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Luxury alliance steps up the hunt for new footfall

The world of luxury retailing is changing thanks to a unique strategic alliance announced today between Altagamma, the association of Italian luxury brands, and McArthurGlen, the speciality retail developer known for its award-winning designer outlet malls in Europe.

This is a marriage of international stature, capitalising on the combined strength of Italy's leading fashion brands and the distribution channel and development expertise of McArthurGlen. The strategy is to create a powerful joint approach towards unprecedented opportunities for luxury brand retail innovation in emerging markets and new channels, eliminating individual risk and lengthy unilateral lease negotiations.

Opportunities in new geographical markets and distribution channels are being developed for both full-price luxury malls and new sites for off-price designer outlet propositions. Travel retail and on-line propositions are currently under consideration.

The first project for the alliance is on familiar territory for both partners - in Italy – at McArthurGlen's fourth outlet village in the country and their first luxury outlet mall concept will demonstrate the strength of this new alliance. Opening in autumn 2008, the centre at Noventa di Piave, close to Venice, will offer 8000 m² of exceptional retail space and builds on the success of McArthurGlen's award-winning successes at Florence (Barberino), Milan (Serravalle) and Rome (Castel Romano). The new Venice project will showcase a 4500 m² luxury area featuring internationally renowned Italian luxury brands.

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COLLEZIONI

BY MCARTHURGLEN

McArthurGlen views Italy, a nation admired globally for its love of style and design, as a vital strategic territory and there are plans for further developments in Naples, Sicily and Turin.

JW Kaempfer, Chairman of McArthurGlen, comments: "Property owners and luxury brands are seeking the same thing: expansion and new customers by working in partnership, we bring together all sides to create critical mass of brands and maximise infrastructure opportunities for market entry. The single largest challenge for retail is to increase footfall and the best way to achieve that is to create new traffic patterns or capitalise on shifting traffic patterns by providing quality environments in new markets. Our plan is to open new channels and expose prestigious brands to new customers. Our environments will be customised to local cultures and build value but ultimately they are intended to please the real master, the end consumer."

Leonardo Ferragamo, Chairman of Altagamma, echoes the sentiment: "We expect this alliance to achieve exceptional results. In recent decades, Altagamma members have demonstrated their ability to deliver outstanding commercial results by expanding internationally. Their capability to enter new markets, by adapting their distribution models to local demands, whilst keeping their brand image consistent, has been key to their success.

"Now, this alliance with McArthurGlen, allows our members to experiment with new retail strategies, crucial to their growth. Particularly important are travel retail, with luxury retail spaces in international airports; and luxury shopping malls in those emerging countries that haven't offered as yet, suitable spaces to host high quality brands of international acclaim. Such uncharted waters usually have great – yet risky - appeal to many brand owners and this is an opportunity for brands to explore new territories and revenue streams with the benefit of critical mass and rapid entry-to-market potential."

ENDS

Notes to editors:

Founded in 1992, **Altagamma** is the Association of Italian companies of international renown, operating in the high-end of the market; they express the Italian culture and style both in the business management and in the product, distinguished for innovation, quality, service, design and prestige. The objective of Altagamma is to affirm the excellence of its member companies and promote together the supremacy of Italian culture and lifestyle in the world.

The operational areas of Altagamma are:

- Communication (External Communication - Cultural Activity - Internal Communication - Networking)
- Promotion and International Development (Italian Excellence Promotion - Italian Image - Coordinated International Initiatives)
- Institutional Relationship (Italian Institutional Relations - European Institutional Relations)
- Altagamma System (Altagamma International Honorary Council - Group Synergies - Altagamma Manager Group - Tourism - New Members)
- Protection of the Intellectual Property
- Studies and Research
- Education and Training (Master in Fashion, Experience & Design Management, Seminars for Altagamma Managers)

<http://www.htagamma.it/sezione1.php?gruppo=3&lan=ing#1>

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McArthurGlen Luxury Retail is part of McArthurGlen Group, which has become Europe's leading developer, owner and manager of designer outlets since introducing outlet retailing to Europe in 1995. Its current portfolio of 17 well-located designer outlet village across the UK and Continental Europe comprises more than 400,000 sq m of high-quality retail space, housing over 750 brands in more than 1,800 stores. Visited annually by 70 million people, the portfolio generated over €2 billion in retail sales in 2008. The Group will be opening three new designer outlet villages in 2009, in Berlin, Salzburg and Naples, with additional projects under development in Athens and Hamburg.

Collezioni differs to McArthurGlen's outlet business in that it offers full price fashion and lifestyle brands with the latest collections as opposed to the discount model of the outlet centres.

For more information, please visit: <http://collezioni.mcarthurglen.com/>

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