

MCARTHURGLEN

GROUP

PRESS RELEASE

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McArthurGlen develops + 135,000 sq m of new outlet retail space across Europe

McArthurGlen, Europe's leading developer, owner and manager of designer outlet villages, will open more than 135,000 sq m of new retail space across Europe in 2010 and 2011.

This total includes three new schemes: La Reggia Designer Outlet near Naples, which will open in February 2010, as well as new designer outlet villages in Athens and Neumünster, near Hamburg.

In addition, extensions are under way at six existing centres: Berlin, Veneto (near Venice), Roermond (Düsseldorf), Parndorf (Vienna), Barberino (Florence) and Castel Romano (Rome). And the Group is redeveloping, together with joint venture partner Henderson Global Investors, Factory Shopping Messancy as a new designer outlet village to serve the Luxembourg area.

Currently, McArthurGlen has more than 400,000 sq m of existing outlet retail space across Europe in 18 designer outlet villages.

The Group works with 750 brand partners across Europe, of which 50 are top international luxury brands. The centres offer the 70 million consumers that visit McArthurGlen's outlets across Europe all-year-round discounts of up to 70 per cent on the brands' surplus stock.

McArthurGlen's portfolio includes Serravalle Designer Outlet, Europe's largest designer outlet with 180 stores with top names such as Armani, Blumarine, Bulgari, Dolce & Gabbana, Etro, Ferrari Factory Store, Prada, Roberto Cavalli and Versace.

Gary Bond, McArthurGlen's CEO European Development, says: "Outlet retailing is still a growth area in Europe, for the right scheme in the right location. 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."

McArthurGlen sees Germany as a particularly interesting market, together with southern Spain and southern France. Germany has 0.9 square metres of outlet retailing space per 1,000 inhabitants compared with 4.5 square metres in Austria and 9.5 square metres in the UK, Europe's most developed market for outlet retailing. (Source: Ecostra, March 2009.)

Gary continues: "We see a huge potential for well-designed, well-thought out outlet centres in the German market. We are currently under way with the second phase of our Designer Outlet Berlin, a joint venture with Henderson Global Investors, and a new scheme in Neumünster, near Hamburg. In addition, a large proportion of consumers visiting Designer Outlet Salzburg and our very successful Designer Outlet Roermond in the Netherlands are from neighbouring Germany, whether Bavaria or North Rhine-Westphalia."

Henning Balzer, McArthurGlen's Development Manager in Germany & Austria continues: "We are currently actively searching for new development opportunities in the German market. In particular we are interested in developing a McArthurGlen Designer Outlet centre in North Rhine-Westphalia, and we are interested in other regions in Germany with a good catchment area, a strong purchasing power and an interest in developing their tourism potential."

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