CORIO

ANNUAL REPORT 2011


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WHO WE ARE AND WHAT WE HAVE TO OFFER

CORIO IS A RETAIL PROPERTY COMPANY. OUR CORE BUSINESS IS TO CREATE FAVOURITE MEETING PLACES THROUGH SELECTING, DEVELOPING, AND OPERATING SHOPPING CENTRES IN EUROPE. OUR VISION IS TO CREATE PLACES WHERE PEOPLE LIKE TO MEET AND RETURN TO, ANY TIME OF THE DAY, FOR ANYTHING AND IN ANY MOOD.

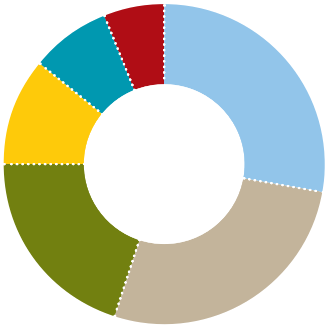
OUR AMBITION

Our vision is to create sustainable places where people like to meet. First and foremost, Corio believes shopping centres can and should perform an important social role. Our vision of a shopping centre is of a meeting place where individuals can relax, socialise, feel at home and be inspired.

We like to provide a place to work, eat, drink, party, shop, relax 24/7 and service all mindsets. We are convinced that the creation of appealing and successful shopping centres, when managed properly, will generate greater economic activity and will give us the opportunity to expand our business within our shopping centres.

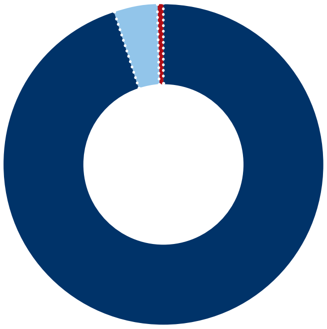
In doing so, we recognize the importance of being alert to the changing demands and habits of people and adapt quickly to those demands. To be successful, we believe our centres should be sustainable in every respect: conceptual, aesthetic, social, environmental and financial. We create to adapt.

GEOGRAPHIC SPREAD BY VALUE



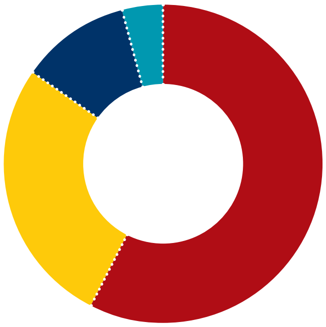
- Netherlands 29%
- France 27%
- Italy 17%
- Spain/Portugal 10%
- Germany 9%
- Turkey 8%

SECTOR SPREAD BY VALUE



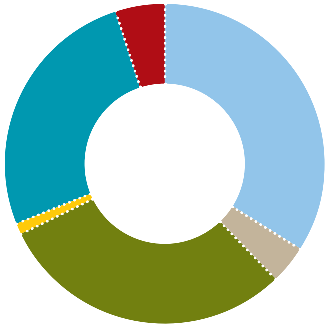
- Retail 97%
- Offices 3%
- Industrial 0.2%

CENTRE TYPE SPREAD BY VALUE



- District/regional centres 56%
- Down town centres 29%
- Transit oriented centres 10%
- Other 5%

PIPELINE SPREAD BY VALUE



- Netherlands 36%
- France 3%
- Italy 29%
- Spain/Portugal 1%
- Germany 29%
- Turkey 2%

STRUCTURE OF CORIO

SUPERVISORY BOARD
BAS VOS *CHAIRMAN*
ROBERT VAN DER MEER *VICE CHAIRMAN*
WIM BORGDORFF
DERK DOIJER
GOBERT BEIJER
ROEL VAN DEN BERG

INVESTOR RELATIONS
HUMAN RESOURCES MANAGEMENT
CORPORATE PR & COMMUNICATIONS
INVESTMENT STRATEGY & RESEARCH
CORPORATE SOCIAL RESPONSIBILITY

MANAGEMENT BOARD
GERARD GROENER *CEO*
BEN VAN DER KLIFT *CFO*
FREDERIC FONTAINE *CDO*
FRANCINE ZIJLSTRA *COO*

LEGAL & COMPLIANCE
RISK MANAGEMENT
TREASURY
FINANCE & CONTROL
TAX
INFORMATION MANAGEMENT

OFFICE SUPPORT

ACQUISITION | DEVELOPMENT
LEASING
CENTER MANAGEMENT

BUSINESS SUPPORT

WHAT WE HAVE

OUR RESOURCES 550 PEOPLE
CONTROLLING AND MANAGING THE WHOLE PROPERTY VALUE CHAIN
410 MILLION VISITORS IN OUR CENTRES
86 CENTRES IN 6 HOME MARKETS
6,250 RETAIL CONTRACTS.

OUR STRATEGY

- > Creating Favourite Meeting Places
- > Selecting shopping centres that are dominant in their catchment area
- > Operate with internalized, local+ and hands-on management
- > Achieve critical mass in each of our 'home markets'
- > Maintain a strong focus on stable markets (>80% of portfolio value)
- > Regarding Corporate Social Responsibility as an essential pillar
- > Sustain solid financial structure
- > Predominantly focus our activities downtown, transit-oriented and at the heart of large communities
- > Centralised approach on innovative concepts

HANDS-ON MANAGEMENT APPROACH

- > All activities in the property value chain are internally managed
- > Strategy, asset allocation, concept design, finance and tax functions are centralised
- > Decentralised operational management, Business Unit per home market: the local+ approach
- > The risk management model is integrated in all our activities

CONSERVATIVE AND RISK-CONSCIOUS FUNDING STRUCTURE

- > Conservative leverage
- > Well balanced spread of debt maturities and interest rate reset dates
- > Investment grade rating (BBB+ S&P, Baa1 Moody's)
- > Diversification of funding sources
- > All commitments secured at least 18 months in advance

PERFORMANCE HIGHLIGHTS

	2011	2010
NUMBER OF VISITORS	410 MILLION	400 MILLION
RETAIL CONTRACTS	6,250	6,000
LEASABLE AREA RETAIL	1.8 MILLION M^2	1.7 MILLION M^2
AVERAGE OCCUPANCY RETAIL	96.2%	96.2%
OPERATIONAL PORTFOLIO	€ 7.0 BILLION	€ 6.7 BILLION
PIPELINE	€ 2.5 BILLION	€ 3.0 BILLION
NET RENTAL INCOME	€ 396.5 MILLION	€ 367.9 MILLION
LIKE-FOR-LIKE NRI RETAIL	1.9%	1.9%
DIRECT RESULT	€ 267.0 MILLION	€ 251.0 MILLION
INDIRECT RESULT	€ -48.8 MILLION	€ 124.7 MILLION
NET RESULT	€ 218.2 MILLION	€ 375.7 MILLION
RELETTINGS AND RENEWALS GROWTH RETAIL	6.6%	3.8%
MARKET CAPITALISATION	€ 3.1 BILLION	€ 4.4 BILLION
DIVIDEND PER SHARE	€ 2.76	€ 2.69
NAV PER SHARE	€ 45.57	€ 46.10
NNNAV PER SHARE	€ 47.15	€ 46.82

SUPERVISORY BOARD MEMBERS

B. VOS (BAS, 1939)

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

Chairman of the Selection Committee
Member of the Audit Committee

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

W. BORGDORFF (WIM, 1960)

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

Chairman of the Remuneration Committee

Present position Managing Partner of Fund Investment at AlpInvest Partners N.V.

Supervisory directorships Member of the advisory board of Permira I, II, III and IV Limited Partnerships and Apax IV, V , VI, and VII Limited Partnerships.

G.A. BEIJER (GOBERT, 1950)

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

Member of the Selection Committee
Member of the Remuneration Committee

Present position Independent advisor and associate of Boer & Croon.

Supervisory directorships Several board and supervisory roles at unlisted companies and organisations.

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 2015.

Chairman of the Audit Committee

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 board member of the Catharijne Stichting, Stichting Von Freiburg, Stichting Corpus and Stichting GITP International. Furthermore Mr. Van der Meer serves as deputy justice (raadsplaatsvervanger) 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.

D.C. DOIJER (DERK, 1949)

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

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

Supervisory directorships Royal Ahold N.V. and several supervisory roles at unlisted companies.

R.C. VAN DEN BERG (ROEL, 1957)

Member of the Supervisory Board
Dutch nationality.
First appointed in 2011.
Current term of office expires in 2013.

Present position Founder/co-owner of the “Access to Quality” network organisation. Vice-chairman of the “Joop naar Albanië” Foundation in Nieuwegein. Member of the Creative Board, University of Amsterdam Business School. Partner, Business School Knowmads in Amsterdam.

Supervisory directorships None.

SUPERVISORY BOARD REPORT

FOR THE PAST YEARS CORIO HAS BEEN ADAPTING ITS SHOPPING CENTRES TO BECOME FAVOURITE MEETING PLACES. THIS APPROACH DEMANDS A NEW AND MORE INNOVATIVE WAY FOR THE MANAGEMENT BOARD TO RUN THE COMPANY AND, IN TURN, FOR THE WAY IN WHICH THE SUPERVISORY BOARD SUPERVISES THE MANAGEMENT BOARD.

We are living in volatile times. The global economy in general and the real estate market in particular are under pressure. In addition, the continuing rise and importance of e-commerce and social media, is demanding our attention. However, with challenge comes opportunity, the opportunity to tailor our centres to consumers' needs. This demands inventiveness from Corio's part.
For the past years Corio has been adapting its shopping centres to become Favourite Meeting Places. Corio's centres are becoming not only places to go to purchase goods, but also places to meet with a friend, be inspired or to just spend leisure time.
This approach demands a new and more innovative way for the Management Board to run the company and, in turn, for the way in which the Supervisory Board supervises the Management Board. Aspects such as concept of design and CSR are important elements to consider in creating Favourite Meeting Places. The Supervisory Board pays close attention to these aspects when performing its duties. Through this Supervisory Board Report we hope to provide you with some insight on how we operated in 2011.

COMPOSITION OF THE SUPERVISORY BOARD

Corio's Supervisory Board consists of six members: Mr. Bas Vos (chairman), Mr. Robert van der Meer (vice-chairman), Mr. Wim Borgdorff, Mr. Derk Doijer, Mr. Gobert Beijer and Mr. Roel van den Berg. Each member provides a particular talent and/ or background in order to provide the Supervisory Board with a broad range of expertise. For further information we refer you to the curriculum vitaes in this report. Mr. Van den Berg joined the Supervisory Board on 1 May 2011. He brings in-depth knowledge on consumer behaviour and marketing, knowledge that is of great importance in evaluating Corio's vision of creating Favourite Meeting Places. For more information on the rules of the Supervisory Board please refer to the profile of the Supervisory Board on Corio's website (www.corio-eu.com).

All members of the Supervisory Board are independent according to the criteria as set out in the Dutch corporate governance code.

As was announced in the 2010 annual report and as evidenced by the rotation schedule in 2012 the Supervisory Board will bid farewell to two of its members due to the fulfillment of their last four-year terms: Mr. Vos and Mr. Borgdorff. The Supervisory Board is greatly indebted to its chairman, Mr. Vos, for all his work on the Supervisory Board and would like to express its deep appreciation. Likewise, the Supervisory Board would like to thank Mr. Borgdorff for his significant contributions to the Supervisory Board for the past 12 years. For more information regarding the search to fill the resulting vacancies please refer to the report from the Selection Committee in this chapter. The names of the two candidates along with background information will be announced through the agenda and shareholders circular for the 2012 General Meeting. The Supervisory Board will nominate the two candidates for appointment.

MEETINGS OF THE SUPERVISORY BOARD

In 2011 the Supervisory Board met with the Management Board in plenary sessions on 11 occasions. None of the members of the Supervisory Board was frequently absent from meetings. The attendance rate was 94%. The financial performance of Corio was discussed extensively both in general and in preparation for the publishing of the quarterly reports, half-yearly figures, the annual report and financial statements. 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 without the Management Board present. Furthermore, investment proposals were reviewed and commented upon, paying attention to items such as sustainability and the ability to turn the shopping centre into a Favourite Meeting Place. In addition risk management and control systems, compliance, the development role of the CDO, CSR, targets, the annual budget and opportunities were discussed. Corio's ability to perform well in these more demanding economic times was another focus area. Various scenario analyses that take into account market conditions and their impact on operations and the financing of Corio were reviewed and discussed.

During a Supervisory Board meeting in May 2011 the Management Board presented the Supervisory Board with its strategic plan. One of the ensuing discussions dealt with the importance of creating Favourite Meeting Places for Corio's future. The Supervisory Board indicated it would like to have a more firm grasp of what the term means. During a working visit to Italy the vision of creating Favourite Meeting Places was made clear by visiting a Corio centre that exemplified the Management Board's idea behind the term. The Supervisory Board discussed the meaning behind this vision and came to the conclusion that in essence it comes down to creating a place that is fit for multiple purposes and contains various manners in which to engage the consumer in a profound and sustainable way. Corio's Favourite Meeting Place strategy aligns with Corio's shared value approach, which enables it to develop long-term relationships, revenue streams and more ways in which to gain additional value from its shopping centres.

Without the Management Board present the Supervisory Board discussed its own performance, the performance of the committees, as well as its individual members. The evaluation was led by the chairman of the Supervisory Board and entailed reviewing and discussing the frequency, attendance and subjects of the meetings as well as the level of participation of the members during discussions. The outcome was that the Supervisory Board as a whole and its individual members performed well and the members were encouraged to continue to participate actively during the meetings. In view of the fulfillment of the vacancies which will arise due to the departure of Mr. Vos and Mr. Borgdorff, particular attention was paid to the profile of the Supervisory Board, its committees and to the opinion of the members as to what kind of candidate to look for.

The performance of the Management Board as a whole as well as its individual members was also discussed and evaluated. During these discussions the Management Board was not present. As with the evaluation of the Supervisory Board, the evaluation was led by the chairman of the Supervisory Board. During the evaluation the performance of the individual Management Board members was discussed. During these discussions members of the Supervisory Board were encouraged to share their views on the performance based on their one-on-one interactions with members of the Management Board as well as their interactions in this regard with Corio's employees. The Supervisory Board paid specific attention to the performance of Mr. Fontaine and Mr. Groener in view of the end of their four year terms. It was concluded that the Management Board's performance, as a whole and individually, is on average on target. For further information please refer to the remuneration report in this annual report and on Corio's website (www.corio-eu.com). The Supervisory Board intends to reappoint Mr. Fontaine and Mr. Groener after the announcement of the reappointments during the General Meeting of April 2012.

The chairman of the Supervisory Board and the chairman of the Management Board met regularly to discuss general matters affecting Corio.

REPORT OF THE SELECTION COMMITTEE

The Selection Committee had 4 meetings in 2011. To fill the two vacancies resulting from the departure of Mr. Vos and Mr. Borgdorff, the Selection Committee conducted a search together with a professional recruitment agency. The profile, as adopted by the Supervisory Board in the 2011 General Meeting has been taken into account which means the search places an emphasis on financial and real estate knowledge and states a strong preference for female candidates in the event of two candidates, one male, one female, with similar quality credentials. During the meetings of the Selection Committee the search process and the candidates were discussed. In addition, the Selection Committee discussed the performance and re-appointment of Mr. Groener and Mr. Fontaine.

REPORT OF THE REMUNERATION COMMITTEE

The Remuneration Committee met 3 times during 2011. Items discussed include the short-term and long-term incentives of the Management Board, the performance of the members of the Management Board, the pay differentials between the members of the Management Board and the second echelon, the long-term incentive plan and the remuneration report. The Remuneration Committee conducted scenario analyses in order to assess whether the maximum cash value of the Phantom Performance shares is still reasonable. The Remuneration Committee advised that the outcome of the scenario analyses is in line with the spirit and principles of the Performance Phantom Share Plan. Also, the amendment of the fixed portion of the remuneration of the Supervisory Board was discussed in which members receive an annual fixed, market conforming remuneration. This amendment was approved by the 2011 General Meeting. In view of the volatile markets and their effect on Corio, a Management Board target was discussed, resulting in the adjustment of the target by the Supervisory Board.
The remuneration report was adopted by the Supervisory Board. Further information on the structure and background of the remuneration policy can be found in the remuneration report in this annual report and on Corio's website www.corio-eu.com. The process followed in 2011, is in line with the remuneration policy approved at the


Corio office Utrecht, the Netherlands

Extraordinary General Meeting of Shareholders on 10 December 2004 and the proposed amendment adopted by the General Meeting of Shareholders on 29 April 2008.

REPORT OF THE AUDIT COMMITTEE

The Audit Committee met 4 times in 2011. The main topics of discussion were the quarterly reported numbers, the auditor's report, the management letters and an assessment of the performance of the external auditor. With regard to the performance of the external auditor, the Audit Committee concluded that their performance was adequate.The Audit Committee met with the external auditor at least once in 2011 without any Management Board member present. Risk management, valuations, accounting policies, treasury activities and policies and the company's financial results and position were discussed. The Audit Committee discussed the management letter with the external auditor and advised to the Supervisory Board that no matters in the management letter were applicable for disclosure.

The Audit Committee has led the process of the selection of the auditor and has advised the Supervisory Board to present PricewaterhouseCoopers Accountants N.V. to the Annual General Meeting of Shareholders as auditor for 2011. The Supervisory Board concluded accordingly.

In addition the Audit Committee reviewed whether to appoint an internal auditor and came to the conclusion that this was not necessary. On the basis of the conclusion of the Audit Committee, the Supervisory Board recommended not to appoint an internal auditor. During 2012 the Audit Committee will again review whether to appoint an internal auditor.

TO THE GENERAL MEETING OF SHAREHOLDERS

Herewith we present the 2011 annual report and financial statements as drawn up by the Management Board. PricewaterhouseCoopers Accountants N.V. has audited the financial statements and issued an unqualified auditors' report on these statements. We recommend that you adopt the financial statements as presented and declare a dividend payable in cash and/or in shares of € 2.76 per share for 2011 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 to at least comply with the requirements for a Dutch fiscal investment institution (FBI) imposed on tax-exempt 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.

PERSONNEL

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

Utrecht, 23 February 2012
The Supervisory Board

STRATEGY IN ACTION

HIGHLIGHTS OF 2011 > FURTHER DISPOSALS IN OFFICE AND NON-STRATEGIC RETAIL PROPERTIES OF € 136.3 MILLION > OPENING OF REDEVELOPED AND EXTENDED CENTRES CITY PLAZA, MIDDENWAARD, KÖNIGSGALERIE, KOPSPIJKER/STADSPLEIN, FORMER IKEA AT LE GRU > NEW CREDIT LINES OF € 855 MILLION STRENGTHEN LIQUIDITY AND FINANCIAL FLEXIBILITY > LEADERSHIP PROGRAMMES AND PERFORMANCE MANAGEMENT SYSTEMS IMPLEMENTED > CONNECTING TO THE CONSUMER VIA VARIOUS PILOTS AND IMPLEMENTING CRM SYSTEMS > INCLUSION IN THE DOW JONES SUSTAINABILITY INDEX EUROPE

Le Gru, Turin

Cityplaza, Nieuwegein

Königsgalerie, Duisburg

Kopspijker/Stadsplein, Spijkenisse

VISION

Our vision is to create sustainable centres that delight and captivate. First and foremost, Corio believes shopping centres can and should perform an important social role. Our vision of a shopping centre is of a meeting place where individuals can relax, socialise, feel at home and be inspired. We like to provide a place to work, eat, drink, party, shop, relax 24/7 and service all mindsets. We are convinced that the creation of appealing and successful shopping centres, when managed properly, will generate greater economic activity and will give us the opportunity to expand our business within our shopping centres. In doing so, we recognize the importance of being alert to the changing demands and habits of people and adapt quickly to those demands. To be successful, we believe our centres should be sustainable in terms of location, concept aesthetics, socially, environmentally and financially. We create to adapt.

MISSION

Corio aspires to be a leading European retail property company. By that we mean we want to be:

> A vehicle for investors to access high quality retail real estate exposure 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;
> The favourite place to go to, for consumers;
> A company with a strong financial profile;
> An employer of choice for professionals.

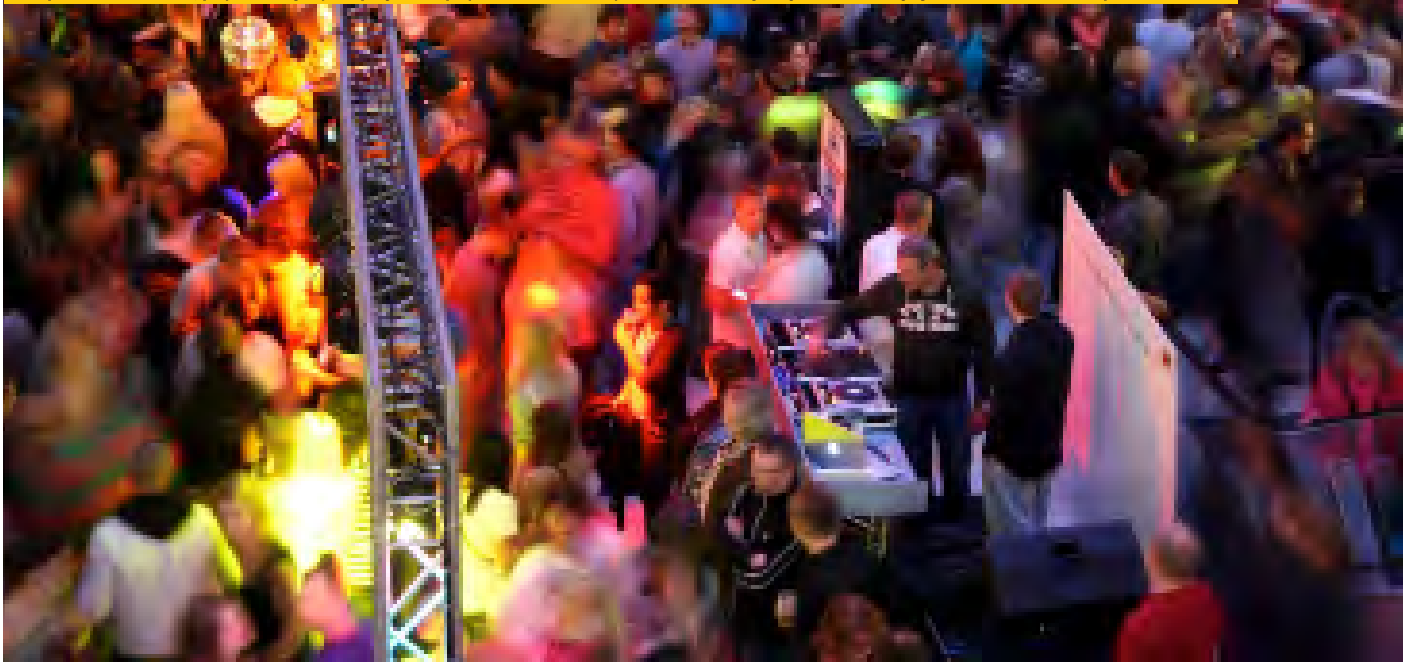
Corio's focus is on Europe, a market with more than 700 million inhabitants. In our home markets we set out to improve and enrich the shopping experience of a growing share of the over 340 million people in our home markets. Our social goals are just as important as our dedication to environmental responsibility, sound financial management and profitable growth. We see Corporate Social Responsibility as a catalyst for well managed growth, which we define as contributing positively to the economic and social development of the regions where our sites are located, by upgrading sites to create new and attractive amenities, generate jobs and foster social interaction.

STRATEGY

Corio selects, develops, re-develops and runs shopping centres in six countries in Europe. Being close to the consumer and understanding their needs is crucial. We therefore organize – buying, selling, designing, developing, operating and marketing – in house. In each country we need critical mass at a country level to operate efficiently and attract the best possible team. Corio has achieved this in all of its core markets. Size is not the ultimate and sole objective, but it matters: to run an effective marketing strategy on a shopping centre level, the centre needs to be dominant in its catchment area. This then offers us a range of opportunities to gain market share by re-commercialising, redeveloping or extending the centre. We create our centres to be adaptable to change. With consumer demands changing faster than ever before, this is of increasing importance, as it is also to recognise the preferences and trends that guide them.

Corio centres are therefore run, managed, marketed and leased by Corio people. We see this as the only way to create the flexibility that allows us to adapt. We have built similar flexibility into the funding programme of our company, fixed and floating debt, well balanced maturities from a wide variety of sources. Our diversified and solid capital base ensures that we have enough headroom to act quickly when opportunities arise.
The geographic mix of our home markets is carefully chosen. Mature markets, that currently account for 90+% of our turnover, enhanced by emerging markets, currently < 10%. Operational excellence ensures that we run our business in the most profitable way. Strong cooperation between centre marketing, leasing and design & development ensures we create maximum value and opportunities when (re)developing and extending our portfolio. In-depth research and analysis of consumer needs supports these plans and enables us to detect trends and needs at an early stage, allowing us to expand our business and create new sources of income for our centres.

Perhaps even more than ever, people like to group. People go where people are. Our relationship with our tenants is getting closer and changing from that of a client into a partner in business



STRATEGY IN 2011

The retail industry faces challenging times. Brands are being born, abandoned or embraced, in the wink of an eye. The pace of change has accelerated and its becoming harder to predict future trends. Corio needs therefore to be more than ever before on the consumer pulse. What makes them tick? How do they live? Where do they feel at home? What can we do to charm and captivate them? To understand and anticipate their needs better, we developed programmes to bring us closer to consumers and aimed at making our centres interactive places in every possible way.

Corio's strategy pivots on creating the most captivating shopping and lifestyle experience possible in the most attractive locations. We call this our Favourite Meeting Places concept. During the last year we have refined and elaborated this. In less predictable times we want to focus on quality and on creating sustainability in every way. We have narrowed our location focus to three categories: a site should be transit-oriented, downtown or a district/regional centre embedded in its catchment area. Sometimes there is overlap, especially with downtown and transit-oriented centres, as is the case of Hoog Catharijne. 95% of the centres currently in our portfolio in fact already meet these criteria. In 2011 we applied this strategy by selling offices and industrial sites, which now account for only 3% of our total portfolio. We also sold €102.6 million in retail assets that do not fit our stricter criteria. In addition we opened a number of centres that do fit the strategy and added new projects to the pipeline such as Palazzo del Lavoro in Turin that will become showcases of our centre model.

During the year we re-confirmed our focus on Europe and our six home countries, namely the Netherlands, France, Italy, Spain, Germany and Turkey. We took our Favourite Meeting Places strategy a few steps further. Traditionally the role of a retail property manager was simply to provide a roof and utility services. But technological innovations and demographic developments are challenging that model. Each year sectors that were previously considered rock solid bricks and mortar businesses have gone online or face difficult times. Yet for consumers, the need to touch products, feel brand experiences and get together with like-minded people and enjoy themselves – those needs are ever present. Perhaps even more than ever, people like to group. People go where people are. Partly on account of all those changes, our relationship with our tenants is getting closer and changing from that of a client into a partner in business with whom we set out to attract people in whatever way we can. To work, eat, drink, party, sport, relax, get education or medical care, and yes, to shop, at any moment for every mindset taste and need. We communicate much more frequently than ever before, and together we interact with consumers, in the centres directly and also by reaching out to the community as described in our CSR report.

Our centre Marseille Grand Littoral was awarded the French National Council of Shopping Centres sustainability prize in June 2011 for its separation and recycling system and in particular for involving all users of the shopping centre in the project. September saw the inclusion of Corio in the Dow Jones Sustainability Index Europe, an exclusive section of the DJSI, in addition to the re-confirmed inclusion of the company in the Ethibel Excellence Investment Register, ASPI and the FTSE4Good. The Corio Leadership Academy in Istanbul opened its doors in September, ready to start educating young people in life skills. In October, Corio was included as a component of the STOXX® Global ESG Leaders indices.
The Corio Campania centre in Naples was awarded a prize in 2010 and again in November 2011 for raising public awareness about recycling. The Corio centre was awarded the Premio Ecomondo prize by the Foundation of Sustainable Development in the categories waste, energy and innovative products and services with high environmental value. The Gran Turia Employment, Education and Entrepreneurship fair took place in November for the first time at the Gran Turia centre in Valencia, Spain. It is part of the centre's Xirivella Bridge programme, which seeks to connect unemployed people and

entrepreneurs in Gran Turia's catchment area with employers, education institutions, business schools, enterprises and any party that help people without a job on the road to employment and to the creation of new businesses.

This strategy will only prevail when supported by a strong and rigid funding strategy. For that reason in 2011 we further strengthened our already solid financial structure, which combines low leverage, a wide spread of funding sources and a comfortable maturity schedule. Recognising the challenges of the current financial environment, we also increased liquidity as much as possible by rolling over our € 600 million Revolving Credit Facility and obtaining additional facilities to the amount of total € 255 million.

GETTING FIT FOR THE FUTURE

Our core management works well as a team and we believe we are fit for the challenges ahead. We are ever mindful, however, of the need to ensure we remain nimble and act swiftly in adapting to changes in consumer behaviour. In addition to being demanding, consumers are impatient and want to see changes and new things every time they come to our centres. Combining the comfort of the known with the excitement of the new will increasingly be a guiding principle of our internal management teams. The close collaboration between our business units facilitated and steered by the holding ensures the rapid adoption of best practices and implementation of new ideas. Not every new idea can be copied 1 on1 between business units, however. The local situation and local customers must always be respected.

In being fit for the future, the strength of the balance sheet counts too. To improve flexibility on our balance sheet we decided to push our disposal plan forward more rapidly than earlier anticipated. All projects that were planned to be sold over the next 3 years, in line with new projects opening, will be up for sale in 2012. In doing this we aim to lower our leverage and become more cash rich, ready for interesting opportunities that will likely come along as markets get more difficult.

TESTING NEW RETAIL CONCEPTS: THE CORIO INNOVATION PLATFORM

In our view, tomorrow's successful retailers will include a lot more out-of-the-box thinking and more last-minute events that pack up as quickly as they set up. Corio is getting into that mindset and is involved in a number of experimental concepts. An example is our recent cooperation with Boxpark, a UK-based company that creates pop-up malls from used shipping containers. The Boxpark concept will help to innovate and further function as an incubator for new formats. The Boxpark concept will allow us to give locations an attractive new atmosphere, bring in new people and create a favourite meeting place in a very different, ad-hoc way.

The metrics on such a Boxpark investment are completely different from those of a shopping centre. So is the product and service mix. We are currently also looking to broaden the scope of our existing shopping malls to cover lifestyle-related requirements that go beyond shopping. Examples of products and services cover a wide spectrum: good food, drink, parties, live music, sports and medical services. In our view, complex products that are successful multifunctional concepts at key locations will prosper and be sustainable. To develop and implement such ideas into our shopping centres, Corio has set up an innovation platform. In 2012 the first crop of ideas will include broad loyalty programmes serviced by free wifi and smartphone apps. Pilots, underway in Italy and Turkey, prove to be successful, in terms of boosting footfall and sales.

Boxpark, London

For a video about Boxpark point your smartphone QR app here or click on the code:

TOP 10 VALUE

1 PORTA DI ROMA (50%) ROME

Value	€ 484.0 million*
Total GLA	130,000 m²
Number of contracts	216

** Property value total*

2 HOOG CATHARIJNE UTRECHT

Value	€ 386.7 million
Total GLA	94,000 m²
Number of contracts	150

3 GRAND LITTORAL MARSEILLE

Value	€ 340.2 million
Total GLA	109,200 m²
Number of contracts	176

4 SHOPVILLE LE GRU TURIN

Value	€ 325.4 million
Total GLA	78,500 m²
Number of contracts	197

5 GRAND PLACE GRENOBLE

Value	€ 307.8 million
Total GLA	94,100 m²
Number of contracts	124

6 CAMPANIA NAPLES

Value	€ 297.1 million
Total GLA	108,000 m²
Number of contracts	193

7 ALEXANDRIUM ROTTERDAM

Value	€ 268.0 million
Total GLA	108,000 m²
Number of contracts	178

8 FORUM DUISBURG DUISBURG

Value	€ 241.6 million
Total GLA	58,600 m²
Number of contracts	85

9 CENTRUM GALERIE DRESDEN

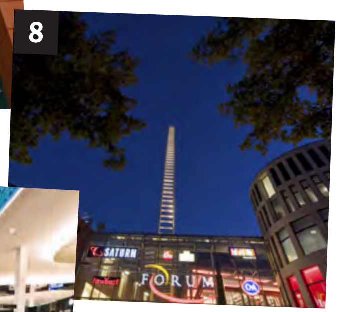
Value	€ 241.4 million
Total GLA	64,400 m²
Number of contracts	115

10 CITYPLAZA NIEUWEGEIN

Value	€ 190.1 million
Total GLA	47,500 m²
Number of contracts	149

TOTAL

Value (based on property value total JV)	€ 3,082 million
Total GLA	892,300 m²
Number of contracts	1,583
% of Corio total value (based on equity value of JV)	38



TOP 10 TENANTS RETAIL

1 INDITEX
ZARA, BERSCHKA, STRADIVARIUS, PULL & BEAR, MASSIMO DUTI

Rent	€ 11.2 million
% of total rent	2.3
Number of contracts	69

2 METRO GROUP
MAKRO, METRO, MEDIAMARKT, SATURN

Rent	€ 10.1 million
% of total rent	2.1
Number of contracts	19

3 AHOLD
ALBERT HEIJN, ETOS, GALL&GALL

Rent	€ 8.6 million
% of total rent	1.8
Number of contracts	49

4 H&M
H&M

Rent	€ 8.0 million
% of total rent	1.7
Number of contracts	20

5 BLOKKER
BLOKKER, MARSKRAMER, XENOS, BART SMIT

Rent	€ 5.4 million
% of total rent	1.1
Number of contracts	58

6 CARREFOUR
CARREFOUR

Rent	€ 5.1 million
% of total rent	1.0
Number of contracts	9

7 THE STING
THE STING

Rent	€ 3.8 million
% of total rent	0.8
Number of contracts	8

8 PPR GROUP
FNAC, PUMA

Rent	€ 3.7 million
% of total rent	0.8
Number of contracts	14

9 KARSTADT
KARSTADT, KARSTADT SPORT

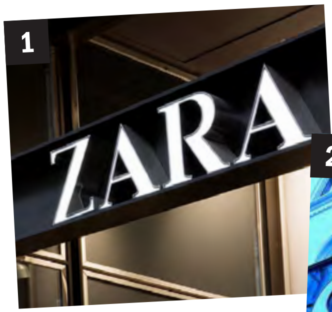
Rent	€ 3.1 million
% of total rent	0.6
Number of contracts	2

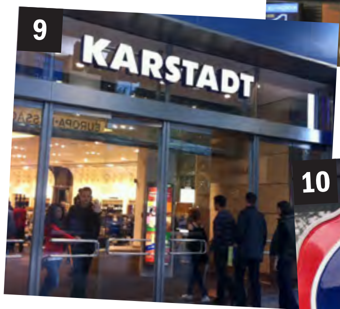
10 COFRA
C&A

Rent	€ 3.0 million
% of total rent	0.6
Number of contracts	16

TOTAL

Rent	€ 62.0 million
Percentage of total rent	12.8
Number of contracts	264





SHAREHOLDERS' INFORMATION & INVESTOR RELATIONS

THE MANAGEMENT BOARD, TOGETHER WITH THE INVESTOR RELATIONS DEPARTMENT, IS COMMITTED TO PROVIDING SHAREHOLDERS, DEBT HOLDERS, OTHER STAKEHOLDERS AND ALL OTHER INTERESTED PARTIES WITH INFORMATION ON AN EQUAL BASIS, SIMULTANEOUSLY, ON TIME AND IN A CLEAR AND CONSISTENT MANNER.

For further information on Corio's investor relations activities, please contact our Investor Relations department at investor.relations@ nl.corio-eu.com or by phone: +31 30 2346743. Follow us on Twitter @CORIOIR

MAJOR SHAREHOLDERS

Stichting Pensioenfonds ABP (through direct and indirect holdings) is the only shareholder owning more than 5% of the issued share capital. 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 it held 32.29% at year-end 2011 (year-end 2010: 31.26%).

SHARE

Corio N.V.'s shares are listed on NYSE Euronext in Amsterdam. Corio is part of the AEX index. The Corio shares are included in several relevant leading indices, including the European Public Real Estate Association, the Global Property Research, the Euronext100, FTSE4good, DJSI Europe and ASPI index.

COST RATIO

Under the Dutch Financial Superivision Act (Wft), investment institutions are required to disclose their cost ratios. 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 2011 was 2.3% (2010: 2.4%, 2009: 2.4%).

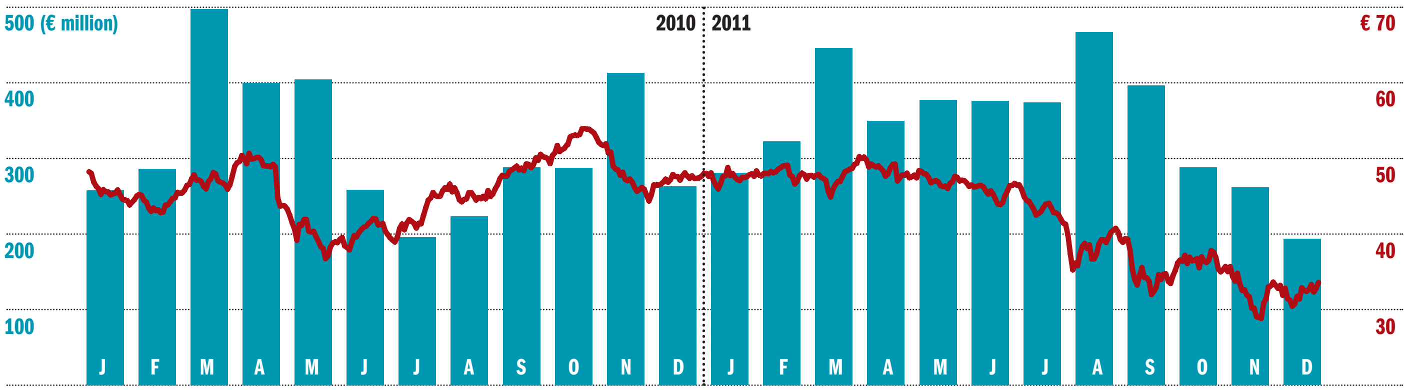
DIVIDEND

Corio pays a dividend at least once a year. The objective of Corio's dividend policy is to at least comply with the requirements imposed on FBIs and, except in special circumstances, to increase the dividend by the average rate of inflation in the euro area, on a per share basis. In accordance with the Management Board's recommendation, Corio's Supervisory Board proposes that a dividend of € 2.76 per share be distributed for 2011 (2010: € 2.69 in cash or shares). This represents a pay-out ratio of approximately 95.4%. The dividend is payable in cash or stock, within the constraints imposed by the company's FBI status and the wish of Corio to retain the maximum of earnings in the company. The dividend yield is thus 6.6% on the basis of the average price in 2011. The dividend proposal will be submitted to the AGM on 19 April 2012. The dividend will become payable on 23 May 2012.

FINANCIAL CALENDAR

	2012	2013
FULL YEAR	16 FEBRUARY After close of trading	13 FEBRUARY After close of trading
FIRST QUARTER RESULTS	10 MAY After close of trading	15 MAY After close of trading
HALF-YEAR RESULTS	7 AUGUST After close of trading	7 AUGUST After close of trading
FIRST THREE QUARTERS RESULTS	8 NOVEMBER After close of trading	7 NOVEMBER After close of trading
GENERAL MEETING OF SHAREHOLDERS	19 APRIL	18 APRIL
EX DIVIDEND	23 APRIL	
START OF PERIOD OF CHOICE	26 APRIL	
END OF PERIOD OF CHOICE	21 MAY	
DIVIDEND PAYABLE	23 MAY	

PRICE AND TURNOVER OF CORIO SHARES

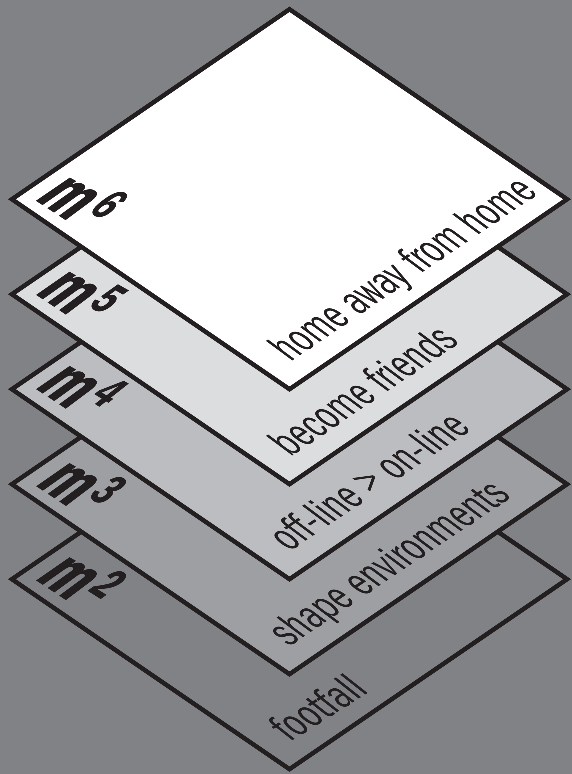


FIVE YEAR OVERVIEW

	2011	2010	2009	2008	2007
Share price period end (€)*	33.61	48.02	47.69	32.89	55.40
Average share price (€)*	41.78	45.61	37.43	50.63	61.08
Highest closing share price (€)*	50.23	53.95	49.20	62.66	75.19
Lowest closing share price (€)*	28.83	36.74	25.87	30.71	49.95
Average number of daily traded shares (€)*	384,103	309,044	300,800	438,421	350,634
Number of outstanding shares	92,291,961	91,002,947	76,363,025	66,253,702	66,253,702
Market capitalisation period end (x € billion)	3.1	4.4	3.6	2.2	3.7

* On NYSE Euronext Amsterdam

FAVOURITE MEETING PLACES IN 5 DIMENSIONS



WHY?

- The world is changing more rapidly than ever before and technology is revolutionizing the way consumers live, love, think and act
- Consumer needs and shopping demands are constantly changing
- To understand, interact and respond to consumer demand, Corio needs to engage with consumers in a meaningful way
- Corio's FMP Strategy aims to increase our ownership within the centres and to be more flexible and adaptable

WHAT?

Corio's Favourite Meeting Place strategy aims to combine multiple customer purposes, integrated asset layers (offline and online) and various sceneries.
The FMP pathway is derived from an enduring engagement with all our crucial stakeholders in a profound and sustainable way. Corio's Favourite Meeting Place strategy aligns fully with our shared value approach, which enables us to develop long term relationships, revenue streams and more diverse asset values.

HOW?

FMP is not a blueprint. In Corio's respective countries, with various shopping centre formats and 86 different assets, each time the optimal FMP values has to be found as no catchment area is the same. Corio's FMP strategy is first and foremost based on a different mind-set, focus and operational scope. Within our FMP framework are five consecutive stages on which to built the transition from a square metre approach towards one that adds meaning and engages fully. We call it the m^2 – m^6 stages. At every new stage we will gain greater meaning.

FROM METRES TO MEANING

m^2

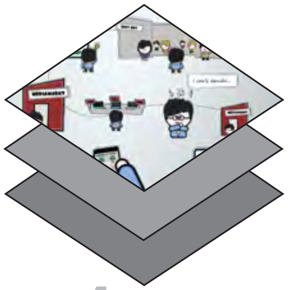
FOOTFALL IS A KEY PARAMETER. THE MORE, THE BETTER

m^2 literally stands for square metres, a parameter used to identify and qualify our assets and real estate industry.
This stage is our starting point – our launch platform. Corio acts as retail investor and as provider of retail space to tenants.

m^3

AT THIS STAGE WE TAKE MORE OWNERSHIP

We make more effort in creating a welcome, pleasant and enjoyable environment.
m^3 literally stands for cubic metres and refers to innovative concepts, aesthetically design and multiple functions. During this phase our assets will acquire more appeal and become landmarks where people choose to spend their leisure time, browse, shop and visit frequently. Our locations cater for connections. We will know we have achieved our goals in m^3 when we see our visitors smiling.



m^4

BRING A VIRTUAL DIMENSION TO OUR ASSETS

The m^4 stage brings a new dimension to our assets by adding a digital layer on top of the physical shopping centre space. Through extensive use of interactive elements and channels such as mobile, social and new media, the shopping centre experience will be extended beyond its physical attributes and enable us to engage more deeply with our visitors by offering them a whole range of personalised services and information. During this phase the retailers, consumers and asset owner, Corio, will merge into an ongoing social dialogue.

m^5

ADD PERSONALISED DIMENSION, BECOME FRIENDS

Having established a warm fan base, the next step is to add the personalised dimension and to become friends. Having created an appealing physical dimension (m^2 and m^3) with a clear and relevant social layer (m^4) adding the personal touch will enhance customer experience and effectiveness.
At the m^5 stage our offerings, services and experiences can become personal without being inappropriate or annoying. During this phase it is important for us to have and maintain a good reputation. We want to be a reliable friend. We take care.

m^6

HOME AWAY FROM HOME

The final stage of our FMP journey is when consumers view and treat our centre as a home away from home. The place that matters in peoples' lives next to their homes and workplaces. Attaining this status requires us to be deeply rooted in society and densely interlinked through a vast, loyal and committed audience that we call our family. Huge rewards can be reaped at this stage, with co-creation as a driving force for continuous adaptation of our assets.

MANAGEMENT REPORT

STANDING STRONG

GERARD GROENER (1958)
CEO and chairman of the Management Board
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). Member of the Supervisory Board Bouwinvest (from 7 December 2010), vice chairman EPRA Executive Board

THROUGHOUT 2011, AS THE STORM OF THE EURO CRISIS RAGED OUTSIDE, AS SOVEREIGN DEBT WOES FELLED GOVERNMENTS AND COMPANIES, PUSHING UP BORROWING COSTS, 410 MILLION CONSUMERS CONTINUED TO SHOP AT CORIO'S 86 COMMERCIAL CENTRES. GOOD COMPANIES LOOKING TO GROW CONTINUED TO SEEK PRIME RETAIL SPACE. AND THE RENTS OF PRIME LOCATIONS CONTINUED TO RISE. AS A RESULT OUR CENTRES' FOOTFALL REMAINED STABLE, RENTAL INCOME GREW 7.8% OVERALL AND OUR DIRECT RESULT ROSE ONCE AGAIN.

We were able to achieve another year of stability and sustained growth thanks to our quality locations, our successful tenants and our hands-on management. We worked hard throughout the year at Corio to achieve this.

Despite the crisis and stagnating growth in most of our markets, the value of our portfolio rose 6.3% (as of last year) to € 7,426.5 million. The direct result was € 267.0 million compared with € 251.0 million in 2010.
It was a year that challenged and stretched us all. And yet it was very exciting as once again we were able to put to the test our flexible approach whereby speed and timely teamwork are the name of the game. Through such an approach we were able to maintain our high occupancy rate at 96.2% and thus outperform many other European retail centres.

During the year we focused on improving our core business. We cancelled a couple of minor pipeline investments and postponed buying new add-on acquisitions. In times of increased volatility in the stock, creating flexibility on the balance sheet is key. Therefore we focused on sustaining our current business and developing new consumer services to preserve future value, while parallel to that speeding up our disposal program of non-core assets. Footfall, consumer spend and capturing value while its there are our main drivers.

TURKEY STAGES A COMEBACK

After a few challenging years due to economic crisis and tough competition our operations in Turkey staged a strong comeback, achieving unparalleled growth in like-for-like rental income and footfall. The occupancy rate of our Turkish centres stood at historic highs at the end of the year. In 2011, Teras Park came into its own as planned in a 3-year turnaround program. The centre in Denizli, has doubled net rental income in the last 18 months. Footfall and sales have also doubled and almost every square metre is let. We are encouraged by the speed with which we were able to achieve this turnaround, given the situation we inherited in 2008. We began with a minority position - 40% ownership - and little power to influence. Then finally in 2009 we acquired an additional 11% from our partner and took management control. The whole re-positioning took 12 months. Teras Park is now the best performing centre in its region.

Anatolium in Bursa also made a big contribution in 2011 after its successful opening end 2010. Our Tarsu development is running six months ahead of schedule both in terms of constuction and leasing and will open already in the first quarter of 2012.

ITALY SUSTAINS OUTPERFORMANCE

Italy sustained its outperformance relative to the Italian market thanks to its high quality and attractive retail mix, inspired and dedicated centre marketing. The catchment area of our centres continued to expand and therefore helped to maintain a high level of footfall and occupancy rates despite the economic crisis.

In its first year under Corio management, the centre Porta di Roma saw a major improvement, with net rental income like-for-like growing by 20%.

GERMAN PORTFOLIO GROWS ACCORDING TO PLAN

Germany was a major focus of management time in 2011, given our substantial acquisition of a portfolio of promising properties in various key German cities. Despite delays in getting the full local German management team up and running, we remained on target with our development plans. By the end of 2011, Forum Duisburg was performing above expectations. Our plans to re-develop our centre in Dresden are complete and ready for execution. Meanwhile, new openings in Berlin, Duisburg and Hildesheim will bring the portfolio to the target minimum level of asset value of € 1 billion in 2012.

STABLE PERFORMANCE

Despite our stable performance this year, the equities market has punished our share price, supposedly on account of our exposure to southern Europe, specifically Spain and Italy. Our shares have fallen approximately 30% in 2011, in line with most of our peers but underperforming the blue chip Dutch market index, the Euronext-AEX. That is unwarranted given the relatively low weighting of Spanish and Italian assets in our total portfolio and certainly given the robust performance of those assets in 2011.

Our Italian interests represent 17% of the total portfolio and Spain and Portugal 10%, giving us an exposure to Southern Europe of 27%. Italy continues to perform strongly, with centre income growth well ahead of inflation. Spain has suffered only to a limited extent from the economic downturn there, thanks to the focus of around half of our portfolio in Madrid and Barcelona, these centres are showing positive like-for-like numbers. Combined with a strong Management Team, Spain is still showing flat like-for-like results. In Italy, we probably have the best available retail real estate portfolio. Three of our projects are in the top five shopping centres in terms of sales per square metres and also rental income. We are also far ahead in Italy with our plans to turn our centres into Favourite Meeting Places, as you will read in this report.

The Netherlands and France performed stably in 2011 thanks to hands-on centre management and a strengthening of our core country management team.

I am delighted with the way we are all working together. Keeping the end goal in mind – the consumer – is bearing fruits as Corio's centres continue to outperform their regional centre peers in terms of footfall and services. What ties it all together strongly for Corio is our more mature and focused Corporate Social Responsibility approach. We are making strides in this area and for the first time we are seeing a true convergence of our business goals and our CSR ideals. Our team is stronger than ever before and it was energizing to work with them in 2011. I would therefore like to thank everyone wholeheartedly for their hard work in 2011. We all did a great job and have every reason to be confident about 2012 and our ability to handle well the challenges it will inevitably bring.

The coming years we will focus on improving our existing operations and developing our current pipeline, as well as accelerating the disposal plan that was in place for the years to come. We rely on our strong portfolio and management. That gives us confidence that we will continue to fare well in 2012.

OUTLOOK

In the context of an uncertain macroeconomic environment, our focus is on preserving the capital structure of Corio through non core asset disposals, balanced management of the development pipeline, and stock dividend. Whilst we expect the direct result to improve and like-for-like retail rents to be positive, the chosen dividend structure could result in a slightly decreasing direct result per share in 2012 compared with 2011.

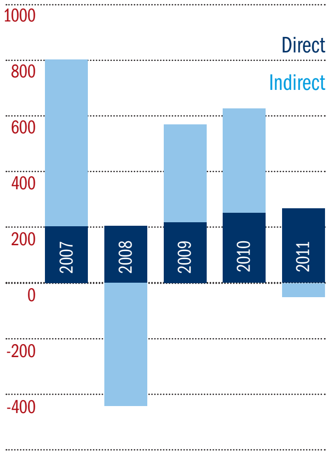
FINANCIAL REVIEW

BEN VAN DER KLIFT (1959)
CFO and member of the Management Board
Appointed from 1 May 2010 to 1 May 2014
Dutch nationality

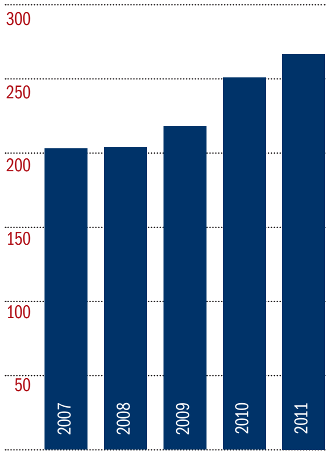
Ancillary positions member of the advisory board of the mortgage fund Syntrus Achmea Vastgoed B.V.

THE YEAR 2011 WAS A CHALLENGING YEAR AS THE MARKETS WERE VOLATILE AND UNPREDICTABLE. FORTUNATELY WE SECURED OUR LONG TERM FINANCING NEEDS ALREADY IN 2010 THROUGH TWO BOND ISSUES AND WERE ABLE TO COMPLETE THE BULK OF OUR SHORT TERM FUNDING NEEDS IN THE FIRST HALF OF 2011, WHEN THE SOVEREIGN DEBT CRISIS WAS A CHALLENGE BUT NOT A CONSTRAINT FOR CORIO. AFTER THE FIRST HALF YEAR, THE REALISTIC FUNDING OPTIONS TO GOVERNMENTS, BANKS AND CORPORATES BEGAN TO FADE.

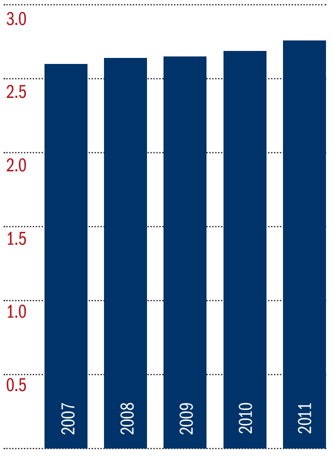
DIRECT AND INDIRECT RESULTS (€ MILLION)



DIRECT RESULTS (€ MILLION)



DIVIDEND PER SHARE (€ 1)



INTRODUCTION

The first half of 2011 was characterised by a continued recovery in the world economy and financial markets. In the eurozone the ECB started its so-called normalisation policy whereby it acted to withdraw some of the extraordinary support provided to help their economies recover from the crisis and raised the base rate to 1.5% in July. Nevertheless, risks persisted as economic divergence within Europe widened. Core growth strengthened, mainly fueled by Germany, while Portugal, Ireland and Greece had to receive financial assistance. Other reasons for prudence were the negative outlook on the U.S., the nuclear crisis in Japan, surging oil prices and upward pressure on inflation.

Around mid 2011 it became increasingly clear that European politicians and central banks would not be able to swiftly identify and implement plans securing financial stability, triggering a crisis atmosphere that would dominate the second half of 2011. With fears of a worldwide economic recession, the pressure to resolve the euro crisis increased, leading the Eurozone governments, the ECB and the IMF to take a more coordinated approach. This approach included redoubling efforts to set up the European Stability Mechanism by July 2012, a year ahead of schedule, and the ECB securing bank funding and liquidity by cutting official rates by 50 basis points and injecting € 489 billion in the banking system in December. During the first half year Euribor was considerably higher than in the first half of 2010. This raised funding costs for Corio. In the second half, however, Euribor came back to low levels, favouring Corio's cost of funding. Around 36% of our debt is at floating rates. Although base rates came down during the year, credit spreads increased. Corio did not suffer from this as no new loans at higher rates were closed in 2011. The developments in the financial markets influence not only the cost of funding, but also the availability of funding, which is under pressure. Banks are withdrawing more and more from lending to corporates which makes the diversification of funding more important than ever before.

Against this background our strategy was to extend our rolling credit facilities with the banks, adding € 255 million in headroom under good conditions up to a total of € 855 million, of which € 600 million was a replacement of the existing RCF due in April 2012. Corio grew its portfolio from € 7.0 billion per year-end 2010 to € 7.4 billion per year-end 2011, predominantly by investing € 336.0 million. Acquisitions at € 223.6 million were partly offset by disposals of € 136.3 million. Net rental income grew 7.8% to € 396.5 million in 2011. This reflects the balance of like-for-like growth of € 3.1 million, the effect of acquisitions of € 28.8 million, the effect of disposals amounting to € 12.2 million and finally the impact of € 8.9 million from development projects being taken into operation.

Despite the adverse economic backdrop Corio performed well. The direct result per share increased from € 2.88 to € 2.91, underlining the strength of Corio's operations.

ACQUISITIONS IN 2011

In 2011 Corio acquired two operational centres and closed a sales purchase agreement on one development project, the latter came on the back of the acquisition of the German portfolio in 2010.

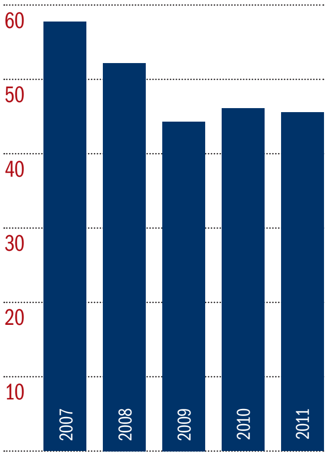
In January Corio acquired part three of shopping centre Globo, in Busnago in northern Italy, for € 53.9 million against a net initial yield of 6.6%. Globo is a dominant centre in its catchment area, of approximately 80,000 m^2, located between the cities of Milan and Bergamo. This extension adds another 8,400 m^2 in GLA to our existing shopping centre.
Metz Saint Jacques, which Corio acquired in June 2011, is a downtown centre and the only one in the heart of Metz in north-west France. This project is dominant in its region and shows good re-development potential. The price amounted to € 96.5 million for 15,800 m^2 GLA at a net initial yield of 6.6%.

Finally Corio took over the 50% stake from Sparkasse of the development project Arneken Galerie (27,200 m^2 in total), downtown Hildesheim, Germany. The centre is set to open in Q1 2012, at a pre-defined net initial yield of 6.3%.

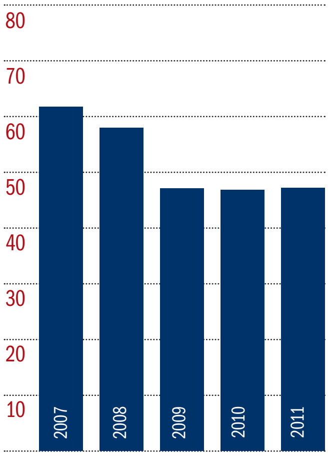
DISPOSALS

At the end of 2010 Corio announced the intention to dispose of around € 360 million of non-strategic assets, mainly offices in France and some smaller retail assets in France and the Netherlands. Of that portfolio € 136 million was sold in 2011, primarily the retail part in France and the Netherlands, and on average with a book profit of € 5.5 million.

NAV BEFORE RESULT APPROPRIATION PER SHARE (€ 1)



NNNAV (EPRA) PER SHARE (€1)



Corio increased the disposal list in 2011 to around € 670 million at year-end. These are mainly smaller retail assets in France and the Netherlands and the remaining offices in France. We aim to improve the strategic fit of the portfolio by replacing well performing but non strategic assets with strategic and performance-enhancing assets. We are confident that there is appetite for prime location offices in the Paris region such as these.

LIKE-FOR-LIKE NET RENTAL INCOME PROVES STRENGTH

Like-for-like net rental growth including Equity Accounted Investees in 2011 was 1.7%. The retail portfolio displayed growth in like-for-like of 1.9 % and the office portfolio (3% of total portfolio) registered a negative number in like-for-like rental income of 1.9 %. Looking at our portfolio, the impact of the sovereign debt crisis appears most severe in Italy and Spain/Portugal. Our business units in these countries, however, performed quite well with a small negative like-for-like number of 0.4% for Spain and a strong positive like-for-like of 5.2 % for Italy, including Porta di Roma and Città Fiera. These numbers reflect the strength of our portfolio. Prime assets are proving to be more resilient to a slowing economy. Like-for-like growth of net rental income in Turkey was outstanding at 28.4% and reflects successful re-lettings and renewals and, even more importantly, a reduction of vacancy and free rent. Re-lettings and renewals for retail achieved a 6.6% growth overall.

DIRECT RESULT

The direct result rose 6.4% to € 267.0 million. Per share, the direct result rose 1% from

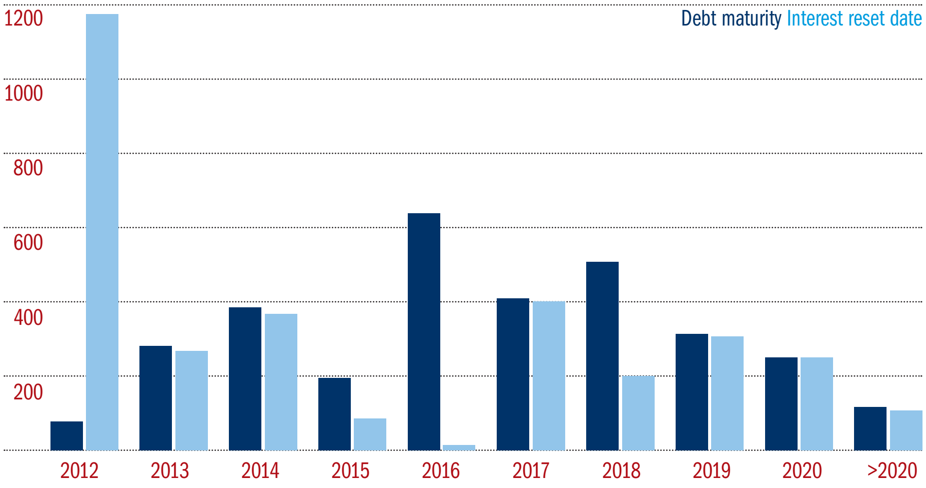
€ 2.88 to € 2.91 per share. Administrative expenses came to 8.2% of gross theoretical rental income, lower than in 2010 (8.5%), displaying increased efficiency. Other direct results of € 2.7 million is the balance of a success fee paid by the minority shareholder in Teras Park to Corio for turning around the centre (€ 2.5 million), a fee of a majority shareholder for not making use of a change of control clause in a French asset (€ 4.0 million) and an impairment on a property management system in the Netherlands (€ 4.0 million negative). Net direct finance expenses grew € 13.9 millon due to the increased size of the investment portfolio and higher interest rates. Net debt rose by € 137.5 million to € 3,155.4 million. Income tax is still at a fairly low level but increased € 2.4 million to € 5.3 million, reflecting higher profits in Turkey, Italy and Germany.

INDIRECT RESULT

Overall the revaluations of our operational properties resulted in an increase of 0.3% in value while the invested amount in our development properties was marked down by 4.2%.

The revaluations of operational centres in the Netherlands, France, Italy and Spain were positive, mostly in line with development of net rental income. In Germany and Turkey, however, overall revaluations were not positive. In Germany the value of Centrum Galerie Dresden was cut by 13.8% as a consequence of startup problems and the investments required to turn the centre into a real Favourite Meeting Place. The revaluation of Forum Duisburg was positive (4.0%). In Turkey the newly appointed international appraisers were more conservative than the local appraisers and increased the yields for not yet stabilised centres.

MATURITY AND INTEREST REST DATE (€ MILLION)



In the development portfolio we saw some negative revaluations. Indeed, in this more challenging economic environment it is taking longer to lease out newly developed centres according to our ideal tenant mix as tenants are more risk-averse and their decision-making process has lengthened.

Other major components in the indirect result concern impairment of goodwill (€ 4.1 million), currency losses related to recollectable VAT Turkey (€ 4.5 million), the inflation component of the inflation linked bond (€ 4.6 million), negative revaluations of EAI's (€ 15.5 million) and deferred tax liabilities related to positive revaluations and fiscal amortization in Italy and Spain (€ 21.2 million).

PIPELINE YIELD RISES

In 2011 Corio took six properties in France, Italy, the Netherlands and Germany into operation. The value of the total pipeline fell accordingly from € 3.0 billion to € 2.5 billion. The committed pipeline went from € 1.182 million to € 926 million at the end of 2011. In 2012 around € 600 million of the committed pipeline will be taken into operation, of which € 210 million is already paid. In Germany, Arneken Galerie in Hildesheim and Boulevard Berlin will open their doors and in the Netherlands the first phase of New Hoog Catharijne will start operations. At year-end 2011 the anticipated net initial yield of the total pipeline was 7.2% compared with 7.0% at year-end 2010.

FINANCING ACTIVITIES

The most notable financing transaction in 2011 was the refinancing of our € 600 million revolving credit facility in July. The new facility has been provided by seven strong relationship banks, which each committed to cover 1/7th of the facility amount until July 2016. In September, October and December we increased the committed facilities available by entering into additional revolving credit facilities, totalling € 255 million.

At year-end 2011, € 315 million was drawn under the revolving credit facilities, leaving € 540 million freely available. With € 8.5 million in cash at a Group level, our headroom at year-end 2011 was € 548.5 million.

In May 2011, Corio successfully refinanced a € 170 million mortgage loan in Italy using a securitisation structure.

Shareholders' equity (before non controlling interest) at year-end 2011 amounted to € 4,206.0 million (year-end 2010: € 4,195.6 million) or € 45.57 per share (2010: € 46.10). The decrease per share is caused by primarily the increased number of shares due to stock dividends, consisting of 1.3 million newly issued shares

At year-end 2011, leverage was 41.0% (2010: 38.2%), after netting debt with freely available cash and cash deposits at group level. The interest cover ratio was 3.3 (2010: 3.7). Our private debt stipulates thresholds of a maximum of 55% and minimum 2.2 for leverage and interest cover respectively. The average duration of net debt decreased to 5.1 years at the end of 2011 (2010: 6.1 years).

INTEREST RATE EXPOSURE LIMITED BY LONG-TERM FIXED-RATE LOANS

The average interest rate on borrowings in the fourth quarter of 2011 was 4.1% (Q4 2010: 4.2%). The average rate for the year was 4.2% (2010: 4.1%). Corio's policy is to arrange around two thirds of its long term debt at fixed rates. Fixed debt with a remaining maturity of one year is considered as floating debt. At year-end 2011, long term fixed rate borrowings accounted for 64% of the group's interest-bearing net debt.

Interest expense increased due to the higher average borrowing amount and slightly higher interest rates. Net finance expenses rose to € 115.3 million from € 95.2 million in 2010. In 2012 about € 1,128 million of net borrowings will face an interest rate reset.

NET DEBT INCLUDING SWAPS AT YEAR-END 2011

(€ million)	Fixed	Floating	Total	% Total
Short	0.0	40.5	40.5	1%
Long	1,995.0	1,087.4	3,082.4	99%
Total	1,995.0	1,127.9	3,122.9	100%
% Total	64%	36%	100%	

FINANCE RATIOS

	2011	2010
Leverage (%)*	41.0	38.2
Average interest for the last quarter (%)	4.1	4.2
Average maturity (year)	5.1	6.1
% loans with a fixed interest rate	64	65
Interest cover ratio	3.3	3.7

* After netting debt and cash and cash equivalents.

This consists of € 230 million of debt reset on a monthly basis and of € 754 million reset quarterly, € 57 million reset semi annually, € 5 million of debt repayments and € 82 million that is reset after short term swaps expire in the second half of 2012.

CURRENCY EXPOSURE

Corio's currency risk derives from its investments in Turkey. Our US dollar investments in Akmerkez and Adacenter are hedged by a $ 190 million loan and a $ 81 million swap contract to avoid currency fluctuations having an impact on the group's results. The value of these investments at year-end was $ 295.5 million. A 10% depreciation of the US dollar against the EUR would have resulted in a loss on the investment of € 20.8 million and in a gain on the related hedge instruments thereon of € 19.0 million.

TAX STATUS

TAX STRATEGY

Corio strives to minimize its tax burden in order to achieve the highest possible return on its investment activities. In this respect Corio explores continuously possibilities to optimise its tax structure within the boundaries of the law. 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 six countries: the Netherlands, France, Italy, Spain, Germany 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. Activities in Italy, Spain, Germany 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. In Germany a reduction of the statutory tax rate to 15.75% (coming from 32%) is realized as from 2011 in its operational asset portfolio through proper structuring of Corio's local activities. Those assets that will become operational during 2012 will enjoy the effect of the aforementioned structuring only as from 2013.

CONDITIONALITY OF SPECIAL TAX REGIMES

The tax-friendly regimes in the Netherlands and France are subject to certain conditions. 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 apply in France. 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 in case of a dividend distribution. Corio is contesting this new law on the grounds that it is in violation of relevant EU legislation.

DIVIDEND

The General Meeting of Shareholders will be invited to approve, in line with our policy, a dividend of € 2.76 per share (2010: € 2.69) in cash or stock, within the constraints imposed by the company's FBI status and the wish of Corio to retain the maximum of earnings in the company.

DIRECT AND INDIRECT RESULT

Corio recognises direct and indirect result as shown in the table below. Direct result reflects recurring income from core operational activities and certain company-specific adjustments. Unrealised changes in valuation, gains or losses on disposal of properties, and certain other items do not provide an accurate picture of the company's underlying operational performance and are therefore categorised as direct and indirect result.

GROUP RESULTS

For the year-ended 31 December (€ million)	2011	2010
Gross rental income	460.3	429.6
Net service charges	-11.8	-13.2
Property operating expenses	-52.0	-48.5
Net rental income	**396.5**	**367.9**
Administrative expenses	-40.1	-38.9
Operating income	**356.4**	**329.0**
Share of result of equity accounted investees (direct)	21.0	18.1
EBIT	**377.4**	**347.1**
Net finance expense (direct)	-105.2	-91.3
Corporate income tax	-5.3	-2.9
Other direct result	**2.7**	**–**
Direct result	**269.6**	**252.9**
Non-controlling interest	2.6	1.9
Direct result (excluding non-controlling interest)	**267.0**	**251.0**
Net revaluation gain / loss on investment property	-2.9	157.8
Result on sales of investment property	5.5	6.6
Share of result of equity accounted investees (indirect)	-15.5	3.0
Impairment of assets	-4.1	-2.9
Net finance expense (indirect)	-10.1	-3.8
Deferred tax expense	-21.2	-26.4
Current tax expense	-0.5	–
Other income and expenses	-1.4	-15.5
Indirect result	**-50.2**	**118.8**
Non-controlling interest	-1.4	-5.9
Indirect result (excluding non-controlling interest)	**-48.8**	**124.7**
Net result (including non-controlling interest)	**219.4**	**371.7**
Attributable to:		
Shareholders	218.2	375.7
Non-controlling interest	1.2	-4.0
Net result	**219.4**	**371.7**
Weighted average number of shares	91,804,608	87,254,228
Result per share (€)		
Direct result	2.91	2.88
Indirect Result	-0.53	1.43
Net Result	**2.38**	**4.31**

This statement is not required under IFRS and is unaudited.

KEY PERFORMANCE MEASURES

SUMMARY

(€ million)	2011	2010
Direct result	267.0	251.0
Adjusted NAV	4,436.4	4,444.0
NNNAV (EPRA definition)	4,351.2	4,261.0
EPRA Net Initial Yield retail (%)	5.8	5.8
EPRA 'topped up' NIY retail (%)	6.0	6.0
Vacancy rate (%)	4.0	4.0

YIELDS

Retail (%)	2011		2010	
	EPRA Net Initial Yield	EPRA 'topped up' yield	EPRA Net Initial Yield	EPRA 'topped up' yield
Netherlands	5.6	5.8	5.6	5.8
France	5.3	5.5	5.3	5.5
Italy	5.6	5.6	5.6	5.6
Spain	5.9	6.1	5.9	6.1
Germany	6.5	6.5	6.4	6.4
Turkey	7.8	8.4	7.3	7.9
Total	**5.8**	**6.0**	**5.8**	**6.0**

RECONCILIATION ADJUSTED NAV AND NNNAV

	Total (€ million)		Per share (€)	
	2011	2010	2011	2010
Equity balance sheet	**4,206.0**	**4,195.6**	**45.57**	**46.10**
Fair value of financial instruments	1.8	47.7	0.02	0.52
Deferred tax (nominal)	287.0	263.2	3.11	2.89
Goodwill as a result of deferred tax	-58.4	-62.5	-0.63	-0.69
Adjusted NAV	**4,436.4**	**4,444.0**	**48.07**	**48.82**
Fair value of financial instruments	-1.8	-47.7	-0.02	-0.52
Change loans to market value	-40.8	-96.0	-0.44	-1.05
Deferred tax (EPRA)	-42.6	-39.3	-0.46	-0.43
NNNAV (EPRA definition)	**4,351.2**	**4,261.0**	**47.15**	**46.82**
Share price period end			33.61	48.02
Premium/Discount to NNNAV			-28.7%	2.6%

FIVE-YEAR REVIEW

(x € million)	2011	2010*	2009	2008	2007
FINANCIAL					
Gross rental income	460.3	429.6	390.8	397.9	363.1
Property operating expenses (including service charges)	-63.8	-61.7	-53.8	-51.9	-46.8
Net rental income	396.5	367.9	337.0	346.0	316.3
Share of direct result of equity accounted investees	21.0	18.1	8.7	15.2	14.2
Revaluations (including result on sales)	2.6	164.4	-389.7	-355.4	552.5
Share of indirect result of equity accounted investees	-15.5	3.0	-5.6	-96.7	76.9
Total result	218.2	375.7	-131.9	-239.6	801.5
Direct result	267.0	251.0	218.2	204.1	203.1
Indirect result	-48.8	124.7	-350.1	-443.7	598.4
Invested in property	7,426.5	6,988.8	5,885.5	6,038.7	6,459.7
Total assets	7,961.2	7,816.9	6,291.2	6,408.4	6,713.4
Shareholders' equity (excluding non-controlling interest)	4,206.0	4,195.6	3,384.1	3,458.5	3,825.8
Leverage (%)	41.0	38.2	40.4	40.1	34.0
Interest coverage ratio	3.3	3.7	3.4	2.6	3.0
Average number of issued shares (million)	91.80	87.25	72.16	66.25	66.25
Figures per share (€ 1)					
Total result	2.38	4.31	-1.83	-3.62	12.10
Direct result	2.91	2.88	3.02	3.08	3.07
Indirect result	-0.53	1.43	-4.85	-6.70	9.03
Shareholders' equity (before result appropriation)	45.57	46.10	44.32	52.20	57.74
Dividend	2.76**	2.69**	2.65**	2.64**	2.60
Highest closing shareprice	50.23	53.95	49.20	62.66	75.19
Lowest closing share price	28.83	36.74	25.87	30.71	49.95
Share price at year-end	33.61	48.02	47.69	32.89	55.40
Average stock exchange turnover on NYSE (shares per day)	384,103	309,044	300,800	438,421	350,634
Market capitalisation year-end (€ billion)	3.1	4.4	3.6	2.2	3.7
BUSINESS					
Average financial occupancy rate retail (%)	96.2	96.2	96.3	97.7	96.8
Like-for-like retail (%)	1.9	1.9	1.7	4.0	5.9
Reletting and renewal retail, increase in rent (%)	6.6	3.8	7.2	16.6	18.7
Share portfolio in retail (%)	97	96	94	92	83
Gross Leasable Area retail (m²)	1,782,800	1,736,200	1,467,600	1,355,000	1,210,000
Pipeline(€ billion)	2.5	3.0	2.3	2.7	3.5
Average Net Theoretical Yield retail portfolio (%)	6.5	6.5	6.7	6.1	5.7
Total footfall in Corio centres (million)	410	400	360	345	

* Numbers are restated with regard to Equity Accounted Investees where appropriate.
** In cash or shares.

MANAGEMENT REPORT

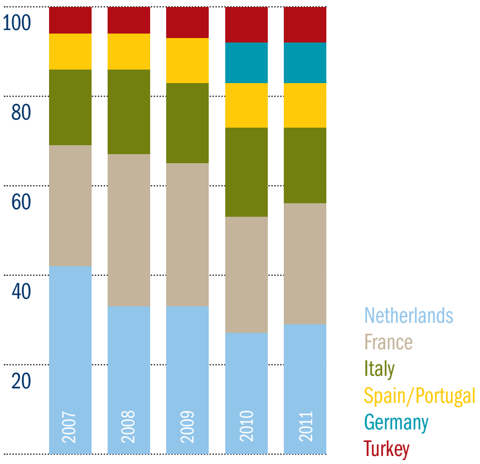
OPERATIONAL REVIEW

FRANCINE ZIJLSTRA (1963)
COO and member of the Management Board
Appointed from 1 May 2010 to 1 May 2014
Dutch nationality

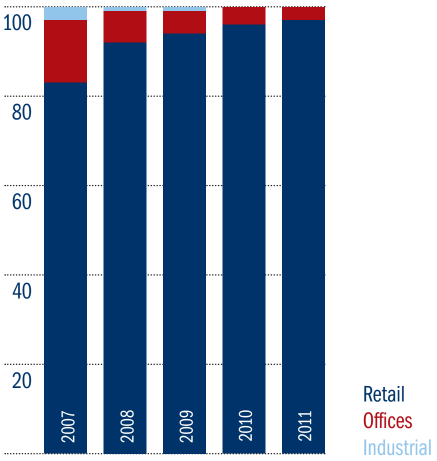
Ancillary positions: Advisory Board ICSC Europe, Advisory Board ISA

GIVING DIRECTION TO THE BUSINESS UNITS WITHIN THE FRAMEWORK OF OUR VISION AND STRONG PUSH TO MAXIMIZE RESULTS IS A MATTER OF CONSTANT ATTENTION AND GUIDANCE. PUTTING THE INVESTMENT STRATEGY INTO PRACTICE, FACILITATING EXCHANGE OF BEST PRACTICES AND IMPROVING BUSINESS PROCESSES IN THE BUSINESS UNITS IS CRUCIAL IN THESE TIMES OF RAPIDLY CHANGING CONSUMER DEMANDS AND DIFFICULT MARKET CIRCUMSTANCES.

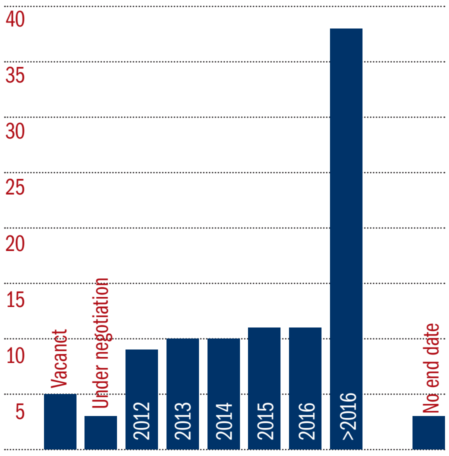
GEOGRAPHICAL SPREAD
BY VALUE (%)



SECTOR SPREAD
BY VALUE (%)



EXPIRATION OF LEASE CONTRACTS
BY RENT (%)



During 2011 we focused on further aligning our portfolio and operations with our mission and strategy. In assessing our core portfolio towards 'Creating Favourite Meeting Places' and considering the market circumstances, two centres were acquired and noncore projects were sold, with plans for further sales over the year to come. The operations were to a growing extend focused on the consumer and its community. More content has been given to Shared Values. Exchanging best practices amongst the business units and with the central staff, al with the ultimate goal to see an increase of footfall in our centres.

FURTHER STRENGTHENING OF THE PORTFOLIO

In the first half of 2011 Corio acquired two centres. Saint Jacques is a centre with 21,000 m^2 in the heart of the city of Metz and with 13 million visitors per year it has a sound base to create that Favourite Meeting Place. Globo III in Busnago is the second extension (8,600 m^2 GLA) of the successful Globo Centre that welcomes 7.7 million visitors per year.

Considering the economic and financial environment in the second half of the year the focus turned towards the sale of noncore assets. Having a substantial disposal plan in place for the coming years we decided to speed up the process and pull the marketing and execution forward into 2011 and 2012. Retail in the meantime, already reached the 97% level and we will get close to the 100% after the sale of the French offices. Corio has become a real pure play. At the same time the average size of our centres increased to 34,000 m^2.

CONSUMER FOCUS

Our core management works well as a team and we believe we are fit for the challenges ahead. We are ever mindful, however, of the need to ensure we remain nimble and act swiftly in adapting to changes in consumer behaviour. In addition to being demanding, consumers are impatient and want to see changes and new things every time they come to our centres. Combining the comfort of the known with the excitement of the new will increasingly be a guiding principle of our management teams. The close collaboration between our business units facilitated and steered by the holding ensures the rapid adoption of best practices and implementation of new ideas. Not every new idea can be copied one on one between business units, however. The local situation and local customers must always be respected, which is taken care of by our centre and marketing managers based on their extensive local knowledge and consumer surveys. New ideas or formats are sometimes implemented as a pilot. Once it is successful it is rolled out towards other centres always adjusting to local circumstances. During the year under review we have implemented five pilots to enhance the centre as Favourite Meeting Place and generate additional income.

LINKING FAVOURITE MEETING PLACES AND SHARED VALUE

Corio wants to make a difference in the lives of all people we touch and we want to be social sustainability pioneers and leaders. We have a strong strategic position as an owner of centres in downtown locations, in larger communities and at transport hubs from which to do this. In serving the needs of society, we create value for society and value for ourselves and thus our investors. This is our Shared Value principle which has become the core of our CSR strategy. Successful shopping centres enhance the quality of life of the surrounding areas. By creating new and attractive amenities at our centres we help generate jobs, promote social interaction and social integration. Our aim is to be so fully rooted in society that our centres' visitors, our tenants, their suppliers and all local entrepreneurs, become like friends and family. This is our vision for Corporate Social Responsibility and for our core business strategy of creating Favourite Meeting Places. It's our competitive edge.

Furthermore, our approach towards environmental footprint reduction makes our operations more cost effective, prepares us for future legislative challenges and paves the way to innovative approaches in terms of sustainable design and new collaborative models.
Not only adjusting to the needs and demands of the consumers and the community, but also a broader stakeholder engagement is important to get us to the next gear. From an operational point of view retailers and local authorities are important stakeholders. With respect to the latter we enter more and more into partnerships to stimulate the direct environment of a centre. In our contacts with retailers, it is in first instance the key account manager in our Corio team who is responsible for managing the longer term relationship, beyond the leasing transactions. However, on a regular basis we organize meetings

OVERALL PORTFOLIO OVERVIEW

	Lettable area (x 1,000 m²)		Annual rent (€ million)		Occupancy rate (%)		Value (€ million)	
	2011	2010	2011	2010	2011	2010	2011	2010
Retail	1,783	1,736	459.2	447.6	96	96	6,766	6,402
Offices	93	104	21.6	24.0	94	96	208	236
Industrial	30	30	1.2	1.3	33	32	13	14
Total	**1,906**	**1,870**	**482.0**	**472.9**	**96**	**96**	**6,987**	**6,652**
Investments in pipeline							440	337
Total							**7,427**	**6,989**

RETAIL PORTFOLIO OVERVIEW

Retail (by country year-end 2011)	Netherlands	France	Italy	Spain/Portugal	Germany	Turkey	Total
Lettable floor area (x 1,000 m²)	572	387	275	184	141	223	1.783
Occupancy rate (financial) %	97%	94%	99%	93%	97%	96%	96%
Value of operational portfolio (€ million)	1,990	1,692	1,282	739	550	514	6,766
Total annual rent (€ million)	122.5	99.8	99.2	58.2	38.5	41.0	459.2
Annual rent per m² per year (€)	214	258	361	316	273	183	258

with the key accounts separately or as a group to discuss shared strategic issues, such as innovation and CSR. We are confident that through this dialogue with retailers we can create value for stakeholders of both.

OPERATIONAL EXCELLENCE

Considering the increasing efforts of the team on creating Favourite Meeting Places and Shared Value, we, at the same time, aim to become as efficient and effective as possible on other topics. Of course this is a continuous balancing act, that was addressed during 2011 and will be closely monitored going forward. Sharing best practices and an efficient structuring of the organization are important ingredients to achieve this.

It is our team, our key managers and the teamwork amongst them that makes the difference. On a regular basis, the CEO's of the Business Units and the CEO and COO of the Group meet to discuss strategic and operational topics. We are very pleased that during the year our team has been reinforced. Jan Willem Weissink has been appointed CEO of Corio Nederland. Corio Deutschland has been established after Corio entered Germany in 2010; Hubertus Kobe has been appointed CEO and Jack Noordergraaf CFO of Corio Deutschland. Koray Ozgul, CEO of Corio Türkiye, informed the Management Board of his wish to resign after more than 5 years of serving the company. We are confident to have his successor appointed before mid 2012.

PORTFOLIO

The share of retail in the overall portfolio rose to 97% (2010: 96%). Some offices and non-strategic retail assets were disposed of and new, dominant shopping centres entered the operational portfolio. At the end of 2011, our portfolio was spread over the main home markets as following: the Netherlands 29% (2010: 27%), France 27% (26%), Italy 17% (17%), Spain/Portugal 10% (11%), Germany 9% (2010: 9%) and Turkey 8% (8%).

On balance, 47,000 m² of GLA was added to the retail portfolio in 2011. Annual rents increased, reflecting the balance of indexation and other rental increases in the existing portfolio, renovations, acquisitions and disposals in the retail, offices and industrial portfolios. The main acquisitions, openings of new projects and extensions were Kopspijker/Stadplein in Spijkenisse, Middenwaard in Heerhugowaard, Saint Jacques in Metz, Nailloux Fashion Village Globo III in Busnago and Königsgalerie in Duisburg.

Offices with a GLA of 47,100 m² of strategic importance for the retail portfolio in the Netherlands are still owned by Corio. Corio plans to sell properties in the French offices and industrial portfolio, with a total GLA of 62,400 m². Corio's sole office building in Germany of 13,700 m² GLA has been sold in January 2012 for € 14.9 million.

The annualised rent of the retail portfolio (including associates) rose to € 459.2 million at year-end 2011 from € 447.6 million at year-end 2010. Net rental income rose 7.8% in 2010 (2010: 18.3%) to € 396.5 million. The increase of € 28.6 million was mainly attributable to acquisitions. The total contribution of these acquisitions to the 2011 result was € 28.8 million. At the same time, € 12.2 million in net rental income was lost through disposals. The effect of taking projects in or out of the development pipeline was € 8.9 million positive. The like-for-like increase was € 3.1 million for the retail portfolio. The net rental growth of the standing retail properties (like-for-like) was 1.9% (2010: 1.9%).

RELETTINGS AND RENEWALS IN THE RETAIL PORTFOLIO

Home markets		% of total	Rent increase (%)
Netherlands	Reletting	3.2	9.4
	Renewal	2.0	6.2
	Total	**5.2**	**8.2**
France	Reletting	3.6	7.9
	Renewal	0.8	7.9
	Total	**4.4**	**7.9**
Italy	Reletting	8.2	14.0
	Renewal	9.5	7.5
	Total	**17.7**	**10.5**
Spain/Portugal	Reletting	6.1	-8.1
	Renewal	3.8	1.7
	Total	**9.9**	**-4.4**
Turkey	Reletting	7.6	1.5
	Renewal	1.3	20.1
	Total	**8.9**	**4.1**
Total	Reletting	4.6	6.7
	Renewal	3.1	6.5
	Total	**7.7**	**6.6**

LIKE-FOR LIKE INCLUDING NRI OF EQUITY ACCOUNTED INVESTEES

(€ million)				2011			2010		
Home markets		Like-for-like NRI	Non-standing	Total	Like-for-like NRI	Non-standing	Total	Like-for-like NRI	Total Δ
Netherlands	Retail	112.9	4.7	117.6	112.5	5.4	117.9	0.4%	-0.3%
	Offices	5.4	0.0	5.4	4.7	0.1	4.8	13.8%	11.6%
	Total	**118.3**	**4.7**	**123.0**	**117.2**	**5.5**	**122.7**	**0.9%**	**0.2%**
France	Retail	79.2	5.2	84.4	80.1	4.2	84.3	-1.1%	0.2%
	Offices	12.4	0.9	13.3	13.8	3.9	17.7	-10.4%	-24.7%
	Industrial	0.1	0.1	0.2	0.1	3.1	3.2	NR	NR
	Total	**91.7**	**6.2**	**97.9**	**94.0**	**11.2**	**105.2**	**-2.5%**	**-6.9%**
Italy	**Retail**	**79.5**	**15.9**	**95.4**	**75.6**	**2.3**	**77.9**	**5.2%**	**22.4%**
Spain / Portugal	**Retail**	**41.1**	**5.1**	**46.2**	**41.2**	**2.5**	**43.7**	**-0.4%**	**5.5%**
Germany	Retail	21.1	8.9	30.0	23.4	0.2	23.6	-10.1%	27.2%
	Offices	1.2	0.0	1.2	0.8	0.0	0.8	52.2%	52.2%
	Total	**22.3**	**8.9**	**31.2**	**24.2**	**0.2**	**24.4**	**-8.0%**	**28.0%**
Turkey	**Retail**	**26.5**	**12.9**	**39.4**	**20.6**	**0.9**	**21.5**	**28.4%**	**83.1%**
	Retail	360.3	52.7	413.0	353.4	15.5	368.9	1.9%	11.9%
	Offices	19.0	0.9	19.9	19.3	4.0	23.3	-1.9%	-14.6%
	Industrial	0.1	0.1	0.2	0.1	3.1	3.2	-20.0%	-95.0%
Total		**379.4**	**53.7**	**433.1**	**372.8**	**22.6**	**395.4**	**1.7%**	**9.5%**

The increases are on top of the indexation that has already taken place. In 2011, 7.7% (2010: 9.8%) of the annual rent was relet or renewed resulting in a 6.6% (2010: 3.8%) higher rent. The higher rate of increase compared with 2010 reflects very good letting results in Italy. The expiration of retail leases is well spread over the years, and only a relatively small proportion of 9.3% will qualify for reletting or renewal in 2012.

AVERAGE FINANCIAL OCCUPANCY RATE FOR RETAIL PORTFOLIO

In %	2011	2010
Netherlands	97.4	98.0
France	92.3	92.1
Italy	98.4	99.3
Spain/Portugal	94.1	93.9
Germany	99.1	99.8
Turkey	99.1	95.3
Total retail	**96.2**	**96.2**

The occupancy rate for the retail portfolio of Corio was stable in 2011 at 96.2%. The occupancy rates in the Netherlands, Italy, Germany and especially Turkey were strong in 2011. The relatively low occupancy in France mainly reflects Grand Littoral in Marseille and Quais d'Ivry in Ivry-sur-Seine. Strategic vacancy accounted for almost 1% point of the vacancy number presented in this market.

OFFICE AND INDUSTRIAL PORTFOLIO

The office and industrial portfolio accounted for only 3% of the total portfolio at yearend 2011. The value of the office portfolio was € 207.5 million and the industrial portfolio was € 12.7 at year-end 2011.

OPERATING AND ADMINISTRATIVE EXPENSES

Operating expenses increased by € 2.1 million in 2011, to € 63.8 million. Operating expenses also decreased as a percentage of the gross theoretical rental income from 13.5% in 2010 to 13.0% in 2011, showing increased efficiency in the operations. Operating expenses as a percentage of theoretical income differ considerably per country.
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 10.8% in 2011 (2010: 11.4%). In France, Italy and Germany a large part of the operating expenses is charged to tenants.

OPERATING EXPENSES AS % OF GROSS THEORETICAL RENTAL INCOME

	2011	2010
Netherlands	15.8	16.3
France	10.2	9.2
Italy	7.2	8.7
Spain/Portugal	18.2	17.4
Germany	12.0	8.0
Turkey	15.3	29.1
Total	**13.0**	**13.5**

Administrative expenses increased by € 1.2 million to € 40.1 million in 2011. As a percentage of the gross theoretical rental income, administrative expenses fell 30 bps to 8.2% in 2011. The efficiency increased.

ECONOMIC ENVIRONMENT

The Turkish economy held up remarkably well.

EUROPEAN ECONOMIC RECOVERY SLOWS IN 2011

The year 2011 started out on a moderate growth path but the sovereign debt crisis had a paralysing effect on the economy in the second half. The deterioration coincided with worsening capital market conditions. In the first quarter, the euro area GDP grew 0.8% on a quarter-to-quarter basis and 0.2% in both the second and third quarters.

There were substantial growth differences within the Europe, however. The largest contributors to euro area growth were France and Germany and outside the euro area Sweden and Poland. In these markets GDP was underpinned by growth in private demand. The weakest performers were the countries with the highest indebtedness or countries that were hit by the banking crisis or bursting housing bubbles such as Greece, Spain and Italy.

The economy of the Netherlands grew relatively strongly in the first half but growth turned negative in the third quarter compared to the second quarter. The export-oriented Dutch economy was affected by the slowdown in global demand. Germany, however, showed relative strength and outperformed the EU average on non-European export demand. Outside the European Union, the Turkish economy held up remarkably well. Despite slowing exports to its major European export markets, its growth remained robust thanks to rising investments and growth in private demand.

The euro area sovereign debt crisis, which grew more critical as the year progressed, coincided with a worsening economic performance in the US and EU and efforts to temper inflation in the emerging economies. These developments had knock-on effects on global trade and undermined growth in Europe.

LOW DISPOSABLE INCOME GROWTH

The weak economic development in 2011 put pressure on growth of disposable income and consumers' ability to increase consumption. The combined inflation and unemployment were direct reasons why average growth of disposable income in the euro area remained subdued. In Germany, France and the Netherlands, consumers still saw their disposable income grow while Spanish and Italian consumers experienced a decline.

A major determinant of disposable income has been the labour market. Up to mid-2011, labour market conditions in the euro area were stabilizing. When economic growth fell back in the second half of 2011, the growth of the labour market stagnated and unemployment rose in all Corio markets except for Germany and France. The unemployment rate in Spain reached over 21% against below 5% in the Netherlands.

Growing inflation, too, adversely affected disposable income growth. The rise was mainly driven by higher energy and food commodity prices, which peaked in the summer, being partly passed on to consumers. The combination of inflation and unemployment dampened growth in disposable income in all euro area countries and contributed to low growth in household consumption.

CONSUMER TRENDS

Food retailing performed better than the non-food segment.

CONSUMER CONFIDENCE AND RETAIL SPENDING REMAIN SUBDUED

European household consumption grew only marginally throughout the year due to subdued growth of disposable income in some countries and a decline in others. Waning consumer confidence put further pressure on consumption. Consumer confidence fell as soon as the sovereign debt crisis started to permeate in mid 2011 on increased consumer concern about their future financial situation, job and income security.

While total consumption rose only marginally, retail spending plateaued after the summer. In the Netherlands, Spain and Italy retail spending fell, whereas it increased but only moderately in Germany and France. Turkey was the exception as retail sales grew substantially.

Food retailing performed better than the non-food segment. Indicators of the durable segment of the retailing market, such as households' plans to buy big ticket items, showed sharp declines in the summer of 2011. Sales of textiles, consumer electronics and furniture fell most in the euro area during the second half of 2011. However, in contrast to the poor performance of those non-food retailers, the food segment reported healthy sales growth figures. Those supermarkets able to meet changing consumer expectations with differentiated store formats saw their sales rise and some even increased their market share.

RETAILERS' MARGINS SQUEEZED AS CONSUMERS LOOK FOR VALUE-FOR-MONEY

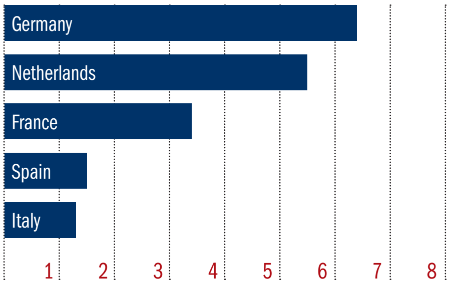
Rising commodity prices and slumping retail sales squeezed retailers' profit margins in 2011. Retailers had to cope with higher agricultural product prices which they could not entirely pass on to consumers due to intense competition and the consumer price sensitivity. Among the most troubled sectors were fashion retailers and supermarkets that did not adapt to changing consumer behaviour. These retailers saw their profits decline as their production costs rose.

The slow economic growth of 2011 provided opportunities for value-for-money retailers. The consumer shift towards the price-sensitive segment has expanded the market for discount supermarkets and private label lines at price conscious end of the market. Fashion retailers, too, have joined the trend and some value-for-money fashion retailers have in this way succeeded in boosting overall sales. Corio benefited from the expansion of value-for-money retailers. In March this year, Corio signed a contract with Primark as a tenant for the development of the Metropole complex in Almere, the Netherlands. In France, Corio signed a leasing contract with Leader Price, a discount supermarket as a tenant in Les Portes de Chevreuse, Coignières, Southwest of Paris.

MULTI-CHANNEL RETAILING IS KEY TO RETAIL SUCCESS

Consumers are increasingly using internet in making their purchase decisions. Whether for general orientation, actual purchase or after sales service, internet is increasingly being integrated in the shopping process. In the Netherlands, 22% of all consumers use the internet as a source of information prior to purchase. Of the total retail turnover in the Netherlands in 2011, 5.5% was transacted on the internet. Germany's share of internet sales was highest of all Corio markets accounting for 6.4% of all sales transactions. Italy is the lowest, with only 1.3% of total retail volume being purchased on the internet. Significantly, while most retail categories experienced shrinking sales in 2011, internet retail sales growth was buoyant.

SHARE OF ONLINE RETAIL SALES IN 2011 %



Source: Forrester, 2011. Please note: data on Turkey are unavailable. These numbers include event tickets but no travel tickets.

The strong shift towards the internet has prompted retailers to develop a multichannel strategy to take advantage of online channels, without compromising in-store sales. Multi-channel shopping is broadly believed to be the future standard. In addition to delivery, a growing number of retailers are offering a click-and-collect option for their customers, whereby shoppers order goods online and collect them at a suitable time from a participating store. This strategy is very effective for non-food products, allowing

In Italy, Corio has signed a contract with Apple in Porta di Roma, Le Gru and Campania

retailers to dedicate in-store space to low volume, high-turnover products, thereby improving sales densities while still benefitting from the sale of bulky goods. Many of Corio's tenants have successfully implemented such a strategy. Supermarkets, too, are increasingly allowing shoppers to order goods online to collect them at a suitable time in a participating store.

Corio embraces the multi-channel shopping experience and supports retailers in their online business. All shopping centres in the Netherlands have free wifi-internet access for visitors to use while shopping.

Traditional retailers are not the only ones seeing the necessity of following consumers towards the internet. Pure play internet retailers, too, are opening physical stores in Corio shopping centres. Corio France signed new rental contracts with the pure play online retail Pixmania (www.pixmania.com) in its Grand Littoral and Quais d'Yvry shopping centres. Also, Promovacance, a travel agency that is active online, signed a rental agreement for a unit in Grand Littoral.

SUCCESSFUL STORE FORMAT SEGMENTATION TREND FOLLOWS CHANGING CONSUMER PREFERENCES

As consumer behaviour and preferences are shifting, so are retailers' store propositions. Retailers are innovating their sales channels and diversifying their store formats to penetrate new locations. In the European growth regions, population density is rising and households are getting smaller.

Consequently, retailers are continuing to develop new store formats to cater to this social shift. Corio accommodates retailers with differentiated lifestyle groups. In Italy, Corio has signed a contract with Apple in Porta di Roma, Le Gru and Campania and one with Hollister in Campania. Both retailers are targeting specific lifestyle groups. Fashion retailers, too, are targeting different segments of the market with a variety of store concepts. Corio takes into consideration these trends in developing and re-developing shopping centres. We closely monitor consumer behaviour and market segmentation and adopt our plans accordingly.

Another consumer trend is a growing preference for freshly produced, wholesome food products. This emerging market segment is developing in parallel with the trend towards convenience and differentiated store formats. Successful supermarkets are tapping the full potential of this part of the market as they grow their focus on fresh produce and roll out new store formats for conscious consumers. Examples are supermarkets that are opening smaller neighbourhood stores and stores at transit-oriented locations, offering a range of ready-to-eat and easy-to-prepare healthy meal options. We have increased allocation of space to fresh produce food retailers in our centres in anticipation of a continuation in this trend, particularly in our centres scheduled to be re-developed, where we have greater latitude. This will be put into practice, for example, in our Maremagnum project in Barcelona. The top floor of Maremagnum accommodates a local farmer's market and high quality restaurants.

VALUATIONS

VALUATION POLICY AND METHODS

Corio's valuation policy entails a quarterly appraisal of market value for the operational and 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 on 30 June and 31 December for all operational investment properties that generate rental income and all investment properties under development. The external valuations are done by independent certified appraisers with recognised and relevant professional qualifications and experience within the local market and the category of properties to be valued. Corio provides the appraiser with adequate information so that the appraiser can conduct a comprehensive valuation. Each of Corio's business units works with at least two independent appraisers. At least once every three years a rotation or change in appraisers takes place. To assure the independence of the appraisers, valuation fees are not directly related to the current market value of the properties.

Following the international tender of appraisers at the end of 2010, external valuations at 30 June 2011 and 31 December 2011 were conducted by the three newly appointed appraisers for Corio, CB Richard Ellis, DTZ and Jones Lang LaSalle. The appraisers provided a central point of contact for Corio within their international central valuation services department. A part of the portfolio was still valued by its existing appraisers. This concerns the French office portfolio (JLL France), some assets on the Corio divestment-list and also REIT Akmerkez (EVA) and joint venture Porta di Roma (Cushman & Wakefield).

The first valuations conducted by the new appraisers as per 30 June 2011 were all full valuations. 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 may be valued on the basis of either the discounted cash flow method, applying a 10 year holding period, or the extended direct income capitalisation method, or both depending on market practice. However, properties above € 25 million are always valued by using both methods. In all cases reference transactions for both market rent and yield are included in the valuation report. For development projects the residual value method is used. The residual value is derived by determining the market value of the property upon completion using one of the above methods, less all estimated remaining cost including profit and risk allowance. Internal valuations are performed at 31 March and 30 September each year. The local business units conduct these valuations in consultation with Corio Holding. The methodology of internal valuations is based on the direct capitalisation method. This entails updating the value of the last external valuation by factoring in recent, relevant changes in market parameters such as yields and rents and/or changes in the property such as occupancy and rents. If there are no significant changes in the market as evidenced by market transactions for both rents and yields or in the property, the last external valuations are updated only on the basis of quarterly changes in rental income i.e. by indexation and re-lettings and renewals. For investment property under development an assessment of the total remaining costs is also made.

The valuation numbers reported below are excluding equity accounted investees unless otherwise stated.

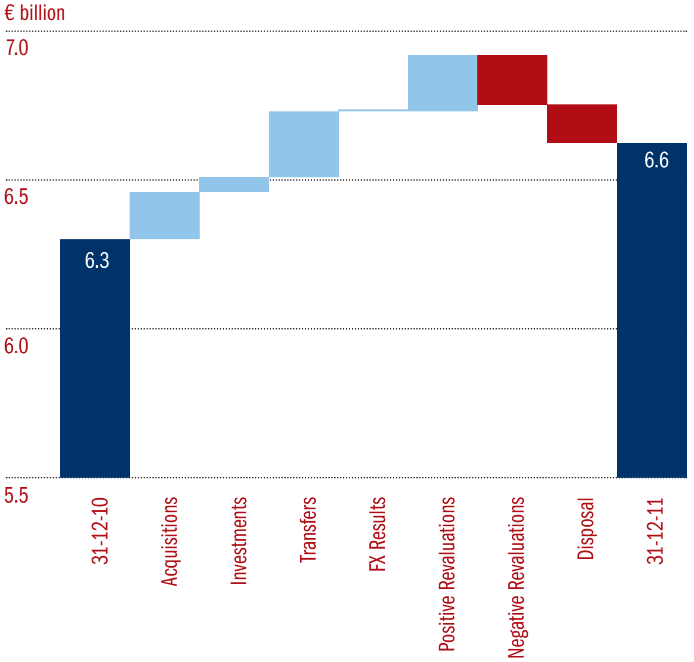
INVESTMENT MARKET

The European direct real estate investment market started 2011 with a strong first quarter, continuing the recovery that was set in during 2010. Total transacted real estate volume in this quarter was € 28 billion. During the second and third quarter of the year, the total direct real estate investment market stayed strong with per quarter investment volumes of € 26 and € 28 billion respectively and reached € 32 billion in the fourth quarter. A sector breakdown of total real estate investment volume shows that

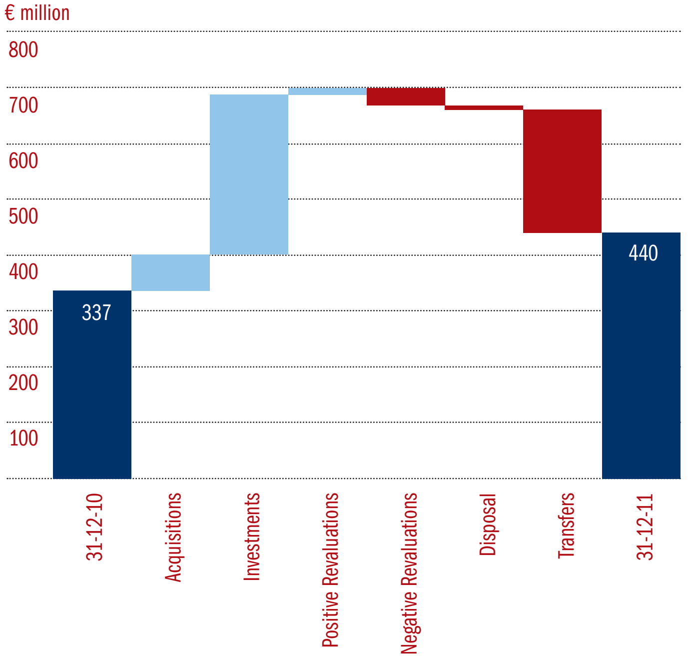
WEIGHTED AVERAGE NET THEORETICAL YIELDS FOR THE OPERATIONAL PORTFOLIO
INCLUDING EQUITY ACCOUNTED INVESTEES

	31-12-11	31-12-10	Difference in basis points
	NTY	NTY	
Retail			
Netherlands	6.5%	6.5%	-
France	6.1%	6.1%	-
Italy	6.2%	6.2%	-
Spain/Portugal	7.2%	7.2%	-
Germany	6.5%	6.4%	10
Turkey	8.4%	7.9%	50
Total	**6.5%**	**6.5%**	**-**
Offices	8.4%	8.0%	40
Industrial	9.8%	9.5%	30
Total Corio	**6.6%**	**6.6%**	**-**

MOVEMENTS IN VALUE: OPERATIONAL PORTFOLIO



MOVEMENTS IN VALUE: DEVELOPMENT PORTFOLIO



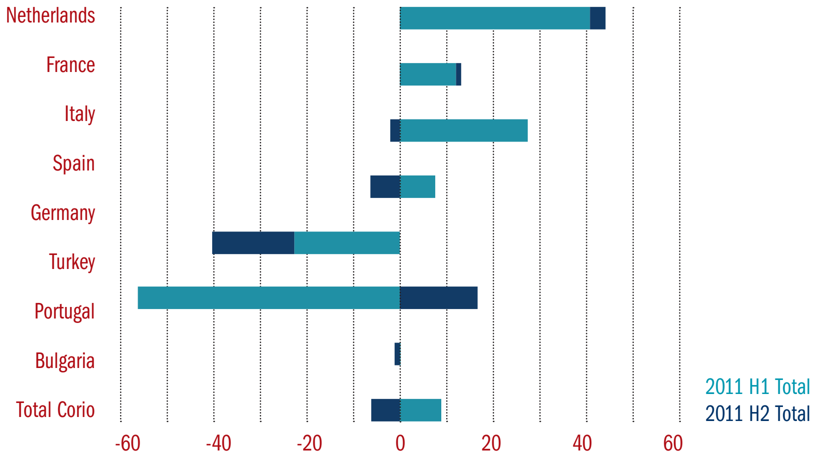
retail real estate investments' share of total real estate investments declined in 2011. In the first quarter of 2011, retail real estate accounted for € 12.2 billion or 44% of total real estate investments, in the third quarter this share had fallen to 30% or € 7.8 billion. In the fourth quarter it came down further to around 25%. This was primarily caused by a lack of available prime retail property, as risk averse investors were only looking to buy prime properties that are more resilient to the slowdown in economic growth. Nevertheless, total reported retail real estate investments rose more than 30% compared to 2010.

In 2011 the direct retail real estate investment market reflected the divergent performance of European economies. Germany, Sweden and CEE were the markets where investment turnover was highest. France, however, held up surprisingly well. Despite the weak economic growth, investor activity was rather strong, especially in the third quarter of 2011. Corio acquired a 75.8% stake in Saint Jacques shopping centre in the city centre of Metz for a total investment of € 96.5 million at a net initial yield of 6.6%. In the first quarter of 2011, the UK accounted for a large share of total European investments in retail real estate, by volume. This was mostly due to a number of large deals, of which Trafford Centre was the most notable. This transaction added € 1.8 billion to first quarter 2011 UK retail real estate investment volume. Concerns over economic growth tempered UK investor activity in the later quarters of 2011. Within Corio's markets, the divergence was also prevalent. The retail real estate investment markets of Southern Europe slowed down on rising concern over the sovereign debt burden of these countries. During the first half of 2011, turnover in the Italian investment market was at its lowest level since 2005. Spain too recorded a weak first half year, with investors only showing interest in sharply priced high quality products as a one-off investment opportunity. The transaction of the 55,100 m² shopping centre Splau for € 189 million in Barcelona is a good example.

On the flip side, Germany continued to maintain solid investment interest from domestic and international investors. Many German investors returned to their home market and international investors were attracted by higher levels of consumer spending. The acquisitions of Perlacher Einkaufsparadies (PEP) in Munich and a 50% stake in CentrO in Oberhausen were the most significant transactions. PEP was sold for € 415 million against a net initial yield of 4.6% and CentrO went for € 270 million. Both deals involved North American pension funds. Their involvements illustrate a broader trend of long term non-specialist investors looking for direct exposure to retail real estate in Europe. For these types of investors, joint venture structures were the preferred investment vehicle. This allows them to combine their investment in direct real estate with in-house management expertise. In contrast to Germany, the Dutch retail real estate investment market remained relatively quiet in 2011. Market activity was limited to small-scale transactions dominated by domestic investors.

The polarisation of investment flows in Europe was not limited to geography. Once again in 2011 there was a strong focus on prime property. The majority of investors targeted the same premium quality investment properties. This flight-to-quality reflects prevailing investor uncertainty in the broader European markets. Fierce competition for prime retail investments pushed down yields in most preferred countries and markets throughout 2011. In markets where economic uncertainty increased, prime yields rose in the second half of 2011. The increased uncertainty further widened the spread between primary and secondary retail properties. Meanwhile, Turkey's retail real estate investment market bucked the dominant overall trend in Europe. Prime yields in Istanbul compressed throughout the year. However, there was only a limited number of landmark transactions.

REVALUATIONS CORIO PORTFOLIO
EXCLUDING EQUITY ACCOUNTED INVESTEES (€ MILLION)



YIELDS FOR THE PORTFOLIO

The sovereign debt crisis in Greece and other Southern European countries unleashed worries about a second economic crisis. As a result, the compression of yields for prime properties which had started in the second half of 2010, came to end in 2011. Prime yields for retail property nevertheless held steady. This was reflected in the valuations as per 31 December 2011, in which overall yield for the Corio retail portfolio remained stable at 6.5%. This includes the property valuations for all operational properties in the portfolio including properties in which Corio has an interest of less than 100%.

On a country level there were, however, some variations in yields. In the Netherlands average yields had come in 10 bps at mid-year but this was reversed in the second half, resulting in stable yields compared to the end of 2010. A similar movement was seen in France. The yields of the French retail portfolio remained stable at 6.1% compared to year-end 2010. This reflects the balance of slight yield increases for some secondary properties and properties facing the risk of vacancy, combined with stable to slightly decreasing yields for prime properties. The rounded weighted average yield of the predominately prime Italian operating retail portfolio also stabilised at 6.2%, despite the economic and political turmoil in Italy and threats of increasing interest rates. The yields of the Spanish/ Portuguese retail portfolio also remained stable at 7.2%, thanks to the well performing prime properties Príncipe Pío, Maremagnum and Ruta de la Plata and despite a substantial increase in the yield of the property in Portugal. For the German portfolio the weighted average yield increased by 10 bps. This reflected higher yields for the less established centres Centrum Galerie in Dresden and the newly developed Königsgalerie in Duisburg. The yield for the established and prime Forum Duisburg decreased by 55 bps, in line with market developments in Germany. The yields for the Turkish portfolio increased by 50 bps compared to the end of 2010, following a more cautious view of the new appraisers towards Turkish properties outside the Istanbul market.

VALUE OF THE PORTFOLIO

In 2011 the value of the operational investment property portfolio rose to € 6,624.6 million from € 6,300.8 million. Total revaluations over the year contributed positively, adding € 21.8 million. This amount is the balance of € 188.4 million in positive revaluations, including € 4.8 million of profit on sold properties, and € 166.6 million in negative revaluations.
Other effects on total value were mainly caused by new additions to the portfolio either by acquisitions or developments coming on stream or investments in the portfolio and disposals. The different components of this movement are shown in the chart above.

Acquisitions primarily relate to the shopping centre Saint Jacques in Metz, France of € 96.5 million and Globo 3 in Busnago, Italy of € 53.9 million. Other additions to the portfolio were extensions and redevelopments coming on stream in different home countries. The largest completion was Königsgalerie in Duisburg Germany (€ 76.5 million). In France Nailloux Fashion Village near Toulouse (€ 45.8 million) opened its doors. In the Netherlands the first phase of City Plaza in the centre of Nieuwegein and the Stadsplein development in the centre of Spijkenisse (€ 37.5 million) were completed. In Italy the redevelopment of former IKEA premises comprising an addition of 13.700 m² to shopping centre Le Gru in Turin went into operation (€ 40.0 million).
On the other hand also the redevelopment of some properties of which a substantial part of Marseille Grand Littoral of € 76.2 million were started and were transferred to the development portfolio. The disposals relate to four non-core assets in the Netherlands and two in France.

The value of the property portfolio under development, including land, increased to € 440.0 million from € 336.8 million. Total revaluations amounted to € 19.2 million negative of which € 31.0 million were impairments and € 11.8 million were positive revaluations, including profit on sales.

REVALUATION OF THE PORTFOLIO IN 2011 EXCLUDING EQUITY ACCOUNTED INVESTEES

(€ million)	Netherlands	France	Italy	Spain/ Portugal	Germany	Turkey	Bulgaria	Total	Total % Operational
Operational									
Retail	35.3	30.0	25.3	2.8	-39.4	-24.2		29.9	0.5%
Offices	1.8	-7.9			-1.3			-7.3	-3.7%
Industrial		-0.7						-0.7	-5.2%
Total operational	**37.1**	**21.5**	**25.3**	**2.8**	**-40.7**	**-24.2**		**21.8**	**0.3%**
Operational (%)	1.9%	1.2%	2.2%	0.4%	-6.7%	-6.9%		0.3%	
Total development	**6.8**	**-8.3**	**0.0**	**-1.5**	**0.4**	**-15.4**	**-1.1**	**-19.2**	**-4.2%**
Development (%)	8.3%	-6.7%	0.0%	-5.8%	0.3%	-21.7%	-8.8%	-4.2%	
Total revaluation	**44.0**	**13.1**	**25.3**	**1.2**	**-40.3**	**-39.5**	**-1.1**	**2.6**	**0.0%**
Total %	2.1%	0.7%	2.2%	0.2%	-5.4%	-9.4%	-8.8%	0.0%	

YIELD AND INCOME EFFECT OF REVALUATIONS IN 2011 EXCLUDING EQUITY ACCOUNTED INVESTEES

(€ million)	Net Market Value		Revaluation 2011		Revaluation comparable portfolio*			
	31-12-11	31-12-10	€ million	%	€ million	total %	yield effect %	net income effect %
Retail								
Netherlands	1,990.0	1,847.4	35.3	1.8%	30.5	1.9%	-1.5%	3.3%
France	1,629.3	1,562.9	30.0	1.9%	30.6	26%	1.9%	0.7%
Italy	1,186.2	1,052.4	25.3	2.2%	29.2	2.8%	-1.1%	3.8%
Spain/Portugal	738.9	748.0	2.8	0.4%	2.4	0.4%	-0.5%	0.9%
Germany	549.6	512.0	-39.4	-6.7%	-29.4	-5.7%	-2.5%	-3.2%
Turkey	325.8	343.9	-24.2	-6.9%	-24.2	-6.9%	-10.2%	3.3%
Total	**6,419.8**	**6,066.6**	**29.9**	**0.5%**	**39.1**	**0.7%**	**-1.2%**	**1.9%**
Total Operating	**6,624.6**	**6,300.8**	**21.8**	**0.3%**	**29.2**	**0.5%**	**-1.5%**	**2.1%**

* The revaluation for the comparable portfolio is calculated by including all properties that were in the portfolio both at the end of 2010 and at the end of 2011 and which were not redeveloped or extended in this period. Total revaluation for the comparable portfolio may differ from the sum of the yield and net income effect due to rounding.

The increase was therefore mainly caused by new investments in development projects and the acquisition of the Arneken Galerie project in Hildesheim, Germany (€ 64.5 million) as part of the projects acquired from Multi. As mentioned earlier, some properties such as part of Grand Littoral Marseille (€ 76.2 million) went into re-development and were added to the development portfolio. On the other hand, some projects became operational and were transferred from the pipeline to the operational portfolio. One development property in Caen, France was disposed of.

REVALUATION OF THE PORTFOLIO

In 2011 valuations remained stable as the economic and political crisis in the European Union unfolded. The overall revaluation for operational properties in 2011 was slightly positive with 0.3%. The revaluation of the development portfolio in 2011 was 4.2% negative. This was mainly caused by a much more prudent estimation by appraisers of expected net operating income streams for some specific development projects in Germany and Turkey. The revaluation results per country and sector for 2011 are provided in the schedule and table above.

The total revaluation gave positive results in the Netherlands, France and Italy. In case of the first two countries, this reflects the more or less stable economy and still strong retail investment markets in these countries combined with a portfolio of steady performing properties. In case of Italy, the positive revaluation result reflects the strength of a portfolio of prime assets and corresponding strong performance throughout the year. In the last quarter of 2011 however the effect of the spreading sovereign debt crisis in Southern Europe resulted in an increase in secondary yields in Italy and hence a small downward correction of the value of the Italian portfolio.

The largest contributors to the positive revaluation of the operational portfolio in the Netherlands (total € 69.5 million) were Hoog Catharijne in Utrecht (up € 23.5 million), the just renovated and extended City Plaza in Nieuwegein (up € 9.6 million) and Alexandrium in Rotterdam (up € 6.2 million). With regard to properties under development, positive revaluations were achieved for Hoog Catharijne projects de Vredenburg (up € 5.2 million) and Singelborch (up € 3.7 million).
For France, (total € 49.8 million) revaluations were positive for the newly opened Nailloux Fashion Village near Toulouse (up € 10.7 million), Portes de Chevreuse in Coignieres (up € 10.7 million), which opened last year, and CC Nice TNL in Nice (up € 8.4 million). The bulk of the positive revaluations in Italy (total € 30.0 million excluding equity accounted investees) came from three properties. These were Campania in Naples (up € 12.6 million), the extended Le Gru in Turin (up € 7.9 million) and Grandemilia in Modena (up € 5.5 million). The property valuation of equity accounted investee Porta di Roma in Rome (not in the table) was also positive (up € 7.0 million).

Any negative revaluations within these countries mainly relate to properties either with structural issues which need to be resolved or recently completed (re)developments.
The latter are in their starting period and still need to establish their new position in their catchment areas. Most of these projects have rental guarantees; however, the appraisers took a prudent approach especially given the current economic downturn. Negative revaluations in the Netherlands (total down € 33.4 million) affected the recently (re) developed centre of Spijkenisse (down € 7.8 million), 't Circus Almere (down € 7.3 million), and the troubled furniture oriented Meubelplein

Leiderdorp (down € 3.2 million). In France (total down € 32.2 million) these were Grand Littoral Marseille (total down € 16.5 million including the redevelopment zones) and Quais d'Ivry, Ivry sur Seine (down € 7.2 million). The negative revaluation in Italy (total down € 4.8 million excluding equity accounted investees) mostly relates to the redeveloped former IKEA property in Turin (down € 3.8 million). This redevelopment, however, has added value to Shopville Le Gru, balancing out this negative revaluation to € 4.1 million positive. The property value of equity accounted investee Città Fiera, located near Udine was also affected (down € 4.9 million).

In Spain the portfolio remained more or less stable as positive revaluations for prime properties balanced out some negative revaluations for less prime properties or properties facing vacancy and rent reductions. The largest positive revaluation was for Príncipe Pío in Madrid (up € 11.0 million out of a total of € 18.9 million) and the largest negative revaluations were for Sexta Avenida in Madrid and Gran Turia in Valencia (respectively down € 7.5 and € 2.7 million of a total of € 10.7 million).

In both Germany and Turkey total revaluations were negative. In the case of Germany this mainly concerned Centrum Galerie in Dresden (down € 38.6 million) and was largely influenced by the inclusion in the valuation of the upcoming investment to improve the shopping centre's performance. For the properties in Duisburg, the negative revaluation of the recently completed Königsgalerie (down € 10 million), which still has to prove and stabilise its market performance, was partly offset by the positive revaluation of Forum Duisburg (up € 9.2 million).

Turkey was affected by negative revaluations in the first half of the year as the new appraisers reassessed the portfolio. Following strong performances for both the Turkish economy and retail markets, the properties received positive revaluations in the second half of 2011. Properties with overall negative revaluations for the year were Anatolium in Bursa (down € 25.8 million) and Teras Park in Denizli (down € 4.8 million). Properties in Malatya and Tarsu were also affected by negative revaluations (total down € 15.4 million). The valuation process resulted in positive adjustments for the remainder of the properties (total up € 6.5 million).

Revaluations for 2011 were also calculated for a comparable (like-for-like) portfolio, including only the properties that were in the portfolio both at the end of 2010 and at the end of 2011 and which were not redeveloped in the period. This approach makes it possible to distinguish between property income changes as well as the impact of changing yields in the revaluation.

The revaluation of the comparable portfolio was 0.5% and was mainly the result of improvements on the income side in the valuations of 1.2% through indexations, re-lettings and renewals. The overall effect of yield movements on the revaluation was slightly negative as in most countries the yield for the comparable portfolio increased somewhat. Only in France there was also a positive effect from slightly decreasing yields for prime properties.

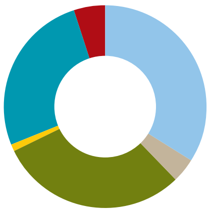
DEVELOPMENT REVIEW

FRÉDÉRIC FONTAINE (1958)
CDO and Member of the Management Board
CEO of Corio France
Appointed from 1 May 2008 to 1 May 2012
French nationality

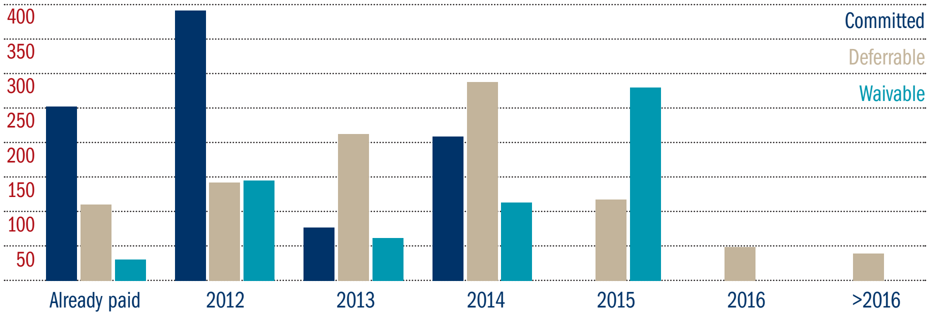
Ancillary positions: member of the board of CNCC (Conseil National des Centres Commerciaux de France) and FSIF (Fédération des Sociétés Immobilières et Foncières)

CORIO IS CONTINUALLY WORKING TO STRENGTHEN ITS RETAIL PORTFOLIO TO ENHANCE ITS TOTAL RETURN, WHILE STRIVING TO IMPROVE ITS RISK PROFILE BY SELECTIVELY REVITALISING, RENOVATING AND EXPANDING PROPERTIES. WE INITIATE NEW DEVELOPMENTS, MAKE APPROPRIATE ACQUISITIONS AND DISPOSALS, ALL WITH THE OVERALL AIM OF CREATING SUSTAINABLE ‘FAVOURITE MEETING PLACES’.

PIPELINE SPREAD
BY VALUE



PIPELINE PAYMENT SCHEDULE € MILLION



CREATING FAVOURITE MEETING PLACES
CONSUMERS > CONCEPT > COMMUNITY

To create a new shopping centre or re-develop an existing one into a Favourite Meeting Place the following elements are crucial:

1. Identifying projects. It starts with a deep understanding of local people and consumers.

2. Concept and retail mix. We then identify what the components are of the ideal centre. The focus here is on developing appropriate social activities for this particular community, from entertainment - such as shows, exhibitions, and local TV / Radio - and leisure activities such as film and sport, and various facilities for lunch or dinner. The right mix should also include-public components such as a post office or medical centre. It should offer a high level of free convenience services including high quality toilettes, free wi-fi and child care. We then define the perfect merchandising mix in line with catchment area surveys and prepare discussions with retailers.

3. Centre Design. Working with the best architects, we develop the hardware consisting of the lay-out and look and feel of the place, showcasing the concept, which will lead to the creation of a unique destination.

4. Execution. The last crucial step is execution, which requires high quality project management and discipline in order to maintain the right level of ambition as stated in the concept phase. Throughout the development period, risks are carefully manage under our strict commitment policy.

PIPELINE

As of 31 December 2011, there were 29 projects in Corio's pipeline. The pipeline consists of our own (re)development projects, accounting for 44% of the total pipeline in value and turnkey projects (56%). The pipeline projects are divided into committed, deferrable and waivable, depending on the status of the projects. Unlike projects in the committed pipeline, projects in the deferrable and waivable have not yet been launched and are in full control of Corio, who decides when the time is right to commit. A project in the waivable pipeline can be removed from the pipeline at any time without financial consequences for Corio. We provide precise definitions of these classifications in the definition list.

Investments in existing operating properties are included in the 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 which do not offer the possibility to generate additional income are not included.

Corio continually evaluates the risk/return profile of projects in the light of changing market circumstances and Corio's short and long-term strategy. As a result of this, a project in Turkey was deleted from the pipeline. Due to the dynamics and long lead times of retail projects of this kind, the amounts to be invested, completion dates and anticipated yields may be subject to change and are therefore closely monitored.

Projects in the committed pipeline on 31 December 2011 decreased to € 926.0 million (including € 251.6 million already invested) on 31 December 2011 from € 1,182.1 million (including € 237.9 million already invested) on 31 December 2010. The fixed pipeline consists of 12 projects, seven of which are new projects and five are redevelopments or extensions. During 2011 six projects were taken from the committed pipeline into operation: Kopspijker/ Stadsplein in Spijkenisse, Middenwaard in Heerhugowaard, Globo III in Busnago, Cityplaza in Nieuwegein, Königsgalerie in Duisburg and Nailloux Fashion Village near Toulouse. In Italy the last part of the former IKEA premises (at Shopville Le Gru) was taken into operation again (see Review of Operations Italia). On 31 December 2011 the yield on the total costs (projected net rental income as a percentage of investments, including financing and management costs) of the projects in the committed pipeline was 6.5%.

Projects in the deferrable and waivable pipeline on 31 December 2011 represented a total investment of € 1.6 billion (2010: € 1.9 billion), including € 141.3 million (2010: € 141.5 million) already invested. This pipeline category consisted of 17 projects, of which seven were new projects and ten were redevelopments. On 31 December 2011, the yield on the total costs as defined above was 7.2% for the total pipeline.

For a complete overview of the committed pipeline we refer to the pipeline overview in the back of this report.

ALREADY INVESTED AND SECURITIES

It is Corio's policy to obtain securities such as bank guarantees for amounts that Corio has invested in projects that can be cancelled or waived. The amounts already invested in Corio's own developments are already part of Corio's development portfolio. They are therefore included in Corio's consolidated balance sheet as 'investment property under development'.

TOTAL-PIPELINE (€ MILLION) 31 DECEMBER 2011

	Committed	Deferrable	Waivable	Total	% of total
Already invested	251.6	110.3	31.0	392.9	16%
Remaining investment	674.4	845.6	599.0	2,119.0	84%
Total pipeline	926.0	955.9	630.0	2,511.9	100%
% of total	37%	38%	25%	100%	

DEVELOPMENTS IN ACTION

HOOG CATHARIJNE IN UTRECHT

The Netherlands' most visited shopping centre is mid-way through a 20-year redevelopment plan. Given the long development period and vast scope of work, Corio needs to ensure that the project gets the highest commercial and technical support possible and is continuously monitored. The first part, Vredenburg will open in Q3 2012.

MARKTHAL IN ROTTERDAM

Markthal project features a high quality, sheltered, fresh market mixed with restaurants, retail units and a supermarket. First phase construction of the car park, owned by the Municipality, has already started. Construction of the building is due to start in Q3 2012 for completion in Q2 2014. The outstanding architecture of the project and innovative commercial concepts together with the high footfall in this part of the city will produce an exciting new destination in Rotterdam. Total investment: € 46.0 million, 11,300 m^2 GLA.

GRAND LITTORAL IN MARSEILLE

Renovation of the centre and reconfiguration of the two parts, Azur and Emeraude, has started. The project will allow Corio to reposition the centre by adding new flagship anchors, attractive inside and outside event areas together with new facades and an updated look and feel. Renovation will be carried out over 2012, with the zone Azur re-opening forecast for Q1 2013 and zone Emeraude for Q4 2013. Total investment: € 24.4 million, 29,200 m^2 GLA.

MAREMAGNUM IN BARCELONA

The top floor restructuring will be completed in March 2012. It consists of 4,100 m^2 GLA of shops and terraces that have been reconfigured into high quality inside-outside restaurants and a local farmers' market. Some of the most fashionable restaurants of Barcelona will open here and offer outstanding lunches and dining opportunities with a view on the sea and the marina. The scheme is expected to be close to fully let at the opening in March 2012. Total cost: € 11.1 million.

PALAZZO DEL LAVORO IN TURIN

Corio is on its way to transforming this iconic building into a new generation centre of 28,000 m² GLA. It will offer an exceptional opportunity for consumers to meet and socialise in a place with high quality restaurants, unique events, a fresh market and appealing brands. The opening is forecasted in 2014. Total investment: € 160.7 million, 28,000 m² GLA.

MARGHERA IN VENICE

The construction of the 38,800 m² GLA shopping centre started at the end of 2011. Big steps have already been taken regarding design, licenses and the immediate project surroundings, allowing for a planned opening of this prime mall in Q2 2014. Together with the existing neighbouring Multiplex cinema and Leroy Merlin DIY store, the Marghera shopping centre will constitute the main retail destination in the region. Total investment: € 188.3 million.

CENTRUM GALERIE IN DRESDEN

Since its opening in September 2009 Centrum Gallery has experienced good footfall owing to its prime location. However, because of conceptual weaknesses and a poor merchandising mix it cannot capture its full potential. A reconfiguration project has therefore been launched to improve the centre. We will create a new powerful anchor within the centre, relocate and expand the food court on the first level and enhance the merchandising mix with new brands. The process will be carried out in phases to minimise disruptions to tenants.

BOULEVARD BERLIN

Completion of this major development located in a prime retail zone is forecasted for September 2012. Boulevard Berlin will present appealing brands such as Zara, Karstadt & Karstadt Sport, Hollister, Saturn, Muji, Cos and many others in an outstanding architecture and layout. Total investment: € 364.9 million, 86,000 m² GLA.

ARNEKEN GALERIE IN HILDESHEIM

At its opening, this will immediately become the biggest shopping destination in Hildesheim. Its perfect central location together with attractive commercial offering (H&M, Saturn) will create a new and valuable retail experience for local consumers. Total investment: € 101.3 million, 27,800 m² GLA.

TARSU IN TARSUS

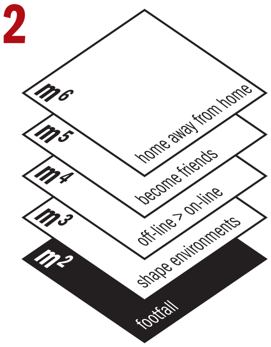
Tarsu shopping centre will be the first modern shopping experience in the city of Tarsus. Most of the best Turkish brands and many popular international ones will create a unique and undisputed shopping destination for the 500,000 inhabitants of the region. Tenants will include Tesco hypermarket, LC Waikiki, Mango, Koton, Defacto, Teknosa, Deichmann plus a Cinema and an appealing food court The opening has been brought forward from October and is now forecast for February 2012. Total investment: € 51.3 million, 27,200 m² GLA.

FOOTFALL

PRÍNCIPE PÍO

Príncipe Pío is a dominant first class shopping centre in Madrid at a very good location close to the city centre. It is located on top of a very busy train/metro station and a bus interchange which enhances footfall.

m^2



ME VOY A PRINCIPE PIO QUE QUIERO UNA CAMISA Y UN BOLSO #CORIOFMP

Centrum Galerie

Adacenter

Maremagnum

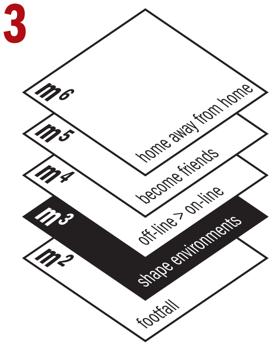
Porta di Roma

SHAPE ENVIRONMENTS

MARKTHAL

The Markthal project features a high quality, sheltered, fresh market mixed with restaurants, retail units and a supermarket. The outstanding architecture of the project and innovative commercial concepts together with the high footfall in this part of the city will produce an exciting new destination in Rotterdam.

m^3



BEN JIJ AL VRIEND VAN MARKTHAL ROTTERDAM OP FACEBOOK? MARKTHALRDAM #CORIOFMP

Ludo dance festival, Quais d'Ivry

GruRadio, Le Gru

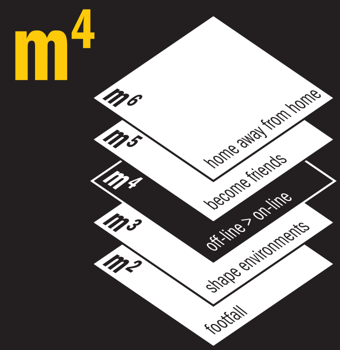
Gastronomic festivities, Sexta Avenida

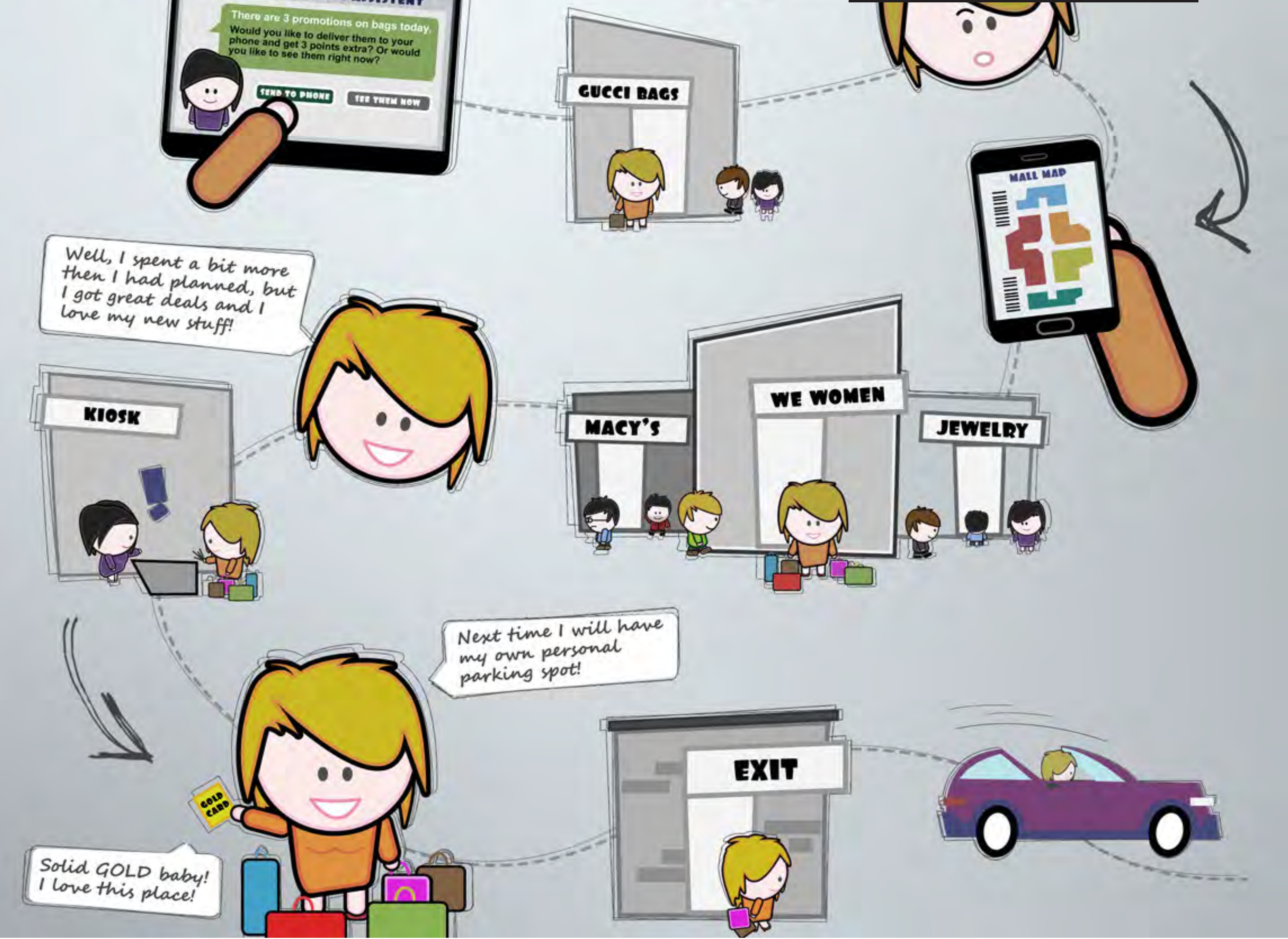
Príncipe Pío

OFF-LINE > ON-LINE

BRITELAYER

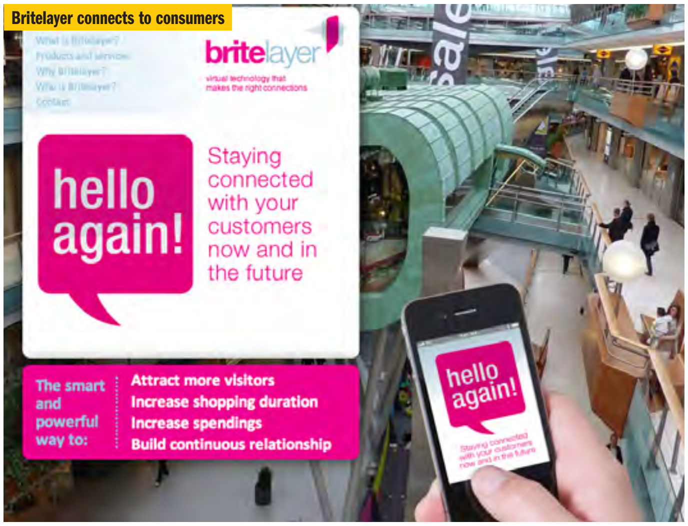
Corio's Britelayer initiative adds a digital layer to a physical centre. Through various channels integrated on one intelligent platform, it leverages cutting edge consumer technology, continuous behavioral insights, and game dynamics to create a deeply engaging and personalised experience.





REÇU 1 TUYAU DE MON PERSONAL SHOPPER VIRTUEL SUR 1 NEW MAGASIN AUJ. GAGNÉ 1 STATUT D'OR EN CLIQUANT ET TROUVÉ LE JEAN ! PUBLIÉ PHOTOS, VIENS VOIR ;) #CORIOFMP

GruKey creates a relationship between the consumer and the centre



Britelayer connects to consumers

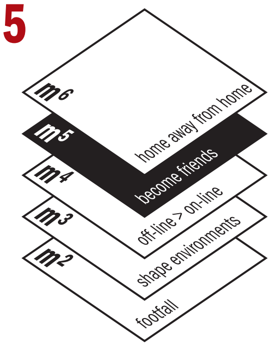
Interactive signing in Middenwaard

BECOME FRIENDS

PERSONALISED DIMENSIONS

Establishing a long term relationship with our customers is the crucial pillar of the m5 stage. Through the combination of our physical centres and the online connectivity, we are able to deliver and create personal offers, services and experiences. Just like the old days, where the milkman was able to deliver personal touch and on-demand service.

m5



WOW–HO APPENA RICEVUTO DELLE ROSE ROSSE PER IL MIO SECONDO ANNIVERSARIO COL CENTRO COMMERCIALE! E’ SEMPRE BELLO QUANDO QUALCUNO TI PENSA #CORIOFMP

She’s a fan, visiting her favourite gig at GruVillage

Personal shop assistant makes your shopping more valuable and more enjoyable

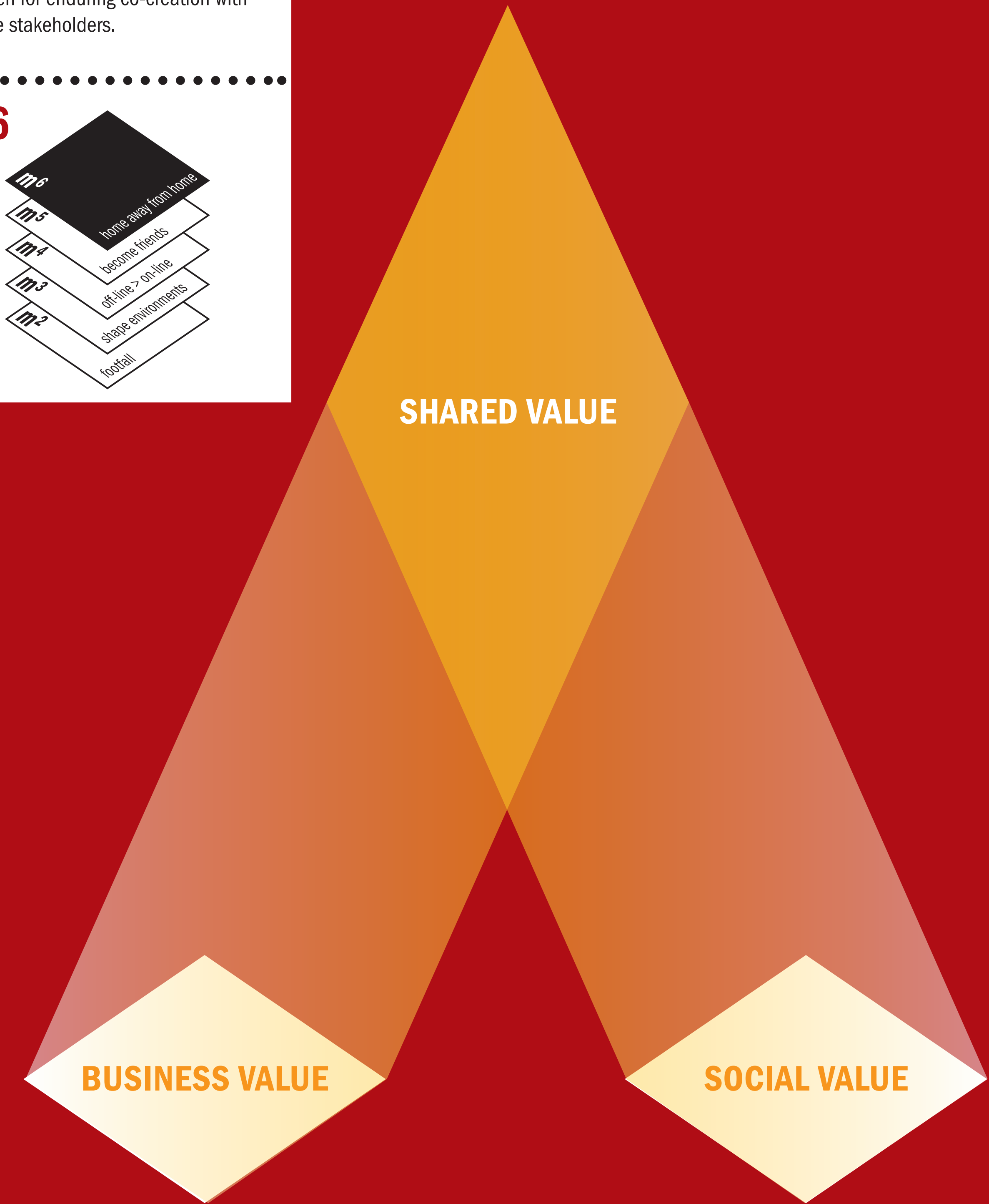
‘Stein’s mobile service for you’, the service your former milkman provided is actually continued in modern interaction through personalised smart phones services. Just to keep the smile on your face...

HOME AWAY FROM HOME

SHARED VALUE

The ultimate stage of Favourite Meeting Places aligns fully with Corio's CSR strategy. Creating a home away from home is the ultimate goal in community engagement and generating shared value. The actual product, service and experience of a m^6 centre is flexible and open for enduring co-creation with multiple stakeholders.

m^6



IT'S WHERE URBAN LIFE UNFOLDS, DAY AND NIGHT. THE PLACE WE WANT TO BE, WHERE WE FEEL WE BELONG. WELCOME TO FAVOURITE MEETING PLACES.

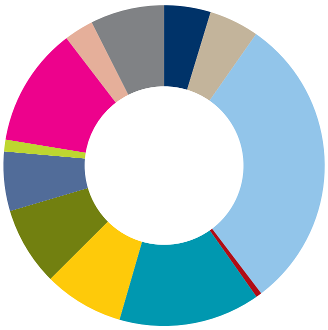
#CORIOFMP

THE NETHERLANDS

HIGHLIGHTS

> FEBRUARY PRIMARK AND CORIO SIGN LEASE CONTRACT FOR THE RETAIL DEVELOPMENT METROPOLE IN ALMERE > MARCH CORIO NEDERLAND WAS NR1 IN DUTCH RETAIL BENCHMARK ROZ/IPD > JUNE MID-SUMMER MEETING WITH TOP 25 TENANTS ON MARKET AND CONSUMER TRENDS, INCLUDING SUSTAINABILITY > SEPTEMBER CITYPLAZA IN NIEUWEGEIN OPENS 18,000 M^2 OF NEW RETAIL SPACE > SHOPPING CENTRE MIDDENWAARD IN HEERHUGOWAARD OPENS AFTER REDEVELOPMENT > KOPSPIJKER IN SPIJKENISSE UNVEILS NEW STADSPLEIN > CONSTRUCTION OF METROPOLE IN ALMERE STARTS > OCTOBER SHOPPING CENTRE HET PARADIJS OPENS IN HOOFDDORP AFTER REDEVELOPMENT > NOVEMBER SUSTAINABILITY DAY (11TH NOVEMBER) IN AND AROUND VILLA ARENA, AMSTERDAM > DECEMBER CORIO SELLS THREE SHOPPING CENTRES: FRANCISCUS ROMANUSWEG IN MAASTRICHT, MARTINUS NIJHOFFLAAN IN DELFT AND HET PARADIJS IN HOOFDDORP FOR A TOTAL OF € 43.9 MILLION > FREE WIFI NOW AVAILABLE IN ALL CORIO NEDERLAND SHOPPING CENTRES

SECTOR SPREAD BY RENT (%)



- Food & Tobacco
- Restaurants & Bars
- Fashion
- Vehicles
- Household Equipment/DIY
- Culture, Gifts & Leisure
- Health & Beauty
- Services
- Entertainment
- Supermarkets/Hypermarkets
- Department Stores
- Speciality Leasing

SECTOR SPREAD BY VALUE (%)

VISITOR NUMBERS AND SALES

In general, footfall in the Corio Dutch shopping centres has declined slightly over the past few years, in line with the market. In 2011 it was stable 0.0% (2010 -0.7%). A very positive contribution was made by Middenwaard in Heerhugowaard, where visitor flow grew 10.3% mainly because of the opening of the new fashion section on 1 January 2011, which added 9,000 m^2 in GLA. Another positive contribution came from Hoog Catharijne in Utrecht (+2.4%; +607,000 visitors).

The negative contributors were Emmapassage in Tilburg down 7.2% due to a large vacant unit and Villa Arena where the number of visitors dropped by 9.3% as shoppers continued to stay away from purchasing big-ticket home improvement items due to the ongoing economic uncertainty. Due to the limited number of turnover-based leases in the Dutch market, it is not possible to determine the level of sales in the Dutch portfolio.

RENTS AND OCCUPANCY RATES

The theoretical rent of the Dutch retail portfolio rose 0.2% to € 144.5 million in 2011. Growth of rents in the standing portfolio as a result of indexation (+1.9%), in combination with

Metropole, Almere

Free wifi in all Corio Nederland centres

Middenwaard, Heerhugowaard

additional rental income from new or re-developed projects that have been taken into operation balanced the effects of the disposal of a number of small retail projects in 2010 and 2011.
A total of 97 relettings and 35 renewals were signed in the Dutch portfolio in 2011, representing 5.2% of gross theoretical income, and resulting in an 8.2% increase in rent.

Exacerbating economic circumstances coupled with difficulty among retailers to get financing made tenants more critical of their store portfolio. Our tenants are becoming increasingly cautious and make use of stalling rent renewals by maximising Dutch lease legislation. Tenants are once again bracing themselves for a few years of lower sales. Nevertheless, despite the economic circumstances still some tenants are looking to expand.

The growth of the theoretical rent for the standing retail portfolio was 1.0% in 2011, lower than indexation of 1.9% The main factors behind this are, on the negative side, lower rents at Villa ArenA in Amsterdam and lower parking income as a result of renovation of the Parking Rijnkade in Utrecht. This was offset by income from temporary lettings in a successful attempt to reduce strategic vacancy mainly in Hoog Catharijne in Utrecht and Cityplaza in Nieuwegein. In most other centres Corio was able to maintain the rental level. Other income of € 0.7 million, which is mainly related to kiosks, billboards and screens is slightly below the level of 2010 (€ 0.9 million).

The average financial occupancy rate for leased retail space fell slightly in 2011 to 97.4% (2010: 98.0%). Strategic vacancy increased because of renovations in Hoog Catharijne in Utrecht and several other properties. Loss of rent due to vacancy increased slightly, once again underscoring the relative resilience of the Corio Dutch portfolio within the domestic market as a whole.
Like-for-like net rental growth for retail came out at 0.4% (2010: 2.2%). This is the result of a higher strategic vacancy versus lower operational costs, which on a like-for-like basis fell € 0.2 million. Total operating expenses were € 0.8 million or 3.1% lower at € 24.2 million.

PORTFOLIO AND VALUATION

The value of the retail portfolio including investments in the pipeline in the Netherlands increased to € 2,078.6 million at year-end 2011 from € 1,918.1 million a year earlier.
A total of € 169.7 million was invested in the portfolio and pipeline. Investments in the operational portfolio related mainly to Hoog Catharijne in Utrecht (€ 10.3 million), Alexandrium Shopping Centre in Rotterdam (€ 2.1 million), Cityplaza in Nieuwegein (€ 1.1 million) and Sterrenburg in Dordrecht (€ 0.7 million).

The pipeline investments of € 152.3 million related mainly to Cityplaza in Nieuwegein (€ 65.2 million), Stadsplein/Kolkplein and Kopspijker in Spijkenisse (€ 40.8 million), Middenwaard in Heerhugowaard (€ 22.5 million), Hoog Catharijne in Utrecht (€ 18.3 million), Metropole in Almere (€ 1.6 million) and Het Paradijs in Hoofddorp (€ 1.3 million).
In the course of the year Corio took into operation the final phase of Middenwaard in Heerhugowaard, the refurbishment and extension of Cityplaza Nieuwegein and also the re-development and extension of the inner city of Spijkenisse (September 15).
The extension of Het Paradijs in Hoofddorp was opened in October and the whole centre was sold in December for € 21.3 million.
Corio also sold several other small retail properties for an additional € 30.0 million. These sales comprise Franciscus Romanusweg in Maastricht (€ 11.5 million), Martinus Nijhofflaan in Delft (€ 11.0 million) and Liekeblom in Leek (€ 7.5 million).
The operational retail portfolio was revalued upwards by € 35.3 million, an addition of 1.8% on the book value at year-end 2010.
Upward adjustments amounted to € 66.0 million, while downward adjustments came to € 31.7 million. Profit on disposals was € 1.0 million.
The average initial yield remained stable in Corio's Dutch retail portfolio at 6.5% at year-end 2011.

PIPELINE

The total pipeline in the Netherlands amounted to € 0.9 billion at year-end (2010: € 1.0 billion). Of this total, € 83.0 million (2010: € 119.6 million) has been invested, € 200.9 milion is committed and € 252.4 million is waivable. In 2011 the following projects were taken into operation: the final phase of Middenwaard in Heerhugowaard, the refurbished and the first extension of Cityplaza Nieuwegein, the redeveloped and extended inner city of Spijkenisse and the extension of Het Paradijs in Hoofddorp.
In 2011 no new projects were added to the committed pipeline. The redevelopment of Hoog Catharijne in Utrecht, which is phased, is mainly included in the deferrable pipeline, except for the first two phases De Vreedenburg and the Singelborch.

OFFICES

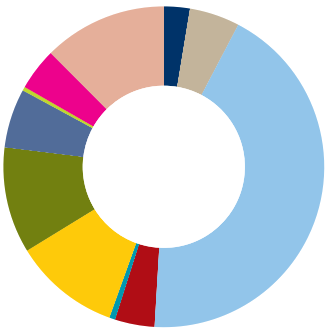
Corio has a small strategic Dutch office portfolio valued at € 47.0 million.
The like-for-like net rental income of this office portfolio rose 13.8%, mainly due to the receipt of redemption money and lower operational expenditures. The average financial occupancy rate decreased slightly to 90.6%, down from 90.9% in 2010.
The net rental income rose to € 5.4 million in 2011 from € 4.8 million in 2010.

FRANCE

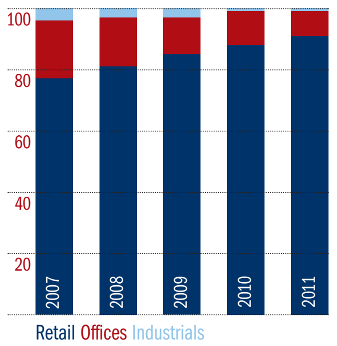
HIGHLIGHTS

> JANUARY SALE OF THE PROVENCE-OPÉRA SHOPPING GALLERY FOR € 21.8 MILLION > MAY SIGNATURE OF THE FIRST SHOPPING CENTRE CONTRACT WITH PIXMANIA IN GRAND LITTORAL, IN JULY A SECOND CONTRACT WAS SIGNED WITH PIXMANIA IN QUAIS D'IVRY > JUNE CORIO FRANCE ACQUIRES 75.8% OF THE PRIME SHOPPING CENTRE SAINT JACQUES LOCATED IN METZ CITY CENTRE AGAINST A YIELD OF 6.6%. > NOVEMBER NAILLOUX FASHION VILLAGE, FIRST OUTLET CENTRE IN THE SOUTH OF FRANCE, OPENS NEAR TOULOUSE WITH 22,100 M² GLA > GRAND LITTORAL: OPENING OF ONE OF THE FIRST JD SPORT SHOPS IN FRANCE > DECEMBER METZ PRINTEMPS AND AMPLITUDE-MILLIPORE OFFICE BUILDING IN GUYANCOURT ARE SOLD FOR € 29.5 MILLION AND € 26.0 MILLION RESPECTIVELY

SECTOR SPREAD BY RENT (%)



SECTOR SPREAD BY VALUE (%)

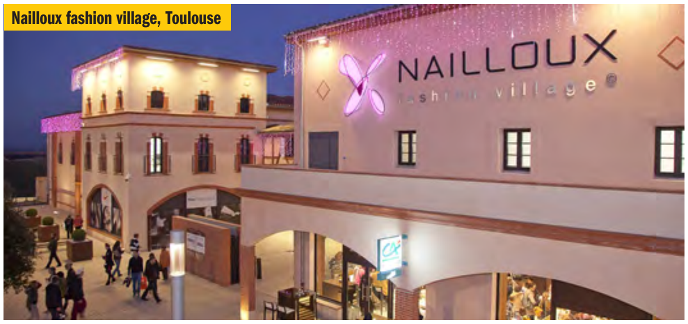


VISITOR NUMBERS AND SALES

Footfall in the French portfolio is measured for 15 centres, representing 83% in value of the retail portfolio. A decrease of 2.6% compared to 2010, which is in line with the national index for shopping centres and reflects the high cautiousness of consumers. Despite the negative environment, Centre Deux in Saint Etienne, Cotentin in Cherbourg, Les 3 Moulins in Issy le Moulineaux and Nice TNL did outperform in 2011 with an increase in footfall. Underperformers were La Galerie in Mulhouse, Galerie de l'Espace du Palais in Rouen and Quais D'Ivry in Ivry sur Seine. Retail turnover in France in 2011 was negative. The turnover in 2011 was down with 2.1% for 13 centres accounting for 79% of the retail portfolio. Best performers with positive figures are Cotentin Cherbourg and Nice TNL. The average occupancy cost ratio was with 10.1% still very solid in France.

RENTS AND OCCUPANCY RATES

The gross theoretical rent of the French retail portfolio increased 0.4% to € 103.8 million from € 103.4 million. Indexation was slightly positive in 2011. The retail commercial rental index (ILC) fell 0.22% in 2011. The construction costs index rose 1.27%. The



Nailloux fashion village, Toulouse

overall indexation amounted to 0.5% positive in 2011 for the whole French retail portfolio. The sale of the Metz Megastore and Provence Opera assets reduced the gross theoretical rent while the addition of Metz Saint Jacques and Nailloux Fashion Village increased the gross theoretical rent, for half a year and 5 weeks respectively, in 2011.
The theoretical rent was also positively affected by re-lettings and renewals. The main re-lettings of 2011 were achieved in Grand Place in Grenoble, Centre Deux in Saint-Etienne, Grand Littoral in Marseille, Quais D'Ivry in Ivry Sur Seine and La Grande Porte in Montreuil. Zooming in on Grand Littoral, in total 10 re-lettings were concluded for a total of 1,695 m^2, representing approximately € 1 million in annual rent. For Quais D'Ivry, in total 6 re-lettings were concluded for around 3,200 m^2 and € 0.4 million in annual rent. In total 53 re-lettings were concluded and increased the rent by 7.9%. There were also 13 renewals concluded in 2011 concerning several assets and in these cases too the rent was raised by with 7.9%.

The average financial occupancy rate increased slightly to 92.3% (2010: 92.1%), mainly caused by the positive effects of re-lettings and the delivery of units in La Grande Porte, Laval Mayenne, Cherbourg Cotentin and the retail park Coignières. This was partly offset by tenants leaving La Galerie, Mulhouse and Espace Du Palais, Rouen.
Net rental income remained stable at € 81.4 million in 2011. Like-for-like net rental performance amounted to 1.1% negative (2010:+0.6%). Total key money collected in 2011 was € 2.9 million, which is € 0.9 million less than the record year 2010 at € 3.8 million. Excluding one-offs in 2010 and 2011 would take the like-for-like performance to 0%.

PORTFOLIO AND VALUATION

The value of the retail portfolio in France increased by 6.7% to € 1.796.0 million at year-end 2011 from € 1,683.4. million a year earlier. A few non strategic retail assets were sold: Provence Opera was sold for € 21.8 million in January and the Megastore Metz was sold for € 29.5 million in December. The small asset Brie Compte Robert, in which Corio had a 33% stake, was also sold. Besides a positive revaluation of 1.2% positive, the main growth factors were the acquisition of Metz Saint Jacques in June and the completion and opening of the development of Nailloux Fashion Village in November. A total of € 20.2 million was invested in the operational portfolio in a number of properties in 2011. The retail share of total portfolio increased to a level of 91.4% in 2011 from 88.9% in 2010.

The operational portfolio was valued upwards by € 21.5 million at year-end 2011 an increase of 1.2% on the book value before revaluation.

PIPELINE

The total pipeline in France was valued at € 83.5 million at year-end (2010: € 118.2 million), of which € 21.3 million (2010: € 47.1 million) already invested. At the end of 2011 Corio France had two projects in the pipeline, both deferrable: Grand Littoral zone 4 'Azur' and Zone 1 'Emeraude', on which construction will to start early in 2012, and the re-development and extension of the Côte de Nacre project in Caen. This project has already received the necessary retail license CDAC and the layout and design is being optimised further.

OFFICES

Corio has a small office portfolio in France valued at € 155.7 million, which is up for sale. The decline in value reflects the sale of the Amplitude/Millipore offices (10,600 m^2 GLA) in December 2011 for € 26.0 million and the offices in Cote de Nacre in June 2011 for € 7.8 million. The value of the office portfolio was marked down by € 9.8 million at year-end, a 6.5% reduction on book value at year-end 2010. This portfolio consists of four projects with a total GLA of 32,400 m^2 GLA; the largest of which is the Balzac building, with 15,200 m^2 GLA. The net rental income of the French offices portfolio fell to € 11.5 million in 2011 from € 15.8 million in 2010, mainly due to divestments in 2010 and 2011 that resulted in lower net rental income in 2011. The average financial occupancy rate edged lower to 99.3%, from 99.5% in 2010.

INDUSTRIAL

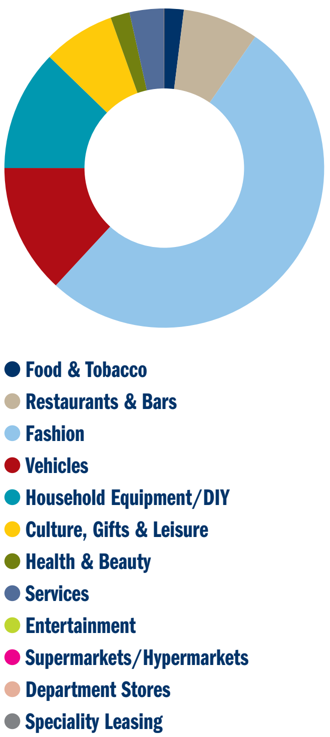
Corio has a small industrial portfolio in France consisting of two buildings covering 30,000 m^2 in total, which is up for sale. After the disposals of 2010, it was valued at € 13.6 million at year-end, down from € 14.4 million in 2010. The value decline is due to a negative revaluation of 5.1% in 2011. The average financial occupancy rate fell to 35.4% from 80.1% in 2010. FNAC Massy, which was fully occupied, was sold at year-end 2010. The vacancy relates to the industrial property Paris Sud Bretigny. As a result of the disposals, net rental income fell to € 0.2 million in 2011 from € 3.2 million in 2010, and represented now 0.2% of Corio France's total net rental income.

ITALY

HIGHLIGHTS

> MARCH CORIO ACQUIRES PART THREE OF SHOPPING CENTRE GLOBO IN LOMBARDY, ITALY FOR AROUND € 53.9 MILLION. CORIO ALREADY OWNED GLOBO I AND II > MAY SHOPVILLE GRAN RENO IN BOLOGNA EXTENDED BY 1,100 M^2 > JUNE MARGHERA DEVELOPMENT PROJECT IN VENICE IS EXTENDED BY 7,400 M^2 AND AN ADDITIONAL INVESTMENT OF € 43 MILLION > AUGUST THE IKEA RE-DEVELOPMENT AT LE GRU IN TURIN IS COMPLETED AND THE VIRGIN ACTIVE FITNESS CENTRE OPENS > NOVEMBER AN ADDITIONAL 2,800 M^2 GLA AT PORTA DI ROMA SHOPPING CENTRE IN ROME IS ACQUIRED, BRINGING THE TOTAL AREA OWNED TO 73,500 M^2 > DECEMBER CORIO ITALY IMPROVES ITS RANKING IN THE TOP 25 GREAT PLACES TO WORK

SECTOR SPREAD BY RENT (%)



SECTOR SPREAD BY VALUE (%)

VISITOR NUMBERS AND SALES

Footfall in Italy is measured for eight centres, representing 92% of the Italian portfolio. On a like-for-like basis footfall increased by 2.1% compared to 2010.

The increase was mainly thanks to the rise in visitors to Shopville Le Gru (+4.6%) after the full conversion and opening of the former IKEA store and to Globo (+9.1%) as a result of the next extension called Globo IV, and a large number of Sunday openings.

Our figures imply a total number of visitors for the Italian portfolio of around 80 million, an increase of about 5% compared to 2010. The increase was mainly due to the rise in visitors in the already mentioned Le Gru, Globo and Campania (+2.7%) in its fourth year of operation. Despite the economic circumstances, Corio Italia's centres registered stable results. The average occupancy cost ratio (rent and service charges over turnover) of the Italian centres was stable at approximately 10.8%.

The year witnessed a successful summer sales period but the second half of the year saw a slowdown in sales caused by Italian economic and political concerns, by unusual weather conditions whereby summer ran until mid-October and by frequent traffic bans to reduce air pollution levels. Despite all these challenges, the overall trend in sales was steady.

All the shopping centres showed positive results, with the highest peaks in Shopville Le Gru, Porta di Roma and Campania.

RENTS AND OCCUPANCY RATES

The total theoretical rent in 2011 amounted to € 81.9 million, a 14.9% increase from 2010. The main reason for this growth of


Marghera, Venice


Porta di Roma, Rome

the portfolio was the full year effect of the acquisitions of Le Vele/Millennium shopping centre on Sardinia acquired in March 2010 (€ 2.7 million) and Globo III acquired in January 2011. Furthermore, the taking into operation of the fully let former IKEA building, indexation and reletting/renewal results had a positive effect. Contracts were indexed up by 1.9% in 2011, compared with 1.0% in 2010. A total of 30,000 m² accommodating 129 shops, representing 17.7% of the Gross theoretical rental income, have been affected by renewal and reletting activities that generated a 10.5% rent increase, despite a challenging retail sales environment. The contribution of turnover rent to rental income increased in comparison to 2010. In 2011 turnover-based rent, as a percentage of theoretical rent, was 2.3% compared with 2.1% in 2010. Other income rose to € 4.1 million. The average financial occupancy rate of 98.4% was around 0.9 percent point below last year (2010: 99.3%), whereas the year-end 2011 occupancy was back at 98.8%. In 2010 most of the vacancy was real vacancy, whereas in 2011 strategic vacancies increased. There were more strategic vacancies in Shopville Le Gru in relation to the refurbishment of the area formerly occupied by the tenants relocated to the former IKEA premises. For Le Vele and Millennium, strategic vacancy increased due to refurbishment. Corio's rental strategy is aimed at maintaining an attractive tenant mix and activity for the consumers in the catchment area. This may selectively and temporarily require supporting tenants by means of free rent. This amounted to only 1% of the maximal theoretical rent . The combination of low occupancy cost ratios and active management, including innovative events and marketing programmes, ensures that the Italian centres remain attractive to major retailers.

As a result of active centre management, like-for-like net rental income on properties which were in the portfolio in both 2010 and 2011 rose 5.2%, including a positive like-for-like for the centres, Città Fiera in Udine and Porta di Roma in Rome, that are recorded as equity accounted investees. Operating expenses fell 4.3% from € 6.2 million to € 5.9 million and also contributed positively to this like-for-like growth.

PORTFOLIO AND VALUATION

The value of the Corio retail portfolio in Italy rose to € 1,256.4 million at year-end 2011 from € 1,189.2 million a year earlier. A total of € 15.4 million was invested in the portfolio and pipeline and positive revaluations contributed € 25.3 million.
During 2011 Corio acquired phase three of the shopping centre Globo in between Milan and Bergamo, Northern Italy, and increased its investment in the Marghera development project in Venice, taking the total owned surface area to 30,500 GLA, up by an additional 7,400 m².

Shopville Gran Reno was extended by 1,100 m² thanks to the acquisition of a medium sized unit, taking the total area owned by Corio to 13,900 m².

The redevelopment of the former IKEA store at Shopville Le Gru, near Turin, which Corio acquired in 2008, was completed and transferred to the operational portfolio in 2011. The building offers consumers additional retail space of 13,700 m² GLA. Some tenants needing more space moved from Le Gru to this former Ikea store, creating space for new tenants in Le Gru, making the offer for the consumer more attractive. The connection between the former IKEA building and Le Gru shopping centre has been improved and there is good interaction between the two locations, which makes the shopping experience more attractive. Another attraction as of this summer is the new Virgin Active fitness centre, which is located on the first floor of the former Ikea building.

The joint-venture Allianz-Corio, in which Corio holds 50%, acquired an additional 2,800 m² on the third level of the Porta di Roma shopping centre, leading to some centre improvements here too.
Positive results were registered after the opening of new shops by Corio tenants. Apple and Hollister opened new stores in Campania and Apple and GAP in Le Gru Shopping Centre. No assets were sold in Italy in 2011.

The operational portfolio was revalued upwards by € 25.3 million during 2011, an increase of 2.2% on the book value as at year-end 2011 before revaluation. The majority of the centres showed a positive revaluation and in particular Shopville Le Gru in Turin, up € 4.1 million, and Campania, up € 12.6 million. In general, initial yields held steady in Italy at 6.2% at year-end.

PIPELINE

The total pipeline of retail projects in Italy fell to € 734.9 million at year-end 2011 from € 913.8 million at year-end 2010. Of the year-end 2011 total, € 43.9 million has already been invested. The smaller pipeline mainly reflects taking Globo III into operation. The former IKEA building was redeveloped and fully opened in July.
The committed pipeline amounted to € 196.6 million (€ 17.5 million already invested) at year-end 2011, down from € 224.1 million (€ 3.2 million already invested) at year-end 2010.

The committed pipeline contains the extension of the existing Campania project and the turnkey development project Marghera in Venice. For the extension of Campania by more than 4,000 m² GLA, Corio has signed a preliminary agreement in December.

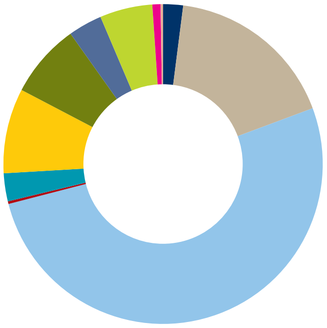
The deferrable and waivable pipeline amounted to respectively € 160.7 million and € 377.7 million. The Palazzo del Lavoro project is included in the deferrable pipeline. The existing monumental building in Turin and the adjacent land will be refurbished and re-developed into a shopping centre with a total GLA of approximately 28,000 m². The Palazzo del Lavoro shopping centre is expected to open in 2014.

SPAIN/PORTUGAL

HIGHLIGHTS

> MAY CORIO SPAIN STAFF GROWS WITH THE CREATION OF AN EXPANSION DEPARTMENT AND INTERNAL LEGAL COUNSEL > APRIL GRAN VÍA DE HORTALEZA CATCHMENT AREA IS CLASSIFIED AS A TOURISTIC AREA OF MADRID AND IS ABLE TO OPEN 22 SUNDAYS MORE PER YEAR > DECEMBER ENERGY SAVINGS IN SHOPPING CENTRES ADD 4% MORE TO THE 15% ALREADY ACHIEVED > DECEMBER PRÍNCIPE PÍO'S VISITORS FLOW ALMOST REACHED 13.000.000. THAT IS MORE THAN 8% INCREASE SINCE 2009, YEAR OF ACQUISITION > DECEMBER THE WORKS FOR THE DEVELOPMENT OF THE TOP FLOOR GOURMET AREA IN MAREMAGNUM (4.100 M²) HAVE BEEN COMPLETED. THE AREA IS READY FOR OPENING IN SPRING 2012

SECTOR SPREAD BY RENT (%)



- Food & Tobacco
- Restaurants & Bars
- Fashion
- Vehicles
- Household Equipment/DIY
- Culture, Gifts & Leisure
- Health & Beauty
- Services
- Entertainment
- Supermarkets/Hypermarkets
- Department Stores
- Speciality Leasing

SECTOR SPREAD BY VALUE (%)

VISITOR NUMBERS AND SALES

In 2011, 1.8% drop in footfall was registered compared to the previous year. The main reason for the fall in visitors was the economic recession. The inner city centres Príncipe Pío in Madrid, very close to 13 million visitors, and Maremagnum in Barcelona, with more than 10 million visitors, were the most visited shopping centres in the Spanish portfolio. Príncipe Pío reported a 5.7% increase in visitors. The other centres in the portfolio in 2011 struggled to maintain the same levels of footfall and sales. In line with the lower visitor numbers, tenant turnover and parking income fell too. However, the occupancy costs ratio averaged 13.2% for the whole Spanish portfolio, which is at an affordable level.

RENTS AND OCCUPANCY RATES

Spain experienced a slight economic revival after October 2010, but this did not continue into 2011. The economic situation in the region is a challenge to our € 738.9 million operational portfolio in Spain and Portugal. The fact that this resulted in a decline in like-for-like net rental income of only 0.4% is mainly caused by outperforming centres in Madrid and Barcelona.

Gran Via de Hortaleza, Madrid, able to open 22 more sundays

Príncipe Pío's visitors flow increased 8% since 2009

Maremagnum top floor gourmet area, Barcelona

The occupancy rate of the centres in Spain and Portugal overall improved from 93.9% in 2010 to 94.1% in 2011.

The gross theoretical rental income in Spain and Portugal amounted to € 63.1 million in 2011, up 5.1% (€ 3.1 million) on 2010. This higher gross theoretical rent was mainly thanks to the acquisition of Espacio Torrelodones in Madrid and Espaço Guimaraes in Portugal in April 2010 (first half of year 2011 contribution to gross theoretical rental income € 2.9 million and € 3.8 million respectively). This figure reflects the difficulty in renting out vacant units, which in turn is pushing rents downwards in relettings in some shopping centres. In the case of renewals, tenants are accepting slightly higher rents on top of indexation. In total 117 contracts were renewed or relet; 6.1% of gross theoretical rent was relet against 8.1% lower rents and 3.8% of gross theoretical rent was renewed against 1.7% higher rent. On the up side, gross theoretical income increased by € 1.0 million as a result of indexation. On the down side, parking income fell € 0.5 million, or 15.4%, to € 2.9 million. Other income, consisting of temporary lettings such as kiosks, was € 0.6 million or 24.6% lower.

Net rental income increased 5.5% (from € 43.8 million to € 46.2 million), mainly thanks to the acquisition of Espacio Torrelodones and Espaço Guimaraes. On a like-for-like basis, net rental income fell by 0.4% due to the lower gross theoretical rent and higher operating expenditures. In the Spanish portfolio, financial occupancy slid from 93.5% to 92.8%, mainly due to higher vacancy in three out of eleven shopping centres (Espacio Torrelodones, Sexta Avenida and Gran Vía de Hortaleza). In the centre Ruta de la Plata there was some strategic vacancy as a result of the cinema being restructured into units for fashion retailers including Inditex. In Espaço Guimaraes in Portugal the occupancy rate rose from 80.5% to 82.8%. The vacancy here was still covered by a rental guarantee. As a result of the economic situation in Portugal, hardly any retailers are expanding, which makes it difficult to lease the remaining vacant space. This centre opened at the end of 2009 and Corio España has plans to reposition it by strengthening its community relevance and involvement. Operating expenditures were € 1.0 million, or 9.7%, higher and amounted to € 11.5 million in 2011. This increase was the result of higher bad debt allowances and indemnities paid to tenants.

PORTFOLIO AND VALUATION

The value of the portfolio of Corio España increased to € 763.9 million at the end of 2011 from € 753.4 million at year-end 2010. The 2010 and 2011 numbers include the Portuguese shopping centre Espaço Guimarães. The positive revaluation of the centres located in Spain added € 6.4 million to the total value of the portfolio, an increase of 0.9% on the book value at year-end 2010 before revaluation. Total negative revaluations in the Spanish portfolio amounted to € 12.3 million, almost entirely due to Sexta Avenida in Madrid and Gran Turia in Valencia, and positive revaluations totalled € 18.6 million, most of it due to Ruta de la Plata in Cáceres and Príncipe Pío in Madrid, which had positive revaluations of 9.2% and 6.7% respectively. The investments made in Spanish properties totalled € 9.3 million and principally relate to the development of the top floor area in Maremagnum, Barcelona. The centre Espaço Guimaraes in Portugal was valued at € 5.1 million, a 5.9% decrease in book value compared to year-end 2010 valuation.
In general, yields of prime shopping centres in Spain remained stable throughout 2011 while secondary centres experienced a slight increase. Transactions in the Spanish market, were scarce. What remains clear, however, is the continued interest of retailers in prime centres. Thanks to the attractions of our prime centres, the achieved an average net yield of the portfolio of Corio in Spain was 6.6% in 2011, down 15 basis points from the previous year, as the drop in yields of prime centres was higher than the increase in yields at secondary locations. Ultimately the revaluation of the total portfolio in Spain and Portugal produced a positive result of € 1.2 million.

PIPELINE

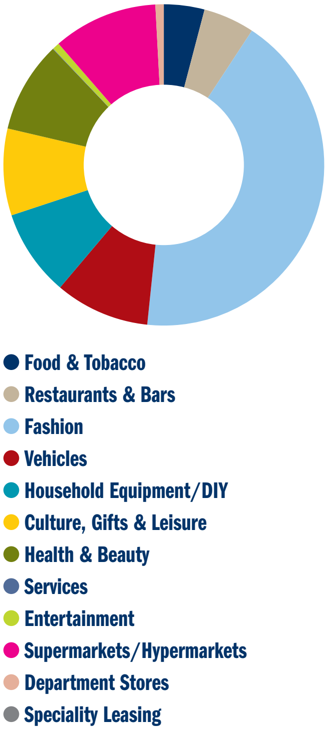
The pipeline of (re)development projects in Spain amounted to € 25.3 million (2010: € 24.5 million), of which € 11.4 million (2010: € 5.1 million) has been invested. The committed and deferrable pipeline amounted to € 11.1 million (€ 10.2 already invested) and € 14.3 million (€ 1.2 million already invested) respectively. The extension of the shopping centre in La Loma in Jaén, which is in the deferrable pipeline, is awaiting the approval of the co-owner Carrefour. Corio carried out the redevelopment and re-letting of the top floor of Maremagnum with a GLA of approximately 4,000 m^2, which is included in the committed pipeline. The works started in November 2010 and have been completed in the beginning of 2012. Currently we are on track to achieve our targeted tenant mix for the scheduled opening at the end of March 2012.

GERMANY

HIGHLIGHTS

> JULY CORIO TOOK OVER THE 50% STAKE FROM SPARKASSE OF THE DEVELOPMENT PROJECT ARNEKEN GALERIE (27,200 M² IN TOTAL), DOWNTOWN HILDESHEIM, GERMANY > NOVEMBER OPENING OF KÖNIGSGALERIE. THIS IS A SHOPPING CENTRE OF 18,100 M² GLA IN THE CITY CENTRE OF DUISBURG > JANUARY 2012 THE SOLE OFFICE WAS SOLD FOR € 14.9 MILLION

SECTOR SPREAD BY RENT (%)



SECTOR SPREAD BY VALUE (%)

VISITORS NUMBERS AND SALES

Visitors increased 3% for Forum Duisburg and Centrum Galerie in 2011 and turnover grew approximately 4.5%, mainly thanks to Forum Duisburg. Centrum Galerie turnover slid by around 1.5%.

RENTS AND OCCUPANCY RATES

Gross theoretical rental income rose € 11.6 million or 43.2% to € 38.6 million, mainly as a result of the full year effect of the centres Forum Duisburg and Centrum Galerie Dresden, acquired at the end of March in 2010, and two months of operations of Königsgalerie in Duisburg. Indexation also contributed positively, whereas re-lettings and renewals had no material impact since all centres are still in their first lease term.

The average financial occupancy rate of all three operational shopping centres in 2011 was 99.1%. This was positively affected by the rental guarantee that Corio obtained from the seller. Forum Duisburg is 100% leased. Königsgalerie is currently 82% leased and shows good progress in the occupancy rate. 50% of the vacancy is covered by a rental guarantee. The centre is let to popular brands such as: H&M, Mango, Intersport,

Königsgalerie, Duisburg

Königsgalerie, Duisburg

Arneken Galerie, Hildesheim

DM Drogerie, Gerry Weber and Camp David. In Dresden, Centrum Galerie, opened in October 2009 has struggled amid increased competition in the city and account of its lack of a distinctive profile, design, atmosphere and tenant mix. This resulted in a vacancy rate of 13.4% of GLA in 2011, which is mostly covered by the rental guarantee. Plans to reposition the centre are currently being executed.

Overall, total net rental income advanced € 6.8 million to € 31.2 million, of which € 30.0 million came from the three Shopping centres Forum Duisburg, Centrum Galerie Dresden and Königsgalerie Duisburg. The centre offers great potential to be transformed into a FMP and to live up to Corio's and consumers' expectations. Footfall is already strong, thanks to its location, and turnover and net rental income will pick up once we complete the transformation programme.

PORTFOLIO AND VALUATION

The value of Corio's operational portfolio in Germany was € 564.3 million at year-end 2011, an increase of 6.9% in comparison with 2010. Corio's operational portfolio expanded to three shopping centres when Königsgalerie in Duisburg, was taken into operation. Investments in this centre in 2010 and 2011 totalled to € 76.5 million.
During the year Corio also increased investments in other German development projects. As a result, investment property under development grew to € 135.7 million. In 2011, Corio made an agreement with Sparkasse to acquire 50% of the development project Arneken Galerie in Hildesheim. The final price will be determined on the basis of a pre-defined yield. Corio already owned 50% of this project as part of the transaction with Multi in 2010. A further € 19.1 million was invested in Arneken Galerie in Hildesheim and € 17.8 million in the fifth project from the initial transaction. The operational portfolio at year-end included the office building in Böblingen which was sold in January 2012 for a total amount of € 14.9 million.
The operational portfolio was re-valued downwards by € 40.7 million, or 6.7% of book value at year-end before revaluations. This mainly concerned Galerie Dresden. For the properties in Duisburg, the negative revaluation of the recently opened Königsgalerie, which still has to stabilise its market performance, was balanced by the positive revaluation of Forum Duisburg. As a result of the revaluations, the weighted average yield of the German retail portfolio increased slightly from 6.4% to 6.5%.

PIPELINE

The total pipeline in Germany amounted to € 717.9 million at year-end 2011, of which € 191.8 million was already invested. Projects for a total investment of € 466.2 million were in the committed pipeline, of which € 141.0 million was already invested. The deferrable pipepline projects amounted to € 251.7 million of which € 50.8 million was already invested.

Two projects are currently under construction: the turnkey project Boulevard Berlin and the project Arneken Galerie, Hildesheim. Completion of Boulevard Berlin is expected in September 2012. The development of Arneken Galerie is financed by Corio and 50% this project is on a profit sharing basis with the developer. The other part has been acquired from Sparkasse. The final price for this part will be determined on basis of a pre-defined net yield.

The construction of Arneken Galerie is on schedule; the expected delivery of the centre is at the end of March 2012, Boulevard Berlin is expected to open in the third quarter of 2012. The leasing for the two projects is progressing well: at the end of December 2011 approximately 72% of the lettable area of the Boulevard Berlin and roughly 63 % of Arneken Galerie had been leased. The other two developments are still in the preparation phase, as was foreseen at acquisition, and are therefore still included in the deferrable pipeline.

OFFICE

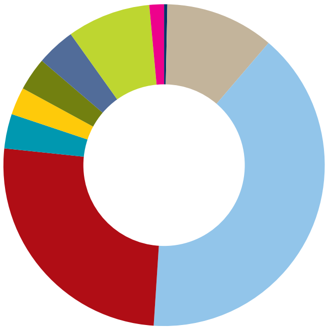
Up until the end of 2011 Corio had one office in the German portfolio which had been bought in 1994: Rondahaus in Böblingen. The net rental income in 2011 was € 1.2 million compared with € 0.8 million in 2010, as a result of new leases. This office was a non-strategic asset and was sold as of the end of December 2011 for € 14.9 million.

TURKEY

HIGHLIGHTS

> CORIO TÜRKIYE WELCOMED 35% MORE VISITORS AT ITS CENTRES IN 2011 > FOOTFALL ROSE TO 35 MILLION AND , TURNOVER AND RENTAL INCOME GREW VERY STRONG TOO > THE OCCUPANCY RATE MOVED ABOVE 99% IN THE CENTRES ADACENTER, TEKIRA AND 365 > IN ADDITION, OTHER INCOME ROSE STEAPLY AND CONSTRUCTION OF OUR NEW SHOPPING CENTRE, TARSU IN TARSUS IS WITHIN BUDGET AND SIX MONTHS AHEAD OF TIME

SECTOR SPREAD BY RENT (%)



- Food & Tobacco
- Restaurants & Bars
- Fashion
- Vehicles
- Household Equipment/DIY
- Culture, Gifts & Leisure
- Health & Beauty
- Services
- Entertainment
- Supermarkets/Hypermarkets
- Department Stores
- Speciality Leasing

SECTOR SPREAD BY VALUE (%)

VISITOR NUMBERS AND SALES

Corio Türkiye welcomed around 35 million visitors in 2011 in Adacenter, 365, Teras Park, Tekira, Anatolium and Akmerkez. Total footfall in 2010 was 26 million in these centres. The breakdown per centre shows strong performances in Tekira, up 3.4%; Adacenter, up 5.4% and Teras Park, up 1.0%. The centre 365 too had strong footfall, up 22.3%. Since Anatolium only opened in fall 2010, comparable figures are not available. Total turnover achieved by tenants in Tekira, 365 and Teras Park increased by 1% to 6% in 2011 on a Euro basis. The exception was the turnover of Adacenter in the north-western city of Adapazari, which fell due to intensified local competition In Turkish Lira the overall increase in turnover was more than 13%. The occupancy cost ratio in our Turkish centres (excluding Associates) was on average 13%, which can be considered as safe.

The success in terms of footfall and turnover reflect Corio Türkiye's efforts in transforming its shopping centres into favourite meeting places. This is sustained through lively, local, entertaining and interesting events in the centres and by the addition of unique architectural features, such as the introduction of greenery and water. We focus more on creating welcoming places, entertainment and we encourage visitors and their children to engage socially in an environment that is safe and attractive.

In organising activities and programmes, we focus on children and education. We discovered that creating a bond with a child brings its entire family into the relationship. The shopping centre provides a social, activity oriented, shopping and entertaining experience to visitors and develops into a favourite meeting place. In Turkey we introduced a loyalty card. Corio's loyalty card had more than 38,000 members in Anatolium and 12,000 in Ada by the end of 2011. The programme was launched in the course of 2011 and we regard this growth as an encouragement to continue this pilot. The cards enable us to gain more insight into the frequency of centre visits, our customers' preferences and spending patterns. This, in turn, enables us to serve our consumers better in the future. The percentage of registered spending through the loyalty card reached approximately 20% of total turnover both in Anatolium and Ada. Encouraged by the success of our programme in Anatolium and Ada, we will roll out the card at our other centres in 2012.


Tekira, Tekirdag


Tarsu, Tarsus

RENTS AND OCCUPANCY RATES

Throughout 2011, Corio Türkiye performed above expectations. Gross theoretical rental income grew 64.8% to € 36.3 million from € 22.0 million, mainly thanks to the turnkey development Anatolium in Bursa, which became operational in late 2010. Turnover-based rent and other rental income, mainly specialty leasing, rose to € 0.4 million and € 0.9 million. This growth reflects the positive retail and consumer sentiment trend in Turkey. Other rental income and turnover-based rent represented 17.0% of total gross theoretical income in Turkey in 2011.

During the year Corio Türkiye signed 58 new lease contracts, 49 re-lettings and 9 renewals, which contributed to the growth in gross potential rent and represented 8.9% of gross theoretical income. These deals were struck at average rental level 4.1% higher than in 2010. Tekira, Teras Park and Anatolium performed well, with rental increases of approximately 10%, while 365 showed a 6% increase and only Ada bucked the trend with a 7% decline in rentals due to its competitive environment.

The net rental income of the Turkish retail portfolio rose by € 16.5 million to € 29.4 million excluding associates. This increase is mainly the result of the acquisition of Anatolium in Bursa in late 2010 (effect € 9.5 million). Like-for-like growth in net rental income for the Turkish portfolio (excluding associates) amounted to 37.5%. The increase reflects the recovery of free rent, the leasing of vacant space and better operational efficiency due to lower costs. As in previous years, the indexation of rents was 2.4% in the Turkish portfolio. The centres 365 in Ankara and Teras Park in Denizli achieved like-for-like rental growth of over 50%. Tekira and Adacenter in Adapazari, meanwhile, showed increases of 21.8% and 12.8% respectively. The EPRA occupancy rate rose further to 99.1% in 2011 from 95.3% in 2010. The increase was realised throughout the Turkish portfolio. The centre's occupancy rate is developing favourably, reaching 91.4% at the end of 2011. The rental guarantee of the developer will expire at the end of 2012. Property operating expenses fell to € 5.4 million from € 6.4 million and as a percentage of GTRI dropped from 24.5% in 2010 to 14.4% in 2011. Excluding the ground lease of 365, the ratio is 5.5%. All the hard work during the difficult years 2008 and 2009 started to pay off in 2010 and continued in 2011. The turnaround in Teras Park was successful and triggered a success fee based on the increased net rental income.

The net rental income of Akmerkez in Istanbul improved in 2011. Despite the ongoing renovation, footfall and turnover developed positively. Vacancy averaged 6.8%, of which 5% is strategic and concerns units in the food court that cannot be leased until the re-development is finalised. Net rental income reached €10.0 m, 15.8 % or € 1.4 million higher than in 2010 . Consequently, the direct result of associates, which in 2010 and 2011 only related to Akmerkez, rose to € 8.5 million from € 7.8 m.

PORTFOLIO AND VALUATION

The value of the total retail portfolio in Turkey, including the interests of associates, was slightly lower at € 569.6 million at year-end 2011 from € 571.5 million in 2010. A total of € 30.5 million was invested in the portfolio and pipeline. Investments in the operational portfolio related mainly Anatolium in Bursa (€ 1.8 million), which opened in late 2010, and Teras Park in Denizli (€ 1.0 million). The investments in the pipeline project Tarsu in Tarsus amounted to € 26.0 million.
The value of the operational portfolio was estimated at € 511.5 million at year-end, down 6.9% on the book value at year-end 2011 before revaluation. The main negative items relate to Anatolium in Bursa (€ 25.8 million). This centre has been open to the public just over a year and has therefore not stabilised fully. The yield used in the valuation was slightly higher than the predefined yields in the turnkey contract. Centres that have not yet stabilised are valued more conservatively by our new appraisers. Consequently the development projects were marked down by € 15.4 million. This relates mainly to a plot of land in Malatya (€ 10.1 million negative). Thanks to higher rental income, the values of the operational centres increased in the second half of 2011 in comparison with the midyear valuations. For the standing portfolio the net yield (including associates) rose to 8.4% from 7.9% due to positive changes in the cash flow not yet reflected in the valuation.

PIPELINE

Total investments in pipeline projects in Turkey rose to € 51.3 million at year-end 2011 from € 43.7 million at year-end 2010, up 27%. The increase mainly reflects construction work at Tarsu (€ 27.1 million). The development of Malatya is on hold while we evaluate multi use development possibilities on the site, for which scenario and feasibility studies are currently being executed.

Our first fully in-house development project Tarsu, which has a GLA of 27,150 m^2, is ahead of schedule and we expect an early opening. Construction started in November 2010 and pre-letting as of December 2011 had reached 87.5% occupancy in terms of GLA and 79.6% in terms of rent. The centre is now set to open for business on March 1, with the grand opening scheduled for April. Anchor tenants are: Tesco hypermarket, a cinema, the department store Carsi, a foodcourt, Teknosa, and fashion retailers such as Mango and LC Waikiki.

CREATING VALUE TOGETHER

WE BELIEVE THAT BY CREATING FAVOURITE MEETING PLACES WE CREATE VALUE FOR SOCIETY AND OUR COMPANY. WE WANT TO MAXIMISE THE POSITIVE IMPACT WE HAVE ON SOCIETY.

The focus of our Corporate Social Responsibility policy and activities is to be a catalyst for well managed socio-economic growth of the regions where our projects are located and an opportunity to create new and attractive amenities, generate jobs and foster social interaction. Our objective to create long-term value for our (financial) stakeholders is well served by this sustainability approach in acquiring, (re)developing and managing our properties, as it adds value throughout their lifecycle.

We do this through urban regeneration and improving the well being of the community and by giving our centres a vital and meaningful role in the catchment area they operate in. The business case for this focused approach on sustainable development is clear and measurable. There is a strong connection between the socio-economic development of the communities we operate in and the prosperity of our centres. Through this approach, we are aiming at connecting the needs of society to economic performance, by catalysing urban development and improving the wellbeing of the communities we operate in.

Forum Duisburg, Duisburg

PUTTING CONSUMERS FIRST

2011 PERFORMANCE:
62% of shopping centres performed consumer surveys (2010: 50%)

ROOTED IN SOCIETY

2011 PERFORMANCE:
0.24% of NRI spent on projects in 3E scope

0.35% of total available man hours made available for projects in 3E scope

1.58% of GLA made available for projects in 3E scope

(2010: no data)

LEADERSHIP AND OUR CULTURE

2011 PERFORMANCE:
11.09% employee turnover (2010: 4.35%)

52% of employees received training (2010: no data)

1.89% absenteeism (2010: 2.06%)

30.5% women in management positions (2010: 36%)

SUSTAINABILITY IN OUR OPERATIONS

2011 PERFORMANCE:
96.9 kWh/m^2 Electricity intensity (2010: 101.2 kWh/m^2)

0.035 tonnes CO_2/m^2 Carbon emissions intensity (2010: 0.051 tonnes CO_2/m^2)

20% Green leases signed as part of new lease contracts (2010: no data)

CREATING SUSTAINABLE CENTRES

2011 PERFORMANCE:
100% of BREEAM Good or higher certificates (2010: 100%)

92% of suppliers that signed Code of Conduct (2010: no data)

2011 PERFORMANCE ON KEY TOPICS

PUTTING CONSUMERS FIRST

> A 12% increase of shopping centres surveying consumers
> A large increase in initiatives to inform consumers and visitors about sustainability measures and results on the centres.

Our centres have a special place within their communities as a place where people spend their time, meet, work and shop. They have become the setting for large parts of people's lives. Our centres can be places for cultural enrichment, social interaction, recreation and education as well as shopping. Together with our tenants, we create awareness among consumers on social and environmental issues, such as leading a healthy lifestyle, responsible consumption and concern for the environment. If, as a result of our actions our centres are viewed locally as making a positive contribution to the community, consumer trust will grow and with it the value we add to our centres' brand.

ROOTED IN SOCIETY

> An increase in amount and quality of projects within the 3E-scope.
> The international program Spreading Our Roots delivered a succesfull pilot in Valencia, Spain with 1,300 attendants.
> Kick off of the Social Return On Investment project, a partnership with Erasmus University to measure social, environmental and economic impact.

Corio's mission is to create places where people like to meet, spend time, shop and come back to again, to create Favourite Meeting places, a home from home. To that end Corio adjusts its centres to the needs and demands of the local catchment area and supports local communities through a wide range of events and programmes. There is a connection between quality of public spaces, social interaction and a sense of well-being. We are conscious that our buildings have an effect on the quality of life as an integral part of community life. Our core business is focused on continuously upgrading our centres physically as well as through the services and activities we house. In this way we ultimately have an impact on the residents of the surrounding catchment area too. Since we are constantly seeking to improve our centres in line with their needs and demands, our success attracts more consumers and other retail business, ideally in a snowball effect which ultimately brings direct economic advantages to the community as a whole. Retail- led regeneration has measurable effects on surrounding areas. Studies show it enhances house prices and the attractiveness of the area and leads to growth in employment opportunities. The other way around, rising employment in the catchment area has a positive effect in the retail sector, so there is a shared benefit. To maximise our positive impact we have chosen to focus our community involvement on employment, education and entrepreneurship. We call it our 3E scope.

LEADERSHIP AND OUR CULTURE

> Employee satisfaction studies conducted in two business units and Corio NV within the Great Place To Work approach.
> CSR has been fully integrated into the yearly performance appraisal of employees.

Creating Favourite Meeting places is not about leasing square metres but rather creating a place that feels like a home from home. In aiming for this goal we employ our company values Inspiring, Empathic, Daring, Reliable and Teamwork and maintain a leadership style that preserves these anchors of our culture. In 2010 and 2011 we have placed a focus on HR performance management and a new leadership programme. Corio employees throughout Europe should feel connected in the values and competencies they share and feel they belong to a truly exciting, professional and leading company: a Favourite Working Place. This is a place where they are encouraged to make a difference, to develop themselves and their environment. Emphasis is therefore placed on personal development and training. Our leaders play a crucial role in creating this environment by creating the desired culture and developing our people.

SUSTAINABILITY IN OUR OPERATIONS

> Introduction of green leases as new standard contract in all countries Corio operates.
> Introduction of green clauses into all new supplier contracts.

We manage our shopping centres in such a way that our environmental impact is minimised and collaboration with our partners is maximised. This is our strategy in realising the sustainability potential of our portfolio. Our main impact area for the operational part of our portfolio is carbon emissions and we thus focus on resource efficiency in order to take responsibility for this environmental footprint. Water efficiency and waste reduction are on our environmental agenda as well. We will increase our efforts to cooperate with our tenants and suppliers on this issue, as these partnerships are important to make progress in this area.

CREATING SUSTAINABLE CENTRES

> All business units have ensured the use of 100% sustainable wood in redevelopment projects.
> Introduction of the Code of Conduct for suppliers and business partners.

Corio integrates sustainability fully in the concept and design of centre developments and re-developments in order to create flexible and future-proof centres. From the very early stages of concept and design up to the completion and delivery of the centre, all measures are taken to have the lowest impact on the environment. To that end Corio has the ambition level of achieving BREEAM (re)development certificates with the qualification of at least 'good'. We see ample opportunity to create energy efficient and sustainable buildings by integrating state of the art innovation in technology, provided we establish partnerships with frontrunners in other relevant disciplines. By working together, we will create sustainable value for all our stakeholders.

2011 PERFORMANCE ON TARGETS

Regarding performance on social objectives, many activities were undertaken to further embed our centres into the community and attract more inhabitants of the catchment area. Our focus on Employment, Education and Entrepreneurship, saw substantial progress with the successful organisation of job fairs by Corio España and Corio France. Corio Turkey engaged with local female entrepreneurs and offered them opportunities at the local centres. Corio Italia entered into collaboration with the University of Naples to teach 2000 school children about sustainable food production. Other examples of progress on social targets are increase of temporary use of vacant space in the centres for social and community enterprise and the strong increase in shopping centres in which consumers were surveyed in 2011. Our environmental objectives were successfully met in the area of project (re) development, having obtained BREEAM certificates for all projects in scope in 2011. Our operational environmental performance shows progress on all targets, for example integrated sustainability requirements based on the Code of Conduct in supplier contracts, implementation of green leases and implementation of environmental management measures.

UPDATE ON THE INTERNATIONAL PROGRAMMES

In 2011 we launched three international programmes designed to ensure result delivery within planning and scope.

PROGRAMME 1
CSR PERFORMANCE MANAGEMENT

The program is constituted of two steps:

A CSR performance management model has been designed based on the key topics and integrates targets and KPI's. The new and enhanced reporting structure, together with a reporting manual, has been implemented in all business units. It takes into consideration the recommendations of an internal audit project that took place in 2011.

The next step, the break down of the performance management model into performance indicators and integration of the model into local operational processes, will take place in 2012.

PROGRAMME 2
REACHING FOR ZERO

The programme was launched in May 2011 with the creation of two project teams: project team Tenant Engagement and project team Innovation. In 2011 the Tenant Engagement team set up and executed an engagement process in all countries to contact the main tenants, engage in a dialogue on sustainability and incorporate the feed back into daily operations. The Innovation team is setting up an international platform, consisting of Corio experts and external leaders in their field, to co-design a zero-energy retail project. In 2012 the initiative will be evaluated on feasibility and the business case for Corio, possibly in partnership with companies in this field of expertise.

PROGRAMME 3
SPREADING OUR ROOTS

Two pilots were started up under the programme 'Spreading our roots';

> A fair was held in our shopping centre Gran Turia in Valencia, Spain. The objective was to connect unemployed people and entrepreneurs in Gran Turia's catchment area with employers, education institutions, and business schools, enterprises with the objective of helping attendees find jobs and create business start-ups. The fair drew 1,400 visitors and the results are currently being evaluated as part of an impact study performed by Erasmus University. For more information see http://www.jornadasdeocupacion.com

> A pilot to inform the consumers in our centres about environmental issues, create awareness and inspire them to reduce their environmental impact, was run at the centre Grand Littoral in Marseille, France. As waste is a big challenge for the community, the focus was on this impact area. The programme team researched the waste streams and chains and gave practical and tailored information on how to reduce waste.

Both pilots will be evaluated and optimised on the basis of lessons learnt and subsequently these will be applied in other centres in our portfolio.

LOOKING AT 2012

We have reached a level of CSR maturity that requires the following priorities for 2012 in order to gear up to a higher level:

> Implementation of CSR performance management and measurement. This entails the translation of CSR objectives, targets and KPIs into measurable entities, which will be embedded into local existing operational processes, ensuring proper ownership and measurability. This will further strengthen effective management of CSR performance.

> Evaluation and if feasible expansion of the programmes 'Reaching for Zero' and 'Spreading our Roots'. These international programs started in 2011 aim to maximise energy efficiency on existing assets, designing energy- neutral assets, and develop and implement of an approach to structurally increase embeddedness of the centres in their communities.

> Implementation of the Social Return on Investment methodology by means of two pilots in existing centres. This will refine the SROI- measurement method by adding actual data. Being able to measure the impact of Corio core activities on society (environmentally and socially) is a conditional step to create focus and value.

Please see our full CSR report 2011, now available online and in hard copy, for more information about our CSR strategy, 2011 performance and projects.
www.corio-eu.com/csr.html

REMUNERATION REPORT

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 2011

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.

REMUNERATION POLICY OBJECTIVE AND SCOPE

The remuneration policy relates to the level and structure of the remuneration package for the Management Board. 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 real estate 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 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 primarily responsible for a country, the annual salary, short-term incentive, level of long-term incentive and pension contributions are based on the local remuneration market.

A. 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. Additionally 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. 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 listed companies comparable in terms of size and complexity operating in the property sector. The labour market reference group consisted of the following companies in 2011.

Beni Stabili
Capital Shopping Centres (formerly Liberty International)
Deutsche Euroshop
Eurocommercial Properties
Hammerson
IVG Immobilien
Klépierre
Mercialys
Redevco
Unibail-Rodamco
VastNed Retail
Wereldhave

The determination of pay levels is also based on more generic information about compensation practices at Dutch listed companies of comparable size and complexity, internal pay differentials and the remuneration committee's insights and experience

B. STRUCTURE OF THE REMUNERATION PACKAGES

The total remuneration of the Management Board of Corio consists of:

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

The remuneration package is based on an equal balance between fixed and variable components. Through this Corio aims to offer a performance-oriented package in a balanced and controlled setting.

BASE SALARY

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 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 2011, the base salary levels of the Management Board have been adjusted in line with an update of the labour market reference group. The base salary of Mr. Groener was increased from € 359,000 to € 410,000. The base salary of Mr. Van der Klift was increased from € 300,000 to € 304,000. Mrs. Zijlstra's base salary was increased from € 215,000 to € 275,000. The base salary of Mr. Fontaine base salary was increased from € 245,000 to € 260,000, this relates predominantly to his activities as CEO of Corio France.

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 of 60% of base salary and for optimal performance a maximum 90% of base salary in share units awards); the short-term variable level for on-target performance is 40% of base salary and has a maximum of 60% of base salary in case of excellent performance against the targets.

Variable remuneration is aligned with Corio objectives of delivering both annual operational results and long-term shareholders return. By structuring the long-term incentives to track long-term performance indicators, and deriving short-term incentives from a multi-faceted mix of financial and non-financial objectives, the Supervisory Board kept in mind the risk profile attached to both performance objectives. The Supervisory Board has the discretionary authority 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. Two-thirds of the short-term incentive performance criteria consist of the metric 'controlled growth in the company's Operating Result'; one-third relates to measurable individual qualitative targets. The controlled growth of Operating Result consists of 'direct result' and 'managing the pipeline in line with secured funding'. The pipeline is relevant for future years' turnover growth while at the same time requiring growth in Corio's secured funding. Securing funding is also part of the target setting.

The target on direct result and earnings per share was set at 1% over the agreed budget. The result over 2011 came out as 'at target' permormance at € 2.91 direct result per share.

The pipeline target, securing future growth, was amended around midyear towards 'protecting the balance sheet'. By that time more than 50% of that target had been achieved. During the second half of the year, ongoing negotiations on acquisitions were cancelled without costs, the disposal program was enlarged with an additional € 450 million of sales and new credit lines were locked in up to an amount of € 355 million with this the pipeline target was outperformed.

Qualitative targets related to management systems, CSR and the organization were only partially realized. Especially the target on the implementation of a new property and asset management information system was not met. As a whole performance related to qualitative targets came out below target.

The STI targets are set in a way that, to reach at target level, management has to show outstanding performance with a real contribution leading to true value add for shareholders. All in all management achieved their financial targets and adapted well to changing circumstances and made good progress on qualitative objectives.

After assessment and discussion with the Remuneration Committee and approval of the Supervisory Board, Mr. Groener was rewarded at a 90% of at target level, Mr. Van der Klift was rewarded at a 85% of at target level and Mrs. Zijlstra was rewarded at a 75% of at target level.

B. LONG TERM INCENTIVE SCHEME

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 during the three-year vesting period, compared to the total shareholder returns generated by companies included in a pre-defined peer group, in that same period. 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 minimize the influence of short-term share price volatility. The three-month average

OVERVIEW OF CONDITIONAL PHANTOM PERFORMANCE SHARES AWARDED AND VESTED IN 2011 AND AWARDED IN PAST YEARS

Name	Year	Awarded past years	Vested 2011	Awarded 2011	Maximum Vesting	Award date value (€)	Vesting date value (€)
G.H.W. Groener	2008	2,549	1,784			141,215	85,093
G.H.W. Groener	2009	6,784			10,177	223,126	
G.H.W. Groener	2010	4,709			7,064	224,572	
G.H.W. Groener	2011			4,943	7,415	237,363	
B.A. van der Klift	2010	2,625			3,938	125,186	
B.A. van der Klift	2011			3,808	5,712	182,860	
F.J. Zijlstra	2010	1,881			2,822	89,705	
F.J. Zijlstra	2011			3,208	4,812	154,048	
F.Y.M.M. Fontaine	2008	546	382			30,248	18,227
F.Y.M.M. Fontaine	2009	1,481			2,222	48,710	
F.Y.M.M. Fontaine	2010	1,072			1,608	51,124	
F.Y.M.M. Fontaine	2011			1,069	1,604	51,333	

also applies when calculating the relative total shareholders return of Corio 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 applied percentage is determined by the Supervisory Board and is put down in the individual employment contract. The percentage amounted in 2011 to 60% for Mr. Groener, 60% for Mr. Van der Klift, 60% for Mrs. Zijlstra and 20% for Mr. Fontaine.

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. 0%
7. 0%
8. 0%
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 2011 consisted of Corio and the following companies.

Deutsche Euroshop
Capital Shopping Centres
Eurocommercial Properties
Unibail-Rodamco
Hammerson
VastNed Retail
Klépierre
Wereldhave

The Supervisory Board reviews the performance reference group periodically and adjusts it if necessary.

In 2011, conditional units were awarded under the plan rules to Mr. Groener, Mr. Van der Klift, Mrs. Zijlstra and Mr. Fontaine relating to the year 2011. In 2011 the Awards for the year 2008 vested for Mr. Groener and Mr. Fontaine. Based on the ranking in the performance reference group, the pay out percentage was 70% resulting in an amount of € 85,093 for Mr. Groener and an amount of € 18,227 for Mr. Fontaine.

In 2011 the Supervisory Board conducted the scenario analyses in order to assess whether the maximum cash value of the Phantom Performance shares is still reasonable. The Supervisory Board concluded that the outcome of the scenario analyses is in line with the principles of the Performance Phantom Share Plan.

Financial information with an overview of total cost to the company in 2011 can be found on page 130 of this annual report. Financial information on the long-term incentive awards can be found on page 131 of this report.

At the end of 2011, there were no other outstanding unvested shares or share options than the rights detailed in the scheme above.

PENSIONS

Corio pays an annual contribution 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 company contribution to the CEO, CFO and COO for personal pension plan financing has been set at 20% of base annual salary. This percentage is generally in line with Dutch market practice of average cost levels for pension schemes.

Further information about the costs of the pension contributions by the company can be found on page 130 of this annual report.

OTHER FRINGE BENEFITS

Corio provides a package of fringe benefits for its Management Board, in line with those applicable to other employees. These include items such as accident insurance, disability insurance arrangements, a lease car and directors' and officers' liability insurance. Corio 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 reasonable, the relevant director may be eligible for severance pay up to a maximum of one, or in special cases a maximum of two years annual salary.

CHANGES IN COMPOSITION OF THE MANAGEMENT BOARD

In 2011 there were no changes in the composition of the Management Board. The terms of appointment of Mr. Groener and Mr. Fontaine will expire in the AGM on 19 April 2012. The Supervisory Board intends to reappoint them, after hearing the General Meeting, for another period of 4 years.

REMUNERATION POLICY AND IMPLEMENTATION IN FUTURE YEARS

At the time of the publication of this annual report, Corio had no intentions to amend the design of its remuneration policy. It is expected that the application of the remuneration policy in 2012 will be in line with 2011.

SUPERVISORY BOARD REMUNERATION

On 21 April 2011 the AGM approved an adjustment in the remuneration of the Supervisory Board. This means that as of 1 May 2011, the annual remuneration comprises € 45,000 for the chairman, € 40,000 for the vice-chairman and € 35,000 each for other members. Supervisory Board members also receive the following annual fixed market-conform payment for attending the Supervisory Board committee meetings of which they are a member:

Audit Committee
Chairman € 10,000
Members € 7,500

Remuneration Committee
Chairman € 7,500
Members € 5,000

Selection and Appointment Committee
Chairman € 7,500
Members € 5,000

The remuneration is not related to the results and is in line with that paid by comparable property companies. Supervisory Board members are not eligible to receive company shares as part of their remuneration. Financial information on the remuneration level in 2011 can be found on page 131 of this annual report.

On behalf of the Remuneration Committee
Wim Borgdorff, Chairman

CORPORATE GOVERNANCE & RISK MANAGEMENT

CORIO IS A PUBLIC COMPANY GOVERNED BY DUTCH LAW WITH A TWO-TIER BOARD. CORIO IS MANAGED BY A MANAGEMENT BOARD, WHICH IS SUPERVISED BY A SUPERVISORY BOARD. BOTH BOARDS ARE RESPONSIBLE FOR PROPER CORPORATE GOVERNANCE WITHIN CORIO AND ARE ACCOUNTABLE TO THE GENERAL MEETING OF SHAREHOLDERS.

INTRODUCTION

Corio strives to maintain a corporate governance structure that best serves the interests of all stakeholders and that complies with the recommendations of the Dutch Corporate Governance Code (the ‘Code’). Any areas in which the company failed to comply with any of the principles and best-practice provisions of the Dutch Code in 2011, and any areas in which it anticipates noncompliance in 2012, will be explained in this section of the Annual Report.
The company has otherwise complied with the applicable principles and best practice provisions and will continue to do so in 2012.
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 setting the broad management parameters. It is responsible for setting the corporate strategy and policies, and for achieving the corporate objectives. The Management Board is accountable to the Supervisory Board, and both are in turn accountable to the General Meeting. The Management Board must consist of at least two members, who are appointed by the Supervisory Board provided that advice has been received from the Works Council and the General Meeting has been notified. The Supervisory Board is at liberty to also appoint one of the members as chairman of the Management Board, which is the case with Corio. The Supervisory Board determines the number of members. 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 the General Meeting of 2010, Corio’s Management Board has consisted of four members, namely Mr. Gerard Groener (CEO), Mr. Ben van der Klift (CFO), Mr. Frédéric Fontaine (CDO) and Mrs. Francine Zijlstra (COO). During the 2012 Annual General Meeting the Supervisory Board will announce the re-appointment of Mr. Groener and Mr. Fontaine.
The company has a remuneration policy for 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 2011 elsewhere in this annual report. Corio strives to ensure that every type of actual or perceived conflict of interest between the company and members of the Management Board is avoided. No such conflicts arose during 2011.

SUPERVISORY BOARD

The role of the Supervisory Board is to oversee the Management Board's functioning and general developments within the company and its associated business, and to support the Management Board by advising. The Supervisory Board is responsible for the quality of its own performance. It should consist 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 Committee from among its members. The task of these committees is to do preparatory work in support 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). For more information on the composition of the Supervisory Board and the committees please refer to the Report of the Supervisory Board elsewhere in this Annual Report.

At the 2012 Annual General Meeting Mr. Vos and Mr. Borgdorff will step down as members of the Supervisory Board in view of the expiration of their terms. During the 2012 Annual General Meeting the Supervisory Board will propose the appointment of two new members of the Supervisory Board, the specifics of which will be mentioned in the convocation and agenda for the meeting.

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 2011. 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 2011 no transactions took place between the company and another party 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 company's business over the last year, adopt the annual accounts, decide on the dividend proposal and to discharge the members of the Management Board and the members of the Supervisory Board with regard to their fulfilment of their duties. Other tasks include appointing members of the Supervisory Board and filling vacancies. 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 they 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 42 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.

REMUNERATION

In addition to the remuneration policy as laid down for the Supervisory Board and the Management Board of Corio, there is a written remuneration policy for all other positions within Corio. This remuneration policy is based on the following principles:

> Employees receive a remuneration package in line with local market practice. This remuneration package is periodically checked internally by the Management Board and the human resource director and externally benchmarked by consultants and adjusted when necessary;

> The remuneration package consists of a fixed income part, a possible short term variable income part and a number of employment benefits;

> Remuneration of employees is linked to a performance management system, by which compensation is made dependent upon achieving individual and organisational results;

> The level of variable income related to the fixed income depends on the position level of employees, but does not exceed 50% of the fixed income.

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. On the recommendation of the Supervisory Board and subject to the approval of the General Meeting on 19 April 2012 PricewaterhouseCoopers Accountants N.V. will be reappointed to carry out the audit of the 2012 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 the correct treatment of and proper provision of information to financial market participants. The AFM issued Corio 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. Corporate compliance officers and local compliance officers are appointed at 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 sets out the fundamental principles governing how Corio and its employees should behave. Corio also has an Internal Breach Reporting Procedure (whistleblower policy) by which employees can report their suspicions of abuses to their superiors and/or a locally appointed confidential counselor. In late 2011 Corio made it possible, in jurisdictions where it is allowed, for employees to report their suspicions anonymously through the SpeakUp system. We received three reports under the whistleblower policy. One report has been investigated and closed, whilst the two others are currently under investigation.

For further information regarding these policies and to review the policies themselves we refer you to Corio's website: www.corio-eu.com.

FINANCIAL MARKETS, 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 that 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. It does this by 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 FINANCIAL INFORMATION WITHIN THE MEANING OF ARTICLE 10 OF THE TAKEOVER DIRECTIVE

Corio has an authorised 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) and Algemene Pensioen Groep N.V. (APG) on 3 February 2010 registered as 36.77% shareholder in Corio; ABP as indirect shareholder and APG (a subsidiary of ABP) as direct shareholder. On 19 May 2011 PGGM Fondsenbeheer B.V. was registered as 4.95% shareholder in Corio. ABP has informed Corio that its indirect interest in the company was 32.29% as at year-end 2011. 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%). 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, Communication & Public Relations, Strategy, Asset Allocation, Treasury, Research, CSR, Finance & Control, Legal & Compliance, Information Management, Tax, Risk Management and Human Resources. The operations are managed primarily by six business units, which are directly linked to the countries in which Corio is active, and are structured according to local conditions and insights. These business units are responsible for operational functions within their individual areas of activity. This concerns the primary processes, development, letting and centre management and support processes. The management of the business units monitors the effectiveness and efficiency of these processes. Corio is an organisation with a combination of centralized specialist functions and decentralized operations that can respond quickly and appropriately to changing market circumstances, seize opportunities and identify risks at an early stage.
Monthly KPI reports and quarterly full

business reports, closing the quarter and forecasting for the remainder of the year, are produced by the business units to inform the holding company. These reports are based on an approved annual budget, approved di/investment proposals and comply with the accounting manual. Consultative structures such as frequent Management Board meetings, business unit CEO meetings, separate CFO meetings and expert meetings (for example on CSR, research, valuations and accounting), provide overview and enable hands-on management by the Management Board. Group-wide policies and codes such as the investment procedure, valuation policy, screening policies, authorisation schedules, financing policy, insurance policy, compliance code and the code of conduct contain our business rules and principles and, furthermore, provide guidance for our activities.

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.

HOW WE MANAGE RISKS

Corio has a structured, pro-active risk management framework that has been developed based on the guidance of the Committee of Sponsoring Organisations of the Treadway Commission (COSO). It focuses on material strategic, operational, compliance and financial reporting risks. The corporate risk manager is responsible for maintaining and continuously improving 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.

In the above described reports and consultative structures, business units and staff functions report on their activities, including on the effectiveness of their risk management activities. Each year, business unit management signs a letter of representation that contains financial reporting statements and also statements regarding risk management, corporate social responsibility, integrity and compliance with the code of conduct, the accounting manual, statutory provisions and compliance with other rules and regulations. The outcomes of the internal risk and control evaluation process and the letter of representation process are discussed in the Management Board and reported to the Audit Committee. The aforementioned processes make the risks and the areas requiring improvement in the internal control systems transparent. It is always possible, however, for circumstances to arise in which unidentified risks become apparent or in which the impact of identified risks is greater than originally estimated.

OUR RISK PROFILE AND APPETITE

Opportunities, such as entering new markets or buying existing portfolios, and important business risks, such as the economic turmoil, are identified and assessed continuously. The resulting choices Corio has made and will make in the future reflect our corporate values and risk appetite and mean that we avoid certain risks and take on other risks. Our strategic choices determine both our playing field as well as the rules of our game. On the one hand they define the side lines of the pitch, such as our choice to move towards a pure retail investment portfolio or adding in-house development projects. On the other hand they set the basic rules of the game, such as having in-house management and our focus on CSR. On our website we describe these strategic choices, their impact on the Corio risk profile and how we manage these risks.

A description of Corio's environment and market developments, their impact on strategy and the way in which Corio is responding to them is contained in the Management Board Report sections in this annual report. The indicators for the social, environmental and economic performance are described in the CSR section of this report. Information on the financing structure, key ratios and risk appetite is provided in the Report of the Management Board and the notes to the financial statements.

DECLARATIONS

CORPORATE GOVERNANCE 'IN CONTROL' STATEMENT

Corio's 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 judgement in the decision-making process, human error, the deliberate evasion of control processes by staff or third parties, or unforeseen circumstances. Therefore the presence and effectiveness of these systems cannot provide absolute assurance with regard to the achievement of objectives. The risk management process as executed in 2011 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 the income statement 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 the website (www.corio-eu.com).

FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT > CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME > CONSOLIDATED STATEMENT OF FINANCIAL POSITION > CONSOLIDATED STATEMENT OF CASH FLOWS > CONSOLIDATED STATEMENT OF CHANGES IN EQUITY > NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS > COMPANY STATEMENT OF FINANCIAL POSITION > COMPANY INCOME STATEMENT > NOTES TO THE COMPANY FINANCIAL STATEMENTS > OTHER INFORMATION > INDEPENDENT AUDITORS’ REPORT

CONSOLIDATED INCOME STATEMENT

For the year-ended 31 December (€ million)	Note	2011	2010
Gross rental income	**2**	**460.3**	**429.6**
Service charges recovered from tenants		82.6	69.1
Service charges		-94.4	-82.3
Net service charges		**-11.8**	**-13.2**
Property operating expenses	**3**	**-52.0**	**-48.5**
Net rental income		**396.5**	**367.9**
Proceeds from sales of investment property		136.3	236.3
Carrying amount of investment property sold		-130.8	-229.7
Results on sales of investment property	**8,9**	**5.5**	**6.6**
Valuation gains		194.8	243.5
Valuation losses		-197.7	-85.7
Net valuation gain/loss on investment property	**8,9**	**-2.9**	**157.8**
Administrative expenses	**4**	**-40.1**	**-38.9**
Impairment of assets	**13**	**-8.1**	**-2.8**
Other income and expenses	**5**	**5.5**	**-15.5**
Results before finance expenses and tax		**356.4**	**475.1**
Finance costs		-129.4	-104.8
Finance income		14.1	9.6
Net finance expense	**6**	**-115.3**	**-95.2**
Share of result of equity accounted investees (net of income tax)	**10**	**5.4**	**21.2**
Result before tax		**246.4**	**401.1**
Current tax		-4.3	-6.3
Deferred tax		-22.7	-23.1
Tax	**7**	**-27.0**	**-29.4**
Net result		**219.4**	**371.7**
Attributable to:			
Shareholders		218.2	375.7
Non-controlling interest		1.2	-4.0
Net result		**219.4**	**371.7**
Weighted average number of shares		91,804,608	87,254,228
Result per share (€)			
Basic earnings per share	20	2.38	4.31
Diluted earnings per share	20	2.38	4.31

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year-ended 31 December (€ million)	Note	2011	2010
Net result Group share		**218.2**	**375.7**
Non-controlling interest		1.2	-4.0
Net result		**219.4**	**371.7**
Other comprehensive income:			
Foreign currency translation differences for foreign operations		-0.4	2.0
Effective portion of the changes in fair value of the cash flow hedges		-24.1	33.2
Other comprehensive income for the year, net of tax *		**-24.5**	**35.2**
Total comprehensive income		**194.9**	**406.9**
Attributable to:			
Shareholders		193.7	410.9
Non-controlling interest		1.2	-4.0
Total comprehensive income		**194.9**	**406.9**

* Effective tax rate for comprehensive income is nil.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(€ million)	Note	31 December 2011	31 December 2010	1 January 2010
ASSETS				
Investment property	8	6,624.6	6,300.8	5,346.0
Investment property under development	9	440.0	336.8	194.5
Investment in equity accounted investees	10	361.9	351.2	294.6
Other property related investments	11	170.8	165.1	–
Derivative financial instruments	12	31.1	20.6	0.7
Intangible assets	13	62.9	68.1	52.5
Property, plant and equipment	14	23.5	23.0	5.6
Deferred tax assets	15	22.5	23.9	20.6
Other non-current receivables	16	21.8	28.2	21.6
Total non-current assets		**7,759.1**	**7,317.7**	**5,936.1**
Trade and other receivables	17	176.4	158.0	100.5
Other property related investments	11	0.4	47.3	99.4
Derivative financial instruments	12	1.0	0.5	0.3
Cash and cash equivalents	18	24.3	293.4	86.7
Total current assets		**202.1**	**499.2**	**286.9**
Total assets		**7,961,2**	**7,816.9**	**6,223.0**
EQUITY				
Share capital		922.9	910.0	763.6
Share premium		1,464.8	1,477.8	1,039.7
Reserves		1,600.1	1,432.1	1,712.7
Net result for the year		218.2	375.7	-131.9
Total shareholders' equity		**4,206.0**	**4,195.6**	**3,384.1**
Non-controlling interest		48.3	46.5	35.7
Total equity	**19**	**4,254.3**	**4,242.1**	**3,419.8**
LIABILITIES				
Loans and borrowings	21	2,746.8	2,659.8	2,281.4
Employee benefits	22	1.2	1.2	0.6
Provisions	23	2.2	2.2	1.9
Deferred tax liabilities	15	309.4	287.1	242.4
Derivative financial instruments	12	31.8	60.5	115.7
Other non-current payables	24	34.4	33.7	32.8
Total non-current liabilities		**3,125.8**	**3,044.5**	**2,674.8**
Loans and borrowings	21	408.6	358.0	29.9
Trade and other payables	25	170.4	164.1	97.7
Derivative financial instruments	12	2.1	8.2	0.8
Total current liabilities		**581.1**	**530.3**	**128.4**
Total liabilities		**3,706.9**	**3,574.8**	**2,803.2**
Total equity and liabilities		**7,961.2**	**7,816.9**	**6,223.0**

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year-ended 31 December (€ million)	Note	2011	2010
Cash flows from operating activities			
Result before tax		246.4	401.1
Adjustments for:			
Share of result of equity accounted investments	10	-5.4	-21.2
Net finance costs	6	115.3	95.2
Depreciation/Amortisation/Impairment		12.7	8.1
Negative goodwill		-1.3	-2.6
Acquisition-related costs		1.0	17.1
Valuation gains and losses		2.9	-157.8
Gains and losses on disposals		-5.5	-6.6
Change receivables		-9.1	-20.3
Change payables		-38.2	53.4
Change in provisions and employee benefits		–	0.9
Cash generated from operations		**318.8**	**367.3**
Finance income received*		14.6	8.3
Finance expense paid		-116.7	-96.0
Tax paid		-4.3	-6.3
Net cash from/(used in) operating activities		**212.4**	**273.3**
Cash flows from investing activities			
Proceeds from sale of investment property		136.3	236.3
Proceeds from sale of equity accounted investees	10	–	–
Acquisition through business combinations, net of cash		-45.2	-293.5
Acquisition of companies not qualifying as business combinations, net of cash		-110.0	-150.3
Investment in investment property	8	-50.2	-34.3
Investment in other investments		41.5	-138.3
Investment in investment property under development	9	-285.8	-116.7
Investment in property, plant and equipment and other intangible assets		-4.7	-17.5
Dividends received	10	–	10.0
Net cash used in investing activities		**-318.1**	**-504.3**
Cash flows from financing activities			
Proceeds from issue of share capital		–	584.5
Proceeds from loans and borrowings		338.0	1,586.6
Repayments of loans and borrowings		-318.3	-1,551.2
Dividends paid	17	-183.3	-183.9
Share premium received non-controlling interest		–	7.0
Cash settlement net investment hedges		0.2	-5.3
Net cash from/(used in) financing activities		**-163.4**	**437.7**
Net increase in cash and cash equivalents		**-269.1**	**206.7**
Cash and cash equivalents at 1 January		293.4	86.7
Cash and cash equivalents at 31 December	**18**	**24.3**	**293.4**

* Finance income received is mainly caused by a temporary cash surplus as part of normal operations of Corio.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR-ENDED 31 DECEMBER 2010

(€ million)	Note	Share capital	Share premium	General reserve	Revaluation reserve	Associates reserve	Hedge reserve	Translation reserve	Net result for the year	Total	Non-controlling interest	Total equity
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**	**35.7**	**3,419.8**
Profit appropriation 2009				-42.2	-84.4	-5.3			131.9	–		–
Balance as at 1 January 2010		**763.6**	**1,039.7**	**327.4**	**1,231.1**	**44.2**	**-3.3**	**-18.6**	**0.0**	**3,384.1**	**35.7**	**3,419.8**
Net result									375.7	375.7	-4.0	371.7
Other comprehensive income							33.2	2.0		35.2		35.2
Total comprehensive income		**–**	**–**	**–**	**–**	**–**	**33.2**	**2.0**	**375.7**	**410.9**	**-4.0**	**406.9**
Dividends to shareholders		13.1	-13.1	-183.9						-183.9		-183.9
Share issue		133.3	451.2							584.5		584.5
Non-controlling interest due to acquisitions										–	7.8	7.8
Additional share premium non-controlling interest										–	7.0	7.0
Balance as at 31 December 2010	**19**	**910.0**	**1,477.8**	**143.5**	**1,231.1**	**44.2**	**29.9**	**-16.6**	**375.7**	**4,195.6**	**46.5**	**4,242.1**

FOR THE YEAR-ENDED 31 DECEMBER 2011

(€ million)	Note	Share capital	Share premium	General reserve	Revaluation reserve	Associates reserve	Hedge reserve	Translation reserve	Net result for the year	Total	Non-controlling interest	Total equity
Balance as at 31 December 2010		**910.0**	**1,477.8**	**143.5**	**1,231.1**	**44.2**	**29.9**	**-16.6**	**375.7**	**4,195.6**	**46.5**	**4,242.1**
Profit appropriation 2010				236.9	144.2	-5.4			-375.7	–		-
Balance as at 1 January 2011		**910.0**	**1,477.8**	**380.4**	**1,375.3**	**38.8**	**29.9**	**-16.6**	**–**	**4,195.6**	**46.5**	**4,242.1**
Net result									218.2	218.2	1.2	219.4
Other comprehensive income							-24.1	-0.4		-24.5		-24.5
Total comprehensive income		**–**	**–**	**–**	**–**	**–**	**-24.1**	**-0.4**	**218.2**	**193.7**	**1.2**	**194.9**
Dividends to shareholders		12.9	-13.0	-183.3						-183.3		-183.3
Share issue										–		-
Non-controlling interest due to acquisitions										–	0.6	0.6
Additional share premium non-controlling interest										–	–	–
Balance as at 31 December 2011	**19**	**922.9**	**1,464.8**	**197.1**	**1,375.3**	**38.8**	**5.8**	**-17.0**	**218.2***	**4,206.0**	**48.3**	**4,254.3**

* The proposed profit appropriation is included in other information. € 75.2 million of the result for 2011 (2010: € 138.8 million) will be incorporated in the non-distributable reserves.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

REPORTING ENTITY

Corio N.V. (‘Corio’ or ‘the Company’) is a closed-end property investment fund and is licensed under the Dutch Act on Financial Supervision (Wet op het Financieel Toezicht: ‘WFT’). The Company is domiciled in Utrecht, Netherlands. The financial statements have been prepared by the Management Board and were authorised for publication on 23 February 2012. The financial statements will be presented to the Annual General Meeting of Shareholders for approval on 19 April 2012.

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

TAX STATUS

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

BASIS OF PREPARATION

STATEMENT OF COMPLIANCE

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

BASIS OF MEASUREMENT

The consolidated financial statements have been prepared on the basis of historical cost except for investment property, investment property under development, financial assets at fair value through 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.

FUNCTIONAL AND PRESENTATION CURRENCY

The consolidated financial statements are presented in euros, which is the Company’s functional currency.

USE OF ESTIMATES AND ASSUMPTIONS

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

CHANGES IN ACCOUNTING POLICIES

The following new standards, amendments to standards and interpretations relevant to Corio are applied for the first time for the financial year beginning 1 January 2011. Unless otherwise mentioned, these changes had no impact on profit or loss and equity.

(A) CHANGES IN ACCOUNTING POLICIES

IAS 31 Interests in Joint Ventures allows two accounting methods for joint ventures: proportionate consolidation and the equity method. Until 2010, Corio has applied proportionate consolidation when accounting for joint ventures. Corio has decided to change its accounting method for joint ventures based on IAS 31 to the equity method, as this method provides more relevant information by reporting only our interest in these joint ventures. This change in accounting policies had no impact on net result and equity. The impact on the line items of the consolidated statement of financial position 31 December 2010 and the consolidated statement of income for the year-ended 31 December 2010 is as follows:

IMPACT OF CHANGE IN ACCOUNTING POLICY FOR JOINT VENTURES ON CONSOLIDATED STATEMENT OF FINANCIAL POSITION 31 DECEMBER 2010

(€ million)	Before change in accounting policy	After change in accounting policy	Impact of change in accounting policy
ASSETS			
Investment property	6,714.3	6,300.8	-413.5
Investment property under development	336.8	336.8	–
Investment in equity accounted investees	183.8	351.2	167.4
Other property related investments	121.8	165.1	43.3
Derivative financial instruments	20.9	20.6	-0.3
Intangible assets	82.0	68.1	-13.9
Property, plant and equipment	23.0	23.0	–
Deferred tax assets	23.9	23.9	–
Total non-current assets	**7,506.5**	**7,289.5**	**-217.0**
Trade and other receivables	187.6	186.2	-1.4
Other property related investments	46.5	47.3	0.6
Derivative financial instruments	0.7	0.5	-0.1
Cash and cash equivalents	307.3	293.4	-13.9
Total current assets	**542.1**	**527.4**	**-14.7**
Total assets	**8,048.6**	**7,816.9**	**-231.7**
EQUITY			
Share capital	910.0	910.0	–
Share premium	1,477.8	1,477.8	–
Reserves	1,432.1	1,432.1	–
Net result for the year	375.7	375.7	–
Total shareholders' equity	4,195.6	4,195.6	–
Non-controlling interest	46.5	46.5	–
Total equity	**4,242.1**	**4,242.1**	**–**
LIABILITIES			
Loans and borrowings	2,859.8	2,659.8	-200.0
Employee benefits	1.2	1.2	–
Provisions	2.2	2.2	–
Deferred tax liabilities	300.7	287.1	-13.6
Derivative financial instruments	70.9	60.5	-10.3
Total non-current liabilities	**3,234.8**	**3,010.8**	**-224.0**
Loans and borrowings	364.8	358.0	-6.8
Trade and other payables	198.7	197.8	-0.9
Derivative financial instruments	8.2	8.2	–
Total current liabilities	**571.7**	**564.0**	**-7.7**
Total liabilities	**3,806.5**	**3,574.8**	**-231.7**
Total equity and liabilities	**8,048.6**	**7,816.9**	**-231.7**

The change in accounting policy led to a decrease of the investment property, the loans and borrowing and net effect on other items by € 413.5 million, € 200.0 million and € 46.1 million respectively. These amounts are recorded on the individual balance sheets of the joint ventures. As a result, the investment in equity accounted investees increased by € 167.4 million.

The change in accounting policy has no effect on total equity, net result and earnings per share (both basic and diluted).

IMPACT OF CHANGE IN ACCOUNTING POLICY FOR JOINT VENTURES ON CONSOLIDATED INCOME STATEMENT FOR THE YEAR-ENDED 31 DECEMBER 2010

(€ million)	Before change in accounting policy	After change in accounting policy	Impact of change in accounting policy
Gross rental income	**451.6**	**429.6**	**-22.0**
Service charges recovered from tenants	74.6	69.1	-5.5
Service charges	-88.3	-82.3	6.0
Net Service charges	**-13.7**	**-13.2**	**0.5**
Property operating expenses	**-51.1**	**-48.5**	**2.6**
Net rental income	**386.8**	**367.9**	**-18.9**
Proceeds from sales of investment property	236.3	236.3	–
Carrying amount of investment property sold	-229.7	-229.7	–
Results on sales of investment property	**6.6**	**6.6**	**–**
Valuation gains	259.1	243.5	-15.6
Valuation losses	-85.7	-85.7	–
Net valuation gain/loss on investment property	**173.4**	**157.8**	**-15.6**
Administrative expenses	**-39.5**	**-38.9**	**0.6**
Other income and expenses	**-15.5**	**-15.5**	**–**
Results before finance costs	**511.8**	**477.9**	**-33.9**
Finance costs	-109.1	-104.8	4.3
Finance income	8.9	9.6	0.7
Net finance expense	**-100.2**	**-95.2**	**5.0**
Impairment of goodwill	**-7.5**	**-2.8**	**4.7**
Share of profit of equity accounted investees (net of income tax)	**1.9**	**21.2**	**19.3**
Result before tax	**406.0**	**401.1**	**-4.9**
Current Tax	-6.9	-6.3	0.6
Deferred Tax	-27.4	-23.1	4.3
Tax	**-34.3**	**-29.4**	**4.9**
Net result	**371.7**	**371.7**	**–**
Attributable to:			
Shareholders	375.7	375.7	–
Non-controlling interest	-4.0	-4.0	–
Net result	**371.7**	**371.7**	**–**

IMPACT OF CHANGE IN ACCOUNTING POLICY FOR JOINT VENTURES ON CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR-ENDED 31 DECEMBER 2010

(€ million)	Before change in accounting policy	After change in accounting policy	Impact of change in accounting policy
Cash flows from operating activities			
Result before tax	406.0	401.1	-4.9
Adjustments for:			
Share of result of equity accounted investments	-1.9	-21.2	-19.3
Net finance costs	100.2	94.3	-5.9
Depreciation/Amortization/Impairment	13.9	8.9	-5.0
Negative goodwill	-2.6	-2.6	0.0
Acquisition related costs	17.1	17.1	0.0
Valuation gains and losses	-173.4	-157.8	15.6
Gains and losses on disposals	-6.6	-6.6	0.0
Change receivables	-22.9	-20.3	2.6
Change payables	10.4	53.4	43.0
Change in provisions and employee benefits	0.9	0.9	0.0
Cash generated from operations	**341.2**	**367.3**	**26.2**
Finance income received	8.1	8.3	-0.2
Finance expense paid	-100.5	-96.0	4.6
Tax paid	-6.9	-6.3	0.6
Net cash from/(used in) operating activities	**241.8**	**273.3**	**31.6**
Cash flows from investing activities			
Proceeds from sale of investment property	236.3	236.3	0.0
Acquisition through business combinations, net of cash	-254.0	-293.5	-39.5
Acquisition of subsidiaries (not through business combinations) net of cash	-150.3	-150.3	0.0
Investment in investment property	-34.4	-34.4	0.0
Investment in other property related investments	-95.2	-138.3	43.1
Investment in investment property under development	-116.6	-116.6	0.0
Investment in property, plant and equipment and other intangible assets	-17.6	-17.6	0.0
Dividends received	7.4	10.0	2.6
Net cash used in investing activities	**-424.4**	**-504.4**	**-80.0**
Cash flows from financing activities			
Proceeds from issue of share capital	584.5	584.5	0.0
Proceeds from loans and borrowings	1,594.1	1,586.5	-7.6
Repayments of loans and borrowings	-1,597.8	-1,551.2	46.6
Dividends paid	-183.9	-183.9	0.0
Share premium received non-controlling interest	7.0	7.0	0.0
Cash settlement net investment hedges	-5.2	-5.2	0.0
Net cash from/(used in) financing activities	**398.7**	**437.7**	**39.0**
Net increase in cash and cash equivalents	**216.1**	**206.7**	**-9.4**
Cash and cash equivalents at 1 January	91.2	86.7	-4.5
Cash and cash equivalents/bank overdrafts at 31 December	**307.3**	**293.4**	**-13.9**

(B)NEW AND AMENDED STANDARDS ADOPTED BY THE GROUP

'IMPROVEMENTS TO IFRS' (ISSUED IN MAY 2010)

The improvements project contains numerous amendments to IFRS that the IASB considers non-urgent but necessary. 'Improvements to IFRS' comprise amendments that result in accounting changes for presentation, recognition or measurement purposes, as well as terminology or editorial amendments related to a variety of individual IFRS standards. Most of the amendments are effective for annual periods beginning on or after 1 January 2011. No material changes to accounting policies arose as a result of these amendments.

IFRS 7, 'FINANCIAL INSTRUMENTS: DISCLOSURES'

The amendment of IFRS 7 emphasises the interaction between quantitative and qualitative disclosures about the nature and extent of risks associated with financial instruments. Adoption of this amendment did not have a significant impact on the financial statements of Corio.

IAS 24, 'RELATED PARTY DISCLOSURES'

IAS 24 (revised) clarifies the definitions of a related party and eliminates inconsistencies from the definition. Additionally, the standard provides a partial exemption from the disclosure requirements for transactions with government-related entities. The adoption of the revised standard did not have any impact on the related party disclosure of Corio.

(C)NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS ISSUED BUT NOT EFFECTIVE FOR THE FINANCIAL YEAR BEGINNING 1 JANUARY 2011 AND EARLY ADOPTED

Corio has not early adopted new and amended standards.

(D)NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS ISSUED BUT NOT EFFECTIVE FOR THE FINANCIAL YEAR BEGINNING 1 JANUARY 2011 AND NOT EARLY ADOPTED

In June 2011, the IASB issued 'Presentation of items of other comprehensive income' (amendments to IAS 1). The amendments improved the consistency and clarity of the presentation of items of other comprehensive income (OCI). The amendments also highlighted the importance that the Board places on presenting profit or loss and OCI together and with equal prominence. The amendments issued in June 2011 retain the requirement to present profit and loss and OCI together, but focus on improving how items of OCI are presented. The main change resulting from the amendments was a requirement for entities to group items presented in OCI on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The amendments did not address which items are presented in OCI. The Group is yet to assess the full impact of the IAS 1 amendments and intends to adopt the amendments to IAS 1 no later than the accounting period beginning on 1 January 2013.

IAS 19, 'Employee benefits' was amended in June 2011. The impact on the group will be as follows: to eliminate the corridor approach and recognise all actuarial gains and losses in OCI as they occur; to immediately recognise all past service costs; and to replace interest cost and expected return on plan assets with a net interest amount that is calculated by applying the discount rate to the net defined benefit liability (asset). The group is yet to assess the full impact of the amendments.

IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November 2009 and October 2010. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The group is yet to assess IFRS 9's full impact and intends to adopt IFRS 9 no later than the accounting period beginning on or after 1 January 2015.

IFRS 10, Consolidated financial statements' builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. The group is yet to assess IFRS 10's full impact and intends to adopt IFRS 10 no later than the accounting period beginning on or after 1 January 2013.

IFRS 11, 'Joint arrangements' establishes principles for financial reporting by parties to a joint arrangement. The group is yet to assess IFRS 11's full impact and intends to adopt IFRS 11 no later than the accounting period beginning on or after 1 January 2013

IFRS 12, 'Disclosures of interests in other entities' includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. The group is yet to assess IFRS 12's full impact and intends to adopt IFRS 12 no later than the accounting period beginning on or after 1 January 2013.

IFRS 13, 'Fair value measurement', aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs or US GAAP. The group is yet to assess IFRS13's full impact and intends to adopt IFRS 13 no later than the accounting period beginning on or after 1 January 2013.

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

CHANGES IN PRESENTATION

The line item impairment of assets in the consolidated income statement is presented as part of 'Results before finance costs' as it has an operational nature. In previous year the impairment was presented as a separate line item as part of result after finance expenses. The change in presentation only effects the 'Results before finance costs'. As this is only a reclassification the result before tax and the net result remain the same.

IMPACT OF CHANGE IN PRESENTATION OF IMPAIRMENT OF ASSETS ON CONSOLIDATED INCOME STATEMENT FOR THE YEAR-ENDED 31 DECEMBER 2010

(€ million)	Before change in presentation	After change in presentation	Impact of change in presentation
Net rental income	367.9	367.9	–
Results on sales of investment property	6.6	6.6	–
Net valuation gain/loss on investment property	157.8	157.8	–
Administrative expenses	-38.9	-38.9	–
Impairment of assets	–	-2.8	2.8
Other income and expenses	-15.5	-15.5	–
Results before finance costs	477.9	475.1	-2.8
Net finance expense	-95.2	-95.2	–
Impairment of goodwill	-2.8	–	-2.8
Share of profit of equity accounted investees (net of income tax)	21.2	21.2	–
Result before tax	401.1	401.1	–
Net result	371.7	371.7	–

The line item 'trade and other receivables' in the consolidated statement of financial position in previous years included a non-current portion. As from 2011 this receivable has been presented as 'non-current receivable', the comparative figures have been adjusted accordingly (2010 € 28.2 million, 2009 € 20.4 million). As this is only a reclassification net result and equity remain the same.

The line item 'trade and other payables' in the consolidated statement of financial position in previous years included a non-current portion. As from 2011 this amount payable has been presented as 'non-current payables', the comparative figures have been adjusted accordingly (2010 € 33.7 million, 2009 € 32.8 million). As this is only a reclassification net result and equity remain the same.

Other investments is split in Other property related investments and Derivative financial Other investments. Other property related investments contain financial instruments which are property related, such as financing of turn-key developments or financing of property related investments. Other investments mainly contain financial instruments such as derivatives. As a result of this change in accounting policy, amounts of € 164.8 million and € 47.2 million have been reclassified in the Consolidated financial statement of financial position as per 31 December 2010 to Other property related investments (non-current) and Other property related investments (current) respectively. As this is only a reclassification net result and equity remain the same.

The changes in presentation in the balance sheet provides better information on the current and non-current line items.

SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements for 2011 relate to the Company and its subsidiaries (together referred to as the 'Group') and to the Group's investments in associates and interests in joint ventures.

BASIS OF CONSOLIDATION

SUBSIDIARIES

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

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

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

ASSOCIATES

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

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

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

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

JOINT VENTURES

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

TRANSACTIONS ELIMINATED ON CONSOLIDATION

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

FOREIGN CURRENCY

FOREIGN CURRENCY TRANSACTIONS AND BALANCES

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

OPERATIONS OUTSIDE THE EURO AREA

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

BUSINESS COMBINATIONS

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

Acquisition-related costs are expensed as incurred.

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

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. Only in cases of major reconstruction whereby at least 20% of the net rental income related to the redeveloped part of the centre is at risk, that part of the centre will be transferred to investment property under development. Gains and losses arising from changes in fair value are recognised in 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 could exchange on the date of valuation between knowledgeable and willing parties in an arm's length transaction after proper marketing. 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. At 31 March and 30 September the properties are valued by the Group itself. Estimated costs a purchaser will necessarily incur to acquire the property are deducted from the property value.

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

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

INVESTMENT PROPERTY UNDER DEVELOPMENT

Investment property under development is initially recognised at cost price. Subsequently, when the fair value of the complete investment is reliably determinable the property under development will be measured at fair value. The portfolio is appraised every six months (30 June and 31 December) by independent external valuers who hold a recognised and relevant professional qualification and have experience relating to the location and category of the property being appraised. The fair value is based on residual value method. In this method, the market value upon completion is being determined using either the discounted cash flow model or the capitalisation method and subsequently the estimated remaining costs of the development at valuation date are subtracted to arrive at the market value of the development project. The resultant figure is then adjusted back to the date of valuation to arrive at the residual value. A project is completed and transferred to investment property when it is ready for its intended use as an investment property, being the earlier of rental contract start date or technical completion date. At 31 March and 30 September the properties under development are valued by the Group itself.

All costs directly associated with the purchase and construction of a property and all subsequent capital expenditure connected with the development qualify as attributable costs are capitalised. Capitalisation of borrowing costs starts with the commencement date of preparatory development activities giving rise to payments and interest charges. Capitalisation of borrowing costs continues until the assets are substantially ready for their intended use.

OTHER INVESTMENTS, NON-CURRENT

LOANS AND RECEIVABLES

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

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

HEDGE ACCOUNTING

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

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

CASH FLOW HEDGE ACCOUNTING

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

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

FAIR VALUE HEDGE ACCOUNTING

Changes in the fair value of a derivative hedging instrument designated as a fair value hedge are recognised in profit or loss. The hedged item also is stated at fair value in respect of the risk being hedged; the gain or loss attributable to the hedged risk is recognised in profit or loss with an adjustment to the carrying amount of the hedged item. Corio only applies fair value hedge accounting for hedging fixed interest risk on borrowings.

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

HEDGE OF NET INVESTMENT IN FOREIGN OPERATION

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

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

INTANGIBLE ASSETS

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

Goodwill is recognised in the consolidated statement of financial position as an intangible asset or, for associates, included in the carrying amount of the investments in equity accounted investees. Goodwill is carried at cost less any accumulated impairment losses. An impairment test is performed annually, or more frequently if deemed necessary. The impairment test is performed on the smallest group of assets, the cash-generating units, which are usually individual shopping centres. Goodwill impairment losses are not reversed. Further information can be found at the section Impairment.

Other intangible assets mainly relate to software, which have finite useful lives and are measured at cost less accumulated amortisation and accumulated impairment losses. Software is generally amortised over a period of three years. Amortisation is recognised within the administrative expenses.

PROPERTY, PLANT AND EQUIPMENT

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

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, taking into account their residual lives. Buildings are depreciated over a period of 25 years and the remaining assets are depreciated over a period between three to ten years. Depreciation is recognised within the administrative expenses.

DEFERRED TAX / INCOME TAX

Income tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to an acquisition, or items recognised directly in equity or in other comprehensive income.

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

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

Deferred tax is not recognised for:

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

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

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

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

TRADE AND OTHER RECEIVABLES

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost, 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.

IMPAIRMENT

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

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

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. For goodwill, the method applied is fair value less costs to sell: the recoverable amount of the cash-generating unit comprises the fair value of the included property as determined by external valuers as well as the fair value of recognised deferred tax liabilities. The deferred tax liabilities are generally represented in the cash-generating unit at a recoverable value of zero. This reflects the fact that property transactions normally take the form of share deals, and the deduction of deferred tax liabilities on the purchase and sale of property companies is generally difficult in the Group's home markets. The recoverable amount is compared with the carrying amount of the included property and deferred tax liabilities.

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.

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

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

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. When treasury shares are reissued the proceeds are credited to the treasury share reserve and any surplus is credited to the share premium reserve. Dividends are recognised as a liability in the period in which they are declared.

On an acquisition-by-acquisition basis the Company measures the non-controlling interest at the non-controlling interest's proportionate share of the acquiree's identifiable assets and liabilities.

DIVIDEND DISTRIBUTION

Corio distributes its dividends at least once per year. The objective of Corio's dividend policy is at least to comply with the FBI requirements and, except in special circumstances, to maintain the level of dividend and preferably increase it by the average rate of inflation in the Euro zone. Corio may propose to the General Meeting of Shareholders to pay this dividend, within the FBI requirements, in cash or in shares or a combination thereof.

LOANS AND BORROWINGS

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

EMPLOYEE BENEFITS

DEFINED CONTRIBUTION PLANS

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

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 together with adjustments for unrecognised past-service costs. The discount rate used is the yield at the reporting 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 the income statement over the expected average remaining working lives of the employees participating in the plan. Other actuarial gains or losses are not recognised in the income statement. 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

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

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

PROVISIONS

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

TRADE AND OTHER PAYABLES

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

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 and recognised in profit and loss on a straight-line basis.

SERVICE CHARGES, PROPERTY OPERATING EXPENSES AND ADMINISTRATIVE EXPENSES

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

FINANCE INCOME/EXPENSE

Finance expense relates to interest payable on borrowings (calculated using the effective interest rate method), less capitalised interest (see the accounting policy on investment property under development). Interest income is recognised in the income statement as it accrues. Gains and losses on foreign exchange and the net result on hedges (including ineffectiveness) are included in the finance expense on a net basis.

DIVIDEND INCOME

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

CASH FLOW STATEMENT

Cash flows from operating activities are reported using the indirect method, whereby net result before tax is adjusted for the effects of transactions of non-cash nature and for any deferrals or accruals of past or future operating cash receipts or payments.

EARNINGS PER SHARE

The company presents basic and diluted earnings per share (EPS). 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/Portugal, Germany, Turkey and other countries and non-allocated. The segmental format is based on Corio's management structure and on the internal reporting lines at Corio. Interest expense and liabilities are not attributed to specific segments, as they are managed centrally.

ACCOUNTING ESTIMATES AND JUDGEMENTS

ACCOUNTING 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 estimates and assumptions are included in the following notes and related accounting policies:

- Business combinations (note 29)
- Financial instruments (note 26)
- Deferred tax (notes 7 and 15)
- Portfolio (notes 8 and 9)
- Intangible assets (note 13)

SIGNIFICANT JUDGEMENTS

In the process of applying accounting policies, management has made significant judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements, included in the following notes and related accounting policies:

- Business combinations (note 29)
- Deferred tax (notes 7 and 15)
- Classification of property (notes 8 and 9)
- Impairment of goodwill (note 13)
- Lease classification (note 27)

1 - SEGMENTED INFORMATION

BUSINESS SEGMENT INFORMATION 2011

(€ million)	Netherlands	France	Italy	Spain/ Portugal	Germany	Turkey	Other countr. + not alloc.	Total
Gross rental income	147.2	105.0	79.6	57.7	35.8	35.0	–	460.3
Net service charges	-2.3	-3.8	-0.2	-3.0	-2.1	-0.4	–	-11.8
Property operating expenses	-21.9	-8.2	-5.7	-8.5	-2.5	-5.2	–	-52.0
Net rental income	**123.0**	**93.0**	**73.7**	**46.2**	**31.2**	**29.4**	**–**	**396.5**
Results on sales of investment property	**1.0**	**4.5**	**–**	**–**	**–**	**–**	**–**	**5.5**
Valuation gains	78.9	51.1	30.1	18.6	9.6	6.5	–	194.8
Valuation losses	-36.0	-42.5	-4.8	-17.4	-49.9	-46.0	-1.1	-197.7
Net valuation gain on investment property	**42.9**	**8.6**	**25.3**	**1.2**	**-40.3**	**-39.5**	**-1.1**	**-2.9**
Administrative expenses	-10.0	-6.2	-2.8	-1.8	-3.0	-7.2	-9.1	-40.1
Impairment of assets	–	–	–	-0.5	-	–	-7.6	-8.1
Other income/expense	–	0.1	0.7	0.2	-0.5	2.5	2.5	5.5
Results before finance expense	**156.9**	**100.0**	**96.9**	**45.3**	**-12.6**	**-14.8**	**-15.3**	**356.4**
Finance costs	–	–	–	–	–	–	-129.4	-129.4
Finance income	–	–	–	–	–	–	14.1	14.1
Net finance expense	**–**	**–**	**–**	**–**	**–**	**–**	**-115.3**	**-115.3**
Share of results of equity accounted investees	–	3.0	3.2	–	–	-0.8	–	5.4
Result before tax	**156.9**	**103.0**	**100.1**	**45.3**	**-12.6**	**-15.6**	**-130.6**	**246.4**
Current tax	-0.4	-0.2	-2.3	–	-0.2	-0.9	-0.3	-4.3
Deferred tax	0.5	-0.3	-16.0	-5.6	0.9	-2.4	0.2	-22.7
Tax expense	**0.1**	**-0.5**	**-18.3**	**-5.6**	**0.7**	**-3.3**	**-0.1**	**-27.0**
Net result	**157.0**	**102.5**	**81.8**	**39.7**	**-11.9**	**-18.9**	**-130.8**	**219.4**
Non-controlling interest	–	2.6	–	0.7	-1.0	-1.1	–	1.2
Net result attributable to shareholders	**157.0**	**99.9**	**81.8**	**39.0**	**-10.9**	**-17.8**	**-130.8**	**218.2**

(€ million)	Netherlands	France	Italy	Spain/ Portugal	Germany	Turkey	Other countr. + not alloc.	Total
Investment property	2,037.0	1,772.4	1,186.2	738.9	564.3	325.8	–	6,624.6
Investment property under development	88.6	115.3	8.4	25.0	135.7	55.4	11.6	440.0
Investment in equity accounted investees	–	77.5	96.1	–	–	188.3	-	361.9
Other assets	37.3	16.9	114.9	57.3	32.3	103.1	172.9	534.7
Total assets	**2,162.9**	**1,982.1**	**1,405.6**	**821.2**	**732.3**	**672.6**	**184.5**	**7,961.2**

(€ million)	Netherlands	France	Italy	Spain/ Portugal	Germany	Turkey	Other countr. + not alloc.	Total
Additions to non-current assets	**173.0**	**140.4**	**73.8**	**9.3**	**70.0**	**32.4**	**1.0**	**499.9**

BUSINESS SEGMENT INFORMATION 2010

(€ million)	Netherlands	France	Italy	Spain/ Portugal	Germany	Turkey	Other countr. + not alloc.	Total
Gross rental income	147.7	112.0	69.9	54.2	26.5	19.3	–	429.6
Net service charges	-3.6	-4.1	-1.0	-2.8	-0.7	-1.0	–	-13.2
Property operating expenses	-21.2	-7.5	-5.2	-7.6	-1.5	-5.5	–	-48.5
Net rental income	**122.9**	**100.4**	**63.7**	**43.8**	**24.3**	**12.8**	**–**	**367.9**
Results on sales of investment property	1.2	5.5	–	–	–	–	–	6.6
Valuation gains	65.7	115.9	29.2	25.1	5.2	2.4	–	243.5
Valuation losses	-24.1	-17.8	-5.2	-9.2	-0.3	-29.1	–	-85.7
Net valuation gain on investment property	**41.6**	**98.1**	**24.0**	**15.9**	**4.9**	**-26.7**	**–**	**157.8**
Administrative expenses	-9.5	-5.4	-2.6	-1.1	-0.3	-6.3	-13.7	-38.9
Impairment of assets	–	–	–	-1.5	–	-0.6	-0.7	-2.8
Other income/expense	–	-0.4	1.0	-0.1	–	-0.2	-15.8	-15.5
Results before finance expense	**156.1**	**198.2**	**86.1**	**57.0**	**28.9**	**-21.0**	**-30.2**	**475.1**
Finance costs	–	–	–	–	–	–	-104.8	-104.8
Finance income	–	–	–	–	–	–	9.6	9.6
Net finance expense	**–**	**–**	**–**	**–**	**–**	**–**	**-95.2**	**-95.2**
Share of results of equity accounted investees	–	11.4	7.9	–	–	1.9	–	21.2
Result before tax	**156.1**	**209.6**	**94.0**	**57.0**	**28.9**	**-19.1**	**-125.4**	**401.1**
Current tax	-0.3	-0.3	-1.6	–	-3.8	-0.1	-0.2	-6.3
Deferred tax	–	-0.1	-15.6	-11.0	4.2	-0.6	0.0	-23.1
Tax expense	**-0.3**	**-0.4**	**-17.2**	**-11.0**	**0.4**	**-0.7**	**-0.2**	**-29.4**
Net result	155.8	209.2	76.8	46.0	29.3	-19.8	-125.6	371.7
Non-controlling interest	–	0.3	–	0.7	0.8	-5.8	–	-4.0
Net result attributable to shareholders	**155.8**	**208.9**	**76.8**	**45.3**	**28.5**	**-14.0**	**-125.6**	**375.7**

(€ million)	Netherlands	France	Italy	Spain/ Portugal	Germany	Turkey	Other countr. + not alloc.	Total
Investment property	1,890.9	1,737.6	1,052.4	748.0	528.0	343.9	–	6,300.8
Investment property under development	70.7	81.9	44.0	5.4	78.4	43.7	12.7	336.8
Investment in equity accounted investees	–	74.6	92.8	–	–	183.8	–	351.2
Other assets	73.3	24.6	97.1	68.9	22.6	90.0	451.6	828.1
Total assets	**2,034.9**	**1,918.7**	**1,286.3**	**822.3**	**629.0**	**661.4**	**464.3**	**7,816.9**

(€ million)	Netherlands	France	Italy	Spain/ Portugal	Germany	Turkey	Other countr. + not alloc.	Total
Additions to non-current assets	**86.4**	**45.9**	**149.7**	**161.7**	**588.2**	**185.7**	**16.9**	**1,234.5**

2 – GROSS RENTAL INCOME

(€ million)	2011	2010
Theoretical rent	491.3	458.4
Vacancy	-31.0	-28.8
	460.3	**429.6**

The Group leases investment property to third parties on the basis of operating leases. Contingent rental income (turnover rent) amounts to 1.1% of the gross rental income in 2011 (2010: 1.0%).

The maturities of the lease contracts in existence on 31 December (accounted for on the basis of the minimum rent) can be analysed as follows:

(€ million)	2011	2010
First year	75.6	53.4
Second to fifth year	198.1	193.5
More than five years	182.4	186.2

3 – PROPERTY OPERATING EXPENSES

(€ million)	2011	2010
Municipal taxes	9.4	8.2
Insurance	1.0	1.1
Maintenance	3.3	3.9
Property managers' fee	10.6	10.3
Professional fees	2.7	2.7
Promotion and marketing	4.1	2.9
Lease hold	10.7	10.1
Addition to provision for bad debts	9.2	5.8
Other operating expenses	1.0	3.5
	52.0	**48.5**

4 – ADMINISTRATIVE EXPENSES

(€ million)	2011	2010
Salaries	33.2	28.3
Social security charges	6.2	5.1
Contributions to defined contribution plan	3.3	3.4
Net benefit expense for defined benefit plan	0.2	0.8
Other staff costs	10.4	10.1
Office overheads	15.0	14.3
Advice, valuation and audit fees	7.5	7.9
Listing and promotional costs	3.0	2.8
Other administrative expenses	1.5	2.0
Charged to operating expenses	-19.3	-18.0
Charges to property portfolio	-10.3	-9.0
Charged to third parties	-10.6	-8.8
	40.1	**38.9**

In 2011, the Group employed an average of 517 full-time equivalent staff (2010: 451 FTEs). On average, 319 of these were employed outside the Netherlands (2010: 263 FTEs).

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

The administrative expenses include the remuneration of the Management Board (see note 9 to the ‘company financial statements’).

5 – OTHER INCOME AND EXPENSES

(€ million)	2011	2010
Other income	8.1	2.6
Other expenses	-2.6	-18.1
	5.5	**-15.5**

Other income consists mainly of a settlement payment regarding one of our French shopping centre, the success fee regarding one of our Turkish shopping centres and of the negative goodwill for the shopping centre Globo III for € 1.3 million. For more information reference is made to note 29.

6 – NET FINANCE EXPENSE

(€ million)	2011	2010
Finance expense		
Interest expense	134.0	108.7
Net result on hedges		
- Change in fair value of hedging instrument (fair value hedges)	-35.5	32.2
- Change in fair value of hedged items (fair value hedges)	35.5	-32.2
Change in fair value of derivative financial instruments	-0.1	0.1
Net foreign exchange differences	5.3	2.2
Other finance expenses	4.5	2.6
Less: capitalised interest	-14.3	-8.8
	129.4	**104.8**
Finance income		
Interest income	-14.1	-9.6
	-14.1	**-9.6**
	115.3	**95.2**

The net finance expenses increased from € 95.2 million to € 115.3 million due to the increased net debt position and a slight increase in average interest rate. The average rate of interest for the capitalised interest in 2011 was 4.2% (2010: 3.9%).

7 - TAX

(€ million)	2011	2010
Current tax		
Current year	4.3	6.3
	4.3	**6.3**
Deferred tax		
Origination of temporary differences investment		
property and investment property under development	21.2	26.4
Recognition of tax losses	1.5	-3.3
	22.7	**23.1**
	27.0	**29.4**

The temporary differences related to investment property and investment property under development are mainly due to the acquisitions in Italy and the combined effect of positive revaluations and fiscal amortization in Italy and Spain. Recognition of tax losses relates to the increase of loss positions in Spain and Italy and the release in Spain, France, Italy, Turkey and Germany related to the absorption of losses in Germany and booking of allowances for prudency reasons.

EFFECTIVE TAX RATE AND TAX BURDEN

(€ million)	2011		2010	
Net profit before tax		246.4		401.1
Tax at standard Dutch rate	25.0%	61.6	25.5%	102.3
Adjustment for tax rates in other countries	4.4%	10.8	4.7%	18.9
Exempt because of tax status	-23.5%	-57.9	-24.3%	-97.5
Tax exempt income (in non tax exempt countries)	-0.9%	-2.2	-0.8%	-3.1
Non-deductible expenses	2.0%	5.0	1.1%	4.6
Allowances on tax losses carried forward	0.9%	2.3	1.2%	4.8
Reversals of allowances on tax losses carried forward	-0.2%	-0.4	–	–
Tax adjustments due to prior year tax calculations	0.3%	0.7	–	–
Other than corporation tax	2.9%	7.1	0.5%	2.0
Change in tax rate during the year	–	–	-0.6%	-2.6
Tax	**10.9%**	**27.0**	**7.3%**	**29.4**

The 2011 effective tax rate differs from the effective tax rate over 2010, notably due to an increase in “other than corporation tax”. The main differences in this line regard allowances on negative deferred tax liability positions resulting from fair market values lower then tax book value of certain assets mainly in Turkey and Germany and FX results in Turkey. In 2010 the change in tax rate relates to the reduction of the tax rate in Germany from 2011 onwards

8 – INVESTMENT PROPERTY

(€ million)	2011	2010
Balance as at 1 January	6,300.8	5,346.0
Acquisitions	105.2	97.5
Acquisition through business combinations	53.9	710.0
Investments	50.2	34.3
Transfer from property under development	220.2	177.4
Transfer from property, plant & equipment	0.3	-5.4
Transfer from investment in equity accounted investees	–	–
Sales	-128.6	-236.3
Revaluations	21.8	174.0
Other	0.8	3.3
Balance as at 31 December	**6,624.6**	**6,300.8**

The carrying amount of the investment property includes leasehold property. The total prepaid amount in respect of lease hold for 2011 is € 12.2 million (2010: € 12.5 million). The investment properties include € 22.3 million (2010: € 20.1 million) of operating leased property. Revaluations include result on sales of investment property for an amount of € 5.5 million positive (2010: € 6.6 million positive). Investment property on the disposal list as at 31 December 2011 amounts to € 670 million (2010: € 318 million) of which € 20 million (2010: € 28 million) investment property under development.

ESTIMATES

The appraisal of the portfolio implies a net theoretical yield of 6.6% (2010: 6.5%). If the yields used for the appraisals of investment properties on 31 December 2011 had been 100 basis points higher than is currently the case, the value of the investment would decrease with 13.2% (2010: 14.2%). In this situation, the shareholders’ equity would be € 1,016 million lower (2010: € 843 million). The debt ratio in this case rises from 41.0% to 47.7% (2010: 42.1% to 47.8%).

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

SENSITIVITIES OF OPERATIONAL PORTFOLIO VALUE (EXCL EQUITY ACCOUNTED INVESTEES)

Change in Portfolio Value (in%)		Change in Yield		
		50 base points	100 base points	150 base points
	6.6%	7.1%	7.6%	8.1%
Change in NTRI		-7.0%	-13.2%	-18.5%
-5%	-5%	-11.7%	-17.5%	-22.6%
-10%	-10%	-16.3%	-21.8%	-26.7%
-15%	-15%	-21.0%	-26.2%	-30.7%
effect on increase in yield only	effect on increase in NTRI only	combination of yield and NTRI increase		

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

SECURITY

As at 31 December 2011, loans for notional amounts of € 542.7 million (2010: € 609.2 million) have been secured by mortgaging properties with a carrying amount of € 1,461.9 million (2010: € 1,196.6 million). In 2011, the cover ratio (amount of mortgage loans/carrying amount of property) was 37.1% (2010: 50.9%).

9 – INVESTMENT PROPERTY UNDER DEVELOPMENT

(€ million)	2011	2010
Balance as at 1 January	336.8	194.5
Acquisitions	64.5	212.7
Investments	271.5	107.9
Transfer to investment portfolio	-220.2	-177.4
Capitalised interest	14.3	8.8
Sales	-7.7	-0.1
Revaluations	-19.2	-9.6
Other	–	–
Balance as at 31 December	**440.0**	**336.8**

The acquisition of € 64.5 million relates to a project in Germany. The investments consist of several projects in the Netherlands and Germany. Main investments in 2010 relate to a project in Germany (€ 30.4 million) and Nailloux Fashion Village in Toulouse (€ 27.9 million). This portfolio is mainly related to the fixed committed pipeline with estimated net market yields varying from 5.5% to 8.0%.

10 – INVESTMENTS IN EQUITY ACCOUNTED INVESTEES

(€ million)	2011	2010
Investment in associates		
Balance as at 1 January	183.8	175.0
Acquisitions/sales	–	–
Dividends received	–	-7.4
Share of results	-0.8	1.9
Exchange differences	5.3	14.3
Balance as at 31 December	**188.3**	**183.8**
Interests in joint ventures		
Balance as at 1 January	167.4	119.6
Acquisitions/sales	–	30.0
Reclassification due change in accounting policy for joint ventures	–	1.1
Dividends received	–	-2.6
Share of results	6.2	19.3
Exchange differences	–	–
Balance as at 31 December	**173.6**	**167.4**
Balance as at 31 December	**361.9**	**351.2**

The investments in equity accounted investees consists of the associate Akmerkez and the joint ventures.
Summarised financial information for the equity accounted investees as at year-end 2011 and 2010:

INVESTMENT IN ASSOCIATE:

(€ million)	2011		2010	
	100%	Corio share	100%	Corio share
Assets	403.4	189.4	406.0	190.5
Liabilities	-2.5	-1.1	-14.1	-6.7
Net assets	**400.9**	**188.3**	**391.9**	**183.8**
Gross rental income	28.9	13.6	27.6	13.0
Expenses (including financing income)	-10.8	-5.1	-11.0	-5.2
Revaluations	-19.8	-9.3	-12.5	-5.9
Result	**-1.7**	**-0.8**	**4.1**	**1.9**

On 31 December 2011, the market capitalisation of Akmerkez (46.9%) is € 120.9 million (2010: € 256.7 million). The carrying amount of Akmerkez is € 188.3 million (2010: € 183.8 million). Based on the external valuation of the property and the fact that the liquidity of the shares of Akmerkez on the local stock exchange is low, the lower market capitalisation of Akmerkez does not trigger an impairment.

INTEREST IN JOINT VENTURES:

	2011	2010
International Shopping Centre Investment S.A. (Porta di Roma)	50.00%	50.00%
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)	2011	2010
Non-current assets	415.5	417.1
Current assets	52.5	25.3
	468.0	**442.4**
Non-current liabilities	277.5	257.2
Current liabilities	27.2	28.1
	304.7	**285.3**
Net rental income	26.6	18.9
Revaluation	-6.2	10.0
Other expenses	-14.2	-9.6
Net result for the year	**6.2**	**19.3**

Corio's share in 2011 in the equity of the joint ventures amounts to € 163.3 million (assets € 468.0 million minus liabilities € 304.7 million).
In line withe the change in accounting policies, the goodwill of C.C.D.F. Spa of € 10.3 million is added to the equity value of the joint ventures resulting in a total investment of € 173.6 million.

11 – OTHER PROPERTY RELATED INVESTMENTS

(€ million)	2011	2010
Other property related investments, non-current	170.8	165.1
Other property related investments, current	0.4	47.3

Other property related investments, comprises of loans and receivables. The loans and receivables under 'other investments, non-current' relates to financing provided to the seller for their remaining non-controlling interest in certain acquired German subsidiaries (interest 12 months Euribor plus 200 basis points, secured by a pledge on the shares), alone provided for a turnkey project (interest 8.0%, not yet secured) and 50% of the financing to the joint venture International Shopping Centre Investment S.A. (Porta di Roma) (interest 5.0%, not secured). The loans and receivables under 'other investments, current' are decreased as a result of the delivery of the turnkey development projects in the Netherlands.

12 – DERIVATIVE FINANCIAL INSTRUMENTS

(€ million)	2011	2010
Derivative financial instruments, assets		
Derivative financial instruments, non-current assets	31.1	20.6
Derivative financial instruments, current assets	1.0	0.5
Derivative financial instruments, liabilities		
Derivative financial instruments, non-current liabilities	31.8	60.5
Derivative financial instruments, current liabilities	2.1	8.2

The derivative financial instruments represent the fair value of the derivatives, mainly swaps.

13 – INTANGIBLE ASSETS

(€ million)	2011	2010
Goodwill		
Gross amount as at 1 January	**78.4**	**62.7**
Acquisitions through business combinations	–	15.7
Gross amount as at 31 December	**78.4**	**78.4**
Accumulated impairments as at 1 January	**-15.9**	**-13.1**
Impairment of goodwill	-4.1	-2.8
Accumulated impairments as at 31 December	**-20.0**	**-15.9**
Carrying amount goodwill	**58.4**	**62.5**
Other Intangible assets		
Cost as at 1 January	**17.8**	**14.2**
Acquired/divested software	4.4	3.6
Impairment of Intangible assets	-4.0	–
Transfer from property, plant and equipment	-0.1	0.0
Cost as at 31 December	**18.1**	**17.8**
Accumulated amortisation as at 1 January	**-12.2**	**-11.2**
Acquired/divested software	0.3	0.2
Transfer from depreciation property, plant and equipment	–	–
Amortisation charge for the year	-1.7	-1.2
Accumulated amortisation 31 December	**-13.6**	**-12.2**
Carrying amounts other intangible assets	**4.5**	**5.6**
Balance as at 31 December	**62.9**	**68.1**

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 27). The impairment of the intangible assets is the result of the decision not to continue the implementation of the new real estate management system in a number of countries.

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

(€ million)	1 January 2011			Movements 2011		31 December 2011		
Cash-generating unit	Gross amount	Accumulated impairments	Carrying amount	Additions	Impairments	Gross amount	Accumulated impairments	Carrying amount
Odisea (Maremagnum) Spain	21.6	-7.7	13.9	–	–	21.6	-7.7	13.9
Comes Srl (Marcianise) Italy	20.1	–	20.1	–	–	20.1	–	20.1
TIM Trakya Is Merkezi Yatirim ve Ticaret AS (Tekira) Turkey	6.4	-0.6	5.8	-	-	6.4	-0.6	5.8
Tan Gayrimenkul Yatrimi Insaat Turizm Pazarlama ve Ticaret AS (Teras Park) Turkey	7.5	-7.0	0.5	–	-0.5	7.5	-7.5	–
Príncipe Pío Gestion SA (Príncipe Pío Gestion) Spain	10.7	–	10.7	–	–	10.7	–	10.7
Shopping centre Forum Duisburg, Germany	5.8	–	5.8	–	–	5.8	–	5.8
Shopping centre Centrum Galerie Dresden, Germany	2.9	–	2.9	–	-2.9	2.9	-2.9	–
Shopping centre Espaço Guimarães, Portugal	3.1	-0.6	2.5	–	-0.7	3.1	-1.3	1.8
Goodwill related to tax liabilities	**78.1**	**-15.9**	**62.2**	**–**	**-4.1**	**78.1**	**-20.0**	**58.1**
Other Goodwill	0.3	–	0.3	–	–	0.3	–	0.3
Total Goodwill	**78.4**	**-15.9**	**62.5**	**-**	**-4.1**	**78.4**	**-20.0**	**58.4**

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

(€ million) Cash-generating unit	Goodwill before impairment	Carrying value investment property	Deferred tax liabilities	Total carrying amounts	Fair value investment property	Fair value deferred tax liabilities	Total fair value	Impairment charge
Odisea (Maremagnum) Spain	13.9	124.9	-24.7	114.1	124.9	–	124.9	–
Comes Srl (Marcianise) Italy	20.1	297.2	-45.3	272.0	297.2	–	297.2	–
TIM Trakya Is Merkezi Yatirim ve Ticaret AS (Tekira) Turkey	5.8	71.7	-6.7	70.7	71.7	–	71.7	–
Tan Gayrimenkul Yatrimi Insaat Turizm Pazarlama ve Ticaret AS (Teras Park) Turkey	0.5	23.7	-0.4	23.8	23.7	–	23.7	-0.5
Príncipe Pío Gestion SA (Príncipe Pío Gestion) Spain	10.7	166.6	-27.3	150.1	166.6	–	166.6	–
Shopping centre Forum Duisburg, Germany	5.8	241.6	-9.2	238.2	241.6	–	241.6	–
Shopping centre Centrum Galerie Dresden, Germany	2.9	241.4	-	244.3	241.4	–	241.4	-2.9
Shopping centre Espaço Guimarães, Portugal	2.5	81.8	-2.0	82.3	81.8	–	81.8	-0.7
Goodwill related to tax liabilities	**62.2**	**1,248.9**	**-115.6**	**1,195.6**	**1,248.9**	**–**	**1,248.9**	**-4.1**

The carrying values / fair values of the cash-generating units (the investment properties) are based on net initial yields varying from 5.5% to 8.8%. The carrying amounts of deferred tax liabilities are depending on the country tax rates applied to the difference between the fair value and the tax book values of these cash-generating units. If the yields used for the appraisals of investment properties on 31 December 2011 had been 100 basis points higher than is currently the case, this would have caused higher impairment amounts for the following cash-generating units:

- TIM Trakya Is Merkezi Yatirim ve Ticaret AS (Tekira) Turkey: higher impairment € 0.6 million
- Shopping centre Forum Duisburg, Germany: higher impairment € 2.1 million
- Shopping centre Espaço Guimarães, Portugal: higher impairment € 1.8 million

14 – PROPERTY, PLANT AND EQUIPMENT

(€ million)	2011	2010
Cost		
Balance as at 1 January	33.2	21.2
Investments/divestments	0.7	13.4
Acquisitions	–	0.2
Transfer	-0.5	-1.6
Balance as at 31 December	**33.4**	**33.2**
Depreciation and impairment		
Balance as at 1 January	-10.2	-15.6
Investments/divestments	3.4	0.4
Acquisitions	–	-0.1
Depreciation charge for the year	-3.3	-1.9
Transfer	0.2	7.0
Balance as at 31 December	**-9.9**	**-10.2**
Carrying amount		
As at 1 January	23.0	5.6
As at 31 December	23.5	23.0

15 – DEFERRED TAX

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

(€ million)	Assets		Liabilities		Total	
	2011	2010	2011	2010	2011	2010
Investment property and investment property under development			309.4	287.1	309.4	287.1
Tax losses	22.5	23.9			-22.5	-23.9
Balance as at 31 December					**287.0**	**263.2**

Movements in deferred tax

(€ million)	2011	2010
Balance as at 1 January	263.2	221.8
Movement arising from revaluations	21.2	26.4
Movement arising from acquisitions through business combinations	1.1	18.3
Deferred tax assets credited/charged to the income statement	1.5	-3.3
Balance as at 31 December	**287.0**	**263.2**

Movements arising from revaluations are recognised through profit or loss. All tax losses that are expected to be utilised within the local statutory period for loss compensation have been recognised. Deferred tax assets have not been recognised in respect of tax losses totalling € 10.5 million (2010: € 12.0 million). The deferred tax assets have a long term nature. The deferred tax liabilities are in general long term, only the deferred tax liabilities related to the investment property on the disposal list (€ 1.5 million) is short term.

16 – OTHER NON-CURRENT RECEIVABLES

(€ million)	2011	2010
Other non-current receivables	21.8	28.2
Balance as at 31 December	**21.8**	**28.2**

This item mainly relates to reclaimable VAT.

17 – TRADE AND OTHER RECEIVABLES

(€ million)	2011	2010
Trade receivables	46.0	37.7
Tax and social security	40.0	44.8
Advance payments on development projects	35.4	22.4
Other receivables	55.0	53.1
Balance as at 31 December	**176.4**	**158.0**

The tax item mainly concerns reclaimable VAT.
See note 26 for more information on the Group's financial risks.

18 – CASH AND CASH EQUIVALENTS

(€ million)	2011	2010
Bank balances	21.6	201.2
Call deposits	2.5	92.0
Cash	0.2	0.2
Balance as at 31 December	**24.3**	**293.4**

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 2011, 92,291,961 shares were issued (31 December 2010: 91,002,947). The number of shares issued increased due to stock dividend on 19 May 2011 (1,289,014). The shareholders are entitled to receive the dividends declared in the second quarter of the year and are entitled to cast one vote per share at meetings of the Company.

SHARE PREMIUM

Share premium consists of capital paid on shares in excess of the nominal value. For tax reasons a total of € 1,084.7 million (2010: € 1,097.7 million) is recognised as share premium and can in certain circumstances be distributed tax-free.

(€ million)	2011	2010
Balance as at 1 January	1,477.8	1,039.7
Issue of shares	–	451.2
Dividend paid	-61.5	-53.8
Issue of shares due to stock dividend	48.5	40.7
Balance as at 31 December	**1,464.8**	**1,477.8**

REVALUATION RESERVE

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

ASSOCIATES RESERVE

This reserve comprises the retained earnings of associates.

HEDGE RESERVE

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

TRANSLATION RESERVE

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

RESULT APPROPRIATION

The dividend proposal for 2011 is € 254.7 million (2010: € 244.8 million) which is € 2.76 per share (2010: € 2.69). This dividend proposal has not been recognised in the financial statements.
The dividend for 2011 may be taken in cash or in shares. Of the dividend for 2010 € 61.5 million was paid out in stock and € 183.3 million in cash. The objective of Corio's dividend policy is to at least 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.

An amount of € 1,414.1 million (2010: € 1,275.3 million) relates to non-distributable reserves. The non-distributable reserves are the revaluation reserve and the associates reserve.

20 – EARNINGS PER SHARE

NET RESULT PER ORDINARY SHARE

The calculation of earnings per share as at 31 December 2011 is based on the net result for the period which is attributable to the shareholders, amounting to € 218.2 million (2010: € 375.7 million), and the weighted average number of shares in issue during the year-ended 31 December 2011, calculated as follows:

	2011	2010
Net result attributable to shareholders (€ million)	218.2	375.7
Weighted average number of ordinary shares	91,804,608	87,254,228
Earnings per share (€)	2.38	4.31

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

21 – LOANS AND BORROWINGS

This note gives information on the contractual conditions of the Group's loans and borrowings. See note 24 for more information on the Group's interest rate and currency risks and note 8 for secured loans.

(€ million)	2011	2010
Long-term		
Mortgaged bank loans	498.0	407.8
Other loans	1,500.4	1,531.4
Bonds	748.4	720.6
	2,746.8	**2,659.8**
Short-term		
Mortgaged bank loans	44.8	201.4
Other loans	363.9	156.6
	408.6	**358.0**
	3,155.4	**3,017.8**

22 - EMPLOYEE BENEFITS

PENSION PLAN

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

(€ million)	2011 Liabilities	2010 Liabilities
Present value of funded obligations	8.2	8.0
Fair value of plan assets	-6.4	-6.0
Present value of net obligations	**1.8**	**2.0**
Unrecognised actuarial gains and losses	-0.6	-0.8
Recognised liability for defined benefit obligations	**1.2**	**1.2**

Corio has predominantly a limited number of plans with defined benefit elements. 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 2011, the contributions to ABP concerning the pension plan were € 0.2 million (2010: € 0.2 million). The defined benefit plan that is included in the employee benefit calculation is the Dutch plan that ended in 1995.

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 present value of net obligations were as follows :

(€ million)	2011	2010
Present value of funded obligations		
As at 1 January	8.0	7.0
Interest cost	0.4	0.3
Benefits paid	-0.5	-0.4
Actuarial gains and losses	0.3	1.1
As at 31 December	**8.2**	**8.0**
Fair value of plan assets		
As at 1 January	6.0	6.2
Employer contributions	0.2	0.2
Benefits paid	-0.5	-0.4
Expected return on plan assets	0.2	0.2
Actuarial gains and losses	0.5	-0.2
As at 31 December	**6.4**	**6.0**

NET BENEFIT EXPENSE

(€ million)	2011	2010
Current service costs	–	–
Interest cost	0.4	0.3
Expected return on plan assets	-0.2	-0.2
Actuarial gain/loss subject to amortisation	–	0.7
Total net benefit expense included in administrative expenses	**0.2**	**0.8**

PRINCIPAL ACTUARIAL ASSUMPTIONS AT THE REPORTING DATE

expressed as weight averages	2011 Liabilities	2010 Liabilities
Discount rate as at 31 December	4.3%	4.7%
Expected return on plan assets as at 31 December	3.3%	3.5%
Future salary increases per annum	n/a	n/a
Future pension increases per annum	2.0%	2.0%

Projected mortality tables 2010-2060 are used including reduction factors that are taken from the ES-P2A tables. The discount rate used is based upon an AA corporate bond yield curve approach. This yield curve uses data from AA rate iBoxx bond indices produced by the International Index Company

23 – PROVISIONS

(€ million)	2011	2010
Balance as at 1 January	2.2	1.9
Provisions made during the year	0.3	0.5
Provisions utilised during the year	-0.1	–
Provisions released during the year	-0.2	-0.2
Balance as at 31 December	**2.2**	**2.2**
Long term	2.2	2.2
Short term	–	–

The provisions relate mainly to legal disputes and personnel indemnities.

24 – OTHER NON-CURRENT PAYABLES

(€ million)	2011	2010
Other non-current payables	34.4	33.7
Balance as at 31 December	**34.4**	**33.7**

This item relates to security deposits longer than one year.

25 – TRADE AND OTHER PAYABLES

(€ million)	2011	2010
Trade and other payables, current		
Taxes and social security	24.5	21.6
Rent invoiced in advance	8.9	11.0
Security deposits	2.5	2.5
Interest payable	45.9	33.2
Accruals	40.3	28.9
Other payables	48.3	66.9
Balance as at 31 December	**170.4**	**164.1**

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

26 – FINANCIAL INSTRUMENTS

FINANCIAL RISKS

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

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

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

CREDIT RISK

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

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

During the year 2011, Corio has enhanced its counterparty risk policy for treasury related transactions. Corio has defined credit limits for counterparty risk exposures arising from cash, deposits and derivative financial instruments. Limits have been determined per credit rating scale for individual counterparties and cumulatively for all counterparties within a credit rating scale. Financial transactions are only entered into with financial institutions having a credit rating of at least A- (Standard & Poor’s and Fitch) or A3 (Moody’s). If there is a deviation in the rating for a counterparty provided by the rating agencies, the most conservative credit rating prevails. Furthermore, Corio has defined credit limits for counterparties which have provided revolving credit facilities, as a counterparty default would cause Corio’s liquidity risk to increase. These limits have been determined per credit rating scale for individual counterparties and the minimum credit rating is set at BBB+ (Standard & Poor’s and Fitch) or Baa1 (Moody’s). Exposures are monitored on a continuous basis.

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

(€ million)	Note	2011	2010
Loans and receivables (excluding taxes)	11,17	307.6	325.6
Derivative financial instruments (assets)	12	32.1	21.1
Cash and cash equivalents	18	24.3	293.4
		364.0	**640.1**

The loans and receivables line includes an amount of € 15.2 million relating to financing provided to the seller for their remaining non-controlling interest in certain acquired German subsidiaries and € 69.1 million for financing of the turnkey development projects with several developers in Germany, for which security will be provided by the borrowers in the form of a pledge of the retained shares and mortgages respectively. A loan to the joint venture International Shopping Centre Investment S.A. (Porta di Roma) is not secured as this is regarded financing of our own shopping centre. The joint venture partner provided an equal loan.

The ageing analysis of the trade receivables is as follows:

(€ million)	2011		2010	
	Gross	Provision	Gross	Provision
Not due	18.8	–	14.5	–
Overdue by 0-60 days	8.2	1.3	8.4	1.7
Overdue by between 61 days and one year	21.5	8.7	15.4	5.8
Overdue by more than one year	19.4	11.9	14.3	7.4
	67.9	**21.9**	**52.6**	**14.9**

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

(€ million)	2011	2010
Balance as at 1 January	14.9	10.9
Acquisition	–	2.6
Added	11.0	7.0
Use of provision	-2.2	-4.3
Release	-1.8	-1.3
Balance as at 31 December	**21.9**	**14.9**

The bad debt provision is used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible. At that point the amounts are considered irrecoverable and are written off against the financial asset directly. With respect to the accounts receivable, the Group holds guarantee deposits from its tenants totalling € 36.9 million (2010: € 36.2 million) in addition to bank guarantees.

LIQUIDITY RISK

Managing the liquidity risk involves ensuring the availability of adequate credit facilities. The greater part of the Group's finance is provided by two US private placements, bonds, a long-term revolving credit facility and by mortgages and other loans. In 2010, Corio has been assigned credit ratings by Standard & Poor's (BBB+) and Moody's (Baa1) with a stable outlook to maintain a capital structure that supports this.

Fluctuations in the liquidity requirement are accommodated by means of several revolving credit facilities of in total € 855 million, all contracted in 2011, of which € 780 million expire in 2016 and € 75 million in 2014. As at year-end 2011, borrowing under the facility stood at € 315 million (2010: € nil million). The interest and repayment obligations for 2012 and 2013 are guaranteed by means of the available facilities. Existing investment commitments are partly financed with disposals. The group aims to have sufficient financing available to cover net committed cash flow at least 18 months ahead. As at year-end 2011, the average maturity of the finance arrangements was 5.1 years (2010: 6.1 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. At year-end 2011, the interest cover ratio was 3.3 (2010: 3.7). Corio must also meet leverage requirements: the total amount of borrowings may not exceed 55% of the total assets less goodwill. At year-end 2011, the leverage was 41.0% (2010: 40.5%). During the period, the Group did not breach any of its loan covenants, nor did it default on any other of its obligations under its loan agreements.

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. It is Corio's policy to have a minimum headroom (sum of unused committed credit facilities, cash and cash equivalents less negative bank balances managed at group level, less drawing on uncommitted facilities, less fair value of foreign exchange swaps/forwards) enough to cover 100% of the committed net cash flows for the coming 18 months. At year-end 2011, the headroom was € 549 million (2010: € 879 million).

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

2011 (€ million)	Carrying amount	2012	2013	2014	2015	2016	>2016
Loans and borrowings	-3,155.4	-183.1	-455.0	-480.7	-292.6	-446.3	-1,752.1
Financial derivatives	-33.9						
- Cash inflows		73.3	65.6	410.5	43.5	43.4	590.7
- Cash outflows		-64.9	-57.2	-417.0	-38.8	-40.0	-601.1
Other current liabilities	-48.4	–	–	–	–	–	–
Total	**-3,237.7**	**-174.7**	**-436.6**	**-487.2**	**-287.9**	**-442.9**	**-1,762.5**
2010 (€ million)	Carrying amount	2011	2012	2013	2014	2015	>2015
Loans and borrowings	-3,017.9	-477.8	-181.9	-415.4	-491.5	-298.0	-2,145.9
Financial derivatives	-68.7						
- Cash inflows		244.4	72.4	71.0	406.7	47.0	624.9
- Cash outflows		-250.6	-64.7	-68.8	-431.2	-53.9	-669.8
Other current liabilities	-66.9	-66.9	–	–	–	–	–
Total	**-3,153.5**	**-550.9**	**-174.2**	**-413.2**	**-516.0**	**-304.9**	**-2,190.8**

CURRENCY RISK

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

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

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

(€ million)	2011			2010		
	USD	GBP	TRY	USD	GBP	TRY
Loans and borrowings	-989.3	-67.0	–	-1,062.7	-65.1	–
Cash and cash equivalents	0.3	–	–	1.1	–	–
Loans and receivables	–	–	–	–	–	–
Balance sheet exposure, gross	-989.0	-67.0	–	-1,061.6	-65.1	–
Cross-currency swaps	842.4	67.0	–	920.5	65.1	–
Currency swaps	-62.6	–	–	-61.1	–	–
Net position	**-209.2**	**–**	**–**	**-202.2**	–	–

SENSITIVITY ANALYSIS

Corio's currency risk derives from its investments in Akmerkez and Adacenter. The value of these investments is USD 295.5 million (2010: USD 292.8 million). These investments are hedged by a USD 190 million (2010: USD 190 million) loan and by currency swap contracts for an amount of USD 81 million (2010: USD 81 million). A 10% depreciation of the USD against the EUR would have resulted in a loss on the investment of € 20.8 million (2010: € 19.9 million) and a gain on the related hedging instruments thereon of € 19.0 million (2010: € 18.4 million) in other comprehensive income. A 10% appreciation of the USD against the EUR would have resulted in a gain on the investment of € 22.8 million (2010: € 21.9 million) and a loss on the related hedging instruments thereon of € 20.9 million (2010: € 20.3 million) in other comprehensive income. The balance of these amounts will affect equity. A depreciation or appreciation of the USD, GBP or TRY will not affect profit or loss.

INTEREST RATE RISK

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

2011 (€ million)	Fixed rate	Floating rate	Total
Short-term loans	–	40.5	40.5
Long-term loans	1,995.0	1,087.4	3,082.4
Total	**1,995.0**	**1,127.9**	**3,122.9**
% of total	64%	36%	100%
2010 (€ million)	Fixed rate	Floating rate	Total
Short-term loans	–	36.1	36.1
Long-term loans	1,791.2	956.4	2,747.6
Total	**1,791.2**	**992.5**	**2,783.7**
% of total	64%	36%	100%

The notional amount of the loans and borrowings is stated at the hedged foreign exchange rates. The cash surplus available at corporate level (2011: € 8.5 million; 2010: € 279.1 million) is deducted from the loan portfolio.

According to Corio's interest rate risk policy, fixed debt with a maturity of less than one year is considered as floating debt. Furthermore, a portion of floating debt is labelled as short term financing of Corio's yearly dividend payments in the second quarter. This results in a fixed part of the loan portfolio as at 31 December 2011 of 64% (31 December 2010: 64%).

SENSITIVITY ANALYSIS

An immediate increase of 1 percentage point in the variable interest rate as at 31 December 2011 would increase the theoretical interest expense for 2012 by € 9.7 million (31 December 2010: € 11.5 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 for 2012 would increase by € 5.2 million (31 December 2010: € 5.9 million). These calculations take into account interest rate swap transactions. The sensitivity to changes in the variable interest rate in 2012 is reduced by using short-term interest rate swaps and by fixing part of the variable interest rate at year-end 2011.

An immediate increase of 1 percentage point in the interest rates as at 31 December 2011 would have an impact on the fair value of derivative financial instruments used in cash flow hedge relationships. As a result, the amount in the hedge reserve would have increased by € 8.2 million (31 December 2010: increase € 9.0 million).

CAPITAL MANAGEMENT

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

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

HEDGE ACCOUNTING

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

Corio uses the following types of hedges:

- Cash flow hedges used to hedge the risk on future foreign currency cash flows and floating interest rate cash flows;
- Fair value hedges used to convert the foreign currency and euro fixed interest rate on financial liabilities into a euro floating interest rate;
- Net investment hedges used to hedge the investment value of our foreign operations.

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

2011 (€ million)	Risks being hedged	Face value	Fair value assets	Fair value liabilities
Cash flow hedge accounting				
Cross currency interest rate swaps	Currency	798.4	23.2	-27.2
Interest rate swaps	Interest	656.6	1.1	-3.7
Fair value hedge accounting				
Cross currency interest rate swaps	Currency, interest	7.2	–	-1.0
Interest rate swaps	Interest	500.0	7.8	–
Hedge of net investment in foreign operation				
Loans and borrowings in currency *	Currency	146.8	–	–
Foreign exchange forwards/swaps	Currency	62.6	–	-2.0
No hedge accounting				
Foreign exchange forwards/swaps	Currency	–	–	–
Interest rate swaps	Interest	–	–	–
		2,171.6	**32.1**	**-33.9**
2010 (€ million)	Risks being hedged	Face value	Fair value assets	Fair value liabilities
Cash flow hedge accounting				
Cross currency interest rate swaps	Currency	903.8	18.8	-27.1
Interest rate swaps	Interest	507.4	1.9	-6.0
Fair value hedge accounting				
Cross currency interest rate swaps	Currency, interest	81.8	–	-5.8
Interest rate swaps	Interest	700.0	–	-29.5
Hedge of net investment in foreign operation				
Loans and borrowings in currency *	Currency	142.2	–	–
Foreign exchange forwards/swaps	Currency	60.6	0.2	-0.2
No hedge accounting				
Foreign exchange forwards/swaps	Currency	7.7	0.2	-0.1
		2,403.5	**21.1**	**-68.7**

* Fair values include derivative financial instruments only.

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

2011 (€ million)	Sum of cash flows	2012	2013	2014	2015	2016	>2016
Interest cash inflows							
- Foreign currency interest		50.6	50.4	46.9	30.9	30.8	33.6
- Floating interest		9.6	2.3	-	-	-	–
Interest cash outflows		-53.5	-50.6	-41.3	-27.3	-27.4	-29.4
Net cash flows impact on profit or loss	**25.6**	**6.7**	**2.1**	**5.6**	**3.6**	**3.4**	**4.2**
Foreign currency notional cash inflows		-	–	343.5	-	–	544.3
Notional cash outflows		-	–	-358.0	-	–	-561.2
Net foreign currency impact on hedged loans	**-31.4**	**-**	**–**	**-14.5**	**-**	**–**	**-16.9**
Net cash flows of hedging instruments	**-5.8**	**6.7**	**2.1**	**-8.9**	**3.6**	**3.4**	**-12.7**
2010 (€ million)	Sum of cash flows	2011	2012	2013	2014	2015	>2015
Interest cash inflows							
- Foreign currency interest		50.7	49.2	49.3	46.0	30.1	62.2
- Floating interest		6.5	5.9	4.6	–	–	-
Interest cash outflows		-54.8	-51.2	-49.2	-41.3	-27.3	-56.8
Net cash flows impact on profit or loss	**23.8**	**2.4**	**3.9**	**4.7**	**4.7**	**2.8**	**5.4**
Foreign currency notional cash inflows		30.0	–	–	336.7	–	524.5
Notional cash outflows		-32.5	–	–	-358.0	–	-561.2
Net foreign currency impact on hedged loans	**-60.6**	**-2.5**	**–**	**–**	**-21.3**	**–**	**-36.7**
Net cash flows of hedging instruments	**-36.8**	**-0.2**	**3.9**	**4.7**	**-16.6**	**2.8**	**-31.3**

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	2011		2010	
		Carrying amount	Fair value	Carrying amount	Fair value
Loans and receivables (excluding taxes)	11,17	307.6	307.6	325.6	325.6
Derivative financial instruments (assets)	12	32.1	32.1	21.1	21.1
Cash and cash equivalents	18	24.3	24.3	293.4	293.4
Loans and borrowings	21	-3,155.4	-3,196.2	-3,017.9	-3,121.5
Derivative financial instruments (liabilities)	12	-33.9	-33.9	-68.7	-68.7
Other payables excluding taxes	24, 25	-180.3	-180.3	-176.1	-176.1
		-3,005.6	**-3,046.4**	**-2,622.6**	**-2,726.2**

The fair value of the loans and borrowings, as well as the derivative financial instruments are measured on the basis of the swap yield curve at year-end plus (only for loans and borrowings) credit spreads applicable to the Group. The fair value of non-current loans and receivables are measured on the basis of the swap yield curve at year-end plus credit spreads applicable to the counterparties. All other items of the statement of financial position are short-term and therefore their fair value equals the carrying amount.

FAIR VALUE HIERARCHIES

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

- Level 1 Financial instruments, whose fair value is based on quoted prices in active markets for identical assets or liabilities, are not applicable for Corio.
- Level 2 Financial instruments whose fair value is based on a valuation technique whose inputs include only observable market data, either directly (i.e., as prices) or indirectly (i.e., derived from prices). The derivatives, with assets totalling € 32.1 million (2010: € 21.1 million) and liabilities of € 33.9 million (2010: € 68.7 million) are categorised at level 2.
- Level 3 Financial instruments, whose fair value is determined in whole or in part using a valuation technique based on assumptions that are not based on available observable market data, are not applicable for Corio.

In 2011 there were no transfers between level 1, level 2 and level 3.

27 – CONTINGENT LIABILITIES

As at 31 December 2011, Corio's total future pipeline commitments were € 696.7 million (2010: € 1,001.7 million). These pipeline commitments are made up as follows:

INVESTMENT COMMITMENTS

(€ million)	2011	2010
First year	398.0	387.1
Second to fourth year	298.7	614.6
Fifth year and more	–	–

Minimum lease commitments totalling € 386.8 million (2010: € 398.9 million), mainly related to ground leases, are made up as follows:

LEASE COMMITMENTS

(€ million)	2011	2010
First year	12.1	11.7
Second to fourth year	34.2	34.1
Fifth year and more	340.5	353.1

Guarantees totalling € 88.0 million (2010: € 181.0 million) have been granted for other possible acquisitions.

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

28 – RELATED PARTIES

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

Members and close family members of the Supervisory Board and Management Board do not have any material interest in Corio's voting shares and do not have options on the shares. In 2011 one of the Management Board members (B.A. van der Klift) purchased Eurobonds with a nominal value of € 30,000 which were placed by the company at an 4.625% interest rate in October 2010. 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 2011 was € 2.0 million (2010: € 1.9 million). For more information on the remuneration we refer to note 9 of the 'company financial statements' Pursuant to the Dutch Authority on Financial Supervision, the members of the Supervisory Board and Management Board of Corio report that they held no personal interest in the Company's investments in 2011.

To the best of Corio's knowledge, ABP is the only shareholder which can be considered a related party within the meaning of the Decree on the Supervision of the Conduct of Financial Undertakings (under the WFT) in that it holds more than 20% of the voting rights conferred by Corio shares. Per 31 December 2011, ABP holds approximately 32.3% of the Corio shares. ABP acts as pension fund provider for a number of employees. In 2010 this agreement was extended by five years. The pension contributions are determined according to the ABP retirement plans. In 2011 these contributions amounted to € 0.9 million (2010: € 0.4 million). In 2009 Corio contracted a floating-rate inflation linked loan of € 200 million for seven years from a subsidiary of ABP. The balance of this loan as per 31 December 2011 amounts to € 209.4 million and the interest expense for the year then ended amounts to € 11.0 million. As per 31 December 2011 Corio has a loan receivable of € 86 million towards its joint venture International Shopping Centre Investment S.A. (Porta di Roma). An amount of € 4.3 million is received as interest income on this loan.

29 - BUSINESS COMBINATIONS

SUMMARY OF THE MOST IMPORTANT ACQUISITIONS IN 2011

(€ million) Company name	Acquisition date	Interest	Consideration	Goodwill
Shopping centre Globo III, Busnago	3 January 2011	100%	46.8	-1.3
Total			**46.8**	**-1.3**

This acquisition is the result of Corio's objective to expand in existing markets if a shopping centre fits in Corio's strategy. Control is obtained by acquiring the majority of the shares resulting in a majority of the voting power in this company.

The acquisition of shopping centre Globo III resulted in a negative goodwill. This amount has been included in 'other income'. The negative goodwill is caused by the fact that the net initial yield of 6.3% at which Corio acquired this shopping centre was agreed upon with the seller in a preliminary agreement dated 9 December 2008 and the current market yield is lower.

SUMMARY OF THE SALES AND RESULT FOR THE FULL YEAR 2011

(€ million) Company name	Sales	Result
Shopping centre Globo III, Busnago	3.5	3.4

SUMMARY OF THE SALES AND RESULT AS FROM DATE OF ACQUISITION 2011

(€ million) Company name	Sales	Result
Shopping centre Globo III, Busnago	3.5	3.4

SUMMARY OF RECOGNISED AMOUNTS

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

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

2011 (€ million)	Carrying amount	Fair value adjustment	Recognised amount
Investment property	48.8	5.1	53.9
Deferred tax assets	0.3	-0.3	–
Trade and other receivables	1.1	–	1.1
Cash and cash equivalents	2.7	–	2.7
Deferred tax liabilities	–	-1.1	-1.1
Other payables (current)	-5.0	-3.4	-8.4
Net assets and liabilities (Equity)			**48.2**
Non-controlling interest			
Equity	**47.9**	**0.2**	**48.2**
Negative goodwill (income statement)			**-1.3**
Consideration			**46.8**

The trade and other receivables comprise gross contractual amounts due of € 1.1 million, of which nil was expected to be uncollectible at the acquisition date. The consideration is fully paid with cash.

SUMMARY OF THE MOST IMPORTANT ACQUISITIONS IN 2010

(€ million) Company name	Acquisition date	Interest	Consideration*	Goodwill*
Shopping centre Forum Duisburg, Duisburg	31 March 2010	95%	63.0	5.8
Shopping centre Centrum Galerie Dresden, Dresden	31 March 2010	95%	82.6	2.9
Shopping centre Espaço Guimarães, Guimarães	16 April 2010	100%	19.7	3.1
Shopping centre Le Vele/Millennium, Cagliari	19 March 2010	100%	54.7	-2.6
Shopping centre Porta di Roma	30 April 2010	50%	30.0	7.2
Total			**250.0**	**16.4**

* Preliminary figures upon finalisation of the consideration calculation.

These acquisitions are the result of Corio's objective to open a new home market and to expand in existing markets if a shopping centre fits in Corio's strategy. Control is obtained by acquiring the majority of the shares resulting in a majority of the voting power in these companies.

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. None of the goodwill is expected to be deductible for income tax purposes.

The acquisition of shopping centre Le Vele/Millennium resulted in a negative goodwill. This amount has been included in 'other income'. The negative goodwill is caused by our expectations reflected in the valuation of the investment property that we will be able to add more value as a result of our in-house management.

The acquisition of the joint venture in Porta di Roma is recognised in accordance with IAS 31 Joint Ventures. However, Corio decided to disclose joint ventures in line with IFRS 3 Business combinations, despite the fact that Corio doesn't have control, as these disclosures seem most appropriate for proportionately consolidated joint ventures.

SUMMARY OF THE SALES AND RESULT FOR THE FULL YEAR 2010

(€ million) Company name	Sales	Result
Shopping centre Forum Duisburg, Duisburg	15.2	8.5
Shopping centre Centrum Galerie Dresden, Dresden	16.2	-3.5
Shopping centre Espaço Guimarães, Guimarães	7.1	-3.2
Shopping centre Le Vele/Millennium, Cagliari	7.8	3.0
Shopping centre Porta di Roma (50%)	15.8	-8.4

SUMMARY OF THE SALES AND RESULT AS FROM DATE OF ACQUISITION

(€ million) Company name	Sales	Result
Shopping centre Forum Duisburg, Duisburg	11.5	8.9
Shopping centre Centrum Galerie Dresden, Dresden	13.1	5.1
Shopping centre Espaço Guimarães, Guimarães	5.3	-2.0
Shopping centre Le Vele/Millennium, Cagliari	6.4	4.0
Shopping centre Porta di Roma (50%)	11.0	-4.7

SUMMARY OF RECOGNISED AMOUNTS

Pre-acquisition carrying amounts were measured on the basis of the applicable IFRS 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:

2010 (€ million)	Carrying amount	Fair value adjustment	Recognised amount*
Investment property	929.7	8.1	937.8
Deferred tax assets	13.3	-13.3	–
Trade and other receivables	24.1	-0.4	23.7
Cash and cash equivalents	17.0	–	17.0
Intercompany Balances	-473.1	–	-473.1
Loans and borrowings (non-current)	-207.9	–	-207.9
Other payables (non-current)	–	-12.6	-12.6
Deferred tax liabilities	-27.2	8.5	-18.7
Other payables (current)	-25.4	–	-25.4
Net assets and liabilities (Equity)			**240.8**
Non-controlling interest			**-7.2**
Equity			**233.6**
Goodwill (statement of financial position)			**19.0**
Negative goodwill (income statement)			**-2.6**
Consideration			**250.0**

* Preliminary figures upon finalisation of the consideration calculation.

The trade and other receivables comprise gross contractual amounts due of € 27.8 million, of which € 4.1 million was expected to be uncollectible at the acquisition date.

The non-controlling interest is measured at the non-controlling interest's proportionate share of the acquiree's identifiable net assets:

(€ million) Company name	Non-controlling interest %	Non-controlling interest
Shopping centre Forum Duisburg, Duisburg	5%	3.0
Shopping centre Centrum Galerie Dresden, Dresden	5%	4.2
Total		**7.2**

The consideration transferred consists of:

(€ million)		Consideration
Cash and cash equivalents		250.4
Consideration to be settled		-0.4
Total		**250.0**

ADDITIONAL INFORMATION PRIOR YEAR BUSINESS COMBINATIONS

As disclosed in the 2010 financial statement, the previous year's business combination disclosures were based on preliminary calculations. During the measurement period, one year from acquisition date, provisional amounts may be adjusted retrospectively. Corio has not adjusted the provisional amounts.

For Shopping Centre Le Vele/Millennium, Cagliari, a price adjustment was agreed with the seller after the measurement period. A gain of € 0.3 million is included in the income statement as part of 'other income and expense'. For the shopping centres Forum Duisburg, Centrum Galerie Dresden and Espaço Guimarães, the process of finalisation of the consideration is not finished yet. If this will result in adjustments, these will be outside the measurement period and therefore also included in the income statement.

ACQUISITION-RELATED COSTS

Acquisition-related costs related to the Business Combinations are included in the income statement as part of 'other income and expense' for an amount of € 1.1 million, of which € 0.5 million relates to additional costs for acquisitions in 2010.

EVENTS AFTER THE REPORTING PERIOD

Corio sold the office in Böblingen (Germany) in January 2012 for € 14.9 million and an additional revolving credit facility (RCF) of € 50 million was closed on 16 February 2012.

COMPANY STATEMENT OF FINANCIAL POSITION

BEFORE PROFIT APPROPRIATION

(€ million)	Note	31 December 2011	31 December 2010
Intangible assets	1	4.0	5.1
Investments	2	29.3	24.6
Property, plant and equipment	3	1.3	1.4
Financial fixed assets	4	6,587.6	6,234.6
Total non-current assets		**6,622.2**	**6,265.7**
Current assets	5	819.3	702.0
Cash and cash equivalents		–	223.2
Total assets		**7,441.5**	**7,190.9**
Shareholders' equity			
Issued capital		922.9	910.0
Share premium		1,464.8	1,477.8
Legal and statutory reserves		1,397.1	1,258.7
Other reserves		203.0	173.4
Net result for the year		218.2	375.7
Total shareholders' equity	**6**	**4,206.0**	**4,195.6**
Non-current loans and borrowings	7	2,272.1	2,252.1
Bank overdrafts		48.6	–
Current liabilities	8	914.8	743.2
Total equity and liabilities		**7,441.5**	**7,190.9**

COMPANY INCOME STATEMENT

(€ million)	Note	2011	2010
Company result		-137.8	-42.9
Result of subsidiaries after tax		356.0	418.6
Net result of the year		**218.2**	**375.7**

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 2010. 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 presented applying the equity method based on the accounting policies as applied in the consolidated accounts. 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 89 to 101 for a description of these accounting policies.
The share of the results of subsidiaries, associates and joint ventures consists of Corio's share of the results of these entities. Results on transactions in which assets and liabilities have been transferred between Corio and other entities in the Group and between these entities themselves have not been included where they can be deemed to be unrealised.

1 – INTANGIBLE ASSETS

Intangible assets comprises software.

(€ million)	2011	2010
Cost		
Balance as at 1 January	15.9	12.3
Investments	4.1	3.6
Impairment of assets	-4.0	–
Balance as at 31 December	**16.0**	**15.9**
Amortisation and impairment		
Balance as at 1 January	-10.8	-9.9
Amortisation charge for the year	-1.2	-0.9
Impairment of assets	–	–
Balance as at 31 December	**-12.0**	**-10.8**
Carrying amount		
As at 1 January	5.1	2.4
As at 31 December	4.0	5.1

2 – INVESTMENT PROPERTY

(€ million)	2011	2010
As at 1 January	24.6	24.4
Revaluation	4.7	0.2
As at 31 December	**29.3**	**24.6**

3 – PROPERTY PLANT AND EQUIPMENT

Property, plant and equipment comprises IT hardware.

(€ million)	2011	2010
Cost		
Balance as at 1 January	2.4	3.7
Investments/divestments	0.6	1.4
Transfers	–	-2.7
Balance as at 31 December	**3.0**	**2.4**
Depreciation and impairment		
Balance as at 1 January	-1.0	-3.2
Investments/divestments	–	–
Depreciation charge for the year	-0.7	-0.5
Transfers	–	2.7
Balance as at 31 December	**-1.7**	**-1.0**
Carrying amount		
As at 1 January	1.4	0.5
As at 31 December	1.3	1.4

4 – FINANCIAL ASSETS

(€ million)	2011	2010
Investments in subsidiaries	6,353.1	6,014.2
Investments in equity accounted investees	226.6	218.5
Loans to entities in the Group	–	–
Derivative financial instruments	7.9	1.9
As at 31 December	**6,587.6**	**6,234.6**

INVESTMENTS IN SUBSIDIARIES

(€ million)	2011	2010
As at 1 January	6,014,2	3,666.1
Dividends received	–	–
Capital contributions	–	1,932.6
Changes accounted for directly in equity	-17.1	-3.1
Results of subsidiaries	356.0	418.6
As at 31 December	**6,353.1**	**6,014.2**

INVESTMENTS IN EQUITY ACCOUNTED INVESTEES

(€ million)	2011	2010
Investment in associates		
Balance as at 1 January	183.8	175.0
Acquisitions/sales	–	–
Dividends received	–	-7.4
Share of results	-0.8	1.9
Exchange differences	5.3	14.3
Balance as at 31 December	**188.3**	**183.8**
Interests in joint ventures		
Balance as at 1 January	34.7	–
Acquisitions/sales	–	30.0
Dividends received	–	–
Share of results	3.6	4.7
Exchange differences	–	–
Balance as at 31 December	**38.3**	**34.7**
Balance as at 31 December	**226.6**	**218.5**

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

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

5 – CURRENT ASSETS

(€ million)	2011	2010
Derivatives financial instruments	1.0	0.5
Trade and other receivables	1.4	25.0
Receivables from entities in the Group	816.9	676.5
As at 31 December	**819.3**	**702.0**

6 - SHAREHOLDERS' EQUITY

(€ million)	Share capital	Share premium	General reserve	Revaluation reserve	Associates reserve	Hedge reserve	Translation reserve	Net result for the year	Total equity
Balance as at 31 December 2009	763.6	1,039.7	369.6	1,315.5	49.5	-3.3	-18.6	-131.9	3,384.1
Profit appropriation 2009			-42.2	-84.4	-5.3			131.9	–
Balance as at 1 January 2010	763.6	1,039.7	327.4	1,231.1	44.2	-3.3	-18.6	–	3,384.1
Net result								**375.7**	**375.7**
Other comprehensive income						33.2	2.0		35.2
Total comprehensive income	**–**	**–**	**–**	**–**	**–**	**33.2**	**2.0**	**375.7**	**410.9**
Dividends to shareholders	13.1	-13.1	-183.9						-183.9
Share issue	133.3	451.2							584.5
Balance as at 31 December 2010	**910.0**	**1,477.8**	**143.5**	**1,231.1**	**44.2**	**29.9**	**-16.6**	**375.7**	**4,195.6**
(€ million)	Share capital	Share premium	General reserve	Revaluation reserve	Associates reserve	Hedge reserve	Translation reserve	Net result for the year	Total equity
Balance as at 31 December 2010	910.0	1,477.8	143.5	1,231.1	44.2	29.9	-16.6	-375.7	4,195.6
Profit appropriation 2010			236.9	144.2	-5.4			-375.7	–
Balance as at 1 January 2011	910.0	1,477.8	380.4	1,375.3	38.8	29.9	-16.6	–	4,195.6
Net result								**218.2**	**218.2**
Other comprehensive income						-24.1	-0.4		-24.5
Total comprehensive income	**–**	**–**	**–**	**–**	**–**	**-24.1**	**-0.4**	**218.2**	**193.7**
Dividends to shareholders	12.9	-13.0	-183.3						-183.3
Share issue									–
Balance as at 31 December 2011	**922.9**	**1,464.8**	**197.1**	**1,375.3**	**38.8**	**5.8**	**-17.0**	**218.2***	**4,206.0**

* The proposed profit appropriation is included in other information. € 75.2 million of the result for 2011 will be incorporated in the non-distributable reserves.

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

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

7 – NON-CURRENT LOANS AND BORROWINGS

(€ million)	2011	2010
Bonds	748.4	720.6
Loans to entities in the Group	878.9	874.2
Other loans	629.8	612.9
Derivative financial instruments	15.0	44.4
As at 31 December	**2,272.1**	**2,252.1**

8 – CURRENT LIABILITIES

(€ million)	2011	2010
Loans and borrowings	315.0	156.6
Derivative financial instruments	0.6	8.1
Amounts owed to entities in the Group	560.5	552.1
Accruals	38.7	26.4
As at 31 December	**914.8**	**743.2**

9 – REMUNERATION

REMUNERATION OF THE MANAGEMENT BOARD IN 2011

(€ thousands)	Salary	Bonus payments	Pension charges	Social security Charges	Phantom share plan	Total
G.H.W. Groener	391	185	101	8	–	685
B.A. van der Klift	302	56	61	8	–	427
F.J. Zijlstra	252	65	51	8	–	376
F.Y.M.M. Fontaine	264	98	55	90	–	507
	1,209	**404**	**268**	**114**	**–**	**1,995**

The Phantom shares awarded in 2011 have a value of € 625,000 (based on a pay out ratio of 100%).

REMUNERATION OF THE MANAGEMENT BOARD IN 2010

(€ thousands)	Salary	Bonus payments	Pension charges	Social security Charges	Phantom share plan	Total
G.H.W. Groener	359	215	86	7	98	765
B.A. van der Klift*	187	–	40	5	–	232
F.J. Zijlstra*	134	17	29	5	–	185
F.Y.M.M. Fontaine	260	100	55	84	21	520
J.G. Haars**	120	9	96	2	–	227
	1,060	**341**	**306**	**103**	**119**	**1,929**

* Mrs. F.J. Zijlstra was appointed as COO and Mr. B.A. van der Klift was appointed as CFO on 1 May 2010. The associated salary is included from that date.

** Mr. J.G. Haars resigned on 1 May 2010. The bonus includes the bonus for 2009 and a settlement for holidays not taken.

The Phantom shares awarded in 2010 have a value of € 570,000 (based on a pay out ratio of 100%).

As per 31 December 2011, the number of Corio shares and options owned by the members of the Management Board and the Supervisory Board are as follows:

G.H.W. Groener	1,000 shares
F.J. Zijlstra	700 shares
G. Beijer	9,100 shares

PHANTOM SHARE PLAN

OVERVIEW OF OUTSTANDING PHANTOM SHARES DURING THE YEAR:

	Awarded units (#)			Liabilities (€ thousands)
	Outstanding 1 January	Granted	Outstanding 31 December	31 December
G.H.W. Groener				
2009	6,784	–	6,784	–
2010	4,709	–	4,709	–
2011		4,943	4,943	–
B.A. van der Klift				
2010	2,625	–	2,625	–
2011		3,808	3,808	–
F.J. Zijlstra				
2010	1,881	–	1,881	–
2011		3,208	3,208	–
F.Y.M.M. Fontaine				
2009	1,481	–	1,481	–
2010	1,072	–	1,072	–
2011		1,069	1,069	–
	18,552	**13,028**	**31,580**	**–**

The liability of the outstanding phantom shares for the years 2009, 2010 and 2011, taking into account the vesting period and the expected relative total shareholders return, is included in the accruals within trade and other payables for € 0.0 million (31 December 2010: € 0.3 million for the years 2008, 2009 and 2010). During the year 2011, expenses related to the phantom shares have been included in the administrative expenses for € -0.2 million, being the release of the liability at 31 December 2010 for the granted but not paid out Phantom Shares for 2008 and 2009. For 2009 and 2010 the expense was € 0.2 million and € 0.1 million respectively.

Based on the ranking in the performance reference group, the payout percentage was 70% for the Phantom Shares awarded in 2008. This resulted in an amount of € 0,1 million that was paid to the management board. As per the end of 2011 no remaining liability exists for the company on the granted Phantom Shares in 2008.

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

REMUNERATION OF THE SUPERVISORY BOARD

(€ thousands)	Remuneration 2011	Remuneration 2010
B. Vos	58	49
R.A.H. van der Meer	46	40
W. Borgdorff	40	33
D.C. Doijer	47	40
G. Beijer	42	36
R. van den Berg	23	–
	256	198

R. van den Berg was appointed as member of the Supervisory Board on 1 May 2011.

10 – LIST OF GROUP COMPANIES AND ASSOCIATES

Most important shareholdings:

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

11 – INFORMATION PURSUANT TO THE FINANCIAL SUPERVISION ACT (WFT)

Pursuant to the Financial Supervision Act (WFT), the members of the Supervisory Board and Management Board of Corio report that they held no personal interest in the Company's investments in 2011. 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 2011, Corio's cost ratio worked out at 2.3% compared to 2.4% in 2010.

12 – RELATED PARTIES

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

Members and close family members of the Supervisory Board and Management Board do not have any material interest in Corio's voting shares and do not have options on the shares. In 2011 one of the Management Board members (B.A. van der Klift) purchased Eurobonds with a nominal value of € 30,000 which were placed by the company at an 4.625% interest rate in October 2010. 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 2011 was € 2.0 million (2010: € 1.9 million). For more information on the remuneration we refer to note 9 of the 'company financial statements' Pursuant to the Dutch Authority on Financial Supervision, the members of the Supervisory Board and Management Board of Corio report that they held no personal interest in the Company's investments in 2011.

To the best of Corio's knowledge, ABP is the only shareholder which can be considered a related party within the meaning of the Decree on the Supervision of the Conduct of Financial Undertakings (under the WFT) in that it holds more than 20% of the voting rights conferred by Corio shares. Per 31 December 2011, ABP holds approximately 32.3% of the Corio shares. ABP acts as pension fund provider for a number of employees. In 2010 this agreement was extended by five years. The pension contributions are determined according to the ABP retirement plans. In 2011 these contributions amounted to € 0.9 million (2010: € 0.4 million). In 2009 Corio contracted a floating-rate inflation linked loan of € 200 million for seven years from a subsidiary of ABP. The balance of this loan as per 31 December 2011 amounts to € 209.4 million and the interest expense for the year then ended amounts to € 11.0 million. As per 31 December 2011 Corio has a loan receivable of € 86 million towards its joint venture International Shopping Centre Investment S.A. (Porta di Roma). An amount of € 4.3 million is received as interest income on this loan.

13 – CONTINGENT LIABILITIES

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

14 – AUDIT FEES

The table below shows the fees charged by the PwC network (2010: KPMG network) in respect of activities for Corio N.V. and its subsidiaries.

(€ thousands)	2011	2010
Audit of the financial statements	525	753
Other audit engagements	176	489
Other non-audit services	365	516
Total	**1,066**	**1,758**

Utrecht, 23 February 2012

The Supervisory Board

The Management Board

OTHER INFORMATION

PROVISIONS OF THE ARTICLES OF ASSOCIATION CONCERNING RESULT APPROPRIATION

The result appropriation is subject to the provision of Article 34, paragraph 2, of Corio's articles of association, which states that the result shown by the income statement as adopted by the General Meeting of Shareholders is at the disposal of the General Meeting.

In order to comply with the requirements imposed on FBIs, Corio must, as a minimum, distribute its entire taxable profit in cash. If it appears after notification that the dividend to be paid in shares is such that the amount paid in cash is lower than the taxable profit for the year, then a pro-rata discount will be applied to the payment in shares so that the distribution requirement in cash is complied with. The pro-rata discount will be paid in cash.

PROPOSAL FOR RESULT APPROPRIATION

For 2011, a dividend of € 254.7 million, which is € 2.76 (in cash or in shares) per share is proposed. Of the result for 2011 amounting to € 218.2 million, € 75.2 million will be incorporated in the non-distributable reserves. The remainder of the result will be appropriated to the general reserve.

EVENTS AFTER THE REPORTING PERIOD

Corio sold the office in Böblingen (Germany) in January 2012 for € 14.9 million and an additional revolving credit facility (RCF) of € 50 million was closed on 16 February 2012.

INDEPENDENT AUDITORS' REPORT

To the General Meeting of Shareholders of Corio N.V.

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements 2011 of Corio N.V., Utrecht, as set out on pages 84 to 133. The financial statements include the consolidated financial statements and the company financial statements. The consolidated financial statements comprise the consolidated statement of financial position as at 31 December 2011, the consolidated income statement, the statements of 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 statement of financial position as at 31 December 2011, the company income statement for the year then ended and the notes, comprising a summary of accounting policies and other explanatory information.

MANAGEMENT BOARD'S RESPONSIBILITY

The management board is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code, and for the preparation of the management board report in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the management board is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 company'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 company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management board, 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 2011, 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 Dutch 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 2011, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Pursuant to the legal requirement under Section 2: 393 sub 5 at e and f of the Dutch Civil Code, we have no deficiencies to report as a result of our examination whether the management board report, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this Code, and whether the information as required under Section 2: 392 sub 1 at b-h has been annexed. Further, we report that the management board report, to the extent we can assess, is consistent with the financial statements as required by Section 2: 391 sub 4 of the Dutch Civil Code.

Amsterdam, 23 February 2012
PricewaterhouseCoopers Accountants N.V.

Drs. P. J. van Mierlo RA

PORTFOLIO

NETHERLANDS

City	Project name Lease hold % Corio-Interest	Address	Year of Acqui-sition	Year of Construction/ Renovation	GLA Corio Part	GLA Total	Rent (€m)	Parking Income (€m)	Occu-pancy Rate
RETAIL									
Alkmaar	De Mare lease hold	Europaboulevard 26-28. 314-316. 461-465. Europaplein 1	1984	2005	10,500	18,800	2.36		98%
Almelo	Schelfhorst	Binnenhof 1-49	1975	2000	6,600	6,600	1.05		99%
Almere	Centrum	Stadhuisplein/Stationsstraat c.a./Grote Markt ca.	1986	2009	24,000	24,000	7.22		99%
Alphen aan den Rijn	De Aarhof	De Aarhof 1-99	1974	1992	9,400	11,200	3.33		99%
Amersfoort	Emiclaer	Emiclaerhof/De Beurs/Het Masker	1993	1993	19,700	19,700	4.40		99%
Amstelveen	Groenhof	Groenhof 113-164	1972	1992	6,900	6,900	1.65		100%
Amsterdam	Reigersbos lease hold	Reigersbos 3-196	1984	2004	12,500	12,500	2.79		99%
Amsterdam	ArenA Arcade lease hold	ArenA Boulevard 51-77	2000	2000	4,100	14,400	0.57		100%
Amsterdam	Villa ArenA lease hold	ArenA Boulevard 2-242	2001	2001	50,400	75,100	6.03		94%
Arnhem	Presikhaaf	Hanzestraat 1-225 c.a.	1967	1987	33,700	33,700	5.15		94%
Dordrecht	Sterrenburg	P.A. de Kokplein 93-173	1983	1993	13,100	13,100	2.81		94%
Dordrecht	Slangenburg	Slangenburg 5-9	1980	2010	1,500	1,500	0.25		91%
Emmen	De Weiert	Baander 165	1999	1999	2,700	27,200	0.48		100%
Goirle	De Hovel	De Hovel 19 c.a.	1973	2007	5,400	5,400	1.09		89%
Heerhugowaard	Middenwaard	Middenwaard 1-129/Parelhof 80-108	1974	2011	32,900	45,400	9.18	0.75	97%
Heerlen	Corio Center	Corio Center 3-46	1998	1998	18,400	18,400	4.06		98%
Leiderdorp	Meubelplein Leiderdorp	Elisabethhof 1.4.8.9	1986	2002	13,800	35,100	1.03		100%
Nieuw Vennep	Getsewoud	Händelplein 1-209	2002	2002	7,800	7,800	1.60		100%
Nieuwegein	Cityplaza	Plein/Passage/Markt/Boogstede/Raadstede	1983	2010	43,100	47,500	12.38		99%*
Oegstgeest	Lange Voort	Irislaan 45-99/Lange Voort 1-24. 11-41	2000	2006	14,600	14,600	3.01		100%
Purmerend	Weidevenne	Weidevenne	2006	2006	8,100	8,100	1.81		100%
Rijswijk	In de Bogaard	In de Bogaard J 5-J 67	1963	2002	19,800	57,300	5.22		100%
Rotterdam	Alexandrium Shopping Centre lease hold	Poolsterstraat 3-177 c.a.	1984	2002	45,200	108,000	15.21	1.84	99%
Rotterdam	Nesselande	Maltaplein	2010	2010	8,900	8,900	1.98		97%*
Spijkenisse	Kopspijker lease hold/ Stadsplein/Kolkplein	Nieuwstraat 105-211/Stadsplein/Kolkplein	1988	2011	17,700	56,200	3.93		87%
Spijkenisse	Maaswijk	Hadewychplaats 2-62	1996	2009	6,100	6,100	1.29		94%
Tegelen	Kerkstraat	Kerkstraat 1-81	1992	1992	2,800	2,800	0.51		95%
Tilburg	Centrum	P.Vreedeplein/Emmapassage 1-29/Heuvelstraat 36-38	1991	2008	33,800	33,800	7.42		98%
Utrecht	Springweg Parkeergarage lease hold	Parkeergarage Strosteeg 83	1974	2000			0.14	2.52	
Utrecht	Hoog Catharijne lease hold	Stationsstraverse c.a.	1975	1996	58,800	93,800	19.09	5.86	96%
Utrecht	Parkwijk-Leidsche Rijn	Verlengde Houtrakgracht 301-421	2004	2004	5,500	5,500	1.24		100%
Veldhoven	City Passage	Meent 1-83/Meiveld 174	1995	1995	7,400	7,400	2.19		97%
Velsen	Velserbroek	Galle Promenade/Ster Bastion 4-66	1992	1992	8,700	8,700	1.80		99%
Zeist	Belcour	Emmaplein 1-29. 210-252 c.a.	1996	1996	6,900	6,900	1.75		96%
Zwolle	Stadshagen	Wade 1	2004	2004	11,500	11,500	2.52		100%
OFFICES									
Almere	Stationade	Stationsplein 5. 35-41	1986	1986	4,800	4,800	0.62		63%
Rotterdam	Alexandrium Shopping Centre lease hold	Poolsterstraat 145	1984	2006	1,400	1,400	0.18		0%
Utrecht	Hoog Catharijne lease hold	Hoog Catharijne	1975	1996	40,900	40,900	7.48		93%
Total Netherlands retail					572,300	853,900	122.5	11.0	97%
Total Netherlands offices					47,100	47,100	8.3		88%
TOTAL NETHERLANDS					619,400	901,000	130.7	11.0	96%

* Occupancy rate is covered by rental guarantee

District/Regional centre · Down town centre · Transit oriented centre · Other

FRANCE

City	Project name Lease hold % Corio-Interest	Address		Year of Acquisition	Year of Construction/ Renovation	GLA Corio Part	GLA Total	Rent (€m)	Parking Income (Film)	Occupancy Rate
RETAIL										
Caen	C.C. Mondeville 2	RN 13 Caen		1994	1995	15,900	93,300	7.83		100%
Caen	C.C. Côte de Nacre	1-5 Avenue du Maréchal Juin		1999	1970	30,200	32,500	3.66		98%
Cherbourg	C.C. Cotentin	RN 13-50470 La Glacerie		2001	1989	6,000	21,700	2.82		92%
Cholet	Marques Avenue Cholet	La Séguinière-Zone de la Mernardière Rue du Bocage		2006	2005	8,300	8,300	2.03		88%
Coignières (Paris)	Les Portes de Chevreuse	Route National 10		2009	2009	36,200	36,200	4.81		87%
Courbevoie (Paris)	C.C. Charras	Rue Baudin		2006	1973	6,300	13,900	1.47		80%
Grenoble	C.C. Grand Place	55.63 Grand Place		1998	2001	53,800	94,100	14.94		98%
Issy les Moulineaux (Paris)	C.C. Les Trois Moulins	3 Alleé Sainte Lucie 92130		2001	1992	7,400	15,300	3.90		97%
Ivry-sur-Seine (Paris)	C.C. Quais d' Ivry	30 Boulevard Paul Vaillant Couturier		2001	2008	31,400	60,000	5.71		89%
Laval	C.C. La Mayenne	46 Avenue de Latre de Tassigny ZAC La Grivonniere		2001	1999	7,200	17,200	2.50		98%
Marseille	C.C. Grand Littoral	11 av St Antoine ZAC Saint-Andre		2008	2007	32,800	109,200	15.02		93%
Toulouse	Fashion Village Nailloux *75% Corio-interest*	Moulin de Nailloux–Le Moulin–Chemin du Gril–31560 Nailloux		2009	2009	22,000	22,000	4.04		90%
Metz	C.C. Saint Jacques	11 B place du forum. centre St Jacques Cedex 01 57040		2011	2011	15,800	20,800	3.68	2.73	99%
Montreuil	C.C. La Grande Porte	235 Rue Etienne Marcel		2001	1991	6,200	18,400	3.06		98%
Mulhouse	La Galerie	54 Rue du Sauvage		2001	1989	7,500	7,500	1.47		63%
Nice	C.C. Nice TNL	15 bd du general Delfino		1996	2002	19,500	29,600	5.57		100%
Orgeval (Paris)	C.C. Art de Vivre	Route National 13		2005	1975	20,600	20,600	4.19		85%
Orgeval (Paris)	Capteor	2050 Route des Quarante Sous 78630		2008	2008	8,600	8,600	0.91		100%
Rouen	Galerie de L'Espace du Palais	Rue Saint-Lo		1993	1998	9,400	11,600	2.04		78%
Sainte Geneviève des Bois (Paris)	La Croix Blanche	Rue des Petits Champs		2001	1986	6,600	6,600	1.11		100%
Saint-Etienne	C.C. Centre Deux	1-7 Rue des Docteurs Charcot		1979	2011	28,200	39,000	6.00		94%
Toulon	C.C. Mayol *40% Corio-interest*	Rue du Murier		1994	1990	7,500	42,500	3.00		100%
OFFICES										
Courbevoie	Le Balzac	10 Place des Vosges La Défense		1988	2000	15,200	15,200	6.50		100%
Echirolles Grenoble	Le Stratège	15.17.19 Ave. S. Allende 38130		1999	1999	1,400	1,400	0.15		20%
Puteaux (Paris)	Le Kupka lease hold *40% Corio-interest*	14 rue Hoche La Défense 7		1990	1992	5,200	5,200	1.87		100%
Rueil Malmaison (Paris)	Clair de Ville	8-10 Rue Henri Sainte Claire Deville		2000	1991	10,600	10,600	3.39		100%
INDUSTRIALS										
Brétigny (Paris)	Paris sud Brétigny	Zac de la Maison Neuve Rue du Poitou 91220		2002	2002	19,400	19,400	0.84		0%
Clamart (Paris)	Newton TNT	3 Avenue Newton		2006	2006	10,600	10,600	0.41		100%
Total France retail						387,400	728,900	99.8	2.7	94%
Total France offices						32,400	32,400	11.9		99%
Total France industrials						30,000	30,000	1.2		33%
TOTAL FRANCE						449,800	791,300	112.9	2.7	94%
EQUITY ACCOUNTED INVESTEES										
C.C. Mayol *40% Corio-interest*, GLA of the Joint Venture 18,750										

District/Regional centre   Down town centre   Transit oriented centre   Other

City	Project name Lease hold % Corio-Interest	Address		Year of Acquisition	Year of Construction/ Renovation	GLA Corio Part	GLA Total	Rent (€m)	Parking Income (€m)	Occupancy Rate
ITALY										
RETAIL										
Bufalotta (Rome)	Porta di Roma *50% Corio-interest*	Via A. Lionello 201-Roma	District/Regional centre	2010	2007	36,700	130,000	15.63		99%
Busnago	Globo I-II-III	Via Italia. 197	District/Regional centre	2004	2006	30,500	80,100	10.78		100%
Casalecchio di Reno (Bologna)	Shopville Gran Reno	Via M. Monroe. 2 Casalecchio di Reno	District/Regional centre	2001	1993	13,900	38,800	6.73		99%
Caserta (Naples)	Campania	A1 - Uscita Caserta Sud S.S. 87 Loc. Aurno	District/Regional centre	2006	2007	64,600	108,000	19.20		100%
Grugliasco (Turin)	Shopville Le Gru	Via Crea. 10 Grugliasco	District/Regional centre	2001	2010	46,500	78,500	21.07		99%
Martignacco (Udine)	Città Fiera *49% Corio-interest*	Via A. Bardelli. 4 Martignacco	District/Regional centre	2007	1992	23,700	70,000	6.37		97%
Modena	GrandEmilia	Via Emilia Ovest. 1480	District/Regional centre	2001	1996	19,800	55,000	8.93		100%
Sardinia (Cagliari)	Le Vele & Millennium	Via delle Serre snc-Quartucciu (CA)	District/Regional centre	2010	2001	31,900	44,400	8.03		99%
Senigallia	Il Maestrale	S.S. 16 Adriatica Nord. 89	District/Regional centre	2003	2011	7,300	19,800	2.46		100%
TOTAL ITALY						274,900	624,600	99.2		99%
EQUITY ACCOUNTED INVESTEES										
Porta di Roma *50% Corio-interest,* GLA of the Joint Venture 73,500										
Città Fiera *49% Corio-interest,* GLA of the Joint Venture 48,400										
SPAIN/PORTUGAL										
RETAIL										
Barcelona	Maremagnum lease hold	Moll de Spanya 2ª Pta. Edif. Maremagnum	Down town centre	2006	2005	18,700	22,000	5.72	1.30	95%
Cáceres	Ruta de la Plata	C/Londres 1	District/Regional centre	2000	1993	8,400	19,200	2.92		100%
Irun	Txingudi	Barrio de Ventas 80	District/Regional centre	1999	1997	9,900	34,700	2.88		88%
Jaén	La Loma	Ctra. Bailén	Down town centre	2000	1991	9,700	27,900	2.36		95%
Madrid	Gran Via de Hortaleza	Gran Via Hortaleza s/n	District/Regional centre	2001	2001	6,100	20,100	3.78		93%
El Plantio (Madrid)	Sexta Avenida	Avenida de la Victoria. 2	District/Regional centre	2000	2007	15,300	15,300	5.37	0.14	78%
Madrid	Príncipe Pío lease hold *95% Corio-interest*	Pº de la Florida s/n	Transit oriented centre	2009	2004	28,700	28,700	12.88	1.45	96%
Torrelodones (Madrid)	Espacio Torrelodones	Avenida Fontanilla s/n	District/Regional centre	2010	2006	21,700	30,000	5.57		94%*
Palencia	Las Huertas	Avenida de Madrid 37	District/Regional centre	2000	1989	6,300	19,200	1.32		96%
Parla (Madrid)	El Ferial	C/Pinto s/n	Down town centre	2000	1995	8,500	24,200	2.76		86%
Valencia	Gran Turia	Pza. de Europa s/n	Down town centre	2001	2000	18,200	58,300	4.96		82%
Guimarães	Espaço Guimarães	Rua 25 de Abril nº 210	Down town centre	2010	2009	32,500	48,700	7.66		100%*
TOTAL SPAIN/PORTUGAL						184,000	348,300	58.2	2.9	93%
GERMANY										
RETAIL										
Dresden	Centrum Galerie *95% Corio-interest*	Prager Straße 15	Down town centre	2010	2009	64,400	64,400	19.14		98%*
Duisburg	Königsgalerie *95% Corio-interest*	Kuhstraße 33	Down town centre	2011	2011	18,100	18,100	4.57		82%*
Duisburg	Forum Duisburg *95% Corio-interest*	Königstraße 48	Down town centre	2010	2008	58,600	58,600	14.80		100%*
OFFICES										
Böblingen	Ronda Haus (sold)	Calwer Straße 7		1994	1984	13,700	13,700	1.41		89%
Total Germany retail						141,100	141,100	38.5		97%
Total Germany offices						13,700	13,700	1.4		89%
TOTAL GERMANY						154,800	154,800	39.9		97%

* Occupancy rate is covered by rental guarantee

District/Regional centre Down town centre Transit oriented centre Other

City	Project name Lease hold % Corio-Interest	Address		Year of Acqui-sition	Year of Construction/ Renovation	GLA Corio Part	GLA Total	Rent (€m)	Parking Income (Film)	Occu-pancy Rate

TURKEY

City	Project name Lease hold % Corio-Interest	Address		Year of Acqui-sition	Year of Construction/ Renovation	GLA Corio Part	GLA Total	Rent (€m)	Parking Income (Film)	Occu-pancy Rate
RETAIL										
Adapazari	Adacenter	Yeni sakarya Cad. No:324-54200 Erenler/Adapazari		2007	2007	24,900	24,900	2.83		100%
Ankara	365 lease hold	Birlik Mah. 428.cad. No:41 Yildiz-Cankaya/Ankara		2008	2008	23,000	26,700	5.74		100%
Bursa	Anatolium	Alasar Mah.Yeni Yalova Cad. No:487 Osmangazi/Bursa		2010	2010	83,400	83,400	11.78		100%*
Denizli	Teras Park *51% Corio-interest*	55 Sok.No.1 20125 Yenisehir/Denizli		2009	2009	44,600	44,600	4.17		98%
Istanbul	Akmerkez *47% Corio-interest*	Akmerkez AVM Nispetiye Cad. 34337 Etiler/Istanbul		2005	2009	15,700	33,400	11.43	0.88	94%
Tekirdağ	Tekira	Hukumet cad. No:304 59100 Merkez/Tekirdag		2009	2008	31,500	31,500	5.07		97%
		TOTAL TURKEY				223,100	244,500	41.0	0.9	96%
EQUITY ACCOUNTED INVESTEES										
Akmerkez *47% Corio-interest,* GLA of the Joint Venture 33,400										

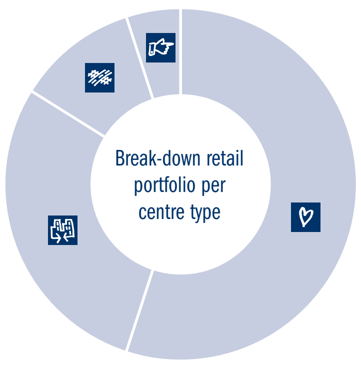
* Occupancy rate is covered by rental guarantee

TOTAL PORTFOLIO

	GLA Corio Part	GLA Total	Rent (€m)	Parking Income (Film)	Occupancy Rate
Total retail (including Equity Accounted Investees)	1,782,800	2,941,300	459.2	17.5	96%
Total offices	93,200	93,200	21.6		94%
Total industrial	30,000	30,000	1.2		33%
TOTAL (including Equity Accounted Investees)	1,906,000	3,064,500	482.0	17.5	96%

PORTFOLIO VALUE

Investment property (€ million)	Retail	Offices/Industrials	Total including property value of Equity Accounted Investees	Total including equity value of Equity Accounted Investees	Development portfolio	Balance sheet total investment property	% of Balance sheet
Netherlands	1,990.0	47.0	2,037.0	2,037.0	88.6	2,125.6	29%
France	1,682.5	167.7	1,850.2	1,849.9	115.3	1,965.2	27%
Italy	1,520.3		1,520.3	1,282.3	8.4	1,290.7	17%
Spain	738.9		738.9	738.9	25.0	763.9	10%
Germany	549.6	14.7	564.3	564.3	135.7	700.0	9%
Turkey	511.5		511.5	514.1	55.4	569.6	8%
Bulgaria					11.6	11.6	0%
Corio Total	6,992.8	229.4	7,222.2	6,986.5	440.0	7,426.6	100%



District/Regional centre Down town centre Transit oriented centre Other

PIPELINE PORTFOLIO

City	Project			Additional m² developed	Already Invested incl. Capitalised Interest (x € m)	Capitalised Interest (x € m)	Total Investment (x € m)	Expected opening	Pre let m²	Pre let €	Net Initial Yield
NETHERLANDS											
Almere	Metropole	Transit oriented centre		4,700	7.1	0.7	13.5	Q3 2012	94%	82%	7.3%
Nieuwegein	City Plaza	Down town centre	Turn key project	9,800	1.4	0.9	53.2	Q4 2013	34%	100%	7.2%
Rotterdam	Markthal	Down town centre	Turn key project	11,300	0.2	0.0	46.0	Q2 2014	16%	12%	6.3%
Utrecht	Vredenburg HC	Transit oriented centre		5,800	12.5	1.0	24.2	Q3 2012	64%	49%	6.6%
Utrecht	Singelborch HC	Transit oriented centre		1,500	19.3	0.9	25.1	Q3 2012	0%	0%	7.1%
Zoetermeer	Oosterheem	Down town centre	Turn key project	12,000	0.9	0.1	38.9	Q1 2013	87%	100%	6.6%
Total Netherlands committed					41.3	3.6	200.9				
Total Netherlands deferrable					33.4	6.8	445.7				
Total Netherlands waivable					8.2	1.3	252.4				
TOTAL PIPELINE NETHERLANDS					83.0	11.7	898.9				
FRANCE											
Total France deferrable					21.3	2.8	83.5				
ITALY											
Marcianise	Campania	District/Regional centre		4,200	0.1		8.3	Q4 2012	100%	100%	6.6%
Venice	Marghera	District/Regional centre	Turn key project	38,800	17.4		188.3	Q2 2014	0%	0%	6.3%
Total Italy committed					17.5		196.6				
Total Italy deferrable					3.6	0.1	160.7				
Total Italy waivable					22.8		377.7				
TOTAL PIPELINE ITALY					43.9	0.1	734.9				
SPAIN											
Barcelona	Maremagnum	Down town centre		4,100	10.2	1.2	11.1	Q1 2012	69%	70%	10.4%
Total Spain committed					10.2	1.2	11.1				
Total Spain deferrable					1.2	0.2	14.3				
TOTAL PIPELINE SPAIN					11.4	1.4	25.3				
GERMANY											
Berlin	Boulevard Berlin	Down town centre	Turn key project	86,000	60.0		364.9	Q2/Q3 2012	71%	100%	6.0%
Hildesheim	Arneken Galerie	Down town centre		27,800	81.0	1.3	101.3	Q1 2012	61%	90%	6.6%
Total Germany committed					141.0	1.3	466.2				
Total Germany deferrable					50.8	2.0	251.7				
TOTAL PIPELINE GERMANY					191.8	3.4	717.9				
TURKEY											
Tarsu	Tarsus	District/Regional centre		27,200	41.5	2.4	51.3	Q1 2012	82%	80%	8.4%
TOTAL TURKEY COMMITTED					41.5	2.4	51.3				
Total committed					251.6	8.6	926.0				
Total deferrable					110.3	11.9	955.9				
Total waivable					31.0	1.3	630.0				
TOTAL PIPELINE					392.9	21.8	2511.9				

District/Regional centre · Down town centre · Transit oriented centre · Other · Turn key project

DEFINITIONS

EPRA BPR
Corio will follow European Public Real Estate Association's (EPRA) Best Practices Recommendations as far as possible and where relevant. You can find the EPRA BPR checklist summary table on Corio's website (www.corio-eu.com) with a reference where the relevant disclosures can be found in Corio's annual report 2011.

Number of shares and presented results
Corio's total number of shares entitled to dividend over 2011 is 92,291,961 (2010: 91,002,947). The weighted average number of outstanding shares in 2011 was 91,804,608

IAS 31 Interests in Joint Ventures
allows two accounting methods for JVs: proportionate consolidation and the equity method. Until 1 January 2011, Corio applied proportionate consolidation for JVs. Corio has decided to change its accounting method for JVs based on IAS 31 to the equity method. For comparison reasons the 2010 figures and ratios have been restated. As a result of this accounting change, all Corio's JVs (the shopping centres Porta di Roma, Citta Fiera, CC Mayol, Brie Comte Robert and the office Le Kupka) are now reported under Equity Accounted Investees (EAIs) instead of proportionally.

DEFINITIONS

Adjusted Net Assets Value (or EPRA NAV) is the balance sheet NAV excluding the mark-to-market on effective cash flow hedges and related debt adjustments, deferred taxation on revaluations and goodwill.

Adjusted Net Initial Yield (or EPRA Net Initial Yield) is calculated as the annualised rental income based on the cash rents passing at balance sheet date, less non-recoverable property operating expenses, divided by the gross market value of the property. Annualised rental income includes any CPI indexation and estimated turnover rents, car park income or other recurring operational income but not include any provisions for doubtful debtors and letting and marketing fees. The EPRA "topped-up" Net Initial Yield (NIY) is calculated by making an adjustment to the EPRA NIY for unexpired lease incentives including the annualised cash rent that will apply at the expiry of the lease incentives.

Vacancy Rate (or EPRA Vacancy) is a percentage expressing the Estimated Rental Value (ERV) of vacant space divided by ERV of occupied space at a certain date. The opposite is Occupancy rate (or EPRA Occupancy Rate).

Annualised Rent is the annualised contractual rent applying at balance sheet date with ERV being added in case of vacant space.

Average financial occupancy rate is calculated as gross potential rent minus strategic and real vacancy expressed as a percentage of gross potential rent in a given period.

Development property is property under development on the reporting date and to be included in the investment property portfolio upon completion.

Direct result reflects the recurring income arising from core operational activities. Unrealised changes in valuation, gains or losses on disposal of properties and certain other company specific items do not provide an accurate picture of the company's underlying operational performance. The exact calculation can be found in the annual report.

Estimated rental value (ERV) is the rental value estimated by external valuers at which space would be let in the market conditions prevailing at the date of valuation.

Gross Leasable Area Corio part is any part of a property, expressed in physical m^2 and owned by Corio, available for exclusive use and occupancy by a tenant.

GLA Total is GLA of the Total Shopping Centre including parts owned by third parties. In case of down town centres GLA Total does not include the whole city centre.

Gross theoretical rent income total gross rent (including received turnover rent) that Corio would have received in case of full occupancy in the reporting period.

Indirect result is calculated as total result minus direct result.

Interest coverage ratio (ICR) is calculated as total net rental income and dividends received from minority interests, divided by interest paid or otherwise due less interest income, in the past 12 months.

Lease incentive concerns any consideration or expense borne by the property company, in order to secure a lease.

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

Like-for-like net rental income compares the growth of the net rental income of the portfolio that has been consistently in operation during comparable periods. It excludes rental income from properties under development in those periods. The 2011 like-for-like income growth thus compares the rental income of the stabilised portfolio with exactly the same portfolio in 2010. In case of renovation, expansion or refurbishment of an operational property, the additional NRI is excluded, unless it does not exceed € 0.5 million of NRI on a case by case basis. NRI from controlling stakes are fully included, NRI from joint ventures are included on the basis of Corio's pro rata share.

Market value is 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.

Net rental income (NRI) is gross rental income for the period less ground rents payable and other non-recoverable property operating expenses such as insurance, real estate taxes, marketing and other vacant property costs.

Net Theoretical Yield (NTY) is calculated as an output yield by dividing the Net Theoretical Rental Income by the Net Market Value. The Net Theoretical Rental Income is the sum of the annualised contractual rent plus turnover based rent plus other income plus market rent for vacancy minus total non-recoverable operating expenses.

NNNAV (or EPRA NNNAV) is the EPRA NAV adjusted to reflect the fair value of debt and derivatives and to include the real deferred taxation on revaluations.

Occupancy cost ratio is calculated as total costs of occupying space (rent, turnover rent, and service charges as invoiced by Corio) as borne by the tenant, divided by turnover (ex VAT) achieved by the tenant over a specific period.

Parking Income: source of income which originated from parking tickets only.

Property operating expenses are the expenses relating to operating property for a certain period of time for the account of the landlord (including service charges not recoverable because of vacancy).

Service charges costs related to services provided by third parties and are usually recoverable from tenants.

Turnover rent (or Sales-based rent) Any element of rent received or receivable that varies according to a tenant's level of turnover.

Pipeline
A project is **committed** if:
> The project has been approved by the Management Board and, if required, the Supervisory Board;
> All authorities and relevant stakeholders in the project are committed;
> The Management Board has a high degree of certainty that the project will become operational within an agreed period;
> Corio can no longer withdraw from the project without a penalty and the project cannot be deferred.

A project is **deferrable** if:
> The project has been approved by the Management Board and, if required, the Supervisory Board, or the Management Board has given a mandate to negotiate;
> The parties involved have signed an exclusive declaration of intent;
> Corio can no longer withdraw from the project without a penalty, but the project can be deferred at Corio's sole and absolute discretion.

A project is **waivable** if:
> The project has been approved by the Management Board and, if required, the Supervisory Board, or the Management Board has given a mandate to negotiate;
> The parties involved have signed an exclusive declaration of intent;
> The project can be removed from the pipeline at any time without a penalty or other consequences for Corio.

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.

The amounts already invested in all pipeline projects do not match the amounts under 'investment property under development' in the balance sheet for the following reasons:
> Investments in turnkey projects are included in other items on the balance sheet and are therefore 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. These projects are not included in the pipeline as these are not yet under development.

ADDRESSES AND OTHER INFO

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The forward-looking statements and forecasts in this report are based on management's current insights and assumptions. The actual results and developments may deviate from those expected, under the influence of factors such as: general economic circumstances, results on the financial markets, changes in interest rate levels and exchange rates, changes in the law and regulatory framework and in the policy of governments and/or regulatory authorities.

QUESTIONS
Should you have any questions, please contact the Investor Relations Department: investor.relations@nl.corio-eu.com or +31 (0) 30 234 67 43.

You will find links and QR codes in this annual report that lead to a number of short online movies. The movies will be available at least until 24 February 2013.

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