

PRESS RELEASE

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McArthurGlen and Vienna Insurance Group Austria open Salzburg Designer Outlet

McArthurGlen, Europe's leading developer, owner and manager of designer outlet villages, and Vienna Insurance Group, Austria's largest insurance group serving Central and Eastern Europe, opened their €135-million joint venture project, Designer Outlet Salzburg, on 10 September.

Designer Outlet Salzburg is in an unrivalled location. It is adjacent to the city's international W A Mozart airport, which serves two million passengers a year, and ten minutes from the centre of Salzburg, one of the most touristic cities in Europe. It is also a 75-minute drive from Munich, home to more than five million people in its metropolitan area and Germany's third largest city after Berlin and Hamburg.

The centre is located by major routes used by winter and summer tourists; directly off the A1/A8 (E52) motorway linking Munich to Salzburg, known familiarly as the gateway to the Alps, and then on to Linz and Vienna. Designer Outlet Salzburg is also near the A10 (E55) motorway to the popular Adriatic coastline.

The area is one of Europe's top tourist regions, popular with skiers, hikers and as a cultural destination. The city centre of Salzburg, a UNESCO World Cultural Heritage site, receives nearly seven million tourists each year, attracted by around 3,000 cultural events annually, with the most famous being the annual Salzburg Festival held every July and August.

This is McArthurGlen's second project in Austria, and its 18th designer outlet centre to open in Europe. The launch of Designer Outlet Salzburg follows on the success of McArthurGlen's Designer Outlet Parndorf near Vienna, which opened in 1998. For Vienna Insurance Group Austria, this first direct investment in a designer outlet centre will be one of their flagship retail projects.

McArthurGlen's Designer Outlet Parndorf was the first designer outlet centre in the German-speaking world when it opened 11 years ago. The centre has gone from success to success, welcoming more than three million shoppers last year (April 2008 - March 2009); Designer Outlet Parndorf opened with 30 shops in 1998 and has grown continually to keep pace with demand. At present 150 shops on 37,300 sq m offer around 600 top brands at discounts of 30-70%.

Recently, in June 2009, McArthurGlen opened Designer Outlet Berlin, and is under way with a new scheme near Hamburg. Its Designer Outlet Roermond village in the Netherlands, which is soon to be expanded, welcomes millions of visitors from the North Rhine-Westphalia region of Germany. So now, with the opening of Designer Outlet Salzburg, McArthurGlen further strengthens its position in the outlet retailing market serving the German-speaking region of Europe.

Designer Outlet Salzburg offers 28,000 sq m of retail space with more than 100 designer brands and 2,300 parking spaces. Like McArthurGlen's 17 other designer outlet centres across Europe, the centre offers a mix of top designer, high street and sports brands in an extraordinary architectural environment, with discounts of 30 to 70 per cent all year round. A full range of cafés and restaurants, and a children's crèche will enhance an exceptional shopping experience.

The unique architecture of Designer Outlet Salzburg is reminiscent of the late 19th-century glass shopping arcades in Europe. The spectacular indoor centre is spacious and clearly laid out on two levels. The glass-vaulted atrium at the main entrance and the skylights throughout the upper level allow the interior to be bathed in natural light. The decorative features include ceramic mosaic floor tiles, cherry wood and brass shop fronts, and dark green, wrought iron lighting features.

The line-up of brands includes, among many others, Belstaff, Calvin Klein Jeans, Calvin Klein Underwear, Tom Tailor Denim, Orwell, Barbour, Rosenthal and Jil Sander. More brands are to be announced over the coming months, with Gant and Diesel among those due to open soon.

Nearly nine million consumers live in the affluent catchment area within a 120-minute drive of Designer Outlet Salzburg, with approximately 60 per cent of them in Germany and the remaining 40 per cent in Austria.

J W Kaempfer, Chairman, McArthurGlen Group, said: “Designer Outlet Salzburg is set to be one of McArthurGlen’s flagship designer outlet centres, and one of the leading projects in the sector in Europe in terms of the brands on offer, the uniqueness of the location and the high-quality shopping environment.

“The opening of Designer Outlet Salzburg is part of our expansion across Europe, in particular across the German-speaking countries - a region still relatively underdeveloped in terms of outlet retailing. Our growth is at a time when outlet retailing is coming of age, as more and more brands understand how outlets can help their business, and consumers look for their money to stretch further, while still buying the brands they love.”

Robert Lasshofer, Board Member of Vienna Insurance Group Austria, said: “This is an exciting moment for Vienna Insurance Group given that this is the first time that we have been an investor partner in the outlet retailing sector. Vienna Insurance Group considers Salzburg as a prime real estate location. Designer Outlet Salzburg for us is a high priority project and completes our portfolio in this region perfectly. Combining the real estate experience and know-how of both McArthurGlen and Vienna Insurance Group, with McArthurGlen’s international expertise in the outlet business, our joint venture presents a very promising partnership.

“Designer Outlet Salzburg will place the city of Salzburg firmly on the map as a top retail destination for the local inhabitants in the Salzburg region, for those living further afield in Southern Bavaria, and for the many millions of tourists who visit the city each year or those on transit to the Alps and the Adriatic coast. First and

foremost for the city, though, the project will play a key part in working as a catalyst for wider economic growth in the region, not least with the creation of 800 to 1,000 jobs.”

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