



Simon Property Group Reports Fourth Quarter and Full Year 2021 Results

February 7, 2022

INDIANAPOLIS, Feb. 7, 2022 /PRNewswire/ -- Simon, a global leader in the ownership of premier shopping, dining, entertainment and mixed-use destinations, today reported results for the quarter and twelve months ended December 31, 2021.



"I am extremely pleased with our fourth quarter results, concluding a very productive year," said David Simon, Chairman, Chief Executive Officer and President. "In 2021, we generated record annual Funds From Operations of nearly \$4.5 billion and returned approximately \$2.7 billion to shareholders. We executed over 15 million square feet of leases, completed five significant domestic redevelopments, opened two new international shopping destinations, and substantially increased the profitability generated from our other platform investments during the year. Our Company is focused on unlocking value through unique and disciplined investment activities that will continue to deliver long-term growth in cash flow, FFO and dividends per share."

Results for the Year

- Net income attributable to common stockholders was \$2.246 billion, or \$6.84 per diluted share, as compared to \$1.109 billion, or \$3.59 per diluted share in 2020. Results for 2021 included net gains of \$189.3 million, or \$0.50 per diluted share. Results for 2020 included a net charge of \$115.0 million, or \$0.32 per diluted share.
- Funds From Operations ("FFO") was \$4.487 billion, or \$11.94 per diluted share, as compared to \$3.237 billion, or \$9.11 per diluted share, in the prior year, a 31.1% increase. FFO for 2021 includes the aforementioned net gains.
- Domestic property net operating income ("NOI") increased 12.0% compared to 2020. Portfolio NOI, which includes NOI from domestic properties, international properties and NOI from the Company's investment in Taubman Realty Group, increased 22.3% compared to 2020.

Results for the Quarter

- Net income attributable to common stockholders was \$503.2 million, or \$1.53 per diluted share, as compared to \$271.5 million, or \$0.86 per diluted share in 2020.
- FFO was \$1.160 billion, or \$3.09 per diluted share, as compared to \$786.6 million, or \$2.17 per diluted share, in the prior year, a 42.4% increase.
- Domestic property NOI increased 22.4% and Portfolio NOI increased 33.6% compared to the prior year period.

U.S. Malls and Premium Outlets Operating Statistics

- Occupancy was 93.4% at December 31, 2021, compared to 91.3% at December 31, 2020.
- Base minimum rent per square foot was \$53.91 at December 31, 2021.

Development Activity

On October 15, 2021, [Jeju Premium Outlets](#) (Jeju Island, South Korea) opened with 92,000 square feet of high-quality, name brand stores. Jeju Premium Outlets is the fifth Premium Outlet® Center in South Korea. Simon owns a 50% interest in this center.

Construction continues on two new international development projects including:

- [Fukaya-Hanazono Premium Outlets®](#) (Tokyo, Japan); projected to open in October 2022. Simon owns a 40% interest in this project.
- [Paris-Giverny Designer Outlet](#) (Normandie, France); projected to open in spring 2023. Simon owns a 74% interest in this project.

Progress continues on the transformative mixed-use redevelopment of Phipps Plaza (Atlanta, GA), which will open in fall 2022. Nobu Hotel and Nobu Restaurant, Life Time Athletic and Work, Citizens food hall, and a 13-story Class A office tower will further elevate this premier destination.

Construction also continues on other significant redevelopment projects, including The Falls (Miami, FL), Roosevelt Field (Garden City, NY) and Stanford Shopping Center (Palo Alto, CA).

Capital Markets and Balance Sheet Liquidity

The Company was active in both the secured and unsecured credit markets in 2021.

During the year, the Company completed 25 non-recourse mortgage loans totaling approximately \$3.3 billion (U.S. dollar equivalent), of which Simon's share was \$1.9 billion. The weighted average interest rate on these loans was 3.14%.

In addition, during December 2021, the Company paid approximately \$1.16 billion for the early retirement of non-recourse mortgage loans on nine of its consolidated properties.

During the quarter, the Company amended and extended its \$3.5 billion unsecured multi-currency revolving credit facility. The facility will initially mature on January 31, 2026 and at our sole option, can be extended for an additional year to January 31, 2027. Based upon the Company's current credit ratings, the interest rate on the new revolver for U.S. Dollar borrowings is SOFR plus 72.5 points, plus a spread adjustment to account for the transition from LIBOR to SOFR.

As of December 31, 2021, Simon had approximately \$7.0 billion of liquidity consisting of \$1.2 billion of cash on hand, including its share of joint venture cash, and \$5.8 billion of available capacity under its revolving credit facilities, net of \$500 million outstanding under its U.S. commercial paper program.

Subsequent to the end of the quarter, the Company completed a two-tranche senior notes offering totaling \$1.2 billion. Net proceeds from the offering were used to repay indebtedness outstanding under the Company's \$3.5 billion senior unsecured revolving credit facility and for general corporate purposes, increasing the Company's liquidity to approximately \$8.0 billion.

Dividends

The Company paid its fourth quarter 2021 common stock dividend of \$1.65 per share on December 31, 2021, a 26.9% increase year-over-year and 10.0% increase sequentially.

Simon's Board of Directors declared a quarterly common stock dividend of \$1.65 on February 7, 2022, for the first quarter of 2022. This is a 26.9% increase year-over-year. The dividend will be payable on March 31, 2022 to shareholders of record on March 10, 2022.

Simon's Board of Directors declared the quarterly dividend on its 8 3/8% Series J Cumulative Redeemable Preferred Stock (NYSE: SPGPrJ) of \$1.046875 per share, payable on March 31, 2022 to shareholders of record on March 17, 2022.

2022 Guidance

The Company currently estimates net income to be within a range of \$5.90 to \$6.10 per diluted share and FFO will be within a range of \$11.50 to \$11.70 per diluted share for the year ending December 31, 2022.

The following table provides the GAAP to non-GAAP 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, 2022

| | Low End | High End |
|--|----------------|----------------|
| Estimated net income attributable to common stockholders per diluted share | \$5.90 | \$6.10 |
| Depreciation and amortization including Simon's share of unconsolidated entities | <u>5.60</u> | <u>5.60</u> |
| Estimated FFO per diluted share | <u>\$11.50</u> | <u>\$11.70</u> |

Conference Call

Simon will hold a conference call to discuss the quarterly financial results today from 5:00 p.m. to 6:00 p.m. Eastern Time, Monday, February 7, 2022. A live webcast of the conference call will be accessible in listen-only mode at investors.simon.com. An audio replay of the conference call will be available until February 14, 2022. To access the audio replay, dial 1-844-512-2921 (international 1-412-317-6671) passcode 13725697.

Supplemental Materials and Website

Supplemental information on our fourth quarter 2021 performance is available at 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. 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 and portfolio 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 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: uncertainties regarding the impact of the COVID-19 pandemic and governmental restrictions intended to prevent its spread on our business, financial condition, results of operations, cash flow and liquidity and our ability to access the capital markets, satisfy our debt service obligations and make distributions to our stockholders; 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; the intensely competitive market environment in the retail industry, including e-commerce; an increase in vacant space at our properties; the inability to lease newly developed properties and renew leases and relet space at existing properties on favorable terms; our international activities subjecting us to risks that are different from or greater than those associated with our domestic operations, including changes in foreign exchange rates; 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, including covenants in the governing agreements that impose restrictions on us that may affect our ability to operate freely; 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; the transition of LIBOR to an alternative reference rate; 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, including guarantees of certain joint venture indebtedness; environmental liabilities; natural disasters; the availability of comprehensive insurance coverage; the potential for terrorist activities; security breaches that could compromise our information technology or infrastructure; 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 real estate investment trust engaged 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.

Simon Property Group, Inc.
Unaudited Consolidated Statements of Operations
(Dollars in thousands, except per share amounts)

| | For the Three Months Ended December 31, | | For the Twelve Months Ended December 31, | |
|--|--|------------------|---|------------------|
| | 2021 | 2020 | 2021 | 2020 |
| REVENUE: | | | | |
| Lease income | \$ 1,224,913 | \$ 1,032,795 | \$ 4,736,719 | \$ 4,302,367 |
| Management fees and other revenues | 28,102 | 25,336 | 106,483 | 96,882 |
| Other income | 73,123 | 73,298 | 273,587 | 208,254 |
| Total revenue | 1,326,138 | 1,131,429 | 5,116,789 | 4,607,503 |
| EXPENSES: | | | | |
| Property operating | 124,472 | 81,675 | 415,720 | 349,154 |
| Depreciation and amortization | 319,864 | 331,851 | 1,262,715 | 1,318,008 |
| Real estate taxes | 111,153 | 110,067 | 458,953 | 457,142 |
| Repairs and maintenance | 34,265 | 23,376 | 96,391 | 80,858 |
| Advertising and promotion | 26,618 | 37,646 | 114,303 | 98,613 |
| Home and regional office costs | 52,295 | 41,249 | 184,660 | 171,668 |
| General and administrative | 9,600 | 5,366 | 30,339 | 22,572 |
| Other | 56,338 | 38,152 | 140,518 | 137,679 |
| Total operating expenses | 734,605 | 669,382 | 2,703,599 | 2,635,694 |
| OPERATING INCOME BEFORE OTHER ITEMS | 591,533 | 462,047 | 2,413,190 | 1,971,809 |

| | | | | |
|--|-------------------|-------------------|---------------------|---------------------|
| Interest expense | (193,504) | (197,855) | (795,712) | (784,400) |
| Loss on extinguishment of debt | (20,289) | - | (51,841) | - |
| Gain on sale or exchange of equity interests | 18,844 | - | 178,672 | - |
| Income and other tax (expense) benefit | (48,833) | 1,572 | (157,199) | 4,637 |
| Income from unconsolidated entities | 220,699 | 63,260 | 782,837 | 219,870 |
| Unrealized gains (losses) in fair value of equity instruments | 26 | 494 | (8,095) | (19,632) |
| Gain (loss) on acquisition of controlling interest, sale or disposal of, or recovery on, assets and interests in unconsolidated entities and impairment, net | 5,254 | (16,792) | 206,855 | (114,960) |
| CONSOLIDATED NET INCOME | 573,730 | 312,726 | 2,568,707 | 1,277,324 |
| Net income attributable to noncontrolling interests | 69,655 | 40,409 | 319,076 | 164,760 |
| Preferred dividends | 834 | 834 | 3,337 | 3,337 |
| NET INCOME ATTRIBUTABLE TO COMMON STOCKHOLDERS | \$ 503,241 | \$ 271,483 | \$ 2,246,294 | \$ 1,109,227 |
| BASIC AND DILUTED EARNINGS PER COMMON SHARE: | | | | |
| Net income attributable to common stockholders | \$ 1.53 | \$ 0.86 | \$ 6.84 | \$ 3.59 |

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

| | December 31, 2021 | December 31, 2020 |
|---|----------------------|----------------------|
| ASSETS: | | |
| Investment properties, at cost | \$ 37,932,366 | \$ 38,050,196 |
| Less - accumulated depreciation | 15,621,127 | 14,891,937 |
| | 22,311,239 | 23,158,259 |
| Cash and cash equivalents | 533,936 | 1,011,613 |
| Tenant receivables and accrued revenue, net | 919,654 | 1,236,734 |
| Investment in TRG, at equity | 3,305,102 | 3,451,897 |
| Investment in Klépierre, at equity | 1,661,943 | 1,729,690 |
| Investment in other unconsolidated entities, at equity | 3,075,375 | 2,603,571 |
| Right-of-use assets, net | 504,119 | 512,914 |
| Investments held in trust - special purpose acquisition company | 345,000 | - |
| Deferred costs and other assets | 1,121,011 | 1,082,168 |
| Total assets | \$ 33,777,379 | \$ 34,786,846 |
| LIABILITIES: | | |
| Mortgages and unsecured indebtedness | \$ 25,321,022 | \$ 26,723,361 |
| Accounts payable, accrued expenses, intangibles, and deferred revenues | 1,433,216 | 1,311,925 |
| Cash distributions and losses in unconsolidated entities, at equity | 1,573,105 | 1,577,393 |
| Dividend payable | 1,468 | 486,922 |
| Lease liabilities | 506,931 | 515,492 |
| Other liabilities | 540,912 | 513,515 |
| Total liabilities | 29,376,654 | 31,128,608 |
| Commitments and contingencies | | |
| Limited partners' preferred interest in the Operating Partnership and noncontrolling redeemable interests | 547,740 | 185,892 |
| EQUITY: | | |
| 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 | 41,763 | 42,091 |
| Common stock, \$0.0001 par value, 511,990,000 shares authorized, 342,907,608 and 342,849,037 issued and outstanding, respectively | 34 | 34 |
| Class B common stock, \$0.0001 par value, 10,000 shares authorized, 8,000 issued and outstanding | - | - |
| Capital in excess of par value | 11,212,990 | 11,179,688 |
| Accumulated deficit | (5,823,708) | (6,102,314) |
| Accumulated other comprehensive loss | (185,186) | (188,675) |
| Common stock held in treasury, at cost, 14,295,983 and 14,355,621 shares, respectively | (1,884,441) | (1,891,352) |
| Total stockholders' equity | 3,361,452 | 3,039,472 |
| Noncontrolling interests | 491,533 | 432,874 |
| Total equity | 3,852,985 | 3,472,346 |
| Total liabilities and equity | \$ 33,777,379 | \$ 34,786,846 |

Simon Property Group, Inc.
Unaudited Joint Venture Combined Statements of Operations
(Dollars in thousands)

| | For the Three Months Ended December 31, | | For the Twelve Months Ended December 31, | |
|-----------------|--|------------|---|--------------|
| | 2021 | 2020 | 2021 | 2020 |
| REVENUE: | | | | |
| Lease income | \$ 743,395 | \$ 624,516 | \$ 2,797,221 | \$ 2,544,134 |
| Other income | 115,033 | 85,284 | 319,956 | 300,634 |
| Total revenue | 858,428 | 709,800 | 3,117,177 | 2,844,768 |

| OPERATING EXPENSES: | | | | |
|---|-------------------|------------------|-------------------|-------------------|
| Property operating | 155,409 | 136,616 | 575,584 | 519,979 |
| Depreciation and amortization | 174,625 | 179,719 | 686,790 | 692,424 |
| Real estate taxes | 60,083 | 64,864 | 263,325 | 262,351 |
| Repairs and maintenance | 25,675 | 19,061 | 79,300 | 68,722 |
| Advertising and promotion | 19,962 | 24,764 | 72,441 | 67,434 |
| Other | 87,859 | 55,888 | 200,899 | 163,710 |
| Total operating expenses | 523,613 | 480,912 | 1,878,339 | 1,774,620 |
| OPERATING INCOME BEFORE OTHER ITEMS | | | | |
| | 334,815 | 228,888 | 1,238,838 | 1,070,148 |
| Interest expense | (152,445) | (152,703) | (605,591) | (616,332) |
| Gain on sale or disposal of, or recovery on, assets and interests in unconsolidated entities, net | 1,443 | - | 34,814 | - |
| NET INCOME | \$ 183,813 | \$ 76,185 | \$ 668,061 | \$ 453,816 |
| Third-Party Investors' Share of Net Income | \$ 89,779 | \$ 32,731 | \$ 333,304 | \$ 226,364 |
| Our Share of Net Income | 94,034 | 43,454 | 334,757 | 227,452 |
| Amortization of Excess Investment (A) | (15,180) | (19,953) | (64,974) | (82,097) |
| Our Share of Gain on Sale or Disposal of Assets and Interests in Other Income in the Consolidated Financial Statements | - | - | (14,941) | - |
| Our Share of Gain on Sale or Disposal of, or Recovery on, Assets and Interests in Unconsolidated Entities, net | (541) | - | (541) | - |
| Income from Unconsolidated Entities (B) | \$ 78,313 | \$ 23,501 | \$ 254,301 | \$ 145,355 |

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

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

| | December 31, 2021 | December 31, 2020 |
|---|----------------------|----------------------|
| Assets: | | |
| Investment properties, at cost | \$ 19,724,242 | \$ 20,079,476 |
| Less - accumulated depreciation | 8,330,891 | 8,003,863 |
| | 11,393,351 | 12,075,613 |
| Cash and cash equivalents | 1,481,287 | 1,169,422 |
| Tenant receivables and accrued revenue, net | 591,369 | 749,231 |
| Right-of-use assets, net | 154,561 | 185,598 |
| Deferred costs and other assets | 394,691 | 380,087 |
| Total assets | <u>\$ 14,015,259</u> | <u>\$ 14,559,951</u> |
| Liabilities and Partners' Deficit: | | |
| Mortgages | \$ 15,223,710 | \$ 15,569,485 |
| Accounts payable, accrued expenses, intangibles, and deferred revenue | 995,392 | 969,242 |
| Lease liabilities | 158,372 | 188,863 |
| Other liabilities | 383,018 | 426,321 |
| Total liabilities | <u>16,760,492</u> | <u>17,153,911</u> |
| Preferred units | 67,450 | 67,450 |
| Partners' deficit | (2,812,683) | (2,661,410) |
| Total liabilities and partners' deficit | <u>\$ 14,015,259</u> | <u>\$ 14,559,951</u> |
| Our Share of: | | |
| Partners' deficit | \$ (1,207,396) | \$ (1,130,713) |
| Add: Excess Investment (A) | 1,283,645 | 1,399,757 |
| Our net Investment in unconsolidated entities, at equity | <u>\$ 76,249</u> | <u>\$ 269,044</u> |

Note: The above financial presentation does not include any information related to our investments in Klépierre, TRG and other platform investments. 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 December 31, | | For the Twelve Months Ended December 31, | |
|--|--|------------|---|--------------|
| | 2021 | 2020 | 2021 | 2020 |
| Consolidated Net Income (D) | \$ 573,730 | \$ 312,726 | \$ 2,568,707 | \$ 1,277,324 |
| Adjustments to Arrive at FFO: | | | | |
| Depreciation and amortization from consolidated properties | 317,692 | 329,422 | 1,254,039 | 1,308,419 |
| Our share of depreciation and amortization from unconsolidated entities, including Klépierre, TRG and other corporate investments (E) | 278,118 | 133,645 | 887,390 | 536,133 |
| (Gain) loss on acquisition of controlling interest, sale or disposal of, or recovery on, assets and interests in unconsolidated entities and impairment, net | (5,254) | 16,792 | (206,855) | 114,960 |
| Unrealized (gains) losses in fair value of equity instruments (F) | - | (494) | 3,177 | 19,632 |
| Net loss (gain) attributable to noncontrolling interest holders in | | | | |

| | | | | |
|--|---------------------|-------------------|---------------------|---------------------|
| properties | 3,179 | (173) | 6,053 | 4,378 |
| Noncontrolling interests portion of depreciation and amortization, gain on consolidation of properties, and loss (gain) on disposal of properties | (5,941) | (3,966) | (20,295) | (18,631) |
| Preferred distributions and dividends | (1,313) | (1,313) | (5,252) | (5,252) |
| FFO of the Operating Partnership | \$ 1,160,211 | \$ 786,639 | \$ 4,486,964 | \$ 3,236,963 |
| Diluted net income per share to diluted FFO per share reconciliation: | | | | |
| Diluted net income per share | \$ 1.53 | \$ 0.86 | \$ 6.84 | \$ 3.59 |
| Depreciation and amortization from consolidated properties and our share of depreciation and amortization from unconsolidated entities, including Klépierre, TRG and other corporate investments, net of noncontrolling interests portion of depreciation and amortization (E) | 1.57 | 1.27 | 5.64 | 5.14 |
| (Gain) loss on acquisition of controlling interest, sale or disposal of, or recovery on, assets and interests in unconsolidated entities and impairment, net | (0.01) | 0.05 | (0.55) | 0.32 |
| Unrealized (gains) losses in fair value of equity instruments (F) | - | (0.01) | 0.01 | 0.06 |
| Diluted FFO per share | \$ 3.09 | \$ 2.17 | \$ 11.94 | \$ 9.11 |

Details for per share calculations:

| | | | | |
|---|--------------|------------|--------------|--------------|
| FFO of the Operating Partnership | \$ 1,160,211 | \$ 786,639 | \$ 4,486,964 | \$ 3,236,963 |
| Diluted FFO allocable to unitholders | (145,859) | (100,472) | (564,407) | (424,063) |
| Diluted FFO allocable to common stockholders | \$ 1,014,352 | \$ 686,167 | \$ 3,922,557 | \$ 2,812,900 |
| Basic and Diluted weighted average shares outstanding | 328,619 | 316,595 | 328,587 | 308,738 |
| Weighted average limited partnership units outstanding | 47,253 | 46,455 | 47,280 | 46,544 |
| Basic and Diluted weighted average shares and units outstanding | 375,872 | 363,050 | 375,867 | 355,282 |
| Basic and Diluted FFO per Share | \$ 3.09 | \$ 2.17 | \$ 11.94 | \$ 9.11 |
| Percent Change | 42.4% | | 31.1% | |

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, TRG and other platform investments. Amounts included in Footnote D below exclude our share of related activity for our investments in Klépierre, TRG and other platform investments. 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 (loss) on land sales of \$0.7 million and (\$0.1) million for the three months ended December 31, 2021 and 2020, respectively, and \$7.1 million and \$8.0 million for the twelve months ended December 31, 2021 and 2020, respectively.
 - Straight-line adjustments decreased income by (\$5.0) million and (\$19.6) million for the three months ended December 31, 2021 and 2020, respectively, and (\$25.7) million and (\$23.9) million for the twelve months ended December 31, 2021 and 2020, respectively.
 - Amortization of fair market value of leases increased (decreased) income by \$0.0 million and \$1.7 million for the three months ended December 31, 2021 and 2020, respectively, and (\$0.6) million and \$5.2 million for the twelve months ended December 31, 2021 and 2020, respectively.
- (E) The three and twelve months ended December 31, 2021 include amortization of our excess investment in TRG of \$107.0 million and \$201.7 million, respectively. The three months ended December 31, 2021 include \$56.6 million of additional amortization expense related to the nine months ended September 30, 2021 as a result of the finalization of purchase accounting.
- (F) Amount of unrealized gain/loss in fair value of equity instruments in FFO reconciliation relates to retail real estate investments with readily determinable fair values.

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