

MCARTHURGLEN

GROUP

PRESS RELEASE

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Neumünster Designer Outlet is on target to open in 2011

McArthurGlen, Europe's leading developer, owner and manager of designer outlet villages, has confirmed that the development of its 26,000 sq m designer outlet village in the city of Neumünster near Hamburg is in an advanced planning stage.

Following the company's selection by the City of Neumünster in December 2008 to develop the new designer outlet, McArthurGlen is on track to submit the building permit by the end of 2009.

The development will take place in two phases; Phase One will open in 2011, with 15,000 sq m of retail space plus restaurants and cafés, and Phase Two with an additional 5,000 sq m of retail space plus catering.

Like McArthurGlen's other designer outlets, the centre will be individually and thoughtfully designed, in a village style. The customer will be able to enjoy a relaxing shopping environment, perfect for a family day trip. Sufficient parking spaces will complete the offer.

Gary Bond, McArthurGlen's CEO of European Development, says: "Our offer of quality brands with all-year discounts is perfectly attuned to the current market situation. Across Europe, brands are increasingly discovering how outlet retailing can help them raise cash from excess stock, while consumers have latched on to the value of buying both trusted and aspirational brands at discounts of up to 70 per cent."

Henning Balzer, McArthurGlen's Development Manager in Germany & Austria, says: "We are very pleased as to how the scheme is advancing. We have received a lot of positive interest from brands, both our existing international brand partners at our 18 designer outlet villages across Europe as well as prestigious German brands."

Germany is one of the least developed markets in Europe for outlet retailing. The country has 0.9 square metres of outlet retailing space per 1,000 inhabitants compared with 9.5 square metres in the UK, Europe's most developed market. (Source: Ecostra, March 2009.)

The Mayor of the City of Neumünster, Dr. Olaf Tauras, says: "Neumünster's designer outlet village will provide new and exciting opportunities for employment and tourism, as witnessed in other locations where McArthurGlen has opened centres. We are sure that the center will become a landmark for the whole region, helping to attract tourists by providing consumers with an extraordinary retail offer combined with exclusive architecture. The neighbouring cities and communities could benefit from this as well. We are also delighted to work with McArthurGlen, Europe's leader in creating a quality shopping experience and attracting the best brands in Europe."

Earlier this year, in June, McArthurGlen opened with big success its first scheme in Germany, Designer Outlet Berlin, as a joint venture with Henderson Global Investors. However, McArthurGlen is no newcomer to Germany given that a large proportion of shoppers at Designer Outlet Salzburg which opened just two months ago and Designer Outlet Roermond, on the Dutch/German border, are from Germany.