

MCARTHURGLEN

GROUP

PRESS RELEASE

14 January 2009

McArthurGlen to develop designer outlet village in Neumünster

McArthurGlen Group, Europe's leading developer, owner and manager of designer outlet villages, has been appointed by the City of Neumünster to develop a designer outlet village with a sales area of 20,000 sq m in the city of Neumünster in the North German state of Schleswig-Holstein.

The City of Neumünster selected McArthurGlen as its preferred partner to develop a designer outlet centre following a European-wide bid process. The site of the new village is located on the B205, the main access road to Neumünster from the A7/E45 motorway linking Denmark with Southern Germany. The site is 40 minutes' drive north of Hamburg, the second largest city in Germany and the wealthiest city in Germany.

McArthurGlen currently operates a total of 17 designer outlet villages across Europe, in partnership with its more than 750 brand partners. The villages offer discounts of 30-70% on last season's collections of well-known brands in quality environments, with brands controlling their own retail units, and hence their own identity.

The Group introduced the concept of designer outlet retailing to Europe in 1995 with the opening of its Cheshire Oaks Designer Outlet in the UK, and has since gone on to produce architecturally renowned and award-winning villages across Europe. All of the Group's designer outlet villages are located in cities or regions known as key tourist destinations and near to main transport routes.

The state of Schleswig-Holstein is the third most important tourist destination in Germany for national tourists, receiving over 5.5 million visitors a year.

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JW Kaempfer, Chairman, McArthurGlen Group, says: "We are delighted that the City of Neumünster has selected us to be the developer of the new designer outlet village for Neumünster. Our appointment by the City marks a further exciting opportunity for McArthurGlen. Germany is a key market for us, given the size of its population and the importance of its economy. Neumünster offers a prime location in terms of its excellent transport links and its location in a region renowned as a tourist destination."

Hartmut Unterleberg, Mayor of the City of Neumünster, says: "This is an historic moment for Neumünster, and we are delighted to announce the appointment of McArthurGlen as our development partner. McArthurGlen brings to Neumünster more than 20 years of experience of designing, developing and operating designer outlets in Europe, as well as of working with local groups and organizations to create shopping destinations that are in turn regional tourist attractions in their own right, with all the benefits that this will bring to our local economy and local businesses."

Gary Bond, McArthurGlen's CEO of European Development, says: "We place great importance on the quality and details of our outlet villages. Our aim is to create places where people enjoy spending time. This is through the architecture, ensuring that it is in keeping with local styles, the facilities and the events that we hold at our villages, and most importantly through the outstanding retail and dining offer. We are sure that the new designer outlet village in Neumünster will add great value to the region of Neumünster by acting as a tourist attraction, drawing in visitors to the region as well as to the city of Neumünster."

McArthurGlen is already in talks with a range of brands interested in opening in the new designer outlet village. These will be international as well as well-known and prestigious German brands, including top names in fashion, footwear, leather goods, lingerie, sportswear, household goods and accessories.

The development will take place in two phases. Phase One will be 15,000 sq m of retail space, with around 70 units plus coffee shops, catering units, and 1,200 parking spaces. Phase Two will add 5,000 sq m of retail space, with an additional 25 units and 600 parking spaces. The first phase is planned to open in 2011.

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McArthurGlen is already present in the German market, in Berlin. The Group has joined forces with Henderson Global Investors to carry out the €80mn two-phase redevelopment of an existing scheme to create a new designer outlet village. Once fully opened in 2010, the 20,000 sq m village will house 120 retail brands.

In addition, McArthurGlen has successfully built its 28,000 sq m Roermond Designer Outlet in the Netherlands into the country's second biggest tourist destination, with many of the village's annual three million visitors coming from the North Rhine-Westphalia region of Germany.

The new designer outlet for Neumünster is one of several new designer outlet villages that McArthurGlen is developing across the key regions and cities of Europe. The Group currently operates more than 400,000 sq m of retail space in its existing projects, and has a further 120,000 sq m of new retail space due to open by the end of 2010. The new retail space includes four new schemes, in Berlin, Salzburg, Naples and Athens, as well as the second phase of Veneto Designer Outlet, of which the first phase opened in September 2008.

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NOTES TO EDITORS

McArthurGlen Group

Since introducing outlet retailing to Europe in 1995, McArthurGlen Group has become Europe's leading developer, owner and manager of designer outlet villages. Its current portfolio of 17 architecturally unique designer outlet villages across the UK and Continental Europe comprises more than 400,000 sq m of retail space, housing over 750 premium brands in more than 1,800 stores. Visited annually by nearly 70 million people, the portfolio generated €2 billion in retail sales in 2008.

In addition, McArthurGlen's ongoing growth programme is further emphasised by moving into full-price retail with the formation of a new division, McArthurGlen Luxury Retail. The first of these ventures, Collezioni, opened at Venice's Marco Polo Airport in summer 2008, showcasing a portfolio of over 20 leading fashion brands. Collezioni is creating a genuine partnership between airports and the world's finest brands to overcome the barriers that have so far limited the presence of these brands to a relative handful of the world's major airports.