



## Simon Property Group Reports Second Quarter 2019 Results And Raises Quarterly Dividend

July 31, 2019

INDIANAPOLIS, July 31, 2019 /PRNewswire/ -- Simon, a global leader in premier shopping, dining, entertainment and mixed-use destinations, today reported results for the quarter ended June 30, 2019.



### Results for the Quarter

- Net income attributable to common stockholders was \$495.3 million, or \$1.60 per diluted share, as compared to \$547.0 million, or \$1.77 per diluted share in 2018. The prior year period included a non-cash investment gain of \$35.6 million, or \$0.10 per diluted share. The current year period includes a \$12.3 million, or \$0.03 per diluted share, unrealized loss in fair value of equity instruments compared to a gain of \$9.7 million, or \$0.03 per diluted share, in the prior year period.
- Funds from Operations ("FFO") was \$1.064 billion, or \$2.99 per diluted share, as compared to \$1.061 billion, or \$2.98 per diluted share, in the prior year period. Adjusting the prior year for the non-cash investment gain and the \$11.0 million impact from the adoption of ASC 842, or approximately \$0.13 per diluted share combined, FFO per diluted share increased 4.9%.

### Results for the Six Months

- Net income attributable to common stockholders was \$1.044 billion, or \$3.38 per diluted share, as compared to \$1.168 billion, or \$3.77 per diluted share in 2018. The prior year period also included net gains of \$180.5 million, or \$0.51 per diluted share, primarily related to disposition activity.
- Funds from Operations ("FFO") was \$2.146 billion, or \$6.04 per diluted share, as compared to \$2.087 billion, or \$5.85 per diluted share, in the prior year period, an increase of 3.2% per diluted share. Adjusting the prior year for the non-cash investment gain, higher income related to distributions from an international investment and the \$22.3 million impact from the adoption of ASC 842, or approximately \$0.22 per diluted share combined, FFO per diluted share increased 7.3%.

"I am very pleased with our quarterly results including our continued financial and operational performance which resulted in continued cash flow growth," said David Simon, Chairman, Chief Executive Officer and President. "During the quarter, we broke ground on a new outlet in Normandy, our third outlet in France. After completing the four new outlets currently under construction, we will have interests in forty-two international outlets, with nine in Japan; four each in Canada and South Korea; three each in England, France, Germany, Italy, and Spain; two each in Malaysia, Mexico and The Netherlands; and one each in Austria, Belgium, Ireland and Thailand. We continue to strengthen our real estate communities through our development, redevelopment and densification activities as well as capitalizing on our unique, innovative investment opportunities, resulting in cash flow and FFO per share growth."

### U.S. Malls and Premium Outlets Operating Statistics

- Reported retailer sales per square foot was \$669, an increase of 3.5%, for the trailing 12-months ended June 30, 2019.
- Occupancy was 94.4% at June 30, 2019.
- Base minimum rent per square foot was \$54.52 at June 30, 2019.
- Leasing spread per square foot for the trailing 12-months ended June 30, 2019 was \$16.53, an increase of 32.3%.

### Portfolio Net Operating Income ("NOI") and Comparable Property NOI

Comparable property NOI growth for the three months ended June 30, 2019 was 2.0% and was 1.8% for the six months ended June 30, 2019. Total portfolio NOI growth for the three months ended June 30, 2019 was 1.6% and was 1.7% for the six months ended June 30, 2019. Total portfolio NOI includes NOI from comparable properties, new developments, redevelopments, expansions, acquisitions, international properties and our share of NOI from investments.

### Dividends

Today, Simon's Board of Directors declared a quarterly common stock dividend of \$2.10 per share. This is a 5.0% increase year-over-year. The dividend will be payable on August 30, 2019 to shareholders of record on August 16, 2019.

Simon's Board of Directors also declared the quarterly dividend on its 8 3/8% Series J Cumulative Redeemable Preferred Stock (NYSE: SPGPrJ) of

\$1.046875 per share, payable on September 30, 2019 to shareholders of record on September 16, 2019.

### **Development Activity**

During the quarter, construction started on a 229,000 square foot upscale outlet located in Normandy, France, projected to open in summer 2021. Simon owns 81% of this project.

Construction continues on three new international development projects including:

- Malaga Designer Outlet (Malaga, Spain); scheduled to open in October 2019. Simon owns a 46% interest in this project.
- Siam Premium Outlets Bangkok (Bangkok, Thailand); scheduled to open in February 2020. Simon owns a 50% interest in this project.
- West Midlands Designer Outlet (Cannock, England); scheduled to open in October 2020. Simon owns a 20% interest in this project.

Construction also continues on other significant redevelopment, expansion and densification projects including Southdale Center (Edina (Minneapolis), MN), The Shops at Riverside (Hackensack, NJ), Burlington Mall (Burlington (Boston), MA), Phipps Plaza (Atlanta, GA), Paju Premium Outlets (Seoul, South Korea) and Gotemba Premium Outlets (Gotemba, Japan).

At quarter-end, redevelopment and expansion projects, including the redevelopment of former department store spaces, were underway at more than 30 properties in the U.S., Canada, Asia and Europe. Simon's share of the costs of all new development and redevelopment projects under construction at quarter-end was approximately \$1.7 billion.

### **Balance Sheet Activity**

As of June 30, 2019, Simon had more than \$6.8 billion of liquidity consisting of cash on hand, including its share of joint venture cash, and available capacity under its revolving credit facilities.

The Company ended the second quarter with strong credit profile metrics, including:

- Net debt to NOI of 5.1X.
- Fixed charge coverage of 5.1X.

### **Common Stock Repurchase Program**

During the quarter ended June 30, 2019, the Company repurchased 1,046,580 shares of its common stock.

### **2019 Guidance**

The Company currently estimates net income to be within a range of \$7.04 to \$7.14 per diluted share for the year ending December 31, 2019 and reaffirms its previous financial guidance that FFO will be within a range of \$12.30 to \$12.40 per diluted share.

The following table provides the reconciliation for the expected range of estimated net income attributable to common stockholders per diluted share to estimated FFO per diluted share:

For the year ending December 31, 2019

	Low End	High End
Estimated net income attributable to common stockholders per diluted share	\$7.04	\$7.14
Depreciation and amortization including Simon's share of unconsolidated entities	5.25	5.25
Unrealized losses (gains) in fair value of equity instruments	0.02	0.02
Gain on sale or disposal of, or recovery on, assets and interests in unconsolidated entities and impairment, net	(0.01)	(0.01)
Estimated FFO per diluted share	<u>\$12.30</u>	<u>\$12.40</u>

### **Conference Call**

Simon will hold a conference call to discuss the quarterly financial results today at 8:30 a.m. Eastern Time, Wednesday, July 31, 2019. A live webcast of the conference call will be accessible in listen-only mode at [investors.simon.com](http://investors.simon.com). An audio replay of the conference call will be available until August 7, 2019. To access the audio replay, dial 1-855-859-2056 (international 404-537-3406) passcode 1226926.

### **Supplemental Materials and Website**

Supplemental information on our second quarter 2019 performance is available at [investors.simon.com](http://investors.simon.com). This information has also been furnished to the SEC in a current report on Form 8-K.

We routinely post important information online on our investor relations website, [investors.simon.com](http://investors.simon.com). We use this website, press releases, SEC filings, quarterly conference calls, presentations and webcasts to disclose material, non-public information in accordance with Regulation FD. We encourage members of the investment community to monitor these distribution channels for material disclosures. Any information accessed through our website is not incorporated by reference into, and is not a part of, this document.

### **Non-GAAP Financial Measures**

This press release includes FFO, FFO per share, portfolio net operating income growth and comparable property net operating income growth, which are financial performance measures not defined by generally accepted accounting principles in the United States ("GAAP"). Reconciliations of these non-GAAP financial measures to the most directly comparable GAAP measures are included in this press release and in Simon's supplemental information for the quarter. FFO and comparable property net operating income growth are financial performance measures widely used in the REIT industry. Our definitions of these non-GAAP measures may not be the same as similar measures reported by other REITs.

### Forward-Looking Statements

Certain statements made in this press release may be deemed "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Although the Company believes the expectations reflected in any forward-looking statements are based on reasonable assumptions, the Company can give no assurance that its expectations will be attained, and it is possible that the Company's 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: changes in economic and market conditions that may adversely affect the general retail environment; the potential loss of anchor stores or major tenants; the inability to collect rent due to the bankruptcy or insolvency of tenants or otherwise; decreases in market rental rates; the intensely competitive market environment in the retail industry; the inability to lease newly developed properties and renew leases and relet space at existing properties on favorable terms; risks related to international activities, including, without limitation, the impact, if any, of the United Kingdom's exit from the European Union; changes to applicable laws or regulations or the interpretation thereof; risks associated with the acquisition, development, redevelopment, expansion, leasing and management of properties; general risks related to real estate investments, including the illiquidity of real estate investments; the impact of our substantial indebtedness on our future operations; any disruption in the financial markets that may adversely affect our ability to access capital for growth and satisfy our ongoing debt service requirements; any change in our credit rating; changes in market rates of interest and foreign exchange rates for foreign currencies; changes in the value of our investments in foreign entities; our ability to hedge interest rate and currency risk; our continued ability to maintain our status as a REIT; changes in tax laws or regulations that result in adverse tax consequences; risks relating to our joint venture properties; environmental liabilities; changes in insurance costs, the availability of comprehensive insurance coverage; security breaches that could compromise our information technology or infrastructure; natural disasters; the potential for terrorist activities; and the loss of key management personnel. The Company discusses these and other risks and uncertainties under the heading "Risk Factors" in its annual and quarterly periodic reports filed with the SEC. The Company may update that discussion in subsequent other periodic reports, but except as required by law, the Company undertakes no duty or obligation to update or revise these forward-looking statements, whether as a result of new information, future developments, or otherwise.

### About Simon

Simon is a global leader in the ownership of premier shopping, dining, entertainment and mixed-use destinations and an S&P 100 company (Simon Property Group, NYSE: SPG). Our properties across North America, Europe and Asia provide community gathering places for millions of people every day and generate billions in annual sales. For more information, visit [simon.com](http://simon.com).

### Simon Property Group, Inc.

Unaudited Consolidated Statements of Operations  
(Dollars in thousands, except per share amounts)

	For the Three Months		For the Six Months	
	Ended June 30,		Ended June 30,	
	2019	2018	2019	2018
<b>REVENUE:</b>				
Lease income	\$ 1,298,567	\$ 1,258,698	\$ 2,578,623	\$ 2,526,590
Management fees and other revenues	28,248	28,541	55,792	56,722
Other income	70,371	97,820	215,604	195,929
<b>Total revenue</b>	<b>1,397,186</b>	<b>1,385,059</b>	<b>2,850,019</b>	<b>2,779,241</b>
<b>EXPENSES:</b>				
Property operating	106,119	102,951	217,669	216,400
Depreciation and amortization	352,606	320,198	681,249	637,134
Real estate taxes	115,914	111,449	231,372	225,635
Repairs and maintenance	21,850	22,191	49,772	49,875
Advertising and promotion	35,420	36,491	72,545	71,291
Home and regional office costs	46,467	32,316	99,027	73,380
General and administrative	10,359	10,913	19,496	23,542
Other	27,820	20,567	53,236	49,041
<b>Total operating expenses</b>	<b>716,555</b>	<b>657,076</b>	<b>1,424,366</b>	<b>1,346,298</b>
<b>OPERATING INCOME BEFORE OTHER ITEMS</b>	<b>680,631</b>	<b>727,983</b>	<b>1,425,653</b>	<b>1,432,943</b>
Interest expense	(198,425)	(206,624)	(397,160)	(412,115)
Income and other taxes	(7,010)	(10,137)	(17,112)	(16,357)
Income from unconsolidated entities	106,542	100,828	196,986	190,854
Unrealized (losses) gains in fair value of equity instruments	(12,317)	9,692	(7,000)	6,664
Gain on sale or disposal of, or recovery on, assets and interests in unconsolidated entities and impairment, net	2,681	9,672	2,681	144,949

<b>CONSOLIDATED NET INCOME</b>	<b>572,102</b>	631,414	<b>1,204,048</b>	1,346,938
Net income attributable to noncontrolling interests	<b>75,944</b>	83,576	<b>158,580</b>	177,611
Preferred dividends	<b>834</b>	834	<b>1,669</b>	1,669
<b>NET INCOME ATTRIBUTABLE TO COMMON STOCKHOLDERS</b>	<b>\$ 495,324</b>	\$ 547,004	<b>\$ 1,043,799</b>	\$ 1,167,658
<b>BASIC AND DILUTED EARNINGS PER COMMON SHARE:</b>				
<b>Net income attributable to common stockholders</b>	<b>\$ 1.60</b>	\$ 1.77	<b>\$ 3.38</b>	\$ 3.77

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

	<b>June 30, 2019</b>	December 31, 2018
<b>ASSETS:</b>		
Investment properties, at cost	<b>\$ 37,458,909</b>	\$ 37,092,670
Less - accumulated depreciation	<b>13,444,275</b>	12,884,539
	<b>24,014,634</b>	24,208,131
Cash and cash equivalents	<b>479,776</b>	514,335
Tenant receivables and accrued revenue, net	<b>736,362</b>	763,815
Investment in unconsolidated entities, at equity	<b>2,141,745</b>	2,220,414
Investment in Klépierre, at equity	<b>1,718,402</b>	1,769,488
Deferred costs and other assets	<b>1,641,996</b>	1,210,040
<b>Total assets</b>	<b>\$ 30,732,915</b>	\$ 30,686,223
<b>LIABILITIES:</b>		
Mortgages and unsecured indebtedness	<b>\$ 23,324,679</b>	\$ 23,305,535
Accounts payable, accrued expenses, intangibles, and deferred revenues	<b>1,227,799</b>	1,316,861
Cash distributions and losses in unconsolidated entities, at equity	<b>1,567,474</b>	1,536,111
Other liabilities	<b>1,017,966</b>	500,597
<b>Total liabilities</b>	<b>27,137,918</b>	26,659,104
Commitments and contingencies		
Limited partners' preferred interest in the Operating Partnership and noncontrolling redeemable interests in properties	<b>231,325</b>	230,163
<b>EQUITY:</b>		
Stockholders' Equity		
Capital stock (850,000,000 total shares authorized, \$ 0.0001 par value, 238,000,000 shares of excess common stock, 100,000,000 authorized shares of preferred stock):		
Series J 8 3/8% cumulative redeemable preferred stock, 1,000,000 shares authorized, 796,948 issued and outstanding with a liquidation value of \$39,847	<b>42,584</b>	42,748
Common stock, \$ 0.0001 par value, 511,990,000 shares authorized, 320,435,256 and 320,411,571 issued and outstanding, respectively	<b>32</b>	32
Class B common stock, \$ 0.0001 par value, 10,000 shares authorized, 8,000 issued and outstanding	-	-
Capital in excess of par value	<b>9,723,378</b>	9,700,418
Accumulated deficit	<b>(5,122,281)</b>	(4,893,069)
Accumulated other comprehensive loss	<b>(128,743)</b>	(126,017)
Common stock held in treasury, at cost, 12,421,713 and 11,402,103 shares, respectively	<b>(1,595,305)</b>	(1,427,431)
Total stockholders' equity	<b>2,919,665</b>	3,296,681
Noncontrolling interests	<b>444,007</b>	500,275
<b>Total equity</b>	<b>3,363,672</b>	3,796,956
<b>Total liabilities and equity</b>	<b>\$ 30,732,915</b>	\$ 30,686,223

(Dollars in thousands)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2019	2018	2019	2018
<b>REVENUE:</b>				
Lease income	\$ 760,131	\$ 749,892	\$ 1,519,110	\$ 1,502,497
Other income	79,389	78,378	155,311	159,487
Total revenue	839,520	828,270	1,674,421	1,661,984
<b>OPERATING EXPENSES:</b>				
Property operating	140,262	139,553	284,983	285,845
Depreciation and amortization	170,407	166,299	340,664	326,134
Real estate taxes	67,809	68,576	136,526	136,843
Repairs and maintenance	18,832	20,736	41,209	43,933
Advertising and promotion	19,695	20,884	44,021	45,108
Other	47,743	49,885	97,058	99,617
Total operating expenses	464,748	465,933	944,461	937,480
<b>OPERATING INCOME BEFORE OTHER ITEMS</b>	<b>374,772</b>	<b>362,337</b>	<b>729,960</b>	<b>724,504</b>
Interest expense	(157,927)	(190,751)	(313,944)	(341,684)
Gain on sale or disposal of, or recovery on, assets and interests in unconsolidated entities, net	-	25,792	21,587	25,792
<b>NET INCOME</b>	<b>\$ 216,845</b>	<b>\$ 197,378</b>	<b>\$ 437,603</b>	<b>\$ 408,612</b>
<b>Third-Party Investors' Share of Net Income</b>	<b>\$ 110,620</b>	<b>\$ 96,240</b>	<b>\$ 223,287</b>	<b>\$ 202,424</b>
<b>Our Share of Net Income</b>	<b>106,225</b>	101,138	<b>214,316</b>	206,188
<b>Amortization of Excess Investment (A)</b>	<b>(20,774)</b>	(21,395)	<b>(41,567)</b>	(42,921)
<b>Our Share of Gain on Sale or Disposal of Assets and Interests in Other Income in the Consolidated Financial Statements</b>	-	-	<b>(9,155)</b>	-
<b>Our Share of Gain on Sale or Disposal of, or Recovery on, Assets and Interests in Unconsolidated Entities, net</b>	-	(9,672)	-	(9,672)
<b>Income from Unconsolidated Entities (B)</b>	<b>\$ 85,451</b>	<b>\$ 70,071</b>	<b>\$ 163,594</b>	<b>\$ 153,595</b>

Note: The above financial presentation does not include any information related to our investments in Klépierre S.A. ("Klépierre") and HBS Global Properties ("HBS"). For additional information, see footnote B.

**Simon Property Group, Inc.**  
*Unaudited Joint Venture Combined Balance Sheets*  
(Dollars in thousands)

	June 30, 2019	December 31, 2018
<b>Assets:</b>		
Investment properties, at cost	\$ 19,124,164	\$ 18,807,449
Less - accumulated depreciation	7,119,224	6,834,633
	12,004,940	11,972,816
Cash and cash equivalents	882,158	1,076,398
Tenant receivables and accrued revenue, net	425,658	445,148
Deferred costs and other assets	618,538	390,818
Total assets	\$ 13,931,294	\$ 13,885,180
<b>Liabilities and Partners' Deficit:</b>		
Mortgages	\$ 15,253,009	\$ 15,235,415

Accounts payable, accrued expenses, intangibles, and deferred revenue	881,032	976,311
Other liabilities	554,459	344,205
Total liabilities	<u>16,688,500</u>	16,555,931
Preferred units	67,450	67,450
Partners' deficit	<u>(2,824,656)</u>	<u>(2,738,201)</u>
Total liabilities and partners' deficit	<u>\$ 13,931,294</u>	<u>\$ 13,885,180</u>

**Our Share of:**

Partners' deficit	\$ (1,227,185)	\$ (1,168,216)
Add: Excess Investment (A)	<u>1,564,970</u>	<u>1,594,198</u>
Our net Investment in unconsolidated entities, at equity	<u>\$ 337,785</u>	<u>\$ 425,982</u>

Note: The above financial presentation does not include any information related to our investments in Klépierre and HBS Global Properties. For additional information, see footnote B.

**Simon Property Group, Inc.**

*Unaudited Reconciliation of Non-GAAP Financial Measures (C)*  
(Amounts in thousands, except per share amounts)

**Reconciliation of Consolidated Net Income to FFO**

	For the Three Months Ended		For the Six Months Ended	
	June 30,		June 30,	
	2019	2018	2019	2018
<b>Consolidated Net Income (D)</b>	\$ 572,102	\$ 631,414	\$ 1,204,048	\$ 1,346,938
<b>Adjustments to Arrive at FFO:</b>				
Depreciation and amortization from consolidated properties	350,045	317,364	675,983	631,370
Our share of depreciation and amortization from unconsolidated entities, including Klépierre and HBS	139,271	137,279	273,902	272,204
Gain on sale or disposal of, or recovery on, assets and interests in unconsolidated entities and impairment, net	(2,681)	(9,672)	(2,681)	(144,949)
Unrealized losses (gains) in fair value of equity instruments	12,317	(9,692)	7,000	(6,664)
Net (income) loss attributable to noncontrolling interest holders in properties	(400)	(279)	518	(186)
Noncontrolling interests portion of depreciation and amortization	(4,935)	(4,537)	(9,818)	(9,185)
Preferred distributions and dividends	(1,313)	(1,313)	(2,626)	(2,626)
<b>FFO of the Operating Partnership</b>	<u>\$ 1,064,406</u>	<u>\$ 1,060,564</u>	<u>\$ 2,146,326</u>	<u>\$ 2,086,902</u>

**Diluted net income per share to diluted FFO per share reconciliation:**

<b>Diluted net income per share</b>	\$ 1.60	\$ 1.77	\$ 3.38	\$ 3.77
Depreciation and amortization from consolidated properties and our share of depreciation and amortization from unconsolidated entities, including Klépierre and HBS, net of noncontrolling interests portion of depreciation and amortization	1.37	1.27	2.65	2.51
Gain on sale or disposal of, or recovery on, assets and interests in unconsolidated entities and impairment, net	(0.01)	(0.03)	(0.01)	(0.41)
Unrealized losses (gains) in fair value of equity instruments	0.03	(0.03)	0.02	(0.02)
<b>Diluted FFO per share</b>	<u>\$ 2.99</u>	<u>\$ 2.98</u>	<u>\$ 6.04</u>	<u>\$ 5.85</u>

Details for per share calculations:

FFO of the Operating Partnership	\$ 1,064,406	\$ 1,060,564	\$ 2,146,326	\$ 2,086,902
Diluted FFO allocable to unitholders	(140,077)	(139,426)	(282,396)	(273,985)
Diluted FFO allocable to common stockholders	<u>\$ 924,329</u>	<u>\$ 921,138</u>	<u>\$ 1,863,930</u>	<u>\$ 1,812,917</u>
Basic and Diluted weighted average shares outstanding	308,709	309,355	308,843	309,966
Weighted average limited partnership units outstanding	46,783	46,827	46,791	46,845
Basic and Diluted weighted average shares and units outstanding	<u>355,492</u>	<u>356,182</u>	<u>355,634</u>	<u>356,811</u>
Basic and Diluted FFO per Share	<u>\$ 2.99</u>	<u>\$ 2.98</u>	<u>\$ 6.04</u>	<u>\$ 5.85</u>

**Simon Property Group, Inc.**  
*Footnotes to Unaudited Financial Information*

**Notes:**

- (A) Excess investment represents the unamortized difference of our investment over equity in the underlying net assets of the related partnerships and joint ventures shown therein. The Company generally amortizes excess investment over the life of the related assets.
- (B) The Unaudited Joint Venture Combined Statements of Operations do not include any operations or our share of net income or excess investment amortization related to our investments in Klépierre and HBS Global Properties. Amounts included in Footnote D below exclude our share of related activity for our investments in Klépierre and HBS Global Properties. For further information on Klépierre, reference should be made to financial information in Klépierre's public filings and additional discussion and analysis in our Form 10-K.
- (C) This report contains measures of financial or operating performance that are not specifically defined by GAAP, including FFO and FFO per share. FFO is a performance measure that is standard in the REIT business. We believe FFO provides investors with additional information concerning our operating performance and a basis to compare our performance with those of other REITs. We also use these measures internally to monitor the operating performance of our portfolio. Our computation of these non-GAAP measures may not be the same as similar measures reported by other REITs.

We determine FFO based upon the definition set forth by the National Association of Real Estate Investment Trusts ("NAREIT") Funds From Operations White Paper - 2018 Restatement. Our main business includes acquiring, owning, operating, developing, and redeveloping real estate in conjunction with the rental of real estate. Gains and losses of assets incidental to our main business are included in FFO. We determine FFO to be our share of consolidated net income computed in accordance with GAAP, excluding real estate related depreciation and amortization, excluding gains and losses from extraordinary items, excluding gains and losses from the sale, disposal or property insurance recoveries of, or any impairment related to, depreciable retail operating properties, plus the allocable portion of FFO of unconsolidated joint ventures based upon economic ownership interest, and all determined on a consistent basis in accordance with GAAP. However, you should understand that FFO does not represent cash flow from operations as defined by GAAP, should not be considered as an alternative to 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.

- (D) Includes our share of:

-Gains on land sales of \$7.2 million and \$1.4 million for the three months ended June 30, 2019 and 2018, respectively, and \$11.6 million and \$2.7 million for the six months ended June 30, 2019 and 2018, respectively.

-Straight-line adjustments increased income by \$27.2 million and \$6.4 million for the three months ended June 30, 2019 and 2018, respectively, and \$43.8 million and \$15.0 million for the six months ended June 30, 2019 and 2018, respectively.

-Amortization of fair market value of leases from acquisitions increased income by \$1.4 million and \$1.0 million for the three months ended June 30, 2019 and 2018, respectively, and \$2.7 million and \$2.4 million for the six months ended June 30, 2019 and 2018, respectively.

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