year	195.2	177.5
Fifth year and more	116.1	126.3

3 PROPERTY OPERATING EXPENSES*

(€ million)	2009**	2008
Municipal taxes	7.0	6.6
Insurance	0.9	0.8
Maintenance	3.9	4.0
Property managers' fee	10.2	10.5
Professional fees	3.1	2.4
Promotion and marketing	2.2	2.4
Lease hold	8.3	7.1
Other operating expenses	4.2	2.9
Addition to provision for bad debts	4.4	2.0
	44.2	**38.7**

* The operating expenses comprise the maintenance and operating expenses together with the net service charges (2009: € 53.8 million; 2008: € 47.0 million).
** € 1.7 million of the maintenance and operating expenses relate to unlet properties (2008: € 1.2 million).

4 ADMINISTRATIVE EXPENSES

(€ million)	2009	2008
Salaries	24.8	21.0
Social security charges	4.6	3.9
Contributions to defined contribution plan	2.5	2.2
Net benefit expense for defined benefit plan	–	0.2
Other staff costs	9.9	10.4
Office overheads	12.0	10.2
Advice, valuation and audit fees	6.4	7.3
Listing and promotional costs	1.7	1.7
Other administrative expenses	1.2	1.5
Charged to operating expenses	-14.0	-13.3
Charges to property portfolio	-6.0	-6.9
Charged to third parties (tenants)	-7.6	-8.0
	35.5	**30.2**

In 2009, the Group employed an average of 398 full-time equivalent staff (2008: 348 FTEs). On average, 223 of these were employed outside the Netherlands (2008: 182 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.

5 OTHER INCOME AND EXPENSES

(€ million)	2009	2008
Other income and expenses	-4.8	0.1
	-4.8	**0.1**

Other income and expenses consist of amounts paid for the termination of contracts in Turkey and an earn out payment on a project in Italy.

6 OTHER MATERIAL NON CASH ITEMS

(€ million)	2009	2008
Impairment of goodwill	-9.2	-9.8
Other impairments	–	-3.6
	-9.2	**-13.4**

For details see note 14.

7 NET FINANCE EXPENSE

(€ million)	2009	2008
Finance costs		
Interest expense	106.8	143.5
Net foreign exchange differences	-1.3	1.0
Other finance expenses	2.5	3.1
	108.0	**147.6**
Finance income		
Capitalised interest	-7.1	-9.3
Ineffective portion of cash flow hedges	–	-0.1
Interest income	-6.0	-11.0
	-13.1	**-20.4**
	94.9	**127.2**

Due to the lower borrowing amount and the reduced interest rate, the net finance expenses decreased from € 127.2 million to € 94.9 million. The average rate of interest for the capitalised interest in 2009 was 4.3% (2008: 5.0%).

8 TAX EXPENSE

(€ million)	2009	2008
Current tax	**2.8**	**1.8**
Deferred tax		
Deferred tax liabilities	-58.0	-20.7
Deferred tax assets	-6.3	-2.8
	-64.3	**-23.5**
	-61.5	**-21.7**

The movement in deferred tax liabilities relates to an one off effect due to a step up in the tax book value of the Italian portfolio and downward revaluations of the portfolio in France, Italy and Spain made during the year.

EFFECTIVE TAX RATE AND TAX BURDEN

(€ million)	2009		2008	
Net profit before tax		-194.0		-261.3
Tax at standard Dutch rate	25.5%	-49.5	25.5%	-66.6
Adjustment for tax rates in other countries	4.0%	-7.8	5.9%	-15.5
Exempt because of tax status	-13.9%	27.0	-18.9%	49.3
Deductible expenses	-0.6%	1.2	-2.8%	7.3
Utilisation of tax losses	2.5%	-4.9	-0.4%	1.1
Other than corporation tax	14.2%	-27.5	-1.0%	2.7
Tax	**31.7%**	**-61.5**	**8.3%**	**-21.7**

The increase in the effective tax rate is due to a one-off deferred tax effect resulting from the step up in tax book value of the Italian portfolio.

9 DISCONTINUED OPERATIONS

As reported in 2008, Corio has sold its office portfolio in the Netherlands in 2008, according to its corporate strategy. In this strategy, it was decided to concentrate on retail. The office portfolio in the Netherlands has been treated as 'discontinued operations' in the financial statements of 2008 and has been presented separately with the exception of the financing activities.

(€ million)	2009	2008
Results of discontinued operations		
Gross rental income	–	33.2
Net service charges	–	-0.6
Property operating expenses	–	-4.3
Net rental income	**–**	**28.3**
Administrative expenses	–	-0.3
Results on sales of property	**–**	**-15.5**
Net profit on discontinued operations	**–**	**12.5**
Cash flow from operating activities	–	28.3
Cash flow from investing activities	–	632.4
Net cash flow of discontinued operations	**–**	**660.7**

10 INVESTMENT PROPERTY

(€ million)	2009	2008
Balance as at 1 January	5,562.9	5,272.0
Acquisitions	233.9	511.7
Investments	35.6	104.0
Transfer to/from property under development	116.7	110.0
Transfer from investments in associates	30.0	–
Sales	-91.5	-113.5
Revaluations	-371.2	-318.6
Other	-0.4	-2.7
Balance as at 31 December	**5,516.0**	**5,562.9**

The carrying amount of the investment property includes leasehold property. The total prepaid amount in respect of lease hold for 2009 is € 12.8 million (2008: € 13.1 million). The investment properties include € 20.8 million (2008: € 20.6 million) of operating leased property. Revaluations include result on sales of investment property for an amount of € 7.0 million negative.

ESTIMATES

The appraisal of the portfolio implies a net initial yield of 6.7%. If the yields used for the appraisals of investment properties on 31 December 2009 had been 100 basis points higher than is currently the case, the value of the investments would decrease by 12.9%. In this situation, the company's shareholders' equity would be € 652 million lower. The debt ratio rises in this case from 40.4% to 46.5%.

SECURITY

As at 31 December 2009, loans drawn down amounting to € 589.2 million (2008: € 548.6 million) had been secured by mortgaging properties with a carrying amount of € 1,267.7 million (2008: € 1,305.5 million). In 2009, the cover ratio (amount of mortgage loans/carrying amount of property) was 46.5% (2008: 42.0%).

11 INVESTMENT PROPERTY UNDER DEVELOPMENT

(€ million)	2009	2008
Balance as at 1 January	247.5	228.1
IFRS change IAS 40	2.4	–
Investments	72.8	146.9
Sales	–	-1.3
Transfer to/from investment portfolio	-116.7	-110.0
Capitalised interest	7.1	9.3
Revaluations	-18.5	-20.7
Other	-0.1	-4.8
Balance as at 31 December	**194.5**	**247.5**

As of 1 January 2009 the revised IAS40 on investment properties under development is applicable. Consequence of this is that investment property under development needed to be measured at fair value, which resulted in a valuation change of € 2.4 million. Main investments in 2009 relate to the following objects: Hoog Catharijne, De Mare, 't Circus and Middenwaard in the Netherlands and Les Portes de Chevreuse in Coignières in France.

12 INVESTMENTS IN ASSOCIATES

(€ million)	2009	2008
Balance as at 1 January	221.3	317.5
Acquisitions/sales	-8.7	2.5
Reclassification to subsidiaries	-30.0	-19.2
Dividends received	-9.2	-10.5
Share of results	3.1	-81.4
Exchange differences	-1.5	12.4
Balance as at 31 December	**175.0**	**221.3**

Summarised financial information for the investments in associates as at year-end 2009 and 2008:

	2009		2008	
(€ million)	100%	Corio share	100%	Corio share
Assets*	386.5	181.3	599.5	258.4
Liabilities	-13.3	-6.3	-130.5	-37.1
Net assets	**373.2**	**175.0**	**469.0**	**221.3**
Gross rental income	27.9	13.0	46.8	21.2
Expenses (including financing income)	-9.3	-4.3	-13.6	-5.9
Revaluations	-12.0	-5.6	-213.1	-96.7
Result	**6.6**	**3.1**	**-179.9**	**-81.4**

* Including goodwill paid.

On 31 December 2009, the market capitalisation of Akmerkez (46.9%) is € 98.5 million (2008: € 67.0 million). The carrying amount of Akmerkez is € 175.0 million (2008: € 186.2 million).

13 OTHER INVESTMENTS

(€ million)	2009	2008
Other investments, non-current		
Loans and receivables	0.7	49.4
Financial assets at fair value through profit or loss	–	7.0
	0.7	**56.4**
Other investments, current		
Loans and receivables	99.4	54.8
Derivatives for hedging purposes	0.3	47.3
Balance as at 31 December	**99.7**	**102.1**

The loans and receivables line under ‘other investments, current’ consists of advance payments with respect to turnkey development projects Middenwaard, Spijkenisse, Nesselande in the Netherlands and Anatolium Bursa in Turkey.
A loan of € 40 million which in 2008 was presented under ‘loans non-current’ was reclassified to current investments, as it will expire when the project is finalised in 2010.

14 INTANGIBLE ASSETS

(€ million)	
Goodwill	
Balance as at 1 January 2009	**49.5**
Acquisitions through business combinations	20.7
Impairment of goodwill	-9.2
Total goodwill	**61.0**
Other intangible assets	
Balance as at 1 January 2009	**–**
Investments	1.9
Transfer from property plants and equipment	12.3
Cost price 31 December 2009	**14.2**
Balance as at 1 January 2009	**–**
Transfer from depreciation property plant and equipment	-10.5
Charge to other income	-0.7
Accumulated depreciation 31 December 2009	**-11.2**
Carrying amounts intangible assets	**3.0**
Balance as at 31 December 2009	**64.0**

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 29).

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

(€ million)	2008	Additions	Impairment	2009
Odisea (Maremagnum) Spain	16.7	–	-2.8	13.9
Comes Srl (Marcianise) Italy	20.1	–	–	20.1
C.C.D.F. Spa (Città Fiera) Italy	12.4	–	-0.9	11.5
TIM Trakya Is Merkezi Yatirim ve Ticaret AS (Tekira) Turkey	–	2.5	–	2.5
“Tan Gayrimenkul Yatrimi Insaat Turizm Pazarlama ve Ticaret AS (Teras Park) Turkey”	–	7.5	-5.5	2.0
Príncipe Pío Gestion SA (Príncipe Pío Gestion) Spain	–	10.7	–	10.7
Goodwill related to tax liabilities	**49.2**	**20.7**	**-9.2**	**60.7**
Other Goodwill	0.3	–	–	0.3
Total Goodwill	**49.5**	**20.7**	**-9.2**	**61.0**

Other intangible assets relate to software.

15 PROPERTY, PLANT AND EQUIPMENT

(€ million)	
Cost	
Balance as at 1 January 2008	26.6
Investments	2.8
Balance as at 31 December 2008	**29.4**
Investments	4.1
Transfers to intangible assets	-12.3
Balance as at 31 December 2009	**21.2**
Depreciation	
Balance as at 1 January 2008	-22.2
Depreciation charge for the year	-1.9
Balance as at 31 December 2008	**-24.1**
Depreciation charge for the year	-2.0
Transfers depreciation to intangible assets	10.5
Balance as at 31 December 2009	**-15.6**
Carrying amount	
As at 1 January 2008	4.4
As at 1 January 2009	5.3
As at 31 December 2009	5.6

The transfers to intangible assets relate to IT projects (software).

16 DEFERRED TAX

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

(€ million)	Assets		Liabilities		Total	
	2009	2008	2009	2008	2009	2008
Investment property and investment property under development			251.3	288.0	251.3	288.0
Tax losses	20.6	13.4			-20.6	-13.4
Balance as at 31 December					**230.7**	**274.6**

Movements in deferred tax

(€ million)	2009	2008
Balance as at 1 January	274.6	291.2
Movement arising from revalution	-57.7	-20.7
Movement arising from aquisitions	20.4	6.9
Tax value of tax losses	-6.6	-2.8
Balance as at 31 December	**230.7**	**274.6**

Movements arising from revaluation are recognised through profit or loss. All tax losses that are expected to be utilised within the foreseeable future have been recognised. These tax losses are in principle available for set-off indefinitely. Deferred tax assets have not been recognised in respect of tax losses totalling € 7.5 million (2008: € 4.7 million).

17 TRADE AND OTHER RECEIVABLES

(€ million)	2009	2008
Trade receivables	27.6	24.0
Tax	46.7	39.1
Receivables arising from sale of property	–	20.0
Advance payments on development projects	21.9	28.9
Other receivables	27.7	13.8
Other assets	–	13.4
Balance as at 31 December	**123.9**	**139.2**

The tax item mainly concerns reclaimable VAT.

18 CASH AND CASH EQUIVALENTS

(€ million)	2009	2008
Bank balances	91.0	10.6
Cash	0.2	0.2
Balance as at 31 December	**91.2**	**10.8**

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

19 SHAREHOLDERS' EQUITY

SHARE CAPITAL

The authorised capital comprises 120 million shares each with a nominal value of € 10. As at 31 December 2009, 76,363,025 shares were in issue (31 December 2008: 67,252,184, of which 998,482 treasury shares). The number of shares in issue increased due to stock dividend on 6 May 2009 (2,168,748 shares) and due to an issuance of shares (6,942,093 shares) and sales of the treasury shares on 9 June 2009.

The shareholders are entitled to receive the dividends declared from time to time and are entitled to cast one vote per share at meetings of the Company.

SHARE PREMIUM

The share premium consists of capital paid on shares in excess of the nominal value. For tax reasons a total of € 645.1 million (2008: € 508.4 million) is recognised as share premium and can in certain circumstances be distributed tax-free.

MOVEMENTS IN SHARE PREMIUM

(€ million)	2009	2008
Balance as at 1 January	903.0	903.0
Issue of 6,942,093 shares	158.5	–
Stock dividend paid	-70.0	–
Issue of 2,168,748 shares due to stock dividend	48.2	–
Balance as at 31 December	**1,039.7**	**903.0**

TREASURY SHARE RESERVE

The treasury shares reserve comprises the cost of the Corio shares held by the Group. As at 31 December 2009, the Group held no shares of the Company (31 December 2008: 998,482). These were acquired in 2001 for € 26.20 per share and they were sold for € 32.50 per share on 9 June 2009. The gain is recognised in equity.

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 2009 has been determined at individual property level, taking account of 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 exchange differences arising from the translation of the financial statements of operations outside the eurozone that are not integral to the operations of the Company, as well as from the translation of liabilities designated as the Company's net investment hedge in a subsidiairy or associate outside the eurozone.

DIVIDEND

The dividend proposal for 2009 is € 2.65 per share (2008: € 2.64). This dividend proposal has not been recognised in the financial statements. The dividend for 2009 may be taken in cash or in shares. In 2008 € 70 million was payed out in stock and € 104.9 million in cash. The objective of Corio's dividend policy is at least to comply with the requirements imposed on FBIs and, except in special circumstances, to maintain the level of dividend and preferably increase it by the average rate of inflation in the eurozone.

20 EARNINGS PER SHARE

NET RESULT PER ORDINARY SHARE

The calculation of earnings per share as at 31 December 2009 is based on the net result for the period which is attributable to the shareholders, amounting to -€ 131.9 million (2008: -€ 239.6 million), and the weighted average number of shares in issue during the year ended 31 December 2009, calculated as follows:

NET RESULT ATTRIBUTABLE TO SHAREHOLDERS

(€ million)	2009	2008
Net result attributable to shareholders	-131.9	-239.6
Net result from continuing operations	-131.9	-252.1

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

WEIGHTED AVERAGE NUMBER OF SHARES

	2009	2008
Shares in issue	66,253,702	66,253,702
Effect of share issue, stock dividend and sales of treasury shares	5,907,556	–
Weighted average number of ordinary shares	**72,161,258**	**66,253,702**

21 INTEREST-BEARING LOANS AND BORROWINGS

This note gives information on the contractual conditions of the Group's interest-bearing loans and borrowings. See note 25 for more information on the Group's interest rate and currency risks.

Some of the interest-bearing loans and borrowings are in US dollars and pounds sterling. These have been hedged for the most part, using derivatives; fair value hedge accounting is applied to the derivatives and the hedged loans with the result that hedged loans are measured at fair value instead of amortised cost. Movements in the fair values of derivatives and hedged loans are recognized in equity.

(€ million)	2009	2008
Long-term		
Mortgaged bank loans	561.0	528.4
Other bank loans	1,772.6	1,841.8
Capitalised costs	-8.0	-7.3
	2,325.6	**2,362.9**
Short-term		
Mortgaged bank loans	28.2	20.2
Other bank loans	1.7	76.6
	29.9	**96.8**
Balance as at 31 December	**2,355.5**	**2,459.7**

22 EMPLOYEE BENEFITS

The liability in respect of the defined benefit plans can be analysed as follows:

(€ million)	2009	2008	
	Liabilities	Assets	Liabilities
Present value of funded obligations	7.0	–	6.5
Fair value of plan assets	-6.2	–	-6.5
Present value of net obligations	**0.8**	**–**	**-**
Unrecognised actuarial gains and losses	-0.2	–	0.8
Recognised liability for defined benefit obligations	**0.6**	**–**	**0.8**

Corio has a number of defined benefit plans. Stichting Pensioenfonds ABP ('ABP') is a pension provider for a number of Corio employees. This plan qualifies as a multi-employer defined benefit plan, with a fixed contribution. ABP is, however, unable to extract details of the benefits and obligations for each company. The plan is therefore not included in the employee benefit calculation and is instead accounted for as a defined contribution plan, with actual expenses recognised as such. In 2009, the contributions to ABP concerning the pension plan were € 0.8 million (2008: € 0.8 million).

The existing pension scheme for Corio's employees in the Netherlands was converted into a defined contribution plan on 1 January 2007. This means that Corio is no longer required to recognise a liability for those employees who were employed by Corio and are covered by this plan.

The plan assets do not include shares issued by the Company or investments in the Company's property portfolio.

Movements in the net pension liability were as follows :

(€ million)	2009	2008	
	Liabilities	Assets	Liabilities
Net liability as at 1 January	0.8	-0.1	1.1
Contributions paid	-0.2	–	-0.5
Net benefit expense	–	0.1	0.2
Net liability as at 31 December	**0.6**	**–**	**0.8**

NET BENEFIT EXPENSE

(€ million)	2009	2008	
	Liabilities	Assets	Liabilities
Current service costs	–		
Administrative expenses	0.3	0.1	0.5
Expected return on plan assets	-0.2	–	-0.3
Acturial gains subject to amortisation	-0.1		
Balance as at 31 December	**–**	**0.1**	**0.2**

PRINCIPAL ACTUARIAL ASSUMPTIONS ON THE BALANCE SHEET DATE

(expressed as weight averages)	2009	2008	
	Liabilities	Assets	Liabilities
Discount rate as at 31 December	4.8%	–	5.6%
Expected return on plan assets as at 31 December	3.8%	–	3.5%
Future salary increases per annum	n/a	–	n/a
Future pension increases per annum	2.0%	–	2.0%

The Projected Mortality Table 2005-2050 with the age rated down one year, issued by the Acturial Association, has been used for the actuarial calculation. The discount rate is based on the annual yield of 10 year AA corporate bonds.

23 PROVISIONS

(€ million)	2009	2008
Balance as at 1 January	2.4	2.6
Provisions made during the year	0.6	0.1
Provisions utilised during the year	-0.1	-0.1
Provisions released during the year	-1.0	-0.2
Balance as at 31 December	**1.9**	**2.4**
Long term	1.9	2.4
Short term	–	–

The provisions relate mainly to legal disputes.

24 TRADE AND OTHER PAYABLES

(€ million)	2009	2008
Taxes and social security	18.2	16.1
SIIC exit tax	–	1.6
Rent invoiced in advance	7.5	11.7
Security deposits	35.6	34.5
Interest payable	24.6	30.5
Accruals	28.9	23.7
Financial instruments	116.4	40.7
Other payables	30.9	40.2
	262.1	**199.0**

The current exit tax for the SIIC regime in France is being paid in four instalments, the last in 2009. The other payables relate to invoices yet to be received for maintenance of and investment in the portfolio. Accruals include a liability of € 0.2 mln in respect of share-based payments. The movements in financial instruments are due to changes in interest and foreign exchange rates.

25 FINANCIAL INSTRUMENTS

FINANCIAL RISKS

The Group is exposed to a number of financial risks, i.e. credit risk, liquidity risk and market risk (including 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 business. The Group makes use of derivatives to hedge certain risk exposures. These derivative contracts are not used for trading purposes at all.

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 also 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.

Financial transactions are only entered into with financial institutions having a credit rating of at least A+ (Standard & Poor's). The financial risk is monitored for each individual transaction. Given the high credit rating of the counterparties, the Group does not expect any defaults.

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	2009	2008
Loans and receivables (excluding taxes)	13, 17	177.3	204.3*
Financial assets at fair value through profit or loss	13	–	7.0
Derivatives for hedging purposes (assets)	13	0.3	47.3
Cash and cash equivalents	18	91.2	10.8
		268.8	**269.4**

* Restated for taxes.

The loans and receivables line includes an amount of € 40 million relating to loans granted for projects in Turkey, for which security has been provided by the borrowers in the form of group or bank guarantees and mortgages.

The aging analysis of the accounts receivable on the balance sheet date was as follows:

(€ million)	2009		2008	
	Gross	Provision	Gross	Provision
Not due	9.5	–	6.6	–
Overdue by 0-60 days	5.6	0.1	9.0	0.4
Overdue by between 61 days and one year	13.9	5.5	9.9	4.2
Overdue by more than one year	9.6	5.4	7.0	3.9
	38.6	**11.0**	**32.5**	**8.5**

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

(€ million)	2009	2008
Balance as at 1 January	8.4	7.1
Added	4.6	2.0
Appropriation	-2.0	-0.7
Balance as at 31 December	**11.0**	**8.4**

With respect to the accounts receivable, the Group holds guarantee deposits from its tenants totalling € 35.6 million (2008: € 34.5 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 two US private placements, a long-term revolving credit facility and by mortgages and other loans from banks. Fluctuations in the liquidity requirement are accommodated by means of a 7-year revolving credit facility of € 600 million, contracted in 2005, which expires in April 2012. As at year-end 2009, borrowing under the facility stood at € 60 million. The interest and repayment obligations for 2010 and 2011 are guaranteed by means of the available facilities. Existing investment commitments are partly financed with disposals. The group aims to arrange its finances over a time horizon averaging at least five years. As at year-end 2009, the average maturity of the finance arrangements was 5.8 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 by the net interest payable. This must not be less than 2.2. Corio must also meet leverage requirements: the total amount of borrowings may not exceed 55% of the balance sheet total less goodwill.

The ratios to which Corio has committed itself 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.

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

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

2009 (€ million)	**Carrying amount**	**0-1 y**	**1-2 y**	**2-5 y**	**> 5 y**
Interest-bearing loans and borrowings	-2,363.5	-130.1	-459.1	-983.6	-1,454.4
Financial derivatives	-116.4	1.2	-16.3	-43.7	-72.4
Other current liabilities	-127.5	-127.5	–	–	–
Total	**-2,607.4**	**-256.4**	**-475.4**	**-1,027.3**	**-1,526.8**

2008 (€ million)	**Carrying amount**	**0-1 y**	**1-2 y**	**2-5 y**	**> 5 y**
Interest-bearing loans and borrowings	-2,467.0	-209.8	-272.6	-1,053.5	-1,675.2
Financial derivatives	-40.7	3.4	-10.6	6.8	-48.2
Other current liabilities	-140.6	-140.6	–	–	–
Total	**-2,648.3**	**-347.0**	**-283.2**	**-1,046.7**	**-1,723.4**

CURRENCY RISK

With the exception of Turkey and Bulgaria, Corio operates in euro countries only. For acquisitions 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 US dollar. Exchange risks are reduced by financing investments with loans in the same currency or by making use of currency swaps.

To hedge the currency risk on the two US dollar private placements, the Group applied for hedge accounting and has made use of cross-currency swaps, with the exception of a loan of $ 190 million (€ 304 million as at 31 December 2008) covering the US dollar investments in an associate in Turkey and a subsidiary in Turkey in 2008.

A significant proportion of the financial instruments was either contracted in euros or has been swapped for euros. The sensitivity of Group profits to exchange rate movements is therefore limited. The following table analyses the Group's currency exposure as at 31 December:

(€ million)	**2009**			**2008**		
	USD	**GBP**	**TRY**	**USD**	**GBP**	**TRY**
Interest-bearings loans and borrowings	-990.0	-64.0	–	-1,102.2	-59.0	–
Cash and cash equivalents	–	–	–	2.0	–	–
Loans and receivables	–	–	–	–	–	1.7
Balance sheet exposure, gross	-990.0	-64.0	–	-1,100.2	-59.0	1.7
Cross-currency swaps	801.9	64.0	–	884.0	59.0	–
Net position	**-188.1**	**–**	**–**	**-216.2**	**–**	**1.7**

SENSITIVITY ANALYSIS

Corio's currency risk derives from its investments in Akmerkez and Adacenter. These investments are hedged by an USD 190 million loan and by an USD 81 million swap contract. The value of these investments is USD 289.2 million. A 10% depreciation of the USD will result in a loss on the investment of € 18.2 million and a gain on the combined hedge instruments thereon of € 17.1 million.

INTEREST RATE RISK

Although the automatic inflation adjustment in rental contracts provides a certain degree of protection, this is insufficient to cover any increase in interest rates in the same period. Since 2003 it has been Corio's policy to contract fixed interest rates in the longer term for at least a third but not more than two-thirds of the loan portfolio. Corio applies hedge accounting for its interest rate swaps.

As at 31 December 2009, the Group had contracted interest rate swaps with a face value of € 275.2 million (2008: € 1,725.7 million). Interest rate swaps are carried at fair value.

SENSITIVITY ANALYSIS

An immediate increase of 1 percentage point in the variable interest rate as at 31 December 2009 would increase the theoretical interest expense for 2010 by € 5.5 million (2008: € 5.9 million), assuming that the composition of the financing is unchanged. If the interest rate would rise by 1 percentage point gradually during the year, the interest expense would increase by € 2.8 million (2008: € 2.8 million). These calculations take account of interest rate swap transactions. The sensitivity to changes in the variable interest rate in 2010 is reduced by using short-term interest rate swaps and by fixing part of the variable interest rate at year-end 2009.

DEBT OVERVIEW

(€ million)	2009				2008			
	Fixed rate	Floating rate	Total	%	Fixed rate	Floating rate	Total	%
Short-term loans	5.3	24.6	29.9	1%	55.5	41.3	96.8	4%
Long-term loans*	1,553.6	890.9	2,444.5	99%	1,477.5	892.7	2,370.2	96%
	1,558.9	**915.5**	**2,474.4**	**100%**	**1,533.0**	**934.0**	**2,467.0**	**100%**
	63%	**37%**	**100%**		**62%**	**38%**	**100%**	

* Fixed rate long-term loans include an exchange result of € 111.0 million.

The effect of derivatives is taken into account in the above table.

INTEREST RESET OVERVIEW

2009 (€ million)	Carrying amount	0-1y	1-2y	2-5y	>5y
Cash	91.2	91.2			
Fixed-rate mortgage loans	-183.1	-5.3	-175.7	-2.1	–
Fixed-rate loans*	-1,375.8	–	-167.5	-408.0	-800.3
Floating-rate mortgage loans	-406.1	-406.1	–	–	–
Floating-rate loans	-509.4	-509.4	–	–	–
	-2,383.2	**-829.6**	**-343.2**	**-410.1**	**-800.3**

* Fixed rate long-term loans include an exchange result of € 111.0 million.

The above table shows the period in which the interest reset on debt takes place, taking the effect of derivatives into account. The interest reset for fixed-rate debt reflects the redemption date.

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	2009		2008	
		Carrying amount	Fair value	Carrying amount	Fair value
Loans and receivables (excluding taxes)	13, 17	177.3	177.3	243.4	243.4
Financial assets at fair value through profit or loss	13	–	–	7.0	7.0
Derivatives for hedging purposes (assets)	13	0.3	0.3	47.3	47.3
Cash and cash equivalents	18	91.2	91.2	10.8	10.8
Interest-bearing loans and borrowings	21	-2,363.5	-2,442.8	-2,467.0	-2,705.0
Derivatives for hedging purposes (liabilities)	24	-116.4	-116.4	-40.7	-40.7
Other payables excluding taxes	24	-127.5	-127.5	-183.1	-183.1
		-2,338.6	**-2,417.9**	**-2,382.3**	**-2,620.3**

The fair value of the interest-bearing loans and borrowings, as well as derivatives for hedging purposes, are measured on the basis of the swap yield curve at year-end. All other balance sheet items are short-term and are therefore not adjusted to their fair value.

Of the derivatives, with a carrying amount of € 116.4 million negative, swaps amounting to € 107.3 million negative relate to cash flow hedges. The following table shows the period in which the cash flow of the interest on these derivatives is expected to occur.

		Expected Cashflows			
(€ million)		0-1 y	1-2 y	2-5 y	> 5 y
Interest receivable		52.8	52.5	136.3	87.4
Interest payable		-53.6	-52.3	-135.5	-84.2
Net interest cash flow		**-0.8**	**0.2**	**0.8**	**3.2**
Interest on hedged loans		-52.8	-52.5	-136.3	-87.4
Interest on hedged loans after swap		**-53.6**	**-52.3**	**-135.5**	**-84.2**

Carrying amount of swaps	-107.3
Loss on exchange from these swaps	110.6
Hedging reserve	**3.3**

FAIR VALUE HIERARCHIES

The level 1 financial instruments, whose fair value is evidenced by comparison with other observable current market transactions in the same instrument or based on a valuation technique whose variable include only data from observable market data, are not applicable for Corio.

Level 2 measurement hierarchy are those financial instruments whose fair value is evidenced by comparison with observable current market transactions in the same instrument or based on a valuation technique whose variable include only data from observable market data. Of the derivatives, assets totaling € 0.3 million (2008: € 47.3 million) and liabilities of € 116.4 million (2008: € 40.7 million) are categorized at level two.

Level 3 are those Financial assets whose fair value is determined in whole or in part using a valuation technique based on assumptions that are not supported by prices from observable current market transactions in the same instrument and are not based on available observable market data. At 31 December 2009 financial assets at fair value through profit and loss are stated for € 0.0 million (2008: € 7 million).

26 CONTINGENT LIABILITIES

As at 31 December 2009, Corio's total pipeline commitments were € 623.4 million (2008: € 771.1 million). These pipeline commitments are made up as follows:

INVESTMENT COMMITMENTS

(€ million)	2009	2008
First year	248.9	197.6
Second to fourth year	374.5	527.7
Fifth year and more	–	45.8

LEASE COMMITMENTS

Lease commitments totalling € 243.2 million (2008: € 23.7 million) have also been entered into and are made up as follows:

(€ million)	2009
First year	8.0
Second to fourth year	27.3
Fifth year and more	207.9

Guarantees totalling € 73.1 million (2008: € 54.1 million) have been granted for other possible acquisitions, in addition to internal guarantees given in connection with Corio Group financing.

27 RELATED PARTIES

Qualifying as related parties of the Group are its subsidiaries, its associates, members of the Supervisory Board and Management Board, Stichting Pensioenfonds ABP and its subsidiaries. Transactions with related parties take place at arm's length.

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. 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 2009 was € 1.9 million (2008: € 2.2 million). 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 2009.

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. ABP acts as pension fund provider for a number of employees. The pension contributions are determined according to the ABP retirement plans. In 2009 these contributions amounted to € 0.8 million (2008: € 0.8 million). The remuneration of key staff is the subject of a note in the company financial statements.

In 2009 Corio contracted a floating-rate inflation linked loan of € 200 million for seven years from a subsidiary of ABP.

28 ACCOUNTING ESTIMATES AND JUDGEMENTS

SIGNIFICANT ESTIMATES AND ASSUMPTIONS

The accounting estimates and assumptions discussed in this section are considered to be essential for an understanding of the financial statements because they inherently involve significant judgements and uncertainties. For all these estimates, the Management Board cautions that future events rarely turn out exactly as forecasted and that even the best estimates routinely require adjustment.

Important assumptions concerning the following elements are described in the accounting policies and the following notes:

- Business combinations (note 29)
- Financial instruments (note 25)
- Deferred tax (note 16)
- Portfolio (note 10 and 11)

29 BUSINESS COMBINATIONS

SUMMARY OF THE MOST IMPORTANT ACQUISITIONS IN 2009

(€ million) Company name	Acquisition date	Interest	Consideration	Goodwill
Shopping centre Tekira, Tekirdağ	1 March 2009	100%	38.0	2.5
Shopping centre Príncipe Pío Gestion S.A., Madrid	25 June 2009	95%	55.6	10.7
Shopping centre Teras Park, Denizli*	1 February 2009	51%	42.9	7.5
Total			**136.5**	**20.7**

*Due to a capital increase of 22% without the other shareholder participating, Corio increased its share in Teras Park with 11%, securing a controlling stake of 51%.

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.

SUMMARY OF THE SALES AND RESULT FOR THE FULL YEAR 2009

(€ million) Company name	Sales	Result
Shopping centre Tekira, Tekirdağ	4.9	-0.1
Shopping centre Príncipe Pío Gestion S.A., Madrid	12.0	10.3
Shopping centre Teras Park, Denizli*	3.2	-2.8

SUMMARY OF THE SALES AND RESULT AS FROM DATE OF ACQUISITION

(€ million) Company name		Sales	Result
Shopping centre Tekira, Tekirdağ	1 March 2009	3.8	-0.6
Shopping centre Príncipe Pío Gestion S.A., Madrid	25 June 2009	6.3	5.9
Shopping centre Teras Park, Denizli*	1 February 2009	2.7	-3.0

SUMMARY OF RECOGNISED AMOUNTS

Pre-acquisition carrying amounts were measured on the basis of the applicable IFRSs immediately prior to the actual acquisition. The amounts of the assets, liabilities and contingent liabilities recognised on the acquisition date concern the estimated fair value on the basis of the accounting policies applied by Corio.

Net assets and liabilities of business combinations on date of acquisition:

(€ million)	Carrying amount	Fair value adjustment	Recognised amount
Investment property	176.9	87.8	264.7
Property, plant and equipment	0.6	–	0.6
Deferred tax assets	0.6	–	0.6
Trade and other receivables	32.5	1.5	34.0
Cash and cash equivalents	2.9	–	2.9
Intercompany balances	-30.4	–	-30.4
Interest bearing long term loans & borrowings	-67.5	–	-67.5
Deferred tax liabilities	–	-21.1	-21.1
Other payables	-31.7	–	-31.7
Net assets and liabilities			**152.1**
Non-controling interest	**–**	**–**	**36.3**
Equity			**115.8**
Goodwill	**–**	**–**	**20.7**
Acquisition costs			**1.9**
Consideration*	**–**	**–**	**134.6**

* Including share of associates already held: € 30.0 million.

30 INTERESTS IN JOINT VENTURES:

(€ million)	2009	2008
C.C.D.F. Spa	49.00%	49.00%
SNC Murier	40.00%	40.00%
SNC Haven	40.00%	40.00%
SCI Kupka C	40.00%	40.00%
SCI Pivoines	33.33%	33.33%
SCI Crocus	33.33%	33.33%
SCI Sureaux	33.33%	33.33%
SCI Sorbiers	33.33%	33.33%
SCI Les Silenes	33.33%	33.33%
SCI Primeveres	33.33%	33.33%

Corio's share of these joint ventures is:

(€ million)	2009	2008
Non-current assets	171.7	176.9
Current assets	-6.7	-9.1
	165.0	**167.8**
Non-current liabilities	58.5	58.5
Current liabilities	5.5	4.8
	64.0	**63.3**
Net rental income	11.1	1.0
Revaluation	-3.0	6.6
Other expenses	-1.1	-2.0
Operating result for the year	**7.0**	**5.6**

31 STATEMENT OF CASH FLOW

The cash flow statement can be reconciled with the changes in the elements of the consolidated balance sheet as follows:

(€ million)	Balance sheet changes	Acquisitions	Non cash Changes	Transfers	Dividends paid	Other	Cash flow
Total equity	-38.8	-36.3	425.6	–	105.0	-254.1	201.4
Trade and other receivables	15.3	-0.5	-0.6	–	–	-20.0	-5.8
Other payables	63.2	-27.7	-75.7	–	–	–	-40.2
Employee benefits	-0.2	–	–	–	–	–	-0.2
Provisions	-0.6	–	–	–	–	–	-0.6
Cash flow from operating activities	**38.9**	**-64.5**	**349.3**	**–**	**105.0**	**-274.1**	**154.6**
Investment property	46.9	264.7	-372.2	116.6	–	20.0	76.0
Investment property under development	53.0	–	-16.3	-116.6	–	–	-79.9
Investments in associates	46.3	-30.0	1.6	–	–	–	17.9
Acquisition of consolidated subsidiairies net of cash	–	-102.9	–	–	–	-	-102.9
Other investments, non current	55.7	-0.8	–	-40.0	–	–	14.9
Other investments, current	2.4	–	-47.0	40.0	–	–	-4.6
Property, plant and equipment	-0.2	0.6	-1.5	-1.7	–	–	-2.8
Intangible Assets	-14.5	20.7	-9.8	1.7	–	–	-1.9
Cash flow from investing activities	**189.6**	**152.3**	**-445.2**	**–**	**–**	**20.0**	**-83.3**
Proceeds from issue of share capital	–	–	–	–	–	254.0	254.0
Interest bearing long term loans and borrowings	-36.9	-67.5	31.8	–	–	–	-72.6
Interest bearing short-term loans and borrowings	-67.3	–	–	–	–	–	-67.3
Dividends paid	–	–	–	–	-105.0	–	-105.0
Cash flow from financing activities	**-104.2**	**-67.5**	**31.8**	**–**	**-105.0**	**254.0**	**9.1**
Deferred tax assets	-7.2	0.7	6.5	–	–	–	–
Deferred tax liabilities	-36.7	-21.1	57.8	–	–	–	–
Non-cash balance sheet items	**-43.9**	**-20.4**	**64.3**	**–**	**–**	**–**	**–**
Net cash flow							80.4
Exchange rate differences							-
Cash and cash equivalents, 1 January 2009							10.8
Cash and cash equivalents, 31 December 2009							**91.2**

EVENTS AFTER THE BALANCE SHEET DATE

Corio has sold the Bordeaux Megastore for € 67.3 million net. The retail property was sold around book value. Corio decided to sell the Bordeaux Megastore because it wants to focus on shopping centres with more growth potential. The building accommodates four large tenants in the city centre of Bordeaux.

On 15 February 2010 Corio acquired the turnkey project Nesselande in Rotterdam for a consideration of € 30 million.

COMPANY BALANCE SHEET

AS AT 31 DECEMBER, BEFORE PROFIT APPROPRIATION

(€ million)	Note	2009	2008
Financial fixed assets	1	3,878.7	4,851.7
Investment property	2	24.4	26.8
Property, plant and equipment	3	2.9	–
Total non-current assets		**3,906.0**	**4,878.5**
Current assets	4	**746.9**	**37.7**
Total assets		**4,652.9**	**4,916.2**
Shareholders' equity			
Issued capital		763.6	672.5
Share premium		1,039.7	903.0
Reserves		1,712.7	2,122.6
Net result for the year		-131.9	-239.6
Total shareholders' equity	5	**3,384.1**	**3,458.5**
Long term loans	6	**794.9**	**476.9**
Other liabilities	7	**473.9**	**980.8**
Total equity and liabilities		**4,652.9**	**4,916.2**

COMPANY PROFIT AND LOSS ACCOUNT

(€ million)	Note	2009	2008
Company result		-30.9	-46.7
Result of subsidiaries after tax	1	-104.0	-130.1
Share of results of associates after tax	1	3.0	-62.8
Net result of the year		**-131.9**	**-239.6**

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 2009. 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.

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 measured 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 90 to 95 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.

BASIS FOR THE MEASUREMENT AND DETERMINATION OF THE RESULT

The basis for the measurement and determination of the results is the same as that for the consolidated financial statements in this report. Investments in entities over which Corio has control or is able to exercise significant influence are accounted for using the equity method.

1 FINANCIAL ASSETS

(€ million)	2009	2008
Investments in subsidiaries	3,666.1	4,398.6
Investments in associates	175.0	186.2
Other investments, non-current	–	6.2
Loans to entities in the Group	37.6	260.7
As of 31 December	**3,878.7**	**4,851.7**

INVESTMENTS IN SUBSIDIARIES

(€ million)	2009	2008
As at 1 January	4,398.6	4,481.1
Dividends received	-582.1	–
Capital contributions	–	18.2
Changes accounted for directly in equity	-46.4	29.4
Results of subsidiaries	-104.0	-130.1
As of 31 December	**3,666.1**	**4,398.6**

INVESTMENTS IN ASSOCIATES

(€ million)	2009	2008
As at 1 January	186.2	244.1
Dividends received	-9.2	-10.5
Translation gains and losses	-5.1	15.4
Share of results of associates	3.1	-62.8
As at 31 December	**175.0**	**186.2**

The following entities are the legal owners of shares of Akmerkez GYO A.S.: Bocan B.V. (7.7%), Bresta B.V. (7.9%), Corio N.V. (8.5%), Corio Real Estate España S.L. (<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.

OTHER INVESTMENTS, NON-CURRENT

(€ million)	2009	2008
As at 1 January	6.2	6.2
Disposal	-6.2	–
As at 31 December	**–**	**6.2**

2 INVESTMENT PROPERTY

(€ million)	2009	2008
As at 1 January	26.8	28.7
Revaluation	-2.4	-1.9
As at 31 December	**24.4**	**26.8**

3 PROPERTY PLANT AND EQUIPMENT

(€ million)	2009
Cost	
Balance as at 31 December 2008	–
Investments	1.9
Transfers	14.1
Balance as at 31 December 2009	**16.0**
Depreciation and impairment	
Balance as at 31 December 2008	–
Depreciation charge for the year	-0.9
Transfers	-12.2
Balance as at 31 December 2009	**-13.1**
Carrying amount	
As at 31 December 2008	–
As at 31 December 2009	**2.9**

4 CURRENT ASSETS

(€ million)	2009	2008
Financial instruments	0.3	0.4
Cash and cash equivalents	31.5	3.3
Trade and other receivables	1.0	34.0
Receivables of Group companies	714.1	–
Balance as at 31 December	**746.9**	**37.7**

The increase of receivables of Group companies is due to the increase of current accounts.

5 SHAREHOLDERS' EQUITY

CHANGES IN EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF CORIO N.V.

(€ million)	Share Capital	Share Premium	Treasury share Reserve	General Reserve	Re-valuation Reserve	Asso-ciates Reserve	Hedge Reserve	Trans-lation Reserve	Net result for the year	Total
Balance as at 31 December 2007	**672.5**	**903.0**	**-26.2**	**194.3**	**1,202.0**	**51.3**	**38.3**	**-10.9**	**801.5**	**3,825.8**
Profit appropriation for 2007	–	–	–	218.9	507.9	74.7	–	–	-801.5	–
Total result for 2008	–	–	–	–	–	–	53.7	-9.1	-239.6	-195.0
Dividends to shareholders	–	–	–	-172.3	–	–	–	–	–	-172.3
Balance as at 31 December 2008	**672.5**	**903.0**	**-26.2**	**240.9**	**1,709.9**	**126.0**	**92.0**	**-20.0**	**-239.6**	**3,458.5**
IAS 40 change					2.4					2.4
Profit appropriation for 2008				233.7	-396.8	-76.5			239.6	–
Balance as at 1 January 2009	**672.5**	**903.0**	**-26.2**	**474.6**	**1,315.5**	**49.5**	**92.0**	**-20.0**	**–**	**3,460.9**
Total result for 2009							-95.3	1.4	-131.9	-225.8
Dividends to shareholders	21.8	-21.8		-105.0						-105.0
Share issue	69.3	158.5	26.2							254.0
Balance as at 31 December 2009	**763.6**	**1.039.7**	**–**	**369.6**	**1,315.5**	**49.5**	**-3.3**	**-18.6**	**-131.9**	**3,384.1**

*The proposed profit appropriation is included in other information. -€ 89.7 million of the result for 2009 will be incorporated in the legal reserves.

ISSUED CAPITAL

The authorised capital comprises 120 million shares each with a nominal value of € 10. As at 31 December 2009, 76,363,025 shares were in issue (31 December 2008: 67,252,184). The number of shares in issue is increased due to stock dividend on 6 May 2009 (2,168,748 shares) and due to an issuance of shares on 9 June 2009 (6,942,093 shares). The shareholders are entitled to receive the dividends declared from time to time and are entitled to cast one vote per share at meetings of the Company.

SHARE PREMIUM

The share premium consists of capital paid on shares in excess of the nominal value. For tax reasons a total of € 645.1 million (2008: € 508.4 million) is recognised as share premium and can in certain circumstances be distributed tax-free.

TREASURY SHARE RESERVE

The treasury shares reserve comprises the cost of the Corio shares held by the Group. As at 30 June 2009, the Group held no shares of the Company (31 December 2008: 998,482). These were acquired in 2001 for € 26.20 per share and they were sold for € 32.50 per share on 9 June 2009. The gain is recognised in equity.

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 2009 has been determined at individual property level, taking account of 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 exchange differences arising from the translation of the financial statements of operations outside the eurozone that are not integral to the operations of the Company, as well as from the translation of liabilities designated as the Company's net investment hedge in a subsidiary outside the eurozone.

RESULT APPROPRIATION

For 2009, a dividend with stock option of € 2.65 (in cash or in shares) per share is proposed. Of the result for 2009 amounting to -€ 131.9 million, -€ 5.3 million will be incorporated in the associates reserve and -€ 84.4 million will be incorporated in the revaluation reserve. The remainder of the result will be incorporated in the general reserve.

SHAREHOLDERS' EQUITY

	2009	2008	2007
Shareholders' equity (€ million)	3,384.1	3,458.5	3,825.8
Number of shares at the end of the year	76,363,025	66,253,702	66,253,702
Shareholders' equity per share (€)	44.32	52.20	57.74

6 LOANS

The long-term loans relate to long-term borrowings from credit institutions. For more information, reference is made to the notes to the consolidated financial statements.

7 OTHER LIABILITIES

(€ million)	2009	2008
Borrowings from credit institutions	0.2	129.3
Financial instruments	52.0	21.0
Amounts owed to entities in the Group	410.2	818.5
Accruals	11.5	12.0
	473.9	**980.8**

8 REMUNERATION

REMUNERATION OF THE MANAGEMENT BOARD IN 2009

(€ 000)	Salary	Bonus payments	Pension charges	Social security Charges	Total 2009
G.H.W. Groener	361	140	70	7	578
J.G. Haars	359	140	72	5	576
F.Y.M.M. Fontaine	248	100	75	85	508
	968	**380**	**217**	**97**	**1,662**

The members of the Management Board and Supervisory Board do not hold any Corio shares. As at 31 December 2009, the members of the Management Board and Supervisory Board did not hold any options on Corio shares either.

PHANTOM SHARE PLAN

Under the 'Performance Phantom Share Plan', conditional share units are awarded annually. Three years after the award date, 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 payment date. More information on the phantom shares can be found on page 34 of this annual report.

REMUNERATION OF THE MANAGEMENT BOARD IN 2008

(€ 000)	Salary	Bonus payments	Pension charges	Social security Charges	Total 2008
G.H.W. Groener*	313	75	46	5	439
J.A. de Kreij**	200	450	–	–	650
J.G. Haars	350	–	70	5	425
F.Y.M.M. Fontaine	232	75	73	75	455
	1,095	**600**	**189**	**85**	**1,969**

* Mr Groener was appointed CEO on 1 May 2008. The associated salary is included from that date.

** Mr J.A. de Kreij retired on 1 May 2008. The bonus includes the bonus for 2007, the bonus for 2008 and a settlement for holidays not taken.

The members of the Management Board and Supervisory Board do not hold any Corio shares. As at 31 December 2008, the members of the Management Board and Supervisory Board did not hold any options on Corio shares either.

REMUNERATION OF THE SUPERVISORY BOARD*

(€ 000)	Remuneration 2009	Remuneration 2008
B. Vos	45	44
R.A.H. van der Meer	43	41
W. Borgdorff	32	30
D.C. Doijer	36	38
G.Beijer	29	–
J.D. Doets	8	33
	193	**186**

* Excluding VAT.

9 LIST OF GROUP COMPANIES AND ASSOCIATES

Most important shareholdings:

Name	Registered office	Share in capital	Consolidated
NETHERLANDS Corio Nederland B.V. (previously CNR)	Utrecht	100%	yes
FRANCE Corio SA	Paris	100%	yes
SPAIN Corio Real Estate España SL	Madrid	100%	yes
ITALY Corio Italia S.r.l.	Milan	100%	yes
CCDF S.p.a.	Udine	49%	partially
TURKEY Corio Yatirim Holding AS	Istanbul	100%	yes
Akmerkez Gayrımenkul Yatırım Ortaklığı Anonim Şirketi	Istanbul	47%	no
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

10 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 2009. 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.

COST RATIO

The WFT requires investment institutions to report cost ratios. 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 cost ratio is total costs (property operating expenses, general expenses and taxes), excluding interest charges, as a percentage of the weighted average net asset value for the past five quarters. In 2009, Corio's cost ratio worked out at 2.4% compared to 2.2% in 2008.

11 RELATED PARTIES

A number of Group companies have reached agreement with ABP that ABP will act as pension fund provider for a number of employees. In 2004, this agreement was extended by five years. The pension contributions are determined according to the ABP retirement plans. In 2009 these contributions amounted to € 0.8 million (2008: € 0.8 million).

In 2009 Corio contracted a floating rate inflation linked loan of € 200 million for 7 years from a subsidiary of ABP. Transactions with related parties take place at arm's length.

12 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.

13 AUDIT FEES

(€ 000)	2009	2008
Audit of the financial statements	631	810
Other audit engagements	332	376
Tax advisory services	–	10
Other non-audit services	86	132
Total	**1,049**	**1,328**

Utrecht, 18 February 2010

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 profit and loss account 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 FBI's, 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 2008, 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 2009, a dividend with stock option of € 2.65 (in cash or in shares) per share is proposed. Of the result for 2009 amounting to -€ 131.9 million, -€ 89.7 million will be incorporated in the legal reserves. The remainder of the result will be appropriated to the general reserve.

POST-BALANCE-SHEET EVENTS

Corio has sold the The Bordeaux Megastore for € 67.3 million net. The retail property was sold around book value. Corio decided to sell the Bordeaux Megastore because it wants to focus on shopping centres with more growth potential. The building accommodates 4 large tenants in the city centre of Bordeaux.

On 15 February 2010 Corio acquired the turnkey project Nesselande in Rotterdam for a consideration of € 30 million.

AUDITORS' REPORT

TO THE SHAREHOLDERS,

REPORT ON THE FINANCIAL STATEMENTS

We have audited the 2009 financial statements of Corio N.V., Utrecht, as set out on pages 83 to 124. The 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 2009, the consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information. The company financial statements comprise the company balance sheet as at 31 December 2009, the company profit and loss account for the year then ended and the notes.

MANAGEMENT'S RESPONSIBILITY

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code, and for the preparation of the management board report in accordance with Part 9 of Book 2 of the Netherlands Civil Code. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Dutch law. This law requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION WITH RESPECT TO THE CONSOLIDATED FINANCIAL STATEMENTS

In our opinion, the consolidated financial statements give a true and fair view of the financial position of Corio N.V. as at 31 December 2009, and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code.

OPINION WITH RESPECT TO THE COMPANY FINANCIAL STATEMENTS

In our opinion, the company financial statements give a true and fair view of the financial position of Corio N.V. as at 31 December 2009, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Netherlands Civil Code.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Pursuant to the legal requirement under 2:393 sub 5 part f of the Netherlands Civil Code, we report, as far as we are able to judge, that the management board report is consistent with the financial statements as required by 2:391 sub 4 of the Netherlands Civil Code.

Amstelveen, 18 February 2010
KPMG Accountants N.V.
H.D. Grönloh RA

PROPERTY PORTFOLIO

			Total value (€ m)	Year of acqui-sition	Year of construc-tion/re-novation	Gross leasable area (m²)	Annual rent (€ m)	Parking Income (€ m)	Occu-pancy rate
NETHERLANDS									
RETAIL									
Alkmaar	De Mare	Europaboulevard 26-28, 314-316, 461-465, Europaplein 1 c.a.		1984	2005	10,500	2.31		100%
Almelo	Schelfhorst	Binnenhof 1-49		1975	2000	6,700	1.02		99%
Almere	Centrum	Stadhuisplein/Stationsstraat c.a./ Grote Markt ca.		1986	2009	26,900	6.73		99%
Alphen aan den Rijn	De Aarhof	De Aarhof 1 -99		1974	1992	11,100	3.17		99%
Amersfoort	Emiclaer	Emiclaerhof/De Beurs/Het Masker		1993	1993	19,700	4.33		98%
Amstelveen	Groenhof	Groenhof 113-164		1972	1992	6,700	1.54		100%
Amsterdam	Reigersbos (lease hold)	Reigersbos 3 -196		1984	2004	12,500	2.65		99%
Amsterdam	ArenA Arcade (lease hold)	ArenA Boulevard 51 -77		2000	2000	4,100	0.55		100%
Amsterdam	Villa ArenA (lease hold)	ArenA Boulevard 2 -242		2001	2001	50,400	5.67		95%
Arnhem	Presikhaaf	Hanzestraat 1-225 c.a.		1967	1987	31,900	4.59		97%
Bergschenhoek	De Vlashoeck	Vlashoeck 2-40		2004	2004	4,100	0.89		100%
Delft	Martinus Nijhofflaan	Martinus Nijhofflaan 1-19		1971	1987	3,800	0.81		100%
Dordrecht	Sterrenburg	P.A. de Kokplein 93-173		1983	1993	13,100	2.59		94%
Dordrecht	Slangenburg	Slangenburg 5 -9		1980	1980	100	0.01		100%
Eindhoven	Cassandraplein	Cassandraplein		1965	2009	4,400	0.56		98%
Emmen	De Weiert	Baander 165		1999	1999	2,700	0.47		100%
Enschede	Eschmarke	Eschmarke		2008	2008	2,700	0.48		100%
Epe	Veluwepoort	Sternpassage/Gruttersplein		2005	2005	5,800	1.12		97%
Goirle	De Hovel	De Hovel 19 c.a.		1973	2007	5,200	1.05		99%
Groningen	Vinkhuizen	Diamantlaan/Steenlaan		2003	2003	9,100	1.38		100%
Haarlem	Soendaplein - supermarket	Soendaplein 18		1996	1996	3,200	0.55		100%
Heerhugowaard	Middenwaard	Middenwaard 1-129/Parelhof 80-108		1974	2009	30,500	6.67	0.57	99%
Heerlen	Corio Center	Corio Center 3 -46		1998	1998	18,400	3.79		98%
Hoofddorp	Het Paradijs	Muiderbos 56 -242		1986	1986	6,000	1.13		99%
Leek	Liekeblom	De Schans / De Dam		1988	1988	4,500	0.64		100%
Leiderdorp	Meubelplein Leiderdorp	Elisabethhof 1,4,8,9		1986	2002	13,800	1.22		100%
Maastricht	Franciscus Romanus	Franciscus Romanusweg 2		1981	2004	8,700	0.89		100%
Nieuw Vennep	Getsewoud	Händelplein 1-209		2002	2002	7,800	1.55		100%
Nieuwegein	Cityplaza	Plein/Passage/Markt/Boogstede/ Raadstede		1983	1983	29,100	7.35		97%
Oegstgeest	Lange Voort	Irislaan 45-99/Lange Voort 1-24, 11-41		2000	2006	14,600	2.91		100%
Purmerend	Weidevenne	Weidevenne		2006	2006	8,100	1.78		100%
Rijswijk	In de Bogaard	In de Bogaard J 5-J 67		1963	2002	19,800	5.01		100%
Rotterdam	Alexandrium I (lease hold)	Poolsterstraat 3-177 c.a.		1984	2002	46,300	14.05	1.81	99%
Spijkenisse	Maaswijk	Hadewychplaats 2-62		1996	2009	6,100	1.17		94%
Spijkenisse	Kopspijker (lease hold)	Nieuwstraat 105-211		1988	1988	5,000	1.02		93%
Tegelen	Kerkstraat	Kerkstraat 1 -81		1992	1992	2,800	0.47		95%
Tilburg	Centrum	Pieter Vreedeplein/Emmapassage 1-29/ Heuvelstraat 36-38		1991	2008	33,800	6.98	0.20	100%
Utrecht	Springweg Parkeergarage	Parkeergarage Strosteeg		1974	2000	-	-	2.64	
Utrecht	Hoog Catharijne (lease hold)	Stationsstraverse c.a.		1973	1996	67,000	16.33	7.23	96%
Utrecht	Parkwijk-Leidsche Rijn	Verlengde Houtrakgracht 301 -421		2004	2004	5,500	1.20		100%
Veldhoven	City Passage	Meent 1-83/Meiveld 174		1995	1995	7,400	2.21		100%
Velsen	Velserbroek	Galle Promenade / Ster Bastion 4 -66		1992	1992	8,700	1.67		95%
Wateringen	Vliethof	Vliethof 1-16, 57-62, 87-94		1989	1997	4,200	0.84		100%
Zeist	Belcour	Emmaplein 1-29, 210-252 c.a.		1996	1996	6,900	1.50		86%
Zwolle	Stadshagen	Wade 1		2004	2004	11,500	2.46		100%

			Total value (€ m)	Year of acqui-sition	Year of construc-tion/re-novation	Gross leasable area (m²)	Annual rent (€ m)	Parking Income (€ m)	Occu-pancy rate
OFFICES									
Almere	Stationade	Stationsplein 5, 35-41		1986	1986	4,800	0.63		100%
Rotterdam	Alexandrium I	Poolsterstraat 145		1984	2006	1,400	0.20		100%
Utrecht	Hoog Catharijne (lease hold)	Hoog Catharijne		1973	1996	45,400	7.33		90%
Total Netherlands Retail			**1,817.3**			**601,200**	**125.30**	**12.46**	**98%**
Total Netherlands Offices			**50.4**			**51,600**	**8.15**		**91%**
TOTAL NETHERLANDS			**1,867.8**			**652,800**	**133.46**	**12.46**	**98%**

FRANCE

RETAIL									
Bordeaux	Bordeaux Megastore	54,58,60 Rue Ste Catherine		2001	2003	16,700	3.57		100%
Brie-Comte-Robert	Brie-Comte-Robert (33% Corio-interest)	ZI LA Haie Passart		2001	1988	2,300	0.23		100%
Caen	C.C. Mondeville 2	RN 13 Caen		1994	1995	15,900	7.75		100%
Caen	C.C. Côte de Nacre	1-5 Avenue du Maréchal Juin		1999	1970	30,200	3.61		99%
Cherbourg	C.C. Cotentin	RN 13- 50470 La Glacerie		2001	1989	6,000	2.68		92%
Cholet	Marques Avenue Cholet	La Séguinière-Zone de la Mernardière Rue du Bocage		2006	2005	7,100	1.74		90%
Coignières	Les Portes de Chevreuse	Route National 10		2009	2009	36,200	4.69		79%
Colmar	Galerie des Clefs	15-17 Rue Des Clefs		2001	1996	5,000	0.53		75%
Courbevoie	C.C. Charras	Rue Baudin		2006	1973	6,600	1.67		95%
Grenoble	C.C. Grand Place	55,63 Grand Place		1998	2001	53,800	14.42		96%
Issy-les-Moulineaux	C.C. Les Trois Moulins	3 Alleé Sainte Lucie 92130		2001	1992	7,400	3.69		97%
Ivry-sur-Seine	C.C. Quais d'Ivry	30 Boulevard Paul Vaillant Couturier		2001	2008	29,600	6.37		88%
Laval	C.C. La Mayenne	46 Avenue de Latre de Tassigny ZAC La Grivonniere		2001	1999	7,200	2.48		95%
Marseille	C.C. Grand Littoral	11 av St Antoine ZAC Saint-Andre		2008	2007	57,100	19.95		86%
Metz	Metz Megastore	Rue Serpenoise		2001	1918	13,100	1.72		100%
Montreuil	C.C. La Grande Porte	235 Rue Etienne Marcel		2001	1991	6,200	3.16		92%
Mulhouse	La Galerie	37-39,54 Rue du Sauvage		2001	1989	13,700	2.01		65%
Nice	C.C. Nice TNL	15 bd du general Delfino		1996	2002	17,400	5.72		99%
Orgeval	C.C. Art de Vivre	Route National 13		2005	1975	20,600	4.07		95%
Orgeval	Capteor	2050 Route des Quarante Sous 78630		2008	2008	8,600	0.92		83%
Paris	Passage Provence Opéra	92-98 Rue de Provence & /31 - 34 Rue Joubert		1999	1991	2,200	1.19		99%
Rouen	Galerie de L'Espace du Palais	Rue Saint-Lo		1993	1998	9,400	2.21		81%
Sainte-Geneviève-des-Bois	La Croix Blanche	Rue des Petits Champs		2001	1986	6,600	1.08		100%
Saint-Etienne	C.C. Centre Deux	1 -7 Rue des Docteurs Charcot		1979	1995	24,000	5.62		93%
Toulon	C.C. Mayol (40% Corio-interest)	Rue du Murier		1994	1990	7,600	2.97		100%

			Total value (€ m)	Year of acquisition	Year of construction/renovation	Gross leasable area (m²)	Annual rent (€ m)	Parking Income (€ m)	Occupancy rate
OFFICES									
Courbevoie	Le Balzac	10 Place des Vosges La Défense		1988	2000	15,200	7.56		100%
Echirolles Grenoble	Le Stratège	15,17,19 Ave. S. Allende 38130		1999	1999	1,400	0.14		34%
Guyancourt	Amplitude et Millipore, Parc des Sangliers	1 Rue Jacques Monod		2000	2002	10,600	2.43		100%
Nanterre	MB 9	65 rue des 3 Fontanot		1990	2000	9,200	3.19		100%
Puteaux	Le Kupka (40% Corio-interest)	14 rue Hoche La Défense 7		1990	1992	5,700	2.11		100%
Rueil-Malmaison	Clair de Ville	8-10 Rue Henri Sainte Claire Deville		2000	1991	10,600	3.32		100%
INDUSTRIAL									
Brétigny	Paris sud Brétigny	Zac de la Maison Neuve Rue du Poitou 91220		2002	2002	19,400	0.96		0%
Clamart	Newton TNT	3 Avenue Newton		2006	2006	10,600	0.41		100%
Massy	FNAC Warehouse	ZAC du Pérou 2-32 Rue des Champarts		1998	1998	56,000	3.20		100%
Total France retail			**1,595.2**			**410,500**	**104.06**		**92%**
Total France offices			**219.3**			**55,200**	**18.75**		**99%**
Total France industrial			**51.0**			**86,000**	**4.57**		**79%**
TOTAL FRANCE			**1,865.5**			**548,700**	**127.38**		**93%**

ITALY

RETAIL									
Bologna	Shopville Gran Reno	Via M. Monroe, 2 Casalecchio di Reno		2001	1993	12,800	6.18		100%
Busnago	Globo I - II	Via Italia, 197		2004	2006	21,900	7.14		100%
Naples	Campania	A1 - Uscita Caserta Sud S.S. 87 Loc. Aurno		2006	2007	64,600	17.97		99%
Modena	GrandEmilia	Via Emilia Ovest, 1480		2001	1996	19,800	8.39		99%
Senigallia	Il Maestrale	S.S. 16 Adriatica Nord, 89		2003	1999	7,300	2.40		99%
Turin	Shopville Le Gru	Via Crea, 10 Grugliasco		2001	1994	32,900	17.03		99%
Udine	Città Fiera (49% Corio-interest)	Via A. Bardelli, 4 Martignacco		2007	2007	23,500	5.63		94%
TOTAL ITALY			**1,007.3**			**182,800**	**64.74**		**99%**

SPAIN

RETAIL									
Barcelona	Maremagnum (lease hold)	Moll de Spanya 2ª Pta. Edif. Maremagnum		2006	2005	19,000	5.74	1.63	98%
Cáceres	Ruta de la Plata	C/Londres 1		2000	1993	8,400	2.71		98%
Irun	Txingudi	Barrio de Ventas 80		1999	1997	9,900	2.80		95%
Jaén	La Loma	Ctra. Bailén		2000	1991	9,700	2.35		95%
Madrid	Gran Via de Hortaleza	Gran Via Hortaleza s/n		2001	2001	6,000	3.74		93%
Madrid	Sexta Avenida	Avenida de la Victoria, 2		2000	2007	16,000	5.42	0.37	92%
Madrid	Príncipe Pío (95% Corio-interest / lease hold)	Pº de la Florida s/n		2009	2004	28,700	12.35	1.44	96%
Palencia	Las Huertas	Avenida de Madrid 37		2000	1989	6,500	1.36		78%
Parla	El Ferial	C/Pinto s/n		2000	1995	8,400	2.72		87%
Valencia	Gran Turia	Pza. de Europa s/n		2001	2000	18,200	5.43		78%
TOTAL SPAIN			**574.4**			**130,800**	**44.62**	**3.44**	**92%**

			Total value (€ m)	Year of acqui-sition	Year of construc-tion/re-novation	Gross leasable area (m²)	Annual rent (€ m)	Parking Income (€ m)	Occu-pancy rate
TURKEY									
RETAIL									
Adapazarı	Adacenter	Yeni sakarya Cad. No:244-54200 Erenler		2007	2007	23,400	3.53		96%
Ankara	365 (lease hold)	Birlik Mah. 428.cad. No:41 Yildiz/ Cankaya		2008	2008	27,800	5.65		95%
Denizli	Teras Park (51% Corio-interest)	55 Sok.No.1 Yenisehir/Denizli		2007	2009	45,500	3.92		91%
Istanbul	Akmerkez (47% Corio-interest)	Nispetiye Cad. Akmerkez AVM 34337 Etiler		2005	2008	15,700	17.77		95%
Tekirdağ	Tekira	Hukumet cad. No:304 59100 Merkez		2009	2008	29,900	4.70		94%
TOTAL TURKEY (including associates)			**362.5**			**142,300**	**35.57**		**94%**
TOTAL TURKEY (excluding associates)			**187.5**			**126,600**	**17.79**		**94%**
GERMANY									
OFFICES									
Böblingen	Ronda Haus	Calwer Straße 7		1994	1984	13,700	1.15		89%
TOTAL GERMANY			**13.5**			**13,700**	**1.15**		**89%**
TOTAL									
Total retail (including associates)			**5,356.8**			**1,467,600**	**374.28**	**15.89**	**95%**
Total offices			**283.2**			**117,500**	**28.06**		**97%**
Total industrial			**51.0**			**86,000**	**4.57**		**79%**
TOTAL (including associates)			**5,691.0**			**1,671,100**	**406.92**	**15.89**	**95%**

All the properties are freehold, unless otherwise stated after the name of the property. In the case of joint ventures or associates, the applicable percentage of Corio's interest is stated after the name of the property. GLA, annual rent and values are stated pro rata on the basis of Corio's ownership, except for properties that qualify as a majority.

Annual rent is the annualised contractual rent applying at 31 December 2009 with current market rent being added in case of unlet space.

Parking income actual income in 2009 from parking.

Occupancy rate is calculated on the basis of financial occupancy and reflects the letting situation at the end of the year.

PIPELINE PROJECTS

	Project	Status	Type	Additional m² developed	Total m² on completion	Total already Invested (x € m)	Total Investment (x € m)	Expected opening date
NETHERLANDS								
Heerhugowaard	Middenwaard	Fixed Committed	Redevelopment	7,800	38,300	17.5	28.4	2011
Hoofddorp	Paradijs	Fixed Committed	Redevelopment	1,100	7,100	2.2	7.1	2010
Nieuwegein	Cityplaza	Fixed Committed	Redevelopment	51,200	80,300	3.6	116.9	2011/ 2013
Rotterdam	Nesselande	Fixed Committed	Development	10,000	10,000	27.1	30.9	2010
Spijkenisse	Stadsplein en Kolkplein	Fixed Committed	Development	11,900	11,900	21.5	37.6	2011
Spijkenisse	De Kopspijker	Fixed Committed	Redevelopment	1,300	6,300	0.1	5.8	2011
Utrecht	H.C. De Vredenburg	Fixed Committed	Development	5,800	72,800	4.4	17.2	2012
Zoetermeer	Oosterheem	Fixed Committed	Redevelopment	12,000	12,000	0.5	32.1	2012
Total Netherlands fixed				**101,100**	**238,700**	**76.9**	**276.0**	
Total Netherlands variable deferrable				**85,400**	**157,300**	**43.4**	**536.5**	
Total Netherlands waivable				**36,100**	**51,000**	**1.3**	**199.8**	
TOTAL PIPELINE NETHERLANDS				**222,600**	**447,000**	**121.6**	**1,012.3**	
FRANCE								
Total France fixed				-	-	-	-	
Total France variable deferrable				**18,700**	**55,500**	**14.5**	**68.0**	
Total France waivable				-	-	-	-	
TOTAL PIPELINE FRANCE				**18,700**	**55,500**	**14.5**	**68.0**	
ITALY								
Busnago	Globo III	Fixed Committed	Extension	8,400	30,300	1.1	52.6	2011
Venice	Marghera	Fixed Committed	Development	30,000	30,000	0.5	145.5	2012
Turin	Le Gru II	Fixed Committed	Redevelopment	13,900	46,800	0.3	9.6	2011
Udine	Città Fiera	Fixed Committed	Extension	6,200	54,100	0.0	17.1	2010
Bologna	Gran Reno	Fixed Committed	Extension	1,200	14,000	0.5	3.5	2010
Total Italy fixed				**59,700**	**175,200**	**2.4**	**228.3**	
Total Italy variable deferrable				**115,000**	**115,000**	**22.0**	**529.6**	
Total Italy variable waivable				**11,000**	**11,000**	-	**65.0**	
TOTAL PIPELINE ITALY				**185,700**	**301,200**	**24.4**	**822.9**	
SPAIN								
Jaén	La Loma	Fixed Committed	Extension	4,900	14,600	1.0	15.3	2011
Barcelona	Maremagnum	Fixed Deferrable	Redevelopment	2,800	21,800	3.3	6.6	2010
Total Spain fixed				**7,700**	**36,400**	**4.3**	**21.8**	
Total Spain variable deferrable								
Total Spain variable waivable								
TOTAL PIPELINE SPAIN				**7,700**	**36,400**	**4.3**	**21.8**	

	Project	Status	Type	Additional m² developed	Total m² on completion	Total already Invested (x € m)	Total Investment (x € m)	Expected opening date
TURKEY								
Bursa	Anatolium	Fixed Committed	Development	83,800	83,800	40.8	183.3	2010
Tarsus	Tarsu	Fixed Deferrable	Development	27,100	27,100	11.8	50.5	2011
Total Turkey fixed				**110,900**	**110,900**	**52.6**	**233.8**	
Total Turkey variable deferrable				**54,000**	**54,000**	**34.4**	**106.2**	
Total Turkey waivable				**–**	**–**	**–**	**–**	
TOTAL PIPELINE TURKEY				**164,900**	**164,900**	**87.0**	**340.0**	
Total fixed				**279,400**	**561,200**	**136.4**	**759.8**	
Total variable deferrable				**273,100**	**381,800**	**114.3**	**1,240.3**	
Total waivable				**47,100**	**62,000**	**1.3**	**264.8**	
TOTAL PIPELINE				**599,600**	**1,005,000**	**252.0**	**2,264.9**	

DEFINITIONS PIPELINE

Fixed committed:

A project is fixed committed if:
- The project is approved by the Management Board and, if required, the Supervisory Board;
- All parties in the project are committed;
- The Management Board has a high degree of certainty that the project will be acquired and/or become operational within an agreed period; and
- Corio can no longer withdraw from the project without a penalty and the project cannot be deferred.

Fixed deferrable:

A project is fixed deferrable if:
- The project is approved by the Management Board and, if required, the Supervisory Board;
- All parties in the project are committed;
- The Management Board has a high degree of certainty that the project will be acquired and/or become operational within an agreed period; and
- Corio can no longer withdraw from the project without a penalty, but the project can be deferred until more favourable times in terms of funding or letting.

Variable deferrable:

A project is variable deferrable if:
- The project is approved by the Management Board and, if required, the Supervisory Board, or the Management Board has given a mandate to negotiate to the relevant acquiring business unit;
- The parties involved have signed an exclusive declaration of intent (in case of newly acquired projects); or
- A redevelopment, refurbishment, extension or revitalisation of existing properties in the portfolio is considered a profitable investment because Corio believes it will generate additional income for that property; and
- Corio can no longer withdraw from the project without a penalty, but the project can be deferred until more favourable times in terms of funding or letting.

Variable waivable:

A project is variable waivable if:
- The project is approved by the Management Board and, if required, the Supervisory Board, or the Management Board has given a mandate to negotiate to the relevant acquiring business unit;
- The parties involved have signed an exclusive declaration of intent (in case of newly acquired projects); or
- A redevelopment, refurbishment, extension or revitalisation of existing properties in the portfolio is considered a profitable investment because Corio believes it will generate additional income for that property; and
- The project can be removed from the pipeline at any time without a penalty or other consequences for Corio.

LAND POSITIONS

	Property	Total value (x € million)
FRANCE		
Caen	Bureaux de Nacre NXP	6.9
Caen	Land Mondeville	9.6
Clamart	Le Newton, Clamart	8.7
Grenoble	Land Echirolles, Grenoble	0.2
TOTAL FRANCE		**25.4**
ITALY		
Turin	Le Gru II	38.0
TOTAL ITALY		**38.0**
BULGARIA		
Sofia	Land Corio Lulin	12.6
TOTAL BULGARIA		**12.6**
TOTAL LAND POSITIONS		**76.0**

QUALIFICATION CONCERNING FORWARD LOOKING INFORMATION

The Annual report contains future-oriented statements relating to the financial position, plans, objectives and activities of the Company and the market conditions in which it operates. By their nature, future-oriented statements and forecasts contain risks and uncertainty, as they relate to events and circumstances which may or may not happen in the future. The actual results and developments may differ from those expected, under the influence of factors such as a change in strategy, the influence of the competition, changes in economic circumstances, change in the law and regulatory framework and general interest rate levels.

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QUESTIONS

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