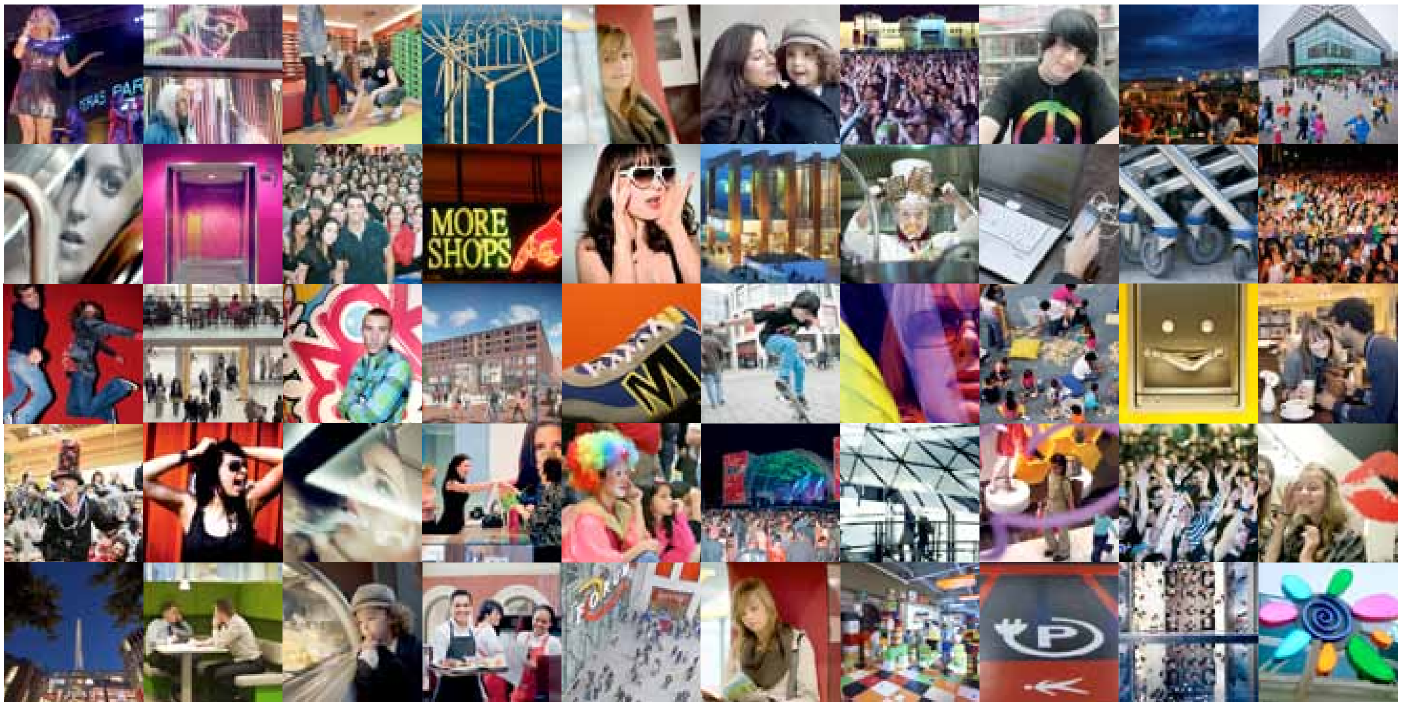
ANNUAL REPORT 2010



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WHO WE ARE

CORIO IS A RETAIL PROPERTY COMPANY. OUR CORE BUSINESS IS TO SELECT, INVEST IN, DEVELOP, REDEVELOP AND MANAGE SHOPPING CENTRES IN EUROPE. OUR MISSION IS TO CREATE FAVOURITE MEETING PLACES: SUSTAINABLE CENTRES WHERE PEOPLE MEET UP, SPEND THEIR TIME OFF, AND SHOP; PLACES THEY WANT TO KEEP COMING BACK TO.

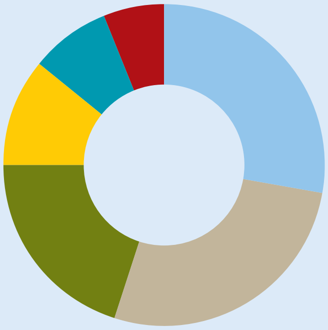
OUR AMBITION

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 are convinced that the creation of appealing and successful shopping centres, when managed properly, will generate greater economic activity. In doing so, we recognise the importance of being alert to the changing demands of people in the catchment area and the need to adapt quickly to their demands. To be successful, we believe our centres should be sustainable in every respect: situational (location), conceptual, aesthetic, social, environmental and financial. We create to adapt.

OUR STRATEGY

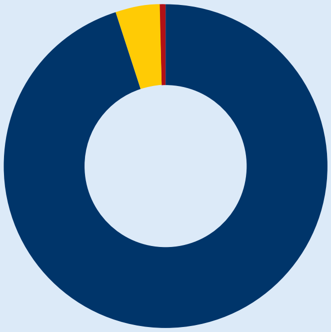
- Creating Favourite Meeting Places
- Shopping centres that are dominant in their catchment area
- Local+ and hands-on management
- Critical mass in each of our 'home markets'
- A strong focus on stable markets (82% of portfolio value)
- Corporate Social Responsibility as an important pillar
- Solid financial structure
- Predominantly located downtown, transit-oriented and at the heart of large communities

GEOGRAPHIC SPREAD



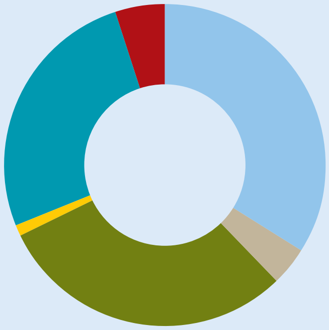
- Netherlands 27%
- France 26%
- Italy 20%
- Spain/Portugal 10%
- Germany 9%
- Turkey 8%

SECTOR SPREAD



- Retail 96%
- Offices 4%
- Industrial 0.2%

PIPELINE SPREAD



- Netherlands 34%
- France 4%
- Italy 30%
- Spain 1%
- Germany 26%
- Turkey 5%

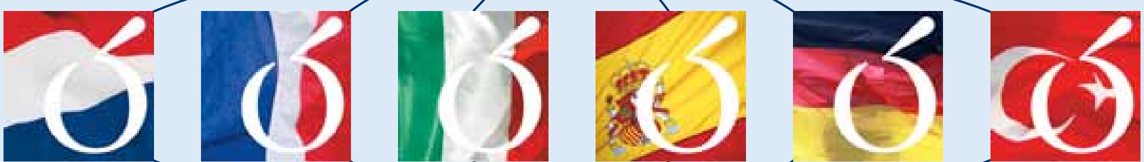
STRUCTURE OF CORIO

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

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

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



CEO | CFO | COO

ACQUISITION | DEVELOPMENT
LEASING
CENTER MANAGEMENT

OFFICE SUPPORT
BUSINESS SUPPORT

WHAT WE ARE

EUROPE'S 3RD LARGEST LISTED RETAIL PROPERTY COMPANY:

• Value operational portfolio	€ 6.9	billion
• Pipeline investment	€ 3.0	billion
• Assets under management	€ 9.9	billion
• Gross rental income	€ 451.6	million
• Market capitalisation	€ 4.4	billion
• Listed on Euronext in Amsterdam		

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: local+
- Integrated risk management model

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
- All commitments secured at least 18 months in advance

PERFORMANCE HIGHLIGHTS

	2010	2009
Number of visitors	400 million	360 million
Retail contracts	6,000	5,300
Leasable area retail	1.7 million m^2	1.5 million m^2
Occupancy retail	96.2%	96.3%
Operational portfolio	€ 6.9 billion	€ 5.7 billion
Pipeline	€ 3.0 billion	€ 2.3 billion
Net rental income	€ 386.8 million	€ 337.0 million
Like-for-like growth retail	1.9%	1.7%
Direct result	€ 251.0 million	€ 218.2 million
Indirect result	€ 124.7 million	-€ 350.1 million
Total result	€ 375.7 million	-€ 131.9 million
Reletting and renewals	3.8%	7.2%
Market capitalisation	€ 4.4 billion	€ 3.6 billion
Dividend per share	€ 2.69	€ 2.65
NAV	€ 46.10	€ 44.32
NNNAV*	€ 46.79	€ 46.34

* Adjusted to EPRA definition

REPORT OF THE SUPERVISORY BOARD

TO THE GENERAL MEETING OF SHAREHOLDERS

Herewith we present the 2010 annual report and financial statements as drawn up by the Management Board. KPMG Accountants N.V. has audited the financial statements and issued an unqualified report on these statements. We recommend that you adopt the financial statements as presented and declare a dividend payable in cash and/or in shares of € 2.69 per share for 2010 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-exempted investment institutions and, except in special circumstances, to maintain the level of dividend on a per share basis and preferably increase this dividend by the average rate of inflation in the Euro Area.

STRUCTURE AND ACTIVITIES OF THE SUPERVISORY BOARD IN 2010

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

In the year under review, the Supervisory Board, the Audit Committee, the Remuneration Committee and the Selection Committee, performed their respective duties in accordance with the applicable rules, which can be downloaded from Corio's website. The Supervisory Board met with the Management Board in plenary session on 14 occasions in 2010. The main topics of discussion were strategy, investments, financing, risk management and control systems, Corporate Social Responsibility (CSR), targets, the annual budget and opportunities. During the year under review the following topics were also discussed by the Supervisory Board: a capital raise by Corio through a successful share issue, and the placement of two Eurobonds adding up to € 750 million. In addition the entry into the German market was discussed.

During the year the press releases, quarterly reports, half-yearly figures and the annual report and financial statements were also discussed at appropriate times. The external auditors presented the results of their examinations at the meetings at which the half yearly figures and financial statements of the year were discussed. The Supervisory Board and the Audit Committee discussed the audit findings with the external auditors without the Management Board present.

The members of the Supervisory Board held several meetings to discuss matters among themselves. The performance of the Management Board and the Supervisory Board as bodies and of the individual members of the boards were discussed and evaluated in meetings not attended by the Management Board. During these meetings the Supervisory Board discussed the composition of the Management Board, the portfolios assigned to Management Board members, and the remuneration policy for the Management Board. This resulted in an addition to the Management Board of a COO position and a further positioning of the CDO position.
The chairman of the Supervisory Board and the chairman of the Management Board met regularly to discuss general matters affecting Corio. The attendance rate of the members of the Board was 96%. None of the members of the Supervisory Board was frequently absent from meetings.

In November, an extra meeting of the Supervisory Board was held during a working visit to Germany, where the members held a meeting and visited several shopping centres acquired as a result of Corio's entry into Germany.

COMPOSITION OF THE SUPERVISORY BOARD AND ACTIVITIES OF COMMITTEES

The curricula vitae of the Supervisory Board members, included in this section, also provide information on the composition of all of

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.

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

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

Chairman of the Audit Committee

Present position: Professor of Finance, Rijks Universiteit of Groningen; director of Lesuut Finance B.V.\P&C B.V. and advisor of the Pension Fund Nederlandse Bisdommen and director of the Catharijne Stichting, Stichting Von Freiburg, Stichting Corpus and Stichting GITP International. Furthermore Mr. Van der Meer serves as deputy justice (raadsheerplaatsvervanger) with the Enterprise Chamber (High Court Amsterdam).

Supervisory directorships: European Asset Trust N.V., BNP Paribas OBAM N.V., Kas Bank N.V. and several supervisory roles at unlisted companies.

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 investment advisory committee of BPF Bouw (Industrial Sector Pension Foundation), Member of the advisory board of Permira I, II, III and IV Limited Partnerships and Apax IV, V, VI, and VII Limited Partnerships.

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

Present position: General Manager of DCD Holding B.V.

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

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.

* For a better spread of the reappointments of members of the Supervisory Board Mr. Van der Meer has opted to end his term during the 2011 General Meeting. At the aforementioned meeting the Supervisory Board will nominate Mr. Van der Meer for re-appointment.

WE WOULD LIKE TO TAKE THIS OPPORTUNITY TO EXPRESS OUR APPRECIATION AND THANKS TO THE MANAGEMENT BOARD AND CORIO'S EMPLOYEES FOR ALL THEIR HARD WORK DURING THE PAST YEAR

the committees appointed by the Supervisory Board, whereby each committee consists of three Supervisory Board members. The activities of the committees are discussed below.
The Supervisory Board comprises five directors in total. The terms of office of Mr. Vos, Mr. Borgdorff and Mr. Van der Meer end in 2012 and Mr. Van der Meer has opted to end his term during the 2011 General Meeting. He has made himself available for reappointment. The Supervisory Board will nominate Mr. Van der Meer for reappointment. In addition the Supervisory Board will inform the General Meeting of its intention to increase the number of members of the Supervisory Board to six due to the increasing size and complexity of Corio, and the challenges consumer markets will present in the future. Therefore in addition to the reappointment of Mr. Van der Meer, a new Supervisory Board member will be put forward for appointment at the General Meeting.

In 2010 the Supervisory Board reviewed its profile taking into account the requirements of the Corporate Governance Code. It was decided to amend the profile. The proposed amended profile will be discussed with the General Meeting and the Works Council. The profile will be adopted by the Supervisory Board after the aforementioned discussions have taken place.

AUDIT COMMITTEE

The Audit Committee met four times in 2010. The main items on the agenda were the auditors' report, the management letters, a review of the audit charter, an assessment of the performance of the external auditor, the quarterly, half-yearly and annual report. The Audit Committee met with the external auditor at least once in the applicable year without any Management Board members being present. Risk management, treasury activities and policies and the company's financial results and position were discussed. The committee also reviewed the need for an internal auditor, but does not recommend one for the time being. This will be reviewed again in 2011.

REMUNERATION COMMITTEE

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

Further information on the structure of and background to the remuneration policy can be found in the remuneration report section in this annual report. The remuneration report was prepared by the Remuneration Committee and has been adopted by the Supervisory Board. The process followed in 2010 is in line with the remuneration policy approved at the Extraordinary General Meeting of Shareholders on 10 December 2004 and the proposed amendment adopted by the General Meeting of Shareholders on 29 April 2008.

SELECTION COMMITTEE

The Selection Committee met four times in 2010 to discuss the CFO and COO positions.

PERSONNEL

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

Utrecht, 17 February 2011

The Supervisory Board

SHAREHOLDERS' INFORMATION & INVESTOR RELATIONS

INVESTOR RELATIONS

Corio aims for a high level of transparency in communicating its financial situation, strategy, plans and other information relevant to existing and potential stakeholders. 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.

Financial results are published quarterly through press releases. The full-year and interim figures are presented and explained in analyst meetings and a separate financial press conference. The analyst meetings are open to everyone via a webcast and telephone conference. The results for the first quarter and the first nine months of the year are clarified in a telephone conference that is open to all. Price-sensitive information is always published in a press release. 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. Important messages are also communicated through twitter (@CorioIR).

FOLLOW US ON TWITTER: @CORIOIR

In addition to the regular information described above, in 2010 Corio organised a number of road shows, property tours and attended a number of conferences to present and discuss the company, its strategy, operations and activities with analysts and investors. Corio updates and adds new features to its website (www.corio-eu.com) on a regular basis.

MAJOR SHAREHOLDERS

Stichting Pensioenfonds ABP (through direct and indirect holdings) and PGGM are the only shareholders with more than 5% of the issued share capital. Pursuant to Dutch reporting requirements, ABP informed the Netherlands Authority for the Financial Markets (AFM) on 1 November 2006 that it held 36.59% of the issued share capital. PGGM informed the AFM on 31 March 2010 that it held 5.09% of the issued share capital.

ABP participated in all of Corio's share issues in 2009 and 2010. In November 2010 ABP sold 4.5 million shares and as a result its share in Corio fell to 31.26% at year-end 2010 (year-end 2009: 36.65%). PGGM informed Corio that it held 5.14% at year end 2010. Disclosure is required once a shareholder's interest amounts to 5% or more of the issued capital and again if the interest reaches, exceeds or falls below certain threshold values (5%, 10%, 15%, 20%, 25%, 30%, 40%, 50%, 60%, 75% and 95%). This may be due to a shareholder acquiring or disposing of shares, or to an increase or decrease in the company's issued capital.

TAX STATUS

TAX STRATEGY

Corio strives to minimise the tax burden in order to achieve the highest possible return on its investment activities. This entails the optimisation of the tax position on the going concern business, and in applying best practice to the acquisition and disposal of its property portfolio. Corio continuously explores possibilities to optimise its tax structure within the boundaries of the law. Due to the diversity of the various tax systems applicable in those jurisdictions where Corio performs its activities, the optimal tax structure may differ per jurisdiction. As a result Corio's current structure consists of a mix of taxable structures and tax-exempt structures.

GEOGRAPHIC SCOPE

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

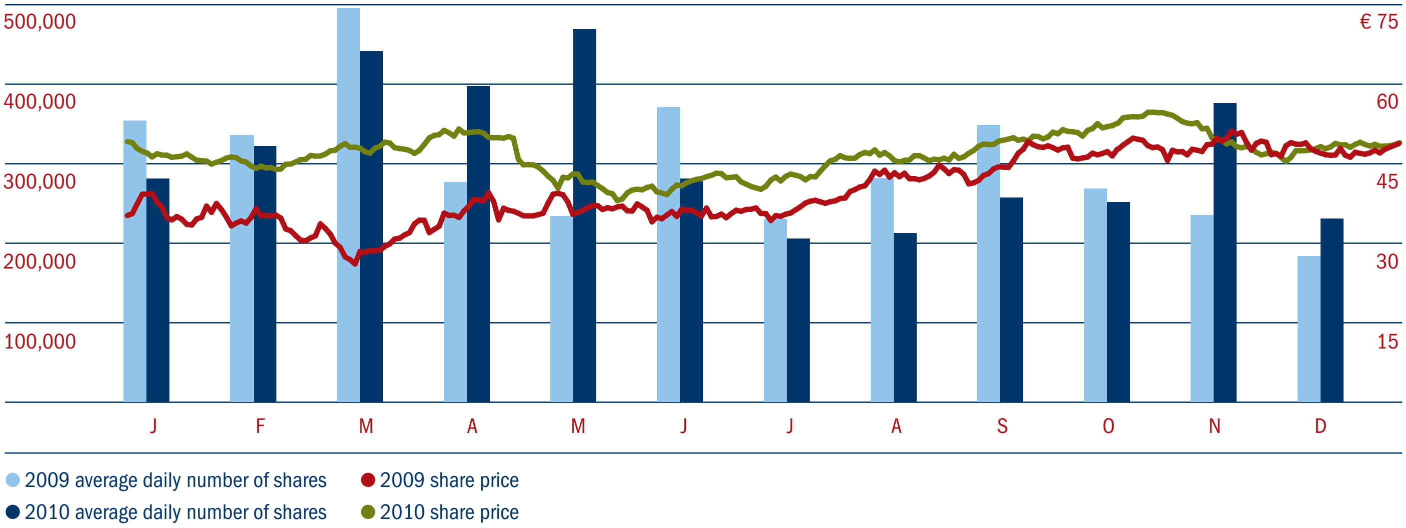
FINANCIAL CALENDAR 2011

17 February	2010 Full-year results
21 April	General Meeting of Shareholders
27 April	Ex-dividend quotation
Until 17 may	Period of choice of dividend
19 May	Dividend payable for 2010
5 May	2011 first-quarter results
18 August	2011 half-year results
3 November	2011 results first three quarters

FINANCIAL CALENDAR 2012

16 February	2011 Full-year results
10 May	2012 first-quarter results
7 August	2012 half-year results
8 November	2012 results first three quarters

PRICE AND TURNOVER OF CORIO SHARES IN 2009 AND 2010



Activities in Italy, Spain, Germany and Turkey are taxed at the normal statutory tax rate. However, the effective tax rate may be lower as a result of the combined effect of interest charges, depreciation and other operating expenses. As a result of proper structuring of Corio's local activities in Germany, we will see a reduction of the statutory tax rate to 15.75% (from 32%) in 2011. With respect to these latter jurisdictions, Corio is also investigating the possible application of tax-exempt regimes in these countries. If applying such a regime is deemed appropriate within the local investment structure and fits within Corio's overall strategy, appropriate action will be taken.

CONDITIONALITY OF SPECIAL TAX REGIMES

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

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

SHARES

In 2010, Corio's share price rose from € 47.69 at the close on 31 December 2009 to € 48.02 on 31 December 2010. Including the dividend of € 2.65 this gives a return of 6.2% based on the closing price of 2009. The lowest closing share price in 2010 was € 36.74, reached on 25 May 2010 and the highest share price was € 53.95, reached on 22 October 2010. In 2010 an average of 309,044 or

CORIO STRIVES TO MINIMISE THE TAX BURDEN IN ORDER TO ACHIEVE THE HIGHEST POSSIBLE RETURN ON ITS INVESTMENT ACTIVITIES

FIVE YEAR OVERVIEW

	2010	2009	2008	2007	2006
Share price period end	48.02	47.69	32.89	55.40	61.90
Average share price	45.61	37.43	50.63	61.08	52.38
Highest closing share price	53.95	49.20	62.66	75.19	61.90
Lowest closing share price	36.74	25.87	30.71	49.95	43.66
Average number of daily traded shares	309,044	300,800	438,421	350,634	175,046
Number of outstanding shares	91,002,947	76,363,025	66,253,702	66,253,702	66,253,702
Market capitalisation period end (x billion)	4.4	3.6	2.2	3.7	4.1

0.35% of the average number of shares were traded per day (2009: 300,800 (0.42%), 2008: 438,421 (0.66%)) on Euronext NYSE. This is relatively lower than the previous periods, reflecting, in our belief, the fact that fewer shares overall were traded on Euronext during the year under review and a larger number of shares traded over the counter and through other channels. In addition, fewer hedge funds and short term funds invested in property shares and investors tended to hold their position in 2010.

Corio N.V.'s shares are listed on NYSE Euronext in Amsterdam. We ended our share listing in Paris in December 2010 as a Paris listing is no longer necessary under the SIIC regime and trading in Corio shares in Paris was very limited. Corio joined the AEX index on 4 March 2008. Corio shares are included in several relevant leading indices, including the European Public Real Estate Association index, the Global Property Research index, the Euronext 100 index and FTSE4good. Corio was included in de DJSI and ASPI index in 2010.

COST RATIO

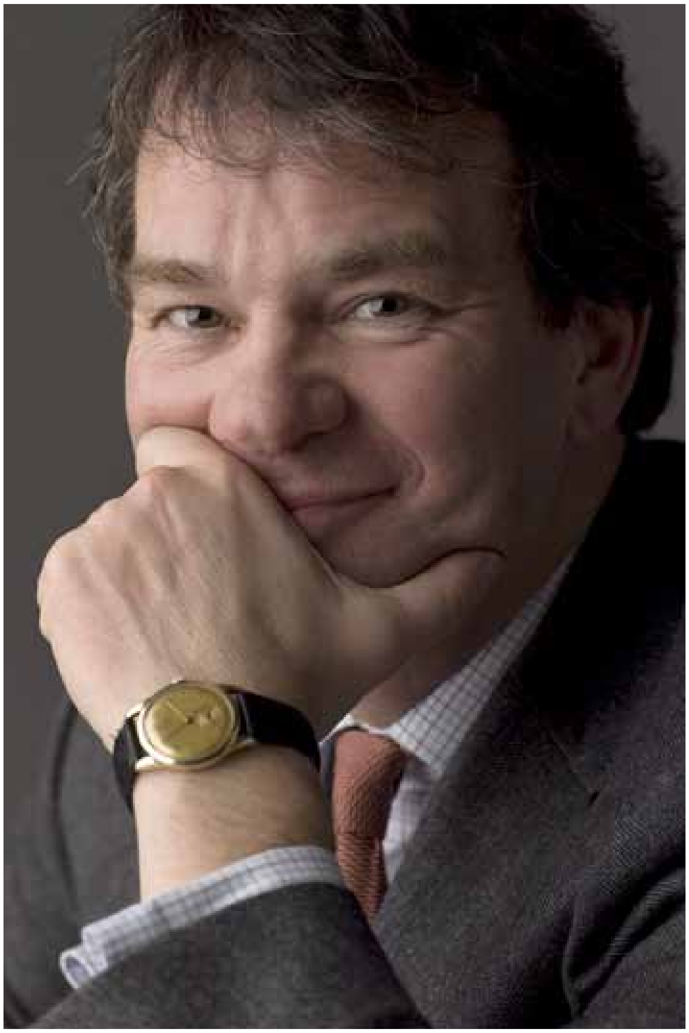
Under the Dutch Financial Superivision Act (Wft), investment institutions are required to disclose their cost ratios. This requirement was introduced to ensure the availability of clear and comparable information on cost levels. With effect from 2006, and in compliance with the Further Rules for Supervision of the Market Conduct of Investment Institutions issued by the Dutch regulator the Netherlands Authority for the Financial Markets (AFM), the cost ratio is defined as total costs (property operating expenses, general expenses and taxes), excluding interest charges, as a percentage of the weighted average net asset value for the past five quarters. Corio's cost ratio for 2010 was 2.4% (2009: 2.4%, 2008: 2.2%).

DIVIDEND

Corio pays a dividend at least once a year. The objective of Corio's dividend policy is to at 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 € 2.69 per share, payable in cash or shares at the discretion of the shareholder, within the bounds set by Corio's FBI status, be distributed for 2010 (2009: € 2.65 in cash or shares). This represents a pay-out ratio of approximately 97.5%. The dividend yield is thus 5.9% on the basis of the average price in 2010. The dividend proposal will be submitted to the AGM on 21 April 2011. The dividend will become payable on 19 May 2011.

MANAGEMENT BOARD REPORT

LETTER FROM THE CEO



OUR SUCCESS IN THE NEXT TEN YEARS WILL DEPEND ON HOW WELL WE RESPOND TO – AND ANTICIPATE – CONSUMERS' CHANGING DEMANDS.
ONE THING IS CERTAIN: SUSTAINABILITY WILL GROW IN IMPORTANCE. SOCIAL MEDIA WILL IMPINGE ON AREAS OF OUR LIVES WE CANNOT BEGIN TO IMAGINE RIGHT NOW.

G.H.W. GROENER (GERARD, 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

WHAT PERHAPS STANDS OUT MOST IN COMPARING THIS YEAR WITH TEN YEARS AGO IS HOW WE HAVE BEEN PURSUING OUR GOAL OF BECOMING A PURE PLAY RETAIL PROPERTY COMPANY

THE YEAR 2010: THE GREAT LEAP FORWARD; OUR GERMAN DÉBUT

In a year of continuing economic uncertainty and market hesitation, Corio is delighted to have had the opportunity to fulfill its long-term ambition of entering the German market, Europe's most populous country.

The demographic characteristics and track record of Germany are strong – the German consumer will not spend much more when the economy is booming and will not spend less when the economy is shrinking. It's by far the most stable market in Europe.

We completed the entrance to Germany – our biggest transaction valued at € 1.3 billion – at the end of March, thanks to some finely coordinated, dedicated teamwork that showed off the skills of our high-quality, dynamic, multidisciplinary management team. We were able to sign the transaction and raise the capital on the very same day via an Accelerated Book Build.

The deal gave us four shopping centres in Germany, Spain and Portugal and a development portfolio consisting of five projects in several, attractive German cities. Germany has very few international players in the shopping centre market and relatively few German players of any scale. Our acquisition of 110,000 GLA m^2 of retail space catapults us right to number four in the German market. Growing that portfolio in a profitable manner, will be the challenge.

FINANCIALLY FIT

The deal was immediately accretive to the direct result and we promised to maintain our dividend per share, our payout ratio rose quite steeply. Meanwhile we remain in fit financial shape, with leverage steady around 40% – a level we feel comfortable with. We successfully raised two Eurobonds, one in August of € 250 million placed with one investor and a second, a € 500 million long seven-year public issue.

As a prelude to the Eurobond issue, we applied for credit ratings from S&P and Moody's, who confirmed our initial ratings both before and after completion of the bond issues. We felt we needed to broaden our debt base and diversify the sources of financing and are pleased this worked out well.

OTHER NEW BUSINESS

During the year another great opportunity presented itself and we jumped in again, this time at the chance to make a nice addition to our Italian portfolio with the purchase of 50% of Porta di Roma shopping centre in a transaction with the German financial services group Allianz. We acquired 50% of the joint venture at a € 220 million investment and agreed for Corio to manage the whole centre directly. We also acquired the Le Vele/Millennium shopping centre on Sardinia for € 103 million.
Turkey is the best performing economy in Europe right now and one we are happy to be in. While elsewhere in Europe retail spend was flat, in Turkey it increased. Our interests in Turkey developed well in 2010 and it is a country we are very committed to. In November 2010 we opened our new shopping centre Anatolium in the city of Bursa.

For the coming period Corio plans to focus on bringing to fruition its relatively large pipeline portfolio which will require substantial investments in the years to come.
Our pipeline is low risk as our fixed commitments are only one third of the total. In addition, most of the projects are turnkey so we only run limited development risks.

THE NEXT TEN YEARS

Around ten years ago, at an extraordinary shareholders' meeting, two property companies – VIB and WBN – decided to merge. The merger was consummated at the AGM on 25 April 2001, and Corio was officially born. Thus read the 2000 Annual Report: "The trend on the European market is towards integrated retail concepts and greater consolidation both for the property market and the investors who invest in it. Corio has the scale and the specialisation to deliver a competitive performance. E-developments offer rich possibilities".

EVEN FIVE YEARS FROM NOW, MOST PEOPLE WILL NO LONGER GO OUT TO BUY THE THINGS THEY NEED. THEY WILL GO OUT TO BE IN A DIFFERENT PLACE AND IN AN ENVIRONMENT THEY LIKE, FEEL SAFE, MEET FRIENDS AND HAVE FUN

Those words still hold true today. In fact when you look back ten years, you can see that much has changed in the world around us. But surprisingly little has changed when it comes to our vision, strategy and way of doing business. Back then, we were very focused and hands-on: we singled out the European retail property market as offering relative stability and immunity to cyclical swings and vowed to achieve more than half of all investments outside of the Netherlands in five years. We did that, and continue to pursue that same course.
Back then, our financial target was to achieve the highest possible return with a moderate risk profile, and we saw wisdom in geographic diversification as a means of creating greater resistance. Then as now, we saw our status as a liquid, closed-end investment fund, as a major distinguishing feature for investors seeking all the benefits and none of the disadvantages, of investments in real estate.

The year 2000 was the first year of accounting in the new joint European currency, the euro. At the time our customers and our customers' customers were still using primarily Dutch Guilders, French Francs and Spanish Pesetas. The investment world has changed markedly: the launch of the Euro ushered in a large-scale, pan-European approach to investments. It sparked a new wave of major consolidation in virtually every industry sector and was accompanied by a massive liberalisation in many markets. In the evolving markets for larger scale Euro-denominated investments, Corio stood out as the fourth largest listed European property company.

Corio has since risen to become the third largest retail property group in Europe. Corio's home markets have grown from just three in the year 2000: France, the Netherlands and Spain to six in 2010, adding Italy, Turkey and Germany. The value of our portfolio, meanwhile has grown from € 2.7 billion in 2000 to € 7.2 billion in 2010. On average € 450 million has been added per year. The gross rental income has risen, from € 168.3 million in 2000 to € 451.6 million in 2010. The Gross Leasable Area of our shopping centres increased from 707,400 m^2 to 1,736,200 m^2.

Perhaps what stands out most when comparing this year with a decade ago is how we have pursued our goal of becoming a pure play retail property company. Ten years ago 53% of the portfolio in value was shopping centres. Today that figure stands at 96%. Back in 2000 we actually owned houses. The residential property holdings accounted for 5% of our portfolio. We also had two properties in the U.S. Geographically, the portfolio was dominated by the Netherlands, which accounted for 70% of the portfolio in value. Nowadays we have a much more balanced spread with roughly 27% in the Netherlands and France each, followed by Italy and Spain/Portugal with 20% and 10% respectively, Germany and Turkey account for roughly 8% each. Our currency commitments and exposure are still dominantly Euro-based.

So what else has changed in the last ten years? The Euro has become the world's second largest reserve currency. Our conviction that retail properties would outperform all other categories of commercial real estate investments has been largely borne out. Corio has sold its Dutch office and industrial portfolio and we are in the process of selling the French offices and industrial portfolio. The residential units were sold a long time ago. The internet and mobile telephony has not transformed our lives to the extent many predicted, but it is revolutionising the way we shop and communicate. And sustainability is becoming even more important than it was before.

In 2000 we were at the peak of the dot-com boom. E-commerce was a buzz word. There is even a reference to it in the 2000 Corio Annual Report. We spoke of it as offering promising prospects. But then came the E-commerce bust and a dark period in which our assumptions about the impact of internet on our lives was reassessed and scaled back.

In 2010 we have a much clearer view of what it all means and how a company like Corio can latch on to evolving social media, for example, to further help our customers' business goals and to enrich the lives of their and our ultimate customers, the consumers.

OUR NEW HEADQUARTERS: LOFTY, OPEN-PLAN AND VERY TRANSPARENT, WITH GLASS WALLS AND DOORS. WE HAVE FOUND A HOME OF OUR OWN AND A HOME FROM HOME

2020 VISION

The Corio name has always stood for the core, the heart, the crossroads of commerce: the axis between supply and demand on the European property market. In the last few years we have worked hard to enhance the non-shopping related experience. To win customer loyalty in today's market, shopping centres must do more than simply offer a broad range of high quality merchandise in an attractive setting. They need to be 'Favourite Meeting Places'.

In 2020, shopping centres will be places where you do a range of activities. You will dine out, have a drink with friends, watch a movie, attend a concert, see a doctor or go to a keep fit class – all this right in the heart of the community.

Our success in the next ten years will depend on how well we respond to - and anticipate - consumers' changing demands. One thing is certain: sustainability will grow in importance. Social media will impinge on areas of our lives we cannot begin to imagine right now. Our shopping centres will have to be a lot more interactive with customers and consumers. As a hands-on manager we can play an important role in steering those developments. Our approach will evolve as the market evolves. I predict that less than half of all units in shopping centres will be traditional retail shops. All the others will be distinctly different. Even five years from now, most people will no longer go out to buy the things they need. They will go out to be in a different place and in an environment they like, feel safe, meet friends and have fun. Recurring purchases – for example socks or another pair of the same trousers – will be bought on the internet and delivered at home. Most new things will continue to be bought in shops. So the challenge for retailers will become ensuring that they have lots of new things in their product range.

Cities are where we see most growth and opportunities developing for Corio. Our focus will remain on downtown shopping centres, transit-oriented developments and confluence points in larger communities. In plotting our next moves, the choice of city has already become more important than the country it's in. Cities are the place to be. For the first time there are more people living in cities than outside. That will increase to 75% in ten years' time. However, given that legislation – tax, lease, zoning, building permits – is different in every country, for practical reasons we will continue to approach any new city developments from the country level, which currently means from our six core home markets, run by our business units with local expertise.

NEW HEADQUARTERS

Last but not least, in late November the entire Corio holding staff and employees of Corio Nederland moved into a refurbished own office space in the centre of Utrecht. The offices are lofty, open-plan and very transparent, with glass walls and doors and an espresso-bar reception. They convey the kind of warm, friendly, collaborative atmosphere we have long aspired to create. They happen to be right in the middle of the country's largest shopping complex - Hoog Catharijne - which we own. We have finally found a home of our own – a home from home.

All the above would not have been possible without the commitment and dedication of the people at Corio. I would therefore like to express my gratitude to all employees who gave their best in achieving this result and working together as a team. Thank you for all your great ideas and hard work!

MANAGEMENT BOARD REPORT

STRATEGY IN ACTION

HIGHLIGHTS IN 2010

JANUARY

Sale of Bordeaux Megastore in France for € 67.3 million

MARCH

Acquisition of shopping centre Le Vele/ Millennium in Cagliari on Sardinia for € 103.3 million at 7.0% NIY

Acquisition of an operational portfolio (four shopping centres in Germany, Spain and Portugal) for € 662 million at a NIY of 6.7% and a development portfolio of five projects in Germany with an expected total investment of approx. € 660 million. This acquisition was predominantly financed through a successful equity raise of € 600 million

MAY

Acquisition of 50% of Porta di Roma shopping centre in Rome in Italy for € 220 million at 6.4% NIY

Assignment of BBB+ rating by S&P and in June Baa1 by Moody's

AUGUST

A € 250 million Eurobond issue is placed with a single investor

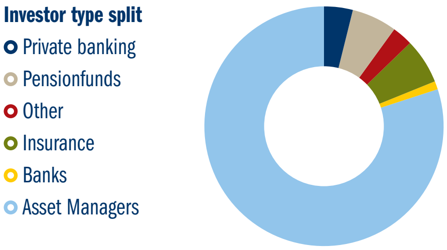
SEPTEMBER

Dow Jones Sustainability Indexes Member 2010/11

ASPI

Corio is included in the Dow Jones Sustainability Index and Advanced Sustainable Performance Indices

OCTOBER



First public € 500 million Eurobond is placed

NOVEMBER

Opening of Anatolium shopping centre in Bursa in Turkey

DECEMBER

Acquisition of Palazzo del Lavoro development project in Turin in Italy

In 2010 Corio sold a number of properties with a total value of: € 236.3 million

VISION

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 are convinced that the creation of appealing and successful shopping centres, when managed properly, will generate greater economic activity. In doing so, we recognise the importance of being alert to the changing demands of people in the catchment area and the need to adapt quickly to their demands. To be successful, we believe our centres should be sustainable in every respect: situational (location), conceptual, aesthetic, social, environmental and financial. 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 potential consumers who live in the catchment areas surrounding our retail centres. 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

To be able to realise our mission we must take matters into our own hands. Being close to the consumer and understanding their needs is crucial. Therefore we have organised all activities in the real estate value chain internally. To be able to run those activities in a profitable way we need critical mass on a country level. Corio has achieved this in all of its core markets. Size is not the ultimate and sole objective, but it does matter. To be able 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 those demands and the 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 85% of our turnover, enhanced by up to a maximum of 20% exposure to emerging economies. Operational excellence ensures that we run our business in the most profitable way. Strong cooperation between centre management, 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 develop new profit centres.

MANAGEMENT BOARD REPORT

KEY ELEMENTS OF OUR STRATEGY

OUR CENTRES ARE DOMINANT IN THEIR CATCHMENT AREA

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

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

Management, letting and development are performed in-house. This enables us to stay in close contact with the shopping centres, retailers and consumers in the catchment areas. This closeness enhances Corio's ability to react quickly and appropriately to changes in consumer preferences. Local management and operating teams are closely involved in the operations of their shopping centre. Reviews of shopping centres' operations are generally conducted every month on the basis of a number of key performance indicators. Each shopping centre's competitiveness and ability to draw consumers in its catchment area is thus assessed and monitored regularly, enabling any corrective measures to be taken in a timely way.

OUR MANAGEMENT MODEL IS DECENTRALISED: 'LOCAL+'

Our management approach, which we call 'local+', gives substantial latitude to the local business units in each home market, whose in-depth local knowledge they apply to their markets, supported by professional support, operational frameworks and financing from central headquarters.

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

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

IN SOURCING OF DEVELOPMENT ACTIVITIES

Corio manages property development activities in-house. This enables us to control risks and product quality more effectively and run a more profitable business. We expect our in-house development activities to boost our overall profit margin. Corio will develop a site only when the land has been fully secured and zoning is in place. Construction costs are always capped, before the start of construction, to avoid the risk of budget overruns.

OPTIMISING PROFITABLE GROWTH THROUGH AN ACTIVE ACQUISITION AND DISPOSAL POLICY

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

EXPOSURE TO EMERGING MARKETS LESS THAN 20%

Corio's retail property portfolio is geographically diversified across regions whose markets are in various stages of development. While stable mature markets and growth markets will continue to account for the bulk of the portfolio, Corio aims to grow its share of activities in the emerging markets to no more than 20% of total investments, with a maximum of 10% per geographic region. This split is aimed at maintaining profitable growth and a sound risk-return profile.

EFFECTIVE RISK MANAGEMENT

Effective operational and financial risk management is underpinned by monthly key performance indicator reporting, monthly country CEO meetings, and quarterly management and financial reporting by the different Business Units. We use an integrated model for strategic, operational and financial risk management

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

At Corio we are acutely aware that our business activities have an impact on the economy, society and the environment. We have therefore embedded CSR throughout our organisation and have incorporated it into our decision making process, relating to daily operations as well as all investment and development activities.

LEADERSHIP WITHIN CORIO

Leadership is all about having a great idea, engaging people to believe in your idea and getting the idea realised. Leadership is not merely a management skill, it is an attitude which we cherish and develop in our people. We believe that more than ever, our success will depend on leadership that focuses on talent: talent as a description of certain skills people excel in, and not as a description of an employee. Leadership is finding that talent, deploying it in the best way and giving it room to flourish. Corio recognises the fact that skills are more important than knowledge. Skills such as communication combined with knowledge such as law and finance and consumer needs. Attitude, and passion are becoming more important than experience. Having an open mind and being receptive to things are very important in the evolving Corio culture. We find it essential that our people, throughout Europe, share important values and competencies and feel that they belong to a truly exciting, professional and leading company. A place where they can make a difference, where they can develop themselves and their environment. No matter where their office is located, employees should feel that Corio is their Favourite Working Place.

TOP 10 VALUE

1

GRAND LITTORAL **MARSEILLE**

Value	€ 353.4 million
Footfall	13 million
GLA Corio	57,100 m^2
Total GLA	109,200 m^2
Number of contracts	176
% of total portfolio Corio	4.9

2

HOOG CATHARIJNE **UTRECHT**

Value	€ 323.1 million
Footfall	25.6 million
GLA Corio	99,600 m^2
Total GLA	134,600 m^2
Number of contracts	150
% of total portfolio Corio	4.5

3

SHOPVILLE LE GRU **TURIN**

Value	€ 312.6 million
Footfall	10.9 million
GLA Corio	32,900 m^2
Total GLA	78,500 m^2
Number of contracts	168
% of total portfolio Corio	4.3

4

GRAND PLACE **GRENOBLE**

Value	€ 302.9 million
Footfall	8.3 million
GLA Corio	53,800 m^2
Total GLA	94,100 m^2
Number of contracts	121
% of total portfolio Corio	4.2

5

CAMPANIA **NAPLES**

Value	€ 283.0 million
Footfall	10.6 million
GLA Corio	64.600 m^2
Total GLA	108,000 m^2
Number of contracts	176
% of total portfolio Corio	3.9

6

CENTRUM GALERIE **DRESDEN**

Value	€ 279.7 million
Footfall	8.8 million
GLA Corio	64,400 m^2
Total GLA	64,400 m^2
Number of contracts	109
% of total portfolio Corio	3.9

7

ALEXANDRIUM **ROTTERDAM**

Value	€ 258.6 million
Footfall	9.2 million
GLA Corio	45,000 m^2
Total GLA	108,000 m^2
Number of contracts	176
% of total portfolio Corio	3.6

8

PORTA DI ROMA **ROME**

Value	€ 234.8 million
Footfall	17.2 million
GLA Corio	35,300 m^2
Total GLA	97,000 m^2
Number of contracts	250
% of total portfolio Corio	3.2

9

FORUM DUISBURG **DUISBURG**

Value	€ 232.3 million
Footfall	9.0 million
GLA Corio	58,600 m^2
Total GLA	58,600 m^2
Number of contracts	86
% of total portfolio Corio	3.2

10

PRÍNCIPE PÍO **MADRID**

Value	€ 164.3 million
Footfall	12.1 million
GLA Corio	28,700 m^2
Total GLA	28,700 m^2
Number of contracts	121
% of total portfolio Corio	2.3

TOTAL

Value	**€ 2,745 million**
Footfall	**125 million**
GLA Corio	**540,000 m^2**
Total GLA	**881,100 m^2**
Number of contracts	**1,533**
% of total portfolio Corio	**38**

TOP 10 TENANTS

1


INDITEX
ZARA, BERSCHKA, MASSIMO DUTTI, PULL & BEAR

Rent	€ 11.1 million
% of total rent	2.6
Number of contracts	69

2


METRO
MAKRO, METRO, MEDIAMARKT, SATURN

Rent	€ 10.0 million
% of total rent	2.3
Number of contracts	20

3


AHOLD
ALBERT HEIJN, ETOS, GALL&GALL

Rent	€ 9.3 million
% of total rent	2.1
Number of contracts	52

4


HENNES & MAURITZ
HENNES & MAURITZ

Rent	€ 8.3 million
% of total rent	1.9
Number of contracts	22

5


CSC COMPUTER SCIENCES

Rent	€ 6.4 million
% of total rent	1.5
Number of contracts	1

6


BLOKKER
BLOKKER, XENOS, BART SMIT, MARSKRAMER, INTERTOYS

Rent	€ 5.4 million
% of total rent	1.2
Number of contracts	59

7


CARREFOUR
CARREFOUR

Rent	€ 5.1 million
% of total rent	1.2
Number of contracts	10

8


PPR GROUP
FNAC, CONFORAMA

Rent	€ 5.0 million
% of total rent	1.1
Number of contracts	11

9


BERGGRUEN HOLDINGS
KARSTADT

Rent	€ 3.1 million
% of total rent	0.7
Number of contracts	2

10


CELIO GROUPE
CELIO, JENNYFER, LAURENT CERRER

Rent	€ 2.9 million
% of total rent	0.7
Number of contracts	25

TOTAL

Rent	**€ 66.6 million**
% of total rent	**15.3**
Number of contracts	**271**

MANAGEMENT BOARD REPORT

FINANCIAL REVIEW

B.A. VAN DER KLIFT (BEN, 1959)

CFO and member of the Management Board
Appointed from 1 May 2010 to 1 May 2014.
Dutch nationality.

FINANCIALLY, CORIO CAME OF AGE IN 2010. FOR THE FIRST TIME WE RECEIVED RATINGS FROM THE MAJOR RATING AGENCIES AND WE ISSUED A DEBUT PUBLIC EUROBOND. I AM DELIGHTED TO HAVE JOINED THIS LEADING RETAIL PROPERTY COMPANY AT SUCH A PIVOTAL STAGE IN ITS DEVELOPMENT

CORIO FINANCED THE GROWTH OF THE COMPANY THROUGH A SUCCESSFUL € 600 MILLION EQUITY ISSUE, EXISTING CREDIT LINES, VIA A € 250 MILLION BOND ISSUE AND A WELL RECEIVED DEBUT PUBLIC BOND ISSUE OF € 500 MILLION

INTRODUCTION

In March 2010 Corio added Germany as a new home market. This transaction, together with two acquisitions in Italy, one in the Netherlands and one in Turkey, provides Corio with an additional € 77 million in annual net rental income, excluding any future contributions from the acquired development pipeline.

Corio financed the growth of the company through a successful € 600 million equity issue, by using existing credit lines and, subsequently, via a € 250 million bond issue placed with a single foreign investor in August and a well received debut public bond issue of € 500 million in October.

Net rental income grew 14.8% to € 386.8 million in 2010. This reflects the balance of € 54.4 million higher income due to acquisitions and a reduction of € 9.8 million due to disposals in 2009 and 2010. Properties from and to the development portfolio resulted in a net rental income growth of € 1.6 million. Like-for-like growth came at € 3.6 million. The direct result grew 15.1% to € 251.0 million.

ACQUISITIONS

Corio acquired eight shopping centres and six development projects in 2010 for a total investment of € 1,248.1 million. Four shopping centres were acquired through one transaction, two of which in Germany (Forum Duisburg and Centrum Galerie in Dresden), one in Spain (Espacio Torreledones) and one in Portugal (Espaço Guimarães). The total consideration amounted to € 662 million cash, the net initial yield was 6.7%. In two out of the five development projects acquired in Germany - Schloßstraße in Berlin and Quartier an der Stadtmauer in Bamberg - a pre-agreed net initial yield was negotiated. For the other three projects: Arneken Galerie in Hildesheim, Königsgalerie in Duisburg, and a third project, Corio will share equally in the development profit with the partner of all three of these projects.

Corio enhanced its leading position in Italy through the acquisition of two shopping centres and a development project. In March 2010 Le Vele/Millennium in Cagliari on Sardinia was acquired for a consideration of € 103.3 million at a net initial yield of 7.0%. In April 2010 Corio acquired 50% of Porta di Roma shopping centre for about € 220 million at a net initial yield of 6.4%. The acquisition of Palazzo del Lavoro development project in Turin was announced in December.

In the Netherlands Corio opened the turnkey development shopping centre Boulevard Nesselande in Rotterdam in February 2010 for € 27.0 million.

Corio took over the turn key development of shopping centre Anatolium in Bursa for € 168 million, in July 2010. With this shopping centre Corio strengthened its market share in the growing Turkish economy. The shopping centre opened in November 2010.

In February 2010 Corio acquired a development project in France, namely the factory outlet Moulin de Nailloux in Toulouse, against a net initial yield of 8.4% and an estimated investment of € 59 million.

DISPOSALS

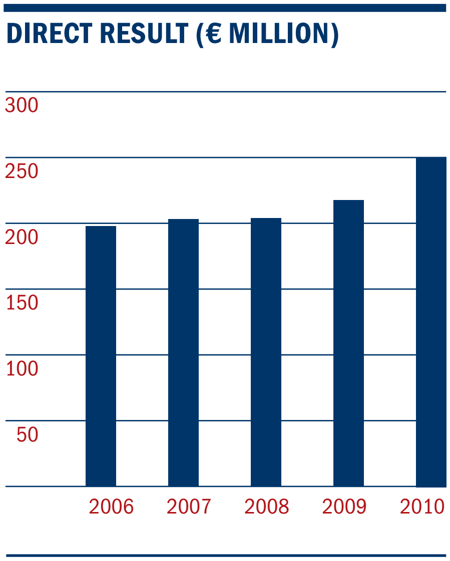
In 2009 Corio announced it would gradually dispose of non-strategic assets, predominantly its offices and industrial portfolio in France and non-strategic retail properties in France and the Netherlands. Corio sold a total of around € 236 million of non-strategic properties in 2010. Corio is still intending to sell approximately € 360 million of non-strategic properties.

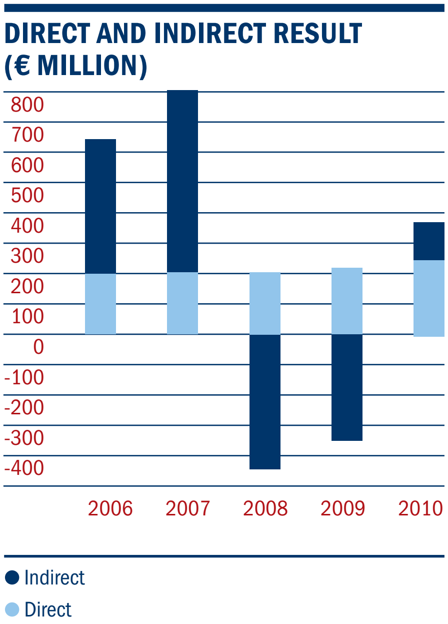
LIKE-FOR-LIKE NET RENTAL INCOME

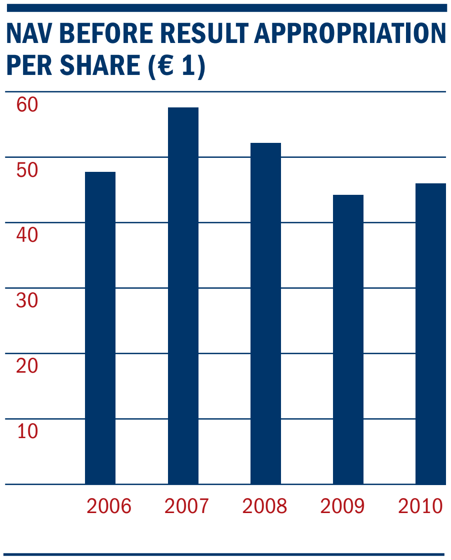
Like-for-like net rental growth in 2010 was 1.1%. Relative to the adverse economic environment, our retail portfolio's like-for-like growth was strong at 1.9%. The like-for-like net rental income of Corio's non-core assets in offices and industrial properties fell 7.2%. As of the end of 2010 this segment represents around 4% of the portfolio.

DIRECT RESULT

Direct result rose 15.1% to € 251.0 million. Administrative expenses as a percentage of gross theoretical rental income fell from 8.5% to 8.2% in 2010, indicating improved efficiency. Net finance expenses grew a modest 3.9% to € 98.6 million. Net debt rose by € 590.0 million per the end of 2010. The average interest rate in 2010 was 4.1% compared to 4.3% in 2009. Income tax increased by € 7.1 million. In 2009 Corio reported a positive tax income as a result of







the recognition of deferred tax assets. Our tax position is continuously optimised by making use of structuring possibilities.

REVALUATIONS

Investor activity in the European retail real estate market picked up in 2010. Investors view retail real estate – especially prime shopping centres and high street retail – as a low risk investment that provides good returns. Yields on prime retail properties declined in 2010, which had a positive impact on Corio's portfolio. After two years of negative revaluations, the impact in 2010 was € 180.0 million (2.6%) positive. The average net theoretical yield used in the valuations of Corio's assets improved by 20 basis points in 2010 to 6.5%.

PIPELINE

The value of Corio's total pipeline increased to € 3.0 billion in 2010 from € 2.3 billion a year earlier. Two projects were taken into operation and seven projects were added to the pipeline. At year-end the total pipeline showed a net initial yield of 7.0% compared with 7.1% at year end 2009.

FINANCING ACTIVITIES

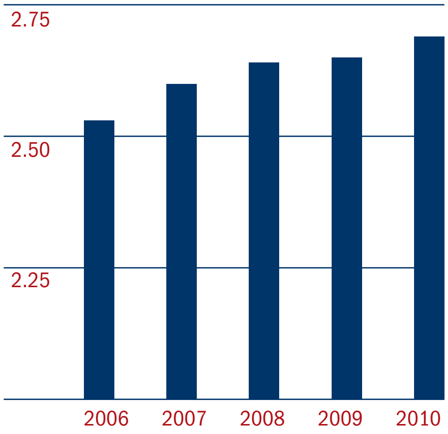
The crisis in the sovereign debt markets in peripheral Europe dominated the financial markets in 2010. Nevertheless, thanks to a resumption of growth in the worldwide economy, debt market tightness eased, pricing became more attractive and transaction volume picked up. This improvement was witnessed in both private and public debt markets and in the equity markets.

With very limited debt maturing in 2010, Corio's main financing needs came from investments in the business, causing total assets excluding cash to increase slightly more than € 1.5 billion.
This growth was financed with approximately forty percent new debt and sixty percent equity and retained profit. Financing at these proportions is consistent with Corio's conservative financing approach and with the targeted leverage ratio stipulated in its financing policy.

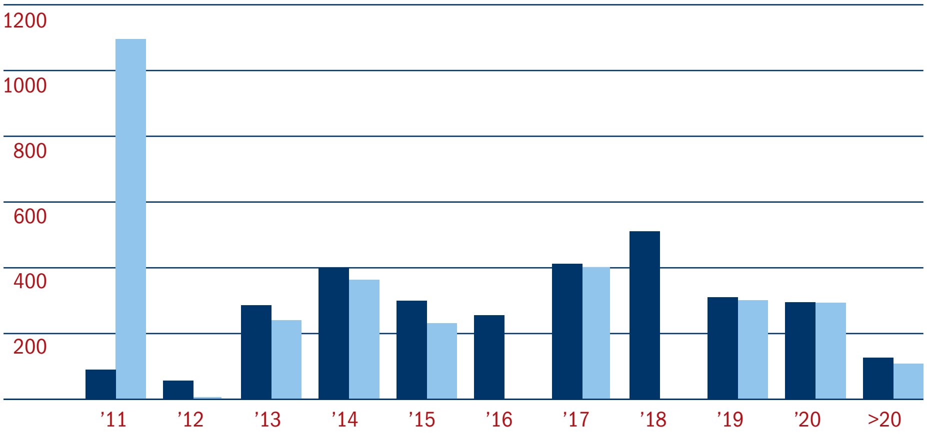
After being assigned credit ratings by Moody's and Standard & Poor's, Corio took a significant step towards further diversifying its funding base in 2010 by accessing the Eurobond market. The credit agencies respectively gave Corio Baa1 and BBB+ ratings, both with a stable outlook. Corio's goal is to remain an investment grade rated company and to maintain a capital structure that supports this.
In August, soon after the ratings announcement, Corio placed a € 250 million bond with a 5.448% coupon, maturing in August 2020, with a single foreign institutional investor. In October Corio successfully placed a € 500 million Eurobond maturing in January 2018. The long 7-year bond has a 4.625% coupon and was priced at 99.694%.
Outstanding debt increased further due to non-recourse debt acquired through the Porta di Roma joint venture transaction in May and several smaller debt raisings. Total interest-bearing loans rose to € 3,224.6 million (2009: € 2,355.5 million) at year-end.

Throughout the year we were able to access our revolving credit facility, which matures in 2012. When fully undrawn, it offers a basic headroom of € 600 million. At year-end 2010 Corio had a significant cash position of € 307.3 million, of which € 279 million was freely available on a central level.
Shareholders' equity (excluding non-controlling interests) at year-end 2010 amounted to € 4,195.6 million (year-end 2009: € 3,384.1 million) or € 46.10 per share (2009: € 44.32). The increase is due primarily to the equity funding and upward revaluation.
In March Corio increased its share capital through a € 600 million equity issue via a bookbuild offering. In May Corio increased its share capital again by issuing € 54 million in stock dividends.
At year-end 2010, leverage was 42.1% (2009: 40.4%), and 40.0% after netting debt with freely available cash and cash deposits at group level. The interest cover ratio was 3.7 (2009: 3.4). 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 increased to 6.1 years at the end of 2010 (2009: 5.8 years).

DIVIDEND PER SHARE (€)



NET DEBT MATURITY AND INTERESTRESET DATE (€ MILLION)



● Debt maturity
● Interest reset date

FINANCE RATIOS

	31-12-10	31-12-09
Leverage	42.1*	40.4
Average interest on net debt in the 4th quarter (%)	4.2	4.0
Average duration of debt (year)	6.1	5.8
% loans with a fixed interest rate	65	66
Interest cover ratio	3.7	3.4

* After netting debt and free cash, leverage is 40.0%.

INTEREST RATE EXPOSURE

The average interest rate on borrowings in the fourth quarter of 2010 was 4.2% (2009: 4.0%). The average rate for the year was 4.1% (2009: 4.3%). Corio's policy is to arrange between one third and two thirds of its long term debt at fixed rates. Fixed debt with a remaining maturity of one year is considered debt with a floating rate. At year-end 2010, long term fixed rate borrowings accounted for 65% of the group's interest-bearing net debt.

NET DEBT INCLUDING SWAPS AT YEAR-END 2010*

	Fixed**	Floating***	Total
Short	-	40.4	40.4
Long	1,946.6	1,005.2	2,951.8
Total	1,946.6	1,045.6	2,992.2
% of total	65%	35%	

* For the US private placements the nominal € amounts of the IRS swaps are used
** Short fixed financing is treated as floating
*** Short floating financing is adjusted with short term financing of dividend

Interest expense increased due to the higher average borrowing amount, but the effect was tempered by a slightly lower interest rate. Net finance expenses rose to € 98.6 million from € 94.9 million in 2009.
In 2011 about € 824 million of net borrowings set at euribor rates will face an interest rate reset. This consists of a net asset position of € 220 million that is reset on a monthly basis, liability positions of € 564 million reset quarterly, and one of € 480 million that is reset semi-annually. Additionally € 262 million of fixed debt will mature in 2011.

CURRENCY EXPOSURE

Corio's currency risk derives from its investments in Turkey and Bulgaria. 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 US dollar-denominated rental income comes from the shopping centres Akmerkez and Adacenter in Turkey. The value of these investments is $ 292.8 million. A 10% depreciation of the US dollar will result in a loss on the investment of € 19.9 million and in a gain on the combined hedge instruments thereon of € 18.4 million. US dollar-denominated rental income comes from the shopping centres Akmerkez and Adacenter in Turkey and is partly offset with US dollar interest on the $ 190 million loan.

DIVIDEND

The Management Board proposes to pay a dividend of € 2.69 per share for 2010 (2009: € 2.65), which corresponds with a payout ratio of 97.5%. We propose paying the dividend in cash or shares at the shareholder's option, within the constraints imposed by the company's fiscal regimes.

OUTLOOK 2011

The direct result is expected to show further growth and direct result per share is expected to show a fractional improvement in 2011 compared with 2010.

This outlook reflects the expected index, letting and renewal results and improved occupancy in Corio's current strong retail portfolio as well as the effect of properties that are expected to come into operation in 2011. The aforementioned effects will be balanced by the effect of the (expected) sales of non-strategic properties in the Netherlands and France and the increase of the average number of shares as a result of earlier share issues and expected stock dividend.

MANAGEMENT BOARD REPORT

FIVE-YEAR REVIEW

(x € million)	2010	2009	2008	2007	2006
FINANCIAL					
Gross rental income	451.6	390.8	397.9	363.1	327.4
Property operating expenses (including service charges)	-64.8	-53.8	-51.9	-46.8	-47.7
Net rental income	386.8	337.0	346.0	316.3	279.7
Share of direct result of equity accounted investees	7.8	8.7	15.2	14.2	15.7
Revaluations (including result on sales)	180.0	-389.7	-355.4	552.5	458.5
Share of indirect result of equity accounted investees	-5.9	-5.6	-96.7	76.9	17.4
Total result	375.7	-131.9	-239.6	801.5	640.7
Direct result	251.0	218.2	204.1	203.1	197.7
Indirect result	124.7	-350.1	-443.7	598.4	443.0
Invested in property	7,234.9	5,885.5	6,038.7	6,459.7	5,458.6
Total assets	8,048.6	6,291.2	6,408.4	6,713.4	5,652.5
Shareholders' equity (excluding non-controlling interest)	4,195.6	3,384.1	3,458.5	3,825.8	3,157.7
Leverage (%)	42.1*	40.4	40.1	34.0	35.8
Interest coverage ratio	3.7	3.4	2.6	3.0	4.2
Average number of issued shares (x million)	87.25	72.16	66.25	66.25	66.25
Figures per share (x € 1)					
Total result	4.31	-1.83	-3.62	12.10	9.67
Direct result	2.88	3.02	3.08	3.07	2.98
Indirect result	1.43	-4.85	-6.70	9.03	6.69
Shareholders' equity (before result appropriation)	46.10	44.32	52.20	57.74	47.66
Dividend	2.69**	2.65**	2.64**	2.60	2.53
Highest closing shareprice	53.95	49.20	62.66	75.19	61.90
Lowest closing share price	36.74	25.87	30.71	49.95	43.66
Share price at year-end	48.02	47.69	32.89	55.40	61.90
Average stock exchange turnover (shares per day)	309,044	300,800	438,421	350,634	175,046
Market capitalisation (€ billion)	4.4	3.6	2.2	3.7	4.1
BUSINESS					
Average financial occupancy rate retail (%)	96.2	96.3	97.7	96.8	97.5
Like-for-like retail (%)	1.9	1.7	4.0	5.9	3.3
Reletting and renewal retail, increase in rent (%)	3.8	7.2	16.6	18.7	20.9
Share portfolio in retail (%)	96	94	92	83	81
Gross Leasable Area retail (m^2)	1,736,200	1,467,600	1,355,000	1,210,000	1,098,000
Pipeline(€ billion)	3.0	2.3	2.7	3.5	2.1
Average Net Theoretical Yield retail portfolio (%)	6.5	6.7	6.1	5.7	NA

* After netting debt and free cash, leverage is 40.0%.

** In cash or shares

MANAGEMENT BOARD REPORT

DIRECT AND INDIRECT RESULT

Corio splits its total result in 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 adjusted.

GROUP RESULTS

(€ million)	2010	2009
Gross rental income	451.6	390.9
Property operating expenses	-64.8	-53.9
Net rental income	**386.8**	**337.0**
Administrative expenses	-39.5	-35.5
Operating income	**347.3**	**301.5**
Share of result of equity accounted investees (direct)	7.8	8.7
EBIT	**355.1**	**310.2**
Net finance expense	-98.6	-94.9
Corporate income tax	-3.6	3.5
Direct result	**252.9**	**218.8**
Non-controlling interest (direct)	1.9	0.6
Direct result (excluding non-controlling interest)	**251.0**	**218.2**
Net revaluation on investment properties	173.4	-382.7
Result on sale of investment properties	6.6	-7.0
Share of result of equity accounted investees (indirect)	-5.9	-5.6
Impairment of goodwill	-7.5	-9.2
Deferred tax expense	-30.7	58.0
Net other income/expenses	-17.1	-4.8
Indirect result	**118.8**	**-351.3**
Non-controlling interest (indirect)	-5.9	-1.2
Indirect result (excluding non-controlling interest)	**124.7**	**-350.1**
Total result (including non-controlling interest)	**371.7**	**-132.5**
Shareholders	375.7	-131.9
Non-controlling interest	-4.0	-0.6
Result per share (€) based on weighted number of shares		
Direct result	2.88	3.02
Indirect result	1.43	-4.85
Total result	**4.31**	**-1.83**
Number of shares end of period	91.0	76.4
Average weighted number of shares	87.3	72.2

In accordance with EPRA best practices recommendations the key performance measures can be found below:

KEY PERFORMANCE MEASURES

(€ million)	2010	2009
Direct result	251.0	218.2
NAV	4,195.6	3,384.1
Adjusted NAV (equal to EPRA NAV)	4,453.9	3,669.9
Adjusted NNNAV (equal to EPRA NNNAV)	4,258.3	3,538.9
Adjusted NIY (EPRA definition)	6.1%	6.3%
Vacancy rate (EPRA definition)	96%	95%

RECONCILIATION ADJUSTED NAV AND NNNAV TOTAL

(€ million)	2010	2009*
Shareholders' equity	**4,195.6**	**3,384.1**
Fair value of financial instruments	57.9	116.1
Deferred tax	276.8	230.7
Goodwill as a result of deferred tax	-76.4	-61.0
Adjusted NAV	**4,453.9**	**3,669.9**
Fair value of financial instruments	-57.9	-116.1
Change loans to market value	-98.4	18.7
Deferred tax (EPRA)	-39.3	-33.6
Adjusted NNNAV	**4,258.3**	**3,538.9**

* Adjusted to EPRA definition.

RECONCILIATION ADJUSTED NAV AND NNNAV ON A PER SHARE BASIS

(€ per share)	2010	2009*
Shareholders' equity	**46.10**	**44.32**
Fair value of financial instruments	0.64	1.52
Deferred tax	3.04	3.02
Goodwill as a result of deferred tax	-0.84	-0.80
Adjusted NAV	**48.94**	**48.06**
Fair value of financial instruments	-0.64	-1.52
Change loans to market value	-1.08	0.24
Deferred tax (EPRA)	-0.43	-0.44
Adjusted NNNAV	**46.79**	**46.34**
Share price at closing	48.02	47.69
NAV Premium/discount	4.16%	7.61%
Adjusted NAV Premium/discount	-1.89%	-0.77%
NNNAV Premium/discount	2.62%	2.91%

* Adjusted to EPRA defenition.

MANAGEMENT BOARD REPORT

OPERATIONAL REVIEW

THE DECENTRALISED BUSINESS MODEL IS ESSENTIAL FOR CORIO'S SUCCESS. AFTER TEN YEARS OF SOLID GROWTH, THE CHALLENGE IS TO FURTHER ENHANCE THE OPERATIONS OF CORIO BY CONNECTING WITH, SERVING AND GUIDING THE PEOPLE WITHIN OUR SIX COUNTRIES AND THUS ADDING VALUE FOR ALL STAKEHOLDERS.

F.J. ZIJLSTRA (FRANCINE, 1963)

COO and member of the Management Board
Appointed from 1 May 2010 to 1 May 2014.
Dutch nationality.

THE CHIEF OPERATING OFFICER WILL ACT AS A LINK BETWEEN THE BUSINESS UNITS, THE MANAGEMENT BOARD AND HOLDING BY SAFEGUARDING THE LINES OF COMMUNICATION ON OPERATIONAL ISSUES

CHIEF OPERATING OFFICER

In 2010 Corio created a new Management Board position: that of Chief Operating Officer and appointed Francine Zijlstra to the position. Mrs. Zijlstra is a Corio veteran, as she has been with Corio since the beginning and in fact began with Corio's predecessor two decades ago. Mrs. Zijlstra knows the company inside out and is an expert in the field of retail property in Europe. Before taking the role of COO she held the position of Director of Strategy & Acquisitions and has initiated many of the large acquisitions that Corio has ventured into in the past decade. Due to its rapid expansion and future plans, Corio decided to reinforce the Management Board by appointing a COO and CDO.

The Chief Operating Officer will act as a link between the Business Units (BUs), the Management Board and holding by safeguarding the lines of communication on operational issues and coordinating the BU related processes at holding level. The COO will enrich the BUs and give guidance on investment strategy, acquisitions and disposals. The COO will stay close to the BUs with an eye to constantly improving their already good operations from an efficiency, creativity and sustainability point of view. Thereto the COO position is also spearheading the Investment Strategy & Research and CSR departments, incorporating and balancing the economic, social and environmental issues of adding value to Corio by making its centres Favourite Meeting Places.

THE FOCUS IN 2010

Giving guidance to local management in difficult operational times

Setting up a team in Germany

Enhancing Corio's CSR performance

It was a busy year for the COO as Corio powerfully entered into the German market by teaming up with one of the leading shopping centre developers in Europe, acquiring two operational shopping centres and five development projects. A cohesive and experienced team was set up to manage the new assets in Germany.

Streamlining CSR and embedding it into the organisation was a main priority in the past year. In recognition of our concrete move to comprehensively include CSR into all levels of Corio strategy and operations, we were placed on the DJSI and ASPI.

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

	Lettable area (x 1,000 m²)		Annualised rent (€ million)*		Adjusted occupancy rate y-e (%)		Value (€ million)	
	2010	2009	2010	2009	2010	2009	2010	2009
Retail	1,736	1,468	447.6	374.3	96	95	6,638	5,357
Offices	104	117	24.0	28.0	96	97	247	283
Industrial	30	86	1.3	4.6	32	79	13	51
Total	**1,870**	**1,671**	**472.9**	**406.9**	**96**	**95**	**6,898**	**5,691**
Investments in pipeline							337	195
Total	**1,870**	**1,671**	**472.9**	**406.9**	**96**	**95**	**7,235**	**5,886**

* Excluding parking.

INTRODUCTION

During 2010, we further increased our focus on retail. The share of retail in the overall portfolio rose to 96% (2009: 94%). Offices and industrials were disposed of and new, dominant shopping centres entered the operational portfolio.

At the end of 2010, our portfolio was spread over the main home markets as following: the Netherlands 27% (2009: 33%), France 26% (32%), Italy 20% (18%), Spain/Portugal 10% (10%), Germany 9% and Turkey 8% (7%).

About 268,000 m² of GLA was added to the retail portfolio in 2010. 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 and openings of new projects were Boulevard Nesselande in Rotterdam (€ 27.0 million), Le Vele/Millennium on Sardinia (€ 103.3 million), Porta di Roma in Rome (€ 220.0 million), Centrum Galerie in Dresden (€ 280.0 million), Forum Duisburg in Duisburg (€ 228.4 million), Espacio Torrelodones in Madrid (€ 66.7 million), Espaço Guimarães in Guimarães (€ 91.4 million) and Anatolium shopping centre in Bursa (€ 168.2 million).

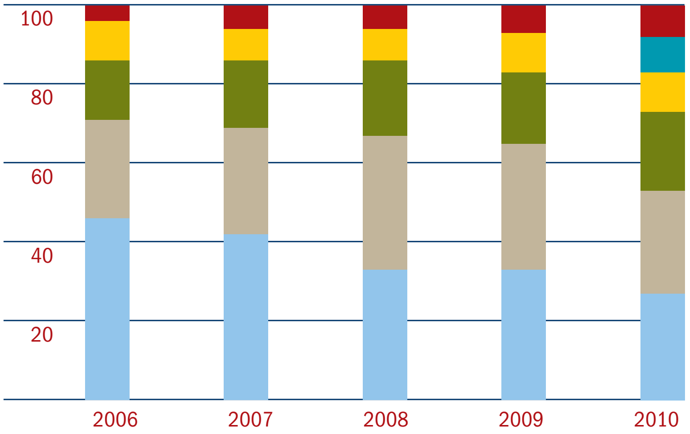
In addition, the theoretical annual rents increased through the completion of the renovation of parts of Middenwaard in Heerhugowaard, Belcour in Zeist, Het Paradijs in Hoofddorp and a number of properties in France.

Offices with a GLA of 47,000 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 73,000 m². Corio has one non-strategic office property in Böblingen (Germany) with a GLA of 13,700 m², also up for sale.

EUROPEAN MARKET

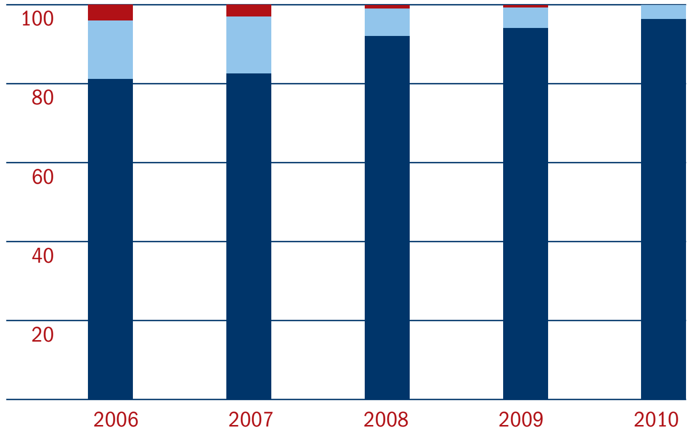
After pulling out of recession in 2009, the GDP of the Euro Area continued to grow and expanded 1.7% in 2010. While still very fragile, the economic growth of the first two quarters of 2010 was higher than anticipated. During this period the economy of the Euro Area benefited from increasing global trade and an increase in export demand. The drawing down of inventory temporary lifted demand and that recovery was underpinned by stimulus packages aimed at boosting Europe’s hardest hit sectors, such as the car industry and construction, that were launched by a number of European governments.

GEOGRAPHIC SPREAD IN VALUE (%)



Netherlands
France
Italy
Spain
Germany
Turkey

SECTOR SPREAD IN VALUE (%)



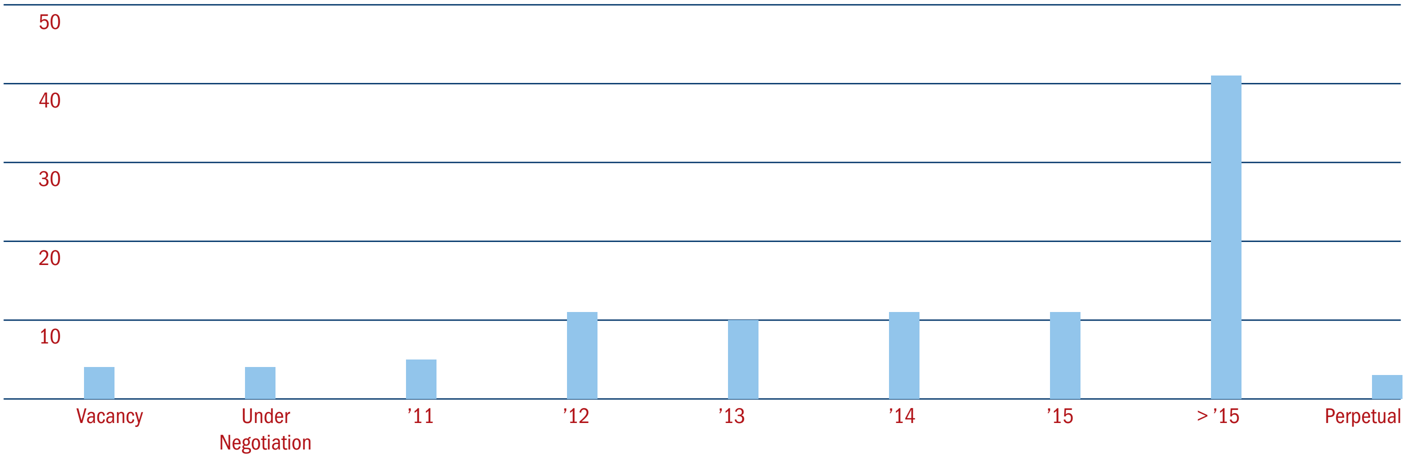
Retail
Offices
Industrial

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

(€ million)	2010					2009					Like-for-like	Total
	Like-for-like NRI	Acquisitions	Disposals	Development property	Total	Like-for-like NRI	Acquisitions	Disposals	Development property	Total	%	%
Netherlands												
Retail	111.3	1.5	0.8	4.3	117.9	108.9	–	2.8	0.9	112.6	2.2	4.7
Offices	4.7	–	0.1	–	4.8	5.7	–	0.8	–	6.5	-17.1	-26.1
Total	**116.0**	**1.5**	**0.9**	**4.3**	**122.7**	**114.6**	**–**	**3.6**	**0.9**	**119.1**	**1.2**	**3.0**
France												
Retail	81.1	–	0.4	2.8	84.3	80.6	–	4.2	2.8	87.6	0.6	-3.8
Offices	16.6	–	0.7	0.4	17.7	17.4	–	3.6	0.3	21.3	-4.3	-17.0
Industrial	2.5	–	0.7	–	3.2	3.0	–	1.0	0.1	4.1	-19.3	-22.2
Total	**100.2**	**–**	**1.8**	**3.2**	**105.2**	**101.0**	**–**	**8.8**	**3.2**	**113.0**	**-0.8**	**-7.0**
Italy												
Retail	**63.8**	**14.1**	**–**	**–**	**77.9**	**62.0**	**–**	**–**	**1.5**	**63.5**	**3.0**	**22.6**
Spain/Portugal												
Retail	**30.8**	**13.0**	**–**	**–**	**43.8**	**32.2**	**–**	**–**	**0.1**	**32.3**	**-4.3**	**35.3**
Germany												
Retail	–	23.6	–	–	23.6	–	–	–	–	–	NA	
Offices	0.8	–	–	–	0.8	0.4	–	–	–	0.4	98.3	
Total	**0.8**	**23.6**	**–**	**–**	**24.4**	**0.4**	**–**	**–**	**–**	**0.4**	**98.3**	**98.3**
Turkey												
Retail	**10.3**	**2.6**	**–**	**–**	**12.9**	**8.1**	**0.4**	**–**	**–**	**8.5**	**26.8**	**51.3**
Retail	**297.4**	**54.8**	**1.2**	**7.1**	**360.3**	**291.8**	**0.4**	**7.0**	**5.3**	**304.6**	**1.9**	**18.3**
Offices	**22.1**	**–**	**0.8**	**0.4**	**23.3**	**23.5**	**–**	**4.4**	**0.3**	**28.2**	**-5.7**	**-17.4**
Industrial	**2.5**	**–**	**0.7**	**–**	**3.2**	**3.0**	**–**	**1.0**	**0.1**	**4.1**	**-19.3**	**-22.2**
Total	**322.0**	**54.8**	**2.7**	**7.5**	**386.8**	**318.3**	**0.4**	**12.4**	**5.7**	**336.9**	**1.1**	**14.8**

The table compares the growth in net rental income of the portfolio that has been consistently in operation during comparable periods (like-for-like). In addition it shows the source (acquisitions, disposals and development properties) between like-for-like net rental income and total net rental income on a country and sector level.

EXPIRATION SCHEDULE RETAIL (%)



RETAIL (BY COUNTRY YEAR END 2010)

	Netherlands	France	Italy	Spain/Portugal	Germany	Turkey	Total
Lettable floor area (x 1,000 m²)	562.0	388.8	250.2	185.4	123.0	226.8	1,736.2
Adjusted occupancy rate (financial) %	97%	92%	98%	94%	100%	94%	96%
Value of operational portfolio (€ million)	1,847.4	1,618.0	1,384.2	748.0	512.0	527.7	6,637.5
Total annualised rent (€ million)	126.1	101.3	90.3	57.1	32.5	40.3	447.6
Annual rent per m² per year (€)	224	261	361	308	264	178	258

The temporary factors that started the recovery in the first half of 2010 faded in the remainder of the year. The growth of GDP in the Euro Area eased during the second half of 2010. In addition, growth in global trade slowed, which had its effect on Euro Area exports. The fiscal tightening programmes that the majority of countries in Europe embarked on also weighed on growth towards the end of 2010.
The fiscal tightening was the response of European governments to the sovereign debt crisis in May. The looming crisis unnerved the bond markets and the announcement and subsequent implementation of austerity measures put pressure on the real economy. In the remainder of the year there was lingering concern that some euro countries might default on their debt obligations. On top of that, in the last months of 2010, the fiscal tightening was starting to affect growth in disposable income.

The labour market lags GDP growth. Unemployment peaked at 10.1% in December 2010 and there were large differences throughout the Euro Area, ranging from around 5% in the Netherlands to around 20% in Spain.
As the European economy recovered, so did private consumption, which rose 0.6%. Retail spending, a component of private consumption, rose by a modest 0.9% during the year. The recovery was focused more on durable goods, with non-food sales rising slightly more than food sales. Consumer confidence rose in most countries in late 2009 and early 2010 and remained stable thereafter. In the European retail real estate market, the difference in performance between primary and secondary locations remained prominent. Across the continent, tenants and investors focused on the best locations with high visitor numbers.

RETAIL

The annualised rent of the retail portfolio (including associates) rose to € 447.6 million at year-end 2010 from € 374.2 million at year-end 2009. Germany was added as a new home country. This increased Corio's retail portfolio by 123,000 GLA m². Corio also acquired two large properties in Italy, Le Vele/Millennium on Sardinia with a GLA of 31,900 m² and 50% of the shares of Porta di Roma in Rome with a GLA of 97,000 m² in total. As a result of this acquisition, Corio Italia is responsible for managing the whole of the Porta di Roma site.

Net rental income rose 18.3% in 2010 (2009: 7.3%) to € 360.3 million. The increase of € 55.9 million was mainly attributable to acquisitions. The total contribution of these acquisitions to the 2010 result was € 54.4 million. At the same time, € 5.6 million in net rental income was lost through disposals. The effect of taking projects in or out of the development pipeline was € 1.6 million positive. The like-for-like increase was € 5.5 million for the retail portfolio.

The net rental growth of the standing retail properties (like-for-like) was 1.9% (2009: 1.7%). This was higher than the 1.6% average consumer price index for the Euro Area and the nominal growth in retail spending, which was 0.9% positive in the Euro Area.

RELETTINGS AND RENEWALS IN THE RETAIL PORTFOLIO

Home markets		% of total	Rent increase (%)
Netherlands	Reletting	3.9	6.6
	Renewal	1.9	2.3
	Total	5.8	5.2
France	Reletting	3.1	12.5
	Renewal	4.2	9.9
	Total	7.3	11.0
Italy	Reletting	4.7	13.6
	Renewal	10.5	8.3
	Total	15.2	10.0
Spain /Portugal	Reletting	11.8	-10.2
	Renewal	4.8	7.4
	Total	16.6	-5.2
Turkey	Reletting	8.3	-7.6
	Renewal	8.2	-25.0
	Total	16.5	-16.3
Total	Reletting	5.0	2.6
	Renewal	4.8	5.0
	Total	9.8	3.8

Depending on the rent levels, or market rents, and revenue growth in the shopping centres, rent increases or replacement of tenants can be achieved when leases expire. The increases are in excess of the indexation that has already taken place. In 2010, 9.8% (2009: 8.1%) of the annual rent was relet or renewed resulting in a 3.8% (2009: 7.2%) higher contractual rent. The lower rate of increase compared with 2009 reflects the usual effect that the property business is lagging the real economy.

The expiration of retail leases is well spread over the years, and only a relatively small proportion of 5% will qualify for reletting or renewal in 2011.

AVERAGE FINANCIAL OCCUPANCY RATE FOR RETAIL PORTFOLIO

In %	2010	2009
Netherlands	98.0	98.4
France	92.3	93.9
Italy	98.9	99.1
Spain / Portugal	93.9	93.0
Germany	99.8	NA
Turkey	95.3	92.2
Total retail	96.2	96.3

The occupancy rates in the Netherlands, Italy and Germany were strong in 2010. The decrease 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.

OFFICES

The office portfolio accounted for only 4% of the total portfolio at year-end 2010, with 84% of these offices in France, concentrated in the Paris region and the remaining in the Netherlands and Germany. The value of the office portfolio was € 266.9 million at year-end 2010.

INDUSTRIAL

The industrial portfolio consists of only two remaining properties in France with a total value of € 14.4 million. Corio sold one industrial site in France in 2010 for € 41.6 million.

OPERATING AND ADMINISTRATIVE EXPENSES

Operating expenses increased by € 11.0 million (20.3%) in 2010, to € 64.8 million. Operating expenses also increased as a percentage of the theoretical rent, from 12.9% in 2009 to 13.5% in 2010. This increase was a result of higher allocation to the provision for doubtful debts and higher non-recoverable service charges. Operating expenses as a percentage of theoretical income differ considerably per country.

OPERATING EXPENSES AS % OF GROSS THEORETICAL RENT

	2010	2009
The Netherlands	16.3	16.3
France	9.1	8.7
Italy	10.1	7.8
Spain / Portugal	17.4	16.1
Germany	8.0	NA
Turkey	29.1	29.8
Total	13.5	12.9

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 11.4% in 2010 (2009: 10.9%). In France, Italy and Germany a large part of the operating expenses is charged to tenants.

Administrative expenses also increased by € 4.0 million to € 39.5 million in 2010. As a percentage of the gross theoretical rental income, administrative expenses fell to 8.2% in 2010 from 8.5% in 2009. The efficiency increased.

IN THE SEARCH FOR SECURE INVESTMENTS, INVESTOR INTEREST CONCENTRATED ON A SMALL RANGE OF WELL LOCATED PRIME PROPERTIES WITH LONG LEASE CONTRACTS IN CORE MARKETS

VALUATIONS

INVESTMENT MARKET

Direct investment in retail real estate in Europe during 2010 increased steadily. Investment turnover grew by 68% on an annual basis and reached € 20.6 billion. Over the course of the year, the European retail real estate market witnessed approximately fifty deals of at least € 100 million, together totaling over half of the transacted volume. The last quarter of 2010 was especially strong, showing a deal volume 80% higher than in the same quarter in 2009. In the search for secure investments, investor interest concentrated on a small range of well located prime properties with good lease contracts in core markets. As secondary properties still felt the impact of the economic crisis, they remained out of the investors' scope in 2010. This focus on the prime segment prevented total investment turnover from expanding further. The large spread between prime and secondary yields reflects this divergence and investor attitude towards risk. Investors have been reluctant to look at more secondary assets in light of the uncertain economic outlook and the resulting letting and pricing difficulties.

Within Europe, the more liquid markets of the UK, Germany and France were the biggest investment markets in 2010, and attracted more investor interest. In terms of growth in investment volume, investors followed the general economic performance of the stable European economies. Countries such as Germany and France that were less impacted or rebounced strongly from the economic crisis benefited from increased investor attention. These well performing markets tend to attract the most investor interest because of the stability of their real estate markets and because they did not have to implement austerity measures to the extent of their Southern European peers.

Whereas 2008 and 2009 were the years in which investors returned to their home markets, 2010 was the year when investors tried to benefit from the early upturn. Cash rich investors like sovereign wealth funds and some listed and institutional investors took advantage of the climate and acquired favourably priced assets. However, these opportunities remained limited as the high quality properties demanded by investors were not offered in large numbers. Some notable examples of high quality investments in 2010 are the acquisition of the German portfolio by Corio and the acquisition of Porta di Roma, for which Corio and Allianz joined forces.

A trend we see is that on project level institutional investors are joining forces with property investors with a long standing track record in operational skills. Teaming up is done for two reasons; because they need an operator, preferably the best, and because they need a validation of the price which can be achieved by teaming up with a listed partner.

Although lending relaxed gradually, banks were less eager to finance large deals. Only in the healthier performing markets across Europe, did banks show an increased appetite for deals on better terms and even with slightly higher Loan To Values than during the peak of the financial crisis. However, their appetite is limited to prime assets as banks are still very cautious and are primarily interested in fully let, well performing and well located properties.

Retail benefited from disproportional investment interest during 2010. In the search for low risk and a good return on investments, prime shopping centres and well-established high street units were the favoured investments. As a result of this interest, yields on prime retail properties came down strongly in most continental European markets. In most countries whose underlying economies were in good shape, we saw prime shopping centre yields compress significantly. Even in the most fiscally beleaguered and economically troubled southern European countries, prime shopping centre yields showed slight downward movements for prime retail properties that have proven to be resilient during the crisis.

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

REVALUATION OF THE PORTFOLIO IN 2010 (EXCLUDING ASSOCIATES)

(€ million)	Netherlands	France	Italy	Spain/Portugal	Germany	Turkey	Total	Total %
Operational								
Retail	50.7	85.6	37.7	16.3	3.6	-17.9	175.8	2.8%
Offices	-3.3	12.4			1.3		10.4	4.4%
Industrial		3.4					3.4	34.7%
Total operational	47.4	101.4	37.7	16.3	4.9	-17.9	189.6	2.9%
Operational (%)	2.6%	5.9%	2.8%	2.2%	0.9%	-5.0%	2.9%	
Development								
Retail	-4.6	5.2	-5.2	-0.3	–	-8.8	-13.7	-4.2%
Offices		4.1					4.1	26.5%
Total development	-4.6	9.3	-5.2	-0.3	–	-8.8	-9.6	-2.8%
Development (%)	-6.1%	12.8%	-10.6%	-6.1%	–	-16.7%	-2.8%	
Total								
Retail	46.1	90.8	32.4	15.9	3.6	-26.7	162.1	2.5%
Offices	-3.3	16.5			1.3		14.5	5.7%
Industrial		3.4					3.4	32.0%
Total revaluation	42.8	110.7	32.4	15.9	4.9	-26.7	180.0	2.6%
Total %	2.2%	6.2%	2.3%	2.2%	0.8%	-6.4%	2.6%	

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, all land plots 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 as much information as possible so the appraiser can do a comprehensive valuation. Each of Corio’s business units works with at least two independent appraisers. At least once every five years a rotation or change in appraisers takes place. To assure the independence of the appraisers, valuation fees are not directly related to the value of the properties. The external appraisers of the Corio portfolio over 2010 were CB Richard Ellis, Cushman & Wakefield, DTZ, Eva, Jones Lang LaSalle, NAI, PWC, RCG Expertise, Savills, Simonelli, TSKB and Weatherall. Corio is currently in the final process of selecting and closing contracts with appraisers after carrying out a tender for new appraisers for the period 2011-2013. We will reduce the number of appraisers in order to improve the efficiency of the valuation process, as well as the uniformity and quality of the output.

The valuation methods used are the discounted cash flow method and the direct capitalisation method, in which market parameters concerning rents, yields and discount rates are based on comparable and current market transactions. Properties under € 25 million in value can be valued on the basis of either the discounted cash flow method, applying a 15 year holding period, or the extended direct income capitalisation method, or both, whatever the appraiser considers to be most suitable for the project in its market. However, properties above € 25 million are always valued by using both methods. In all cases

IN RELATIVE TERMS, THE BIGGEST POSITIVE REVALUATIONS OCCURRED IN ALL OUR FRENCH SUB-PORTFOLIO'S, AND THE SPANISH PORTFOLIO, MAINLY BECAUSE OF IMPROVED INVESTMENT MARKET SENTIMENT

reference transactions for both market rent and yield are included in the valuation report. For development projects the valuation method used is the residual value method. The residual value is derived by determining the market value of the property upon completion, by one of the above methods, less all estimated remaining cost.

Internal valuations are performed on 31 March and 30 September each year. These are done by the local Business Units in consultation with the holding. The methodology of internal valuations is based on the direct capitalisation method by updating the value of the last external valuation according to recent and relevant changes in market parameters such as yields and 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, adjustments to the last external valuations are made only on the basis of quarterly changes in rental income by indexation and re-lettings and renewals. For investment property under development also an assesment of the total remaining costs is made.

CHANGES IN VALUE OF THE PORTFOLIO

Over 2010 the value of the operational property portfolio (excluding associates) rose from € 5,516.0 million to € 6,714.3 million. The biggest factor for this increase comes from acquisitions during the year (€ 1,035.3 million), such as the properties part of the German acquisition, Le Vele/Millennium, Porta di Roma and Anatolium. A number of non-core assets in the Netherlands and France were disposed of, for a total amount of € 236.3 million. Revaluations made a positive contribution to the change in value of the operational portfolio (€ 189.6 million) after two negative years. The remainder of the difference was made up of investments (€ 34.4 million), the movement from development and redevelopment projects to the operational portfolio (€ 177.4 million), the movement from operational portfolio to property plant and equipment (€ 5.4 million) and foreign exchange differences (€ 3.3 million).

The value of the property portfolio in development, including land, increased from € 194.5 million to € 336.8 million. The increase was mainly due to acquisitions of development projects (€ 212.7 million), like Königsgalerie in Duisburg. Furthermore, investments (€ 107.8 million) on the one hand and movements from the pipeline to the operational portfolio (- € 177.4 million) on the other. The value was also influenced by impairments (€ 21.2 million), positive revaluations (€ 11.6 million) and other net changes, including capitalised interest, totalling € 8.8 million.

REVALUATION OF THE OPERATIONAL PORTFOLIO

Revaluations were positive in 2010, following two years of being negative. The revaluation of the operational portfolio over 2010 amounted to 2.9% positive. This total revaluation consists of € 247.6 million positive valuations and € 6.6 million profits on sales, partly offset by € 64.6 million in negative revaluations. Revaluations were positive in the Netherlands, France, Italy and Spain. The German portfolio remained more or less stable and in Turkey the revaluation was negative.

Positive revaluations affected shopping centres in the Netherlands (up € 64.2 million including Alexandrium in Rotterdam, up € 12.2 million and Hoog Catharijne in Utrecht, up € 7.1 million), in France (€ 103.3 million including Grand Place in Grenoble, up € 28.3 million and Grand Littoral in Marseille, up € 19.2 million), and Italy (up € 37.7 million including € 12.6 million from Shopville Le Gru in Turin and € 7.0 million from Porta di Roma in Rome). In relative terms, the biggest positive revaluations occurred in all our French sub-portfolio's; retail (5.6%), offices (7.0%) and industrials (34.7%), and the Spanish portfolio (excl. Espaço Guimarães in Guimarães, Portugal, +3.2%), mainly because of improved investment market sentiment for prime and resilient shopping centres. The largest negative revaluations affected the Turkish portfolio (down € 20.3 million), the French retail portfolio (down € 15.9 million, mainly due to Quais d'Ivry in Ivry-sur-Seine, down € 7.8 million and Art de Vivre in Orgeval, € 3.4 million negative), as well as the Dutch retail portfolio (€ 14.7

VALUATION OF THE OPERATIONAL PORTFOLIO (EXCLUDING ASSOCIATES)

	Net market value (€ million)		Revaluation*		Like-for-Like revaluation**%		Yield Effect	Net Income effect
	31/12/2010	31/12/2009	€ million	%	€ million	%	valuation***	%
Retail								
Netherlands	1,847.4	1,817.4	50.6	2.8%	46.3	2.9%	0.5%	2.4%
France	1,618.0	1,595.2	85.6	5.6%	83.4	5.8%	5.2%	0.6%
Italy	1,384.2	1,007.3	37.7	2.8%	28.9	2.9%	-0.4%	3.3%
Spain/Portugal	748.0	574.4	16.2	2.2%	20.5	3.6%	1.4%	2.2%
Germany	512.0	-	3.6	0.7%	-	-	-	-
Turkey****	343.9	187.5	-17.9	-5.0%	-14.3	-7.4%	-4.1%	-3.3%
Total	6,453.5	5,181.8	175.8	2.8%	164.8	3.4%	1.7%	1.8%
Offices								
Netherlands	43.5	50.4	-3.3	-7.0%	-0.4	-6.2%	-3.6%	-2.6%
France	187.9	219.3	12.4	7.0%	9.1	5.1%	22.7%	-17.6%
Germany	16.0	13.5	1.3	8.6%	1.3	8.6%	0.7%	7.9%
Total	247.4	283.2	10.4	4.4%	10.0	5.0%	20.2%	-15.2%
Industrial								
France	13.4	51.0	3.4	34.7%	-0.5	-3.6%	-9.3%	5.7%
Total	13.4	51.0	3.4	34.7%	-0.5	-3.6%	-9.3%	5.7%
Total Operating	**6,714.3**	**5,516.0**	**189.6**	**2.9%**	**174.3**	**3.5%**	**2.6%**	**0.9%**

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

** Revaluations for the "like-for-like" portfolio include all properties that were in the portfolio both at Q4 2009 and at Q4 2010 and excluding associates.

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

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

million negative). The value of the Dutch office portfolio was adjusted downwards with € 3.3 million. The largest relative negative revaluation relates to the Dutch office portfolio (-7.0%), but the revaluation of the Turkish portfolio was also considerable (-5.0%).

The positive revaluations resulted from a combination of a positive development of rents and a yield compression resulting from recovering investment markets during the year. This was mainly the case for properties in prime locations. The properties facing negative revaluations are mostly centres with specific issues and are consequently still facing vacancy and rent reductions.

On a like-for-like basis the upward revaluation of Corio's portfolio was 3.5%. The revaluation was mainly the result of improved sentiment in the investment market, with a yield effect of 2.6%. Improvements on the income side contributed 0.9%. This is mainly due to the significant yield effect in France. In other markets the income effect contributed more than the yield effect.

WEIGHTED AVERAGE NET THEORETICAL YIELDS

	31-12-2010	30-06-2010	31-12-2009	Difference in basis points	
				2010 total	2010 first half
Retail					
Netherlands	6.5%	6.6%	6.6%	-10	-
France	6.1%	6.3%	6.4%	-30	-10
Italy	6.2%	6.2%	6.1%	10	10
Spain/Portugal*	7.2%	7.3%	7.2%	-	10
Germany	6.4%	6.5%			
Turkey**	8.1%	8.3%	8.3%	-20	-
Total	6.5%	6.6%	6.6%	-10	-
Offices					
Netherlands	12.9%	11.9%	11.1%	180	80
France	6.8%	7.5%	8.5%	-170	-100
Germany	8.3%	8.6%	9.1%	-80	-50
Total	7.9%	8.3%	9.0%	-110	-70
Industrial					
France	9.5%	7.7%	8.6%	90	-90
Total	9.5%	7.7%	8.6%	90	-90
Total Corio	**6.5%**	**6.7%**	**6.7%**	**-20**	**-**

The Net Theoretical Yield (NTY) was calculated as an output yield using the following formula:

* The NTY for the Spanish portfolio only was 7.2% at 31-12-2010

** For Turkey the associate Akmerkez is not included in the above yield calculation. When including Akmerkez the NTY in Turkey improved to 7.7% at 31-12-2010

YIELDS

During 2010 net yields for retail property in the Corio portfolio improved slightly after two years of yield increases. Yields for prime properties in most sub-portfolio's decreased, while yields for other properties remained stable or increased somewhat. Stabilisation began in the second half of 2009 and continued into the first half of 2010. From mid-year 2010, yields for prime property started to move downwards again, reflecting increased investor interest and improved market sentiment. This improvement was first noticed in the stronger market of France, after which the Netherlands and later Spain. In Spain yields started to move down in the last quarter. Yields in the German and Italian portfolio stayed stable. On average yields improved by 20 basis points, from 6.7% to 6.5%.

The best yield improvement was in the French portfolio, down 50 basis points for the whole portfolio, and down 30 basis points for the retail portfolio. In the first half of 2010, an improvement of 10 basis points was seen, and in the second half a further 20 basis points. The yields for the French office and industrial portfolio are less comparable over the year. Both sub portfolios comprise a small part of the overall assets, some of which were sold over the course of the year, thus changing the profile of these sub-portfolios. However, for the French

VALUATION OF THE DEVELOPMENT PORTFOLIO

	Net Market Value (€ million)		Revaluation	
	31-12-10	31-12-09	(€ million)	%
Retail				
Netherlands	70.7	64.3	-4.6	-6.1%
France	61.4	17.6	5.2	9.2%
Italy	44.0	41.2	-5.2	-10.6%
Spain/Portugal	5.4	1.5	-0.3	-6.1%
Germany	78.4	–	–	–
Turkey	43.7	40.7	-8.8	-16.7%
Bulgaria	12.7	12.6	–*	0.1%
Total	316.3	177.9	-13.7	-4.2%
Offices				
France	19.5	15.6	4.1	26.5%
Total	19.5	15.6	4.1	26.5%
Industrial				
France	1.0	1.0	–*	3.8%
Total	1.0	1.0	–	3.8%
Total Development	**336.8**	**194.5**	**-9.6**	**-2.8%**

* Due to rounding, there was a small positive revaluation.

office portfolio, the yield also improved significantly on a like-for-like basis. The Netherlands saw yields improve in the second half of the year, when an improvement of 10 basis points of the net theoretical yield of the retail portfolio was noted. Spain saw the largest upward yield shift in the 2008-09 period, but the situation stabilised in 2010, and in fact yields started to improve in the last quarter of the year for more prime properties. The Spanish portfolio yield remained stable throughout 2010, because of the acquisition of Espacio Torrelodones in Madrid. On a like-for-like basis, the net theoretical yield improved by 10 basis points. Yields in the Italian portfolio stayed stable, while there was an increase of 10 basis points in the overall portfolio. This was mainly due to the acquisition of Le Vele/Millennium on Sardinia, at attractive conditions and potential to add value. The higher yield is because this centre has a different profile than the rest of the Italian profile due to its location on Sardinia, and partly being a leisure centre. The yield of the Turkish portfolio improved because of the addition of the regional centre Anatolium in Bursa. On a like-for-like basis, the yield in Turkey deteriorated slightly. Yields in Germany improved slightly, by 10 basis points for the retail properties. The yield of our office property, Rondahaus in Böblingen improved, reflecting improved occupancy, which reduces the risk.

REVALUATION OF THE DEVELOPMENT PORTFOLIO

The revaluation of the development portfolio in 2010 amounted to 2.8% negative, because of project specific issues and caution.

The total impairment of € 9.6 million concerns negative revaluations totalling € 21.2 million, balanced by € 11.6 million of positive revaluations. The negative revaluations mainly relate to development projects in Turkey (totalling € 8.8 million negative, including Anatolium in Bursa € 8.6 million negative); (re-)development projects in the Netherlands (€ 6.1 million negative, including Metropole in Almere € 3.3 million negative) and the former IKEA property in Turin (€ 5.2 million negative). The redevelopment of this property will add value to the Shopville Le Gru (partly already reflected), making up for this negative revaluation.
Positive revaluations mainly included projects in France (€ 9.9 million positive, including € 3.8 million for Le Newton in Clamart and € 3.6 million for Monoprix in Mulhouse), some small positive revaluations on projects in the Netherlands, totalling € 1.6 million. Other changes in book value are the result of transfers from and to the operational portfolio or are reflected in the continuing investments in (re-) development projects.

MANAGEMENT BOARD REPORT:

DEVELOPMENT REVIEW

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

CDO and Member of the Management Board / CEO of Corio France
Appointed from 1 May 2008 to 1 May 2012.
French nationality.

THE NEW CDO DEPARTMENT CONSISTS OF EVERYBODY WITHIN THE CORIO ORGANISATION AND MYSELF. TO BRING TOGETHER THE CREATIVE THINKING OF DIFFERENT EXPERTS IN THE CORIO COUNTRIES AND TO SHARE OUR MOST SUCCESSFUL APPROACHES IS AN EXTREMELY POSITIVE EXPERIENCE.

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

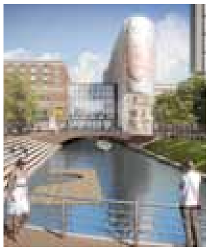
MAXIMISE RETURNS OF INTERNATIONAL EXPERIENCE

CHIEF DEVELOPMENT OFFICER

In 2010 Corio created a new Management Board position, that of Chief Development Officer, and a new virtual Development Office organisation. Frédéric Fontaine, CEO of Corio France, was appointed as the first officer in the new position. Since 2006 Mr. Fontaine, as Member of the Management Board, has overseen the most important new developments and re-developments at Corio. This new development position is a formalisation of the existing situation. Given the growth of Corio and high ambition level, the Management Board of Corio wanted to ensure quality and tighten the oversight and risk management of its development activities by introducing a more formal management approach. Mr. Fontaine will hold a dual role of Chief Development Officer and CEO of Corio France.

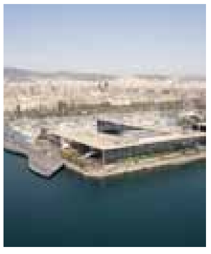
The Development Office consists of a steering committee made up of Corio international experts with substantial property development and retail experience. Mr. Fontaine will be expected to personally validate and approve concepts for all important projects. Up until 2006, all new developments and re-development projects were conducted at the country level by the national business units. For the majority of projects that will continue to be the case, but large, complex and important projects will be overseen by the Development Office, which will also offer specialised expertise to all Corio business units and act as a resource centre aimed at enhancing the quality and success of all projects.

PROJECTS UNDER DEVELOPMENT OFFICE SUPERVISION



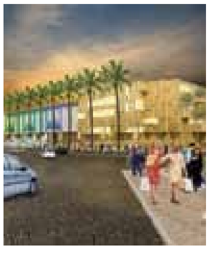
HOOG CATHARIJNE / UTRECHT

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.



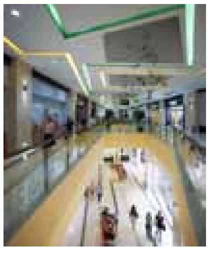
MAREMAGNUM / BARCELONA

This is a significant re-development of prime retail real estate space in the popular port area of Barcelona. Development of the upper level is underway and a new phase will begin soon consisting of the re-shaping of the immediate surrounding area.



TARSU / TARSUS

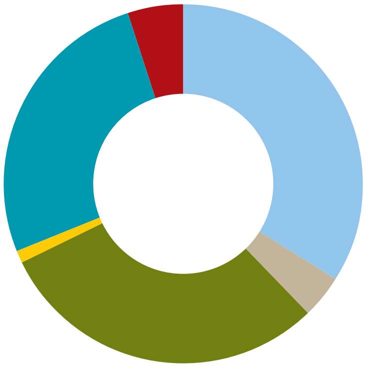
This is an important brown field project. The crucial concept phase has now been completed and the construction phase started end of 2010. The development is scheduled to open to the public in 2012.



ANATOLIUM / BURSA

Corio acquired this development in the early stages when a first concept had been completed but there was still scope to optimise the overall layout. Construction of the complex was completed in 2010 and the centre opened to the public in November.

GEOGRAPHIC SPREAD TOTAL PIPELINE € 3.0 BILLION (%)



TOTAL-PIPELINE 31 DECEMBER 2010

(€ million)	Committed	Deferrable	Waivable	Total	% of total
Already invested	237.9	137.7	3.8	379.4	13%
Fixed	944.2	57.6	-	1,001.8	33%
Variable	-	1,111.5	545.5	1,657.0	54%
Total pipeline	1,182.1	1,306.8	549.3	3,038.2	
% of total	39%	43%	18%		

FOCUS IN 2010

In 2010 a basic concept for the new Development Office was drafted and a team of experts put in place to form a central Development Committee. The committee members are Gino Antonacci, the Chief Operating Officer of Corio Italia, Paul Tankink, Chief Development Officer of Corio Nederland, Christophe Mouton, the newly appointed CEO of Corio España and Mr. Fontaine as chair. This core group will be extended with all relevant expertise within Corio, depending on the task. In 2010, four major ongoing Corio projects were selected to come under the new central guidance management and surveillance system. These are Hoog Catharijne (Netherlands), Maremagnum (Spain), Tarsu (Turkey) and Bursa (Turkey).

OBJECTIVES FROM 2011 ONWARDS

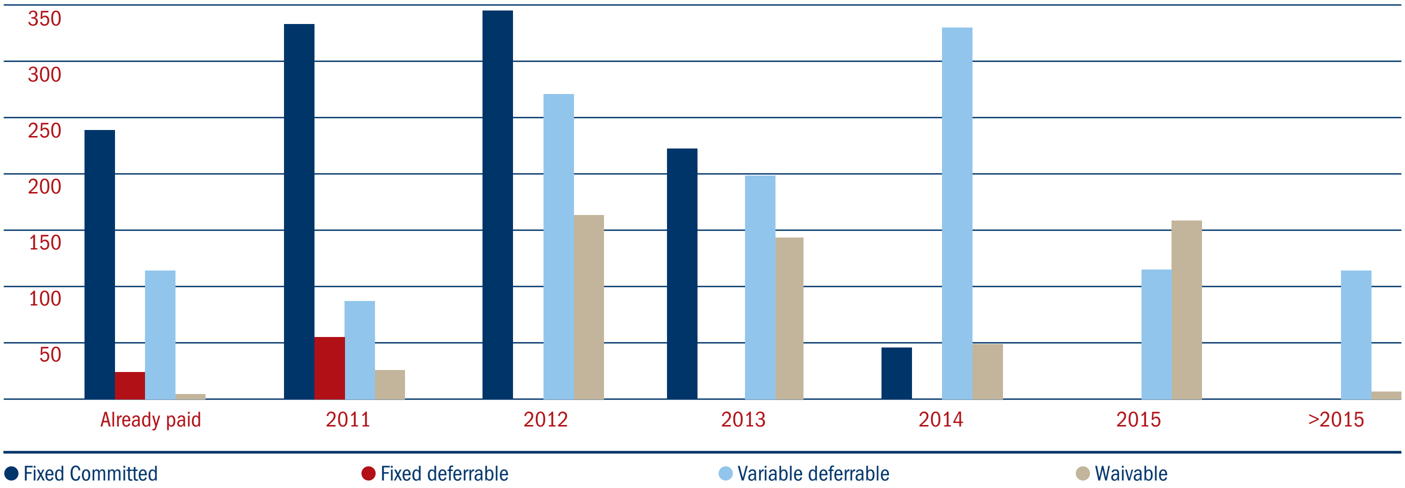
- All important projects in Corio's pipeline will enter into the process of central guidance; currently a dozen projects have been identified, including all large new German developments.
- The CDO will monitor each new important project such as the latest one, Palazzo del Lavoro in Turin and arrange for any additional support required.

PIPELINE

Corio is continually working to strengthen its retail portfolio to enhance its total returns, while striving to improve its risk profile by selectively revitalising, renovating and expanding properties. We also initiate new developments and make appropriate acquisitions and disposals, all with the overall aim of creating sustainable 'Favourite Meeting Places'. Despite the limited availability of prime retail properties with dominant positions in Corio's highly competitive home markets, as of 31 December 2010, there were 34 projects in Corio's pipeline. The pipeline consists of our own (re)development projects, accounting for 32% of the total pipeline in value, and the remainder (68%) are turnkey projects.

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 pipeline have a term or condition that the parties still have to fulfill. Projects in the deferrable and waivable pipeline have an element of uncertainty as to their timing, for example due to the fact that a license must be obtained before construction of the project can begin. A project in the waivable pipeline can be removed from the pipeline at any time without a penalty or other consequences for Corio. 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.

PAYMENT SCHEDULE PIPELINE



OVERVIEW OF THE COMMITTED PIPELINE PROJECTS

	Project	Status	Type	Additional m² developed	Total m² on completion	Total already Invested (x € m)	Total Investment (x € m)	Expected opening date
Berlin	Boulevard Berlin	Construction	Development	80,000	80,000	60.0	382.4	Q2 2012
Venice	Marghera	Preperation	Development	31,380	31,380	1.0	146.0	Q2 2013
Nieuwegein	City Plaza	Construction	Redevelopment	26,600	33,000	3.6	118.7	Q3 11/Q4 13
Duisburg	Königsgalerie	Construction	Redevelopment	17,856	17,856	48.2	74.9	Q4 2011
Toulouse	Moulin de Nailloux	Construction	Development	22,129	22,129	28.6	59.0	Q4 2011
Hildesheim	Arneken Galerie	Construction	Development	27,204	27,204	–	56.7	Q3 2012
Tarsus	Tarsu	Construction	Development	27,600	27,600	14.2	54.2	Q4 2012
Busnago	Globo 3	Completed	Extension	8,364	8,364	1.2	51.7	Q1 2011
Rotterdam	Markthal	Construction	Development	11,345	11,345	–	45.5	Q3 2014
Spijkenisse	Stadsplein	Construction	Development	11,920	11,920	30.6	38.0	Q4 2011
Zoetermeer	Oosterheem	Construction	Development	11,850	11,850	0.7	37.3	Q2 2013
Heerhugowaard	Middenwaard	Construction	Redevelopment	7,800	39,740	21.3	25.0	Q4 2011
Utrecht	Singelborch HC	Construction	Development	1,463	76,700	12.6	24.1	Q2 2012
Utrecht	Vredenburg HC	Construction	Development	5,800	5,800	7.5	20.5	Q3 2012
Udine	Città Fiera	Completed	Extension	6,200	6,200	–	17.1	Q4 2011
Barcelona	Maremagnum	Construction	Redevelopment	4,160	18,700	4.0	9.2	Q4 2011
Spijkenisse	De Kopspijker	Preparation	Redevelopment	550	5,500	1.0	5.9	Q4 2011
Turin	IKEA (phase 2)	Preparation	Redevelopment	13,712	13,712	–	5.8	Q2 2011
Hoofddorp	Paradijs	Construction	Redevelopment	1,131	7,271	2.4	3.5	Q2 2011
Bologna	Gran Reno	Preparation	Extension	1,193	1,193	1.0	3.5	Q3 2011
Rotterdam	Boulevard Nesselande (phase 2)	Construction	Development	1,250	10,187	–	3.1	Q1 2014
				319,507	**467,651**	**237.9**	**1,182.1**	

We provide precise definitions of these classifications in the definition list. 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 France was renegotiated and came back into the pipeline in 2010 at considerably better conditions. The net initial yield rose to 8.4% for this project from 6.2% previously. 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 change at any time and are therefore closely monitored. Corio works constantly to find new opportunities for possible inclusion in the pipeline.

Projects in the committed pipeline on 31 December 2010 grew to € 1,182 million (including € 238 million already invested) on 31 December 2010 from € 703 million (including € 121 million already invested) on 31 December 2009. The fixed pipeline consists of 21 projects, 10 of which are new projects and 11 are redevelopments. During 2010 two new projects were taken into operation: Boulevard Nesselande in Rotterdam and Anatolium Shopping Centre in Bursa, and some partial redevelopments. Together these have an expected annualised rental income of € 12.3 million. In Italy the greater part of the former IKEA premises (at Shopville Le Gru) was taken into operation again (see Review of Operations Italia). On 31 December 2010 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 fixed pipeline was 6.6%.
The following projects entered the pipeline in 2010:

MARKTHAL IN ROTTERDAM
De Markthal Rotterdam is a sheltered market with space for around 100 booths of 20 m^2 selling only fresh produce. The expected acquisition price is € 42 million. In addition to the food market the hall has 15 retail units and 8 food & beverage outlets. De Markthal is expected to open in 2014.

MOULIN DE NAILLIOUX IN TOULOUSE
Moulin de Naillioux is a unique factory outlet centre under development in the South of France. It is located in Toulouse, which is one of the fastest growing cities in France both economically and demographically. The opening of the first phase is forecasted for November 2011.

KÖNIGSGALERIE IN DUISBURG
Königsgalerie Duisburg is a mixed use retail, leisure and office development project that is well located in the city centre of Duisburg, facing the retail high street Kuhstraße andKöningstraße.

BOULEVARD BERLIN IN BERLIN
Boulevard Berlin is a shopping centre that is located at the Schloßstraße, the retail high street of the Steglitz-Zehlendorf district, south western Berlin. The tenants, the location and design will make Boulevard Berlin the most appealing shopping centre in its catchment area.

ARNEKEN GALERIE IN HILDESHEIM
Arneken Galerie is an inner-city shopping centre, connected to the retail high street of Hildesheim. The concept of this development project consists of 24,000 m^2 divided over large and small retail units, gastronomy units and parking spaces. Hildesheim is located 30 km south of Hannover and its purchasing power is 8% higher than the national average.

QUARTIER AN DER STADMAUER IN BAMBERG
Quartier an der Stadtmauer Bamberg is a development project of 12,500 m^2 of retail and gastronomy divided over approximately 40 units on three levels. The project enhances the connection between the bus station and the existing retail high streets of the Bavarian town Bamberg.

PALAZZO DEL LAVORO IN TURIN
Palazzo del Lavoro in Turin is an existing monumental building with adjacent land that will be refurbished and redeveloped into a shopping centre with a total GLA of 28,000 m^2. The Palazzo del Lavoro shopping centre is expected to open in 2014.

For more information on the other parts of the pipeline we refer you to the pipeline schedule in the back of this report.

Projects in the deferrable and waivable pipeline on 31 December 2010 represented a total investment of € 1.9 billion (2009: € 1.6 billion), including € 142 million (2009: € 131 million) already invested. This pipeline category consisted of 13 projects, of which seven were new projects and six were redevelopments. On 31 December 2010, the yield on the total costs as defined above was 7.3%.

ALREADY INVESTED AND SECURITIES
It is Corio’s policy to get securities for amounts Corio already invested in projects that can be cancelled or waived, such as bank guarantees. 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’.

TEN-YEAR PORTFOLIO SCHEDULE

(€ million)	Operational portfolio year end 2010	Completion to 2015	Portfolio year end 2015	%	Completion after 2015	Portfolio at year end 2020	%
Retail							
Netherlands	1,847.4	544.9	2,392.3	27%	499.8	2,892.1	30%
France	1,618.0	118.2	1,736.2	20%	–	1,736.2	18%
Italy	1,384.2	384.8	1,769.0	20%	529.0	2,298.0	24%
Spain/Portugal	748.0	24.6	772.6	9%	–	772.6	8%
Germany	512.0	779.6	1,291.6	15%	–	1,291.6	13%
Turkey	527.7	157.4	685.1	8%	–	685.1	7%
Bulgaria	–	–	–	–	–	–	–
Total	**6,637.3**	**2,009.5**	**8,646.8**	**99%**	**1,028.8**	**9,675.6**	**100%**
Offices		**Sales to 2015**					
Netherlands	43.5	–	43.5	1%	–	43.5	–
France	187.9	-187.9	–	–	–	–	–
Germany	16.0	-16.0	–	–	–	–	–
Total	**247.4**	**-203.9**	**43.5**	**1%**	**–**	**43.5**	**–**
Industrial							**–**
France	13.4	–	13.4	–	–	13.4	–
Total	**6,898.1**	**1,805.6**	**8,703.7**	**100%**	**1,028.8**	**9,732.5**	**100%**

The table shows how the portfolios in the Netherlands, Italy and Germany in particular will be strengthened by pipeline projects.

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

- 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, except for the project in Italy, which is already partly finished.

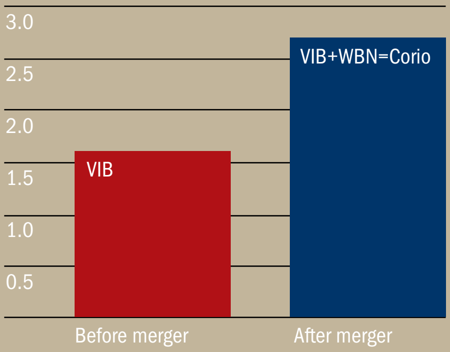
MERGER CREATES 4TH LARGEST LISTED EUROPEAN RETAIL PROPERTY FUND

2000

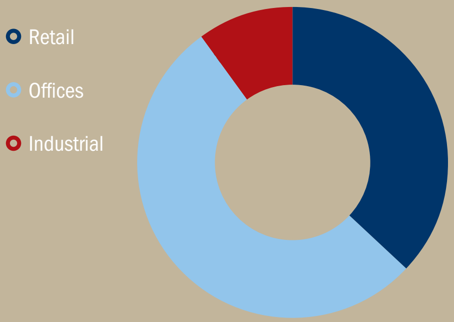
VIB+WBN=CORIO

The merger of VIB and WBN created a new property fund with an excellent strategic position in the European property market and a better risk profile

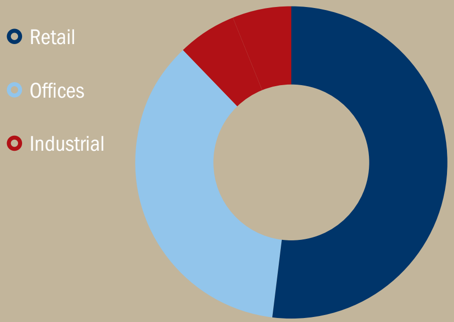
INCREASE OF TOTAL VALUE CORIO (€ BLN)



SECTOR SPREAD BEFORE MERGER (%)



SECTOR SPREAD AFTER MERGER (%)

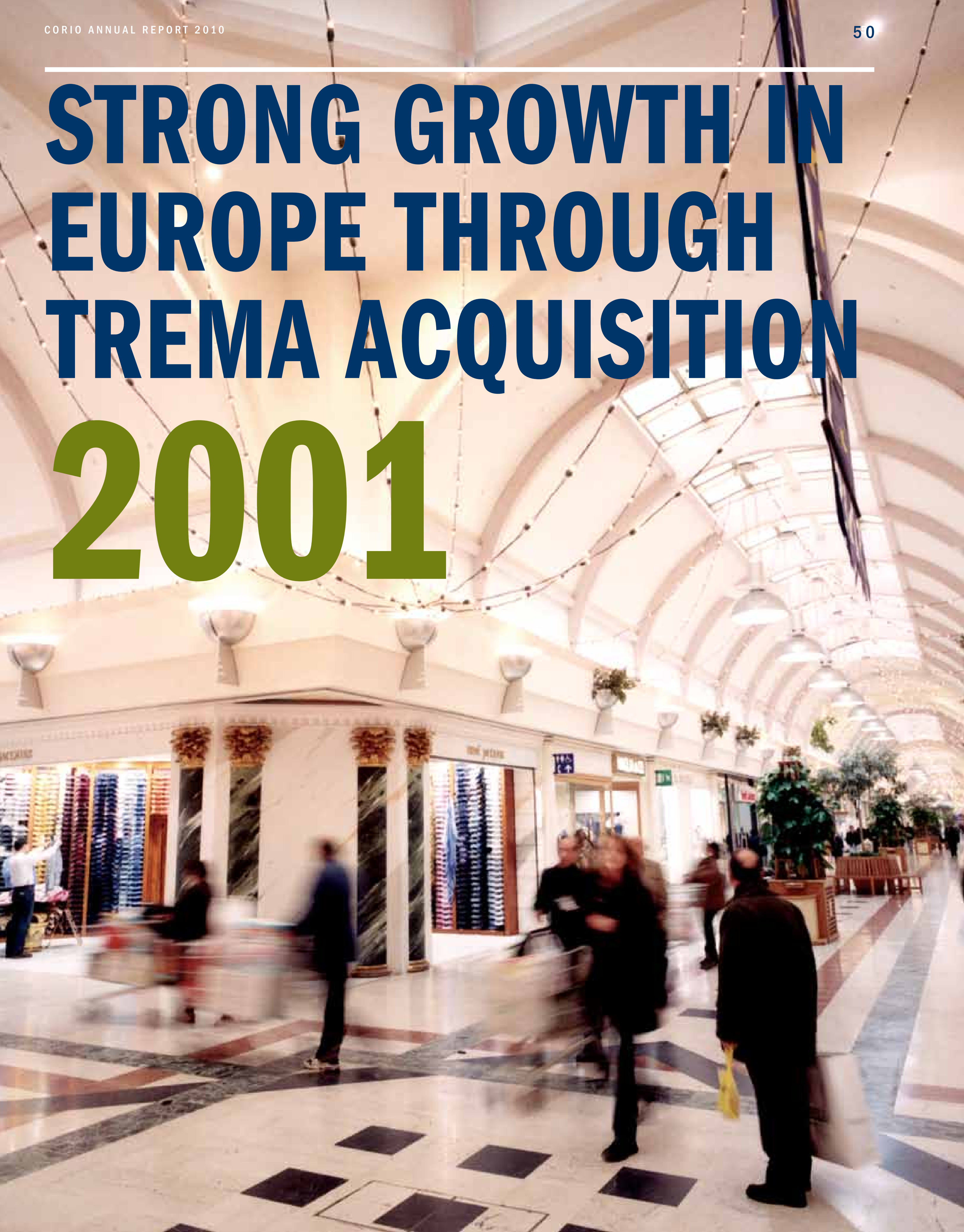


SPECIALIST IN EUROPEAN RETAIL PROPERTY

STRONG GRIP THROUGH IN-HOUSE CENTRE MANAGEMENT

OUR AIM: MOVING INTO NEW EUROPEAN COUNTRIES

STRONG GROWTH IN EUROPE THROUGH TREMA ACQUISITION 2001



LAVAL
LA MAYENNE

CHERBOURG
COTENTIN

MONTREUIL
LA GRANDE PORTE

IVRY-SUR-SEINE
IVRY GRAND CIEL

ISSY-LES-MOULINEAUX
LES TROIS MOULINS

TORINO SHOPVILLE
LE GRU

BOLOGNA
SHOPVILLE GRAN RENO

MODENA
GRANDEMILIA

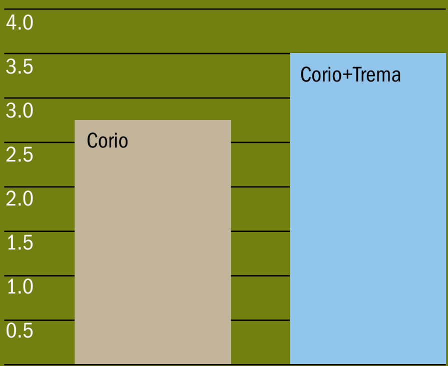
VALENCIA
CC GRAN TURIA

MADRID
CC GRAN VIA DE HORTALEZA

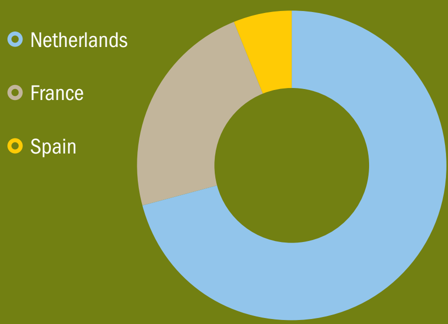
MADRID
OFFICE GRAN VIA DE HORTALEZA

The Trema portfolio, including the local management, is acquired for € 595 million, and consists of 10 high quality shopping centres in France, Italy and Spain.

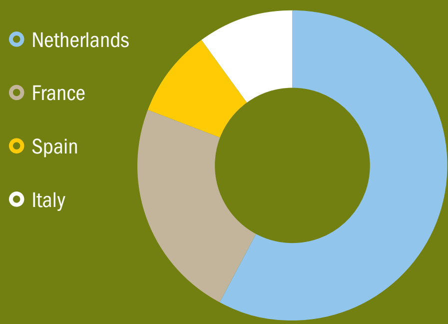
INCREASE OF TOTAL VALUE CORIO (€ BLN)



GEOGRAPHIC SPREAD BEFORE ACQUISITION (%)



GEOGRAPHIC SPREAD AFTER ACQUISITION (%)



LARGEST OPEN-MARKET DEAL IN EUROPE THAT YEAR

SIGNIFICANT INCREASE IN SCALE OF OPERATIONS

ITALY IS ADDED AS A HOME MARKET FOR CORIO

EXPANDING TO A NEW AND YOUNG MARKET

2005

Considering the development stage of Turkey in general and the demographic, economic and real estate aspects in particular, the retail market in Turkey is considered to be a growth market in the near future as well as in the long run.

CORIO, FIRST MOVER IN THE TURKISH RETAIL MARKET

AN ENORMOUS MARKET WITH FIRST-RATE PROSPECTS

TOP QUALITY SHOPPING IN THE ‘PARIS OF THE NEAR EAST’

GERMANY IS THE NEXT STEP UP OUR LADDER

2010

Corio believes that this transaction is a unique opportunity to create a leading platform in Germany with some of the best assets available in the market. The stability of the German market is expected to give Corio an even stronger basis to pursue future growth opportunities.

LARGEST CONSUMER MARKET IN EUROPE

USING OUR PROVEN EXPERTISE IN A NEW COUNTRY

GERMANY IS ADDED AS A HOME MARKET FOR CORIO


WANT TO KNOW
ABOUT THE FUTURE?
JUST ASK!
2011

We want to know what is going on inside the heads of the consumer. So we decided to hit the streets and go and ask them.

We talked to very different people. We spoke to someone who hated shopping, but also to girls who shop everyday. People said: "we want to be surprised, we are open to see new things and we want to be invited!"

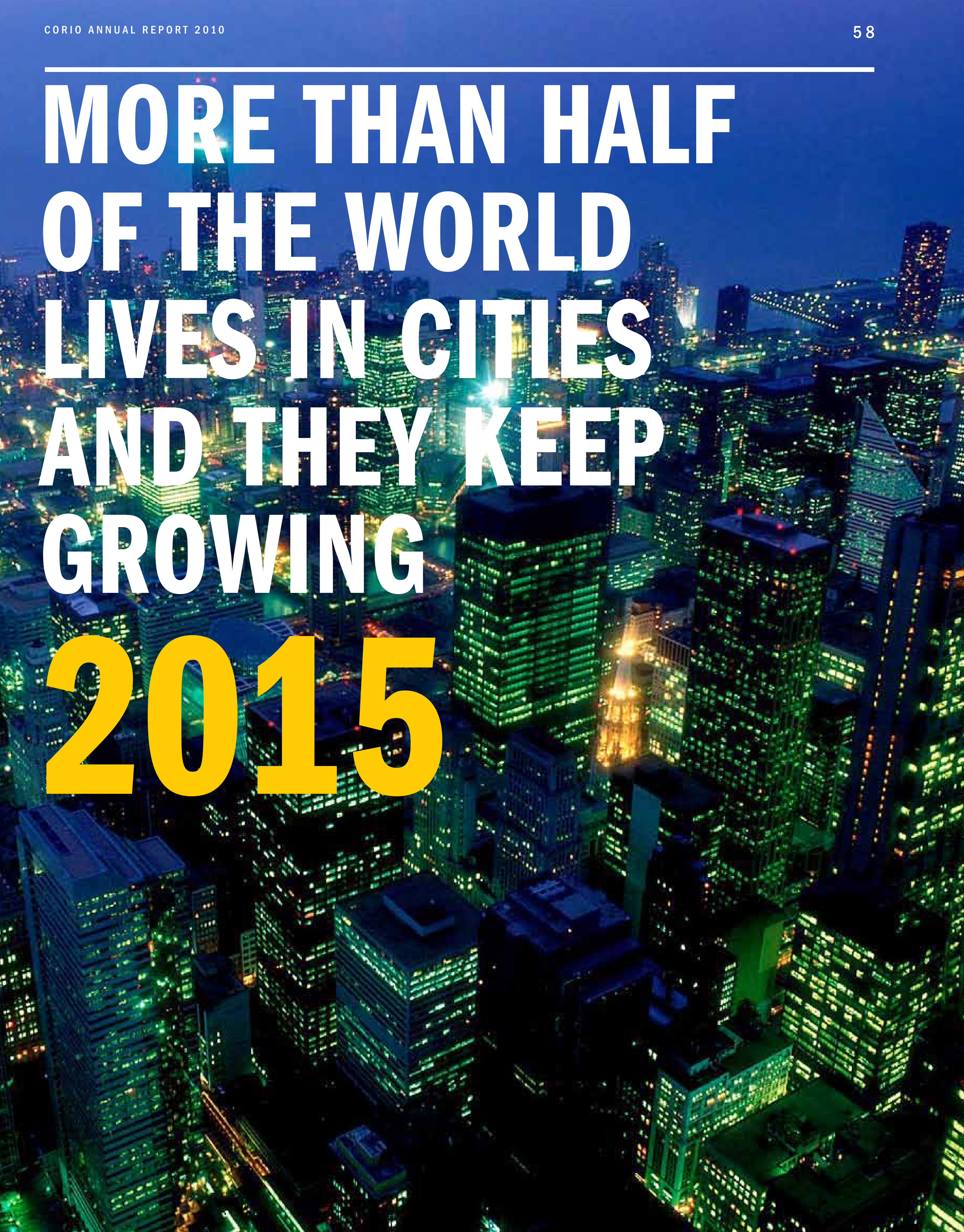
"I LIKE BRANDS THAT HAVE THEIR OWN STRONG VISION"

"I LIKE SHOPS WHERE THE STAFF IS FRIENDLY"

"I LIKE SHOPPING BECAUSE IT MAKES YOU FEEL GOOD"

MORE THAN HALF OF THE WORLD LIVES IN CITIES AND THEY KEEP GROWING

2015



A century ago, less than five percent of the World population lived in cities; in 2008 this percentage reached 50% and over the next decade this percentage will grow to 75%. Cities keep growing and are now more than ever the place to be. Why do people move there?

Tacit knowledge is increasingly valuable; rich exchanges of tacit knowledge generally require face-to-face contact. The second factor is related to serendipity, the ability to attract people and resources we need but don't yet know exist. In a dense city, the probability of serendipitous encounters increases.

400 MILLION HAVE HOMES IN THE BIGGEST 25 CITIES

KNOWLEDGE IS SHARED AND INNOVATION STARTS HERE

A PLATFORM FOR URBAN CULTURE AND INTERACTION

WE HAVE STRONG INDIVIDUAL VALUES, GROW OLDER AND WISER

2018

In Europe 25% of the population is aged 65+. But, as people grow older, they feel younger and want to be treated as individuals. In the meantime, the young teenager becomes important: better informed, better connected and with strong opinions.

New social media are contributing more and more to our perception of the world. Corio cares for consumers and wants to listen to them carefully. We want to target individuals instead of groups. We put the consumer first.

PEOPLE CREATE THEIR OWN SET OF VALUES AND IDEALS

TARGET INDIVIDUALS INSTEAD OF GROUPS

THE OFFLINE AND ONLINE WORLD BECOME ONE

THE SUSTAINIST ERA HAS BEGUN 2020

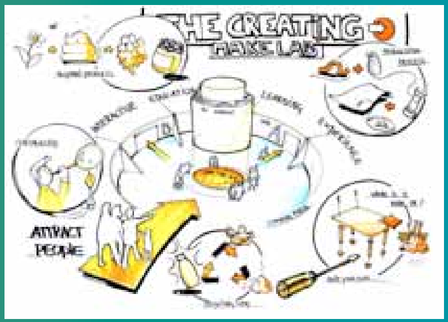
We are in the transition from modernity to sustainity towards a world that is more connected, more localist, more digital and more sustainable. It offers a canvas on which we might paint the future of our society.

Sustainism will drive the creativity of the twenty-first century, by connecting the issues of sustainability, social networks, localism, biomimicry, community, urban planning, food and a host of others.

BEING ECO-CONSCIOUS HAS BECOME A STATUS SYMBOL

GENERATION Z IS HIGHLY CONNECTED: DIGITAL NATIVES

LOCAL IS A QUALITY, NOT A GEOGRAPHICAL MARKER



THE NETHERLANDS

JANUARY

Sunday opening in Alexandrium Shopping Centre in Rotterdam led to a 9% increase in footfall

FEBRUARY

Turnkey development Shopping Centre Boulevard Nesselande in Rotterdam (€ 27.0 million) is taken into operation

MARCH

Signed cooperation agreement with NUON, with the goal of 30% energy-reduction in our portfolio

Conducted online consumer satisfaction surveys in 11 Corio shopping centres

MAY/JUNE

Corio interviews top 30 tenants on CSR issues and mid-summer meeting with top 20 tenants on sustainability

SEPTEMBER

Top floor of Cityplaza in Nieuwegein opened

Completed employee satisfaction survey ‘Great Place to Work’

OCTOBER

Acquisition of Markthal, a € 45.5 million development project in Rotterdam

NOVEMBER

New H&M opened in Belcour in Zeist

9,000 m^2 of new retail surface inaugurated in Middenwaard in Heerhugowaard

THE DUTCH ECONOMY RECOVERED IN 2010, GROWING 1.7% AFTER SHRINKING 4% A YEAR EARLIER. CONSUMPTION GREW MODESTLY, BY 2% AND RETAIL SALES ADVANCED 0.7%. THE PRIME RETAIL SEGMENT WAS STABLE

MARKET

The economic outlook of the Netherlands showed a significant improvement in 2010 with positive GDP growth at 1.7% as opposed to a negative growth rate of 4.0% in 2009. Traditionally the Dutch economy has been and continues to be very dependent on the global economy and trade. The improved growth rate was primarily due to increased export and public investments. Domestic demand also picked up in the course of 2010. However, as a component of domestic demand, consumption has barely been a driver of growth.

Along with the recovering growth of the economy, unemployment came down to 4.8% in December from its peak of 5.8% in February 2010. Despite relative favourable economic development in the Netherlands in 2010, consumer confidence remained below long-term average levels throughout the year. Uncertainty about the formation of a new government coalition after general elections and plans to reduce tax deductions on interest payments of mortgages negatively influenced how consumers viewed their future financial situation. Only after the new government was inaugurated and announced they would not change tax deductions and after labour markets improved, did consumer confidence increase in the last quarter of 2010. Consequently, annual consumption grew modestly by 2% as opposed to a meager 1.1% in 2009. The main drivers for the increase in consumption growth were durable goods such as household electronics, cars, clothing and computers. In 2010, inflation (HICP) remained low at 0.9% and similar to the 1.0% in 2009.

Despite the difficult trading environment for some retail sectors, the overall retail market showed robust growth figures in the last months of 2010, with an increase in total retail sales of 0.7%, which was a marked improvement from -4.5% in 2009. A number of financially strong and commercially successful domestic and international retailers are looking to expand in high streets or shopping centres in large town centres as well as smaller regional town centres. While at the same time, other retailers are finding it hard to compete, because of difficulties in adapting to changing consumer demand or they cannot find sufficient funds for restructuring. Retailer interest for the prime locations remains strong and for these locations rental levels have largely remained stable over 2010. Tenants such as Rituals, Shoeby, Inditex and Starbucks show interest in prime shopping centre locations. Secondary locations experienced difficult re-lettings and rent declines as retailers remained cautious.

RETAIL

PORTFOLIO AND VALUATION

The value of the retail portfolio including investments in the pipeline in the Netherlands increased to € 1,918.1 million at year-end 2010 from € 1,881.7 million a year earlier. A total of € 44.7 million was invested in the portfolio and pipeline. Investments in the operational portfolio related mainly to Hoog Catharijne in Utrecht (€ 6.0 million), Belcour in Zeist (€ 2.1 million), Cityplaza in Nieuwegein (€ 0.8 million) and Alexandrium Shopping Centre in Rotterdam (€ 2.1 million). The pipeline investments of € 28.8 million mainly related to Hoog Catharijne in Utrecht (€ 8.8 million), Middenwaard in Heerhugowaard (€ 4.2 million), Het Paradijs in Hoofddorp (€ 3.7 million), Cityplaza in Nieuwegein (€ 4.6 million) and 't Circus in Almere (€ 1.1 million).

In the course of the year Corio took into operation Boulevard Nesselande in Rotterdam, parts of Middenwaard in Heerhugowaard, the refurbished Foodplaza part of Cityplaza Nieuwegein, and part of Het Paradijs in Hoofddorp. Corio sold around € 80 million in several small retail properties including Vinkhuizen in Groningen (€ 18.8 million),Veluwepoort in Epe (€ 15.8 million), De Vlashoeck in Bergschenhoek (€ 13.1 million) and Vliethof in Wateringen (€ 12.0 million).

The operational portfolio was revalued upwards by € 50.7 million, an addition of 2.8% on the book value as at year-end 2009 before revaluation. Increases in value totalled € 64.2 million, decreases totalled € 14.7 million, and profit on disposals amounted to € 1.2 million.

Initial yields decreased 10 basis points on average in Corio's Dutch retail portfolio, pushing the net theoretical yield of the Dutch retail portfolio to 6.5% at year-end 2010 from 6.6% at year-end 2009.

RENTS AND OCCUPANCY RATES

The theoretical rent of the Dutch retail portfolio fell 1.8% to € 144.2 million. The first full year of operation of ’t Circus in Almere and the Mare in Alkmaar as well as Boulevard Nesselande in Rotterdam (10 months in operation) and extensions in Heerhugowaard balanced the effects of the disposal of a number of small retail projects in 2009 and 2010.

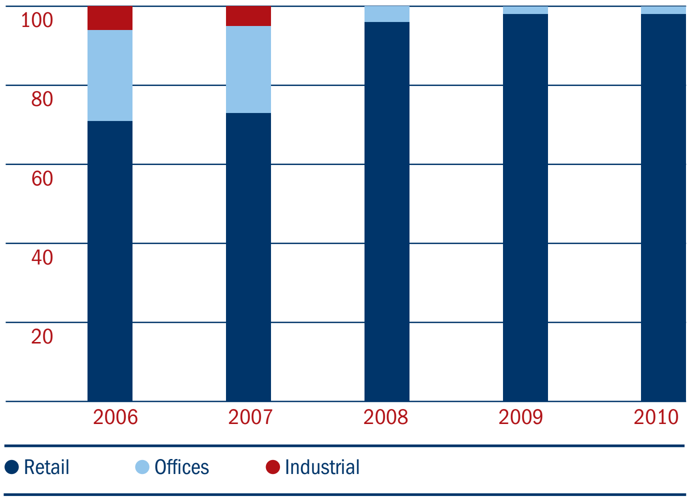
A total of 106 relettings and 37 renewals were signed in the Dutch portfolio in 2010, resulting in a total increase in rents of 5.2%.

Despite the more favourable economic signs of the last two quarters of 2010, there is a high degree of caution among our tenants and we saw tenants stalling the renewal process in order to delay decisions as much as possible. Tenants are bracing themselves for a potentially more protracted period of lower sales in the next few years. The main factors causing the rather low increase of rents were lower basic rents at Villa ArenA in Amsterdam and lower, temporary rents in order to avoid strategic vacancies in Hoog Catharijne in Utrecht and Cityplaza in Nieuwegein. In most other centres Corio was able to maintain the rental level. Other income, which is mainly related to kiosks and center signs and screens, increased to € 0.9 million.

The average financial occupancy rate for retail fell slightly in 2010 to 98.0% (2009: 98.4%). The strategic vacancy increased because of renovations of Cityplaza in Nieuwegein, Hoog Catharijne in Utrecht and several other complexes. Loss of rent due to vacancy was limited, reflecting the relative resilience of the Dutch portfolio.

Like-for-like net rental growth on properties which were in the portfolio in the comparable period 2009 and 2010 rose 2.2% (2009: 1.3%), which was higher than the indexation of 1.0%. This is the result of recommercialisation, increased parking turnover versus higher vacancy (mainly strategic), and a slightly higher operational cost level (+4.1%).

SECTOR SPREAD IN VALUE THE NETHERLANDS (%)



VISITOR NUMBERS AND SALES

In general, footfall in the Dutch shopping centres has shown a slight decline over the past few years. In 2010 it declined by 0.7% (2009 -1.5%), which is in line with the general market trend. Outstanding positive contributions came from Alexandrium in Rotterdam, which drew 0.7 million more visitors as a result of Sunday opening hours, an increase of 9%. Another positive contribution came from Middenwaard in Heerhugowaard where visitor flow grew 3% as 127,000 more visitors came mainly because of the opening of the fashion phase (GLA of 9,000 m^2) that will be delivered to Corio Nederland at 1 January 2011. The negative contributors were Citypassage in Veldhoven, where visitor flow fell 9%, and Kopspijker in Spijkenisse where visitor flow fell 32% as a result of the redevelopment of this project and the subsequent strategic vacancy. In Villa ArenA the number of visitors dropped 4% as shoppers still refrained 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.

LOSS OF RENT DUE TO VACANCY WAS LIMITED, REFLECTING THE RESILIENCE OF THE DUTCH PORTFOLIO

SECTOR SPREAD THE NETHERLANDS (%)

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

CURRENTLY THE FOLLOWING PROJECTS ARE UNDER CONSTRUCTION:

Middenwaard in Heerhugowaard

Cityplaza in Nieuwegein (extension and refurbishment)

Stadsplein in Spijkenisse

Nieuw Hoog Catharijne De Vredenburg and

Singelborch in Utrecht

Oosterheem in Zoetermeer

Markthal in Rotterdam

PIPELINE

The total pipeline in the Netherlands amounts to € 1.0 billion (2009: € 1.0 billion), of which € 119.6 million (2009: € 121.8 million) has been invested. Of this pipeline € 321.6 milion (of which € 79.7 million is already invested) is committed, € 518.7 million (€ 37.1 million already invested) is deferrable and € 204.4 million (€ 2.9 million already invested) is waivable. In 2010 the following projects were taken into operation: Boulevard Nesselande in Rotterdam, part of the project Middenwaard in Heerhugowaard, part of the renovation of Cityplaza in Nieuwegein (former Foodplaza) and part of Paradijs in Hoofddorp. De Markthal in Rotterdam is a new project in the committed pipeline. The redevelopment of Hoog Catharijne in Utrecht, which is phased, is mainly included in the deferrable pipeline. Once an extension or redevelopment of a particular section is started, that part will move into the fixed pipeline, as in the case of the Vredenburg and the redevelopment of Singelborch (part of Hoog Catharijne redevelopment) in 2010.

OFFICES

Corio has a small strategic office portfolio valued at € 43.5 million. Like-for-like net rental income fell by 17.1%, mainly reflecting new vacancy, which resulted in an average financial occupancy rate of 90.9%, down from 95.3% in 2009.

The net rental income of the like-for-like Dutch offices portfolio fell to € 4.8 million in 2010 from € 6.5 million in 2009. Besides, the increased vacancy caused by the redevelopment of the Singelborch. Part of the Singelborch office is converted into retail, this is part of the HC redevelopment.

Corio moved into its own offices in Hoog Catharijne at the end of 2010. As a result of this part of the Offices portfolio was transferred to Property, Plant and Equipment.

FRANCE

JANUARY

Sale of Bordeaux Megastore for € 67.3 million (16,700 m^2 GLA)

JULY

New lease with tenant CSC Computer Systems in Balzac offices in Courbevoie for a fixed period of 7 years and 1 quarter

FEBRUARY

Acquisition of Factory Outlet development Moulin de Nailloux in Toulouse for € 59.0 million at a 8.4% yield

DECEMBER

Sale of MB9 office in Nanterre for € 43.9 million (9,200 m^2 GLA) and FNAC Industrial in Massy for € 41.6 million (56,000 m^2 GLA)

FRENCH CONSUMPTION GREW THROUGHOUT THE CRISIS AND INTO THE RECOVERY IN 2010. RETAIL SALES GREW 1%. PRIME SHOPPING CENTRE RENTS REMAINED STABLE

MARKET

The French economy resumed growth in the second quarter of 2009, mainly due to increased global trade, which resulted in a rebound in exports and improved domestic consumption. The stimulus programme supported disposable income and consumption. Consumption therefore grew throughout the crisis and into the recovery in 2010. Investments benefited from stock depletion in early 2010 and showed strong growth, especially during the first half of the year.

Along with the recovery of GDP, the labour market picked up cautiously in the second half of 2010. Although the recovery of the French labour market was based on temporary jobs, unemployment peaked in the second quarter of 2010 and remained stable for the second half of the year. Improving labour market conditions were reflected in disposable income, which grew slightly during 2010. In combination with stabilising inflation, real income began an upward trend from the second quarter of 2010. Because of positive real income growth and the favourable development of the labour market, consumer confidence remained on a higher level in 2010 than in 2009. Backed by the recovery and the stimuli packages, spending on manufactured goods rose by 2.7% in the first half of 2010 only to fall back in the second half of 2010 as the stimuli packages ended. Overall retail sales grew by 1% compared to 0.9% in 2009.

Occupancy costs for retailers rose in 2009 and 2010, and some (independent) retailers that experienced financial difficulties went into bankruptcy. Active shopping centre managers were able to quickly fill vacated prime locations with new and existing retailers that were clearly on an expansion path again. However, these expanding retailers are more cost conscious and very selective about the new locations they choose. Out of town locations are harder to relet than inner city schemes, as the retailer's search for certainty of turnover reflects their cautious attitude. Prime shopping centre rent levels remained largely stable over 2010.

RETAIL

PORTFOLIO AND VALUATION

The value of the retail portfolio in France increased slightly to € 1.679.5 million at year-end 2010 from € 1,612.8 million a year earlier. This is the result of the policy of selling non-strategic assets (Bordeaux Megastore and Galerie des Clefs in Colmar in 2010) balanced by positive revaluation results. The share of retail in the French portfolio was 88.3% (2009: 84.9%). Investments in the portfolio related to a number of properties. A total of € 36.8 million was invested in the portfolio and the pipeline. Investments in properties under development mainly related to the Moulin de Nailloux project in Toulouse, which Corio acquired in February 2010.

The Megastore in Bordeaux was sold in January 2010 for € 67.3 million. Corio decided to sell the Megastore in order to focus on shopping centres with more growth potential. The building accommodates four large tenants in the city centre of Bordeaux. In December 2010 Corio France sold the small non-strategic retail asset Galerie des Clefs in Colmar. After the close of the fiscal year, Corio France sold the Provence Opera asset in Paris on 12 January 2011 for € 21.9 million (2,200m^2 GLA).

The operational portfolio was valued upwards by € 85.6 million, at year-end 2010 an increase of 5.6% on the book value before revaluation. Upward revaluations totalled € 103.3 million while downward adjustments amounted to € 17.7 million, including € 1.8 million loss on disposals.

In general initial yields decreased between 20 and 60 basis points, pushing the net theoretical yield of the French retail portfolio downwards to 6.1% at year-end 2010 from 6.4% at year-end 2009. Overall in 2010, the yields decreased, indicating an improving investment market.

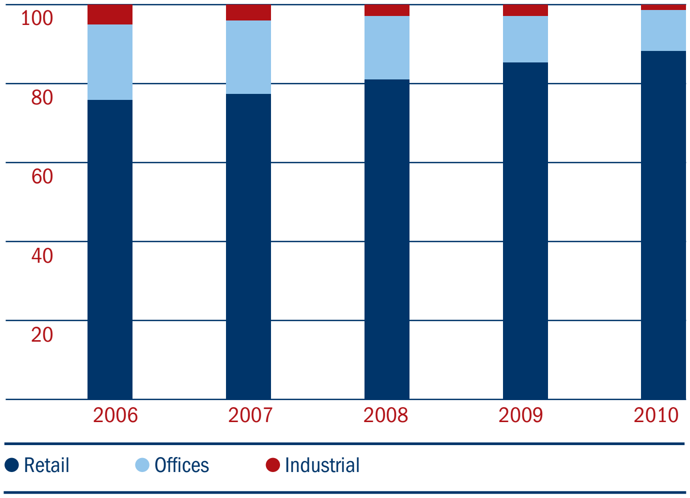
RENTS AND OCCUPANCY RATES

The theoretical rent of the French retail portfolio decreased 0.7% to € 106.6 million from € 107.4 million. This is mainly due to the sale of Megastore Bordeaux, which only contributed one month in 2010 and a full year in 2009. A negative indexation occurred in 2010, since some retail leases are still indexed on the cost of construction (down 4.1% in 2010). The retail index (ILC) was slightly positive, up 0.84% in 2010. The overall negative indexation amounted to 1.5%. This was more than compensated by other income in a number of shopping centres.

Furthermore, the theoretical rent was positively affected by relettings and renewals. The year 2010 was a very active one in terms of letting activities. The main relettings of 2010 were in Grand Place in Grenoble, Centre Deux in Saint-Etienne, Grand Littoral in Marseille and Trois Moulins in Issy-les-Moulineaux. The main renewals were concluded in Grand Littoral. A total of 54 relettings and 50 renewals were concluded against higher rents, with an average of 12.5% for relettings and 9.9% for renewals. Other rental income in 2010 amounted to 4.2% of the theoretical rent (1.8% in 2009). Turnover rent in 2010 was stable with 1.0% compared to 2009.

The average financial occupancy rate fell to 92.3% (2009: 93.9%), mainly caused by the departure of tenants in Quais d'Ivry in Ivry-sur-Seine, Art de Vivre in Orgeval (a furniture mall) and Galerie de l'Espace du Palais in Rouen. The lingering effects of the economic downturn resulted not only in an increase in vacancy, but also a slight increase in free rent; total vacancy and free rent amounted to 10.3% of the theoretical rent (2009: 8.7%). The strategic vacancy increased as well, to 2.1% (1.6% in 2009) mainly because of the planned restructuring of Grand Littoral in Marseille.
Net rental income dropped 3.8% to € 84.3 million in 2010. Like-for-like net rental growth amounted to 0.6% (2009: 6.1%). Aside from negative indexation, the main elements that contributed to this growth were positive relettings and renewals and other income.

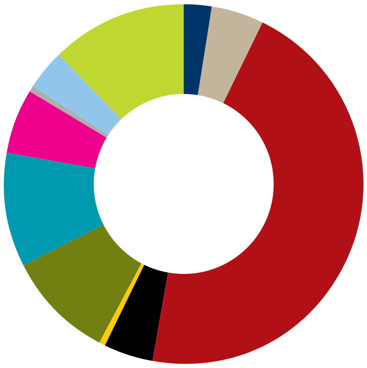
SECTOR SPREAD IN VALUE FRANCE (%)



VISITOR NUMBERS AND SALES

Footfall in the French portfolio is measured for 14 centres, representing 80% of the retail portfolio. In 2010 those centres were visited by 67 million people, which is a slight decrease of 0.9% compared to 2009. Relative outperformers were Grand Place in Grenoble, Centre Deux in Saint-Etienne and Les Trois Moulins in Issy-les-Moulineaux. Relative underperformers were La Galerie in Mulhouse, La Grande Porte in Montreuil and Galerie de l'Espace du Palais in Rouen.
Retail turnover in France was in 2010 very volatile, with turnover changing from month to month. The performance of Corio's centres was more or less in line with the market; the turnover in 2010 was slightly down with 1.3% for 11 centres accounting for 73% of the retail portfolio. Better than average performers were Trois Moulins in Issy-les-Moulineaux, Grand Littoral in Marseille and Cotentin in Cherbourg. Less than average performers were Quais d'Ivry in Ivry-sur-Seine, Galerie de l'Espace du Palais in Rouen and Art de Vivre in Orgeval.

SECTOR SPREAD FRANCE (%)



PIPELINE

The total pipeline in France amounts to € 118.2 million (2009: € 68.0 million), of which € 47.1 million (2009: € 14.5 million) has been invested. At the end of 2010 Corio France had two projects in the pipeline. One in the committed pipeline concerns the Moulin de Nailloux development in Toulouse (€ 59 million, of which € 28.1 million is already invested), and another in the variable pipeline concerning the redevelopment and extension of the Côte de Nacre project in Caen (€ 59.2 million, of which € 17.5 million is already invested).

OFFICES

Corio has a small office portfolio in France with a total value of € 207.4 million (2009: € 234.9 million). The value decreased as a result of sale of the MB9 offices (9,200 m^2) in December for € 43.7 million. The office portfolio has been positively affected by a revaluation of € 16.5 million, representing an increase of 7.0% on the book value at year-end 2009 before revaluation. The net rental income of the French offices portfolio fell to € 17.7 million in 2010 from € 21.3 million in 2009, mainly due to sales of properties in 2009 and 2010, resulting in less net rental income in full year 2010. The like-for-like net rental income dropped by 4.3%, mainly reflecting negative indexation (4.1% decline in the cost of construction index). The Balzac offices signed a new lease with the tenant CSC Computer Systems for a fixed period of 7 years and 1 quarter. The average financial occupancy rate remains steady at 99.5% in 2010 (2009: 99.6%).

INDUSTRIAL

Corio has a small industrial portfolio in France with a total value of € 14.4 million (2009: € 52.0 million). The value of the portfolio fell as a result of the sale of the FNAC asset in Massy (56,000m^2 GLA) in December 2010 for € 41.1 million. Total net rental income for the industrial portfolio was € 3.2 million (2009: € 4.1 million). The like-for-like net rental income fell by 19.3%, which is mainly the result of the negative cost of construction index and the free rent following the renewed lease with tenant FNAC in Massy (property has been sold afterwards). This new lease is fixed for 9 years. The average financial occupancy rate fell to 80.1% from 84.6% in 2009. Part of this relates to the industrial property Paris Sud Bretigny which is vacant.

ITALY

MARCH

Acquisition of Le Vele/Millennium shopping centre in Cagliari on Sardinia for €103.3 million. Corio acquired 31,900 m^2 of the total GLA (44,400 m^2)

MAY

Acquisition of 50% of the shares of Porta di Roma shopping centre in Rome for € 220 million. The project, structured as a joint venture, is 50/50% owned by Allianz and Corio. The total shopping centre comprises 97,000 m^2 GLA and 7,200 parking units. The joint venture is owner of 73,500 m^2 GLA, the remainder is owned by Auchan. Corio Italia is responsible for the asset and property management, letting and re-letting of this property

NOVEMBER

Partial completion (60% of total GLA of 13,700 m^2) of the Ikea redevelopment in front of Le Gru and opening of Cisalfa Sport, Prénatal, Conbipel and Casaterra. The remainder of the project will open in Q2 2011.

DECEMBER

Corio signed a preliminary agreement for the acquisition of the Palazzo del Lavoro project in Turin. The acquisition includes an existing monumental building and the adjacent land that will be refurbished and redeveloped into a shopping centre with a total GLA of around 28,000 m^2

AFTER CONTRACTING 2.6% IN 2009, THE ITALIAN ECONOMY RECOVERED IN 2010, ADVANCING 1.1%. AS A RESULT OF LABOUR MARKET UNCERTAINTY, CONSUMER CONFIDENCE REMAINED VOLATILE, SHOWING ONLY A SLIGHT UPWARD TREND

MARKET

As with other European markets, the Italian economy witnessed modest growth in 2010. Italian GDP grew by 1.1% in 2010 as opposed to negative growth of 2.6% in 2009. The main drivers of this growth were exports and, to a lesser extent, private consumption. Due to the export and inventory depletion of manufactured goods, investments in manufacturing rose temporarily in the first half of the year, only to contract again in the latter part of 2010. Private consumption growth stagnated in the first half of 2010 and showed a rise in the second half. However, consumption of durable goods, which until the end of 2009 benefited from the economic stimulus policy declined in 2010. The still fragile labour market weighed on private consumption in 2010, despite improved financial market conditions and a slight overall increase in disposable income. As a result of labour market uncertainty, consumer confidence remained very volatile and showed only a slight upward trend.

All together private consumption increased by 0.4% in 2010 (-1.7% in 2009). Retail sales were partly responsible for this growth. Food products showed the strongest growth, whereas non-food products suffered from weak consumer confidence. Total retail sales grew by 0.8% compared to -1.9% in 2009. Average annual inflation in Italy went up from 1.1% in 2009 to 1.6% in 2010.

Retailer demand remained cautious and selective, but there was a reasonable level of activity. A fair number of international retailers showed interest in the best locations in the Italian market. At the same time most tenants continued to focus on occupancy costs and carried on closing underperforming branches. These closures mostly concerned stores at secondary locations with lower footfall than prime locations. At dominant shopping centres and prime high street locations, landlords were able to keep rental prices stable throughout 2010 as these locations across the country were able to retain the attention of strong incumbent tenants and new retailers. As a result, these well-managed shopping centres did not suffer much in the aftermath of the crisis.

PORTFOLIO AND VALUATION

The value of the retail portfolio in Italy rose to € 1,428.2 million at year end 2010 from € 1,048.5 million. A total amount of € 339.2 million was invested in the portfolio and the pipeline and positive revaluations contributed € 37.7 million.

During 2010 Corio acquired Le Vele/Millennium shopping centre on Sardinia and 50% of Porta di Roma shopping centre in Rome, through a joint-venture with Allianz. In November 2010, the redevelopment of the former Ikea premises next to Shopville Le Gru was completed and opened around 60% of total GLA of this project. In December Corio signed a preliminary agreement with the fitness centre Virgin Active for the remaining. 40% of the total GLA. The fitness centre is due to open in June 2011. The total Shopville Le Gru, including the former IKEA premises, was revalued upwards. The redevelopment of the former IKEA premises was revalued downward by € 5.2 million. At year-end the total former IKEA premises were part of the investment properties under construction.

The operational portfolio was revalued upwards by € 37.7 million during 2010, an increase of 2.8% on the book value as at year-end 2010 before revaluation. All the centres showed a positive revaluation, in particular € 11.6 million for Shopville Le Gru in Turin and € 7.0 million for Porta di Roma in Rome.

In general, initial yields were steady on average in Italy. However, there was an increase of 10 basis points in the overall portfolio to 6.2%, mainly due to the acquisition of Le Vele/Millennium on Sardinia, against attractive conditions and potential to add value.

RENTS AND OCCUPANCY RATES

The total theoretical rent in 2010 amounted to € 88.7 million, a 26.3% increase from 2009. Factors influencing this, on the positive side, include the acquisition of Le Vele/Millennium shopping centre (€ 6.6 million), Porta di Roma in Rome (€ 11.1 million) and indexation. Contracts were indexed up by 0.8% in 2010, compared with 2.1% in 2009. Factors on the downside included the fact that the former IKEA

premises opened in November, while last year's results benefitted from eight months of operational results. A total of 25,000 m^2 accomodating 142 shops have been affected by renewal and reletting activities that generated a 10% rent increase, despite the market conditions. The Le Vele/Millennium first renewals phase involved 9 shops with a total of 1,492 m^2 and an increase of 26%.

To accommodate the Apple store in Shopville Le Gru, some tenants in need of more space were moved to the former IKEA premises. This location now has four medium sized tenants (Cisalfa, Prenatal, Conbipel and Casaterra). These changes altogether increased the footfall in December 2010 by 10.5% compared with last year.

The contribution of turnover rent to rental income increased in comparison to 2009. In 2010 turnover-based rent, as a percentage of theoretical rent, was 2.5% compared with 1.5% in 2009. Other income rose 50.8% to € 3.4 million.

The average financial occupancy rate of 98.9% was steady at the same level of last year (2009: 99.1%). In 2009 most of the vacancy was real vacancy, whereas for 2010 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 in the former IKEA premises. For Città Fiera – Udine, active letting in the second half of the year enabled the centre to reduce vacancy significantly. Corio's rental strategy is aimed at maintaining an attractive activity and tenant mix for the consumers in the catchment area. This may selectively and temporarily require supporting tenants by means of free rent (1% of theoretical rent). Whereas, the combination of the low occupancy cost ratios and active management, including innovative events and marketing programs, ensures that the centres remain attractive to major retailers.

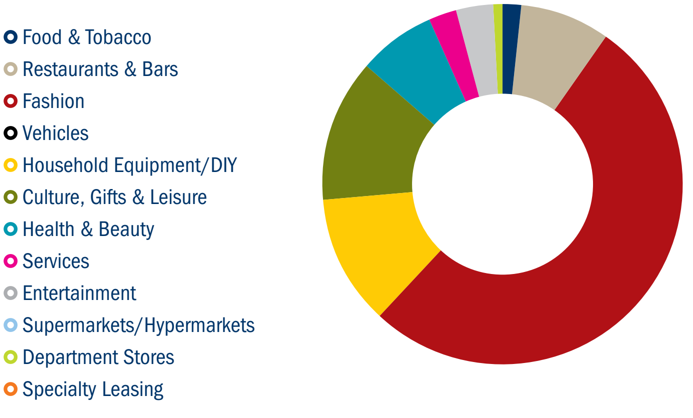
Like-for-like net rental income on properties which were in the portfolio in both 2009 and 2010 increased by 3.0% (2009: 3.0%).

SECTOR SPREAD IN VALUE ITALY (%)

VISITOR NUMBERS AND SALES

Footfall in Italy is measured for eight centres, representing 91% of the Italian portfolio. In 2010 those centres were visited by 71 million people, an increase of 38% compared to 2009, as a result of the acquisitions of Le Vele/Millennium and Porta di Roma. On a like-for-like basis footfall increased with 2.5%. This implies a total number of visitors for the Italian portfolio of around 75 million. The increase was mainly thanks to the rise in visitors in Globo (+5.6%) and Campania (+3.5%) in its third year of operation. The number of visitors increased in Shopville Le Gru as well, and the other centres maintained a steady footfall. Despite the economic circumstances, cumulative turnover registered positive results in Corio Italia's centres. The average occupancy cost ratio (rent and service charges over turnover) of the Italian centres amounts to a sound 10.2%.

SECTOR SPREAD ITALY (%)



PIPELINE

The total pipeline of retail projects in Italy increased from € 823 million at year end 2009 to € 913.8 million at year end 2010, of which respectively € 24.4 million and € 25.6 million have already been invested. The committed pipeline remained in line with the prior year with € 224.1 million (€ 3.2 million already invested) in 2010 compared to € 228 million (€ 2.4 million already invested) in 2009. These concern the extensions of the existing projects Globo, Città Fiera, Shopville Le Gru and Shopville Gran Reno and the turnkey development project Marghera, located in a suburb of Venice. For the extension of Shopville Le Gru, Corio acquired the IKEA premises in 2008. The majority of this project is now open and the redevelopment will be completed mid-2011. The deferrable and waivable pipeline amounted to respectively € 529.0 million (€ 22.4 million already invested) and € 160.7 million. The Palazzo del Lavoro project is included in the waivable pipeline. The existing monumental building in Turin and the adjacent land will be refurbished and redeveloped into a shopping centre with a total GLA of approximately 28,000 m^2. The Palazzo del Lavoro shopping centre is expected to open in 2014.

SPAIN/PORTUGAL

APRIL

Acquisition of Espacio Torrelodones in Madrid and Espaço Guimarães in Guimarães, Portugal

JULY

Gran Turia in Valencia wins 'Best Marketing Campaign' award from the Spanish Shopping Center Association (AECC) contest

SEPTEMBER

The cinema area of Las Huertas is converted into retail space and leased to a sports and a fashion retailer

THE ROAD TO RECOVERY IN SPAIN WAS ROCKY: CONSUMER CONFIDENCE, WHILE HIGHER, REMAINED AT A HISTORIC LOW. CONSUMPTION GREW 1.1% BUT RETAIL SALES SHRANK 0.5%

MARKET

The road to recovery for the Spanish market remained rocky in 2010, as the year saw a decline in GDP of 0,2%, which is better than the contraction of 3.7% noted in 2009. The construction sector continued to shrink, however private consumption and export growth performed much better in 2010. Private consumption was slightly up in the first two quarters of 2010, driven by a consumption surge in anticipation of a VAT-rate increase on the 1st of July. On the investment side, large corrections in construction were reported, although, investment in machinery recovered due to favourable developments in private consumption and exports in the first half of the year.

Unemployment maintained the high levels it had in the mid 1990s and stabilised at above 20% in the summer 2010, reflecting the structural imbalances in the pre-crisis Spanish construction sector. The relative stabilisation of the labour market and slow improvement in general economic conditions led to improving consumer confidence, which was higher at the end of 2010 than in 2009, but nonetheless remained at a historical low. Meanwhile inflation picked up to 1.8% in 2010, coming from 0.9% in 2009.

Despite marginal consumption growth of 1.1% in volume in 2010 as opposed to a contraction of 4.2% in 2009, retail sales growth remained negative throughout 2010 at 0.5%. This does show a marked improvement, however, compared to negative growth of 11.2% in 2009. The clothing and household good sectors nevertheless, showed positive growth, with the larger retail chain stores reporting the best figures.

All shopping centres in Spain have experienced the effects of lower consumer spending, but polarisation in prime and secondary locations is prominent in the Spanish occupier market. Only shopping centres and prime high street unit shops are able to attract demand from national and international retailers and were able to refill the well-located units that became vacant. As a result, market rents remained stable in prime shopping centres.

PORTFOLIO AND VALUATION

The value of the portfolio of Corio España increased to € 753.4 million at the end of 2010 from € 575.9 million at year-end 2009. The 2010 number includes the acquisition of the Portuguese shopping centre Espaço Guimarães and Espacio Torrelodones in Madrid. Both acquisitions were part of the Germany deal in March 2010. Espacio Torrelodones is a shopping centre of 22,100 m^2 GLA that was acquired for € 66.7 million. Espaço Guimarães was acquired for € 91.0 million and has a GLA of 32,500 m^2. In addition to the acquisitions, the revaluation added € 20.7 million to the total value of the portfolio, an increase of 3.2% on the book value at year-end 2010 before revaluation. Total negative revaluations amounted to € 4.4 million and positive revaluations totalled € 25.1 million.

In general, initial yields remained the same at 7.2%. However, on a like-for-like basis the net theoretical yield decreased 10 basis points, indicating the renewed interest of investors in the Spanish market, in particular in dominant and resilient shopping centres. The centres with the highest positive revaluations were Príncipe Pío in Madrid and Maremagnum in Barcelona.
As a result of the current economic conditions in Portugal and the vacancy in the centre, even though there is still a rental guarantee, the shopping centre Espaço Guimarães has been revalued downwards by € 4.4 million or 4.9% on the acquisition price in March 2010.

RENTS AND OCCUPANCY RATES

The economic recession was still affecting the € 666.1 million operational portfolio in Spain in 2010 which resulted in a negative like-for-like net rental income of 4.3%. As the economic climate was stabilised, however, a recovery in the level of visitors and tenant turnover was noticeable. The occupancy rate rose from 93.0% in 2009 to 94.0% in 2010.

Gross theoretical rental income in Spain amounted to € 54.2 million, an increase of 25.0% (€ 10.8 million) on 2009. This higher gross theoretical rent was mainly thanks to the two Madrid acquisitions of Príncipe Pío in June 2009 (first half of year 2010 contribution to gross

theoretical rent € 4.7 million) and Espacio Torrelodones and Espaço Guimarães in April 2010 (contribution to gross theoretical rent of € 4.4 million and € 5.8 million). These positive effects were partly offset by the development of the top floor area in Maremagnum in Barcelona which contributed € 0.8 million to gross theoretical rent in 2009 and had no contribution in 2010. If we exclude these three effects, on a like-for-like basis the decrease over 2010 would have been 0.9%. This negative figure is due to the difficulty to rent out vacant units, which in turn is pushing rent prices downwards in relettings and renewals in some shopping centres. In total 143 contracts were renewed or relet; 11.9% of gross theoretical rent was relet against 10.2% lower rents, whereas 4.8% of gross theoretical rent was renewed against 7.4% higher rent.

Net rental income increased 21.8%, mainly thanks to the acquisition of Príncipe Pío and Espacio Torrelodones. On a like-for-like basis, net rental income fell by 4.3% due to an increase of rental loss of 13.5%, principally due to higher free rent periods mainly in two out of eleven shopping centres (Gran Turia, Sexta Avenida) in the Spanish portfolio. Furthermore, there was lower mall income and higher leasehold payments in 2010 and in 2009 extraordinary income. The average financial occupancy rate increased slightly to 94.0% in 2010 from 93.0% in 2009. At the end of 2010, the trend continued to reverse, and vacancy decreased slightly further (Q4: 94.2%). Total rental loss as a percentage of gross theoretical rent remained on average the same at 9.4% in 2010 in comparison with 2009. Turnover rent rose from € 0.4 million to € 0.8 million, mainly because of an increase in turnover rent in Maremagnum. Other income totalled € 5.9 million, including parking income, temporary lettings (such as kiosks), key money and some penalties paid by tenants for ending their contracts. This figure represents 11% of total gross theoretical rent.
Net rental income of Espaço Guimarães in Portugal over the three quarters in 2010 amounted to € 4.4 million. Currently the centre, one year after the opening, still has real vacancy of 23% which is partly covered by the rental guarantee up until March 2012.

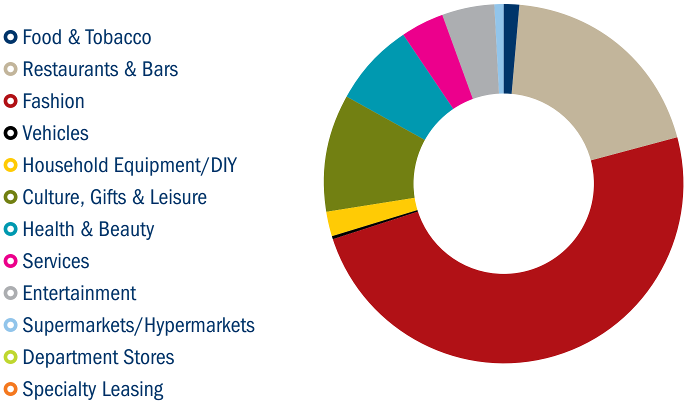
SECTOR SPREAD IN VALUE SPAIN (%)

VISITOR NUMBERS AND SALES

In 2010, almost 62 million people visited Corio's 11 shopping centres in Spain, down 2.8% from the previous year. The main reason for the fall in visitors was the economic recession, however this decrease is lower than that of 2009, because of the stabilisation of the Spanish economy. The inner city centres Príncipe Pío in Madrid, with more than 12 million visitors, and Maremagnum in Barcelona, with almost 11 million visitors, were the most visited shopping centres in the Spanish portfolio.

Principe Pío witnessed an increase of visitors, up 2.2% from 2009. The other centres in the portfolio in 2009 continued to witness the effects of the recession with a decrease in footfall. In line with the lower visitor numbers, tenant turnover decreased as well, although the trend is towards a recovery: almost half of the Spanish portfolio showed a positive increase in turnover. The occupancy costs ratio averaged 12.8% for the whole Spanish portfolio excluding Espacio Torrelodones, which is at an adequate level.

SECTOR SPREAD SPAIN/PORTUGAL (%)



NEARLY 62 MILLION PEOPLE VISITED CORIO'S 11 SHOPPING CENTRES IN SPAIN IN 2010, DOWN 2.8% DUE TO THE CONTINUING ECONOMIC RECESSION. FOR NEARLY HALF OF THE PORTFOLIO TURNOVER INCREASED

PIPELINE

The pipeline of (re)development projects in Spain amounted to € 24.5 million (2009: € 21.8 million), of which € 5.1 million (2009: € 4.3 million) has been invested. The committed and deferrable pipeline amounted to resp € 9.2 million (€ 4.0 already invested) and € 15.3 million (€ 1.1 million already invested) respectively. The extension of the shopping centre in La Loma in Jaen has been moved from the fixed to the variable pipeline, awaiting the approval of the co-owner Carrefour. Corio started the redesign and reletting 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 are expected to be completed by Q4 2011.

GERMANY

MARCH

APRIL

Corio acquired two operational and five development properties in Germany. The operational centers are Forum Duisburg in Duisburg (GLA of 58,600 m^2) and Centrum Galerie in Dresden (GLA of 64,400 m^2). The shopping centres in different stages of development are: Boulevard Berlin (GLA of approx. GLA of 80,000 m^2), Königsgalerie in Duisburg (GLA of approx. 17,800 m^2), Arneken Galerie in Hildesheim (GLA of approx. 27,200 m^2) and two further projects that are still in the preparation stages

Forum Duisburg wins the ICSC European shopping centres award for new large developments and the 2010 ICSC Resource award, a price to support sustainable development

CONSUMER CONFIDENCE IN GERMANY SHOWED THE SHARPEST GROWTH OF ALL EUROPEAN COUNTRIES

MARKET

The German economy recovered remarkably swiftly and vigorously during the second half of 2009 and 2010, posting six consecutive quarters of high growth figures. After the negative GDP growth rate of 4.7% in 2009, German GDP advanced by over 2% in Spring 2010 on a quarter to quarter basis. The value of exports is back to pre-crisis levels and unemployment has only temporary risen as a consequence of the crisis. Temporary government policies targeting job retention caused unemployment to rise only moderately. Since its peak in 2009 at 7.7%, unemployment came down to 6.7% at the end of 2010. The initial export and inventory led recovery has given way to a broader based upswing, with private consumption and investment contributing more strongly to growth since the second quarter. The strong labour market afforded private consumers better confidence in their job security and future financial position. As a result consumer confidence in Germany showed the sharpest growth of all European countries and was followed by nominal private consumption growth of 2.3% in 2010.

As of the first half of 2010, the retail sector was able to put a final stop to the economic downswing. Based on rising consumption, retail turnover grew once again in 2010. Although growth in retail sales traditionally lags the economy as a whole, nominal retail turnover grew by 2.8%. This rise was essentially driven by non-food retail, which grew by 2.4% in nominal terms, while food retail showed only a slight increase. Turnover for larger supermarkets, hypermarkets and department stores remained stable throughout the year.

Winners of the crisis in the German retail markets are the chain retailers with vertical concepts. Some international retailers are expanding vertically by creating new labels. This segment is selling its products through an ever greater degree of mono label stores. An example is Inditex with its main brand Zara and a number of other brands like Massimo Dutti, Bershka, and Pull and Bear. In addition, the German market is increasingly interesting for international retailers that are attracted by the exceptional and stable economic performance when compared to other European countries. These trends, among other market developments, resulted in a greater differentiation in retailer demand.

PORTFOLIO AND VALUATION

Corio acquired two operational shopping centers at the end of March for a total consideration of € 506 million. The current value of both centres was € 512.0 million at year end 2010. The total revaluation for both centres was € 3.6 million, leading to a NTY of 6.4%.

RENTS AND OCCUPANCY RATES

The average financial occupancy rate of both shopping centres in 2010 was nearly 100% because of the rental guarantee that Corio obtained from the seller for two years. The centre in Duisburg is 99% leased. However, the centre Centrum Galerie in Dresden that has opened in October 2009 has not reached a stable situation yet and therefore still had a vacancy of 11.2% of GLA, which is mostly covered by the rental guarantee of the seller. Currently, on basis of the input of the international Design and Development team, a plan is being prepared to make the centre a Favourite Meeting Place. Total net rental income for both shopping centres was € 23.4 million in the last three quarters of 2010, which is in line with expectations during the acquisition.

VISITORS NUMBERS AND SALES

Due to the fact that Dresden opened in October 2009 and Forum Duisburg in September 2008, we only have comparable figures for Forum Duisburg. The year was characterised by very positive developments month by month; footfall increased 6.5% and turnover by 11.8% over the first ten months of 2010.

PIPELINE

The total pipeline in Germany amounted to € 779.7 million at year end 2010, of which € 133.0 million was already invested; € 514.0 million was in the committed pipeline, € 81.4 million in the deferrable pipeline and € 184.3 million in the waivable pipeline. Three projects are currently under construction: the turnkey project Boulevard Berlin and the profit sharing projects Königsgalerie, Duisburg and Arneken Galerie, Hildesheim. In accordance with the agreement with the developer, Corio will acquire the 50% of the seller in the project Arneken Galerie, upon approval by the joint venture partner in this project. This potential investment is included in the fixed pipeline. Currently Corio is negotiating with this party the acquisition of their 50%, which is included in the waivable pipeline.

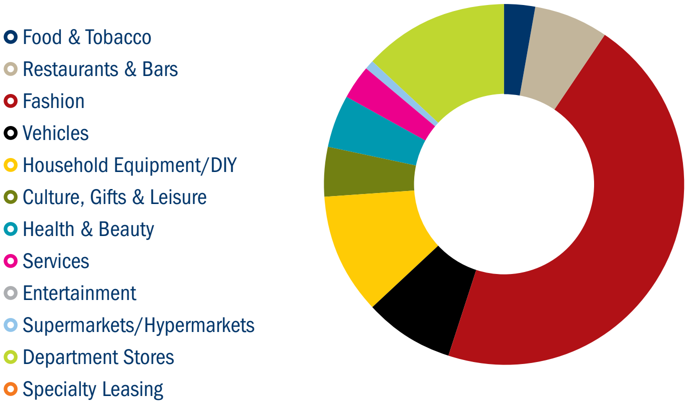
The construction of Königsgalerie and Arneken Galerie is within budget and on schedule; the expected delivery of the centres is respectively the fourth quarter of 2011 and the second quarter of 2012. Also Boulevard Berlin is expected to open in the second quarter of 2012. Leasing is progressing for the three projects; at the end of December 2010 approximately 40% of the lettable area of the projects is leased. The other two developments are still in the preparation phase, as was foreseen at acquisition, and are therefore still included in the waivable pipeline.

OFFICE

Until 2010 Corio had only one office in the German portfolio which already was bought in 1994: Rondahaus in Böblingen. The net rental income in 2010 was € 0.8 million compared with € 0.4 million in 2009, as a result of new leases. This office is qualified as non-strategic and therefore up for sale. In 2010 the value of the office building increased from € 13.5 million to € 16.0 million.

SECTOR SPREAD IN VALUE GERMANY (%)

SECTOR SPREAD GERMANY (%)

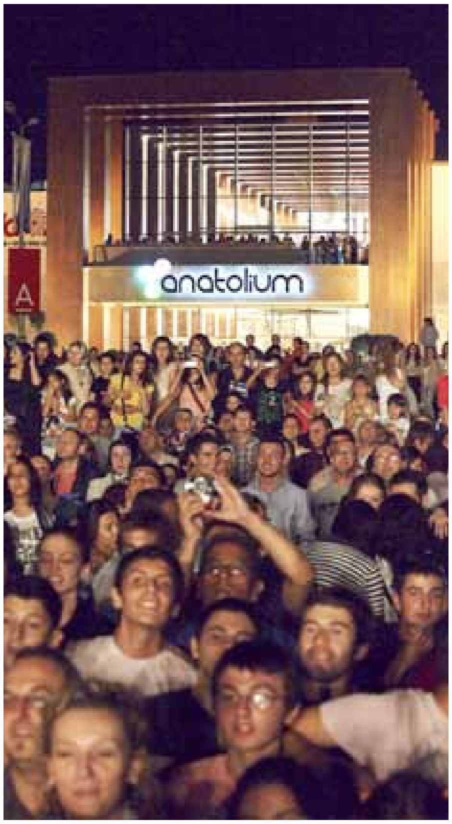


TURKEY

NOVEMBER

The shopping centre Tekira in Tekirdağ received a ‘good’ BREEAM-in Use rating

Start of construction of Tarsu, a shopping centre with a GLA of 27,600 m^2 in Tarsus. The project received a ‘very good’ BREEAM qualification



Grand opening of Anatolium shopping centre in Bursa (€ 168.2 million) with a gross leaseable area of 83,400 m^2

TURKEY WAS ON TRACK TO OUTPERFORM THE EUROPEAN MARKETS IN 2010. THANKS TO EXPORT-LED RISING DOMESTIC DEMAND AND DECLINING UNEMPLOYMENT, RETAIL SALES GREW SUBSTANTIALLY. CORIO'S LIKE-FOR-LIKE NET RENTAL INCOME GREW 27%

SECTOR SPREAD IN VALUE TURKEY (%)

MARKET

Having shown strong growth in the pre-crisis years, in 2010 Turkey was back on track to outperform European markets. The severe contraction of 2009 in which GDP tumbled by 4.7%, was turned around in 2010 to growth of 7.5%. The quick recovery of Turkey's economy is to a large extent based on export oriented manufacturing which benefited from the uplift in global trade in the first half of 2010. In the second half of 2010, exports lost some of their momentum as global trade growth lost pace, but investment growth and growth in domestic demand were strong enough to uphold robust GDP growth in 2010.

Increasing domestic demand and higher energy prices led to an increasing current account deficit. A widening current account gap increases the risk of a depreciation of the Turkish Lira. After a temporary contraction during the crisis, the current-account deficit rose to 5.5% of GDP in 2010. The fiscal balance showed some deterioration due to stimulus packages, resulting in a budget deficit for 2010 that nevertheless narrowed to 3.5% of GDP. Turkish banks experienced limited asset quality deterioration, and did not have to write off too much bad debt and bad assets. The Turkish government has not been confronted with mayor bail-outs and the resulting fiscal tightening.

Labour market developments, credit growth, capacity utilisation and consumer confidence contributed to gradual recovery in consumption in 2010. The jobless rate decreased from 14% in 2009 to 12% in 2010 on average, and was substantially lower in the large cities where jobs were most readily available. As a consequence, consumption grew considerably. Although official figures are unavailable, estimates show a substantial increase in retail sales over 2010. Corio's shopping centres reported retailer turnover growth of approximately 17.2%. The inflation rate rose to 8.6% in 2010, from 6.3% in 2009.

Rental levels benefited from the upswing in retailer demand. Prime high street locations and well located shopping centres saw gradual rental growth, due to general improvements in demand by national and international retailers which continue on their expansion path in Turkey. Growth figures were strong, but retailers did not return to the aggressive growth strategy that existed pre-crisis. Anchor tenants continue to demand incentives, and consequently, most shopping centre owners have not been able to fully regain the incentives and rent discounts during the crisis years.

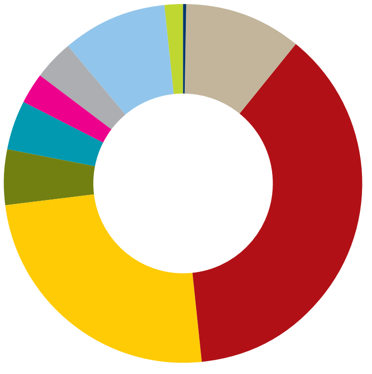
PORTFOLIO AND VALUATION

The value of the retail portfolio in Turkey (including associates) increased to € 571.5 million at year end 2010 from € 403.2 million in 2009. A total of € 7.9 million was invested in the portfolio and pipeline. Investments in the operational portfolio related mainly to Teras Park in Denizli (€ 1.6 million) and Tekira in Tekirdağ (€ 1.2 million). The investments in the pipeline project Tarsu in Tarsus amounted to € 2.0 million.

During the year, Corio took over the Anatolium shopping centre in the city centre of Bursa, which is the fourth biggest city in Turkey and completed the letting and handover to tenants. The total investment in the acquisition of this shopping centre against an 8% predefined gross yield was € 168.2 million. The shopping centre, which has a gross leasable area of 83,400 m², opened in November 2010.

SECTOR SPREAD TURKEY (%)

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



The operational portfolio was revalued downwards by € 17.9 million, a reduction of 5.0% on the book value as at year-end 2010 before revaluation. The main negative revaluations relate to Teras Park in Denizli (€ 16.4 million) and Anatolium in Bursa (€ 12.2 million). With respect to the valuation of Teras Park, the rental assumptions were adjusted downwards as a result of the economic situation in Denizli, an export-oriented city that has been hit by the economic crisis and increasing competition in town. The revaluation of Anatolium is the result of somewhat higher current market yields than the predefined yield in the turnkey contract.

For the standing portfolio, the net yield (excluding associates) decreased 20 basis points to 8.1%.

RENTS AND OCCUPANCY RATES

The net rental income of the Turkish retail portfolio rose 51.8% from € 8.5 million to € 12.9 million including associates. This increase is mainly the result of the acquisition of Anatolium in Bursa (€ 1.0 million) and the full year effect in 2010 of the acquisitions of Teras Park in February 2009 (€ 0.2 million) and Tekira in March 2009 (€ 1.1 million). Like-for-like growth in net rental income for the Turkish portfolio (excluding associates) amounted to 26.8%. The increase was mainly the result of recovering free rent, the leasing up of vacant space and improving the operational efficiency due to lower operational expenditures. The indexation for both 2009 and 2010 was 2.4% in the Turkish portfolio. For 365 in Ankara and Adacenter in Adapazari, both of which were fully operational in 2009 and 2010, a like for like rental growth was realised of 9.2% and 12.4% respectively. Excluding the increase in the leasehold payment, the like-for-like for 365 in Ankara would have been 29.3%. Tekira and Teras Park were not operational for the full year 2009, therefore like-for-like numbers are only available for three quarters. The net rental income for Teras Park is still relatively low as a result of the difficult period the centre has gone through. Since Corio Türkiye took over control of Teras Park in February 2009, its extensive revitalisation programmes are paying off and the centre is slowly but steadily improving.

The net rental income of Akmerkez in Istanbul fell from € 9.7 million to € 8.6 million due to decreasing rental income and increasing operational expenditure caused by renovation activities. Consequently, the direct result of associates, which in 2010 only related to Akmerkez, decreased from € 8.7 million to € 7.8 million.

Excluding associates, a total of 50 relettings and 24 renewals were realised in 2010, representing 16.5% of total gross rental income. As a result of the relettings and renewals, rents decreased 16.3%. However, in the course of 2010 an improvement in the relettings and renewals was visible: in the first two quarters of the year (Q1: - 27.4%, Q2: -11.6%) letting activities had a negative effect because these contracts were entered into pre-crisis, whereas in the second half of the year (Q3: 8.9%, Q4: -20.9%) the effect became positive with the exception of a contract with a new anchor tenant in 365. The increase in contract rent is mainly the result of relettings for Tekira and Teras Park, offset by a decrease in relettings in 365.

Excluding associates, the other rental income almost quadrupled, rising from € 0.2 million in 2009 to € 1.1 million in 2010. This is mainly due to the increased efficiency in speciality leasing and to penalties. The

turnover rent as a percentage of the theoretical rent decreased from 4.9% in 2009 to 4.4% in 2010 due to recuperated concessions and increased rents.

The average financial occupancy rate rose from 92.2% to 95.3%, excluding associates. The increase is mainly a result of the newest acquisitions, Teras Park and Tekira. Financial vacancy decreased from 13.3% of theoretical rent to 5.9% in Teras Park, and in Tekira it fell from 14.2% to 4.5%. Corio Türkiye worked hard to achieve this level of occupancy in both centres. There was no strategic vacancy in Turkey during the year. In 2010 total free rent represented 7.5% of the theoretical rent (2009: 14.5%). The decrease reflects the recovery of the Turkish economy coupled with Corio Türkiye's focused efforts. As part of an on-going process of recuperation that will continue until 2011, 41% (Adacenter) and 37% (365) of the free rent granted in 2009 was recuperated.

VISITOR NUMBERS AND SALES

Corio Türkiye welcomed around 25.8 million visitors in 2010 in Adacenter, 365, Teras Park, Tekira and Akmerkez. Total footfall in 2009 was 23.8 million in these centres. The breakdown per centre shows strong performances in Tekira, up 12.8%; Adacenter, up 14% and Teras Park, up 9.5%. 365 had stable footfall, up 1%.

Total turnover achieved by tenants in Adacenter, Tekira, 365 and Teras Park increased by 27.3% in 2010, compared with 2009. Despite the stable footfall figure, 365 showed a turnover increase of 21% in 2010 as a result of higher customer spending. The substantial increases in Tekira (23%) and Adacenter (18%) are also very positive for such new shopping centres. Teras Park showed a more modest turnover growth of 13%.

The success in terms of footfall and turnover is the result of 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 touches where and when necessary. An example of successful of architectural renovation occurred in Teras Park whereby a stagnant 1,000 m² ice skating rink was removed and transformed into a spot where thousands of people spend time in a "Green Court". We created a place to entertain visitors and their children so that people can engage socially in an environment full of greenery and wooden benches. Anatolium shopping centre in Bursa is perceived as a place to go to socialise, to meet with friends and to have fun because of its unique concept and many sitting areas.

Our main strategy in organising activities and programmes is to target children and education. We believe that by creating a bond with a child, the entire family becomes part of this bond. This creates favourite meeting places as the shopping centre affords a social, activity oriented, shopping and entertaining experience to its visitors. As different shopping centre audiences have varying needs, we at Corio Türkiye construct programmes to address these needs. By caring for our customers, we share value together and create favourite meeting places.

PIPELINE

The total pipeline in Turkey fell € 182.6 million from € 340 million at year-end 2009 to € 157.4 million at year-end 2010, including € 49.0 million already invested. The decrease is mainly the result of taking over the nearly finished project and subsequently taking this shopping centre Anatolium in Bursa into operation.

Of the total pipeline at year-end 2010, one project representing a total projected investment of € 54.2 million (€ 14.2 million already invested) is included in the committed pipeline, and one project of approximately € 103.2 million (€ 34.8 million already invested) is in the deferrable pipeline. With respect to the shopping centre project Tarsu in the fixed pipeline, construction started in November 2010. With a GLA of 27,600 m^2 the centre is expected to open in the fourth quarter of 2012.

CSR SUMMARY

CREATING VALUE TOGETHER

I. INTRODUCTION

Corporate Social Responsibility (CSR) is an essential driver to realise our mission in creating Favourite Meeting Places. By proactively engaging with our stakeholders we are able to respond effectively to their expectations and make sure we create value together, both for society and for Corio. Customers and business partners value social and environmental performance. We embrace the concept of Shared Value: an approach that enhances the competitiveness of the company while simultaneously advancing economic and social conditions in the communities in which we operate. Shared value will reinforce Corio's unique strategic positioning in Creating Favourite Meeting Places. CSR is therefore at the heart of our corporate strategy.

Research shows that consumers are becoming smarter, better informed and more discerning. In today's tighter economic climate consumers are making an educated choice of products that best fit their emotional, ethical and functional needs. Fuelled by climate change concerns and blatant breakdowns in governance that triggered the global financial crisis, other Corio stakeholders are pushing harder than ever for comprehensive corporate disclosure and management of environmental, social and governance factors (ESG). These developments in stakeholder expectations reaffirm our choice to make CSR a prime strategic issue. In doing so, our competitive advantage and value creation are linked to the wider societal expectations that stakeholders have of corporations. To accomplish this vision, Corio understands that it needs to collaborate with all stakeholders actively, to integrate them into the process of refining and fine-tuning our CSR strategy and operations.

II. KEY TOPICS

Up until 2009 we based our CSR strategy on five CSR pillars, mainly reflecting material areas and stakeholders: Community, Employees, Tenants, Suppliers and Environment. To bring focus to our approach and make it company-specific, we identified five key topics. These key topics reflect the priorities we have set for ourselves and the challenges we face in our ambition to create favourite meeting places. It should be emphasised that the pillars as previously determined are not obsolete in this approach. On the contrary, they form an essential condition to perform and achieve lasting results on the key topics. Ongoing dialogue, collaboration and transparency towards stakeholders is conditional to make progress and anticipate what lies ahead of us. It is by actively engaging in collaboration with and between the pillars on the following key topics that we create synergy, innovation and therefore value, together:

PUTTING CONSUMERS FIRST

To enable, engage with and inspire consumers to enrich their lives, make responsible purchasing choices and reduce their climate impact.

Consumers and visitors are what we are all about. It is for them that we strive to create Favourite Meeting Places, where they feel comfortable, relaxed, are surprised and want to come back to. This ambition is both an inspiration and a responsibility.

% centres surveyed on consumer satisfaction.
CSR quality assessment score.

ROOTED IN SOCIETY

To enhance community development by providing lasting social and economic opportunities.

Our centres play an important social role in the community, not only as a place to meet but also as a source of Employment, Education and Entrepreneurship: the Triple-E scope. There is a strong connection between the social development of the communities we are rooted in and the vitality of our centres. A targeted community investment approach is bound to create value both for society and for Corio.

% of centres with CSR activities.
% social return on investment

WE EMBRACE THE CONCEPT OF SHARED VALUE: AN APPROACH THAT ENHANCES THE COMPETITIVENESS OF THE COMPANY WHILE ADVANCING ECONOMIC AND SOCIAL CONDITIONS IN THE COMMUNITIES IN WHICH WE OPERATE

LEADERSHIP CULTURE

To foster a culture of leadership that emphasises trust and transparency and that strikes a balance between freedom and accountability in being a preferred employer.
We have laid the groundwork for an HR management approach that incorporates as much as possible Corio's core values: team play, empathic, inspiring, reliable and daring.

% absenteeism
% employee turnover

SUSTAINABILITY IN OUR OPERATIONS

To realise the sustainability potential of our portfolio through partnerships with tenants and suppliers.
Sustainability means to us that we find the optimum in the integration of social, environmental and economic quality. Partnership with our tenants and suppliers is conditional to achieve this. We focus on energy efficiency, reduction of CO2 emissions and wellbeing within our centres. By developing Green Leases together with our tenants and co-creating workable and innovative solutions with our suppliers, we realise the sustainability potential of our portfolio.

kWh/m^2
% green leases signed

CREATING SUSTAINABLE CENTRES

Aim to fully integrate sustainability in the design and construction of our centres.

% BREEAM Good or higher as part of all (re)developments
% compliant suppliers

III. PERFORMANCE REVIEW

INDICES

The year 2010 proved to be a milestone year for CSR within Corio, as we published our first separate CSR report, we were included in the most relevant sustainability indexes: the Dow Jones Sustainability Index (DJSI) and the Advanced Sustainable Performance Indices (ASPI) that lists the top 120 most sustainable companies in Europe. As a member of the UN Global Compact we issued an annual Communication on Progress in August 2010, which included a public disclosure to stakeholders on progress made in implementing the ten principles of the United Nations (UN) Global Compact, and in supporting broad UN Millennium Development Goals. Corio was ranked 12th out of 60 Dutch companies covered in a survey conducted by the Carbon Disclosure Project.

ORGANISATION

CSR is integrated both within local Business Unit management and corporate Management Board responsibilities. Recognising the importance of CSR on the strategic level, the COO is directly responsible for CSR within the Management Board of Corio Group. In addition, Corio created a position for a Head of CSR at the corporate level. This person is responsible for the effective implementation of CSR within all Business Units, assuring alignment and performance throughout Corio operations.

Our environmental performance in terms of specific consumption Key Performance Indicators (KPI's) and our overall social performance against target are disclosed in our separate CSR report, to be published in March 2011. This report contains social performance disclosure indicators according to the Global Reporting Initiative standards.

AT THIS POINT THE FOLLOWING ACTIVITIES AND RESULTS ARE WORTH MENTIONING:

PUTTING CONSUMERS FIRST

Results

- 50% of the portfolio have complaint forms available for consumers.

Activities

- All business units survey consumer needs through consumer panels 4 times a year.

ROOTED IN SOCIETY

Activities

- Corio Italia opened the first shop in Italy (in Shopville Gran Reno in Bologna) that provides employment for disabled children and donates all its sales to charity.
- With Erasmus University in Rotterdam, Corio began discussing a Social Return on Investment methodology to measure the impact of our core activities and community investments.
- Corio N.V. entered into a collaboration with Save the Children and Youth for Habitat to found the International Leadership Academy in order to help young people develop life skills. Corio Türkiye lends local support to the academy.
- Corio Nederland increased the use of vacant space for temporary social functions.

LEADERSHIP IN OUR CULTURE

Results

- A Head of Human Resource Management was appointed at group level in 2010 with the specific task of professionalising HR strategy and fulfilling our goal of becoming a preferred employer.
- Our group-wide HR strategy was reviewed and new initiatives are currently being implemented.
- Performance management was further developed and CSR has been integrated as a specific target for every employee within the appraisal procedure.
- Employee satisfaction surveys were conducted in three business units.
- Corio Italia was mentioned in the list of 35 best places to work in Italy as a result of being included in a great place to work survey.

Activities

In December, our headquarters moved to a new Favourite Meeting Place, in the heart of one of our biggest shopping centres, Hoog Catharijne in Utrecht. The new office is ideally located for public transportation and is an inspiring place that promotes transparency, creativity, team play and flexibility. It thus resonates highly with our Corio values and defines our culture and commitment to the highest standards of personal and professional behaviour.

SUSTAINABILITY MEANS TO US THAT WE FIND THE OPTIMUM IN THE INTEGRATION OF SOCIAL, ENVIRONMENTAL AND ECONOMIC QUALITY. PARTNERSHIP WITH OUR TENANTS AND SUPPLIERS IS CONDITIONAL TO ACHIEVE THIS


breeam
The Code for Sustainable Buildings

This is to certify that

Tarsu Shopping Mall,
Block No: 4576 Parcel No: 1,
Fevzi Çakmak District,
Tarsus-Mersin,
TURKEY

has achieved an interim score of 60.78%, and a BREEAM rating of

VERY GOOD

Pass Excellent Outstanding

This Design and Procurement assessment was carried out under the 2008 version of BREEAM Europe - Retail

Signed on behalf of BRE Global Ltd

9th November 2010
Date

SUSTAINABILITY IN OUR OPERATIONS

Results

- Alexandrium in The Netherlands represents the first complete energy analysis project. As a result adjustments will be made in Q1 2011.
- BREEAM in Use Good was achieved for Tekira in Tekirdağ, Corio Türkiye.
- Corio France installed smart digital gas metres in all the shopping centres larger than 5,000 m^2.
- Corio France installed smart digital energy metres in Grand Littoral, Centre Deux and Grand Place.
- Corio France tested waste separation at Grand Littoral, providing seven categories of separated waste, achieving an estimated 45% recycled waste forecasted at end 2010. Waste is already separated in four categories at Art de Vivre and Mondeville 2.

Activities

- Corio Türkiye organised ‘BREEAM in Use’ workshops for employees.
- Corio España installed solar panels in Maremagnum.
- Corio España had ONCE (Spanish organisation for visually impaired people) perform an audit to determine if Corio’s centres are suitable for blind and disabled people. Improvement measures will be implemented in 2011.
- We increased our cooperation activities with peers in the industry, suppliers, shareholders and local authorities.
- Corio is a founding member of the International Sustainability Alliance (ISA), a global network of real estate organisations with substantial portfolios in ownership dedicated to achieving a more sustainable built environment. Together with the ISA, Corio is creating a benchmarking body to measure the performance and environmental impact of existing commercial buildings.
- Corio participates in fundamental academic research, such as the international research programme of the Sustainable Investment in Real Estate Centre (s-i-r-e), which was initiated by RICS together with Kingston University London and Krems Danube University. It is the first empirical study exploring the measurable impact of sustainability characteristics on the financial performance of retail properties in Europe.

CREATING SUSTAINABLE CENTRES

Results

- We gained our first BREEAM new developments project phase (QA phase) ‘Very Good’ certification in 2010 for Tarsu (Turkey) with the score of 60.78%.
- BREEAM new developments HC, de Vredenburg (BREEAM good) and first phase Nieuw Hoog Catharijne (Entreegebouw: BREEAM very good).
- Forum Duisburg has integrated both social and environmental qualities within the building design and the occupational use of the centre, resulting in the ICSC Resource Award and a BREEAM very good rating.
- Galerie Dresden became the first shopping centre in continental Europe to get a BREEAM Excellent rating.

Activities

In 2010, CSR was further integrated into our operations, decision-making and management processes. We fully integrated CSR criteria into quality assessment for existing assets, investment proposals both for acquisitions and (re) developments and business plans. Consequently, strategic decisions are based on CSR criteria as well as financial criteria.

IV SHORT TERM OBJECTIVES

After evaluating our performance, we defined three points of interest we will focus on during 2011 by initiating corresponding programmes. These programmes are designed to ensure result delivery within planning and scope by organising them according to project management best practice. Every programme will have a programme manager and a program team and will report to a steering committee.

PROGRAMME 1 CSR MANAGEMENT

Objectives are:

- Further alignment of the business units.
  The aim is to align our business units further in terms of CSR performance while respecting local requirements and business unit autonomy. This will be achieved by implementing a CSR competence centre, effectively creating a platform and network from which to share best practices, develop internal education programmes and engage employees.
- Performance management implementation.
  What gets measured gets managed. In order to improve our measurement and therefore management capabilities, we started the implementation of a CSR performance management approach throughout the group. Together with all business units, the first steps were defined by agreeing upon methodology, metrics and ownership. The objective is to give all layers within the Corio organisation the instruments to manage CSR in an effective and consistent way.

PROGRAMME 2 REACHING FOR ZERO

In the light of upcoming regulation on EU level regarding the mandatory energy neutral new builds as of 2020 and our commitment to maximise energy efficiency and minimise CO2 emissions, we established an international project team of experts from our business units. They are working on an approach to tackle this challenge, foster innovation and increase our knowledge on this specific subject to achieve tangible results.

PROGRAMME 3 SPREADING OUR ROOTS

The objective of this programme is to create measurable value through the incorporation of social innovation and the results of a structured stakeholder dialogue into our daily operations. We will incorporate the academic research we participate in into our daily business and operations. We will start two pilot projects within the programme to apply our findings at centre level and measure the value creation at all levels by means of a Social Return on Investment methodology.
These objectives are not abstract goals; they make for a comprehensive set of tools that will help us to reach the next level of CSR development - a level that is essential for the realisation of Corio's mission to create Favourite Meeting Places.

CORPORATE GOVERNANCE & RISK MANAGEMENT

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"). 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. Any areas in which the company fails to comply with any of the principles and best-practice provisions of the Dutch Code in 2010, and any areas in which it anticipates non-compliance in 2011, 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 2011. 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). 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 2010 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 2010.

SUPERVISORY BOARD

The role of the Supervisory Board is to oversee the Management Board's management and general developments within the company and its associated business, and to support the Management Board by giving advice. The Supervisory Board is responsible for the quality of its own performance. It 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. In 2010 the Supervisory Board reviewed its own profile taking into account the requirements of the Code. The Supervisory Board decided to amend its profile. The proposed amended profile will be discussed with the General Meeting and the Works Council. The profile will be adopted by the Supervisory Board after the aforementioned discussions have taken place. 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 2010. 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 2010 two transactions took place between the company and another company with a direct interest. For more information on these transactions please refer to the Notes to the Company Financial Statements elsewhere in this Annual Report.

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, discharge the members of the Management Board and the members of the Supervisory Board with regard to their fulfillment of their duties, and decide on appointments of members of the Supervisory Board, to fill vacancies and any other business. Shareholder approval is required for resolutions which have a substantial impact on the company and its risk profile. In compliance with the company's Articles of Association, the Management Board and/or the Supervisory Board will also put resolutions proposed by shareholders on the agenda of General Meetings of Shareholders. Shareholders representing shares with a total nominal value of at least € 10 million may ask the Management Board and/or Supervisory Board to convene a General Meeting. Shareholders are entitled to cast one vote for each ordinary share they hold, and if necessary 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 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 of achieved 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. During 2010 and early 2011 the Management Board and the Audit Committee conducted a thorough assessment of the performance of the external auditor. The most important conclusions from this will be communicated to the General Meeting for the purposes of the nomination of the external auditor.

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. It has also appointed a corporate compliance officer and local compliance officers for Corio's business units. The compliance officer reports on these matters annually to the chairman of the Management Board. Corio has further policies such as a Code of Conduct, which was revised in 2010 to better reflect Corio's mission, vision and values and that sets out the fundamental principles governing how Corio and its employees should behave. Corio also has Rules on Dealing with Suspected Abuses (whistleblower policy) by which employees can report their suspicions of abuses to their superiors and/or a locally appointed confidential counselor. In 2010 no reports under the whistleblower policy were made. With regard to the whistleblower policy, a new reporting system will be implemented in 2011 whereby employees can report anonymously. For further information regarding these policies and to review the policies themselves we refer you to Corio's website: www.corio-eu.com.

COMMUNICATION POLICY AND POLICY REGARDING BILATERAL CONTRACTS WITH SHAREHOLDERS

Analysts' reports and valuations are not assessed, commented upon or corrected by the company before publication, other than to verify their factual content. The company refrains from actions which might affect the independence of analysts in relation to the company, and vice versa. The company makes every effort to improve participation in and communication with the international investment world by disseminating all important new information immediately. 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 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 APG 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 31 March 2010 PGGM Fondsenbeheer B.V. registered as 5.09% shareholder in Corio. PGGM informed Corio that it held 5.14% at year-end 2010. ABP has informed Corio that its indirect interest in the company was 31.26% as at year-end 2010. 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 all operational functions within their individual areas of activity. This concerns the primary processes such as acquisitions and disinvestments, development, letting and shopping centre management and support processes (a description of the primary processes is provided on the website (www.corio-eu.com)). The management of the business units monitors the effectiveness and efficiency of these processes. Corio is therefore a highly decentralised organisation 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 (dis-)investment proposals and comply with the accounting manual.

In 2010 Corio decided to strengthen the Management Board by appointing a COO and CDO. The COO's responsibilities include, amongst others, overseeing the investment strategy, operations, asset allocation and environmental and social activities. The CDO focuses on ensuring the quality, tightened oversight and risk management of the development activities from a Group perspective. Consultative structures such as frequent Management Board meetings, business units 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.

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), and 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. 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 above 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. 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. The risk management section on the Corio website provides an overview of risks related to, for example, asset & property management, information management and compliance processes.

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.
Opportunities, such as entering new markets or buying existing portfolios, and important business risks, 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 means that we avoid certain risks and take on other risks. In the sections below, these strategic choices and their impact on the Corio risk profile are described. In order to manage these risks, we have organised operations and developed indicators and performance standards that are included in the periodic reporting formats as mentioned above. In addition, we are aligning our remuneration and performance management accordingly.

OUR RISKS

1. Risks related to investments in retail shopping centres
2. Risks related to the geomix within our portfolio
3. Risks related to investments in dominant shopping centres
4. Risks related in-house management through local business units
5. Risks related to in-sourcing (re) development activities
6. Risks related to an increasing deal flow
7. Sustainability risks
8. Funding risks

1. RISKS RELATED TO THE CHOICE OF FOCUSING ON RETAIL SHOPPING CENTRES AS INVESTMENT ASSET INCLUDE:

- Performance risk: risk that the retail sector does not outperform the office, residential, industrial and/or other sectors. Corio has chosen retail because we believe that this is the sector in which we can add most value through our active local+ management approach. The advantage is that we can specialise and develop expertise in shopping centres, without having to allocate resources to other areas of expertise. Another advantage is the multitenant character of the retail sector, which reduces vacancy risk as compared to other sectors, like offices and industrials.
- Competitive risk: there is risk that consumers will increasingly use other shopping channels, like e- & m-commerce. We have in-house research teams to monitor and predict developments and assess their impact on our business. In addition we actively manage our centres to attract consumers. We also engage other parties (from production companies, wholesale retailers, consumers, tenants to investors) in discussions about developments in the retail sector, innovative products or retail concepts, consumer behaviour, etc.
- Economic risk: there is a risk that consumer confidence will decline, leading to reduced consumer spending that in a turn could lead to a fall out of tenants. Through our onsite centre managers we are in close contact with consumers and our tenants and this allows us to act quickly in response to changing demand and supply.
- Tenant mix/leasing risk: Our in-house decentralised leasing management optimises the mix of tenants and picks those tenants with the most appealing product range. While we can respond flexibly to market trends and catchment area needs, the timing of any changes in the tenant mix might be influenced by local leasing regulations.
- Refurbishment risk: Our active in-house centre & technical managers keep our shopping centres up to date, taking our stakeholders, like tenants, co-owners and municipalities into account.

2. RISKS RELATED TO THE GEOMIX WITHIN OUR PORTFOLIO. RISKS SPECIFIC FOR A COUNTRY OR FOR OUR MIX OF COUNTRIES, INCLUDE:

- Demographic risks: The risk of a declining or aging population. Risks are managed by conducting research prior to market entry and continuous monitoring (as part of the asset allocation study) of demographical changes after market entry.
- Every country is subject to different degrees of political risks, relating to government stability and level of democracy, economic risks, such as vulnerability to economic shocks and current account imbalances and business climate risks, such as legislative framework, corruption and bureaucracy. These risks are assessed as part of our market research prior to market entry. After market entry our decentralised

business model with local management allows us to respond quickly to changing circumstances. In addition we monitor these risks centrally by using specialised research agencies and sector reports.
- Environmental risks like natural catastrophes are preventively assessed as part of the investment decision and potential damages are covered by our group insurance policy.
- Market attractiveness risks: In our location selection we take into account the risks related to the prerequisites necessary for the good execution of our activities. These prerequisites include: demography, the economic situation and quality of the consumer market, such as sustainable and stable economic growth and purchasing power. Other factors we consider are whether the country has a real estate market to offer that is suitable for our business, this includes available shopping centre space (per capita), spatial planning laws/ regimes, available investment and/or (re)development opportunities, a transparent investment market and the availability of a skilled work force, both in terms of Corio employees and external advisors, like appraisers, lawyers or developers.

Besides individual market risks, there are also risks related to the right combination of markets:
- To mitigate the portfolio risk we use allocation models to determine the asset allocation mix that offers us an optimal risk-return profile. We also take into account whether this mix is feasible within the markets taking into account market share, the size of the portfolio, whether the right product is available and the possibility of achieving critical mass.

3. RISKS RELATED TO CHOOSING DOMINANT SHOPPING CENTRES AS AN INVESTMENT ASSET

Corio focuses on shopping centres that are dominant in their catchment area because these projects enable Corio, with our local and professional in-house management (e.g. leasing, centre management and research), to add the most value to the portfolio and to have more control over the day-to-day operations.
- The related main risk is to what extent the projects that Corio selects as investments are actually dominant in their catchment area, both at present and in the future. We measure the degree of dominance by shopping centre quality indicators (including the potential). The degree of quality is reflected in financial performance indicators.
- The risk of declining dominance or market position of shopping centres in changing (local) market situations is managed by monitoring planning legislation and market pipeline, with our local management ensuring alignment with (changing) catchment area characteristics.

4. RISKS RELATED TO CHOOSING FOR IN-HOUSE MANAGEMENT, WITH LOCAL BUSINESS UNITS

Corio aims to add value by managing its investments in-house. Since real estate is a local business, Corio has chosen for a decentralised organisation structure. In-house management, however, entails the following risks:
- In control risk: in this risk management section we describe the checks, balances and best practices that we have implemented across our entities.
- Risk of local non compliance of with rules and legislation: We manage the compliance risks through our group wide and local policies and procedures (for example screening of business relations and employees, dilemma training, whistle blowers code, code of conduct, etc.) and the continuous training on and effectiveness monitoring of these policies.
- Efficiency risk: Corio believes that our in-house centre and letting management will add value and have a beneficial effect on the operational results.
- IT risks: During 2009 a strategic programme with a 5-7 year horizon was started with the objective of establishing the ideal future IT structure for Corio. Following the conclusions and further developments of this programme, the business units and holding are implementing their systems locally in order to align them with their business requirements. The business units, supported by the centralised Information Management department, are responsible for an efficient and effective implementation. An overall programme management office and steering committee monitor the business unit's progress, costs against approved budgets and ensure that the outcomes remain in line with the conclusions of the strategic programme.
- Critical mass risk & Expertise risk: In order to have an efficient local BU, sufficient critical mass per home country is required. Therefore this risk is assessed in the asset allocation process, prior to entering new markets. If Corio as a local player does not have sufficient market share, it risks not being able to attract the right tenants and suppliers, as well as talented staff with the right skills, expertise and work ethics.

5. RISKS AS A RESULT OF IN-SOURCING (RE) DEVELOPMENT ACTIVITIES

Corio in-sources (re)development activities in order to increase the sourcing of product and improve returns. In-sourcing these activities, however, entails the following risks:
- Quality risk: We have in-house experience and knowhow on successful developing quality centres, the risks mainly relate to the quality of processes management. We manage these risks by attracting sufficient qualified and highly skilled staffing, with again, critical mass of our business unit and market as a precondition to attract and maintain skilled staff.
- Timing risk: Thanks to having (re)development in-house, we are in a good position to manage timing risks in the investment market (difference between yield on cost and value upon completion (market yield)) and in the letting market (forecasted rent vs. rent upon completion). In addition we have in-house research departments that continuously assess the property cycles.
- Funding risk: The timing difference between the investment decision and the funding activity is managed by our funding policy, cash flow management and our development and redevelopment decision making processes.
- Letting risk: New project lettings or an extension carry the risk that we are unable to let the new space. With our in-house leasing expertise Corio is able to adequately manage this risk.
- Corio will cap a construction risk before the actual start of the construction process. Furthermore, licenses or permission risks are usually a precondition in a transaction.

6. RISKS RELATED TO THE CHOICE TO INCREASE OUR DEAL FLOW; TO HAVE MORE ASSET ROTATION

- Asset selection risk: We execute periodic hold/sell analysis to determine the right assets to be held, redeveloped or sold, in order to manage our risk-return profile. The market liquidity is also assessed in our asset allocation process.
- Re-investment risk: Through our (dis)investment process and cash flow forecasting model we manage the risk that we cannot re-invest the money into an asset with a better risk-return profile, or that we loose direct income because the money is reinvested in development projects not generating immediate cash flows.
- Funding risk: With our cash flow model we also align the sale and acquisitions with the funding of the company. Part of the funding policy is to have diversification in funding sources.

7. RISKS RELATED TO THE LONG TERM (COMPLIANCE WITH) SUSTAINABILITY OF CORIO'S ACTIVITIES FROM AN ECONOMIC, SOCIAL AND ENVIRONMENTAL PERSPECTIVE

- Management risks: Corio's sustainability targets are set centrally and reviewed regularly together with the business units to ensure that they are feasible and realistic but also meet our company objectives. Corio's decentralised business model allows the business units to execute strategy in accordance with local requirements, which is a mitigating factor.
- Regulatory risks are managed by monitoring changes in relevant legislation and tenant/sector demands on CSR. Corio strives to run its business in compliance with current (and future) laws and regulations and in a transparent way. We are conscious of the economic benefits of greater environmental efficiency and thus take advantage of any available subsidies and generally seek to reduce operating costs where possible.
- Physical risks: These are taken into account as part of the investment decision and decisions on the insurance coverage. For existing shopping centres, where possible adjustments are made to meet the changing demands of tenants and visitors as a result of climate change.
- Social risks: Corio is aware of the impact a CSR policy can have on investors, consumers, tenants, employees and other stakeholders and therefore communicates this in order to manage perceptions and expectations.

8. RISKS RELATED TO FUNDING POSSIBILITIES AND/OR LIMITATIONS

Corio is financed rather conservatively. We target a leverage of approximately 40%. We aim to have approximately 2/3 of our total loans at a fixed interest rate and only 1/3 against floating interest rates. While conservative, this funding policy may be threatened by:

- Market financing risk: the treasury funding policy aims to assure the continuity (availability of funds, dependent on solvency and liquidity), funding diversification (sources) and our flexibility in order to not restrict management in achieving strategic targets. It also aims to keep funding costs as low as possible.
- The risks of breaking ratio's stipulated by FBI regulations, the USPP loans, bank financing or funding policy are continuously monitored by the group treasury department.
- Investment policy: a cash flow planning model is used to align the funding with the (dis)investment activities.

DECLARATIONS

CORPORATE GOVERNANCE 'IN CONTROL' STATEMENT

The adopted risk management approach has been developed in order to prevent material errors in financial reporting and to flag and mitigate failures in the management of strategic, operational and legal/regulatory risks in good time. The risk management and internal control systems reduce risks to an acceptable level but do not entirely exclude errors of 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 2010 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).

REMUNERATION REPORT

INTRODUCTION

The remuneration policy of Corio was approved at the General Meeting of Shareholders on 29 April 2008. Details of the remuneration policy can be found on Corio's website. This report gives an overview of the remuneration of the Management Board and the Supervisory Board, and explains how the remuneration policy for the Management Board was applied in 2010.

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 property market. The policy should furthermore contribute to the company's performance and profitable growth objectives, as well as motivate and retain members of the Management Board by offering a competitive package.

The remuneration 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. The long-term incentive plan in terms of structure is equally applicable to Management Board members with country responsibility.

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. 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 2010:

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

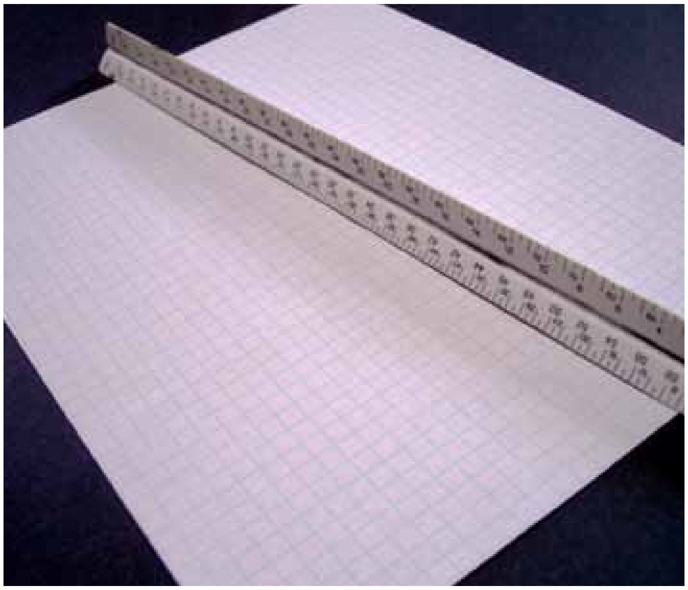
B. STRUCTURE OF THE REMUNERATION PACKAGES

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

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

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

THE REMUNERATION PACKAGE IS BASED ON AN EQUAL BALANCE BETWEEN FIXED AND VARIABLE COMPONENTS



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 2010, the base salary levels of the Management Board with full responsibility at holding level have not been adjusted. Mr. Fontaine's base salary was increased 4% including price indexation.

VARIABLE REMUNERATION

All members of the Management Board are eligible for variable remuneration if they achieve certain pre-agreed performance criteria that support Corio's short and long-term objectives.

The variable remuneration components are predominantly of a long-term nature (maximum of 60% of base salary and for optimal performance at 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.

If performance targets are met, then the total variable cash compensation (including the long-term component in share unit awards) may be up to 100% of base salary, and in case of exceeding the targets and optimal share value performance up to 150% of base salary.

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 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 'growth in the company's Operating Result'; one-third relates to measurable individual qualitative targets. The Operating Result consists of 'direct result' and 'additions to the pipeline'. The pipeline is relevant for future years' turnover growth. Performance against targets for 2009 was reviewed in 2010.

Targets for 2009 and performance against these targets were set as follows:

- the direct result target was based on the 2009 budget. The target was overachieved by 5.5%;
- the pipeline target has been overachieved. The Management Board restructured the pipeline effectively, responding to adverse market circumstances. Over € 500 million in projects was cancelled. On top of that more than € 1 billion was renegotiated or deferred. Around mid-year the Management Board responded quickly to opportunities that surfaced by acquiring high quality centres against favourable yields. The appraisal on 2009 took place after closing of the transaction with Multi Corporation that led to the entry into the German market. For that reason this accomplishment has been recognized in the 2009 appraisal.
- non-financial targets, including more extensive KPI reporting and successfully completing the rating process, are tuned to specific responsibilities of individual Board members and have been appraised by the Supervisory Board.

In general adaption to market circumstances was well performed, significant progress has been made in corporate development and major corporate transactions have been done.

After assessment and discussion by the Supervisory Board an 'above-target' bonus of 150% of 'at-target' level was granted to Mr. Groener. Mr. Haars did not receive a short term incentive over 2009 since his wish for early retirement was already under discussion.

In order to be more transparent, we disclose for the first time the STI of 2010 in the remuneration report of 2010.

Targets for 2010 and performance against these targets were set as follows:

- The direct result was based on the 2010 budget. The target was achieved by 97.6%. The main reason for this is the higher level of net financing expenses.
- The pipeline target has been overachieved. On top of the German transaction, approximately € 700 million of projects were added to the portfolio (standing and pipeline). This was a prompt response to changing market circumstances.
- Non-financial targets like for instance the strategic move into the German market, the consequent set up of the German organisation and the successful share- and bond issuances are tuned to specific responsibilities of individual Board members and have been appraised by the Supervisory Board and have been met.

After assessment and discussion this resulted in a 'below target' STI to Mr. Groener and Mr. Van der Klift. Both were rewarded at a 70% of 'at target' level. Mrs. Zijlstra has also been rewarded for the setup of the German organisation, leading this new business unit as a country manager additional to her COO task. Therefore Mrs. Zijlstra has been rewarded an 'at target' STI. For Mrs. Zijlstra and Mr. Van der Klift a pro rata percentage will be applied of 66% on their annualised base salary, since they were appointed as member of the MB as of 1 May 2010. The STI will be paid out in May 2011.

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

In 2010, the Remuneration Committee assessed the remuneration package of the Managing Board member who also has the responsibility for Corio France, Mr. Fontaine. The assessment resulted in the decision of the Supervisory Board that Mr. Fontaine receives an award of 20% of annual base salary. This is based on the division of duties between corporate and local activities.

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 2010 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%
6-9	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 2010 consisted of Corio and the following companies.

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

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

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

Overview of Phantom Performance shares awarded in 2010 and in past years (all were unvested in 2010):

Name	Year	Awarded units in past years	Awarded units in 2010	Maximum vesting	Award date value (€)
G.H.W. Groener	2008	2,549	–	3,823	141,215
G.H.W. Groener	2009	6,784	–	10,177	223,126
G.H.W. Groener	2010	–	4,709	7,064	224,572
B.A. van der Klift	2010	–	2,625	3,938	125,186
F.J. Zijlstra	2010	–	1,881	2,822	89,705
F.Y.M.M. Fontaine	2008	–	546	819	30,248
F.Y.M.M. Fontaine	2009	–	1,481	2,222	48,710
F.Y.M.M. Fontaine	2010	–	1,072	1,608	51,124

In 2010, conditional units were awarded under the plan rules to Mr. Groener, Mr. Van der Klift, Mrs. Zijlstra and Mr. Fontaine relating to the year 2010. The award of conditional units to Mr. Fontaine were formalised relating to the years 2008 and 2009. The awards of these units had been outstanding pending the assessment and resolvement of a number of benchmarking, tax and pension treatment issues.

Financial information with an overview of total cost to the company in 2010 can be found on page 141 of this annual report. Financial information on the long-term incentive awards can be found on page 142 of this report.

At the end of 2010, there were no other outstanding unvested shares or share options than the rights detailed in the scheme above.

PENSIONS

The members of the Management Board each have their own individual pension plans. Corio N.V. pays an annual contribution 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 141 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 N.V. does not provide any loans to the members of the Management Board.

EMPLOYMENT CONTRACT AND SEVERANCE TERMS

The full terms and conditions of employment of the members of the Management Board are recorded in individual employment contracts. Members of the Management Board are appointed for periods of four years. If this is considered 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. Existing employment agreements are respected.

CHANGES IN COMPOSITION OF THE MANAGEMENT BOARD

In 2010 Mr. Haars resigned. After the AGM of 23 April 2010 Mr. Van der Klift was appointed as CFO and Mrs. Zijlstra as COO.

REMUNERATION POLICY AND IMPLEMENTATION IN FUTURE YEARS

At the time of the publication of this annual report, Corio N.V. had no intentions to amend the design of its remuneration policy. As part of the existing policy the Supervisory Board is working on an update of the labour market peer group, inter alia because ING Real Estate can no longer remain included. The changes in the peer group may have an impact on the total remuneration levels, though only a in a limited manner. It is expected that otherwise the application of the remuneration policy in 2011 will be in line with 2010.

SUPERVISORY BOARD REMUNERATION

The remuneration of the Supervisory Board was adopted at the General Meeting of Shareholders on 23 April 2007 for a minimum of three years. Since 1 May 2007, the annual remuneration has comprised € 40,000 for the chairman, € 35,000 for the vice-chairman and € 30,000 each for other members. In 2007, this level of compensation was in line with that paid by comparable property companies. In 2010 the Supervisory Board remuneration has been reviewed against market levels. As a result of this, the Supervisory Board will propose to the AGM in 2011 an adjustment of Supervisory Board remuneration.

Supervisory Board members also receive a fee for attending meetings of the Audit, Remuneration and Selection Committees. For each meeting attended, members receive a fee of € 1,000, while the chairman of the committee in question receives a fee of € 1,500. Fees are not paid in respect of committee meetings of short duration that are held immediately before or after a Supervisory Board meeting. The remuneration is not dependent on results. Supervisory Board members are not eligible to receive company shares as part of their remuneration. Financial information on the remuneration level in 2010 can be found on page 142 of this annual report.

On behalf of the Remuneration Committee
Wim Borgdorff, Chairman

FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December (€ million)	Note	2010	2009*
Gross rental income	**2**	**451.6**	**390.8**
Service charges		-88.3	-74.6
Service charges recovered from tenants		74.6	65.0
Net service charges		**-13.7**	**-9.6**
Property operating expenses	**3**	**-51.1**	**-44.2**
Net rental income		**386.8**	**337.0**
Proceeds from sales of investment property		236.3	91.5
Carrying amount of investment property sold		-229.7	-98.5
Results on sales of investment property	**8,9**	**6.6**	**-7.0**
Valuation gains		259.1	45.6
Valuation losses		-85.7	-428.3
Net valuation gain/loss on investment property	**8,9**	**173.4**	**-382.7**
Administrative expenses	**4**	**-39.5**	**-35.5**
Other income and expenses	**5**	**-15.5**	**-4.8**
Results before finance costs		**511.8**	**-93.0**
Finance costs		-109.1	-100.9
Finance income		8.9	6.0
Net finance expense	**6**	**-100.2**	**-94.9**
Impairment of goodwill	**12**	**-7.5**	**-9.2**
Share of result of equity accounted investees (net of income tax)	**10**	**1.9**	**3.1**
Result before tax		**406.0**	**-194.0**
Current tax		-6.9	-2.8
Deferred tax		-27.4	64.3
Tax	**7**	**-34.3**	**61.5**
Net result		**371.7**	**-132.5**
Attributable to:			
Shareholders		375.7	-131.9
Non-controlling interest		-4.0	-0.6
Net result		**371.7**	**-132.5**
Weighted average number of shares		87,254,228	72,161,258
Result per share (€)			
Basic earnings per share	18	4.31	-1.83
Diluted earnings per share	18	4.31	-1.83

* The comparative figures in respect of finance income and finance costs have been restated.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December (€ million)	**Note**	**2010**	**2009**
Net result Group share		**375.7**	**-131.9**
Non-controlling interest		-4.0	-0.6
Net result		**371.7**	**-132.5**
Other comprehensive income:			
Foreign currency translation differences for foreign operations		2.0	1.4
Effective portion of the changes in fair value of the cash flow hedges		33.2	-95.3
Other comprehensive income for the year, net of tax *		**35.2**	**-93.9**
Total comprehensive income	**17**	**406.9**	**-226.4**
Attributable to:			
Shareholders		410.9	-225.8
Non-controlling interest		-4.0	-0.6
Total comprehensive income		**406.9**	**-226.4**

* Effective tax rate is nil.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(€ million)	Note	31 December 2010	31 December 2009*
ASSETS			
Investment property	8	6,714.3	5,516.0
Investment property under development	9	336.8	194.5
Investment in equity accounted investees	10	183.8	175.0
Other investments	11	142.7	0.7
Intangible assets	12	82.0	64.0
Property, plant and equipment	13	23.0	5.6
Deferred tax assets	14	23.9	20.6
Total non-current assets		**7,506.5**	**5,976.4**
Trade and other receivables	15	187.6	123.9
Other investments	11	47.2	99.7
Cash and cash equivalents	16	307.3	91.2
Total current assets		**542.1**	**314.8**
Total assets		**8,048.6**	**6,291.2**
EQUITY			
Share capital		910.0	763.6
Share premium		1,477.8	1,039.7
Reserves		1,432.1	1,712.7
Net result for the year		375.7	-131.9
Total shareholders' equity		**4,195.6**	**3,384.1**
Non-controlling interest		46.5	35.7
Total equity	**17**	**4,242.1**	**3,419.8**
LIABILITIES			
Loans and borrowings	19	2,859.8	2,325.6
Employee benefits	20	1.2	0.6
Provisions	21	2.2	1.9
Deferred tax liabilities	14	300.7	251.3
Other payables	22	70.9	115.6
Total non-current liabilities		**3,234.8**	**2,695.0**
Loans and borrowings	19	364.8	29.9
Trade and other payables	22	206.9	146.5
Total current liabilities		**571.7**	**176.4**
Total liabilities		**3,806.5**	**2,871.4**
Total equity and liabilities		**8,048.6**	**6,291.2**

* The comparative figures in respect of trade and other payables have been reclassified. Of the derivative financial instruments totalling € 116.4 million, an amount of € 115.6 million has been reclassified to non-current other payables.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December (€ million)	Note	2010	2009*
Cash flows from operating activities			
Result before tax		406.0	-194.0
Adjustments for:			
Share of result of equity accounted investments	10	-1.9	-3.1
Net finance costs	6	100.2	94.9
Depreciation/Amortisation/Impairment		13.9	11.6
Negative goodwill		-2.6	–
Acquisition-related costs		17.1	–
Valuation gains and losses		-173.4	382.7
Gains and losses on disposals		-6.6	7.0
Change receivables		-22.9	-5.9
Change payables		10.4	-34.3
Change in provisions and employee benefits		0.9	-0.8
Finance income received		8.1	6.1
Finance expense paid		-100.5	-106.8
Tax paid		-6.9	-2.8
Net cash from/(used in) operating activities		**241.8**	**154.6**
Cash flows from investing activities			
Proceeds from sale of investment property		236.3	111.5
Proceeds from sale of equity accounted investees	10	–	8.7
Acquisition through business combinations, net of cash**	27	-254.0	-102.9
Acquisition of subsidiaries (not through business combinations), net of cash		-150.3	–
Investment in investment property	8	-34.4	-35.6
Investment in other investments		-95.2	10.4
Investment in investment property under development	9	-116.6	-79.9
Investment in property, plant and equipment and other intangible assets	12, 13	-17.6	-4.7
Dividends received	10	7.4	9.2
Net cash used in investing activities		**-424.4**	**-83.3**
Cash flows from financing activities			
Proceeds from issue of share capital		584.5	254.0
Proceeds from loans and borrowings		1,594.1	476.2
Repayments of loans and borrowings		-1,597.8	-616.1
Dividends paid	17	-183.9	-105.0
Share premium received non-controlling interest		7.0	–
Cash settlement net investment hedges		-5.2	–
Net cash from/(used in) financing activities		**398.7**	**9.1**
Net increase in cash and cash equivalents		**216.1**	**80.4**
Cash and cash equivalents at 1 January		91.2	10.8
Cash and cash equivalents at 31 December	**16**	**307.3**	**91.2**

* The comparative figures for cash flows within operating activities 2009 have been reclassified.

** 2010 includes € 3.9 million for an earn-out payment related to the acquisition of Tekira and € 17.1 million for acquisition-related costs.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2009

(€ million)	Share capital	Share premium	Treasury share reserve	General reserve	Revalu-ation reserve	Associates reserve	Hedge reserve	Trans-lation reserve	Net result for the year	Total	Non-con-trolling interest	Total equity
Balance as at 31 December 2008	**672.5**	**903.0**	**-26.2**	**240.9**	**1,709.9**	**126.0**	**92.0**	**-20.0**	**-239.6**	**3,458.5**		**3,458.5**
IAS 40 change					2.4					2.4		2.4
Profit appropriation 2008				233.7	-396.8	-76.5			239.6	–		–
Balance as at 1 January 2009	**672.5**	**903.0**	**-26.2**	**474.6**	**1,315.5**	**49.5**	**92.0**	**-20.0**	**–**	**3,460.9**	**–**	**3,460.9**
Net result									-131.9	-131.9	-0.6	-132.5
Other comprehensive income							-95.3	1.4		-93.9		-93.9
Total comprehensive income	**–**	**–**	**–**	**–**	**–**	**–**	**-95.3**	**1.4**	**-131.9**	**-225.8**	**-0.6**	**-226.4**
Dividends to shareholders	21.8	-21.8		-105.0						-105.0		-105.0
Share issue	69.3	158.5*	26.2							254.0		254.0
Non-controlling interest due to acquisitions										–	36.3	36.3
Balance as at 31 December 2009	**763.6**	**1,039.7**	**–**	**369.6**	**1,315.5**	**49.5**	**-3.3**	**-18.6**	**-131.9**	**3,384.1**	**35.7**	**3,419.8**

FOR THE YEAR ENDED 31 DECEMBER 2010

(€ million)	Share capital	Share premium	Treasury share reserve	General reserve	Revalu-ation reserve	Associates reserve	Hedge reserve	Trans-lation reserve	Net result for the year	Total	Non-con-trolling 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**	**–**	**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	**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**

* After deduction of expenses for an amount of € 15.6 million (2009: € 4.1 million)

** The proposed profit appropriation is included in other information. € 138.8 million of the result for 2010 will be incorporated in the legal 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 17 February 2011. The financial statements will be presented to the Annual General Meeting of Shareholders for approval on 21 April 2011.

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

BASIS OF PREPARATION

STATEMENT OF COMPLIANCE

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

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 2010. Unless otherwise mentioned, these changes had no impact on profit or loss and equity.

IFRS 3 (Revised) Business Combinations. From 1 January 2010 the Group has applied IFRS 3 Business Combinations in accounting for business combinations. For acquisitions on or after 1 January 2010, the Group measures goodwill as the fair value of the consideration transferred (including the fair value of previously-held equity interest in the acquiree) and the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

IAS 27 (Amended) Consolidated and Separate Financial Statements. From 1 January 2010 the Company has applied IAS 27 Consolidated and Separate Financial Statements in accounting for acquisition of non-controlling interest. 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. This means that goodwill relates only to the controlling interest as acquired.

Due to the Annual Improvements to IFRSs 2009, IAS 17 has been amended for the classification of land leases. Up until 2009, leased land was assumed to be classified as an operating lease unless the ownership of the land transferred to the lessee at the end of the lease. This guidance has now been removed from IAS 17 which means that, as from 1 January 2010, lessees will have to determine whether leased land is an operating or finance lease based on the usual criteria given in IAS 17. Corio has determined that for all leased land the criteria for operating leases have been met, resulting in no changes to the statement of financial position.

SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements for 2010 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 those entities ultimately controlled by Corio. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity. In assessing the degree of control, potential voting rights that can be exercised at the reporting date are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. A list of consolidated subsidiaries has been filed with the Chamber of Commerce in Utrecht.

ASSOCIATES

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

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. The consolidated financial statements include proportionate shares of the entities' assets, liabilities, income and expenses and items of a similar nature, using Corio's accounting policies, from the date that joint control commences until the date that joint control ceases.

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

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 profit or loss, except when deferred in equity as qualifying 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 the translation reserve which is a separate component of equity. They are released to profit or loss upon disposal.

BUSINESS COMBINATIONS

From 1 January 2010, Corio has applied IFRS 3 (Revised), Business Combinations, in accounting for business combinations.

At the time of acquisition, Corio considers whether the acquisition represents the acquisition of a business. Corio accounts for an acquisition as a business combination where an integrated set of activities and assets is acquired that is capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs, or other economic benefits. For an acquired company to qualify as a business the following must – at a minimum – be present at the date of the acquisition: the investment property, tenants and rental contracts, a property management organisation (or a contract in which property management is outsourced to a third party). Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to Corio. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, Corio takes into consideration potential voting rights that currently are exercisable.

When the acquisition does not represent a business, it is accounted for as an acquisition of a group of assets and liabilities. The costs of the acquisition is allocated to the assets and liabilities acquired based upon their relative fair values, and no goodwill or deferred tax is recognised.

ACQUISITIONS ON OR AFTER 1 JANUARY 2010

For acquisitions on or after 1 January 2010, Corio measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that Corio incurs in connection with a business combination are expensed as incurred.

ACQUISITIONS PRIOR TO 1 JANUARY 2010

For acquisitions prior to 1 January 2010, goodwill represents the excess of the cost of the acquisition over Corio's interest in the recognised amount (generally fair value) of identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess was negative, a bargain purchase gain was recognised immediately in profit or loss.

Transaction costs, other than those associated with the issue of debt or equity securities, which Corio incurred in connection with business combinations were capitalised as part of the cost of the acquisition.

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 center is at risk, that part of the center 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.

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.

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 the translation reserve within equity. 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 abovementioned 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 an average period of five 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 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.

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. The fair value of plan assets is determined taking into account previously unamortised actuarial gains and losses. 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 profit and loss over the expected average remaining working lives of the employees participating in the plan. Other actuarial gains or losses are not recognised. Where the calculation results in a gain for the Group, the book profit is limited to the net total of all the unrealised actuarial losses and past service costs and the present value of future refunds from the plan or reductions in future contributions to the plan.

PHANTOM SHARE PLAN

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

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

PROVISIONS

A provision is recognised 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 discount 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.

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. Interest income is recognised in profit or loss account 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.
Following Corio's acquisition of the German portfolio, consisting of four shopping centres in Germany, Spain and Portugal, the basis of the segmental format has been changed. As from this year Spain and Portugal will be reported together and Germany has been added as a new segment.

STANDARDS AND INTERPRETATIONS NOT YET APPLIED

The following new standard relevant to Corio is not yet effective for the year ended 31 December 2010, and has not been applied in preparing these consolidated financial statements.

IAS 24 (Revised) Related Party Disclosures (effective from 1 January 2011). The main change is the simplification of the definition of a related party. This will have no impact on the related parties identified by Corio.

1 - SEGMENTED INFORMATION

BUSINESS SEGMENT INFORMATION 2010

(€ million)	Netherlands	France	Italy	Spain/ Portugal	Germany	Turkey	Other countr. + not alloc.	Total
Gross rental income	147.7	117.0	86.9	54.2	26.5	19.3	–	451.6
Net service charges	-3.6	-4.2	-1.4	-2.8	-0.7	-1.0	–	-13.7
Property operating expenses	-21.2	-7.7	-7.6	-7.6	-1.5	-5.5	–	-51.1
Net rental income	**122.9**	**105.1**	**77.9**	**43.8**	**24.3**	**12.8**	**–**	**386.8**
Results on sales of investment property	**1.2**	**5.5**	**–**	**–**	**–**	**–**	**–**	**6.6**
Valuation gains	65.7	123.0	37.7	25.1	5.2	2.4	–	259.1
Valuation losses	-24.1	-17.8	-5.2	-9.2	-0.3	-29.1	–	-85.7
Net valuation gain on investment property	**41.6**	**105.2**	**32.5**	**15.9**	**4.9**	**-26.7**	**–**	**173.4**
Administrative expenses	-9.6	-5.4	-3.0	-1.1	-0.3	-6.3	-13.8	-39.5
Other income/expense	–	-0.4	1.0	-0.1	–	-0.2	-15.8	-15.5
Results before finance expense	**156.0**	**210.0**	**108.4**	**58.5**	**28.9**	**-20.4**	**-29.6**	**511.8**
Finance costs	–	–	–	–	–	–	-109.1	-109.1
Finance income	–	–	–	–	–	–	8.9	8.9
Net finance expense	**–**	**–**	**–**	**–**	**–**	**–**	**-100.2**	**-100.2**
Impairment of goodwill	–	–	-4.8	-1.5*	–	-0.6	-0.6**	-7.5
Share of results of equity accounted investees	–	–	–	–	–	1.9	–	1.9
Result before tax	**156.0**	**210.0**	**103.6**	**57.0**	**28.9**	**-19.1**	**-130.4**	**406.0**
Current tax	-0.3	-0.3	-2.3	–	-3.8	-0.1	-0.1	-6.9
Deferred tax	–	-0.1	-19.9	-11.0	4.2	-0.6	–	-27.4
Tax expense	**-0.3**	**-0.4**	**-22.2**	**-11.0**	**0.4**	**-0.7**	**-0.1**	**-34.3**
Net result	**155.7**	**209.6**	**81.4**	**46.0**	**29.3**	**-19.8**	**-130.5**	**371.7**
Non-controlling interest	–	0.3	–	0.7	0.8	-5.8	–	-4.0
Net result attributable to shareholders	**155.7**	**209.3**	**81.4**	**45.3**	**28.5**	**-14.0**	**-130.5**	**375.7**

(€ million)	Netherlands	France	Italy	Spain/ Portugal	Germany	Turkey	Other countr. + not alloc.	Total
Investment property	1,890.9	1,819.3	1,384.2	748.0	528.0	343.9	–	6,714.3
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	–	–	–	–	–	183.8	–	183.8
Other assets	73.3	18.5	132.5	68.9*	22.6	90.0	407.9**	813.7
Total assets	**2,034.9**	**1,919.7**	**1,560.7**	**822.3**	**629.0**	**661.4**	**420.6**	**8,048.6**

(€ million)	Netherlands	France	Italy	Spain/ Portugal	Germany	Turkey	Other countr. + not alloc.	Total
Additions to non-current assets	**86.4**	**45.9**	**354.8**	**161.7**	**588.2**	**185.7**	**16.9**	**1.439.6**

* Including (impairment) goodwill Teras Park, Turkey due to Corio legal structure.

** Including goodwill Forum Duisburg and Centrum Galerie Dresden, Germany and Espaço Guimarães, Portugal and impairment goodwill Espaço Guimarães, Portugal.

BUSINESS SEGMENT INFORMATION 2009

(€ million)	Netherlands	France	Italy	Spain/ Portugal	Germany	Turkey	Other countr. + not alloc.	Total
Gross rental income	143.0	125.0	69.0	39.3	–	13.9	0.6	390.8
Net service charges	-2.4	-3.0	-1.0	-2.3	–	-0.8	-0.1	-9.6
Property operating expenses	-21.4	-8.9	-4.5	-4.7	–	-4.5	-0.2	-44.2
Net rental income	**119.2**	**113.1**	**63.5**	**32.3**	**–**	**8.6**	**0.3**	**337.0**
Results on sales of investment property	**-1.5**	**-5.5**	**–**	**–**	**–**	**–**	**–**	**-7.0**
Valuation gains	18.0	8.0	–	18.3	–	–	1.3	45.6
Valuation losses	-129.7	-140.6	-80.7	-58.3	–	-18.1	-0.9	-428.3
Net valuation gain on investment property	**-111.7**	**-132.6**	**-80.7**	**-40.0**	**–**	**-18.1**	**0.4**	**-382.7**
Administrative expenses	-7.3	-6.5	-3.5	-0.9	–	-6.5	-10.8	-35.5
Other income/expense	0.6	–	-1.4	-3.5	–	-1.6	1.1	-4.8
Results before finance expense	**-0.7**	**-31.5**	**-22.1**	**-12.1**	**–**	**-17.6**	**-9.0**	**-93.0**
Finance costs	–	–	–	–	–	–	-100.9	-100.9
Finance income	–	–	–	–	–	–	6.0	6.0
Net finance expense	**–**	**–**	**–**	**–**	**–**	**–**	**-94.9**	**-94.9**
Impairment of goodwill	–	–	-0.9	-8.3*	–	–	–	-9.2
Share of results of equity accounted investees	–	–	–	–	–	3.1	–	3.1
Result before tax	**-0.7**	**-31.5**	**-23.0**	**-20.4**	**–**	**-14.5**	**-103.9**	**-194.0**
Current tax	-0.3	-0.3	-1.4	-0.3	–	–	-0.5	-2.8
Deferred tax	0.1	–	49.4	11.7	–	2.9	0.2	64.3
Tax expense	**-0.2**	**-0.3**	**48.0**	**11.4**	**–**	**2.9**	**-0.3**	**61.5**
Net result	**-0.9**	**-31.8**	**25.0**	**-9.0**	**–**	**-11.6**	**-104.2**	**-132.5**
Non-controlling interest	–	–	–	0.9	–	-1.5	–	-0.6
Net result attributable to shareholders	**-0.9**	**-31.8**	**25.0**	**-9.9**	**–**	**-10.1**	**-104.2**	**-131.9**

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

(€ million)	Netherlands	France	Italy	Spain/ Portugal	Germany	Turkey	Other countr. + not alloc.	Total
Additions to non-current assets	**85.5**	**18.1**	**1.1**	**152.2**	**–**	**116.7**	**2.6**	**376.2**

* Including (impairment) goodwill Teras Park, Turkey due to Corio legal structure.

2 - GROSS RENTAL INCOME

(€ million)	2010	2009
Theoretical rent	481.0	416.4
Vacancy	-29.4	-25.6
	451.6	**390.8**

The Group leases investment property to third parties on the basis of operating leases. Contingent rental income amounts to 1% of the gross rental income in 2010 and 2009.

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)	2010	2009
First year	53.4	63.2
Second to fifth year	193.5	183.1
More than five years	186.2	133.0

3 – PROPERTY OPERATING EXPENSES

(€ million)	2010	2009
Municipal taxes	9.1	7.0
Insurance	1.5	0.9
Maintenance	3.9	3.9
Property managers' fee	10.6	10.2
Professional fees	3.0	3.1
Promotion and marketing	3.0	2.2
Lease hold	10.1	8.3
Other operating expenses	3.6	4.2
Addition to provision for bad debts	6.3	4.4
	51.1	**44.2**

Maintenance and operating expenses relate to unlet properties for € 1.9 million (2009: € 1.7 million).

4 - ADMINISTRATIVE EXPENSES

(€ million)	2010	2009
Salaries	28.4	24.8
Social security charges	5.1	4.6
Contributions to defined contribution plan	3.4	2.5
Net benefit expense for defined benefit plan	0.8	–
Other staff costs	10.1	9.9
Office overheads	14.3	12.0
Advice, valuation and audit fees	8.4	6.4
Listing and promotional costs	2.8	1.7
Other administrative expenses	2.0	1.2
Charged to operating expenses	-18.0	-14.0
Charges to property portfolio	-9.0	-6.0
Charged to third parties	-8.8	-7.6
	39.5	**35.5**

In 2010, the Group employed an average of 451 full-time equivalent staff (2009: 398 FTEs). On average, 263 of these were employed outside the Netherlands (2009: 223 FTEs).
Where administrative expenses relate directly to the operation of the property portfolio, they are charged to operating expenses. Where administrative expenses relate directly to the development of the property portfolio, they are capitalised.

5 - OTHER INCOME AND EXPENSES

(€ million)	2010	2009
Other income	2.6	-
Other expenses	-18.1	-4.8
	-15.5	**-4.8**

Other income consists of the negative goodwill for shopping centre Le Vele/Millennium for € 2.6 million. Other expenses mainly consist of acquisitions costs for the Germany deal and the acquisition of the shopping centres Le Vele/Millennium and Porta di Roma in Italy.

In 2009, other expenses consisted of amounts paid for the termination of contracts in Turkey and earn out payments on a project in Italy.

6 - NET FINANCE EXPENSE

(€ million)	2010	2009
Finance expense		
Interest expense	115.0	106.8
Net result on hedges		
- Change in fair value of hedging instrument (fair value hedges)	32.2	0.3
- Change in fair value of hedged items (fair value hedges)	-32.2	-0.3
Change in fair value of derivative financial instruments	-2.4	-
Net foreign exchange differences	2.3	-1.3
Other finance expenses	3.0	2.5
Less: capitalised interest	-8.8	-7.1
	109.1	**100.9**
Finance income		
Interest income	-8.9	-6.0
	-8.9	**-6.0**
	100.2	**94.9**

The net finance expenses increased from € 94.9 million to € 100.2 million due to the increased net debt position, which effect was partially offset by a decrease in average interest rate. The average rate of interest for the capitalised interest in 2010 was 3.9% (2009: 4.3%).

7 - TAX EXPENSE

(€ million)	2010	2009
Current tax		
Current year	6.9	2.8
	6.9	**2.8**
Deferred tax		
Origination of temporary differences investment		
property and investment property under development	30.7	-58.0
Recognition of tax losses	-3.3	-6.3
	27.4	**-64.3**
	34.3	**-61.5**

Current tax increased mainly due to the acquisitions in Germany and Italy.

The temporary differences related to investment property and investment property under development are mainly due to upward revaluations of the portfolio in Italy. The recognition of tax losses relates to the net result of an increase of fiscal losses in Spain and the tax effect resulting from the release of deferred interest in 2011 in Germany and allowances on losses that can no longer be recovered in Spain and Turkey.

EFFECTIVE TAX RATE AND TAX BURDEN

(€ million)		2010		2009
Net profit before tax		406.0		-194.0
Tax at standard Dutch rate	25.5%	103.5	25.5%	-49.5
Adjustment for tax rates in other countries	4.7%	19.0	4.0%	-7.8
Exempt because of tax status	-24.2%	-98.2	-13.9%	27.0
Non-deductible expenses	1.1%	4.6	-0.6%	1.2
Allowances on tax losses carried forward	1.2%	4.8	2.5%	-4.9
Other than corporation tax	0.8%	3.2	14.2%	-27.5
Change in tax rate during the year	-0.7%	-2.6		–
Tax	**8.4%**	**34.3**	**31.7%**	**-61.5**

The 2010 effective tax rate differs from the effective tax rate over 2009, due to the fact that the 2009 rate was influenced by an one-off tax step-up in Italy. The allowances on tax losses carried forward relate to the re-assessment of the deferred tax asset position for losses in Turkey and Spain. Other than corporation tax includes tax credits for the recognition of fiscal losses in Spain, the tax effect of the release of deferred interest in Germany in 2011 and tax charges for non-deductible expenses related to amortisation of goodwill (Italy) and capital losses (Turkey). Change in tax rates relates to the expected reduction of the tax rate in Germany from 2011 onwards.

8 - INVESTMENT PROPERTY

(€ million)	2010	2009
Balance as at 1 January	5,516.0	5,562.9
Acquisitions	97.5	–
Acquisition through business combinations	937.8	233.9
Investments	34.4	35.6
Transfer from property under development	177.4	116.7
Transfer to property, plant & equipment	-5.4	–
Transfer from investment in equity accounted investees	–	30.0
Sales	-236.3	-91.5
Revaluations	189.6	-371.2
Other	3.3	-0.4
Balance as at 31 December	**6,714.3**	**5,516.0**

The carrying amount of the investment property includes leasehold property. The total prepaid amount in respect of lease hold for 2010 is € 12.5 million (2009: € 12.8 million). The investment properties include € 20.1 million (2009: € 20.8 million) of operating leased property. Revaluations include result on sales of investment property for an amount of € 6.6 million positive (2009: € 7.0 million negative). Investment property held for sale at 31 December 2010 amounts to € 318 million in 2011 of which € 28 million investment property under development.

ESTIMATES

The appraisal of the portfolio implies a net initial yield of 6.5 % (2009: 6.7%). If the yields used for the appraisals of investment properties on 31 December 2010 had been 100 basis points higher than is currently the case, the value of the investment would decrease with 14.2 % (2009: 12.9%). In this situation, the shareholders' equity would be € 843 million lower (2009: € 652 million). The debt ratio in this case rises from 42.1% to 47.8% (2009: 40.4% to 46.5%).

SECURITY

As at 31 December 2010, loans for notional amounts of € 733.1 million (2009: € 589.2 million) have been secured by mortgaging properties with a carrying amount of € 1,694.3 million (2009: € 1,267.7 million). In 2010, the cover ratio (amount of mortgage loans/carrying amount of property) was 43.3% (2009: 46.5%).

9 - INVESTMENT PROPERTY UNDER DEVELOPMENT

(€ million)	2010	2009
Balance as at 1 January	194.5	247.5
IFRS change	–	2.4
Acquisitions	212.7	–
Investments	107.8	72.8
Transfer to investment portfolio	-177.4	-116.7
Capitalised interest	8.8	7.1
Revaluations	-9.6	-18.5
Other	–	-0.1
Balance as at 31 December	**336.8**	**194.5**

Main investments in 2010 relates to a project in Germany (€ 30.4m) and Moulin de Nailloux in Toulouse (€ 27.9m).
This portfolio is mainly related to the fixed committed pipeline with estimated net market yields varying from 5.3% to 8.0%.

10 - INVESTMENTS IN EQUITY ACCOUNTED INVESTEES

(€ million)	2010	2009
Balance as at 1 January	175.0	221.3
Acquisitions/sales	–	-8.7
Reclassification to subsidiaries	–	-30.0
Dividends received	-7.4	-9.2
Share of results	1.9	3.1
Exchange differences	14.3	-1.5
Balance as at 31 December	**183.8**	**175.0**

The investments in equity accounted investees consists of the associate Akmerkez.

Summarised financial information for the equity accounted investees as at year-end 2010 and 2009:

(€ million)		2010		2009
	100%	**Corio share**	**100%**	**Corio share**
Assets	406.0	190.5	386.7	181.4
Liabilities	-14.1	-6.7	-13.7	-6.4
Net assets	**391.9**	**183.8**	**373.0**	**175.0**
Gross rental income	27.6	13.0	27.9	13.0
Expenses (including financing income)	-11.0	-5.2	-9.3	-4.3
Revaluations	-12.5	-5.9	-12.0	-5.6
Result	**4.1**	**1.9**	**6.6**	**3.1**

On 31 December 2010, the market capitalisation of Akmerkez (46.9%) is € 256.7 million (2009: € 98.5 million). The carrying amount of Akmerkez is € 183.8 million (2009: € 175.0 million).

11 - OTHER INVESTMENTS

(€ million)	2010	2009
Other investments, non-current		
Loans and receivables	122.0	0.7
Derivative financial instruments	20.7	–
	142.7	**0.7**
Other investments, current		
Loans and receivables	46.8	99.4
Derivative financial instruments	0.4	0.3
Balance as at 31 December	**47.2**	**99.7**

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, financing of the turnkey development projects in Germany and 50% of the financing to the proportionately consolidated joint venture International Shopping Centre Investment S.A. (Porta di Roma). The loans and receivables under 'other investments, current' consists of advance payments with respect to turnkey development projects in the Netherlands.

12 - INTANGIBLE ASSETS

(€ million)	2010	2009
Goodwill		
Gross amount as at 1 January	**76.0**	**55.3**
Acquisitions through business combinations	22.9	20.7
Gross amount as at 31 December	**98.9**	**76.0**
Accumulated impairments as at 1 January	**-15.0**	**-5.8**
Impairment of goodwill	-7.5	-9.2
Accumulated impairments as at 31 December	**-22.5**	**-15.0**
Carrying amount goodwill	**76.4**	**61.0**
Other Intangible assets		
Cost as at 1 January	**14.2**	**-**
Acquired/divested software	3.6	1.9
Transfer from property, plant and equipment	–	12.3
Cost as at 31 December	**17.8**	**14.2**
Accumulated amortisation as at 1 January	**-11.2**	**–**
Acquired/divested software	0.2	–
Transfer from depreciation property, plant and equipment	–	-10.5
Amortisation charge for the year	-1.2	-0.7
Accumulated amortisation 31 December	**-12.2**	**-11.2**
Carrying amounts other intangible assets	**5.6**	**3.0**
Balance as at 31 December	**82.0**	**64.0**

The goodwill on business combinations relates mainly to the difference between the undiscounted deferred tax liabilities recognised in accordance with IAS 12 on purchase price allocation adjustments and the fair value of such deferred tax liabilities (see note 27).

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

(€ million)		1 January 2010					31 December 2010	
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
C.C.D.F. Spa (Città Fiera) Italy	13.3	-1.8	11.5	–	-1.2	13.3	-3.0	10.3
TIM Trakya Is Merkezi Yatirim ve Ticaret AS (Tekira) Turkey	2.5	–	2.5	3.9	-0.6	6.4	-0.6	5.8
Tan Gayrimenkul Yatrimi Insaat Turizm Pazarlama ve Ticaret AS (Teras Park) Turkey	7.5	-5.5	2.0	–	-1.5	7.5	-7.0	0.5
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
Shopping centre Centrum Galerie Dresden, Germany	–	–	–	2.9	–	2.9	–	2.9
Shopping centre Espaço Guimarães, Portugal	–	–	–	3.1	-0.6	3.1	-0.6	2.5
Shopping centre Porta di Roma, Italy	–	–	–	7.2	-3.6	7.2	-3.6	3.6
Goodwill related to tax liabilities	**75.7**	**-15.0**	**60.7**	**22.9**	**-7.5**	**98.6**	**-22.5**	**76.1**
Other Goodwill	0.3	-	0.3	–	–	0.3	–	0.3
Total Goodwill	**76.0**	**-15.0**	**61.0**	**22.9**	**-7.5**	**98.9**	**-22.5**	**76.4**

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	118.7	-23.7	108.9	118.7	–	118.7	–
Comes Srl (Marcianise) Italy	20.1	283.0	-39.4	263.7	283.0	–	283.0	–
C.C.D.F. Spa (Città Fiera) Italy	11.5	97.0	-10.3	98.2	97.0	–	97.0	-1.2
TIM Trakya Is Merkezi Yatirim ve Ticaret AS (Tekira) Turkey	6.4	67.5	-5.8	68.1	67.5	–	67.5	-0.6
Tan Gayrimenkul Yatrimi Insaat Turizm Pazarlama ve Ticaret AS (Teras Park) Turkey	2.0	25.6	-0.5	27.1	25.6	–	25.6	-1.5
Príncipe Pío Gestion SA (Príncipe Pío Gestion) Spain	10.7	164.3	-23.1	151.9	164.3	–	164.3	–
Shopping centre Forum Duisburg, Germany	5.8	232.3	-6.9	231.2	232.3	–	232.3	–
Shopping centre Centrum Galerie Dresden, Germany	2.9	279.7	-4.5	278.1	279.7	–	279.7	–
Shopping centre Espaço Guimarães, Portugal	3.1	87.0	-2.5	87.6	87.0	–	87.0	-0.6
Shopping centre Porta di Roma, Italy	7.2	234.8	-3.6	238.4	234.8	–	234.8	-3.6
Goodwill related to tax liabilities	**83.6**	**1,589.9**	**-120.3**	**1,553.2**	**1,589.9**	**–**	**1,589.9**	**-7.5**

The carrying values / fair values of the cash-generating units (the investment properties) are based on net initial yields varying from 6.0% to 8.3%. 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 2010 had been 100 basis points higher than is currently the case, this would have caused higher impairment amounts for the following cash-generating units:

- C.C.D.F. Spa (Città Fiera) Italy: higher impairment € 3.7 million
- TIM Trakya Is Merkezi Yatirim ve Ticaret AS (Tekira) Turkey: higher impairment € 1.4 million
- Tan Gayrimenkul Yatrimi Insaat Turizm Pazarlama ve Ticaret AS (Teras Park) Turkey: higher impairment € 0.5 million
- Shopping centre Forum Duisburg, Germany: higher impairment € 3.9 million
- Shopping centre Centrum Galerie Dresden, Germany: higher impairment € 2.9 million
- Shopping centre Espaço Guimarães, Portugal: higher impairment € 2.5 million
- Shopping centre Porta di Roma, Italy: higher impairment € 3.6 million

13 - PROPERTY, PLANT AND EQUIPMENT

(€ million)	2010	2009
Cost		
Balance as at 1 January	**21.2**	**29.4**
Investments/divestments	13.4	3.5
Acquisitions	0.2	0.6
Transfer	-1.6	-12.3
Balance as at 31 December	**33.2**	**21.2**
Depreciation and impairment		
Balance as at 1 January	**-15.6**	**-24.1**
Investments/divestments	0.4	–
Acquisitions	-0.1	–
Depreciation charge for the year	-1.9	-2.0
Transfer	7.0	10.5
Balance as at 31 December	**-10.2**	**-15.6**
Carrying amount		
As at 1 January	5.6	5.3
As at 31 December	23.0	5.6

In 2010, € 5.4 million is transferred from investment property relating to the new Corio office in the Netherlands. The transfer in 2009 relates to IT projects (software).

14 - DEFERRED TAX

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

(€ million)	Assets		Liabilities		Total	
	2010	2009	2010	2009	2010	2009
Investment property and investment property under development			300.7	251.3	300.7	251.3
Tax losses	23.9	20.6			-23.9	-20.6
Balance as at 31 December					**276.8**	**230.7**

Movements in deferred tax

(€ million)	2010	2009
Balance as at 1 January	230.7	274.6
Movement arising from revaluations	30.7	-57.7
Movement arising from acquisitions through business combinations	18.7	20.4
Tax value of tax losses	-3.3	-6.6
Balance as at 31 December	**276.8**	**230.7**

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 € 12.0 million (2009: € 7.5 million)

15 - TRADE AND OTHER RECEIVABLES

(€ million)	2010	2009
Trade receivables	45.1	27.6
Tax	71.8	46.7
Advance payments on development projects	22.4	21.9
Other receivables	48.3	27.7
Balance as at 31 December	**187.6**	**123.9**

The tax item mainly concerns reclaimable VAT.

16 - CASH AND CASH EQUIVALENTS

(€ million)	2010	2009
Bank balances	215.1	90.3
Call deposits	92.0	0.7
Cash	0.2	0.2
Balance as at 31 December	**307.3**	**91.2**

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

17 - SHAREHOLDERS' EQUITY

SHARE CAPITAL

The authorised capital comprises 120 million shares each with a nominal value of € 10. As at 31 December 2010, 91,002,947 shares were issued (31 December 2009: 76,363,025). The number of shares issued increased due to an accelerated bookbuild on 31 March 2010 (13,333,333 shares) and a stock dividend on 20 May 2010 (1,306,589 shares). The shareholders are entitled to receive the dividends declared from time to time and are entitled to cast one vote per share at meetings of the Company.

SHARE PREMIUM

Share premium consists of capital paid on shares in excess of the nominal value. For tax reasons a total of € 1,098.8 million (2009: € 645.1 million) is recognised as share premium and can in certain circumstances be distributed tax-free.

(€ million)	2010	2009
Balance as at 1 January	1,039.7	903.0
Issue of shares	451.2	158.5
Dividend paid	-53.8	-70.0
Issue of shares due to stock dividend	40.7	48.2
Balance as at 31 December	**1,477.8**	**1,039.7**

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 2010 is € 2.69 per share (2009: € 2.65). This dividend proposal has not been recognised in the financial statements. The dividend for 2010 may be taken in cash or in shares. Of the dividend for 2009 € 53.8 million was paid out in stock and € 183.9 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.

18 – EARNINGS PER SHARE

NET RESULT PER ORDINARY SHARE

The calculation of earnings per share as at 31 December 2010 is based on the net result for the period which is attributable to the shareholders, amounting to € 375.7 million (2009: -€ 131.9 million), and the weighted average number of shares in issue during the year ended 31 December 2010, calculated as follows:

	2010	**2009**
Net result attributable to shareholders (€ million)	375.7	-131.9
Weighted average number of ordinary shares	87,254,228	72,161,258
Earnings per share (€)	**4.31**	**-1.83**

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

19 – LOANS AND BORROWINGS

This note gives information on the contractual conditions of the Group's loans and borrowings. See note 23 for more information on the Group's interest rate and currency risks.

(€ million)	**2010**	**2009**
Long-term		
Mortgaged bank loans	524.0	558.7
Other loans	1,615.2	1,766.9
Bonds	720.6	–
	2,859.8	**2,325.6**
Short-term		
Mortgaged bank loans	206.4	28.2
Other loans	158.4	1.7
	364.8	**29.9**
	3,224.6	**2,355.5**

20 - EMPLOYEE BENEFITS

PENSION PLAN

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

(€ million)	2010 Liabilities	2009 Liabilities
Present value of funded obligations	8.0	7.0
Fair value of plan assets	-6.0	-6.2
Present value of net obligations	**2.0**	**0.8**
Unrecognised actuarial gains and losses	-0.8	-0.2
Recognised liability for defined benefit obligations	**1.2**	**0.6**

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 2010, the contributions to ABP concerning the pension plan were € 0.4 million (2009: € 0.8 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)	2010	2009
Present value of funded obligations		
As at 1 January	7.0	6.5
Interest cost	0.3	0.3
Benefits paid	-0.4	-0.4
Actuarial gains and losses	1.1	0.6
As at 31 December	**8.0**	**7.0**
Fair value of plan assets		
As at 1 January	6.2	6.5
Employer contributions	0.2	0.2
Benefits paid	-0.4	-0.4
Expected return on plan assets	0.2	0.2
Actuarial gains and losses	-0.2	-0.3
As at 31 December	**6.0**	**6.2**

NET BENEFIT EXPENSE

(€ million)	2010	2009
Current service costs	-	-
Interest cost	0.3	0.3
Expected return on plan assets	-0.2	-0.2
Actuarial gain/loss subject to amortisation	0.7	-0.1
Total net benefit expense included in administrative expenses	**0.8**	**-**

PRINCIPAL ACTUARIAL ASSUMPTIONS AT THE REPORTING DATE

expressed as weight averages	2010 Liabilities	2009 Liabilities
Discount rate as at 31 December	4.7%	4.8%
Expected return on plan assets as at 31 December	3.5%	3.8%
Future salary increases per annum	n/a	n/a
Future pension increases per annum	2.0%	2.0%

The Projected Mortality Table 2005-2050 with the age rated down 1 year, issued by the Actuarial Association, has been used for the actuarial calculations. The discount rate is based on the annual yields of 10-year AA corporate bonds.

21 – PROVISIONS

(€ million)	2010	2009
Balance as at 1 January	1.9	2.4
Provisions made during the year	0.5	0.6
Provisions utilised during the year	–	-0.1
Provisions released during the year	-0.2	-1.0
Balance as at 31 December	**2.2**	**1.9**
Long term	2.2	1.9
Short term	–	–

The provisions relate mainly to legal disputes.

22 - TRADE AND OTHER PAYABLES

(€ million)	2010	2009
Other payables, non-current		
Derivative financial instruments	70.9	115.6
Balance as at 31 December	**70.9**	**115.6**
Trade and other payables, current		
Taxes and social security	26.6	18.2
Rent invoiced in advance	11.6	7.5
Security deposits	37.9	35.6
Interest payable	33.7	24.6
Accruals	28.0	28.9
Derivative financial instruments	8.2	0.8
Other payables	60.9	30.9
Balance as at 31 December	**206.9**	**146.5**

Other payables relate to accounts payable and invoices yet to be received for maintenance of and investments in the portfolio. Accruals include a liability of € 0.3 million (2009: € 0.2 million) in respect of share-based payments.

The comparative figures have been reclassified. Of the derivative financial instruments totalling € 116.4 million, an amount of € 115.6 million has been reclassified to non-current other payables.

23 – 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.

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

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

(€ million)	Note	2010	2009
Loans and receivables (excluding taxes)	11,15	284.6	177.3
Derivatives financial instruments (assets)	11	21.1	0.3
Cash and cash equivalents	16	307.3	91.2
		613.0	**268.8**

The loans and receivables line includes an amount of € 14.5 million relating to financing provided to the seller for their remaining non-controlling interest in certain acquired German subsidiaries and € 109.8 million for financing of the turnkey development projects with several developers in The Netherlands and Germany, for which security has been provided by the borrowers in the form of a pledge of the retained shares and mortgages respectively. A loan to the proportionately consolidated 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)		2010		2009
	Gross	Provision	Gross	Provision
Not due	13.2	-	9.5	-
Overdue by 0-60 days	10.0	2.1	5.6	0.1
Overdue by between 61 days and one year	22.3	6.6	13.9	5.5
Overdue by more than one year	16.6	8.3	9.6	5.4
	62.1	**17.0**	**38.6**	**11.0**

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

(€ million)	2010	2009
Balance as at 1 January	11.0	8.4
Acquisition	4.1	0.2
Added	7.6	5.3
Use of provision	-4.4	-2.0
Release	-1.3	-0.9
Balance as at 31 December	**17.0**	**11.0**

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 € 37.9 million (2009: € 35.6 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. During the past year, Corio has been assigned credit ratings by Standard & Poor's (BBB+) and Moody's (Baa1) with a stable outlook. Corio aims to broaden its funding base. Corio's goal is to remain an investment grade rated company and to maintain a capital structure that supports this.

Fluctuations in the liquidity requirement are accommodated by means of a 7-year revolving credit facility of € 600 million, contracted in 2005, which expires in April 2012. As at year-end 2010, borrowing under the facility stood at € nil million (2009: € 60 million). The interest and repayment obligations for 2011 and 2012 are guaranteed by means of the available facilities. Existing investment commitments are partly financed with disposals. The group aims to arrange its finances over a time horizon averaging at least five years. As at year-end 2010, the average maturity of the finance arrangements was 6.1 years (2009: 5.8 years).

Corio must at all times meet its obligations under the loans it has taken out, including the interest cover ratio. The interest cover ratio is calculated by dividing the net rental income by the net interest payable. This must not be less than 2.2. At year-end 2010, the interest cover ratio was 3.7 (2009: 3.4). Corio must also meet leverage requirements: the total amount of borrowings may not exceed 55% of the total assets less goodwill. At year-end 2010, the leverage was 42.1% (2009: 40.4%). After netting debt and free cash, leverage is 40.0%. 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 2010, the headroom was € 879 million (2009: € 617 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:

2010 (€ million)	**Carrying amount**	**2011**	**2012**	**2013**	**2014**	**2015**	**>2015**
Loans and borrowings	-3,224.6	-482.1	-186.2	-420.5	-496.7	-403.6	-2,178.6
Financial derivatives	-79.1						
- Cash inflows		247.4	75.4	75.2	411.2	48.5	624.9
- Cash outflows		-257.1	-71.1	-75.0	-437.2	-55.7	-669.8
Other current liabilities	-60.9	-60.9	–	–	–	–	–
Total	**-3,364.6**	**-552.7**	**-181.9**	**-420.3**	**-522.7**	**-410.8**	**-2,223.5**

2009 (€ million)	**Carrying amount**	**2010**	**2011**	**2012**	**2013**	**2014**	**>2014**
Loans and borrowings	-2,355.5	-130.1	-459.1	-204.4	-373.2	-406.0	-1,470.1
Financial derivatives	-116.4						
- Cash inflows		52.8	149.7	46.6	46.4	362.3	588.0
- Cash outflows		-53.6	-166.1	-46.9	-47.0	-408.5	-645.3
Other current liabilities	-30.9	-30.9	–	–	–	–	–
Total	**-2,502.8**	**-161.8**	**-475.5**	**-204.7**	**-373.8**	**-452.2**	**-1,527.4**

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)		**2010**			**2009**	
	USD	**GBP**	**TRY**	**USD**	**GBP**	**TRY**
Loans and borrowings	-1,062.7	-65.1	–	-985.7	-63.1	–
Cash and cash equivalents	1.1	–	–	–	–	–
Loans and receivables	–	–	–	–	–	–
Balance sheet exposure, gross	**-1,061.6**	**-65.1**	**–**	**-985.7**	**-63.1**	**–**
Cross-currency swaps	920.5	65.1	–	853.8	63.1	–
Currency swaps	-61.1	–	–	-56.2	–	–
Net position	**-202.2**	**–**	**–**	**-188.1**	**–**	**–**

SENSITIVITY ANALYSIS

Corio's currency risk derives from its investments in Akmerkez and Adacenter. The value of these investments is USD 292.8 million (2009: USD 289.2 million). These investments are hedged by a USD 190 million (2009: USD 190 million) loan and by currency swap contracts for an amount of USD 81 million (2009: USD 81 million). A 10% depreciation of the USD will result in a loss on the investment of € 19.9 million (2009: € 18.2 million) and a gain on the combined hedging instruments thereon of € 18.4 million (2009: € 17.1 million). A 10% appreciation of the USD will result in a gain on the investment of € 21.9 million (2009: € 20.0 million) and a loss on the combined hedging instruments thereon of € 20.3 million (2009: € 18.8 million). 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. Since 2003 it has been Corio's policy to contract fixed interest rates in the longer term for at least a third but not more than two-thirds of the loan portfolio. 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.

2010 (€ million)	**Fixed rate**	**Floating rate**	**Total**
Short-term loans	-	40.4	40.4
Long-term loans	1,946.4	1,005.2	2,951.6
Total	**1,946.4**	**1,045.6**	**2,992.0**
% of total	**65%**	**35%**	**100%**

2009 (€ million)	**Fixed rate**	**Floating rate**	**Total**
Short-term loans	-	-20.1	-20.1
Long-term loans	1,553.6	890.9	2,444.5
Total	**1,553.6**	**870.8**	**2,424.4**
% 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 (2010: € 279.1 million; 2009: nil) 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 2010 of 65% (31 December 2009: 64%).

SENSITIVITY ANALYSIS

An immediate increase of 1 percentage point in the variable interest rate as at 31 December 2010 would increase the theoretical interest expense for 2011 by € 11.5 million (31 December 2009: € 5.5 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 2011 would increase by € 5.9 million (31 December 2009: € 2.8 million). These calculations take into account interest rate swap transactions. The sensitivity to changes in the variable interest rate in 2011 is reduced by using short-term interest rate swaps and by fixing part of the variable interest rate at year-end 2010.

An immediate increase of 1 percentage point in the interest rates as at 31 December 2010 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 € 9.0 million (31 December 2009: increase € 9.1 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:

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
Interest rate swaps	Interest	119.4	–	-10.4
		2,522.9	**21.1**	**-79.1**

2009 (€ million)	**Risks being hedged**	**Face value**	**Fair value assets**	**Fair value liabilities**
Cash flow hedge accounting				
Cross currency interest rate swaps	Currency	841.1	–	-99.2
Interest rate swaps	Interest	270.0	0.1	-8.2
Fair value hedge accounting				
Cross currency interest rate swaps	Currency, interest	76.2	–	-8.8
Hedge of net investment in foreign operation				
Loans and borrowings in currency *	Currency	131.9	–	–
Foreign exchange forwards/swaps	Currency	56.2	–	–
No hedge accounting				
Foreign exchange forwards/swaps	Currency	3.8	0.2	-0.2
		1,379.2	**0.3**	**-116.4**

* 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:

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		9.5	8.9	8.8	4.4	1.5	–
Interest cash outflows		-61.3	-57.6	-55.5	-47.3	-29.1	-56.8
Net cash flows impact on profit or loss	**13.0**	**-1.1**	**0.5**	**2.6**	**3.1**	**2.5**	**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	**-60.5**	**-2.5**	**–**	**–**	**-21.3**	**–**	**-36.7**
Net cash flows of hedging instruments	**-47.5**	**-3.6**	**0.5**	**2.6**	**-18.2**	**2.5**	**-31.3**

2009 (€ million)	**Sum of cash flows**	**2010**	**2011**	**2012**	**2013**	**2014**	**>2014**
Interest cash inflows							
- Foreign currency interest		47.1	47.1	45.7	45.8	42.8	87.4
- Floating interest		1.7	1.4	0.5	0.3	–	–
Interest cash outflows		-51.9	-50.6	-46.6	-46.8	-41.3	-84.2
Net cash flows impact on profit or loss	**-1.6**	**-3.1**	**-2.1**	**-0.4**	**-0.7**	**1.5**	**3.2**
Foreign currency notional cash inflows		–	27.8	–	–	312.4	500.6
National cash outflows		–	-32.6	–	–	-358.0	-561.2
Net foreign currency impact on hedged loans	**-111.0**	**–**	**-4.8**	**–**	**–**	**-45.6**	**-60.6**
Net cash flows of hedging instruments	**-112.6**	**-3.1**	**-6.9**	**-0.4**	**-0.7**	**-44.1**	**-57.4**

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	2010		2009	
		Carrying amount	Fair value	Carrying amount	Fair value
Loans and receivables (excluding taxes)	11,15	284.6	284.6	177.3	177.3
Derivative financial instruments (assets)	11	21.1	21.1	0.3	0.3
Cash and cash equivalents	16	307.3	307.3	91.2	91.2
Loans and borrowings	19	-3,224.6	-3,323.0	-2,355.5	-2,442.8
Derivative financial instruments (liabilities)	22	-79.1	-79.1	-116.4	-116.4
Other payables excluding taxes	22	-172.1	-172.1	-127.5	-127.5
		-2,862.8	**-2,961.2**	**-2,330.6**	**-2,417.9**

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 € 21.1 million (2009: € 0.3 million) and liabilities of € 79.1 million (2009: € 116.4 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.

24 - CONTINGENT LIABILITIES

As at 31 December 2010, Corio's total future pipeline commitments were € 1,001.7 million (2009: € 623.4 million). These pipeline commitments are made up as follows:

INVESTMENT COMMITMENTS

(€ million)	2010	2009
First year	387.1	248.9
Second to fourth year	614.6	374.5
Fifth year and more	–	–

Minimum lease commitments totalling € 398.9 million (2009: € 411.0 million), mainly related to ground leases, are made up as follows:

LEASE COMMITMENTS

(€ million)	2010	2009
First year	11.7	10.8
Second to fourth year	34.1	34.4
Fifth year and more	353.1	365.8

Guarantees totalling € 181.0 million (2009: € 73.1 million) have been granted for other possible acquisitions, in addition to internal guarantees given in connection with Corio Group financing.

25 - RELATED PARTIES

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

Members of the Supervisory Board and Management Board do not have any material interest in Corio's voting shares and do not have options on the shares. The Group has not granted any loans to the members of the Supervisory Board and Management Board. The remuneration of the members of the Supervisory Board and Management Board in 2010 was € 2.6 million (2009: € 2.2 million). 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 2010.

To the best of Corio's knowledge, ABP is the only shareholder which can be considered a related party within the meaning of the Decree on the Supervision of the Conduct of Financial Undertakings (under the WFT) in that it holds more than 20% of the voting rights conferred by Corio shares. ABP participated in the accelerated bookbuild on 31 March 2010 pro-rata its holding at that date of approximately 36.8%. 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 2010 these contributions amounted to € 0.4 million (2009: € 0.8 million). The remuneration of the Management Board and Supervisory Board is disclosed in note 9 in the company financial statements. In 2009 Corio contracted a floating-rate inflation linked loan of € 200 million for seven years from a subsidiary of ABP.

26 - 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 27)
- Financial instruments (note 23)
- Deferred tax (notes 7 and 14)
- Portfolio (notes 8 and 9)
- Intangible assets (note 12)

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 27)
- Deferred tax (notes 7 and 14)
- Classification of property (notes 8 and 9)
- Impairment of goodwill (note 12)
- Lease classification (note 24)

27 - BUSINESS COMBINATIONS

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

Last year, Corio acquired the shopping centre Tekira, Tekirdağ. Due to a higher than expected earn-out payment in 2010 for € 3.9 million, the goodwill for this shopping centre increased by € 3.9 million to € 6.4 million.

SEPARATELY RECOGNISED TRANSACTIONS

The shopping centres Forum Duisburg, Centrum Galerie Dresden and Espaço Guimarães are part of a larger acquisition (hereafter 'German deal'). The remaining part of the German deal comprises of assets and liabilities, which have been recognised separately. The table below provides details on the separately recognised transactions:

(€ million)	Transaction date	Transaction type	Amount recognised
Acquisition shopping centre Espacio Torrelodones - Investment property	7 April 2010	Acquisition of assets	66.7
Funding turn-key development project Schloßstraße, Berlin - Other investments, non-current	1 April 2010	Financing	60.0
Funding turn-key development project Quartier an der Stadtmauer, Bamberg - Other investments, non-current	1 April 2010	Financing	0.1
Acquisition ownership of the existing developments of shopping centre Königsgalerie, Duisburg - Investment property under development	31 March 2010	Acquisition of assets	40.0
Funding of the seller's retained 5% interest in the shopping centres Forum Duisburg, Centrum Galerie Dresden and Königsgalerie, Duisburg - Other investments, non-current	31 March 2010	Financing	7.4
Total			**174.2**

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 € 17.1 million. Acquisition-related costs related to the abovementioned separately recognised transactions have been allocated to the applicable assets for a total amount of € 1.6 million. To finance these transactions, Corio has issued shares, of which the issue costs (€ 15.6 million) have been recognised in 'share premium'.

28 – INTERESTS IN JOINT VENTURES:

	2010	2009
International Shopping Centre Investment S.A. (Porta di Roma)	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%

For further disclosures on the acquisition of Porta di Roma, see note 27.

Corio's share of these joint ventures is:

(€ million)	**2010**	**2009**
Non-current assets	417.1	171.7
Current assets	25.3	-6.7
	442.4	**165.0**
Non-current liabilities	257.2	58.5
Current liabilities	28.1	5.5
	285.3	**64.0**
Net rental income	18.9	11.1
Revaluation	10.0	-3.0
Other expenses	-8.5	-1.1
Net result for the year	**20.4**	**7.0**

EVENTS AFTER THE REPORTING PERIOD

- Passage Provence Opéra in Paris has been sold for € 22.0 million in January 2011.
- Liekeblom in Leek has been sold for € 7.5 million in January 2011.

COMPANY STATEMENT OF FINANCIAL POSITION

BEFORE PROFIT APPROPRIATION

(€ million)	Note	31 December 2010	31 December 2009
Intangible assets	1	5.1	2.4
Investments	2	24.6	24.4
Property, plant and equipment	3	1.4	0.5
Financial fixed assets	4	6,234.6	3,878.7
Total non-current assets		**6,265.7**	**3,906.0**
Current assets	**5**	**702.0**	**715.4**
Cash and cash equivalents		**223.2**	**31.5**
Total assets		**7,190.9**	**4,652.9**
Shareholders' equity			
Issued capital		910.0	763.6
Share premium		1,477.8	1,039.7
Legal and statutory reserves		1,258.7	1,346.4
Other reserves		173.4	366.3
Net result for the year		375.7	-131.9
Total shareholders' equity	**6**	**4,195.6**	**3,384.1**
Non-current loans and borrowings	**7**	**2,252.1**	**846.1**
Current liabilities	**8**	**743.2**	**422.7**
Total equity and liabilities		**7,190.9**	**4,652.9**

COMPANY INCOME STATEMENT

(€ million)	Note	2010	2009
Company result		-49.5	-30.9
Result of subsidiaries and joint ventures after tax		423.3	-104.0
Share of results of equity accounted investees after tax		1.9	3.0
Net result of the year		**375.7**	**-131.9**

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 measured applying the equity method. The consolidated figures are prepared according to the standards laid down by the International Accounting Standards Board and adopted by the European Union (EU-IFRS). See pages 110 to 115 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)	**2010**	**2009**
Cost		
Balance as at 1 January	**12.3**	**–**
Investments	3.6	1.6
Transfers	–	10.7
Balance as at 31 December	**15.9**	**12.3**
Amortisation and impairment		
Balance as at 1 January	**-9.9**	**–**
Amortisation charge for the year	-0.9	-0.6
Transfers	–	-9.3
Balance as at 31 December	**-10.8**	**-9.9**
Carrying amount		
As at 1 January	2.4	–
As at 31 December	5.1	2.4

2 – INVESTMENT PROPERTY

(€ million)	**2010**	**2009**
As at 1 January	24.4	26.8
Revaluation	0.2	-2.4
As at 31 December	**24.6**	**24.4**

3 – PROPERTY PLANT AND EQUIPMENT

Property, plant and equipment comprises IT hardware.

(€ million)	2010	2009
Cost		
Balance as at 1 January	**3.7**	**–**
Investments/divestments	1.4	0.3
Transfers	-2.7	3.4
Balance as at 31 December	**2.4**	**3.7**
Depreciation and impairment		
Balance as at 1 January	**-3.2**	**–**
Investments/divestments	–	–
Depreciation charge for the year	-0.5	-0.3
Transfers	2.7	-2.9
Balance as at 31 December	**-1.0**	**-3.2**
Carrying amount		
As at 1 January	0.5	–
As at 31 December	1.4	0.5

4 – FINANCIAL ASSETS

(€ million)	2010	2009
Investments in subsidiaries and joint ventures	6,048.9	3,666.1
Investments in equity accounted investees	183.8	175.0
Loans to entities in the Group	–	37.6
Derivative financial instruments	1.9	–
As at 31 December	**6,234.6**	**3,878.7**

INVESTMENTS IN SUBSIDIARIES AND JOINT VENTURES

(€ million)	2010	2009
As at 1 January	3,666.1	4,398.6
Dividends received	–	-582.1
Capital contributions	1,962.6	–
Changes accounted for directly in equity	-3.1	-46.4
Results of subsidiaries	423.3	-104.0
As at 31 December	**6,048.9**	**3,666.1**

INVESTMENTS IN EQUITY ACCOUNTED INVESTEES

(€ million)	2010	2009
As at 1 January	175.0	186.2
Dividends received	-7.4	-9.2
Translation gains and losses	14.3	-5.1
Share of results of associates	1.9	3.1
As at 31 December	**183.8**	**175.0**

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)	2010	2009
Derivatives financial instruments	0.5	0.3
Trade and other receivables	1.1	1.0
Receivables from entities in the Group	700.4	714.1
As at 31 December	**702.0**	**715.4**

6 - SHAREHOLDERS' EQUITY

(€ million)	Share capital	Share premium	Treasury share reserve	General reserve	Revaluation reserve	Associates reserve	Hedge reserve	Translation reserve	Net result for the year	Total equity
Balance as at 31 December 2008	**672.5**	**903.0**	**-26.2**	**240.9**	**1,709.9**	**126.0**	**92.0**	**-20.0**	**-239.6**	**3,458.5**
IAS 40 change					2.4					2.4
Profit appropriation 2008				233.7	-396.8	-76.5			239.6	-
Balance as at 1 January 2009	**672.5**	**903.0**	**-26.2**	**474.6**	**1,315.5**	**49.5**	**92.0**	**-20.0**	**-**	**3,460.9**
Net result									-131.9	-131.9
Other comprehensive income							-95.3	1.4		-93.9
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**-95.3**	**1.4**	**-131.9**	**-225.8**
Dividends to shareholders	21.8	-21.8		-105.0						-105.0
Share issue	69.3	158.5**	26.2							254.0
Balance as at 31 December 2009	**763.6**	**1,039.7**	**-**	**369.6**	**1,315.5**	**49.5**	**-3.3**	**-18.6**	**-131.9**	**3,384.1**

(€ million)	Share capital	Share premium	Treasury share reserve	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**

*The proposed profit appropriation is included in other information. € 138.8 million of the result for 2010 will be incorporated in the legal reserves.

** After deduction of expenses for an amount of € 15.6 million (2009: € 4.1 million)

Legal and statutory reserves comprise the revaluation reserve, associates reserve and translation reserve. Other reserves comprise treasury share reserve, general reserve and hedge reserve.

For more information, reference is made to note 17 to the consolidated financial statements.

7 – NON-CURRENT LOANS AND BORROWINGS

(€ million)	2010	2009
Bonds	720.6	-
Loans to entities in the Group	874.2	44.1
Other loans	612.9	750.8
Derivative financial instruments	44.4	51.2
As at 31 December	**2,252.1**	**846.1**

8 – CURRENT LIABILITIES

(€ million)	2010	2009
Loans and borrowings	156.6	0.2
Derivative financial instruments	8.1	0.8
Amounts owed to entities in the Group	552.1	410.2
Accruals	26.4	11.5
As at 31 December	**743.2**	**422.7**

9 – REMUNERATION

REMUNERATION OF THE MANAGEMENT BOARD IN 2010

(€ thousands)	Salary	Bonus payments	Pension charges	Social security Charges	Phantom shares awarded	Total
G.H.W. Groener	359	215	86	7	225	892
B.A. van der Klift*	187	–	40	5	125	357
F.J. Zijlstra*	134	17	29	5	90	275
F.Y.M.M. Fontaine	260	100	55	84	130	629
J.G. Haars**	120	9	96	2	–	227
	1,060	**341**	**306**	**103**	**570**	**2,380**

* 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.

REMUNERATION OF THE MANAGEMENT BOARD IN 2009

(€ thousands)	Salary	Bonus payments	Pension charges	Social security Charges	Phantom shares awarded	Total
G.H.W. Groener	361	140	70	7	364	942
J.G. Haars	359	140	72	5	–	576
F.Y.M.M. Fontaine	248	100	75	85	–	508
	968	**380**	**217**	**97**	**364**	**2,026**

The members of the Management Board and Supervisory Board do not hold any Corio shares and do not hold any options either.

PHANTOM SHARE PLAN

Under the ‘Performance Phantom Share Plan’, conditional share units are awarded annually. Three years after the award date, vested units are paid out in cash. The number of units that vest depends on the ‘total shareholder return’ generated by Corio N.V. during the three-year period, compared to the total shareholder returns generated by companies in a pre-defined peer group. The amount payable in respect of the vested units is the value of the units as at the payment date. More information on the phantom shares can be found on pages 100-101 of this annual report.

OVERVIEW OF OUTSTANDING PHANTOM SHARES DURING THE YEAR:

	Awarded units (#)			Fair value (€ thousands)
	Outstanding 1 January	Granted	Outstanding 31 December	31 December
G.H.W. Groener				
2008	2,549	–	2,549	86
2009	6,784	–	6,784	152
2010	–	4,709	4,709	–
B.A. van der Klift				
2010	–	2,625	2,625	–
F.J. Zijlstra				
2010	–	1,881	1,881	–
F.Y.M.M. Fontaine				
2008	–	546	546	18
2009	–	1,481	1,481	33
2010	–	1,072	1,072	–
	9,333	**12,314**	**21,647**	**289**

Part of the fair value of the outstanding phantom shares, taking into account the vesting period, is included in the accruals within trade and other payables (consolidated financial statements) for € 0.3 million (31 December 2009: € 0.2 million). During the year 2010, expenses related to the phantom shares have been included in the administrative expenses (consolidated financial statements) for € 0.1 million (2009: € 0.2 million).

These fair values 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 2010	Remuneration 2009
B. Vos	49	45
R.A.H. van der Meer	40	43
W. Borgdorff	33	32
D.C. Doijer	40	36
G. Beijer	36	29
J.D. Doets	–	8
	198	**193**

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%	partially
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 2010. 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 2010, Corio's cost ratio worked out at 2.4% compared to 2.4% in 2009.

12 - RELATED PARTIES

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

Members of the Supervisory Board and Management Board do not have any material interest in Corio's voting shares and do not have options on the shares. The Group has not granted any loans to the members of the Supervisory Board and Management Board. The remuneration of the members of the Supervisory Board and Management Board in 2010 was € 2.6 million (2009: € 2.2 million). 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 2010.

To the best of Corio's knowledge, ABP is the only shareholder which can be considered a related party within the meaning of the Decree on the Supervision of the Conduct of Financial Undertakings (under the WFT) in that it holds more than 20% of the voting rights conferred by Corio shares. ABP participated in the accelerated bookbuild on 31 March 2010 pro-rata its holding at that date of approximately 36.8%. 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 2010 these contributions amounted to € 0.4 million (2009: € 0.8 million). The remuneration of the Management Board and Supervisory Board is disclosed in note 9 in the company financial statements. In 2009 Corio contracted a floating-rate inflation linked loan of € 200 million for seven years from a subsidiary of ABP.

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 KPMG network in respect of activities for Corio N.V. and its subsidiaries.

(€ thousands)	2010	2009
Audit of the financial statements	753	631
Other audit engagements	489	332
Other non-audit services	516	86
Total	**1,758**	**1,049**

Utrecht, 17 February 2011

The Supervisory Board *The Management Board*

OTHER INFORMATION

PROVISIONS OF THE ARTICLES OF ASSOCIATION CONCERNING RESULT APPROPRIATION

The result appropriation is subject to the provision of Article 34, paragraph 2, of Corio's articles of association, which states that the result shown by the profit and loss account as adopted by the General Meeting of Shareholders is at the disposal of the General Meeting.
In order to comply with the requirements imposed on 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 2010, a dividend of € 2.69 (in cash or in shares) per share is proposed. Of the result for 2010 amounting to € 375.7 million, € 138.8 million will be incorporated in the legal reserves. The remainder of the result will be appropriated to the general reserve.

EVENTS AFTER THE REPORTING PERIOD

- Passage Provence Opéra in Paris has been sold for € 22.0 million in January 2011.
- Liekeblom in Leek has been sold for € 7.5 million in January 2011.

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements 2010 of Corio N.V., Utrecht, as set out on pages 103 to 144. 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 2010, the consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of the significant accounting policies and other explanatory information. The company financial statements comprise the company balance sheet as at 31 December 2010, the company profit and loss account for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code, and for the preparation of the management board report in accordance with Part 9 of Book 2 of the Netherlands Civil Code. Furthermore, management 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

OPINION WITH RESPECT TO THE CONSOLIDATED FINANCIAL STATEMENTS

In our opinion, the consolidated financial statements give a true and fair view of the financial position of Corio N.V. as at 31 December 2010 and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code.

OPINION WITH RESPECT TO THE COMPANY FINANCIAL STATEMENTS

In our opinion, the company financial statements give a true and fair view of the financial position of Corio N.V. as at 31 December 2010 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Netherlands Civil Code.

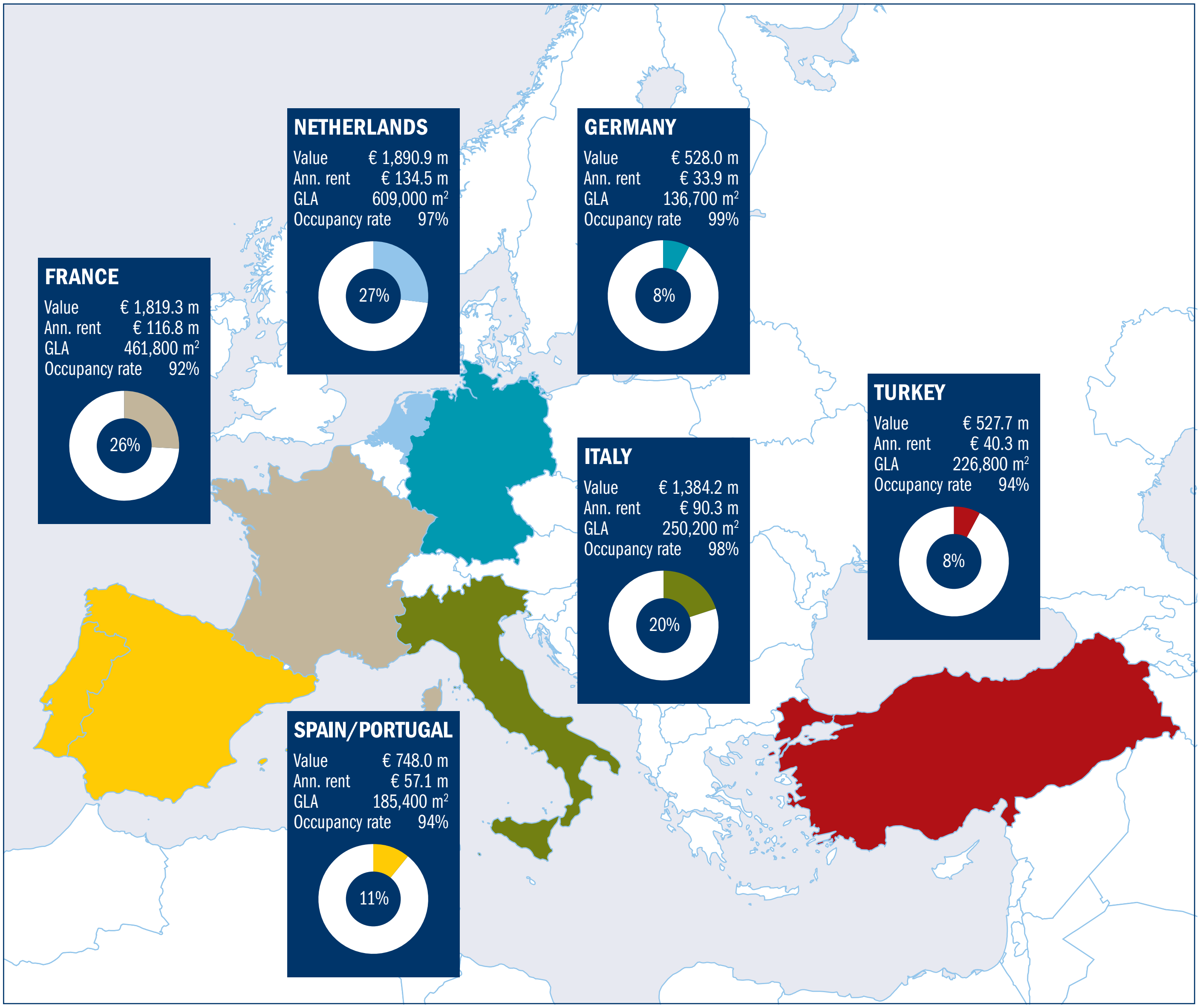
REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Pursuant to the legal requirements under Section 2:393 sub 5 at e and f of the Netherlands 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 if 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 Netherlands Civil Code.

Amstelveen, 17 February 2011
KPMG ACCOUNTANTS N.V.

H.D. Grönloh RA

PORTFOLIO


NETHERLANDS
Value € 1,890.9 m
Ann. rent € 134.5 m
GLA 609,000 m²
Occupancy rate 97%
27%
GERMANY
Value € 528.0 m
Ann. rent € 33.9 m
GLA 136,700 m²
Occupancy rate 99%
8%
FRANCE
Value € 1,819.3 m
Ann. rent € 116.8 m
GLA 461,800 m²
Occupancy rate 92%
26%
TURKEY
Value € 527.7 m
Ann. rent € 40.3 m
GLA 226,800 m²
Occupancy rate 94%
8%
ITALY
Value € 1,384.2 m
Ann. rent € 90.3 m
GLA 250,200 m²
Occupancy rate 98%
20%
SPAIN/PORTUGAL
Value € 748.0 m
Ann. rent € 57.1 m
GLA 185,400 m²
Occupancy rate 94%
11%

OPERATIONAL PORTFOLIO

			Year of acquisition	Year of construction/renovation	Gross leasable area (m²)	Total area (m²)	Annualised Rent (€ m)	Parking Income (€ m)	Adjusted Occupancy rate
NETHERLANDS									
RETAIL									
Alkmaar	De Mare	Europaboulevard 26-28, 314-316, 461-465, Europaplein 1 c.a.	1984	2005	10,500	10,500	2.32		98%
Almelo	Schelfhorst	Binnenhof 1-49	1975	2000	6,600	6,600	1.06		95%
Almere	Centrum	Stadhuisplein/Stationsstraat c.a./Grote Markt c.a.	1986	2009	27,100	27,100	7.04		98%
Alphen aan den Rijn	De Aarhof	De Aarhof 1 -99	1974	1992	9,400	9,400	3.29		99%
Amersfoort	Emiclaer	Emiclaerhof/De Beurs/ Het Masker	1993	1993	19,700	19,700	4.42		97%
Amstelveen	Groenhof	Groenhof 113-164	1972	1992	6,800	6,800	1.59		100%
Amsterdam	Reigersbos (lease hold)	Reigersbos 3 -196	1984	2004	12,500	12,500	2.73		98%
Amsterdam	ArenA Arcade (lease hold)	ArenA Boulevard 51 -77	2000	2000	4,100	4,100	0.55		100%
Amsterdam	Villa ArenA (lease hold)	ArenA Boulevard 2 -242	2001	2001	50,400	75,100	6.02		94%
Arnhem	Presikhaaf	Hanzestraat 1-225 c.a.	1967	1987	33,900	33,900	5.05		95%
Delft	Martinus Nijhofflaan	Martinus Nijhofflaan 1-19	1971	1987	3,800	3,800	0.82		100%
Dordrecht	Sterrenburg	P.A. de Kokplein 93-173	1983	1993	13,100	13,100	2.77		95%
Dordrecht	Slangenburg	Slangenburg 5 -9	1980	2010	1,600	1,600	0.26		90%
Emmen	De Weiert	Baander 165	1999	1999	2,700	2,700	0.49		100%
Goirle	De Hovel	De Hovel 19 c.a.	1973	2007	5,300	5,300	1.07		92%
Heerhugowaard	Middenwaard	Middenwaard 1-129/ Parelhof 80-108	1974	2009	26,600	31,900	7.16	0.79	98%
Heerlen	Corio Center	Corio Center 3 -46	1998	1998	18,400	18,400	3.93		99%
Hoofddorp	Het Paradijs	Muiderbos 56 -242	1986	1986	6,100	6,100	1.18		98%
Leek	Liekeblom	De Schans/De Dam	1988	1988	4,500	4,500	0.65		100%
Leiderdorp	Meubelplein Leiderdorp	Elisabethhof 1,4,8,9	1986	2002	13,800	13,800	1.02		100%
Maastricht	Franciscus Romanus	Franciscus Romanus 2	1981	2004	8,700	8,700	0.91		100%
Nieuw Vennep	Getsewoud	Händelplein 1-209	2002	2002	7,900	7,900	1.58		100%
Nieuwegein	Cityplaza	Plein/Passage/Markt/ Boogstede/Raadstede	1983	2010	25,100	29,500	7.70		99%
Oegstgeest	Lange Voort	Irislaan 45-99/Lange Voort 1-24, 11-41	2000	2006	14,600	14,600	2.94	0.03	100%
Purmerend	Weidevenne	Weidevenne	2006	2006	8,100	8,100	1.78		99%

			Year of acquisition	Year of construc-tion/reno-vation	Gross leasable area (m²)	Total area (m²)	Annualised Rent (€ m)	Parking Income (€ m)	Adjusted Occupancy rate
Rijswijk	In de Bogaard	In de Bogaard J 5-J 67	1963	2002	19,800	19,800	5.07		100%
Rotterdam	Alexandrium Shopping Center (lease hold)	Poolsterstraat 3-177 c.a.	1984	2002	45,000	108,000	14.49	2.04	99%
Rotterdam	Boulevard Nesselande	Maltaplein	2010	2010	8,900	8,900	2.03		100%
Spijkenisse	Maaswijk	Hadewychplaats 2-62	1996	2009	6,100	6,100	1.25		94%
Spijkenisse	Kopspijker (lease hold)	Nieuwstraat 105-211	1988	1988	5,500	5,500	1.24		60%
Tegelen	Kerkstraat	Kerkstraat 1-81	1992	1992	2,800	2,800	0.45	0.05	96%
Tilburg	Centrum	P.Vreedeplein/Emmapassage 1-29/Heuvelstraat 36-38	1991	2008	33,800	33,800	7.06	0.20	98%
Utrecht	Springweg Parkeergarage	Parkeergarage Strosteeg	1974	2000				2.70	
Utrecht	Hoog Catharijne (lease hold)	Stationsstraverse c.a.	1975	1996	58,800	93,800	16.78	6.94	95%
Utrecht	Parkwijk-Leidsche Rijn	Verlengde Houtrakgracht 301-421	2004	2004	5,500	5,500	1.21		100%
Veldhoven	City Passage	Meent 1-83/Meiveld 174	1995	1995	7,400	7,400	2.24		96%
Velsen	Velserbroek	Galle Promenade / Ster Bastion 4-66	1992	1992	8,700	8,700	1.77		91%
Zeist	Belcour	Emmaplein 1-29, 210-252 c.a.	1996	1996	6,900	6,900	1.70		96%
Zwolle	Stadshagen	Wade 1	2004	2004	11,500	11,500	2.48		100%
OFFICES									
Almere	Stationade	Stationsplein 5, 35-41	1986	1986	4,800	4,800	0.64		78%
Rotterdam	Alexandrium Shopping Center (lease hold)	Poolsterstraat 145	1984	2006	1,400	1,400	0.20		100%
Utrecht	Hoog Catharijne (lease hold)	Hoog Catharijne	1975	1996	40,800	40,800	7.55		94%
Total Netherlands retail					**562,000**	**694,400**	**126.11**	**12.75**	**97%**
Total Netherlands offices					**47,000**	**47,000**	**8.39**		**93%**
TOTAL NETHERLANDS					**609,000**	**741,400**	**134.50**	**12.75**	**97%**

FRANCE

RETAIL

Brie Comte Robert (Paris)	Brie Comte Robert (33% Corio-interest)	ZI LA Haie Passart	2001	1988	2,300	6,800	0.22		100%
Caen	C.C. Mondeville 2	RN 13 Caen	1994	1995	15,900	93,300	7.90		100%
Caen	C.C. Côte de Nacre	1-5 Avenue du Maréchal Juin	1999	1970	30,200	32,500	3.73		99%
Cherbourg	C.C. Cotentin	RN 13- 50470 La Glacerie	2001	1989	6,000	21,700	2.76		91%
Cholet	Marques Avenue Cholet	La Séguinière-Zone de la Mernardière Rue du Bocage	2006	2005	7,100	7,100	1.86		95%
Coignières (Paris)	Les Portes de Chevreuse	Route National 10	2009	2009	36,200	36,200	4.76		84%
Courbevoie (Paris)	C.C. Charras	Rue Baudin	2006	1973	6,300	13,900	1.56		86%
Grenoble	C.C. Grand Place	55,63 Grand Place	1998	2001	53,800	94,100	14.74		96%
Issy-les-Moulineaux (Paris)	C.C. Les Trois Moulins	3 Alleé Sainte Lucie 92130	2001	1992	7,400	15,300	3.74		97%
Ivry-sur-Seine (Paris)	C.C. Quais d'Ivry	30 Boulevard Paul Vaillant Couturier	2001	2008	32,200	60,000	6.59		83%
Laval	C.C. La Mayenne	46 Avenue de Latre de Tassigny ZAC La Grivonniere	2001	1999	7,200	17,200	2.56		97%
Marseille	C.C. Grand Littoral	11 av St Antoine ZAC Saint-Andre	2008	2007	57,100	109,200	20.05		84%
Metz	Metz Megastore	Rue Serpenoise	2001	1918	13,100	13,100	1.67		100%
Montreuil	C.C. La Grande Porte	235 Rue Etienne Marcel	2001	1991	6,200	18,400	3.25		91%
Mulhouse	La Galerie	54 Rue du Sauvage	2001	1989	7,500	7,500	1.41		70%
Nice	C.C. Nice TNL	15 bd du general Delfino	1996	2002	17,400	29,600	5.89		100%
Orgeval (Paris)	C.C. Art de Vivre	Route National 13	2005	1975	20,600	20,600	4.10		89%

			Year of acquisition	Year of construc-tion/reno-vation	Gross leasable area (m²)	Total area (m²)	Annualised Rent (€ m)	Parking Income (€ m)	Adjusted Occupancy rate
Orgeval (Paris)	Capteor	2050 Route des Quarante Sous 78630	2008	2008	8,600	8,600	0.92		100%
Paris	Passage Provence Opéra	92-98 Rue de Provence &/ 31-34 Rue Joubert	1999	1991	2,200	2,200	1.22		99%
Rouen	Galerie de L'Espace du Palais	Rue Saint-Lo	1993	1998	9,400	11,600	2.26		79%
Sainte-Geneviève-des-Bois (Paris)	La Croix Blanche	Rue des Petits Champs	2001	1986	6,600	6,600	1.07		100%
Saint-Etienne	C.C. Centre Deux	1 -7 Rue des Docteurs Charcot	1979	1995	28,000	39,000	6.09		94%
Toulon	C.C. Mayol (40% Corio-interest)	Rue du Murier	1994	1990	7,500	42,500	2.98		100%
OFFICES									
Courbevoie	Le Balzac	10 Place des Vosges La Défense	1988	2000	15,200	15,200	6.43		100%
Echirolles Grenoble	Le Stratège	15,17,19 Ave. S. Allende 38130	1999	1999	1,400	1,400	0.12		18%
Guyancourt	Amplitude et Millipore, Parc des Sangliers	1 Rue Jacques Monod	2000	2002	10,600	10,600	2.43		100%
Puteaux (Paris)	Le Kupka (Leasehold, 40% Corio-interest)	14 rue Hoche La Défense 7	1990	1992	5,200	5,200	1.88		100%
Rueil-Malmaison (Paris)	Clair de Ville	8-10 Rue Henri Sainte Claire Deville	2000	1991	10,600	10,600	3.32		100%
INDUSTRIALS									
Brétigny (Paris)	Paris sud Brétigny	Zac de la Maison Neuve Rue du Poitou 91220	2002	2002	19,400	19,400	0.89		0%
Clamart (Paris)	Newton TNT	3 Avenue Newton	2006	2006	10,600	10,600	0.40		100%
Total France retail					**388,800**	**707,000**	**101.33**		**92%**
Total France offices					**43,000**	**43,000**	**14.18**		**99%**
Total France industrials					**30,000**	**30,000**	**1.29**		**32%**
TOTAL FRANCE					**461,800**	**780,000**	**116.80**		**92%**

ITALY

RETAIL									
Buffalota (Rome)	Porta di Roma (50% Corio-interest)	Via A. Lionello 201 - Roma	2010	2007	35,300	97,000	15.29		99%
Busnago	Globo I - II	Via Italia, 197	2004	2006	21,900	67,000	7.28		100%
Cagliari (on Sardinia)	Le Vele & Millennium	Via delle Serre snc - Quartucciu (CA)	2010	2001	31,900	44,400	7.70		98%
Casalecchio di Reno (Bologna)	Shopville Gran Reno	Via M. Monroe, 2 Casalecchio di Reno	2001	1993	12,800	37,700	6.36		97%
Caserta (Naples)	Campania	A1 - Uscita Caserta Sud S.S. 87 Loc. Aurno	2006	2007	64,600	108,000	18.72		100%
Grugliasco (Turin)	Shopville Le Gru	Via Crea, 10 Grugliasco	2001	1994	32,900	78,500	17.74		97%
Martignacco (Udine)	Città Fiera (49% Corio-interest)	Via A. Bardelli, 4 Martignacco	2007	2007	23,700	70,000	6.25		98%
Modena	GrandEmilia	Via Emilia Ovest, 1480	2001	1996	19,800	40,700	8.59		100%
Senigallia	Il Maestrale	S.S. 16 Adriatica Nord, 89	2003	1999	7,300	19,800	2.39		99%
TOTAL ITALY					**250,200**	**563,100**	**90.32**		**98%**

			Year of acquisition	Year of construction/renovation	Gross leasable area (m²)	Total area (m²)	Annualised Rent (€ m)	Parking Income (€ m)	Adjusted Occupancy rate
SPAIN									
RETAIL									
Barcelona	Maremagnum (lease hold)	Moll de Spanya 2ª Pta. Edif. Maremagnum	2006	2005	18,700	22,000	5.59	1.75	98%
Cáceres	Ruta de la Plata	C/Londres 1	2000	1993	8,400	19,200	2.76		100%
El Plantio (Madrid)	Sexta Avenida	Avenida de la Victoria, 2	2000	2007	16,300	16,000	5.29	0.35	93%
Irun	Txingudi	Barrio de Ventas 80	1999	1997	9,900	34,700	2.82		92%
Jaén	La Loma	Ctra. Bailén	2000	1991	9,700	27,900	2.32		96%
Madrid	Gran Via de Hortaleza	Gran Via Hortaleza s/n	2001	2001	6,100	20,100	3.75		90%
Madrid	Príncipe Pío (95% Corio-interest / lease hold)	Pº de la Florida s/n	2009	2004	28,700	28,700	12.48	1.50	96%
Palencia	Las Huertas	Avenida de Madrid 37	2000	1989	6,300	19,200	1.28		94%
Parla (Madrid)	El Ferial	C/Pinto s/n	2000	1995	8,500	24,200	2.70		90%
Torrelodones (Madrid)	Espacio Torrelodones*	Avenida Fontanilla s/n	2010	2006	22,100	30,400	5.53		100%
Valencia	Gran Turia	Pza. de Europa s/n	2001	2000	18,200	58,300	5.13		86%
TOTAL SPAIN					**152,900**	**300,700**	**49.65**	**3.60**	**94%**

PORTUGAL									
RETAIL									
Guimarães	Espaço Guimarães*	Rua 25 de Abril nº 210	2010	2009	32,500	48,700	7.41		93%

GERMANY									
RETAIL									
Dresden	Centrum Galerie*	Prager Straße 15	2010	2009	64,400	64,400	17.65	1.08	100%
Duisburg	Forum Duisburg*	Königstraße 48	2010	2008	58,600	58,600	14.80	0.74	100%
OFFICES									
Böblingen	Ronda Haus	Calwer Straße 7	1994	1984	13,700	13,700	1.48		87%
Total Germany retail					**123,000**	**123,000**	**32.45**	**1.82**	**100%**
Total Germany offices					**13,700**	**13,700**	**1.48**		**87%**
TOTAL GERMANY					**136,700**	**136,700**	**33.93**	**1.82**	**99%**

			Year of acquisition	Year of construc-tion/reno-vation	Gross leasable area (m²)	Total area (m²)	Annualised Rent (€ m)	Parking Income (€ m)	Adjusted Occupancy rate
TURKEY									
RETAIL									
Adapazari	Adacenter	Yeni sakarya Cad. No:324-54200 Erenler/Adapazari	2007	2007	24,900	24,900	3.43		98%
Ankara	365 (lease hold)	Birlik Mah. 428.cad. No:41 Yildiz-Cankaya/Ankara	2008	2008	26,700	26,700	5.34		97%
Bursa	Anatolium	Alasar Mah.Yeni Yalova Cad. No:487 Osmangazi/Bursa	2010	2010	83,400	83,400	13.00		100%
Denizli	Teras Park (51% Corio-interest)	55 Sok.No.1 20125 Yenisehir/Denizli	2007	2009	44,600	44,600	3.84		98%
Istanbul	Akmerkez (47% Corio-interest)	Akmerkez AVM Nispetiye Cad. 34337 Etiler/Istanbul	2005	2010	15,700	33,400	9.80	1.83	86%
Tekirdağ	Tekira	Hukumet cad. No:304 59100 Merkez/Tekirdag	2009	2008	31,500	31,500	4.87		98%
TOTAL TURKEY (incl. associates)					**226,800**	**244,500**	**40.29**	**1.83**	**94%**
TOTAL TURKEY (excl. associates)					**211,100**	**211,100**	**30.49**		**99%**

TOTAL					
Total retail (incl. associates)	**1,736,200**	**2,681,400**	**447.56**	**20.00**	**96%**
Total offices	**103,700**	**103,700**	**24.05**		**96%**
Total industrial	**30,000**	**30,000**	**1.29**		**32%**
TOTAL (incl. associates)	**1,869,900**	**2,815,100**	**472.90**	**20.00**	**96%**

* Occupancy rate covered by rental guarantee

PORTFOLIO VALUE

Value portfolio (€ million) (including associates)	Retail	Offices	Industrial	Under development	Total	%
Netherlands	1,847.4	43.5		70.7	1,961.6	27%
France	1,618.0	187.9	13.4	81.9	1,901.2	26%
Italy	1,384.2			44.0	1,428.2	20%
Spain/Portugal	748.0			5.4	753.4	10%
Germany	512.0	16.0		78.4	606.4	9%
Turkey	527.7			43.7	571.4	8%
Bulgaria				12.7	12.7	0%
Total	6,637.3	247.4	13.4	336.8	7,234.9	100%

PIPELINE PORTFOLIO

	Project	Status	Type	Additional m² developed	Total already Invested (x € m)	Total Investment (x € m)	Expected opening date
NETHERLANDS							
Heerhugowaard	Middenwaard	Construction	Redevelopment	7,800	21.3	25.0	Q4 2011
Hoofddorp	Paradijs	Construction	Redevelopment	1,131	2.4	3.5	Q2 2011
Nieuwegein	City Plaza	Construction	Redevelopment	26,600	3.6	118.7	Q3 11/Q4 13
Rotterdam	Boulevard Nesselande (phase 2)	Construction	Development	1,250	–	3.1	Q1 2014
Rotterdam	Markthal	Construction	Development	11,345	–	45.5	Q3 2014
Spijkenisse	Stadsplein/De Kopspijker	Construction	Development	12,470	31.6	43.9	Q4 2011
Utrecht	HC, Vredenburg	Construction	Development	5,800	7.5	20.5	Q3 2012
Utrecht	HC, Singelborch	Construction	Development	1,463	12.6	24.1	Q2 2012
Zoetermeer	Oosterheem	Construction	Development	11,850	0.7	37.3	Q2 2013
Total Netherlands committed				**79,709**	**79.7**	**321.6**	
Total Netherlands variable deferrable					**37.1**	**518.7**	
Total Netherlands waivable					**2.9**	**204.4**	
TOTAL PIPELINE NETHERLANDS					**119.7**	**1.044.7**	

FRANCE							
Toulouse	Moulin de Nailloux	Construction	Development	22,129	28.6	59.0	Q4 2011
Total France committed				**22,129**	**28.6**	**59.0**	
Total France variable deferrable					**18.4**	**59.2**	
TOTAL PIPELINE FRANCE					**47.0**	**118.2**	

	Project	Status	Type	Additional m² developed	Total already Invested (x € m)	Total Investment (x € m)	Expected opening date
ITALY							
Busnago	Globo 3	Completed	Extension	8,364	1.2	51.7	Q1 2011
Casalecchio di Reno (Bologna)	Gran Reno	Preparation	Extension	1,193	1.0	3.5	Q3 2011
Grugliasco (Turin)	IKEA (phase 2)	Preparation	Redevelopment	13,712	–	5.8	Q2 2011
Martignacco (Udine)	Città Fiera	Completed	Extension	6,200	–	17.1	Q4 2011
Venice	Marghera	Preparation	Development	31,380	1.0	146.0	Q2 2013
Total Italy committed				**60,849**	**3.2**	**224.1**	
Total Italy variable deferrable					**22.4**	**529.0**	
Total Italy variable waivable					**–**	**160.7**	
TOTAL PIPELINE ITALY					**25.6**	**913.8**	

SPAIN							
Barcelona	Maremagnum	Construction	Redevelopment	4,160	4.0	9.2	Q4 2011
Total Spain committed				**4,160**	**4.0**	**9.2**	
Total Spain variable deferrable					**1.1**	**15.3**	
TOTAL PIPELINE SPAIN					**5.1**	**24.5**	

GERMANY							
Berlin	Boulevard Berlin	Construction	Development	80,000	60.0	382.4	Q2 2012
Duisburg	Königsgalerie	Construction	Redevelopment	17,856	48.2	74.9	Q4 2011
Hildesheim	Arneken Galerie	Construction	Development	27,204	–	56.7	Q3 2012
Total Germany committed				**125,060**	**108.2**	**514.0**	
Total Germany fixed deferrable					**23.9**	**81.4**	
Total Germany waivable					**1.0**	**184.3**	
TOTAL PIPELINE GERMANY					**133.1**	**779.7**	

TURKEY							
Tarsu	Tarsus	Construction	Development	27,600	14.2	54.2	Q4 2012
Total Turkey committed				**27,600**	**14.2**	**54.2**	
Total Turkey variable deferrable					**34.8**	**103.2**	
TOTAL PIPELINE TURKEY					**49.0**	**157.4**	

TOTAL			
Total committed	**319,507**	**237.9**	**1,182.1**
Total fixed deferrable		**23.9**	**81.4**
Total variable deferrable		**113.8**	**1,225.4**
Total waivable		**3.9**	**549.4**
TOTAL PIPELINE		**379.5**	**3,038.3**

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 2010.

Number of shares and presented results
Corio's total number of shares entitled to dividend over 2010 increased by 19.2% compared with 31 December 2009 from 76,363,025 to 91,002,947 reflecting the stock dividend in May 2010 (1,306,589) and the ABB in March 2010 (13,333,333). The weighted average number of outstanding shares in 2010 was 87,254,228. When results per share are stated, they are based on the weighted average number of outstanding shares. Value related numbers, like NAV, are based on the total number of outstanding shares.

Direct result and indirect result are stated excluding non-controlling interests. Other P&L line items include the non-controlling interest results.

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 Yield (or EPRA Net Yield) is calculated as the annualised rental income based on the contractual passing rent on the balance sheet date, less non-recoverable property operating expenses, divided by the gross market value of the property.

Adjusted 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 Adjusted 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.

Entrance to Germany: In March 2010 Corio acquired an operational portfolio (four shopping centres in Germany, Spain and Portugal) for € 662 million at a Net Initial Yield of 6.7% and a development portfolio of five projects in Germany with an expected total investment of approx. € 660 million. This acquisition was predominantly financed through a successful follow-on equity raise of € 600 million.

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.

Favourite Meeting Places are sustainable places (shopping centres) where people like to meet, spend their leisure time and shop; places they want to return to.

Gross Leasable Area (lettable area) is any part of a property that can be leased to a tenant.

Gross theoretical potential rent 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 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 2010 like-for-like income growth thus compares the rental income of the stabilised portfolio with exactly the same portfolio in 2009. 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 Rental Income is Gross Rental Income 12 months forward + Turnover Rent + Estimated Rental Value for Vacancy -/- Total Operating expenses.

Net Theoretical Yield (NTY) is Net Theoretical Rental Income /Net Open Market Value.

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 in a specific period.

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

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

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

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

ADDRESSES AND OTHER INFO

Euronextcode/ISIN-code NL0000288967; Fondscode 28896; Bloomberg CORA NA; Reuters COR.AS; Datastream H:VIB

This interim financial information contains forward-looking information with respect to the financial position, plans and objectives, activities and market conditions in which the company operates. By their nature, forward-looking statements and forecasts imply risks and uncertainties, as they relate to known and unknown events and circumstances which may or may not happen in the future. The forward-looking statements and forecasts in this 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:
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