
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2010

SIMON PROPERTY GROUP, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation or organization)

001-14469
(Commission File No.)

04-6268599
(I.R.S. Employer
Identification No.)

225 West Washington Street
Indianapolis, Indiana 46204
(Address of principal executive offices) (ZIP Code)

(317) 636-1600
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class

**Name of each exchange
on which registered**

Common stock, \$0.0001 par value

New York Stock Exchange

8 $\frac{3}{4}$ % Series J Cumulative Redeemable Preferred Stock, \$0.0001 par value

New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the Registrant is a well-known seasoned issuer (as defined in Rule 405 of the Securities Act). Yes ☒ No ☐

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐
(Do not check if a smaller reporting company)

Indicate by checkmark whether the Registrant is a shell company (as defined in rule 12-b of the Act). Yes ☐ No ☒

The aggregate market value of shares of common stock held by non-affiliates of the Registrant was approximately \$23,170 million based on the closing sale price on the New York Stock Exchange for such stock on June 30, 2010.

As of January 31, 2011, Simon Property Group, Inc. had 296,958,538 and 8,000 shares of common stock and Class B common stock outstanding, respectively.

Documents Incorporated By Reference

Portions of the Registrant's Annual Report to Stockholders are incorporated by reference into Parts I, II and IV; and portions of the Registrant's Proxy Statement in connection with its 2011 Annual Meeting of Stockholders are incorporated by reference in Part III.

Simon Property Group, Inc. and Subsidiaries
Annual Report on Form 10-K
December 31, 2010
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Part I

Item 1. Business

Simon Property Group, Inc. is a Delaware corporation that operates as a self-administered and self-managed real estate investment trust, or REIT, under the Internal Revenue Code. Simon Property Group, L.P., or the Operating Partnership, is our majority-owned partnership subsidiary that owns all of our real estate properties. In this report, the terms “we”, “us” and “our” refer to Simon Property Group, Inc. and its subsidiaries.

We own, develop and manage retail real estate properties, which consist primarily of regional malls, Premium Outlets®, The Mills®, and community/lifestyle centers. As of December 31, 2010, we owned or held an interest in 338 income-producing properties in the United States, which consisted of 161 regional malls, 58 Premium Outlets, 66 community/lifestyle centers, 36 properties acquired in the 2007 acquisition of The Mills Corporation and 17 other shopping centers or outlet centers in 41 states and Puerto Rico. Of the 36 properties in The Mills portfolio, 16 of these properties are The Mills, 16 are regional malls, and four are community centers. Internationally, as of December 31, 2010, we had ownership interests in 45 European shopping centers in Italy, eight Premium Outlets in Japan, one Premium Outlet in Mexico, and one Premium Outlet in South Korea. On July 15, 2010, we and our joint venture partner sold our collective interests in Simon Ivanhoe S.à.r.l., or Simon Ivanhoe, which owned seven shopping centers located in France and Poland.

For a description of our operational strategies and developments in our business during 2010, see the “Management’s Discussion and Analysis of Financial Condition and Results of Operations” section of the 2010 Annual Report to Shareholders filed as Exhibit 13.1 to this Form 10-K.

Other Policies

The following is a discussion of our investment policies, financing policies, conflict of interest policies and policies with respect to certain other activities. One or more of these policies may be amended or rescinded from time to time without a stockholder vote.

Investment Policies

While we emphasize equity real estate investments, we may invest in equity or debt securities of other entities engaged in real estate activities or securities of other issuers. However, any of these investments would be subject to the percentage ownership limitations and gross income tests necessary for REIT qualification. These REIT limitations mean that we cannot make an investment that would cause our real estate assets to be less than 75% of our total assets. In addition, at least 75% of our gross income must be derived directly or indirectly from investments relating to real property or mortgages on real property, including “rents from real property,” dividends from other REITs and, in certain circumstances, interest from certain types of temporary investments. At least 95% of our income must be derived from such real property investments, and from dividends, interest and gains from the sale or dispositions of stock or securities or from other combinations of the foregoing.

Subject to REIT limitations, we may invest in the securities of other issuers in connection with acquisitions of indirect interests in real estate. Such an investment would normally be in the form of general or limited partnership or membership interests in special purpose partnerships and limited liability companies that own one or more properties. We may, in the future, acquire all or substantially all of the securities or assets of other REITs, management companies or similar entities where such investments would be consistent with our investment policies.

Financing Policies

We must comply with the covenants contained in our financing agreements that limit our ratio of debt to total assets or market value, as defined. For example, the Operating Partnership’s line of credit and the indentures for the Operating Partnership’s debt securities contain covenants that restrict the total amount of debt of the Operating Partnership to 65%, or 60% in relation to certain debt, of total assets, as defined under the related arrangement, and secured debt to 50% of total assets. In addition, these agreements contain other covenants requiring compliance with financial ratios. Furthermore, the amount of debt that we may incur is limited as a practical matter by our desire to maintain acceptable ratings for our equity securities and the debt securities of the Operating Partnership. We strive to maintain investment grade ratings at all times, but we cannot assure you that we will be able to do so.

If our Board of Directors determines to seek additional capital, we may raise such capital by offering equity or debt securities, creating joint ventures with existing ownership interests in properties, retaining cash flows or a combination of these methods. Our ability to retain cash flows is limited by the requirement for REITs to distribute at least 90% of their taxable income. We must also take into account taxes that would be imposed on undistributed taxable income. If the Board of Directors determines to raise additional equity capital, it may, without stockholder approval, issue additional shares of common stock or other capital stock. The Board of Directors may issue a number of shares up to the amount of our authorized capital in any manner and on such terms and for such consideration as it deems appropriate. Such securities may be senior to the outstanding classes of common stock. Such securities also may include additional classes of preferred stock, which may be convertible into common stock. Existing stockholders have no preemptive right to purchase shares in any subsequent offering of our securities. Any such offering could dilute a stockholder's investment in us.

We expect most future borrowings would be made through the Operating Partnership or its subsidiaries. We might, however, incur borrowings that would be reloaned to the Operating Partnership. Borrowings may be in the form of bank borrowings, publicly and privately placed debt instruments, or purchase money obligations to the sellers of properties. Any such indebtedness may be secured or unsecured. Any such indebtedness may also have full or limited recourse to the borrower or cross-collateralized with other debt, or may be fully or partially guaranteed by the Operating Partnership. Although we may borrow to fund the payment of dividends, we currently have no expectation that we will regularly be required to do so.

The Operating Partnership has a \$3.9 billion unsecured revolving credit facility, or the Credit Facility. The Credit Facility has an accordion feature allowing the maximum borrowing capacity to expand to \$4.0 billion. We issue debt securities through the Operating Partnership, but we may issue our debt securities which may be convertible into capital stock or be accompanied by warrants to purchase capital stock. We also may sell or securitize our lease receivables. The proceeds from any borrowings or financings may be used for one or more of the following:

- financing acquisitions;
- developing or redeveloping properties;
- refinancing existing indebtedness;
- working capital or capital improvements; or
- meeting the taxable income distribution requirements applicable to REITs, if we have taxable income without the receipt of cash sufficient to enable us to meet such distribution requirements.

We may also finance acquisitions through the following:

- issuance of shares of common stock or preferred stock;
- issuance of additional units of limited partnership interest in the Operating Partnership, or units;
- issuance of preferred units of the Operating Partnership;
- issuance of other securities; or
- sale or exchange of ownership interests in properties.

The ability of the Operating Partnership to issue units to transferors of properties or other partnership interests may permit the transferor to defer gain recognition for tax purposes. It may also be advantageous for us since there are ownership limits that restrict the number of shares of our capital stock that investors may own.

We do not have a policy limiting the number or amount of mortgages that may be placed on any particular property. Mortgage financing instruments, however, usually limit additional indebtedness on such properties. We also have covenants on our unsecured debt that limit our total secured debt.

Typically, we invest in or form special purpose entities to assist us in obtaining permanent financing at attractive terms. Permanent financing may be structured as a mortgage loan on a single property, or on a group of properties, and generally requires us to provide a mortgage interest on the property in favor of an institutional third party, as a joint venture with a third party, or as a securitized financing. For securitized financings, we create special purpose entities to own the properties. These special purpose entities, which are common in the real estate industry, are structured so that they would not be consolidated in a bankruptcy proceeding involving a parent company. We decide

upon the structure of the financing based upon the best terms then available to us and whether the proposed financing is consistent with our other business objectives. For accounting purposes, we include the outstanding securitized debt of special purpose entities owning consolidated properties as part of our consolidated indebtedness.

Conflict of Interest Policies

We maintain policies and have entered into agreements designed to reduce or eliminate potential conflicts of interest. We have adopted governance principles governing the function, conduct, selection, orientation and duties of our Board of Directors and the Company, as well as written charters for each of the standing Committees of the Board of Directors. In addition, we have a Code of Business Conduct and Ethics, which applies to all of our officers, directors, and employees. At least a majority of the members of our Board of Directors must qualify as independent under the listing standards for New York Stock Exchange companies and cannot be affiliated with the Simon family who are significant stockholders and/or unitholders in the Operating Partnership. Any transaction between us and the Simons, including property acquisitions, service and property management agreements and retail space leases, must be approved by a majority of our non-affiliated directors.

The sale by the Operating Partnership of any property that it owns may have an adverse tax impact on the Simons and/or other limited partners of the Operating Partnership. In order to avoid any conflict of interest between Simon Property and the Simons, our charter requires that at least six of our independent directors must authorize and require the Operating Partnership to sell any property it owns. Any such sale is subject to applicable agreements with third parties. Noncompetition agreements executed by each of the Simons contain covenants limiting the ability of the Simons to participate in certain shopping center activities in North America.

Policies With Respect To Certain Other Activities

We intend to make investments which are consistent with our qualification as a REIT, unless the Board of Directors determines that it is no longer in our best interests to so qualify as a REIT. The Board of Directors may make such a determination because of changing circumstances or changes in the REIT requirements. We have authority to offer shares of our capital stock or other securities in exchange for property. We also have authority to repurchase or otherwise reacquire our shares or any other securities. We may issue shares of our common stock, or cash at our option, to holders of units in future periods upon exercise of such holders' rights under the Operating Partnership agreement. Our policy prohibits us from making any loans to our directors or executive officers for any purpose. We may make loans to the joint ventures in which we participate.

Competition

The retail industry is dynamic and competitive. We compete with numerous merchandise distribution channels including regional malls, outlet centers, community/lifestyle centers, and other shopping centers in the United States and abroad. Internet retailing sites and catalogs also provide retailers with distribution options beyond existing brick and mortar retail properties. The existence of competitive alternatives could have a material adverse effect on our ability to lease space and on the level of rents we can obtain. This results in competition for both the tenants to occupy the properties that we develop and manage as well as for the acquisition of prime sites (including land for development and operating properties). We believe that there are numerous factors that make our properties highly desirable to retailers including:

- the quality, location and diversity of our properties;
- our management and operational expertise;
- our extensive experience and relationships with retailers and lenders;
- our mall marketing initiatives and consumer focused strategic corporate alliances; and

Certain Activities

During the past three years, we have:

- issued 4,688,722 shares of common stock upon the exchange of units of limited partnership interest of the Operating Partnership;

- issued 647,825 restricted shares of common stock, net of forfeitures, under The Simon Property Group 1998 Stock Incentive Plan, or the 1998 Plan;
- issued 642,639 shares of common stock upon exercise of stock options under the 1998 Plan;
- issued 11,822,365 shares of common stock upon the conversion of 14,308,348 shares of Series I 6% Convertible Perpetual Preferred Stock, or Series I preferred stock;
- redeemed 219,879 shares of Series I preferred stock;
- issued 11,876,076 shares of common stock as part of quarterly dividends in 2009 to common stockholders;
- issued 23,000,000 shares of common stock in a public offering at a public offering price of \$50.00 per share;
- issued 17,250,000 shares of common stock in a public offering at a public offering price of \$31.50 per share;
- issued 523,291 shares of Series I preferred stock upon the exchange of Series I 6% Convertible Perpetual Preferred Units, or Series I preferred units;
- issued 4,000 shares of common stock upon conversion and retirement of all 4,000 shares of Class C common stock;
- entered into our Credit Facility on December 8, 2009 which has a borrowing capacity of \$3.9 billion and contains an accordion feature allowing the maximum borrowing capacity to expand to \$4.0 billion;
- borrowed a maximum amount of \$862.2 million under the Credit Facility; the outstanding amount of borrowings under this facility as of December 31, 2010 was \$858.6 million, of which \$273.6 million was related to the U.S. dollar equivalent of Yen-denominated borrowings;
- provided annual reports containing financial statements audited by our independent registered public accounting firm and quarterly reports containing unaudited financial statements to our security holders;
- not made loans to other entities or persons, including our officers and directors, other than to certain joint venture properties;
- not invested in the securities of other issuers for the purpose of exercising control, other than the Operating Partnership, certain wholly-owned subsidiaries and to acquire indirect interests in real estate;
- not underwritten securities of other issuers; and
- not engaged in the purchase and sale or turnover of investments for the purpose of trading.

Employees

At December 31, 2010, we and our affiliates employed approximately 5,900 persons at various properties and offices throughout the United States, of which approximately 2,400 were part-time. Approximately 1,000 of these employees were located at our corporate headquarters in Indianapolis, Indiana and 100 were located at our Premium Outlets offices in Roseland, New Jersey.

Corporate Headquarters

Our corporate headquarters are located at 225 West Washington Street, Indianapolis, Indiana 46204, and our telephone number is (317) 636-1600.

Available Information

We are a large accelerated filer (as defined in Rule 12b-2 of the Securities Exchange Act of 1934, as amended, or Exchange Act) and are required, pursuant to Item 101 of Regulation S-K, to provide certain information regarding our website and the availability of certain documents filed with or furnished to the Securities and Exchange Commission, or SEC. Our Internet website address is www.simon.com. Our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act are available or may be accessed free of charge through the “About Simon/ Investor Relations/Financial Information” section of our Internet website as soon as reasonably practicable after we

electronically file such material with, or furnish it to, the SEC. Our Internet website and the information contained therein or connected thereto are not intended to be incorporated into this Annual Report on Form 10-K.

The following corporate governance documents are also available through the “About Simon/Investor Relations/Corporate Governance” section of our Internet website or may be obtained in print form by request of our Investor Relations Department: Governance Principles, Code of Business Conduct and Ethics, Audit Committee Charter, Compensation Committee Charter, Governance and Nominating Committee Charter, and Executive Committee Charter.

In addition, we intend to disclose on our Internet website any amendments to, or waivers from, our Code of Business Conduct and Ethics that are required to be publicly disclosed pursuant to rules of the SEC and the New York Stock Exchange, or NYSE.

Executive Officers of the Registrant

The following table sets forth certain information with respect to our executive officers as of December 31, 2010.

<u>Name</u>	<u>Age</u>	<u>Position</u>
David Simon	49	Chairman and Chief Executive Officer
Richard S. Sokolov	61	President and Chief Operating Officer
Gary L. Lewis	52	Senior Executive Vice President and President of Leasing
Stephen E. Sterrett	55	Executive Vice President and Chief Financial Officer
		Executive Vice President and President — Simon Management
John Rulli	54	Group
James M. Barkley	59	General Counsel; Secretary
Andrew A. Juster	58	Executive Vice President and Treasurer
Steven K. Broadwater	44	Senior Vice President and Chief Accounting Officer

The executive officers of Simon Property serve at the pleasure of the Board of Directors. For biographical information of David Simon, Richard S. Sokolov, Stephen E. Sterrett, James M. Barkley and John Rulli, see Item 10 of this report.

Mr. Lewis is the Senior Executive Vice President and President of Leasing of Simon Property. Mr. Lewis joined Melvin Simon & Associates, Inc., or MSA, in 1986 and held various positions with MSA and Simon Property prior to becoming Senior Executive Vice President and President of Leasing. In 2002 he was appointed to Executive Vice President—Leasing and in 2007 he became Senior Executive Vice President and President of Leasing.

Mr. Juster serves as Simon Property’s Executive Vice President and Treasurer. He joined MSA in 1989 and held various financial positions with MSA until 1993 and thereafter has held various positions with Simon Property. Mr. Juster became Treasurer in 2001 and was promoted to Executive Vice President in 2008.

Mr. Broadwater serves as Simon Property’s Senior Vice President and Chief Accounting Officer and prior to that as Vice President and Corporate Controller. Mr. Broadwater joined Simon Property in 2004 and was promoted to Senior Vice President and Chief Accounting Officer in 2009.

Item 1A. Risk Factors

The following factors, among others, could cause our actual results to differ materially from those contained in forward-looking statements made in this Annual Report on Form 10-K and presented elsewhere by our management from time to time. These factors, among others, may have a material adverse effect on our business, financial condition, operating results and cash flows, and you should carefully consider them. It is not possible to predict or identify all such factors. You should not consider this list to be a complete statement of all potential risks or uncertainties and we may update them in our future periodic reports.

Risks Relating to Debt and the Financial Markets

We have a substantial debt burden that could affect our future operations.

As of December 31, 2010, our consolidated mortgages and other indebtedness, excluding the related premium and discount, totaled \$17.5 billion. We are subject to the risks normally associated with debt financing, including the risk that our cash flow from operations will be insufficient to meet required debt service. Our debt service costs generally will not be reduced if developments at the property, such as the entry of new competitors or the loss of major tenants, cause a reduction in the income from the property. Should such events occur, our operations may be adversely affected. If a property is mortgaged to secure payment of indebtedness and income from this is insufficient to pay that indebtedness, the property could be foreclosed upon by the mortgagee resulting in a loss of income and a decline in our total asset value.

Disruption in the credit markets or downgrades in our credit ratings may adversely affect our ability to access external financings for our growth and ongoing debt service requirements.

We depend primarily on external financings, principally debt financings, to fund the growth of our business and to ensure that we can meet ongoing maturities of our outstanding debt. Our access to financing depends on our credit rating, the willingness of banks to lend to us and conditions in the capital markets. We cannot assure you that we will be able to obtain the financing we need for future growth or to meet our debt service as obligations mature, or that the financing available to us will be on acceptable terms.

Adverse changes in our credit rating could affect our borrowing capacity and borrowing terms.

Our outstanding senior unsecured notes and preferred stock are periodically rated by nationally recognized credit rating agencies. The credit ratings are based on our operating performance, liquidity and leverage ratios, overall financial position, and other factors viewed by the credit rating agencies as relevant to our industry and the economic outlook in general. Our credit rating can affect the amount of capital we can access, as well as the terms of any financing we obtain. Since we depend primarily on debt financing to fund our growth, adverse changes in our credit rating could have a negative effect on our future growth.

Our hedging interest rate protection arrangements may not effectively limit our interest rate risk.

We manage our exposure to interest rate risk by a combination of interest rate protection agreements to effectively fix or cap a portion of our variable rate debt. In addition, we refinance fixed rate debt at times when we believe rates and terms are appropriate. Our efforts to manage these exposures may not be successful.

Our use of interest rate hedging arrangements to manage risk associated with interest rate volatility may expose us to additional risks, including a risk that a counterparty to a hedging arrangement may fail to honor its obligations. Developing an effective interest rate risk strategy is complex and no strategy can completely insulate us from risks associated with interest rate fluctuations. There can be no assurance that our hedging activities will have the desired beneficial impact on our results of operations or financial condition. Termination of these hedging agreements typically involves costs, such as transaction fees or breakage costs.

Factors Affecting Real Estate Investments and Operations

We face risks associated with the acquisition, development and expansion of properties.

We regularly acquire and develop new properties and expand and redevelop existing properties, and these activities are subject to various risks. We may not be successful in pursuing acquisition, development or redevelopment/expansion opportunities. In addition, newly acquired, developed or redeveloped/expanded properties may not perform

as well as expected. We are subject to other risks in connection with any acquisition, development and redevelopment/expansion activities, including the following:

- construction costs of a project may be higher than projected, potentially making the project unfeasible or unprofitable;
- we may not be able to obtain financing or to refinance construction loans on favorable terms, if at all;
- we may be unable to obtain zoning, occupancy or other governmental approvals;
- occupancy rates and rents may not meet our projections and the project may not be profitable; and
- we may need the consent of third parties such as anchor tenants, mortgage lenders and joint venture partners, and those consents may be withheld.

If a development or redevelopment/expansion project is unsuccessful, either because it is not meeting our expectations when operational or was not completed according to the project planning, we could lose our investment in the project. Further, if we guarantee the property's financing, our loss could exceed our investment in the project.

Real estate investments are relatively illiquid.

Our properties represent a substantial portion of our total consolidated assets. These investments are relatively illiquid. As a result, our ability to sell one or more of our properties or investments in real estate in response to any changes in economic or other conditions is limited. If we want to sell a property, we cannot assure you that we will be able to dispose of it in the desired time period or that the sales price of a property will exceed the cost of our investment.

Environmental Risks

As owners of real estate, we can face liabilities for environmental contamination.

Federal, state and local laws and regulations relating to the protection of the environment may require us, as a current or previous owner or operator of real property, to investigate and clean up hazardous or toxic substances or petroleum product releases at a property or at impacted neighboring properties. These laws often impose liability regardless of whether the property owner or operator knew of, or was responsible for, the presence of hazardous or toxic substances. These laws and regulations may require the abatement or removal of asbestos containing materials in the event of damage, demolition or renovation, reconstruction or expansion of a property and also govern emissions of and exposure to asbestos fibers in the air. Those laws and regulations also govern the installation, maintenance and removal of underground storage tanks used to store waste oils or other petroleum products. Many of our properties contain, or at one time contained, asbestos containing materials or underground storage tanks (primarily related to auto service center establishments or emergency electrical generation equipment). The costs of investigation, removal or remediation of hazardous or toxic substances may be substantial and could adversely affect our results of operations or financial condition but is not estimable. The presence of contamination, or the failure to remediate contamination, may also adversely affect our ability to sell, lease or redevelop a property or to borrow using a property as collateral.

Our efforts to identify environmental liabilities may not be successful.

Although we believe that our portfolio is in substantial compliance with Federal, state and local environmental laws, ordinances and regulations regarding hazardous or toxic substances, this belief is based on limited testing. Nearly all of our properties have been subjected to Phase I or similar environmental audits. These environmental audits have not revealed, nor are we aware of, any environmental liability that we believe will have a material adverse effect on our results of operations or financial condition. However, we cannot assure you that:

- existing environmental studies with respect to the portfolio reveal all potential environmental liabilities;
- any previous owner, occupant or tenant of a property did not create any material environmental condition not known to us;
- the current environmental condition of the portfolio will not be affected by tenants and occupants, by the condition of nearby properties, or by other unrelated third parties; or

- future uses or conditions (including, without limitation, changes in applicable environmental laws and regulations or the interpretation thereof) will not result in environmental liabilities.

Retail Operations Risks

Overall economic conditions may adversely affect the general retail environment.

Our concentration in the retail real estate market means that we are subject to the risks that affect the retail environment generally, including the levels of consumer spending, seasonality, the willingness of retailers to lease space in our shopping centers, tenant bankruptcies, changes in economic conditions, consumer confidence, casualties and other natural disasters, and the potential for terrorist activities. The economy and consumer spending appear to be recovering from the effects of the recent recession. We derive our cash flow from operations primarily from retail tenants, many of whom have been and continue to be under some degree of economic stress. A significant deterioration in our cash flow from operations could require us to curtail planned capital expenditures or seek alternative sources of financing.

We may not be able to lease newly developed properties and renew leases and relet space at existing properties.

We may not be able to lease new properties to an appropriate mix of tenants or for rents that are consistent with our projections. Also, when leases for our existing properties expire, the premises may not be relet or the terms of reletting, including the cost of allowances and concessions to tenants, may be less favorable than the current lease terms. To the extent that our leasing plans are not achieved, our cash generated before debt repayments and capital expenditures could be adversely affected.

Some of our properties depend on anchor stores or major tenants to attract shoppers and could be adversely affected by the loss of or a store closure by one or more of these tenants.

Regional malls are typically anchored by department stores and other large nationally recognized tenants. The value of some of our properties could be adversely affected if these tenants fail to comply with their contractual obligations, seek concessions in order to continue operations, or cease their operations. Department store and larger store, also referred to as “big box”, consolidations typically result in the closure of existing stores or duplicate or geographically overlapping store locations. We do not control the disposition of those department stores or larger stores that we do not own. We also may not control the vacant space that is not re-leased in those stores we do own. Other tenants may be entitled to modify the terms of their existing leases in the event of such closures. The modification could be unfavorable to us as the lessor and could decrease rents or expense recovery charges. Additionally, major tenant closures may result in decreased customer traffic which could lead to decreased sales at other stores. If the sales of stores operating in our properties were to decline significantly due to closing of anchors, economic conditions, or other reasons, tenants may be unable to pay their minimum rents or expense recovery charges. In the event of default by a tenant or anchor store, we may experience delays and costs in enforcing our rights as landlord to recover amounts due to us under the terms of our agreements with those parties.

We face potential adverse effects from tenant bankruptcies.

Bankruptcy filings by retailers occur regularly in the course of our operations. We continually seek to re-lease vacant spaces resulting from tenant terminations. The bankruptcy of a tenant, particularly an anchor tenant, may make it more difficult to lease the remainder of the affected properties. Future tenant bankruptcies could adversely affect our properties or impact our ability to successfully execute our re-leasing strategy.

Risks Relating to Joint Venture Properties

We have limited control with respect to some properties that are partially owned or managed by third parties, which may adversely affect our ability to sell or refinance them.

As of December 31, 2010, we owned interests in 175 income-producing properties with other parties. Of those, 19 properties are included in our consolidated financial statements. We account for the other 156 properties under the equity method of accounting, which we refer to as joint venture properties. We serve as general partner or property manager for 92 of these 156 properties; however, certain major decisions, such as selling or refinancing these properties, require the consent of the other owners. Of the properties for which we do not serve as general partner or property manager, 55 are in our international joint ventures. The other owners also have other participating rights that

we consider substantive for purposes of determining control over the properties' assets. The remaining joint venture properties are managed by third parties. These limitations may adversely affect our ability to sell, refinance, or otherwise operate these properties.

The Operating Partnership guarantees debt or otherwise provides support for a number of joint venture properties.

Joint venture debt is the liability of the joint venture and is typically secured by a mortgage on the joint venture property. As of December 31, 2010, the Operating Partnership has loan guarantees to support \$60.7 million of our total \$6.6 billion share of joint venture mortgage and other indebtedness. A default by a joint venture under its debt obligations may expose us to liability under a guaranty or letter of credit.

Other Factors Affecting Our Business

Our Common Area Maintenance (CAM) contributions may not allow us to recover the majority of our operating expenses from tenants.

CAM costs typically include allocable energy costs, repairs, maintenance and capital improvements to common areas, janitorial services, administrative, property and liability insurance costs, and security costs. We historically have used leases with variable CAM provisions that adjust to reflect inflationary increases. We have made a concerted effort to convert our leases to a fixed payment methodology which fixes our tenants' CAM contributions and should in turn reduce the volatility of and limitations on the recoveries we collect from our tenants for the reimbursement of our property operating expenses. However, with respect to both variable and fixed payment methodologies, the amount of CAM charges we bill to our tenants may not allow us to recover all of these operating costs.

We face a wide range of competition that could affect our ability to operate profitably.

Our properties compete with other retail properties and other forms of retailing such as catalogs and e-commerce websites. Competition may come from regional malls, outlet centers, community/lifestyle centers, and other shopping centers, both existing as well as future development projects. The presence of competitive alternatives affects our ability to lease space and the level of rents we can obtain. New construction, renovations and expansions at competing sites could also negatively affect our properties.

We also compete with other retail property developers to acquire prime development sites. In addition, we compete with other retail property companies for tenants and qualified management.

Our international expansion may subject us to different or greater risk from those associated with our domestic operations.

We hold interests in joint venture properties that operate in Italy, Japan, Korea, and Mexico, and an interest in a joint venture property under development in Malaysia. We have a minority investment in two U.K. real estate companies. We may pursue additional expansion opportunities outside the United States. International development and ownership activities carry risks that are different from those we face with our domestic properties and operations. These risks include:

- adverse effects of changes in exchange rates for foreign currencies;
- changes in foreign political and economic environments, regionally, nationally, and locally;
- challenges of complying with a wide variety of foreign laws including corporate governance, operations, taxes, and litigation;
- differing lending practices;
- differences in cultures;
- changes in applicable laws and regulations in the United States that affect foreign operations;
- difficulties in managing international operations; and
- obstacles to the repatriation of earnings and cash.

Although our international activities currently are a relatively small portion of our business (international properties represented approximately 5.0% of the GLA of all of our properties at December 31, 2010), to the extent

that we expand our international activities, these risks could increase in significance which in turn could adversely affect our results of operations and financial condition.

Some of our potential losses may not be covered by insurance.

We maintain insurance coverage with third party carriers who provide a portion of the coverage for specific layers of potential losses including commercial general liability, fire, flood, extended coverage and rental loss insurance on all of our properties in the United States. The initial portion of coverage not provided by third party carriers is either insured through our wholly-owned captive insurance companies, Rosewood Indemnity, Ltd. and Bridgewood Insurance Company, Ltd., and other financial arrangements controlled by us. The third party carrier has, in turn, agreed to provide evidence of coverage for this layer of losses under the terms and conditions of the carrier's policy. A similar policy written through our captive insurance entities also provides initial coverage for property insurance and certain windstorm risks at the properties located in coastal windstorm locations.

There are some types of losses, including lease and other contract claims, which generally are not insured. If an uninsured loss or a loss in excess of insured limits occurs, we could lose all or a portion of the capital we have invested in a property, as well as the anticipated future revenue it could generate.

We currently maintain insurance coverage against acts of terrorism on all of our properties in the United States on an "all risk" basis in the amount of up to \$1 billion. The current federal laws which provide this coverage are expected to operate through 2014. Despite the existence of this insurance coverage, any threatened or actual terrorist attacks where we operate could adversely affect our property values, revenues, consumer traffic and tenant sales.

Risks Relating to Federal Income Taxes

We have elected to be taxed as a REIT.

We have elected to be taxed as a REIT under Sections 856 through 860 of the Internal Revenue Code of 1986, as amended, or the Internal Revenue Code. We believe we have been organized and operated in a manner which allows us to qualify for taxation as a REIT under the Internal Revenue Code. We intend to continue to operate in this manner. However, our qualification and taxation as a REIT depend upon our ability to meet, through actual annual operating results, asset diversification, distribution levels and diversity of stock ownership, the various qualification tests imposed under the Internal Revenue Code. REIT qualification is governed by highly technical and complex provisions for which there are only limited judicial or administrative interpretations. Accordingly, there is no assurance that we have operated or will continue to operate in a manner so as to qualify or remain qualified as a REIT.

If we fail to comply with those provisions, we may be subject to monetary penalties or ultimately to possible disqualification as a REIT. If such events occurs, and if available relief provisions do not apply:

- we will not be allowed a deduction for distributions to stockholders in computing our taxable income;
- we will be subject to corporate level income tax, including any applicable alternative minimum tax, on our taxable income at regular corporate rates; and
- unless entitled to relief under relevant statutory provisions, we will also be disqualified from treatment as a REIT for the four taxable years following the year during which qualification was lost.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

United States Properties

Our U.S. properties primarily consist of regional malls, Premium Outlets, The Mills, community/lifestyle centers, and other properties. These properties contain an aggregate of approximately 250.5 million square feet of gross leasable area, or GLA, of which we own approximately 159.5 million square feet. Total estimated retail sales at the properties in 2010 were approximately \$62 billion.

Regional malls typically contain at least one traditional department store anchor or a combination of anchors and big box retailers with a wide variety of smaller stores connecting the anchors. Additional stores are usually located along the perimeter of the parking area. Our 161 regional malls are generally enclosed centers and range in size from approximately 400,000 to 2.4 million square feet of GLA. Our regional malls contain in the aggregate more than 18,300 occupied stores, including approximately 709 anchors, which are mostly national retailers. For comparative purposes, we separate the information in this section on the 16 regional malls acquired from The Mills Corporation in 2007, or the Mills Regional Malls, from the information on our other regional malls.

Premium Outlets generally contain a wide variety of designer and manufacturer stores located in open-air centers. Our 58 Premium Outlets range in size from approximately 150,000 to 850,000 square feet of GLA. The Premium Outlets are generally located near major metropolitan areas and tourist destinations including New York City, Los Angeles, Boston, Palm Springs, Orlando, Las Vegas, and Honolulu.

The Mills generally range in size from 1.0 million to 2.3 million square feet of GLA and are located in major metropolitan areas. They have a combination of traditional mall, outlet center, and big box retailers and entertainment uses. The Mills Regional Malls typically range in size from 800,000 to 1.3 million square feet of GLA and contain a wide variety of national retailers.

Community/lifestyle centers are generally unenclosed and smaller than our regional malls. Our 66 community/lifestyle centers generally range in size from approximately 100,000 to 950,000 square feet of GLA. Community/lifestyle centers are designed to serve a larger trade area and typically contain anchor stores and other national retail tenants, which occupy a significant portion of the GLA of the center. We also own traditional community shopping centers that focus primarily on value-oriented and convenience goods and services. These centers are usually anchored by a supermarket, discount retailer, or drugstore and are designed to service a neighborhood area. Finally, we own open-air centers adjacent to our regional malls designed to take advantage of the drawing power of the mall.

We also have interests in 17 other shopping centers or outlet centers. These properties range in size from approximately 85,000 to 1.0 million square feet of GLA, are considered non-core to our business model, and in total represent less than 1% of our total operating income before depreciation and amortization.

As of December 31, 2010, approximately 94.2% of the owned GLA in regional malls and Premium Outlets and the retail space of the other properties was leased, approximately 93.7% of the owned GLA for The Mills and 90.4% of owned GLA for the Mills Regional Malls was leased, and approximately 91.6% of owned GLA in the community/lifestyle centers was leased.

We hold a 100% interest in 218 of our properties, effectively control 19 properties in which we have a joint venture interest, and hold the remaining 101 properties through unconsolidated joint venture interests. We are the managing or co-managing general partner or member of 329 properties. Substantially all of our joint venture properties are subject to rights of first refusal, buy-sell provisions, or other sale rights for all partners which are customary in real estate partnership agreements and the industry. Our partners in our joint ventures may initiate these provisions (subject to any applicable lock up or similar restrictions) which will result in either the use of available cash or borrowings to acquire their partnership interest or the disposal of our partnership interest.

The following property table summarizes certain data for our regional malls and Premium Outlets, The Mills, the Mills Regional Malls and community/lifestyle centers located in the United States, including Puerto Rico, as of December 31, 2010.

Simon Property Group, Inc. and Subsidiaries

Property Table

U.S. Properties

Property Name	State	City (CBSA)	Ownership Interest (Expiration if Lease)(3)	Legal Ownership	Year Built or Acquired	Occupancy(5)	Total GLA	Retail Anchors and Selected Major Tenants
Regional Malls								
1. Anderson Mall	SC	Anderson	Fee	100.0%	Built 1972	83.0%	672,013	Belk, JCPenney, Sears, Dillard's, Books-A-Million
2. Apple Blossom Mall	VA	Winchester	Fee	49.1%(4)	Acquired 1999	89.8%	439,922	Belk, JCPenney, Sears, Eastwynn Theatres
3. Arsenal Mall	MA	Watertown (Boston)	Fee	100.0%	Acquired 1999	95.4%	440,124	Marshalls, Filene's Basement
4. Atrium Mall	MA	Chestnut Hill (Boston)	Fee	49.1%(4)	Acquired 1999	95.0%	205,369	Borders Books & Music(16)
5. Auburn Mall	MA	Auburn	Fee	49.1%(4)	Acquired 1999	99.4%	588,270	Macy's, Macy's Home Store, Sears
6. Aventura Mall(1)	FL	Miami Beach (Miami)	Fee	33.3%(4)	Built 1983	96.0%	2,099,260	Bloomingdale's, Macy's, Macy's Mens & Home Furniture, JCPenney, Sears, Nordstrom, Equinox Fitness Clubs, AMC Theatre
7. Avenues, The	FL	Jacksonville	Fee	25.0%(4)(2)	Built 1990	94.0%	1,116,923	Belk, Dillard's, JCPenney, Sears, Forever 21
8. Bangor Mall	ME	Bangor	Fee	67.4%(15)	Acquired 2003	91.6%	652,740	Macy's, JCPenney, Sears, Dick's Sporting Goods
9. Barton Creek Square	TX	Austin	Fee	100.0%	Built 1981	98.0%	1,429,650	Nordstrom, Macy's, Dillard's Women's & Home, Dillard's Men's & Children's, JCPenney, Sears, AMC Theatre
10. Battlefield Mall	MO	Springfield	Fee and Ground Lease (2056)	100.0%	Built 1970	95.1%	1,199,901	Macy's, Dillard's Women's, Dillard's Men's, Children's & Home, JCPenney, Sears, MC Sports
11. Bay Park Square	WI	Green Bay	Fee	100.0%	Built 1980	93.0%	710,952	Younkers, Younkers Home Furniture Gallery, Kohl's, ShopKo, Marcus Cinema 16
12. Bowie Town Center	MD	Bowie (Washington, D.C.)	Fee	100.0%	Built 2001	97.9%	684,341	Macy's, Sears, Barnes & Noble, Bed Bath & Beyond, Best Buy, Safeway
13. Boynton Beach Mall	FL	Boynton Beach (Miami)	Fee	100.0%	Built 1985	84.7%	1,101,829	Macy's, Dillard's Men's & Home, Dillard's Women, JCPenney, Sears, Cinemark Theatres
14. Brea Mall	CA	Brea (Los Angeles)	Fee	100.0%	Acquired 1998	96.8%	1,320,204	Nordstrom, Macy's, JCPenney, Sears, Macy's Men's Children & Home.
15. Broadway Square	TX	Tyler	Fee	100.0%	Acquired 1994	98.5%	627,793	Dillard's, JCPenney, Sears
16. Brunswick Square	NJ	East Brunswick (New York)	Fee	100.0%	Built 1973	95.8%	765,293	Macy's, JCPenney, Barnes & Noble, Mega Movies
17. Burlington Mall	MA	Burlington (Boston)	Ground Lease (2048)	100.0%	Acquired 1998	96.6%	1,317,061	Macy's, Lord & Taylor, Sears, Nordstrom, Crate & Barrel
18. Cape Cod Mall	MA	Hyannis	Ground Leases (2029-2073)(7)	49.1%(4)	Acquired 1999	94.5%	721,618	Macy's, Macy's Men's and Home, Sears, Best Buy, Marshalls, Barnes & Noble, Regal Cinema
19. Castleton Square	IN	Indianapolis	Fee	100.0%	Built 1972	94.3%	1,381,848	Macy's, Von Maur, JCPenney, Sears, Dick's Sporting Goods, Borders Books & Music, AMC Theatres
20. Century III Mall	PA	West Mifflin (Pittsburgh)	Fee	100.0%	Built 1979	76.1%	1,193,247(17)	Macy's, JCPenney, Sears, Dick's Sporting Goods, Macy's Jr.,(8)
21. Charlottesville Fashion Square	VA	Charlottesville	Ground Lease (2076)	100.0%	Acquired 1997	94.3%	576,874	Belk, JCPenney, Sears
22. Chautauqua Mall	NY	Lakewood	Fee	100.0%	Built 1971	82.3%	423,337	Sears, JCPenney, Bon Ton, Office Max, Dipson Cinema
23. Chesapeake Square	VA	Chesapeake (Virginia Beach)	Fee and Ground Lease (2062)	75.0%(12)	Built 1989	86.5%	717,282	Macy's, JCPenney, Sears, Target, Burlington Coat Factory, Cinemark, (11)

Simon Property Group, Inc. and Subsidiaries

Property Table

U.S. Properties

Property Name	State	City (CBSA)	Ownership Interest (Expiration if Lease)(3)	Legal Ownership	Year Built or Acquired	Occupancy(5)	Total GLA	Retail Anchors and Selected Major Tenants
24. Cielo Vista Mall	TX	El Paso	Fee and Ground Lease (2022)(7)	100.0%	Built 1974	98.0%	1,243,176	Macy's, Dillard's Women's, Dillard's Men's, Children's & Home, JCPenney, Sears, Cinemark Theatres
25. Circle Centre	IN	Indianapolis	Property Lease (2097)	14.7%(4)(2)	Built 1995	96.7%	739,273(17)	Nordstrom, Carson Pirie Scott, United Artists Theatre
26. Coconut Point	FL	Estero	Fee	50.0%(4)	Built 2006	96.2%	1,199,867	Dillard's, Barnes & Noble, Bed Bath & Beyond, Best Buy, DSW, Office Max, PetsMart, Ross Dress for Less, Cost Plus World Market, T.J. Maxx, Hollywood Theatres, Super Target
27. Coddington Mall	CA	Santa Rosa	Fee	50.0%(4)	Acquired 2005	86.2%	841,718	Macy's, JCPenney, Whole Foods,(8)
28. College Mall	IN	Bloomington	Fee and Ground Lease (2048)(7)	100.0%	Built 1965	86.2%	636,096	Macy's, Sears, Target, Dick's Sporting Goods, Bed Bath & Beyond
29. Columbia Center	WA	Kennewick	Fee	100.0%	Acquired 1987	92.6%	768,431	Macy's, Macy's Mens & Children, JCPenney, Sears, Barnes & Noble, Regal Cinema
30. Copley Place	MA	Boston	Fee	98.1%	Acquired 2002	95.6%	1,241,929(17)	Neiman Marcus, Barneys New York
31. Coral Square	FL	Coral Springs (Miami)	Fee	97.2%	Built 1984	95.9%	941,339	Macy's Mens, Children & Home, Macy's Women, JCPenney, Sears, Kohls(6)
32. Cordova Mall	FL	Pensacola	Fee	100.0%	Acquired 1998	98.3%	857,058	Dillard's Men's, Dillard's Women's, Belk, Best Buy, Bed Bath & Beyond, Cost Plus World Market, Ross Dress for Less
33. Cottonwood Mall	NM	Albuquerque	Fee	100.0%	Built 1996	96.5%	1,040,981	Macy's, Dillard's, JCPenney, Sears, Regal Cinemas,(11)
34. Crystal Mall	CT	Waterford	Fee	74.6%(4)	Acquired 1998	89.2%	783,352	Macy's, JC Penney, Sears, Bed Bath & Beyond, Christmas Tree Shops
35. Crystal River Mall	FL	Crystal River	Fee	100.0%	Built 1990	77.2%	420,109	JCPenney, Sears, Belk, Kmart, Regal Cinema
36. Dadeland Mall	FL	Miami	Fee	50.0%(4)	Acquired 1997	100.0%	1,487,989	Saks Fifth Avenue, Nordstrom, Macy's, Macy's Children & Home, JCPenney
37. DeSoto Square	FL	Bradenton	Fee	100.0%	Built 1973	78.2%	678,219	Macy's, JCPenney, Sears,(8)
38. Domain, The	TX	Austin	Fee	100.0%	Built 2006	92.8%	1,178,182(17)	Neiman Marcus, Macy's, Borders Books & Music, Dick's Sporting Goods, IPIC Gold Class Cinemas, Dillard's
39. Eastland Mall	IN	Evansville	Fee	50.0%(4)	Acquired 1998	95.6%	865,310	Macy's, JCPenney, Dillard's
40. Edison Mall	FL	Fort Myers	Fee	100.0%	Acquired 1997	96.8%	1,051,308	Dillard's, Macy's Mens, Children & Home, Macy's Women, JCPenney, Sears
41. Emerald Square	MA	North Attleboro (Providence—RI)	Fee	49.1%(4)	Acquired 1999	89.9%	1,022,647	Macy's, Macy's Mens & Home Store, JCPenney, Sears
42. Empire Mall(1)	SD	Sioux Falls	Fee and Ground Lease (2033)(7)	50.0%(4)	Acquired 1998	94.5%	1,071,357	Macy's, Younkers, JCPenney, Sears, Gordmans, Hy-Vee
43. Fashion Centre at Pentagon City, The	VA	Arlington (Washington, DC)	Fee	42.5%(4)	Built 1989	99.3%	990,331(17)	Nordstrom, Macy's
44. Fashion Mall at Keystone, The	IN	Indianapolis	Ground Lease (2067)	100.0%	Acquired 1997	92.8%	681,580	Saks Fifth Avenue, Crate & Barrel, Nordstrom, Keystone Art Cinema

Simon Property Group, Inc. and Subsidiaries

Property Table

U.S. Properties

Property Name	State	City (CBSA)	Ownership Interest (Expiration if Lease)(3)	Legal Ownership	Year Built or Acquired	Occupancy(5)	Total GLA	Retail Anchors and Selected Major Tenants
45. Fashion Valley	CA	San Diego	Fee	50.0%(4)	Acquired 2001	99.0%	1,726,083	Forever 21(6), Neiman-Marcus, Bloomingdale's, Nordstrom, Macy's, JCPenney, AMC Theatres
46. Firewheel Town Center	TX	Garland (Dallas)	Fee	100.0%	Built 2005	81.0%	1,004,346(17)	Dillard's, Macy's, Barnes & Noble, DSW, Cost Plus World Market, AMC Theatres, Dick's Sporting Goods, Ethan Allen,(8)
47. Florida Mall, The	FL	Orlando	Fee	50.0%(4)	Built 1986	96.4%	1,776,679	Saks Fifth Avenue, Nordstrom, Macy's, Dillard's, JCPenney, Sears, H&M, Forever 21
48. Forest Mall	WI	Fond Du Lac	Fee	100.0%	Built 1973	92.7%	500,174	JCPenney, Kohl's, Younkers, Sears, Cinema I & II
49. Forum Shops at Caesars, The	NV	Las Vegas	Ground Lease (2050)	100.0%	Built 1992	98.5%	649,546	
50. Galleria, The	TX	Houston	Fee	50.4%(4)	Acquired 2002	94.0%	2,220,961	Saks Fifth Avenue, Neiman Marcus, Nordstrom, Macy's (2 locations), Borders Books & Music, Galleria Tennis/Athletic Club
51. Granite Run Mall	PA	Media (Philadelphia)	Fee	50.0%(4)	Acquired 1998	83.4%	1,032,545	JCPenney, Sears, Boscov's, Granite Run 8 Theatres, Acme, Kohl's
52. Great Lakes Mall	OH	Mentor (Cleveland)	Fee	100.0%	Built 1961	87.2%	1,237,297	Dillard's Men's, Dillard's Women's, Macy's, JCPenney, Sears, AMC Theatres, Barnes & Noble
53. Greendale Mall	MA	Worcester (Boston)	Fee and Ground Lease (2019)(7)	49.1%(4)	Acquired 1999	92.4%	429,827(17)	T.J. Maxx 'N More, Best Buy, DSW, Big Lots
54. Greenwood Park Mall	IN	Greenwood (Indianapolis)	Fee	100.0%	Acquired 1979	97.8%	1,280,035	Macy's, Von Maur, JCPenney, Sears, Dick's Sporting Goods, Barnes & Noble, AMC Theatres
55. Gulf View Square	FL	Port Richey (Tampa)	Fee	100.0%	Built 1980	82.4%	753,514	Macy's, Dillard's, JCPenney, Sears, Best Buy, TJ Maxx
56. Gwinnett Place	GA	Duluth (Atlanta)	Fee	75.0%	Acquired 1998	81.4%	1,279,491(17)	Belk, JCPenney, Macy's, Sears, Mega Mart
57. Haywood Mall	SC	Greenville	Fee and Ground Lease (2017)(7)	100.0%	Acquired 1998	97.9%	1,230,853	Macy's, Dillard's, JCPenney, Sears, Belk
58. Independence Center	MO	Independence (Kansas City)	Fee	100.0%	Acquired 1994	97.2%	867,169	Dillard's, Macy's, Sears
59. Indian River Mall	FL	Vero Beach	Fee	50.0%(4)	Built 1996	82.1%	736,658	Dillard's, Macy's, JCPenney, Sears, AMC Theatres
60. Ingram Park Mall	TX	San Antonio	Fee	100.0%	Built 1979	93.4%	1,125,713	Dillard's, Dillard's Home Store, Macy's, JCPenney, Sears, Bealls
61. Irving Mall	TX	Irving (Dallas)	Fee	100.0%	Built 1971	84.1%	1,053,116	Macy's, Dillard's Clearance Center, Sears, Burlington Coat Factory, La Vida Fashion and Home Décor, AMC Theatres,(8)
62. Jefferson Valley Mall	NY	Yorktown Heights (New York)	Fee	100.0%	Built 1983	93.9%	579,766	Macy's, Sears, H&M, Movies at Jefferson Valley
63. King of Prussia Mall	PA	King of Prussia (Philadelphia)	Fee	12.4%(4)(15)	Acquired 2003	93.0%	2,401,523(17)	Neiman Marcus, Bloomingdale's (Court), Nordstrom, Lord & Taylor, Macy's (Court), JCPenney, Sears, Crate & Barrel
64. Knoxville Center	TN	Knoxville	Fee	100.0%	Built 1984	79.6%	977,956(17)	JCPenney, Belk, Sears, The Rush Fitness Center, Regal Cinema,(11)
65. La Plaza Mall	TX	McAllen	Fee and Ground Lease (2040)(7)	100.0%	Built 1976	98.6%	1,200,684	Macy's, Macy's Home Store, Dillard's, JCPenney, Sears, Joe Brand

Simon Property Group, Inc. and Subsidiaries

Property Table

U.S. Properties

Property Name	State	City (CBSA)	Ownership Interest (Expiration if Lease)(3)	Legal Ownership	Year Built or Acquired	Occupancy(5)	Total GLA	Retail Anchors and Selected Major Tenants
66. Laguna Hills Mall	CA	Laguna Hills (Los Angeles)	Fee	100.0%	Acquired 1997	92.4%	866,382	Macy's, JCPenney, Sears, Laguna Hills Cinema, Nordstrom Rack, Total Woman Gym & Spa
67. Lake Square Mall	FL	Leesburg (Orlando)	Fee	50.0%(4)	Acquired 1998	73.4%	559,224	JCPenney, Sears, Belk, Target, AMC Theatres, Books-A-Million, PetSmart(6)
68. Lakeline Mall	TX	Cedar Park (Austin)	Fee	100.0%	Built 1995	97.3%	1,097,693	Dillard's, Macy's, JCPenney, Sears, Regal Cinema
69. Lehigh Valley Mall	PA	Whitehall	Fee	37.6%(4)(15)	Acquired 2003	96.8%	1,169,508(17)	Macy's, JCPenney, Boscov's, Barnes & Noble, HH Gregg, Babies R Us
70. Lenox Square	GA	Atlanta	Fee	100.0%	Acquired 1998	96.5%	1,546,289	Neiman Marcus, Bloomingdale's, Macy's
71. Liberty Tree Mall	MA	Danvers (Boston)	Fee	49.1%(4)	Acquired 1999	91.2%	858,625	Marshalls, The Sports Authority, Target, Bed, Bath & Beyond, Kohl's, Best Buy, Staples, AC Moore, K&G Fashion Superstore(16), AMC Theatres, Nordstrom Rack, Off Broadway Shoes
72. Lima Mall	OH	Lima	Fee	100.0%	Built 1965	90.7%	740,537	Macy's, JCPenney, Elder-Beerman, Sears, MC Sporting Goods
73. Lincolnwood Town Center	IL	Lincolnwood (Chicago)	Fee	100.0%	Built 1990	95.0%	421,366	Kohl's, Carson Pirie Scott
74. Lindale Mall(1)	IA	Cedar Rapids	Fee	50.0%(4)	Acquired 1998	86.5%	691,242	Von Maur, Sears, Younkers
75. Livingston Mall	NJ	Livingston (New York)	Fee	100.0%	Acquired 1998	94.5%	984,695	Macy's, Lord & Taylor, Sears, Barnes & Noble
76. Longview Mall	TX	Longview	Fee	100.0%	Built 1978	90.3%	638,438	Dillard's, JCPenney, Sears, Bealls,(11)
77. Mall at Chestnut Hill, The	MA	Chestnut Hill (Boston)	Lease (2038)(9)	94.4%	Acquired 2002	89.9%	474,909	Bloomingdale's, Bloomingdale's Home Furnishing and Men's Store
78. Mall at Rockingham Park, The	NH	Salem (Boston)	Fee	24.6%(4)	Acquired 1999	98.7%	1,019,923	JCPenney, Sears, Macy's,(11)
79. Mall of Georgia	GA	Buford (Atlanta)	Fee	100.0%	Built 1999	95.8%	1,833,763	Nordstrom, Dillard's, Macy's, JCPenney, Belk, Dick's Sporting Goods, Barnes & Noble, Haverty's Furniture, Regal Cinema,(8)
80. Mall of New Hampshire, The	NH	Manchester	Fee	49.1%(4)	Acquired 1999	97.8%	811,586	Macy's, JCPenney, Sears, Best Buy, A.C. Moore, Ulta(6)
81. Maplewood Mall	MN	St. Paul (Minneapolis)	Fee	100.0%	Acquired 2002	91.0%	927,039	Macy's, JCPenney, Sears, Kohl's, Barnes & Noble
82. Markland Mall	IN	Kokomo	Ground Lease (2041)	100.0%	Built 1968	96.4%	415,892	Sears, Target, MC Sporting Goods,(8)
83. McCain Mall	AR	N. Little Rock	Fee	100.0%	Built 1973	92.5%	770,584	Dillard's, JCPenney, Sears,(11)
84. Melbourne Square	FL	Melbourne	Fee	100.0%	Built 1982	81.5%	665,627	Macy's, Dillard's Men's, Children's & Home, Dillard's Women's, JCPenney, Dick's Sporting Goods,(8)
85. Menlo Park Mall	NJ	Edison (New York)	Fee	100.0%	Acquired 1997	96.9%	1,323,156(17)	Nordstrom, Macy's, Barnes & Noble, AMC Dine-In Theater, WOW! Work Out World, Fortunoff Backyard Store
86. Mesa Mall(1)	CO	Grand Junction	Fee	50.0%(4)	Acquired 1998	87.9%	880,756	Sears, Herberger's, JCPenney, Target, Cabela's(6)
87. Miami International Mall	FL	Miami	Fee	47.8%(4)	Built 1982	92.1%	1,071,484	Macy's Mens & Home, Macy's Women & Children, JCPenney, Sears, Kohls(6)
88. Midland Park Mall	TX	Midland	Fee	100.0%	Built 1980	92.9%	617,068	Dillard's, Dillard's Mens & Juniors, JCPenney, Sears, Bealls, Ross Dress for Less
89. Miller Hill Mall	MN	Duluth	Ground Lease (2013)	100.0%	Built 1973	96.6%	805,321	JCPenney, Sears, Younkers, Barnes & Noble, DSW

Simon Property Group, Inc. and Subsidiaries

Property Table

U.S. Properties

Property Name	State	City (CBSA)	Ownership Interest (Expiration if Lease)(3)	Legal Ownership	Year Built or Acquired	Occupancy(5)	Total GLA	Retail Anchors and Selected Major Tenants
90. Montgomery Mall	PA	North Wales (Philadelphia)	Fee	60.0%(15)	Acquired 2003	85.8%	1,154,062	Macy's, JCPenney, Sears, Dick's Sporting Goods,(11)
91. Muncie Mall	IN	Muncie	Fee	100.0%	Built 1970	92.9%	635,645	Macy's, JCPenney, Sears, Elder Beerman
92. North East Mall	TX	Hurst (Dallas)	Fee	100.0%	Built 1971	96.7%	1,670,694	Nordstrom, Dillard's, Macy's, JCPenney, Sears, Dick's Sporting Goods, Rave Theatre
93. Northfield Square Mall	IL	Bourbonnais	Fee	31.6%(12)	Built 1990	90.4%	530,011	Carson Pirie Scott Women's, Carson Pirie Scott Men's, Children's & Home, JCPenney, Sears, Cinemark Movies 10
94. Northgate Mall	WA	Seattle	Fee	100.0%	Acquired 1987	94.1%	1,058,744	Nordstrom, Macy's, JCPenney, Toys 'R Us, Barnes & Noble, Bed Bath & Beyond, DSW
95. Northlake Mall	GA	Atlanta	Fee	100.0%	Acquired 1998	86.8%	961,998	Macy's, JCPenney, Sears, Kohl's
96. NorthPark Mall	IA	Davenport	Fee	50.0%(4)	Acquired 1998	90.6%	1,073,101	Dillard's, Von Maur, Younkers, JCPenney, Sears, Barnes & Noble
97. Northshore Mall	MA	Peabody (Boston)	Fee	49.1%(4)	Acquired 1999	93.6%	1,579,820(17)	JCPenney, Sears, Filene's Basement, Nordstrom, Macy's Mens/Furniture, Macys, H&M, Barnes & Noble, Toys 'R Us, Shaw's Grocery
98. Northwoods Mall	IL	Peoria	Fee	100.0%	Acquired 1983	95.0%	694,230	Macy's, JCPenney, Sears
99. Oak Court Mall	TN	Memphis	Fee	100.0%	Acquired 1997	94.5%	849,298(17)	Dillard's, Dillard's Mens, Macy's
100. Ocean County Mall	NJ	Toms River (New York)	Fee	100.0%	Acquired 1998	98.8%	890,283	Macy's, Boscov's, JCPenney, Sears
101. Orange Park Mall	FL	Orange Park (Jacksonville)	Fee	100.0%	Acquired 1994	98.6%	957,994	Dillard's, JCPenney, Sears, Belk, Dick's Sporting Goods, AMC Theatres
102. Orland Square	IL	Orland Park (Chicago)	Fee	100.0%	Acquired 1997	98.5%	1,210,321	Macy's, Carson Pirie Scott, JCPenney, Sears
103. Oxford Valley Mall	PA	Langhorne (Philadelphia)	Fee	65.0%(15)	Acquired 2003	91.9%	1,333,986(17)	Macy's, JCPenney, Sears, United Artists Theatre,(11)
104. Paddock Mall	FL	Ocala	Fee	100.0%	Built 1980	95.4%	553,811	Macy's, JCPenney, Sears, Belk
105. Penn Square Mall	OK	Oklahoma City	Ground Lease (2060)	94.5%	Acquired 2002	98.6%	1,050,751	Macy's, Dillard's Women's, Dillard's Men's, Children's & Home, JCPenney, Dickinson Theatre
106. Pheasant Lane Mall	NH	Nashua	—	—(14)	Acquired 2002	94.7%	870,048	JCPenney, Sears, Target, Macy's, Dick's(6)
107. Phipps Plaza	GA	Atlanta	Fee	100.0%	Acquired 1998	93.7%	813,238	Saks Fifth Avenue, Nordstrom, Belk, AMC Theatres, Arhaus Furniture(6)
108. Plaza Carolina	PR	Carolina (San Juan)	Fee	100.0%	Acquired 2004	92.5%	1,077,680(17)	JCPenney, Sears, Tiendas Capri, Pueblo Xtra, Best Buy
109. Port Charlotte Town Center	FL	Port Charlotte	Fee	80.0%(12)	Built 1989	90.3%	766,050	Dillard's, Macy's, JCPenney, Bealls, Sears, DSW, Regal Cinema
110. Prien Lake Mall	LA	Lake Charles	Fee and Ground Lease (2025)(7)	100.0%	Built 1972	95.3%	791,043	Dillard's, JCPenney, Sears, Cinemark Theatres, Kohl's
111. Quaker Bridge Mall	NJ	Lawrenceville	Fee	38.0%(4)(15)	Acquired 2003	93.0%	1,098,829	Macy's, Lord & Taylor, JCPenney, Sears
112. Richmond Town Square	OH	Richmond Heights (Cleveland)	Fee	100.0%	Built 1966	93.7%	1,015,451	Macy's, JCPenney, Sears, Regal Cinemas
113. River Oaks Center	IL	Calumet City (Chicago)	Fee	100.0%	Acquired 1997	90.2%	1,353,042(17)	Macy's, Carson Pirie Scott, JCPenney, Sears

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Property Name	State	City (CBSA)	Ownership Interest (Expiration if Lease)(3)	Legal Ownership	Year Built or Acquired	Occupancy(5)	Total GLA	Retail Anchors and Selected Major Tenants
114. Rockaway Townsquare	NJ	Rockaway (New York)	Fee	100.0%	Acquired 1998	96.3%	1,247,790	Macy's, Lord & Taylor, JCPenney, Sears
115. Rolling Oaks Mall	TX	San Antonio	Fee	100.0%	Built 1988	86.7%	883,521(17)	Dillard's, Macy's, JCPenney, Sears
116. Roosevelt Field	NY	Garden City (New York)	Fee and Ground Lease (2090)(7)	100.0%	Acquired 1998	96.1%	2,227,065(17)	Bloomingdale's, Bloomingdale's Furniture Gallery, Nordstrom, Macy's, JCPenney, Dick's Sporting Goods, Loews Theatre, Xsport Fitness
117. Ross Park Mall	PA	Pittsburgh	Fee	100.0%	Built 1986	94.8%	1,237,363	JCPenney, Sears, Nordstrom, L.L. Bean, Macy's, Crate & Barrel
118. Rushmore Mall(1)	SD	Rapid City	Fee	50.0%(4)	Acquired 1998	76.2%	833,459	JCPenney, Herberger's, Sears, Carmike Cinemas, Hobby Lobby, Toys R Us,(11)
119. Santa Rosa Plaza	CA	Santa Rosa	Fee	100.0%	Acquired 1998	97.4%	692,577	Macy's, Sears, Forever 21,(11)
120. Seminole Towne Center	FL	Sanford (Orlando)	Fee	45.0%(4)(2)	Built 1995	89.2%	1,125,909	Macy's, Dillard's, JCPenney, Sears, United Artists Theatre, H&M,(8)
121. Shops at Mission Viejo, The	CA	Mission Viejo (Los Angeles)	Fee	100.0%	Built 1979	97.7%	1,149,135	Nordstrom, Macy's (2 locations), Forever 21(6)
122. Shops at Sunset Place, The	FL	S. Miami	Fee	37.5%(4)(2)	Built 1999	90.8%	514,624	NikeTown, Barnes & Noble, GameWorks, Z Gallerie, LA Fitness, AMC Theatres, Splitsville, Casa N Ideas
123. Smith Haven Mall	NY	Lake Grove (New York)	Fee	25.0%(4)	Acquired 1995	95.3%	1,287,343	Macy's, Macy's Furniture Gallery, JCPenney, Sears, Dick's Sporting Goods, Barnes & Noble
124. Solomon Pond Mall	MA	Marlborough (Boston)	Fee	49.1%(4)	Acquired 1999	99.2%	885,048	Macy's, JCPenney, Sears, Regal Cinema
125. South Hills Village	PA	Pittsburgh	Fee	100.0%	Acquired 1997	94.2%	1,142,336(17)	Macy's, Sears, Barnes & Noble, Carmike Cinemas,(8)
126. South Shore Plaza	MA	Braintree (Boston)	Fee	100.0%	Acquired 1998	97.4%	1,553,605	Macy's, Lord & Taylor, Sears, Filene's Basement, Nordstrom, Target
127. Southern Hills Mall(1)	IA	Sioux City	Fee	50.0%(4)	Acquired 1998	81.9%	790,384	Younkers, JCPenney, Sears, Scheel's Sporting Goods, Barnes & Noble, Carmike Cinemas, Hy-Vee, Toys R Us, Petco
128. Southern Park Mall	OH	Youngstown	Fee	100.0%	Built 1970	94.0%	1,189,875	Macy's, Dillard's, JCPenney, Sears, Cinemark Theatres
129. SouthPark	NC	Charlotte	Fee & Ground Lease (2040)(10)	100.0%	Acquired 2002	94.0%	1,620,553	Neiman Marcus, Nordstrom, Macy's, Dillard's, Belk, Dick's Sporting Goods, Crate & Barrel, The Container Store(6)
130. SouthPark Mall	IL	Moline	Fee	50.0%(4)	Acquired 1998	76.1%	1,017,107	Dillard's, Von Maur, Younkers, JCPenney, Sears
131. SouthRidge Mall(1)	IA	Des Moines	Fee	50.0%(4)	Acquired 1998	53.4%	883,312	JCPenney, Younkers, Sears, Target
132. Springfield Mall(1)	PA	Springfield (Philadelphia)	Fee	38.0%(4)(15)	Acquired 2005	84.6%	589,257	Macy's, Target
133. Square One Mall	MA	Saugus (Boston)	Fee	49.1%(4)	Acquired 1999	97.2%	928,569	Macy's, Sears, Best Buy, T.J. Maxx N More, Best Buy, Dick's Sporting Goods, Filene's Basement, World Gym
134. St. Charles Towne Center	MD	Waldorf (Washington, D.C.)	Fee	100.0%	Built 1990	96.4%	980,643	Macy's, Macy's Home Store, JCPenney, Sears, Kohl's, Dick Sporting Goods, AMC Theatres

Simon Property Group, Inc. and Subsidiaries

Property Table

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Property Name	State	City (CBSA)	Ownership Interest (Expiration if Lease)(3)	Legal Ownership	Year Built or Acquired	Occupancy(5)	Total GLA	Retail Anchors and Selected Major Tenants
135. St. Johns Town Center	FL	Jacksonville	Fee	50.0%(4)	Built 2005	99.1%	1,235,705	Dillard's, Target, Ashley Furniture Home Store, Barnes & Noble, Dick's Clothing & Sporting Goods, Ross Dress for Less, Staples, DSW, JoAnn Fabrics, PetsMart
136. Stanford Shopping Center	CA	Palo Alto (San Francisco)	Ground Lease (2054)	100.0%	Acquired 2003	98.0%	1,361,234(17)	Neiman Marcus, Bloomingdale's, Nordstrom, Macy's, Macy's Mens Store
137. Summit Mall	OH	Akron	Fee	100.0%	Built 1965	94.7%	768,064	Dillard's Women's & Children's, Dillard's Men's & Home, Macy's
138. Sunland Park Mall	TX	El Paso	Fee	100.0%	Built 1988	94.1%	917,533	Macy's, Dillard's Women's & Children's, Dillard's Men's & Home, Sears, Forever 21,(8)
139. Tacoma Mall	WA	Tacoma (Seattle)	Fee	100.0%	Acquired 1987	87.5%	1,372,139	Nordstrom, Macy's, JCPenney, Sears, David's Bridal, Forever 21, H&M
140. Tippecanoe Mall	IN	Lafayette	Fee	100.0%	Built 1973	90.2%	862,773	Macy's, JCPenney, Sears, Kohl's, Dick's Sporting Goods, H.H. Gregg
141. Town Center at Aurora	CO	Aurora (Denver)	Fee	100.0%	Acquired 1998	83.2%	1,081,383	Macy's, Dillard's, JCPenney, Sears, Century Theatres
142. Town Center at Boca Raton	FL	Boca Raton (Miami)	Fee	100.0%	Acquired 1998	98.7%	1,753,721	Saks Fifth Avenue, Neiman Marcus, Bloomingdale's, Nordstrom, Macy's, Sears, Crate & Barrel
143. Town Center at Cobb	GA	Kennesaw (Atlanta)	Fee	75.0%	Acquired 1998	95.5%	1,275,747	Belk, Macy's, JCPenney, Sears, Macy's Men's & Furniture
144. Towne East Square	KS	Wichita	Fee	100.0%	Built 1975	93.8%	1,125,397	Dillard's, Von Maur, JCPenney, Sears
145. Towne West Square	KS	Wichita	Fee	100.0%	Built 1980	85.4%	941,626	Dillard's Women's & Home, Dillard's Men's & Children, JCPenney, Sears, Dick's Sporting Goods, The Movie Machine
146. Treasure Coast Square	FL	Jensen Beach	Fee	100.0%	Built 1987	89.7%	878,213	Macy's, Dillard's, JCPenney, Sears, Borders Books & Music, Regal Cinema
147. Tyrone Square	FL	St. Petersburg (Tampa)	Fee	100.0%	Built 1972	93.1%	1,095,781	Macy's, Dillard's, JCPenney, Sears, Borders Books & Music
148. University Park Mall	IN	Mishawaka	Fee	100.0%	Built 1979	91.3%	922,681	Macy's, JCPenney, Sears, Barnes & Noble
149. Upper Valley Mall	OH	Springfield	Fee	100.0%	Built 1971	80.4%	739,569	Macy's, JCPenney, Sears, Elder-Beerman, MC Sporting Goods, Chakeres Theatres
150. Valle Vista Mall	TX	Harlingen	Fee	100.0%	Built 1983	50.7%	651,034	Dillard's, JCPenney, Sears, Big Lots, Forever 21
151. Valley Mall	VA	Harrisonburg	Fee	50.0%(4)	Acquired 1998	82.8%	506,269	JCPenney, Belk, Target, Books-A-Million,(8)
152. Virginia Center Commons	VA	Glen Allen	Fee	100.0%	Built 1991	89.3%	785,193	Macy's, Dillard's, JCPenney, Sears, Burlington Coat Factory(6)
153. Walt Whitman Mall	NY	Huntington Station (New York)	Ground Lease (2022)	100.0%	Acquired 1998	95.5%	1,027,680	Saks Fifth Avenue, Bloomingdale's, Lord & Taylor, Macy's
154. Washington Square	IN	Indianapolis	Fee	100.0%	Built 1974	74.2%	971,921(17)	Sears, Target, Dick's Sporting Goods, Burlington Coat Factory, Kerasotes Theatres,(11)
155. West Ridge Mall	KS	Topeka	Fee	100.0%	Built 1988	92.3%	992,313	Macy's, Dillard's, JCPenney, Sears, Burlington Coat Factory
156. West Town Mall	TN	Knoxville	Ground Lease (2042)	50.0%(4)	Acquired 1991	98.0%	1,335,972	Belk Women, Dillard's, JCPenney, Belk Men, Home and Kids, Sears, Regal Cinema

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157. Westchester, The	NY	White Plains (New York)	Fee	40.0%(4)	Acquired 1997	94.0%	827,389(17)	Neiman Marcus, Nordstrom
158. Westminster Mall	CA	Westminster (Los Angeles)	Fee	100.0%	Acquired 1998	86.5%	1,191,122	Macy's, JCPenney, Sears, Target
159. White Oaks Mall	IL	Springfield	Fee	80.7%	Built 1977	81.2%	928,049(17)	Macy's, Bergner's, Sears, Dick's Sporting Goods,(8)
160. Wolfchase Galleria	TN	Memphis	Fee	94.5%	Acquired 2002	94.4%	1,152,695	Macy's, Dillard's, JCPenney, Sears, Malco Theatres
161. Woodland Hills Mall	OK	Tulsa	Fee	94.5%	Acquired 2002	98.7%	1,092,078	Macy's, Dillard's, JCPenney, Sears
Total Regional Mall GLA							159,944,032	
Premium Outlets								
1. Albertville Premium Outlets	MN	Albertville (Minneapolis)	Fee	100.0%	Acquired 2004	92.8%	429,430	Adidas, Ann Taylor, Banana Republic, Calvin Klein, Coach, Columbia Sportswear, Gap Outlet, Guess, Lucky Brand, Nautica, Nike, Polo Ralph Lauren, Tommy Hilfiger, Under Armour
2. Allen Premium Outlets	TX	Allen (Dallas)	Fee	100.0%	Acquired 2004	99.8%	441,582	Adidas, Ann Taylor, Banana Republic, Brooks Brothers, Burberry, Calvin Klein, Coach, Cole Haan, Columbia Sportswear, Gap Outlet, Guess, J.Crew, Michael Kors, Last Call by Neiman Marcus, Nike, Polo Ralph Lauren, Tommy Hilfiger
3. Aurora Farms Premium Outlets	OH	Aurora (Cleveland)	Fee	100.0%	Acquired 2004	93.7%	300,446	Ann Taylor, Banana Republic, Brooks Brothers, Calvin Klein, Coach, Gap Outlet, Michael Kors, Nautica, Nike, Polo Ralph Lauren, Saks Fifth Avenue Off 5th, Tommy Hilfiger
4. Birch Run Premium Outlets	MI	Birch Run	Fee	100.0%	Acquired 2010	91.7%	677,852	Ann Taylor, Banana Republic, BCBG Max Azria, Brooks Brothers, Calvin Klein, Coach, Guess, J. Crew, Nike, The North Face, Polo Ralph Lauren, Tommy Hilfiger
5. Calhoun Premium Outlets	GA	Calhoun	Fee	100.0%	Acquired 2010	94.3%	253,674	Ann Taylor, Carter's, Coach, Gap Outlet, Gymboree, Jones New York, Nike, Polo Ralph Lauren, Tommy Hilfiger
6. Camarillo Premium Outlets	CA	Camarillo (Los Angeles)	Fee	100.0%	Acquired 2004	98.0%	673,976	Ann Taylor, Banana Republic, Brooks Brothers, Calvin Klein, Coach, Diesel, Giorgio Armani, Hugo Boss, Last Call by Neiman Marcus, Nike, Polo Ralph Lauren, Saks Fifth Avenue Off 5th, Sony, Tommy Hilfiger
7. Carlsbad Premium Outlets	CA	Carlsbad (San Diego)	Fee	100.0%	Acquired 2004	99.7%	288,245	Adidas, Banana Republic, BCBG Max Azria, Calvin Klein, Coach, Crate & Barrel, Gap Outlet, Guess, Lacoste, Michael Kors, Polo Ralph Lauren, Salvatore Ferragamo, Theory, Tommy Hilfiger
8. Carolina Premium Outlets	NC	Smithfield	Ground Lease (2029)	100.0%	Acquired 2004	99.1%	438,953	Adidas, Banana Republic, Brooks Brothers, Coach, Gap Outlet, Nike, Polo Ralph Lauren, Tommy Hilfiger, Under Armour
9. Chicago Premium Outlets	IL	Aurora (Chicago)	Fee	100.0%	Built 2004	100.0%	437,359	Ann Taylor, Banana Republic, Brooks Brothers, Calvin Klein, Coach, Diesel, Elie Tahari, Gap Outlet, Giorgio Armani, J.Crew, Kate Spade, Lacoste, Michael Kors, Polo Ralph Lauren, Salvatore Ferragamo, Sony, Theory
10. Cincinnati Premium Outlets	OH	Monroe (Cincinnati)	Fee	100.0%	Built 2009	98.7%	398,807	Adidas, Banana Republic, Brooks Brothers, Coach, Cole Haan, Columbia Sportswear Company, Gap Outlet, Hanes Brands, J.Crew, Nike, Polo Ralph Lauren, Saks 5th Avenue Off 5th, Tommy Hilfiger, The North Face

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11. Clinton Crossing Premium Outlets	CT	Clinton	Fee	100.0%	Acquired 2004	98.4%	276,175	Banana Republic, Brooks Brothers, Calvin Klein, Coach, Cole Haan, Gap Outlet, J.Crew, Michael Kors, Nike, Polo Ralph Lauren, Saks Fifth Avenue Off 5th, Talbots, Tommy Hilfiger
12. Columbia Gorge Premium Outlets	OR	Troutdale (Portland)	Fee	100.0%	Acquired 2004	95.8%	163,679	Adidas, Calvin Klein, Carter's, Eddie Bauer, Gap Outlet, Guess, Levi's, Tommy Hilfiger
13. Desert Hills Premium Outlets	CA	Cabazon (Palm Springs)	Fee	100.0%	Acquired 2004	99.9%	501,722	Burberry, Coach, Dior, Elie Tahari, Giorgio Armani, Gucci, Lacoste, Nike, Polo Ralph Lauren, Prada, Saks Fifth Avenue Off 5th, Salvatore Ferragamo, Theory, True Religion, Yves Saint Laurent, Zegna
14. Edinburgh Premium Outlets	IN	Edinburgh (Indianapolis)	Fee	100.0%	Acquired 2004	98.0%	377,703	Adidas, Ann Taylor, Banana Republic, Calvin Klein, Coach, Coldwater Creek, Columbia Sportswear, Gap Outlet, J.Crew, Levi's, Nautica, Nike, Polo Ralph Lauren, Tommy Hilfiger
15. Ellenton Premium Outlets	FL	Ellenton	Fee	100.0%	Acquired 2010	98.8%	476,538	Banana Republic, Calvin Klein, Coach, J.Crew, Kate Spade, Kenneth Cole, Lacoste, Lucky Brand, Michael Kors, Movado, Nike, Saks Fifth Avenue Off 5th
16. Folsom Premium Outlets	CA	Folsom (Sacramento)	Fee	100.0%	Acquired 2004	98.8%	295,994	BCBG Max Azria, Banana Republic, Brooks Brothers, Calvin Klein, Coach, Gap Outlet, Guess, Nautica, Nike, Saks Fifth Avenue Off 5th, Tommy Hilfiger
17. Gaffney Premium Outlets	SC	Gaffney	Fee	100.0%	Acquired 2010	96.1%	359,437	Adidas, Ann Taylor, Banana Republic, BCBG Max Azria, Brooks Brothers, Coach, Gap Outlet, J.Crew, Juicy Couture, Nautica, Nike, Polo Ralph Lauren
18. Gilroy Premium Outlets	CA	Gilroy (San Jose)	Fee	100.0%	Acquired 2004	96.1%	577,856	Adidas, Ann Taylor, Banana Republic, Brooks Brothers, Calvin Klein, Coach, J.Crew, Hugo Boss, Michael Kors, Nike, Polo Ralph Lauren, Saks Fifth Avenue Off 5th, Sony, Tommy Hilfiger, True Religion
19. Grove City Premium Outlets	PA	Grove City	Fee	100.0%	Acquired 2010	97.9%	531,720	American Eagle, Ann Taylor, Banana Republic, BCBG Max Azria, Brooks Brothers, Calvin Klein, Coach, Gap Outlet, Guess, J.Crew, Nike, Polo Ralph Lauren
20. Gulfport Premium Outlets	MS	Gulfport	Ground Lease (2034)	100.0%	Acquired 2010	93.0%	302,899	Ann Taylor, Banana Republic, BCBG Max Azria, Coach, Gap Outlet, J.Crew, Jones New York, Nautica, Nike, Polo Ralph Lauren, Tommy Hilfiger, Under Armour
21. Hagerstown Premium Outlets	MD	Hagerstown	Fee	100.0%	Acquired 2010	96.2%	484,926	Adidas, Banana Republic, Brooks Brothers, Calvin Klein, Coach, Gap Outlet, Guess, J. Crew, Kate Spade, Nike, Tommy Hilfiger, Under Armour
22. Houston Premium Outlets	TX	Cypress (Houston)	Fee	100.0%	Built 2008	99.4%	536,452	Ann Taylor, A/X Armani Exchange, Banana Republic, Burberry, Calvin Klein, Coach, Cole Haan, DKNY, Elie Tahari, Gap Outlet, J. Crew, Juicy Couture, Lucky Brand, Michael Kors, Nike, Saks Fifth Avenue off 5th, Tommy Hilfiger, Tory Burch
23. Jackson Premium Outlets	NJ	Jackson (New York)	Fee	100.0%	Acquired 2004	98.9%	285,766	Ann Taylor, Banana Republic, Brooks Brothers, Calvin Klein, Coach, Gap Outlet, Guess, J.Crew, Nike, Polo Ralph Lauren, Reebok, Tommy Hilfiger, Under Armour
24. Jersey Shore Premium Outlets	NJ	Tinton Falls (New York)	Fee	100.0%	Built 2008	97.0%	434,430	Adidas, Ann Taylor, Banana Republic, Burberry, Brooks Brothers, DKNY, Elie Tahari, Guess, J. Crew, Kate Spade, Michael Kors, Theory, Nike, Tommy Hilfiger, True Religion, Under Armour
25. Johnson Creek Premium Outlets	WI	Johnson Creek	Fee	100.0%	Acquired 2004	89.4%	277,672	Adidas, Ann Taylor, Banana Republic, Calvin Klein, Columbia Sportswear, Eddie Bauer, Gap Outlet, Nike, Polo Ralph Lauren, Tommy Hilfiger

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26. Kittery Premium Outlets	ME	Kittery	Ground Lease (2014)	100.0%	Acquired 2004	97.4%	264,538	Adidas, Banana Republic, Calvin Klein, Coach, Columbia Sportswear, Gap Outlet, J.Crew, Movado, Nike, Polo Ralph Lauren, Puma, Reebok, Tommy Hilfiger
27. Las Americas Premium Outlets	CA	San Diego	Fee	100.0%	Acquired 2007	98.3%	560,904	Ann Taylor, Banana Republic, Brooks Brothers, Calvin Klein, Coach, Gap Outlet, Guess, Hugo Boss, J.Crew, Last Call Neiman Marcus, Nike, Polo Ralph Lauren, Sony, Tommy Bahama, True Religion
28. Las Vegas Outlet Center	NV	Las Vegas	Fee	100.0%	Acquired 2004	100.0%	468,997	Adidas, Aeropostale, Ann Taylor, Bose, Calvin Klein, Coach, DKNY, Gymboree, Levi's, Nautica, Nike, Reebok, Tommy Hilfiger
29. Las Vegas Premium Outlets	NV	Las Vegas	Fee	100.0%	Built 2003	100.0%	538,689	A/X Armani Exchange, Ann Taylor, Banana Republic, Burberry, Coach, David Yurman, Diesel, Dolce & Gabbana, Elie Tahari, Etro, Hugo Boss, Lacoste, Nike, Polo Ralph Lauren, Salvatore Ferragamo, Tag Heuer, Ted Baker, True Religion
30. Lebanon Premium Outlets	TN	Lebanon	Fee	100.0%	Acquired 2010	91.8%	227,040	Ann Taylor, Banana Republic, Brooks Brothers, Coach, Eddie Bauer, Gap Outlet, Nike, Polo Ralph Lauren, Samsonite, Tommy Hilfiger, Van Heusen
31. Lee Premium Outlets	MA	Lee	Fee	100.0%	Acquired 2010	100.0%	224,853	Ann Taylor, Banana Republic, Brooks Brothers, Calvin Klein, Coach, Cole Haan, J. Crew, Michael Kors, Nike, Polo Ralph Lauren, Tommy Hilfiger, Under Armour
32. Leesburg Corner Premium Outlets	VA	Leesburg (Washington D.C.)	Fee	100.0%	Acquired 2004	97.1%	517,711	Ann Taylor, Brooks Brothers, Burberry, Coach, Crate & Barrel, Diesel, DKNY, Juicy Couture, Lacoste, Nike, Polo Ralph Lauren, Restoration Hardware, Saks Fifth Avenue Off 5th, Under Armour, Williams-Sonoma
33. Liberty Village Premium Outlets	NJ	Flemington (New York)	Fee	100.0%	Acquired 2004	94.1%	164,528	Ann Taylor, Brooks Brothers, Calvin Klein, Coach, J.Crew, Michael Kors, Nautica, Nike, Polo Ralph Lauren, Tommy Hilfiger
34. Lighthouse Place Premium Outlets	IN	Michigan City	Fee	100.0%	Acquired 2004	96.0%	454,365	Adidas, Ann Taylor, Banana Republic, BCBG Max Azria, Burberry, Calvin Klein, Coach, Coldwater Creek, Columbia Sportswear, Gap Outlet, Guess, J.Crew, Movado, Nike, Polo Ralph Lauren, Tommy Hilfiger
35. Napa Premium Outlets	CA	Napa	Fee	100.0%	Acquired 2004	99.6%	179,407	Ann Taylor, Banana Republic, BCBG Max Azria, Brooks Brothers, Calvin Klein, Coach, Cole Haan, Gap Outlet, J.Crew, Lucky Brand, Nautica, Tommy Hilfiger
36. North Bend Premium Outlets	WA	North Bend (Seattle)	Fee	100.0%	Acquired 2004	94.7%	223,411	Adidas, Bass, Carter's, Coach, Eddie Bauer, Gap Outlet, Izod, Nike, Nine West, PacSun, Tommy Hilfiger, Van Heusen, VF Outlet
37. North Georgia Premium Outlets	GA	Dawsonville (Atlanta)	Fee	100.0%	Acquired 2004	98.2%	540,308	Ann Taylor, Banana Republic, Brooks Brothers, Burberry, Calvin Klein, Coach, Cole Haan, Hugo Boss, J.Crew, Michael Kors, Nike, Polo Ralph Lauren, Restoration Hardware, Saks Fifth Avenue Off 5th, Talbots, Tommy Hilfiger, Williams-Sonoma
38. Orlando Premium Outlets—Vineland Ave.	FL	Orlando	Fee	100.0%	Acquired 2004	100.0%	549,580	Burberry, Calvin Klein, Coach, Cole Haan, Diesel, Dior, Fendi, Giorgio Armani, Hugo Boss, J. Crew, Lacoste, Michael Kors, Nike, Polo Ralph Lauren, Salvatore Ferragamo, Tag Heuer, Theory
39. Orlando Premium Outlets—International Dr.	FL	Orlando	Fee	100.0%	Acquired 2010	99.0%	773,519	Betsey Johnson, Coach, J. Crew, Kenneth Cole, Lacoste, Michael Kors, Last Call by Neiman Marcus, Polo Ralph Lauren, Saks Fifth Avenue Off 5th, Victoria Secret

Simon Property Group, Inc. and Subsidiaries

Property Table

U.S. Properties

Property Name	State	City (CBSA)	Ownership Interest (Expiration if Lease)(3)	Legal Ownership	Year Built or Acquired	Occupancy(5)	Total GLA	Retail Anchors and Selected Major Tenants
40. Osage Beach Premium Outlets	MO	Osage Beach	Fee	100.0%	Acquired 2004	91.6%	393,211	Adidas, Banana Republic, Brooks Brothers, Calvin Klein, Coach, Coldwater Creek, Eddie Bauer, Gap Outlet, Nike, Polo Ralph Lauren, Tommy Hilfiger
41. Petaluma Village Premium Outlets	CA	Petaluma	Fee	100.0%	Acquired 2004	96.6%	195,771	Ann Taylor, Banana Republic, BCBG Max Azria, Brooks Brothers, Coach, Gap Outlet, Nike, Puma, Saks Fifth Avenue Off 5th, Tommy Hilfiger
42. Philadelphia Premium Outlets	PA	Limerick (Philadelphia)	Fee	100.0%	Built 2007	96.9%	549,143	Adidas, Ann Taylor, Banana Republic, Brooks Brothers, Calvin Klein, Coach, Cole Haan, DKNY, Elie Tahari, Gap Outlet, Guess, J.Crew, Michael Kors, Last Call by Neiman Marcus, Nike, Polo Ralph Lauren, Restoration Hardware, Sony
43. Pismo Beach Premium Outlets	CA	Pismo Beach	Fee	100.0%	Acquired 2010	98.0%	147,728	Aeropostale, Calvin Klein, Carter's, Jones New York, Levi's Outlet, Nike, Nine West, Polo Ralph Lauren, Tommy Hilfiger, Van Heusen
44. Pleasant Prairie Premium Outlets	WI	Pleasant Prairie	Fee	100.0%	Acquired 2010	99.9%	402,465	Adidas, Ann Taylor, Banana Republic, Calvin Klein, Coach, Gap Outlet, Hugo Boss, J. Crew, Juicy Couture, Nike, Polo Ralph Lauren, Sony
45. Puerto Rico Premium Outlets	PR	Barceloneta	Fee	100.0%	Acquired 2010	89.6%	344,587	Adidas, Ann Taylor, Banana Republic, BCBG Max Azria, Calvin Klein, Coach, Gap Outlet, Guess, Kenneth Cole, Lacoste, Michael Kors, Nautica, Nike, Nine West, Polo Ralph Lauren, Puma, Tommy Hilfiger
46. Queenstown Premium Outlets	MD	Queenstown	Fee	100.0%	Acquired 2010	93.1%	284,312	Adidas, Banana Republic, Brooks Brothers, Calvin Klein, Coach, Gucci, J. Crew, Juicy Couture, Kate Spade, Michael Kors, Nike, Polo Ralph Lauren
47. Rio Grande Valley Premium Outlets	TX	Mercedes (McAllen)	Fee	100.0%	Built 2006	96.9%	584,790	Adidas, Ann Taylor, Banana Republic, BCBG Max Azria, Burberry, Calvin Klein, Coach, Cole Haan, DKNY, Gap Outlet, Guess, Hugo Boss, Loft Outlet, Nike, Polo Ralph Lauren, Saks Fifth Avenue Off 5th, Sony, Tommy Hilfiger
48. Round Rock Premium Outlets	TX	Round Rock (Austin)	Fee	100.0%	Built 2006	98.0%	488,561	Adidas, Ann Taylor, Banana Republic, Brooks Brothers, Burberry, Calvin Klein, Coach, Gap Outlet, Guess, J.Crew, Michael Kors, Nike, Polo Ralph Lauren, Theory, Tommy Hilfiger
49. San Marcos Premium Outlets	TX	San Marcos	Fee	100.0%	Acquired 2010	98.5%	732,162	Betsey Johnson, Cole Haan, Fendi, Giorgio Armani, Gucci, Michael Kors, Last Call by Neiman Marcus, Saks Fifth Avenue Off 5th, Salvatore Ferragamo
50. Seattle Premium Outlets	WA	Tulalip (Seattle)	Ground Lease (2034)	100.0%	Built 2005	99.1%	443,810	Adidas, Ann Taylor, Banana Republic, Brooks Brothers, Burberry, Calvin Klein, Coach, Hugo Boss, J. Crew, Juicy Couture, Michael Kors, Nike, Polo Ralph Lauren, Restoration Hardware, Sony, Tommy Hilfiger
51. St. Augustine Premium Outlets	FL	St. Augustine (Jacksonville)	Fee	100.0%	Acquired 2004	97.0%	328,549	Adidas, Ann Taylor, Banana Republic, Brooks Brothers, Calvin Klein, Coach, Gap Outlet, J.Crew, Movado, Nike, Polo Ralph Lauren, Reebok, Tommy Bahama, Tommy Hilfiger, Under Armour
52. The Crossings Premium Outlets	PA	Tannersville	Fee and Ground Lease (2019)(7)	100.0%	Acquired 2004	99.3%	411,268	Ann Taylor, Banana Republic, Brooks Brothers, Calvin Klein, Coach, Coldwater Creek, Guess, J.Crew, Nike, Polo Ralph Lauren, Reebok, Tommy Hilfiger, Under Armour
53. Vacaville Premium Outlets	CA	Vacaville	Fee	100.0%	Acquired 2004	98.3%	437,395	Adidas, Ann Taylor, Banana Republic, Burberry, Calvin Klein, Coach, Cole Haan, Columbia Sportswear, DKNY, Gucci, J.Crew, Michael Kors, Nike, Polo Ralph Lauren, Restoration Hardware, Tommy Bahama, Tommy Hilfiger
54. Waikēle Premium Outlets	HI	Waipahu (Honolulu)	Fee	100.0%	Acquired 2004	99.5%	209,802	A/X Armani Exchange, Banana Republic, Calvin Klein, Coach, Guess, Michael Kors, Polo Ralph Lauren, Saks Fifth Avenue Off 5th, Tommy Bahama, Tommy Hilfiger, True Religion

Simon Property Group, Inc. and Subsidiaries

Property Table

U.S. Properties

Property Name	State	City (CBSA)	Ownership Interest (Expiration if Lease)(3)	Legal Ownership	Year Built or Acquired	Occupancy(5)	Total GLA	Retail Anchors and Selected Major Tenants
55. Waterloo Premium Outlets	NY	Waterloo	Fee	100.0%	Acquired 2004	96.5%	417,737	Adidas, Ann Taylor, Banana Republic, Brooks Brothers, Calvin Klein, Coach, Columbia Sportswear, Gap Outlet, J.Crew, Nike, Polo Ralph Lauren, Tommy Hilfiger, Under Armour, VF Outlet
56. Williamsburg Premium Outlets	VA	Williamsburg	Fee	100.0%	Acquired 2010	96.8%	521,536	Burberry, Coach, Cole Haan, Dooney & Bourke, Hugo Boss, J. Crew, Juicy Couture, Kenneth Cole, Lacoste, Michael Kors, Nautica, Nike, Polo Ralph Lauren
57. Woodbury Commons Premium Outlets	NY	Central Valley (New York)	Fee	100.0%	Acquired 2004	100.0%	844,808	Banana Republic, Burberry, Chloe, Coach, Dior, Dolce & Gabbana, Fendi, Giorgio Armani, Gucci, Lacoste, Last Call by Neiman Marcus, Nike, Oscar de la Renta, Polo Ralph Lauren, Prada, Saks Fifth Avenue Off 5th, Salvatore Ferragamo, Theory, Tory Burch, Versace, Yves St. Laurent
58. Wrentham Village Premium Outlets	MA	Wrentham (Boston)	Fee	100.0%	Acquired 2004	99.7%	635,978	Ann Taylor, Banana Republic, Brooks Brothers, Burberry, Calvin Klein, Coach, Cole Haan, Elie Tahari, Hugo Boss, J. Crew, Lacoste, Movado, Nike, Polo Ralph Lauren, Saks Fifth Avenue Off 5th, Salvatore Ferragamo, Sony, Williams-Sonoma, Theory, Tommy Hilfiger, True Religion, Under Armour
Total U.S. Premium Outlets GLA							24,284,756	
Community/Lifestyle Centers								
1. Arboretum at Great Hills	TX	Austin	Fee	100.0%	Acquired 1998	87.4%	206,397	Barnes & Noble, Pottery Barn
2. Bloomingdale Court	IL	Bloomington (Chicago)	Fee	100.0%	Built 1987	96.2%	630,359	Best Buy, T.J. Maxx N More, Office Max, Wal-Mart, Dick's Sporting Goods, Jo-Ann Fabrics, Picture Show, Ross,(8)
3. Charles Towne Square	SC	Charleston	Fee	100.0%	Built 1976	100.0%	71,794	Regal Cinema
4. Chesapeake Center	VA	Chesapeake (Virginia Beach)	Fee	100.0%	Built 1989	96.1%	305,935	K-Mart, Movies 10, PetSmart, Michaels, Value City Furniture
5. Clay Terrace	IN	Carmel (Indianapolis)	Fee	50.0%(4)	Built 2004	94.7%	503,655(17)	Dick's Sporting Goods, Whole Foods, DSW,(8)
6. Cobblestone Court	NY	Victor	Fee	35.7%(4)(13)	Built 1993	98.8%	265,477	Dick's Sporting Goods, Kmart, Office Max
7. Countryside Plaza	IL	Countryside (Chicago)	Fee	100.0%	Built 1977	87.7%	403,756	Best Buy, Home Depot, PetsMart, Jo-Ann Fabrics, Office Depot, Value City Furniture
8. Crystal Court	IL	Crystal Lake (Chicago)	Fee	37.9%(4)(13)	Built 1989	58.8%	278,978	Big Lots
9. Dare Centre	NC	Kill Devil Hills	Ground Lease (2058)	100.0%	Acquired 2004	100.0%	168,707	Belk, Food Lion
10. DeKalb Plaza	PA	King of Prussia (Philadelphia)	Fee	50.3%(15)	Acquired 2003	100.0%	101,742	ACME Grocery,(8)
11. Eastland Convenience Center	IN	Evansville	Ground Lease (2075)	50.0%(4)	Acquired 1998	96.1%	175,639	Toys 'R Us, Bed Bath & Beyond, Marshalls
12. Empire East(1)	SD	Sioux Falls	Fee	50.0%(4)	Acquired 1998	98.1%	297,278	Kohl's, Target, Bed Bath & Beyond
13. Fairfax Court	VA	Fairfax (Washington, D.C.)	Fee	41.3%(4)(13)	Built 1992	85.8%	249,538	Burlington Coat Factory, Offenbacher's, X Sport Fitness
14. Forest Plaza	IL	Rockford	Fee	100.0%	Built 1985	93.2%	427,985	Kohl's, Marshalls, Michaels, Factory Card Outlet, Office Max, Bed Bath & Beyond, Petco, Babies R' Us, Toys R' Us, Big Lots
15. Gaitway Plaza	FL	Ocala	Fee	32.2%(4)(13)	Built 1989	100.0%	208,755	Books-A-Million, Office Depot, T.J. Maxx, Ross Dress for Less, Bed Bath & Beyond
16. Gateway Shopping Center	TX	Austin	Fee	100.0%	2004	89.2%	512,986	Best Buy, REI, Whole Foods, Crate & Barrel, The Container Store, Regal Cinema, Nordstrom Rack,(8)
17. Great Lakes Plaza	OH	Mentor (Cleveland)	Fee	100.0%	Built 1976	89.6%	164,377	Michael's, Best Buy, HH Gregg

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Property Name	State	City (CBSA)	Ownership Interest (Expiration if Lease)(3)	Legal Ownership	Year Built or Acquired	Occupancy(5)	Total GLA	Retail Anchors and Selected Major Tenants
18. Greenwood Plus	IN	Greenwood (Indianapolis)	Fee	100.0%	Built 1979	100.0%	155,319	Best Buy, Kohl's
19. Hamilton Town Center	IN	Noblesville (Indianapolis)	Fee	50.0%(4)	Built 2008	88.5%	655,490	JCPenney, Borders, Dick's Sporting Goods, Stein Mart, Bed Bath & Beyond, DSW, Hamilton 16 IMAX
20. Henderson Square	PA	King of Prussia (Philadelphia)	Fee	76.0%(15)	Acquired 2003	96.0%	107,376	Genuardi's Family Market, Avalon Carpet & Tile
21. Highland Lakes Center	FL	Orlando	Fee	100.0%	Built 1991	75.0%	492,328	Marshalls, Bed Bath & Beyond, American Signature Furniture, Ross Dress for Less, Burlington Coat Factory,(8)
22. Indian River Commons	FL	Vero Beach	Fee	50.0%	Built 1997	100.0%	255,942	Lowe's, Best Buy, Ross Dress for Less, Bed Bath & Beyond, Michael's
23. Ingram Plaza	TX	San Antonio	Fee	100.0%	Built 1980	100.0%	111,518	Sheplers
24. Keystone Shoppes	IN	Indianapolis	Ground Lease (2067)	100.0%	Acquired 1997	93.9%	29,140	
25. Lake Plaza	IL	Waukegan (Chicago)	Fee	100.0%	Built 1986	93.6%	215,568	Home Owners Bargain Outlet
26. Lake View Plaza	IL	Orland Park (Chicago)	Fee	100.0%	Built 1986	83.8%	367,686	Factory Card Outlet, Best Buy, Petco, Jo-Ann Fabrics, Golf Galaxy, Value City Furniture,(8)
27. Lakeline Plaza	TX	Cedar Park (Austin)	Fee	100.0%	Built 1998	88.2%	387,430	T.J. Maxx, Best Buy, Ross Dress for Less, Office Max, PetsMart, Party City, Hancock Fabrics, Toys 'R Us, Rooms to Go, Rooms to Go Kids,(8)
28. Lima Center	OH	Lima	Fee	100.0%	Built 1978	88.2%	236,878	Kohl's, Hobby Lobby, T.J. Maxx
29. Lincoln Crossing	IL	O'Fallon (St. Louis)	Fee	100.0%	Built 1990	95.5%	243,326	Wal-Mart, PetsMart, The Home Depot
30. Lincoln Plaza	PA	King of Prussia (Philadelphia)	Fee	65.0%(15)	Acquired 2003	98.6%	267,965	Burlington Coat Factory, AC Moore, Michaels, T.J. Maxx, Home Goods, HH Gregg,(8)
31. MacGregor Village	NC	Cary	Fee	100.0%	Acquired 2004	58.6%	144,041	
32. Mall of Georgia Crossing	GA	Buford (Atlanta)	Fee	100.0%	Built 1999	98.1%	440,670	Best Buy, American Signature Furniture, T.J. Maxx 'n More, Nordstrom Rack, Staples, Target
33. Markland Plaza	IN	Kokomo	Fee	100.0%	Built 1974	100.0%	90,527	Best Buy, Bed Bath & Beyond
34. Martinsville Plaza	VA	Martinsville	Ground Lease (2046)	100.0%	Built 1967	97.1%	102,105	Rose's, Food Lion
35. Matteson Plaza	IL	Matteson (Chicago)	Fee	100.0%	Built 1988	69.7%	270,892	Dominick's,(8)
36. Muncie Plaza	IN	Muncie	Fee	100.0%	Built 1998	98.6%	172,617	Kohl's, Target, Shoe Carnival, T.J. Maxx, MC Sporting Goods, Kerasotes Theatres
37. New Castle Plaza	IN	New Castle	Fee	100.0%	Built 1966	72.8%	91,648	Goody's, Ace Hardware, Aaron's Rents, Dollar Tree
38. North Ridge Plaza	IL	Joliet (Chicago)	Fee	100.0%	Built 1985	84.3%	303,469	Hobby Lobby, Office Max, Burlington Coat Factory, Ultra Foods Grocery, AJ Wright
39. North Ridge Shopping Center	NC	Raleigh	Fee	100.0%	Acquired 2004	95.8%	169,062	Ace Hardware, Kerr Drugs, Harris-Teeter Grocery

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Property Name	State	City (CBSA)	Ownership Interest (Expiration if Lease)(3)	Legal Ownership	Year Built or Acquired	Occupancy(5)	Total GLA	Retail Anchors and Selected Major Tenants
40. Northwood Plaza	IN	Fort Wayne	Fee	100.0%	Built 1974	83.8%	208,076	Target, Cinema Grill
41. Palms Crossing	TX	McAllen	Fee	100.0%	Built 2007	100.0%	337,249	Bealls, DSW, Barnes & Noble, Babies 'R Us, Sports Authority, Guitar Center, Cavendar's Boot City, Best Buy
42. Pier Park	FL	Panama City Beach	Fee	100.0%	Built 2008	95.1%	816,293	Dillard's, JCPenney, Target, Borders, Grand Theatres, Ron Jon Surf Shop, Margaritaville
43. Plaza at Buckland Hills, The	CT	Manchester	Fee	41.3%(4)(13)	Built 1993	62.5%	330,091	Jo-Ann Fabrics, Party City, Toys 'R Us, Michaels, PetsMart, Big Lots,(8)
44. Regency Plaza	MO	St. Charles (St. Louis)	Fee	100.0%	Built 1988	95.5%	287,473	Wal-Mart, Sam's Wholesale Club, PetSmart
45. Richardson Square	TX	Richardson (Dallas)	Fee	100.0%	Built 2008	100.0%	517,265	Lowe's, Ross Dress for Less, Sears, Super Target, Anna's Linens
46. Ridgewood Court	MS	Jackson	Fee	35.7%(4)(13)	Built 1993	99.3%	369,500	T.J. Maxx, Lifeway Christian Bookstore, Bed Bath & Beyond, Best Buy, Michaels, Marshalls
47. Rockaway Commons	NJ	Rockaway (New York)	Fee	100.0%	Acquired 1998	90.9%	150,459	Best Buy,(8)
48. Rockaway Town Plaza	NJ	Rockaway (New York)	Fee	100.0%	Acquired 1998	100.0%	459,241	Target, PetsMart, Dick's Sporting Goods, AMC Theatres
49. Royal Eagle Plaza	FL	Coral Springs (Miami)	Fee	42.0%(4)(13)	Built 1989	98.4%	199,082	Stein Mart,(8)
50. Shops at Arbor Walk, The	TX	Austin	Ground Lease (2056)	100.0%	Built 2006	89.0%	442,585	Home Depot, Marshall's, DSW, Vitamin Cottage Natural Grocer, Spec's Wine, Spirits and Fine Foods, Jo-Ann Fabrics, Ethan Allen, Sam Moon
51. Shops at North East Mall, The	TX	Hurst (Dallas)	Fee	100.0%	Built 1999	97.8%	365,008	Michael's, PetsMart, T.J. Maxx, Bed Bath & Beyond, Best Buy, Barnes & Noble
52. St. Charles Towne Plaza	MD	Waldorf (Washington, D.C.)	Fee	100.0%	Built 1987	75.3%	394,491	K & G Menswear, CVS, Shoppers Food Warehouse, Dollar Tree, Value City Furniture, Big Lots,(8)
53. Teal Plaza	IN	Lafayette	Fee	100.0%	Built 1962	22.4%	101,087	Pep Boys,(8)
54. Terrace at the Florida Mall	FL	Orlando	Fee	100.0%	Built 1989	80.2%	346,693	Marshalls, American Signature Furniture, Global Import, Target, Bed Bath & Beyond,(8)
55. Tippecanoe Plaza	IN	Lafayette	Fee	100.0%	Built 1974	100.0%	90,522	Best Buy, Barnes & Noble
56. University Center	IN	Mishawaka	Fee	100.0%	Built 1980	52.5%	150,524	Michael's, Best Buy
57. Village Park Plaza	IN	Carmel (Indianapolis)	Fee	35.7%(4)(13)	Built 1990	98.6%	549,623	Bed Bath & Beyond, Kohl's, Wal-Mart, Marsh, Menards, Regal Cinema, Hobby Lobby
58. Washington Plaza	IN	Indianapolis	Fee	100.0%	Built 1976	57.1%	50,107	Jo-Ann Fabrics(6)
59. Waterford Lakes Town Center	FL	Orlando	Fee	100.0%	Built 1999	100.0%	949,678	Ross Dress for Less, T.J. Maxx, Bed Bath & Beyond, Barnes & Noble, Best Buy, Jo-Ann Fabrics, Office Max, PetsMart, Target, Ashley Furniture
60. West Ridge Plaza	KS	Topeka	Fee	100.0%	Built 1988	86.6%	254,159	HomeStore, L.A. Fitness, Regal Cinema
61. West Town Corners	FL	Altamonte Springs (Orlando)	Fee	32.2%(4)(13)	Built 1989	96.9%	385,643	T.J. Maxx, Toys 'R Us, Target
								Sports Authority, PetsMart, Winn-Dixie Marketplace, American Signature Furniture, Wal-Mart, Lowes Home Improvement

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62. Westland Park Plaza	FL	Orange Park (Jacksonville)	Fee	32.2%(4)(13)	Built 1989	81.9%	163,254	PetsMart, Burlington Coat Factory,(8)
63. White Oaks Plaza	IL	Springfield	Fee	100.0%	Built 1986	93.2%	391,474	T.J. Maxx, Office Max, Kohl's, Babies 'R Us, Country Market
64. Whitehall Mall	PA	Whitehall	Fee	38.0%(15)(4)	Acquired 2003	92.6%	588,618	Sears, Kohl's, Bed Bath & Beyond, Borders Books & Music, Gold's Gym, Buy Buy Baby
65. Willow Knolls Court	IL	Peoria	Fee	35.7%(4)(13)	Built 1990	96.7%	382,377	Burlington Coat Factory, Kohl's, Sam's Wholesale Club, Willow Knolls 14, Office Max
66. Wolf Ranch Town Center	TX	Georgetown (Austin)	Fee	100.0%	Built 2005	79.8%	626,236	Kohl's, Target, Michaels, Best Buy, Office Depot, PetsMart, T.J. Maxx, DSW
Total Community/Lifestyle Center GLA							20,191,163	
Other Properties								
1. Crossville Outlet Center	TN	Crossville	Fee	100.0%	Acquired 2004	94.4%	151,287	Bass, Dressbarn, Kasper, L'eggs Hanes Bali Playtex, Rack Room Shoes, Van Heusen, VF Outlet
2. Factory Merchants Branson	MO	Branson	Ground Lease (2021)	100.0%	Acquired 2004	60.3%	273,540	Carter's, Crocs, Izod, Jones New York, Pendleton, Reebok, Tuesday Morning
3. Factory Stores of America—Boaz	AL	Boaz	Ground Lease (2027)	100.0%	Acquired 2004	77.5%	111,616	Bon Worth, Easy Spirit, Rue21, VF Outlet
4. Factory Stores of America—Georgetown	KY	Georgetown	Fee	100.0%	Acquired 2004	95.9%	173,326	Bass, Dressbarn, Rack Room Shoes, Rue 21, Van Heusen
5. Factory Stores of America—Graceville	FL	Graceville	Fee	100.0%	Acquired 2004	100.0%	84,225	Factory Brand Shoes, Van Heusen, VF Outlet
6. Factory Stores of America—Lebanon	MO	Lebanon	Fee	100.0%	Acquired 2004	100.0%	85,924	Dressbarn, Factory Brand Shoes, Van Heusen, VF Outlet
7. Factory Stores of America—Nebraska City	NE	Nebraska City	Fee	100.0%	Acquired 2004	97.8%	89,608	Bass, Easy Spirit, Van Heusen, VF Outlet
8. Factory Stores of America—Story City	IA	Story City	Fee	100.0%	Acquired 2004	78.6%	112,596	Dressbarn, Factory Brand Shoes, Van Heusen, VF Outlet
9. Florida City Outlet Center	FL	Florida City	Fee	100.0%	Acquired 2010	88.5%	207,896	Aeropostale, Carter's, Gap Outlet, Guess, Nike, Nine West, OshKosh B'gosh, Tommy Hilfiger
10. The Shoppes at Branson Meadows	MO	Branson	Fee	100.0%	Acquired 2004	73.2%	287,063	Branson Meadows Cinemas, Dressbarn, VF Outlet
11. Huntley Outlet Center	IL	Huntley	Fee	100.0%	Acquired 2010	75.9%	279,101	Aeropostale, Ann Taylor, Banana Republic, BCBG Max Azria, Bose, Calvin Klein, Carter's, Eddie Bauer, Gap Outlet, Guess, Reebok, Tommy Hilfiger, Van Heusen

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12. Mall at The Source, The	NY	Westbury (New York)	Fee	25.5%(4)(2)	Built 1997	76.2%	722,740	Off 5th-Saks Fifth Avenue, Nordstrom Rack, David's Bridal, Golf Galaxy,(8)
13. Nanuet Mall	NY	Nanuet (New York)	Fee	100.0%	Acquired 1998	N/A	912,999	Macy's, Sears,(8)
14. Naples Outlet Center	FL	Naples	Fee	100.0%	Acquired 2010	81.6%	146,001	Bass, Coach, Jones New York, Samsonite, Van Heusen
15. Outlet Marketplace	FL	Orlando	Fee	100.0%	Acquired 2010	74.9%	204,978	Calvin Klein, Coldwater Creek, Nine West, Reebok, Sketchers, Van Heusen
16. Prime Outlets—Jeffersonville	OH	Jeffersonville	Fee	100.0%	Acquired 2010	99.8%	410,059	Adidas, Banana Republic, Coach, Gap Outlet, J. Crew, Kate Spade, Polo Ralph Lauren, Pottery Barn
17. University Mall	FL	Pensacola	Fee	100.0%	Acquired 1994	N/A	709,711	JCPenney, Sears, Belk
Total Other GLA							4,962,670	
Mills Properties								
The Mills®								
1. Arizona Mills	AZ	Tempe (Phoenix)	Fee	25.0%(4)	Acquired 2007	93.8%	1,244,540	Marshalls, Last Call Neiman Marcus, Off 5th Saks Fifth Avenue, Burlington Coat Factory, Sears Appliance Outlet, Gameworks, Sports Authority, Ross Dress for Less, JCPenney Outlet, Group USA, Harkins Cinemas, IMAX Theatre, F.Y.E., Sea Life Center
2. Arundel Mills	MD	Hanover (Baltimore)	Fee	29.6%(4)	Acquired 2007	99.7%	1,298,239	Bass Pro Shops, Bed Bath & Beyond, Best Buy, Books-A-Million, Burlington Coat Factory, The Children's Place, Dave & Buster's, F.Y.E., H&M, Medieval Times, Modell's, Neiman Marcus Last Call, OFF 5TH Saks Fifth Avenue Outlet, Off Broadway Shoe Warehouse, T.J. MAXX, Cinemark Egyptian 24 Theatres
3. Colorado Mills	CO	Lakewood (Denver)	Fee	18.8%(4)(2)	Acquired 2007	83.1%	1,097,621	Borders Books Music Café, Eddie Bauer Outlet, Last Call Clearance Center from Neiman Marcus, Off Broadway Shoe Warehouse, OFF 5TH Saks Fifth Avenue Outlet, Sports Authority, Super Target, United Artists Theatre, Burlington Coat Factory
4. Concord Mills	NC	Concord (Charlotte)	Fee	29.6%(4)(2)	Acquired 2007	99.3%	1,333,938	Bass Pro Shops Outdoor World, Books-A-Million, Burlington Coat Factory, Off 5th Saks Fifth Avenue, F.Y.E., The Children's Place Outlet, Dave & Buster's, NIKE, TJ Maxx, Group USA, Sun & Ski, VF Outlet, Off Broadway Shoes, Bed Bath & Beyond, NASCAR Speedpark, AMC Theatres, Best Buy
5. Discover Mills	GA	Lawrenceville (Atlanta)	Fee	25.0%(4)(2)	Acquired 2007	94.5%	1,182,984	Bass Pro Shops, Books-A-Million, Burlington Coat Factory, Neiman Marcus Last Call, Medieval Times, Off 5th Saks Fifth Avenue Outlet, Off Broadway Shoe Warehouse, ROSS Dress for Less, Sears Appliance Outlet, Sun & Ski Sports, Urban Behavior, Spaha Skatepark, Dave & Buster's, AMC Theatres
6. Franklin Mills	PA	Philadelphia	Fee	50.0%(4)	Acquired 2007	87.0%	1,743,731	Dave & Buster's, JC Penney Outlet Store, Burlington Coat Factory, Marshalls HomeGoods, Modell's Sporting Goods, Group USA, Bed Bath & Beyond, Sam Ash Music, Off 5th Saks Fifth Avenue, Last Call Neiman Marcus, Off Broadway Shores, Sears Appliance Outlet, H&M, Spaha Skatepark, AMC Theatres, Forever 21

Simon Property Group, Inc. and Subsidiaries

Property Table

U.S. Properties

Property Name	State	City (CBSA)	Ownership Interest (Expiration if Lease)(3)	Legal Ownership	Year Built or Acquired	Occupancy(5)	Total GLA	Retail Anchors and Selected Major Tenants
7. Grapevine Mills	TX	Grapevine (Dallas)	Fee	29.6%(4)	Acquired 2007	96.3%	1,778,434	Bed, Bath & Beyond, Books-A-Million, Burlington Coat Factory, The Children's Place, Forever 21, Group USA—The Clothing Co. JCPenney Outlet, Marshalls, NIKE, OFF 5th Saks Fifth Avenue, AMC Theatres, Dr. Pepper Star Center, Sun & Ski Sports, Last Call Neiman Marcus, Sears Appliance Outlet, Bass Pro Outdoor World, Off Broadway Shoes, VF Outlet, Legoland Discovery(6), Sea Life Center(6)
8. Great Mall	CA	Milpitas (San Jose)	Fee	50.0%	Acquired 2007	94.9%	1,361,151	Last Call Neiman Marcus, Sports Authority, Group USA, Kohl's, Dave & Busters, H&M, Sears Appliance Outlet, Burlington Coat Factory, Marshalls, Off 5th Saks Fifth Avenue, NIKE, Century Theatres, Bed Bath & Beyond, XXI Forever
9. Gurnee Mills	IL	Gurnee (Chicago)	Fee	50.0%(4)	Acquired 2007	95.7%	1,826,523	Bass Pro Shops Outdoor World, Bed Bath & Beyond, Burlington Coat Factory, H & M, Kohl's, Marshall's Home Goods, Off 5th—Saks Fifth Avenue Outlet, Rinkside, Sears Grand, The Sports Authority, TJ Maxx, VF Outlet, Marcus Cinemas, Last Call Neiman Marcus, Value City Furniture
10. Katy Mills	TX	Katy (Houston)	Fee	31.3%(4)(2)	Acquired 2007	89.9%	1,554,826	Bass Pro Shops Outdoor World, Bed Bath and Beyond, Books-A-Million, Burlington Coat Factory, F.Y.E., Marshalls, Neiman Marcus Last Call Clearance Center, Nike Factory Store, Off 5th Saks Fifth Avenue Outlet, Sun & Ski Sports, AMC Theatres, Off Broadway Shoes, XXI Forever
11. Ontario Mills	CA	Ontario (Riverside)	Fee	25.0%(4)	Acquired 2007	93.2%	1,479,453	Burlington Coat Factory, Baby Depot, NIKE, Gameworks, The Children's Place Outlet, Marshalls, JCPenney Outlet, Off 5th Saks Fifth Avenue Outlet, Bed Bath & Beyond, Nordstrom Rack, Dave & Busters, Group USA, Sam Ash Music, Off Broadway Shoes, AMC Theatres, H&M, F.Y.E., Second Spin (18)
12. Opry Mills	TN	Nashville	Fee	50.0%(4)(2)	Acquired 2007	(18)	1,159,833	Group USA, Marshall's, TJ Maxx, Sears Appliance Outlet, JCPenney Outlet, Urban Behavior, Burlington Coat Factory, Off Broadway Shoe Warehouse, Nordstrom Rack, Off 5th Saks Fifth Avenue Outlet, Costco Warehouse, The Children's Place, AMC Theatres, Modell's Sporting Goods, Books-A-Million, H&M, Last Call Neiman Marcus, XXI Forever, Bloomingdale's Outlet
13. Potomac Mills	VA	Prince William (Washington, D.C.)	Fee	50.0%(4)	Acquired 2007	98.1%	1,537,357	
14. Sawgrass Mills	FL	Sunrise (Miami)	Fee	50.0%(4)	Acquired 2007	99.8%	2,258,616	American Signature Home, Beall's Outlet, Bed Bath & Beyond, Brandsmart USA, Burlington Coat Factory, Gameworks, JCPenney Outlet Store, Marshalls, Neiman Marcus Last Call Clearance Center, Nike Factory Store, Nordstrom Rack, Off 5th Saks Fifth Avenue Outlet, Ron Jon Surf Shop, The Sports Authority, Super Target, TJ Maxx, VF Factory Outlet, Wannado City, F.Y.E., Off Broadway Shoes, Regal Cinemas, GAP Outlet, Bloomingdale's Outlet
15. St. Louis Mills	MO	Hazelwood (St. Louis)	Fee	25.0%(4)(2)	Acquired 2007	80.8%	1,174,827	Bed Bath & Beyond, Books-A-Million, Burlington Coat Factory, Cabela's, iceZONE, Marshalls MegaStore, NASCAR SpeedPark, Off Broadway Shoe Warehouse, Sears Appliance Outlet, The Children's Place Outlet, Regal Cinemas, Plan 9 Skatepark
16. The Block at Orange	CA	Orange (Los Angeles)	Fee	25.0%(4)	Acquired 2007	92.1%	725,154	Dave & Buster's, Vans Skatepark, Lucky Strike Lanes, Borders Books & Music, Off 5th Saks Fifth Avenue, AMC Theatres, Nike Factory Store, Last Call Neiman Marcus, Off Broadway Shoes, H&M
Subtotal The Mills®							22,757,227	

Simon Property Group, Inc. and Subsidiaries

Property Table

U.S. Properties

Property Name	State	City (CBSA)	Ownership Interest (Expiration if Lease)(3)	Legal Ownership	Year Built or Acquired	Occupancy(5)	Total GLA	Retail Anchors and Selected Major Tenants
Mills Regional Malls								
17. Briarwood Mall	MI	Ann Arbor	Fee	25.0%(4)	Acquired 2007	95.5%	973,413	Macy's, JCPenney, Sears, Von Maur
18. Del Amo Fashion Center	CA	Torrance (Los Angeles)	Fee	25.0%(4)	Acquired 2007	89.6%	2,268,717	Macy's, Macy's, Macy's Home & Furnishings, JCPenney, Sears, Marshalls, T.J. Maxx, Barnes & Noble, JoAnn Fabrics, Crate & Barrel, L.A. Fitness, Burlington Coat Factory, AMC Theatres
19. Dover Mall	DE	Dover	Fee	34.1%(4)	Acquired 2007	94.6%	886,509	Macy's, JCPenney, Boscov's, Sears, Carmike Cinemas
20. Esplanade, The	LA	Kenner (New Orleans)	Fee	50.0%(4)	Acquired 2007	83.9%	814,839	Dillard's, Dillard's Men's, Macy's, Target(6),(11)
21. Falls, The	FL	Miami	Fee	25.0%(4)	Acquired 2007	93.3%	806,644	Bloomingdale's, Macy's, Regal Cinema
22. Galleria at White Plains, The	NY	White Plains (New York)	Fee	50.0%(4)	Acquired 2007	79.0%	862,394	Macy's, Sears, H&M
23. Hilltop Mall	CA	Richmond (San Francisco)	Fee	25.0%(4)	Acquired 2007	75.8%	1,094,064	JCPenney, Sears, Macy's, Wal-Mart, 24 Hour Fitness
24. Lakeforest Mall	MD	Gaithersburg (Washington, D.C.)	Fee	25.0%(4)	Acquired 2007	84.5%	1,045,994	Macy's, Lord & Taylor, JCPenney, Sears, H&M
25. Mall at Tuttle Crossing, The	OH	Dublin (Columbus)	Fee	25.0%(4)	Acquired 2007	97.4%	1,111,434	Macy's, Macy's, Sears, JCPenney
26. Marley Station	MD	Glen Burnie (Baltimore)	Fee	25.0%(4)	Acquired 2007	82.1%	1,069,154	Macy's, JCPenney, Sears, The Movies at Marley Station, Gold's Gym,(11)
27. Meadowood Mall	NV	Reno	Fee	25.0%(4)	Acquired 2007	89.1%	876,891(17)	Macy's Men's, Macy's, Sears, JCPenney, Sports Authority
28. Northpark Mall	MS	Ridgeland	Fee	50.0%(4)	Acquired 2007	97.2%	956,266	Dillard's, JCPenney, Belk, Regal Cinema
29. Shops at Riverside, The	NJ	Hackensack (New York)	Fee	50.0%(4)	Acquired 2007	86.8%	769,859	Bloomingdale's, Saks Fifth Avenue, Barnes & Noble, Pottery Barn
30. Southdale Center	MN	Edina (Minneapolis)	Fee	50.0%(4)	Acquired 2007	91.0%	1,339,084(17)	Macy's, JCPenney, Marshall's, AMC Theatres,(8)
31. Southridge Mall	WI	Greendale (Milwaukee)	Fee	50.0%(4)	Acquired 2007	90.5%	1,212,366	JC Penney, Sears, Kohl's, Boston Store, Cost Plus World Market,(8)
32. Stoneridge Shopping Center	CA	Pleasanton (San Francisco)	Fee	25.0%(4)	Acquired 2007	97.1%	1,298,402	Macy's Women's, Macy's Men's, Nordstrom, Sears, JCPenney, H&M
Subtotal Mills Regional Malls							17,386,030	
Mills Community Centers								
33. Arundel Mills Marketplace	MD	Hanover (Baltimore)	Fee	29.6%(4)	Acquired 2007	100.0%	101,613	Michael's, Staples, PetSmart, HH Gregg
34. Concord Mills Marketplace	NC	Concord (Charlotte)	Fee	50.0%(4)	Acquired 2007	100.0%	230,683	BJ's Wholesale Club, Garden Ridge
35. Denver West Village	CO	Lakewood (Denver)	Fee	18.8%(4)	Acquired 2007	98.5%	310,217	Barnes & Noble, Bed Bath & Beyond, Office Max, Whole Foods, DSW, Ultimate Electronics, Christy Sports, United Artists
36. Liberty Plaza	PA	Philadelphia	Fee	50.0%(4)	Acquired 2007	99.0%	371,618	Wal-Mart, Dick's Sporting Goods, Raymour & Flanigan, Super Fresh Food Market
Subtotal Mills Community Centers							1,014,131	
Total Mills Properties							41,157,388	
Total U.S. Properties GLA							250,540,009	

FOOTNOTES:

- (1) This property is managed by a third party.
- (2) Our direct and indirect interests in some of the properties held as joint venture interests are subject to preferences on distributions in favor of other partners or us.
- (3) The date listed is the expiration date of the last renewal option available to the operating entity under the ground lease. In a majority of the ground leases, we have a right of first refusal or the right to purchase the lessor's interest. Unless otherwise indicated, each ground lease listed in this column covers at least 50% of its respective property.
- (4) Joint venture properties accounted for under the equity method.
- (5) Regional Malls—Executed leases for all company-owned GLA in mall stores, excluding majors. Premium Outlets—Executed leases for all company-owned GLA (or total center GLA). Community/Lifestyle Centers—Executed leases for all company-owned GLA including majors and mall stores.
- (6) Indicates anchor or major that is currently under development.
- (7) Indicates ground lease covers less than 50% of the acreage of this property.
- (8) Indicates vacant anchor space(s).
- (9) The lease at the Mall at Chestnut Hill includes the entire premises including land and building.
- (10) Indicates ground lease covers outparcel only.
- (11) Indicates vacant anchor owned by another company, but we still collect rent and/or fees under an agreement.
- (12) We receive substantially all the economic benefit of the property due to a preference or advance.
- (13) Outside partner receives substantially all of the economic benefit due to a partner preference.
- (14) We own a mortgage note that encumbers Pheasant Lane Mall that entitles us to 100% of the economics of this property.
- (15) Our indirect ownership interest is through an approximately 76% ownership interest in Kravco Simon Investments.
- (16) Indicates anchor or major tenant has announced its intent to close this location.
- (17) Mall & Freestanding GLA includes office space as follows:

Circle Centre Mall—192 sq. ft.	Northshore Mall—12,367 sq. ft.
Century III Mall—18,609 sq. ft.	Oak Court Mall—126,583 sq. ft.
Clay Terrace—75,118 sq. ft.	Oxford Valley Mall—110,324 sq. ft.
The Domain—132,881 sq. ft.	Plaza Carolina—28,474 sq. ft.
Copley Place—867,301 sq. ft.	River Oaks Center—117,716 sq. ft.
Del Amo—1,413 sq. ft.	Rolling Oaks Mall—6,383 sq. ft.
Fashion Centre at Pentagon City, The—169,089 sq. ft.	Roosevelt Field—1,610 sq. ft.
Firewheel Town Center—75,103 sq. ft.	South Hills Village—4,407 sq. ft.
Greendale Mall—119,860 sq. ft.	Stanford Shopping Center—7,444 sq. ft.
Gwinnett Place—32,603 sq. ft.	The Westchester—820 sq. ft.
King of Prussia Mall—13,250 sq. ft.	White Oaks Mall—17,807 sq. ft.
Knoxville Center—1,455 sq. ft.	Meadowood Mall—6,109 sq. ft.
Lehigh Valley Mall—11,754 sq. ft.	Southdale Center—20,295 sq. ft.
Menlo Park Mall—52,424 sq. ft.	Washington Square—7,737 sq. ft.
- (18) Property temporarily closed due to flood damage which occurred during May 2010.

United States Lease Expirations

The following table summarizes lease expiration data for our regional malls and Premium Outlets located in the United States, including Puerto Rico, as of December 31, 2010. The data does not include information for The Mills, the Mills Regional Malls, or properties we acquired in 2010 in our acquisition of Prime Outlets Acquisition Company, or Prime. The data presented does not consider the impact of renewal options that may be contained in leases.

Simon Property Group Inc. and Subsidiaries

U.S. Lease Expirations

Regional Malls and Premium Outlets

As of December 31, 2010

<u>Year</u>	<u>Number of Leases Expiring</u>	<u>Square Feet</u>	<u>Avg. Base Rent per Square Foot at 12/31/10</u>	<u>Percentage of Gross Annual Rental Revenues (1)</u>
Small Shops and Freestanding				
Month to Month Leases	532	1,313,575	\$38.27	1.0%
2011	2,933	8,149,030	\$33.63	6.2%
2012	2,719	9,290,505	\$33.91	7.2%
2013	2,544	7,710,019	\$38.47	6.8%
2014	1,911	6,344,328	\$37.86	5.5%
2015	1,987	6,992,366	\$39.63	6.3%
2016	1,644	5,237,467	\$41.52	5.0%
2017	1,544	5,203,214	\$44.64	5.3%
2018	1,534	5,868,249	\$47.70	6.4%
2019	1,334	5,189,423	\$45.31	5.4%
2020	1,023	3,959,029	\$44.31	4.0%
2021 and Thereafter	569	3,114,912	\$37.04	2.6%
Specialty Leasing Agreements w/ terms in excess of 12 months	1,692	4,258,276	\$13.85	1.3%
Anchor Tenants				
2011	6	687,400	\$ 5.23	0.1%
2012	22	2,391,624	\$ 3.69	0.2%
2013	31	3,868,995	\$ 4.60	0.4%
2014	33	3,460,414	\$ 4.65	0.4%
2015	28	3,337,128	\$ 3.02	0.2%
2016	20	2,294,049	\$ 3.52	0.2%
2017	5	871,969	\$ 1.28	—
2018	9	906,997	\$ 6.23	0.1%
2019	9	1,136,399	\$ 3.34	0.1%
2020	11	1,149,573	\$ 5.50	0.1%
2021 and Thereafter	33	3,642,551	\$ 5.84	0.5%

(1) Annual rental revenues represent 2010 consolidated and joint venture combined base rental revenue.

International Properties

Our ownership interests in properties outside the United States are primarily owned through joint venture arrangements. However, we have direct minority investments in certain real estate companies within the U.K. as further described below.

European Investments

Gallerie Commerciali Italia, S.p.A., or GCI, is a fully integrated European retail real estate developer, owner and manager of 45 properties in Italy. At December 31, 2010, we had a 49.0% ownership interest in GCI. Our properties in Italy consist primarily of hypermarket-anchored shopping centers. Substantially all of these properties are anchored by the hypermarket retailer Auchan, who is also our partner in GCI. Certain of the properties in Italy are subject to leaseholds whereby GCI leases all or a portion of the premises from a third party who is entitled to receive substantially all the economic benefits of that portion of the properties. Auchan is one of the two largest hypermarket operators in Europe. These centers comprise over 10.1 million square feet of GLA and were 97.2% leased as of December 31, 2010.

On July 15, 2010, we and our partner in Simon Ivanhoe, Ivanhoe Cambridge Inc., or Ivanhoe Cambridge, sold our collective interests in Simon Ivanhoe which owned seven shopping centers located in France and Poland to Unibail-Rodamco. The joint venture partners received net consideration of €422.5 million for their interests after the repayment of all joint venture debt, subject to certain post-closing adjustments. Our share of the gain on sale of our interests in Simon Ivanhoe was approximately \$281 million. A portion of the proceeds was used to repay the €167.4 million (approximately \$215 million) principal balance on the Euro-denominated tranche of our Credit Facility.

We and Ivanhoe Cambridge have the right to participate with Unibail-Rodamco in the potential development of up to five new retail projects in the Simon Ivanhoe pipeline, subject to customary approval rights. We will own a 25% interest in any of these projects in which we agree to participate.

Other International Investments

We also hold real estate interests in eight operating joint venture properties in Japan, one operating joint venture property in Mexico, one operating joint venture property and two joint venture properties under development in South Korea, and one joint venture property under development in Malaysia. The eight Japanese Premium Outlets operate in various cities throughout Japan and are held in a joint venture with Mitsubishi Estate Co., Ltd. These centers comprise over 2.5 million square feet of GLA and were 99.8% leased as of December 31, 2010.

The following summarizes our holdings in these international joint ventures and the underlying countries in which these joint ventures own and operate real estate properties as of December 31, 2010:

<u>Holdings</u>	<u>Ownership Interest</u>	<u>Properties open and operating</u>	<u>Countries of Operation</u>
Chelsea Japan Co. Ltd.	40.0%	8	Japan
Premium Outlets Punta Norte (Mexico City)	50.0%	1	Mexico
Yeoju Premium Outlets (Seoul)	50.0%	1	South Korea

In July 2010, we completed construction and opened a 62,000 square foot expansion at Toki Premium Outlets in Toki, Japan.

Prior to May 7, 2010 we held a minority interest in Liberty International, PLC, or Liberty, a U.K. Real Estate Investment Trust that operated regional shopping centers and owned other prime retail assets throughout the U.K. Effective May 7, 2010, Liberty completed a demerger in which it was separated into two companies, Capital Shopping Centres Group PLC, or CSCG, and Capital & Counties Properties PLC, or CAPC. Liberty shareholders acquired the same number of shares of CSCG and CAPC as they owned in Liberty. CSCG operates regional shopping centers and is the owner of other retail assets primarily located in the United Kingdom. CAPC is predominantly focused on property investment and development in central London. Our interest in CSCG and CAPC is adjusted to their quoted market price, including a related foreign exchange component. Our interests in CSCG and CAPC are less than 6% of their outstanding shares respectively.

The following property table summarizes certain data for our properties located in Europe, Japan, Mexico, and Korea at December 31, 2010.

Simon Property Group, Inc. and Subsidiaries
International Properties

COUNTRY/Property Name	City (Metropolitan area)	Ownership Interest	SPG Effective Ownership	Year Built	Total Gross Leasable Area	Retail Anchors and Major Tenants
ITALY						
1. Ancona — Senigallia	Senigallia (Ancona)	Fee	49.0%	1995	82,800	IPERSimply, Samoiraghi & Vigano
2. Ascoli Piceno — Grottammare	Grottammare (Ascoli Piceno)	Fee	49.0%	1995	94,800	IPERSimply
3. Ascoli Piceno — Porto Sant'Elpidio	Porto Sant'Elpidio (Ascoli Piceno)	Fee	49.0%	1999	162,300	Auchan, Benetton, Giacomelli Sport, Bata Superstore
4. Bari — Casamassima	Casamassima (Bari)	Fee	49.0%	1995	547,800	Auchan, Coin, Upim, Oviessse, Leroy Merlin, Decathlon
5. Bari — Modugno	Modugno (Bari)	Fee	49.0%	2004	143,500	Auchan, Euronics, Inverso
6. Brescia — Mazzano	Mazzano (Brescia)	Fee / Leasehold	49.0%(2)	1994	230,700	Auchan, Bricocenter, Trony, Bata, Conbipel, OVS
7. Brindisi-Mesagne	Mesagne (Brindisi)	Fee	49.0%	2003	228,600	Auchan, Euronics, Iper Sport, Benetton
8. Cagliari — Santa Gilla	Cagliari	Fee / Leasehold	49.0%(2)	1992	190,700	Auchan, Bricocenter, Bata
9. Catania — La Rena	Catania	Fee	49.0%	1998	146,200	Auchan
10. Catania	Catania	Fee	24.0%	2010	641,700	Auchan
11. Cinisello	Cinisello (Milano)	Fee	49.0%	2007	375,600	Auchan, H&M, Darty, Scarpe & Scarpe, Conbipel, Piazza Italia, Nike
12. Cuneo	Cuneo (Torino)	Fee	49.0%	2004	282,200	Auchan, Bricocenter, Decathlon, Euronics, OVS Industry
13. Giugliano	Giugliano (Napoli)	Fee	49.0%(4)	2006	754,500	Auchan, Piazza Italia, Conbipel, Euronics, Oviessse, Eldo, Leroy Merlin, Decathlon, Scarpe & Scarpe, Alcott, Bershka, Fair, Zara, Pull & Bear
14. Milano — Rescaldina	Rescaldina (Milano)	Fee	49.0%	2000	377,100	Auchan, Bricocenter, Media World, OVS Industry
15. Milano — Vimodrone	Vimodrone (Milano)	Fee	49.0%	1989	190,600	Auchan, Bricocenter
16. Napoli — Pompei	Pompei (Napoli)	Fee	49.0%	1990	91,400	Auchan, Euronics
17. Napoli — Argine	Napli	Fee	24.0%	2010	296,200	Auchan, Euronics, Pia Aitalia,
18. Nola — Volcano Buono	Nola (Napoli)	Ground Lease (2080)	22.1%	2007	876,000	Auchan, Coin, Holiday Inn, Media World, Alcott, Bershka, H&M, Nike, Zara, Zara Home
19. Padova	Padova	Fee	49.0%	1989	105,800	Auchan
20. Palermo	Palermo	Fee	49.0%	1990	82,900	Auchan
21. Pesaro — Fano	Fano (Pesaro)	Fee	49.0%	1994	112,300	Auchan, Euronics
22. Pescara	Pescara	Fee	49.0%	1998	161,500	Auchan, Upim, Euronics
23. Pescara — Cepagatti	Cepagatti (Pescara)	Fee	49.0%	2001	269,800	Auchan, Bata, Expert, Conbipel
24. Piacenza — San Rocco al Porto	San Rocco al Porto (Piacenza)	Fee	49.0%	1992	179,200	Auchan, Euronics, Benetton
25. Roma — Collatina	Collatina (Roma)	Fee	49.0%	1999	63,600	Auchan
26. Sassari — Predda Niedda	Predda Niedda (Sassari)	Fee / Leasehold	49.0%(2)	1990	233,700	Auchan, Bricocenter, OVS Industry, Bata
27. Taranto	Taranto	Fee	49.0%	1997	201,700	Auchan, Bricocenter, OVS Industry, Expert, Iper Sport
28. Torino	Torino	Fee	49.0%	1989	171,800	Auchan, OVS Industry, Norouto, Benetton
29. Torino — Venaria	Venaria (Torino)	Fee	49.0%	1982	165,600	Auchan, Bricocenter
30. Venezia — Mestre	Mestre (Venezia)	Fee	49.0%	1995	246,700	Auchan, Oviessse, Benetton, Scarpe & Scarpe
31. Vicenza	Vicenza	Fee	49.0%	1995	98,500	Auchan, Piazza Italia
32. Ancona	Ancona	Leasehold	49.0%(3)	1993	165,200	Auchan, King Sport, Upim, L'isola del Ristoro
33. Bergamo	Bergamo	Leasehold	49.0%(3)	1976	119,900	Auchan
34. Brescia — Concesio	Concesio (Brescia)	Leasehold	49.0%(3)	1972	117,500	Auchan, Bata
35. Cagliari — Marconi	Cagliari	Leasehold	49.0%(3)	1994	193,400	Auchan, Bricocenter, Bata, Trony, Cisaifa, Conbipel
36. Catania — Misterbianco	Misterbianco (Catania)	Leasehold	49.0%(3)	1989	99,300	Auchan
37. Merate — Lecco	Merate (Lecco)	Leasehold	49.0%(3)	1976	162,000	Auchan, Bricocenter, Super Media
38. Milano — Cesano Boscone	Cesano Boscone (Milano)	Leasehold	49.0%(3)	2005	283,900	Auchan, Darty

Simon Property Group, Inc. and Subsidiaries
International Properties

COUNTRY/Property Name	City (Metropolitan area)	Ownership Interest	SPG Effective Ownership	Year Built	Total Gross Leasable Area	Retail Anchors and Major Tenants
ITALY (continued)						
39. Milano — Nerviano	Nerviano (Milano)	Leasehold	49.0%(3)	1991	111,600	Auchan
40. Monza	Monza	Leasehold	49.0%(3)		211,700	Auchan, UniEuro, Adidas, Conbipel, H&M
41. Napoli — Mugnano di Napoli	Mugnano di Napoli	Leasehold	49.0%(3)	1992	192,900	Auchan, Bricocenter, OVS Industry, Eldo
42. Olbia	Olbia	Leasehold	49.0%(3)	1993	207,600	Auchan, Terranova, Bata, Unieuro, Zara
43. Roma — Casalbertone	Roma	Leasehold	49.0%(3)	1998	147,600	Auchan, Cisaifa, OVS Industry, Benetton
44. Torino — Rivoli	Rivoli (Torino)	Leasehold	49.0%(3)	1986	94,100	Auchan, OVS Industry, Norauto
45. Verona — Bussolengo	Bussolengo (Verona)	Leasehold	49.0%(3)	1975	164,600	Auchan, Bricocenter, Bata
Subtotal Italy					10,077,100	
JAPAN						
46. Ami Premium Outlets	Ami (Tokyo)	Fee	40.0%	2009	224,800	Adidas, BCBG Max Azria, Beams, Brooks Brothers, Coach, Cole Haan, Diesel, Gap Outlet, Lanvin en Bleu, Laundry, McGregor, MK Michel Klein Homme, Pal Zileri, Tommy Hilfiger, Ralph Lauren
47. Gotemba Premium Outlets	Gotemba City (Tokyo)	Fee	40.0%	2000	482,000	Armani Factory Store, Balenciaga, Bally, Beams, Bottega Veneta, Burberry, Coach, Diesel, Dolce & Gabbana, Dunhill, Gap Outlet, Gucci, Jill Stuart, Loro Piana, Miu Miu, Moschino, Nike, Polo Ralph Lauren, Prada, Salvatore Ferragamo, Tod's
48. Kobe-Sanda Premium Outlets	Hyogo-ken (Osaka)	Ground Lease (2026)	40.0%	2007	365,100	Adidas, Armani Factory Store, Bally, Banana Republic, Beams, Brooks Brothers, Coach, Cole Haan, Diesel, Etro, Gap Outlet, Gucci, Harrod's, Helmut Lang, Hugo Boss, Loro Piana, Nike, Polo Ralph Lauren, Salvatore Ferragamo, Theory, Tommy Hilfiger, Valentino
49. Rinku Premium Outlets	Izumisano (Osaka)	Ground Lease (2020)	40.0%	2000	321,800	Adidas, Armani Factory Store, Bally, BCBG Max Azria, Beams, Brooks Brothers, Coach, Cole Haan, Diesel, Dolce & Gabbana, Dunhill, Eddie Bauer, Etro, Furla, Gap Outlet, Hugo Boss, Jill Stuart, Kate Spade, Lacoste, Lanvin Collection, Nike, Polo Ralph Lauren
50. Sano Premium Outlets	Sano (Tokyo)	Ground Lease (2022)	40.0%	2003	390,800	Adidas, Armani Factory Store, Bally, Beams, Brooks Brothers, Coach, Cynthia Rowley, Diesel, Dolce & Gabbana, Dunhill, Eddie Bauer, Escada, Etro, French Connection, Furla, Gap Outlet, Gucci, Harrod's, Kate Spade, Lanvin Collection, Miu Miu, Nike, Polo Ralph Lauren
51. Sendai-Izumi Premium Outlets	Izumi Park Town (Sendai)	Ground Lease (2027)	40.0%	2008	164,200	Beams, Brooks Brothers, Bose, Coach, Jill Stuart, Kipling, Laundry, Levi's, Miss Sixty, Pleats Please Issey Miyake, Ray Ban, Tasaki
52. Toki Premium Outlets	Toki (Nagoya)	Ground Lease (2024)	40.0%	2005	289,600	Adidas, BCBG Max Azria, Beams, Brooks Brothers, Coach, Diesel, Eddie Bauer, Furla, Gap Outlet, Lacoste, Laundry, MK Michel Klein, Nike, Olive des Olive, Polo Ralph Lauren, Timberland, Tommy Hilfiger
53. Tosu Premium Outlets	Fukuoka (Kyushu)	Ground Lease (2023)	40.0%	2004	239,800	Adidas, Armani Factory Store, BCBG Max Azria, Beams, Bose, Brooks Brothers, Coach, Cole Haan, Courreges, Dolce & Gabbana, Furla, Gap Outlet, Miki House, Nike, Quiksilver, Reebok, Theory, Tommy Hilfiger
Subtotal Japan					2,478,100	
MEXICO						
54. Punta Norte Premium Outlets	Mexico City	Fee	50.0%	2004	278,000	Adidas, Calvin Klein, CH Carolina Herrera, Coach, Kenneth Cole, Lacoste, Levi's, MaxMara, Nautica, Nike, Palacio Outlet, Reebok, Roberto Cavalli, Rockport, Salvatore Ferragamo, Swarovski, Zegna
SOUTH KOREA						
55. Yeosu Premium Outlets	Yeosu (Seoul)	Fee	50.0%	2007	276,200	Adidas, Giorgio Armani, Bally, Burberry, Chloe, Coach, Diesel, Dolce & Gabbana, Escada, Fendi, Furla, Gucci, Lacoste, Marc Jacobs, Marks & Spencer, Michael Kors, Nike, Polo Ralph Lauren, Salvatore Ferragamo, Theory, Tod's, Valentino, Vivienne Westwood
TOTAL INTERNATIONAL ASSETS					13,109,400	

FOOTNOTES:

- (1) All gross leasable area listed in square feet.
- (2) This property is held partially in fee and partially encumbered by a leasehold on the premise which entitles the lessor to the majority of the economics of the portion of the property subject to the leasehold.
- (3) These properties are encumbered by a leasehold on the entire premises which entitles the lessor the majority of the economics of the property.
- (4) GCI owns 100% of the shopping gallery at this center which consists of 177,600 sf of leaseable area. In addition, GCI owns a 40% interest in the retail parks at this center, which consist of 446,900 sf of leasable area.

Land

We have direct or indirect ownership interests in approximately 550 acres of land held in the United States for future development.

Sustainability and Energy Efficiency

Due to the size of our portfolio, we focus on energy efficiency as a core sustainability strategy. Through the continued use of energy conservation practices, energy efficiency projects, and continuous monitoring and reporting, we have reduced our energy consumption at comparable properties every year since 2003. As a result, excluding new developments and expansions, we reduced the electricity usage over which we have direct control by 295 million kWhs since 2003. This represents a 22% percent reduction in electricity usage across a portfolio of comparable properties and reflects an annual value of over \$34 million in avoided operating costs. Our documented reduction in greenhouse gas emissions resulting from our energy management efforts is 182,000 metric tons CO₂e.

In 2010, we were awarded *NAREIT's Leader in the Light Award* for the sixth year in a row. We are the only company to have achieved the Leader in the Light distinction every single year since NAREIT launched the program in 2005. We were included in the 2009 Carbon Disclosure Project's Global 500 Carbon Disclosure Leadership Index. The 2009 Carbon Disclosure Leadership Index highlights 50 companies worldwide that have displayed the most professional approach to corporate governance with respect to climate change disclosure practices. We were the only real estate company to be recognized.

Mortgage Financing on Properties

The following table sets forth certain information regarding the mortgages and other indebtedness encumbering our properties, and the properties held by our domestic and international joint venture arrangements, and also our unsecured corporate debt. Substantially all of the mortgage and property related debt is nonrecourse to us.

MORTGAGE AND OTHER DEBT ON PORTFOLIO PROPERTIES

As of December 31, 2010

(Dollars in thousands)

Property Name	Interest Rate	Face Amount	Annual Debt Service (1)	Maturity Date
<i>Consolidated Indebtedness:</i>				
<i>Secured Indebtedness:</i>				
Anderson Mall	6.20%	\$ 26,754	\$ 2,216	10/10/12
Arsenal Mall HCHP	8.20%	846	202	05/05/16
Bangor Mall	6.15%	80,000	4,918 (2)	10/01/17
Battlefield Mall	4.60%	90,885	6,154	07/01/13
Birch Run Premium Outlets	5.95%	109,113 (39)	8,078	04/11/16
Bloomington Court	8.15%	26,262	2,495	11/01/15
Brunswick Square	5.65%	80,965	5,957	08/11/14
Calhoun Premium Outlets	5.79%	20,974 (34)	1,519	09/01/16
Carolina Premium Outlets — Smithfield	9.10%	19,047 (6)	2,114	03/10/13 (25)
Century III Mall	6.20%	78,973 (9)	6,541	10/10/12
Chesapeake Square	5.84%	68,796	5,162	08/01/14
The Crossings Premium Outlets	5.85%	50,927	4,649	03/13/13
Crystal River	9.63%	14,441	1,385	11/11/30
Dare Centre	9.10%	1,586 (6)	176	03/10/13 (25)
DeKalb Plaza	5.28%	2,815	284	01/01/15
Desoto Square	5.89%	63,156	4,561	07/01/14
Ellenton Premium Outlets	5.51%	107,735 (21)	7,646	01/11/16
The Factory Shoppes at Branson Meadows	9.10%	8,858 (6)	983	03/10/13 (25)
Factory Stores of America	9.10%	15,306 (6)	1,699	03/10/13 (25)
Florida City Outlet Center	5.51%	10,995 (21)	780	01/11/16
Forest Mall	6.20%	15,883 (10)	1,316	10/10/12
Forest Plaza	7.50%	18,685	1,685	10/10/19
Gaffney Premium Outlets	5.79%	38,065 (34)	2,757	09/01/16
Gateway Shopping Center	5.89%	87,000	5,124 (2)	10/01/11
Greenwood Park Mall	8.00%	79,097 (37)	7,044	08/01/16
Grove City Premium Outlets	5.51%	116,314 (21)	8,270	01/11/16
Gulfport Premium Outlets	5.51%	25,948 (21)	1,842	01/11/16
Gwinnett Place	5.68%	115,000	6,532 (2)	06/08/12
Hagerstown Premium Outlets	5.95%	91,680 (39)	6,787	04/11/16
Henderson Square	6.94%	14,100	1,270	07/01/11
Highland Lakes Center	6.20%	14,641 (9)	1,213	10/10/12
Huntley Outlet Center	5.51%	30,753 (21)	2,183	01/11/16
Independence Center	5.94%	200,000	11,886 (2)	07/10/17
Ingram Park Mall	6.99%	74,493 (20)	6,724	08/11/11
Kittery Premium Outlets	5.39% (11)	43,556 (7)	2,347 (2)	07/10/13 (3)
Knoxville Center	6.99%	56,410 (20)	5,092	08/11/11
Lake View Plaza	8.00%	15,885	1,409	01/01/15
Lakeline Plaza	7.50%	17,504	1,578	10/10/19
Las Americas Premium Outlets	5.84%	180,000	10,511 (2)	06/11/16
Lebanon Premium Outlets	5.51%	15,953 (21)	1,132	01/11/16
Lee Premium Outlets	5.79%	52,358 (34)	3,792	09/01/16
Lighthouse Place Premium Outlets	5.39% (11)	88,623 (7)	4,775 (2)	07/10/13 (3)
Longview Mall	6.20%	29,726 (9)	2,462	10/10/12
MacGregor Village	9.10%	6,378 (6)	708	03/10/13 (25)
Markland Mall	6.20%	21,031 (10)	1,742	10/10/12
Midland Park Mall	6.20%	30,702 (10)	2,543	10/10/12
Montgomery Mall	5.17%	86,063	6,307	05/11/34
Muncie Plaza	7.50%	7,277	656	10/10/19
Naples Outlet Center	5.51%	16,531 (21)	1,173	01/11/16

MORTGAGE AND OTHER DEBT ON PORTFOLIO PROPERTIES

As of December 31, 2010

(Dollars in thousands)

Property Name	Interest Rate	Face Amount	Annual Debt Service (1)	Maturity Date
North Ridge Shopping Center	9.10%	7,790 (6)	865	03/10/13 (25)
Northfield Square	6.05%	27,575	2,485	02/11/14
Northlake Mall	6.99%	65,075 (20)	5,874	08/11/11
Oxford Valley Mall	4.77%	71,000	4,456	12/07/20
Penn Square Mall	7.75%	98,498	8,597	04/01/16
Philadelphia Premium Outlets	4.19% (11)	190,000	7,969 (2)	07/30/14 (3)
Pismo Beach Premium Outlets	5.84%	33,850 (36)	1,978 (2)	11/06/16
Plaza Carolina — Fixed	7.50%	88,657	7,552	06/01/14
Plaza Carolina — Variable Swapped	7.63% (11)	97,335	8,498	06/01/14
Pleasant Prairie Premium Outlets	5.51%	61,988 (21)	4,400	01/11/16
Pleasant Prairie Premium Outlets II	6.01%	37,363	2,758	12/01/16
Port Charlotte Town Center	5.30%	48,398	3,232	11/01/20
Prime Outlets Jeffersonville	5.51%	72,175 (21)	5,123	01/11/16
Puerto Rico Premium Outlets	3.75% (24)	74,516	3,965	05/01/14
Queenstown Premium Outlets	5.84%	66,150 (36)	3,864 (2)	11/06/16
Regency Plaza	5.50% (24)	3,893 (4)	331	12/14/14 (3)
Richmond Towne Square	6.20%	43,124 (10)	3,572	10/10/12
San Marcos Premium Outlets	5.51%	147,523 (21)	10,470	01/11/16
SB Boardman Plaza Holdings	5.94%	22,601	1,687	07/01/14
Secured Term Loan	0.96% (1)	735,000	7,061 (2)	03/05/12
South Park Mall	8.00%	195,764 (37)	17,434	08/01/16
St. Charles Towne Plaza	5.50% (24)	25,303 (4)	2,152	12/14/14 (3)
Stanford Shopping Center	2.41% (1)	240,000	5,786 (2)	07/01/13 (3)
Summit Mall	5.42%	65,000	3,526 (2)	06/10/17
Sunland Park Mall	8.63% (13)	31,856	3,773	01/01/26
Tacoma Mall	7.00%	118,001	10,778	10/01/11
Texas Lifestyle Centers Secured Loan	3.86% (5)	260,000 (8)	10,026 (2)	09/23/13 (3)
Town Center at Cobb	5.74%	280,000	16,072 (2)	06/08/12
Towne West Square	6.99%	48,760 (20)	4,402	08/11/11
Upper Valley Mall	5.89%	47,108	3,406	07/01/14
Valle Vista Mall	5.35%	40,000	3,598 (2)	05/10/17
Walt Whitman Mall	8.00%	120,622 (37)	10,742	08/01/16
Washington Square	5.94%	27,835	1,653 (2)	07/01/16 (3)
Waterloo Premium Outlets	5.39% (11)	72,822 (7)	3,923 (2)	07/10/13 (3)
West Ridge Mall	5.89%	67,568	4,885	07/01/14
West Ridge Plaza	5.50% (24)	4,866 (4)	414	12/14/14 (3)
White Oaks Mall	5.54%	50,000	2,768 (2)	11/01/16
White Oaks Plaza	7.50%	14,554	1,312	10/10/19
Williamsburg Premium Outlets	5.95%	105,916 (39)	7,841	04/11/16
Wolfchase Galleria	5.64%	225,000	12,700 (2)	04/01/17
Woodland Hills Mall	7.79%	96,047	8,414	04/05/19
Total Consolidated Secured Indebtedness		\$ 6,597,623		
Unsecured Indebtedness:				
Simon Property Group, LP:				
Unsecured Revolving Credit Facility — USD	2.36% (15)	\$ 585,000	\$13,810 (2)	03/31/13
Revolving Credit Facility — Yen Currency	2.23% (15)	273,637 (33)	6,092 (2)	03/31/13
Unsecured Notes — 4C	7.38%	200,000	14,750 (14)	06/15/18
Unsecured Notes — 6B	7.75%	77,639 (32)	6,017 (14)	01/20/11
Unsecured Notes — 8B	6.35%	106,065	6,735 (14)	08/28/12
Unsecured Notes — 9B	5.45%	122,288	6,665 (14)	03/15/13
Unsecured Notes — 10B	4.90%	200,000	9,800 (14)	01/30/14

MORTGAGE AND OTHER DEBT ON PORTFOLIO PROPERTIES

As of December 31, 2010

(Dollars in thousands)

Property Name	Interest Rate	Face Amount	Annual Debt Service (1)	Maturity Date
Unsecured Notes — 11B	5.63%	218,430	12,287 (14)	08/15/14
Unsecured Notes — 12A	5.10%	600,000	30,600 (14)	06/15/15
Unsecured Notes — 13A	5.38%	120,022	6,451 (14)	06/01/11
Unsecured Notes — 13B	5.75%	600,000	34,500 (14)	12/01/15
Unsecured Notes — 14A	5.75%	74,245	4,269 (14)	05/01/12
Unsecured Notes — 14B	6.10%	400,000	24,400 (14)	05/01/16
Unsecured Notes — 15A	5.60%	101,517	5,685 (14)	09/01/11
Unsecured Notes — 15B	5.88%	500,000	29,375 (14)	03/01/17
Unsecured Notes — 16A	5.00%	159,753	7,988 (14)	03/01/12
Unsecured Notes — 16B	5.25%	650,000	34,125 (14)	12/01/16
Unsecured Notes — 19A	5.30%	237,897	12,609 (14)	05/30/13
Unsecured Notes — 19B	6.13%	800,000	49,000 (14)	05/30/18
Unsecured Notes — 20A	10.35%	650,000	67,275 (14)	04/01/19
Unsecured Notes — 21A	6.75%	516,052	34,834 (14)	05/15/14
Unsecured Notes — 22A	4.20%	400,000	16,800 (14)	02/01/15
Unsecured Notes — 22B	5.65%	1,250,000	70,625 (14)	02/01/20
Unsecured Notes — 22C	6.75%	600,000	40,500 (14)	02/01/40
Unsecured Notes — 23A	4.38%	900,000	39,375 (14)	03/01/21
		<u>10,342,545</u>		
The Retail Property Trust, subsidiary:				
Unsecured Notes — CPI 4	7.18%	75,000	5,385 (14)	09/01/13
Unsecured Notes — CPI 5	7.88%	250,000	19,688 (14)	03/15/16
		<u>325,000</u>		
CPG Partners, LP, subsidiary:				
Unsecured Notes — CPG 5	8.25%	83,588 (40)	6,896 (14)	02/01/11
Unsecured Notes — CPG 6	6.88%	50,642	3,482 (14)	06/15/12
Unsecured Notes — CPG 7	6.00%	69,334	4,160 (14)	01/15/13
		<u>203,564</u>		
Total Consolidated Unsecured Indebtedness		<u>\$10,871,109</u>		
Total Consolidated Indebtedness at Face Amounts . .		<u>\$17,468,732</u>		
Net Premium on Indebtedness		44,207		
Net Discount on Indebtedness		(39,179)		
Total Consolidated Indebtedness		<u>\$17,473,760</u>		
Our Share of Consolidated Indebtedness		<u><u>\$17,206,280</u></u>		

Joint Venture Indebtedness:

Secured Indebtedness:

Ami Premium Outlets	2.09%	\$ 136,655 (26)	\$10,513	09/25/23
Atrium at Chestnut Hill	6.89%	42,975	3,880	03/11/31
Auburn Mall	6.02%	41,881	3,027	09/01/20
Aventura Mall	5.91%	430,000	25,392 (2)	12/11/17
Avenues, The	5.29%	69,689	5,325	04/01/13
Busan Premium Outlets	5.70% (31)	15,025 (17)	856 (2)	12/28/15
California Department Stores	6.53%	31,300	2,044 (2)	11/01/17
Cape Cod Mall	6.80%	87,225	7,821	03/11/11
Circle Centre Mall	5.02%	69,809	5,165	04/11/13
Clay Terrace	5.08%	115,000	5,842 (2)	10/01/15

MORTGAGE AND OTHER DEBT ON PORTFOLIO PROPERTIES

As of December 31, 2010

(Dollars in thousands)

Property Name	Interest Rate	Face Amount	Annual Debt Service (1)	Maturity Date
Cobblestone Court	5.00% (28)	2,356	431	05/05/12
Coconut Point	5.83%	230,000	13,409 (2)	12/10/16
Coddington Mall	3.16% (1)	14,250	1,059	07/01/14 (3)
Crystal Mall	5.62%	92,611	7,319	09/11/32
Dadeland Mall	6.75%	177,300	15,566	02/11/32
Domain Residential Phase II	2.26% (1)	36,569	827 (2)	07/22/13 (3)
Domain Residential Building P	2.26% (1)	3,657	83 (2)	11/07/11
Domain Westin	2.21% (1)	39,570	875 (2)	10/15/13 (3)
Eastland Mall	5.79%	168,000	9,734 (2)	06/01/16
Emerald Square Mall	5.13%	126,640	9,479	03/01/13
Empire Mall	5.79%	176,300	10,215 (2)	06/01/16
Fashion Centre Pentagon Retail	6.63%	146,453	12,838	09/11/11 (25)
Fashion Centre Pentagon Office	5.50% (30)	40,000	2,200 (2)	10/01/12 (3)
Fashion Valley Mall	4.30%	475,000	20,425 (2)	01/04/21
Firewheel Residential	5.91%	22,931	1,635	11/20/16 (3)
Florida Mall, The	5.25%	373,704	24,849	09/05/20
Gaitway Plaza	4.60%	13,900	640 (2)	07/01/15
Galleria Commerciali Italia — Facility A	5.37% (16)	301,592	21,531	12/22/11
Galleria Commerciali Italia — Facility B	5.85% (16)	299,087	22,566	12/22/11
Galleria Commerciali Italia — Catania	1.74% (16)	92,931	1,614 (2)	12/17/12
Galleria Commerciali Italia — Cinisello — Fixed	5.38% (16)	96,997	6,719	03/31/15
Galleria Commerciali Italia — Cinisello — Variable	1.76% (16)	68,003	1,881	03/31/15
Galleria Commerciali Italia — Giugliano A	4.77% (16)	35,783	1,708 (2)	10/20/13
Galleria Commerciali Italia — Giugliano B	4.78% (16)	32,401	2,433	10/20/13
Galleria Commerciali Italia — Giugliano C	5.19% (16)	13,041	1,511	10/20/13
Granite Run Mall	5.83%	114,963	8,622	06/01/16
Greendale Mall	6.00%	45,000	2,699 (2)	10/01/16
Gotemba Premium Outlets — Fixed	1.57%	58,811 (26)	12,348	10/25/14
Gotemba Premium Outlets — Variable	0.63% (12)	7,800 (26)	1,349	05/31/12
Hamilton Town Center	1.86% (1)	95,283	1,773 (2)	05/29/12 (3)
Houston Galleria — 1	5.44%	643,583	34,985 (2)	12/01/15
Houston Galleria — 2	5.44%	177,417	9,644 (2)	12/01/15
Indian River Commons	5.21%	9,494	637	11/01/14
Indian River Mall	5.21%	64,325	4,313	11/01/14
King of Prussia Mall — 1	7.49%	112,899	23,183	01/01/17
King of Prussia Mall — 2	8.53%	7,976	1,685	01/01/17
Kobe Sanda Premium Outlets — Fixed	1.49%	23,142 (26)	3,937	01/31/14
Kobe Sanda Premium Outlets — Variable	0.89% (12)	58,009 (26)	7,628	01/31/14
Lehigh Valley Mall	5.88%	139,280	9,943	07/05/20
Liberty Tree Mall	5.22%	35,000	1,827 (2)	10/11/13
Mall at Rockingham	5.61%	260,000	14,586 (2)	03/10/17
Mall of New Hampshire	6.23%	133,085	10,079	10/05/15
Mesa Mall	5.79%	87,250	5,055 (2)	06/01/16
Miami International Mall	5.35%	91,592	6,533	10/01/13
Northshore Mall	5.03%	198,255	13,566	03/11/34
Paju Premium Outlets	5.92% (31)	50,578 (17)	2,994 (2)	04/01/13
Plaza at Buckland Hills, The	4.60%	24,800	1,142 (2)	07/01/15
Quaker Bridge Mall	7.03%	17,644	2,407	04/01/16
Ridgewood Court	4.60%	14,650	674 (2)	07/01/15
Rinku Premium Outlets	1.85%	27,913 (26)	8,108	11/25/14
Rushmore Mall	5.79%	94,000	5,446 (2)	06/01/16
Sano Premium Outlets	0.52% (12)	42,033 (26)	20,436	05/31/18

MORTGAGE AND OTHER DEBT ON PORTFOLIO PROPERTIES

As of December 31, 2010

(Dollars in thousands)

Property Name	Interest Rate	Face Amount	Annual Debt Service (1)	Maturity Date
Seminole Towne Center	3.26% (22)	66,560	4,871	08/09/11
Sendai Premium Outlets	0.48% (12)	37,283 (26)	4,660	10/31/18
Shops at Sunset Place, The	5.62%	78,648	5,892	09/01/20
Smith Haven Mall	5.16%	180,000	9,283 (2)	03/01/16
Solomon Pond	3.97%	104,947	6,505	08/01/13
Source, The	6.65%	124,000	8,246 (2)	01/31/11
Southern Hills Mall	5.79%	101,500	5,881 (2)	06/01/16
SouthPark Residential	3.01% (1)	21,111	636 (2)	02/23/13
Springfield Mall	4.77% (11)	67,000	3,194 (2)	11/30/15
Square One	6.73%	84,395	7,380	03/11/12
St. Johns Town Center	5.06%	168,456	11,026	03/11/15
St. John's Town Center Phase II	5.50% (11)	77,500	4,266 (2)	05/10/15 (3)
Toki Premium Outlets — Fixed	1.80%	8,830 (26)	2,869	10/31/11
Toki Premium Outlets — Variable	1.14% (12)	16,216 (26)	2,093	04/30/15
Tosu Premium Outlets — Fixed	1.50%	6,298 (26)	2,396	08/24/13
Tosu Premium Outlets — Variable	0.63% (12)	10,302 (26)	1,536	01/31/12
Valley Mall	5.83%	44,646	3,357	06/01/16
Village Park Plaza	4.60%	29,850	1,374 (2)	07/01/15
West Town Corners	4.60%	18,800	865 (2)	07/01/15
West Town Mall	6.34%	210,000	13,309 (2)	12/01/17
Westchester, The	6.00%	372,347	26,980	05/05/20
Whitehall Mall	7.00%	11,712	1,149	11/01/18
Yeoju Premium Outlets	6.20% (31)	4,419 (17)	274 (2)	07/31/12
Total Joint Venture Secured Indebtedness at Face Amounts		\$ 8,598,237		
Mills Indebtedness at Face Amounts (detail in The Mills Limited Partnership Summary)		\$ 2,810,565		
Total Joint Venture and Mills Indebtedness at Face Amounts		\$11,408,802		
Net Premium on Indebtedness		10,777		
Net Discount on Indebtedness		(895)		
Total Joint Venture Indebtedness		\$11,418,684		
Our Share of Joint Venture Indebtedness		\$ 6,562,500 (23)		

Mills Indebtedness:

Secured Indebtedness:

Arizona Mills	5.76%	174,006	12,268	07/01/20
Arundel Marketplace	5.92%	11,187	884	01/01/14
Arundel Mills	6.14%	383,314	28,116	08/01/14
Block at Orange	6.25%	220,000	13,753 (2)	10/01/14
Briarwood Mall	7.50%	118,006	10,641	11/30/16
Colorado Mills	2.04% (18)	153,574	3,134 (2)	11/12/11
Concord Marketplace	5.76%	13,023	972	02/01/14
Concord Mills Mall	6.13%	160,891	13,208	12/07/12
Del Amo Fashion Center	1.76% (1)	307,753	5,418 (2)	01/23/13 (3)
Denver West Village	8.15%	21,404	2,153	10/01/11
Discover Mills — 1	7.32%	23,700	1,735 (2)	12/11/11
Discover Mills — 2	6.08%	135,000	8,212 (2)	12/11/11
Dover Mall & Commons	2.21% (29)	83,756 (35)	1,852 (2)	02/01/12 (3)
Esplanade, The	2.21% (29)	75,136 (35)	1,661 (2)	02/01/12 (3)

MORTGAGE AND OTHER DEBT ON PORTFOLIO PROPERTIES

As of December 31, 2010

(Dollars in thousands)

Property Name	Interest Rate	Face Amount	Annual Debt Service (1)	Maturity Date
Falls, The	7.50%	114,072	10,287	11/30/16
Franklin Mills	5.65%	290,000	16,385 (2)	06/01/17
Galleria at White Plains	2.21% (29)	125,566 (35)	2,776 (2)	02/01/12 (3)
Grapevine Mills	5.91% (38)	270,000	15,945 (2)	09/22/14 (3)
Great Mall of the Bay Area	6.01%	270,000	16,227 (2)	08/28/15 (3)
Gurnee Mills	5.77%	321,000	18,512 (2)	07/01/17
Hilltop Mall	4.99%	64,350	3,211 (2)	07/08/12
Katy Mills	6.69%	141,055	12,207	01/09/13
Lakeforest Mall	4.90%	140,061	8,978	07/08/13 (3)
Liberty Plaza	5.68%	43,000	2,442 (2)	06/01/17
Mall at Tuttle Crossing	5.05%	112,625	7,774	11/05/13
Marley Station	4.89%	114,400	5,595 (2)	07/01/12
Meadowood Mall	1.13% (27)	140,114	1,584 (2)	01/09/12
Mills Senior Loan Facility	1.51% (1)	655,000	9,895 (2)	06/07/12 (3)
Net Leases II	9.35%	20,873	1,952 (2)	01/10/23
Northpark Mall — Mills	2.21% (29)	105,543 (35)	2,333 (2)	02/01/12 (3)
Ontario Mills	4.98% (11)	175,000	8,718 (2)	12/05/13 (3)
Opry Mills	6.16%	280,000	17,248 (2)	10/10/14
Potomac Mills	5.83%	410,000	23,901 (2)	07/11/17
Sawgrass Mills	5.82%	820,000	47,724 (2)	07/01/14
Shops at Riverside, The	1.06% (1)	138,000	1,464 (2)	11/14/11
Southdale Center	5.18%	157,354	10,430	04/01/13 (3)
Southridge Mall	5.23%	124,000	6,489 (2)	04/01/12
St. Louis Mills	6.39%	90,000	5,751 (2)	01/08/12
Stoneridge Shopping Center	7.50%	226,522	19,214	11/30/16
Total Mills Secured Indebtedness		\$ 7,229,285		
Unsecured Indebtedness:				
TMLP Trust Preferred Unsecured Securities	7.38%	100,000	7,375 (2)	03/30/36 (19)
Total Mills Unsecured Indebtedness		\$ 100,000		
Total Mills Indebtedness at Face Amounts		\$ 7,329,285		
Our Share of Mills Indebtedness		\$ 2,810,565		

(Footnotes on following page)

(Footnotes for preceding pages)

- (1) Variable rate loans based on LIBOR plus interest rate spreads ranging from 70 bps to 450 bps. LIBOR as of December 31, 2010 was 0.26%.
- (2) Requires monthly payment of interest only.
- (3) Includes applicable extension available at the Applicable Borrower's option.
- (4) Loans secured by these three properties are cross-collateralized and cross-defaulted.
- (5) We have executed a swap agreement that fixes the interest rate on \$200 million of this loan at 4.35%.
- (6) Loans secured by these properties are cross-collateralized and cross-defaulted. Factory Stores of America includes Boaz, Georgetown, Graceville, Lebanon, Nebraska City and Story City.
- (7) Loans secured by these three properties are cross-collateralized and cross-defaulted.
- (8) Loan is secured by The Domain Shopping Center, Palms Crossing, and Shops at Arbor Walk and is cross-collateralized and cross-defaulted.
- (9) Loans secured by these three properties are cross-collateralized.
- (10) Loans secured by these four properties are cross-collateralized.
- (11) Associated with these loans are interest rate swap agreements that effectively fix the interest rate of the loans at the all-in rate presented.
- (12) Variable rate loans based on Yen LIBOR plus interest rate spreads ranging from 35 bps to 187.5 bps. Yen LIBOR as of December 31, 2010 was 0.1263%.
- (13) Lender also participates in a percentage of certain gross receipts above a specified base. This threshold was met and additional interest was paid in 2010.
- (14) Requires semi-annual payments of interest only.
- (15) \$3,900,000 Credit Facility. As of December 31, 2010, the Credit Facility bears interest at LIBOR + 210 basis points and provides for different pricing based upon our investment grade rating. As of December 31, 2010, \$3.0 billion was available after outstanding borrowings and letter of credits.
- (16) Amounts shown in USD equivalent. Euro equivalent is 709.1 million. Associated with these loans are interest rate swap agreements with a total combined Euro 587.7 million notional amount that effectively fixes Facility A and B, Giugliano, and a portion of Cinisello at 4.88%.
- (17) Amounts shown in USD equivalent. Won Equivalent is 79,228.0 million.
- (18) LIBOR + 1.780%, with LIBOR capped at 4.000%.
- (19) Redeemable beginning 3/30/11, pricing re-sets every 5 years based on an index of LIBOR + 2.45%.
- (20) Loans secured by these four properties are cross-collateralized and cross-defaulted.
- (21) Loans secured by these ten properties are cross-collateralized and cross-defaulted.
- (22) LIBOR + 3.000%, with LIBOR capped at 8.500%.
- (23) Our share of indebtedness for joint ventures excludes our share of indebtedness of \$146.4 million in joint venture entities in which GCI holds a non-controlling interest.
- (24) Through an interest rate floor agreement, the LIBOR rate is currently fixed at 1.50%.
- (25) The maturity date shown represents the anticipated maturity date of the loan which is typically 10-20 years earlier than the stated Maturity Date of the loan. Should the loan not be repaid at the anticipated repayment date the applicable interest rate shall increase as specified in the loan agreement.
- (26) Amounts shown in US Dollar Equivalent. Yen equivalent 35,330.3 million
- (27) LIBOR + 0.870%, with LIBOR capped at 4.000%.

- (28) Through an interest rate floor agreement, the LIBOR rate is currently fixed at 1.00%.
- (29) LIBOR + 1.950%, with LIBOR capped at 6.00%.
- (30) LIBOR + 4.500%, with LIBOR capped at 8.250%. Through an interest rate floor agreement, the LIBOR rate is currently fixed at 1.00%.
- (31) Variable rate loans based on 91 Day Korea CD rate plus interest rate spreads ranging from 290 bps to 340 bps. The 91 Day Korea CD rate as of December 31, 2010 was 2.80%.
- (32) Senior note was paid off on 1/20/11.
- (33) Amounts shown in US Dollar Equivalent. Balances include borrowings on multi-currency tranche of Yen 22,265.0 million.
- (34) Loans secured by these three properties are cross-collateralized and cross-defaulted.
- (35) Loans secured by these four properties are cross-collateralized and cross-defaulted.
- (36) Loans secured by these two properties are cross-collateralized and cross-defaulted.
- (37) Loans secured by these three properties are cross-collateralized.
- (38) We have executed a swap agreement that fixes the interest rate on \$245 million of this loan at 6.26%.
- (39) Loans secured by these three properties are cross-collateralized.
- (40) Senior note was paid off on 2/1/11.

The changes in consolidated mortgages and other indebtedness for the years ended December 31, 2010, 2009, 2008 are as follows:

	2010	2009	2008
Balance, Beginning of Year	\$18,630,302	\$18,042,532	\$17,218,674
Additions during period:			
New Loan Originations	3,709,910	2,073,874	1,833,677
Loans assumed in acquisitions	1,241,907	—	—
Net Premium	4,360	3,162	(7,192)
Deductions during period:			
Loan Retirements	(6,053,631)	(1,427,858)	(930,818)
Amortization of Net Premiums	(9,066)	(10,627)	(14,611)
Scheduled Principal Amortization	(50,022)	(50,781)	(57,198)
Balance, Close of Year	<u>\$17,473,760</u>	<u>\$18,630,302</u>	<u>\$18,042,532</u>

Item 3. Legal Proceedings

We are involved from time-to-time in various legal proceedings that arise in the ordinary course of our business, including, but not limited to commercial disputes, environmental matters, and litigation in connection with transactions including acquisitions and divestitures. We believe that such litigation, claims and administrative proceedings will not have a material adverse impact on our financial position or our results of operations. We record a liability when a loss is considered probable and the amount can be reasonably estimated.

Item 4. [Removed and Reserved.]

Part II

Item 5. Market for the Registrant's Common Equity, Related Stockholder Matters, and Issuer Purchases of Equity Securities

Market Information

Our common stock trades on the New York Stock Exchange under the symbol "SPG". The quarterly price range for the shares and the distributions declared per share for each quarter in the last two fiscal years are shown below:

	<u>High</u>	<u>Low</u>	<u>Close</u>	<u>Declared Dividends</u>
2009				
1 st Quarter	\$ 54.24	\$24.27	\$34.64	\$0.90
2 nd Quarter	57.45	32.56	51.43	0.60
3 rd Quarter	76.05	45.00	69.43	0.60
4 th Quarter	83.82	64.20	79.80	0.60
2010				
1 st Quarter	86.63	68.76	83.90	\$0.60
2 nd Quarter	93.59	78.63	80.75	0.60
3 rd Quarter	98.39	76.47	92.74	0.60
4 th Quarter	106.54	92.13	99.49	0.80

There is no established public trading market for Simon Property's Class B common stock. Dividends on the Class B common stock are identical to the common stock.

Holders

The number of holders of record of common stock outstanding was 1,996 as of December 31, 2010. The Class B common stock is held entirely by a voting trust to which the Estate of Melvin Simon, Herbert Simon, David Simon and certain of their affiliates are parties and is exchangeable on a one-for-one basis into shares of common stock.

Dividends

We are required to pay a minimum level of dividends to maintain our status as a REIT. Our dividends typically exceed our net income generated in any given year primarily because of depreciation, which is a "non-cash" expense. Our future dividends will be determined by the Board of Directors based on actual results of operations, cash available for dividends and limited partner distributions, and what may be required to maintain our status as a REIT.

Dividends during 2010 aggregated \$2.60 per share and were paid entirely in cash. Dividends during 2009 aggregated \$2.70 and were paid part in stock and part in cash, subject to stockholder election. On February 3, 2011, our Board of Directors approved a cash common stock dividend of \$0.80 per share for the first quarter of 2011.

We offer an Automatic Dividend Reinvestment Plan that allows stockholders to acquire additional shares by automatically reinvesting cash dividends. Shares are acquired pursuant to the plan at a price equal to the prevailing market price of such shares, without payment of any brokerage commission or service charge.

Unregistered Sales of Equity Securities

During the fourth quarter of 2010, we issued 55,518 shares of common stock to limited partners in exchange for an equal number of units. The issuance of the shares of common stock was made pursuant to the terms of the Partnership Agreement of the Operating Partnership and was exempt from registration under the Securities Act of 1933 as amended, in reliance upon Section 4(2).

Issuances Under Equity Compensation Plans

For information regarding the securities authorized for issuance under our equity compensation plans, see Item 12 of this report.

Temporary Equity

As of the end of the first quarter of 2010 and through April 14, 2010, holders of our Series I preferred stock and holders of the Operating Partnership's Series I Convertible preferred units could elect to convert their Series I

preferred stock into shares of our common stock or Series I preferred units into units of the Operating Partnership or Series I preferred stock. The optional conversion election resulted from the closing sale price of our common stock exceeding the applicable trigger price per share for a period of 20 trading days in the last 30 trading days of the prior quarter. Each share of Series I preferred stock and Series I preferred unit was convertible into common stock or units at a conversion ratio of .847495.

On March 17, 2010, we announced that we would redeem all of the outstanding shares of our Series I preferred stock and the Operating Partnership's Series I Preferred Units on April 16, 2010. The redemption price was equal to the liquidation value per share plus accumulated and unpaid dividends through the redemption date or \$50.4917 per share or unit.

Through the redemption date of April 16, 2010, holders of Series I preferred stock converted 7,871,276 shares of Series I preferred stock into 6,670,589 shares of our common stock and holders of Series I preferred units converted 1,017,480 Series I preferred units into 862,292 units of the Operating Partnership at a conversion ratio of .847495. We redeemed the remaining 219,879 shares of Series I preferred stock for \$50.4917 per share for an aggregate cash redemption payment of \$11.1 million including accrued dividends.

Item 6. Selected Financial Data

The information required by this item is incorporated herein by reference to the Selected Financial Data section of our 2010 Annual Report to Stockholders filed as Exhibit 13.1 to this Form 10-K.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The information required by this item is incorporated herein by reference to the Management's Discussion and Analysis of Financial Condition and Results of Operations section of our 2010 Annual Report to Stockholders filed as Exhibit 13.1 to this Form 10-K.

Item 7A. Qualitative and Quantitative Disclosure About Market Risk

The information required by this item is incorporated herein by reference to the Management's Discussion and Analysis of Financial Condition and Results of Operations section of our 2010 Annual Report to Stockholders under the caption "Liquidity and Capital Resources — Market Risk," filed as Exhibit 13.1 to this Form 10-K.

Item 8. Financial Statements and Supplementary Data

Reference is made to the Index to Financial Statements contained in Item 15.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures. We carried out an evaluation under the supervision and with participation of management, including our chief executive officer and chief financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this Annual Report on Form 10-K pursuant to Exchange Act Rule 13a-15. Based upon that evaluation, our management, including the chief executive officer and chief financial officer, concluded that our disclosure controls and procedures were effective as of December 31, 2010.

Management's Report on Internal Control Over Financial Reporting. Our management's report on internal control over financial reporting is set forth in our 2010 Annual Report to Stockholders filed as Exhibit 13.1 to this Form 10-K and is incorporated herein by reference.

Changes in Internal Control Over Financial Reporting. There was no change in our internal control over financial reporting (as defined in Rule 13a-15(f)) that occurred during the fourth quarter of 2010 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information

During the fourth quarter of the year covered by this report, the Audit Committee of our Board of Directors approved certain audit, audit-related and non-audit tax compliance services to be provided by Ernst & Young, LLP, the Company's independent registered public accounting firm. This disclosure is made pursuant to Section 10A(i)(2) of the Securities Exchange Act of 1934, as added by Section 202 of the Sarbanes-Oxley Act of 2002.

Part III

Item 10. Directors, Executive Officers and Corporate Governance

The information required by this item is incorporated herein by reference to the definitive proxy statement for our 2011 annual meeting of stockholders to be filed with the Commission pursuant to Regulation 14A and the information included under the caption “Executive Officers of the Registrant” in Part I hereof.

Item 11. Executive Compensation

The information required by this item is incorporated herein by reference to the definitive proxy statement for our 2011 annual meeting of stockholders to be filed with the Commission pursuant to Regulation 14A.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required by this item is incorporated herein by reference to the definitive proxy statement for our 2011 annual meeting of stockholders to be filed with the Commission pursuant to Regulation 14A.

Item 13. Certain Relationships and Related Transactions and Director Independence

The information required by this item is incorporated herein by reference to the definitive proxy statement for our 2011 annual meeting of stockholders to be filed with the Commission pursuant to Regulation 14A.

Item 14. Principal Accountant Fees and Services

The information required by this item is incorporated herein by reference to the definitive proxy statement for our 2011 annual meeting of stockholders to be filed with the Commission pursuant to Regulation 14A.

Part IV

Item 15. Exhibits and Financial Statement Schedules

(1) Consolidated Financial Statements

Simon Property Group, Inc. and Subsidiaries' consolidated financial statements and independent registered public accounting firm's reports are included in our 2010 Annual Report to Stockholders, filed as Exhibit 13.1 to this Form 10-K and are incorporated herein by reference.

Page No.

(2) Financial Statement Schedule

Simon Property Group, Inc. and Subsidiaries Schedule III — Schedule of Real Estate and Accumulated Depreciation

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Notes to Schedule III

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(3) Exhibits

The Exhibit Index attached hereto is hereby incorporated by reference to this Item.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

SIMON PROPERTY GROUP, INC.

By /s/ DAVID SIMON

David Simon
Chairman of the Board of Directors
and Chief Executive Officer

February 25, 2011

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Signature	Capacity	Date
<u>/s/ DAVID SIMON</u> David Simon	Chairman of the Board of Directors and Chief Executive Officer (Principal Executive Officer)	February 25, 2011
<u>/s/ HERBERT SIMON</u> Herbert Simon	Chairman Emeritus and Director	February 25, 2011
<u>/s/ RICHARD S. SOKOLOV</u> Richard S. Sokolov	President, Chief Operating Officer and Director	February 25, 2011
<u>/s/ MELVYN E. BERGSTEIN</u> Melvyn E. Bergstein	Director	February 25, 2011
<u>/s/ LARRY C. GLASSCOCK</u> Larry C. Glasscock	Director	February 25, 2011
<u>/s/ LINDA WALKER BYNOE</u> Linda Walker Bynoe	Director	February 25, 2011
<u>/s/ REUBEN S. LEIBOWITZ</u> Reuben S. Leibowitz	Director	February 25, 2011
<u>/s/ J. ALBERT SMITH, JR.</u> J. Albert Smith, Jr.	Director	February 25, 2011

<u>Signature</u>	<u>Capacity</u>	<u>Date</u>
<u>/s/ KAREN N. HORN</u> Karen N. Horn	Director	February 25, 2011
<u>/s/ ALLAN HUBBARD</u> Allan Hubbard	Director	February 25, 2011
<u>/s/ DANIEL C. SMITH</u> Daniel C. Smith	Director	February 25, 2011
<u>/s/ STEPHEN E. STERRETT</u> Stephen E. Sterrett	Executive Vice President and Chief Financial Officer (Principal Financial Officer)	February 25, 2011
<u>/s/ STEVEN K. BROADWATER</u> Steven K. Broadwater	Senior Vice President and Chief Accounting Officer (Principal Accounting Officer)	February 25, 2011

SCHEDULE III

Simon Property Group, Inc. and Subsidiaries
Real Estate and Accumulated Depreciation
December 31, 2010
(Dollars in thousands)

Name, Location	Encumbrances	Initial Cost (3)		Cost Capitalized Subsequent to Acquisition (3)		Gross Amounts At Which Carried At Close of Period				Date of Construction	
		Land	Buildings and Improvements	Land	Buildings and Improvements	Land	Buildings and Improvements	Total (1)	Accumulated Depreciation (2)		
Regional Malls											
Anderson Mall, Anderson, SC	\$ 26,754	\$ 1,712	\$ 15,227	\$ 851	\$ 20,334	\$ 2,563	\$ 35,561	\$ 38,124	\$ 13,687	1972	
Arsenal Mall, Watertown, MA	846	14,714	47,680	—	6,430	14,714	54,110	68,824	17,411	1999 (4)	
Bangor Mall, Bangor, ME	80,000	5,478	59,740	—	9,404	5,478	69,144	74,622	21,729	2004 (5)	
Barton Creek Square, Austin, TX	—	2,903	20,929	7,983	61,142	10,886	82,071	92,957	43,312	1981	
Battlefield Mall, Springfield, MO	90,885	3,919	27,231	3,000	62,518	6,919	89,749	96,668	52,350	1970	
Bay Park Square, Green Bay, WI	—	6,358	25,623	4,133	23,627	10,491	49,250	59,741	21,470	1980	
Bowie Town Center, Bowie, MD	—	2,710	65,044	235	5,789	2,945	70,833	73,778	25,565	2001	
Boynton Beach Mall, Boynton Beach, FL	—	22,240	78,804	4,666	25,170	26,906	103,974	130,880	39,730	1985	
Brea Mall, Brea, CA	—	39,500	209,202	—	25,682	39,500	234,884	274,384	83,316	1998 (4)	
Broadway Square, Tyler, TX	—	11,306	32,431	—	22,257	11,306	54,688	65,994	23,516	1994 (4)	
Brunswick Square, East Brunswick, NJ	80,965	8,436	55,838	—	27,967	8,436	83,805	92,241	37,536	1973	
Burlington Mall, Burlington, MA	—	46,600	303,618	19,600	90,699	66,200	394,317	460,517	122,167	1998 (4)	
Castleton Square, Indianapolis, IN	—	26,250	98,287	7,434	70,451	33,684	168,738	202,422	63,697	1972	
Century III Mall, West Mifflin, PA	78,973	17,380	102,364	10	7,083	17,390	109,447	126,837	72,123	1979	
Charlottesville Fashion Square, Charlottesville, VA	—	—	54,738	—	13,939	—	68,677	68,677	27,214	1997 (4)	
Chautauqua Mall, Lakewood, NY	—	3,257	9,641	—	16,456	3,257	26,097	29,354	12,829	1971	
Chesapeake Square, Chesapeake, VA	68,796	11,534	70,461	—	11,517	11,534	81,978	93,512	42,220	1989	
Cielo Vista Mall, El Paso, TX	—	1,005	15,262	608	44,663	1,613	59,925	61,538	33,617	1974	
College Mall, Bloomington, IN	—	1,003	16,245	720	43,377	1,723	59,622	61,345	28,994	1965	
Columbia Center, Kennewick, WA	—	17,441	66,580	—	21,868	17,441	88,448	105,889	34,170	1987	
Copley Place, Boston, MA	—	—	378,045	—	88,575	—	466,620	466,620	118,457	2002 (4)	
Coral Square, Coral Springs, FL	—	13,556	93,630	—	14,493	13,556	108,123	121,679	54,666	1984	
Cordova Mall, Pensacola, FL	—	18,626	73,091	7,321	44,759	25,947	117,850	143,797	36,937	1998 (4)	
Cottonwood Mall, Albuquerque, NM	—	10,122	69,958	—	5,082	10,122	75,040	85,162	35,198	1996	
Crystal River Mall, Crystal River, FL	14,441	5,393	20,241	—	4,850	5,393	25,091	30,484	11,203	1990	
DeSoto Square, Bradenton, FL	63,156	9,011	52,675	—	7,114	9,011	59,789	68,800	24,970	1973	
Domain, The, Austin, TX (6)	—	45,152	197,010	—	137,617	45,152	334,627	379,779	39,371	2005	
Edison Mall, Fort Myers, FL	—	11,529	107,350	—	28,277	11,529	135,627	147,156	49,499	1997 (4)	
Fashion Mall at Keystone, The, Indianapolis, IN	—	—	120,579	—	47,507	—	168,086	168,086	61,436	1997 (4)	
Firewheel Town Center, Garland, TX	—	8,636	82,716	—	24,793	8,636	107,509	116,145	25,015	2004	
Forest Mall, Fond Du Lac, WI	15,883	721	4,491	—	8,819	721	13,310	14,031	8,209	1973	
Forum Shops at Caesars, The, Las Vegas, NV	—	—	276,567	—	210,699	—	487,266	487,266	141,772	1992	
Great Lakes Mall, Mentor, OH	—	12,302	100,362	—	10,478	12,302	110,840	123,142	47,300	1961	
Greenwood Park Mall, Greenwood, IN	79,097	2,423	23,445	5,253	115,289	7,676	138,734	146,410	53,749	1979	
Gulf View Square, Port Richey, FL	—	13,690	39,991	2,023	18,348	15,713	58,339	74,052	24,499	1980	
Gwinnett Place, Duluth, GA	115,000	17,051	141,191	—	4,908	17,051	146,099	163,150	50,674	1998 (5)	
Haywood Mall, Greenville, SC	—	11,585	133,893	6	20,669	11,591	154,562	166,153	67,804	1998 (4)	
Independence Center, Independence, MO	200,000	5,042	45,798	—	31,354	5,042	77,152	82,194	34,005	1994 (4)	
Ingram Park Mall, San Antonio, TX	74,493	733	17,163	73	21,444	806	38,607	39,413	22,437	1979	
Irving Mall, Irving, TX	—	6,737	17,479	2,533	40,945	9,270	58,424	67,694	35,644	1971	
Jefferson Valley Mall, Yorktown Heights, NY	—	4,868	30,304	—	26,422	4,868	56,726	61,594	30,474	1983	
Knoxville Center, Knoxville, TN	56,410	5,006	21,617	3,712	34,423	8,718	56,040	64,758	30,140	1984	
La Plaza Mall, McAllen, TX	—	1,375	9,828	6,569	39,449	7,944	49,277	57,221	23,938	1976	

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		Land	Buildings and Improvements	Land	Buildings and Improvements	Land	Buildings and Improvements	Total (1)	Accumulated Depreciation (2)	
Laguna Hills Mall, Laguna Hills, CA	—	27,928	55,446	—	13,916	27,928	69,362	97,290	26,114	1997 (4)
Lakeline Mall, Austin, TX	—	10,088	81,568	14	16,119	10,102	97,687	107,789	40,371	1995
Lenox Square, Atlanta, GA	—	38,058	492,411	—	64,371	38,058	556,782	594,840	190,438	1998 (4)
Lima Mall, Lima, OH	—	7,659	35,338	—	11,638	7,659	46,976	54,635	21,598	1965
Lincolnwood Town Center, Lincolnwood, IL	—	7,907	63,480	28	7,325	7,935	70,805	78,740	39,335	1990
Livingston Mall, Livingston, NJ	—	22,214	105,250	—	37,666	22,214	142,916	165,130	45,636	1998 (4)
Longview Mall, Longview, TX	29,726	259	3,567	124	8,112	383	11,679	12,062	6,282	1978
Mall at Chestnut Hill, The, Chestnut Hill, MA	—	449	24,615	—	—	449	24,615	25,064	701	2002 (5)
Mall of Georgia, Mill Creek, GA	—	47,492	326,633	—	4,965	47,492	331,598	379,090	89,654	1999 (5)
Maplewood Mall, Minneapolis, MN	—	17,119	80,758	—	13,177	17,119	93,935	111,054	27,422	2002 (4)
Markland Mall, Kokomo, IN	21,031	—	7,568	—	10,367	—	17,935	17,935	10,524	1968
McCain Mall, N. Little Rock, AR	—	—	9,515	10,530	11,095	10,530	20,610	31,140	14,879	1973
Melbourne Square, Melbourne, FL	—	15,762	55,891	4,160	27,746	19,922	83,637	103,559	31,357	1982
Menlo Park Mall, Edison, NJ	—	65,684	223,252	—	39,840	65,684	263,092	328,776	100,995	1997 (4)
Midland Park Mall, Midland, TX	30,702	687	9,213	—	16,722	687	25,935	26,622	14,792	1980
Miller Hill Mall, Duluth, MN	—	2,965	18,092	—	29,506	2,965	47,598	50,563	31,404	1973
Montgomery Mall, Montgomeryville, PA	86,063	27,105	86,915	—	26,977	27,105	113,892	140,997	29,056	2004 (5)
Muncie Mall, Muncie, IN	—	172	5,776	52	27,415	224	33,191	33,415	18,186	1970
North East Mall, Hurst, TX	—	128	12,966	19,010	150,597	19,138	163,563	182,701	72,329	1971
Northfield Square Mall, Bourbonnais, IL	27,575	362	53,396	—	1,809	362	55,205	55,567	34,429	2004 (5)
Northgate Mall, Seattle, WA	—	24,369	115,992	—	92,465	24,369	208,457	232,826	66,851	1987
Northlake Mall, Atlanta, GA	65,075	33,400	98,035	—	4,146	33,400	102,181	135,581	56,918	1998 (4)
Northwoods Mall, Peoria, IL	—	1,185	12,779	2,372	36,610	3,557	49,389	52,946	28,766	1983
Oak Court Mall, Memphis, TN	—	15,673	57,304	—	9,188	15,673	66,492	82,165	27,311	1997 (4)
Ocean County Mall, Toms River, NJ	—	20,404	124,945	—	24,479	20,404	149,424	169,828	51,626	1998 (4)
Orange Park Mall, Orange Park, FL	—	12,998	65,121	—	40,006	12,998	105,127	118,125	44,665	1994 (4)
Orland Square, Orland Park, IL	—	35,514	129,906	—	22,651	35,514	152,557	188,071	60,746	1997 (4)
Oxford Valley Mall, Langhorne, PA	71,000	24,544	100,287	—	8,905	24,544	109,192	133,736	53,329	2003 (4)
Paddock Mall, Ocala, FL	—	11,198	39,727	—	16,659	11,198	56,386	67,584	20,655	1980
Penn Square Mall, Oklahoma City, OK	98,498	2,043	155,958	—	28,249	2,043	184,207	186,250	68,745	2002 (4)
Pheasant Lane Mall, Nashua, NH	—	3,902	155,068	550	18,953	4,452	174,021	178,473	57,549	2004 (5)
Phipps Plaza, Atlanta, GA	—	16,725	210,610	—	26,934	16,725	237,544	254,269	84,988	1998 (4)
Plaza Carolina, Carolina, PR	185,992	15,493	279,560	—	21,950	15,493	301,510	317,003	65,576	2004 (4)
Port Charlotte Town Center, Port Charlotte, FL	48,398	5,471	58,570	—	15,792	5,471	74,362	79,833	33,357	1989
Prien Lake Mall, Lake Charles, LA	—	1,842	2,813	3,091	37,574	4,933	40,387	45,320	20,603	1972
Richmond Town Square, Richmond Heights, OH	43,124	2,600	12,112	—	58,662	2,600	70,774	73,374	44,952	1966
River Oaks Center, Calumet City, IL	—	30,560	101,224	—	10,299	30,560	111,523	142,083	42,727	1997 (4)
Rockaway Townsquare, Rockaway, NJ	—	44,116	212,257	27	34,740	44,143	246,997	291,140	82,110	1998 (4)
Rolling Oaks Mall, San Antonio, TX	—	1,929	38,609	—	13,239	1,929	51,848	53,777	27,196	1988
Roosevelt Field, Garden City, NY	—	163,609	702,008	—	36,094	163,609	738,102	901,711	257,321	1998 (4)
Ross Park Mall, Pittsburgh, PA	—	23,541	90,203	—	81,368	23,541	171,571	195,112	65,766	1986
Santa Rosa Plaza, Santa Rosa, CA	—	10,400	87,864	—	11,084	10,400	98,948	109,348	35,805	1998 (4)
Shops at Mission Viejo, The, Mission Viejo, CA	—	9,139	54,445	7,491	150,426	16,630	204,871	221,501	87,292	1979
South Hills Village, Pittsburgh, PA	—	23,445	125,840	2,945	24,469	26,390	150,309	176,699	54,768	1997 (4)

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		Land	Buildings and Improvements	Land	Buildings and Improvements	Land	Buildings and Improvements	Total (1)	Accumulated Depreciation (2)	
South Shore Plaza, Braintree, MA	—	101,200	301,495	—	147,442	101,200	448,937	550,137	118,145	1998 (4)
Southern Park Mall, Boardman, OH	—	16,982	77,767	97	24,244	17,079	102,011	119,090	44,551	1970
SouthPark, Charlotte, NC	195,764	42,092	188,055	100	165,575	42,192	353,630	395,822	106,810	2002 (4)
St. Charles Towne Center, Waldorf, MD	—	7,710	52,934	1,180	28,677	8,890	81,611	90,501	40,070	1990
Stanford Shopping Center, Palo Alto, CA	240,000	—	339,537	—	5,280	—	344,817	344,817	79,769	2003 (4)
Summit Mall, Akron, OH	65,000	15,374	51,137	—	41,529	15,374	92,666	108,040	33,738	1965
Sunland Park Mall, El Paso, TX	31,856	2,896	28,900	—	8,475	2,896	37,375	40,271	22,544	1988
Tacoma Mall, Tacoma, WA	118,001	37,803	125,826	—	80,839	37,803	206,665	244,468	70,160	1987
Tippecanoe Mall, Lafayette, IN	—	2,897	8,439	5,517	44,075	8,414	52,514	60,928	34,491	1973
Town Center at Aurora, Aurora, CO	—	9,959	56,832	6	56,929	9,965	113,761	123,726	44,584	1998 (4)
Town Center at Boca Raton, Boca Raton, FL	—	64,200	307,317	—	152,520	64,200	459,837	524,037	153,354	1998 (4)
Town Center at Cobb, Kennesaw, GA	280,000	32,355	158,225	—	13,564	32,355	171,789	204,144	57,555	1998 (5)
Towne East Square, Wichita, KS	—	8,525	18,479	1,429	39,035	9,954	57,514	67,468	33,506	1975
Towne West Square, Wichita, KS	48,760	972	21,203	61	12,060	1,033	33,263	34,296	20,104	1980
Treasure Coast Square, Jensen Beach, FL	—	11,124	72,990	3,067	34,039	14,191	107,029	121,220	43,301	1987
Tyrone Square, St. Petersburg, FL	—	15,638	120,962	—	27,980	15,638	148,942	164,580	60,922	1972
University Park Mall, Mishawaka, IN	—	16,768	112,158	7,000	49,562	23,768	161,720	185,488	98,426	1996 (4)
Upper Valley Mall, Springfield, OH	47,108	8,421	38,745	—	10,434	8,421	49,179	57,600	19,768	1979
Valle Vista Mall, Harlingen, TX	40,000	1,398	17,159	329	20,676	1,727	37,835	39,562	19,546	1983
Virginia Center Commons, Glen Allen, VA	—	9,764	50,547	4,149	11,961	13,913	62,508	76,421	21,303	1991
Walt Whitman Mall, Huntington Station, NY	120,622	51,700	111,258	3,789	42,228	55,489	153,486	208,975	65,360	1998 (4)
Washington Square, Indianapolis, IN	27,835	6,319	36,495	—	11,109	6,319	47,604	53,923	41,851	1974
West Ridge Mall, Topeka, KS	67,568	5,453	34,132	1,168	22,900	6,621	57,032	63,653	26,964	1988
Westminster Mall, Westminster, CA	—	43,464	84,709	—	32,058	43,464	116,767	160,231	40,375	1998 (4)
White Oaks Mall, Springfield, IL	50,000	3,024	35,692	2,102	38,422	5,126	74,114	79,240	31,776	1977
Wolfchase Galleria, Memphis, TN	225,000	15,881	128,276	—	9,482	15,881	137,758	153,639	54,785	2002 (4)
Woodland Hills Mall, Tulsa, OK	96,047	34,211	187,123	—	13,645	34,211	200,768	234,979	68,846	2004 (5)
Premium Outlets										
Albertville Premium Outlets, Albertville, MN	—	3,900	97,059	—	4,139	3,900	101,198	105,098	27,603	2004 (4)
Allen Premium Outlets, Allen, TX	—	13,855	43,687	97	16,023	13,952	59,710	73,662	17,726	2004 (4)
Aurora Farms Premium Outlets, Aurora, OH	—	2,370	24,326	—	1,876	2,370	26,202	28,572	14,288	2004 (4)
Birch Run Premium Outlets, Birch Run, MI	109,113	11,432	78,338	—	—	11,432	78,338	89,770	1,476	2010 (4)
Calhoun Premium Outlets, Calhoun, GA	20,974	1,560	13,800	—	—	1,560	13,800	15,360	638	2010 (4)
Camarillo Premium Outlets, Camarillo, CA	—	16,670	224,721	482	62,741	17,152	287,462	304,614	56,768	2004 (4)
Carlsbad Premium Outlets, Carlsbad, CA	—	12,890	184,990	96	2,274	12,986	187,264	200,250	39,874	2004 (4)
Carolina Premium Outlets, Smithfield, NC	19,047	3,170	59,863	—	2,919	3,170	62,782	65,952	19,936	2004 (4)
Chicago Premium Outlets, Aurora, IL	—	659	118,005	—	4,294	659	122,299	122,958	34,690	2004 (4)
Cincinnati Premium Outlets, Monroe, OH	—	14,117	71,520	—	3,199	14,117	74,719	88,836	5,349	2008
Clinton Crossing Premium Outlets, Clinton, CT	—	2,060	107,556	1,532	1,793	3,592	109,349	112,941	28,015	2004 (4)
Columbia Gorge Premium Outlets, Troutdale, OR	—	7,900	16,492	—	2,184	7,900	18,676	26,576	7,957	2004 (4)
Desert Hills Premium Outlets, Cabazon, CA	—	3,440	338,679	—	3,832	3,440	342,511	345,951	69,218	2004 (4)
Edinburgh Premium Outlets, Edinburgh, IN	—	2,857	47,309	—	11,980	2,857	59,289	62,146	18,228	2004 (4)
Ellenton Premium Outlets, Ellenton, FL	107,735	15,396	181,048	—	—	15,396	181,048	196,444	3,868	2010 (4)

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Folsom Premium Outlets, Folsom, CA	—	9,060	50,281	—	3,372	9,060	53,653	62,713	18,132	2004 (4)
Gaffney Premium Outlets, Gaffney, SC	38,065	5,162	30,767	—	—	5,162	30,767	35,929	727	2010 (4)
Gilroy Premium Outlets, Gilroy, CA	—	9,630	194,122	—	7,538	9,630	201,660	211,290	49,547	2004 (4)
Grove City Premium Outlets, Grove City, PA	116,314	10,092	128,516	—	—	10,092	128,516	138,608	2,823	2010 (4)
Gulfport Premium Outlets, Gulfport, MS	25,948	—	29,648	—	—	—	29,648	29,648	615	2010 (4)
Hagerstown Premium Outlets, Hagerstown, MD	91,680	3,798	89,724	—	—	3,798	89,724	93,522	1,813	2010 (4)
Houston Premium Outlets, Cypress, TX	—	20,871	69,350	—	48,532	20,871	117,882	138,753	11,578	2007
Jackson Premium Outlets, Jackson, NJ	—	6,413	104,013	3	3,673	6,416	107,686	114,102	22,999	2004 (4)
Jersey Shore Premium Outlets, Tinton Falls, NJ	—	16,141	50,979	—	74,435	16,141	125,414	141,555	12,876	2007
Johnson Creek Premium Outlets, Johnson Creek, WI	—	2,800	39,546	—	5,523	2,800	45,069	47,869	10,653	2004 (4)
Kittery Premium Outlets, Kittery, ME	43,556	11,832	94,994	—	5,859	11,832	100,853	112,685	18,645	2004 (4)
Las Americas Premium Outlets, San Diego, CA	180,000	45,168	251,878	—	3,746	45,168	255,624	300,792	25,052	2007 (4)
Las Vegas Outlet Center, Las Vegas, NV	—	13,085	160,777	—	16,826	13,085	177,603	190,688	30,836	2004 (4)
Las Vegas Premium Outlets, Las Vegas, NV	—	25,435	134,973	450	60,237	25,885	195,210	221,095	43,591	2004 (4)
Lebanon Premium Outlets, Lebanon, TN	15,953	1,723	9,890	—	—	1,723	9,890	11,613	303	2010 (4)
Lee Premium Outlets, Lee, MA	52,358	9,464	54,439	—	—	9,464	54,439	63,903	1,264	2010 (4)
Leesburg Corner Premium Outlets, Leesburg, VA	—	7,190	162,023	—	3,392	7,190	165,415	172,605	43,945	2004 (4)
Liberty Village Premium Outlets, Flemington, NJ	—	5,670	28,904	—	2,279	5,670	31,183	36,853	12,391	2004 (4)
Lighthouse Place Premium Outlets, Michigan City, IN	88,623	6,630	94,138	—	5,517	6,630	99,655	106,285	30,715	2004 (4)
Napa Premium Outlets, Napa, CA	—	11,400	45,023	—	1,669	11,400	46,692	58,092	13,132	2004 (4)
North Bend Premium Outlets, North Bend, WA	—	2,143	36,197	—	2,145	2,143	38,342	40,485	8,182	2004 (4)
North Georgia Premium Outlets, Dawsonville, GA	—	4,300	132,325	—	2,324	4,300	134,649	138,949	34,753	2004 (4)
Orlando Premium Outlets — Vineland Ave., Orlando, FL	—	14,040	304,410	15,855	47,169	29,895	351,579	381,474	65,172	2004 (4)
Orlando Premium Outlets — International Dr., Orlando, FL	—	35,365	449,563	—	—	35,365	449,563	484,928	6,315	2010 (4)
Osage Beach Premium Outlets, Osage Beach, MO	—	9,460	85,804	—	3,484	9,460	89,288	98,748	24,918	2004 (4)
Petaluma Village Premium Outlets, Petaluma, CA	—	13,322	14,067	—	322	13,322	14,389	27,711	7,815	2004 (4)
Philadelphia Premium Outlets, Limerick, PA	190,000	16,676	105,249	—	14,227	16,676	119,476	136,152	19,305	2006
Pismo Beach Premium Outlets, Pismo Beach, CA	33,850	3,837	24,751	—	—	3,837	24,751	28,588	736	2010 (4)
Pleasant Prairie Premium Outlets, Pleasant Prairie, WI	99,351	15,870	126,841	—	—	15,870	126,841	142,711	2,117	2010 (4)
Puerto Rico Premium Outlets, Barceloneta, PR	74,516	20,716	112,948	—	—	20,716	112,948	133,664	3,352	2010 (4)
Queenstown Premium Outlets, Queenstown, MD	66,150	7,005	65,801	—	—	7,005	65,801	72,806	1,211	2010 (4)
Rio Grande Valley Premium Outlets, Mercedes, TX	—	12,229	41,547	—	35,104	12,229	76,651	88,880	16,203	2005
Round Rock Premium Outlets, Round Rock, TX	—	21,977	82,252	—	478	21,977	82,730	104,707	20,621	2005
San Marcos Premium Outlets, San Marcos, TX	147,523	18,482	254,079	—	—	18,482	254,079	272,561	3,602	2010 (4)
Seattle Premium Outlets, Seattle, WA	—	—	103,722	—	16,985	—	120,707	120,707	26,934	2004 (4)
St. Augustine Premium Outlets, St. Augustine, FL	—	6,090	57,670	2	7,356	6,092	65,026	71,118	19,587	2004 (4)
The Crossings Premium Outlets, Tannersville, PA	50,927	7,720	172,931	—	10,311	7,720	183,242	190,962	39,629	2004 (4)
Vacaville Premium Outlets, Vacaville, CA	—	9,420	84,850	—	8,183	9,420	93,033	102,453	28,247	2004 (4)
Waikale Premium Outlets, Waipahu, HI	—	22,630	77,316	—	2,335	22,630	79,651	102,281	22,173	2004 (4)
Waterloo Premium Outlets, Waterloo, NY	72,822	3,230	75,277	—	6,621	3,230	81,898	85,128	24,337	2004 (4)
Williamsburg Premium Outlets, Williamsburg, VA	105,916	11,124	219,681	—	—	11,124	219,681	230,805	3,414	2010 (4)
Woodbury Common Premium Outlets, Central Valley, NY	—	11,110	862,559	1,658	4,580	12,768	867,139	879,907	178,108	2004 (4)
Wrentham Village Premium Outlets, Wrentham, MA	—	4,900	282,031	—	5,057	4,900	287,088	291,988	66,343	2004 (4)

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Community/Lifestyle Centers										
Arboretum at Great Hills, Austin, TX	—	7,640	36,774	71	8,582	7,711	45,356	53,067	16,363	1998 (4)
Bloomington Court, Bloomington, IL	26,262	8,748	26,184	—	9,696	8,748	35,880	44,628	18,087	1987
Charles Towne Square, Charleston, SC	—	—	1,768	370	10,636	370	12,404	12,774	7,616	1976
Chesapeake Center, Chesapeake, VA	—	5,352	12,279	—	753	5,352	13,032	18,384	5,340	1989
Countryside Plaza, Countryside, IL	—	332	8,507	2,554	9,182	2,886	17,689	20,575	8,518	1977
Dare Centre, Kill Devil Hills, NC	1,586	—	5,702	—	202	—	5,904	5,904	1,117	2004 (4)
DeKalb Plaza, King of Prussia, PA	2,815	1,955	3,405	—	1,139	1,955	4,544	6,499	1,907	2003 (4)
Forest Plaza, Rockford, IL	18,685	4,132	16,818	453	11,456	4,585	28,274	32,859	10,851	1985
Gateway Shopping Center, Austin, TX	87,000	24,549	81,437	—	9,775	24,549	91,212	115,761	24,639	2004 (4)
Great Lakes Plaza, Mentor, OH	—	1,028	2,025	—	3,574	1,028	5,599	6,627	1,946	1976
Greenwood Plus, Greenwood, IN	—	1,129	1,792	—	3,737	1,129	5,529	6,658	3,048	1979
Henderson Square, King of Prussia, PA	14,100	4,223	15,124	—	746	4,223	15,870	20,093	3,522	2003 (4)
Highland Lakes Center, Orlando, FL	14,641	7,138	25,284	—	1,581	7,138	26,865	34,003	15,578	1991
Ingram Plaza, San Antonio, TX	—	421	1,802	4	59	425	1,861	2,286	1,270	1980
Keystone Shoppes, Indianapolis, IN	—	—	4,232	—	935	—	5,167	5,167	2,016	1997 (4)
Lake Plaza, Waukegan, IL	—	2,487	6,420	—	1,082	2,487	7,502	9,989	3,855	1986
Lake View Plaza, Orland Park, IL	15,885	4,702	17,543	—	13,176	4,702	30,719	35,421	15,274	1986
Lakeline Plaza, Austin, TX	17,504	5,822	30,875	—	6,498	5,822	37,373	43,195	15,467	1998
Lima Center, Lima, OH	—	1,781	5,151	—	6,860	1,781	12,011	13,792	5,244	1978
Lincoln Crossing, O'Fallon, IL	—	674	2,192	—	784	674	2,976	3,650	1,358	1990
Lincoln Plaza, King of Prussia, PA	—	—	21,299	—	3,289	—	24,588	24,588	10,034	2003 (4)
MacGregor Village, Cary, NC	6,378	502	8,897	—	249	502	9,146	9,648	1,717	2004 (4)
Mall of Georgia Crossing, Mill Creek, GA	—	9,506	32,892	—	311	9,506	33,203	42,709	12,982	2004 (5)
Markland Plaza, Kokomo, IN	—	206	738	—	6,285	206	7,023	7,229	3,274	1974
Martinsville Plaza, Martinsville, VA	—	—	584	—	408	—	992	992	768	1967
Matteson Plaza, Matteson, IL	—	1,771	9,737	—	2,750	1,771	12,487	14,258	6,818	1988
Muncie Plaza, Muncie, IN	7,277	267	10,509	87	1,583	354	12,092	12,446	4,763	1998
New Castle Plaza, New Castle, IN	—	128	1,621	—	1,457	128	3,078	3,206	1,659	1966
North Ridge Plaza, Joliet, IL	—	2,831	7,699	—	4,464	2,831	12,163	14,994	5,370	1985
North Ridge Shopping Center, Raleigh, NC	7,790	385	12,838	—	610	385	13,448	13,833	2,634	2004 (4)
Northwood Plaza, Fort Wayne, IN	—	148	1,414	—	1,682	148	3,096	3,244	1,991	1974
Palms Crossing, McAllen, TX (6)	—	13,496	45,925	—	9,074	13,496	54,999	68,495	8,082	2006
Pier Park, Panama City Beach, FL	—	23,586	73,158	—	41,394	23,586	114,552	138,138	13,515	2006
Regency Plaza, St. Charles, MO	3,893	616	4,963	—	583	616	5,546	6,162	2,650	1988
Richardson Square, Richardson, TX	—	6,285	—	990	15,323	7,275	15,323	22,598	1,467	1977
Rockaway Commons, Rockaway, NJ	—	5,149	26,435	—	7,713	5,149	34,148	39,297	9,132	1998 (4)
Rockaway Town Plaza, Rockaway, NJ	—	—	18,698	2,225	1,961	2,225	20,659	22,884	3,848	2004
Shops at Arbor Walk, The, Austin, TX (6)	—	930	42,546	—	4,295	930	46,841	47,771	7,189	2005
Shops at North East Mall, The, Hurst, TX	—	12,541	28,177	402	4,065	12,943	32,242	45,185	15,380	1999
St. Charles Towne Plaza, Waldorf, MD	25,303	8,377	18,993	—	3,354	8,377	22,347	30,724	11,163	1987
Teal Plaza, Lafayette, IN	—	99	878	—	1,769	99	2,647	2,746	1,604	1962
Terrace at the Florida Mall, Orlando, FL	—	2,150	7,623	—	5,151	2,150	12,774	14,924	5,340	1989
Tippecanoe Plaza, Lafayette, IN	—	—	745	234	5,169	234	5,914	6,148	3,330	1974

SCHEDULE III

Simon Property Group, Inc. and Subsidiaries
Real Estate and Accumulated Depreciation
December 31, 2010
(Dollars in thousands)

Name, Location	Encumbrances	Initial Cost (3)		Cost Capitalized Subsequent to Acquisition (3)		Gross Amounts At Which Carried At Close of Period				Date of Construction
		Land	Buildings and Improvements	Land	Buildings and Improvements	Land	Buildings and Improvements	Total (1)	Accumulated Depreciation (2)	
University Center, Mishawaka, IN	—	3,071	7,413	—	1,754	3,071	9,167	12,238	7,095	1980
Washington Plaza, Indianapolis, IN	—	941	1,697	—	447	941	2,144	3,085	2,604	1976
Waterford Lakes Town Center, Orlando, FL	—	8,679	72,836	—	14,052	8,679	86,888	95,567	37,570	1999
West Ridge Plaza, Topeka, KS	4,866	1,376	4,560	—	1,926	1,376	6,486	7,862	3,253	1988
White Oaks Plaza, Springfield, IL	14,554	3,169	14,267	—	3,029	3,169	17,296	20,465	7,637	1986
Wolf Ranch Town Center, Georgetown, TX	—	21,785	51,547	—	7,024	21,785	58,571	80,356	12,211	2004
Other Properties										
Crossville Outlet Center, Crossville, TN	—	263	4,380	—	208	263	4,588	4,851	1,005	2004 (4)
Factory Merchants Branson, Branson, MO	—	—	19,637	—	2,251	—	21,888	21,888	7,704	2004 (4)
The Shoppes at Branson Meadows, Branson, MO	8,858	—	5,205	—	457	—	5,662	5,662	1,033	2004 (4)
Factory Stores of America — Boaz, AL	2,590	—	924	—	43	—	967	967	160	2004 (4)
Factory Stores of America — Georgetown, KY	6,140	148	3,610	—	49	148	3,659	3,807	666	2004 (4)
Factory Stores of America — Graceville, FL	1,823	12	408	—	116	12	524	536	84	2004 (4)
Factory Stores of America — Lebanon, MO	1,534	24	214	—	—	24	214	238	56	2004 (4)
Factory Stores of America — Nebraska City, NE	1,439	26	566	—	31	26	597	623	117	2004 (4)
Factory Stores of America — Story City, IA	1,780	7	526	—	5	7	531	538	93	2004 (4)
Florida City Outlet Center, Florida City, FL	10,995	1,080	2,874	—	—	1,080	2,874	3,954	115	2010 (4)
Huntley Outlet Center, Huntley, IL	30,753	1,154	3,720	—	—	1,154	3,720	4,874	130	2010 (4)
Nanuet Mall, Nanuet, NY	—	27,310	162,993	—	3,207	27,310	166,200	193,510	165,293	1998 (4)
Naples Outlet Center, Naples, FL	16,531	906	1,363	—	—	906	1,363	2,269	47	2010 (4)
Outlet Marketplace, Orlando, FL	—	6,587	6,274	—	—	6,587	6,274	12,861	261	2010 (4)
University Mall, Pensacola, FL	—	4,256	26,657	—	3,394	4,256	30,051	34,307	29,135	1994
Development Projects										
Merrimack Premium Outlets	—	17,306	20,300	—	—	17,306	20,300	37,606	—	
Other pre-development costs	—	20,336	997	—	—	20,336	997	21,333	391	
Other	72,175	9,791	108,705	—	1,266	9,791	109,971	119,762	9,313	
	<u>\$5,580,022</u>	<u>2,744,371</u>	<u>\$19,388,253</u>	<u>\$184,683</u>	<u>\$4,874,916</u>	<u>\$2,929,054</u>	<u>\$24,263,169</u>	<u>\$27,192,223</u>	<u>\$7,485,822</u>	

Simon Property Group, Inc. and Subsidiaries
Notes to Schedule III as of December 31, 2010
(Dollars in thousands)

(1) Reconciliation of Real Estate Properties:

The changes in real estate assets for the years ended December 31, 2010, 2009, and 2008 are as follows:

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Balance, beginning of year	\$25,023,715	\$24,907,970	\$24,163,367
Acquisitions and consolidations (5)	2,200,102	—	7,640
Improvements	273,255	315,928	797,717
Disposals	(304,849)	(200,183)	(60,754)
Balance, close of year	<u>\$27,192,223</u>	<u>\$25,023,715</u>	<u>\$24,907,970</u>

The unaudited aggregate cost of real estate assets for federal income tax purposes as of December 31, 2010 was \$21,371,250.

(2) Reconciliation of Accumulated Depreciation:

The changes in accumulated depreciation and amortization for the years ended December 31, 2010, 2009, and 2008 are as follows:

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Balance, beginning of year	\$ 6,806,670	\$ 6,015,677	\$ 5,168,565
Depreciation expense	874,450	893,139	871,556
Disposals	(195,299)	(102,146)	(24,444)
Balance, close of year	<u>\$ 7,485,821</u>	<u>\$ 6,806,670</u>	<u>\$ 6,015,677</u>

Depreciation of our investment in buildings and improvements reflected in the consolidated statements of operations and comprehensive income is calculated over the estimated original lives of the assets as follows:

- Buildings and Improvements — typically 10-40 years for the structure, 15 years for landscaping and parking lot, and 10 years for HVAC equipment.
- Tenant Allowances and Improvements — shorter of lease term or useful life.

(3) Initial cost generally represents net book value at December 20, 1993, except for acquired properties and new developments after December 20, 1993. Initial cost also includes any new developments that are opened during the current year. Costs of disposals and impairments of property are first reflected as a reduction to cost capitalized subsequent to acquisition.

(4) Not developed/constructed by us or our predecessors. The date of construction represents the acquisition date.

(5) Initial cost for these properties is the cost at the date of consolidation for properties previously accounted for under the equity method of accounting.

(6) Secured by a \$260,000 cross-collateralized and cross-defaulted mortgage loan facility.

Exhibits

- 3.1 Restated Certificate of Incorporation of the Registrant (incorporated by reference to Appendix A of the Registrant's Proxy Statement on Schedule 14A filed on March 27, 2009).
- 3.2 Amended and Restated By-Laws of the Registrant (incorporated by reference to Exhibit 3.1 of the Registrant's Current Report on Form 8-K filed on March 25, 2009).
- 3.3 Certificate of Powers, Designations, Preferences and Rights of the 8%% Series J Cumulative Redeemable Preferred Stock, \$0.0001 Par Value (incorporated by reference to Exhibit 3.2 to the Registrant's Current Report on Form 8-K filed October 20, 2004).
- 9.1 Second Amended and Restated Voting Trust Agreement, Voting Agreement and Proxy dated as of March 1, 2004 between Melvin Simon & Associates, Inc., on the one hand and Melvin Simon, Herbert Simon and David Simon on the other hand (incorporated by reference to Exhibit 9.1 of the Registrant's Quarterly Report on Form 10-Q filed on May 10, 2004).
- 9.2 Voting Trust Agreement, Voting Agreement and Proxy dated as of March 1, 2004 between David Simon, Melvin Simon and Herbert Simon (incorporated by reference to Exhibit 9.2 of the Registrant's Quarterly Report on Form 10-Q filed on May 10, 2004).
- 10.1 Eighth Amended and Restated Agreement of Limited Partnership of Simon Property Group, L.P. dated as of May 8, 2008 (incorporated by reference to Exhibit 10.1 of the Registrant's Current Report on Form 8-K filed May 9, 2008).
- 10.2 Form of the Indemnity Agreement between the Registrant and its directors and officers (incorporated by reference to Exhibit 10.7 of the Registrant's Form S-4 filed August 13, 1998 (Reg. No. 333-61399)).
- 10.3 Registration Rights Agreement, dated as of September 24, 1998, by and among the Registrant and the persons named therein. (incorporated by reference to Exhibit 4.4 of the Registrant's Current Report on Form 8-K filed October 9, 1998).
- 10.4 Registration Rights Agreement, dated as of August 27, 1999 by and among the Registrant and the persons named therein (incorporated by reference to Exhibit 4.4 to the Registration Statement on Form S-3 filed March 24, 2004 (Reg. No. 333-113884)).
- 10.5 Registration Rights Agreement, dated as of November 14, 1997, by and between O'Connor Retail Partners, L.P. and Simon DeBartolo Group, Inc. (incorporated by reference to Exhibit 4.8 to the Registration Statement on Form S-3 filed December 7, 2001 (Reg. No. 333-74722)).
- 10.6* Simon Property Group, L.P. 1998 Stock Incentive Plan, as amended (incorporated by reference to Exhibit 10.2 of the Registrant's Current Report on Form 8-K filed May 9, 2008).
- 10.7* Form of Nonqualified Stock Option Award Agreement under the Simon Property Group, L.P. 1998 Stock Incentive Plan (incorporated by reference to Exhibit 10.8 of the Registrant's 2004 Form 10-K).
- 10.8* Form of Performance-Based Restricted Stock Award Agreement under the Simon Property Group, L.P. 1998 Stock Incentive Plan (incorporated by reference to Exhibit 10.9 of the Registrant's 2006 Form 10-K).
- 10.9* Form of Non-Employee Director Restricted Stock Award Agreement under the Simon Property Group, L.P. 1998 Stock Incentive Plan (incorporated by reference to Exhibit 10.10 of the Registrant's 2004 Form 10-K).
- 10.10* Employment Agreement among Richard S. Sokolov, the Registrant, and Simon Property Group Administrative Services Partnership, L.P. dated January 1, 2007 (incorporated by reference to Exhibit 10.12 of the Registrant's 2008 Form 10-K).
- 10.11 Credit and Guaranty Agreement, dated as of February 16, 2007, by and among The Mills Limited Partnership, as Borrower, The Mills Corporation, as Parent, certain of its subsidiaries, as Guarantors, the lenders party thereto and Simon Property Group, L.P., as Administrative Agent and Collateral Agent (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed February 23, 2007).
- 10.12 Voting Agreement dated as of June 20, 2004 among the Registrant, Simon Property Group, L.P. and certain holders of shares of common stock of Chelsea Property Group, Inc. and/or common units of CPG Partners, L.P. (incorporated by reference to Exhibit 99.3 to the Registrant's Current Report on Form 8-K filed June 22, 2004).
- 10.13 Form of Amendment to Performance-Based Restricted Stock Award Agreement under 2008 Stock Incentive Program (incorporated by reference to Exhibit 10.1 of the Registrant's Quarterly Report on Form 10-Q filed May 1, 2009).
- 10.14* Non-Qualified Deferred Compensation Plan dated as of December 31, 2008 (incorporated by reference to Exhibit 10.1 of the Registrant's Quarterly Report on Form 10-Q filed November 5, 2009).
- 10.15* Amendment—2008 Performance Based-Restricted Stock Agreement dated as of March 6, 2009 (incorporated by reference to Exhibit 10.2 of the Registrant's Quarterly Report on Form 10-Q filed November 5, 2009).
- 10.16 \$3,565,000,000 Credit Agreement dated as of December 8, 2009 (incorporated by reference to Exhibit 99.2 of Simon Property Group, L.P.'s Current Report on Form 8-K filed December 11, 2009).
- 10.17* Form of Series 2010 LTIP Unit (Three Year Program) Award Agreement under the Simon Property Group, L.P. 1998 Stock Incentive Plan (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed March 19, 2010).

Exhibits

- 10.18* Form of Series 2010 LTIP Unit (Two Year Program) Award Agreement under the Simon Property Group, L.P. 1998 Stock Incentive Plan (incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed March 19, 2010).
- 10.19* Form of Series 2010 LTIP Unit (One Year Program) Award Agreement under the Simon Property Group, L.P. 1998 Stock Incentive Plan (incorporated by reference to Exhibit 10.3 to the Registrant's Current Report on Form 8-K filed March 19, 2010).
- 10.20* Description of Director and Executive Compensation Agreements.
- 12.1 Statement regarding computation of ratios.
- 13.1 Selected Financial Data, Management's Discussion and Analysis of Financial Condition and Results of Operations and Financial Statements of the Registrant as contained in the Registrant's 2010 Annual Report to Stockholders.
- 21.1 List of Subsidiaries of the Company.
- 23.1 Consent of Ernst & Young LLP.
- 31.1 Certification by the Chief Executive Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 31.2 Certification by the Chief Financial Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 32 Certification by the Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- 101 The following materials from the Registrant's Annual Report on Form 10-K for the year ended December 31, 2010, formatted in XBRL (Extensible Business Reporting Language): (1) the Consolidated Balance Sheets, (2) the Consolidated Statements of Operations and Comprehensive Income, (3) the Consolidated Statements of Cash Flows, and (4) Notes to Consolidated Financial Statements, tagged as blocks of text.

* Represents a management contract, or compensatory plan, contract or arrangement required to be filed pursuant to Regulation S-K.

DESCRIPTION OF DIRECTOR AND EXECUTIVE COMPENSATION ARRANGEMENTS (February , 2011)

Compensation of Non-Employee Directors

Annual Retainer. Non-employee members of the Board receive an annual retainer in cash and restricted stock:

- The cash component is \$70,000.
- The restricted stock award has a value of \$82,500(1).
- The retainer is payable upon election, re-election or appointment to the Board(2).

-
- (1) Grants of restricted stock are determined by dividing the cash value of the award by the 20 trading day average closing price of the Company's common stock ending on the trading day immediately preceding the date of such award.
 - (2) Pro-rated for partial years of service.

Committee Chair Retainers. Each non-employee Committee Chair receives:

- Audit—\$20,000, payable one-half in cash and one-half in restricted stock.
- All other Committees (except Executive Committee) — \$15,000, payable one-half in cash and one-half in restricted stock.

Meeting Fees. Non-employee directors receive \$2,000 per Board meeting for in person attendance. Non-employee directors receive \$1,500 per committee meeting for attendance (whether in person, by telephone or video conference). The per meeting fee payable for in person attendance of Board or committee meetings is two (2) times regular meeting fee for any non-employee Director who must travel more than four (4) times zones from his or her personal residence to the location of a meeting of the Board or any of its committees. No Director currently lives more than four (4) time zones from the location of meetings of the Board or any of its committees.

Lead Independent Director Compensation. The non-employee director designated as Lead Director receives an additional retainer of \$25,000 annually, payable one-half in cash and one-half in restricted stock (pro-rated for any partial year of service).

Vesting of Restricted Stock. All restricted stock compensation received by non-employee directors vests in full one year after the award.

Director Ownership Guidelines. Under the Company's Governance Principles, directors must own 3,000 or more shares of the Company's common stock or units of the Operating Partnership within two years after their initial election or appointment and 5,000 or more shares or units three years from such date. Restricted stock qualifies for this purpose only after full vesting.

Deferred Compensation. Non-employee directors may elect to defer all or a portion of their cash compensation under the Company's Nonqualified Deferred Compensation Plan (the "Deferred Compensation Plan"). To date, none of our non-employee directors has elected to do so. All restricted stock issued to non-employee directors as retainers will be placed in the Deferred Compensation Plan. Dividends paid on the restricted stock in this account must be reinvested in the Company's common stock. Amounts in the Deferred Compensation Plan will not be released until a director retires and resigns from the Board or is not re-elected.

Compensation of Named Executive Officers

Base Salaries. The executive officers of the Company serve at the discretion of the Board of Directors. The Compensation Committee of the Board sets or ratifies the base salaries of the Company's executive officers. The following are the current annual base salary levels for the Company's Chief Executive Officer, Chief Financial Officer

and its three other most highly compensated executive officers (the “Named Executive Officers”) required to be identified in the proxy statement for the Company’s 2011 annual meeting of stockholders:

David Simon Chief Executive Officer	\$1,000,000
Stephen E. Sterrett Executive Vice President and Chief Financial Officer	500,000
Richard S. Sokolov President and Chief Operating Officer	782,000
James M. Barkley General Counsel and Secretary	550,000
John Rulli Executive Vice President, Chief Administrative Officer and President	450,000

Employment Agreements. Mr. Sokolov has entered into an employment agreement with the Company, a copy of which has been filed as an exhibit to the Company’s Annual Report on Form 10-K for the year ended December 31, 2007.

Bonus Plan. Each of the Named Executive Officers is also eligible to receive an annual bonus under the Company’s bonus program. For each participant, the Company sets a bonus target, generally expressed as a percentage of base salary. Actual bonus payments may range from 0 to 150% of the target amount. The Company sets specific criteria for corporate, business unit (if applicable) and individual (if applicable) objectives. The criteria may also include subjective measures of performance or financial measures such as EBITDA or other measures related to an executive’s primary areas of responsibility. In the case of our Named Executive Officers, the bonus criteria are approved by the Compensation Committee. In the recent past, the payment of bonuses has been made subject to achievement of the Company’s overall budget for the year. The Company also includes “stretch” levels which may justify higher payments if Company performance exceeds its budget. If an executive officer’s bonus criteria are objective, then the achievement of those criteria are reviewed by the Compensation Committee. Achievement of the bonus criteria is generally determined in February of the year after the performance year and bonuses are paid in March.

At the time of filing this description, the Compensation Committee has not yet determined the bonuses for the Named Executive Officers for 2010.

Long-Term Incentives. The Named Executive Officers are eligible to receive discretionary awards under the Simon Property Group, L.P. 1998 Stock Incentive Plan (the “1998 Plan”). Under the 1998 Plan, the Compensation Committee may make the following types of equity-based awards: incentive stock options, nonqualified stock options, stock appreciation rights, performance units and restricted stock. Prior to 2010, the only forms of awards the Compensation Committee had granted had been options and restricted stock. No stock options have been granted to employees since 2001. Beginning in 2010, the Compensation Committee has awarded LTIP units pursuant to three-year long-term incentive programs (“LTIP programs”) in which the Named Executive Officers participate.

Awards under the LTIP program take the form of LTIP units, a type of limited partnership interest issued by the Operating Partnership. Awarded LTIP units can be earned, in whole or in part, depending upon the extent to which our total stockholder return, or TSR (representing the difference between a baseline value and valuation date based on price appreciation of our common stock plus cumulative dividends we pay on our common stock without compounding), over the performance period exceeds the relative and absolute performance targets set by the committee. The LTIP units that are earned to the extent that applicable TSR benchmarks are achieved during the performance period become the equivalent of units, but only after an additional two year service-based vesting requirement that begins after the end of the performance period. LTIP units not earned are forfeited. Units are exchangeable for shares of the Company’s common stock on a one-for-one basis, or cash, as selected by the Company.

The Compensation Committee approved three programs for 2010 having one, two and three year performance periods, respectively, which are referred to as the one, two and three year 2010 LTIP Programs (the “2010 LTIP Programs”). The performance period for the one year LTIP program ended December 31, 2010; the performance

period for the two year LTIP program will end December 31, 2011; and the performance period for the three year LTIP program will end December 31, 2012.

All of the 2010 LTIP Programs use the same three performance measures. The Company compares the TSR of the Company's common stock during the applicable performance period using a baseline value of \$79.80 per share (the closing sale price as reported by the NYSE for December 31, 2009). The first relative performance measure, weighted at 60%, requires our TSR to equal or exceed the overall performance of the MSCI US REIT (Total Return) Index. The second relative performance measure, weighted at 20%, requires our TSR to equal or exceed the overall performance of the S&P 500 (Total Return) Index. The third performance measure, which is weighted at 20%, requires our TSR, viewed on an absolute basis, to exceed a specified target TSR. To achieve a 100% payout of the award based on all three measures, our TSR must exceed the performance of the MSCI US REIT Index by 3% or more, must exceed the performance of the S&P 500 by 2% or more on an annual basis and must be 12% per year or more. To receive a partial payout any one of the following must occur: our TSR must be greater than the MSCI US REIT Index minus 1%, our TSR must be greater than the S&P 500 minus 2% or our TSR on an absolute basis must be greater than 6.67% per year.

The number of earned LTIP units will be determined by the Compensation Committee when our financial results for the performance period are available using the following payout matrices (with linear interpolation between the specified payout percentages):

Relative TSR (Weighted 60%)—MSCI US REIT Index

<u>All Performance Periods</u>	<u>Payout % of Target</u>
Index -1%	0.0%
=Index	33.3%
Index +1%	50.0%
Index +2%	66.7%
Index +3% or greater	100.0%

Relative TSR (Weighted 20%)—S&P 500 Index

<u>All Performance Periods</u>	<u>Payout % of Target</u>
Index -2%	0%
=Index	33.3%
Index +2%	100.0%

Absolute TSR (Weighted 20%)

<u>1/1/2010-12/31/2010 Performance Period</u>	<u>1/1/2010-12/31/2011 Performance Period</u>	<u>1/1/2010-12/31/2012 Performance Period</u>	<u>For Each Period— Payout % of Target</u>
<=6.67 %	<=13.33%	<=20%	0.0%
8 %	16%	24%	33.3%
9 %	18%	27%	50.0%
10 %	20%	30%	66.7%
11 %	22%	33%	83.3%
>=12 %	>=24%	>=36%	100.0%

After the end of each performance period, any earned LTIP units will then be subject to time-based vesting over a period of two years. One-half of the earned LTIP units will vest on January 1 of each of the two succeeding years following the end of the applicable performance period, subject to the participant maintaining employment with us through those dates.

After the end of the performance period, holders of earned LTIP units, both vested and unvested, will be entitled to receive distributions in an amount per LTIP Unit equal to the distributions, both regular and special, payable on a unit.

On March 16, 2010, the Compensation Committee approved the following awards of LTIP units under the one, two and three year 2010 LTIP Programs for the Named Executive Officers:

	Maximum Number of LTIP Units Awarded		
	One-Year	Two-Year	Three Year
David Simon	62,956	120,976	170,314
Richard Sokolov	29,364	56,850	85,157
James M. Barkley	23,492	51,165	74,513
Stephen E. Sterrett	23,492	51,165	74,513
John Rulli	17,618	34,110	53,223

On February 2, 2011, the Compensation Committee determined that the following LTIP units had been earned under the one year 2010 LTIP Program by the Named Executive Officers:

	Earned LTIP Units Under One-Year 2010 LTIP Program	Percentage Payout of Maximum Award
David Simon	49,894	79.3%
Richard Sokolov	23,272	79.3%
James M. Barkley	18,618	79.3%
Stephen E. Sterrett	18,618	79.3%
John Rulli	13,963	79.3%

Insurance and 401(k) Plan. The Company pays employee and dependent life insurance premiums for each Named Executive Officer and makes annual contributions to the accounts of the Named Executive Officers under the Company's 401(k) retirement plan. The Company's basic contribution to the 401(k) retirement plan is equal to 1.0% of the Named Executive Officer's compensation and vests 20% after completion of two years and an additional 20% after each additional year of service until fully vested after six years. The Company matches 100% of the first 3% of the Named Executive Officer's contribution and 50% of the next 2% of the Named Executive Officer's contribution. Company matching contributions are vested when made. The Company's basic and matching contributions are subject to applicable IRS limits and regulations.

Non-Qualified Plan. The Named Executive Officers may also participate in the Deferred Compensation Plan, a non-qualified deferred compensation plan for certain executives, key employees and directors. While the Deferred Compensation Plan is an unfunded plan for purposes of the Employee Retirement Income Security Act of 1974, as amended, certain assets have been set aside in the Simon Property Group, L.P. Deferred Compensation Plan Trust to be used to pay benefits to participants, except to the extent the Company becomes insolvent.

The Deferred Compensation Plan permits eligible employees to defer receipt of up to 100% of their compensation, including Company stock awarded under the 1998 Plan. The Deferred Compensation Plan also authorizes the Company to make matching contributions based on each eligible employee's elective cash deferrals. The Company has not made any matching contributions since the inception of the Deferred Compensation Plan. Participants in the Deferred Compensation Plan are 100% vested in all elective cash deferrals. Deferrals of Company stock awarded under the 1998 Plan vest in accordance with the terms of the 1998 Plan. Employee elective cash deferrals generate earnings based on investment elections made by individual participants.

Health and Welfare Benefits. The Named Executive Officers also participate in health and welfare benefit plans on the same terms as other salaried employees.

SIMON PROPERTY GROUP, INC.
Computation of Ratio of Earnings to Fixed Charges and Preferred Stock Dividends
(in thousands)

	For the Year Ended December 31,				
	2010	2009	2008	2007	2006
Earnings:					
Pre-tax income from consolidated continuing operations	\$ 755,248	\$ 382,042	\$ 603,141	\$ 663,283	\$ 741,097
Add:					
Pre-tax (loss) income from 50% or greater than 50% owned unconsolidated entities	(2,433)	(22,914)	(29,093)	(9,061)	45,313
Distributed income from less than 50% owned unconsolidated entities	60,636	60,877	61,482	51,594	53,000
Amortization of capitalized interest	3,453	4,367	4,927	2,462	5,027
Fixed Charges	<u>1,648,025</u>	<u>1,259,428</u>	<u>1,271,710</u>	<u>1,218,298</u>	<u>985,797</u>
Less:					
Income from unconsolidated entities	(75,921)	(40,220)	(32,246)	(38,120)	(110,819)
Interest capitalization	(3,833)	(14,749)	(28,451)	(37,270)	(34,073)
Preferred distributions of consolidated subsidiaries	(2,315)	(11,885)	(17,599)	(21,580)	(26,979)
Earnings	<u>\$2,382,860</u>	<u>\$1,616,946</u>	<u>\$1,833,871</u>	<u>\$1,829,606</u>	<u>\$1,658,363</u>
Fixed Charges:					
Portion of rents representative of the interest factor	13,683	9,082	8,996	9,032	9,052
Interest on indebtedness (including amortization of debt expense)	1,277,506	1,223,712	1,196,334	1,150,416	915,693
Interest capitalized	3,833	14,749	28,451	37,270	34,073
Loss on extinguishment of debt	350,688	—	20,330	—	—
Preferred distributions of consolidated subsidiaries	2,315	11,885	17,599	21,580	26,979
Fixed Charges	<u>\$1,648,025</u>	<u>\$1,259,428</u>	<u>\$1,271,710</u>	<u>\$1,218,298</u>	<u>\$ 985,797</u>
Add: Preferred Stock Dividends	6,614	26,309	41,119	55,075	77,695
Fixed Charges and Preferred Stock Dividends	<u>\$1,654,639</u>	<u>\$1,285,737</u>	<u>\$1,312,829</u>	<u>\$1,273,373</u>	<u>\$1,063,492</u>
Ratio of Earnings to Fixed Charges and Preferred Stock Dividends	<u>1.44x</u>	<u>1.26x</u>	<u>1.40x</u>	<u>1.44x</u>	<u>1.56x</u>

For purposes of calculating the ratio of earnings to fixed charges, “earnings” have been computed by adding fixed charges, excluding capitalized interest, to pre-tax income from consolidated continuing operations including income from noncontrolling interests and our share of pre-tax (loss) income from 50%, or greater than 50%, owned unconsolidated affiliates which have fixed charges, and our share of distributed operating income from less than 50% owned unconsolidated affiliates instead of income from the less than 50% owned unconsolidated affiliates. There are generally no restrictions on our ability to receive distributions from our unconsolidated joint ventures where no preference in favor of the other owners of the joint venture exists. “Fixed charges” consist of interest costs, whether expensed or capitalized, the interest component of rental expenses, preferred distributions, losses on extinguishment of debt, and amortization of debt issue costs.

Exhibit 13.1

The following tables set forth selected financial data. The selected financial data should be read in conjunction with the financial statements and notes thereto and with Management's Discussion and Analysis of Financial Condition and Results of Operations. Other data we believe is important in understanding trends in our business is also included in the tables.

	As of or for the Year Ended December 31,				
	2010	2009	2008	2007	2006
	(in thousands, except per share data)				
OPERATING DATA:					
Total consolidated revenue	\$ 3,957,630	\$ 3,775,216	\$ 3,783,155	\$ 3,650,799	\$ 3,332,154
Consolidated income from continuing operations	753,514	387,262	599,560	674,605	729,727
Net income available to common stockholders . .	\$ 610,424	\$ 283,098	\$ 422,517	\$ 436,164	\$ 486,145
BASIC EARNINGS PER SHARE:					
Income from continuing operations	\$ 2.10	\$ 1.06	\$ 1.88	\$ 2.09	\$ 2.20
Discontinued operations	—	—	—	(0.13)	—
Net income attributable to common stockholders	\$ 2.10	\$ 1.06	\$ 1.88	\$ 1.96	\$ 2.20
Weighted average shares outstanding	291,076	267,055	225,333	222,998	221,024
DILUTED EARNINGS PER SHARE:					
Income from continuing operations	\$ 2.10	\$ 1.05	\$ 1.87	\$ 2.08	\$ 2.19
Discontinued operations	—	—	—	(0.13)	—
Net income attributable to common stockholders	\$ 2.10	\$ 1.05	\$ 1.87	\$ 1.95	\$ 2.19
Diluted weighted average shares outstanding . .	291,350	268,472	225,884	223,777	221,927
Dividends per share (1)	\$ 2.60	\$ 2.70	\$ 3.60	\$ 3.36	\$ 3.04
BALANCE SHEET DATA:					
Cash and cash equivalents	\$ 796,718	\$ 3,957,718	\$ 773,544	\$ 501,982	\$ 929,360
Total assets	24,857,429	25,948,266	23,422,749	23,442,466	22,003,173
Mortgages and other indebtedness	17,473,760	18,630,302	18,042,532	17,218,674	15,394,489
Total equity	\$ 5,633,752	\$ 5,182,962	\$ 3,101,967	\$ 3,414,612	\$ 4,040,676
OTHER DATA:					
Cash flow provided by (used in):					
Operating activities	\$ 1,755,210	\$ 1,720,520	\$ 1,635,887	\$ 1,559,432	\$ 1,316,148
Investing activities	(1,246,695)	(418,991)	(1,022,275)	(2,049,576)	(607,432)
Financing activities	(3,669,515)	1,882,645	(342,050)	62,766	(116,404)
Ratio of Earnings to Fixed Charges and Preferred Stock Dividends	1.44x	1.26x	1.40x	1.44x	1.56x
Funds from Operations (FFO) (2)	\$ 1,762,322	\$ 1,748,280	\$ 1,852,331	\$ 1,691,887	\$ 1,537,223
FFO allocable to Simon Property	\$ 1,465,728	\$ 1,440,554	\$ 1,477,446	\$ 1,342,496	\$ 1,215,319
FFO per diluted share	\$ 5.01	\$ 5.33	\$ 6.42	\$ 5.90	\$ 5.39

Notes

(1) Represents dividends declared per period.

(2) FFO is a non-GAAP financial measure that we believe provides useful information to investors. Please refer to Management's Discussion and Analysis of Financial Condition and Results of Operations for a definition and reconciliation of FFO.

Management's Discussion and Analysis of Financial Condition and Results of Operations

Simon Property Group, Inc. and Subsidiaries

The following discussion should be read in conjunction with the consolidated financial statements and notes thereto that are included in this Annual Report to Stockholders.

Overview

Simon Property Group, Inc., or Simon Property, is a Delaware corporation that operates as a self-administered and self-managed real estate investment trust, or REIT, under the Internal Revenue Code. To qualify as a REIT, among other things, a company must distribute at least 90 percent of its taxable income to its stockholders annually. Taxes are paid by stockholders on dividends received and any capital gains distributed. Most states also follow this federal treatment and do not require REITs to pay state income tax. Simon Property Group, L.P., or the Operating Partnership, is our majority-owned partnership subsidiary that owns all of our real estate properties. In this discussion, the terms “we”, “us” and “our” refer to Simon Property Group, Inc. and its subsidiaries.

We own, develop and manage retail real estate properties, which consist primarily of regional malls, Premium Outlets®, The Mills®, and community/lifestyle centers. As of December 31, 2010, we owned or held an interest in 338 income-producing properties in the United States, which consisted of 161 regional malls, 58 Premium Outlets, 66 community/lifestyle centers, 36 properties acquired in the 2007 acquisition of The Mills Corporation, or the Mills acquisition, and 17 other shopping centers or outlet centers in 41 states and Puerto Rico. Of the 36 properties acquired in the Mills portfolio, 16 of these properties are The Mills, 16 are regional malls, and four are community centers. Internationally, as of December 31, 2010, we had ownership interests in 45 European shopping centers in Italy, eight Premium Outlets in Japan, one Premium Outlet in Mexico, and one Premium Outlet in South Korea. On July 15, 2010, we and our joint venture partner sold our collective interests in Simon Ivanhoe S.à.r.l., or Simon Ivanhoe, which owned seven shopping centers located in France and Poland.

We generate the majority of our revenues from leases with retail tenants including:

- Base minimum rents,
- Overage and percentage rents based on tenants' sales volume, and
- Recoveries of substantially all of our recoverable expenditures, which consist of property operating, real estate taxes, repair and maintenance, and advertising and promotional expenditures.

Revenues of our management company, after intercompany eliminations, consist primarily of management fees that are typically based upon the revenues of the property being managed.

We seek growth in earnings, funds from operations, or FFO, and cash flows by enhancing the profitability and operation of our properties and investments. We seek to accomplish this growth through the following:

- Focusing on leasing to increase revenues and utilizing economies of scale to reduce operating expenses,
- Expanding and re-tenanting existing franchise locations at competitive market rates,
- Selectively acquiring high quality real estate assets or portfolios of assets, and
- Selling non-core assets.

We also grow by generating supplemental revenue from the following activities:

- Establishing our malls as leading market resource providers for retailers and other businesses and consumer-focused corporate alliances, including: payment systems (such as handling fees relating to the sales of bank-issued prepaid cards), national marketing alliances, static and digital media initiatives, business development, sponsorship, and events,
- Offering property operating services to our tenants and others, including waste handling and facility services, and the sale of energy,
- Selling or leasing land adjacent to our shopping center properties, commonly referred to as “outlots” or “outparcels,” and

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- Generating interest income on cash deposits and loans made to related entities.

We focus on high quality real estate across the retail real estate spectrum. We expand or modernize to enhance profitability and market share of existing assets when we believe the investment of our capital meets our risk-reward criteria. We selectively develop new properties in markets that exhibit strong population and economic growth.

We routinely review and evaluate acquisition opportunities based on their ability to complement our portfolio. Our international strategy includes partnering with established real estate companies and financing international investments with local currency to minimize foreign exchange risk.

To support our growth, we employ a three-fold capital strategy:

- Provide the capital necessary to fund growth,
- Maintain sufficient flexibility to access capital in many forms, both public and private, and
- Manage our overall financial structure in a fashion that preserves our investment grade credit ratings.

Results Overview

Diluted earnings per common share increased from \$1.05 in 2009 to \$2.10 in 2010. Significant factors contributing to the year-over-year change included:

- improved operating performance and core business fundamentals in 2010, coupled with fewer tenant bankruptcies and the recovery of amounts for which we had previously reserved,
- the effect of our acquisition and expansion activity, including the acquisition of Prime,
- a gain due to acquisition of controlling interest, sale or disposal of assets and interests in unconsolidated entities, net of \$321.0 million, or \$0.91 per diluted share, primarily driven by the sale of our interest in Simon Ivanhoe in the third quarter of 2010,
- a \$350.7 million, or \$1.00 per diluted share, debt extinguishment charge recorded during 2010 related to our two senior unsecured notes tender offers,
- transaction expenses of \$69.0 million, or \$0.19 per diluted share, for costs incurred related to the Prime acquisition, other acquisition-related activities and the settlement of a transaction related dispute,
- in 2009, a \$140.5 million, or \$0.44 per diluted share, other-than-temporary impairment charge related to our investment in Liberty International PLC, or Liberty, due to the significance and duration of the decline in quoted fair value, including related currency exchange component, below the carrying value of the securities,
- in 2009, a \$88.1 million, or \$0.27 per diluted share, net of related tax benefit and noncontrolling interest share, non-cash impairment charge related to three underperforming assets, including one consolidated operating property and two joint venture assets, the write-off of certain predevelopment costs related to projects that we no longer plan to pursue due to economic conditions, and adjustments to carrying values for certain parcels of land, and
- in 2009, net losses related to the sale of assets and interests in unconsolidated entities of \$30.1 million, or \$0.09 per diluted share.

Core business fundamentals during 2010 improved from the difficult economic environment that existed during 2009. Comparable sales per square foot, or psf, increased to \$494 psf, or 9.3%, for our regional malls and Premium Outlets. Average base rents increased 1.0% to \$38.87 psf as of December 31, 2010, from \$38.47 psf as of December 31, 2009. Leasing spreads remained positive as we were able to lease available square feet at higher rents than the expiring rental rates resulting in a leasing spread of \$1.15 psf as of December 31, 2010, representing a 3.0% increase over expiring rents. Occupancy was 94.2% as of December 31, 2010, as compared to 93.4% as of December 31, 2009, an increase of 80 basis points.

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Internationally, on July 15, 2010, we and our partner in Simon Ivanhoe, Ivanhoe Cambridge, Inc., or Ivanhoe Cambridge, sold our collective interests in Simon Ivanhoe which owned seven shopping centers located in France and Poland to Unibail-Rodamco. The joint venture partners received net consideration of €422.5 million for their interests after the repayment of all joint venture debt, subject to certain post-closing adjustments. Our share of the gain on sale of our interests in Simon Ivanhoe was approximately \$281 million. A portion of the proceeds was used to repay the €167.4 million (approximately \$215 million) principal balance on the Euro-denominated tranche of our \$3.9 billion unsecured revolving credit facility, or the Credit Facility.

Our effective overall borrowing rate at December 31, 2010 decreased four basis points to 5.58% as compared to 5.62% at December 31, 2009. This decrease was primarily due to a \$1.3 billion decrease in our portfolio of fixed rate debt (\$14.8 billion at December 31, 2010 as compared to \$16.1 billion at December 31, 2009) partially offset by an increase in the effective overall borrowing rate on variable rate debt of 74 basis points (1.93% at December 31, 2010 as compared to 1.19% at December 31, 2009). The 74 basis point increase was a result of increased borrowing spreads and LIBOR floors. At December 31, 2010, the weighted average years to maturity of our consolidated indebtedness was approximately 5.9 years as compared to December 31, 2009 of approximately 4.1 years. Our financing activities for the year ended December 31, 2010, included:

- completing two separate cash tender offers for several outstanding series of senior unsecured notes. The first tender offer was for any and all senior unsecured notes of ten outstanding series with maturity dates ranging from January 2011 to March 2013. The total principal amount of the notes accepted for purchase on January 26, 2010 was approximately \$2.3 billion, with a weighted average duration of 2.0 years and a weighted coupon of 5.76%. The Operating Partnership purchased the tendered notes with cash on hand and the proceeds from an offering of \$2.25 billion of senior unsecured notes which closed on January 25, 2010. The senior notes offering was comprised of \$400.0 million of 4.20% notes due 2015, \$1.25 billion of 5.65% notes due 2020 and \$600.0 million of 6.75% notes due 2040. The weighted average duration of the notes offering was 14.4 years and the weighted average coupon was 5.69%. We reported a \$165.6 million loss on extinguishment of debt in the first quarter of 2010 as a result of the tender offer.
- the second cash tender offer was for any and all unsecured notes of three outstanding series with maturity dates ranging from May 2013 to August 2014. The total principal amount of the notes accepted for purchase on August 17, 2010 was approximately \$1.33 billion, with a weighted average duration of 3.5 years and a weighted average coupon of 6.06%. The Operating Partnership purchased the tendered notes with cash on hand and the proceeds from an offering of \$900.0 million of 4.375% senior unsecured notes which closed on August 16, 2010. The senior notes are due on March 1, 2021. We reported a \$185.1 million loss on extinguishment of debt in the third quarter of 2010 as a result of the tender offer.
- acquiring an outlet center located in Barceloneta, Puerto Rico from Prime on May 13, 2010 subject to an existing \$75.2 million variable-rate mortgage, which matures on May 1, 2014 and bears interest at a rate of LIBOR plus 225 basis points with a LIBOR floor of 1.50%.
- completing the acquisition of Prime on August 30, 2010, in which we acquired an additional 20 outlet centers subject to existing mortgage loans of approximately \$1.2 billion which bear interest at fixed rates ranging from 5.51% to 6.01% and mature at various dates throughout 2016.
- increasing our borrowings on our Credit Facility to \$858.6 million during the year ended December 31, 2010.
- redeeming a \$300.0 million maturing unsecured note which had a fixed rate of 4.875%.
- redeeming a \$400.0 million maturing unsecured note which had a fixed rate of 4.60%.
- redeeming a \$400.0 million maturing unsecured note which had a fixed rate of 4.875%.
- unencumbering five properties by repaying \$1.1 billion in mortgage loans with a weighted average interest rate of 4.35%.

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United States Portfolio Data

The portfolio data discussed in this overview includes the following key operating statistics: occupancy; average base rent per square foot; and comparable sales per square foot for our domestic assets. We include acquired properties in this data beginning in the year of acquisition and remove properties sold in the year disposed. For comparative purposes, we separate the information below related to community/lifestyle centers, the properties acquired from the Mills Corporation in 2007, or the Mills, from our other U.S. operations. We also do not include any properties located outside of the United States. The following table sets forth these key operating statistics for:

- properties that are consolidated in our consolidated financial statements,
- properties we account for under the equity method of accounting as joint ventures, and
- the foregoing two categories of properties on a total portfolio basis.

	2010	%/Basis Points Change (1)	2009	%/Basis Points Change (1)	2008
U.S. Regional Malls and Premium Outlets (2):					
<u>Occupancy</u>					
Consolidated	94.8%	+80 bps	94.0%	-50 bps	94.5%
Unconsolidated	92.4%	+100 bps	91.4%	-50 bps	91.9%
Total Portfolio	94.2%	+80 bps	93.4%	-40 bps	93.8%
<u>Average Base Rent per Square Foot</u>					
Consolidated	\$37.39	1.4%	\$36.88	5.8%	\$34.86
Unconsolidated	\$43.44	0.6%	\$43.19	2.8%	\$42.03
Total Portfolio	\$38.87	1.0%	\$38.47	4.9%	\$36.69
<u>Comparable Sales per Square Foot</u>					
Consolidated	\$ 483	9.3%	\$ 442	(5.6%)	\$ 468
Unconsolidated	\$ 530	9.7%	\$ 483	(7.6%)	\$ 523
Total Portfolio	\$ 494	9.3%	\$ 452	(5.8%)	\$ 480
The Mills®:					
<u>Occupancy</u>	93.7%	-20 bps	93.9%	-60 bps	94.5%
<u>Average Base Rent per Square Foot</u>	\$19.86	1.2%	\$19.62	0.6%	\$19.51
<u>Comparable Sales per Square Foot</u>	\$ 391	6.0%	\$ 369	(0.8%)	\$ 372
Mills Regional Malls:					
<u>Occupancy</u>	90.4%	+110 bps	89.3%	190 bps	87.4%
<u>Average Base Rent per Square Foot</u>	\$34.97	(1.2%)	\$35.41	(4.3%)	\$36.99
<u>Comparable Sales per Square Foot</u>	\$ 408	7.4%	\$ 380	(9.1%)	\$ 418
Community/Lifestyle Centers:					
<u>Occupancy</u>	91.6%	+90 bps	90.7%	—	90.7%
<u>Average Base Rent per Square Foot</u>	\$13.38	(0.5%)	\$13.45	1.8%	\$13.25

- (1) Percentages may not recalculate due to rounding. Percentage and basis point changes are representative of the change from the comparable prior period.
- (2) For comparative purposes, U.S. Regional Malls and Premium Outlets statistical data do not include the 21 Prime properties. As of December 31, 2010, Occupancy of these 21 acquired properties was 95.4%, Average Base Rent per Square Foot was \$24.75, and Sales per Square Foot were \$423.

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Occupancy Levels and Average Base Rent per Square Foot. Occupancy and average base rent are based on gross leasable area, or GLA, owned by us in the regional malls, all tenants at the Premium Outlets, all tenants in the Mills portfolio, and all tenants at community/lifestyle centers.

Comparable Sales per Square Foot. Comparable sales include total reported retail tenant sales at owned GLA (for mall and freestanding stores with less than 10,000 square feet) in the regional malls and all reporting tenants at the Premium Outlets and the Mills. Retail sales at owned GLA affect revenue and profitability levels because sales determine the amount of minimum rent that can be charged, the percentage rent realized, and the recoverable expenses (common area maintenance, real estate taxes, etc.) that tenants can afford to pay.

International Property Data

The following are selected key operating statistics for certain of our international properties.

	2010	% Change	2009	% Change	2008
European Shopping Centers					
Occupancy	97.2%		95.9%		98.4%
Comparable Sales per Square Foot	€388	(3.0)%	€400	(2.7)%	€411
Average Rent per Square Foot	€26.27	(16.4)%	€31.41	4.3%	€30.11
International Premium Outlets (1)					
Occupancy	99.8%		99.6%		99.9%
Comparable Sales per Square Foot	¥89,139	(5.6)%	¥94,468	2.7%	¥92,000
Average Rent per Square Foot	¥4,766	1.1%	¥4,714	0.6%	¥4,685

(1) Does not include one center in Mexico (Premium Outlets Punta Norte) and one center in Korea (Yeoju Premium Outlets).

Critical Accounting Policies

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, or GAAP, requires management to use judgment in the application of accounting policies, including making estimates and assumptions. We base our estimates on historical experience and on various other assumptions believed to be reasonable under the circumstances. These judgments affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenue, and expenses during the reporting periods. If our judgment or interpretation of the facts and circumstances relating to various transactions had been different, it is possible that different accounting policies would have been applied resulting in a different presentation of our financial statements. From time to time, we evaluate our estimates and assumptions. In the event estimates or assumptions prove to be different from actual results, adjustments are made in subsequent periods to reflect more current information. Below is a discussion of accounting policies that we consider critical in that they may require complex judgment in their application or require estimates about matters that are inherently uncertain. For a summary of our significant accounting policies, see Note 3 of the Notes to Consolidated Financial Statements.

- We, as a lessor, retain substantially all of the risks and benefits of ownership of the investment properties and account for our leases as operating leases. We accrue minimum rents on a straight-line basis over the terms of their respective leases. Substantially all of our retail tenants are also required to pay overage rents based on sales over a stated base amount during the lease year. We recognize overage rents only when each tenant's sales exceed its sales threshold.
- We review investment properties for impairment on a property-by-property basis whenever events or changes in circumstances indicate that the carrying value of investment properties may not be recoverable. These circumstances include, but are not limited to, declines in cash flows, occupancy and comparable sales per square foot at the property. We measure any impairment of investment property when the estimated

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undiscounted operating income before depreciation and amortization plus its residual value is less than the carrying value of the property. To the extent impairment has occurred, we charge to income the excess of carrying value of the property over its estimated fair value. We may decide to sell properties that are held for use and the sale prices of these properties may differ from their carrying values. We also review our investments including investments in unconsolidated entities if events or circumstances change indicating that the carrying amount of our investments may not be recoverable. We will record an impairment charge if we determine that a decline in the fair value of the investments below carrying value is other-than-temporary.

- To maintain our status as a REIT, we must distribute at least 90% of our taxable income in any given year and meet certain asset and income tests. We monitor our business and transactions that may potentially impact our REIT status. In the unlikely event that we fail to maintain our REIT status, and available relief provisions do not apply, then we would be required to pay federal income taxes at regular corporate income tax rates during the period we did not qualify as a REIT. If we lost our REIT status, we could not elect to be taxed as a REIT for four years unless our failure was due to reasonable cause and certain other conditions were met. As a result, failing to maintain REIT status would result in a significant increase in the income tax expense recorded during those periods.
- We make estimates as part of our allocation of the purchase price of acquisitions to the various components of the acquisition based upon the fair value of each component. The most significant components of our allocations are typically the allocation of fair value to the buildings as-if-vacant, land and market value of in-place leases. In the case of the fair value of buildings and the allocation of value to land and other intangibles, our estimates of the values of these components will affect the amount of depreciation we record over the estimated useful life of the property acquired or the remaining lease term. In the case of the market value of in-place leases, we make our best estimates of the tenants' ability to pay rents based upon the tenants' operating performance at the property, including the competitive position of the property in its market as well as sales psf, rents psf, and overall occupancy cost for the tenants in place at the acquisition date. Our assumptions affect the amount of future revenue that we will recognize over the remaining lease term for the acquired in-place leases.
- A variety of costs are incurred in the development and leasing of properties. After determination is made to capitalize a cost, it is allocated to the specific component of a project that is benefited. Determination of when a development project is substantially complete and capitalization must cease involves a degree of judgment. The costs of land and buildings under development include specifically identifiable costs. The capitalized costs include pre-construction costs essential to the development of the property, development costs, construction costs, interest costs, real estate taxes, salaries and related costs and other costs incurred during the period of development. We consider a construction project as substantially completed and held available for occupancy and cease capitalization of costs upon opening.

Results of Operations

In addition to the activity discussed above in "Results Overview", the following acquisitions, dispositions, and property openings affected our consolidated results from continuing operations in the comparative periods:

- During 2010, we disposed of one regional mall, one community center, and one other retail property.
- On August 30, 2010, we completed our previously announced transaction to acquire 21 outlet centers from Prime, including a center located in Puerto Rico, which was acquired on May 13, 2010.
- On August 1, 2010, we acquired a controlling interest in a regional mall.
- During 2009, we disposed of one regional mall and three community centers.
- On August 6, 2009, we opened Cincinnati Premium Outlets, a 400,000 square foot outlet center located in Warren County, Ohio, north of Cincinnati.
- On April 23, 2009, we opened The Promenade at Camarillo Premium Outlets, a 220,000 square foot expansion located in Ventura County, north of Los Angeles.

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- On November 13, 2008, we opened Jersey Shore Premium Outlets, a 435,000 square foot outlet center with 120 designer and name-brand outlet stores located in Tinton Falls, New Jersey.
- On November 6, 2008, we opened the second phase of Orlando Premium Outlets, a 114,000 square foot expansion that is 100% leased and adds 40 new merchants, located in Orlando, Florida.
- On May 1, 2008, we opened Pier Park, a 900,000 square foot, open-air retail center located in Panama City, Florida.
- On March 27, 2008, we opened Houston Premium Outlets, a 427,000 square foot outlet center located approximately 30 miles west of Houston in Cypress, Texas.

In addition to the activities discussed above and in "Results Overview", the following acquisitions, dispositions, and property openings affected our income from unconsolidated entities in the comparative periods:

- During 2010, we disposed of one other retail property.
- On July 15, 2010, we and our partner in Simon Ivanhoe, Ivanhoe Cambridge, sold our collective interests in Simon Ivanhoe which owned seven shopping centers located in France and Poland to Unibail-Rodamco.
- On May 28, 2010, we acquired an additional interest of approximately 19% in Houston Galleria, located in Houston, Texas thereby increasing our interest from 31.5% to 50.4%.
- On April 29, 2010, Gallerie Commerciali Italia, or GCI, one of our European joint ventures in which we hold a 49% ownership interest, sold its 40% interest in Porta di Roma for €71 million.
- On March 25, 2010, GCI opened Catania, a 642,000 square foot shopping center in Sicily, Italy.
- On March 2, 2010, GCI opened Argine, a 300,000 square foot shopping center in Naples, Italy.
- During 2009, we recognized a loss on our joint venture interests in our shopping centers in China. We sold our interests to affiliates of our Chinese partner for approximately \$29 million, resulting in a loss of approximately \$20 million.
- On July 9, 2009, Chelsea Japan Company, Ltd., or Chelsea Japan, the joint venture which operates the Japanese Premium Outlets in which we have a 40% ownership interest, opened Ami Premium Outlets located in Ami, Japan.
- On December 30, 2008, Cincinnati Mills, one of the properties we acquired in the Mills acquisition, was sold. We held a 50% interest the shopping center.
- On October 16, 2008, Chelsea Japan, opened Sendai-Izumi Premium Outlets located in Izumi Park Town, Japan. We hold a 40% ownership interest in Chelsea Japan.
- On August 25, 2008, GCI opened Monza, a 211,600 square foot shopping center in Monza, Italy.
- On June 5, 2008, we opened Changshu In City Plaza, a 487,000 square foot retail center located in Changshu, China. We held a 32.5% ownership interest in this center which was sold as part of the disposition of our interests in China.
- On May 2, 2008, we opened Hamilton Town Center, a 950,000 square foot open-air retail center in Noblesville, Indiana. We hold a 50% ownership interest in this center.

For the purposes of the following comparisons between the years ended December 31, 2010 and 2009 and the years ended December 31, 2009 and 2008, the above transactions are referred to as the property transactions. In the following discussions of our results of operations, "comparable" refers to properties open and operating throughout both the current and prior year.

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During 2010, we disposed of three consolidated properties that had an aggregate carrying value net of any related debt obligations of \$0.1 million for aggregate sales proceeds of \$5.8 million, resulting in a net gain of \$5.7 million. The gain on disposition of these properties recognized in the consolidated statements of operations and the operating results of the properties that we sold or disposed of during 2010 were not significant to our consolidated results of operations. The following lists those consolidated properties we disposed of and the date of disposition:

<u>Property</u>	<u>Date of Disposition</u>
Crossroads Mall	March 4, 2010
Brightwood Plaza	March 30, 2010
Palm Beach Mall	March 31, 2010

During 2009, we disposed of four consolidated properties that had an aggregate net book value of \$13.7 million for aggregate sales proceeds of \$3.9 million, resulting in a net loss of \$9.8 million. The loss on disposition of these assets recognized in the consolidated statements of operations and the operating results of the properties that we sold or disposed of during 2009 were not significant to our consolidated results of operations. The following lists those consolidated properties we disposed of and the date of disposition:

<u>Property</u>	<u>Date of Disposition</u>
Raleigh Springs Mall	October 15, 2009
Eastland Plaza	October 30, 2009
Knoxville Commons	November 2, 2009
Park Plaza	November 2, 2009

In 2008 we had no consolidated property dispositions.

Year Ended December 31, 2010 vs. Year Ended December 31, 2009

Minimum rents increased \$112.7 million during the 2010 period, due to a \$80.9 million increase attributable to the property transactions and an increase in comparable rents of \$31.8 million, or 1.4%. The increase in comparable minimum rents was primarily attributable to a \$33.8 million increase in base minimum rents and a \$6.5 million increase in comparable rents from carts, kiosks, and other temporary tenants, partially offset by a \$4.8 million decline in the fair market value of in-place lease amortization and a \$3.7 million decrease in straight-line rents. Overage rents increased \$25.7 million, or 30.3%, as a result of an increase in tenant sales for the period as compared to the prior year.

Tenant reimbursements increased \$21.6 million, due to a \$24.5 million increase attributable to the property transactions, offset by a \$2.9 million, or 0.3%, decrease in the comparable properties as a result of a decrease in expenditures allocable to tenants paying common area maintenance on a proportionate basis.

Total other income increased \$25.3 million, principally as a result of the result of the following:

- an increase in lease settlement income of \$33.6 million due to a higher number of terminated leases in the period,
- an increase in interest income of \$10.1 million due to an increase in our available cash on deposit,
- offset by a \$12.4 million decrease in land sale activity, and
- a \$6.0 million decrease in net other activity.

Property operating expenses decreased \$11.4 million, or 2.69%, primarily related to lower costs resulting from our cost control and cost reduction initiatives and generally lower cost of utilities. An increase in property operating expenses in the fourth quarter related to the Prime properties was offset by more favorable claims experience by our captive insurance subsidiaries.

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Depreciation and amortization expense decreased \$14.8 million due to the impact of the acceleration of depreciation in 2009 for certain properties scheduled for redevelopment, offset by an increase in 2010 of \$52.7 million related to the acquisition of the Prime properties and an increase related to openings and expansion activity.

The provision for credit losses decreased \$19.5 million due to a reduction in the number of tenants in default and a decrease in the number of tenants in bankruptcy proceedings compared to the same period in 2009. We also had strong collections of receivables which we had previously established reserves for due to uncertainty of payment.

During 2010, we incurred \$69.0 million in transaction expenses related to acquisitions, potential acquisitions, and the settlement of a transaction related dispute.

Interest expense increased \$35.0 million primarily related to the Operating Partnership's offerings of new series of unsecured notes totaling \$3.2 billion in 2010 and \$1.8 billion during 2009 and the result of new or refinanced debt at several properties including debt associated with the Prime acquisition, offset by the purchase of unsecured notes in the January and August 2010 tender offers and mortgage loans which we repaid during the 2010 period.

During 2010, we incurred a loss on extinguishment of debt of \$350.7 million related to the two unsecured note tender offers.

Income tax expense (benefit) of taxable REIT subsidiaries increased \$7.0 million due to the recognition of a \$5.8 million tax benefit in 2009 related to the adjustment of the carrying value of our investment in an unconsolidated non-retail real estate entity.

Income from unconsolidated entities increased \$35.7 million primarily due to favorable results of operations over the prior period, the sale of a non-retail building in 2010, a property opening and expansion in Japan, a decrease in the provision for credit losses and interest savings, partially offset by the negative impact to operations of the flood at Opry Mills.

In 2010, we recognized an \$8.2 million impairment charge from an investment in an unconsolidated entity representing the impact of an impairment recorded on an investment property in Italy.

In 2010, we recorded a gain upon acquisition of a controlling interest and on the sale of interests in unconsolidated entities of \$321.0 million primarily due to our share of the gain on the sale of our interest in Simon Ivanhoe, the gain on the acquisition of a controlling interest in a regional mall previously accounted for under the equity method and the gain on sale of Porta di Roma by GCI.

Net income attributable to noncontrolling interests increased \$58.6 million primarily due to an increase in the income of the Operating Partnership.

Preferred dividends decreased \$19.7 million as a result of the conversion and redemption of the remaining Series I preferred stock in the second quarter of 2010.

Year Ended December 31, 2009 vs. Year Ended December 31, 2008

Minimum rents increased \$24.9 million in 2009, of which the property transactions accounted for \$27.3 million of the increase, offset by a decrease in comparable minimum rents of \$2.4 million, or 0.1%. The decrease in comparable minimum rents was primarily attributable to a \$15.4 million decline in the fair market value of in-place lease amortization and a \$12.6 million decrease in straight-line rents, offset by an increase in minimum rents of \$22.8 million and an increase in comparable rents from carts, kiosks, and other temporary tenants of \$2.8 million. Overage rents decreased \$15.3 million or 15.3%, as a result of a reduction in tenant sales for the period as compared to the prior year.

Tenant reimbursements decreased \$3.7 million, due to a \$14.8 million, or 1.4%, decrease in the comparable properties as a result of a decrease in expenditures allocable to tenants paying common area maintenance on a proportionate basis, offset by an \$11.1 million increase attributable to the property transactions.

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Management fees and other revenues decreased \$8.4 million principally as a result of decreased earned premiums of our wholly-owned captive insurance entities and lower fee revenue due to the reduction in development, leasing and joint venture property refinancing activity.

Total other income decreased \$5.4 million, and was principally the result of the following:

- a \$15.4 million decrease in interest income primarily due to lower reinvestment rates and the lower rate applicable to our variable rate loan facility with SPG-FCM Ventures, LLC, or SPG-FCM, and
- a \$2.3 million decrease in net other activity, partially offset by
- a \$6.5 million increase in land sale activity primarily related to a land sale in the fourth quarter of 2009, and
- a \$5.8 million increase in lease settlement income.

Property operating expenses decreased \$30.2 million, or 6.6%, primarily related to lower utility costs resulting from our cost control and cost reduction initiatives.

Depreciation and amortization expense increased \$28.1 million due to the impact of prior year openings and expansion activity and acceleration of depreciation for certain properties scheduled for redevelopment.

Repairs and maintenance decreased \$16.1 million due to our cost savings efforts.

Home and regional office expense decreased \$34.8 million primarily due to decreased personnel costs attributable to our cost control initiatives and lower incentive compensation levels.

During 2009, we recognized a non-cash charge of \$140.5 million representing an other-than-temporary impairment in the fair value below the carrying value of our minority investment in Liberty. We recorded the charge to earnings due to the significance and duration of the decline in the total share price, including currency revaluations. In addition, we recorded impairment charges in 2009 of \$56.9 million related to one regional mall, certain parcels of land and certain predevelopment costs related to projects no longer being pursued. In 2008, we recognized an impairment of \$16.5 million primarily representing the write-down of a mall property to its estimated net realizable value and the write-off of predevelopment costs for various development opportunities which we no longer plan to pursue.

During 2009, we recorded \$5.7 million in transaction expenses related to costs associated with acquisition related activities. In accordance with the required adoption of a new accounting pronouncement effective January 1, 2009, all transaction costs are expensed as incurred and are no longer capitalized as a component of acquisition cost as prior accounting guidance permitted.

Interest expense increased \$44.9 million primarily related to the Operating Partnership's issuance of \$500 million of senior unsecured notes on August 11, 2009, \$600 million senior unsecured notes on May 15, 2009 and \$650 million senior unsecured notes on March 25, 2009, offset by decreased interest expense on our Credit Facility due to the payoff of the U.S. tranche and other property debt refinancings.

The 2008 period included a loss on extinguishment of debt of \$20.3 million in the second quarter of 2008 related to the redemption of \$200 million in remarketable debt securities. We extinguished the debt because the remarketing reset base rate was above the rate for 30-year U.S. Treasury securities at the date of redemption.

Income tax expense of taxable REIT subsidiaries decreased \$8.8 million due to the recognition of a \$5.8 million tax benefit in 2009 related to the adjustment of the carrying value of our investment in an unconsolidated non-retail real estate entity.

Income from unconsolidated entities increased \$8.0 million as a result of our 2008 joint venture openings and expansion activity, interest rate savings from favorable interest rates and debt refinancings, and additional depreciation provisions related to the finalization of purchase accounting on asset basis step-ups in the 2008 period associated with the acquisition of Mills, offset by the gain recognized in 2008 from our disposition of an investment holding of non-retail real estate adjacent to one of our regional mall operating properties.

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In 2009, we recognized a \$42.7 million impairment charge representing our share of impairment charges recorded by unconsolidated entities and also impairment charges on our investment in certain unconsolidated entities for which we deemed the declines in value below our carrying amount other-than-temporary.

The loss on sale of assets and interests in unconsolidated entities of \$30.1 million in 2009 was the result of the sale of one regional mall, three community centers, and our 32.5% joint venture interests in our shopping centers operating or under development in China.

Net income attributable to noncontrolling interests decreased \$58.0 million primarily due to a decrease in the income of the Operating Partnership.

Preferred dividends decreased \$14.8 million as a result of the conversion of 6.4 million Series I preferred shares into common shares during 2008.

Liquidity and Capital Resources

Because we generate revenues primarily from long-term leases, our financing strategy relies primarily on long-term fixed rate debt. We manage our floating rate debt to be at or below 15-25% of total outstanding indebtedness by negotiating interest rates for each financing or refinancing based on current market conditions. Floating rate debt currently comprises approximately 11.6% of our total consolidated debt at December 31, 2010. We also enter into interest rate protection agreements as appropriate to assist in managing our interest rate risk. We derive most of our liquidity from leases that generate positive net cash flow from operations and distributions of capital from unconsolidated entities that totaled \$2.0 billion during 2010. In addition, our Credit Facility provides an alternative source of liquidity as our cash needs vary from time to time.

Our balance of cash and cash equivalents decreased \$3.2 billion during 2010 to \$0.8 billion as of December 31, 2010. December 31, 2010 and 2009 balances include \$55.3 million and \$38.1 million, respectively, related to our co-branded gift card programs, which we do not consider available for general working capital purposes.

On December 31, 2010, we had available borrowing capacity of approximately \$3.0 billion under the Credit Facility, net of outstanding borrowings of \$858.6 million and letters of credit of \$33.3 million. For the year ended December 31, 2010, the maximum amount outstanding under the Credit Facility was \$862.2 million and the weighted average amount outstanding was approximately \$580.4 million. The weighted average interest rate was 2.20% for the year ended December 31, 2010.

We and the Operating Partnership have historically had access to public equity and long term unsecured debt markets and access to private equity from institutional investors at the property level.

Our business model requires us to regularly access the debt and equity capital markets to raise funds for acquisition and development activity, redevelopment capital, and to refinance maturing debt. We believe we have sufficient cash on hand and availability under our Credit Facility to address our debt maturities and capital needs through 2011.

As discussed further in "Financing and Debt" below, we conducted two cash tender offers for several outstanding series of unsecured notes during 2010. On January 12, 2010, we commenced a tender offer to purchase ten outstanding series of notes. We subsequently purchased \$2.3 billion of notes on January 26, 2010. The purchase of the notes was primarily funded with proceeds from the sale of \$2.25 billion of senior unsecured notes issued on January 25, 2010. Additionally, on August 9, 2010, we commenced a tender offer to purchase three outstanding series of notes. We subsequently purchased \$1.33 billion of tendered notes on August 17, 2010. The purchase of the notes was primarily funded with proceeds from the sale of \$900.0 million of senior unsecured notes issued on August 16, 2010. As a result of the tenders, we extended the weighted average duration of our senior unsecured notes portfolio from 6.8 years to 7.5 years and slightly decreased the weighted average interest rate.

Loans to SPG-FCM

As part of the Mills acquisition in 2007, the Operating Partnership made loans to SPG-FCM and the Mills which were used by SPG-FCM and Mills to repay loans and other obligations of Mills. As of December 31, 2010 and

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2009, the outstanding balance of our remaining loan to SPG-FCM was \$651.0 million and \$632.0 million, respectively. During 2010, 2009 and 2008, we recorded approximately \$9.9 million, \$9.3 million and \$15.3 million in interest income (net of inter-entity eliminations) related to this loan, respectively. We also recorded fee income, including fee income amortization related to up-front fees on those loans during 2010, 2009 and 2008 of approximately \$0.9 million, \$3.7 million and \$3.1 million (net of inter-entity eliminations), respectively, for providing refinancing services to Mills' properties and SPG-FCM. The loan bears interest at a rate of LIBOR plus 275 basis points and matures on June 8, 2011, and can be extended for one year.

In conjunction with the Mills acquisition, we acquired a majority interest in two properties in which we previously held a 50% ownership interest (Town Center at Cobb and Gwinnett Place) and as a result we have consolidated these two properties at the date of acquisition.

In addition to the loans provided to SPG-FCM, we also provide management services to substantially all of the properties in which SPG-FCM holds an interest.

Cash Flows

Our net cash flow from operating activities and distributions of capital from unconsolidated entities totaled \$2.0 billion during 2010. In addition, we had net repayments from our debt financing and repayment activities in 2010 of \$2.4 billion and an additional \$350.7 million primarily related to premiums paid to par as a result of the cash tender offers for senior notes of the Operating Partnership. These activities are further discussed below in "Financing and Debt". Also during 2010, we:

- paid stockholder dividends and unitholder distributions of \$910.5 million,
- paid preferred stock dividends and preferred unit distributions totaling \$8.9 million,
- funded consolidated capital expenditures of \$256.3 million (includes development and other costs of \$38.7 million, renovation and expansion costs of \$96.1 million, and tenant costs and other operational capital expenditures of \$121.5 million),
- funded investments in unconsolidated entities of \$193.9 million,
- redeemed the remaining outstanding shares of Series I preferred stock for \$11.0 million,
- invested in six mortgage and mezzanine loans secured by real estate with an aggregate carrying value of \$395.9 million at December 31, 2010, and
- acquired 21 outlet centers from Prime as further discussed in "Acquisitions and Dispositions" below.

In general, we anticipate that cash generated from operations will be sufficient to meet operating expenses, monthly debt service, recurring capital expenditures, and distributions to stockholders necessary to maintain our REIT qualification on a long-term basis. In addition, we expect to be able to obtain capital for nonrecurring capital expenditures, such as acquisitions, major building renovations and expansions, as well as for scheduled principal maturities on outstanding indebtedness, from:

- excess cash generated from operating performance and working capital reserves,
- borrowings on our Credit Facility,
- additional secured or unsecured debt financing, or
- additional equity raised in the public or private markets.

We expect to generate positive cash flow from operations in 2011, and we consider these projected cash flows in our sources and uses of cash. These cash flows are principally derived from retail tenants, many of whom have been and continue to be under some degree of economic stress. A significant deterioration in projected cash flows from operations could cause us to increase our reliance on available funds from our Credit Facility, curtail planned capital expenditures, or seek other additional sources of financing as discussed above.

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Financing and Debt

Unsecured Debt

Our unsecured debt at December 31, 2010 consisted of approximately \$10.0 billion of senior unsecured notes of the Operating Partnership and \$858.6 million outstanding under our Credit Facility. The Credit Facility has a borrowing capacity of \$3.9 billion and contains an accordion feature allowing the maximum borrowing capacity to expand to \$4.0 billion. The Credit Facility matures on March 31, 2013. The base interest on the Credit Facility is LIBOR plus 210 basis points and includes a facility fee of 40 basis points. The Credit Facility also includes a money market competitive bid feature, which allows participating lenders to bid on amounts outstanding at then current market rates of interest for up to 50% of amounts available under the facility. As of December 31, 2010, we are in compliance with all of the covenants of our unsecured debt.

During the year ended December 31, 2010, our borrowings under the Credit Facility increased primarily as a result of the Prime acquisition partially offset by the repayment of €167.4 million (approximately \$215 million) principal balance on the Euro-denominated tranche of our Credit Facility on July 23, 2010. The total outstanding balance of the Credit Facility as of December 31, 2010 was \$858.6 million, and the maximum outstanding balance during the year ended December 31, 2010 was \$862.2 million. During the year ended December 31, 2010, the weighted average outstanding balance on the Credit Facility was approximately \$580.4 million. The outstanding balance as of December 31, 2010 includes \$273.6 million (U.S. dollar equivalent) of Yen-denominated borrowings.

On January 12, 2010, the Operating Partnership commenced a cash tender offer for any and all senior unsecured notes of ten outstanding series with maturity dates ranging from January 2011 to March 2013. The total principal amount of the notes accepted for purchase on January 26, 2010 was approximately \$2.3 billion, with a weighted average duration of 2.0 years and a weighted average coupon of 5.76%. The Operating Partnership purchased the tendered notes with cash on hand and the proceeds from an offering of \$2.25 billion of senior unsecured notes that closed on January 25, 2010. The senior notes offering was comprised of \$400.0 million of 4.20% notes due 2015, \$1.25 billion of 5.65% notes due 2020 and \$600.0 million of 6.75% notes due 2040. The weighted average duration of the notes offering was 14.4 years and the weighted average coupon was 5.69%. We recorded a \$165.6 million charge to earnings in the first quarter of 2010 as a result of the tender offer.

On March 18, 2010, the Operating Partnership repaid a \$300.0 million senior unsecured note which had a fixed rate of 4.875%.

On June 15, 2010, the Operating Partnership repaid a \$400.0 million senior unsecured note which had a fixed rate of 4.60%.

On August 9, 2010, the Operating Partnership commenced a cash tender offer for any and all senior unsecured notes of three outstanding series with maturity dates ranging from May 2013 to August 2014. The total principal amount of the notes accepted for purchase on August 17, 2010 was approximately \$1.33 billion, with a weighted average duration of 3.5 years and a weighted average coupon of 6.06%. The Operating Partnership purchased the tendered notes with cash on hand and the proceeds from an offering of \$900.0 million of 4.375% senior unsecured notes that closed on August 16, 2010. The senior notes are due on March 1, 2021. We recorded a \$185.1 million charge to earnings in the third quarter of 2010 as a result of the tender offer.

On August 16, 2010, the Operating Partnership repaid a \$400.0 million senior unsecured note which had a fixed rate of 4.875%.

Secured Debt

Total secured indebtedness was \$6.6 billion at December 31, 2010 and 2009. During the year ended December 31, 2010, we unencumbered five properties by repaying \$1.1 billion in mortgage loans with a weighted average interest rate of 4.35%.

On May 13, 2010, we acquired a property located in Barceloneta, Puerto Rico from Prime subject to an existing \$75.2 million mortgage loan. The loan matures on May 1, 2014 and bears interest at LIBOR plus 225 basis points with a LIBOR floor of 1.50%.

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On August 30, 2010, we completed our acquisition of Prime and assumed existing mortgage loans of approximately \$1.2 billion which bear interest at fixed rates ranging from 5.51% and 6.01% and mature at various dates throughout 2016.

Summary of Financing

Our consolidated debt, adjusted to reflect outstanding derivative instruments, and the effective weighted average interest rates as of December 31, 2010, and 2009, consisted of the following (dollars in thousands):

Debt Subject to	Adjusted Balance as of December 31, 2010	Effective Weighted Average Interest Rate	Adjusted Balance as of December 31, 2009	Effective Weighted Average Interest Rate
Fixed Rate	\$15,471,545	6.05%	\$16,814,240	6.10%
Variable Rate	2,002,215	1.93%	1,816,062	1.19%
	<u>\$17,473,760</u>	5.58%	<u>\$18,630,302</u>	5.62%

As of December 31, 2010, we had \$692.5 million of notional amount fixed rate swap agreements that have a weighted average fixed pay rate of 2.79% and a weighted average variable receive rate of 0.51%. As of December 31, 2010, the net effect of these agreements effectively converted \$692.5 million of variable rate debt to fixed rate debt.

Contractual Obligations and Off-balance Sheet Arrangements: In regards to long-term debt arrangements, the following table summarizes the material aspects of these future obligations on our consolidated indebtedness as of December 31, 2010, and subsequent years thereafter (dollars in thousands) assuming the obligations remain outstanding through initial maturities:

	2011	2012 to 2013	2014 to 2016	After 2016	Total
Long Term Debt (1)	\$895,575	\$4,129,255	\$6,575,971	\$5,867,931	\$17,468,732
Interest Payments (2)	946,503	1,671,292	1,775,136	1,726,473	6,119,404
Consolidated Capital Expenditure Commitments	24,361	62,429	—	—	86,790
Consolidated Ground Lease Commitments (3)	25,717	52,187	80,481	913,332	1,071,717

(1) Represents principal maturities only and therefore, excludes net premiums of \$5,028.

(2) Variable rate interest payments are estimated based on the LIBOR rate at December 31, 2010.

(3) Represents only the minimum non-cancellable lease period, excluding applicable lease extension and renewal options.

Our off-balance sheet arrangements consist primarily of our investments in joint ventures which are common in the real estate industry and are described in Note 7 of the notes to the accompanying financial statements. Our joint ventures typically fund their cash needs through secured debt financings obtained by and in the name of the joint venture entity. The joint venture debt is secured by a first mortgage, is without recourse to the joint venture partners, and does not represent a liability of the partners, except to the extent the partners or their affiliates expressly guarantee the joint venture debt. As of December 31, 2010, the Operating Partnership had guaranteed \$60.7 million of the total joint venture related mortgage or other indebtedness of \$6.6 billion then outstanding. We may elect to fund cash needs of a joint venture through equity contributions (generally on a basis proportionate to our ownership interests), advances or partner loans, although such fundings are not required contractually or otherwise.

Preferred Stock Activity

As of the end of the first quarter of 2010 and through April 14, 2010, holders of our Series I 6% Convertible Perpetual Preferred Stock, or Series I preferred stock, and holders of the Operating Partnership's 6% Series I Convertible Perpetual Preferred Units, or Series I preferred units, could elect to convert their Series I preferred stock into shares of our common stock or Series I preferred units into units of limited partnership interest of the Operating

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Partnership, or units, or Series I preferred stock. The optional conversion election resulted from the closing sale price of our common stock exceeding the applicable trigger price per share for a period of 20 trading days in the last 30 trading days of the prior quarter. Each share of Series I preferred stock and Series I preferred unit was convertible into common stock or units at a conversion ratio of .847495.

On March 17, 2010, we announced that we would redeem all of the outstanding shares of our Series I preferred stock and the Operating Partnership's Series I preferred units on April 16, 2010. The redemption price was equal to the liquidation value per share plus accumulated and unpaid dividends through the redemption date or \$50.4917 per share or unit.

Through the redemption date of April 16, 2010, holders of Series I preferred stock converted 7,871,276 shares of Series I preferred stock into 6,670,589 shares of our common stock and holders of Series I preferred units converted 1,017,480 Series I preferred units into 862,292 units of the Operating Partnership at a conversion ratio of .847495. We redeemed the remaining 219,879 shares of Series I preferred stock for \$50.4917 per share for an aggregate cash redemption payment of \$11.1 million including accrued dividends.

Acquisitions and Dispositions

Buy-sell provisions are common in real estate partnership agreements. Most of our partners are institutional investors who have a history of direct investment in retail real estate. Our partners in our joint venture properties may initiate these provisions (subject to any applicable lock up or similar restrictions). If we determine it is in our stockholders' best interests for us to purchase the joint venture interest and we believe we have adequate liquidity to execute the purchase without hindering our cash flows, then we may initiate these provisions or elect to buy. If we decide to sell any of our joint venture interests, we expect to use the net proceeds to reduce outstanding indebtedness or to reinvest in development, redevelopment, or expansion opportunities.

Acquisitions. During 2010, we acquired a controlling interest in a regional mall which resulted in a remeasurement of our previously held equity interest to fair value and corresponding gain of approximately \$13.0 million. This gain is included in gain (loss) upon acquisition of controlling interest and on sale or disposal of assets and interests in unconsolidated entities, net in the accompanying consolidated statements of operations and comprehensive income.

On May 28, 2010, we acquired an additional interest of approximately 19% in Houston Galleria, located in Houston, Texas thereby increasing our interest from 31.5% to 50.4%.

On August 30, 2010, we completed our previously announced transaction to acquire 21 outlet centers from Prime, including a center located in Puerto Rico, which was acquired on May 13, 2010. The transaction was valued at approximately \$2.3 billion, including the assumption of existing mortgage indebtedness of \$1.2 billion and the repayment of \$310.7 million of preexisting mortgage loans at closing. We paid consideration comprised of 80% cash and 20% in units of the Operating Partnership. We issued approximately 1.7 million units with an issuance date fair value of approximately \$154.5 million. We funded the cash portion of this acquisition through draws on our Credit Facility.

Dispositions. We continue to pursue the disposition of properties that no longer meet our strategic criteria or that are not the primary retail venue within their trade area. During 2010, we disposed of one regional mall, one community center, two other retail properties, and our interest in eight international joint venture properties for an aggregate net gain of \$308.1 million.

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Development Activity

New Domestic Developments. During 2010, we began construction on Merrimack Premium Outlets located in Merrimack, New Hampshire. This new center, which will be wholly owned by us, is expected to open in the first half of 2012. The estimated cost of this project is \$138 million, and the carrying amount of the construction in progress as of December 31, 2010 was \$37.6 million. Other than this project, our share of other 2010 new developments was not significant.

Domestic Expansions and Renovations. In addition to new development, we incur costs related to construction for significant renovation and expansion projects at our properties. In 2011 we expect to reinstitute our redevelopment and expansion initiatives which were previously reduced given the downturn in the economy. We expect our share of development costs for 2011 related to renovation or expansion initiatives to be approximately \$350 million. We expect to fund these capital projects with cash flows from operations.

Capital Expenditures on Consolidated Properties.

The following table summarizes total capital expenditures on consolidated properties on a cash basis:

	<u>2010</u>	<u>2009</u>	<u>2008</u>
New Developments and Other	\$ 39	\$160	\$327
Renovations and Expansions	96	159	432
Tenant Allowances	103	43	72
Operational Capital Expenditures	18	14	43
Total	<u>\$256</u>	<u>\$376</u>	<u>\$874</u>

International Development Activity. We typically reinvest net cash flow from our international investments to fund future international development activity. We believe this strategy mitigates some of the risk of our initial investment and our exposure to changes in foreign currencies. We have also funded our European investments with Euro-denominated borrowings that act as a natural hedge against local currency fluctuations. This has also been the case with our Premium Outlets in Japan and South Korea where we use Yen and Won denominated financing, respectively. Currently, our consolidated net income exposure to changes in the volatility of the Euro, Yen, Won, Peso and other foreign currencies is not material. We expect our share of international development costs for 2011 will be approximately \$90 million, primarily funded through reinvested joint venture cash flow and construction loans.

In March 2010, two European developments opened, adding approximately 942,000 square feet of GLA for a total net cost of approximately €221 million, of which our share was approximately €53 million, or \$64.8 million based on applicable Euro:USD exchange rates. Although we sold our joint venture interest in Simon Ivanhoe, we and Ivanhoe Cambridge have the right to participate with Unibail-Rodamco in the potential development of up to five new retail projects in the Simon Ivanhoe pipeline, subject to customary approval rights. We will own a 25% interest in any of these projects in which we agree to participate.

On July 14, 2010 Toki Premium Outlets Phase III, a 62,000 square foot expansion to the Toki Premium Outlet located in Toki, Japan, opened to the public. Currently Tosu Premium Outlets Phase III, a 52,000 square foot expansion to the Tosu Premium Outlet located in Fukuoka, Japan, is under construction. The combined projected net cost of these projects is JPY 5.3 billion, of which our share is approximately JPY 2.1 billion, or \$25.8 million based on applicable Yen:USD exchange rates.

Paju Premium Outlets, a 328,000 square foot center located in Seoul, South Korea, is under construction. The projected net cost of this project is KRW 121.2 billion, of which our share is approximately KRW 60.6 billion, or \$53.6 million based on applicable KRW:USD exchange rates.

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We have a 50% joint venture investment in Malaysia. Currently, Johor Premium Outlets, a 173,000 square foot center located in Johor, Malaysia is under construction. The projected net cost of this project is MYR 153 million, of which our share is approximately MYR 77 million, or \$24.9 million based on applicable MYR:USD exchange rates.

Market Risk

Our exposure to market risk due to changes in interest rates primarily relates to our long-term debt obligations. We manage exposure to interest rate market risk through our risk management strategy by a combination of interest rate protection agreements to effectively fix or cap a portion of variable rate debt. We are also exposed to foreign currency risk on financings of certain foreign operations. Our intent is to offset gains and losses that occur on the underlying exposures, with gains and losses on the derivative contracts hedging these exposures. We do not enter into either interest rate protection or foreign currency rate protection agreements for speculative purposes.

We may enter into treasury lock agreements as part of an anticipated debt issuance. If the anticipated transaction does not occur, the cost is charged to consolidated net income. Upon completion of the debt issuance, the cost of these instruments is recorded as part of accumulated other comprehensive income and is amortized to interest expense over the life of the debt agreement.

Our future earnings, cash flows and fair values relating to financial instruments are dependent upon prevalent market rates of interest, primarily LIBOR. LIBOR was at historically low levels during 2010. Based upon consolidated indebtedness and interest rates at December 31, 2010, a 50 basis point increase in the market rates of interest would decrease future earnings and cash flows by approximately \$10.0 million, and would decrease the fair value of debt by approximately \$374.7 million.

Dividends and Stock Repurchase Program

Dividends during 2010 aggregated \$2.60 per share and were paid entirely in cash. Dividends during 2009 aggregated \$2.70 per share and were paid in a combination of cash and shares of our common stock, subject to stockholder election. We must pay a minimum amount of dividends to maintain our status as a REIT. Our dividends typically exceed our consolidated net income generated in any given year primarily because of depreciation, which is a "non-cash" expense. Our future dividends and future distributions of the Operating Partnership will be determined by the Board of Directors based on actual results of operations, cash available for dividends and limited partner distributions, and what may be required to maintain our status as a REIT.

Forward-Looking Statements

Certain statements made in this section or elsewhere in this report may be deemed "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Although we believe the expectations reflected in any forward-looking statements are based on reasonable assumptions, we can give no assurance that our expectations will be attained, and it is possible that our actual results may differ materially from those indicated by these forward-looking statements due to a variety of risks, uncertainties and other factors. Such factors include, but are not limited to: the impact of a prolonged recession, our ability to meet debt service requirements, the availability and terms of financing, changes in our credit rating, changes in market rates of interest and foreign exchange rates for foreign currencies, the ability to hedge interest rate risk, risks associated with the acquisition, development and expansion of properties, general risks related to retail real estate, the liquidity of real estate investments, environmental liabilities, changes in market rental rates, trends in the retail industry, relationships with anchor tenants, the inability to collect rent due to the bankruptcy or insolvency of tenants or otherwise, risks relating to joint venture properties, competitive market forces, risks related to international activities, insurance costs and coverage, terrorist activities, and maintenance of our status as a real estate investment trust. We discuss these and other risks and uncertainties under the heading "Risk Factors" in our most recent Annual Report on Form 10-K. We may update that discussion in subsequent Quarterly Reports on Form 10-Q, but otherwise we undertake no duty or obligation to update or revise these forward-looking statements, whether as a result of new information, future developments, or otherwise.

Management's Discussion and Analysis of Financial Condition and Results of Operations

Simon Property Group, Inc. and Subsidiaries

Non-GAAP Financial Measure — Funds from Operations

Industry practice is to evaluate real estate properties in part based on funds from operations, or FFO. We consider FFO to be a key measure of our operating performance that is not specifically defined by accounting principles generally accepted in the United States, or GAAP. We believe that FFO is helpful to investors because it is a widely recognized measure of the performance of REITs and provides a relevant basis for comparison among REITs. We also use this measure internally to measure the operating performance of our portfolio.

We determine FFO based on the definition set forth by the National Association of Real Estate Investment Trusts, or NAREIT, as consolidated net income computed in accordance with GAAP:

- excluding real estate related depreciation and amortization,
- excluding gains and losses from extraordinary items and cumulative effects of accounting changes,
- excluding gains and losses from the sales of previously depreciated retail operating properties,
- plus the allocable portion of FFO of unconsolidated entities accounted for under the equity method of accounting based upon economic ownership interest, and
- all determined on a consistent basis in accordance with GAAP.

We have adopted NAREIT's clarification of the definition of FFO that requires us to include the effects of nonrecurring items not classified as extraordinary, cumulative effect of accounting changes, or a gain or loss resulting from the sale of previously depreciated operating properties. We include in FFO gains and losses realized from the sale of land, outlot buildings, marketable and non-marketable securities, and investment holdings of non-retail real estate. However, you should understand that our computation of FFO might not be comparable to FFO reported by other REITs and that FFO:

- does not represent cash flow from operations as defined by GAAP,
- should not be considered as an alternative to consolidated net income determined in accordance with GAAP as a measure of operating performance, and
- is not an alternative to cash flows as a measure of liquidity.

Management's Discussion and Analysis of Financial Condition and Results of Operations

Simon Property Group, Inc. and Subsidiaries

The following schedule reconciles total FFO to consolidated net income and diluted net income per share to diluted FFO per share.

	For the Year Ended December 31,		
	2010	2009	2008
	(in thousands)		
Funds from Operations	\$1,762,322	\$1,748,280	\$1,852,331
Increase/(Decrease) in FFO from prior period	0.8%	(5.6)%	9.5%
Consolidated Net Income	\$ 753,514	\$ 387,262	\$ 599,535
Adjustments to Arrive at FFO:			
Depreciation and amortization from consolidated properties and discontinued operations	968,695	983,487	954,494
Simon's share of depreciation and amortization from unconsolidated entities	388,565	399,509	376,670
(Gain) loss upon acquisition of controlling interest, and on sale or disposal of assets and interests in unconsolidated entities, net	(321,036)	30,108	—
Net income attributable to noncontrolling interest holders in properties	(10,640)	(5,496)	(11,091)
Depreciation and amortization attributable to noncontrolling interest holders in properties	(7,847)	(8,396)	(8,559)
Preferred distributions and dividends	(8,929)	(38,194)	(58,718)
Funds from Operations	\$1,762,322	\$1,748,280	\$1,852,331
FFO Allocable to Simon Property	\$1,465,728	\$1,440,554	\$1,477,446
Diluted net income per share to diluted FFO per share reconciliation:			
Diluted net income per share	\$ 2.10	\$ 1.05	\$ 1.87
Depreciation and amortization from consolidated properties and beneficial interests, and our share of depreciation and amortization from unconsolidated affiliates, net of noncontrolling interest portion of depreciation and amortization	3.86	4.22	4.69
(Gain) loss upon acquisition of controlling interest, and on sale or disposal of assets and interests in unconsolidated entities, net	(0.92)	0.09	—
Impact of additional dilutive securities for FFO per share	(0.03)	(0.03)	(0.14)
Diluted FFO per share	\$ 5.01	\$ 5.33	\$ 6.42
Basic weighted average shares outstanding	291,076	267,055	225,333
Adjustments for dilution calculation:			
Effect of stock options	274	316	551
Effect of contingently issuable shares from stock dividends	—	1,101	—
Impact of Series C cumulative preferred 7% convertible units	—	46	75
Impact of Series I preferred stock	1,749	6,354	10,773
Impact of Series I preferred units	238	1,228	1,531
Diluted weighted average shares outstanding	293,337	276,100	238,263
Weighted average limited partnership units outstanding	58,900	57,292	57,175
Diluted weighted average shares and units outstanding	352,237	333,392	295,438

During the twelve months ended December 31, 2010, FFO as disclosed above includes a \$350.7 million loss on extinguishment of debt associated with two cash tender offers for outstanding senior unsecured notes of the Operating Partnership, reducing diluted FFO per share by \$1.00 per share. Also included is our share of a non-cash impairment charge in an investment in an operating property in Italy of approximately \$8.2 million, reducing FFO per share by \$0.02. During the year ended December 31, 2010, we recorded transaction expenses of \$69.0 million, reducing diluted FFO per share by \$0.20.

During the twelve months ended December 31, 2009, we recorded \$228.6 million in impairment charges, net of related tax benefit and noncontrolling interest share, reducing diluted FFO per share by \$0.68.

Management's Discussion and Analysis of Financial Condition and Results of Operations

Simon Property Group, Inc. and Subsidiaries

Management's Report On Internal Control Over Financial Reporting

We are responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rule 13a-15(f) or 15d-15(f) promulgated under the Securities Exchange Act of 1934 as a process designed by, or under the supervision of, our principal executive and principal financial officers and effected by our Board of Directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. generally accepted accounting principles and includes those policies and procedures that:

- Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect our transactions and disposition of assets;
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and
- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

We assessed the effectiveness of our internal control over financial reporting as of December 31, 2010. In making this assessment, we used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control-Integrated Framework.

Based on that assessment, we believe that, as of December 31, 2010, our internal control over financial reporting is effective based on those criteria.

Our independent registered public accounting firm has issued an audit report on their assessment of our internal control over financial reporting. Their report appears on page 87 of this Annual Report.

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders of
Simon Property Group, Inc.:

We have audited Simon Property Group, Inc. and Subsidiaries' internal control over financial reporting as of December 31, 2010 based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO criteria). Simon Property Group, Inc. and Subsidiaries' management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Simon Property Group, Inc. and Subsidiaries maintained, in all material respects, effective internal control over financial reporting as of December 31, 2010, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Simon Property Group, Inc. and Subsidiaries as of December 31, 2010 and 2009, and the related consolidated statements of operations and comprehensive income, equity and cash flows for each of the three years in the period ended December 31, 2010 of Simon Property Group, Inc. and Subsidiaries, and our report dated February 25, 2011 expressed an unqualified opinion thereon.

/s/ ERNST & YOUNG LLP

Indianapolis, Indiana
February 25, 2011

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders of
Simon Property Group, Inc.:

We have audited the accompanying consolidated balance sheets of Simon Property Group, Inc. and Subsidiaries as of December 31, 2010 and 2009, and the related consolidated statements of operations and comprehensive income, equity and cash flows for each of the three years in the period ended December 31, 2010. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Simon Property Group, Inc. and Subsidiaries at December 31, 2010 and 2009, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 2010, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Simon Property Group, Inc. and Subsidiaries' internal control over financial reporting as of December 31, 2010, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 25, 2011, expressed an unqualified opinion thereon.

/s/ ERNST & YOUNG LLP

Indianapolis, Indiana
February 25, 2011

Simon Property Group, Inc. and Subsidiaries
Consolidated Balance Sheets
(Dollars in thousands, except share amounts)

	December 31, 2010	December 31, 2009
ASSETS:		
Investment properties, at cost	\$27,508,735	\$25,336,189
Less — accumulated depreciation	7,711,304	7,004,534
	<u>19,797,431</u>	<u>18,331,655</u>
Cash and cash equivalents	796,718	3,957,718
Tenant receivables and accrued revenue, net	426,736	402,729
Investment in unconsolidated entities, at equity	1,390,105	1,468,577
Deferred costs and other assets	1,795,439	1,155,587
Note receivable from related party	651,000	632,000
Total assets	<u><u>\$24,857,429</u></u>	<u><u>\$25,948,266</u></u>
LIABILITIES:		
Mortgages and other indebtedness	\$17,473,760	\$18,630,302
Accounts payable, accrued expenses, intangibles, and deferred revenues	993,738	987,530
Cash distributions and losses in partnerships and joint ventures, at equity	485,855	457,754
Other liabilities and accrued dividends	184,855	159,345
Total liabilities	<u>19,138,208</u>	<u>20,234,931</u>
Commitments and contingencies		
Limited partners' preferred interest in the Operating Partnership and noncontrolling redeemable interests in properties	85,469	125,815
Series I 6% convertible perpetual preferred stock, 19,000,000 shares authorized, 0 and 8,091,155 issued and outstanding, respectively, at liquidation value	—	404,558
EQUITY:		
Stockholders' equity		
Capital stock (850,000,000 total shares authorized, \$.0001 par value, 238,000,000 shares of excess common stock, 100,000,000 authorized shares of preferred stock):		
Series J 8 $\frac{3}{4}$ % cumulative redeemable preferred stock, 1,000,000 shares authorized, 796,948 issued and outstanding, with a liquidation value of \$39,847	45,375	45,704
Common stock, \$.0001 par value, 511,990,000 shares authorized, 296,957,360 and 289,866,711 issued and outstanding, respectively	30	29
Class B common stock, \$.0001 par value, 10,000 shares authorized, 8,000 issued and outstanding	—	—
Capital in excess of par value	8,059,852	7,547,959
Accumulated deficit	(3,114,571)	(2,955,671)
Accumulated other comprehensive income (loss)	6,530	(3,088)
Common stock held in treasury at cost, 4,003,451 and 4,126,440 shares, respectively	(166,436)	(176,796)
Total stockholders' equity	<u>4,830,780</u>	<u>4,458,137</u>
Noncontrolling interests	802,972	724,825
Total equity	<u>5,633,752</u>	<u>5,182,962</u>
Total liabilities and equity	<u><u>\$24,857,429</u></u>	<u><u>\$25,948,266</u></u>

The accompanying notes are an integral part of these statements.

Simon Property Group, Inc. and Subsidiaries
Consolidated Statements of Operations and Comprehensive Income
(Dollars in thousands, except per share amounts)

	For the Twelve Months Ended December 31,		
	2010	2009	2008
REVENUE:			
Minimum rent	\$ 2,429,519	\$2,316,838	\$2,291,919
Overage rent	110,621	84,922	100,222
Tenant reimbursements	1,083,780	1,062,227	1,065,957
Management fees and other revenues	121,207	124,059	132,471
Other income	212,503	187,170	192,586
Total revenue	3,957,630	3,775,216	3,783,155
EXPENSES:			
Property operating	414,264	425,703	455,874
Depreciation and amortization	982,820	997,598	969,477
Real estate taxes	345,960	333,957	334,657
Repairs and maintenance	102,425	91,736	107,879
Advertising and promotion	97,194	93,565	96,783
Provision for credit losses	3,130	22,655	24,035
Home and regional office costs	109,314	110,048	144,865
General and administrative	21,267	18,124	20,987
Impairment charge	—	197,353	16,489
Transaction expenses	68,972	5,697	—
Other	68,045	72,088	69,061
Total operating expenses	2,213,391	2,368,524	2,240,107
OPERATING INCOME	1,744,239	1,406,692	1,543,048
Interest expense	(1,027,091)	(992,065)	(947,140)
Loss on extinguishment of debt	(350,688)	—	(20,330)
Income tax (expense) benefit of taxable REIT subsidiaries	(1,734)	5,220	(3,581)
Income from unconsolidated entities	75,921	40,220	32,246
Impairment charge from investments in unconsolidated entities	(8,169)	(42,697)	(4,683)
Gain (loss) upon acquisition of controlling interest, and on sale or disposal of assets and interests in unconsolidated entities, net	321,036	(30,108)	—
Consolidated income from continuing operations	753,514	387,262	599,560
Discontinued operations	—	—	(25)
CONSOLIDATED NET INCOME	753,514	387,262	599,535
Net income attributable to noncontrolling interests	136,476	77,855	135,899
Preferred dividends	6,614	26,309	41,119
NET INCOME ATTRIBUTABLE TO COMMON STOCKHOLDERS	\$ 610,424	\$ 283,098	\$ 422,517
BASIC EARNINGS PER COMMON SHARE:			
Net income attributable to common stockholders	\$ 2.10	\$ 1.06	\$ 1.88
DILUTED EARNINGS PER COMMON SHARE:			
Net income attributable to common stockholders	\$ 2.10	\$ 1.05	\$ 1.87
Consolidated Net Income	\$ 753,514	\$ 387,262	\$ 599,535
Unrealized gain (loss) on interest rate hedge agreements	28,045	1,509	(50,973)
Net loss on derivative instruments reclassified from accumulated other comprehensive loss into interest expense	(15,769)	(14,754)	(3,205)
Currency translation adjustments	(20,590)	(8,244)	(6,953)
Changes in available-for-sale securities and other	19,934	224,694	(168,619)
Comprehensive income	765,134	590,467	369,785
Comprehensive income attributable to noncontrolling interests	138,478	119,082	89,302
Comprehensive income attributable to common stockholders	\$ 626,656	\$ 471,385	\$ 280,483

The accompanying notes are an integral part of these statements.

Simon Property Group, Inc. and Subsidiaries
Consolidated Statements of Cash Flows
(Dollars in thousands)

	For the Twelve Months Ended December 31,		
	2010	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES:			
Consolidated Net Income	\$ 753,514	\$ 387,262	\$ 599,535
Adjustments to reconcile consolidated net income to net cash provided by operating activities —			
Depreciation and amortization	1,016,027	1,009,490	956,827
Loss on debt extinguishment	350,688	—	—
Impairment charges	8,169	240,050	21,172
(Gain) loss upon acquisition of controlling interest, and on sale or disposal of assets and interests in unconsolidated entities, net	(321,036)	30,108	—
Straight-line rent	(24,487)	(24,653)	(33,672)
Equity in income of unconsolidated entities	(75,921)	(40,220)	(32,246)
Distributions of income from unconsolidated entities	109,050	105,318	118,665
Changes in assets and liabilities —			
Tenant receivables and accrued revenue, net	2,144	37,465	(14,312)
Deferred costs and other assets	(40,388)	(28,089)	(21,295)
Accounts payable, accrued expenses, intangibles, deferred revenues and other liabilities	(22,550)	3,789	41,213
Net cash provided by operating activities	1,755,210	1,720,520	1,635,887
CASH FLOWS FROM INVESTING ACTIVITIES:			
Acquisitions	(976,276)	—	—
Funding of loans to related parties	(29,500)	(120,000)	(8,000)
Repayments on loans to related parties	10,500	8,700	35,300
Capital expenditures, net	(256,312)	(376,275)	(874,286)
Cash from acquisitions and cash impact from the consolidation of properties	27,015	—	—
Net proceeds from sale of assets and interest in unconsolidated entities	301,425	33,106	—
Investments in unconsolidated entities	(193,925)	(107,204)	(137,509)
Purchase of marketable and non-marketable securities	(16,157)	(132,984)	(355,994)
Sale of marketable securities	26,175	74,116	8,997
Purchase of loans held for investment	(433,033)	—	—
Repayments of loans held for investment	37,574	—	—
Distributions of capital from unconsolidated entities and other	255,819	201,550	309,217
Net cash used in investing activities	(1,246,695)	(418,991)	(1,022,275)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from sales of common stock and other	4,166	1,642,228	11,106
Purchase of limited partner units	—	—	(16,009)
Preferred stock redemptions	(10,994)	(87,689)	(1,845)
Distributions to noncontrolling interest holders in properties	(24,615)	(30,706)	(28,251)
Contributions from noncontrolling interest holders in properties	1,058	2,795	4,005
Preferred distributions of the Operating Partnership	(2,315)	(11,885)	(17,599)
Preferred dividends and distributions to stockholders	(763,881)	(148,507)	(852,446)
Distributions to limited partners	(153,247)	(25,658)	(205,850)
Loss on debt extinguishment	(350,688)	—	—
Mortgage and other indebtedness proceeds, net of transaction costs	3,858,815	3,220,706	4,456,975
Mortgage and other indebtedness principal payments	(6,227,814)	(2,678,639)	(3,692,136)
Net cash (used in) provided by financing activities	(3,669,515)	1,882,645	(342,050)
(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(3,161,000)	3,184,174	271,562
CASH AND CASH EQUIVALENTS, beginning of year	3,957,718	773,544	501,982
CASH AND CASH EQUIVALENTS, end of year	\$ 796,718	\$ 3,957,718	\$ 773,544

The accompanying notes are an integral part of these statements.

Simon Property Group, Inc. and Subsidiaries
Consolidated Statements of Equity
(Dollars in thousands)

	Preferred Stock	Common Stock	Accumulated Other Comprehensive Income (Loss)	Capital in Excess of Par Value	Accumulated Deficit	Common Stock Held in Treasury	Noncontrolling interests	Total Equity
Balance at December 31, 2007	<u>\$46,361</u>	<u>\$23</u>	<u>\$ 18,087</u>	<u>\$5,067,718</u>	<u>\$(2,096,949)</u>	<u>\$(213,606)</u>	<u>\$ 592,978</u>	<u>\$ 3,414,612</u>
Conversion of limited partner units (2,574,608 common shares, Note 10)		1		31,350			(31,351)	—
Conversion of Class C stock (4,000 shares)								—
Issuance of common shares upon conversion of Class C shares (4,000 common shares)								—
Stock options exercised (282,106 common shares)				11,886				11,886
Series I preferred stock conversion to common stock (6,437,072 preferred shares to 5,151,776 common shares)				321,854				321,854
Series I preferred unit conversion to limited partner units							74,695	74,695
Series J preferred stock premium amortization	(329)							(329)
Stock incentive program (276,872 common shares, net)				(27,396)		27,396		
Amortization of stock incentive				28,640				28,640
Other				(450)	(6,170)		(10,908)	(17,528)
Adjustment to limited partners' interest from increased ownership in the Operating Partnership				(23,455)			23,455	
Distributions to common shareholders and limited partners, excluding Operating Partnership preferred interests					(852,446)		(205,850)	(1,058,296)
Distributions to other noncontrolling interest partners							(25,753)	(25,753)
Other comprehensive income (loss)			(183,153)				(46,597)	(229,750)
Net income, excluding \$17,599 attributable to preferred interests in the Operating Partnership					463,636		118,300	581,936
Balance at December 31, 2008	<u>\$46,032</u>	<u>\$24</u>	<u>\$(165,066)</u>	<u>\$5,410,147</u>	<u>\$(2,491,929)</u>	<u>\$(186,210)</u>	<u>\$ 488,969</u>	<u>\$ 3,101,967</u>
Conversion of limited partner units (1,866,474 common shares, Note 10)		0		24,033			(24,033)	0
Public offerings of common stock (40,250,000 common shares)		4		1,638,336				1,638,340
Stock options exercised (181,850 common shares)				4,725				4,725
Series J preferred stock premium amortization	(328)							(328)
Conversion of Series C preferred Units to limited partner units							763	763
Issuance of limited partner units with the redemption of the Series C preferred units							1,875	1,875
Issuance of limited partner units with the redemption of the Series D preferred units							38,086	38,086
Stock incentive program (254,227 common shares, net)				(9,414)		9,414		
Amortization of stock incentive				22,870				22,870
Other				(508)	(4,141)		70	(4,579)
Adjustment to limited partners' interest from increased ownership in the Operating Partnership				(162,732)			162,732	
Distributions to common shareholders and limited partners, excluding Operating Partnership preferred interests					(769,008)		(159,392)	(928,400)
Stock and units issued to common shareholders and limited partners (11,876,076 common shares)		1		620,502			133,734	754,237
Distributions to other noncontrolling interest partners							(25,176)	(25,176)
Other comprehensive income (loss)			161,978				41,227	203,205
Net income, excluding \$11,885 attributable to preferred interests in the Operating Partnership					309,407		65,970	375,377
Balance at December 31, 2009	<u>\$45,704</u>	<u>\$29</u>	<u>\$ (3,088)</u>	<u>\$7,547,959</u>	<u>\$(2,955,671)</u>	<u>\$(176,796)</u>	<u>\$ 724,825</u>	<u>\$ 5,182,962</u>
Conversion of limited partner units (247,640 common shares, Note 10)				3,866			(3,866)	—
Issuance of limited partner units							162,987	162,987
Stock options exercised (178,683 common shares)				5,006				5,006
Series I preferred unit conversion to limited partner units							50,874	50,874
Series I preferred stock conversion to common stock (7,871,276 preferred shares to 6,670,589 common shares)		1		393,563				393,564
Series J preferred stock premium amortization	(329)							(329)
Stock incentive program (116,726 common shares, net)				(10,360)		10,360		
Amortization of stock incentive				16,839				16,839
Issuance of unit equivalents and other				(749)	(12,057)		13,799	993
Adjustment to limited partners' interest from increased ownership in the Operating Partnership				103,728			(103,728)	
Distributions to common shareholders and limited partners, excluding Operating Partnership preferred interests					(763,881)		(153,247)	(917,128)
Distributions to other noncontrolling interest partners							(24,835)	(24,835)
Other comprehensive income (loss)			9,618				2,002	11,620
Net income, excluding \$2,315 attributable to preferred interests in the Operating Partnership					617,038		134,161	751,199
Balance at December 31, 2010	<u>\$45,375</u>	<u>\$30</u>	<u>\$ 6,530</u>	<u>\$8,059,852</u>	<u>\$(3,114,571)</u>	<u>\$(166,436)</u>	<u>\$ 802,972</u>	<u>\$ 5,633,752</u>

The accompanying notes are an integral part of these statements.

Simon Property Group, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

(Dollars in thousands, except share and per share amounts and where indicated as in millions or billions)

1. Organization

Simon Property Group, Inc. is a Delaware corporation that operates as a self-administered and self-managed real estate investment trust, or REIT, under the Internal Revenue Code. Simon Property Group, L.P., or the Operating Partnership, is our majority-owned partnership subsidiary that owns all of our real estate properties. In these notes to consolidated financial statements, the terms “we”, “us” and “our” refer to Simon Property, the Operating Partnership, and their subsidiaries.

We own, develop and manage retail real estate properties, which consist primarily of regional malls, Premium Outlets®, The Mills®, and community/lifestyle centers. As of December 31, 2010, we owned or held an interest in 338 income-producing properties in the United States, which consisted of 161 regional malls, 58 Premium Outlets, 66 community/lifestyle centers, 36 properties acquired in the 2007 acquisition of The Mills Corporation, or the Mills acquisition, and 17 other shopping centers or outlet centers in 41 states and Puerto Rico. Of the 36 properties acquired in the Mills portfolio, 16 of these properties are The Mills, 16 are regional malls, and four are community centers. Internationally, as of December 31, 2010, we had ownership interests in 45 European shopping centers in Italy, eight Premium Outlets in Japan, one Premium Outlet in Mexico, and one Premium Outlet in South Korea. On July 15, 2010, we and our joint venture partner sold our collective interests in Simon Ivanhoe S.à.r.l., or Simon Ivanhoe, which owned seven shopping centers located in France and Poland.

We generate the majority of our revenues from leases with retail tenants including:

- Base minimum rents,
- Overage and percentage rents based on tenants’ sales volume, and
- Recoveries of substantially all of our recoverable expenditures, which consist of property operating, real estate taxes, repair and maintenance, and advertising and promotional expenditures.

Revenues of our management company, after intercompany eliminations, consist primarily of management fees that are typically based upon the revenues of the property being managed.

We also generate supplemental revenue from the following activities:

- Establishing our malls as leading market resource providers for retailers and other businesses and consumer-focused corporate alliances including payment systems (such as handling fees relating to the sales of bank-issued prepaid cards), national marketing alliances, static and digital media initiatives, business development, sponsorship, and events,
- Offering property operating services to our tenants and others, including waste handling and facility services, and the sale of energy,
- Selling or leasing land adjacent to our shopping center properties, commonly referred to as “outlots” or “outparcels,” and
- Generating interest income on cash deposits, loans made to related entities and loans held for investment.

2. Basis of Presentation and Consolidation

The accompanying consolidated financial statements include the accounts of all majority-owned subsidiaries, and all significant intercompany amounts have been eliminated.

We consolidate properties that are wholly owned or properties where we own less than 100% but we control. Control of a property is demonstrated by, among other factors, our ability to refinance debt and sell the property without the consent of any other partner or owner and the inability of any other partner or owner to replace us.

Simon Property Group, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (Continued)

(Dollars in thousands, except share and per share amounts and where indicated as in millions or billions)

2. Basis of Presentation and Consolidation (Continued)

We also consolidate a variable interest entity, or VIE, when we are determined to be the primary beneficiary. On January 1, 2010, we adopted the amendment on the accounting and disclosure requirements for the consolidation of VIEs. This amendment requires an enterprise to perform a qualitative analysis when determining whether or not it must consolidate a VIE. The amendment also requires an enterprise to continuously reassess whether it must consolidate a VIE. Additionally, the amendment requires enhanced disclosures about an enterprise's involvement with VIEs and any significant change in risk exposure due to that involvement, as well as how its involvement with VIEs impacts the enterprise's financial statements. Finally, an enterprise will be required to disclose significant judgments and assumptions used to determine whether or not to consolidate a VIE. The adoption of this amendment did not have a significant impact on our financial position, results of operations, or cash flows.

Determination of the primary beneficiary of a VIE is based on whether an entity (1) has the power to direct activities that most significantly impact the economic performance of the VIE and (2) has the obligation to absorb losses or the right to receive benefits of the VIE that could potentially be significant to the VIE. Our determination of the primary beneficiary of a VIE considers all relationships between us and the VIE, including management agreements and other contractual arrangements. There have been no changes during 2010 in conclusions about whether an entity qualifies as a VIE or whether we are the primary beneficiary of any previously identified VIE. During 2010, we did not provide financial or other support to a previously identified VIE that we were not previously contractually obligated to provide.

Investments in partnerships and joint ventures represent our noncontrolling ownership interests in properties. We account for these investments using the equity method of accounting. We initially record these investments at cost and we subsequently adjust for net equity in income or loss, which we allocate in accordance with the provisions of the applicable partnership or joint venture agreement, and cash contributions and distributions. The allocation provisions in the partnership or joint venture agreements are not always consistent with the legal ownership interests held by each general or limited partner or joint venture investee primarily due to partner preferences. We separately report investments in joint ventures for which accumulated distributions have exceeded investments in and our share of net income of the joint ventures within cash distributions and losses in partnerships and joint ventures, at equity in the consolidated balance sheets. The net equity of certain joint ventures is less than zero because of financing or operating distributions that are usually greater than net income, as net income includes non-cash charges for depreciation and amortization.

As of December 31, 2010, we consolidated 218 wholly-owned properties and 19 additional properties that are less than wholly-owned, but which we control or for which we are the primary beneficiary. We account for the remaining 156 properties, or joint venture properties, using the equity method of accounting. We manage the day-to-day operations of 92 of the 156 joint venture properties, but have determined that our partner or partners have substantive participating rights in regards to the assets and operations of these joint venture properties. Our investments in joint ventures in Europe, Japan, Mexico and Korea comprise 55 of the remaining 64 properties. The international properties are managed by joint ventures in which we share oversight responsibility with our partner. Additionally, we account for our investment in SPG-FCM Ventures, LLC, or SPG-FCM, which acquired The Mills Corporation and its wholly-owned subsidiary, The Mills Limited Partnership, or collectively Mills, in April 2007, using the equity method of accounting. We have determined that SPG-FCM is not a VIE and that Farallon Capital Management, L.L.C., our joint venture partner, has substantive participating rights with respect to the assets and operations of SPG-FCM pursuant to the applicable partnership agreements.

We allocate net operating results of the Operating Partnership after preferred distributions to third parties and to us based on the partners' respective weighted average ownership interests in the Operating Partnership. Net operating results of the Operating Partnership attributable to third parties are reflected in net income attributable to noncontrolling interests.

Simon Property Group, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (Continued)

(Dollars in thousands, except share and per share amounts and where indicated as in millions or billions)

2. Basis of Presentation and Consolidation (Continued)

Our weighted average ownership interest in the Operating Partnership was as follows:

	For the Year Ended December 31,		
	2010	2009	2008
Weighted average ownership interest	83.2%	82.4%	79.8%

As of December 31, 2010 and 2009, our ownership interest in the Operating Partnership was 82.9% and 83.2%, respectively. We adjust the limited partners' interest in the Operating Partnership at the end of each period to reflect their interest in the Operating Partnership.

Reclassifications

We made certain reclassifications of prior period amounts in the consolidated financial statements to conform to the 2010 presentation. These reclassifications had no impact on previously reported net income attributable to common stockholders or earnings per share.

3. Summary of Significant Accounting Policies

Investment Properties

We record investment properties at cost. Investment properties include costs of acquisitions; development, predevelopment, and construction (including allocable salaries and related benefits); tenant allowances and improvements; and interest and real estate taxes incurred during construction. We capitalize improvements and replacements from repair and maintenance when the repair and maintenance extends the useful life, increases capacity, or improves the efficiency of the asset. All other repair and maintenance items are expensed as incurred. We capitalize interest on projects during periods of construction until the projects are ready for their intended purpose based on interest rates in place during the construction period. The amount of interest capitalized during each year is as follows:

	For the Year Ended December 31,		
	2010	2009	2008
Capitalized interest	\$3,715	\$14,502	\$27,847

We record depreciation on buildings and improvements utilizing the straight-line method over an estimated original useful life, which is generally 10 to 40 years. We review depreciable lives of investment properties periodically and we make adjustments when necessary to reflect a shorter economic life. We amortize tenant allowances, tenant inducements and tenant improvements utilizing the straight-line method over the term of the related lease or occupancy term of the tenant, if shorter. We record depreciation on equipment and fixtures utilizing the straight-line method over seven to ten years.

We review investment properties for impairment on a property-by-property basis whenever events or changes in circumstances indicate that the carrying value of investment properties may not be recoverable. These circumstances include, but are not limited to, declines in cash flows, occupancy and comparable sales per square foot at the property. We measure any impairment of investment property when the estimated undiscounted operating income before depreciation and amortization plus its residual value is less than the carrying value of the property. To the extent impairment has occurred, we charge to income the excess of carrying value of the property over its estimated fair value. We estimate fair value using unobservable data such as operating income, estimated capitalization rates, or multiples, leasing prospects and local market information. We may decide to sell properties that are held for use and the sale prices of these properties may differ from their carrying values. We also review our investments including investments in unconsolidated entities if events or circumstances change indicating that the carrying amount of our

Simon Property Group, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (Continued)

(Dollars in thousands, except share and per share amounts and where indicated as in millions or billions)

3. Summary of Significant Accounting Policies (Continued)

investments may not be recoverable. We will record an impairment charge if we determine that a decline in the fair value of the investments is other-than-temporary.

Certain of our real estate assets contain asbestos. The asbestos is appropriately contained, in accordance with current environmental regulations, and we have no current plans to remove the asbestos. If these properties were demolished, certain environmental regulations are in place which specify the manner in which the asbestos must be handled and disposed. Because the obligation to remove the asbestos has an indeterminable settlement date, we are not able to reasonably estimate the fair value of this obligation.

Purchase Accounting Allocation

We allocate the purchase price of acquisitions to the various components of the acquisition based upon the fair value of each component which may be derived from various observable or unobservable inputs and assumptions. Also, we may utilize third party valuation specialists. These components typically include buildings, land and intangibles related to in-place leases and we estimate:

- the fair value of land and related improvements and buildings on an as-if-vacant basis.
- the market value of in-place leases based upon our best estimate of current market rents and amortize the resulting market rent adjustment into revenues.
- the value of costs to obtain tenants, including tenant allowances and improvements and leasing commissions.
- the value of revenue and recovery of costs foregone during a reasonable lease-up period, as if the space was vacant.

Amounts allocated to building are depreciated over the estimated remaining life of the acquired building or related improvements. We amortize amounts allocated to tenant improvements, in-place lease assets and other lease-related intangibles over the remaining life of the underlying leases. We also estimate the value of other acquired intangible assets, if any, which are amortized over the remaining life of the underlying related intangibles.

Discontinued Operations

We reclassify any material operations and gains or losses on disposal related to consolidated properties sold during the period to discontinued operations. There were no consolidated assets sold during 2008. During 2009, we reported a net loss of approximately \$9.8 million upon the sale of four consolidated assets. During 2010, we reported a net gain of approximately \$5.7 million upon the sale of one regional mall, one community center, and two other retail properties. These gains and losses are reported in gain (loss) upon acquisition of controlling interest, and on sale of assets and interests in unconsolidated entities, net in the consolidated statements of operations and comprehensive income. The gains and losses on the disposition of these assets and the operating results were not significant to our consolidated results of operations.

Cash and Cash Equivalents

We consider all highly liquid investments purchased with an original maturity of 90 days or less to be cash and cash equivalents. Cash equivalents are carried at cost, which approximates fair value. Cash equivalents generally consist of commercial paper, bankers acceptances, Eurodollars, repurchase agreements, and money markets. Our gift card programs are administered by banks. We collect gift card funds at the point of sale and then remit those funds to the banks for further processing. As a result, cash and cash equivalents, as of December 31, 2010 and 2009, includes a balance of \$55.3 million and \$38.1 million, respectively, related to these gift card programs which we do not consider available for general working capital purposes. Financial instruments that potentially subject us to concentrations of credit risk include our cash and cash equivalents and our trade accounts receivable. We place our cash and cash

Simon Property Group, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (Continued)

(Dollars in thousands, except share and per share amounts and where indicated as in millions or billions)

3. Summary of Significant Accounting Policies (Continued)

equivalents with institutions with high credit quality. However, at certain times, such cash and cash equivalents may be in excess of FDIC and SIPC insurance limits. See Notes 4, 8, and 10 for disclosures about non-cash investing and financing transactions.

Marketable and Non-Marketable Securities

Marketable securities consist primarily of the investments of our captive insurance subsidiaries, available-for-sale securities, our deferred compensation plan investments, and certain investments held to fund the debt service requirements of debt previously secured by investment properties that have been sold.

The types of securities included in the investment portfolio of our captive insurance subsidiaries typically include U.S. Treasury or other U.S. government securities as well as corporate debt securities with maturities ranging from less than 1 to 10 years. These securities are classified as available-for-sale and are valued based upon quoted market prices or other observable inputs when quoted market prices are not available. The amortized cost of debt securities, which approximates fair value, held by our captive insurance subsidiaries is adjusted for amortization of premiums and accretion of discounts to maturity. Changes in the values of these securities are recognized in accumulated other comprehensive income (loss) until the gain or loss is realized or until any unrealized loss is deemed to be other-than-temporary. We review any declines in value of these securities for other-than-temporary impairment and consider the severity and duration of any decline in value. To the extent an other-than-temporary impairment is deemed to have occurred, an impairment charge is recorded and a new cost basis is established. Subsequent changes are then recognized through other comprehensive income (loss) unless another other-than-temporary impairment is deemed to have occurred.

Our investment in shares of Liberty International PLC, or Liberty, was also accounted for as an available-for-sale security. During 2009, we recognized a non-cash charge of \$140.5 million, or \$0.44 per diluted share, representing an other-than-temporary impairment in fair value below the carrying value of our investment in Liberty. At June 30 and December 31, 2009, we owned 35.4 million shares at a weighted average original cost per share of £5.74. As of June 30 and December 31, 2009, Liberty's quoted market price was £3.97 and £5.15 per share, respectively. As a result of the significance and duration of the decline in the total share price at June 30, 2009, including currency revaluations, we deemed the decline in value as other-than-temporary impairment establishing a new cost basis of our investment in Liberty. As a result, changes in available-for-sale securities and other in the 2009 consolidated statement of operations and comprehensive income include the reclassification of \$140.5 million from accumulated other comprehensive loss to earnings related to this non-cash charge. Prior to the quarter ending June 30, 2009, the changes in value of our Liberty investment were reflected in other comprehensive income. Effective July 1, 2009, we resumed marking to market our Liberty investment through other comprehensive income.

Effective May 7, 2010, Liberty completed a demerger in which it was separated into two companies, Capital Shopping Centres Group PLC, or CSCG, and Capital & Counties Properties PLC, or CAPC. Liberty shareholders acquired the same number of shares of CSCG and CAPC as they owned in Liberty. Our interests in CSCG and CAPC are adjusted to their quoted market price, including a related foreign exchange component. At December 31, 2010, we owned 35.4 million shares of CSCG at a carrying value of £3.03 per share, and 35.4 million shares of CAPC at a carrying value of £0.94 per share. The market value of our investments in CSCG and CAPC was \$228.4 million and \$82.4 million, respectively, at December 31, 2010. Our aggregate unrealized gain on these investments was approximately \$79.0 million at December 31, 2010. The carrying value of our investment in Liberty at December 31, 2009 was \$290.0 million with an unrealized gain of \$58.2 million.

Our insurance subsidiaries are required to maintain statutory minimum capital and surplus as well as maintain a minimum liquidity ratio. Therefore, our access to these securities may be limited. Our deferred compensation plan investments are classified as trading securities and are valued based upon quoted market prices. The investments have a matching liability as the amounts are fully payable to the employees that earned the compensation. Changes in value

Simon Property Group, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (Continued)

(Dollars in thousands, except share and per share amounts and where indicated as in millions or billions)

3. Summary of Significant Accounting Policies (Continued)

of these securities and changes to the matching liability to employees are both recognized in earnings and, as a result, there is no impact to consolidated net income. As of December 31, 2010 and December 31, 2009, we also had investments of \$24.9 million and \$51.7 million, respectively, which must be used to fund the debt service requirements of mortgage debt related to investment properties that previously collateralized the debt. These investments are classified as held-to-maturity and are recorded at amortized cost as we have the ability and intent to hold these investments to maturity.

At December 31, 2010 and 2009, we had an investment of \$72.4 million and \$70 million, respectively, in a non-marketable security that we account for under the cost method. We regularly evaluate this investment for any other-than-temporary decline in its estimated fair value.

Total net unrealized gains as of December 31, 2010 and December 31, 2009 were approximately \$79.3 million and \$59.4 million, respectively, and represented the valuation and related currency adjustments for our available-for-sale marketable securities. As of December 31, 2010, we do not consider any declines in value of any of our marketable and non-marketable securities to be an other-than-temporary impairment, as these market value declines, if any, have existed for a short period of time, and, in the case of debt securities, we have the ability and intent to hold these securities to maturity.

Fair Value Measurements

We hold marketable securities that total \$511.3 million and \$464.1 million at December 31, 2010 and December 31, 2009, respectively, and are considered to have Level 1 fair value inputs. In addition, we have derivative instruments which are classified as having Level 2 inputs which consist primarily of interest rate swap agreements and foreign currency forward contracts with a gross liability balance of \$27.6 million and \$13.0 million at December 31, 2010 and December 31, 2009, respectively, and a nominal asset value at December 31, 2010 and 2009. We also have interest rate cap agreements with a nominal asset value. Level 1 fair value inputs are quoted prices for identical items in active, liquid and visible markets such as stock exchanges. Level 2 fair value inputs are observable information for similar items in active or inactive markets, and appropriately consider counterparty creditworthiness in the valuations. Level 3 fair value inputs reflect our best estimate of inputs and assumptions market participants would use in pricing an asset or liability at the measurement date. The inputs are unobservable in the market and significant to the valuation estimate. Note 8 includes discussion of the fair value of debt measured using level 1 and level 2 inputs. Note 4 includes discussion of fair values recorded in purchase accounting and impairment determination using level 2 and level 3 inputs. Level 3 inputs to our purchase accounting and impairment calculations include our estimations of net operating results of the property, cap rates and discount rates.

Use of Estimates

We prepared the accompanying consolidated financial statements in accordance with accounting principles generally accepted in the United States, or GAAP. GAAP requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and revenues and expenses during the reported period. Our actual results could differ from these estimates.

Segment Disclosure

Our primary business is the ownership, development, and management of retail real estate. We have aggregated our retail operations, including regional malls, Premium Outlets, The Mills, and community/lifestyle centers, into one reportable segment because they have similar economic characteristics and we provide similar products and services to similar types of tenants.

Simon Property Group, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (Continued)

(Dollars in thousands, except share and per share amounts and where indicated as in millions or billions)

3. Summary of Significant Accounting Policies (Continued)

Deferred Costs and Other Assets

Deferred costs and other assets include the following as of December 31:

	<u>2010</u>	<u>2009</u>
Deferred financing and lease costs, net	\$ 298,674	\$ 265,906
In-place lease intangibles, net	150,199	13,900
Acquired above market lease intangibles, net	12,466	19,424
Marketable securities of our captive insurance companies	90,963	75,703
Goodwill	20,098	20,098
Other marketable securities	420,356	388,427
Loans held for investment	395,934	—
Prepays, notes receivable and other assets, net	406,749	372,129
	<u>\$1,795,439</u>	<u>\$1,155,587</u>

Deferred Financing and Lease Costs. Our deferred costs consist primarily of financing fees we incurred in order to obtain long-term financing and internal and external leasing commissions and related costs. We record amortization of deferred financing costs on a straight-line basis over the terms of the respective loans or agreements. Our deferred leasing costs consist primarily of capitalized salaries and related benefits in connection with lease originations. We record amortization of deferred leasing costs on a straight-line basis over the terms of the related leases. Details of these deferred costs as of December 31 are as follows:

	<u>2010</u>	<u>2009</u>
Deferred financing and lease costs	\$ 461,315	\$ 417,975
Accumulated amortization	(162,641)	(152,069)
Deferred financing and lease costs, net	<u>\$ 298,674</u>	<u>\$ 265,906</u>

We report amortization of deferred financing costs, amortization of premiums, and accretion of discounts as part of interest expense. Amortization of deferred leasing costs is a component of depreciation and amortization expense. We amortize debt premiums and discounts, which are included in mortgages and other indebtedness, over the remaining terms of the related debt instruments. These debt premiums or discounts arise either at the debt issuance or as part of the purchase price allocation of the fair value of debt assumed in acquisitions. The accompanying consolidated statements of operations and comprehensive income include amortization as follows:

	For the Year Ended December 31,		
	<u>2010</u>	<u>2009</u>	<u>2008</u>
Amortization of deferred financing costs	\$27,806	\$ 20,408	\$17,044
Amortization of debt premiums, net of discounts	(9,066)	(10,627)	(14,701)
Amortization of deferred leasing costs	34,801	32,744	31,674

Loans Held for Investment

From time to time, we may make investments in mortgage loans or mezzanine loans of entities that own and operate commercial real estate assets located in the United States. Mortgage loans are secured, in part, by mortgages recorded against the underlying properties. Mezzanine loans are secured, in part, by pledges of ownership interests of the entities that own the underlying real estate. Loans held for investment are carried at cost, net of any premiums or

Simon Property Group, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (Continued)

(Dollars in thousands, except share and per share amounts and where indicated as in millions or billions)

3. Summary of Significant Accounting Policies (Continued)

discounts which are accreted or amortized over the life of the related loan receivable utilizing the effective interest method. We evaluate the collectability of both interest and principal of each of our loans quarterly to determine whether the value has been impaired. A loan is deemed to be impaired when, based on current information and events, it is probable that we will be unable to collect all amounts due according to the existing contractual terms. When a loan is impaired, the amount of the loss accrual is calculated by comparing the carrying amount of the loan held for investment to its estimated realizable value.

At December 31, 2010, we had investments in six mortgage and mezzanine loans secured by retail real estate with an aggregate carrying value of \$395.9 million. These loans mature at various dates through October 2012 with a weighted average maturity of approximately 13 months. Certain of these loans require interest-only payments while others require payments of interest and principal based on a 30 year amortization. Interest rates on these loans are fixed between 5.5% and 7.0% with a weighted average interest rate of approximately 5.9% and approximate market rates for instruments of similar quality and duration. During 2010, we recorded \$4.6 million in interest income earned from loans held for investment. Payments on each of these loans were current as of December 31, 2010.

Intangible Assets

The average life of in-place lease intangibles is approximately 6.6 years and is amortized over the remaining life of the leases of the related property on the straight-line basis and is included with depreciation and amortization in the consolidated statements of operations and comprehensive income. The amount of in-place lease intangibles increased during 2010 as a result of the acquisition of Prime Outlets Acquisition Company, or Prime, as further discussed in Note 4. The fair market value of above and below market leases is amortized into revenue over the remaining lease life as a component of reported minimum rents. The weighted average remaining life of these intangibles is approximately 3.6 years. The unamortized amount of below market leases is included in accounts payable, accrued expenses, intangibles and deferred revenues in the consolidated balance sheets and was \$39.0 million and \$60.9 million as of December 31, 2010 and 2009, respectively. The amount of amortization of above and below market leases, net for the years ended December 31, 2010, 2009, and 2008 was \$15.2 million, \$20.0 million, and \$35.4 million, respectively. If a lease is terminated prior to the original lease termination, any remaining unamortized intangible is charged to earnings.

Details of intangible assets as of December 31 are as follows:

	<u>2010</u>	<u>2009</u>
In-place lease intangibles	\$211,541	\$ 90,183
Accumulated amortization	(61,342)	(76,283)
In-place lease intangibles, net	<u>\$150,199</u>	<u>\$ 13,900</u>
Acquired above market lease intangibles	\$104,690	\$104,690
Accumulated amortization	(92,224)	(85,266)
Acquired above market lease intangibles, net	<u>\$ 12,466</u>	<u>\$ 19,424</u>

Simon Property Group, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (Continued)

(Dollars in thousands, except share and per share amounts and where indicated as in millions or billions)

3. Summary of Significant Accounting Policies (Continued)

Estimated future amortization, and the increasing (decreasing) effect on minimum rents for our above and below market leases as of December 31, 2010 are as follows:

	Below Market Leases	Above Market Leases	Increase to Minimum Rent, Net
2011	\$15,713	\$ (4,909)	\$10,804
2012	10,703	(3,703)	7,000
2013	6,555	(2,592)	3,963
2014	2,824	(1,119)	1,705
2015	1,690	(115)	1,575
Thereafter	1,473	(28)	1,445
	<u>\$38,958</u>	<u>\$(12,466)</u>	<u>\$26,492</u>

Derivative Financial Instruments

We record all derivatives on the balance sheet at fair value. The accounting for changes in the fair value of derivatives depends on the intended use of the derivative, whether we have elected to designate a derivative in a hedging relationship and apply hedge accounting and whether the hedging relationship has satisfied the criteria necessary to apply hedge accounting. We use a variety of derivative financial instruments in the normal course of business to manage or hedge the risks associated with our indebtedness and interest payments. Our objectives in using interest rate derivatives are to add stability to interest expense and to manage our exposure to interest rate movements. To accomplish this objective, we primarily use interest rate swaps and caps. We require that hedging derivative instruments be highly effective in reducing the risk exposure that they are designated to hedge. As a result, there was no significant ineffectiveness from any of our derivative activities during the period. We formally designate any instrument that meets these hedging criteria as a hedge at the inception of the derivative contract. We have no credit-risk-related hedging or derivative activities.

As of December 31, 2010, we had the following outstanding interest rate derivatives related to interest rate risk:

<u>Interest Rate Derivative</u>	<u>Number of Instruments</u>	<u>Notional Amount</u>
Interest Rate Swaps	4	\$692.5 million
Interest Rate Caps	3	\$385.0 million

The carrying value of our interest rate swap agreements, at fair value, is included within other liabilities and was \$19.5 million and \$13.0 million at December 31, 2010 and December 31, 2009, respectively. At December 31, 2009, we also had interest rate swaps with a carrying value of \$0.3 million reported within deferred costs and other assets. The interest rate cap agreements were of nominal value at December 31, 2010 and December 31, 2009 and we generally do not apply hedge accounting to these arrangements. The total gross accumulated other comprehensive loss related to our derivative activities, including our share of the other comprehensive loss from joint venture properties, approximated \$40.1 million and \$52.3 million as of December 31, 2010 and 2009, respectively.

We are also exposed to fluctuations in foreign exchange rates on financial instruments which are denominated in foreign currencies, primarily in Japan and Europe. We use currency forward contracts to manage our exposure to changes in foreign exchange rates on certain Yen and Euro-denominated receivables and net investments. Currency forward contracts involve fixing the Yen-USD or Euro-USD exchange rate for delivery of a specified amount of foreign currency on a specified date. The currency forward contracts are typically cash settled in US dollars for their fair value at or close to their settlement date. We entered into Yen-USD forward contracts during 2009 for approximately ¥3 billion that we expect to receive through April 2011 at an average exchange rate of 97.1 JPY:USD. We entered into

Simon Property Group, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (Continued)

(Dollars in thousands, except share and per share amounts and where indicated as in millions or billions)

3. Summary of Significant Accounting Policies (Continued)

Yen-USD forward contracts during 2010 for an additional ¥1.7 billion that we expect to receive through October 2012 at an average exchange rate of 89.0 JPY:USD. Approximately ¥1.8 billion remains as of December 31, 2010 the aggregate of the 2009 and 2010 contracts. The December 31, 2010 liability balance related to these forwards was \$2.1 million and is included in other liabilities and accrued dividends. We have reflected the changes in fair value for these forward contracts in earnings. The underlying currency adjustments on the foreign-denominated receivables are also reflected in income and generally offset the amounts in earnings for these forward contracts. We entered into two Euro-USD forward contracts during 2010 with an aggregate €200.0 million notional value maturing on June 30, 2011 which were designated as net investment hedges. The December 31, 2010 liability balance related to these forwards was \$6.0 million and is included in other liabilities and accrued dividends. We apply hedge accounting and the changes in fair value for these Euro forward contracts are reflected in other comprehensive income (loss). Changes in the value of these hedges are offset by changes in the underlying hedged Euro-denominated joint venture investment.

Noncontrolling Interests and Temporary Equity

Details of the carrying amount of our noncontrolling interests are as follows as of December 31:

	<u>2010</u>	<u>2009</u>
Limited partners' interests in the Operating Partnership	\$ 983,887	\$ 892,603
Nonredeemable noncontrolling deficit interests in properties, net	<u>(180,915)</u>	<u>(167,778)</u>
Total noncontrolling interests reflected in equity	<u><u>\$ 802,972</u></u>	<u><u>\$ 724,825</u></u>

Net income attributable to noncontrolling interests (which includes nonredeemable noncontrolling interests in consolidated properties, limited partners' interests in the Operating Partnership and preferred distributions of the Operating Partnership) is a component of consolidated net income. In addition, the individual components of other comprehensive income (loss) are presented in the aggregate for both controlling and noncontrolling interests, with the portion attributable to noncontrolling interests deducted from comprehensive income attributable to common stockholders.

Simon Property Group, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (Continued)

(Dollars in thousands, except share and per share amounts and where indicated as in millions or billions)

3. Summary of Significant Accounting Policies (Continued)

A rollforward of noncontrolling interests for the years ending December 31 is as follows:

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Noncontrolling interests, beginning of period	\$ 724,825	\$ 488,969	\$ 592,978
Net income attributable to noncontrolling interests after preferred distributions	134,161	65,970	118,300
Distributions to noncontrolling interest holders (1)	(178,082)	(184,568)	(231,603)
Other comprehensive income (loss) allocable to noncontrolling interests:			
Unrealized gain (loss) on interest rate hedging agreements	5,069	1,297	(10,380)
Net loss on derivative instruments reclassified from accumulated other comprehensive income (loss) into interest expense	(2,689)	(2,597)	(649)
Currency translation adjustments	(3,452)	(1,385)	(1,426)
Changes in available-for-sale securities and other	3,074	43,912	(34,142)
	<u>2,002</u>	<u>41,227</u>	<u>(46,597)</u>
Adjustment to limited partners' interest from (decreased) increased ownership in the Operating Partnership	(103,728)	162,732	23,455
Units issued to limited partners	213,861	174,458	74,695
Units converted to common shares	(3,866)	(24,033)	(31,351)
Issuance of unit equivalents and other	13,799	70	(10,908)
Noncontrolling interests, end of period	<u>\$ 802,972</u>	<u>\$ 724,825</u>	<u>\$ 488,969</u>

(1) The 2009 activity includes non-cash distributions of \$133.7 million representing the portion of quarterly distributions paid in units of limited partnership interest in the Operating Partnership, or units.

Accumulated Other Comprehensive Income (Loss)

The components of our accumulated other comprehensive income (loss) consisted of the following as of December 31:

	<u>2010</u>	<u>2009</u>
Cumulative translation adjustments	\$(31,358)	\$(10,768)
Accumulated derivative losses, net	(40,069)	(52,345)
Net unrealized gains on marketable securities, net	79,292	59,358
Total accumulated other comprehensive income (loss)	<u>\$ 7,865</u>	<u>\$ (3,755)</u>
Less: Accumulated other comprehensive (loss) income attributable to noncontrolling interests	<u>(1,335)</u>	<u>667</u>
Total accumulated other comprehensive income (loss) net of noncontrolling interests	<u>\$ 6,530</u>	<u>\$ (3,088)</u>

Simon Property Group, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (Continued)

(Dollars in thousands, except share and per share amounts and where indicated as in millions or billions)

3. Summary of Significant Accounting Policies (Continued)

Revenue Recognition

We, as a lessor, retain substantially all of the risks and benefits of ownership of the investment properties and account for our leases as operating leases. We accrue minimum rents on a straight-line basis over the terms of their respective leases. Substantially all of our retail tenants are also required to pay overage rents based on sales over a stated base amount during the lease year. We recognize overage rents only when each tenant's sales exceed the applicable sales threshold.

We structure our leases to allow us to recover a significant portion of our property operating, real estate taxes, repairs and maintenance, and advertising and promotion expenses from our tenants. A substantial portion of our leases, other than those for anchor stores, require the tenant to reimburse us for a substantial portion of our operating expenses, including common area maintenance, or CAM, real estate taxes and insurance. This significantly reduces our exposure to increases in costs and operating expenses resulting from inflation. Such property operating expenses typically include utility, insurance, security, janitorial, landscaping, food court and other administrative expenses. We accrue reimbursements from tenants for recoverable portions of all these expenses as revenue in the period the applicable expenditures are incurred. As of December 31, 2010 for approximately 84% of our leases in the U.S. regional mall portfolio, we receive a fixed payment from the tenant for the CAM component. Without the fixed-CAM component, CAM expense reimbursements are based on the tenant's proportionate share of the allocable operating expenses and CAM capital expenditures for the property. We also receive escrow payments for these reimbursements from substantially all our non-fixed CAM tenants and monthly fixed CAM payments throughout the year. We recognize differences between estimated recoveries and the final billed amounts in the subsequent year. These differences were not material in any period presented. Our advertising and promotional costs are expensed as incurred.

Management Fees and Other Revenues

Management fees and other revenues are generally received from our unconsolidated joint venture properties as well as third parties. Management fee revenue is earned based on a contractual percentage of joint venture property revenue. Development fee revenue is earned on a contractual percentage of hard costs to develop a property. Leasing fee revenue is earned on a contractual per square foot charge based on the square footage of current year leasing activity. We recognize revenue for these services provided when earned based on the underlying activity.

Insurance premiums written and ceded are recognized on a pro-rata basis over the terms of the policies. Insurance losses are reflected in property operating expenses in the accompanying consolidated statements of operations and comprehensive income and include estimates for losses incurred but not reported as well as losses pending settlement. Estimates for losses are based on evaluations by third-party actuaries and management's best estimates. Total insurance reserves for our insurance subsidiaries and other self-insurance programs as of December 31, 2010 and 2009 approximated \$116.2 million and \$117.2 million, respectively, and are included in other liabilities and accrued dividends in the consolidated balance sheets. Information related to the securities included in the investment portfolio of our captive insurance subsidiaries is included within the "Marketable and Non-Marketable Securities" section above.

We recognize fee revenues from our co-branded gift card programs when the fees are earned under the related arrangements with the card issuer. Generally, these revenues are recorded at the issuance of the gift card for handling fees.

Allowance for Credit Losses

We record a provision for credit losses based on our judgment of a tenant's creditworthiness, ability to pay and probability of collection. In addition, we also consider the retail sector in which the tenant operates and our historical collection experience in cases of bankruptcy, if applicable. Accounts are written off when they are deemed to be no

Simon Property Group, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (Continued)

(Dollars in thousands, except share and per share amounts and where indicated as in millions or billions)

3. Summary of Significant Accounting Policies (Continued)

longer collectible. Presented below is the activity in the allowance for credit losses and includes the activities related to discontinued operations during the following years:

	For the Year Ended December 31,		
	2010	2009	2008
Balance, beginning of period	\$ 45,187	\$ 44,650	\$ 33,810
Consolidation of previously unconsolidated entities	426	—	—
Provision for credit losses	3,130	22,655	24,037
Accounts written off, net of recoveries	(17,093)	(22,118)	(13,197)
Balance, end of period	<u>\$ 31,650</u>	<u>\$ 45,187</u>	<u>\$ 44,650</u>

Income Taxes

We and certain subsidiaries of the Operating Partnership have elected to be taxed as REITs under Sections 856 through 860 of the Internal Revenue Code and applicable Treasury regulations relating to REIT qualification. In order to maintain this REIT status, the regulations require us to distribute at least 90% of our taxable income to stockholders and meet certain other asset and income tests as well as other requirements. We intend to continue to adhere to these requirements and maintain our REIT status and that of the REIT subsidiaries. As REITs, these entities will generally not be liable for federal corporate income taxes as long as they continue to distribute in excess of 100% of their taxable income. Thus, we made no provision for federal income taxes for these entities in the accompanying consolidated financial statements. If Simon Property or the REIT subsidiaries fail to qualify as a REIT, we or that entity will be subject to tax at regular corporate rates for the years in which it failed to qualify. If we lose our REIT status we could not elect to be taxed as a REIT for four years unless our failure to qualify was due to reasonable cause and certain other conditions were satisfied.

We have also elected taxable REIT subsidiary, or TRS, status for some of our subsidiaries. This enables us to provide services that would otherwise be considered impermissible for REITs and participate in activities that do not qualify as “rents from real property”. For these entities, deferred tax assets and liabilities are established for temporary differences between the financial reporting basis and the tax basis of assets and liabilities at the enacted tax rates expected to be in effect when the temporary differences reverse. A valuation allowance for deferred tax assets is provided if we believe all or some portion of the deferred tax asset may not be realized. An increase or decrease in the valuation allowance that results from the change in circumstances that causes a change in our judgment about the realizability of the related deferred tax asset is included in income.

As of December 31, 2010 and 2009, we had a net deferred tax asset of \$9.0 million and \$8.7 million, respectively, related to our TRS subsidiaries. The net deferred tax asset is included in deferred costs and other assets in the accompanying consolidated balance sheets and consists primarily of operating losses and other carryforwards for federal income tax purposes as well as the timing of the deductibility of losses or reserves from insurance subsidiaries. No valuation allowance has been recorded as we believe these amounts will be realized. State income, franchise or other taxes were not significant in any of the periods presented.

Transaction Expenses

We expense acquisition, potential acquisition and disposition related costs as they are incurred. During the year ended December 31, 2010, we incurred costs for the acquisition of Prime as further discussed in Note 4. We also incurred expenses for other transactions that were not consummated. Additionally, during 2010, we settled, in cash, a transaction-related dispute and recorded a charge to earnings. Transaction expenses for the year ended December 31, 2010 totaled \$69.0 million. During the year ended December 31, 2009, we recorded \$5.7 million in transaction expenses related to costs associated with significant acquisition related activities.

Simon Property Group, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (Continued)

(Dollars in thousands, except share and per share amounts and where indicated as in millions or billions)

4. Real Estate Acquisitions, Disposals, and Impairment

We acquire properties to generate both current income and long-term appreciation in value. We acquire individual properties or portfolios of other retail real estate companies that meet our investment criteria and sell properties which no longer meet our strategic criteria. Our consolidated acquisition and disposal activity for the periods presented are highlighted as follows:

2010 Acquisitions

During 2010, we acquired a controlling interest in a previously unconsolidated regional mall which resulted in a remeasurement of our previously held equity interest to fair value and corresponding gain of approximately \$13.0 million. This gain is included in gain (loss) upon acquisition of controlling interest and on sale or disposal of assets and interests in unconsolidated entities, net in the accompanying consolidated statements of operations and comprehensive income. On May 28, 2010, we acquired an additional interest of approximately 19% in Houston Galleria, located in Houston, Texas thereby increasing our noncontrolling interest from 31.5% to 50.4%.

On August 30, 2010, we completed our previously announced acquisition of Prime, adding 21 outlet centers, including a center located in Puerto Rico, which was acquired on May 13, 2010. The transaction was valued at approximately \$2.3 billion, including the assumption of existing mortgage indebtedness of \$1.2 billion and the repayment of \$310.7 million of preexisting mortgage loans at closing. We paid consideration comprised of 80% cash and 20% in units of the Operating Partnership. We issued approximately 1.7 million units with an issuance date fair value of approximately \$154.5 million. We funded the cash portion of this acquisition through draws on our \$3.9 billion unsecured revolving credit facility, or the Credit Facility, as further discussed in Note 8.

The following table summarizes our recording of the assets acquired and liabilities assumed at the acquisition date:

	Total (in millions)
Investment properties	\$2,167
Cash and cash equivalents	26
Tenant receivables and accrued revenue, net	4
Deferred costs and other assets (including intangibles)	234
Total assets	<u>\$2,431</u>
Mortgages and other indebtedness (including premium of \$28)	\$1,270
Accounts payable, accrued expenses, intangibles and other	29
Other liabilities	18
Total liabilities	<u>\$1,317</u>

Acquisition related intangibles relate to in-place leases of \$193.6 million and were recorded based on their estimated fair values and are reflected within deferred costs and other assets in the accompanying financial statements. The weighted average useful life of these intangibles is approximately 6.0 years and is amortized over the remaining life of the related leases on a straight-line basis and is included within depreciation and amortization in the consolidated statements of operations and comprehensive income.

We recorded our acquisition of these 21 outlet centers using the acquisition method of accounting. Tangible and intangible assets and liabilities were established based on their estimated fair values at the date of acquisition. The results of operations of the acquired properties have been included in our consolidated results from the date of acquisition. The purchase price allocations are preliminary and subject to revision within the measurement period, not

Simon Property Group, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (Continued)

(Dollars in thousands, except share and per share amounts and where indicated as in millions or billions)

4. Real Estate Acquisitions, Disposals, and Impairment (Continued)

to exceed one year from the date of acquisition. There have been no significant changes in amounts recorded since the date of acquisition through December 31, 2010.

2009 Acquisitions

We had no consolidated property acquisitions during the year ended December 31, 2009.

2008 Acquisitions

Effective January 1, 2008, we acquired additional interests in three existing consolidated properties of between 1.8% and 5%, for an aggregate \$6.2 million in cash. Two of the properties continue to have a noncontrolling interest holder. We now own 100% of the third property.

2010 Dispositions

During the year ended December 31, 2010, we disposed of one regional mall, one community center, and two other retail properties for which we received proceeds of \$5.8 million. The net gain on these disposals was \$5.7 million and is included in gain (loss) upon acquisition of controlling interest, and on sale or disposal of assets and interests in unconsolidated entities, net in the consolidated statements of operations and comprehensive income.

2009 Dispositions

During the year ended December 31, 2009, we sold four consolidated properties for which we received proceeds of \$3.9 million. The net loss on these disposals totaled \$9.8 million and is included in gain (loss) upon acquisition of controlling interest, and on sale or disposal of assets and interests in unconsolidated entities, net in the consolidated statements of operations and comprehensive income.

2008 Dispositions

We had no consolidated property dispositions during the year ended December 31, 2008.

2009 Impairment

In 2009, we recorded non-cash impairment charges of \$240.1 million (\$228.6 million, net of a tax benefit of \$5.8 million and noncontrolling interest holders' share of \$5.7 million). As discussed in Note 3, this non-cash charge includes a \$140.5 million other-than-temporary impairment of our investment in Liberty. In addition, the total charge includes adjustments in the carrying value of one wholly-owned and one joint venture regional mall, a write-down of five land parcels and two joint venture non-retail real estate assets, and certain predevelopment costs related to projects no longer being pursued.

2008 Impairment

In 2008, we recorded impairment charges of \$21.2 million (\$19.4 million, net of tax benefit), which resulted primarily from a \$10.5 million reduction in the carrying value of a regional mall to its estimated net realizable value and the write-off of predevelopment costs related to various projects that we no longer plan to pursue.

5. Per Share Data

We determine basic earnings per share based on the weighted average number of shares of common stock outstanding during the period. We determine diluted earnings per share based on the weighted average number of shares of common stock outstanding combined with the incremental weighted average shares that would have been

Simon Property Group, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (Continued)

(Dollars in thousands, except share and per share amounts and where indicated as in millions or billions)

5. Per Share Data (Continued)

outstanding assuming all dilutive potential common shares were converted into shares at the earliest date possible. The following table sets forth the computation of our basic and diluted earnings per share.

	For the Year Ended December 31,		
	2010	2009	2008
Net Income attributable to Common Stockholders — Basic	\$ 610,424	\$ 283,098	\$ 422,517
Effect of dilutive securities:			
Impact to General Partner's interest in Operating Partnership from all dilutive securities and options	97	50	209
Net Income attributable to Common Stockholders — Diluted	\$ 610,521	\$ 283,148	\$ 422,726
Weighted Average Shares Outstanding — Basic	291,076,008	267,054,946	225,332,593
Effect of stock options	274,460	315,897	551,057
Effect of contingently issuable shares from stock dividends	—	1,101,307	—
Weighted Average Shares Outstanding — Diluted	291,350,468	268,472,150	225,883,650

For the year ending December 31, 2010, potentially dilutive securities include stock options, convertible preferred stock, units that are exchangeable for common stock, units granted under our long-term incentive performance programs and preferred units that are convertible into units or exchangeable for our preferred stock. The only security that had a dilutive effect for the year ended December 31, 2010 was stock options. The only securities that had a dilutive effect for the year ended December 31, 2009 were stock options and contingently issuable shares from stock dividends. The only security that had a dilutive effect for the year ended December 31, 2008 was stock options.

We accrue dividends when they are declared. The taxable nature of the dividends declared for each of the years ended as indicated is summarized as follows:

	For the Year Ended December 31,		
	2010	2009	2008
Total dividends paid per common share	\$ 2.60	\$ 2.70	\$ 3.60
Percent taxable as ordinary income	53.82%	99.3%	84.7%
Percent taxable as long-term capital gains	39.68%	0.7%	1.2%
Percent nontaxable as return of capital	6.50%	—	14.1%
	100.0%	100.0%	100.0%

Simon Property Group, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (Continued)

(Dollars in thousands, except share and per share amounts and where indicated as in millions or billions)

6. Investment Properties

Investment properties consist of the following as of December 31:

	<u>2010</u>	<u>2009</u>
Land	\$ 2,929,054	\$ 2,757,994
Buildings and improvements	24,263,169	22,265,721
Total land, buildings and improvements	27,192,223	25,023,715
Furniture, fixtures and equipment	316,512	312,474
Investment properties at cost	27,508,735	25,336,189
Less — accumulated depreciation	7,711,304	7,004,534
Investment properties at cost, net	19,797,431	18,331,655
Construction in progress included above	\$ 125,227	\$ 281,683

7. Investments in Unconsolidated Entities

Joint ventures are common in the real estate industry. We use joint ventures to finance properties, develop new properties, and diversify our risk in a particular property or portfolio. We held joint venture ownership interests in 101 properties in the U.S. as of December 31, 2010. We also held an interest in a joint venture which owned 45 European shopping centers as of December 31, 2010 and we held an interest in two joint ventures which owned 51 European shopping centers as of December 31, 2009. As of December 31, 2010, we also held interests in eight joint venture properties under operation in Japan, one joint venture property under operation in Mexico, one joint venture property under operation and two joint venture properties under development in Korea, and one joint venture property under development in Malaysia. We account for these joint venture properties using the equity method of accounting.

Substantially all of our joint venture properties are subject to rights of first refusal, buy-sell provisions, or other sale or marketing rights for partners which are customary in real estate joint venture agreements and the industry. Our partners in these joint ventures may initiate these provisions at any time (subject to any applicable lock up or similar restrictions), which could result in either the sale of our interest or the use of available cash or borrowings to acquire the joint venture interest from our partner.

In May 2010, Opry Mills Mall, a property in which we have a 50% interest through our SPG-FCM joint venture, sustained significant flood damage and remains closed. Insurance proceeds of \$50 million have been funded by the insurers and remediation work has been completed. The excess insurance carriers (those providing coverage above \$50 million) have denied the joint venture's claim for additional proceeds (of up to an additional \$150 million) to pay amounts for restoration costs and business interruption losses. We believe recovery under the insurance coverage is probable, but no assurances can be made in that regard.

Loans to SPG-FCM

As part of the 2007 Mills acquisition, the Operating Partnership made loans to SPG-FCM and Mills which were used by SPG-FCM and Mills to repay loans and other obligations of Mills. As of December 31, 2010 and 2009, the outstanding balance of our remaining loan to SPG-FCM was \$651.0 million and \$632.0 million, respectively. During 2010, 2009 and 2008, we recorded approximately \$9.9 million, \$9.3 million and \$15.3 million in interest income (net of inter-entity eliminations) related to this loan, respectively. We also recorded fee income, including fee income amortization related to up-front fees on loans made to SPG-FCM and Mills, during 2010, 2009 and 2008 of approximately \$0.9 million, \$3.7 million and \$3.1 million (net of inter-entity eliminations), respectively, for providing refinancing services to Mills' properties and SPG-FCM. The loan bears interest at a rate of LIBOR plus 275 basis points and matures on June 8, 2011, and can be extended for one year.

Simon Property Group, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (Continued)

(Dollars in thousands, except share and per share amounts and where indicated as in millions or billions)

7. Investments in Unconsolidated Entities (Continued)

Summary Financial Information

A summary of our investments in joint ventures and share of income from such joint ventures follows. Balance sheet information for the joint ventures is as follows:

	December 31, 2010	December 31, 2009
BALANCE SHEETS		
Assets:		
Investment properties, at cost	\$21,236,594	\$21,555,729
Less — accumulated depreciation	<u>5,126,116</u>	<u>4,580,679</u>
	16,110,478	16,975,050
Cash and cash equivalents	802,025	771,045
Tenant receivables and accrued revenue, net	353,719	364,968
Investment in unconsolidated entities, at equity	158,116	235,173
Deferred costs and other assets	<u>525,024</u>	<u>535,398</u>
Total assets	<u>\$17,949,362</u>	<u>\$18,881,634</u>
Liabilities and Partners' Equity:		
Mortgages and other indebtedness	\$15,937,404	\$16,549,276
Accounts payable, accrued expenses, intangibles, and deferred revenue	748,245	834,668
Other liabilities	<u>961,284</u>	<u>978,771</u>
Total liabilities	17,646,933	18,362,715
Preferred units	67,450	67,450
Partners' equity	<u>234,979</u>	<u>451,469</u>
Total liabilities and partners' equity	<u>\$17,949,362</u>	<u>\$18,881,634</u>
Our Share of:		
Partners' equity	\$ 146,578	\$ 316,800
Add: Excess Investment	<u>757,672</u>	<u>694,023</u>
Our net Investment in Joint Ventures	<u>\$ 904,250</u>	<u>\$ 1,010,823</u>

“Excess Investment” represents the unamortized difference of our investment over our share of the equity in the underlying net assets of the joint ventures acquired. We amortize excess investment over the life of the related properties, typically no greater than 40 years, and the amortization is included in the reported amount of income from unconsolidated entities.

As of December 31, 2010, scheduled principal repayments on joint venture properties' mortgages and other indebtedness are as follows:

2011	\$ 1,674,563
2012	2,233,471
2013	1,883,954
2014	2,205,723
2015	1,998,785
Thereafter	<u>5,931,026</u>
Total principal maturities	15,927,522
Net unamortized debt premiums and discounts	<u>9,882</u>
Total mortgages and other indebtedness	<u>\$15,937,404</u>

This debt becomes due in installments over various terms extending through 2036 with interest rates ranging from 0.48% to 9.35% and a weighted average rate of 5.09% at December 31, 2010.

Simon Property Group, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (Continued)

(Dollars in thousands, except share and per share amounts and where indicated as in millions or billions)

7. Investments in Unconsolidated Entities (Continued)

	For the Year Ended December 31,		
	2010	2009	2008
STATEMENTS OF OPERATIONS			
Revenue:			
Minimum rent	\$1,960,951	\$1,965,565	\$1,956,129
Overage rent	147,776	132,260	130,549
Tenant reimbursements	950,267	987,028	1,005,638
Other income	223,234	174,611	199,774
Total revenue	3,282,228	3,259,464	3,292,090
Operating Expenses:			
Property operating	635,946	656,399	671,268
Depreciation and amortization	793,012	801,618	775,887
Real estate taxes	253,627	261,294	263,054
Repairs and maintenance	105,042	110,606	124,272
Advertising and promotion	61,814	65,124	70,425
Provision for credit losses	4,053	16,123	24,053
Impairment charge	—	18,249	—
Other	210,858	182,201	177,298
Total operating expenses	2,064,352	2,111,614	2,106,257
Operating Income	1,217,876	1,147,850	1,185,833
Interest expense	(868,856)	(884,539)	(969,420)
Gain (loss) from unconsolidated entities	(840)	(4,739)	(5,123)
Impairment charge from investments in unconsolidated entities	(16,671)	—	—
Gain on sale of asset	39,676	—	—
Income from Continuing Operations	371,185	258,572	211,290
Income from discontinued joint venture interests	—	—	47
Net Income	\$ 371,185	\$ 258,572	\$ 211,337
Third-Party Investors' Share of Net Income	\$ 234,799	\$ 170,265	\$ 132,111
Our Share of Net Income	136,386	88,307	79,226
Amortization of Excess Investment	(48,329)	(55,690)	(46,980)
Our Share of Gain on Sale or Disposal of Assets and Interests in unconsolidated entities, net	(20,305)	—	—
Our Share of Impairment Charge from Investments in Unconsolidated Entities	8,169	7,603	—
Income from Unconsolidated Entities, net	\$ 75,921	\$ 40,220	\$ 32,246

Simon Property Group, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (Continued)

(Dollars in thousands, except share and per share amounts and where indicated as in millions or billions)

7. Investments in Unconsolidated Entities (Continued)

2009 Impairment

In December 2009 we recognized non-cash impairment charges of \$7.6 million representing our share of impairment charges on joint venture properties. This charge represents adjustments to the carrying value of certain parcels of land and the write-off of predevelopment costs related to certain projects no longer being pursued. In addition, in December 2009 we recognized \$35.1 million of impairment charges for investments in certain unconsolidated entities including one regional mall and two non-retail real estate assets for which declines in value below our carrying amount were deemed other-than-temporary.

2010 Impairment

In December 2010, we recognized an \$8.2 million non-cash impairment charge representing our share of an impairment on a joint venture investment in a property in Italy for which a decline in value below our carrying amount was deemed other-than-temporary.

International Joint Venture Investments

We account for all of our international joint venture investments using the equity method of accounting and we conduct our international operations through joint venture arrangements.

European Joint Ventures. We have a 49% ownership interest in Gallerie Commerciali Italia, or GCI. The carrying amount of our investment in GCI was \$330.1 million and \$302.2 million as of December 31, 2010 and 2009, respectively, including all related components of accumulated other comprehensive income (loss).

On July 15, 2010, we and our partner in Simon Ivanhoe, Ivanhoe Cambridge Inc., sold our collective interests in Simon Ivanhoe which owned seven shopping centers located in France and Poland to Unibail-Rodamco. The joint venture partners received net consideration of €422.5 million for their interests after the repayment of all joint venture debt, subject to certain post-closing adjustments. Our share of the gain on sale of our interests in Simon Ivanhoe was approximately \$281 million. A portion of the proceeds was used to repay the €167.4 million (approximately \$215 million) principal balance on the Euro-denominated tranche of our Credit Facility.

Asian Joint Ventures. We conduct our international Premium Outlet operations in Japan through our 40% participation in a joint venture with Mitsubishi Estate Co., Ltd. The carrying amount of our investment in this joint venture was \$340.8 million and \$302.2 million as of December 31, 2010 and 2009, respectively, including all related components of accumulated other comprehensive income (loss). We conduct our international Premium Outlet operations in Korea through our 50% participation in a joint venture with Shinsegae International Co. As of December 31, 2010 and December 31, 2009, respectively, the carrying amount of our investment in this joint venture was \$35.7 million and \$26.1 million including all related components of accumulated other comprehensive income (loss).

In December 2009, we recognized a loss on our 32.5% interests in our shopping centers operating or under development in China. The interests were sold to affiliates of our Chinese partner for approximately \$29 million, resulting in a loss of approximately \$20 million which is included in gain (loss) upon acquisition of controlling interest, and on sale or disposal of assets and interests in unconsolidated entities, net in the 2009 consolidated statement of operations and comprehensive income.

Simon Property Group, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (Continued)

(Dollars in thousands, except share and per share amounts and where indicated as in millions or billions)

8. Indebtedness and Derivative Financial Instruments

Our mortgages and other indebtedness, excluding the impact of derivative instruments, consist of the following as of December 31:

	2010	2009
<i>Fixed-Rate Debt:</i>		
Mortgages and other notes, including \$31,614 and \$9,757 net premiums, respectively. Weighted average interest and maturity of 6.09% and 4.6 years at December 31, 2010.	\$ 5,485,659	\$ 5,239,263
Unsecured notes, including \$26,586 and \$23 net discounts, respectively. Weighted average interest and maturity of 6.04% and 7.3 years at December 31, 2010.	9,985,886	11,574,977
Total Fixed-Rate Debt	15,471,545	16,814,240
<i>Variable-Rate Debt:</i>		
Mortgages and other notes, at face value. Weighted average interest and maturity of 1.65% and 1.8 years at December 31, 2010.	1,143,578	1,370,000
Credit Facility (see below)	858,637	446,062
Total Variable-Rate Debt	2,002,215	1,816,062
Total Mortgages and Other Indebtedness	\$17,473,760	\$18,630,302

General. At December 31, 2010, we have pledged 92 properties as collateral to secure related mortgage notes including 12 pools of cross-defaulted and cross-collateralized mortgages encumbering a total of 52 properties. Under these cross-default provisions, a default under any mortgage included in the cross-defaulted package may constitute a default under all such mortgages and may lead to acceleration of the indebtedness due on each property within the collateral package. Of our 92 encumbered properties, indebtedness on 31 of these encumbered properties and our unsecured debt are subject to various financial performance covenants relating to leverage ratios, annual real property appraisal requirements, debt service coverage ratios, minimum net worth ratios, debt-to-market capitalization, and/or minimum equity values. Our mortgages and other indebtedness may be prepaid but are generally subject to payment of a yield-maintenance premium or defeasance.

Some of the limited partners guarantee a portion of our consolidated debt through foreclosure guarantees. In total, 25 limited partners provide guarantees of foreclosure of \$173.4 million of our consolidated debt at three consolidated properties. In each case, the loans were made by unrelated third party institutional lenders and the guarantees are for the benefit of each lender. In the event of foreclosure of the mortgaged property, the proceeds from the sale of the property are first applied against the amount of the guarantee and also reduce the amount payable under the guarantee. To the extent the sale proceeds from the disposal of the property do not cover the amount of the guarantee, then the limited partner is liable to pay the difference between the sale proceeds and the amount of the guarantee so that the entire amount guaranteed to the lender is satisfied. The debt is non-recourse to us and our affiliates.

Unsecured Debt

Our unsecured debt consists of approximately \$10.0 billion of senior unsecured notes of the Operating Partnership and \$858.6 million outstanding under our Credit Facility. The Credit Facility has a borrowing capacity of \$3.9 billion and contains an accordion feature allowing the maximum borrowing capacity to expand to \$4.0 billion. The Credit Facility matures on March 31, 2013. The base interest on the Credit Facility is LIBOR plus 210 basis points and includes a facility fee of 40 basis points. The Credit Facility also includes a money market competitive bid feature, which allows participating lenders to bid on amounts outstanding at then current market rates of interest for up to 50%

Simon Property Group, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (Continued)

(Dollars in thousands, except share and per share amounts and where indicated as in millions or billions)

8. Indebtedness and Derivative Financial Instruments (Continued)

of amounts available under the facility. As of December 31, 2010, we are in compliance with all of the covenants of our unsecured debt.

During the year ended December 31, 2010, our borrowings under the Credit Facility increased primarily as a result of the acquisition of Prime partially offset by the repayment of €167.4 million (approximately \$215 million) principal balance on the Euro-denominated tranche of our Credit Facility on July 23, 2010. The total outstanding balance of the Credit Facility as of December 31, 2010 was \$858.6 million, and the maximum outstanding balance during the year ended December 31, 2010 was \$862.2 million. During the year ended December 31, 2010, the weighted average outstanding balance on the Credit Facility was approximately \$580.4 million. The outstanding balance as of December 31, 2010 includes \$273.6 million (U.S. dollar equivalent) of Yen-denominated borrowings. Letters of credit of \$33.3 million were outstanding under the Credit Facility at December 31, 2010.

On January 12, 2010, the Operating Partnership commenced a cash tender offer for any and all senior unsecured notes of ten outstanding series with maturity dates ranging from January 2011 to March 2013. The total principal amount of the notes accepted for purchase on January 26, 2010 was approximately \$2.3 billion, with a weighted average duration of 2.0 years and a weighted average coupon of 5.76%. The Operating Partnership purchased the tendered notes with cash on hand and the proceeds from an offering of \$2.25 billion of senior unsecured notes that closed on January 25, 2010. The senior notes offering was comprised of \$400.0 million of 4.20% notes due 2015, \$1.25 billion of 5.65% notes due 2020 and \$600.0 million of 6.75% notes due 2040. The weighted average duration of the notes offering was 14.4 years and the weighted average coupon was 5.69%. We recorded a \$165.6 million charge to earnings in the first quarter of 2010 as a result of the tender offer.

On March 18, 2010, the Operating Partnership repaid a \$300.0 million senior unsecured note which had a fixed rate of 4.875%.

On June 15, 2010, the Operating Partnership repaid a \$400.0 million senior unsecured note which had a fixed rate of 4.60%.

On August 9, 2010, the Operating Partnership commenced a cash tender offer for any and all senior unsecured notes of three outstanding series with maturity dates ranging from May 2013 to August 2014. The total principal amount of the notes accepted for purchase on August 17, 2010 was approximately \$1.33 billion, with a weighted average duration of 3.5 years and a weighted average coupon of 6.06%. The Operating Partnership purchased the tendered notes with cash on hand and the proceeds from an offering of \$900.0 million of 4.375% senior unsecured notes that closed on August 16, 2010. The senior notes are due on March 1, 2021. We recorded a \$185.1 million charge to earnings in the third quarter of 2010 as a result of the tender offer.

On August 16, 2010, the Operating Partnership repaid a \$400.0 million senior unsecured note which had a fixed rate of 4.875%.

Secured Debt

The balance of fixed and variable rate mortgage notes was \$6.6 billion at December 31, 2010 and 2009. Of the balance outstanding at December 31, 2010, \$5.7 billion is nonrecourse to us. The fixed-rate mortgages generally require monthly payments of principal and/or interest. The interest rates of variable-rate mortgages are typically based on LIBOR. During the year ended December 31, 2010, we unencumbered five properties by repaying \$1.1 billion in mortgage loans with a weighted average interest rate of 4.35%.

On May 13, 2010, we acquired a property located in Barceloneta, Puerto Rico subject to an existing \$75.2 million mortgage loan. The loan matures on May 1, 2014 and bears interest at LIBOR plus 225 basis points with a LIBOR floor of 1.50%.

Simon Property Group, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (Continued)

(Dollars in thousands, except share and per share amounts and where indicated as in millions or billions)

8. Indebtedness and Derivative Financial Instruments (Continued)

In connection with our acquisition of Prime, we assumed existing mortgage loans of approximately \$1.2 billion which bear interest at fixed rates ranging from 5.51% to 6.01% and mature at various dates throughout 2016.

Debt Maturity and Other

Our scheduled principal repayments on indebtedness as of December 31, 2010 are as follows:

2011	\$ 895,575
2012	1,823,095
2013	2,306,160
2014	1,796,160
2015	1,680,043
Thereafter	8,967,699
Total principal maturities	17,468,732
Net unamortized debt premium and other	5,028
Total mortgages and other indebtedness	<u>\$17,473,760</u>

Our cash paid for interest in each period, net of any amounts capitalized, was as follows:

	<u>For the Year Ended December 31,</u>		
	<u>2010</u>	<u>2009</u>	<u>2008</u>
Cash paid for interest	\$1,015,989	\$994,688	\$1,001,718

Derivative Financial Instruments

Our exposure to market risk due to changes in interest rates primarily relates to our long-term debt obligations. We manage exposure to interest rate market risk through our risk management strategy by a combination of interest rate protection agreements to effectively fix or cap a portion of variable rate debt. We are also exposed to foreign currency risk on financings of certain foreign operations. Our intent is to offset gains and losses that occur on the underlying exposures, with gains and losses on the derivative contracts hedging these exposures. We do not enter into either interest rate protection or foreign currency rate protection agreements for speculative purposes.

We may enter into treasury lock agreements as part of an anticipated debt issuance. If the anticipated transaction does not occur, the cost is charged to consolidated net income. Upon completion of the debt issuance, the cost of these instruments is recorded as part of accumulated other comprehensive income and is amortized to interest expense over the life of the debt agreement.

The fair value of our interest rate swap agreements is included within other liabilities and was \$19.5 million and \$13.0 million at December 31, 2010 and 2009, respectively. At December 31, 2009, we also had interest rate swaps with a fair value of \$0.3 million within deferred costs and other assets. The interest rate cap agreements were of nominal net value at December 31, 2010 and 2009. In addition, the unamortized balance of our treasury locks recorded in accumulated other comprehensive income (loss) was \$6.5 million as of December 31, 2010. The net deficit from terminated swap agreements is also recorded in accumulated other comprehensive income (loss) and the unamortized balance was \$1.3 million as of December 31, 2010. As of December 31, 2010, our outstanding LIBOR based derivative contracts consisted of:

- interest rate cap protection agreements with a notional amount of \$385.0 million which mature in July 2011 and June 2014, and

Simon Property Group, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (Continued)

(Dollars in thousands, except share and per share amounts and where indicated as in millions or billions)

8. Indebtedness and Derivative Financial Instruments (Continued)

- fixed rate swap agreements with a notional amount of \$692.5 million which have a weighted average fixed pay rate of 2.79% and a weighted average variable receive rate of 0.51%.

Within the next year, we expect to reclassify to earnings approximately \$19.8 million of losses from the current balance held in accumulated other comprehensive income (loss). The amount of ineffectiveness relating to cash flow hedges recognized in income during the periods presented was not material.

Our joint ventures may also enter into interest rate swaps or caps, which are recorded at fair value on the joint venture balance sheets. Included in our accumulated other comprehensive income (loss) as of December 31, 2010 and 2009 is our share of the joint ventures' accumulated derivative losses of \$20.9 million and \$30.1 million, respectively.

Fair Value of Financial Instruments

The carrying value of our variable-rate mortgages and other loans approximates their fair values. We estimate the fair values of consolidated fixed-rate mortgages using cash flows discounted at current borrowing rates and other indebtedness using cash flows discounted at current market rates. We estimate the fair values of consolidated fixed-rate unsecured notes using quoted market prices, or, if no quoted market prices are available, we use quoted market prices for securities with similar terms and maturities. The carrying value of our consolidated fixed-rate mortgages and other indebtedness, excluding those with an associated fixed to floating swap, was \$14.8 billion and \$16.1 billion as of December 31, 2010 and 2009, respectively. The fair values of financial instruments and our related discount rate assumptions used in the estimation of fair value for our consolidated fixed-rate mortgages and other indebtedness as of December 31 is summarized as follows:

	<u>2010</u>	<u>2009</u>
Fair value of fixed-rate mortgages and other indebtedness	\$16,087	\$16,580
Weighted average discount rates assumed in calculation of fair value for fixed-rate mortgages	4.46%	6.11%

9. Rentals under Operating Leases

Future minimum rentals to be received under noncancelable tenant operating leases for each of the next five years and thereafter, excluding tenant reimbursements of operating expenses and percentage rent based on tenant sales volume as of December 31, 2010 are as follows:

2011	\$ 2,140,123
2012	1,944,020
2013	1,709,738
2014	1,501,966
2015	1,252,753
Thereafter	3,369,238
	<u>\$11,917,838</u>

Approximately 0.6% of future minimum rents to be received are attributable to leases with an affiliate of a limited partner in the Operating Partnership.

10. Equity

Our Board of Directors is authorized to reclassify excess common stock into one or more additional classes and series of capital stock, to establish the number of shares in each class or series and to fix the preferences, conversion

Simon Property Group, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (Continued)

(Dollars in thousands, except share and per share amounts and where indicated as in millions or billions)

10. Equity (Continued)

and other rights, voting powers, restrictions, limitations as to dividends, and qualifications and terms and conditions of redemption of such class or series, without any further vote or action by the stockholders. The issuance of additional classes or series of capital stock may have the effect of delaying, deferring or preventing a change in control of Simon Property without further action of the stockholders. The ability to issue additional classes or series of capital stock, while providing flexibility in connection with possible acquisitions and other corporate purposes, could have the effect of making it more difficult for a third party to acquire, or of discouraging a third party from acquiring, a majority of our outstanding voting stock.

Holders of our common stock are entitled to one vote for each share held of record on all matters submitted to a vote of stockholders, other than for the election of directors. At the time of the initial public offering of our predecessor in 1993, the charter of the predecessor gave Melvin Simon, Herbert Simon, David Simon and certain of their affiliates, or the Simons, the right to elect four of the members of the Board of Directors, conditioned upon the Simons, or entities they control, maintaining specified levels of equity ownership in our predecessor, the Operating Partnership and all subsidiaries. In addition, at that time, Melvin Simon & Associates, Inc., or MSA, acquired 3,200,000 shares of our Class B common stock. MSA placed the Class B common stock into a voting trust under which the Simons were the sole trustees. These voting trustees had the authority to elect up to four members of the Board of Directors. These same arrangements were incorporated into our Charter in 1998 during the combination of our predecessor and Corporate Property Investors, Inc. Shares of Class B common stock convert automatically into an equal number of shares of common stock upon the sale or transfer thereof to a person not affiliated with the estate of Melvin Simon, Herbert Simon or David Simon. The Class B shares can be converted into shares of common stock at the option of the holders. At the initial offering we reserved 3,200,000 shares of common stock for the possible conversion of the outstanding Class B shares; the number of outstanding Class B shares was reduced to 8,000 in 1998, although the right of the holders to elect up to four directors was not modified.

Common Stock Issuances

In 2010, we issued 247,640 shares of common stock to 47 limited partners in exchange for an equal number of units.

We issued 178,683 shares of common stock related to employee and director stock options exercised during 2010. We used the net proceeds from the option exercises of approximately \$4.9 million to acquire additional units. The Operating Partnership used the net proceeds for general business purposes.

We issued 6,670,589 shares of common stock upon the conversion of 7,871,276 shares of Series I 6% Convertible Perpetual Preferred Stock as discussed below in Temporary Equity.

On August 30, 2010, the Operating Partnership issued 1,720,671 units to the owners of Prime in connection with the acquisition of 20 outlet centers as discussed in Note 4.

On May 13, 2010, the Operating Partnership issued 77,798 units to the owners of Prime in connection with the acquisition of an outlet center located in Barceloneta, Puerto Rico.

Temporary Equity

We classify as temporary equity those securities for which there is the possibility that we could be required to redeem the security for cash irrespective of the probability of such a possibility. As a result, we classify one series of preferred stock, and several series of preferred units of the Operating Partnership in temporary equity. Each of these securities that are classified in temporary equity is discussed below.

Series I 6% Convertible Perpetual Preferred Stock. This series of preferred stock was issued in connection with our acquisition of Chelsea Property Group, or Chelsea, in 2004. The terms of this series of preferred stock are substantially

Simon Property Group, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (Continued)

(Dollars in thousands, except share and per share amounts and where indicated as in millions or billions)

10. Equity (Continued)

identical to those of the related series of 6% Series I Convertible Perpetual Preferred Units, or the Series I preferred units, described below.

As of the end of the first quarter of 2010 and through April 14, 2010, holders of our Series I 6% Convertible Perpetual Preferred Stock, or Series I preferred stock, and holders of the Series I preferred units, could elect to convert their Series I preferred stock into shares of our common stock or Series I preferred units into units of the Operating Partnership or Series I preferred stock. The optional conversion election resulted from the closing sale price of our common stock exceeding the applicable trigger price per share for a period of 20 trading days in the last 30 trading days of the prior quarter. Each share of Series I preferred stock and Series I preferred unit was convertible into common stock or units at a conversion ratio of .847495.

On March 17, 2010, we announced that we would redeem all of the outstanding shares of our Series I preferred stock and the Operating Partnership's Series I preferred units on April 16, 2010. The redemption price was equal to the liquidation value per share plus accumulated and unpaid dividends through the redemption date or \$50.4917 per share or unit.

Through the redemption date of April 16, 2010, holders of Series I preferred stock converted 7,871,276 shares of Series I preferred stock into 6,670,589 shares of our common stock.

Limited Partners' Preferred Interests in the Operating Partnership and Other Noncontrolling Redeemable Interests in Properties. The following table summarizes each series of preferred units of the Operating Partnership and the amount of the noncontrolling redeemable interests in properties as of December 31. The redemption features of each of these series of preferred units of the Operating Partnership contain provisions which could require us to settle the redemption in cash. As a result, these series of preferred units in the Operating Partnership, along with the noncontrolling redeemable interests in properties, remain classified outside permanent equity.

	<u>2010</u>	<u>2009</u>
7.50% Cumulative Redeemable Preferred Units, 260,000 units authorized, 255,373 issued and outstanding	\$25,537	\$ 25,537
6% Series I Convertible Perpetual Preferred Units, 19,000,000 units authorized, 0 and 1,017,480 issued and outstanding, respectively	<u>—</u>	50,874
	25,537	76,411
Other noncontrolling redeemable interests in properties	59,932	49,404
Limited partners' preferred interest in the Operating Partnership and other noncontrolling redeemable interests in properties	<u>\$85,469</u>	<u>\$125,815</u>

6% Series I Convertible Perpetual Preferred Units. Through the redemption date of April 16, 2010, holders of Series I preferred units converted 1,017,480 Series I preferred units into 862,292 units of the Operating Partnership at a conversion ratio of .847495. We redeemed the remaining 219,879 shares of Series I preferred stock for \$50.4917 per share for an aggregate cash redemption payment of \$11.1 million including accrued dividends.

7.50% Cumulative Redeemable Preferred Units. This series of preferred units accrues cumulative quarterly distributions at a rate of \$7.50 annually. The Operating Partnership may redeem the preferred units on or after November 10, 2013, unless there is the occurrence of certain tax triggering events such as death of the initial holder, or the transfer of any units to any person or entity other than the persons or entities entitled to the benefits of the original holder. The redemption price is the liquidation value (\$100.00 per preferred unit) plus accrued and unpaid distributions, payable either in cash or fully registered shares of our common stock at our election. In the event of the death of a holder of the preferred units, the occurrence of certain tax triggering events applicable to the holder, or on

Simon Property Group, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (Continued)

(Dollars in thousands, except share and per share amounts and where indicated as in millions or billions)

10. Equity (Continued)

or after November 10, 2006, the holder may require the Operating Partnership to redeem the preferred units at the same redemption price payable at the option of the Operating Partnership in either cash or shares of common stock.

Permanent Equity

Preferred Stock. Dividends on all series of preferred stock are calculated based upon the preferred stock's preferred return multiplied by the preferred stock's corresponding liquidation value. The Operating Partnership pays preferred distributions to us equal to the dividends we pay on the preferred stock issued.

Series J 8 $\frac{3}{8}$ % Cumulative Redeemable Preferred Stock. We issued this series of preferred stock in 2004 to replace a series of Chelsea preferred stock. Dividends accrue quarterly at an annual rate of 8 $\frac{3}{8}$ % per share. We can redeem this series, in whole or in part, on or after October 15, 2027 at a redemption price of \$50.00 per share, plus accumulated and unpaid dividends. This preferred stock was issued at a premium of \$7.5 million as of the date of our acquisition of Chelsea. The unamortized premium included in the carrying value of the preferred stock at December 31, 2010 and 2009 was \$5.5 million and \$5.9 million, respectively.

Other Equity Activity

Notes Receivable from Former CPI Stockholders. Notes receivable of \$16.8 million from stockholders of an entity we acquired in 1998 are reflected as a deduction from capital in excess of par value in the consolidated statements of equity in the accompanying financial statements. The notes do not bear interest and become due at the time the underlying shares are sold.

The Simon Property Group 1998 Stock Incentive Plan. This plan, or the 1998 plan, provides for the grant of equity-based awards in the form of options to purchase shares, stock appreciation rights, restricted stock grants and performance unit awards. Options may be granted which are qualified as "incentive stock options" within the meaning of Section 422 of the Code and options which are not so qualified. An aggregate of 11,300,000 shares of common stock have been reserved for issuance under the 1998 plan. Additionally, the partnership agreement requires us to sell shares of common stock to the Operating Partnership, at fair value, sufficient to satisfy the exercising of any stock options, and for us to purchase units for cash in an amount equal to the fair market value of such shares. Annual stock incentive programs were approved each year from 2001 until 2009 when no program was established.

Administration. The 1998 plan is administered by the Compensation Committee of the Board of Directors. The committee determines which eligible individuals may participate and the type, extent and terms of the awards to be granted to them. In addition, the committee interprets the 1998 plan and makes all other determinations deemed advisable for its administration. Options granted to employees become exercisable over the period determined by the committee. The exercise price of an employee option may not be less than the fair market value of the shares on the date of grant. Employee options generally vest over a three-year period and expire ten years from the date of grant. Since 2001, we have not granted any options to employees, except for a series of reload options we assumed as part of a prior business combination.

Automatic Awards For Eligible Directors. Directors who are not also our employees or employees of our affiliates receive automatic awards under the 1998 plan. Until 2003, these awards took the form of stock options. Since then, the awards have been shares of restricted stock. Currently, each eligible director receives on the first day of the first calendar month following his or her initial election an award of restricted stock with a value of \$82,500 (pro-rated for partial years of service). Thereafter, as of the date of each annual meeting of stockholders, eligible directors who are re-elected receive an award of restricted stock having a value of \$82,500. In addition, eligible directors who serve as chairpersons of the standing committees (excluding the Executive Committee) receive an additional annual award of restricted stock having a value of \$10,000 (in the case of the Audit Committee) or \$7,500 (in the case of all other

Simon Property Group, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (Continued)

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10. Equity (Continued)

standing committees). The Lead Independent Director also receives an annual restricted stock award having a value of \$12,500. The restricted stock vests in full after one year.

Once vested, the delivery of the shares of restricted stock (including reinvested dividends) is deferred under our Director Deferred Compensation Plan until the director retires, dies or becomes disabled or otherwise no longer serves as a director. The directors may vote and are entitled to receive dividends on the underlying shares; however, any dividends on the shares of restricted stock must be reinvested in shares of common stock and held in the deferred compensation plan until the shares of restricted stock are delivered to the former director.

In addition to automatic awards, eligible directors may be granted discretionary awards under the 1998 plan.

Long-Term Incentive Performance Program

On March 16, 2010, the Compensation Committee of our Board approved a Long-Term Incentive Performance Program, or LTIP Program, for certain of our senior executive officers. Awards under the LTIP Program take the form of LTIP Units, a form of limited partnership interest issued by the Operating Partnership. During the performance period, participants are entitled to receive on the LTIP Units awarded to them distributions equal to 10% of the regular quarterly distributions paid on a unit of the Operating Partnership. As a result, we account for these LTIP Units as participating securities under the two-class method of computing earnings per share. Awarded LTIP Units will be considered earned, in whole or in part, depending upon the extent to which the applicable TSR benchmarks, as defined, are achieved during the performance period and, once earned, will become the equivalent of units after a two year service-based vesting period, beginning after the end of the performance period. Awarded LTIP Units not earned are forfeited.

The Compensation Committee awarded LTIP Units under three LTIP Programs having one, two and three year performance periods, which end on December 31, 2010, 2011 and 2012, respectively. We refer to these three programs as the one, two and three year 2010 LTIP Programs, or the 2010 LTIP Programs. After the end of each performance period, any earned LTIP Units will then be subject to service-based vesting over a period of two years. One-half of the earned LTIP Units will vest on January 1 of each of the second and third years following the end of the applicable performance period, subject to the participant maintaining employment with us through those dates.

The awards made pursuant to the 2010 LTIP Programs have an aggregate grant date fair value, adjusted for estimated forfeitures, of \$7.2 million for the one-year program, \$14.8 million for the two-year program and \$23.0 million for the three-year program. Grant date fair value was estimated based upon the results of a Monte Carlo model, and the resulting expense will be recorded regardless of whether the TSR benchmarks are achieved. The grant date fair value is being amortized into expense over the period from the grant date to the date at which the awards, if any, become vested. During the twelve months ended December 31, 2010, we recognized \$12.5 million of compensation expense under the LTIP Programs.

Restricted Stock. The 1998 plan also provides for shares of restricted stock to be granted to certain employees at no cost to those employees, subject to achievement of certain financial and return-based performance measures established by the committee related to the most recent year's performance. Once granted, the shares of restricted stock then vest annually over a four-year period (25% each year) beginning on January 1 of each year. The cost of restricted stock grants, which is based upon the stock's fair market value on the grant date, is charged to earnings ratably over the vesting period. Through December 31, 2010 a total of 5,109,362 shares of restricted stock, net of

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Notes to Consolidated Financial Statements (Continued)

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10. Equity (Continued)

forfeitures, have been awarded under the plan. Information regarding restricted stock awards is summarized in the following table for each of the years presented:

	For the Year Ended December 31,		
	2010	2009	2008
Restricted stock shares awarded during the year, net of forfeitures	116,726	254,227	276,872
Weighted average fair value of shares granted during the year	\$ 85.17	\$ 29.44	\$ 85.77
Amortization expense	\$ 16,839	\$ 22,870	\$ 28,640

The weighted average life of our outstanding options as of December 31, 2010 is 0.8 years. Information relating to Employee Options from December 31, 2007 through December 31, 2010 is as follows:

	Options	Weighted Average Exercise Price Per Share
Shares under option at December 31, 2007	<u>1,006,738</u>	<u>\$33.48</u>
Granted	—	—
Exercised, none were forfeited during the period	<u>(282,106)</u>	<u>41.96</u>
Shares under option at December 31, 2008	<u>724,632</u>	<u>\$30.18</u>
Granted	—	—
Exercised	<u>(181,850)</u>	<u>25.52</u>
Forfeited	<u>(37,100)</u>	<u>70.73</u>
Shares under option at December 31, 2009	<u>505,682</u>	<u>\$28.88</u>
Granted	—	—
Exercised, none were forfeited during the period	<u>(178,683)</u>	<u>23.03</u>
Shares under option at December 31, 2010	<u>326,999</u>	<u>\$29.75</u>

	Outstanding and Exercisable		
	Options	Weighted Average Remaining Contractual Life in Years	Weighted Average Exercise Price Per Share
Employee Options:			
Range of Exercise Prices			
\$23.41—\$30.38	266,550	0.23	\$25.54
\$30.39—\$46.97	34,749	3.09	46.97
\$46.98—\$50.17	<u>25,700</u>	<u>3.17</u>	<u>50.17</u>
Total	<u>326,999</u>		<u>\$29.75</u>

No stock options were granted to any non-employee director and there were no stock options previously awarded to non-employee directors that were outstanding from December 31, 2007 through December 31, 2010.

We also maintain a tax-qualified retirement 401(k) savings plan and offer no other postretirement or post employment benefits to our employees.

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10. Equity (Continued)

Exchange Rights

Limited partners in the Operating Partnership have the right to exchange all or any portion of their units for shares of common stock on a one-for-one basis or cash, as determined by the Board of Directors. The amount of cash to be paid if the exchange right is exercised and the cash option is selected will be based on the trading price of our common stock at that time. At December 31, 2010, we had reserved 62,919,853 shares of common stock for possible issuance upon the exchange of units, stock options, and Class B common stock and certain convertible preferred stock.

Simon Property Group, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (Continued)

(Dollars in thousands, except share and per share amounts and where indicated as in millions or billions)

11. Commitments and Contingencies

Litigation

We are involved from time-to-time in various legal proceedings that arise in the ordinary course of our business, including, but not limited to commercial disputes, environmental matters, and litigation in connection with transactions including acquisitions and divestitures. We believe that such litigation, claims and administrative proceedings will not have a material adverse impact on our financial position or our results of operations. We record a liability when a loss is considered probable and the amount can be reasonably estimated.

Lease Commitments

As of December 31, 2010, a total of 31 of the consolidated properties are subject to ground leases. The termination dates of these ground leases range from 2012 to 2090. These ground leases generally require us to make fixed annual rental payments, or a fixed annual rental plus a percentage rent component based upon the revenues or total sales of the property. Some of these leases also include escalation clauses and renewal options. We incurred ground lease expense included in other expense as follows:

	For the Year Ended December 31,		
	2010	2009	2008
Ground lease expense	\$36,750	\$32,086	\$30,681

Future minimum lease payments due under these ground leases for years ending December 31, excluding applicable extension options, are as follows:

2011	\$ 25,717
2012	25,923
2013	26,264
2014	26,248
2015	26,966
Thereafter	940,599
	<u><u>\$1,071,717</u></u>

Insurance

We maintain insurance coverage with third party carriers who provide a portion of the coverage for specific layers of potential losses including commercial general liability, fire, flood, extended coverage and rental loss insurance on all of our properties in the United States. The initial portion of coverage not provided by third party carriers is either insured through our wholly-owned captive insurance companies, Rosewood Indemnity, Ltd. and Bridgewood Insurance Company, Ltd., and other financial arrangements controlled by us. The third party carrier has, in turn, agreed to provide evidence of coverage for this layer of losses under the terms and conditions of the carrier's policy. A similar policy written through our captive insurance entities also provides initial coverage for property insurance and certain windstorm risks at the properties located in coastal windstorm locations.

We currently maintain insurance coverage against acts of terrorism on all of our properties in the United States on an "all risk" basis in the amount of up to \$1 billion. The current federal laws which provide this coverage are expected to operate through 2014. Despite the existence of this insurance coverage, any threatened or actual terrorist attacks where we operate could adversely affect our property values, revenues, consumer traffic and tenant sales.

Simon Property Group, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (Continued)

(Dollars in thousands, except share and per share amounts and where indicated as in millions or billions)

11. Commitments and Contingencies (Continued)

Guarantees of Indebtedness

Joint venture debt is the liability of the joint venture and is typically secured by the joint venture property, which is non-recourse to us. As of December 31, 2010, the Operating Partnership has loan guarantees of \$60.7 million underlying joint venture related mortgage or other indebtedness. Mortgages which are guaranteed by us are secured by the property of the joint venture and that property could be sold in order to satisfy the outstanding obligation.

Concentration of Credit Risk

We are subject to risks incidental to the ownership and operation of commercial real estate. These risks include, among others, the risks normally associated with changes in the general economic climate, trends in the retail industry, creditworthiness of tenants, competition for tenants and customers, changes in tax laws, interest rate and foreign currency levels, the availability of financing, and potential liability under environmental and other laws. Our regional malls, Premium Outlets, The Mills, and community/lifestyle centers rely heavily upon anchor tenants like most retail properties. Four retailers occupied 526 of the approximately 1,320 anchor stores in the properties as of December 31, 2010. An affiliate of one of these retailers is a limited partner in the Operating Partnership. Further, all material operations are within the United States and no customer or tenant comprises more than 10% of consolidated revenues.

Limited Life Partnerships

We are the controlling partner in several consolidated partnerships that have a limited life. We estimated the settlement values of these noncontrolling interests as of December 31, 2010 and 2009 as approximately \$135 million and \$115 million, respectively. The settlement values are based on the estimated fair values upon a hypothetical liquidation of the partnership interests and estimated yield maintenance or prepayment penalties associated with the payment to settle any underlying secured mortgage debt.

12. Related Party Transactions

Our management company provides management, insurance, and other services to Melvin Simon & Associates, Inc., a related party, and other non-owned properties. Amounts for services provided by our management company and its affiliates to our unconsolidated joint ventures and other related parties were as follows:

	For the Year Ended December 31,		
	2010	2009	2008
Amounts charged to unconsolidated joint ventures	\$118,905	\$120,866	\$125,663
Amounts charged to properties owned by related parties	4,308	4,522	4,980

During 2010, 2009 and 2008, we recorded interest income of \$9.9 million, \$9.3 million and \$15.3 million respectively, and financing fee income of \$0.9 million, \$3.7 million and \$3.1 million, respectively, net of inter-entity eliminations, related to the loans that we have provided to Mills and SPG-FCM and lending financing services to those entities and the properties in which they hold an ownership interest.

Simon Property Group, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (Continued)

(Dollars in thousands, except share and per share amounts and where indicated as in millions or billions)

13. Quarterly Financial Data (Unaudited)

Quarterly 2010 and 2009 data is summarized in the table below. Quarterly amounts may not equal annual amounts due to rounding.

	<u>First Quarter</u>	<u>Second Quarter</u>	<u>Third Quarter</u>	<u>Fourth Quarter</u>
2010				
Total revenue	\$ 925,071	\$ 933,566	\$ 979,275	\$ 1,119,718
Operating income	426,916	415,467	397,794	504,062
Consolidated income from continuing operations	20,754	185,152	280,532	267,076
Net income available to common stockholders	9,373	152,504	230,624	217,923
Income from continuing operations per share — Basic	\$ 0.03	\$ 0.52	\$ 0.79	\$ 0.74
Net income per share — Basic	\$ 0.03	\$ 0.52	\$ 0.79	\$ 0.74
Income from continuing operations per share — Diluted	\$ 0.03	\$ 0.52	\$ 0.79	\$ 0.74
Net income per share — Diluted	\$ 0.03	\$ 0.52	\$ 0.79	\$ 0.74
Weighted average shares outstanding	286,124,631	292,323,804	292,830,418	292,931,101
Diluted weighted average shares outstanding	286,124,631	292,613,735	293,089,128	293,160,767
2009				
Total revenue	\$ 918,492	\$ 903,612	\$ 924,932	\$ 1,028,180
Operating income	364,216	224,698	392,177	425,601
Consolidated income (loss) from continuing operations	146,248	(14,108)	139,189	115,933
Net income (loss) available to common stockholders	106,768	(20,760)	105,547	91,543
Income (loss) from continuing operations per share — Basic	\$ 0.45	\$ (0.08)	\$ 0.38	\$ 0.32
Net income (loss) per share — Basic	\$ 0.45	\$ (0.08)	\$ 0.38	\$ 0.32
Income (loss) from continuing operations per share — Diluted	\$ 0.45	\$ (0.08)	\$ 0.38	\$ 0.32
Net income (loss) per share — Diluted	\$ 0.45	\$ (0.08)	\$ 0.38	\$ 0.32
Weighted average shares outstanding	235,908,551	268,289,545	281,430,338	283,967,587
Diluted weighted average shares outstanding	236,128,461	268,289,545	282,474,292	284,595,548

List of Subsidiaries of Simon Property

<u>Subsidiary</u>	<u>Jurisdiction</u>
Simon Property Group, L.P.	Delaware
The Retail Property Trust	Massachusetts
Simon Property Group (Illinois), L.P.	Illinois
Simon Property Group (Texas), L.P.	Texas
Shopping Center Associates	New York
Simon Capital Limited Partnership	Delaware
M.S. Management Associates, Inc.	Delaware
Rosewood Indemnity, Ltd.	Bermuda
Marigold Indemnity, Ltd.	Delaware
Bridgewood Insurance Company, Ltd.	Bermuda
Simon Business Network, LLC	Delaware
Simon Brand Ventures, LLC	Indiana
Simon Global Limited	United Kingdom
Simon Services, Inc.	Delaware
Simon Property Group Administrative Services Partnership, L.P.	Delaware
SPGGC, LLC	Virginia
Kravco Simon Investments, L.P.	Pennsylvania
SPG ML Holdings, LLC	Delaware
Simon Management Associates II, LLC	Delaware
Simon Management Associates, LLC	Delaware
CPG Partners, L.P.	Delaware
Prime Retail, L.P.	Delaware
SPG Mayflower, LLC	Delaware

Omits names of subsidiaries that as of December 31, 2010 were not, in the aggregate, a “significant subsidiary.”

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in this Annual Report (Form 10-K) of Simon Property Group, Inc. of our report dated February 25, 2011 with respect to the consolidated financial statements of Simon Property Group, Inc. and Subsidiaries, and our report dated February 25, 2011, with respect to the effectiveness of internal control over financial reporting of Simon Property Group, Inc. and Subsidiaries, included in the 2010 Annual Report to Stockholders of Simon Property Group, Inc.

Our audits also included the financial statement schedule of Simon Property Group, Inc. and Subsidiaries listed in Item 15(a). This schedule is the responsibility of Simon Property Group, Inc.'s management. Our responsibility is to express an opinion based on our audits. In our opinion, as to which the date is February 25, 2011, the financial statement schedule referred to above, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

We consent to the incorporation by reference in the following Registration Statements:

- (1) Registration Statement (Form S-3 No. 333-157794) of Simon Property Group, Inc.;
- (2) Registration Statement (Form S-4 No. 333-118427) of Simon Property Group, Inc.;
- (3) Registration Statement (Form S-8 No. 333-101185) pertaining to the Simon Property Group 1998 Stock Incentive Plan;
- (4) Registration Statement (Form S-8 No. 333-82471) pertaining to the Simon Property Group and Adopting Entities Matching Savings Plan;
- (5) Registration Statement (Form S-8 No. 333-63919) pertaining to the Corporate Property Investors, Inc. and Corporate Realty Consultants, Inc. Employee Share Purchase Plan;

of our report dated February 25, 2011 with respect to the consolidated financial statements of Simon Property Group, Inc. and Subsidiaries and our report dated February 25, 2011, with respect to the effectiveness of internal control over financial reporting of Simon Property Group, Inc. and Subsidiaries, both incorporated by reference herein, and our report included in the preceding paragraph with respect to the financial statement schedule of Simon Property Group, Inc. and Subsidiaries included in this Annual Report (Form 10-K) of Simon Property Group, Inc. for the year ended December 31, 2010.

/s/ ERNST & YOUNG LLP

Indianapolis, Indiana
February 25, 2011

Certification by the Chief Executive Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, David Simon, certify that:

1. I have reviewed this Annual Report on Form 10-K of Simon Property Group, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 25, 2011

/s/ DAVID SIMON

David Simon
Chairman of the Board of Directors
and Chief Executive Officer

Certification by the Chief Financial Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Stephen E. Sterrett, certify that:

1. I have reviewed this Annual Report on Form 10-K of Simon Property Group, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f) and 15d-15(f) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 25, 2011

/s/ STEPHEN E. STERRETT

Stephen E. Sterrett
Executive Vice President and Chief Financial Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Simon Property Group, Inc. ("Simon Property"), on Form 10-K for the period ending December 31, 2010 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Simon Property.

/s/ DAVID SIMON

David Simon
Chairman of the Board of Directors
and Chief Executive Officer
February 25, 2011

/s/ STEPHEN E. STERRETT

Stephen E. Sterrett
Executive Vice President and
Chief Financial Officer
February 25, 2011

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