

PRESS RELEASE

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Designer Outlet Berlin doubles in size with opening of new phase

McArthurGlen, Europe's leading developer, owner and manager of designer outlet villages and international fund manager Henderson Global Investors, announced today the opening of the second phase of Designer Outlet Berlin, with nearly 10,900 sq m of leasable space, of which 8,000 sq m is retail.

This second phase almost doubles the size of the centre, bringing the total retail space to 16,500 sq m with 80 stores. The €100mn development, set within a village atmosphere, reflects the architecture of the local Berlin/Brandenburg area, offering its visitors a unique shopping and leisure experience.

Germany currently has the lowest rate of designer outlet space in Western Europe, with 0.9 sq m of outlet space per 1,000 inhabitants* compared with 10 sq m in the UK and 8.3 sq m in Italy, both being the most developed markets in Europe.

The first phase of Designer Outlet Berlin opened in June 2009 with 8,500 sq m of retail space in 40 units, offering all-year discounts of 30-70 per cent on well-known luxury, designer and high-street brands. Since then, more than a million customers have visited Designer Outlet Berlin, and the centre has experienced a significant growth in footfall and turnover.

These new retail brands to open in the second phase of Designer Outlet Berlin include Belstaff, Converse/Gant Footwear, Cinque, Desigual, Diesel, Escada, Fossil, Gant, Jack&Jones/Vero Moda, Lacoste, Navyboot, Titus and Tom Tailor Kids. Also, the cult brand Ed Hardy is opening a temporary shop in phase one. They complement the existing brands in phase one, which include adidas, Calvin Klein, Daniel Hechter, Marc O'Polo, Mexx, Nike, Replay, St. Emile, Strenesse and Tommy Hilfiger, all of which operate their own stores. Other facilities include the Panda Kids Club as well as 2,300 parking spaces.

When it comes to finding good food and refreshments, this is offered by great brands, such as luxury ice cream brand Häagen-Dazs and Illy Caffé, as well as other well-known international and local, Berlin names, including German seafood chain Nordsee, which opened in the centre earlier this summer.

The two phases of Designer Outlet Berlin are linked by an 'ellipse' – an elliptical open space, a feature in its own right with seating, restaurant and landscaping, creating an ideal venue for open-air events, for which McArthurGlen's Designer Outlets are renowned.

Designer Outlet Berlin is located at the intersection of the B5 motorway with the A10, the Berlin ring road, at Wustermark, north of Potsdam, the capital of Brandenburg, less than a 30-minute drive from Berlin city centre. In April, a new public bus service was launched enabling customers to travel from the centre of the German capital to Designer Outlet Berlin in less than 30 minutes.

Nearly six million residents live within a 90-minute drive of the outlet village. In addition, Berlin is Germany's number one tourist destination, attracting more than eight million visitors a year.

Designer Outlet Berlin is the first McArthurGlen designer outlet village to open in Germany, with a second designer outlet village in Neumünster, near Hamburg, due to open in 2012. Meanwhile, McArthurGlen's Designer Outlet Roermond in the Netherlands, which is part owned by the European Outlet Mall Fund, attracts customers from the nearby North Rhine-Westphalia region and Designer Outlet Salzburg, which opened in September 2009, from neighbouring Bavaria.

Henderson's European Outlet Mall Fund directly owns eight leading European outlet malls located in France, Italy, Austria, the Netherlands, Belgium and Germany as well as three UK outlets indirectly through its UK Outlet Mall Fund, to give an overall portfolio valued at approximately €1.1billion. Ten of the 11 properties were purchased from McArthurGlen.

Henderson, McArthurGlen and its executives are co-investors in both funds. The European Outlet Mall Fund is currently actively looking to further expand the Fund's portfolio through investing into prime designer outlet centres in Germany and Continental Europe.

Gary Bond, McArthurGlen's CEO European Development, says: "Germany is a key market for McArthurGlen; it is Europe's biggest country in terms of population and economic wealth, as well as having a strong brand culture and a well-developed fashion industry. Designer Outlet Berlin may be our first Designer Outlet in Germany, with our second opening in Neumünster in 2012, but the German consumer is one that we know well from Designer Outlets Roermond and Salzburg, both situated on the German border."

David Williams, Fund Manager of the European Outlet Mall Fund at Henderson Global Investors, says: “We are delighted by the success of the first phase of Designer Outlet Berlin and are confident that the second phase will enhance the whole centre. The first class tenant line-up, coupled with the resilient nature of the outlet sector, will continue to deliver for our investors.

“The Fund's strategy is to increase its exposure to core Western European markets where forecast risk-adjusted returns are the most attractive. Designer Outlet Berlin was a particularly good location for us due to the undersupplied catchment area and its close proximity to one of Europe's biggest and most exciting cities. We continue to assess a pipeline of potential acquisitions but will only make investments that match our strict requirements.”

Holger Schreiber, Mayor of Wustermark, says: “Designer Outlet Berlin has not only brought an exciting shopping concept to the Capital Region Berlin-Brandenburg, one of Europe's most dynamic regions, bringing shoppers to Wustermark, but is also helping to stimulate the local economy with the creation of 700 jobs and its links with local businesses. The centre also greatly adds to the attraction of Wustermark as a location to work and live, and as a touristic destination.”

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