

COLLEZIONI

BY MCARTHURGLEN

7th September 2007

McArthurGlen launch sets new style in airport fashion

McArthurGlen, Europe's leading developer, owner and operator of designer outlet centres, is launching a unique proposition for the travel retail channel with the launch of **Collezioni**, a contemporary approach to the presentation of luxury brands in the airport retail setting. This venture has been created in collaboration with Altagamma, a leading Italian association that represents the best Italian companies in luxury retail.

A newly created retail division, McArthurGlen Luxury Retail, is partnered in this initial venture by SAVE SpA, the management company of Venice's Marco Polo Airport. The airport system, Italy's third-largest* and one of the fastest-growing in the country, saw traffic growth of almost 8% last year to reach over 7½ million passengers.

Scheduled to open in spring 2008, **Collezioni's** initial 1400 sq m of airside space at Marco Polo Airport will host a portfolio of around 20 leading fashion brands in a specially designed, co-ordinated environment of free-standing brand concept stores on two levels.

McArthurGlen's long-established relationships with leading brands is the foundation for this new luxury retail concept that creates a genuine partnership between airports and brands to overcome the barriers that have so far limited the presence of such high quality fashion brands to a relative handful of the world's major airports.

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Leading the McArthurGlen Luxury Retail initiative is Brian Collie, who, as Group Retail Director of BAA plc until 2005, is one of the travel industry's most respected retail figures and is widely credited with the exceptional growth of commercial income at BAA in his 15 years with the company.

He drove a strong focus on luxury brands at BAA's airports, particularly at Heathrow and developed a much respected partnership approach with brand owners. He has worked closely with J W Kaempfer, Chairman of McArthurGlen, to develop their shared vision for this revolutionary concept in the travel retail arena, where the demand for fashion brands is such a dynamic force.

Kaempfer is excited to be pioneering a new division for the business, this being its first foray into travel retail: "This is a great new venture that highlights the strength of the unique relationships and trust we have developed over the past dozen years in partnering many of the world's leading brands in fashion at our designer outlet centres. We also, of course, have experience in dealing with strong tourist footfall at our designer outlet centres each year and have proven ability to move into markets quickly. Such performance has enabled us to target high-potential markets around the globe and begin taking McArthurGlen into new locations and new channels. We are delighted that Brian has agreed to chair this new division, as his knowledge and drive in this sector are second to none."

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Brian Collie, a director of BAA McArthurGlen during their partnership (1992-2002), was appointed a non-executive director of McArthurGlen in 2005. Now also assuming the role of Chairman of McArthurGlen Luxury Retail, he explains how the core strengths of the project appeal not only to Marco Polo Airport's owners but also to other airports: "I'm delighted to be launching Collezioni into the travel retail market. With the combined brand expertise of McArthurGlen and my own brand and airport experience, we bring a unique partnership proposition for growing airports wishing to create relationships with high fashion brands to offer their customers the very best fashion experience in a contemporary, stylish environment."

From the airport's perspective, this is the perfect answer to maximizing the opportunities for many landlords as Enrico Marchi, Chairman of SAVE SpA, explains: "Our vision has always been and still remains to guarantee that our passengers enjoy the best possible "airport experience" by giving them efficient services in a comfortable environment.

With this in mind, we feel that the agreement with McArthurGlen Luxury Retail represents not only the completion but the crowning of the work we have done over the past few years to position Venice at the top.

The intense pressure on airports to maximise the return on the retail space and to improve customer choice and experience, brings this natural step of almost doubling the retail space, where Collezioni will complement and improve on what is already a successful retail gallery."

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Leonardo Ferragamo, Chairman of Altagamma comments: “Venice is a perfect location for our Member Companies’ high quality products, as it symbolises Italian heritage and fine taste. In recent decades, Altagamma members have demonstrated their ability to deliver outstanding commercial results through international expansion and our alliance with McArthurGlen creates further opportunities for our members to experiment with new retail strategies, crucial to their growth. Of particular importance is the travel retail sector, with luxury retail spaces in international airports; luxury shopping malls and designer outlets. Collezioni is the first major achievement of this alliance in the area of travel retail and we are very excited about future opportunities within this sector.”

Armando Branchini, Executive Director of Altagamma adds: “Since September 11th, there has been a decline in intercontinental flights and this has affected the travel retail sector, however, since 2004, medium and long haul traffic has been showing remarkable growth and the forecasts for travel retail are extremely positive.”

McArthurGlen Luxury Retail is further supported by the brands and leasing experience of two key executives: Julia Calabrese, CEO McArthurGlen and Stefano Stroppiana, Partner in charge of Group Business Development and company wide Leasing Director.

** combined traffic with Treviso Airport (also serving Venice) as the Venice Airport System.*

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Notes to editors:

McArthurGlen is a speciality retail developer operating across the most lucrative trading areas of the UK, France, Germany, Italy, Austria and The Netherlands. Today we operate 15 designer outlet villages in Europe with a further 6 in development, including our first foray into Greece, opening for business in 2008.

60 million+ consumers a year enjoy shopping for savings of 30-70% on leading, luxury brands in McArthurGlen's architecturally renowned award-winning environments. Over 650 brands trade in 1200 stores across 4 million square feet of gross lettable area. Brand partners include Armani, Ferragamo, Prada, Dolce & Gabbana, Furla, Polo Ralph Lauren, Diesel and Puma.

The SAVE Group is a provider of traveller services, primarily carried out under concession contracts, and it is organised into three areas of business: Airport operations, infrastructure management and food & beverage and retail.

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The SAVE Group's primary activity is the management of the Venice Airport, Italy's main intercontinental airport after Rome and Milan. The Venice Airport and Treviso Airport constitute the Venice Airport System, the third-largest hub in Italy in terms of volume of traffic (7.6 million passengers in 2006, source: Assaeroporti).

The SAVE Group – along with FS Holding – manages infrastructures (properties) and related services in 103 Italian railway stations.

In the F&B and Retail division, the SAVE Group manages directly 115 food and beverage outlets and shops selling mainly items for travellers.

In 2005, the SAVE Group generated consolidated revenues of 225,2 million euros (+35,6%), an EBITDA of 53,7 million euros (+13,2%), and a net profit of 16,6 million euros (+50,9%). As of 31 December 2006, the Group employed a staff of 2.691 people.

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